

Expansion Scenario Manono Lithium and Tin Project

AVZ Minerals Limited (ASX: AVZ) ("**AVZ**" or "**Company**") is pleased to provide further detail with respect to the Expansion Scenario study which is a material term of the transaction implementation agreement ("**TIA**") referred to in the Company's ASX Announcement dated 27 September 2021 "Cornerstone investor secured for development of Manono Lithium and Tin Project".

Under the terms of the TIA, AVZ International Pty Ltd ("AVZI") and Suzhou CATH Energy Technologies ("CATH") have agreed to evaluate and progress a study to expand Dense Media Separation ("DMS") production capacity ("Expansion Scenario") from 4.5Mtpa throughput producing approximately 0.7 million tonnes of SC6, as contemplated by the Definitive Feasibility Study dated April 2020 ("DFS"). AVZ does not yet have a reasonable basis to report the Expansion Scenario as a production target in accordance with ASX Listing Rule 5.16 and does not consider that the material term of the transaction should be construed as a production target.

The Expansion Scenario study has commenced with a view to investigating an increased throughput which is defined by the TIA.

On completion of the Expansion Scenario study, the results will be considered by AVZ management and the Manono Project joint venture partners, prior to any decision to increase throughput above that stated in the DFS.

A competent person defined under the JORC Code 2012, will review the Expansion Scenario study including the project capital, mining and production costs, based on the current Ore Reserves (refer to the announcement dated 14 July 2021).

Whilst the Company can confirm that the Expansion Scenario work has commenced and is progressing well, the Expansion Scenario remains subject to further study, analysis and joint venture decision making; and accordingly the Company refers investors to the production rates contemplated under the DFS until such time there is a future announcement by the Company advising otherwise.

ADDITIONAL INFORMATION

The Company's legal advisers are DLA Piper.

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

ASX ANNOUNCEMENT

29 September 2021

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> Market Cap \$1.11bn ASX Code: AVZ

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NO NEW INFORMATION

This document may include references to information that relates to Mineral Resources and Ore Reserves prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:

- "JORC Ore Reserves increase by 41.6% at Roche Dure" released to ASX on 14 July 2021; and
- "Updated Mineral Resource Estimate Includes Pit Floor "Wedge" Drill Results" released to ASX on 24 May 2021.

These announcements are available to view on the Company's website www.avzminerals.com.au.

The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant original market announcements

FORWARD LOOKING INFORMATION

This announcement contains certain forward-looking statements and comments about future events, including the Company's expectations about the Manono Project and the performance of its businesses. Forward looking statements can generally be identified by the use of forward-looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Forward looking statements involve known and unknown risks, uncertainty and other factors which can cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are outside the control of the Company. As such, undue reliance should not be placed on any forward-looking statement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this announcement nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company.

Except as required by law or the ASX Listing Rules, the Company assumes no obligation to provide any additional or updated information or to update any forward-looking statements, whether as a result of new information, future events or results, or otherwise.