



ASX ANNOUNCEMENT

4 May 2022

Ministerial Decree to Award the Mining Licence Manono Lithium and Tin Project

Highlights:

- DRC Minister of Mines has signed the ministerial decree to award the Mining Licence for the Manono Lithium and Tin Project to Dathcom Mining SA (**Dathcom**)¹
- DRC Mining Code requires the Cadastre Minier (**CAMI**), operating under the supervision of the Minister of Mines, to calculate the surface rights fee and officially award the Mining Licence following the receipt of payment
- The Ministerial Decree to award the Mining Licence covers the entirety of the Roche Dure JORC Mineral Resource and Reserve^{2&3} and the Carriere de l'Este exploration target⁴
- An area which was excluded under the Ministerial Decree to award the Mining Licence, will be renewed under a 5-year Exploration Licence to Dathcom, with discussions regarding the terms of the ongoing joint venture under discussion with the DRC Government
- The transaction with CATH is progressing well with closure formalities expected to be finalised this month, providing CATH an indirect 24% interest in the Manono Project, whilst AVZ retains a majority stake of 51%
- DRC Council of Ministers expected to meet to provide wide ranging support for all outstanding permitting and licencing requirements for the Manono Project

AVZ Minerals Limited (ASX: AVZ, OTCQX: AZZVF) (**AVZ** or **Company**) is pleased to announce that the Minister of Mines has issued the Ministerial Decree to award the Permit d'Exploitation (**PE** or **Mining Licence**) for its flagship Manono Lithium and Tin Project (**Manono Project**).

¹ Dathcom Mining SA is 75% owned by AVZ International Pty Ltd, a wholly owned subsidiary of AVZ Minerals Limited

² Refer to ASX Announcement dated 14 July 2021 "JORC Ore Reserves increase by 41.6% at Roche Dure"

³ Refer to ASX Announcement dated 24 May 2021 "Updated Mineral Resource Estimate Includes Pit Floor "Wedge" Drill Results"

⁴ Refer to ASX Announcement dated 16 August 2021 "Assays from Carriere de l'Este drilling confirms deposit a likely rival to Roche Dure"

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Market Cap

\$3.5bn

ASX Code: AVZ

OTCQX Code: AZZVF

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Award of the Mining Licence

The signing of the Ministerial Decree to award the Mining Licence to Dathcom Mining SA (**Dathcom**), in which AVZ holds a 75% interest via its wholly owned subsidiary AVZ International Pty Ltd (**AVZI**), is now with the Cadastre Minier (**CAMI**), which operate under the supervision of the Minister of Mines, to officially award the Mining Licence. In accordance with DRC Mining Code, CAMI are required to calculate the surface rights fees payable by Dathcom and provide the Mining Licence following receipt of this payment.

The Mining Licence to be issued, will cover the entirety of the Roche Dure JORC Mineral Resource³ (401 million tonnes at Li₂O 1.65%) and the Carriere de l'Este exploration target⁴.

The Ministerial Decree excludes a portion of the land holding to the north, which will be required to be renewed under a 5-year Permit de Research (**PR** or **Exploration Licence**) to Dathcom, with discussions regarding the terms of the ongoing joint venture agreement on the PR to be finalised with the DRC Government in the near future, in addition to finalising discussions for the Collaboration Development Agreement with DRC Council of Ministers to provide wide ranging support for the Manono Project.

AVZ's Managing Director, Mr. Nigel Ferguson, said: "The receipt of the Ministerial Decree to award the Mining Licence is leading to a watershed moment for AVZ and our partners, with the official award of the Mining Licence from CAMI expected in a matter of days.

This paves the way for AVZ to start developing what is arguably one of the most important new mining projects in the world that will significantly contribute to the global green energy transition, while also uplifting the lives of the Congolese people who will contribute and receive sustained benefits from the Project for many decades to come.

The Company is advancing its early works program ahead of a Final Investment Decision to commence major works and first SC6 production toward the later months of 2023.

We have maintained a strategic approach to developing our world-class Manono Project and we will continue to tick every box that will deliver long-term value to what we believe is the largest global hard-rock lithium resource, based on current Proved and Probable Ore Reserves."

