ASX ANNOUNCEMENT

20 January 2015

MZI commences drilling west of Keysbrook Resource

Highlights

- Exploration drilling commences to expand Keysbrook Project
- Keysbrook-style mineralisation identified to the west of the existing 78.9Mt Keysbrook Resource
- Opportunity to materially extend the life of the Keysbrook Project

MZI Resources Ltd (ASX:MZI) is pleased to announce that it has commenced exploration drilling to further investigate mineralisation potential west of its flagship Keysbrook Mineral Sands Project.

Commenting on the potential to materially extend the life of the Keysbrook Project, MZI Managing Director Trevor Matthews said: "We are very excited about the potential for mineralisation west of the Keysbrook Project, which exhibits mineralisation analogous to that within the existing Mineral Resource. While still too early to tell given exploration drilling has only commenced, the potential scale of the identified target mineralisation could significantly enhance the mine life and further improve the strong fundamental metrics of the project".

Drilling is being undertaken by locally-based contractor Arrinooka Drilling, reinforcing the company's commitment to providing opportunities within the local community. The exploration drilling program is combined with a grade control drilling program. This combined program comprises 864 holes and has an expected duration of 8 weeks. Results from the exploration drilling program should be available in the June quarter 2015.

Keysbrook is a zircon and leucoxene rich mineral sands project located 70 kilometres south of Perth in Western Australia. Leucoxene is an intermediate to high grade form of naturally occurring titanium dioxide.

Mineral sands products have a range of consumer, lifestyle and industrial applications. Titanium dioxide is utilised in the production of pigment used in paints, plastics, papers, titanium metal and welding electrodes. Zirconium based products are used in ceramics for tiles, sanitary ware and table ware and zirconia metal applications.

Figure 1 below outlines the location of Keysbrook West in relation to the existing Keysbrook Project and planned Wet Concentrator Plant location.

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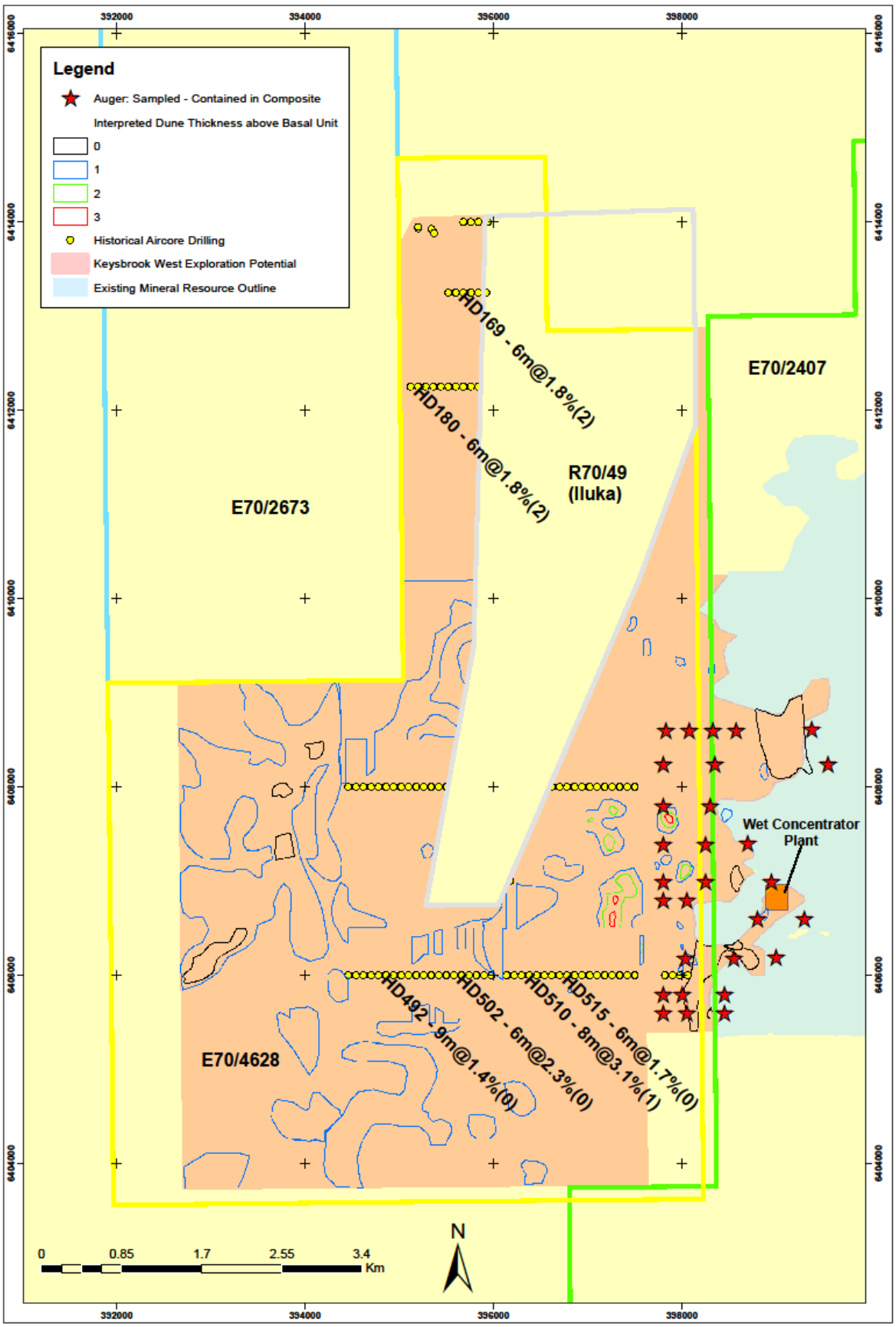

Figure 1 - Keysbrook West Location with Dune Interpretation and Significant Intercepts (which show intersection length, % total heavy mineral (THM) and depth)

Exploration Licence

Keysbrook West is located on Exploration Licences' E70/2407 and E70/4628. E70/4628 was granted on 3 November 2014 following application by the Company.

MZI identified that sand dune material analogous to the resource at the Keysbrook Project extended to the west into the vacant ground.

Exploration Target

MZI has completed a series of auger holes to a depth of one metre, stepping west from the current Keysbrook Project Resource boundary. Figure 1 displays the location of this work. MZI was encouraged by the results of this work, which identified clear extensions to the Keysbrook mineralisation with the majority of auger holes ending in mineralisation.

A single composite assay was generated from this work, which returned an assay value of 1.6%THM. This grade is indicative only, with previous drill results from the Keysbrook Mineral Resource indicating grade increases with depth. Information with regards to the auger work is included in Appendix A with supporting Table 1 comments in Appendix B.

Historical data revealed reconnaissance drilling across the recently granted E70/4628. Figure 1 displays the significant drill intercepts interpreted to be within Keysbrook-style dune mineralisation. The three most significant intercepts are:

- 8m@3.1% THM from 1 metre in HD510 (396300E 6406000N)
- 7m@2.4% THM from 1 metre in HD511 (396380E 6406000N)
- 6m@2.3% THM from 0 metres in HD502 (395580E 6406000N)

A full list of the intercepts is contained in Appendix C with the supporting Table 1 in Appendix B. Reconnaissance field traverses on E70/4628 by the MZI team confirmed the presence of heavy mineral near surface in panned concentrates.

Conceptual Target

Desktop analysis of multiple scenarios has resulted in compilation of a range of potential tonnages and THM grade based on the use of different parameters with regards to the extent and thickness of mineralisation outlined in Figure 1. The area of assessment is from the western margin of Keysbrook West to the western extent of the current Keysbrook Project resource, comprising an area of 33km^2.

The scenarios are based on the following parameters:

- Mineralised aircore drilling intercepts based on 1m@1%THM as a minimum cut-off
- Presence of sand dune material interpreted from orthophotography and topographic contours
- Presence of a mineralised basal sand dune unit beneath interpreted sand dune material based on auger drilling intercepts with a thickness range of 0 to 3 metres dependant on location and scenario

Of these three parameters, the latter varies between the different scenarios due to the lack of available data, with the other two parameters remaining constant.

The spatial location of these parameters is displayed in Figure 1.

Based on this work, an exploration target has been defined. The potential quantity and grade is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Exploration Target	Minimum	Maximum
Potential Tonnage (Mt)	20	120
Potential Grade (%THM)	1.0	2.3
Potential Contained Heavy Mineral (Mt)	0.2	2.7

The range of potential tonnage for the Keysbrook West area represents a significant uplift to the current Keysbrook Project Mineral Resource estimate of 78.9Mt at an average grade of 2.5% THM.

