

Our Reference: 00094578-001

23 October 2015

Company Announcements Office
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Sirs

Notice of Meeting and Proxy

Attached please find the MZI Resources Ltd (the Company) Notice of Annual General Meeting and Proxy Form dispatched to shareholders.

The abovementioned document will be available on the Company's website
www.mzi.com.au.

Yours sincerely



John Traicos
Company Secretary

MZI RESOURCES LIMITED

ACN 077 221 722

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.00pm (WST)

DATE: Tuesday, 24 November 2015

PLACE: City West Receptions
45 Plaistowe Mews
West Perth, Western Australia, 6005

This Notice of Annual General Meeting should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9328 9800.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00pm (WST) on Tuesday, 24 November 2015 at:

City West Receptions
45 Plaistowe Mews
West Perth, Western Australia, 6005

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of Shareholders will be held at 2.00pm (WST) on Tuesday, 24 November at 45 Plaistowe Mews, West Perth, Western Australia, 6005.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 2.00pm (WST) on Sunday, 22 November 2015.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

A. ORDINARY BUSINESS

REPORTS AND FINANCIAL STATEMENTS

To receive and consider the Company's financial report, and the reports of directors and auditors, for the year ended 30 June 2015.

RESOLUTION 1 – REMUNERATION REPORT

To consider and, if thought fit, to pass, the following advisory resolution in accordance with section 250R(2) of the Corporations Act:

"That the Remuneration Report be adopted."

Voting Prohibition: A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution as a proxy for a person who is entitled to vote if:

- (c) the person is appointed as proxy by writing that specifies how the proxy is to vote on the proposed resolution; or
- (d) the person is the Chairman, who may vote undirected proxies on this Resolution in accordance with the express authorisation in the Proxy Form.

Note: This Resolution is advisory only and does not bind the Directors of the Company.

RESOLUTION 2 – ELECTION OF DR STEPHEN WARD

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Dr Stephen Ward, who was appointed a Director on 1 March 2015, retires in accordance with clause 11.3(a) of the Company's Constitution, and being eligible, offers himself for election."

RESOLUTION 3 – ELECTION OF MR RODNEY BAXTER

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Mr Rodney Baxter, who was appointed a Director on 30 April 2015, retires in accordance with clause 11.3(a) of the Company's Constitution, and being eligible, offers himself for election."

RESOLUTION 4 – ELECTION OF MS MAREE ARNASON

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Ms Maree Arnason, who was appointed a Director on 22 May 2015, retires in accordance with clause 11.3(a) of the Company's Constitution, and being eligible, offers herself for election."

B. SPECIAL BUSINESS

RESOLUTION 5 – CHANGE OF AUDITOR

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"That, subject to ASIC consenting to the resignation of HLB Mann Judd (the current auditor of the Company) pursuant to section 327B of the Corporations Act and for all other purposes, PricewaterhouseCoopers, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the Company's auditor effective from the date of the Meeting."

RESOLUTION 6 – RE-APPROVAL OF EMPLOYEE INCENTIVE PLAN

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, the Company approves the Company's Employee Incentive Plan (Incentive Plan), as last approved by Shareholders on 13 November 2012, including the issue of securities under the Incentive Plan, a summary of which is included in the Explanatory Statement accompanying this Notice of Meeting."

Voting Prohibitions

A vote on Resolution 6 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 6.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman of the AGM; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 6 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting Exclusion

The Company will disregard any votes cast on Resolution 6 by or on behalf of a Director (except a Director who is ineligible to participate in any employee incentive scheme of the Company) and any associate of such a Director.

However, the Company will not disregard a vote if:

- (a) it is cast by a person who is a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman of the AGM as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 7 – ISSUE OF SHARE UNITS TO TREVOR MATTHEWS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company approves the allotment and issue to Mr Trevor Matthews, Managing Director of the Company, or his nominee, under the Employee Share Trust Plan (Share Plan):

- (a) up to \$104,903 of Share Units; and
- (b) the issue, and subsequent acquisition by Mr Matthews, of Shares in respect of those Share Units, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Prohibition

A vote on Resolution 7 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 7.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the AGM; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting Exclusion

The Company will disregard any votes cast on Resolution 7 by or on behalf of a Director who is eligible to participate in the Share Plan and any associate of such a Director.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman of the AGM as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 8 – GRANT OF OPTIONS TO MALCOLM RANDALL

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, approval is given for the grant of up to 500,000 Options to Mr Malcolm Randall on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Prohibitions

A vote on Resolution 8 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 8.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the AGM; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 8 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A vote on Resolution 8 must not be cast (in any capacity) by or on behalf of Mr Randall or any of his associates. However, this prohibition does not apply if:

- (a) the vote is cast by a person as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 8; and
- (b) the vote is not cast on behalf of Mr Randall, his associates or any related party of Mr Randall.

Voting Exclusion

The Company will disregard any votes cast on Resolution 8 by Mr Randall or any of his associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 9 – GRANT OF OPTIONS TO MAREE ARNASON

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, approval is given for the grant of up to 300,000 Options to Ms Maree Arnason on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Prohibitions

A vote on Resolution 9 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 9.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the AGM; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 9 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A vote on Resolution 9 must not be cast (in any capacity) by or on behalf of Ms Arnason or any of her associates. However, this prohibition does not apply if:

- (a) the vote is cast by a person as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 9; and
- (b) the vote is not cast on behalf of Ms Arnason, her associates or any related party of Ms Arnason.

Voting Exclusion

The Company will disregard any votes cast on Resolution 9 by Ms Arnason or any of her associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 10 – GRANT OF OPTIONS TO RODNEY BAXTER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, approval is given for the grant of up to 300,000 Options to Mr Rodney Baxter on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Prohibitions

A vote on Resolution 10 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 10.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the AGM; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 10 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A vote on Resolution 10 must not be cast (in any capacity) by or on behalf of Mr Baxter or any of his associates. However, this prohibition does not apply if:

- (a) the vote is cast by a person as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 10; and
- (b) the vote is not cast on behalf of Mr Baxter, his associates or any related party of Mr Baxter.

Voting Exclusion

The Company will disregard any votes cast on Resolution 10 by Mr Baxter or any of his associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 11 – GRANT OF OPTIONS TO STEPHEN WARD

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, approval is given for the grant of up to 300,000 Options to Dr Stephen Ward on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Prohibitions

A vote on Resolution 11 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 11.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the AGM; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 11 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A vote on Resolution 11 must not be cast (in any capacity) by or on behalf of Dr Ward or any of his associates. However, this prohibition does not apply if:

- (a) the vote is cast by a person as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 11; and
- (b) the vote is not cast on behalf of Dr Ward, his associates or any related party of Dr Ward.

Voting Exclusion

The Company will disregard any votes cast on Resolution 11 by Dr Ward or any of his associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 12 – GRANT OF OPTIONS TO CHI TO (NATHAN) WONG

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, approval is given for the grant of up to 300,000 Options to Mr Chi To (Nathan) Wong on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Prohibitions

A vote on Resolution 12 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 12.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the AGM; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 12 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A vote on Resolution 12 must not be cast (in any capacity) by or on behalf of Mr Wong or any of his associates. However, this prohibition does not apply if:

- (a) the vote is cast by a person as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 12; and
- (b) the vote is not cast on behalf of Mr Wong, his associates or any related party of Mr Wong.

