

HD MZI Resources secures another off-take deal for Keysbrook mineral sands project

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MZI Resources Ltd. has now contracted about 60% of annual production from its Keysbrook mineral sands project in Western Australia with the inking of another off-take agreement, the **company** said Jan. 13.

Tricoastal, part of Hainan Wensheng High-Tech Materials Co. Ltd., the largest mineral sands processor in **China**, has agreed to buy all of the zircon concentrate from the project.

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The sales agreement with Tricoastal, which is also a major shareholder of MZI with a 4.6% **stake**, is for five years with an option to extend for a further five years.

MZI now has sales agreements in place covering about 50% of the forecast annual revenue from Keysbrook, and is currently in off-take talks with a number of other parties for the project's high-grade L88 titanium dioxide product.

The **company** is also in negotiations with potential lenders to secure the remaining half of the debt funding required for Keysbrook, and expects conditional credit-approved offers to be received within weeks.

MZI had earlier locked in a US\$3.5 **million** short-term loan facility from Resource Capital Fund VI LP to continue funding the development of the project while finalizing longer-term debt funding.

The short-term loan was necessary after one of the **lead** banks that had agreed to arrange debt financing for the project pulled out in mid-October 2013.

South Africa-based Nedbank Capital, the other mandated **lead** arranging bank, has received credit approval for a 50% share of the Keysbrook debt finance facilities.

CO olyres : MZI Resources Ltd.

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