Current Work Program

The aircore drilling program in progress has the dual purpose of acquiring Grade Control data for the first year of mining for the Keysbrook Project and also testing the readily accessible lots within the Keysbrook West area. This combined program comprises 864 holes and has an expected duration of 8 weeks. The Keysbrook West drilling is proposed with sufficient drilling density to allow declaration of a Mineral Resource should significant mineralisation be intercepted. MZI intends to manage this program in conjunction with the construction of the Keysbrook Project to maximise the opportunity to include any future Mineral Resource into the mine plan and thereby extend the life of the project beyond its current Resource life.

Any extension of the Keysbrook Project life is dependent on the granting of further licences and approvals to mine and agreement with landholders.

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Competent Person's Statement – Exploration Results

The information in this report that relates to exploration results is based on information compiled or reviewed by Mr Stephen Harrison BSc (Hons) who is a member of the Australia Institute of Geoscientists. Stephen Harrison is a full time employee of MZI Resources Ltd. Stephen Harrison has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Stephen Harrison consents to the inclusion of this information in the form and context in which it appears in this report.

The information which relates to the Keysbrook Mineral Resource is based upon information compiled by Mrs Christine Standing, who is a Member of the Australasian Institute of Mining and Metallurgy. Mrs Standing is an employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mrs Standing consents to the inclusion in the report of a summary based upon her information in the form and context in which it appears.

APPENDIX A – AUGER DATA

Hole	Sample	GPSE	GPSN	Dip	Azimuth	From	To	Lith1	Lith1%	Lith2	Lith2%	Washability	Ferricrete	Estimated HM%	Comment	Inclusion in Composite Sample
KAU001	E2939	398475	6406177	-90	0	0.0	1.0	Sand	90	Clay	10	Mod	0	2.0	GPS out - pin flagged. Yellow sand	-
KAU002	E2940	398432	6406177	-90	0	0.0	1.0	Sand	90	Clay	8	Mod	2	1.5	GPS out - pin flagged. Yellow sand. 2% coffee rock	-
KAU003	E2941	398388	6406179	-90	0	0.0	0.5	Sand	90	Clay	8	Mod	2	1.5	GPS out - pin flagged. Yellow sand. 2% coffee rock. More clay at base - refusal	-
KAU004	E2942	398342	6406179	-90	0	0.0	0.5	Sand	85	Clay	13	Mod	2	1.5	GPS out - pin flagged. Yellow sand. 2% coffee rock. More clay at base - refusal	-
KAU005	NA	398297	6406181	-90	0	0.0	0.2	TS							Topsoil and clay, hit refusal. No sample	-
KAU006	NA	398249	6406183	-90	0	0.0	0.5	TS							Topsoil and clay, hit refusal. No sample	-
KAU007	NA	398206	6406184	-90	0	0.0	0.1	TS							Topsoil and clay, hit refusal. No sample	-
KAU008	NA	398162	6406184	-90	0	0.0	0.2	TS							Topsoil and clay, hit refusal. No sample	-
KAU009	E2943	398123	6406187	-90	0	0.0	1.0	Sand	96	Clay	4	Mod	0	1.5	GPS out - pin flagged. Yellow sand	-
KAU010	NA	398080	6406187	-90	0	0.0							0		No hole drilled - tree line. Good white sand	-
KAU011	E2944	398037	6406189	-90	0	0.0	1.0	Sand	96	Clay	4	Very easy	0	1.0	GPS out - pin flagged. Yellow sand	Y
KAU012	E2945	397992	6406194	-90	0	0.0	1.0	Sand	93	Clay	7	Mod	0	1.2	GPS out - pin flagged. Yellow sand	-
KAU013	E2946	397940	6406193	-90	0	0.0	0.5	Sand	85	Clay	10	Difficult	5	1.0	GPS out - pin flagged. 5% oversize - wood? Mn Lat?	-
KAU014	NA	397904	6406204	-90	0	0.0	0.2								Topsoil and clay, hit refusal. No sample	-
KAU015	E2947	398551	6406188	-90	0	0.0	0.5	Sand	94	Clay	6	Mod	0	1.5		Y
KAU016	NA	398600	6406205	-90	0	0.0	0.3	Sand	93	Clay	7	Mod	0	2	Thin sand and topsoil. Hit refusal in clay	-
KAU017	E2948	398652	6406196	-90	0	0.0	0.5	Sand	96	Clay	4	Easy	0	2	Grey sand	-
KAU018	E2949	398700	6406200	-90	0	0.0	0.6	Sand	94	Clay	6	Mod	0	1.5	Yellow sand	-
KAU019	E2950	398750	6406200	-90	0	0.0	0.6	Sand	93	Clay	7	Mod	0	1.5		-
KAU020	E2951	398800	6406200	-90	0	0.0	0.6	Sand	88	Clay	7	Mod	5	1.5	5% lat	-
KAU021	E2952	398850	6406200	-90	0	0.0	1.0	Sand	95	Clay	5	Easy	0	2		-
KAU022	E2953	398900	6406200	-90	0	0.0	1.0	Sand	94	Clay	6	Mod	100	2	Loamy at surface, lat at EOH	-
KAU023	E2954	398950	6406200	-90	0	0.0	1.1	Sand	99	Clay	1	Very easy	0	2	On flank of sand dune	-
KAU024	E2955	399000	6406200	-90	0	0.0	1.1	Sand	99	Clay	1	Very easy	0	1	On flank of sand dune	Y
KAU025	E2956	399300	6406600	-90	0	0.0	1.1	Sand	95	Clay	5	Easy	0	2.5	On flank of sand dune	Y
KAU026	E2957	399250	6406600	-90	0	0.0	0.5	Sand	90	Clay	5	Easy	5	1.5	5% lat EOH	-
KAU027	E2958	399200	6406600	-90	0	0.0	1.1	Sand	95	Clay	5	Easy	0	2	Yellow sand	-
KAU028	E2959	399150	6406600	-90	0	0.0	1.1	Sand	97	Clay	3	Easy	0	1.5	Yellow sand	-
KAU029	E2960	399100	6406600	-90	0	0.0	1.1	Sand	97	Clay	5	Mod	0	1.5		-
KAU030	NA	399050	6406600	-90	0	0.0	0.2								Loamy, refusal at 0.2m. No sample	-
KAU031	E2961	398983	6406604	-90	0	0.0	1.1	Sand	88	Clay	7	Mod	5	1.5	Hole moved due to trees. 5% lat	-

