

18 October 2021

Dear Shareholder,

ANNUAL GENERAL MEETING OF AVZ MINERALS LIMITED

The 2021 Annual General Meeting of shareholders is to be held on Thursday, 18 November 2021 at 2.00pm (WST) at Fraser Suites Perth, Fraser Ballroom, 10 Adelaide Terrace, East Perth, Western Australia 6004 and online via webinar (**Meeting**).

In accordance with the *Treasury Laws Amendment (2021 Measures No.1) Act 2021,* the Notice of Meeting and accompanying explanatory statement (the **Meeting Materials**) will not be physically dispatched, but instead are being made available to shareholders electronically. You are able to view and download the Meeting Materials at: <u>https://avzminerals.com.au/asx-announcements</u> or at the Company's share registry online voting site: <u>https://us02web.zoom.us/webinar/register/WN_5tAquZHTSxy7JGaWFkuqqA</u>. Alternatively, a complete copy of the Meeting documents has been posted on the Company's ASX market announcements page (ASX: AVZ).

For shareholders who have not elected to receive notices by email, a copy of your personalised proxy form will be mailed with this letter. For those shareholders who have nominated an email address and have elected to receive electronic communications from the Company, an email will be sent to their nominated email address with a link to an electronic copy of the Meeting Materials and a voting instruction form.

If you would like to receive electronic communications from the Company in future, please update your communications elections online at <u>https://investor.automic.com.au/#/home</u>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

After registering, for shareholders who wish to attend the Meeting virtually, you will receive a confirmation containing information on how to attend the Meeting on the day of the Meeting.

The Company encourages shareholders attending virtually to submit their votes and questions in advance of the Meeting as this will provide management with the best opportunity to prepare for the meeting and provide answers to shareholders' questions.

For those physically attending the Meeting, appropriate social distancing measures will be in place to comply with State and Federal Governments' current restrictions for physical gatherings. If COVID-19 circumstances were to change and impact arrangements for the meeting, the Company will update shareholders by way of an ASX announcement.

If you have difficulties obtaining a copy of the Meeting Materials, please contact the Company's share registry on 1300 288 664 (within Australia) or +61 2 8294 0937 (outside Australia).

Yours sincerely,

Ben Cohen Joint Company Secretary

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





AVZ MINERALS LIMITED

ACN 125 176 703

NOTICE OF ANNUAL GENERAL MEETING

- **TIME**: 2:00pm (WST)
- DATE: Thursday, 18 November 2021
- **PLACE:** Fraser Suites Perth, Fraser Ballroom, 10 Adelaide Terrace, East Perth, Western Australia 6004 and via online webinar

PRE-MEETING REGISTRATION LINK:

https://us02web.zoom.us/webinar/register/WN_5tAquZHTSxy7JGaWFkuqqA

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6117 9397.

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00pm (WST) on Thursday, 18 November 2021 at Fraser Suites Perth, Fraser Ballroom, 10 Adelaide Terrace, East Perth, Western Australia 6004 and online via webinar.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 2:00pm (WST) on Tuesday, 16 November 2021.

Further, pursuant to Listing Rule 14.10, Shares held by or for an employee incentive scheme must only be voted on a resolution under ASX Listing Rules if and to the extent that:

- (a) they are held for the benefit of a nominated participant in the scheme;
- (b) the nominated participant is not excluded from voting on the resolution under ASX Listing Rules; and
- (c) the nominated participant has directed how the shares are to be voted.

VOTING IN PERSON OR ONLINE

To vote in person, attend the Annual General Meeting ("Meeting") at the time, date and place set out above.

In light of the ongoing COVID-19 situation across Australia, the Directors have made a decision that Shareholders will have the option to either physically attend the Meeting in person to vote or, if unable to attend in person, to participate and vote in the Meeting via an online webinar facility.

In consideration of the online element in voting on the resolutions to be put to Shareholders, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and

• a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware of changes to the Corporations Act made in 2011 meaning that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

2. **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

3. **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PETER HULJICH**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Peter Huljich, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. **RESOLUTION 3 – APPROVAL OF AVZ PERFORMANCE RIGHTS PLAN**

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

"That, for the purpose of ASX Listing Rule 7.2 (Exception 13(b)] and for all other purposes, approval is given for the Company to adopt and maintain the AVZ Performance Rights Plan on the terms and conditions summarised in the accompanying Explanatory Statement and to issue Performance Rights from time to time under the AVZ Performance Rights Plan."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any persons who are eligible to participate in the AVZ Performance Rights Plan, namely:

- (a) a Director (whether executive or non-executive) of the Company or any associate Group Company;
- (b) a full or part time employee of any Group Company;
- (c) a casual employee or contractor of a Group Company; or
- (d) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (a), (b) or (c) above.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 4 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER AVZ PERFORMANCE RIGHTS PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.19, Sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the giving of benefits under the "AVZ Performance Rights Plan", to a person by the Company in connection with that person ceasing to hold a managerial or executive office in the Company (or any of its related bodies corporate), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting."

