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Lodgement of Market Briefing**

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Market Briefing

MZI Resources CEO on financing and MZI outlook

Interview with Trevor Matthews (CEO)

In this Market Briefing interview, Trevor Matthews, MZI Resources' CEO, discusses the company's recent funding restructures, focus and outlook including:

- *Restructure of the Keysbrook Project funding package*
- *Update on the Keysbrook Project*
- *Near term focus for MZI*
- *Outlook for mineral sands*

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Why did the funding package for the Keysbrook Project need to be restructured? What does it mean for shareholders?

Trevor Matthews

The financing deal was restructured to better suit the requirements of the Keysbrook Project going forward. The provision of a standby facility and the changes to funding commitments by the individual lenders has, subject to shareholder approval, enabled MZI and the financiers to progress to completion of the finance and security agreements.

As part of the restructuring a foreign exchange hedging facility was also instituted, providing protection against adverse movements in exchange rates.

The revised funding arrangements further de-risk the Project by providing greater certainty that MZI has sufficient funding to carry the Company through to full production. These changes reflect the strong support for the Keysbrook development by the project financiers, RMB Australia and MZI's major shareholder Resource Capital Fund.

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What are the advantages of the revised funding arrangements?

Trevor Matthews

The revised funding arrangements have several advantages. They provide a facility to fund capital cost overrun which is required for debt funding and effectively removes the need for an equity raising by MZI to repay existing short term loans. It also adds significant foreign exchange hedging facilities. The revisions ensure that assuming shareholders approve the revised funding package, the development of the Keysbrook Project can commence in the near future and in a timeframe that will maximise shareholder value.

Another key advantage of the revised funding package is that it positions the Company to meet its existing Keysbrook commitments in the timeframes required. MZI has finalised contracts with landowners, purchasers of planned production via offtake agreements and service providers for the Keysbrook Project, and delays in meeting these commitments would likely result in additional expenditure.

The revised funding arrangements also indirectly provides an opportunity to further explore the mineral sands potential in the region, where the Directors believe that there is considerable further exploration potential to extend the Keysbrook mine life and potentially expand the rate of annual production.

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MZI shareholders are due to vote on the proposed RCF Funding Package from RCF, how important is it for MZI shareholders to approve the funding package?

Trevor Matthews

RCF has been a shareholder for approximately 16 months and in that time has provided short term funding to enable the Company to progress with the Keysbrook Project design and engineering, complete the various approvals and commercial agreements required for project funding and development, and fund ongoing corporate costs.

RCF has also provided offers of long term funding that have been an essential part of attracting debt funding offers to enable the Company to be in a position of having all the funding required for the development of the Keysbrook mineral sands project and fund MZI's corporate costs through to operations cashflow.

For MZI to complete a total funding package of approximately US\$110 million at the low point of the mineral sands market cycle and in difficult financial markets for junior resource companies is a remarkable achievement.

We believe the Keysbrook project is economically robust due to its high grade product mix and relatively low operating costs, that we have the people to execute and deliver this project and that there is strong upside potential from project expansion.

I am sure shareholders understand the substantial value that will be unlocked by voting in favour of this resolution.

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What else needs to be completed prior to the commencement of construction at the Keysbrook Project?

Trevor Matthews

Offtake agreements for all of the L70 and zircon concentrate production are in place with DuPont and Tricoastal respectively. We are working towards completion of the L88 offtake agreement and while it is a long process, it is important to note negotiations have been occurring during the low point of the current mineral sands market cycle.

GR Engineering has been appointed to construct the Keysbrook Wet Concentrate Plant and associated infrastructure and carry out the necessary upgrades to Doral's Mineral Separation Plant. We also have agreements with Transmin for construction of the Mine Feed Unit and Western Power for the construction of a 22kv powerline to Keysbrook to access the state power grid.

To date we have also completed all landowner access agreements, have all project development approvals, mining and water licences, agreements for product logistics, processing of HMC to final products and port access for product exports.

Financing arrangements have been agreed with documentation in the final stages, with the RCF funding package being considered by shareholders on 7 November 2014.

In summary, other than the L88 offtake agreement mentioned above, all of the material contracts required to commence construction have been either executed or are finalised ready for execution.

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Is the Company looking at any other opportunities in the mineral sands space? What is the focus for the next 12 months?

Trevor Matthews

The focus is on preparing for commencement of mining at Keysbrook. While the funding process has focussed on the Keysbrook Ore Reserve life of 5.5 years, the Keysbrook Mineral Resource base provides opportunities to significantly extend that mine life. In addition there is substantial mineralisation in the area that provides further opportunities for the project to provide not only benefits for shareholders, but long term employment and business opportunities for the local community and the south west region of Western Australia.

The Company's Kilimiraka project and tenement holdings in the Northern Territory will be the subject of further exploration and assessment in the future as we do see development potential in these assets building on our previous mining experience in the region.

While the Board is always receptive to new opportunities being presented, the Company's focus is on turning Keysbrook into a premier mineral sands project in the short term.

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What do you think the future holds for mineral sands?

Trevor Matthews

The outlook for mineral sands is generally positive and there is a strong correlation between GDP growth and demand growth for mineral sands products. As the global economy improves, albeit patchy at the moment, demand and therefore prices for mineral sands is expected to increase. We are currently seeing the early signs of recovery in mineral sands' pricing, and the lower Australian dollar is also a positive.

The timing for the commissioning and ramp up of the Keysbrook project is expected to coincide with an expected improvement in prices through 2015 and combined with the forecast for a lower Australian dollar, puts MZI in an attractive position to benefit from having the funding in place to develop the Keysbrook project at the bottom of the current market cycle and move to production in an improving market.

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Thank you, Trevor.

For further information, please contact MZI Resources on +61 8 9328 9800 or visit www.mzi.com.au

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