



ASX ANNOUNCEMENT

29 March 2021

AVZ Signs First Tin Offtake Agreement with Kalon Resources

Highlights

- AVZ signs tin offtake agreement with Kalon Resources Limited (Kalon), a 100% subsidiary of Noble Group Holdings Limited
- Kalon is a major participant in the tin market, handling several thousand tonnes of tin concentrate per annum
- A 3-year binding offtake agreement, with Kalon purchasing 600 metric tonnes of tin concentrate per annum.

AVZ Minerals Limited (ASX:AVZ, “the Company” or “AVZ”) (through its 100% owned entity AVZ International Pty Ltd (“AVZ International”) acting as agent for Dathcom Mining SA (the “Seller”)) is pleased to advise the Company has signed a binding three-year offtake agreement for the sale of 600 metric tonnes per annum of tin concentrate to Kalon Resources Limited (“Kalon”), a 100% owned subsidiary of Noble Group Holdings Limited (“Noble Holdings”).

Kalon specialises in the physical commodity trading and supply chain management of industrial minerals and metals including concentrates of tin, tungsten, niobium, tantalum, alumina, aluminium and special ores such as chrome, manganese and iron ore. Kalon is handling several thousand tonnes of tin concentrate a year.

AVZ International (acting on behalf of the Seller), the Seller and Kalon have signed a three-year offtake agreement for 600 metric tonnes of tin concentrate per annum from the Manono Lithium and Tin Project (“Manono Project”) equating to approximately 43% of the total tin concentrate available for sale.

AVZ’s Managing Director, Mr. Nigel Ferguson, said: “After an unexpected delay in finalising this contract, we are very pleased to have finally signed with Kalon, our first tin offtake agreement – just weeks after having signed our second lithium offtake agreement that cumulatively provides binding commitments for more than 50% of our saleable SC6 product.”

“Given the rising LME cash price of tin metal, up approximately 30% YTD*, this offtake agreement is significant for the Manono Project and also significant given that Kalon is a considerable participant in the tin industry. While this agreement represents a relatively small, but growing portion of revenue for the Manono Project, it does confirm another large international business is willing to secure future supply from the project.”

[*Ref: London Metal Exchange, LME cash price movement from 1 January 2021 to 25 March 2021].

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Market Cap

\$578 M

ASX Code: AVZ

“Similar to our recent lithium offtake agreements, this tin concentrate offtake agreement with Kalon will assist the Company in meeting certain conditions precedent which are required from our prospective financiers.”

“Again we look forward to finalising some further offtake agreements for the remainder of the project’s products to satisfy some of the criteria our potential lenders have requested.”

Key terms of the Kalon Resources Offtake Agreement:

- Term: 3-year term;
- Annual Supply: 600 metric tonnes of tin concentrate (+/-20% in seller’s option);
- Product specifications: min 55% Sn content, with expected typical product grade between 60 and 70% Sn;
- Pricing formula linked to LME tin price (exact terms are commercial-in-confidence);
- Delivery Point: Free Carrier (FCA), bonded warehouse Lubumbashi;
- Provisional payment for each shipment via telegraphic transfer against loading documentation at the delivery point; and
- Agreement by the parties to place an importance and focus on environmental, social and governance (ESG) development through the commercial partnership.

About Kalon Resources: (www.noblegroup Holdings.com/imm-soa/)

Kalon Resources Limited (“Kalon”) is a wholly owned subsidiary of Noble Holdings that specialises in the physical commodity trading and supply chain management of industrial minerals and metals such as tin, tungsten, niobium, tantalum, alumina and aluminium and special ores such as chrome, manganese and iron ore.

Kalon has a global footprint and works in close partnership with mining companies, mining communities, mineral processing facilities and industrial end-users with teams in Singapore, Hong Kong, China, South Africa, Rwanda and Brazil.

About Noble Group Holdings Limited (www.noblegroup Holdings.com)

Noble Group Holdings Limited (“Noble Holdings”) is Asia’s leading independent energy products and industrial raw materials supply chain manager.

Noble Group Holdings Limited is the parent of the Noble group of companies which underwent a restructuring in the second-half of 2018.

Noble Holdings operates in the supply chain of energy raw materials, technology metals, special ores and industrial minerals, and base metals, and is supported by its freight and logistics operations.

Noble Holdings leverages its extensive regional network to facilitate the marketing, processing, financing and transportation of these raw materials, predominantly in Asia. It also provides supply chain and risk management services to clients.

This release was authorised by Nigel Ferguson, Managing Director of AVZ Minerals Limited. Kalon Resources Limited and its affiliates are not responsible for the contents or accuracy of this document.

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