Voting Exclusions for Resolutions 1 and 4

Voting Exclusion Statement:

The Company will disregard any votes cast in favour on these Resolutions by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company's Employee Incentive Plan; or
- (b) an associate of that person.

However, this does not apply to a vote cast in favour of these Resolutions by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on these Resolutions, in accordance with the directions given to the proxy or attorney to vote on these Resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on these Resolutions, in accordance with a direction given to the Chair to vote on a Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on these Resolutions; and
 - (ii) the holder votes on these Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on these Resolutions – refer below.

Voting Prohibition Statements for Resolutions 1, 3 and 4

Voting Prohibition Statement:

A vote on these Resolutions must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on these Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on a Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on as Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though a Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – DR JOHN CLARKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 3, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 6,750,000 Performance Rights to Dr Clarke (or his nominee), a Director, under the Company's Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."

7. RESOLUTION 6 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – MR NIGEL FERGUSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 3, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 9,000,000 Performance Rights to Mr Ferguson (or his nominee), a Director, under the Company's Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."

8. RESOLUTION 7 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – MR GRAEME JOHNSTON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 3, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 7,000,000 Performance Rights to Mr Johnston (or his nominee), a Director, under the Company's Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."

9. RESOLUTION 8 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – MR RHETT BRANS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 3, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 4,500,000 Performance Rights to Mr Brans (or his nominee), a Director, under the Company's Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."

10. RESOLUTION 9 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS – MR PETER HULJICH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 2 and 3, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 4,500,000 Performance Rights to Mr Huljich (or his nominee), a Director, under the Company's Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting."

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the persons named in the table below.

| Resolution 5 – Issue of Performance Rights to Dr John Clarke | Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Dr John Clarke) or an associate of that person or those persons. |
|--|--|
| Resolution 6 – Issue of Performance Rights to Mr Nigel Ferguson | Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Nigel Ferguson) or an associate of that person or those persons. |
| Resolution 7 – Issue of Performance Rights to Mr Graeme Johnston | Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Graeme Johnston) or an associate of that person or those persons. |
| Resolution 8 – Issue of Performance Rights to Mr Rhett Brans | Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Rhett Brans) or an associate of that person or those persons. |
| Resolution 9 – Issue of Performance Rights to Peter Huljich | Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Peter Huljich) or an associate of that person or those persons. |

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

| Voting Prohibition Statements | |
|---|---|
| Resolution 5 – Issue of Performance Rights to Dr John Clarke | In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 5 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party. |
| | In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. |
| | Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |
| Resolution 6 – Issue of Performance Rights to Mr Nigel Ferguson | In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 6 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party. |
| | In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. |
| | Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |

| Resolution 7 – Issue of Performance Rights to Mr Graeme Johnston | In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 7 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party. |
|--|---|
| | In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. |
| | Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |
| Resolution 8 – Issue of Performance Rights to Mr Rhett Brans | In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 8 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party. |
| | In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 8 Excluded Party, the |
| | above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |
| Resolution 9 – Issue of Performance Rights to Mr Peter Huljich | In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 9 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 9 Excluded Party. |

| In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. |
|--|
| Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |

11. RESOLUTION 10 – RATIFICATION OF PREVIOUS SECURITIES ISSUED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 307,692,308 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by on behalf of a person who participated and received Shares in the issue or an associate of such a person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

DATED: 14 OCTOBER 2021

BY ORDER OF THE BOARD

BENJAMIN COHEN JOINT COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.avzminerals.com.au.

2. **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2021.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the directors of the company who were in office when the directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing director of the company, will cease to hold office immediately before the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.3 PROXY RESTRICTIONS

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):

You <u>do not</u> need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy:

You <u>do not</u> need to direct your proxy how to vote on this Resolution, and you <u>do</u> <u>not</u> need to mark any further acknowledgement on the Proxy Form.

2.4 Definitions

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (d) a spouse or child of the member;
- (e) a child of the member's spouse;
- (f) a dependent of the member or the member's spouse;
- (g) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (h) a company the member controls; or
- (i) a person prescribed by the Corporations Regulations 2001 (Cth).

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

3. **RESOLUTIONS 2 – RE-ELECTION OF DIRECTOR**

3.1 General

Clause 14.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election.

Therefore, Mr Peter Huljich (appointed 1 May 2019) retires by rotation and seeks re-election.

3.2 Qualifications and other directorships (listed)

Mr Huljich has over 25 years' experience in the legal, natural resources and banking sectors with a particular expertise in capital markets, mining, commodities and African related matters. He has worked in London for several prestigious investment banks, including Goldman Sachs, Barclays Capital, Lehman Brothers and Macquarie Bank with a focus on Commodities and Equity and Debt Capital Markets and has extensive on-the-ground African mining, oil and gas and infrastructure experience as the Senior Negotiator and Advisor for Power, Mining and Infrastructure at Industrial Promotion Services, the global infrastructure development arm of the Aga Khan Fund for Economic Development (AKFED) whilst resident in Nairobi, Kenya.

