



ASX ANNOUNCEMENT

2 April 2020

Yibin Tianyi A\$14.1 Million Placement Update

Highlights

- FIRB approval process nearing completion
- Sunset Date extended to 30 April 2020 to accommodate an extension request from FIRB
- ASX waiver granted to extend Shareholders approval to 30 April 2020
- Binding commitments received to raise A\$3.6 million from existing strategic shareholder, Lithium Plus and other sophisticated and professional investors, including a global institutional investor
- Yibin and AVZ continue to progress finalisation of binding offtake agreement

AVZ Minerals Limited (ASX:AVZ, “the Company”) is pleased to advise the Australia’s Foreign Investment Review Board (“FIRB”) approval process is nearing completion for the A\$14.1 million strategic investment by Yibin Tianyi Lithium Industry Co., Ltd (“Yibin Tianyi”)¹. The Company anticipates that a decision will be made before 30 April 2020 (“Yibin Placement”).

Yibin Tianyi is to become one of the largest lithium hydroxide producers in China, targeting production of up to 25,000t of lithium hydroxide per annum, with future staged expansions expected to increase production to approximately 100,000t per annum. Yibin Tianyi will require approximately 600,000t per annum of spodumene concentrate (SC6) to satisfy its hydroxide plant when fully completed.

AVZ and Yibin Tianyi continue to progress the finalisation and execution of the binding offtake agreement for product from the Manono Lithium and Tin project (“Manono Project”).

The Sunset Date for the satisfaction of conditions precedent for the Yibin Placement has been extended to 30 April 2020 to accommodate a request from FIRB to extend the statutory deadline for Yibin's FIRB application to 10 April 2020.

The Chinese Overseas Direct Investment approval is substantially advanced and a formal decision will only be made until all conditions precedent including FIRB approval have been satisfied. All other conditions precedent to completion of the Yibin Placement are currently satisfied other than obtaining the necessary Australian foreign investment and Chinese Overseas Direct Investment approvals.

¹Please refer to ASX Announcement dated 11 November 2019 “AVZ introduces Yibin Tianyi Lithium as a Strategic Investor”

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Non-Executive Director: Hongliang Chen

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Market Cap

\$120 M

ASX Code: AVZ

The Company is also pleased to confirm the ASX has granted the Company a waiver from ASX Listing Rule 14.7 to extend the deadline by which the Company must issue 314,300,000 ordinary fully paid shares to Yibin Tianyi under the Yibin Placement, at an issue price of \$0.045 per share from 3 April 2020 to 30 April 2020. Shareholders approved the issue of shares to Yibin Tianyi at the Company's general meeting held on 3 January 2020 and the waiver was sought due to the extension request from FIRB for approval of the investment.

Equity Raising

The Company is pleased to advise it has successfully received commitments for a placement of fully paid ordinary shares ("**New Shares**") to Lithium Plus and other eligible sophisticated and professional investors including a global institutional investor, all of whom are non-related parties, to raise A\$3.6 million (before costs) ("**Placement**").

The Placement will comprise an issue of 80,000,000 New Shares at an issue price of \$0.045 per New Share with three (3) free attaching Options for every two (2) New Shares subscribed. The Options have an exercise price of \$0.06 each expiring two (2) years from the date of issue. The Placement will be issued under the Company's existing placement capacity afforded under ASX Listing Rule 7.1.

The New Shares will rank equally with existing fully paid ordinary shares in the Company. The New Shares are expected to be issued during the week commencing 6 April 2020. Funds raised will be used to progress the Company's Definitive Feasibility Study and for general working capital.

AVZ Managing Director, Mr. Nigel Ferguson, said: *"We are pleased with Yibin Tianyi's commitment to finalise this strategic investment, as they understand it is the start of a long-term relationship with AVZ."*

"While accommodating the extension requested for FIRB approval, we managed to secure short-term funding from existing strategic shareholder, Lithium Plus and from sophisticated and professional investors including a new global institutional investor. Lithium Plus has continued to show its support and faith in the Manono Project especially during recent market volatility."

On the status of AVZ's Definitive Feasibility Study for the Manono Lithium and Tin Project, Mr. Ferguson said: *"I am also pleased to advise the DFS is in its final stage of reviews and compilation. The Company expects the results of the DFS to be released in the coming weeks. Our Project Director, Michael Hughes and his team have put in a huge effort under trying circumstances to finalise the DFS, especially considering the travel and meeting restrictions, recently imposed by relevant authorities trying to limit the spread of the COVID-19 virus."*

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

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