



ASX ANNOUNCEMENT

2 July 2021

Investors back Manono Lithium and Tin Project in \$40M placement

Highlights

- AVZ receives firm commitments to raise \$40 million (before costs) from sophisticated, professional and institutional investors
- Share placement heavily oversubscribed by \$10 million which has been accepted by the AVZ Board
- AVZ Board has opted not to proceed with a Share Purchase Plan ("SPP") at this time due to heavily oversubscribed placement.
- Placement was well supported by high-quality institutions from Australia and North America, and includes a European-based physical energy commodities merchant
- Issue price of \$0.13 per share represents a discount of 18.8% to the last closing price.
- Proceeds from the placement will increase AVZ's cash reserves, allowing it to:
 - Increase AVZ's interest in the Manono Project from 60% to 75% by exercising the options to purchase Dathomir's minority shareholding of 15% equity in Dathcom Mining for US\$20 million (~AUD\$27).
 - Negotiate project financing with an enhanced balance sheet position, assisted with the addition of a supportive, larger non-retail shareholder base
 - Assist to establish a working capital and contingency cost buffer during project development and enhance AVZ's limited early capital works program before FID.

AVZ Minerals Limited (ASX: AVZ, "the Company" or "AVZ") is pleased to announce it has received firm commitments for a placement to raise \$40 million (before costs) from sophisticated, professional and institutional investors to accelerate the advancement of the Tier 1 Manono Lithium and Tin Project ("Manono Project") in the Democratic Republic of the Congo ("DRC").

The capital raising was undertaken to allow the Board of AVZ ("Board"), to efficiently progress towards a Final Investment Decision ("FID") for the commencement of project development at the Manono Lithium and Tin Project. ("Manono Project"). It also follows continued achievement of several key recent milestones, placing AVZ in a strong position as it progresses toward FID.

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Directors

Non-Executive Chairman: John Clarke

Managing Director: Nigel Ferguson

Technical Director: Graeme Johnston

Non-Executive Director: Rhett Brans

Non-Executive Director: Peter Huijich

Market Cap

\$465M

ASX Code: AVZ

The planned project development timetable for the second half of 2021 will include several significant milestones including:

- finalisation of the Bankable Feasibility Study which is well advanced and tracking well; -and
- expected awarding of the Manono Permis d'Exploitation (or Mining Licence) which will be a catalyst for FID.

Commenting on the capital raising, AVZ's Managing Director, Nigel Ferguson, said:

"The capital raising marks an important milestone in our journey to develop the Manono Project, providing AVZ with the required funds to increase the Company's stake in the Project and secures the necessary working capital to commence the early capital works program."

"Increasing AVZ's equity stake to 75% of the Manono Project adds significant value to AVZ shareholders, including the possible option to attract strategic cornerstone equity partners at the project level, which will assist to de-risk and potentially accelerate Manono's development."

"The placement also assists our financing discussions, providing capital for up-front debt finance establishment costs, ensuring minimum liquidity requirements are met, whilst providing debt financiers with confidence from seeing a transition to a larger, supportive non-retail shareholder base, providing AVZ with a solid foundation from which to negotiate favourable terms."

"We welcome our new shareholders and thank our existing shareholders for their continuing support in what is expected to be an exciting time in the development of this truly world-class asset."

Placement

The placement comprises 307,692,308 new shares at an issue price of \$0.13 per share to raise \$40 million (before costs) utilising the Company's existing ASX Listing Rule 7.1 capacity.

The issue price represents a 18.8% discount to the closing price on 29 June 2021.

The lead manager and book runner on the Placement was Curran & Co.

An indicative timetable for the placement is set out in Appendix 1. The timetable remains subject to change at the Board's discretion, subject to compliance with applicable laws and ASX Listing Rules.

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

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

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Appendix 1: Indicative Timetable

Key Event	Date
Trading Halt	30 June 2021
Launch of Capital Raising and Investor Presentation	2 July 2021
Trading Halt lifted, Announcement of completion of Capital Raising	2 July 2021
Settlement of Placement Shares	6 July 2021
Allotment of Placement Shares	7 July 2021