



15 October 2020

Dear Shareholders,

IMPACT OF COVID-19 RESTRICTIONS ON THE COMPANY'S ANNUAL GENERAL MEETING

The shareholder meeting is scheduled to be held in Perth on Thursday, 19 November 2020 at 2.00pm (WST) (**Meeting**). However, in light of the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of the Meeting, the Directors have made a decision that Shareholders will not be able to attend the Meeting in person. The Company invites shareholders to attend and participate in a virtual Meeting through an online meeting platform powered by 'Zoom' (**Virtual Meeting**).

Shareholders who attend the Virtual Meeting will be able to watch, listen, submit written questions and participate in all poll votes put to the Meeting.

In accordance with temporary modifications to the Corporations Act 2001 (Cth) via the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be sending hard copies of the Notice of Meeting to shareholders. The Notice of Meeting can be viewed and downloaded from the following link:

<https://avzminerals.com.au/asx-announcements>

Alternatively, a complete copy of the important Meeting documents has been posted on the Company's ASX market announcements page (ASX: AVZ).

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting by shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

Venue – Virtual Meeting

If you wish to virtually attend the AGM (which will be broadcast as a live webinar), please pre-register in advance for the Virtual Meeting here:

https://us02web.zoom.us/webinar/register/WN_yJRM7TsRdqXclHuaDpSgg

After registering, you will receive a confirmation containing information on how to attend the Virtual Meeting on the day of the AGM.

The Company encourages shareholders to submit their votes and questions in advance of the Meeting as this will provide management with the best opportunity to prepare for the meeting, for example in preparing answers to members questions.

Questions must be submitted in writing to Leonard Math, Company Secretary at admin@avzminerals.com.au at least 48 hours before the AGM.

However, votes and questions may also be submitted during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

All questions will be submitted to the Chair, who will then direct them to be answered by the most appropriate member of management during the Meeting.

Voting online on the day of the Virtual Meeting

Shareholders who wish to vote virtually on the day of the AGM will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password/

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Virtual Meeting** to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the AGM:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
2. **(Registration on the day)** If registration for the Virtual Meeting is open, click on 'Meeting open for registration' and follow the steps.
3. **(Live voting on the day)** If live voting for the Virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

Voting by proxy

Shareholders who wish to participate at the AGM are strongly encouraged to complete and submit their proxies as early as possible.

To vote by proxy:

1. please lodge the Proxy Form online at <https://investor.automic.com.au/#/loginsah> by following the below instructions:

Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form; or

2. please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Further details of any teleconference or online meeting facilities, including detailed instructions on how to access such facilities, will be made available to Shareholders on the Company's website at www.avzminerals.com.au and the ASX Company's Announcement Platform at asx.com.au (ASX: AVZ) prior to the Meeting.

This announcement is authorised for market release by Nigel Ferguson, Managing Director of AVZ Minerals Limited.

Sincerely,



Leonard Math
Company Secretary

AVZ MINERALS LIMITED

ACN 125 176 703

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2:00pm (WST)

DATE: Thursday, 19 November 2020

PLACE: https://us02web.zoom.us/webinar/register/WN_yJRJM7TsRdqXciHuaDpSgg

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6117 9397.

IMPORTANT INFORMATION

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm (WST) on Tuesday, 17 November 2020.

VOTING IN PERSON

In light of the status of the evolving COVID-19 situation, the Directors have made a decision that Shareholders will not be able to physically attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware of changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and

- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR GRAEME JOHNSTON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Graeme Johnston, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – ELECTION OF DIRECTOR – DR JOHN CLARKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Dr John Clarke, a Director who was

appointed as an additional Director on 2 December 2019, retires and being eligible, is elected as a Director."

4. RESOLUTION 4 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – DR JOHN CLARKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 3, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 9,000,000 Performance Rights to Dr Clarke (or his nominee), a Director, under the Company's Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."

5. RESOLUTION 5 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – MR NIGEL FERGUSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 3,000,000 Performance Rights to Mr Ferguson (or his nominee), a Director, under the Company's Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."

