

Delivering high value mineral sands products into an improving market

Investor Presentation

September 2016

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What makes MZI and Keysbrook compelling

- MZI is the world's newest producer of high value Zircon and TiO₂ products
- Focused on the Keysbrook Project, 70km from Perth
- Keysbrook is a high-margin long-life project with strong growth potential
- Construction completed early and on budget; production ramping up
- Keysbrook will be the world's biggest primary producer of Leucoxene

Robust Economics*

Low LOM Operating costs
 Premium quality products
 Potential+30 year life, subject to land access and further approvals.

Low Risk

100%-owned Australian Project
 Construction complete
 Production underway
 Soft environmental footprint

High Value Products*

38 ktpa 88% TiO₂
 29 ktpa 70% TiO₂
 29 ktpa Zircon Concentrate

Growth Potential

Significant potential to grow Resources through exploration
 Project expansion studies underway

Committed Sales

Offtakes cover +80% of output
 TiO₂ products L88 and L70 sale agreements with Chemours
 Zircon concentrate contract with Tricoastal/Wensheng

Strong Board and Management

Over 100 years of mineral sands experience within the company

Prime Australian Location

Keysbrook Project (100% MZI)

- High quality product mix
- HMC production commenced October 2015
- Potential multi-decade producer



70km from Perth

Western Australia

- Australia's largest minerals exporting State
- Major global producer of mineral sands
- Established workforce and infrastructure
- Broad community support for mining



The Keysbrook location advantage

- Mine located 70km south of Perth
- Near large population, mining and industrial centres
- No need for employee transport, accommodation or catering
- Connected to grid power, high standard road transport, product storage and port facilities
- Basic wet processing at mine site
- Dry processing de-risked via toll treatment agreement to utilise Doral plant at Picton



Sustainable with a soft environmental footprint

- Only small areas (30ha) opened for mining at any one time, average mining depth 2.2m
- No comminution of mined sand and chemical free processing
- Recycle >85% of annual water requirements
- No residual waste from processing
- After processing, sand and clay material is returned to the mined area
- Stockpiled topsoil is replaced and mine rehabilitation is complete within 2 to 3 growing seasons and returned to previous land use
- Disturbed areas revegetated to better than pre-mining state
- Comprehensive noise, dust, water and transport management plans in place



Nearby post-mining rehabilitated pasture



Rehabilitation progress at MZI's Tiwi Islands project

Project delivered on budget and ahead of schedule



✓ *Continuous mining commenced October 2015*



✓ *First ore fed into Keysbrook MFU October 2015*



✓ *HMC production commenced at Keysbrook October 2015*



✓ *HMC processing commenced at Picton MSP November 2015*

Keysbrook: a platform for reliable long life supply



- 155Mt Global Mineral Resource¹, including Ore Reserves of 72Mt¹, with significant exploration upside
- High value product mix and potential +30¹ years LoM at initial planned production rate
- Low cost mining – free dig sand, average depth 2.2m with nil strip ratio
- Low slimes
- Simple conventional processing flowsheet
- Offtake agreements for +80% of planned production under five year sale agreements with blue-chip customers
- All zircon concentrate fully committed
- All L70 fully committed for 2016, and all L88 expected to be committed, following customer request for increased volumes in December Half²
- Discussions progressing with other potential future Leucoxene customers

¹ Refer ASX releases 7 August 2015 and 23 March 2016 and slides at end of presentation.

² Refer ASX release dated 18 July 2016

Shipping volumes continue to build

- Zircon concentrate sales commenced end December 2015
- L70 shipments commenced March 2016
- First L88 shipment June 2016
- Total +41,000t (all products) shipped to date:
 - 12,136t zircon concentrate
 - 13,825t L70
 - 15,100t L88



Bulk carrier Aquitania at dock in Bunbury loading 6,850t of L88 for delivery to Chemours' Taiwan operations, September 2016

