

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

MZI RESOURCES LTD

ABN

52 077 221 722

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	266	266
1.2	Payments for:		
	(a) exploration & evaluation	(281)	(281)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(944)	(944)
	(e) royalties	-	-
	(f) Project – Tiwi Islands C&M	(1,128)	(1,128)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	58	58
1.5	Interest and other costs of finance paid	(1,143)	(1,143)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(3,172)	(3,172)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	(26,717)	(26,717)
	(d) development	(2,658)	(2,658)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	1	1
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other – Export Market Development Grant	-	-
	Other – Tenement security return	-	-
	Other – Research and Development return	-	-
	Other – Sale of royalty	-	-
	Net investing cash flows	(29,374)	(29,374)
1.13	Total operating and investing cash flows (carried forward)	(32,546)	(32,546)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(32,546)	(32,546)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	13,372	13,372
1.17	Repayment of borrowings	(573)	(573)
1.18	Dividends paid		
1.19	Other – share issue costs	-	-
	Other – borrowing costs	-	-
	Net financing cash flows	12,799	12,799
	Net increase (decrease) in cash held	(19,747)	(19,747)
1.20	Cash at beginning of quarter/year to date	33,790	33,790
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	14,043	14,043

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	88
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

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

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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	162,676	137,934
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	74
4.2 Development	13,607
4.3 Production/care & maintenance	11
4.4 Administration	1,565
4.5 Royalties and landowners	1,483
Total	16,740

Reconciliation of cash

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	14,043	33,790
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	14,043	33,790

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	ML26471	Withdrawn	100%	-
	ML26472	Withdrawn	100%	-
	ML26475	Withdrawn	100%	-
	ML26476	Withdrawn	100%	-
	ML26477	Withdrawn	100%	-
6.2 Interests in mining tenements and petroleum tenements acquired or increased	P70/1677	Tenement application	-	100%
	P70/1678	Tenement application	-	100%
	P70/1679	Tenement application	-	100%
	P70/1680	Tenement application	-	100%
	E70/4723	Tenement application	-	100%
	E70/4725	Tenement application	-	100%

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (\$)	Amount paid up per security (see note 3) (\$)
7.1	Preference + securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	79,030,111	79,030,111		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1	1		
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	500,000 125,000 112,500 1,250,000 3,354,832 200,000 1,987,500 775,000	- - - - - - - -	Exercise price \$1.60 \$3.00 \$0.80 \$0.64 \$0.80 \$0.80 \$0.6592 \$0.34	Expiry date 31 Dec 2015 30 Jun 2016 3 Jul 2016 5 Dec 2016 30 Oct 2015 27 Jun 2017 2 Jul 2017 19 Nov 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

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

Sign here:



(Company Secretary)

Date: 30 October 2015

Name: John Traicos

Notes

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

== == == == ==