



16 May 2018

## **Manono Lithium Project Drilling Program**

### **HIGHLIGHTS**

- Initial 20,000m resource drilling program progressing as scheduled.
- Sample flow to laboratories well advanced with onward shipment to Perth ALS Laboratory.
- Metallurgical test work to be reported by the end of May.
- Airguide contract renewed for a further term.
- Top 20 shareholders listing available on Company website.

**AVZ Minerals Limited** (ASX: AVZ) is pleased to provide an update on exploration of the Manono Lithium Project in the Democratic Republic of Congo, including progress of the initial 20,000m resource drilling program.

Drilling is progressing well on the resource drilling program with four drill rigs working 24/7. Drilling to date has completed 8,073m of the initial 20,000m program. The tables included at Appendix 1 summarise the weekly production to date and status of drill holes.

A summary of work completed includes:

- Geological logging and structural, sample marking up, orientating core, collection of R.Q.D's continues.
- Sampling of MO18DD021 and MO18DD023 continues. Cutting of MO18DD022 is complete and MO18DD024 will commence soon.
- Drill holes MO18DD019 – 020 were despatched to the Lubumbashi ALS preparation laboratory.
- Data entry of all the drill plods continues.

## **Community Relations and Social Investment**

AVZ recently engaged with the Manono District Administrator and through the World Health Organisation sourced polio vaccine for children within the district. AVZ supplied the logistics necessary for transport of medical personnel to remote villages within the province to allow inoculations to be given. We are proud to state that more children that thought within the area were inoculated in the program.

AVZ will continue to support this program and other similar projects in the future.

## **Renewal of Airguide contract**

AVZ is pleased to announce it has re-engaged Airguide International Pte Limited (“Airguide”) as its Strategic Adviser. Singapore-based Airguide possesses a track record of successfully advising ASX-listed battery materials companies with regard to business strategy, investment funding and off-take partnerships in China.

Airguide’s principals have been actively involved in the China commodity space for more than 15 years and the global industry for more than 20 years individually. In that time, they have established a clear track record for investing-in and advising companies across multiple commodities with respect to successfully completing agreements for off-take, joint-venture partnerships and investment.

The engagement period is for an additional 12-months and may be extended. The Company will pay a retainer fee and issue Airguide 7.5 million performance rights, which will vest based on achievement of share price targets and are similar in structure to recent management incentives. The performance rights shall vest in three equal tranches upon the following milestones being achieved:

- 1) Tranche 1 shall vest if the 10-day volume weighted average share price (“VWAP”) for the shares on the ASX is A\$0.34 or higher during the vesting period;
- 2) Tranche 2 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.40 or higher during the vesting period; and
- 3) Tranche 3 shall vest if the 10-day VWAP for the shares on the ASX is A\$0.44 or higher during the vesting period.

The vesting period for the performance rights is from 1 December 2018 to expiry on 30 November 2021. It is the Boards view that these milestones are very much aligned with shareholders’ interests and notes the milestone prices are significantly above the current share price of the Company.

## **Top 20 shareholders listing available on Company website**

The Company would also like to inform shareholders that a register of the Company’s largest 20 shareholders as at 30 April 2018 and as at 14 May 2018 is now available on the Company’s website at [www.avzminerals.com.au](http://www.avzminerals.com.au).

A register of the Company’s largest 20 shareholders will be made available on the Company’s website at the end of each month for shareholders to access.

For further information, visit [www.avzminerals.com.au](http://www.avzminerals.com.au) or contact:

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Appendix One – Drilling information to date

Drill Rig ID	HOLE No.	FROM (m)	TO (m)	TOTAL (m)	CORE SIZE
Equator Rig 6	M018DD021	314.65	320.65 EOH	6	HQ
	M018DD025	0	92.55	92.55	PQ
	M018DD025	92.55	176.55	84	HQ
Equity Rig 2	M018DD024	10.1	65.9	55.8	PQ
	M018DD024	65.9	221.90 EOH	156	HQ
	M018DD028	0	72	72	PQ
Equity Rig 3	M018DD023	155.73	188.73 EOH	33	HQ
	M018DD026	0	74.8	74.8	PQ
	M018DD026	74.8	241.13	166.33	HQ
Equity Rig 4	M018DD022	158.9	215.9 EOH	57	HQ
	M018DD027	0	72	72	PQ
	M018DD027	72	98.78	26.78	HQ
			<b>Total</b>	<b>896.26</b>	

Table 1: Drilling progress over previous week

Hole No	Easting	Northing	RL	Line	Depth	Dip	Az	DHS	Logged	Photo	Sampled	Samples		Results		Database
												Despatched	Received	Received	Received	
M018DD019	541677	9189487	653	6600	386.79	-60	330	Y	Y	Y	Y	Y			Y	
M018DD024	541556	9189610	651	6600	221.9	-60	330	Y	Y	Y						
M018DD017	541711	9189506	653	6700	338.13	-60	330	Y	Y	Y	Y	Y			Y	
M018DD023	541640	9189692	644	6700	188.73	-60	330	Y	Y	Y	Y	Y				
M018DD020	541821	9189552	651	6800	308	-60	330	Y	Y	Y	Y	Y			Y	
M018DD022	541786	9189657	653	6800	215.9	-60	330	Y	Y	Y						
M018DD010	541942	9189580	650	6900	335.7	-60	330	Y	Y	Y	Y	Y			Y	
M018DD011	541984	9189484	653	6900	410.8	-60	330	Y	Y	Y	Y	Y			Y	
M018DD006	541962	9189534	650	6900	389.7	-60	330	Y	Y	Y	Y	Y			Y	
M018DD013	541908	9189624	654	6900	272.73	-60	330	Y	Y	Y	Y	Y			Y	
M018DD014	541813	9189789	647	6900	125.73	-60	330	Y	Y	Y	Y	Y			Y	
M018DD016	541784	9189840	645	6900	62.63	-60	330	Y	Y	Y	Y	Y			Y	
M018DD001	542052	9189566	659	7000	380	-60	335	Y	Y	Y	Y	Y	Y	Y	Y	
M018DD002	542054	9189565	658	7000	365.7	-75	330	Y	Y	Y	Y	Y	Y	Y	Y	
M018DD003	542054	9189567	656	7000	395.81	-67	325	Y	Y	Y	Y	Y	Y	Y	Y	
M018DD004	542031	9189599	656	7000	350.2	-60	325	Y	Y	Y	Y	Y	Y	Y	Y	
M018DD005	542082	9189520	658	7000	85.5	-60	325	Y	Y	Y	N/A	N/A	N/A			
M018DD007	542080	9189515	655	7000	387	-75	325	Y	Y	Y	Y	Y			Y	
M018DD008	548433	9194589	642	N/A	149	-90	VERT	Y	Y	Y	Y	Y			Y	
M018DD015	542143	9189637	650	7100	355.2	-60	330	Y	Y	Y	Y	Y			Y	
M018DD009	542164	9189579	655	7100	406	-60	330	Y	Y	Y	Y	Y			Y	
M018DD012	542166	9189580	656	7100	359.8	-75	330	Y	Y	Y	Y	Y			Y	
M018DD021	542202	9189669	652	7200	320.65	-60	330	Y	Y	Y						
M018DD018	542264	9189604	655	7200	380.65	-60	330	Y	Y	Y	Y	Y			Y	
M018DD028	542316	9189520	646	7200		-60	330									
M018DD027	542337	9189683	656	7300		-60	330									
M018DD025	542362	9189636	656	7300		-60	330									
M018DD026	542430	9189512	646	7300		-60	330									

Table 2: Status of drill holes