

Our Reference: 00121268

21 October 2016

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: 10.00am (WST)
DATE: Tuesday 22 November 2016
PLACE: Perth Ambassador Hotel (Boronia Room)
196 Adelaide Terrace
East Perth, Western Australia, 6004

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.***

CONTENTS PAGE

Notice of Annual General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	6
Glossary	14
Proxy Form	Enclosed

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 10.00am (WST) on Tuesday 22 November 2016 at:

Perth Ambassador Hotel (Boronia Room)
196 Adelaide Terrace
East Perth, Western Australia, 6004

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 follow the instructions in Section D 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 10.00am (WST) on Tuesday, 22 November 2016 at Perth Ambassador Hotel (Boronia Room), 196 Adelaide Terrace, East Perth, Western Australia, 6004.

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 10.00am (WST) on Sunday, 20 November 2016.

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 2016.

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 – RE-ELECTION OF MR CHI TO (NATHAN) WONG

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

"That Mr Chi To (Nathan) Wong, who retires by rotation in accordance with clause 11.7 of the Company's Constitution and being eligible, is re-elected as a Director."

RESOLUTION 3 – ELECTION OF MR RONNIE BEEVOR

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

"That Mr Ronnie Beevor, who was appointed a director on 15 April 2016, retires as a director in accordance with clause 11.3(a) of the Company's Constitution and being eligible, is elected as a Director."

B. SPECIAL BUSINESS

RESOLUTION 4 – ISSUE OF SHARE UNITS TO MANAGING DIRECTOR – MR TREVOR MATTHEWS

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

"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval be given for the issue to Mr Trevor Matthews, Managing Director of the Company, or his nominee under the Employee Share Trust Plan of:

- (a) up to \$455,885 of Share Units; and
- (b) the issue, and subsequent acquisition by Mr Matthews or his nominee, of Shares in the Company in respect of those Share Units, in accordance with the terms of the Employee Share Trust Plan and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by any Director of the Company (except any who is ineligible to participate in the Employee Share Trust Plan) and any Associate of such a Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or 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.

Voting Prohibition: The Company will also disregard any votes cast on Resolution 4 by a member of the Key Management Personnel of the Company, or their Closely Related Parties, acting as proxy for another person where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing where the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 4 is connected with the remuneration of a member of the Key Management Personnel of the Company, will not be excluded.

RESOLUTION 5 – RE-APPROVAL OF EMPLOYEE SHARE TRUST PLAN

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

“That, for the purposes of Exception 9.2(b) of ASX Listing Rule 7.2 and for all other purposes, re-approval be given for the adoption of the Employee Share Trust Plan, and the issue of securities including ordinary shares in the Company under the terms of the Employee Share Trust Plan, on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by a Director of the Company (and any Associates of such a Director), except one who is ineligible to participate in any employee incentive scheme in relation to the Company. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or 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.

Voting Prohibition: The Company will also disregard any votes cast on Resolution 5 by a member of the Key Management Personnel of the Company, or their Closely Related Parties, acting as proxy for another person where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing where the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 5 is connected with the remuneration of a member of the Key Management Personnel of the Company, will not be excluded.

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 electronically:

- (a) Online: At www.investorvote.com.au
- (b) By mobile: Scan the QR Code on your proxy form and follow the prompts

To vote by proxy using the form enclosed, please complete and sign the form and return it by:

- (c) Mail to: Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia; or
- (d) Facsimile to: Within Australia
1800 783 447

Outside Australia
+61 3 9473 2555
- (e) Custodian voting: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

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 and 3. In respect of Resolutions 1, 4 and 5, Shareholders should refer to the important information below under the heading "Important information concerning proxy votes on Resolutions 1, 4 and 5".

E. IMPORTANT INFORMATION CONCERNING PROXY VOTES ON RESOLUTIONS 1, 4 AND 5

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, 4 and 5.

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, 4 and 5 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, 4 and 5 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, 4 and 5. If you do not do so, you risk your vote not being cast.

DATED: 7TH OCTOBER 2016

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 10.00am (WST) on Tuesday, 22 November 2016 at Perth Ambassador Hotel (Boronia Room), 196 Adelaide Terrace, East Perth, Western Australia, 6004.

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 2016 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 2016.

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 2015 annual general meeting were voted against the adoption of the Company's 2015 remuneration report, regardless of the outcome of Resolution 1, no Spill Resolution will be put to Shareholders at the Meeting.