Voting Exclusion

The Company will disregard any votes cast on Resolution 12 by Mr Wong or any of his associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 13 – INCREASE TO NON-EXECUTIVE DIRECTORS' REMUNERATION

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of clause 11.9 of the Constitution, ASX Listing Rule 10.17 and all other purposes, approval is given for the maximum aggregate amount payable to Non-Executive Directors of the Company to be increased by \$300,000, taking the maximum aggregate amount payable to Non-Executive Directors of the Company from \$500,000 per annum to \$800,000 per annum."

Voting Prohibition

A vote on Resolution 13 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 13.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the AGM; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 13 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting Exclusion

The Company will disregard any votes cast on Resolution 13 by any Director or any associate of a Director. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

C. MAJORITY REQUIRED FOR RESOLUTIONS TO BE PASSED

All Resolutions except Resolution 1 will be passed if at least 50% of the votes on the particular resolution (either in person, proxy, attorney or by corporate representative) are in favour of that resolution. Resolution 1 is advisory only and does not bind the Directors of the Company.

D. PROXIES

Each Shareholder that is entitled to attend and vote is entitled to appoint a proxy. The proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint not more than two proxies to attend and vote on their behalf. The person or persons so appointed need not necessarily be Shareholders. Where two proxies are appointed, each proxy should be appointed to represent a specified portion or number of the Shareholder's voting rights (failing which each appointee will be entitled to cast half the Shareholder's votes).

A Proxy Form together with instructions on how to complete the Proxy Form is attached.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it to:

- (a) Mail to:
MZI Resources Ltd
PO Box 3011
East Perth, WA 6892
Australia; or
- (b) Facsimile to:
+61 8 9328 9911
- (c) Email:
admin@mzi.com.au

To be valid, properly completed Proxy Forms must be received by the Company no later than 48 hours before the Meeting.

A body corporate Shareholder may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the meeting.

If you return your Proxy Form but do not nominate a representative, the Chairman of the Meeting will be your proxy and will vote on your behalf as you direct on the Proxy Form. If your nominated representative does not attend the meeting then your proxy will revert to the Chairman of the Meeting and he will vote on your behalf as you direct on the Proxy Form.

The Chairman will vote undirected proxies in favour of Resolutions 2, 3, 4 and 5. In respect of Resolutions 1 and 6 – 13, Shareholders should refer to the important information below under the heading "Important information concerning proxy votes on Resolutions 1 and 6 – 13".

E. IMPORTANT INFORMATION CONCERNING PROXY VOTES ON RESOLUTIONS 1 AND 6 – 13

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the advisory resolution to adopt the Company's Remuneration Report and other resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel. Key Management Personnel of the Company are Directors and all other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. At this year's Annual General Meeting, these laws will impact on Resolutions 1 and 6 – 13.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Company's Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on all Resolutions.

If the Chairman of the AGM is appointed, or taken to be appointed, as your proxy, you can direct the Chairman to vote for, against or abstain from voting on Resolutions 1, 6, 7, 8, 9, 10, 11, 12 and 13 by marking the appropriate box opposite each Resolution on the Proxy Form.

However, if the Chairman of the Meeting is your proxy and you do not direct the Chairman how to vote in respect of Resolutions 1, 6, 7, 8, 9, 10, 11, 12 or 13 on the Proxy Form, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy in favour of those Resolutions even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

The Chairman intends to vote undirected proxies in favour of all Resolutions.

If you appoint a member of Key Management Personnel of the Company (other than the Chairman) or their Closely Related Parties as your proxy, you must direct them how to vote on Resolutions 1 and 6 – 13. If you do not do so, you risk your vote not being cast.

DATED: 7 OCTOBER 2015

BY ORDER OF THE BOARD



JOHN TRAICOS
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 2.00pm (WST) on Tuesday, 24 November 2015 at City West Receptions, 45 Plaistowe Mews, West Perth, Western Australia, 6005.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company's financial report is available on the Company's website at www.mzi.com.au.

RESOLUTION 1 – REMUNERATION REPORT

The Remuneration Report is in the Directors' report section of the Company's annual report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers; and
- (b) sets out remuneration details for each Director and each of the Company's executives named in the Remuneration Report for the financial year ended 30 June 2015.

Overall remuneration policies are determined by the Board and are adapted to reflect competitive market and business conditions. The Chairman of the AGM will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

The Corporations Act requires the Company to put a resolution to its members that the Remuneration Report be adopted. However, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, a resolution must then be put to Shareholders at the second of those annual general meetings, proposing the calling of a general meeting to consider the appointment of Directors of the Company (Spill Resolution).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene another general meeting of Shareholders within 90 days of the annual general meeting (Spill Meeting). All Directors who were in office at the date of the approval of the applicable directors' report must stand for re-election at the Spill Meeting.

Given that less than 25% of votes that were cast at the Company's 2014 annual general meeting were voted against the adoption of the Company's 2014 remuneration report, regardless of the outcome of Resolution 1, no Spill Resolution will be put to Shareholders at the Meeting.

RESOLUTION 2 – ELECTION OF DR STEPHEN WARD

In accordance with Clause 11.3(a) of the Constitution, Dr Stephen Ward retires after being appointed on 1 March 2015, and being eligible, offers himself for election as a Director.

Details of Dr Ward's experience and qualifications are set out below.

| | |
|-----------------------|---|
| Qualifications: | B. Sci. (Hons Chemistry), PhD Physical Chemistry, GAICD. |
| Term of Office: | Director since 1 March 2015 |
| Independent: | Yes |
| Skills and experience | Dr Ward has over 30 years' industry experience working globally in minerals sands and related products. He has an extensive mining and mineral processing background with a proven record in managing the critical transition from development to production. |

Dr Ward is chairman of the Company's remuneration committee and a member of the nomination committee.

In the last three years, Dr Ward was previously a Director of Mindax Ltd (left 31 May 2014).

Directors' recommendation

The Board (excluding Dr Ward) recommends that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – ELECTION OF MR RODNEY BAXTER

In accordance with Clause 11.3(a) of the Constitution, Mr Rodney Baxter retires after being appointed on 30 April 2015, and being eligible, offers himself for election as a Director.

Details of Mr Baxter's experience and qualifications are set out below.

| | |
|-----------------------|--|
| Qualifications: | B. Sci. (Hons.) Physical Chemistry, B. Sci. (Distinction) Applied Mathematics, PhD Thermodynamics, MBA. |
| Term of Office: | Director since 30 April 2015 |
| Independent: | Yes |
| Skills and experience | Mr Baxter has 25 years' of operational and executive leadership experience in the resources and engineering services sector. He was most recently the Managing Director of engineering, asset management and construction services company, Calibre Group Limited. |

Mr Baxter is chairman of the Company's audit and risk committee.

In the last three years, Mr Baxter was a Director of Calibre Group Limited (resigned 17 June 2013).

