



ASX ANNOUNCEMENT

20 October 2021

Manono Lithium and Tin Project Corporate Update

Highlights:

- **Transaction with Suzhou Cath Energy Technologies (“CATH”) progressing well with CATH paying the break fee of US\$20 million**
- **Permis d’Exploitation (“Mining Licence”) progressing well**
- **Expansion scenario study progressing well ahead of Board consideration and completion of an updated Bankable Feasibility Study (“BFS”)**
- **Project Debt Funding update**
- **AVZ invited to participate in DRC Business Forum in Kinshasa in early November**

AVZ Minerals Limited (ASX: AVZ or “the Company”) is pleased to provide an operational update on the progress of various matters relating to its flagship Manono Lithium and Tin Project (“Manono Project”).

Transaction Implementation Agreement (“TIA”)

As previously announced on 27 September 2021, the Company has entered into a deal with CATH to develop the Manono Project.

Proceeds from the transaction will fund a majority of project development capital. CATH has now paid the US\$20 million break fee (held in an escrow account). The completion of the transaction is subject to the satisfaction or waiver of several conditions precedent before 30 November 2021, which the parties are co-operatively working toward.

Permis d’Exploitation (“Mining Licence”) progressing well

As previously announced, all documents in relation to the Mining Licence were submitted to the relevant authorities within the DRC government in May 2021.

The process for the award of the Mining Licence is focused around four key elements:

- I. Environmental approvals;
- II. Proof of financial capability;
- III. Favourable cadastral opinion; and
- IV. Favourable technical opinion.

AVZ is pleased to advise that it has received favourable outcomes for points I – III, with positive feedback received from the Department of Mines in relation to the final point concerning the technical opinion on the DFS. Following the

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Market Cap

\$1.11BN

ASX Code: AVZ

expected receipt of the favourable technical opinion, the Minister of Mines has 30 days to then award the Mining Licence.

A meeting of Council of Ministers is expected to be held shortly to deliberate on the award of the Mpiana Mwanga HEPP Agreement and Prime Ministerial Decree for the Collaboration Development Agreement.

Bankable Feasibility Study (“BFS”)

AVZ will issue a BFS to the market following the anticipated granting of the Mining Licence.

The Company has made the decision to issue a BFS rather than an updated Definitive Feasibility Study (“DFS”) as the financial institutions require submission of a bankable level study which requires the award of the Mining Licence.

As previously announced, the Company is progressing a possible expansion scenario study. The evaluation of the expansion scenario is a key term of the TIA with CATH and, following its completion, will be considered by the Board.

Project Debt Funding Update

Management is confident that it will be able to shortly announce the appointment of a Mandated Lead Arranger (“MLA”) to lead the syndicated debt funding facility for the Manono Project.

Subject to closing the deal with CATH, more than 50% of project funding is secured enabling a Final Investment Decision “FID”. The FID will kickstart project construction and ensure Dathcom will have sufficient equity capital to fund the first 6 – 8 months of project construction capital, with Financial Close (“FC”) for debt financing expected in Q2 2022.

The deal with CATH has significantly de-risked the Project from a debt financiers perspective and introduces additional appetite for the Manono Project debt financing requirements.

DRC Business Forum

AVZ has been invited to participate in the DRC Business Forum scheduled to be held in Kinshasa on 8-9 November 2021.

Stakeholders from around the globe have been invited with the aim of developing a battery minerals industry in Africa. AVZ is keen to support this exciting initiative and assume a critical position in the development of the battery mineral industry in Africa.

The draft program for the DRC Business Forum is available on the Company’s website.

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

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