Peter holds a Bachelor of Commerce and an LLB from the University of Western Australia and is a Graduate of the Securities Institute of Australia (SIA) and is also a non-executive director of listed entities Kogi Iron Limited and Amani Gold Limited.

3.3 Independence

Mr Huljich has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If re-elected, the Board considers Mr Peter Huljich will be an independent Director.

3.4 Board recommendations

The Board has reviewed the performance of Mr Peter Huljich since his appointment in 2019 and his last re-election to the Board in November 2019 and considers, excluding the opinion of Mr Huljich, that the individual skills and experience of Peter will continue to enhance the Board's ability to perform its role.

The Board supports the re-election of Mr Peter Huljich and recommends that Shareholders vote in favour of Resolution 2.

4. **RESOLUTION 3 – APPROVAL OF AVZ PERFORMANCE RIGHTS PLAN**

4.1 General

Resolution 3 seeks Shareholder approval for the adoption and maintenance of the employee incentive scheme titled "AVZ Performance Rights Plan" (**the Plan**) in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

4.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of equity securities representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 13) which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

Shareholder approval is sought to adopt the Plan in accordance with Exception 13(b) of ASX Listing Rule 7.2 and to exempt issues of performance rights under the Performance Rights Plan from contributing towards the rolling annual limit of 15% of issued ordinary shares prescribed by Listing Rule 7.1 (i.e. the 15% placement capacity). This limit otherwise applies to all new shares of equity securities made without shareholder approval.

The effect of Resolution 3 will be to allow the Directors to grant Performance Rights to executives, employees and contractors of the Company pursuant to the Plan during the period of 3 years after the Meeting (or a longer period, if allowed by ASX), and to issue Shares to those executives and employees if they achieve the performance and vesting conditions of the Performance Rights, without using the Company's 15% annual placement capacity.

The Plan, with the same terms and conditions, was last approved by shareholders on 30 November 2018. As at the date of this Notice, the Company has issued 113,875,000 Performance Rights under the Plan. In order for the Directors to be able to grant Performance Rights to executives, employees and contractors under the Plan for a further 3 years from 1 December 2021, shareholder approval is required.

As at the date of this Notice, the Company proposes to issue a maximum of 100,000,000 Performance Rights under the Plan within the three year period following approval of this Resolution. It is however noted that the maximum number is not intended to be a prediction of the actual number of securities to be issued under the Plan, but is instead a ceiling for the purposes of ASX Listing Rule 7.2 Exception 13(b).

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

The directors, executives, employees and contractors of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the Plan is an essential part of retaining senior executives, to encourage alignment of personal and shareholder interest and:

(a) Foster a long term perspective within the directors, executives, employees and contractors necessary to increase shareholder return;

- (b) Drive sustainable, long term performance of the Company;
- (c) Provide an opportunity for directors, executives, employees and contractors to benefit from the Company's share price performance in a manner that is directly linked to shareholder returns; and
- (d) Ensure that the Company has a remuneration model that makes it an attractive employment option for talented personnel.

The Plan will be used again as part of the remuneration planning for directors, executives, employees and contractors. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company's circumstances and goals.

Any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 1. In addition, a copy of the AVZ Performance Rights Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

The Directors recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER AVZ PERFORMANCE RIGHTS PLAN

5.1 Background

The terms and conditions of the "AVZ Performance Rights Plan" (**the Plan**) are repeated in detail in Schedule 1 of this Explanatory Statement.

The purpose of Resolution 4 is for Shareholders to approve the potential provision of termination benefits to participants under the Plan (see section 5 of this Explanatory Statement).

5.2 Listing Rule 10.19

Listing Rule 10.19 provides that without shareholder approval, a listed entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

Depending on the value of the termination benefits (see Section 6.5 below), and the equity interests of the Company at the time such benefits crystallise, it is uncertain if such payment would exceed this 5% threshold. Accordingly, Shareholder approval is being sought in case the value of the termination benefits exceeds this 5% threshold.

5.3 Regulatory Requirements

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the company or any of its related bodies corporate. Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office, if the benefit is approved by shareholders or an exemption applies.

Amendments to the Corporations Act in 2009 significantly expanded the scope of these provisions and narrowed the range of termination benefits that do not require shareholder approval. The term "benefit" now has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the Plan.

If Shareholder approval is given under this Resolution 4, the Company will still be required to comply with Listing Rule 10.18, which place restrictions on the circumstances in which termination benefits can be paid to officers of the Company.