Directors' recommendation

The Board (excluding Mr Baxter) recommends that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – ELECTION OF MS MAREE ARNASON

In accordance with Clause 11.3(a) of the Constitution, Ms Maree Arnason retires after being appointed on 22 May 2015, and being eligible, offers herself for election as a Director.

Details of Ms Arnason's experience and qualifications are set out below.

| | |
|-----------------------|---|
| Qualifications: | B. Arts, GAICD. |
| Term of Office: | Director since 22 May 2015 |
| Independent: | Yes |
| Skills and experience | Ms Arnason is an experienced Director and senior executive whose career has spanned 30 years across industries including resources, energy, transport and manufacturing. Ms Arnason is a Co-Founder/Director of Energy Access Services, who operate an energy trading platform for WA's wholesale gas market; member of CEDA's WA State Advisory Council (Committee for Economic Development of Australia); Non-Executive Director of Juniper, a community benefit organisation and a life member and past National Director of the Australia China Business Council. |

Ms Arnason is a member of the Company's remuneration committee and audit and risk committee.

In the last three years, Ms Arnason was previously an executive director of Rey Resources Limited (resigned 28 November 2012).

Directors' recommendation

The Board (excluding Ms Arnason) recommends that Shareholders vote in favour of Resolution 4.

RESOLUTION 5 – CHANGE OF AUDITOR

The Company has conducted an internal review of the provision of its audit services during the year to ensure that the Company has an auditor best placed to provide commercial insight in this period of significant growth for the Company. Following this review, PricewaterhouseCoopers (PWC) emerged as the preferred provider of audit services to the Company.

PWC is a recognised Australian international accounting practice with experience in the mineral sands industry. PWC has provided its consent to this appointment, subject to ASIC consenting to the resignation of HLB Mann Judd and the approval by members.

HLB Mann Judd has submitted its resignation as auditor to the Company and advised the Company that it has applied to ASIC for consent to resign effective from the conclusion of the Meeting. HLB Mann Judd have provided audit services to the Company since 2004 and the Company has been pleased with the service level HLB Mann Judd has provided over the years. However, as the Company is on the cusp of becoming a producing entity, the Company believes it is the right time to consider a change in the identity of its audit service provider. In accordance with section 328B(1) of the Corporations Act, Malcolm Randall, in his capacity as a Shareholder, has nominated PWC to act as the auditor of the Company and a copy of the notice of nomination is included at Annexure A.

Directors' recommendation

The Board recommends the appointment of PWC to be the Company's auditor subject to ASIC consenting to the resignation of the Company's existing auditor, HLB Mann Judd, and recommends that Shareholders vote in favour of Resolution 5.

RESOLUTION 6 – RE-APPROVAL OF EMPLOYEE INCENTIVE PLAN

6.1 Background

The Board believes that the future success of the Company will depend in large part on the skills and motivation of the people employed in the business.

The Company's existing Employee Incentive Plan (Incentive Plan), which was approved by Shareholders on 13 November 2012, forms an important part of a comprehensive remuneration strategy for the Company's employees and is specifically aimed at driving long term performance for Shareholders, a culture of employee share ownership in the business and retention of executives, employees and staff.

The Incentive Plan provides the Company with the flexibility to issue incentives in the form of Options or Performance Rights (Incentives) which may ultimately become Shares. In contrast to an Option, a Performance Right does not have an exercise price and therefore allows an employee to benefit by exercising their performance right upon satisfaction of their vesting conditions without needing to provide any cash consideration.

The Incentive Plan aims to align the interests of the Company's employees (and directors and consultants) with the interests of Shareholders, by linking the remuneration of employees and staff with the long term success of the Company.

A copy of the Incentive Plan may be obtained by contacting the Company Secretary by telephone at +61(0)8 9328 9800 or by email to admin@mzi.com.au.

6.2 Requirement for Shareholder approval

Listing Rule 7.1 provides that subject to certain exceptions, a listed company may not issue or agree to issue equity securities in any 12 month period that exceed 15% of the number of securities the company has on issue, except with the prior approval of shareholders of the company in general meeting of the terms and conditions of the proposed issue.

Listing Rule 7.2 (Exception 9(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue, shareholders have approved the issue of securities under the employee incentive scheme as an exception to Listing Rule 7.1.

As the Incentive Plan was last approved by Shareholders on 13 November 2012, Shareholders are again required to approve the Incentive Plan to enable the Company to rely on the exemption in Listing Rule 7.2 (Exception 9(b)).

Under Resolution 6, the Company seeks Shareholder approval to grant Incentives under the Incentive Plan from time to time during the three years from the date of the approval, without being required to count those securities as part of, and without reducing the number of securities the Company can issue under, the annual 15% limit prescribed by Listing Rule 7.1.

6.3 Key features of the Incentive Plan

A summary of the key features of the Incentive Plan are set out below.

| | |
|------------------------------------|---|
| Eligibility | The Incentive Plan is targeted at the Company's executive Directors, employees and other members of the Company's management team (as determined by the Board from time to time). Any issue of Incentives to executive directors would be subject to prior approval of Shareholders. |
| Incentives | The Incentive Plan provides the Board with the flexibility to grant Incentives in the form of Performance Rights and Options to eligible participants. |
| Vesting conditions | The vesting conditions for grants of Incentives under the Incentive Plan will be decided by the Board from time to time. Where appropriate, and where employees, such as senior management, can exercise significant influence over the Company's business, the Board will establish policies on the vesting of Incentives using performance hurdles linked to long-term performance. |
| Number of securities to be granted | The number of Incentives to be granted under the Incentive Plan will be decided by the Board from time to time. However, the relevant ASIC Class Order places limits on the maximum number of securities which may be granted to employees under incentive plans. |
| Exercise price | If the Board grants Performance Rights under the Incentive Plan, employees will not be required to pay any amount to the Company upon vesting. |

If the Board chooses to grant Options under the Incentive Plan, the exercise price of any Options granted under the Incentive Plan is at the absolute discretion of the Board and the Board will determine the exercise price from time to time.

| | |
|------------------------------------|---|
| Resignation by employee | Under the terms of the Incentive Plan, Incentives which have not vested are forfeited if the employee resigns his or her employment with the Company, unless the Board determines otherwise. |
| Takeover bid and change in control | Incentives granted under the Incentive Plan automatically vest in the event that a takeover bid is made for the Company, or where there is a change in control of more than 50% of the Company. |
| Dividend and voting rights | Incentives granted under the Incentive Plan do not carry any dividend or voting rights. |

6.4 Technical information required under ASX Listing Rule 7.2

In accordance with ASX Listing Rule 7.2, (Exception 9(b)), the following information is provided to Shareholders:

(a) The total number of Incentives granted under the Incentive Plan since it was approved is set out below:

| Number | Type of incentive | Grant date |
|----------|--------------------|------------------|
| 819,962* | Performance Rights | 25 February 2014 |
| 821,820 | Performance Rights | 24 November 2014 |

* Incentives lapsed due to performance objectives not being met.

(b) A summary of the terms of the Incentive Plan is set out in Annexure B to this Notice.

(c) A voting exclusion statement for Resolution 6 is included in the Notice.