RESOLUTION 2 – RE-ELECTION OF MR CHI TO (NATHAN) WONG

Clause 11.7 of the Constitution provides, amongst other things, that no Director may hold office for a period in excess of three years, or until the third annual general meeting following the Director's appointment, whichever is the longer. Directors who retire from office in accordance with clause 11.7 are eligible for re-election. Accordingly, Mr Chi To (Nathan) Wong, who was last elected on 26 November 2013, will retire and offers himself for re-election.

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

Qualifications	B. Eng (First Class Hons), M Sci.
Term of Office	Director since 2010
Independent	No – a Director of Tricoastal Minerals (Holdings) Limited.
Skills and experience:	Mr Wong has extensive experience in the mineral sands value chain in China, at both a technical and commercial level. He is a Director of Tricoastal Minerals (Holdings) Limited which is the largest mineral sands processor in China with a comprehensive sales and marketing network throughout China. He brings additional depth of processing and marketing expertise to the Board.

The Directors, other than Mr Wong, recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – ELECTION OF MR RONNIE BEEVOR

In accordance with Clause 11.3(a) of the Constitution, Mr Ronnie Beevor retires after being appointed as a Director on 15 April 2016, and being eligible, offers himself for election as a Director.

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

Qualifications	B.A. (Hons)
Term of Office	Director since 15 April 2016
Independent	No – nominated by Resource Capital Fund VI L.P.
Skills and experience:	Mr Beevor, who is qualified as a chartered accountant, is a highly experienced investment banker and corporate advisor who has more than 40 years' experience within the finance, resources and energy sectors both in Australia and internationally.

The Directors, other than Mr Beevor, recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 - ISSUE OF SHARE UNITS TO MANAGING DIRECTOR – MR TREVOR MATTHEWS

4.1 Background

Resolution 4 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, which was approved by Shareholders at the Company's 2013 annual general meeting and for which approval is sought under Resolution 5, 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 section 5 and Annexure A to this Explanatory Statement.

During the third quarter of 2015, the Board commissioned an independent remuneration advisor to assist in the development of a comprehensive market based framework incorporating all aspects of remuneration including total fixed and variable remuneration under short and long term incentive programs. Following receipt of the independent advice and its recommendations, the Board approved the implementation of the Short Term Incentive Plan (**STIP**) and Long Term Incentive Plan (**LTIP**). The STIP and LTIP are 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. Any award under the STIP and LTIP is always subject to the final approval of the Board.

At a General Meeting of Shareholders held on 24 February 2016, Shareholders approved the issue of Share Units subject to vesting conditions to Mr Matthews under both the STIP and LTIP as follows –

- 494,185 Share Units at a value of \$202,616 under the STIP for the remuneration period 1 July 2015 to 30 June 2016; and
- 555,416 Share Units at a value of \$211,058 under the LTIP for the remuneration period 1 January 2016 to 30 June 2018.

The vesting conditions in respect of the Share Units issued under the STIP for the remuneration period 1 July 2015 to 30 June 2016 were not achieved and consequently those Share Units were forfeited and no Shares were allocated to Mr Matthews in respect of those Share Units.

In respect of the STIP and LTIP for the 2017 financial year, the Board proposes to issue Mr Matthews (or his nominee) the Share Units detailed in sections 4.3 and 4.4 below and to provide an associated loan to acquire those Shares Units under the terms of the Share Plan. The proposed issue of Share Units to Mr Matthews provides incentive awards under the Company's STIP and LTIP and is subject to vesting conditions which are aligned to the interests of Shareholders.

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

4.2 Vesting Conditions

Share Units issued under both the STIP and LTIP will vest subject to the satisfaction of certain performance criteria (**Vesting Conditions**) detailed below. Each Share Unit, upon vesting, will entitle Mr Matthews to acquire one Share. Unless the Board determines otherwise, in the event that the Vesting Conditions are not met, the Share Units will not vest and, as a result, no new Shares will be acquired by Mr Matthews.

4.3 Short Term Incentives

Vesting Conditions for the STIP are based on a number of specific Performance Objectives that need to be met in order for an award under the STIP to be achieved. The STIP generally provides for awards of incentives ranging from 50% to 150% of target performance. The value of Share Units proposed to be issued to, and the maximum number of Shares that may be acquired by, Mr Matthews are based on achievement of Performance Objectives representing 100% of target performance. Subsequent Shareholder approval would need to be sought in the event that any additional award was granted for achievement exceeding 100% of target performance.

