



ASX ANNOUNCEMENT

25 May 2015

Keysbrook Project update

- Project development 51% complete
- Project on schedule and on budget
- Plant construction and steelwork erection underway at both Keysbrook and Picton sites
- Komatsu financing deal executed for mining fleet and MFU
- On schedule for commissioning and first production in Q4 2015
- On track for first sales in early 2016

MZI Resources Ltd (ASX:MZI) is pleased to provide the following update on progress at its flagship Keysbrook Project, 70 kilometres south of Perth in Western Australia.

At the end of April 2015 the project was past the halfway mark at 51.1% complete and remains on budget.

At the Keysbrook mine site, construction activities have progressed from bulk earthworks and civil works to the erection of the Wet Concentrator Plant (WCP). The floor modules have now been installed, and the first of the large slurry hoppers put into place.

The upgrade and expansion of the Mineral Separation Plant (MSP) owned by Doral Mineral Sands Pty Ltd is also progressing well, with steel being erected for the new annex and key processing equipment being delivered to site.

MZI has recently completed financing and mining equipment supply agreements valued at approximately \$13 million with Komatsu, a Japanese global mining equipment provider. These agreements provide for the delivery of the mining fleet within the next three months and include ongoing fleet maintenance requirements, as well as providing financing for the mining feed unit (MFU) being constructed by Transmin. Key mining equipment, including the primary excavator and entire haulage fleet of three trucks, are already in Komatsu's Perth premises awaiting delivery to site. Costs associated with the agreements are captured within existing capital and operating estimates for the Keysbrook project.

Recruiting activity continues to increase, with the recent focus on the key site-based production coordinators and supervisor roles.

MZI's Managing Director, Trevor Matthews, said: *"progress for the project continues to be exciting and its great to see the team working together to deliver a quality project on time and on schedule."*

"The relationship with Komatsu is an important one and a big step towards the commencement of operations. with finance, legal and operations staff working closely on sourcing the mining fleet and bringing together an innovative financing and maintenance arrangement for the site."

Keysbrook is on track to commence commissioning in November 2015 with first sales scheduled for early Q1 2016, producing over 95,000 tonnes of leucoxene and zircon products annually.

Photographs of progress to date are depicted over the next two pages.

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Mal Randall
Non-Executive Chairman

Trevor Matthews
Managing Director

Rod Baxter
Non-Executive Director

Nathan Wong
Non-Executive Director

Stephen Ward
Non-Executive Director

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Figure 1: Wet concentrator plant (WCP) under construction at Keysbrook



Figure 2: Construction of the main annex at the Picton mineral separation plant



Figure 4: Spiral banks ready for delivery to the Keysbrook Mine site



Figure 3: Coronastats being delivered to the Picton site



Figure 5 – Hydraulic Excavator



Figure 6 – Hydraulic Excavator awaiting assembly



Figure 7 – Front End Loader



Figure 8 – Articulated Dump Truck

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