6.5 Directors' recommendation

The Board (other than Trevor Matthews who does not make a recommendation because he is eligible to participate in the Incentive Plan) considers that the Incentive Plan remains an appropriate mechanism to assist in the recruitment, reward, retention and motivation of employees and senior management of the Company, and therefore the Board recommends that Shareholders vote in favour of Resolution 6.

RESOLUTION 7 – ISSUE OF SHARE UNITS TO TREVOR MATTHEWS

7.1 Background

Resolution 7 seeks Shareholder approval for the issue of Share Units to, and subsequent acquisition of Shares by the Company's Managing Director, Mr Trevor Matthews under the Company's Employee Share Trust Plan (Share Plan).

The Company carefully considers the remuneration of Mr Matthews as part of the Company's annual employee remuneration review process that occurs in June each year.

Under the Share Plan, approved by Shareholders at the Company's 2013 annual general meeting, eligible employees may be invited to apply for units in the Employee Share Trust (Share Units). The key terms of the Share Plan are summarised in Annexure C to this Explanatory Statement

The Share Plan forms an important part of a comprehensive remuneration strategy for the Company's employees and is specifically aimed at driving long term performance for Shareholders, a culture of employee share ownership in the business and retention of executives, employees and staff.

The Board proposes to issue Mr Matthews (or his nominee) Share Units up to the value of \$104,903, and provide an associated loan in respect to these Shares under the terms of the Share Plan. The Board considers that the issue of these Share Units to Mr Matthews under the Share Plan is appropriate, particularly given the significant role that Mr Matthews has played in the successful development of the Keysbrook Mineral Sands Project and the overall growth of the Company.

As a Director of the Company, the proposed issue of Share Units to Mr Matthews requires the prior approval of Shareholders under the ASX Listing Rules. Accordingly, the Company is seeking Shareholder approval to issue the Share Units (and subsequent acquisition of Shares) to Mr Matthews.

These Share Units will be issued at a price of 41 cents per Share Unit (being the prevailing market value of the Company's Shares on ASX at the time that the Share Units were agreed to be issued to Mr Matthews). Accordingly, Mr Matthews will be entitled to be issued up to 255,861 Share Units.

7.2 Requirement for Shareholder approval

Shareholder approval is required under the provisions of ASX Listing Rule 10.14 in respect of all securities to be issued to directors (or their associates) under an employee incentive scheme.

Further, Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the Company without prior shareholder approval, unless the benefit falls within one of various exceptions to that prohibition contained in the Corporations Act. "Related party" is widely defined and includes all directors of a public company. "Financial benefit" has a wide meaning and includes the issue of securities by a public company and the provision of a loan to the director. Resolution 7, if passed, will confer a financial benefit on a Director of the Company.

One of the exceptions to the requirement to obtain shareholder approval in accordance with Chapter 2E of the Corporations Act applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Board (other than Mr Matthews who is not able to make a recommendation due to his interest in his own Resolution), considers that the issue of Share Units constitutes part of Mr Matthews' reasonable remuneration. In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies. In particular, the Board has had regard to the competitive nature of the business, the significant contribution that Mr Matthews has had and is likely to have to the Company's success and the other factors as discussed in section 7.1.

Resolution 7 seeks Shareholder approval to the proposed issue of up to 255,861 Share Units, the associated loan and the subsequent acquisition of Shares to Mr Matthews under ASX Listing Rule 10.14.

7.3 Information requirements for ASX Listing Rule 10.15

ASX Listing Rule 10.15 sets out a number of matters that must be included in a notice of meeting seeking an approval under ASX Listing Rule 10.14, including the following (some of the matters have already been addressed elsewhere in this section):

- (a) Resolution 7 seeks Shareholder approval for Mr Matthews, the Managing Director of the Company (and therefore a related party of the Company), to participate in the Share Plan to a maximum extent of 255,861 Share Units to a value of \$104,903.
- (b) Mr Matthews was granted 1,301,645 Share Units on 25 February 2014 and a further 258,461 Share Units on 24 November 2014, although a total of 284,767 Share Units lapsed on 30 June 2014. In assessing the number of Share Units issued, it is relevant to note that the Company's share capital was consolidated on a 40 to 1 basis following approval of Shareholders at the Company's 2014 AGM. There are no other current Directors of the Company that have participated in the Share Plan.
- (c) As the Company's only executive Director, Mr Matthews is the only Director currently eligible to receive Share Units under the Share Plan.
- (d) The Share Units will be issued to Mr Matthews as soon as practicable following Shareholder approval, but no later than 12 months after the date of the Annual General Meeting.
- (e) The price of the Share Units to be issued to Mr Matthews is 41 cents per Share.
- (f) The terms of the loan in connection with the Share Units to be issued to Mr Matthews are set out in Annexure C to this Explanatory Statement.
- (g) A voting exclusion statement in respect of Resolution 7 is included in the Notice of Meeting.

7.4 ASX Listing Rule 7.1

The Share Plan was approved by Shareholders for the purposes of Exception 9(b) of ASX Listing Rule 7.2 at the Company's 2013 annual general meeting. If Resolution 7 is approved by Shareholders, Listing Rule 7.2 (Exception 14) provides that Shareholder approval under Listing Rule 7.1 is not required for issues that have been approved under ASX Listing Rule 10.14. Accordingly, if Resolution 7 is approved, the issue of Share Units to Mr Matthews (and his subsequent acquisition of underlying Shares) pursuant to Resolution 7 will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of ASX Listing Rule 7.1.

7.5 Directors' recommendation

The Directors (other than Mr Matthews who has a material personal interest in the outcome of Resolution 7) have carefully considered the proposed issue of the Share Units to Mr Matthews, as well as his remuneration package generally, and consider the issue to be an important component of his remuneration package in that it provides a competitive remuneration package, relative to the Company's peers and provides a strategic and value based reward for key executives such as Mr Matthews.

Accordingly, the Directors (other than Mr Matthews), having considered these factors and having considered the alternatives to an issue of Share Units to Mr Matthews (such as a higher cash-based component of remuneration), believe that the issue of the Share Units to Mr Matthews is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 7.

To the extent permitted by law, the Chairman intends to vote all undirected proxies in favour of Resolution 7.

7.6 Other information

There are no material opportunity costs to the Company, no taxation consequences to the Company and no material benefits foregone by the Company in issuing the Share Units to Mr Matthews.

The Directors are not aware of any information other than that set out in this Explanatory Statement that would reasonably be required by Shareholders in order to decide whether or not it is in the Company's interests to pass Resolution 7.

RESOLUTIONS 8 – 12 – GRANT OF OPTIONS TO NON-EXECUTIVE DIRECTORS

8.1 General

The Company proposes to issue options to all Non-Executive Directors of the Company (or their respective nominees) (NED Options). As Directors, each of Mr Malcolm Randall, Ms Maree Arnason, Mr Rodney Baxter, Dr Stephen Ward and Mr Chi To (Nathan) Wong are related parties of the Company.

ASX Listing Rule 10.11 requires shareholder approval for the issue of securities (including options) to a related party of the Company. Further, Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either the giving of the financial benefit falls within one of the nominated exceptions or shareholder approval is obtained prior to the giving of the financial benefit.

