



ASX ANNOUNCEMENT

22 October 2020

Congolese Government agencies meet AVZ to progress Manono Special Economic Zone agreement

Highlights:

- Key Congolese Government agencies progress planning for a Special Economic Zone for the Manono region
- Recommendations to be presented to the Prime Minister of the DRC for consideration and then execution
- AVZ seeking significant economic benefits for Manono Lithium and Tin Project via a Special Economic Zone agreement and Public Private Partnerships Convention Agreement

AVZ Minerals Limited (ASX:AVZ or “the Company”) is pleased to advise that key Congolese Government agencies met with AVZ staff and legal Counsel on 20th October 2020 as part of a two-day workshop that concluded last night.

Discussions focused on the framework for a Special Economic Zone (“SEZ”) and potential Public Private Partnerships (“PPP”) being created in the Manono region that will directly benefit the Company’s Manono Lithium and Tin Project (“Manono Project”).

The workshop was attended by senior Government officials from the offices of the Minister for Industry, the Minister for Finance, the Minister of Economy, The National Agency for Industrial Promotion (ANAPI), the Ministry of Environment, the Minister for Mines and the Minister for Hydraulic Resources and Electricity.

The two-day workshop followed several weeks of preliminary meetings culminating in the pre-workshop presentations and formal meetings, conducted in Kinshasa from 15th – 19th October between AVZ representatives and key Congolese Government advisers to progress vital elements of the Manono SEZ agreement.

These have included AVZ’s proposed terms of reference for the Manono SEZ and its rationale for the Manono Project including amongst others, the Mpiana Mwanga Hydro Electric Power Plant rehabilitation, the Manono to Kabondo Dianda road refurbishment and the Lualaba River crossing, all of which are anchor activities for the Manono SEZ.

The Company’s proposed framework of economic incentives were also submitted for review and consideration and inclusion within the proposed Manono SEZ regional development framework.

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Additionally, files on the SEZ application were submitted to the Agency for Special Economic Zones for their determination and recommendations to the Minister of Industry.

The key findings and recommendations from the workshop will now be submitted to the Minister of Industry who will in turn submit his report together with a draft decree for the proposed SEZ, supported by a draft agreement of collaboration to the council of Ministers and the Prime Minister of the DRC for their consideration, determination and for final execution.

In February this year, AVZ Minerals executed a Memorandum of Understanding (“MoU”) with the Ministry of Industry to create a SEZ for the Manono region under a PPP framework, located in the Tanganyika Province in the DRC. (See ASX Announcement dated 18 February 2020 – “AVZ signs MoU with Ministry of Industry to create a Special Economic Zone in Manono”)

In summary, an SEZ provides for an “investor to enjoy exemptions or reductions, either permanently or temporarily, in a degressive or non-degressive manner, with or without the possibility of renewal or extension, on direct or indirect taxes, domestic duties and taxes, national, provincial and municipal royalties, import or export duties payable in the Democratic Republic of Congo”.



The workshop attended by senior Congolese Government officials, AVZ management and legal counsel.

AVZ’s Managing Director, Nigel Ferguson, said: “Progressing discussions on the SEZ has proved challenging during the last seven months due to COVID-19 travel bans imposed in the DRC and the subsequent availability of key Congolese Government representatives”.

“We are excited with the very recent progress achieved with the Congolese Government and look forward to a positive outcome being reached in terms of creating a workable and transparent SEZ agreement for the mutual benefit of the Manono region.”

“A positive outcome will result in significant economic benefits for the Company and the Manono Territory by reducing the largest area of financial impact on the Manono Project, as well as delivering a major catalyst for the redevelopment and invigoration of the socio-economic pulse of the Manono region.”

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

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