



ASX ANNOUNCEMENT

18 November 2021

Chairman's Address – 2021 Annual General Meeting

Ladies and gentlemen, the 2021 financial year has been incredibly successful for AVZ Minerals.

The level of work that has been undertaken and the significant achievements delivered have brought our flagship Manono Lithium and Tin Project substantially closer to becoming a leading global producer of lithium products.

For example - during the past financial year – your Company secured an additional 10% equity in the Manono Project – taking our total interest to 75%; we executed long-term, binding sales agreements with three major Chinese lithium converters for 80% of our saleable 6% Li₂O spodumene concentrate and we also signed a three-year binding offtake agreement with a major participant in the tin market.

Our extensive metallurgical program resulted in an upgrade of our JORC Proved and Probable Ore Reserves estimate for the Manono Project to 131.7Mt – an increase of 41.6% from the 93 million tonnes of ore reported in our April 2020 Definitive Feasibility Study (DFS), and our overall Life of Mine extended to 29.5 years based on a 4.5Mtpa operation underpinned by the Ore Reserves – which was an increase of 47.5% from our April 2020 DFS.

Importantly, our senior management team in the DRC has continued positive engagement with the Government of the DRC during the last 12 months and we look forward to soon updating our shareholders on the granting of the Mining Licence for the Manono Project, as well as the execution of our Collaboration Development Agreement, Mpiana Mwanga Hydro-Electric Power Plant Agreement and Manono Special Economic Zone Agreement.

During the past financial year, our project financing discussions advanced to the point that, in September 2021, we secured a major cornerstone investor in the project.

We are extremely pleased to have signed a deal with Mr Pei Zhenhua of Suzhou CATH Energy Technologies (and related parties) who will invest US\$240 million for a 24% direct interest in the Manono Project, thereby providing 100% of AVZ's equity funding requirement.

CATH will also contribute their pro rata portion of development capital of more than US\$150 million (based on a 4.5Mtpa operation), subject to the final project capital being verified. Any expansion in the operation to say 10Mtpa will also be funded by CATH on the basis of their 24% equity interest.

AVZ is excited to have someone of the calibre of Mr Pei and Contemporary Amperex Technology Limited ("CATL") as partners in our strategic objective to make the Manono Project a leading producer of lithium products.

Both Mr Pei and CATL clearly have the financial capacity, technical expertise and global credibility within the lithium conversion and lithium-ion battery industry to complement our world-class Manono Project.

AVZ Minerals Limited

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Directors

Non-Executive Chairman: John Clarke

Managing Director: Nigel Ferguson

Technical Director: Graeme Johnston

Non-Executive Director: Rhett Brans

Non-Executive Director: Peter Huljich

Market Cap

\$1.85BN

ASX Code: AVZ

Corporately, we completed a successful and significantly oversubscribed Share Placement in July 2021, which resulted in the Company raising A\$40 million (before costs). The Share Placement was well supported by high-quality institutional investors throughout Australia, Europe, North America, Singapore, Malaysia and the Middle East.

From a licensing and permitting perspective, your Company is confident that our excellent relationship with the DRC Government will soon deliver our all-important Mining Licence and the other agreements I mentioned earlier.

The granting of our Mining Licence will facilitate the release of the updated Manono Bankable Feasibility Study (BFS) and shortly thereafter, we are expecting to announce the appointment of a Mandated Lead Arranger (MLA) to lead a syndicated debt funding facility for the Project. Importantly, the debt component of funding will be less than 50% on the basis of the CATH transaction.

Once the deal with CATH is finalised, the Board will be able to make a Final Investment Decision (FID) which will kick-start project construction.

AVZ and its new partners are committed to developing the Manono Project and with the full support of the DRC Government, we look forward to making Africa a leading global centre for lithium production and battery-chain value adding.

To reach this point has required a massive amount of hard work and strategic execution from your Company.

On behalf of all shareholders, I want to congratulate our senior executive team led by Managing Director Nigel Ferguson and thank him and all our staff and consultants working in Australia, the DRC and other parts of the globe for their outstanding efforts.

As Steve Jobs once said: *“Great things in business are never done by one person; they’re done by a team of people.”*

And I can assure you all that AVZ Minerals has a great team of people.

I also want to acknowledge my fellow directors who bring a wealth of experience to the Company and who have been valuable contributors to our Company’s significant growth during this last year.

And finally, ladies and gentlemen, I wish to thank you - our shareholders - for your continued commitment to and support of, the Company.

The coming 12 months is set to be incredibly exciting for your Company as we transition from an explorer into an emerging global producer of lithium products, and we look forward to keeping you updated on our tremendous growth opportunities.

This release was authorised by the Board of AVZ Minerals Limited.

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

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