6. RESOLUTION 6 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – MR GRAEME JOHNSTON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 2, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 2,000,000 Performance Rights to Mr Johnston (or his nominee), a Director, under the Company's Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."

7. RESOLUTION 7 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – MR RHETT BRANS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 1,500,000 Performance Rights to Mr Brans (or his nominee), a Director, under the Company's Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."

8. RESOLUTION 8 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – MR PETER HULJICH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 1,500,000 Performance Rights to Mr Huljich (or his nominee), a Director, under the Company’s Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.”

9. RESOLUTION 9 – RATIFICATION OF PREVIOUS SHARES ISSUED TO YIBIN TIANYI – LR 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,782,388 Shares on the terms and conditions set out in the Explanatory Statement.”

10. RESOLUTION 10 – RATIFICATION OF PREVIOUS SHARES ISSUED TO YIBIN TIANYI – LR 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 232,717,612 Shares on the terms and conditions set out in the Explanatory Statement.”

11. RESOLUTION 11 – RATIFICATION OF PREVIOUS SECURITIES ISSUED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 80,000,000 Shares with free attaching 120,000,002 Unlisted Options on the terms and conditions set out in the Explanatory Statement.”

12. RESOLUTION 12 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the persons named in the table below.

Resolution 4 – Issue of Performance Rights to Dr John Clarke	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Dr John Clarke) or an associate of that person or those persons.
Resolution 5 – Issue of Performance Rights to Mr Nigel Ferguson	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Nigel Ferguson) or an associate of that person or those persons.
Resolution 6 – Issue of Performance Rights to Mr Graeme Johnston	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Graeme Johnston) or an associate of that person or those persons.
Resolution 7 – Issue of Performance Rights to Mr Rhett Brans	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Rhett Brans) or an associate of that person or those persons.
Resolution 8 – Issue of Performance Rights to Peter Huljich	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Peter Huljich) or an associate of that person or those persons.
Resolutions 9 and 10 – Ratification of prior issue of Shares to Yibin Tianyi	A person who participated in the issue or is a counterparty to the agreement being approved (namely Yibin Tianyi Lithium Industry Co., Ltd) or an associate of that person or those persons.
Resolution 11 – Ratification of prior issue of Securities	A person who participated in the issue or is a counterparty to the agreement being approved (namely Lithium Plus and other April Placement participants) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statements

Resolution 4 – Issue of Performance Rights to Dr John Clarke

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 5 – Issue of Performance Rights to Mr Nigel Johnston

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 5 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 6 – Issue of Performance Rights to Mr Graeme Johnston

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 6 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 7 – Issue of Performance Rights to Mr Rhett Brans

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 7 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 8 – Issue of
Performance Rights to
Mr Peter Huljich**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 8 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

DATED: 15 OCTOBER 2020

BY ORDER OF THE BOARD



**LEONARD MATH
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.avzminerals.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2020.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the directors of the company who were in office when the directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. PROXY RESTRICTIONS

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy:

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

3.1 Definitions

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

4. RESOLUTIONS 2 AND 3 – RE-ELECTION AND ELECTION OF DIRECTORS

4.1 General

Clause 14.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election.

Therefore, Mr Graeme Johnston retires by rotation and seeks re-election.

Clause 14.4 of the Constitution requires that any person appointed as a Director as an addition to the existing Directors shall hold office only until the next Annual General Meeting and is then eligible for re-election.

Dr John Clarke was appointed as a Director on 2 December 2019 and seeks re-election.

4.2 Qualifications and other material directorships

Mr Graeme Johnston

Mr Johnston is a geologist with over 30 years' experience operating mostly in Australia and also the Middle East, Romania and Malaysia. Graeme was the Principal Geologist with Midwest Corporation in 2005 during its sale to Sinosteel Corporation and was their first local Chief Geologist. In mid 2006, Graeme assisted in founding ASX listed FeroWest Limited where he was the Technical Director for 9 years until the end of 2016. During this time, he contributed to the successful completion of the Feasibility Study for the Yalgoo Pig Iron Project. Graeme joined the AVZ team in May 2017 as Project Manager in charge of the day to day operations at the Manono Lithium and Tin Project.

