



Building momentum at the perfect time

Informa Mineral Sands Conference

15 March 2017

Steve Ward, Interim Managing Director & CEO

Important Notice



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This presentation contains forward looking statements concerning the operations and projects owned by MZI Resources Ltd. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they 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 to reflect other future developments.

Competent Person's Statement – Exploration Results

The information in this report that relates to exploration results is based on information compiled or reviewed by Mr Stephen Harrison BSc (Hons) who is a member of the Australia Institute of Geoscientists. Stephen Harrison is a full time employee of MZI Resources Ltd. Stephen Harrison has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Stephen Harrison consents to the inclusion of this information in the form and context in which it appears in this report.

Introducing MZI Resources

- ASX Listed (MZI). 213.9M Shares on issue
- Market Capitalisation \$56m @ \$0.26/share
- Enterprise value circa \$167m*
- Highly Experienced Board and Management
- 100% owner of Keysbrook Operations in Western Australia (WA)
- Exploration tenements in Western Australia and Tiwi Islands in Northern Territory, Australia
- Supportive major shareholder in RCF and supportive debt provider in RMB
- Globally competitive at steady state production
- Newest supplier in market, production close to design rates after 12 months in operation
- Unique, valuable leucoxene and zircon deposit
- Long term offtake agreements in place with blue-chip international customers