The granting of NED Options to the Non-Executive Directors constitutes the giving of a financial benefit to a related party of the Company within the meaning of Chapter 2E of the Corporations Act. Accordingly, Resolutions 8 – 12 seek Shareholder approval for the grant of NED Options to each Non-Executive Director.

8.2 Information required for Shareholder approval (Chapter 2E of the Corporations Act and Listing Rule 10.13)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided for the purposes of obtaining Shareholder approval for Resolutions 8 – 12:

- (a) as Non-Executive Directors of the Company, each of Mr Randall, Ms Arnason, Mr Baxter, Dr Ward and Mr Wong are related parties of the Company;
- (b) the maximum number of NED Options (being the nature of the financial benefit being provided) to be granted are as follows:

| Related Party | Number |
|--|---------|
| Mr Malcolm Randall (Non-Executive Chairman) | 500,000 |
| Ms Maree Arnason (Non-Executive Director) | 300,000 |
| Mr Rodney Baxter (Non-Executive Director) | 300,000 |
| Dr Stephen Ward (Non-Executive Director) | 300,000 |
| Mr Chi To (Nathan) Wong (Non-Executive Director) | 300,000 |

- (c) the NED Options will be granted to each Non-Executive Director (or their nominees) no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the NED Options will be issued together on one date;
- (d) the NED Options will be granted for nil cash consideration. Accordingly no funds will be raised by the grant of the NED Options. Any funds raised from the exercise of the NED Options will be used for general working capital requirements;
- (e) the terms and conditions of the NED Options are set out and summarised in Annexure D. In particular:
 - (i) the exercise price of the NED Options will be \$0.65;
 - (ii) the NED Options will only become exercisable 1 year after their date of issue; and
 - (iii) the expiry date of the NED Options will be 4 years after their date of issue;
- (f) the relevant interests of the Non-Executive Directors in securities of the Company as at the date of this Notice are set out below:

| Related Party | Shares | Options to acquire Shares |
|--------------------|---------|--|
| Mr Malcolm Randall | 500,000 | 125,000 (exercise price \$1.60, expiring 31 December 2015) 125,000 (exercise price \$0.80, expiring 27 June 2017) 43,750 (exercise price \$0.80, expiring 30 October 2015) |
| Mr Rodney Baxter | - | - |

| | | |
|-------------------------|--------|---|
| Dr Stephen Ward | 90,000 | - |
| Ms Maree Arnason | - | - |
| Mr Chi To (Nathan) Wong | - | 125,000 (exercise price \$1.60, expiring 31 December 2015) 75,000 (exercise price \$0.80 expiring 27 June 2017) |

- (g) the total Director fees paid by the Company to each Non-Executive Director for the previous financial year ended 30 June 2015 and the proposed total directors' fees payable for the current financial year ending 30 June 2016 (excluding the value of the NED Options the subject of Resolutions 8 – 12) are set out below:

| Related Party | 2014/15 Financial Year | 2015/16 Financial Year |
|--|------------------------|------------------------|
| Mr Malcolm Randall | \$100,685 | \$140,000 plus super* |
| Ms Maree Arnason (commenced 22 May 2015) | \$6,894 | \$80,000 plus super* |
| Mr Rodney Baxter (commenced 30 April 2015) | \$11,974 | \$80,000 plus super* |
| Dr Stephen Ward (commenced 1 March 2015) | \$23,333 | \$85,000 plus super* |
| Mr Chi To (Nathan) Wong | \$70,000 | \$70,000 |

* Includes fees for committee duties.

- (h) the value of the NED Options and the pricing methodology is set out in Annexure E;
- (i) if the NED Options are granted to the Non-Executive Directors, the total number of unlisted Options on issue will increase from 8,304,832 to 10,004,832 (including 3,354,832 Options due to expire on 30 October 2015). If these NED Options are exercised, a total of 1,700,000 Shares would be issued. Based on the issued capital of the Company as at the last practicable date before finalising this document, this would increase the number of Shares on issue from 83,968,034 to 85,668,034 with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.02%, and individual dilution rates of 0.60% for Mr Randall and 0.36% for each other Non-Executive Director;
- (j) the market price for Shares during the term of the NED Options would normally determine whether or not the NED Options are exercised. If, at any time any of the NED Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the NED Options, there may be a perceived cost to the Company;
- (k) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price | Date |
|---------|--------|----------------|
| Highest | \$0.52 | 29 May 2015 |
| Lowest | \$0.20 | 9 October 2014 |
| Last | \$0.40 | 6 October 2015 |

- (l) the Board acknowledges the grant of NED Options to the Non-Executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of NED Options to the Non-Executive Directors to be reasonable in the circumstances for the reasons set out below;
- (i) the primary purpose of the grant of the NED Options to the Non-Executive Directors is to motivate and reward their performance in their respective roles as Directors and not to raise capital;
- (ii) the Board, including Trevor Matthews as the Company's only executive Director, considers that the experience and expert knowledge of all Non-Executive Directors will be important at this critical time in the development of the Keysbrook Project;
- (iii) having considered the alternatives to an issue of NED Options (such as a higher cash-based component of remuneration, the Board, including Trevor Matthews as the Company's only executive Director, considers that the grant of the NED Options is an effective way to remunerate the Non-Executive Directors for the services), they provide as Directors to the Company whilst preserving the Company's cash resources at a time when significant expenditures are likely to be incurred in the development of the Keysbrook Project;
- (iv) the exercise price of the NED Options is currently significantly above the Company's Share price as at the date of this document. As the NED Options are not transferable, the Non-Executive Directors will only derive value from those NED Options by exercising them, which is only likely to occur if the Company's Share price is higher than the exercise price of the NED Options; and
- (v) the Board, including Trevor Matthews as the Company's only executive Director, does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the NED Options to the Non-

Executive Directors upon the terms proposed. Each of the Non-Executive Directors must contribute their own money to the Company to fund the exercise price of the NED Options, being an amount of \$325,000 (in terms of the NED Options proposed to be issued to Mr Randall) and \$195,000 each (in terms of the NED Options proposed to be issued to each other Non-Executive Director);

- (m) Australian International Financial Reporting Standards require the NED Options to be expensed, which is guided by AASB 2 – Share Based Payments. In accordance with AASB 2, these NED Options will be expensed in the financial year ended 30 June 2016. Expensing the NED Options will have the effect of increasing both the expenses and contributed equity of the Company. Whilst there will be a reduction in profit, there will be no impact on the net assets or the cash position or financial resources of the Company as a result of expensing the NED Options. There are no tax implications for the Company in issuing these NED Options;
- (n) the number of NED Options to be issued to each Non-Executive Director has been determined based on factors such the significant contribution that each Non-Executive Director is likely to have to the Company's ongoing success. Regard has also been given to issues such as alignment of interests to the Company through an equity holding. The Board, including Trevor Matthews as the Company's only executive Director, considers the number of NED Options issued to the Non-Executive Directors will ensure that overall Director emoluments remain competitive with market standards; and
- (o) voting exclusion statements in respect of Resolutions 8 – 12 are included in the Notice of Meeting.