Dr John Clarke

Dr Clarke started his career 48 years ago as a metallurgist at Goldfield's Kloof Gold Mine in 1972. Most of his career has focused on the operation, development or management of African mining projects and activities, from junior operating roles to the most senior Executive and Board level appointments.

In 1994, he was appointed to the Board of Ashanti Goldfields as Executive Director, responsible for Strategic Planning and Business Development. In 1997, he was appointed President and CEO of Nevsun Resources, a gold explorer and developer listed on the Toronto Stock Exchange. Most recently, after joining the Board of Banro Corporation in 2004 as a Non-Executive Director, he became President and CEO in 2013 until 2018. Banro was listed on the TSX and NYSE and was focused on the development of gold projects in eastern DRC. Banro brought the Twangiza and Namoya gold mines into production.

4.3 Independence

Mr Graeme Johnston

Mr Graeme Johnston is deemed as being non-independent due to his executive role within the Company.

If elected the Board does not consider Mr Graeme Johnston will be an independent Director.

Dr John Clarke

Dr John Clarke has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Dr John Clarke will be an independent Director.

4.4 Board recommendation

The Board has reviewed the performance of Dr John Clarke and Mr Graeme Johnston since his appointment to the Board and considers that the skills and experience of both Directors will continue to enhance the Board's ability to perform its role.

The Board supports the re-election of each of the Directors and recommends that Shareholders vote in favour of Resolutions 2 and 3.

5. RESOLUTIONS 4 TO 8 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS

5.1 Background

Resolutions 4 to 8 seek shareholder approval for the issue of Performance Rights to Chairman, Dr John Clarke (9 million) (subject to passing of Resolution 3), Managing Director, Mr Nigel Ferguson (3 million), Technical Director, Mr Graeme Johnston (2 million) (subject to passing of Resolution 2), Non-Executive Directors, Mr Rhett Brans (1.5 million) and Mr Peter Huljich (1.5 million) (**Director Performance Rights**), pursuant to the Company's Performance Rights Plan (**Performance Rights Plan**).

The performance rights are to be issued for the purpose of aligning the interests of the Board with the Company and to secure ongoing commitment of them to the growth of the Company. A summary of the key terms and conditions of the Performance Rights are set out in Schedule 1.

5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Related party is widely defined under the Corporations Act and includes directors of a company. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The grant of the Director Performance Rights constitutes giving a financial benefit. Dr John Clarke, Mr Nigel Ferguson, Mr Graeme Johnston, Mr Rhett Brans and Mr Peter Huljich are Directors, and therefore related parties of the Company. The issue of the securities to them or their nominees constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

5.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Director Performance Rights to the Directors falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 4 to 8 seek shareholder approval to issue the Director Performance Rights to Dr John Clarke, Mr Nigel Ferguson, Mr Graeme Johnston, Mr Rhett Brans and Mr Peter Huljich based on the satisfaction of key performance criteria as outlined below:

Vesting Conditions	John Clarke	Nigel Ferguson	Graeme Johnston	Rhett Brans	Peter Huljich
Class A shall vest upon an announcement by the Company to the Australian Securities Exchange (ASX) stating that the Company has executed an offtake agreement for at least 25% of the product produced from the Manono Project.	3,000,000	-	-	-	-
Class B shall vest upon the completion of the Manono Project financing, as independently verified by the Company's auditors.	3,000,000	-	-	-	-
Class C shall vest upon an announcement by the Company to the ASX stating that the Company	3,000,000	3,000,000	2,000,000	1,500,000	1,500,000

Vesting Conditions	John Clarke	Nigel Ferguson	Graeme Johnston	Rhett Brans	Peter Huljich
has made a Decision to Mine in respect of the Manono Project.					
TOTAL	9,000,000	3,000,000	2,000,000	1,500,000	1,500,000

5.4 Technical information required by Listing Rule 14.1A

If Resolutions 4 to 8 are passed, the Company will be able to proceed with the issue of the Director Performance Rights to the Directors under the Performance Rights Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4 to 8 are not passed, the Company will not be able to proceed with the issue of the Director Performance Rights to the Directors under the Performance Rights Plan.

