

ASX ANNOUNCEMENT

8 June 2017



ASX Waiver Secured for Strategic Funding

MZI Resources Ltd (ASX: MZI) refers to its announcement on 29 May 2017 and is pleased to advise that it has been granted a waiver of Listing Rule 10.1 by ASX Limited enabling the utilization of the US\$5million debt financing provided by its major shareholder Resources Capital Fund VI L.P.(RCF).

The debt financing was secured on market competitive terms and on similar conditions to the debt funding package provided by RCF in November 2016 and is designed to enable the Company to pursue further arrangements with landowners for mining access in support of future operations at MZI's Keysbrook flagship mineral sands operation, 70km south of Perth.

MZI intends repaying the amount drawn down under the debt financing by no later than 1 December 2017 from cash flows generated from its Keysbrook operations and other available sources.

The terms of the ASX waiver are set out in the Attachment to this release.

For further details please contact:

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ATTACHMENT – ASX WAIVER

1. The decision made by ASX Limited (“ASX”) dated 25 November 2016 in relation to a waiver granted to MZI Resources Limited (“the Company”) be rescinded and replaced as follows:
 - 1.1. Based solely on the information provided, ASX grants the Company a waiver from listing rule 10.1 to the extent necessary to permit the Company to enter into an amended bridge loan facility with Resource Capital Fund VI L.P (“RCF”) totalling US\$21,000,000 (“Amended RCF Bridge Loan Facility”), secured under an existing security arrangement with RCF and RMB Australia Holdings Ltd (“RMB”) (“Security”) without obtaining shareholder approval, on the following conditions.
 - 1.1.1. The terms of the Amended RCF Bridge Loan Facility include a term that if an event of default occurs and RCF exercise their rights under the Security, RCF nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company’s obligations under the Security documents with respect to the Amended RCF Bridge Loan Facility, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by RCF exercising their power of sale under the Security and selling the assets to an unrelated third party on arm’s length commercial terms and conditions and distributing the cash proceeds to RCF in accordance with their legal entitlements.
 - 1.1.2. A summary of the material terms of the Amended RCF Bridge Loan Facility and Security documents are made in each annual report of the Company during the term of the Security.
 - 1.1.3. Any variation to the terms of the Amended RCF Bridge Loan Facility or the Security documents which are:
 - a) not minor changes; or
 - b) inconsistent with the terms of the waiver,must be subject to shareholder approval.
 - 1.2. The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company’s plans with respect to the repayment of the funds advanced under the Amended RCF Bridge Loan Facility, including the timeframe within which it expects the repayment to occur.
2. ASX has considered listing rules 10.1 only and makes no statement as to the Company’s compliance with other listing rules.



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.