



MZI Resources Limited (Administrators Appointed)
ACN 077 221 722
(MZI)

Update to Members

Financial reporting relief and extension of time for holding annual general meeting

We refer to:

- the appointment of Rob Kirman, Rob Brauer and Jason Preston as voluntary administrators of MZI Resources Limited (**MZI**) on 16 April 2019 (**Administrators**); and
- MZI's ASX announcement on 28 June 2019 in relation to the sale of 100% of the shares in Keysbrook Leucoxene Pty Ltd (**KLPL**), including the Keysbrook Mineral Sands Mine and associated assets.

Subsequent to the sale of KLPL, the Administrators have commenced a process for the sale of MZI's remaining assets and the potential recapitalisation of the MZI ASX-listed entity. As this process is ongoing, the Administrators have been successful in submitting applications to the Australian Securities Investment Commission (**ASIC**) for:

- relief from financial reporting obligations of MZI pursuant to section 340(1) of the Corporations Act 2001 (*Cth*) (**Act**); and
- an extension to the period within which MZI must hold its 2019 annual general meeting under subsection 250P of the Act.

Financial reporting relief

ASIC has granted relief to MZI so as to defer the period (**Deferral Period**) during which MZI is required to provide the following financial reports to its members, ASX and the ASIC:

- financial year accounts for the period ending 30 June 2019; and
- financial year or half-year accounts of MZI for periods ending during the Deferral Period.

A copy of the relief instrument (ASIC Instrument 19-1065) is attached as Annexure A. The relief is provided subject to compliance with certain conditions.

The Deferral Period commences on the date of the relief instrument and ends on the earlier of:

- 30 June 2020;
- the date on which a disclosure document is lodged with ASIC in relation to any offer for issue or sale of securities that needs disclosure to investors under Chapter 6D of the Act;
- the date on which MZI is reinstated to quotation by ASX Limited; or
- the date that MZI ceases to be under external administration.

Extension of time for holding annual general meeting

Noting the financial reporting relief referred to above and the fact that there is currently no financial accounts available to be table at any annual general meeting, MZI applied to ASIC for, and obtained, an

A6-191029-MZIRRES01-Circular to members reporting relief v2-jc

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extension to the period which MZI must hold its 2019 annual meeting under subsection 250P(4) of the Act. MZI must now hold its annual general meeting within the two months after the Deferral Period expires.

MZI securities remain suspended from quotation.

The Administrators have put in place arrangements to respond, free of charge, to members' and creditors' queries in relation to the consequences and progress of the external administration. Relevant information will also be available on the Administrators' website at <https://www.mcgrathnicol.com/creditors/mzi-resources-ltd/>.

If you have any queries please contact Jacob Flores of my staff on (08) 6363 7686.

Dated: 31 October 2019

Rob Kirman
Voluntary Administrator

Enclosure:
ASIC Instrument 19-1065



Annexure A- ASIC Instrument 19-1065

**Australian Securities and Investments Commission
Corporations Act 2001 - Subsection 340(1) - Order**

Enabling legislation

1. The Australian Securities and Investments Commission (**ASIC**) makes this instrument under subsection 340(1) of the *Corporations Act 2001* (the **Act**).

Title

2. This Order is ASIC Instrument 19-1065

Commencement

3. This instrument commences on the day it is signed.

Order

4. MZI Resources Limited (Administrators Appointed) ACN 077 221 722 (the **Company**) does not have to comply with any of the following obligations under Part 2M.3 of the Act:
 - (a) report to members of the Company under section 314 within the time required by section 315;
 - (b) send reports to a member of the Company in accordance with a request under subsection 316(1) within the time required by subsection 316(2);
 - (c) lodge reports with ASIC under subsection 319(1) within the time required by subsection 319(3);
 - (d) lodge half-year reports with ASIC under subsection 320(1) within the time required by that subsection;

in relation to a financial year or half-year of the Company ending during the deferral period.

This paragraph applies until the last day of the deferral period.

5. The Company does not have to comply with an obligation under Part 2M.3 of the Act of a kind specified in paragraph 4 in relation to the Company's financial year that ended 30 June 2019 but only to the extent that the Part would have imposed, but for this paragraph 5, a continuing obligation on the Company from the date of this instrument. This paragraph applies until the last day of the deferral period.