Operation ramp up continuing

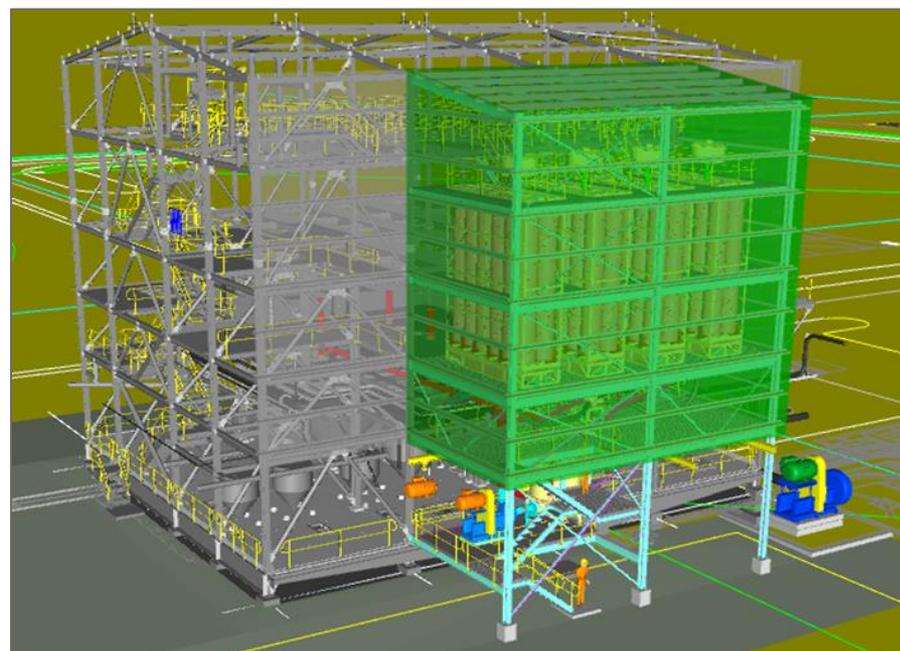
- Plant commissioning and production commenced in October 2015
- Product sales commenced in December 2015
- Sales building: +41,000t all products since commencement
- Keysbrook operations cashflow positive in September quarter 2016*
- Production ramp-up progressing following operating changes and minor plant modifications during the June quarter
- Significant operational improvement achieved since June quarter
- Further improvement expected from planned \$2.3m WCP spirals and screening unit upgrades

WCP Additional Spirals Project



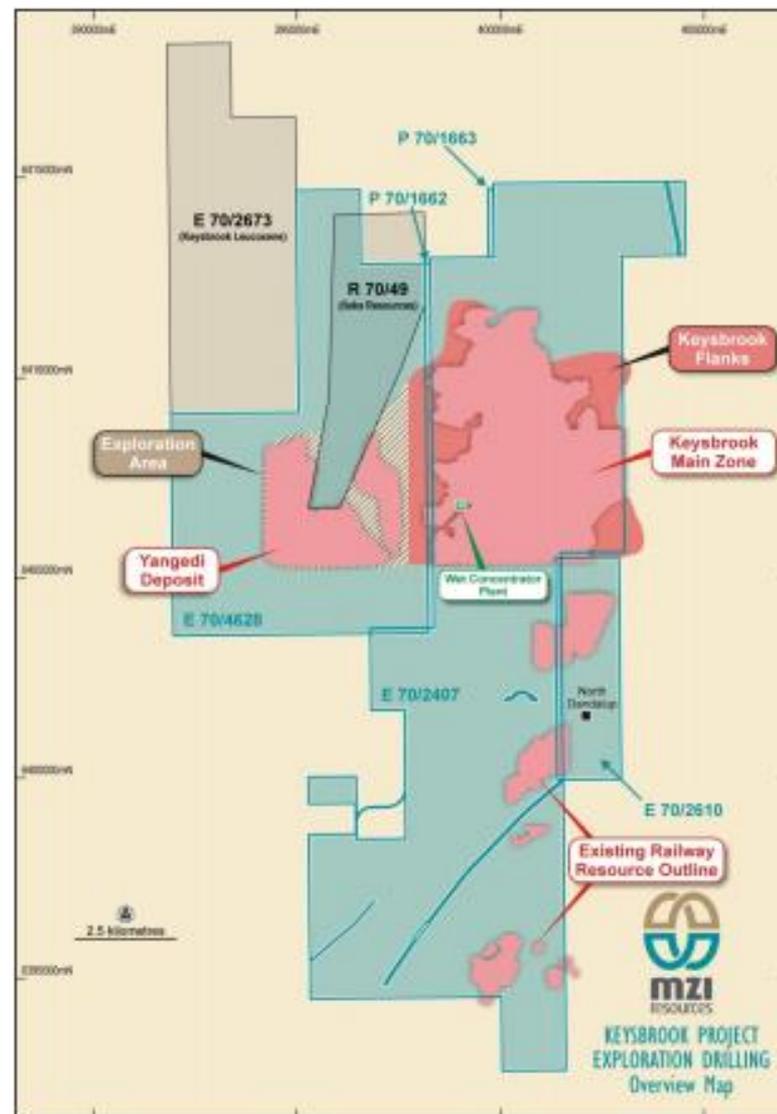
- Site preparation commenced
- Short construction program
- Completion schedule subject to timing of relevant approvals