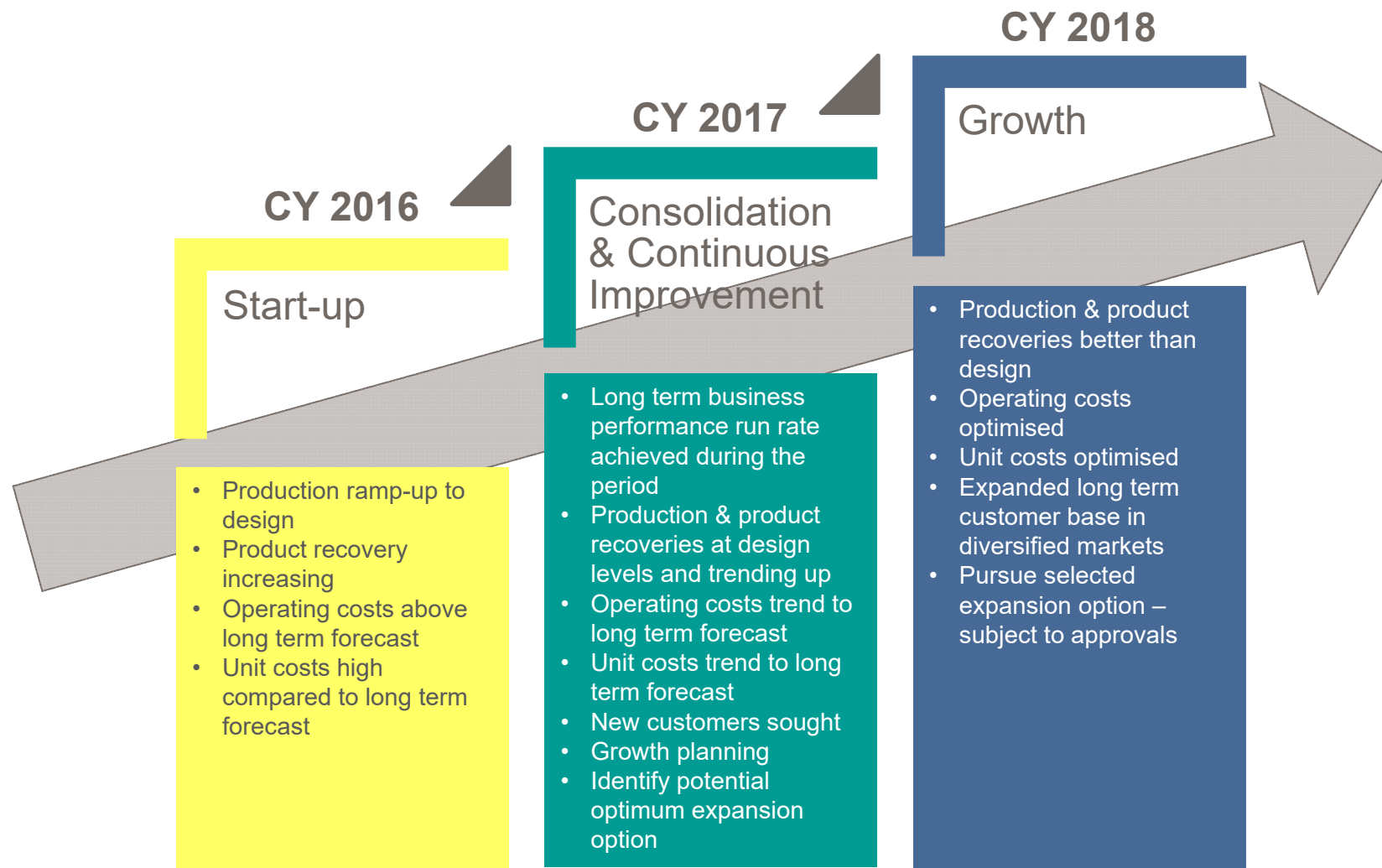
*As at 28 February 2017

MZI Keysbrook Operations Overview

- Mine and Wet Concentrator Plant (WCP) at Keysbrook produces Heavy Mineral Concentrate (HMC)
- HMC processed to final products at Doral's MSP (includes some MZI assets) at Picton WA under toll treating arrangement
- Total development capex of ~\$75 million, completed on time and within budget October 2015
- World-class resource. Contains +3.1Mt of Valuable Heavy Minerals:
 - Reserves equivalent to 16 years operation at design production¹
 - Resources equivalent to potential +30 years life at design production²
 - Mineralisation at surface, free-dig, no overburden, relatively low slimes, unique assemblage with no ilmenite
- Designed to produce approx. 100,000 tonnes of high value leucoxene products and zircon concentrate annually
- Production now close to design following recent (November 2016) completion of Wet Concentrator Plant (WCP) upgrade



Charting a course for our formative years



Our first year was tough, but had its brighter moments



Challenges

- Market conditions hit bottom in Q1 2016
- Recurring reliability and operating problems at the MFU
- Mining costs temporarily impacted by atypical long haul distances and noise management requirements
- Flowsheet bottlenecks slowed WCP ramp-up to design
- Achievement of design production at Picton MSP delayed by inconsistent HMC grade and quality
- Project revenues and cash flow tight during ramp up period

Achievements

- Keysbrook Project substantially at design production rates after 12 months operation
- First sales of commercial quantities achieved for all products - L70, L88 and Zircon concentrate
- Keysbrook Ore Reserves trebled¹
- RMB senior debt facility restructured on favourable terms.
- Positive operational cash flow achieved in September Quarter and for second half CY2016.
- WCP Optimization Program completed late November

Our second year is looking much better



- We've done the hard yards and the outlook is bright
- Well into the 2nd stage of our **Start - Consolidate - Grow** strategy
- Project development is complete
- Our products are established in the market;
- Operational ramp-up and debottlenecking are nearing completion
- We are very focused on consolidation and continuous improvement
- Record HMC production in Q4 2016
- On track for record product sales in March 2017 quarter

Consolidating performance and Continuous Improvement



- WCP Optimisation Project Completed and Commissioned November 2016
- Design Performance achieved for Heavy Mineral Concentrate (HMC) recovery and grade at design throughput December 2016
- Mining commenced in eastern mining location in early February, and will provide ore production for next 18 months
- 24 hour mining operations resumed, within defined day/night mining areas
- Reliable and efficient mobile MFU due to be commissioned at eastern location in late March
- Will significantly reduce haul distances and allow retirement of supplementary feeder and screening equipment in use at original MFU
- Higher MFU availability will enable WCP throughput and production to be maximised
- MSP optimisation in progress