8.3 ASX Listing Rule 7.1

Shareholder approval under Listing Rule 7.1 is not required for issues that have been approved under ASX Listing Rule 10.11. Accordingly, if Resolution 8 is approved, the issue of NED Options will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of ASX Listing Rule 7.1.

8.4 Directors' recommendation

The Non-Executive Directors have a material personal interest in their respective Resolutions 8 – 12 because it relates to the issue of NED Options to them and each other Non-Executive Director. Each Non-Executive Director did not vote on their respective Board resolution to approve the issue of NED Options to them. Accordingly the Non-Executive Directors decline to make a recommendation to Shareholders in relation to Resolutions 8 – 12 given their material personal interest in the outcome of their respective Resolution and potential perceived interest in relation to all other Resolutions to issue NED Options.

In addition, in view of his interest in the outcome of Resolution 7, Mr Trevor Matthews, being the only remaining Director, declines to make a recommendation to Shareholders in relation to Resolutions 8 – 12 so as to avoid any perceived conflict of interest in making a recommendation on the issue of NED Options to the Non-Executive Directors.

8.5 Other information

There are no material opportunity costs to the Company, no taxation consequences to the Company and no material benefits foregone by the Company in issuing the NED Options.

The Directors are not aware of any information other than that set out in this Explanatory Statement that would reasonably be required by Shareholders in order to decide whether or not it is in the Company's interests to pass Resolutions 8 - 12.

RESOLUTION 13 – INCREASE TO NON-EXECUTIVE DIRECTORS' REMUNERATION

9.1 Background

Resolution 13 has been proposed so that Shareholders can consider, and if thought fit, approve an increase to the maximum aggregate remuneration pool which is available to the Company to secure the services of its Non-Executive Directors. ASX Listing Rule 10.17 and clause 11.9 of the Constitution provide that the Company must first obtain Shareholder approval before it is able to increase the total fees payable by the Company or its subsidiaries to its Non-Executive Directors.

At present, the maximum amount of fees which can be paid to the Company's Non-Executive Directors is capped at \$500,000. This maximum cap has not been increased since 2012.

The Directors are seeking Shareholder approval to increase the upper limit on aggregate Non-Executive Director remuneration by \$300,000 for the following reasons:

- during the 2014/15 financial year the Company increased its board size from two Non-Executive Directors to five;
- the Company's Non-Executive Directors have extensive skills and experience in a range of relevant industries that are important to the Company's development;
- the appointment of the Non-Executive Directors significantly enhances the independence of the Board; and
- the Board considers it important that the Company maintains the ability to remunerate competitively and attract and retain high calibre Non-Executive Directors and that there is allowance for growth in the number of Non-Executive Directors and non-executive remuneration in the future to reflect market competitiveness for Non-Executive Directors with the skills and experience appropriate for the Company's business and growth.

The remuneration currently provided to each Non-Executive Director of the Company for the financial year ended 30 June 2015 is detailed in the Remuneration Report (being the subject of Resolution 1).

9.2 Technical information required by Listing Rule 10.17

If Shareholders approve the proposed Resolution 13, the maximum aggregate sum which can be paid to Non-Executive Directors of the Company will increase by \$300,000 per annum, resulting in an increase in the upper limit of remuneration that can be paid to the Company's Non-Executive Directors from the current level of \$500,000 to a new level of \$800,000 in any financial year.

The following table sets out details of all securities in the Company issued to a Non-Executive Director after obtaining Shareholder approval under Listing Rule 10.11 or 10.14 during the past 3 years.

| Non-Executive Director | Type of security | Number | Listing Rule | Date of issue | Price |
|-------------------------|------------------|---------|--------------|---|-------------------------|
| Mr Malcolm Randall | Options | 125,000 | 10.11 | 27 June 2014 Expiry date: 27 June 2017 | \$0.80 (exercise price) |
| Mr Chi To (Nathan) Wong | Options | 75,000 | 10.11 | 27 June 2014 Expiry date: 27 June 2017 | \$0.80 (exercise price) |

* Note: The Company has undergone a consolidation of capital on a 40 to 1 basis since the issue of these securities. The details set out above reflect the terms of the securities issued on a post-consolidated basis.

A voting exclusion statement is included in the Notice of Annual General Meeting in respect of Resolution 13.

9.3 Directors' recommendation

Mr Trevor Matthews, being the Company's only executive Director, recommends that Shareholders vote in favour of Resolution 13.

ENQUIRIES

Shareholders may contact the Company Secretary on (+61 8) 9328 9800 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

AGM or Annual General Meeting or Meeting means the annual general meeting convened by this Notice.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Chairman means the chair of the AGM.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means MZI Resources Limited (ACN 077 221 722).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Incentive means an Option or Performance Right issued to an eligible employee under the Incentive Plan.

Incentive Plan means the Company's Employee Incentive Plan, re-approval of which is subject to Resolution 6.

Key Management Personnel has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors.

Keysbrook Project means the Keysbrook mineral sands project, located in Western Australia.

NED Options means the Options proposed to be granted to the Non-Executive Directors pursuant to Resolutions 8 – 12.

Non-Executive Director means a non-executive Director of the Company.

Notice or Notice of Meeting means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Performance Right means a performance right given to an eligible employee under the Incentive Plan.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report for the year ended 30 June 2015 forming part of the Directors' report in the Company's 2015 financial report.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the registered holder of a Share.

Share Plan means the Employee Share Trust Plan as approved by Shareholders at the Company's 2013 annual general meeting.

Share Unit means a units in the Employee Share Trust which gives an eligible employee a right to a Share under the Share Plan.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – COPY OF SHAREHOLDER NOMINATION OF NEW AUDITOR

To: The Company Secretary
MZI Resources Limited
Level 2, 100 Royal Street
East Perth WA 6004

7 October 2015

Notice of nomination of auditor under section 328B of the Corporations Act 2001 (Cth)

Pursuant to section 328B(1) of the Corporations Act 2001 (Cth) (the Act), I, Malcolm Randall a member of the Company, nominate PricewaterhouseCoopers of Level 15, 125 St Georges Terrace, Perth WA 6000 for appointment as auditor of the Company at the next annual general meeting or any adjournment thereof, subject to the resignation of the current auditors HLB Mann Judd and ASIC's approval of the same.

Please distribute copies of this notice of nomination as required by section 328B(3) of the Act.

