

9 November 2018

Mr Ben Secrett  
Senior Advisor, Listings Compliance (Perth)  
ASX Compliance Pty Limited  
Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

Via email: [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au); [Ben.Secrett@asx.com.au](mailto:Ben.Secrett@asx.com.au)

Dear Ben,

**Aware Query**

AVZ Minerals Ltd (ASX: **AVZ**) ("the Company") refers to your Aware Query Letter dated 8 November 2018 and provides the following responses:

1. *When did AVZ first become aware of the Relevant Information (or part thereof)? In answering this question, please state the date and time.*

AVZ was aware of the Relevant Information following an email received providing the draft drilling results on 1 November 2018 at 15:52 (WST).

2. *Does AVZ consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

Yes.

3. *If the answer to question 2 is "no", please advise the basis for that view.*

Not applicable.

4. *If AVZ first became aware of the Relevant Information (or part thereof) before the Relevant Date, did AVZ make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe AVZ was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what*

*steps AVZ took to ensure that the Relevant Information was released promptly and without delay.*

As advised above, the Relevant Information became available to AVZ on 1 November 2018 at 15:52 (WST). The Relevant Information was reviewed by the AVZ's technical team and was finalised and signed off with the MSA Group on 5 November 2018 evening. The Relevant Information was submitted and released on the ASX prior market opens on 6 November 2018.

5. *Please confirm that AVZ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

AVZ confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. *Please confirm that AVZ's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AVZ with delegated authority from the board to respond to ASX on disclosure matters.*

The Company confirms that its response has been authorised and approved by officers of the Company that have delegated authority from the Board to respond to ASX disclosure matters.

7. AVZ provides further information and procedures undertaken in relation to Mr Nigel Ferguson's purchase of 1,000,000 AVZ shares for \$65,236. Mr Ferguson sought approval to purchase AVZ shares in accordance with the Company's Security Trading Policy. Approval was given on 30 October 2018 following confirmation that AVZ was not in a Non-Trading Period.

The Company confirms that the purchase of AVZ shares by Mr Nigel Ferguson was in accordance with its Security Trading Policy.

Yours sincerely,



**Leonard Math**  
Company Secretary

8 November 2018

**Mr Leonard Math**

AVZ Minerals Limited  
Level 2, Suite 9, 389 Oxford Street  
MT HAWTHORN WA 6016

By email:

Dear Mr Math

**AVZ MINERALS LIMITED (“AVZ”): AWARE QUERY**

ASX Limited (“ASX”) refers to the following.

- A. The Change of Director’s Interest Notice released on the ASX Market Announcements Platform (“MAP”) on Monday, 5 November 2018 in respect of Mr Nigel Ferguson’s on-market trade on Thursday, 1 November 2018, for the acquisition of 1,000,000 AVZ shares for \$65,236.
- B. AVZ’s announcement entitled “AVZ Drills 221.83m\* @ 1.53% Li2O & 848ppm Sn from 165.2m down-hole at the Roche Dure Pegmatite” (“Announcement”) lodged at 9.42am AEDT and released on MAP at 9.45am AEDT on Tuesday, 6 November 2018 (“Relevant Date”), disclosing, amongst other things, extensional drilling results at its Manono Lithium Project (“Relevant Information”).
- C. The change in the price of AVZ’s shares from a closing price of \$0.064 on Thursday, 1 November 2018, to a closing price of \$0.076 on Friday, 2 November 2018, and an intra-day high of \$0.097 on Tuesday, 6 November 2018.
- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- E. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

*“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”*

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*

- *The information is a trade secret; and*
  - 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
  - 3.1A.3 *A reasonable person would not expect the information to be disclosed.”*
- G. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Having regard to the above, ASX asks AVZ to respond separately to each of the following questions and requests for information:

1. When did AVZ first become aware of the Relevant Information (or part thereof)? In answering this question, please state the date and time.
2. Does AVZ consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “no”, please advise the basis for that view.
4. If AVZ first became aware of the Relevant Information (or part thereof) before the Relevant Date, did AVZ make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe AVZ was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps AVZ took to ensure that the Relevant Information was released promptly and without delay.
5. Please confirm that AVZ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that AVZ’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AVZ with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 6.30am AWST on Monday, 12 November 2018**.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [tradinghaltsperth@asx.com.au](mailto:tradinghaltsperth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to AVZ’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that AVZ’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AVZ’s obligation is to disclose the information

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“immediately”. This may require the information to be disclosed before the deadline set out in this letter and may require AVZ to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

#### **Suspension**

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in AVZ’s securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

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**Ben Secrett**  
Principal Adviser, Listings Compliance (Perth)