Mobile MFU at eastern mining location



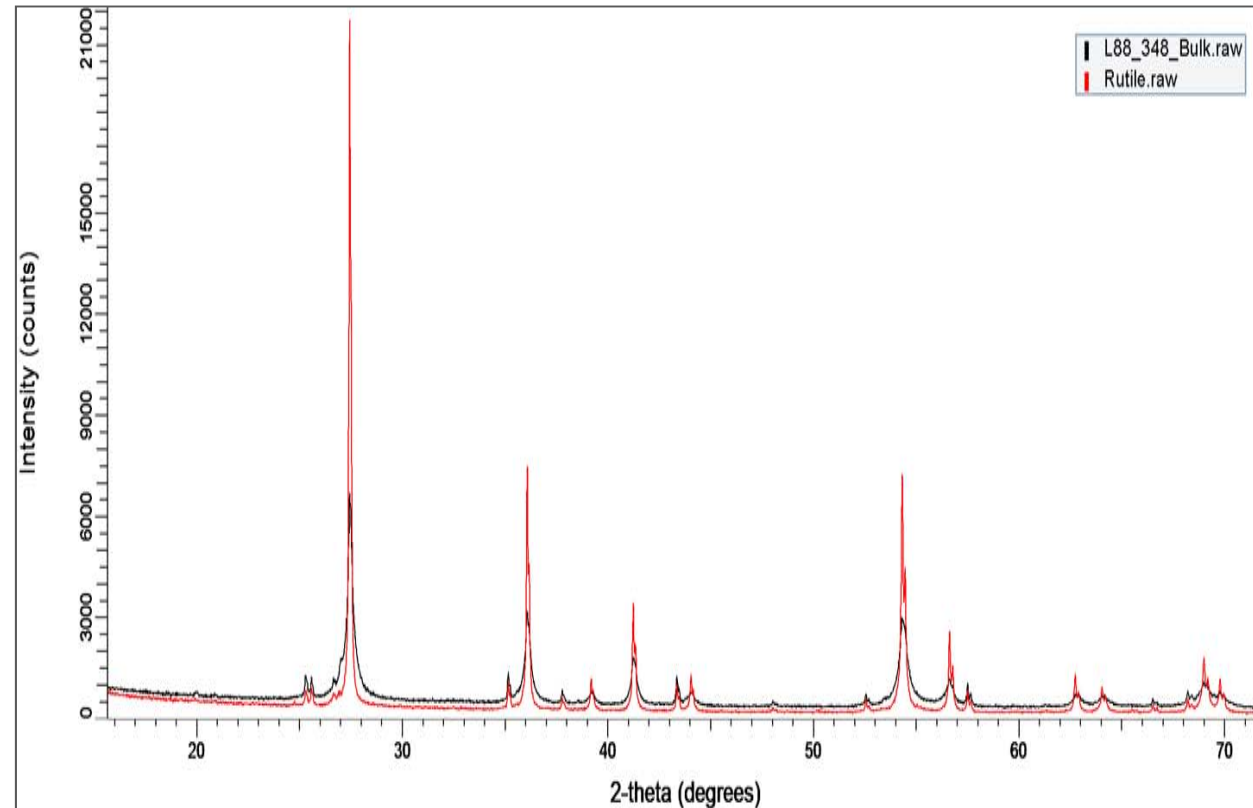
Clearing at eastern mining location

What Sets us Apart – Unique Product Mix



XRD L88 Bulk vs Rutile Mineralogy

The diffraction pattern of L88 and Rutile is a very close match due to high proportion of crystalline rutile in each product



