

AVZ Minerals Limited

Capital Raising Presentation

10 December 2021



Important Notice and Disclaimer

Disclaimer

This presentation should be considered in its entirety. If you do not understand the material contained in this presentation, you should consult your professional advisers. The sole purpose of this presentation is to provide shareholders with an update on current activities of the Company and the current state of exploration at the Manono Lithium and Tin Project in the Democratic Republic of Congo. Any statements which may be considered forward looking statements relate only to the date of this presentation document. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause actual results, performance or achievements of the Company to be materially different from future results, performance, or achievements expressed or implied by such forward looking statements. As a result of these factors, the events described in the forward-looking statements in this document may not occur. Notwithstanding the material in this presentation, shareholders should consider that any investment in the Company is highly speculative and should consult their professional advisers – whether scientific, business, financial or legal – before deciding whether to make any investment in the Company. The Company may at its absolute discretion, but without being under any obligation to do so, update, amend or supplement this presentation or any other information to the recipient. No person has been authorised to give any information or make any representation other than contained in this document and if given or made, such information or representation must not be relied on as having been so authorised.

No New Information

This document may include references to information that relates to Mineral Resources and Ore Reserves prepared and first disclosed under the JORC Code 2012.

The information references the Company's previous ASX announcements noting the following:

Mineral Resources and Ore Reserves for the Manono Lithium and Tin Operation "MLTO" or Roche Dure reference the Company's previous ASX Announcements "JORC Ore Reserves increase by 41.6% at Roche Dure" released to ASX on 14 July 2021 and "Updated Mineral Resource Estimate Includes Pit Floor "Wedge" Drill Results" released to ASX on 24 May 2021.

Any reference to Carriere de l'Est mineral resource estimate (MRE) should be read in conjunction with the Company's previous ASX Announcement "Assays from Carriere de l'Est drilling confirms deposit a likely rival to Roche Dure" dated 16 August 2021.

Any reference to tin exploration targets should be read in conjunction with the Company's previous ASX Announcement "Initial Exploration Target for Alluvial Placer Hosted Tin Defined at the Manono Lithium and Tin Project" dated 18 May 2021

The Definitive Feasibility Study (DFS) refers to the April 2020 DFS, announced to the ASX on 21 April 2020.

These announcements are available to view on the Company's website www.avzminerals.com.au.

The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant original market announcements

Forward Looking Information

This announcement contains certain forward-looking statements and comments about future events, including the Company's expectations about the Manono Project and the performance of its businesses. Forward looking statements can generally be identified by the use of forward-looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Forward looking statements involve known and unknown risks, uncertainty and other factors which can cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are outside the control of the Company. As such, undue reliance should not be placed on any forward-looking statement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this announcement nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company.

Except as required by law or the ASX Listing Rules, the Company assumes no obligation to provide any additional or updated information or to update any forward-looking statements, whether as a result of new information, future events or results, or otherwise.

Authorisation of release

Release of this market announcement is authorised by Nigel Ferguson, AVZ Minerals Limited's Managing Director.



Project Overview

Corporate Snapshot

The team consists of an excellent mix of technical, corporate and legal professionals with over 150 years of combined African experience and with major mining operations both in Africa and globally



CAPITAL STRUCTURE

▪ ASX Code	AVZ
▪ Share Price (7 December 2021)	\$0.645
▪ Shares outstanding	3.3bn
▪ Market Cap (A\$)	\$2.1B
▪ Cash (15 th November 2021)	\$7m
▪ Debt	Nil
▪ Directors and Management Shareholding	3%



Ownership

- 75% owned by AVZ Minerals Limited
- 25% owned by DRC Government

Status

- 5 Mtpa Scoping Study completed in May 2019
- 4.5 Mtpa DFS completed in April 2020
- Mine Expansion study progressing well
- ESIA approvals granted
- Favourable opinions received for both environmental and financial capability as assessed by DRC government
- Favourable technical opinion on DFS and issue of mining licence expected in Q4 2021
- Final Investment decision "FID" expected following updated expansion study and award of Mining Licence

Mine Type

- Open pit, hard rock lithium, tin and tantalum
- Alluvial tin and tantalum

Estimated Life of Mine

- Model constrained to 20 years
- Expanded LOM being investigated

Process Flow Sheet

- 2 stage crush, HPGR, DMS and calcination plant for lithium sulphate
- Wilfley tables and magnetic separation for tin and tantalum recovery