- \$2.3m capex program comprises:
- 48 large-capacity spirals
 - New WCP screening unit
 - Significant improvement in WCP and MSP performance expected



Expanding resources a platform for growth

- Keysbrook Global Mineral Resource increased by **68%** to **155Mt @ 2.0% HM** in August 2015¹
- Total contained HM increased to **3.1Mt** in the Keysbrook, Yangedi and Railway deposits
- Keysbrook Deposit increased **14%** to **90Mt @ 2.2% HM** containing **2.0Mt HM**
- Maiden Mineral Resource estimate for Yangedi Deposit of **51Mt @ 1.5% HM** containing **0.79Mt HM**
- Total Ore Reserves increased by **177%** to **72Mt @ 2.2% HM²** in March 2016, equivalent to **+15 years**
- Mineralisation remains open to the west, north and south
- Mineral Resources equivalent to **+30¹** years of life at initial production rates, subject to land access and further approvals
- Increased resource base positive for. ongoing capacity expansion studies



1 Refer ASX release dated 7 August 2015, and slides at end of presentation.

2 Refer ASX release dated 23 March 2016 and slides at end of presentation.

Successful Debt Restructuring

- US\$37.5m senior debt facility restructured in June 2016
- Increased flexibility and improved access to Keysbrook cashflow
- Deferred the commencement of principal repayments by 6 months to March 2017
- Extended the debt term by 27 months to 31 December 2021
- Significantly reduced quarterly principal repayments
- Deferred and reduced the size of the DSR amount
- Quarterly surplus cash sweep reduced from 70% to 50% (commences March 2017)
- 1.1% increase in facility interest rate

What are Heavy Minerals?

Zircon

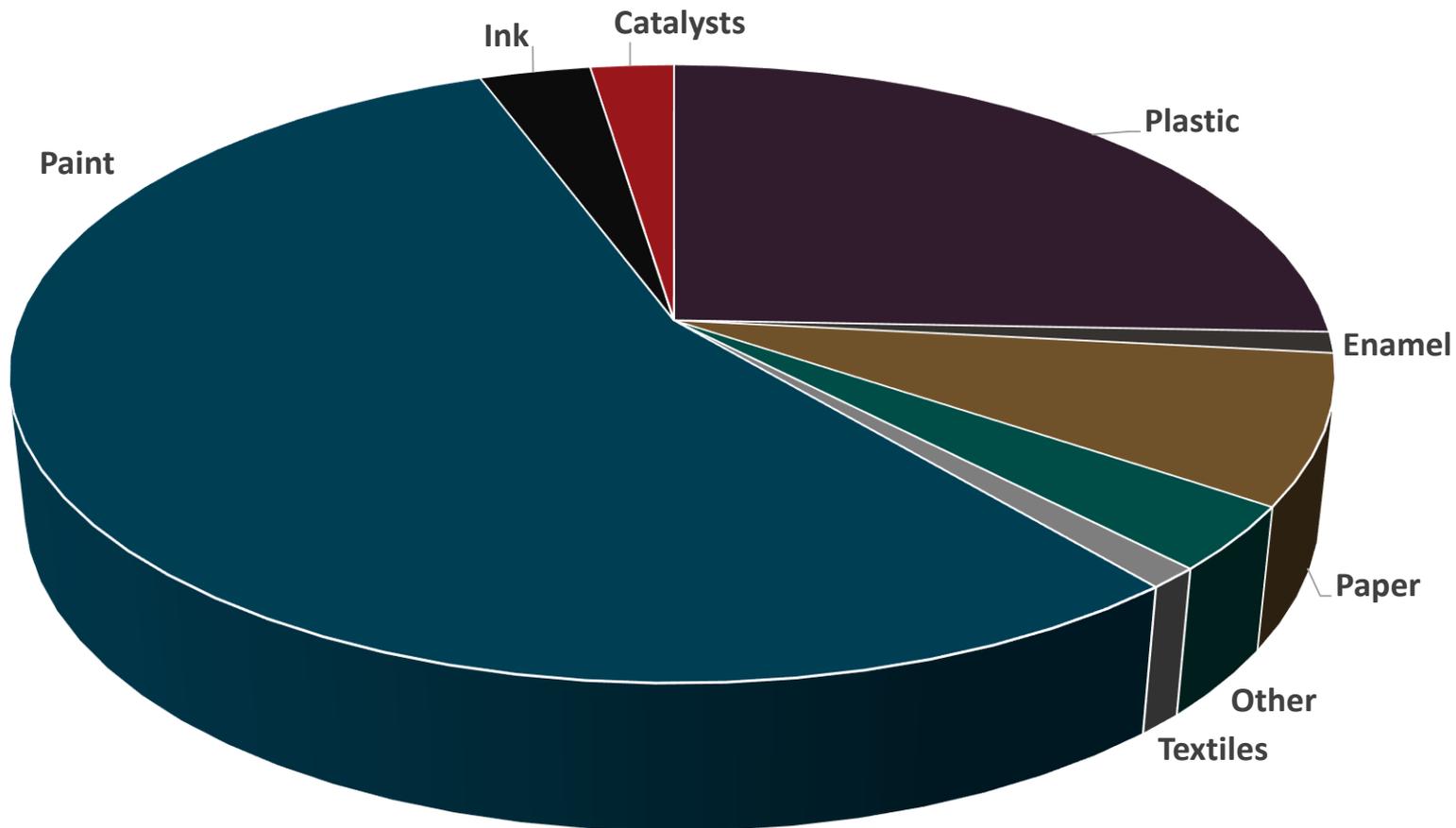
- Architectural ceramics (tiles, bathroom fixtures)
- High performance refractories (kiln/furnace linings)
- Friction abrasives (brakes)
- Precision casting (auto manufacturing)
- Digital printing inks
- Zirconium metal (nuclear fuel rods)

