



ASX ANNOUNCEMENT

5 April 2013

MZI secures final landowner agreements for development of Keysbrook Mineral Sands Project

MZI Resources (ASX: MZI) is pleased to announce that it has secured the remaining landowner agreements it needs to start development of its flagship Keysbrook Mineral Sands Project in WA's south-west.

The agreements, which have been made with three landowners, give MZI the right to access and mine minerals on the properties involved. One property is where the concentrator, site access road and associated infrastructure will be located.

Combined with existing landowner agreements and Company owned property, the Ore Reserve life of the project is now supported by access and mining rights under the landowner agreements.

The landowner agreements follow MZI's announcement earlier this week that the Board of the Bunbury Port Authority (BPA) has authorised BPA management to negotiate a Port Services Agreement with the Company (see *ASX Announcement dated April 2, 2013*).

The completion of these agreements continue the achievement of project milestones as MZI moves closer to finalising its financing arrangements for Keysbrook, including the debt facilities currently being negotiated with two leading banks.

This puts MZI on track to start construction of Keysbrook in this quarter, with first production set for the March quarter of 2014.

MZI Chief Executive Officer Trevor Matthews said the Company was now on the cusp of securing the finance for Keysbrook.

"This project has a short construction period compared with most resource projects," Mr Matthews said. "With the key agreements either finalised or very close to completion, Keysbrook is now only about a year away from generating substantial cashflow for the Company and its shareholders."

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Non-Executive Chairman

Keith Vuleta
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About MZI Resources

MZI Resources Ltd (ASX: MZI) is a mineral sands company focusing on the high value minerals zircon, rutile and leucoxene. It has mineral sands projects in the Northern Territory and Western Australia.

The Company mined the Lethbridge West deposit on the Tiwi Islands in 2010 and commenced mining and production at Lethbridge South in 2012.

MZI's exploration success at Kilimiraka in the South East corner of Bathurst Island in the Tiwi Islands identified a substantial inferred resource of over 890,000 tonnes of Heavy Mineral. This large resource has the potential to provide a long life mine. The Company plans to complete further drilling and feasibility studies in 2013.

The Company has an advanced zircon / leucoxene rich mineral sands project at Keysbrook in the south west of Western Australia. The two shires over which the deposit is situated have given the project Development Approvals and Extractive Industry Licences. These follow the Environmental Approval previously granted by the Western Australian Minister for Environment. MZI plans to start construction at Keysbrook in early 2013 and commence operations in late 2013. Mining is planned to continue at Keysbrook for potentially 15+ years.

MZI's strategy is to be a specialised supplier of high grade zircon, rutile and leucoxene to the nearby Chinese and other world markets. The company has targeted zircon, rutile and leucoxene as high value mineral sands products with strong demand fundamentals. Zircon is primarily used to produce ceramic and porcelain products with demand driven by global urbanisation trends, particularly in countries such as China and India. Rutile and leucoxene are used to produce titanium pigment for paint and plastics as well as titanium metal and flux for welding electrodes.