

ASX ANNOUNCEMENT

24 August 2015



Keysbrook Project 82% complete

- Project continues on schedule and on budget
- Majority of mechanical items now installed at both sites
- New mining fleet on site at Keysbrook
- Commissioning and first production on schedule for Q4 2015
- First sales targeted for Q1 2016

MZI Resources Ltd (ASX:MZI) is pleased to provide the following update on progress at its flagship Keysbrook Project, 70 kilometres south of Perth in Western Australia.

At the end of July 2015, the Project was on schedule for commissioning and first production in the final quarter of 2015 with overall progress at 82% complete.

The Project remains on budget.

At the Keysbrook site, most mechanical items have now been installed and the focus has moved to electrical and piping installation. The thickener was delivered in July as expected and is in the final stages of assembly.

MZI's new mining fleet has been busy with commissioning and early works activities since arriving in late July. The operation continues to ramp up, with the installation of workshops, the administration building, fuel farm and delivery of the weighbridge all achieved in July.

The Mining Feed Unit fabricated by Transmin arrived on site in August for assembly ahead of commissioning in the final quarter of 2015.

Western Power completed the power line from Pinjarra to the Keysbrook mine site ahead of schedule and energisation of the line is due in September 2015.

At the Doral site at Picton, efforts have focussed on completing the majority of the construction of the remaining upper floors ahead of a major shutdown of the site in late August to enable the tie-in of most of the new plant to Doral's operating facility.

MZI's Managing Director, Trevor Matthews, said: *"Passing the 80% completion mark on time and on budget further highlights MZI's disciplined management of the development and construction schedule for the Keysbrook Project, which has established an excellent foundation from which to enter the commissioning and production phase in the upcoming quarter."*

Keysbrook is on track to commence commissioning in November 2015 with first sales planned for early Q1 2016. The Keysbrook Project is scheduled to produce over 95,000 tonnes of leucoxene and zircon products annually.

Progress to date is depicted over the page.

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Managing Director

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Non-Executive Director

Rodney Baxter
Non-Executive Director

Stephen Ward
Non-Executive Director

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Non-Executive Director

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Figure 1: Keysbrook mine site construction activities



Figure 2: Construction activities at the Picton Mineral Separation Plant



Figure 3: Wet Concentrator Plant (WCP) under construction



Figure 4: MFU conveyor ready for transport to site



Figure 5: New mining fleet in operation

For further details please contact:

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