Performance Objectives to apply to Mr Matthews' Share Units being issued under the STIP for the annual remuneration period to 30 June 2017 include targets related to improvement in OHS performance and systems implementation, production, business sustainability, growth and financial performance. The achievement of these objectives will contribute towards the generation of shareholder value. In addition, awards under the STIP will only be granted where the Board has determined that the Company has achieved appropriate financial outcomes for the year ended 30 June 2017.

Details of the grant and vesting of Share Units under the STIP and in accordance with the Share Plan are shown in the table below.

Total Number of Share Units	827,004
Total Value of Share Units to Mr Matthews	\$202,615 (based on the Company's closing Share price of \$0.245 on 30 June 2016)
Maximum Number of Shares to be acquired by Mr Matthews upon successful vesting of the Share Units	827,004
Remuneration Period Covered	1 July 2016 to 30 June 2017
Vesting Conditions	Upon successful Completion of the Performance Objectives: 1. 75% of the Share Units vest on 30 June 2017 2. 25% of the Share Units are subject to a further 12-month retention period from 30 June 2017
Vesting Dates	75% on 30 June 2017 25% on 30 June 2018

4.4 Long Term Incentives

The LTIP generally provides for awards of incentives up to 200% of target performance. The value of Share Units proposed to be issued to, and the maximum number of Shares that may be acquired by, Mr Matthews are based on achievement of Vesting Conditions for the Company's market performance and total shareholder return (**TSR**) detailed below representing 100% of target performance. Subsequent Shareholder approval would need to be sought in the event that any additional award was granted for achievement exceeding 100% of target performance.

In order for the LTIP Share Units to vest, the following Vesting Conditions are assessed:

- (a) Market Based Performance
Half (50%) of Mr Matthews LTIP Share Units (known as the **Market Performance Share Units**) will be assessed for vesting based upon the Company's relative share price performance versus the ASX 300 Index in accordance with the defined scale set out below.
- (b) Total Shareholder Return
The other half (50%) of Mr Matthews LTIP Share Units (known as the **TSR Share Units**) will be assessed for vesting based on the compound annual growth rate achieved in the price of the Company's shares from 1 July 2016 to 30 June 2019.

In both cases, no award will be granted unless the Company's share price at 30 June 2019 exceeds the share price as at 1 July 2016. Details of the allocation of Share Units under the LTIP and in accordance with the Share Plan are shown in the table below.

Total Number of Share Units	1,033,755	
Total Value of Share Units to Mr Matthews	\$253,270 (based on the Company's closing Share price of \$0.245 on 30 June 2016)	
Maximum Number of Shares to be acquired by Mr Matthews upon successful vesting of the Share Units	1,033,755	
Remuneration Period Covered	1 July 2016 to 30 June 2019	
Vesting Date	30 June 2020	
Vesting Conditions for Market Performance Share Units (Market Performance Share Units are 50% of the total Share Units)	Assessment of the Company's share price from 1 July 2016 to 30 June 2019 relative to the performance of the ASX 300 Index as per the scale below. The Market Performance Share Units are subject to a further 12-month retention period from 30 June 2019.	
Vesting Scale for Market Performance Share Units	Vesting rates of relative performance of the Company's Share price and the ASX 300 Index will occur in accordance with the scale shown below provided the Company's share price has increased from 1 July 2016 to 30 June 2019.	
	10% or more below index performance	Nil vesting
	Between 10% below index performance and equal to index performance	Vests at a rate of 2.5% of total Market Performance Share Units per 1% (so "at index performance", 25% of Market Performance Share Units vest)
	Above index performance	Vests at 3% of total Market Performance Share Units per 1% (so at 25% above index, 100% of Market Performance Share Units vest)
Vesting Conditions for TSR Share Units (TSR Share Units are 50% of the total Share Units)	1. Assessment of the movement in the price of the Company's shares from 1 July 2016 to 30 June 2019. 2. The performance measure is absolute performance based on compound annual growth rate achieved in the price of the Company's shares from 1 July 2016 to 30 June 2019. 3. The TSR Share Units are subject to a further 12-month retention period from 30 June 2019.	
Vesting Scale for TSR Share Units	Zero to 10%	Vests at 3% of total TSR Share Units per 1% (so at 10% TSR, 30% of TSR Share Units vest)
	Above 10%	Vests at 7% of total TSR Share Units per 1% (so at 20% TSR, 100% of TSR Share Units vest)

4.5 Further terms applying to Share Units allocated under both the 2017 STIP and LTIP

Mr Matthews' Share Units will vest on the applicable Vesting Date if the relevant Vesting Conditions are satisfied and he has remained continuously employed by the Company (or one of its subsidiary companies) up to and on the applicable Vesting Date, unless otherwise determined by the Board in its absolute discretion.