5.4 Details of the proposed Termination Benefits

As described in above, if Resolution 4 is passed in accordance with its stated terms, then upon the retirement, death or total and permanent disablement of a Participant, the Board will have the discretion to determine, as soon as reasonably practical after such occurrence, how many (if any) of that Participant's unvested Performance Rights will vest.

This permission to vest may constitute a "benefit" for the purposes of Section 200B of the Corporations Act (Vesting Benefit).

The Company is therefore seeking Shareholder approval to exclude any Vesting Benefit from being included in any current or future Participant's termination benefits, in respect of a Participant who holds:

- (e) a managerial or executive office in the Company (or any of its related body corporate) at the time of their leaving that office or at any time in the three years prior to their leaving that office; and
- (f) Performance Rights under the Plan at the time of their leaving that office.

If Shareholder approval is given to Resolution 4, the value of the Vesting Benefits may be disregarded when applying Section 200F(2)(b) or Section 200G(1)(c) of the Corporations Act (i.e. the approved Vesting Benefit will not count towards the statutory limitation under that legislation).

The Board's current intention is to only exercise their discretion to determine the vesting of Performance Rights:

- (a) where a Participant leaves employment of an AVZ Group member without fault on that Participant's part; and
- (b) so as only to preserve that number of unvested Performance Rights as are prorated to the date of leaving.

5.5 Value of the Termination Benefits

The value of the termination benefits that a Participant may receive or the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value between the date of their issue and the date of their vesting. In particular, the value of a particular Vesting Benefit will depend on several factors including the Company's Share price at the time of vesting and the number of Performance Rights that vest.

The following additional factors may also affect the value of a Vesting Benefit:

- (a) the Participant's term of employment;
- (b) the term of the Performance Period at the time the Participant ceases employment;
- (c) the status of the Performance Conditions attaching to the Performance Rights at the time when the Participant's employment ceases; and
- (d) the number of unvested Performance Rights that the Participant holds at the time when the Participant's employment ceases

5.6 No Board Recommendation

The requirements of Listing Rule 14, insofar as they relate to voting exclusion statements relevant to any resolution made pursuant to Listing Rule 10.14, prohibit any Director, who by definition is eligible to participate in the Plan, from voting in respect of Resolution 4.

On the assumption that by the time Shareholders are asked to vote upon Resolution 4, Resolution 3 will have been approved and be effective, no Director - whether executive or non-executive, is permitted to:

- (i) vote in respect of Resolution 4; and
- (ii) or make any recommendation as to how any Shareholder should vote in respect of Resolution 4.

6. **RESOLUTIONS 5 TO 9 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS**

6.1 Background

Resolutions 5 to 9 seek shareholder approval for the issue of incentive Performance Rights to Chairman, Dr John Clarke (6.75 million) (subject to the passing of Resolution 3), Managing Director, Mr Nigel Ferguson (9 million) (subject to the passing of Resolution 3), Technical Director, Mr Graeme Johnston (7 million) (subject to the passing of Resolution 3), Non-Executive Directors, Mr Rhett Brans (4.5 million) (subject to the passing of Resolution 3) and Mr Peter Huljich (4.5 million) (subject to the passing of Resolutions 2 and 3) (**Director Performance Rights**), pursuant to the Company's Performance Rights Plan (**the Plan**).

The Director Performance Rights ("Class P" split over five vesting Tranches) are to be issued for the purpose of incentivising and aligning the interests of the Board with the Company and to secure ongoing commitment of them to the growth of the Company. A summary of the key terms and conditions of the Performance Rights are set out in Schedule 2.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (g) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (h) prior shareholder approval is obtained to the giving of the financial benefit

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Related party is widely defined under the Corporations Act and includes directors of a company. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The grant of the Director Performance Rights constitutes giving a financial benefit. Dr John Clarke, Mr Nigel Ferguson, Mr Graeme Johnston, Mr Rhett Brans and Mr Peter Huljich are Directors, and therefore related parties of the Company. The issue of the securities to them or their nominees constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

6.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme (EIS) without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Director Performance Rights to the Directors falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 5 to 9 seek shareholder approval (subject to the passing of Resolution 3) to issue the "Class P" Director Performance Rights to Dr John Clarke, Mr Nigel Ferguson, Mr Graeme Johnston, Mr Rhett Brans and Mr Peter Huljich (also subject to the passing of Resolution 2) based on the satisfaction of key performance criteria split over five Tranches as outlined below:

| Vesting Conditions | John Clarke | Nigel Ferguson | Graeme Johnston | Rhett Brans | Peter Huljich |
|---|----------------|-------------------|--------------------|----------------|------------------|
| <u>Tranche 1</u> shall vest upon the execution of a binding EPC contract for the construction of the process plant for the Manono Project. | 1,500,000 | 2,000,000 | 1,500,000 | 1,000,000 | 1,000,000 |
| <u>Tranche 2</u> shall vest upon the designation of a stand-alone 2012 JORC indicated and inferred mineral resource estimate of 10,000 tonnes of cassiterite, producing a concentrate with aggregate tin, tantalum and niobium content greater than 50%. | 750,000 | 1,000,000 | 1,000,000 | 500,000 | 500,000 |
| <u>Tranche 3</u> shall vest upon the designation of a 2012 JORC indicated and inferred resource at Carriere de l'Este of 150 million tonnes grading at least 1.5% lithium. | 1,500,000 | 2,000,000 | 1,500,000 | 1,000,000 | 1,000,000 |

| Vesting Conditions | John Clarke | Nigel Ferguson | Graeme Johnston | Rhett Brans | Peter Huljich |
|---|----------------|-------------------|--------------------|----------------|------------------|
| <u>Tranche 4</u> shall vest upon the operation of the process plant at 4.5 million tonnes of ore per annum capacity for three consecutive months. | 1,500,000 | 2,000,000 | 1,500,000 | 1,000,000 | 1,000,000 |
| Tranche 5 shall vest when AVZ's market capitalisation exceeds A\$2 billion for 20 consecutive trading days. | 1,500,000 | 2,000,000 | 1,500,000 | 1,000,000 | 1,000,000 |
| TOTAL (CLASS P) | 6,750,000 | 9,000,000 | 7,000,000 | 4,500,000 | 4,500,000 |

6.4 Technical information required by Listing Rule 14.1A

If Resolution 3 and Resolutions 5 to 9 are passed, the Company will be able to proceed with the issue of the Director Performance Rights to the Directors under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 3 and Resolutions 5 to 9 are not passed, the Company will not be able to proceed with the issue of the Director Performance Rights to the Directors under the Plan.

6.5 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 (Explanatory Statement to Members) of the Corporations Act, the following information is provided in relation to Resolutions 5 to 9:

- (a) the "Class P" Director Performance Rights will be issued to the following persons:
 - (i) John Clarke (or their nominee) pursuant to Resolution 5;
 - (ii) Nigel Ferguson (or their nominee) pursuant to Resolution 6;
 - (iii) Graeme Johnston (or their nominee) pursuant to Resolution 7;
 - (iv) Rhett Brans (or their nominee) pursuant to Resolution 8; and
 - (v) Peter Huljich (or their nominee) pursuant to Resolution 9,

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director.

- (b) the maximum number of Director Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 31,750,000, comprising:
 - (i) 6,750,000 Director Performance Rights to John Clarke (or his nominee) pursuant to Resolution 5;
 - (ii) 9,000,000 Director Performance Rights to Nigel Ferguson (or his nominee) pursuant to Resolution 6;

- (iii) 7,000,000 Director Performance Rights to Graeme Johnston (or his nominee) pursuant to Resolution 7;
- (iv) 4,500,000 Director Performance Rights to Rhett Brans (or his nominee) pursuant to Resolution 8; and
- (v) 4,500,000 Director Performance Rights to Peter Huljich (or his nominee) pursuant to Resolution 9.
- (c) 9,000,000 Performance Rights have previously been issued to John Clarke for nil consideration under the Plan.
- (d) 15,000,000 Performance Rights have previously been issued to Nigel Ferguson for nil cash consideration under the Plan.
- (e) 12,100,000 Performance Rights have previously been issued to Graeme Johnston for nil cash consideration under the Plan.
- (f) 7,500,000 Performance Rights have previously been issued to Rhett Brans for nil cash consideration under the Plan.
- (g) 6,000,000 Performance Rights have previously been issued to Peter Huljich for nil cash consideration under the Plan.
- (h) a summary of the material terms and conditions of the Director Performance Rights is set out in Schedule 2.
- (i) the Director Performance Rights are unquoted securities. The Company has chosen to issue Performance Rights to the Related Parties for the following reasons:
 - (i) the Performance Rights are unquoted; therefore, the issue of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Performance Rights will align the interests of the Related Parties with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed.
- (j) the number of Director Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
 - current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Directors; and
 - (iii) incentives to attract and retain the service of the Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights upon the terms proposed.