Hole	Sample	GPSE	GPSN	Dip	Azimuth	From	To	Lith1	Lith1%	Lith2	Lith2%	Washability	Ferricrete	Estimated HM%	Comment	Inclusion in Composite Sample
KAU032	E2962	398950	6406600	-90	0	0.0	1.1	Sand	91	Clay	9	Difficult	0	1.5		-
KAU033	E2963	398900	6406600	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	2.5	Flank of dune	-
KAU034	E2964	398852	6406604	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	2.0	Moved due to tree	-
KAU035	E2965	398800	6406600	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.8	Top of dune	Y
KAU036	E2966	398600	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	2.0	Water at bottom of hole	-
KAU037	E2967	398550	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	2.0	Water at bottom of hole	-
KAU038	E2968	398500	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.5	Thicker humus layer	-
KAU039	E2969	398450	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.0	Coarser sand, less mineral. On flank of dune	-
KAU040	E2970	398394	6407776	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.0		-
KAU041	E2971	398350	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.5	Damp	-
KAU042	E2972	398300	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.5	Damp	Y
KAU043	E2973	398250	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	5	2.0	Coffee rock around 0.8 for 0.1 around 5% of sample	-
KAU044	E2974	398200	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.2		-
KAU045	E2975	398150	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	10	1.2	Minor clay and coffee rock at eoh	-
KAU046	E2976	398100	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.7		-
KAU047	E2977	398050	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.7		-
KAU048	E2978	398000	6407800	-90	0	0.0	1.0	Sand	97	Clay	3	Very easy	0	1.2	Refusal at 1m	-
KAU049	E2979	397950	6407800	-90	0	0.0	1.0	Sand	95	Clay	5	Very easy	0	1.5	Increasing clay towards EOH	-
KAU050	E2980	397900	6407800	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.2	Damp clay increasing slightly at depth	-
KAU051	E2981	397850	6407800	-90	0	0.0	1.1	Sand	96	Clay	4	Very easy	0	1.7	Damp clay increasing slightly at depth	-
KAU052	E2982	397800	6407800	-90	0	0.0	1.1	Sand	96	Clay	4	Very easy	0	1.7	Damp clay increasing slightly at depth	Y
KAU053	E2983	397800	6408250	-90	0	0.0	1.1	Sand	96	Clay	4	Very easy	0	1.5		Y
KAU054	E2984	397850	6408250	-90	0	0.0	1.1	Sand	93	Clay	4	Very easy	3	1.5	3% coffee rock	-
KAU055	E2985	397900	6408250	-90	0	0.0	1.1	Sand	97	Clay	4	Very easy	0	2.0	Clay at EOH	-
KAU056	E2986	397950	6408250	-90	0	0.0	1.1	Sand	98	Clay	2	Very easy	0	2.0		-
KAU057	E2987	398000	6408250	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	2.0		-
KAU058	E2988	398050	6408250	-90	0	0.0	1.1	Sand	96	Clay	4	Very easy	0	1.5		-
KAU059	E2989	398100	6408250	-90	0	0.0	1.1	Sand	96	Clay	4	Very easy	0	2.0		-
KAU060	E2990	398150	6408250	-90	0	0.0	1.1	Sand	95	Clay	5	Very easy	0	1.5		-
KAU061	E2991	398200	6408250	-90	0	0.0	1.1	Sand	94	Clay	6	Moderate	1	1.5	Water seepage, trace of coffee rock	-
KAU062	E2992	398250	6408250	-90	0	0.0	1.1	Sand	97	Clay	3	Moderate	0	1.5		-
KAU063	E2993	398300	6408250	-90	0	0.0	1.1	Sand	95	Clay	3	Very easy	2	1.5	2% coffee rock	-
KAU064	E2994	398350	6408250	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	2.0		Y
KAU065	E2995	398400	6408250	-90	0	0.0	1.1	Sand	94	Clay	3	Very easy	3	1.5	3% coffee rock	-
KAU066	E2996	398450	6408250	-90	0	0.0	1.1	Sand	98	Clay	2	Very easy	0	2.0		-

Hole	Sample	GPSE	GPSN	Dip	Azimuth	From	To	Lith1	Lith1%	Lith2	Lith2%	Washability	Ferricrete	Estimated HM%	Comment	Inclusion in Composite Sample
KAU067	E2997	398500	6408250	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	2.0		-
KAU068	E2998	398550	6408250	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	2.0		-
KAU069	E2999	398600	6408250	-90	0	0.0	1.1	Sand	95	Clay	3	Very easy	2	1.5	2% coffee rock	-
KAU070	E3000	398650	6408250	-90	0	0.0	1.1	Sand	98	Clay	2	Very easy	0	1.5		-
KAU071	E3001	398700	6408250	-90	0	0.0	1.1	Sand	98	Clay	2	Very easy	0	1.5		-
KAU072	E3002	398750	6408250	-90	0	0.0	1.1	Sand	95	Clay	3	Very easy	2	1.5	Difficult to drill. Brown colour.2% coffee rock forming hard layer near top	-
KAU073	E3003	398800	6408250	-90	0	0.0	0.5	Sand	88	Clay	2	Very easy	10	1.5	Refusal at 0.5. Hit coffee rock and clay at 0.5. 10% coffee rock	-
KAU074	E3004	397800	6407000	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	1	1.5	1% coffee rock	Y
KAU075	E3005	397850	6407005	-90	0	0.0	0.5	Sand	97	Clay	3	Very easy	0	1.2	Light grey, refusal, no coffee rock	-
KAU076	E3006	397900	6407000	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.2		-
KAU077	E3007	397950	6407000	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	0.5	On flank of hill	-
KAU078	E3008	398000	6406985	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	0.7		-
KAU079	E3009	398080	6407000	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	0.7		-
KAU080	E3010	398100	6407000	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.5	Yellow sand	-
KAU081	E3011	398150	6407000	-90	0	0.0	1.1	Sand	97	Clay	3	Very easy	0	1.5	Yellow sand	-
KAU082	E3012	398200	6407000	-90	0	0.0	1.1	Sand	93	Clay	4	Very easy	3	1.5	, 3% coffee rock	-
KAU083	E3013	398250	6407005	-90	0	0.0	1.1	Sand	95	Clay	5	Very easy	0	1.5	Yellow sand	Y
KAU084	E3014	398300	6407000	-90	0	0.0	1.1	Sand	95	Clay	5	Very easy	0	1.5	Yellow sand	-
KAU085	E3015	398350	6407000	-90	0	0.0	1.1	Sand	95	Clay	3	Very easy	0	1.5		-
KAU086	E3016	398400	6407000	-90	0	0.0	1.1	Sand	95	Clay	3	Very easy	0	1.5	Orange sand	-
KAU087	E3017	398448	6407002	-90	0	0.0	1.1	Sand	96	Clay	4	Very easy	0	1.7	Yellow orange sand	-
KAU088	E3018	398500	6407000	-90	0	0.0	1.1	Sand	95	Clay	3	Very easy	0	1.5	Yellow sand	-
KAU089	E3019	398550	6407000	-90	0	0.0	0.3	Sand	62	Clay	8	Moderate	30	1.5	30% coffee rock	-
KAU090	E3020	398600	6407000	-90	0	0.0	0.6	Sand	77	Clay	3	Very easy	20	1.5	20% coffee rock	-
KAU091	E3021	398650	6407000	-90	0	0.0	0.8	Sand	77	Clay	3	Very easy	20	1.5	20% coffee rock	-
KAU092	E3022	398700	6407000	-90	0	0.0	1.1	Sand	92	Clay	3	Very easy	5	1.5	5% coffee rock	-
KAU093	E3023	398750	6407000	-90	0	0.0	0.7	Sand	88	Clay	2	Very easy	10	1.5	10% coffee rock at EOH	-
KAU094	E3024	398800	6407000	-90	0	0.0	0.4	Sand	91	Clay	3	Very easy	5	1.0	Orange brown, coffee rock near top and EOH	-
KAU095	E3025	398850	6407000	-90	0	0.0	0.4	Sand	66	Clay	3	Very easy	30	1.0	Orange brown, coffee rock near top and EOH	-
KAU096	E3026	398900	6406995	-90	0	0.0	0.9	Sand	91	Clay	3	Very easy	5	1.5	Yellow grey sand	-
KAU097	E3027	398950	6407005	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.5	, minor coffee rock at eoh	Y
KAU098	E3028	399000	6406995	-90	0	0.0	0.5	Sand	76	Clay	3	Very easy	20	1.5	Yellow sand	-
KAU099	NA	399050	6407000	-90	0	0.0	0.1						100		Coffee rock at surface	-