However, the Board may in its absolute discretion determine that all or a specified number of unvested Share Units may vest where the Managing Director's employment ceases.

Additionally, the Board may, in its absolute discretion, determine that all or a specified number of the unvested Share Units vest upon the happening of any of the following events:

- if a takeover bid is made, the takeover bid is declared unconditional and the bidder has acquired a relevant interest in more than 50% of the Company's Shares;
- on the date of despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act seeking approval for a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- on the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Share Units, to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons; or
- there is an offer or sale for the Keysbrook Project and such offer or sale is completed.

4.6 Requirement for Shareholder approval

Shareholder approval is required under the provisions of ASX Listing Rule 10.14 in respect of 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. Accordingly, Resolution 4, 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 "reasonable remuneration". The Board (other than Mr Matthews who has a material personal interest in the outcome of Resolution 4), considers that the issue of Share Units in accordance with the terms set out in this Explanatory Statement 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 4.1. Accordingly, shareholder approval will not be sought for the issue of Share Units to Mr Matthews for the purpose of Chapter 2E of the Corporations Act.

Resolution 4 seeks Shareholder approval to the proposed issue of up to \$455,885 of Share Units to, and the subsequent acquisition of any Shares by, Mr Matthews on the term set out in this Explanatory Statement under ASX Listing Rule 10.14.

4.7 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 4 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 \$455,885 of Share Units. The Shares underlying the Share Units will be issued to the trustee of the Employee Share Trust, who will hold the Shares for the benefit of Mr Matthews.
- (b) The maximum number of Share Units to be issued on behalf of Mr Matthews is 1,860,759 which, subject to successful vesting, will entitle Mr Matthews to acquire 1,860,759 Shares.
- (c) The price of the Share Units to be issued to Mr Matthews is 24.5 cents each for the Share Units issued for the award under the STIP and 24.5 cents each for the Share Units awarded under the LTIP.
- (d) Since the Share Plan was last approved by Shareholders at the Company's 2013 annual general meeting, Mr Matthews was granted:
 - (i) 1,301,645 Share Units on 25 February 2014 at an issue price of 48 cents per Share Unit;
 - (ii) 258,641 Share Units on 25 July 2014 at an issue price of 52.85 cents per Share Unit;
 - (iii) 191,896 Share Units on 24 November 2015 at an issue price of 41 cents per Share Unit;
 - (iv) 494,185 Share Units on 24 February 2016 under the STIP at an issue price of 41 cents per Share Unit; and
 - (v) 555,416 Share Units on 24 February 2016 under the LTIP at an issue price of 38 cents per Share Unit.

A total of 284,767 of these Share Units were forfeited on 30 June 2014, and a further 494,185 Share Units were forfeited on 30 June 2016.

There are no other current Directors of the Company that have participated in the Share Plan.

- (e) As the Company's only executive Director, Mr Matthews is the only Director currently eligible to receive Share Units under the Share Plan.
- (f) 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.
- (g) The acquisition of the Share Units will be funded by way of a loan from the trustee of the Share Plan for the maximum value of the Share Units of \$455,885. The loan is not interest bearing and recourse is limited to the Share Units. In accordance with the terms of the Share Plan, repayment of amounts owing under the loan is not required until the relevant Share Units are cancelled and, in respect of vested Share Units being cancelled that part of the loan is forgiven and any cancellation entitlement is distributed to the holder of the relevant Share Unit.
- (h) A voting exclusion statement in respect of Resolution 4 is included in the Notice of Meeting.

4.8 ASX Listing Rule 7.1

The Share Plan was initially approved by Shareholders for the purposes of Exception 9(b) of ASX Listing Rule 7.2 at the Company's 2013 annual general meeting and is subject to the further approval of Shareholders for this purpose under Resolution 5. If Resolution 4 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 4 is approved, the issue of Share Units to Mr Matthews (and his subsequent acquisition of underlying Shares) pursuant to Resolution 4 will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of ASX Listing Rule 7.1.

