



12 May 2024

Arbitration Update

AVZ Minerals Limited (ASX: AVZ, OTC: AZZVF) (AVZ or Company) is pleased to provide the following update.

Evidence of conspiracy to misappropriate Manono Project

The Company refers to its previous ASX announcements relating to the Company's views that Jin Cheng Mining Company (**Jin Cheng**), which is a subsidiary of Zijin Mining Group Co Limited (**Zijin**), Congolaise D'Exploitation Miniere SA (**Cominière**) and Dathomir Mining Resources SARLU (**Dathomir**) are acting in concert with a view to misappropriating the Manono Project from Dathcom Mining SA (**Dathcom**) and the Company.

In particular, it will be recalled that the Company has stated that: "*AVZ believes Jin Cheng, Cominière and Dathomir are acting in concert to crystalise disputes with AVZ and disrupt and delay the development of the Manono Project with the aim of seizing control of the Manono Project*" (refer to ASX announcement dated 27 September 2023 titled 'Arbitration Proceedings Update').

That **Jin Cheng and Cominière are acting in concert** has since become clear including by reason of the purported surrender by Cominière of the northern portion of PR 13359 so that PR 15775 could be granted to Manono Lithium SAS in which Cominière and another subsidiary of Zijin hold shares (refer to ASX announcement dated 30 October 2023 titled 'Zijin Response').

The Company has now succeeded in obtaining orders from the ICC arbitral tribunal compelling Dathomir to produce documents which includes evidence that **Dathomir is also acting in concert with Cominière**. Attached to this announcement is a machine translation of an agreement between Cominière and Dathomir dated 19 May 2023 under which Cominière and Dathomir have agreed to misappropriate PR 13359 from Dathcom and transfer it to a new company in which Cominière and Dathomir hold shares, but the Company and Dathcom do not.

It is noted the attached agreement was entered into shortly after the Company obtained emergency relief from the ICC emergency arbitrator prohibiting Cominière from taking any action to implement Cominière's purported termination of the Dathcom JV (refer to ASX announcement dated 9 May 2023 titled 'Favourable Ruling in ICC Emergency Arbitration Proceedings'). The agreement is a clear and deliberate contravention of the ICC emergency order and demonstrates Cominière's disregard for the authority of the ICC.

This evidence which the Company argues shows a conspiracy to misappropriate the Manono Project will be relied upon by the Company in both the ICC proceedings against Cominière and the ICSID proceedings against the DRC State.

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Non-Executive Director: Casta Tungaraza
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Non-Executive Director: Salome Sijaona

ASX Code: AVZ
OTC Code: AZZVF

ICSID Update

It will be recalled that the Company obtained emergency orders from the ICSID arbitral tribunal requiring the DRC State to reinstate Dathcom as the holder of PR 13359 (refer to ASX announcement dated 18 January 2024 titled 'AVZ Successful in ICSID Interim Measures').

Following the DRC State's failure to comply with the emergency orders, the Company requested the ICSID arbitral tribunal make a financial penalty order for non-compliance with those emergency orders. The DRC State argued that it could not comply with the emergency orders and sought to set them aside.

The ICSID arbitral tribunal has upheld its emergency orders but concluded that it does not have power to impose a financial penalty for non-compliance with interim relief. In particular, the ICSID arbitral tribunal stated:

"As the Arbitral Tribunal has already emphasized, the interim measures recommended in this context are binding on the Democratic Republic of the Congo, which is the Respondent in the present proceedings, and which cannot be dissociated from its organs, administrations or authorities taken individually. The principle of the unity of the State in fact implies that each of the organs, administrations and authorities of the Democratic Republic of the Congo is directly bound by the obligations, procedural or substantive, incumbent on the Defendant.

It is therefore incumbent on the various bodies and authorities of the Democratic Republic of Congo, each acting directly and within its own sphere of competence, to implement the interim measures ordered by the Arbitral Tribunal in order to preserve the integrity of the present arbitration proceedings.

With this in mind, the Arbitral Tribunal also notes that the difficulties alleged by the Democratic Republic of Congo in implementing the interim measures recommended in paragraphs 156(1) and 156(2) of Procedural Order No. 3 are not such as to justify noncompliance with these measures."

"The Arbitral Tribunal thus firmly reaffirms its decision on the interim measures recommended in paragraphs 156(1) and 156(2) of Procedural Order No. 3, together with the conditions attached thereto, and reminds the Defendant of its obligation to implement them effectively and without delay."

The Company's preference remains to achieve a negotiated resolution of dispute with the DRC State. The Company understands it is expected the DRC Government's new cabinet will be appointed shortly and is hopeful negotiations with the DRC State can then proceed. Nonetheless, the Company remains steadfast in its resolve to prosecute the ICSID arbitration proceedings to their conclusion if that proves to be necessary.

This announcement was authorised for release by the board of directors of AVZ Minerals Limited.