Yours sincerely



Malcolm Randall

ANNEXURE B – KEY TERMS OF THE INCENTIVE PLAN

The key features of the Incentive Plan and the proposed terms of the Incentives which may be granted are summarised below. The Incentive Plan provides the Board with flexibility to grant Incentives as either Options or Performance Rights.

| | |
|--|--|
| Eligible employees: | Full time or part time employees (including an executive Director) of the Company and any other person who is declared by the Board to be an eligible employee for the purposes of the Incentive Plan. The Incentive Plan allows for Incentives to be granted to an eligible employee or their nominee. |
| Entitlement for Performance Rights: | Subject to the terms of the Incentive Plan, vesting and the satisfaction of any performance conditions, each Performance Right entitles the holder to receive one fully paid ordinary Share in the Company. |
| Exercise price for Performance Rights: | There is no consideration payable upon the grant or exercise of a Performance Right. |
| Entitlement for Options: | Subject to the terms of the Incentive Plan, vesting and the satisfaction of any performance conditions, each Option entitles the holder to acquire (whether by purchase or subscription) and be allotted one fully paid ordinary Share in the Company on the exercise of the Option. |
| Exercise price for Options: | The exercise price of an Option will be determined by the Board in its absolute discretion. |
| Vesting conditions: | The Board has the discretion at the time of the grant of an Incentive under the Incentive Plan to determine what (if any) vesting conditions need to be satisfied before the Incentives become capable of being exercised. |
| Vesting on change of control: | Incentives that remain subject to a vesting condition immediately vest, are received or become exercisable by the Incentive holder in the event that a takeover bid is made for the Company, or another corporate transaction is pursued (such as a scheme of arrangement, selective capital return etc) which results in the bidder acquiring voting power of more than 50% of the Company. The Board also has a general discretion to allow Incentives to immediately vest if the Board determines, acting in good faith and consistent with its fiduciary duties, that a person has obtained voting power which is sufficient to control the composition of the Board of the Company. Incentives will lapse on their expiry date. |
| Vesting in other circumstances: | The Board may permit a participant to exercise Incentives or have such Incentives vested, in other limited situations, such as where a resolution is passed approving the disposal of the Company's main undertaking or on the winding up of the Company. |
| Expiry Date: | The Board may set out in an invitation to participate in the Incentive Plan the date and times when any Incentives lapse. The expiry date will be no later than 5 years after the date of grant. |
| Impact of cessation of employment: | Treatment of Incentives on Cessation of Employment: |

| Cause | Incentives which have not vested | Incentives which have vested |
|---|--|---|
| Termination for ill health or death | Immediately lapse unless Board determines otherwise | May be exercised (in the case of ill health) by the Participant, or (in the case of death) by the Participant's personal representative, until the Incentive lapses |
| Termination for cause (e.g. fraud, dishonesty, material breach of obligations) | Immediately lapse unless Board determines otherwise | Immediately lapse unless Board determines otherwise |
| Termination by consent (e.g. resignation) | Immediately lapse unless Board determines otherwise | Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board |
| Redundancy, constructive dismissal, other termination by Company not dealt with above | Incentives automatically vest and are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by Board | Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board |

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| Exercise into acquirer shares: | Subject to the ASX Listing Rules, the Incentive Plan provides the Company with the ability to agree with any successful acquirer of the Company to an arrangement whereby Incentives will become exercisable or vest into shares of the successful acquirer or its parent in lieu of Shares. Any such exercise or vesting will be on substantially the same terms and subject to substantially the same conditions as the Incentive holder may exercise or vest Incentives to acquire Shares, but with appropriate adjustments to the number and kind of shares subject to the Incentives, as well as to any exercise price. |
| Transferability: | Incentives are only transferable with the prior written consent of the Board or by force of law upon death of the Incentive holder or upon bankruptcy of the Incentive holder. |
| Right to participate in dividends: | Incentives will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company. |
| Adjustment for rights issues: | The exercise price of Incentives (if applicable) will be adjusted in the manner provided by the ASX Listing Rules in the event that the Company conducts a rights issue prior to the lapse of the relevant Incentive. |
| Other rights to participate in bonus issues, reorganisations and new issues etc: | <p>If the Company completes a bonus issue during the term of an Incentive, the number of Shares the holder is then entitled to will be increased by the number of Shares which the holder would have been issued in respect of Incentives if they were exercised (in the case of Options) or are vested and are received (in the case of Performance Rights) immediately prior to the record date for the bonus issue.</p> <p>In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Incentives to which the holder is entitled or the exercise price of the Incentives (if applicable), or both as appropriate, will be adjusted in the manner provided for in the Listing Rules.</p> <p>Subject to the terms of the Incentive Plan and as otherwise set out above, during the currency of the Incentives and prior to their exercise (in the case of Options) or vesting and receipt (in the case of Performance Rights), the holder is not entitled to participate in any new issue of securities of the Company as a result of their holding the Incentives.</p> |
| Listing: | The Incentives will not be listed. |
| Board discretion: | Notwithstanding the Board's current policy, under the terms of the Incentive Plan, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made under the Incentive Plan, without the requirement for further Shareholder approval. |

ANNEXURE C – KEY TERMS OF EMPLOYEE SHARE TRUST PLAN

The key features of the Share Plan and the proposed terms of the Shares and Share Units which may be issued are summarised below.

| | |
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| Eligibility | Eligibility for the Employee Share Trust Plan is restricted to employees, consultants, directors or officers of the Company or other persons deemed by the trustee of the Employee Share Trust (Trustee) to be an employee for the purposes of the Employee Share Trust Plan, selected by the Company and invited to participate in the Employee Share Trust Plan (Eligible Employees). |
| Operation of the Employee Share Trust Plan | <p>If an Eligible Employee accepts an invitation to participate in the Employee Share Trust Plan, he or she is entitled to apply for Share Units in the Employee Share Trust.</p> <p>An Eligible Employee may then apply for a loan from the Trustee for an amount equal to the total issue price of the Share Units together with a direction to the Trustee to apply the loan moneys to acquire the Share Units.</p> <p>Moneys received and accepted by the Trustee from a participating Eligible Employee, including any loan moneys, will be used exclusively to acquire Shares for that employee's benefit.</p> <p>Shares will then be allocated to the Share Units issued to the participating Eligible Employee on a one-for-one basis.</p> |
| Acquisition of Shares | <p>The Trustee will acquire Shares for participating Eligible Employees either from new issues, or from existing shareholders, using contributions from the Company. The Shares will be registered in the name of the Employee Share Trust. The Shares will be held by the Trustee on behalf of participating Eligible Employees and allocated to Share Units issued by the Employee Share Trust.</p> <p>Any dividends in respects of the Shares will be distributed by the Trustee to participating Eligible Employees based on their Share Unit holding.</p> |
| Issue Price | Share Units will be issued at the prevailing market value of the Shares. |
| Funding arrangements | <p>Share Units will be financed by way of a loan from the Employee Share Trust, using funds initially contributed by the Company, to the participating Eligible Employees.</p> <p>For each participating Eligible Employee, the Trustee will only accept applications for Share Units greater than or equal to \$1,000 per annum. Subject to the discretion of the Board or the Trustee, the loan may or may not be interest free.</p> <p>The Board also has discretion to make further contributions of amounts of money to the Trustee, enabling the Trustee to repay any outstanding loan amounts.</p> |
| Vesting conditions | Subject to the discretion of the Board of the Company, the Employee Share Trust may be subject to vesting conditions. |
| Entitlements of participating Eligible Employees | <p>A participating Eligible Employee is entitled to:</p> <ul style="list-style-type: none">• receive any dividend income from the Shares as declared by the Company from time to time in respect of the Shares allocated to his or her Share Units;• receive benefits from the capital value attributed to the Shares allocated to his or her Share Units;• receive a distribution in respect of income received by the Employee Share Trust for each accounting period;• elect to cancel a minimum amount of \$1,000 Share Units, and on such cancellation be distributed either:<ul style="list-style-type: none">– the Shares allocated to that Share Unit holding; or– a cash payment equal to the market value of those allocated Shares; and• direct the Trustee how voting rights attached to the Shares and Share Units should be exercised. |

