



ASX ANNOUNCEMENT

29 July 2015

Keysbrook Project 74% complete

- Project continues on schedule and on budget
- Installation of spirals commenced at Keysbrook site
- Increasing operational presence at Keysbrook with initial mine development activities underway
- All mechanical items installed at Picton
- 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 June 2015 the Project was on schedule for commissioning and first production with overall progress at 74% complete.

The Project remains on budget.

At the Keysbrook site, construction activities have moved to be predominantly focussed on the wet concentrator plant (WCP). The facility is well advanced, with the third level now accessible and the installation of the spiral banks that will separate the heavy mineral from the sand underway. Following the arrival of the thickener in early July, all equipment is now onsite and will be installed over the next few months.

Delivery of MZI's new mining fleet has commenced, with all mining equipment due on site this week. In addition, the majority of MZI's mining operators have now commenced and are currently undergoing inductions and training.

MZI plans to commission the new mining fleet and train the mobile equipment operators whilst undertaking mine development activities ahead of the commencement of full scale mining operations in November.

At the Doral site at Picton, all mechanical items have now been installed and all equipment is on site awaiting construction. Importantly, having all equipment now on site at both plants means there is no longer any long-lead time equipment risk in the project schedule.

MZI's Managing Director, Trevor Matthews, said: *"We have entered a busy period for the project and it is great to see the construction and operations teams working together towards project completion and the commencement of operations."*

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

COMPANY DIRECTORS

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Trevor Matthews
Managing Director

Maree Arnason
Non-Executive Director

Rodney Baxter
Non-Executive Director

Stephen Ward
Non-Executive Director

Nathan Wong
Non-Executive Director

SENIOR MANAGEMENT

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Progress to date is depicted below.



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



Figure 2: Construction activities at the Picton mineral separation plant



Figure 3: Process water facilities and administration block at Keysbrook



Figure 4: Magnetic Separators during fabrication, now installed at Picton



Figure 5: Mine Feed Unit earthworks at Keysbrook

For further details please contact:

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