TiO₂

- Leucoxene (L88 and L70) is a high value source of TiO₂
- Everyday pigments (paints, plastics, paper etc)
- Industrial uses (welding rods)
- Titanium metal applications (aerospace, industrial, medical)
- 3D Printing/Additive Manufacturing (AM)



World TiO₂ Pigments Consumption (2015 data)



- ✓ Market for premium mineral sands products remains relatively stable compared with other commodities.
- ✓ Modest mid term price growth forecast.
- ✓ Broad demand for products used in everyday life.

Zircon

- The zircon price has eased over the past year with premium grades currently selling for ~US\$950 pmt.
- Producers have reduced supply in response to soft market conditions.
- Global consumption is currently assumed to be ~1.0 million tonnes per year, with demand growing in step with global GDP.

Titanium Dioxide

- Demand for TiO_2 feedstock has remained stable
- Tangible signs of improvement in price for premium feedstocks since June 2016.
- New titanium metal powders production technology are a potential longer term game changer for TiO_2 demand

Iluka reclaims rutile mine for \$455m

has been in place for quite some time but was deferred due to some priorities and circum-

an increased portfolio flexibility. He said Iluka saw potential operational improvements as the mine

The bid by Iluka for Sierra Rutile comes as mineral sands prices have begun to recover after a long time in the doldrums and as the

Titanium Dioxide imports of India jumped by 30% in March 2016 compared to Feb 2016

Petrosil Titanium Dioxide Report
Titanium Dioxide Market Intelligence at Petrosil Group