Hole	Sample	GPSE	GPSN	Dip	Azimuth	From	To	Lith1	Lith1%	Lith2	Lith2%	Washability	Ferricrete	Estimated HM%	Comment	Inclusion in Composite Sample
KAU100	NA	399100	6407000	-90	0	0.0							100		Coffee rock at surface	-
KAU101	E3029	398800	6407400	-90	0	0.0	0.9	Sand	94	Clay	3	Very easy	2	1.5	Minor coffee rock. Yellow orange sand	-
KAU102	E3030	398750	6407400	-90	0	0.0	0.9	Sand	85	Clay	4	Very easy	10	1.5	Yellow sand	-
KAU103	E3031	398700	6407400	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.5	Yellow sand	Y
KAU104	E3032	398650	6407400	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.5	Yellow sand	-
KAU105	E3033	398600	6407400	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.5	Yellow sand	-
KAU106	E3034	398550	6407400	-90	0	0.0	1.1	Sand	95	Clay	4	Very easy	0	1.5	Yellow sand	-
KAU107	E3035	398500	6407400	-90	0	0.0	1.1	Sand	93	Clay	4	Very easy	2	1.5	Yellow sand	-
KAU108	E3036	398450	6407400	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.0	Yellow sand	-
KAU109	E3037	398400	6407400	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.0	Yellow sand	-
KAU110	E3038	398350	6407400	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.0	Light grey	-
KAU111	E3039	398300	6407395	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.0	Light grey	-
KAU112	E3040	398250	6407395	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.0	Light grey	Y
KAU113	E3041	398200	6407395	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.0	Light grey	-
KAU114	E3042	398150	6407395	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.0	Cream, water at end of hole	-
KAU115	E3043	398100	6407395	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.0	Light grey	-
KAU116	E3044	398050	6407395	-90	0	0.0	1.1	Sand	95	Clay	4	Very easy	0	1.2	Cream grey, wet at EOH	-
KAU117	E3045	388000	6407395	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.2	Cream	-
KAU118	E3046	387950	6407395	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.5	Creamy yellow	-
KAU119	E3047	387900	6407390	-90	0	0.0	1.1	Sand	94	Clay	3	Very easy	2	1.5	Creamy yellow	-
KAU120	E3048	387850	6407395	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.5	Light grey	-
KAU121	E3049	387800	6407395	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.5	Light grey	Y
KAU122	E3050	397800	6406800	-90	0	0.0	1.1	Sand	94	Clay	5	Very easy	0	1.5	Grey sand	-
KAU123	E3051	397850	6406800	-90	0	0.0	1.1	Sand	94	Clay	5	Very easy	0	1.2	Grey sand	-
KAU124	E3052	397900	6406800	-90	0	0.0	1.1	Sand	95	Clay	4	Very easy	0	1.5	Yellow sand	-
KAU125	E3053	397950	6406800	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.2	Yellow sand damp and more clay EOH	-
KAU126	E3054	398000	6406800	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.2	Yellow sand damp and more clay EOH	-
KAU127	E3055	398050	6406800	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.2	Light grey	Y
KAU128	E3056	398100	6406800	-90	0	0.0	1.1	Sand	95	Clay	2	Very easy	2	1.2	Grey brown	-
KAU129	E3057	398150	6406800	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.5	Yellow sand	-
KAU130	E3058	398200	6406800	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.5	Yellow sand	-
KAU131	E3059	387800	6405800	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.0	Yellow sand	Y
KAU132	E3060	397850	6405800	-90	0	0.0	1.1	Sand	95	Clay	4	Very easy	0	1.5	Yellow sand	-
KAU133	E3061	397900	6405800	-90	0	0.0	1.1	Sand	97	Clay	2	Very easy	0	1.2	Light grey	-
KAU134	E3062	397950	6405800	-90	0	0.0	1.1	Sand	94	Clay	5	Moderate	0	1.5	Yellow sand	-

Hole	Sample	GPSE	GPSN	Dip	Azimuth	From	To	Lith1	Lith1%	Lith2	Lith2%	Washability	Ferricrete	Estimated HM%	Comment	Inclusion in Composite Sample
KAU135	E3063	398000	6405800	-90	0	0.0	1.1	Sand	94	Clay	5	Moderate	0	1.5	Yellow sand	Y
KAU136	E3064	398050	6405800	-90	0	0.0	0.7	Sand	92	Clay	7	Difficult	0	1.5	Sandy clay	-
KAU137	E3065	398100	6405800	-90	0	0.0	0.6	Sand	94	Clay	5	Moderate	0	1.5	Clayey sand yellow colour	-
KAU138	E3066	398150	6405800	-90	0	0.0	0.9	Sand	91	Clay	5	Very easy	3	1.0	Clayey sand	-
KAU139	E3067	398200	6405800	-90	0	0.0	1.1	Sand	95	Clay	4	Very easy	0	1.5	S, refusal in coffee rock?	-
KAU140	E3068	398250	6405800	-90	0	0.0	1.1	Sand	96	Clay	2	Very easy	0	2	Light grey	-
KAU141	E3069	398300	6405800	-90	0	0.0	1.1	Sand	97	Clay	1	Very easy	0	2	On southern flank of dune with max height 1m above hole	-
KAU142	E3070	398350	6405800	-90	0	0.0	1.1	Sand	97	Clay	1	Very easy	0	2	On southern flank of dune with max height 1m above hole. Next to peg for KPD14	-
KAU143	E3071	398400	6405800	-90	0	0.0	1.0	Sand	94	Clay	1	Very easy	3	2.0	Light grey. Coffee rock at EOH	-
KAU144	E3072	398450	6405800	-90	0	0.0	1.1	Sand	94	Clay	4	Very easy	1	1.5	Yellow sand	Y
KAU145	E3073	397800	6405600	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.5	Yellow sand	Y
KAU146	E3074	397850	6405600	-90	0	0.0	1.1	Sand	92	Clay	4	Very easy	3	1.0	Yellow sand	-
KAU147	E3075	397900	6405600	-90	0	0.0	1.1	Sand	92	Clay	4	Very easy	3	1.5	Yellow sand	-
KAU148	E3076	397950	6405600	-90	0	0.0	1.1	Sand	91	Clay	4	Very easy	3	1.7	Yellow sand	-
KAU149	E3077	398000	6405600	-90	0	0.0	1.1	Sand	95	Clay	3	Very easy	0	2.0	Grey sand	-
KAU150	E3078	398050	6405600	-90	0	0.0	1.1	Sand	98	Clay	1	Very easy	0	1.5	Grey sand	Y
KAU151	E3079	398100	6405600	-90	0	0.0	0.7	Sand	92	Clay	7	Difficult	0	1.5	SC, clay refusal	-
KAU152	E3080	398150	6405600	-90	0	0.0	0.7	Sand	92	Clay	7	Difficult	0	1.5	SC, clay refusal	-
KAU153	E3081	398200	6405600	-90	0	0.0	1.0	Sand	93	Clay	5	Very easy	0	1.7	Yellow sand	-
KAU154	E3082	398250	6405600	-90	0	0.0	1.1	Sand	96	Clay	2	Very easy	0	1.8	Grey sand	-
KAU155	E3083	398300	6405600	-90	0	0.0	0.8	Sand	93	Clay	1	Very easy	5	1.5	Light grey sand, refusal into coffee rock	-
KAU156	E3084	398350	6405600	-90	0	0.0	0.4	Sand	93	Clay	1	Very easy	5	1.5	Light grey sand, refusal into coffee rock	-
KAU157	E3085	398400	6405600	-90	0	0.0	1.1	Sand	98	Clay	1	Very easy	0	1.5	Light grey	-
KAU158	E3086	398450	6405600	-90	0	0.0	1.1	Sand	98	Clay	1	Very easy	0	1.0	Light grey	Y
KAU159	E3087	398500	6405600	-90	0	0.0	1.1	Sand	98	Clay	1	Very easy	0	1.0	Light grey	-
KAU160	E3088	398550	6405600	-90	0	0.0	1.1	Sand	98	Clay	1	Very easy	0	1.0	Light grey	-
KAU161	E3089	398850	6408250	-90	0	0.0	0.6	Sand	92	Clay	7	Difficult	0	1.5	Yellow brown colour. Refusal in clay	-
KAU162	E3090	398850	6408200	-90	0	0.0	1.1	Sand	98	Clay	1	Very easy	0	1.2	Light grey	Y
KAU163	E3091	398850	6408300	-90	0	0.0	0.4	Sand	87	Clay	2	Very easy	10	1.2	Refusal at coffee rock	-
KAU164	E3092	398850	6408350	-90	0	0.0	1.0	Sand	94	Clay	1	Very easy	3	2.0	Hit coffee rock at EOH	-
KAU165	E3093	398900	6408250	-90	0	0.0	1.0	Sand	97	Clay	1	Very easy	0	2.0	Hit coffee rock at EOH	-
KAU166	E3094	398950	6408250	-90	0	0.0	0.6	Sand	90	Clay	2	Very easy	7	1.0	Orange colour. Refusal on coffee rock	-
KAU167	E3095	399000	6408250	-90	0	0.0	0.6	Sand	97	Clay	2	Very easy	0	1.5	Grey sand. Refusal on coffee rock	-
KAU168	E3096	399050	6408250	-90	0	0.0	0	Sand	97	Clay	2	Very easy	0	1.5	Light grey sand. Refusal on coffee rock	-