Products

- Initial production of 700 kt/a SC6 and 46 kt/a primary lithium sulphate, additional credits for tin, tantalum and niobium likely

Resources and Reserve

- 401 Mt @ 1.65% Li_2O (spodumene)
- 132 Mt @ 1.63% Li_2O Proved and Probable Reserves

Power

- MOU signed in Jan 2020 to refurbish the Mpiana Mwanga hydro-electric power station, approx. 87 km from the site

Water

- Readily available from the local man-made Lake Lukushi

Transport

- Roads and rail to Dar es Salaam port in Tanzania and Lobito port in Angola via Kabondo Dianda Intermodal Staging Station





"AWAKENING THE MONSTER"...

Selected Global Hard Rock Lithium Peers
Mineral Resource Estimate (Grade and Tonnage)

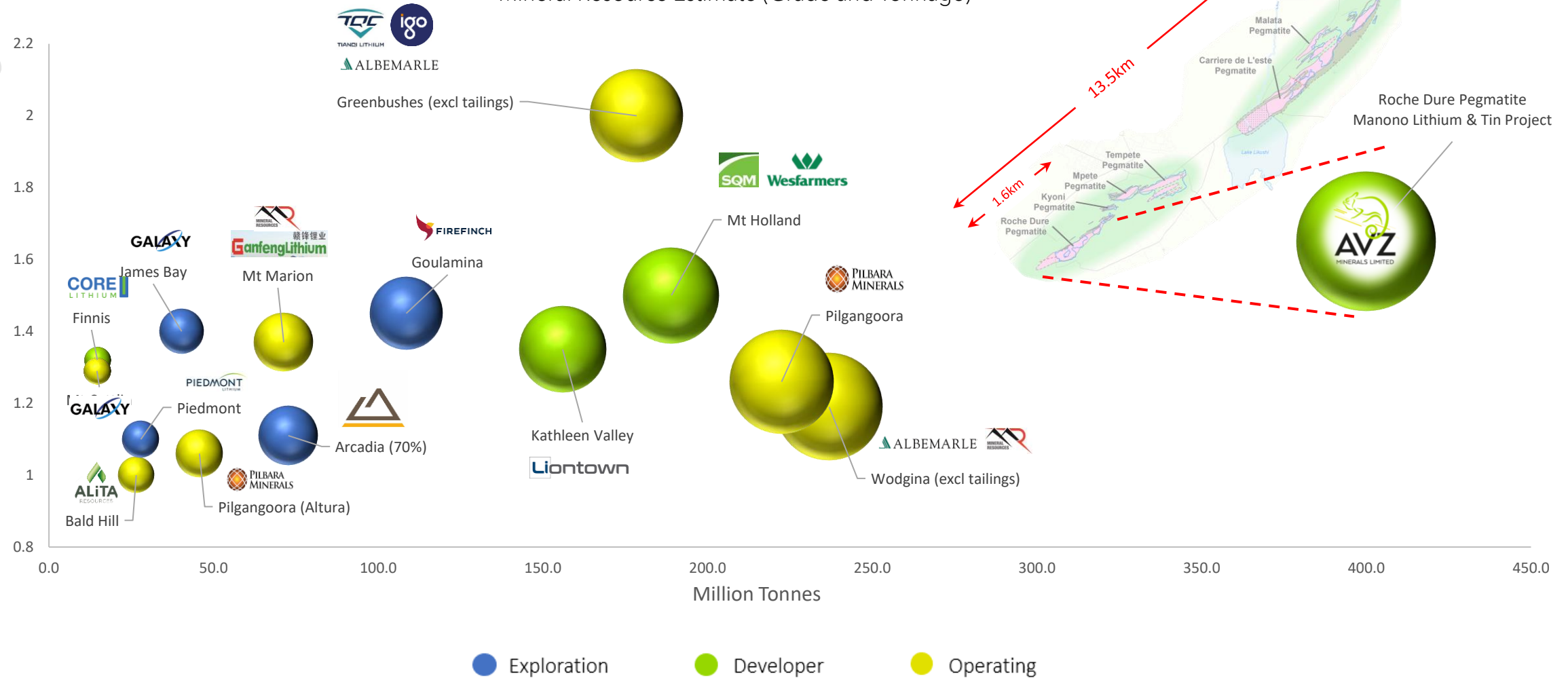


Chart represents tonnes of ore from disclosed Resource estimates and recent company presentations as published by respective project owners. These estimates may have been prepared under different estimation and reporting regimes and may not be directly comparable. Refer to Appendix 1 for the Peer Comparison Information including Resource Classifications. AVZ accepts no responsibility for the accuracy of resource estimates other than its own.