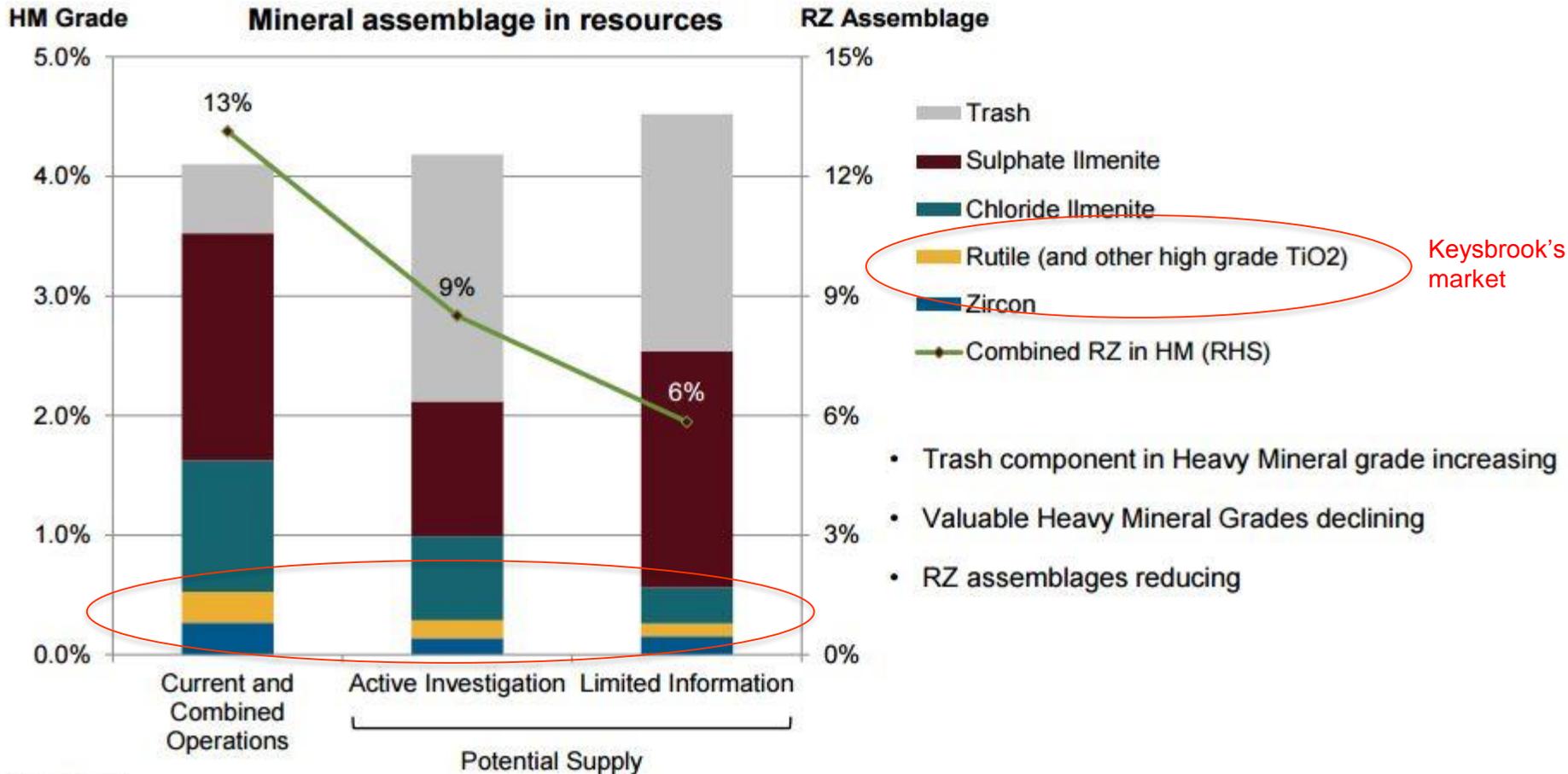
China's TiO2 prices and demand continue to move up in sync with the real estate market recovery

Huntsman Announces Global Titanium Dioxide Price Increases

Russia's TiO2 prices firm up, the country imported less

"We are seeing the most positive combination of factors for the pigment sector and ultimately for high-grade feedstock demand we have seen since 2012," Mr Robb said.

Market Outlook: quality matters as grades decline



Source: Iluka Resources Ltd presentation, 1 August 2016

Summary: MZI a rare gem in today's resources sector



- ✓ Keysbrook project construction completed and commissioning commenced on budget and ahead of schedule
- ✓ First production of saleable products achieved November 2015, first sales completed December 2015
- ✓ Globally competitive low cost producer
- ✓ Positive price/demand outlook for Keysbrook-type products
- ✓ Focused on higher-value end of mineral sands market: **Zircon, Leucoxene88, Leucoxene70**
- ✓ Five year offtake contracts with blue chip customers (Chemours and Tricoastal/Wensheng)
- ✓ Discussions with multiple parties for uncommitted volumes
- ✓ Long life asset with significant growth/expansion potential

Important Notice



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Forward-Looking Statements

This presentation contains forward looking statements concerning the projects owned by MZI Resources Ltd. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-Looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward Looking statements are based on Management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Data and amounts shown in this presentation relating to capital costs, operating costs and project timelines are internally generated best estimates only. All such information and data is currently under review as part of MZI Resources Ltd's ongoing development and feasibility studies. Accordingly, MZI Resources Ltd cannot guarantee the accuracy and/or completeness of the figures or data included in the presentation until the feasibility studies are completed.