5.5 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 4 to 8:

- (a) the Director Performance Rights will be issued to the following persons:
- (i) John Clarke (or their nominee) pursuant to Resolution 4;
 - (ii) Nigel Ferguson (or their nominee) pursuant to Resolution 5;
 - (iii) Graeme Johnston (or their nominee) pursuant to Resolution 6;
 - (iv) Rhett Brans (or their nominee) pursuant to Resolution 7; and
 - (v) Peter Huljich (or their nominee) pursuant to Resolution 8,
- each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Director Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 17,000,000 comprising:
- (i) 9,000,000 Director Performance Rights to John Clarke (or his nominee) pursuant to Resolution 4;
 - (ii) 3,000,000 Director Performance Rights to Nigel Ferguson (or his nominee) pursuant to Resolution 5;
 - (iii) 2,000,000 Director Performance Rights to Graeme Johnston (or his nominee) pursuant to Resolution 6;

- (iv) 1,500,000 Director Performance Rights to Rhett Brans (or his nominee) pursuant to Resolution 7; and
 - (v) 1,500,000 Director Performance Rights to Peter Huljich (or his nominee) pursuant to Resolution 8;
- (c) No Performance Rights have previously been issued to John Clarke under the Performance Rights Plan;
 - (d) 12,000,000 Performance Rights have previously been issued to Nigel Ferguson for nil cash consideration under the Performance Rights Plan;
 - (e) 8,000,000 Performance Rights have previously been issued to Graeme Johnston for nil cash consideration under the Performance Rights Plan;
 - (f) 6,000,000 Performance Rights have previously been issued to Rhett Brans for nil cash consideration under the Performance Rights Plan;
 - (g) 4,500,000 Performance Rights have previously been issued to Peter Huljich for nil cash consideration under the Performance Rights Plan;
 - (h) a summary of the material terms and conditions of the Director Performance Rights is set out in Schedule 1;
 - (i) the Director Performance Rights are unquoted securities. The Company has chosen to issue Incentive Performance Rights to the Related Parties for the following reasons:
 - (i) the Incentive Performance Rights are unquoted; therefore, the issue of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Incentive Performance Rights will align the interests of the Related Parties with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights on the terms proposed;
 - (j) the number of Director Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Directors; and
 - (iii) incentives to attract and retain the service of the Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights upon the terms proposed;

- (k) the relevant interests of the Directors in securities of the Company as at the date of this Notice are set out below:

Directors	Shares	Performance Rights
John Clarke	1,000,000	-
Nigel Ferguson	43,478,070	6,000,000
Graeme Johnston	7,849,737	6,100,000
Rhett Brans	3,463,158	3,000,000
Peter Huljich	1,500,000	3,000,000

- (l) the total remuneration package for each of the Directors for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Directors	Financial Year 2021*	Financial Year 2020
John Clarke ¹	\$343,200	\$70,000
Nigel Ferguson ²	\$387,200	\$654,816
Graeme Johnston ³	\$324,800	\$575,664
Rhett Brans ⁴	\$78,600	\$256,907
Peter Huljich ⁵	\$78,600	\$351,391

Notes:

1. Comprising Directors' fees of \$120,000, a superannuation payment of \$Nil and share-based payments of \$223,200 (including an increase of \$223,200, being the value of the Incentive Performance Rights).
 2. Comprising Directors' fees of \$350,000, a superannuation payment of \$Nil and share-based payments of \$37,200 (including an increase of \$37,200, being the value of the Incentive Performance Rights).
 3. Comprising Directors' fees of \$300,000, a superannuation payment of \$Nil and share-based payments of \$24,800 (including an increase of \$24,800, being the value of the Incentive Performance Rights).
 4. Comprising salary of \$54,794, a superannuation payment of \$5,206 and share-based payments of \$18,600 (including an increase of \$18,600, being the value of the Incentive Performance Rights).
 5. Comprising Directors' fees of \$60,000, a superannuation payment of \$Nil and share-based payments of \$18,600 (including an increase of \$18,600, being the value of the Incentive Performance Rights).
- (m) the valuation of the Performance Rights has been independently calculated based on the share price as at the valuation date (closing share price of 6.2 cents on 30 September 2020) adjusted for the probability of these non-market vesting conditions being met, which is a qualitative assessment:

Directors	Performance Rights	Value of Performance Rights
John Clarke	9,000,000	\$223,200
Nigel Ferguson	3,000,000	\$37,200
Graeme Johnston	2,000,000	\$24,800
Rhett Brans	1,500,000	\$18,600
Peter Huljich	1,500,000	\$18,600

- (n) the Director Performance Rights will be issued to the Directors no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;
- (o) the issue price of the Director Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;
- (p) the purpose of the issue of the Incentive Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (q) a summary of the material terms and conditions of the Performance Rights Plan is set out in Schedule 3;
- (r) no loans are being made to the Directors in connection with the acquisition of the Director Performance Rights;
- (s) details of any Performance Rights issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (t) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan after Resolutions 4 to 8 are approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (u) if the milestones attaching to the Director Performance Rights issued to the Related Parties are met and the Director Performance Rights are converted, a total of 17,000,000 Shares would be issued. This will increase the number of Shares on issue from 2,838,498,508 (being the total number of Shares on issue as at the date of this Notice) to 2,855,498,508 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.6%, comprising 0.3% by Dr John Clarke, 0.1% by Mr Nigel Ferguson, 0.07% by Mr Graeme Johnston, 0.05% by Mr Rhett Brans and 0.05% by Mr Peter Huljich;

- (v) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.105	18 February 2020 and 24 February 2020
Lowest	\$0.04	21, 24 & 25 October 2019
Last	\$0.08	13 October 2020

- (w) each Director has a material personal interest in the outcome of Resolutions 4 to 8 on the basis that all of the Directors (or their nominees) are to be issued Incentive Performance Rights should Resolutions 4 to 8 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 4 to 8 of this Notice; and
- (x) the Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass Resolutions 4 to 8.

6. RESOLUTIONS 9 AND 10 – RATIFICATION OF PREVIOUS SHARES ISSUED TO YIBIN TIANYI – LR 7.1 AND LR 7.1A

6.1 Background

On 14 May 2020, the Company completed a placement of \$10,687,500 through the issue of 237,500,000 Shares at an issue price of \$0.045 per Share (**Placement Shares**) to Yibin Tianyi Lithium Industry Co., Ltd.

4,782,388 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 9) and 232,717,612 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 29 November 2019.

The key terms of the Subscription Agreement between the Company and Yibin Tianyi are as follows:

- (a) Subject to satisfaction of the conditions precedent, Yibin Tianyi will subscribe for, and the Company will issue to Yibin Tianyi, 237,500,000 Shares, being approximately 9% of the Shares in the Company.
- (b) The price for the Shares will be \$0.045 per Share, being a total subscription price of A\$10,687,500 for the 237,500,000 Shares.
- (c) Yibin Tianyi will no longer have a nominee on the Board.

6.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 12 being passed by the requisite majority at this Meeting.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Shares.

6.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolutions 9 and 10 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

6.4 Technical information required by Listing Rule 14.1A

If Resolutions 9 and 10 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 9 and 10 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 12 being passed at this Meeting.

6.5 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 9 and 10:

- (a) the Placement Shares were issued to Yibin Tianyi, who is a substantial holder of the Company. Yibin Tianyi is not a related party of the Company;

- (b) 237,500,000 Shares were issued on the following basis:
 - (i) 4,782,388 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 9); and
 - (ii) 232,717,612 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 10);
- (c) the issue price was \$0.045 per Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (d) the Placement Shares were issued on 14 May 2020;
- (e) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the purpose of the issue of the Placement Shares was to raise \$10.7 million, which will primarily be used to execute the Company's strategy to fast-track the Manono Lithium and Tin Project towards production by completing the Definitive Feasibility Study. The funds will also be used for ongoing corporate and administration costs; and
- (g) the Placement Shares were issued to Yibin Tianyi under the Subscription Agreement. A summary of the material terms of the Subscription Agreement is set out in Section 6.1.