Our Sustainable Development Goals

AVZ is committed to achieving sustainable outcomes in the communities we operate in. This is reflected in our Corporate Social Responsibility Policy and our Sustainable Development Plan.

Social Contribution

Community Wellbeing



Community Development



Sustainable Livelihoods



Environmental Contribution

Energy Use and Resilience



Sustainable Operations



A Sustainable Power Source

The refurbishment of Mpiana Mwanga would comprise the installation of up to a 30.9 MW¹ via 3 new turbine generators in the Mpiana Mwanga number 2 turbine hall

Total capacity for 6 generators for total potential production of ~ 44 MW²

AVZ has executed an MoU with the DRC Government to secure the rights to Mpiana Mwanga for rehabilitation and generation of power for our operations at Manono. A full assessment will be undertaken.

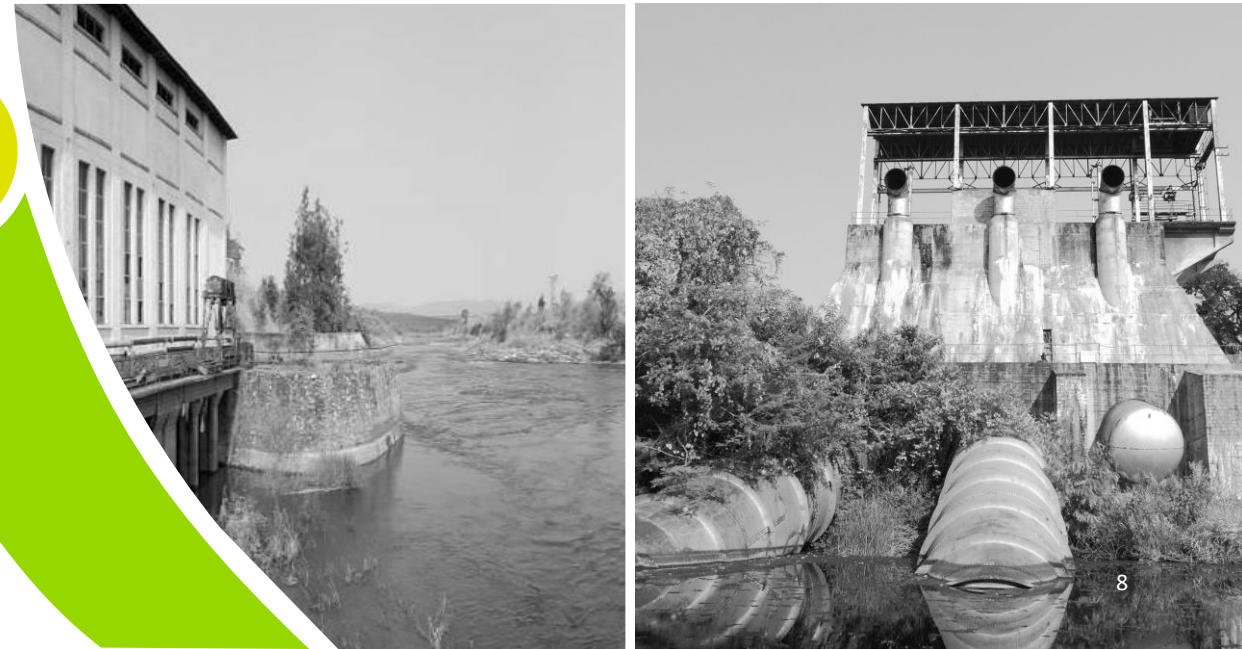
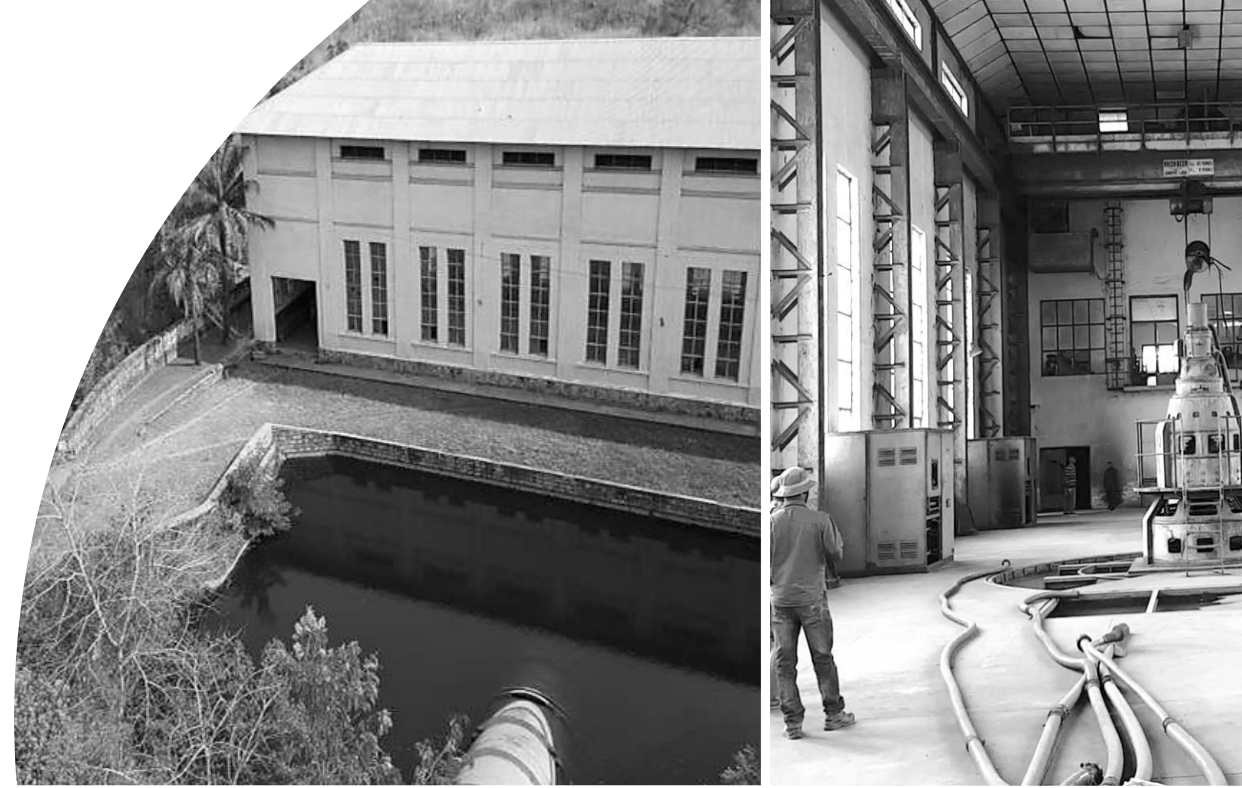
- Stage 1 - is to refurbish turbine hall 2 with the indicative installed power requirements of the base case process plant = 28 MW³. 2 duty and 1 standby unit
- Stage 2 - is to refurbish turbine hall 1 with the additional indicative installed power requirements of process plant Stage 2⁴ = 12.3 MW³. 2 duty and 1 standby unit.
- Stage 1 and 2 combined will provide 40.3 MW guaranteed power output
 - New HV power line and pylons to site
 - 3 x ESAs Approved
 - RFTs for refurbishment in the market
 - Studying to convert electrical excess renewable power to other uses, e.g., hydrogen for Fuel Cell Electric Vehicles (FCEV) use
 - Studying for Solar Power arrays and battery storage for stage 2 of the Process Plant if required
 - Power for power harvest from sulphuric acid plant steam through a steam turbine