Hole	Sample	GPSE	GPSN	Dip	Azimuth	From	To	Lith1	Lith1%	Lith2	Lith2%	Washability	Ferricrete	Estimated HM%	Comment	Inclusion in Composite Sample
KAU169	E3097	399100	6408250	-90	0	0.0	0.3	Sand	78	Clay	1	Very easy	20	1.2	Light grey sand. Refusal on coffee rock	-
KAU170	E3098	399150	6408250	-90	0	0.0	0.4	Sand	78	Clay	1	Very easy	20	1.2	Light grey sand. Refusal on coffee rock	-
KAU171	E3099	399200	6408250	-90	0	0.0	0.6	Sand	78	Clay	1	Very easy	20	1.2	Light grey sand. Refusal on coffee rock	-
KAU172	E3100	399250	6408250	-90	0	0.0	1.1	Sand	94	Clay	5	moderate	0	1.2	Orange CS	-
KAU173	E3101	399300	6408250	-90	0	0.0	0	Sand	67	Clay	2	Very easy	30	1.5	Grey sand. Refusal at coffee rock	-
KAU174	E3102	399350	6408250	-90	0	0.0	0.5	Sand	77	Clay	2	Very easy	20	1.5	Brown. Refusal on coffee rock	-
KAU175	E3103	399400	6408250	-90	0	0.0	1.0	Sand	98	Clay	1	Very easy	0	1.5	Yellows brown. Refusal at coffee rock. Located in clay pan area	-
KAU176	E3104	399450	6408250	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.5	Orange sand	-
KAU177	E3105	399500	6408250	-90	0	0.0	1.1	Sand	96	Clay	3	Very easy	0	1.5	Yellow sand	-
KAU178	E3106	399550	6408250	-90	0	0.0	1.1	Sand	95	Clay	3	Very easy	0	2.0	Yellow sand	Y
KAU179	E3107	399607	6408250	-90	0	0.0	1.0	Sand	95	Clay	3	Very easy	0	2.0	Yellow sand, hole indurated at top. Refusal at eoh coffee rock?	-
KAU180	E3108	397728	6408605	-90	0	0.0	0.5	Sand	97	Clay	2	Easy	0	1.0	gy sa, EOH clay	-
KAU181	E3109	397779	6408608	-90	0	0.0	0.7	Sand	96	Clay	3	Easy	0	0.7	gy sa, EOH clay	-
KAU182	E3110	397831	6408602	-90	0	0.0	1.1	Sand	95	Clay	4	Easy	0	1.2		Y
KAU183	E3111	397878	6408602	-90	0	0.0	0.9	Sand	94	Clay	5	Moderate	0	0.8	EOH clay	-
KAU184	E3112	397929	6408603	-90	0	0.0	0.6	Sand	92	Clay	7	Moderate	0	0.8	yw sa, EOH clay	-
KAU185	E3113	397978	6408602	-90	0	0.0	0.9	Sand	91	Clay	8	Difficult	0	1.0	yw sa, EOH clay	-
KAU186	E3114	398031	6408601	-90	0	0.0	1.1	Sand	94	Clay	5	Moderate	0	1.0	yw sa	-
KAU187	E3115	398077	6408600	-90	0	0.0	1.1	Sand	95	Clay	4	Easy	0	1.2	yw sa	Y
KAU188	E3116	398127	6408604	-90	0	0.0	1	Sand	96	Clay	3	Easy	0	1.2	gy	-
KAU189	E3117	398180	6408604	-90	0	0.0	0	Sand	94	Clay	5	Moderate	0	1.2	yw	-
KAU190	E3118	398227	6408606	-90	0	0.0	1	Sand	93	Clay	6	Moderate	0	0.8	yw	-
KAU191	E3119	398279	6408609	-90	0	0.0	1	Sand	94	Clay	5	Easy	0	1.2	yw	-
KAU192	E3120	398327	6408607	-90	0	0.0	1	Sand	98	Clay	1	Very easy	0	1.0	gy	Y
KAU193	E3121	398378	6408602	-90	0	0.0	1	Sand	97	Clay	2	Easy	0	1.0	gy	-
KAU194	E3122	398428	6408602	-90	0	0.0	1	Sand	95	Clay	4	Easy	0	1.2	yw	-
KAU195	E3123	398478	6408601	-90	0	0.0	1	Sand	97	Clay	2	Very easy	0	1.2	gy	-
KAU196	E3124	398528	6408601	-90	0	0.0	1	Sand	98	Clay	1	Very easy	0	1.4	gy	-
KAU197	E3125	398577	6408602	-90	0	0.0	1	Sand	96	Clay	3	Easy	0	1.4	gy/or	Y
KAU198	E3126	398629	6408604	-90	0	0.0	1	Sand	96	Clay	3	Easy	0	1.2	or/br	-
KAU199	E3127	398678	6408603	-90	0	0.0	1	Sand	97	Clay	2	Easy	0	1.1	or/br	-
KAU200	NA	398732	6408602	-90	0	0.0	0	Clay	60	Clay	40	im	0		rd	-
KAU201	E3128	398779	6408613	-90	0	0.0	1	Sand	84	Clay	5	Easy	10	1.2	or/br	-
KAU202	NA	398828	6408606	-90	0	0.0	0	Clay	80	Ro	20	Difficult			Rd/Br Topsoil and clay, hit refusal. No sample	-

Hole	Sample	GPSE	GPSN	Dip	Azimuth	From	To	Lith1	Lith1%	Lith2	Lith2%	Washability	Ferricrete	Estimated HM%	Comment	Inclusion in Composite Sample
KAU203	NA	398880	6408599	-90	0	0.0	0	Clay	80	Ro	20	Difficult			Rd/Br Topsoil and clay, hit refusal. No sample	-
KAU204	E3129	398928	6408600	-90	0	0.0	1	Clay	79	sa	20	Difficult		1.0		-
KAU205	E3130	398977	6408599	-90	0	0.0	1	Sand	87	Clay	2	Easy	10	1.5		-
KAU206	NA	399027	6408602	-90	0	0.0	0	ro	30	Clay	10		30		rd/bk topsoil and rock	-
KAU207	NA	399075	6408602	-90	0	0.0	0	Clay	100						rd/br clay	-
KAU208	NA	399133	6408598	-90	0	0.0	0	Clay	100						rd/br clay	-
KAU209	NA	399176	6408613	-90	0	0.0	0	Clay	100						rd/br clay	-
KAU210	NA	399229	6408615	-90	0	0.0	0	Clay	100						rd/br clay	-
KAU211	E3131	399278	6408613	-90	0	0.0	0	Sand	96	Clay	3	Easy	0	1.2	or	-
KAU212	E3132	399328	6408611	-90	0	0.0	1	Sand	96	Clay	3	Easy	0	1.4	gy	-
KAU213	E3133	399376	6408617	-90	0	0.0	1	Sand	98	Clay	1	Very easy	0	0.9	gy	Y

APPENDIX B – JORC TABLE 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary

Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*
	• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*
		• Aircore
		  • Samples rotary split during drilling to obtain a 75/25 representative sample split.
		  • Samples selected for analysis based on visual estimation of THM and clay content.
		  • Analysis was undertaken internally by Iluka. Samples dried, riffle split and deslimed using TSPP. Samples then attritioned, screened to -53um and +9.5mm, dried, screened to 2mm and split down to a 100g sample. Further screening at 710um completed, followed by heavy media separation using LST with an SG of 2.85g/cc. Cleaned with acetone, then dried, weighed and calculations compiled.
		• Hand Auger
		  • Sample recovered by placing matting around hole to ensure all material is captured. Material coned and quartered in field to allow representative sample to be placed in calico bag ready for analysis. Single calico bag of sample collected and retained for each hole.
		  • Samples selected for composite analysis based on spatial location
		  • Analysis undertaken by Diamantina Laboratories. Samples were dried, rotary split to 100g then deslimed (no TSPP). Material was sieved at -45um and +2mm and placed into TBE with an SG of 2.95g/cc for heavy media separation. Cleaned with acetone, then dried, weighed and calculations compiled.

Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Aircore – BQ sized Aircore rods were utilised for all drilling completed. Drilling completed using Iluka Resources Mantis 75 or Warman truck-mounted rig. • Hand Auger – 1 m long spiral auger of approximately 50mm diameter on petrol powered head.

Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*
		• Aircore
		  • Drilling conducted with water injection and cleaning of the sample delivery system after each metre to ensure minimal contamination and bias.
		  • Sample quality recorded during drilling.
		• Hand Auger
		  • Auger cleaned with metal brush at regular intervals to reduce contamination.
		  • Sample recovery not assessed due to intended use of samples as a reconnaissance technique.

