

ASX ANNOUNCEMENT

29 May 2017



Funding secured to extend mining access at Keysbrook

MZI Resources Ltd (ASX: MZI) is pleased to announce it has secured funding to progress its strategic land access program. This will support future operations at its flagship Keysbrook mineral sands operation, 70km south of Perth, including the potential for future growth.

A US\$5 million debt financing provided by the Company's major shareholder Resource Capital Fund VI L.P. ("RCF") has been secured on market competitive terms and conditions.

The debt financing is subject to the Company securing a waiver of Listing Rule 10.1 by the ASX and will be combined with, and be on similar terms and conditions as, the debt funding package provided by RCF in November 2016. Details of this package were disclosed in the Company's ASX release on 29 November 2016.

MZI Interim Managing Director, Dr. Steve Ward commented "*The injection of funds at this time enables the Company to pursue further arrangements with landowners for mining access in line with the Company's long term mine plan. This strategic action is a key part of our forward planning for Keysbrook. We thank RCF for their ongoing support which demonstrates a real vote of confidence in the Keysbrook operations and their future.*"

For further details please contact:

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About MZI

MZI Resources Ltd (ASX: MZI) is a mineral sands company focused on the high value minerals of zircon, rutile and leucoxene based in Perth, Western Australia. Its flagship operating asset is the Keysbrook Mineral Sands Project, located 70km south of Perth. At the Keysbrook mine, mineral sands are mined and processed to produce heavy mineral concentrate (HMC) which is processed into final products under a toll treating arrangement with Doral Mineral Sands Pty Ltd at the Picton Mineral Separation Plant (MSP) near Bunbury. The Keysbrook mine hosts a world-class zircon / leucoxene ore body with total Ore Reserves equivalent to over 15 years of production at design output rates, and total Mineral Resources equivalent to over 30 years of production. Production commenced in late 2015, making the Keysbrook Project Australia's first – and the world's largest - primary producer of high value leucoxene.

Disclaimer

This release has been prepared by the Management of MZI Resources Ltd ("the Company"). The information provided in this release is based on publicly available information, internally developed data and is based on the assumptions and limitations mentioned herein and is an expression of present opinion only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information. The Company disclaims and excludes all liability (to the extent permitted by the law), for losses, claims, damages, costs and expenses of whatever nature arising in any way out of or in connection with the information, its accuracy, completeness or by reason of reliance of any person on it. Where the Company expresses or implies an expectation or a belief as to the success of future exploration and the economic viability of future projects, such an expectation or belief is based on management's current predictions, assumptions and projections. However, such forecasts are subject to risks, uncertainties or other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forecasts. Such risks include, but are not limited to, exploration success, commodity price volatility, changes to the current mineral resource estimates, changes to assumptions for capital and operating costs as well as political and operational risks and government regulation outcomes. For more detail of risks and other factors, refer to the Company's other Australian Securities Exchange announcements and filings. The Company does not have any obligation to advise any person if it becomes aware of any inaccuracy in, or omission from any forecast or to update such forecast.

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.