¹30.9 MW is the installed power which equates to 28 MW of guaranteed output before transmission line losses of 3-5%

²44 MW is the installed power which equates to approximately 40.3 MW of guaranteed output before transmission line losses of 3-5%

³12.3 MW guaranteed output from turbine hall 2

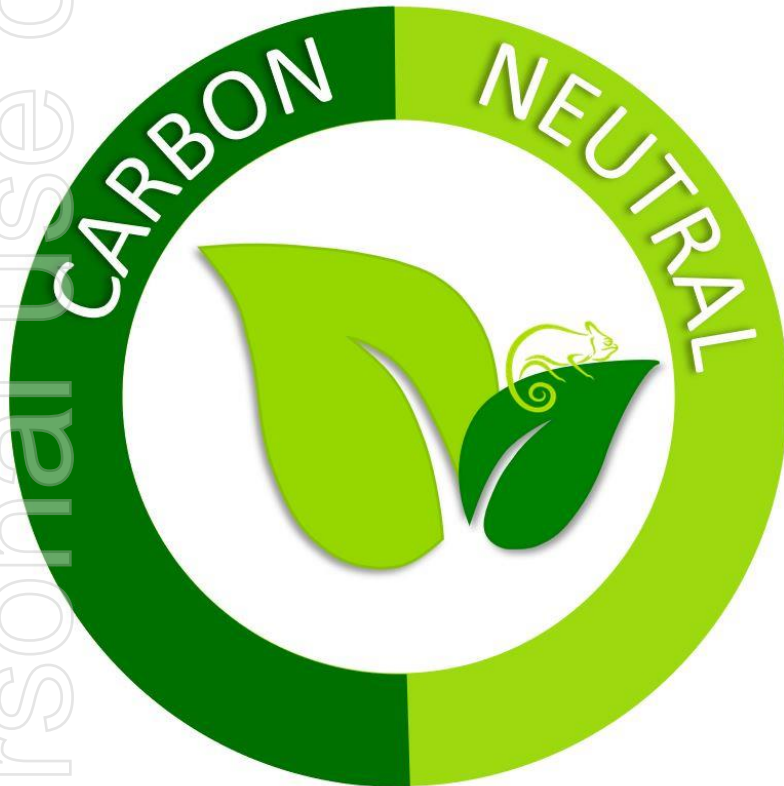
⁴Stage 2 of the power plant is for the potential second PLS train





A Sustainable Development

- Independent assessment¹ shows Manono Project could have one of the lowest carbon footprints of any global hard rock lithium miner
- Greenhouse gas assessment captured all proposed mining, power, haulage and downstream processing operations



- AVZ is striving to be as close to a 'zero emissions' operation as possible
- A sustainable Power Source with the refurbishment of Mpiana Mwanga with a total capacity for 6 generators for total potential production of ~ 40,3 MW
- AVZ is committed to achieving sustainable outcomes in the communities we operate in. This is reflected in our Corporate Social Responsibility Policy and our Sustainable Development Plan.

¹ Refer to the Company's previous ASX Announcement "Manono Project to have one of the lowest carbon footprints" dated 21 January 2021



Project Timeline

Milestone	Date	
Early works commencement (office based works)	May 2020	✓
Offtake agreements concluded for 80% SC6	Dec 20 - Apr 21	✓
First tin offtake	March 21	✓
PE (Mining Licence) submitted for government approval	May 2021	✓
Updated Resource/Reserves calculations	July 2021	✓
All 7 ESIA's approved	August 2021	✓
Cornerstone Investor Secured (+\$400M toward project CAPEX)	September 2021	✓
Mining Licence Award	Q4 2021	
Final Investment Decision	Q4 2021	
Cornerstone Investor Transaction Closure	Q1 2022	
Award of Major Contracts	Q1 2022	
Commence construction	Q1 2022	
First HEPP Power to MLTO	Q1 2023	
Commence Production ¹	Q2 2023	

¹ First SC6 on train followed by first PLS on train 6 months after
The above timetable is indicative only and is subject to change. The Company reserves the right to amend any or all of these events



Take Away Facts

World Class Project

- The largest and highest grade undeveloped hard rock lithium project globally
- JORC Resource of 401 Mt @ 1.65% lithium (spodumene) including intercepts of >200 m with grades of up to 1.75% lithium
- Exploration target stated “up to 1.5Bn tonnes @ up to 1.5%”.

Robust Project Economics

- DFS delivered an NPV¹⁰ (100% project interest) of US\$2.348Bn (US\$1.028Bn after tax), IRR 53% (33.2% after tax) based on a CAPEX of US\$545M inclusive of a US\$49M contingency (100% interest).

Project Funding

- ~90% equity funded on completion of CATH deal, significantly de-risks project.
- Continued discussions with a potential syndication of Pan African Development Finance Institutions (DFIs).

Excellent Government Relationships

- Ongoing discussion with DRC Government to secure remaining permitting required to commence mining.
- Application for mining licence lodged awaiting award.