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Aircore – Samples retained over 1 m intervals. Logging of rock types, quality, hardness, washability and grain size undertaken in field. Panned estimate of oversize and heavy mineral also completed. No photography taken. All intervals logged. • Hand Auger – Single sample for complete hole. Logging for all samples encompassing major rock types, percentages of slimes, oversize and washability. Estimate of heavy mineral content recorded from panning. No photography was taken of sample on ground or in pan. All intervals logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Aircore • Sample rotary split at ratio of 75/25, with 25% being retained in calico bags for assay. • Hand Auger

Criteria	JORC Code explanation	Commentary
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Material cone and quartered in the field to ensure representative sample was placed into a calico bag ready for analysis. Calico bags held approximately 2kg of sample, deemed sufficient for analysis of this type.

Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*
		• Aircore
		  • Heavy media separation - appropriate method.
		  • Duplicate samples routinely taken at 1in 20 ratio.
		  • Twin holes drilled at discretion of geologist at 1 in 40 ratio.
		  • Standard sample submitted daily with drill samples.
		• Hand Auger
		  • Heavy media separation - appropriate method.
		  • No further quality control was undertaken due to reconnaissance nature of samples.

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*
	• *The use of twinned holes.*
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*
	• *Discuss any adjustment to assay data.*
		• Aircore
		  • Twin holes drilled at discretion of geologist at 1 in 40 ratio.
		  • All data stored in Geological Data Management System.
		• Hand Auger
		  • single composite sample only, no quality control at this stage.
		  • Data stored in document control system pending establishment of geological database.

Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Aircore – located via RTK DGPS. • Hand Auger – located via handheld GPS in MGA94. • Topographic coverage – east of 396850E accurate LIDAR data was captured with 0.5m vertical contour intervals.

Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*
	• *Whether sample compositing has been applied.*
		• Aircore
		  • broad lines with 700-2,000 m line and 50 m hole spacing.
		  • Individual 1 m samples collected. Composite calculations used only for significant intersections outlined in this report.
		• Hand Auger
		  • 400 m line spacing, 50 m hole spacing over central area to the east of Hopeland Road.
		  • Single composite sample compiled from 31 individual samples
		• Spacing and lateral coverage is considered insufficient to classify a resource.

Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of the upper Bassendean sand dunes varies from north-south in the east of the licence adjacent to the Keysbrook deposit to east-west in the west of the licence. The underlying base zone appears from current data coverage to have no preferred orientation.
Sample security	• *The measures taken to ensure sample security.*	• Aircore – not known. • Hand Auger – all samples are retained in a locked sample shed.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Aircore – not documented. • Hand Auger – no audits or review undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration Licence Application number E70/4628 is relevant to this report, as are Prospecting Licence Applications P70/1662 and P70/1663. These tenements are to be held 100% by Keysbrook Leucoxene Pty. Ltd, a wholly owned subsidiary of MZI Resources Ltd. • It is the current understanding that all licences are located on pre-1899 fee simple, freehold land .
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration has been undertaken during the period 2006-2008 by Iluka Resources as part of tenement E70/2495. This exploration work is the basis for a large proportion of the exploration data presented in this release.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The tenement area is interpreted as being analogous to the neighbouring Keysbrook deposit, with regards to geology, setting and mineralisation. • Geologically the deposit comprises Bassendean Sand Formation sediments. This is composed of localised sand dunes, overlying a basal zone of sand. These mineralised units overly the clay-rich Guildford Formation. • Mineralisation is dispersed throughout the sand units, having been reworked by wind and water action from more frequently mined strandline-style mineral sands deposits.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Hand Auger – refer Appendix A. • Aircore – refer Appendix C.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Length weighted averages were created using a minimum analysis grade of 1%THM. Internal waste of up to 2 m was incorporated into the length weighted average only if the average of the interval remained greater than 1%THM. • Intervals included are only those considered to be analogous to the Keysbrook deposit. Deeper mineralised intersections are noted in the assay sheets but are not included in this assessment.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Flat-lying mineralisation intersected by vertical drillholes.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer Figure 1.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Discussed within report.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Interpretation of topographical data used to define areas of dune sand. • Bulk dry density of 1.6g/cc used as per Keysbrook resource release dated 1 March 2013. This is a consistent figure measured during one Troxlar densitometer program (18 samples) and two fixed volume measurement programs (73 and 10 samples respectively).
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Land access agreement discussions. • Reconnaissance mapping of area to west of Hopeland Road. • Aircore drilling in order to define the mineralisation laterally and at depth across the lease area.

APPENDIX C – AIRCORE INTERCEPT DATA

HoleID	Easting	Northing	RL(m)	Azimuth	Dip	Total Depth	From	To	THM%	OS%*	SL%	Intersection			
												From	To	Width	Grade
HD162	395840	6414000	16.8	0	-90	15	3	4	1.1	4.1	17.8	3	7	4	1.7
							4	5	1.3	-0.1	17.4				
							5	6	1.9	-0.1	15				
							6	7	2.5	-0.1	14.8				
HD163	395760	6414000	16.8	0	-90	15	3	4	1.9	-0.1	8.5	3	8	5	1.3
							4	5	1.2	-0.1	10.8				
							5	6	0.6	-0.1	5.5				
							6	7	1.4	-0.1	5.3				
							7	8	1.6	-0.1	4.5				
HD164	395680	6414000	16.7	0	-90	15	3	4	1.1	-0.1	8.7	3	8	5	2.2
							4	5	1.3	-0.1	9.1				
							5	6	1.5	-0.1	13.4				
							6	7	2.9	-0.1	16.5				
							7	8	4	-0.1	9.9				
HD165	395921.99	6413250	18.5	0	-90	15	3	4	1.1	0.7	7.1	3	5	2	1.1
							4	5	1.1	0.1	5.1				
HD166	395840	6413250	18.3	0	-90	15	-	-	-	-	-	-	-	-	-
HD167	395760	6413250	18	0	-90	15	3	4	1	-0.1	12.6	3	5	2	1.3
							4	5	1.6	-0.1	14.6				
HD168	395680	6413250	17.7	0	-90	15	2	3	1.1	0.3	26.3	2	4	2	1.3
							3	4	1.4	0.2	22.1				
HD169	395600	6413250	17.3	0	-90	15	2	3	2.2	0.3	12	2	8	6	1.8
							3	4	3	-0.1	8				
							4	5	1.2	-0.1	13.4				
							5	6	1	-0.1	14.1				
							6	7	1.6	-0.1	15.4				
							7	8	1.8	0.2	7				
HD170	395520	6413250	20	0	-90	14	3	4	1.7	0.2	15.4	3	5	2	2.9
							4	5	4	-0.1	9.9				
HD171	395343	6413925	10	0	-90	15	3	4	1.7	-0.1	4.9	3	5	2	1.5
							4	5	1.2	0.4	5.2				
HD172	395200	6413930	10	0	-90	15	3	4	1.4	-0.1	8	3	5	2	1.7
							4	5	1.9	-0.1	8.9				
HD173	395200	6413946	10	0	-90	15	3	4	1.1	0.4	8.3	3	5	2	1.2
							4	5	1.2	-0.1	7.7				
HD174	395940	6414000	16.859	0	-90	15	4	5	1.6	-0.1	10.1	4	5	1	1.6
HD175	395440	6412250	18.6	0	-90	15	-	-	-	-	-	-	-	-	-
HD176	395360	6412250	18.3	0	-90	15	-	-	-	-	-	-	-	-	-
HD177	395280	6412250	18.4	0	-90	15	3	4	1.3	0.3	6.9	3	6	3	1.9
							4	5	2.8	0.1	10.5				
							5	6	1.7	0.1	9.8				
HD178	395370	6413880	10	0	-90	15	3	4	1.3	-0.1	7.1	3	5	2	1.4
	395370	6413880	10	0	-90	15	4	5	1.5	-0.1	7.3				
HD179	395200	6412250	19	0	-90	15	1	2	1.1	-0.1	3.2	1	6	5	2.0
							2	3	1.8	-0.1	7.8				
							3	4	2.2	-0.1	7.2				
							4	5	2.7	-0.1	12				
							5	6	2.4	0.9	17.2				
HD180	395120	6412250	19.6	0	-90	15	2	3	1	-0.1	3.1	2	8	6	1.8
							3	4	1.5	1.3	6.8				
							4	5	0.7	0.2	4.8				
							5	6	1.9	-0.1	8.6				
							6	7	4.1	-0.1	9.1				