- We have a unique high value product mix – leucoxene and zircon concentrate; and have no low value ilmenite
- L88 technically has rutile crystal structure which creates versatility and the potential for use across all market sectors: in titanium pigment, titanium metal and welding electrodes
- We are an attractive alternative ‘value in use’ proposition for customers
- Australian location provides a politically stable supply environment

We have entered the market at the right time

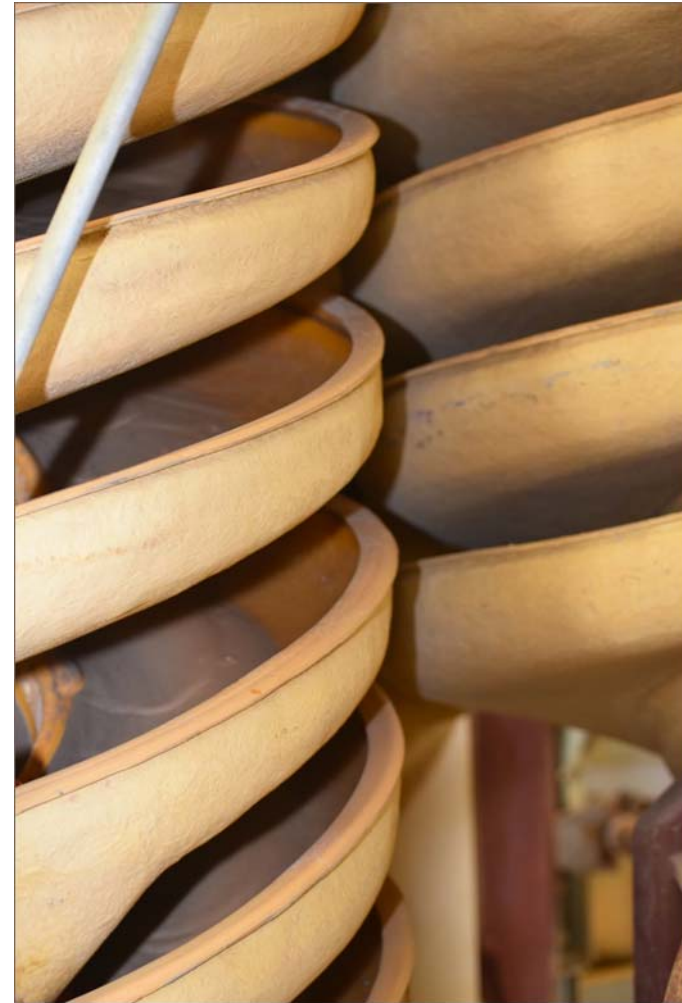


- Keysbrook is a classic counter cyclical investment. One of very few new project investments in past 2 to 3 years in a difficult economic environment and weak mineral sands market
- Having constructed during the poor times we are now positioned ready to supply as the economic cycle changes and good times return
- We are hitting our straps at the perfect time – demand and prices are rising as the mineral sands market recovers notably from the lows of early 2016 and has an excellent outlook
- There is little new “mine-ready” supply coming behind us to satisfy demand growth for higher value products. New projects are 2 to 3 years away from production

Operational improvement has underpinned rising sales



- Record quarterly HMC production and saleable production in DQ 2016
- Total product sales of 17,188t in March quarter to date – 2nd highest on record
- MQ sales comprise 6,500t L70, 7,500t L88, and 3,118t zircon concentrate to date
- Additional 2,000t of zircon concentrate, planned in March and a further bulk shipment (circa 5kt) of L70 now confirmed for March (previously envisaged early June Quarter) will set quarterly record
- Strong JQ 2017 production anticipated following March commissioning of new MFU at eastern mining location.