Growth Potential

- Highly Leveraged to EV Thematic - lithium market expected to grow 700% over the next decade.
- Significant exploration target potential
- Vertical integration strategy via downstream lithium processing opportunities
- Potential diversification opportunities



Capital Raising



Placement Overview

Offer size and structure	<ul style="list-style-type: none">▪ Institutional Placement to strategic institutions and sophisticated investors to raise \$75 million ("Placement")▪ The Placement will be issued using AVZ placement capacity pursuant to ASX Listing Rule 7.1▪ New shares issued will rank pari-passu with existing fully paid ordinary shares
Placement offer price	<ul style="list-style-type: none">▪ Bookbuild offering with issue price of \$ 0.50 per share▪ The issue price represents a 22.5% discount to the last closing price on 7 December 2021 of \$0.645
Use of proceeds	<ul style="list-style-type: none">▪ Negotiate from a strong cash position the extra 15% equity from the Government▪ Undertake early-works program, including upgrade of roads, bridges and progress camp construction;▪ Progress various technical studies with respect to LiOH conversion and infrastructure initiatives that further enhance the Project;▪ Negotiate final project financing requirements from a position of enhanced balance sheet strength; and;▪ Provide necessary working capital for corporate requirements, including potential new exploration opportunities.
Lead Managers	<ul style="list-style-type: none">▪ Cantor Fitzgerald and Curran & Co are acting as Co Lead Managers and Bookrunners to the Placement



Equity raising timetable

Event	Date
Trading halt	8 December 2021
Launch of Placement and lodgement of Investor Presentation	10 December 2021
Trading Halt Lifted and completion of the Placement	10 December 2021
Settlement of Placement shares	14 December 2021
Allotment of Placement shares	14 December 2021



Sources and uses of funds

Working Capital

- Corporate costs* (\$20 million)
- Contingency (\$10 million)

* Corporate cost includes overheads, legal and financing finder fees during the project construction period

Early works

- Long lead items (\$25 million)
- Roads, bridges and camp (\$10 million)

Growth

- Technical studies (\$10 million)

Sources

A\$M

Placement proceeds

75

Total

75

Uses

A\$M

Working capital

30

Early works

35

Growth

10

Total

75



Appendix



Appendix 1 - Peer Comparison Information – Mineral Resource Estimates

Company	Project	Stage	Measured Mt	Indicated Mt	Inferred Mt	Global MRE Mt	MRE Li ² O Grade %	Information Source
AVZ Minerals Limited	Manono Lithium & Tin Project	Development	100	174	128	401	1.65	ASX Release 24 May 2021
Albermarle (49%)/Tainqi (26%)/ IGO (25%)	Greenbushes (excl tailings)	Operating	0.2	169.4	8.9	178.5	2.00	IGO acquisition presentation and ASX Release 9 Dec 2020
Albermarle (60%)/MinRes Ltd (40%)	Wodgina (excl tailings)	Operating (C&M)	0.0	177.0	59.9	236.9	1.19	ASX Release 23 October 2018
Alita Resources (Administration)	Bald Hill	Operating (C&M)	0.0	14.4	12.1	26.5	1.00	Presentation 20 March 2019 (Alliance Minerals Assets)
Core Lithium	Finnis	Development	3.2	4.4	7.1	14.7	1.32	2020 Annual Report, Presentation 23 June 2020
Firefinch Limited	Goulamina	Exploration	8.4	56.2	43.9	108.5	1.45	ASX Release 9 Feb 2021, Presentation 10 Feb 2021
Galaxy Resources	Mt Cattlin	Operating	1	9.2	4.4	14.6	1.29	Presentation 25 Nov 2020
	James Bay	Exploration	0	0	0	40.3	1.40	Presentation 25 Nov 2020
Ganfeng (50%)/MinRes Ltd (50%)	Mt Marion	Operating	0.0	22.7	48.7	71.3	1.37	ASX Release 31 October 2018 (MinRes)
Liontown Resources	Kathleen Valley	Development	20.0	105.0	32.0	156.0	1.35	Presentation 4 Feb 2021, Annual Report 2020
Pilbara Minerals	Pilgangoora	Operating	18.3	113.8	90.4	222.5	1.26	2020 Annual Report
	Pilgangoora (Altura)	Operating	7.4	34.2	4.1	45.7	1.06	Presentation March 2020, 2019 Annual Report, ASX Release 9 October 2019 (Altura Mining)
Prospect Resources	Arcadia (70%)	Exploration	15.9	45.4	11.4	72.7	1.11	Presentation 1 Feb 2021, Annual Report 2020
Piedmont Lithium	Piedmont	Exploration	0	13.9	14	27.9	1.10	Presentation 24 Nov 2020
SQM (50%)/Westfarmers (50%)	Mt Holland	Development	66.0	106.0	17.0	189.0	1.50	WES Presentation 2 May 2019, Mt Kidman Scheme Booklet 1 August 2019

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