



ASX ANNOUNCEMENT

18 August 2021

Manono Lithium and Tin Project Corporate Update

Highlights:

- Final written Environmental and Social Impact Assessment (ESIA) signed by the Direction de Protection de l'Environnement Minier (DPEM) under the authority of the Ministry of Mines
- Actively engaged with DRC Government on all permitting and licence requirements for the Manono Lithium and Tin Project
- Exercised option to acquire Dathomir's 15% shareholding in Dathcom Mining, increasing AVZ's interest in the Project to 75%
- Financial model review progressing well with a Bankable Feasibility Study to be issued once a Mining Licence is awarded
- Discussions with potential financiers on project funding progressing well

AVZ Minerals Limited (ASX:AVZ or "the Company") is pleased to provide an update on recent corporate activities in relation to its flagship project, the Manono Lithium and Tin Project ("Manono Project").

AVZ's Managing Director, Mr Nigel Ferguson, said: "The Company is executing its strategy on all fronts to maximise shareholder value, increasing its equity share in the Manono Project to 75% and receiving Ministry of Mines written approval for its final ESIA in relation to its Mining Licence submission for the Manono Project."

"DPEM approval of the final ESIA which is executed by the President of the Evaluation Committee for the Ministry of Mines is a highly encouraging development and signifies the DRC Government's wider support for the Manono Project."

"All of the pending permit requirements, including the Mining Licence, Mpiana Mwanga Hydro-Electric Power Plant ("HEPP") Agreement, Collaboration Development Agreement and the proposed Manono Special Economic Zone ("MSEZ") is on track and the Company is rapidly progressing towards finalising a Bankable Feasibility Study and securing project financing, with a Final Investment Decision expected in Q4 2021."

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Non-Executive Director: Rhett Brans

Non-Executive Director: Peter Hujich

Market Cap

\$788M

ASX Code: AVZ

Licencing and Permitting

The process for the award of the Permis d'Exploitation ("PE" or "Mining Licence") requires:

- environmental approval of the ESIA report by DPEM - completed and received;
- technical approval of the DFS report by the Directorate of Mines – currently under review and progressing very well; and
- Cadastre Minier (CAMI) approval – no issue expected.

Following the above approval process a proposed ministerial decree drafted by CAMI is submitted to the Minister of Mines for final approval.

Earlier this month, Company representatives met with a high-ranking DRC Government delegation which included senior advisors to the President of Mines & Energy, Ministry of Industry, Ministry of Mines, Ministry of Planning & Ministry of Finance. The delegation provided unanimous support of the Manono Project based on the body of work completed by AVZ, which was submitted to the meeting of multi-sectorial Ministers with the objective of considering the Collaboration Development Agreement between the DRC Government and AVZ.

A meeting of the Council of Ministers is scheduled to occur in the coming weeks resulting in a final decision on the Collaboration Development Agreement, which encompasses support of the development of natural resources (mining and transformation industries) and infrastructure (roads, water and electricity).

A decision around the proposed MSEZ is expected shortly after finalising the Collaboration Development Agreement, which will require provision of further detailed financial information and investor considerations in the MSEZ.

AVZ continues to enjoy a supportive, collaborative and cooperative working relationship with the DRC Government officials and is highly confident of receiving all necessary permitting and licencing requirements for the Manono Project.

AVZ's project equity increased to 75%

AVZ has increased its 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\$20M (~AUD\$27M).

Financing Discussions

The Company is actively engaged with various commercial banks, finance brokers, private equity investors and non-commercial lenders such as Pan-African Development Finance Institutions ("DFI's") to secure funding for the development of the Manono Project.

All factors are aligning around our project financing discussions, with the project on the cusp of reaching a bankable status and intense global interest in the green battery minerals sector.

Updated Indicative Timetable

The Company provides an updated indicative timetable for major milestones and further detail on the steps required to achieve those critical milestones.

The following timetable is provided for indicative purposes only and remains subject to change.

| Item | Steps Required | Date |
|-----------------------------------|--|---------|
| Licencing & Permitting | <ul style="list-style-type: none"> • Meeting of Council of Ministers to deliberate on Collaboration Development Agreement; followed by • Award of Mining Licence, Mpiana Mwanga HEPP Agreement and Prime Ministerial Decrees for the Collaboration Agreement; followed by • Manono Special Economic Zone (final award expected Q4 2021) | Q3 2021 |
| Financial Model and BFS | <ul style="list-style-type: none"> • Financial Model review • Board review and sign off • BFS Announcement | |
| Final Investment Decision | <ul style="list-style-type: none"> • Pending award of permits, licences and financing CP's | Q4 2021 |

"Fly Through" Video

A new "fly through" video of the Manono Project processing plant is now available for viewing on the Company's website.

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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