AVZ's Majority Interest in the Manono Project

Following the official award of the Mining Licence, and under the terms of the Joint Venture Agreement, La Congolaise D'Exploitation Miniere SA (**Cominiere**) who owns 25% of Dathcom will cede 10% of its interest to the DRC Government.

AVZI is in advanced discussions with the DRC Government regarding the purchase of Cominiere's remaining 15% interest in Dathcom exercising AVZI's rights under terms of the existing Dathcom Shareholder Agreement.

AVZ confirms that it retains legal title to a 75% interest in the Manono Project and is progressing the sale of an indirect 24% project interest to Suzhou CATH Energy Technologies under a multi-faceted Transaction Implementation Agreement (**TIA**), which is due to complete this month⁵.

Post completion of the TIA, AVZ will hold an indirect interest in 51% of the Manono Project (excluding the 15% interest to be acquired from Cominiere, which is subject to ongoing discussions with the DRC Government).

⁵ Refer to ASX Announcement dated 2 May 2022 "Extension of End Date to the Transaction Implementation Agreement"

Media speculation

AVZ makes reference to recent media speculation in respect of several matters in connection with AVZ's interest in the Manono Project, which the Company considers spurious and immaterial, including:

- A reference to a decision by 'Le Tribunal de Grande Instance' in the DRC (**Tribunal Decision**) in respect of a claim by Dathomir Mining Resources SARL regarding the validity of a share certificate and an extract of a shareholders' registry from Dathcom (**Dathomir Claim**).
- A claim that Cominiere has transferred a 15% interest in Dathcom to Jin Cheng Mining Company Limited (**Cominiere Transfer Claim**).

The Company notes that the Tribunal Decision does not purport to (nor does it, in fact or under DRC law) have any effect on:

- AVZ's 75% equity interest in the Manono Project, to which AVZ holds good legal title; or
- the sale and purchase agreements under which AVZ acquired that interest (which AVZ has duly performed and completed and which have not been terminated or annulled by any order, letter or otherwise).

Rather, the Tribunal Decision is:

- in respect of proceedings that have been pursued vexatiously and without foundation or merit, and to which neither AVZ nor AVZI is a party;
- subject to an appeal which has the effect, under DRC law, of suspending the Tribunal Decision; and
- the subject of a request on 1 February 2022 by the DRC Minister of Justice, that the DRC General Inspectorate of Judicial and Penitentiary Services, examine the case and that, pending the examination, nothing be done on the case.

In relation to the Cominiere Transfer Claim, the Company notes any such purported transfer would be restricted under the terms of the existing shareholders agreement between the Dathcom shareholders and accordingly, any purported transfer of the 15% interest to a third party would be a material breach of the pre-emptive rights contained in the existing Shareholders Agreement owed to AVZI, invalid and of no force or effect.

The Company has considered each of the Dathomir Claim and Cominiere Transfer Claim in detail and believes them to each be spurious in nature, without merit, contain fundamental and material errors, and have no substance or foundation in fact or law. The Company is continuing to take all necessary actions to resist these vexatious and meritless claims and to protect Dathcom's and its interests, and the Company will consider all options including engaging with the DRC Government and seeking international law remedies.

This announcement was authorised for release by the Board of Directors of AVZ Minerals Limited.

For further information, visit www.avzminerals.com.au or contact:

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ABOUT MANONO LITHIUM AND TIN PROJECT

AVZ holds a 75% interest in the Manono Project, located 500km north of Lubumbashi in the south of the Democratic Republic of Congo, hosting the world class Roche Dure Mineral Resource, one of the largest undeveloped hard rock lithium deposits in the world.

The Manono Project is strategically positioned as a clean, sustainable source of lithium, significantly contributing to the green energy transition, feeding the global lithium-ion battery value chain. With industry leading ESG credentials, it is forecast to be one of the lowest carbon emitting hard rock mines in the world.

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'Este mineral resource estimate (MRE) should be read in conjunction with the Company's previous ASX Announcement "Assays from Carriere de l'Este 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.

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