Competent Person's Statement – Exploration Results

The information in this report that relates to exploration results is based on information compiled or reviewed by Mr Stephen Harrison BSc (Hons) who is a member of the Australia Institute of Geoscientists. Stephen Harrison is a full time employee of MZI Resources Ltd. Stephen Harrison has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Stephen Harrison consents to the inclusion of this information in the form and context in which it appears in this report.

Appendix

MZI Corporate Overview



ASX	MZI
Issued Capital	207.6m FPO Shares
Current Price ¹	\$0.345
Market Capitalisation ¹	\$71.6m

Major Shareholders

RCF	42.9%
Accent Resources	4.8%
Technical Investing	3.4%
Slade Technologies	2.4%
Xiang Lin	1.7%
Tricoastal	1.4%

Funding Structure

RCF	
Convertible Loan (fully drawn)	US\$21.0m
Bridge Facilities (fully drawn)	US\$8.0m
RMB	
Project Facility (fully drawn)	US\$37.5m
Working Capital (fully drawn)	US\$3.0m
Bank Guarantee Facility (A\$7.0m undrawn)	A\$11.5m
FX Hedge and Interest Rate Swap Facility	

Board & Executive Management

Rod Baxter	Chairman
Trevor Matthews	Managing Director
Maree Arnason	Non-Executive Director
Mal Randall	Non-Executive Director
Stephen Ward	Non-Executive Director
Ronnie Beevor	Non-Executive Director
Nathan Wong	Non-Executive Director
Mike Ferraro	Chief Operating Officer
John Traicos	Legal Manager / Company Secretary
John Westdorp	Chief Financial Officer

Broker coverage

Broker	Rating	12m target
Argonaut	Buy	A\$0.68 (18/07/16)
Bell Potter	Buy	A\$0.56 (11/07/16)
Patersons	Buy	A\$0.45 (15/06/16)

Keysbrook Metrics*

Item	Result
Ore Mining Rate	4.5Mtpa
Average mining depth	2.2 metres
Strip Ratio	Nil
Mining Inventory	72 million dry tonnes (Reserve)
Mine Life	16 years (Reserve) +30 years (Resource)
Concentrator throughput	4.0Mtpa (dry)
Concentrator Recovery	L70 – 90% L88 – 71% Zircon – 98%
HMC Produced	111,000tpa (dry)
MSP contract	Toll treating – month on / month off
MSP throughput	111,000tpa (dry)
MSP Recovery	L70 – 99% L88 – 90% Zircon – 98%
Final Product*	L70 – 28,800tpa (dry) L88 – 38,400tpa (dry) Zircon con – 29,000tpa (dry)
Zircon concentrate composition	56% Zr, 11% L88



