

ASX ANNOUNCEMENT

13 October 2015



Operations set to commence at Keysbrook Project

- Final preparations underway for start of operations
- Mining on track to commence next week
- Plant commissioning to commence by end October
- Discussions underway to start shipments before end 2015

MZI Resources Ltd (ASX:MZI) is pleased to advise that it is preparing to commence operations at its flagship Keysbrook Project, 70 kilometres south of Perth in Western Australia.

Work on the project is tracking almost one month ahead of the original schedule, with the project remaining on budget and 92.5% complete at the end of September 2015.

Final preparations are under way to commence continuous mining operations in the week commencing 19 October 2015.

On this basis, the Company anticipates that ore feed to the Wet Concentrator Plant at Keysbrook will be able to commence in the following week, marking the start of plant commissioning and enabling first leucoxene and zircon concentrate production at Doral's Picton processing facility to begin during November.

MZI is currently in discussions with customers about potential options to despatch its first product shipment before the end of calendar 2015.

MZI's Managing Director, Trevor Matthews, said: *"These are extremely exciting times, with MZI on the cusp of becoming the world's biggest - and WA's first - primary producer of leucoxene, as well as a substantial producer of zircon. Keysbrook's low forecast operating costs and high value product mix also promise to make MZI one of the highest margin suppliers of premium mineral sands products to the global market."*

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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Non-Executive Chairman
Trevor Matthews
Managing Director

Maree Arnason
Non-Executive Director

Rodney Baxter
Non-Executive Director

Stephen Ward
Non-Executive Director

Nathan Wong
Non-Executive Director

SENIOR MANAGEMENT

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Figure 1: Keysbrook Wet Concentrator Plant (WCP)



Figure 2: Process water dam and pumps at Keysbrook



Figure 3: Distributors on upper floor of WCP



Figure 4: Completed Annexe at Picton Mineral Separation Plant (MSP)



Figure 5: Rare earth magnets at Picton MSP

For further details please contact:

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