Conditions

6. The Company:
 - (a) must comply with any obligation to which paragraphs 4 and 5 apply by no later than the last day of the deferral period;

- (b) must arrange for a notice explaining the relief granted by this instrument to be published:
 - (i) both:
 - (A) in a prominent place on the Company's website (if any); and
 - (B) in a place that is readily accessible on a website maintained by the External Administrator or any external administrator appointed after the External Administrator; and

Note: If the external administrator is a member of a firm then the firm's website will satisfy this requirement.
 - (ii) if the company is listed on a prescribed financial market—on a website maintained by the operator of the financial market;
- (c) must have adequate arrangements in place to answer, within a reasonable period of time and without charge, any reasonable questions asked by a member of the Company about the external administration or any later external administration or managing controllership occurring after the appointment of the External Administrator and during the deferral period;
- (d) must prepare a report for each relevant period during the deferral period and on the completion of the deferral period, which includes information about the progress and status of the external administration unless disclosure of that information would be prejudicial to the external administration, including details (as applicable) of:
 - (i) the actions taken during the period;
 - (ii) the actions required to complete the external administration;
 - (iii) the actions proposed to be taken in the next 12 months;
 - (iv) the expected time to complete the external administration;
- (e) a report required to be prepared under subparagraph (d) in relation to a relevant period must be made available to members of the company within 14 days after the end of the relevant period by arranging for the report to be published:
 - (i) both:
 - (A) in a prominent place on the Company's website (if any); and
 - (B) in a place that is readily accessible on a website maintained by the External Administrator or any external administrator appointed after the External Administrator; and
 - (ii) if the company is listed on a prescribed financial market—on a website maintained by the operator of the financial market;

7. The Company need not comply with the condition specified in subparagraph 6(a) (other than an obligation referred to in paragraph 4(c) or 4(d)) if, by no later than the last day of the deferral period, the Company arranges for a prescribed notice to be published:
- (a) both:
 - (i) in a prominent place on the Company's website (if any); and
 - (ii) in a place that is readily accessible on a website maintained by the External Administrator or any external administrator appointed after the External Administrator during the deferral period; and

Note: If the external administrator is a member of a firm then the firm's website will satisfy this requirement.
 - (b) if the company is listed on a prescribed financial market—on a website maintained by the operator of the financial market.
8. This order will cease to apply in relation to a half-year or a financial year of the Company from the date of any failure to comply with a condition in paragraph 6 (subject to paragraph 7) in relation to the half-year or the financial year.
9. To avoid doubt, subject to paragraph 7, if an obligation to which paragraph 4 or 5 applies has not been complied with by the day after the end of the deferral period or the day after this order ceases to apply under paragraph 8, whichever occurs first, this order has no application from that date to any continuing obligation.

Interpretation:

In this instrument:

deferral period means the period starting on the date of this instrument and ending on the earlier of:

- (a) 30 June 2020; or
- (b) the date on which a disclosure document is lodged with ASIC in relation to any offer for issue or sale of securities that needs disclosure to investors under Chapter 6D of the Act; or
- (d) the date on which the Company is reinstated to quotation by ASX Limited; or
- (e) the date that the Company ceases to be under external administration.

external administration means where an external administrator has been appointed to the Company.

external administrator means:

- (a) an administrator of the Company appointed under s436A, 436B or 436C of the Act;
- (b) where the Company has executed a deed of company arrangement that has not yet terminated, the administrator of the deed appointed under Part 5.3A of the Act; or

- (c) a provisional liquidator of the Company.

External Administrator means Rob Brauer, Jason Preston and Robert Kirman appointed as Joint and Several Administrators to the Company under subsection 436A(1) of the Act on 16 April 2019.

prescribed notice means a notice that contains statements to the following effect:

- (a) the reports for the relevant financial year of the Company have been lodged with ASIC; and
- (b) the Company will send copies of the reports to a member of the Company free of charge if the member asks for the reports in writing; and
- (c) the reports are available for download on the relevant website together with a hypertext link to the reports.

relevant period in relation to a report, means:

- (a) for the first relevant period, the period ending 1 month after the date of this instrument;
- (b) for subsequent relevant periods other than the last relevant period ending at the end of the deferral period, each period of 6 months starting at the end of the previous relevant period; and
- (c) for the last relevant period ending at the end of the deferral period, the period starting at the end of the previous relevant period and ending at the end of the deferral period.

Dated: 25 October 2019



Signed by Lorraine Mizzi
as a delegate of the Australian Securities and Investments Commission