WCP spirals

A Sustainable Business



Soft environmental footprint

- Chemical free processing
- Recycle >85% of annual water requirements
- No residual waste from mining/processing
- No permanent mining voids
- Disturbed areas rehabilitated within 2 to 3 growing seasons
- Rehabilitation to better than pre-mining state
- Actively seeking to further reduce social and environmental impacts

Part of the community

- 90% of staff living within 30 mins of site
- Multiple local service providers and contractors
- Most of \$40m annual operating expenditure spent on labour, supplies and services in WA
- Active participation in funding local initiatives through Keysbrook Community Consultation Group. Approx. \$100,000 distributed to date



Newly Rehabilitated Land



Mine Open Day

Blue Sky Potential



Keysbrook Operations

- World-class orebody offers excellent platform to expand production
- Ore Reserves equivalent to +15 years at design production
- Resources equivalent to +30 years life at design production
- Multiple potential expansion scenarios identified
- Optimum expansion route to be identified in 2017 once stable production base obtained

Tiwi Islands

- Extensive tenement holdings in proven mineral sands province
- Proven Tiwi operating history and established relationship with Traditional Owners

Summary



- MZI is on a clear path to success through focus on continuous improvement and optimisation.
- Well into the 2nd stage of our **Start - Consolidate - Grow** strategy.
- On track for a much stronger year in 2017 as transition from start-up phase to steady state /continuous improvement phase is completed.
- Our unique product portfolio provides an attractive high TiO₂ proposition to customers with supply from Australia, a country with low political risk.
- Entering the mineral sands market at exactly the right time. Market sentiment and prices both improving. Supply gap as other new projects 2 to 3 years away.
- Blue sky opportunities. Potential to increase production from Keysbrook and exploration potential in WA and at Tiwi tenements.

*Our plan is clear, we are moving ahead in a systematic way
and we are delivering.*

Appendix

JORC Mineral Resources



Table 1: Keysbrook Project –Global Mineral Resources (above a 1% THM cut-off grade and below a 20% slimes grade)

Category	Tonnes (Mt)	Total Heavy Mineral (%)	Heavy Mineral (kt)	Clay Fines (-45um)%
Measured	63.9	2.2	1,400	8.1
Indicated	29.2	2.2	655	10.5
Inferred	61.9	1.6	1,050	12.0
Total	155.0	2.0	3,105	10.1

Table 2: Keysbrook Project Component Resource Statement

Category	Tonnes (Mt)	Total Heavy Mineral (%)	Heavy Mineral (kt)	Clay Fines (-45um) %	L70 %	L88 %	Zircon %
Keysbrook Deposit							
Measured	63.9	2.2	1,400	8.1	26.1	50.1	13.6
Indicated	15.6	2.2	350	10.2	28.0	46.1	14.7
Inferred	10.8	2.4	260	11.9	26.4	48.7	14.3
Total	90.3	2.2	2,010	8.9	26.5	49.2	13.9
Yangedi Deposit							
Inferred	51.1	1.5	790	12.1	61.2	20.0	10.8
Total	51.1	1.5	790	12.1	61.2	20.0	10.8
Railway Deposit							
Indicated	13.6	2.2	305	11.0	-	-	-
Total	13.6	2.2	305	11.0	-	-	-

Notes relevant to Tables 1 and 2:

1. Reported above a cut-off grade of 1% HM and below a cut-off of 20 % clay fines.
2. Stratigraphic units reported within the Mineral Resource are Yoganup Sand and Guildford Clay for Keysbrook, Bassendean Sand for Yangedi and Yoganup Sand for Railway.
3. Keysbrook Project resource is classified and reported in accordance with the guidelines of JORC Code 2012. Railway Deposit resource is classified and reported in accordance with the guidelines of JORC Code 2004.
4. HM is reported as a percentage of the +45um to -2mm size fraction reported as a percentage of the total material.
5. L70%, L88% and Zircon% are the proportion of the total HM.
6. The terms L70 and L88 refer to MZI products. L70 comprises minerals with an average titanium dioxide content of between 65% and 85% and L88 comprises minerals with an average titanium dioxide content between 85% and 95%.
7. Inconsistencies in totals are due to rounding.

