

ASX ANNOUNCEMENT

19 June 2015



Construction at Keysbrook 65% complete

- Project continues on schedule and on budget
- Plant and equipment installation underway at both sites
- Mining preparations underway
- Commissioning and first production on schedule for Q4 2015
- First sales targeted for Q1 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 May 2015 the Project was on schedule at 65% complete and remains on budget.

At the Keysbrook mine site, construction activities are now focussed on erecting the wet concentration facility. All major earthworks and civil works have been completed and the process water dams have been finished and lined. All of the spiral banks (the primary separation equipment for the heavy minerals) have been delivered and are awaiting installation over the next two months.

The mining feed unit (MFU), which will pump slurried ore from the mining area to the wet concentration plant, is currently being fabricated and trial assembly is planned for July ahead of delivery to site.

Initial clearing and ground preparation activities, preparation of initial clay fines dams and mining of tailings voids have commenced and are expected to be completed over the next month.

Installation of coronastats (the primary separation equipment for the Company's L88 product) has commenced on schedule in the new annex at the Doral Mineral Sands Pty Ltd mineral process plant. Equipment installation is proceeding in parallel with structural steel construction to maximise efficiency.

With the majority of operations professional and supervisory roles now filled, interviews have commenced to recruit the Keysbrook mobile equipment and fixed plant operator and maintenance technicians. MZI has a strong focus on creating local business and employment opportunities, with the majority of Keysbrook employees expected to be recruited locally.

MZI's Managing Director, Trevor Matthews, said: *"The Keysbrook Project continues to progress on budget, on schedule and is now two thirds complete. We still have several months of development ahead of us, but are increasingly confident of commissioning and bringing the project to nameplate production in accordance with the project schedule."*

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.

Progress to date is depicted in the following images.

COMPANY DIRECTORS

Mal Randall
Non-Executive Chairman

Trevor Matthews
Managing Director
Maree Arnason
Non-Executive Director
Rod Baxter
Non-Executive Director

Stephen Ward
Non-Executive Director

Nathan Wong
Non-Executive Director

SENIOR MANAGEMENT

Mike Ferraro
Chief Operating Officer

Peter Gazzard
Technical Director

John Traicos
Legal Manager/Company Secretary

Jamie Wright
Chief Development Officer

CONTACT DETAILS

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



Figure 2: Coronastat being installed at the Picton mineral separation plant



Figure 3: Spiral banks on site at Keysbrook



Figure 4: Administration building under construction

For further details please contact:

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Figure 5: Drainage work at Keysbrook



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