| | |
|---|---|
| Voting rights | <p>A participating Eligible Employee may exercise his or her voting rights attached to the Shares held by the Employee Share Trust on their behalf by directing the Trustee to vote in respect of those Shares at any meeting of members of the Company in relation to any resolution on which voting occurs by way of poll.</p> <p>The Trustee is not permitted to vote in respect of any Shares on any resolution where voting occurs by a show of hands.</p> |
| Permitted use of Share Units | <p>A participating Eligible Employee cannot:</p> <ul style="list-style-type: none"> • transfer, assign or otherwise deal with his or her Share Units in favour of any person; or • create any equitable, contingent, future or partial interest or other security interest in a Share Unit. |
| Impact of termination of employment | <p>If a participating Eligible Employee terminates his or her employment and his or her Share Units are not subject to any vesting conditions, the participating Eligible Employee will receive the proceeds of the sale of the Shares based on the last biannual valuation as approved by the directors of the Company.</p> |
| Withdrawing from the Employee Share Trust | <p>A participating Eligible Employee may request that the Trustee:</p> <ul style="list-style-type: none"> • sell all or some his or her Shares held by the Employee Share Trust; or • cash out of his or her Share Units. <p>Subject to the Board's discretion, the participating Eligible Employee must sell at least \$5,000 worth of Shares. The participating Eligible Employee must repay any moneys borrowed by that employee.</p> <p>Upon cancellation, the Trustee will set off the amount of any outstanding loan against the cancellation entitlement. The Trustee will also distribute any income received by the Trustee on the Shares.</p> |
| Administrative costs | <p>The Company will meet all administrative costs, including any brokerage on buying the Shares.</p> |
| Liability | <p>Participating Eligible Employees will not be personally liable to the Trustee or any other person in respect of any loss, damage, outgoing or liability accruing as a result of any transaction, dealing or investment made by the Trustee.</p> |

ANNEXURE D – KEY TERMS AND CONDITIONS OF NED OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option will be issued subject to the deferred taxation rules in Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) and gives the Option holder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on the date that is 4 years after their date of issue (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.65 (Exercise Price).
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may only exercise their Options from the date that is one year after their date of issue.
- (f) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,(Exercise Notice).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) The Options are not transferable.
- (j) All Shares issued upon the exercise of Options will upon issue rank *pari passu* in all respects with other Shares.
- (k) The Company will not apply for quotation of the Options on ASX.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) If the Company completes a bonus issue during the term of an Option, the number of Shares the holder is then entitled to will be increased by the number of Shares which the holder would have been issued in respect of Options if they were exercised immediately prior to the record date for the bonus issue.
- (o) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which the holder is entitled or the exercise price of the Options (if applicable), or both as appropriate, will be adjusted in the manner provided for in the Listing Rules.
- (p) Except as otherwise set out above, a holder of unexercised Options is not entitled to participate in any new issue of securities of the Company as a result of their holding the Options.
- (q) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

ANNEXURE E – VALUE OF THE NED OPTIONS AND THE PRICING METHODOLOGY

It is an ASIC requirement that a dollar value is placed on the NED Options to be issued to the Non-Executive Directors. The Black-Scholes option valuation methodology is generally regarded as acceptable as a valuation model which is designed to value ASX quoted securities that are freely tradeable on ASX. In establishing a valuation for present purposes, no discount was applied in the valuation to reflect the unquoted status of the NED Options. However, Shareholders should be aware that the market value of an unlisted security is arguably less than a listed security.

In determining the value of the NED Options set out below, the Company is required to disclose the following assumptions that have been made:

- (a) An underlying Share price of \$0.40 is used (being the closing price of the Company's Shares on ASX on 6 October 2015, being the last practicable date before finalising this Notice);
- (b) the exercise price of the NED Options to be issued is \$0.65 per Share;
- (c) price volatility of the Company's Shares is approximately 100%;
- (d) The risk free interest rate is 2%; and
- (e) all the relevant Options will be exercised immediately prior to their expiry date (being 5PM WST on the date that is 4 years after date of issue).

Based on these assumptions, and using the Black-Scholes option pricing model, the Company estimates that the value of each NED Option to be issued to each of the Non-Executive Directors is approximately \$0.24. Using that valuation, the amount of the financial benefit to be given to each of them is:

| Director | Number of Options | Valuation Price | Valuation Total |
|-------------------------|-------------------|-----------------|-----------------|
| Mr Malcolm Randall | 500,000 | \$0.24 | \$120 000 |
| Ms Maree Arnason | 300,000 | \$0.24 | \$72,000 |
| Mr Rodney Baxter | 300,000 | \$0.24 | \$72,000 |
| Dr Stephen Ward | 300,000 | \$0.24 | \$72,000 |
| Mr Chi To (Nathan) Wong | 300,000 | \$0.24 | \$72,000 |

PROXY FORM



I/We being a shareholder of MZI Resources Limited entitled to vote at the Annual General Meeting, hereby appoint:



The Chairman
of the Meeting
(mark with an
'X')

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of this Meeting.

or failing the person named (or if no person is named), the Chairman of the Meeting, as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of MZI Resources Limited to be held at 2pm (WST) on Tuesday, 24 November 2015 at City West Receptions, 45 Plaistowe Mews, West Perth, Western Australia and at any adjournment thereof.

I/ we acknowledge that Resolutions 1 and 6 – 13 relate to the remuneration of Key Management Personnel, and that the Chairman intends to vote any undirected proxies **in favour** of Resolutions 1 and 6 – 13. By marking the above box, I/ we expressly authorise the Chairman of the Meeting to exercise my/our proxy even though Resolutions 1 and 6 – 13 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting on Business of the Annual General Meeting

FOR AGAINST ABSTAIN

| | | | | |
|---------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | - Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | - Election of Dr Stephen Ward | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | - Election of Mr Rodney Baxter | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | - Election of Ms Maree Arnason | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | - Change of auditor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | - Re-approval of Employee Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | - Issue of Share Units to Trevor Matthews | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 | - Grant of Options to Malcolm Randall | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 | - Grant of Options to Maree Arnason | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10 | - Grant of Options to Rodney Baxter | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11 | - Grant of Options to Stephen Ward | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12 | - Grant of Options to Chi To (Nathan) Wong | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 13 | - Increase to Non-Executive Directors' remuneration | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please note: If you mark abstain for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

The Chairman of the Meeting intends to vote all available proxies in favour of all Resolutions.

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf for your directions to be implemented.

Dated this _____ day of _____ 2015

Individual or Shareholder 1

Sole Director and Sole Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

MZI RESOURCES LIMITED

ACN 077 221 722

Instructions for Completing Proxy Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy may be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. Any fraction of votes will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Please refer to the Proxy Form for further instructions on how to vote. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - post to MZI Resources Limited at PO Box 3011, East Perth, Western Australia 6892; or
 - facsimile to the Company on facsimile number +61 8 9328 9911; or
 - email to admin@mzi.com.auso that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.