

# ASX ANNOUNCEMENT

29 November 2016



## MZI RESOURCES COMPLETES US\$16M DEBT FUNDING PACKAGE

MZI Resources Ltd (ASX: MZI or “the Company”) is pleased to confirm that it has finalised arrangements with Resource Capital Fund VI L.P. (RCF) for a US\$16m debt funding package.

As advised in its ASX release dated 7 November 2016, the debt funding package will be utilised to provide the Company with financial flexibility to deliver on plant enhancements and optimisation activities at the Keysbrook Project.

MZI Chairman Rod Baxter said: “We are extremely grateful for RCF’s support which will enable us to complete enhancement of the wet concentrator plant and to continue ramping up the Keysbrook Project towards our targeted production rates”.

Key terms of the debt - funding package are:

- Interest rate of 10% per annum;
- Secured over the Company’s assets for the facility term; and
- Repayment of the funding package within 12 months.

The Company intends repaying the amounts drawn down under the funding package within the next 12 months from cash flows generated from its Keysbrook operations and other available sources during that time.

MZI has been granted a waiver of Listing Rule 10.1 by ASX Limited to permit this new funding package to be secured under the terms of the existing security arrangements in place with RCF and RMB Australia Holdings Ltd, without obtaining further shareholder approval.

The terms of the waiver are set out in the attachment to this announcement.

-ends-

**For further information, please contact:**

**Rod Baxter**

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## ATTACHMENT – ASX WAIVER

1. Based solely on the information provided, ASX Limited (“ASX”) grants MZI Resources Ltd (“the Company”) a waiver from listing rule 10.1 to the extent necessary to permit the Company to enter into a bridge loan facility with Resource Capital Fund VI L.P (“RCF”) totalling US\$16,000,000 (“New RCF Facility”), secured under an existing security arrangement with RCF and RMB Australia Holdings Ltd (“Security”) without obtaining shareholder approval, on the following conditions.
  - 1.1. The Security includes a term that if an event of default occurs under the New RCF Facility and RCF exercise their rights under the Security, neither 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 with respect to the New RCF 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.
  - 1.2. A summary of the material terms of the New RCF Facility and Security are made in each annual report of the Company during the term of the Security.
  - 1.3. Any variation to the terms of the New RCF Facility or the Security which are:
    - 1.3.1. not minor changes; or
    - 1.3.2. inconsistent with the terms of the waiver,must be subject to shareholder approval.
  - 1.4. 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 New RCF 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.



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