

ASX ANNOUNCEMENT

8 May 2017



Appointment of Corporate Financial Advisor

MZI Resources Ltd (ASX: MZI) is pleased to announce it has appointed Northcott Capital Limited (Northcott) as a Corporate Financial Advisor to review the Company's balance sheet and financing structure and, subject to development of an acceptable plan, assist with the delivery of the most appropriate and efficient capital structure for MZI going forward.

MZI's Keybrook Project was a classic counter-cyclical investment which required innovative and complex financing in challenging economic times. With the operational transformation of the Company's business now well advanced and production nearing steady state, it is timely and a natural progression to focus on the balance sheet and financing arrangements as the Company has successfully transitioned from junior explorer to producer. A key step in this transition was announced on 3 May 2017 with the appointment of experienced resources sector executive Mr Martin Purvis as Managing Director commencing 1 July 2017.

This review, to be undertaken with the support of MZI's existing finance providers and major shareholder, is anticipated to take several months to complete. On conclusion, the review is anticipated to deliver a simpler and more efficient fit-for-purpose capital structure suited to MZI's long term future as a major mineral sands producer.

Northcott have been selected to assist MZI after a comprehensive selection process was undertaken by the Company. Northcott has global reach and previous experience working in the mineral sands sector.

MZI Interim Managing Director, Dr Steve Ward commented *"The appointment of Northcott and the commencement of this important review process represents another major step forward in the evolution of MZI as our business matures and we start looking to our long term future."*

"MZI's well timed counter-cyclical development strategy puts us in a strong position to achieve long term success. Keybrook's development during the commodities downswing sets it up to capitalise on the clearly improving market conditions ahead for our leucoxene and zircon products. Now is the ideal time to align our capital and corporate structure with the long term requirements of our operational business and position us to consider our options for growth."

"We look forward to providing further updates on the progress of this important process over the coming months."

For further details please contact:

Steve Ward

Interim Managing Director

+61 8 9328 9800



About MZI

MZI Resources Ltd (ASX: MZI) is a mineral sands company focused on the high value minerals of zircon, rutile and leucoxene. It has an operating mine at Keysbrook, located 70km south of Perth in Western Australia. At Keysbrook, heavy mineral concentrate (HMC) is produced. The HMC is then transported to Picton, WA where it is processed into final products under a toll treating arrangement at a mineral separation plant (MSP) which is owned by Doral Mineral Sands Pty Ltd.

The Keysbrook mine hosts a world-class zircon / leucoxene ore body with total Ore Reserves equivalent to over 15 years of production at designed output rates and total Mineral Resources equivalent to over 30 years of production. Following receipt of all necessary environmental, development and extractive industry licence approvals and the successful completion of financing, construction commenced in early 2015. Production commenced in late 2015, making Keysbrook WA's first - and the world's largest - primary producer of high value leucoxene. At year-end 2016, the Keysbrook mine was operating at design rates. Final achievement of all design criteria is expected to be achieved at the MSP early in 2017.

Disclaimer

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Forward Looking Statements

Announcements made by MZI Resources Ltd ("the Company") may from time to time contain forward looking statements concerning the operations and projects owned by the Company, including statements concerning mining reserves and resources which may 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 reflect other future developments.