The Chairman intends to exercise all available proxies in favour of Resolutions 9 and 10.

The Directors recommend that Shareholders vote in favour of Resolutions 9 and 10.

7. RESOLUTION 11 – RATIFICATION OF PREVIOUS SECURITIES ISSUE – LISTING RULE 7.1

7.1 Background

In April 2020, the Company completed a placement of \$3.6 million through the issue of 80,000,000 Shares and 120,000,002 Options exercisable at \$0.06 expiring on 8 April 2022 to Lithium Plus and other eligible sophisticated and professional investors including a global institutional investor, all of whom are non-related parties (**April Placement**).

The Company issued the 80,000,000 Shares and 120,000,002 Options under the Company's existing placement capacity under ASX Listing Rule 7.1 (**April Placement Securities**).

As summarised in Section 6.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 12 being passed at this Meeting.

The issue of the April Placement Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the April Placement Securities.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the April Placement Securities.

Resolution 11 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the April Placement Securities.

7.2 Technical information required by Listing Rule 14.1A

If Resolution 11 is passed, the Capital Raising Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the April Placement Securities.

If Resolution 11 is not passed, the Capital Raising Securities will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the April Placement Securities.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 12 being passed at this Meeting.

7.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 11:

- (a) the April Placement Securities were issued to Lithium Plus and other eligible sophisticated and professional investors including a global institutional investor who were identified by the Directors. The recipients were identified through background and financial capability checks on the recipients prior to being invited to participate in the April Placement;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 80,000,000 Shares and 120,000,002 Options were issued;
- (d) the Shares issued to participants in the April Placement were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Options issued to participants in the April Placement were issued on the terms and conditions set out in Schedule 3;
- (f) the April Placement Securities were issued on the following dates:
- (i) 40,000,000 Shares and 60,000,000 Options were issued on 8 April 2020; and
 - (ii) 40,000,000 Shares and 60,000,002 Options were issued on 24 April 2020;
- (g) the issue price per Share was \$0.045 and the issue price of the Options was nil as they were issued free attaching with the Shares on a 3:2 basis. The Company has not and will not receive any other consideration for the issue of the April Placement Securities (other than in respect of funds received on exercise of the Options);
- (h) the purpose of the issue of the April Placement Securities was to raise \$3.6 million, which will be applied towards the Company's Definitive Feasibility Study on the Manono Project and for general working capital; and
- (i) the Capital Raising Securities were not issued under an agreement.

The Chairman intends to exercise all available proxies in favour of Resolution 11.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 11.

8. RESOLUTION 12 – APPROVAL OF 7.1A MANDATE

8.1 General

As summarised in Section 6.2 above, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 12 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 12 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 12 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

8.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 12:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 8.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate towards:

- (i) the acquisition of the 15% interest from Dathomir Mining Resources SARL (including expenses associated with such an acquisition);

- (ii) progressing with early development works at the Manono Project;
- (iii) the development of the Company's current business; and
- (iv) general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 12 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 30 September 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.031 50% decrease in Issue Price	\$0.062 Issue Price	\$0.124 100% increase in Issue Price
Current Variable A 2,838,498,508 Shares	10% Voting Dilution	283,849,850 Shares	283,849,850 Shares	283,849,850 Shares
	Funds raised	\$8,799,345	\$17,598,691	\$35,197,381
50% increase in current Variable A 4,257,747,762 Shares	10% Voting Dilution	4,257,747,762 Shares	4,257,747,762 Shares	4,257,747,762 Shares
	Funds raised	\$131,990,181	\$263,980,361	\$527,960,722
100% increase in current Variable A 5,676,997,016 Shares	10% Voting Dilution	5,676,997,016 Shares	5,676,997,016 Shares	5,676,997,016 Shares
	Funds raised	\$175,986,907	\$351,973,815	\$703,947,630

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 2,838,498,508 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 30 September 2020.