HoleID	Easting	Northing	RL(m)	Azimuth	Dip	Total Depth	From	To	THM%	OS%*	SL%	Intersection			
												From	To	Width	Grade
							7	8	1.4	-0.1	11.3				
HD181	395840	6412250	20.8	0	-90	15	-	-	-	-	-	-	-	-	-
HD182	395760	6412250	20.3	0	-90	15	2	3	1.5	3.2	30.8	2	3	1	1.5
HD183	395680	6412250	20	0	-90	15	-	-	-	-	-	-	-	-	-
HD184	395600	6412250	19.5	0	-90	15	-	-	-	-	-	-	-	-	-
HD185	395520	6412250	19	0	-90	15	-	-	-	-	-	-	-	-	-
HD449	397499.96	6408000	25	0	-90	15	0	1	1.2		4.9	0	2	2	1.2
							1	2	1.1		6.1				
HD450	397419.97	6408000	25	0	-90	15	-	-	-	-	-	-	-	-	-
HD453	397179.99	6408000	25	0	-90	30	5	6	1		4.9	5	7	2	1.2
							6	7	1.3		6.2				
HD454	397100	6408000	25	0	-90	15	-	-	-	-	-	-	-	-	-
HD455	397020.01	6408000	25	0	-90	15	-	-	-	-	-	-	-	-	-
HD456	396940.02	6408000	25	0	-90	15	3	4	1.1		25.8	3	4	1	1.1
HD457	396860.03	6407999.9	25	0	-90	15	0	1	1		4.3	0	4	4	1.1
							1	2	1.3		5.2				
							2	3	1		3.3				
							3	4	1		19.4				
HD458	396780.03	6408000	25	0	-90	30	0	1	1.1		6	0	4	4	1.3
							1	2	1.1		5.7				
							2	3	1.5		4.2				
							3	4	1.4		6				
HD459	396700.04	6408000	24.84	0	-90	15	1	2	1.1		25.6	1	5	4	1.4
							2	3	1.3		25.4				
							3	4	1.4		16.8				
							4	5	1.6		7.9				
HD460	396619.96	6408000	24.64	0	-90	15	2	3	2		23.4	2	4	2	1.65
							3	4	1.3		13.2				
HD474	395499.97	6408000	21.78	0	-90	15	2	3	1.8		9.7	2	5	3	1.7
							3	4	1.5		16.3				
							4	5	1.7		7				
HD475	395419.98	6408000	21.58	0	-90	15	1	2	1.2		4	1	3	2	1.5
							2	3	1.7		4.5				
HD476	395339.99	6408000	21.27	0	-90	15	2	3	1.2		4.9	2	4	2	1.4
							3	4	1.5		18				
HD477	395259.99	6408000	20.86	0	-90	15	3	4	1.2		2.6	3	4	1	1.2
HD478	395180	6408000.1	20.64	0	-90	30	2	3	1.1		3.9	2	4	2	1.1
							3	4	1		16.8				
HD479	395100.01	6408000	20.59	0	-90	15	2	3	1		16.1	2	3	1	1.0
HD480	395020.01	6408000	20.58	0	-90	15	-	-	-	-	-	-	-	-	-
HD481	394940.02	6408000	21.02	0	-90	15	1	2	1.1	3.7	6.2	1	2	1	1.1
HD482	394860.03	6408000	21.14	0	-90	15	-	-	-	-	-	-	-	-	-
HD483	394780.04	6408000	21.35	0	-90	30	2	3	1.2	0.3	5.8	2	4	2	1.1
							3	4	1	0.3	16.4				
HD484	394700.04	6408000	21.8	0	-90	15	-	-	-	-	-	-	-	-	-
HD485	394619.96	6408000	22.32	0	-90	15	3	4	1.2	0.1	5.4	3	7	4	1.7
							4	5	1.8	0.1	5.4				
							5	6	2.5	0.1	6.3				
							6	7	1.4	0.1	5.7				
HD486	394539.96	6408000	22.86	0	-90	15	3	4	1.7	0.1	2.1	3	6	3	2.3
		6408000	22.86	0	-90	15	4	5	2.5	1.1	7.4				
		6408000	22.86	0	-90	15	5	6	2.6	0.5	6.7				
HD487	394459.97	6408000	23.55	0	-90	15	2	3	1.2	0.1	1.4	2	5	3	1.5
	394459.97	6408000	23.55	0	-90	15	3	4	1.6	0.1	2.2				

HoleID	Easting	Northing	RL(m)	Azimuth	Dip	Total Depth	From	To	THM%	OS%*	SL%	Intersection			
												From	To	Width	Grade
	394459.97	6408000	23.55	0	-90	15	4	5	1.6	1.7	7.6				
HD488	394459.97	6406000	20	0	-90	15	1	2	1.9	0.1	2.6	1	3	2	1.8
	394459.97	6406000	20	0	-90	15	2	3	1.6	0.1	17.8				
HD489	394540.04	6406000	20	0	-90	15	2	3	1.2	0.1	3.4	2	8	6	1.2
	394540.04	6406000	20	0	-90	15	3	4	0.9	0.1	19.2				
	394540.04	6406000	20	0	-90	15	4	5	1.4	0.4	11.6				
	394540.04	6406000	20	0	-90	15	5	6	1.4	0.3	9.2				
	394540.04	6406000	20	0	-90	15	6	7	1.3	0.7	6.2				
	394540.04	6406000	20	0	-90	15	7	8	1	3.9	3.3				
HD490	394620.01	6406000	20	0	-90	15	0	1	1.1	0.1	3.1	0	3	3	1.2
	394620.01	6406000	20	0	-90	15	1	2	1.4	6.9	10.4				
	394620.01	6406000	20	0	-90	15	2	3	1.1	0.1	14.7				
HD491	394699.99	6406000	20	0	-90	15	0	1	1.6	0.1	7.9	0	4	4	1.5
	394699.99	6406000	20	0	-90	15	1	2	1.7	8.8	23.1				
	394699.99	6406000	20	0	-90	15	2	3	1.4	0.1	23.4				
	394699.99	6406000	20	0	-90	15	3	4	1.4	0.1	12.9				
HD492	394779.97	6405999.9	20	0	-90	30	0	1	1	0.1	2.9	0	9	9	1.4
	394779.97	6405999.9	20	0	-90	30	1	2	1.3	0.1	3.4				
	394779.97	6405999.9	20	0	-90	30	2	3	1.3	0.1	22.6				
	394779.97	6405999.9	20	0	-90	30	3	4	1.3	0.1	21.1				
	394779.97	6405999.9	20	0	-90	30	4	5	1.8	0.1	9				
	394779.97	6405999.9	20	0	-90	30	5	6	1.7	0.4	8.1				
	394779.97	6405999.9	20	0	-90	30	6	7	1.1	3.7	5.1				
	394779.97	6405999.9	20	0	-90	30	7	8	1.1	10.7	7				
	394779.97	6405999.9	20	0	-90	30	8	9	1.8	0.7	9.8				
HD493	394860.04	6406000	20	0	-90	15	1	2	1.6	0.1	2.9	1	9	8	1.3
	394860.04	6406000	20	0	-90	15	2	3	1.1	0.2	17.9				
	394860.04	6406000	20	0	-90	15	3	4	1.2	0.1	9.8				
	394860.04	6406000	20	0	-90	15	4	5	1.6	0.1	6.8				
	394860.04	6406000	20	0	-90	15	5	6	1.1	0.1	6.1				
	394860.04	6406000	20	0	-90	15	6	7	0.8	2.3	6.6				
	394860.04	6406000	20	0	-90	15	7	8	1.7	6.6	8.1				
	394860.04	6406000	20	0	-90	15	8	9	1.2	0.9	5.3				
HD494	394940.02	6406000	20	0	-90	15	1	2	1.3	0.1	3.2	1	2	1	1.3
HD495	395019.99	6406000	20	0	-90	15	1	2	1.5	29.3	8.8	1	7	6	1.2
	395019.99	6406000	20	0	-90	15	2	3	1.7	0.5	8.3				
	395019.99	6406000	20	0	-90	15	3	4	0.9	1.4	15.5				
	395019.99	6406000	20	0	-90	15	4	5	1.3	0.5	14.3				
	395019.99	6406000	20	0	-90	15	5	6	0.5	0.4	12.2				
	395019.99	6406000	20	0	-90	15	6	7	1.1	0.1	6.7				
HD496	395099.97	6406000	20	0	-90	15	0	1	1.3		3	0	1	1	1.3
HD497	395180.04	6406000	20	0	-90	30	-	-	-	-	-	-	-	-	-
HD498	395260.02	6406000	20	0	-90	15	-	-	-	-	-	-	-	-	-
HD499	395339.99	6406000	20	0	-90	15	3	4	1		14.3	3	6	3	1.6
	395339.99	6406000	20	0	-90	15	4	5	1.6		14				
	395339.99	6406000	20	0	-90	15	5	6	2.3		6.3				
HD500	395419.97	6406000	20	0	-90	15	-	-	-	-	-	-	-	-	-
HD501	395500.04	6406000.1	20	0	-90	15	1	2	1.8		19.4	1	6	5	1.9
	395500.04	6406000.1	20	0	-90	15	2	3	1.7		15.8				
	395500.04	6406000.1	20	0	-90	15	3	4	1.2		16				
	395500.04	6406000.1	20	0	-90	15	4	5	1.3		6.7				
	395500.04	6406000.1	20	0	-90	15	5	6	3.6		7.1				
HD502	395580.02	6406000	20	0	-90	30	0	1	2		13.4	0	6	6	2.3
	395580.02	6406000	20	0	-90	30	1	2	2.1		22				