Keysbrook – A Simple Flowchart

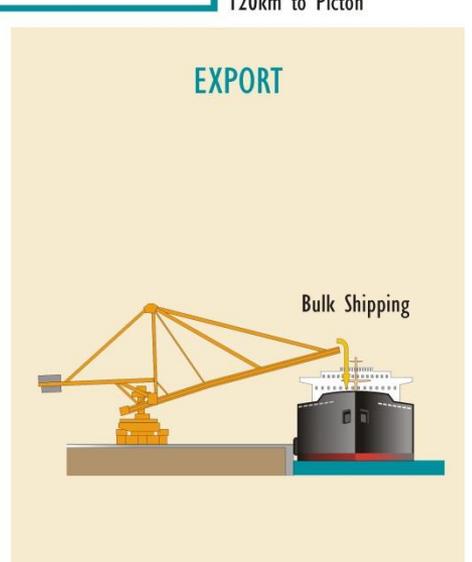
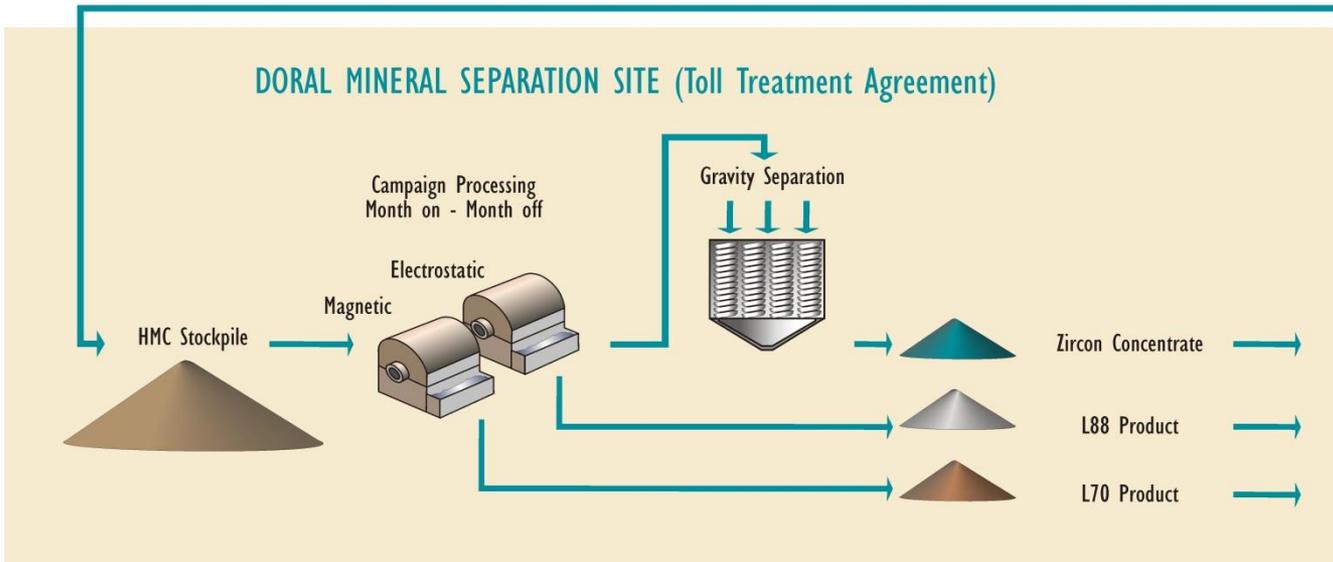
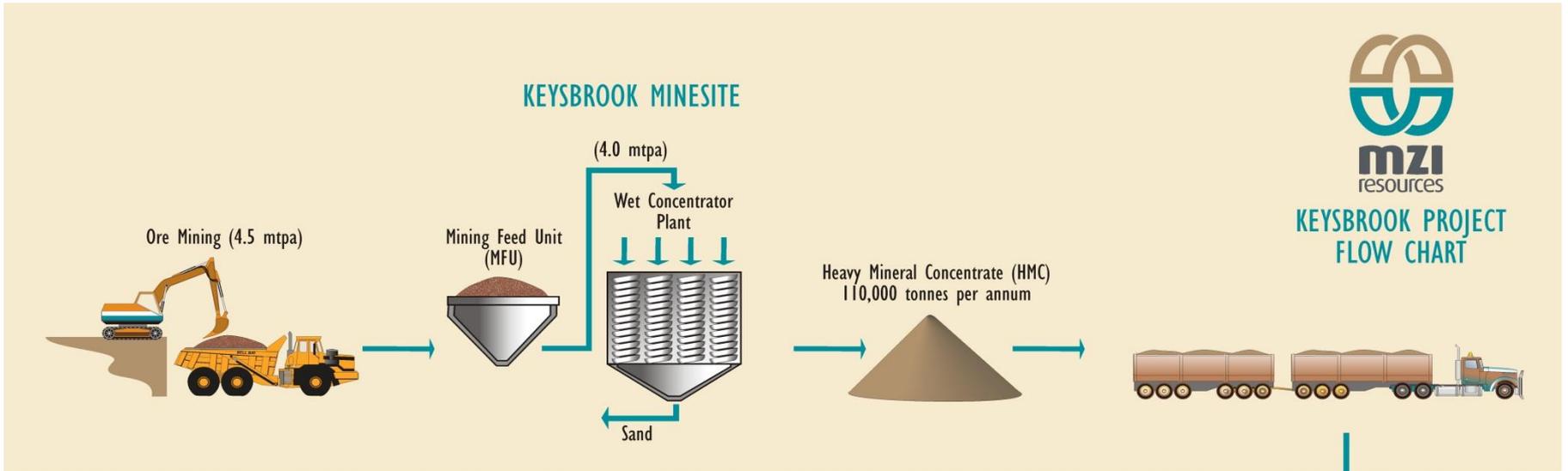


Table 1: Keysbrook Project –Global Mineral Resources (above a 1% THM cut-off grade and below a 20% slimes grade)

Category	Tonnes (Mt)	Total Heavy Mineral (%)	Heavy Mineral (kt)	Clay Fines (-45um)%
Measured	63.9	2.2	1,400	8.1
Indicated	29.2	2.2	655	10.5
Inferred	61.9	1.6	1,050	12.0
Total	155.0	2.0	3,105	10.1