(k) the relevant interests of the Directors in securities of the Company as at the date of this Notice are set out below:

| Directors | Shares | Performance Rights | | | |
|-----------------|------------|--------------------|--|--|--|
| John Clarke | 4,333,333 | 6,000,000 | | | |
| Nigel Ferguson | 46,811,404 | 6,000,000 | | | |
| Graeme Johnston | 9,183,070 | 4,000,000 | | | |
| Rhett Brans | 4,963,158 | 3,000,000 | | | |
| Peter Huljich | 3,000,000 | 3,000,000 | | | |

(I)

the total remuneration package for each of the Directors for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

| Directors | Financial Year 2022 | Financial Year 2021 |
|-----------------|--------------------------|------------------------|
| John Clarke | \$2,789,107 ¹ | \$760,357 |
| Nigel Ferguson | \$3,342,898 ² | \$637,898 |
| Graeme Johnston | \$2,641,335 ³ | \$528,835 |
| Rhett Brans | \$1,543,9484 | \$191,448 |
| Peter Huljich | \$1,564,797 ⁵ | \$212,297 |

Notes:

- 1. Comprising Directors' fees of \$120,000, a superannuation payment of \$Nil and share-based payments of \$2,669,107 (including an increase of \$2,028,750, being the value of the Class P Performance Rights).
- 2. Comprising Directors' fees of \$375,000, a superannuation payment of \$Nil and share-based payments of \$2,967,898 (including an increase of \$2,705,000, being the value of the Class P Performance Rights).
- 3. Comprising Directors' fees of \$337,500, a superannuation payment of \$Nil and share-based payments of \$2,303,835 (including an increase of \$2,112,500, being the value of the Class P Performance Rights).
- 4. Comprising salary of \$54,795, a superannuation payment of \$5,205 and sharebased payments of \$1,483,948 (including an increase of \$1,352,500, being the value of the Class P Performance Rights).
- 5. Comprising Directors' fees of \$60,000, a superannuation payment of \$Nil and share-based payments of \$1,504,797 (including an increase of \$1,352,500, being the value of the Class P Performance Rights).
- the valuation of the Class P Performance Rights has been independently calculated based on the share price as at the valuation date (closing share price of 33.5 cents on 30 September 2021) using the Black-Scholes Valuation Model (for non-market vesting conditions) and the Hybrid Monte Carlo Valuation Model (for market vesting conditions):

| Directors | Performance Rights | Value of Performance Rights | | | |
|-----------------|-----------------------|--------------------------------|--|--|--|
| John Clarke | 6,750,000 | \$2,028,750 | | | |
| Nigel Ferguson | 9,000,000 | \$2,705,000 | | | |
| Graeme Johnston | 7,000,000 | \$2,112,500 | | | |
| Rhett Brans | 4,500,000 | \$1,352,500 | | | |
| Peter Huljich | 4,500,000 | \$1,352,500 | | | |

(i)

- (j) the Director Performance Rights will be issued to the Directors no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date.
- (k) the issue price of the Director Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights.
- (I) the purpose of the issue of the Incentive Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties.
- (m) a summary of the material terms and conditions of the Plan is set out in Schedule 1.
- (n) no loans are being made to the Directors in connection with the acquisition of the Director Performance Rights.
- (o) details of any Performance Rights issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (p) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after Resolutions 5 to 9 are approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (q) if the vesting conditions attaching to the Director Performance Rights issued to the Related Parties are met and the Class P Director Performance Rights are converted, a total of 31,750,000 Shares will be issued. This will increase the number of Shares on issue from 3,218,172,680 (being the total number of Shares on issue as at the date of this Notice) to 3,249,922,680 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.99%, comprising 0.21% by Dr John Clarke, 0.28% by Mr Nigel Ferguson, 0.22% by Mr Graeme Johnston, 0.14% by Mr Rhett Brans and 0.14% by Mr Peter Huljich.
- (r) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price | Date |
|---------|---------|-------------------|
| Highest | \$0.35 | 29 September 2021 |
| Lowest | \$0.072 | 3 November 2020 |
| Last | \$0.305 | 13 October 2021 |

(s) each Director has a material personal interest in the outcome of Resolutions 5 to 9 on the basis that all of the Directors (or their nominees) are to be issued Incentive Performance Rights should Resolutions 5 to 9 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 5 to 9 of this Notice.

(t) the Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass Resolutions 5 to 9.

7. **RESOLUTION 10 – RATIFICATION OF PREVIOUS SECURITIES ISSUE**

7.1 Background

In July 2021, the Company completed a Placement of \$40 million (before costs) through the issue of 307,692,308 Shares at \$0.13 per Share to high quality institutions from Australia and North America, including a European-based energy commodities merchant, all of whom are non-related parties (**July Placement**).

The Company issued the 307,692,308 Shares under the Company's existing placement capacity under ASX Listing Rule 7.1 (July Placement Securities).

As summarised in Section 7.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The issue of the July Placement Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the July Placement Securities.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the July Placement Securities.

Resolution 10 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the July Placement Securities.

7.2 Technical information required by Listing Rule 14.1A

If Resolution 10 is passed, the Capital Raising Securities will be excluded in calculating the Company's 15% limit in Listing Rules 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the July Placement Securities.

If Resolution 10 is not passed, the Capital Raising Securities will be included in calculating the Company's 15% limit in Listing Rules 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the July Placement Securities.