4.9 Directors' recommendation

The Directors (other than Mr Matthews who has a material personal interest in the outcome of Resolution 4) 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 important to ensuring his remuneration package is competitive, 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 4.

To the extent permitted by law, the Chairman intends to vote all undirected proxies in favour of Resolution 4.

4.10 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 4.

RESOLUTION 5 – RE-APPROVAL OF EMPLOYEE SHARE TRUST PLAN

5.1 General

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 Employee Share Trust Plan, which was established in 2013 and approved by Shareholders at the Company's 2013 annual general meeting, continues to form 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 Employee Share Trust Plan is intended to:

- align the interests of the Company's employees (including executive directors) with the interests of Shareholders, by linking the remuneration of senior employees and management with the long term success of the Company;
- support employee retention;
- enhance employee involvement and focus; and
- increase wealth distribution among the Company's employees.

At the 2013 annual general meeting, Shareholder approval was obtained for the purposes of Exception 9(b) of ASX Listing Rule 7.2 so as to authorise the issue of securities under the Employee Share Trust Plan for a period of 3 years without impacting upon the Company's ability under ASX Listing Rule 7.1 to issue up to 15% of its issued share capital in any 12-month period. Resolution 5 is sought to refresh that approval and allow the Company to continue to issue Shares Units and Shares under the Share Plan without using any of that 15% issuing capacity.

5.2 Key features of the Employee Share Trust Plan

A summary of the key features of the Employee Share Trust Plan is set out below.

(a) Eligibility

The Employee Share Trust 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 (**Eligible Employees**). Any issue of incentives under the Employee Share Trust Plan to executive directors would be subject to prior approval of the Company's Shareholders.

(b) Operation of the Employee Share Trust Plan

The Employee Share Trust Plan provides the Board with the flexibility to offer Shares to selected Eligible Employees as an incentive bonus subject to the terms imposed by the Company.

The Company operates the Employee Share Trust Plan through a trust structure, the Employee Share Trust, which it considers to be an effective way to manage the acquisition, holding and release to Participating Eligible Employees of Shares. The trust structure facilitates transfers of rights and tax obligations to participating Eligible Employees whilst also allowing the Company to enforce any rights in relation to the cancellation of entitlements to Shares.

If an Eligible Employee chooses to participate in the Employee Share Trust Plan (**Participating Eligible Employee**), the Shares the subject of the offer will be acquired by the trustee of the trust and held on behalf of the Participating Eligible Employee. Participating Eligible Employees will be issued a unit in the Employee Share Trust (**Share Unit**) for each Share held by the trustee on their behalf.

The trustee of the Employee Share Trust is SmartEquity Pty Ltd (**Trustee**).

(c) Funding the acquisition of Shares and Share Units

Share Units will be issued to Participating Eligible Employees at an issue price which is determined by the prevailing market value of the Share that is allocated to the relevant Share Unit at the time it is allocated.

The acquisition of Share Units by Participating Eligible Employees may be financed by way of a loan from the Trustee to Participating Eligible Employees. The Company will make contributions to the trust to enable the Trustee to provide such loans to Participating Eligible Employees.

Any loans provided may or may not be interest free and are otherwise provided subject to the terms of the relevant offer to the Participating Eligible Employee. Any such loan will not become repayable until the cancellation of the Share Units issued to the relevant Participating Eligible Employee and is limited recourse to the relevant Share Units acquired.

(d) Vesting conditions

The vesting conditions, if any, for each allocation of Share Units will be decided by the Board from time to time and will vary between Eligible Employees.

(e) Number of Shares to be offered

The number of Shares to be offered under the Employee Share Trust Plan will be decided by the Board from time to time.

However, the Employee Share Trust Plan and the applicable ASIC Class Order limits the maximum number of securities which may be granted to employees under all employee share schemes established by the Company in a rolling 5 year period to 5% of the issued share capital of the Company (calculated at the date of the relevant offer under the Employee Share Trust Plan), subject to certain exceptions.

(f) Voting rights

Eligible Employees who hold Share Units may direct the Trustee to exercise any voting rights attaching to the allocated Shares held by the Trustee in respect of their Share Units.

(g) Entitlement to dividends

If the Board declares a dividend, Participating Eligible Employees will receive that dividend based on the number of Share Units held.

(h) Termination of employment

Under the terms of the Employee Share Trust Plan, on the termination of employment of a Participating Eligible Employee, his or her Share Units will be cancelled. If those Share Units are still subject to any vesting conditions, the Participating Eligible Employee will only be entitled to the cancellation of the Share Units in satisfaction of any outstanding loans in respect of his or her Share Unit holding.

