



Shareholder update on Yibin Tianyi \$14.1m placement

Highlights:

- The sunset date for the satisfaction of conditions precedent has been extended to 28 February 2020 to accommodate a request from FIRB for additional review time
- All conditions precedent other than the regulatory approvals to the Subscription Agreement are currently satisfied

AVZ Minerals Limited (ASX:AVZ, “the Company”) is pleased to advise that it has substantially advanced the process of satisfying the various conditions precedent to the A\$14.1 million investment in AVZ by Yibin Tianyi Lithium Co., Ltd (“**Yibin Tianyi**”).

However, a request was received from FIRB for additional time to review the proposed investment. This request now requires an extension to the “sunset date” for the satisfaction of the conditions precedent under the agreement between AVZ Minerals and Yibin Tianyi to ensure that there is sufficient time for Yibin Tianyi to obtain the necessary regulatory approvals for it to complete its investment.

Accordingly, AVZ and Yibin Tianyi have agreed to extend the sunset date for completion of Yibin Tianyi's investment to 28 February 2020. AVZ will continue to work with Yibin Tianyi with a view to obtaining the necessary regulatory approvals as soon as possible prior to that date.

Other than obtaining the necessary FIRB and Chinese Overseas Direct Investment approvals, all other conditions precedents to the Subscription Agreement are currently satisfied.

ASX ANNOUNCEMENT

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Market Cap : \$132 M

ASX Code: AVZ

Under the terms of the Subscription Agreement, both parties will negotiate in good faith to agree and execute a binding offtake agreement for lithium products from the Manono Lithium and Tin Project (“Manono Project”).

Senior management from AVZ travelled to China earlier this month to inspect Yibin Tianyi’s lithium chemical plant, which is current under construction and forecast to commence production by June 2020 and to commence initial discussions on a binding offtake agreement.

Yibin Tianyi is targeting production of up to 25,000 tonnes of lithium hydroxide per annum, with future staged expansions expected to increase production to approximately 100,000 tonnes per annum, making Yibin Tianyi’s plant one of the largest hydroxide suppliers in China.

This release was authorised by Nigel Ferguson, Managing Director of AVZ Minerals Limited.

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