Refer Final Slide for Competent Persons Information

JORC Ore Reserves



Keysbrook Proved and Probable Ore Reserves as at 30 June 2016

Classification	Ore Million tonnes	In situ THM tonnes	THM grade %	THM Assemblage			
				L70 %	L88 %	Zircon %	Other %
Proved	54.1	1.2	2.2	25.5	50.2	13.4	10.6
Probable	18.0	0.4	2.2	28.5	46.4	14.1	10.9
Total	72.1	1.6	2.2	26.3	49.3	13.6	10.7

Notes accompanying the Ore Reserve Statement:

- Ore Reserves are based upon a cut-off grade of 1.0% THM and Mineral Resource material containing more than 20% slimes have been excluded from the Ore Reserves estimation*
- The Ore Reserves are based upon TZMI forecast pricing and offtake pricing*
- Mineral Resources have been reported as inclusive of Ore Reserves.*
- The Total Heavy Mineral (THM) assemblage is reported as a percentage of in situ THM content.*
- Tonnes and grade data have been rounded to one significant figure. Discrepancies in summations may occur due to rounding.*
- This Ore Reserve statement has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition).*

Refer Final Slide for Competent Persons Information

Competent Persons Information



Competent Person's Statements – Mineral Resources (Tables 1 and 2)

The information in this report which relates to Mineral Resources is based upon information compiled by Mrs Christine Standing (in relation to the Keysbrook Project) who is a Member of the Australasian Institute of Mining. Mrs Standing is an employee of Optiro Pty Ltd and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mrs Standing consents to the inclusion in the report of a summary based upon her information in the form and context in which it appears.

The information in this report which relates to Mineral Resources is based upon information compiled Mr John Baxter (in relation to the Railway and Kilimiraka Deposits) who is a Member of the Australasian Institute of Geoscientists. Mr Baxter is a Consulting Geologist with sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Baxter consents to the inclusion in the report of a summary based upon his information in the form and context in which it appears.

For supporting information on Keysbrook Mineral Resources, refer ASX release dated 7 August 2015.

Competent Person's Statements – Ore Reserves

The information in this report has been compiled by Jean-Pierre Adams (MAusIMM) of MZI, under the direction of Andrew Law of Optiro, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Law consents to the inclusion in the report of the matters compiled by him in the form and context in which it appears.

For supporting information on Keysbrook Ore Reserves, refer ASX release dated 23 March 2016.

Keysbrook Operating Statistics



Production	Unit	Dec-Qtr 2015	Mar-Qtr 2016	Jun-Qtr 2016	Sep-Qtr 2016	Dec-Qtr 2016	Total FY2016-17
Ore Mined	dt	618,480	886,357	1,017,474	1,037,237	966,406	2,004,369
Ore Processed	dt	599,369	847,995	937,957	957,581	895,435	1,853,016
Mined Grade	% HM	2.99	2.58	2.47	2.53	2.73	2.63
WCP Availability	%	82.4	83.5	82.9	82.3	74.5	78.4
MSP Availability	%	Commissioning	85.7	93.4	90.9	95.5	93.2
HMC Production (WCP)	dt	16,008	19,566	22,636	24,218	24,744	48,962
HMC Processed (MSP)	dt	9,011	24,055	20,140	21,161	22,932	44,093
L70	dt	2,316	6,349	3,475	2,985	3,640	6,625
L88	dt	1,795	4,943	3,779	6,748	8,194	14,943
Zircon concentrate	dt	1,775	4,888	3,572	3,645	3,802	7,447
Total Products	dt	5,586	16,270	10,826	13,378	15,636	29,014
Sales							
L70	dt	-	6,825	7,000	-	-	-
L88	dt	-	-	8,250	6,850	6,243	13,093
Zircon concentrate	dt	958	4,572	3,770	3,211	3,923	7,134
Total	dt	958	11,397	19,020	10,061	10,166	20,227