Table 2: Keysbrook Project Component Resource Statement

Category	Tonnes (Mt)	Total Heavy Mineral (%)	Heavy Mineral (kt)	Clay Fines (-45um) %	L70 %	L88 %	Zircon %
Keysbrook Deposit							
Measured	63.9	2.2	1,400	8.1	26.1	50.1	13.6
Indicated	15.6	2.2	350	10.2	28.0	46.1	14.7
Inferred	10.8	2.4	260	11.9	26.4	48.7	14.3
Total	90.3	2.2	2,010	8.9	26.5	49.2	13.9
Yangedi Deposit							
Inferred	51.1	1.5	790	12.1	61.2	20.0	10.8
Total	51.1	1.5	790	12.1	61.2	20.0	10.8
Railway Deposit							
Indicated	13.6	2.2	305	11.0	-	-	-
Total	13.6	2.2	305	11.0	-	-	-

Notes relevant to Tables 1 and 2:

1. Reported above a cut-off grade of 1% HM and below a cut-off of 20 % clay fines.
2. Stratigraphic units reported within the Mineral Resource are Yoganup Sand and Guildford Clay for Keysbrook, Bassendean Sand for Yangedi and Yoganup Sand for Railway.
3. Keysbrook Project resource is classified and reported in accordance with the guidelines of JORC Code 2012. Railway Deposit resource is classified and reported in accordance with the guidelines of JORC Code 2004.
4. HM is reported as a percentage of the +45um to -2mm size fraction reported as a percentage of the total material.
5. L70%, L88% and Zircon% are the proportion of the total HM.
6. The terms L70 and L88 refer to MZI products. L70 comprises minerals with an average titanium dioxide content of between 65% and 85% and L88 comprises minerals with an average titanium dioxide content between 85% and 95%.
7. Inconsistencies in totals are due to rounding.

Refer Slide 26 for Competent Persons Information

Keysbrook Proved and Probable Ore Reserves as at 31 December 2015

Classification	Ore Million tonnes	In situ THM tonnes	THM grade %	THM Assemblage			
				L70 %	L88 %	Zircon %	Other %
Proved	54.1	1.2	2.2	25.5	50.2	13.4	10.6
Probable	18.0	0.4	2.2	28.5	46.4	14.1	10.9
Total	72.1	1.6	2.2	26.3	49.3	13.6	10.7

Notes accompanying the Ore Reserve Statement:

- Ore Reserves are based upon a cut-off grade of 1.0% THM and Mineral Resource material containing more than 20% slimes have been excluded from the Ore Reserves estimation*
- The Ore Reserves are based upon TZMI forecast pricing and offtake pricing*
- Mineral Resources have been reported as inclusive of Ore Reserves.*
- The Total Heavy Mineral (THM) assemblage is reported as a percentage of in situ THM content.*
- Tonnes and grade data have been rounded to one significant figure. Discrepancies in summations may occur due to rounding.*
- This Ore Reserve statement has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition).*
- The Ore Reserves have been compiled by Jean-Pierre Adams (MAusIMM) of MZI, under the direction of Andrew Law of Optiro, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”.*
- Mr Law consents to the inclusion in the report of the matters compiled by him in the form and context in which it appears.*

Competent Persons Information



Competent Person's Statements – Mineral Resources (Tables 1 and 2)

The information in this report which relates to Mineral Resources is based upon information compiled by Mrs Christine Standing (in relation to the Keysbrook Project) who is a Member of the Australasian Institute of Mining. Mrs Standing is an employee of Optiro Pty Ltd and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mrs Standing consents to the inclusion in the report of a summary based upon her information in the form and context in which it appears.

The information in this report which relates to Mineral Resources is based upon information compiled Mr John Baxter (in relation to the Railway Deposit) who is a Member of the Australasian Institute of Geoscientists. Mr Baxter is a Consulting Geologist with sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Baxter consents to the inclusion in the report of a summary based upon his information in the form and context in which it appears.

For supporting information on Keysbrook Mineral Resources, refer ASX release - *MZI increases Keysbrook Mineral Resources by 68%* - dated 7 August 2015.

Competent Person's Statements – Ore Reserves

The information in this report has been compiled by Jean-Pierre Adams (MAusIMM) of MZI, under the direction of Andrew Law of Optiro, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Law consents to the inclusion in the report of the matters compiled by him in the form and context in which it appears.