(i) Ability to sell Shares and/or withdraw from the Employee Share Trust Plan

Where their Share Units are not subject to any vesting conditions, a Participating Eligible Employee may elect to either instruct the Trustee to cancel some or all of his or her Share Units. Subject to the terms of the relevant offer, a minimum value of \$5,000 will apply to requests for the cancellation of Share Units.

On cancellation of their Share Units, the Participating Eligible Employee will be entitled, at his or her election, to:

- (i) the distribution of the Shares allocated to those cancelled Share Units; or
- (ii) a payment in cash equal to the market value of the Shares allocated to the cancelled Share Units at the time the Share Units were issued,

and the relevant part of any loan outstanding will be forgiven (**Cancellation Entitlement**).

5.3 Requirement for Shareholder approval under ASX Listing Rule 7.2

Shareholder approval in accordance with Exception 9(b) of ASX Listing Rule 7.2 will exempt securities issued under the Employee Share Trust Plan from the 15% annual limit on the issue of new securities without prior Shareholder approval under ASX Listing Rule 7.1 for a period of three years from the date of the passing of Resolution 5.

In the absence of approval under Exception 9(b) of ASX Listing Rule 7.2, issues of securities under the Employee Share Trust Plan may still occur but will be counted towards the 15% limit which would otherwise apply during a 12-month period (as set out in ASX Listing Rule 7.1).

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

- (a) as at the date of the Meeting, 8,618,193 Share Units and 7,523,425 Shares will have been issued under the Employee Share Trust Plan since the Plan was last approved by Shareholders at the Company's 2013 annual general meeting with 3,101,798 Share Units having been forfeited;
- (b) a summary of the terms of the Employee Share Trust Plan is set out in **annexure A** to this Explanatory Statement; and
- (c) a voting exclusion statement for Resolution 5 is included in the Notice.

5.4 Approval obtained under section 260C(4) of the Corporations Act

As set out in section 5.2 above, the operation of the Employee Share Trust Plan involves the Company giving financial assistance to Eligible Employees in connection with the acquisition of Shares, such as funding the loans that are provided to Eligible Employees to allow them to apply for Share Units.

Section 260A of the Corporations Act sets out particular requirements that a company must comply with in order to financially assist a person to acquire shares in that company or one of its subsidiaries. However, pursuant to section 260C(4) of the Corporations Act, financial assistance which is given under an employee share scheme that has been approved by shareholders in a general meeting of the company is exempt from those requirements. The Employee Share Trust Plan was approved by Shareholders for this purpose at the 2013 annual general meeting.

5.5 Directors' recommendation

The Board considers that the Employee Share Trust Plan is 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 5.

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.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given to that term in the ASX Listing Rules.

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 chairman of the Meeting.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company or **MZI** 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.

Employee Share Trust means the trust established to acquire Shares to be held on behalf of participants in the Employee Share Trust Plan.

Employee Share Trust Plan or **Share Plan** means the Company's employee share trust plan, which was approved by Shareholders at the Company's 2013 annual general meeting and for which the Company is seeking further approval under Resolution 5.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the meaning given to that term in the Corporations Act.

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

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.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report for the year ended 30 June 2016 forming part of the Directors' report in the Company's 2016 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 Unit means a unit in the Employee Share Trust which comprises a beneficial interest in a Share held on trust in accordance with the rules of the Employee Share Trust Plan.

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

ANNEXURE A – KEY TERMS OF EMPLOYEE SHARE TRUST PLAN

The key features of the Share Plan are summarised below.

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 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.</p> <p>Upon cancellation, any outstanding loan relating to the cancellation entitlement is forgiven. 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>



MZI Resources Ltd
ABN 52 077 221 722

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 763 480
(outside Australia) +61 3 9415 4858

MZI

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10.00am (WST) Sunday, 20 November 2016

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged 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, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of MZI Resources Limited hereby appoint

☐ the Chairman
of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of MZI Resources Limited to be held at Perth Ambassador Hotel (Boronia Room), 196 Adelaide Terrace, East Perth, Western Australia on Tuesday, 22 November 2016 at 10.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Chi To (Nathan) Wong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Ronnie Beevor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Share Units to Managing Director - Mr Trevor Matthews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-approval of Employee Share Trust Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

MZ I

9 9 9 9 9 9 A

Computershare