HoleID	Easting	Northing	RL(m)	Azimuth	Dip	Total Depth	From	To	THM%	OS%*	SL%	Intersection			
												From	To	Width	Grade
	395580.02	6406000	20	0	-90	30	2	3	3.2		16.8				
	395580.02	6406000	20	0	-90	30	3	4	2.1		33.3				
	395580.02	6406000	20	0	-90	30	4	5	2.2		14.3				
	395580.02	6406000	20	0	-90	30	5	6	1.9		7.8				
HD503	395659.99	6406000.1	20	0	-90	15	-	-	-	-	-	-	-	-	-
HD504	395739.97	6406000	20	0	-90	15	0	1	1.3		22.5	0	2	2	1.5
	395739.97	6406000	20	0	-90	15	1	2	1.7		25.7				
HD505	395820.04	6405999.9	20	0	-90	15	-	-	-	-	-	-	-	-	-
HD506	395900.02	6406000	20	0	-90	15	-	-	-	-	-	-	-	-	-
HD507	395979.99	6406000.1	20	0	-90	30	-	-	-	-	-	-	-	-	-
HD508	396140.04	6406000.1	20.29	0	-90	30	1	2	1		2.8	1	8	7	1.1
							2	3	1		3				
							3	4	0.9		8.4				
							4	5	0.8		6.8				
							5	6	1		9.1				
							6	7	1.8		7.2				
							7	8	1.1		4.4				
HD508	396140.04	6406000.1	20.29	0	-90	30	12	13	1.3		37	12	13	1	1.3
HD509	396220.02	6406000	20.45	0	-90	15	1	2	1.1		1.6	1	8	7	1.6
							2	3	1.9		2.8				
							3	4	2.9		3.2				
							4	5	1.7		7				
							5	6	1.4		5.7				
							6	7	0.8		7.1				
							7	8	1.1		6.4				
HD510	396299.99	6406000	20.67	0	-90	15	1	2	2		1.7	1	9	8	3.1
							2	3	2.7		1.9				
							3	4	3.8		2.5				
							4	5	3.3		2.1				
							5	6	6.3		1.7				
							6	7	3.5		6				
							7	8	1.3		10				
							8	9	1.9		7.5				
HD511	396379.97	6406000	20.87	0	-90	15	1	2	1.6		2.7	1	8	7	2.4
							2	3	1.6		2.5				
							3	4	5.3		5.9				
							4	5	4.8		6.1				
							5	6	1.1		10.1				
							6	7	1.5		8.1				
							7	8	1.2		4.2				
HD512	396460.04	6406000	21.07	0	-90	15	1	2	1.3		24.5	1	3	2	1.4
							2	3	1.5		13.2				
HD513	396540.01	6406000	21.27	0	-90	30	1	2	1.4		19.4	1	5	4	1.4
							2	3	2.6		24				
							3	4	0.5		15.5				
							4	5	1.2		12.7				
HD514	396619.99	6406000	21.47	0	-90	11	0	1	1.5		15	0	2	2	1.7
							1	2	1.8		15.8				
HD515	396699.97	6406000	21.66	0	-90	15	0	1	1.1	35.5	7.1	0	6	6	1.7
							1	2	4.3	14.6	12.7				
							2	3	2.6	0.2	9.7				
							3	4	0.6	6.9	11.4				
							4	5	0.7	4	8.9				
							5	6	1.1	2.5	8.7				

HoleID	Easting	Northing	RL(m)	Azimuth	Dip	Total Depth	From	To	THM%	OS%*	SL%	Intersection			
												From	To	Width	Grade
HD516	396780.04	6406000	21.86	0	-90	15	-	-	-	-	-	-	-	-	-
HD517	396860.01	6405999.9	22.06	0	-90	15	2	3	1.2	0.2	13	2	7	5	1.1
							3	4	0.9	0.1	5.9				
							4	5	0.5	0.6	6.9				
							5	6	1.6	0.6	8.2				
							6	7	1.2	3.8	10.3				
HD518	396939.99	6406000	22.26	0	-90	30	1	2	1.5	0.1	1.7	1	4	3	1.9
							2	3	1.9	0.1	2.5				
							3	4	2.2	0.1	5.3				
HD519	397019.96	6406000	22.45	0	-90	15	1	2	2.1	0.1	2.1	1	3	2	2.3
							2	3	2.4	0.1	2.3				
HD520	397100.03	6406000	22.65	0	-90	13	1	2	1.6	0.1	3.8	1	4	3	1.8
							2	3	2.1	0.1	3.1				
							3	4	1.6	0.5	3.4				
HD521	397180.01	6406000	22.85	0	-90	15	0	1	1	0.1	6.7	0	3	3	1.6
							1	2	1.7	0.1	4				
							2	3	2.2	0.7	4.3				
HD522	397259.99	6406000	23.05	0	-90	15	0	1	1.1	0.1	4	0	4	4	1.5
							1	2	1.6	0.1	2.7				
							2	3	1.4	0.1	3				
							3	4	2	0.1	3.3				
HD523	397339.96	6406000	23.24	0	-90	30	1	2	1.1	0.1	3.2	1	5	4	1.6
							2	3	1.4	0.1	3.6				
							3	4	1.9	0.1	4.2				
							4	5	2	0.1	5.1				
HD524	397420.03	6406000	23.44	0	-90	15	1	2	1	0.1	2.1	1	5	4	1.9
							2	3	1.6	0.1	2.5				
							3	4	2.4	0.1	3.2				
							4	5	2.5	0.1	4.2				
HD525	397500.01	6406000	23.64	0	-90	15	1	2	1.1	0.1	3.3	1	5	4	1.3
							2	3	1.3	0.1	3.1				
							3	4	1.8	0.1	7.9				
							4	5	1.1	0.1	6.5				
HD526	397820	6406000	24.43	0	-90	15	0	1	1.1	1	6.3	0	1	1	1.1
HD527	397899.98	6405999.9	24.63	0	-90	15	2	3	1.1	6.6	28.2	2	10	8	1.1
							3	4	1.3	2.5	31.6				
							4	5	1.1	1.3	15.1				
							6	7	1.1	5.7	10.3				
							7	8	1.7	5.5	7.4				
							8	9	1.3	0.2	6.6				
							9	10	1.1	0.2	8.1				
HD528	397979.96	6406000	24.83	0	-90	15	0	1	1.3	0.1	6.3	0	6	6	1.4
							1	2	1.5	1.6	16.6				
							2	3	1.4	9.2	23.6				
							3	4	1.8	1.5	21.3				
							4	5	1.1	0.1	36.6				
							5	6	1.1	0.1	5.9				
HD529	398060.03	6406000	25	0	-90	15	0	1	1.3	1	6.5	0	4	4	1.2
							1	2	1.3	3.4	23.5				
							2	3	1	0.1	29.8				
							3	4	1.3	0.1	36.8				
HD530	396178.8	6407003.5	21.353	0	-90	15	1	2	1		2.3	1	3	2	1.1
							2	3	1.1		3.6				

Note:* -0.1 = below detection limit of oversize material