3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 29 November 2019 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 20 November 2019, the Company issued 232,717,612 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 9% of the total diluted number of Equity Securities on issue in the Company on 20 November 2019, which was 2,596,977,508.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date of Issue and Appendix 2A	Date of Issue: 14 May 2020 Date of Appendix 2A: 14 May 2020
Recipients	Yibin Tianyi
Number and Class of Equity Securities Issued	232,717,612 Shares ²
Issue Price and discount to Market Price¹ (if any)	\$0.045 per Share (at a discount 25% to Market Price).
Total Cash Consideration and Use of Funds	Amount raised: \$10,687,500 Amount spent: Nil Use of funds: Funds will be used repay US\$1M Convertible loan, undertake early development works at the Manono Lithium and Tin Project and general working capital. ³

Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: AVZ (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

8.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 6.2.

Annual General Meeting or **Meeting** means the meeting convened by this Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means AVZ Minerals Limited (ACN 125 176 703).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or

indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Plan means AVZ Minerals Limited Performance Rights Plan.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Subscription Agreement means the subscription agreement dated 8 November 2019 between the Company and Yibin Tianyi as amended by the side letter between the Company and Yibin Tianyi dated 31 January 2020, the side letter between the Company and Yibin Tianyi dated 28 February 2020 and the side letter between the Company and Yibin Tianyi dated 31 March 2020.

Trading Day means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

WST means Western Standard Time as observed in Perth, Western Australia.

Yibin Tianyi means Yibin Tianyi Lithium Industry Co. Ltd.

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The Performance Rights will be issued in accordance with the terms and conditions of the Performance Rights Plan and the terms set out below:

- (a) **(Milestones):** The Performance Rights will have the following milestones attached to them:
- (i) **Class A Performance Rights:** shall vest upon an announcement by the Company to the Australian Securities Exchange (**ASX**) stating that the Company has executed an offtake agreement for at least 25% of the product produced from the Manono Project;
 - (ii) **Class B Performance Rights:** shall vest upon the completion of the Manono Project financing, as independently verified by the Company's auditors; and
 - (iii) **Class C Performance Rights:** shall vest upon an announcement by the Company to the ASX stating that the Company has made a Decision to Mine in respect of the Manono Project.

(Each a **Milestone**).

Decision to Mine means a decision made by the Board of the Company to proceed to the development of a mining operation at the Manono Project.

(b) **Vesting**

The Performance Rights are deemed to have vested if and when the Milestone applicable to a holder's Performance Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under the Performance Rights Plan, and where the Company has issued a vesting notification to the holder informing them that some or all of its Performance Rights have vested and will convert into Shares upon being exercised by the holder.

(c) **Method of Exercise of Performance Rights**

Following the issuing of a vesting notification to a holder, a vested Performance Right may be exercised by the Participant at any time prior to the expiry date and by delivery of a signed exercise notice to the registered office of the Company or such other address as determined by the Board. In the event that the holder does not exercise a vested Performance Right prior to the expiry date, the relevant Performance Right will automatically lapse.

(d) **Actions on exercise of Performance Rights**

On completion of the exercise of Performance Rights:

- (i) the Performance Rights will automatically lapse;
- (ii) the Company will, within 10 business days of the vesting date, issue the number of Shares for which the holder is entitled to subscribe for or acquire through the conversion of the Performance Rights;
- (iii) the Company will deliver to the holder a holding statement for the Shares;
- (iv) the Company will issue a substitute certificate for any remaining Performance Rights.

(e) **Expiry date**

The Performance Rights will expire 3 years from the date of issue, after which the Performance Rights lapse and may no longer be exercised or converted.

(f) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(g) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) **Transfer of Performance Rights**

The Performance Rights are not transferable except in accordance with the terms of the Performance Rights Plan.

