

30 June 2014

Department of Minerals and Energy, Northern Territory  
GPO Box 4550  
Darwin NT 0801

Attention: Mr Tony Scherer

Dear Tony

## Lethbridge South Mine Update

### MMA Authorisation Number: 0536-02

MZI Resources Ltd's operation at its Lethbridge South site on Melville Island is currently in care and maintenance. As part of our MMP and MCP for the site, MZI is commencing the process of removing machinery and plant from the site.

MZI has agreed to sell the Wet Concentrating Plant and some associated plant to Australian Abrasive Minerals (AAM). AAM and its contractors will be dismantling and demobilizing this equipment from site, under MZI supervision, over the next four months. MZI will also be dismantling equipment and removing it from the Lethbridge site.

The main areas of focus to return the site to as close to original conditions as possible are:

- Maintain water quality and flow to original standards (both surface and ground);
- Reshape landform of disturbed areas to as close to pre mining conditions as is practicable;
- Remove all machinery and infrastructure from the site;
- Minimise mining related impacts;
- Revegetate all disturbed areas to achieve a similar diversity and abundance as the pre-existing environment; and
- Have a minimal impact on all surrounding biota (especially fauna species).

MZI continues a consultation process with the Tiwi Land Council and the Traditional Owners of the site as part of its ongoing commitment to the rehabilitation of the site. MZI has engaged the Tiwi Milikipati Nursery to infill plant native seedlings on the rehabilitated areas and also engaged the Tiwi Land Rangers to monitor and control any weed infestations that may occur.



MZI will keep the Department of Minerals and Energy apprised of developments during the rehabilitation process.

Yours faithfully,

A handwritten signature in black ink that reads "Stephen Quinn". The signature is written in a cursive, flowing style.

Stephen Quinn

General Manager - Operations