For further information, visit www.avzminerals.com.au or contact:

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COMMITMENT FORM

Between

1. **La CONGOLAISE D'EXPLOITATION MINIERE**, Société Anonyme avec Conseil d'Administration, en abrégé "**COMINIÈRE SA**" immatriculée au Registre du Commerce et du Crédit Mobilier de Kinshasa au n° CD/KIN/RCCM/14-B-5938, inscrit dans le Registre de l'Identification Nationale sous le numéro 01-126-N57838Y, whose registered office is located at n- 60, avenue Uvira, Immeuble AIME TOWER - 1B, 1C, Commune de la Gombe, Ville de Kinshasa, République Démocratique du Congo, represented for the purposes hereof by Mr **Celestin KIBEYA KABEMBA**, Directeur Général ad intérim,

Hereinafter referred to as the "**Transferee**" on the one hand;

AND

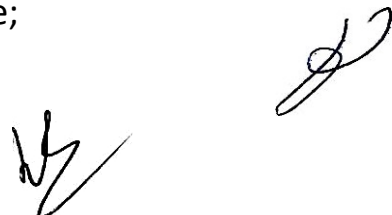
2. **DATHOMIR MINING RESOURCES SARL**, a limited liability company, registered in the Trade and Personal Property Credit Register under number CD/KIN/RCCM/16-B-9386, entered in the National Identification Register under number 1-128-N04998G and whose registered office is located at Avenue des Ambassadeurs, no. 5, Commune de la Gombe, Kinshasa, Democratic Republic of Congo, represented for the purposes of the present contract by **Mr CONG MAOHUAI**, Manager;

Hereinafter referred to as "**DATHOMIR SARL**", on the other hand ;

Preamble

Whereas COMINIÈRE SA had signed a joint venture agreement dated 27 January 2017, as amended on 25 March 2017, with various partners, including AVZ INTERNATIONAL PTY LTD, DATHOMIR MINING RESSOURCES SARLU, having led to the creation of DATHCOM MINING SA,

Considering that COMINIÈRE SA subsequently had to sell 15% of its shares in DATHCOM MINING SAS to JIN CHENG, which AVZ INTERNATIONAL had refused to recognise as a shareholder in the joint venture;

Two handwritten signatures in black ink are located at the bottom right of the page. The signature on the left is a stylized, cursive mark, and the signature on the right is a more fluid, cursive mark.

Considering that AVZ INTERNATIONAL has, after a formal notice sent to it by COMINIÈRE SA, failed to fulfil its contractual obligations, resulting in the unilateral termination of the aforementioned joint venture contract by COMINIÈRE SA with regard to AVZ INTERNATIONAL PTY LTD for serious and persistent breach of the contract;

Whereas in execution of judgment RC 3815/RH 0242 rendered by the Tribunal de Grande Instance of Kalemie on 3 May 2023 between COMINIÈRE SA and CADASTRE MINIER, PR 13359 formerly assigned to DATHCOM MINING SA under the joint venture contract of 27 January 2017, as amended on 25 March 2017, has been reinstated in the name of COMINIÈRE SA;

Concerned to restore the rights of the co-owners of DATHCOM MINING SAS after the dissolution of the latter,

The parties have agreed as follows

ARTICLE 1- TERMINATION OF THE JV CONTRACT OF 27/1/2017 LEADING TO THE LOSS OF DATHCOM MINING SA AND REINSTATEMENT OF LICENCE 13359 IN THE NAME OF COMINIÈRE SA

The parties acknowledge the return of PR 13359 to COMINIÈRE SA and the de facto termination of the corporate purpose of DATHCOM MINING SAS. The parties undertake to cooperate to safeguard their mutual interests.

ARTICLE 2 - RECOGNITION AND RENEWAL OF MUTUAL ACTIONS

The parties agree to the safeguarding of shares in the future JV to be created in the part of PR 13359 formerly certified by DATHCOM MINING regardless of the future partner and the terms of the future in the following manner:

- COMINIÈRE SA (10 + 60 formerly from AVZ) i.e. 70%.
- DATHOMIR MINING RESOURCES SARLU 15%



ARTICLE 3 - LIABILITY FOR THE UNILATERAL TERMINATION OF THE JV CONTRACT ON 27/01/2017

The parties agree that COMINIÈRE SA shall bear sole responsibility for the litigation concerning the termination of the above-mentioned joint venture agreement initiated by AVZ INTERNATIONAL before the ICC in Paris under ICC 27720/SP and, where applicable, shall be solely liable to AVZ INTERNATIONAL.

In return, COMINIÈRE will take over the 60% of shares that belonged to AVZ INTERNATIONAL.

ARTICLE 4 - DATHOMIR'S COMMITMENTS

The recognition and the renewal of the shares of DATHOMIR in the new joint venture and in the new company imply for the latter, alone and/or in association with AVZ, the renunciation of all lawsuits before the ICC and/or the state courts against :

COMINIÈRE SA in the litigation concerning the unilateral termination of the joint venture agreement of 27 January 2017 as amended on 25 March 2017 ;

- COMINIÈRE and the Congolese State, through the CADASTRE MINIER, for the cancellation of mining title PR 13359, currently reinstated in the name of COMINIÈRE SA in execution of judgement RC 3815/RH 0242 handed down by the Tribunal de Grande Instance of Kalemie on 3 May 2023;
- The new company created to carry out the project.
- DATHOMIR undertakes to initiate arbitration with a view to the dissolution of DATHCOM MINING in view of the loss of its corporate purpose and the disagreement between shareholders.

ARTICLE 5 - COMMITMENTS OF COMINIÈRE SA

COMINIÈRE SA undertakes to transfer to the new joint venture that part of Exploration Permit No. 13359 following the division relating to the resource evaluation work carried out by DATHCOM MINING SA, given that the said PR in its entirety is re-established in its name, in execution of judgement RC 3815/RH 0242 handed down by the Tribunal de Grande Instance of Kalemie on 3 May 2023.



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COMINIÈRE SA is responsible for finding capital and/or financially capable partners to raise the funds needed to develop the project.


Done at Kinshasa, on 19/05/2023, in three original copies, each party acknowledging by its signature that it has received its own.

For COMINIÈRE SA



Its Managing Director has

For DATHOMIR MINING RESOURCE SARL



Its Manager