(i) **Lapse of a Performance Right**

The Performance Rights will lapse:

- (i) if the relevant Milestone is not achieved by the dates set out in paragraph (a);
- (ii) on their expiry date;
- (iii) upon exercise of a Performance Right; or
- (iv) otherwise in accordance with the terms of the Performance Rights Plan.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(l) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(m) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(q) **Subdivision 83AC-C**

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Right.

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Each Option will have an exercise price of 6 cents (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the 8 April 2022 (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such

notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – SUMMARY OF PERFORMANCE RIGHTS PLAN

The following is a summary of the key terms and conditions of the Performance Rights Plan:

(a) **Eligibility**

Participants in the Performance Rights Plan may be:

- (i) a Director (whether executive or non-executive) of the Company or any associate Group Company;
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company; or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above, who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).

(b) **Offers**

The Board may, from time to time, at its absolute discretion, make an offer to grant Performance Rights to an Eligible Participant under the Performance Rights Plan and on such additional terms and conditions as the Board determines (**Offer**).

(c) **Plan limit**

Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on conversion of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

(d) **Consideration**

Performance Rights granted under the Plan will be issued for nil cash consideration.

(e) **Performance Rights**

Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

(f) **Not transferrable**

Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(g) **Vesting Conditions**

The Board will determine the vesting conditions (if any) that must be satisfied before a Performance Right vests, and the date by which a vesting condition must be satisfied (**Vesting Condition**).

(h) **Vesting**

A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

- (i) the participant ceasing to be an Eligible Participant due to certain special circumstances (eg due to death, severe financial hardship, total and permanent disability, retirement or redundancy) as set out in the Plan;
- (ii) the Company undergoing a change of control; or
- (iii) the Company being wound up.

(i) **Shares**

Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank on equal terms with all other Shares on issue.

(j) **Sale Restrictions**

The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights (**Restriction Period**).

(k) **Quotation of Shares**

If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.

(l) **Lapse of a Performance Right**

Subject to the terms of an Offer otherwise providing, a Performance Right will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Performance Right;
- (ii) a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;
- (iii) in respect of an unvested Performance Right, a participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) (**Relevant Person**) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception;

- (iv) in respect of a vested Performance Right, a Relevant Person ceases to be an Eligible Participant and the Performance Right granted in respect of that Relevant Person is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (vi) the Company undergoes a change in control or winding up, and the Performance Right has not otherwise vested in accordance with paragraph (h); and
- (vii) the expiry date of the Performance Right.

(m) **No Participation Rights**

There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(n) **No Change**

A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

(o) **Reorganisation**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) **Inconsistency with Offer**

Notwithstanding any other provision in the Plan, to the extent that any covenant or provision contained in an Offer document is inconsistent with any covenant or provision under the Plan, the deemed covenant or provision under the Offer document shall prevail.



AVZ Minerals Limited | ACN 125 176 709

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **2.00pm (WST) on Tuesday, 17 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of AVZ Minerals Limited to be held virtually at **2.00pm (WST) on Thursday, 19 November 2020** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

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The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 4 – 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 – 8 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

VIRTUAL PARTICIPATION AT THE AGM:

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to **investor.automic.com.au**
2. Login with your username and password or click "register" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.



STEP 2 – Your voting direction

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Approval for the issue of Performance Rights – Mr Rhett Brans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Election of Director – Mr Graeme Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Approval for the issue of Performance Rights – Mr Peter Huljich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Director – Dr John Clarke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Ratification of previous Shares issued to Yibin Tianyi – LR 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval for the issue of Performance Rights – Dr John Clarke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Ratification of previous Shares Issued to Yibin Tianyi – LR 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval for the issue of Performance Rights – Mr Nigel Ferguson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Ratification of previous Securities Issued	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval for the issue of Performance Rights – Mr Graeme Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
<input type="text"/>		
Email Address:		
<input type="text"/>		
Contact Daytime Telephone	Date (DD/MM/YY)	
<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).		

[HolderNumber] AVZ

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