

Perth, Australia (ABN Newswire) - During the year, [MZI Resources Ltd.](#) (ASX:MZI) commenced construction and development of the Keysbrook Project in Western Australia.

The following significant achievements occurred during the year:

- Final investment decision for the Keysbrook Project;
- Execution and drawdown of finance facilities of approximately US\$110m with finance providers, RMB Australia Holdings Limited ("RMB") and Resource Capital Fund VI L.P. ("RCF");
- Execution of an offtake agreement for approximately 65% of the Keysbrook Project's Leucoxene 88 ("L88") annual production with The Chemours Company;
- Execution and commencement of the lump sum, turn-key construction contact with GR Engineering Services Limited ("GRES") for the construction of a Wet Concentrator Plant ("WCP") and the upgrade and expansion of the existing Doral Mineral Sands Pty Ltd ("Doral") Mineral Separation Plant ("MSP"), with a value of \$54.6m.

#### Keysbrook

Significant progress continues to be made on the construction activities associated with the Keysbrook Project. As at 30 June 2015, development activity was 74% complete and continues to be on schedule and on budget. First production is expected to commence during calendar quarter four of 2015 and first sales in quarter one of 2016.

All long lead procurement items have been delivered to both the WCP and MSP sites. Activity continues to be focused on structural steel installation and installation of the remaining mechanical equipment including the spiral banks at the WCP and coronastats at the MSP.

The Mining Feed Unit ("MFU") is being fabricated, installed and commissioned by Transmin Pty Ltd and remains on track for trial assembly, testing and site installation during calendar quarter three of 2015. Western Power has completed the power line from Pinjarra to the Keysbrook Project ahead of schedule. Power is expected to be available at both the WCP and MSP during calendar quarter three of 2015.

Subsequent to year end, delivery of the Group's mining fleet occurred. The equipment has been procured and financed by Komatsu Australia Corporate Finance Pty Limited.

Recruitment activity has progressed significantly with final employees due on site during calendar quarter three of 2015. Pre-mining activities have commenced with the construction of the MFU site and will continue in order to provide ore for commissioning in late 2015.

#### Tiwi Islands

Subsequent to year end, the Company commenced the removal of the remaining equipment and facilities from its Lethbridge operation. Post the completion of removal activities, site activities will solely be focussed on rehabilitation.

#### Exploration

During the year, a substantial drilling program was undertaken over the broader Keysbrook area. A total of 1,550 aircore drill holes were completed with 12,223 mineral samples subsequently sent for analysis. The drilling program had multiple areas of focus including grade control for the first year of mining, detailed drilling on the western margins of the resource and reconnaissance and resource drilling in the Keysbrook area.

The drilling program identified significant lateral extensions to the existing Keysbrook resource in addition to confirming and increasing the confidence of mineralisation within the current mine plan. Work commenced on a resource update with completion scheduled for calendar quarter three of 2015.

#### Corporate

As at 30 June 2015, the Group had available cash of \$33.8m and undrawn facilities of \$21.9m.

During the year, the Company completed an equity reconstruction consisting of a forty to one share consolidation. Total issued capital as at 30 June 2015 was 79,030,110 ordinary shares with a further 8,304,833 in unlisted options.

All ordinary share references in this report are post consolidation. During the year, the Company issued the following shares:

- 2,466,516 ordinary shares to RCF as consideration for a loan repayment and loan extension fee;
- 3,910,011 ordinary shares to RCF as part of the establishment fee associated with the Keysbrook Project finance facilities;
- 2,167,130 ordinary shares to RCF as satisfaction of interest and commitment fees; and
- 821,280 ordinary shares to employees as part of the Employee Incentive Plan.

Settlement and termination of the Stirling Resources Pty Ltd, Stirling Zircon Pty Ltd and DCM DECOmetal GmbH Deed of Settlement occurred during the financial year. The full and final settlement included repayment of the \$1m loan and termination

of a 0.5% royalty on Keysbrook revenue, resulting in a payment of \$1.6m to the parties with no remaining obligations.

The Company completed its Board restructuring with the majority of Directors now independent and Non-Executive. The new Board has a strong mix of technical, operations, commercial, strategy and governance skills which place the Company in a strong position to deliver on its strategic plan.

To view the annual report, please visit:

<http://media.abnnewswire.net/media/en/docs/ASX-MZI-738651.pdf>

About MZI Resources Ltd:

[MZI Resources Ltd.](#) (ASX:MZI) is a mineral sands company focused on the high value minerals of zircon, rutile and leucoxene. It has an advanced project at Keysbrook, Western Australia.

The Keysbrook project, located 70kms from Perth, Western Australia, is an advanced zircon / leucoxene rich mineral sands project. It has been granted all environmental, development and extractive industry license approvals from the relevant statutory authorities and Shires. Construction commenced early in 2015.

Source:

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