7.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 10:

- (a) the July Placement Securities were issued to high quality institutions from Australia and North America, including a European-based energy commodities merchant who was identified by the Directors. The recipients were identified through background and financial capability checks on the recipients prior to being invited to participate in the July Placement;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 307,692,308 Shares were issued;
- (d) the Shares issued to participants in the July Placement were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the July Placement Securities were issued on 7 July 2021;
- (f) the issue price per Share was \$0.13. The Company has not and will not receive any other consideration for the issue of the July Placement Securities;
- (g) the purpose of the issue of the July Placement Securities was to raise \$40 million (before costs), allowing the Company to increase its interest in the Manono Project from 60% to 75%, negotiate project finance from an enhanced balance sheet position, assist to establish a working capital and contingency cost buffer during project development and enhance the project's early capital works program; and
- (h) the Capital Raising Securities were not issued under an agreement.

The Chairman intends to exercise all available proxies in favour of Resolution 10.

The Directors recommend that Shareholders vote in favour of Resolution 10.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or Meeting means the meeting convened by this Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chairperson of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means AVZ Minerals Limited (ACN 125 176 703).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Director Performance Rights means Performance Rights granted to Directors under the Performance Rights Plan

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Performance Rights Plan means the AVZ Performance Rights Plan.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

the Plan means the AVZ Performance Rights Plan.

Trading Day means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF THE TERMS AND CONDITIONS OF AVZ PERFORMANCE RIGHTS PLAN

The following is a summary of the key terms and conditions of the "AVZ Performance Rights Plan" (**Performance Rights Plan**):

(a) Eligibility

Participants in the Performance Rights Plan may be:

- (i) a Director (whether executive or non-executive) of the Company or any associate Group Company;
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company; or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs
 (i), (ii), or (iii) above, who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (Eligible Participants).

(b) Offers

The Board may, from time to time, at its absolute discretion, make an offer to grant Performance Rights to an Eligible Participant under the Performance Rights Plan and on such additional terms and conditions as the Board determines (**Offer**).

(c) Performance Rights Plan limit

Where the Company has relied or intends relying on ASIC Class Order 14/1000 as amended or replaced from time to time (**Class Order**) to make an Offer, the Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on conversion of Performance Rights offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

(d) Consideration

Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.

(e) **Performance Rights**

Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

(f) Not transferrable

Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon (1) death to the participant's legal personal representative or (2) upon bankruptcy to the participant's trustee in bankruptcy.

(g) Vesting Conditions

The Board will determine the vesting conditions (if any) that must be satisfied before a Performance Right vests, and the date by which a vesting condition must be satisfied (**Vesting Condition**).

(h) Vesting

A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

- (i) the participant ceasing to be an Eligible Participant due to certain special circumstances (e.g. due to death, severe financial hardship, total and permanent disability, retirement or redundancy) as set out in the Plan;
- (ii) the Company undergoing a change of control; or
- (iii) the Company being wound up.

(i) Shares

Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank on equal terms with all other Shares on issue.

(j) Sale Restrictions

The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights (**Restriction Period**).

(k) Quotation of Shares

If Shares of the same class as those issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.

(I) Lapse of a Performance Right

Subject to the terms of an Offer otherwise providing, a Performance Right will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Performance Right;
- (ii) a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;
- (iii) in respect of an unvested Performance Right, a participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) (**Relevant Person**) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception;

- (iv) in respect of a vested Performance Right, a Relevant Person ceases to be an Eligible Participant and the Performance Right granted in respect of that Relevant Person is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (vi) the Company undergoes a change in control or winding up, and the Performance Right has not otherwise vested in accordance with paragraph (h); and
- (vii) the expiry date of the Performance Right.

(m) No Participation Rights

There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(n) No Change

A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

(0) **Reorganisation**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) Inconsistency with Offer

Notwithstanding any other provision in the Performance Rights Plan, to the extent that any covenant or provision contained in an Offer document is inconsistent with any covenant or provision under the Plan, the deemed covenant or provision under the Offer document shall prevail.

SCHEDULE 2 - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The "Class P" Director Performance Rights (Performance Rights) will be issued in accordance with the terms and conditions of the AVZ Performance Rights Plan and the terms set out below:

- (a) (Vesting Conditions): The Performance Rights will have the following Tranche vesting conditions attached to them:
 - (i) **Tranche1 Performance Rights**: shall vest upon the execution of a binding EPC contract for the construction of the process plant for the Manono Project;
 - (ii) Tranche 2 Performance Rights: shall vest upon the designation of a standalone 2012 JORC indicated and inferred mineral resource estimate of 10,000 tonnes of cassiterite, producing a concentrate with aggregate tin, tantalum and niobium content greater than 50%;
 - (iii) **Tranche 3 Performance Rights**: shall vest upon the designation of a 2012 JORC Indicated and Inferred Resource at Carriere de l'Este of 150 million tonnes grading at least 1.5% lithium;
 - (iv) **Tranche 4 Performance Rights**: shall vest upon the operation of the process plant at 4.5 million tonnes of ore per annum capacity for three consecutive months; and
 - (v) **Tranche 5 Performance Rights**: shall vest when AVZ's market capitalisation exceeds A\$2 billion for 20 consecutive trading days.

