

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

MZI RESOURCES LTD

ABN

52 077 221 722

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for:		
	(a) exploration & evaluation	(41)	(259)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,097)	(4,048)
	(e) royalties	-	(1,664)
	(f) Project – Tiwi Islands C&M	(27)	(178)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	80	89
1.5	Interest and other costs of finance paid	(2,110)	(4,167)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(3,195)	(10,227)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	(9,450)	(15,489)
	(d) development	(2,156)	(7,081)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other – Export Market Development Grant	-	104
	Other – Tenement security return	-	60
	Other – Sale of royalty	-	4,210
	Net investing cash flows	(11,606)	(18,196)
1.13	Total operating and investing cash flows (carried forward)	(14,801)	(28,423)

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1.13	Total operating and investing cash flows (brought forward)	(14,801)	(28,423)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	134
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	30,747	74,680
1.17	Repayment of borrowings	(269)	(8,539)
1.18	Dividends paid		
1.19	Other – share issue costs	(10)	(52)
	Other – borrowing costs	(1,085)	(2,796)
	Net financing cash flows	29,383	63,427
	Net increase (decrease) in cash held	14,582	35,004
1.20	Cash at beginning of quarter/year to date	21,528	1,106
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	36,110	36,110

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	233
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

1. 8 January 2015 - 2,167,130 shares were issued @ \$0.2338 as part of funding package terms with Resource Capital Fund VI L.P. for the payment of interest and Commitment Fees.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	141,974	81,357
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	555
4.2 Development	24,200
4.3 Production/care & maintenance	460
4.4 Administration	2,215
Total	26,980

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	36,110	21,528
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	36,110	21,528

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	None			
6.2 Interests in mining tenements and petroleum tenements acquired or increased	None			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (\$)	Amount paid up per security (see note 3) (\$)
7.1 Preference + securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities *	79,030,110	79,030,110		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,167,130 821,280	2,167,130 821,280	\$0.2338 \$0.0000	\$0.2338 \$0.0000
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	3,354,833 125,000 500,000 112,500 1,250,000 125,000 1,987,500 200,000 775,000	- - - - - - - - -	Exercise price \$0.8000 \$1.6000 \$1.6000 \$0.8000 \$0.6400 \$3.0000 \$0.6592 \$0.8000 \$0.3400	Expiry date 30 Oct 2015 30 Jun 2015 31 Dec 2015 3 July 2016 5 Dec 2016 30 Jun 2016 2 Jul 2017 27 Jun 2017 19 Nov 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

* Share consolidation completed on a 40:1 basis on 9 December 2014.

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 30 April 2015

Name: Trevor Matthews

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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