Climate Change Strategy

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Climate Change Strategy

AVZ Minerals Limited (AVZ) and all its subsidiaries, accepts the current scientific evidence of climate change as reported by the Intergovernmental Panel on Climate Change (IPCC). AVZ recognises the ongoing global effort to mitigate and adapt to climate change, in particular the United Nations Framework Convention on Climate Change, Kyoto Protocol and the Paris Agreement.

AVZ anticipates that future climate change conditions will present unique opportunities and risks to the business through physical changes to the environment, changes in Government Policy and changes to investor, consumer and stakeholder preferences and expectations.

AVZ's ultimate environmental goal is to achieve carbon emission neutrality as soon as possible after commencing Mining Operations. AVZ is implementing a series of short and long term strategic actions to proactively build resilience into its assets and manage issues relating to climate change, to the maximum extent which is sustainably possible.

These actions include both planning for physical and transitional risk and reducing greenhouse gas (GHG) emissions from its operations as much as is sustainably possible.

To plan for and respond to climate change, AVZ will:

- Monitor changes in International Policy and Regulations through the Corporate Risk Management process
- Consider emission profiles and low emission alternative technologies in the project design stage
- Investigate the use and application of carbon capture sequestration technology
- Continue to use renewable energy from the Mpiana Mwanga hydro power plant
- Investigate the use and application of other renewable energy generation technology such as solar with battery systems
- Generate power from the excess steam at the sulphuric acid plant
- Investigate the use of hydrogen electrolysis for powering Fuel Cell Electric Vehicles (FCEVs)
- Establish emergency procedures for climate-related hazards and natural disasters, including early warning systems for extreme weather events
- Establish awareness amongst our personnel about our Climate Change Strategy in the on-boarding process
- Develop and establish awareness amongst the community in which we operate about our Climate Change Strategy
- Maintain transparency by reporting, annually on energy consumption in terms of IPCC Scope 1 and Scope 2 emissions for all the assets

- Work to understand the consequences of Scope 3 emissions and pro-actively work with and incentivise third party service providers to reduce their scope 3 emissions.

AVZ's Manono Lithium and Tin Operation

AVZ has undertaken a GHG assessment of its Manono Lithium and Tin Operation (MLTO) (the 'Project') to establish a baseline for Scope 1 and Scope 2 emissions and qualitatively review the Project's proposed GHG reduction actions, which are described below.

These actions form part of AVZ's broader ambition to achieve carbon neutrality as soon as possible after commencing Mining Operations.

ACTION	TIMEFRAME
Consider options for carbon capture technology to reduce emissions at the primary lithium sulphate (PLS) calciner plant. Diesel usage in the PLS processing facility is expected to be the largest contributor of GHG emissions from the Project, with almost 50% of the total Project emissions attributed to this source. Therefore, substantial reductions in the diesel combusted at the PLS calciner plant could have an impact on the Projects total emissions.	Engineering phase - Prior to Project construction
Refurbish the abandoned Mpiana Mwanga Hydro Electric Power Plant (HEPP) to produce renewable power for the MLTO. The HEPP will be owned by AVZ Power SAU (AVZP) on a 25-year lease basis from the Democratic Republic of the Congo (DRC) Government, and provide the MLTO's energy requirements, excluding diesel fuel usage in mining equipment, vehicles and the calcining kiln. No electricity will be purchased via the grid and excess electricity from the HEPP will be provided to the local community, reducing the use of diesel generators in the surrounding area.	Construction phase - Prior to Project operation
Ensure all Project on-site light vehicles are electric from day one of operations, with the electrical power supplied from AVZP's HEPP.	Commencement of Project Construction
Establish an electric mining fleet once the technology becomes commercially viable to reduce diesel combustion, which is one of the Project's primary sources of GHG emissions. This fleet will be powered using electricity from the HEPP.	As soon as this technology is commercially available.

ACTION	TIMEFRAME
Investigate the converting of all excess renewable power into hydrogen for use in the operation of FCEVs, once these are commercially available.	Ongoing
Establish about 5,000 hectares of plantation forest in the DRC. It is estimated that the plantation could sequester 2,092,900 tonnes of carbon dioxide equivalent after the 20-year life of the Project, which is more than the estimated emissions of the Project.	Within 5 years of receiving financial approval for the Project
Achieve ZERO GHG emission status for IPCC scopes of work 1 and 2 for all Operations.	By 2028 or sooner
Continuously work with service providers to reduce their IPCC scope 3 emissions as far as is sustainably possible and at least to within relevant Laws and Protocol standards.	Ongoing