(Each a Vesting Condition).

(b) Vesting

Each Tranche of the Performance Rights is deemed to have vested if and when the Vesting Condition applicable to a holder's Performance Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under the Performance Rights Plan, and where the Company has issued a vesting notification to the holder informing them that some or all of its Performance Rights have vested and will convert into Shares upon being exercised by the holder.

(c) Method of Exercise of Performance Rights

Following the issuing of a vesting notification to a holder, a vested Performance Right may be exercised by the Participant at any time prior to the expiry date and by delivery of a signed exercise notice to the registered office of the Company or such other address as determined by the Board. In the event that the holder does not exercise a vested Performance Right prior to the expiry date, the relevant Performance Right will automatically lapse.

(d) Actions on exercise of Performance Rights

On completion of the exercise of Performance Rights:

- (i) the Performance Rights will automatically lapse;
- (ii) the Company will, within 5 (five) business days of the vesting date, issue the number of Shares for which the holder is entitled to subscribe for or acquire through the conversion of the Performance Rights;

- (iii) the Company will deliver to the holder a holding statement for the Shares;
- (iv) the Company will issue a substitute certificate for any remaining Performance Rights.

(e) **Expiry date**

The Performance Rights will expire 3 years from the date of issue, after which the Performance Rights lapse and may no longer be exercised or converted.

(f) Share ranking

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(g) Application to ASX

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) Transfer of Performance Rights

The Performance Rights are not transferable except in accordance with the terms of the Performance Rights Plan.

(i) Lapse of a Performance Right

The Performance Rights will lapse:

- (i) if the relevant Tranche Vesting Condition is not achieved by the date (if any) set out in paragraph (a);
- (ii) on their expiry date;
- (iii) upon exercise of a Performance Right; or
- (iv) otherwise in accordance with the terms of the Performance Rights Plan.

(j) Participation in new issues

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) Reorganisation of capital

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(I) Dividend and Voting Rights

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(m) Deferral of conversion if resulting in a prohibited acquisition of Shares

If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition.

- holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) No rights to return of capital

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(O) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) No other rights

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(q) **Subdivision 83AC-C**

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Right.



Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **2.00pm (WST) on Tuesday, 16 November 2021,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at https://investor.automic.com.au/#/logi

<u>nsah</u>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

IN PERSON:

Automic Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE: +61 2 8583 3040

All enquiries to Automic:

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

VIRTUAL PARTICIPATION AT THE AGM:

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

VIRTUAL AGM

STEP 1: Appoint Your Proxy

1. Open your internet browser and go to investor.automic.com.au

2. Login with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

COMPLETE AND RETURN THIS FORM AS INSTRUCTED ONLY IF YOU DO NOT VOTE ONLINE

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of AVZ Minerals Limited, to be held at 2.00pm (AWST) on Thursday 18 November 2021 at Fraser Ballroom, 10 Adelaide Terrace, East Perth, Western Australia 6004 and via online webinar hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 5 – 9 (except where I/we have indicated a different voting intention below) even though Resolutions 5 – 9 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

| | Res | olutions | For | Against | Abstain | Resolutions | For | Against Abstain |
|-----------|------|--|--------------|---------------|--------------|--|------------|--------------------|
| Direction | 1. | Adoption of Remuneration Report | | | | Approval for the issue of Performance Rights – Mr Nigel Ferguson | | |
| | 2. | Re-Election of Director — Mr Peter Huljich | | | | 7. Approval for the issue of Performance Rights – Mr Graeme Johnston | | |
| Voting | 3. | Approval of AVZ Performance Rights Plan | | | | 8. Approval for the issue of Performance Rights – Mr Rhett Brans | | |
| Your | 4. | Approval of Potential Termination Benefits Under AVZ Performance Riahts Plan | | | | 9. Approval for the issue of Performance Rights – Mr Peter Huliich | | |
| Ň | 5. | Approval for the issue of Performance Rights – Dr John Clarke | | | | 10. Ratification of Previous Securities issued | | |
| | Plea | ase note: If you mark the abstain bo | x for a part | icular Resolı | ition you ai | e directina uour proxu not to vote on tha | Resolution | on a show of hands |

or on a poll and your votes will not be counted in computing the required majority on a poll.

| Individual or Securityholder 1 Sole Director and Sole Company Secretary | | | | | | | | Securityholder 2 Director | | | | | | | | | Securityholder 3 | | | | | | | | |
|---|--------|--------|--------|------|----|--|---|------------------------------|--|--|--|--|--|--|---|---|------------------|--------|------|-------|---|--|---|--|--|
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