



ASX ANNOUNCEMENT

6 December 2022

DRC General Inspectorate of Finance's findings against Cominiere and Dathomir

AVZ Minerals Limited (ASX: AVZ) (AVZ or Company) notes that on 30 November 2022, the Democratic Republic of Congo's (DRC) General Inspectorate of Finance released its report on the management of mining assets in the DRC by La Congolaise d'Exploitation Minière (Cominière) (IGF Report). A copy of the IGF Report is publicly available via <https://igf.gouv.cd/rapports>. An English translation of the IGF report is published on AVZ's website.

The DRC General Inspectorate of Finance had been authorised to investigate the following matters:

- whether Cominière's purported sale of its 15% interest in the issued shares Dathcom Mining SA (Dathcom) to Jin Cheng Mining (Jin Cheng Sale) was proper and appropriate;
- any liability in connection with the Jin Cheng Sale;
- the legality of Cominière's and Dathomir's other recent conduct.

By way of summary, the IGF Report includes the following conclusions reached by the DRC General Inspectorate of Finance:

- Cominière has acted in violation of its articles of association in respect of its transfers of mining titles to "external partners" without obtaining financial guarantees;
- Cominière has acted contrary to the DRC Mining Code in respect of its transfers of mining licences without such transfer having undergone the required prior assessment by a competent DRC governmental authority;
- the Jin Cheng Sale was subject to a number of irregularities including the failure to select the Government's technical body for the valuation of the 15% interest the subject of the Jin Cheng Sale, and the failure to consider the definitive feasibility study valuation completed in respect of the Manono Project;
- Cominière had inappropriately allocated ~USD6,800,000 out of the total USD33,440,000 in proceeds from the purported Jin Cheng Sale for operating needs (including for commissions, fees and exceptional remunerations of all those who would have otherwise contributed to the operation) to the detriment of productive investments;

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- Dathomir failed to comply with its obligations under the incorporated joint venture agreement in respect of Dathcom Mining SA (**Dathcom**) dated 27 January 2017, as amended from time to time (**Dathcom JVA**); and
- Dathcom allegedly transferred mining exploration permits 12436, 12449 and 12450 illegally to third parties.

In response to the findings of the DRC General Inspectorate of Finance, AVZ confirms:

- AVZ acquired valid and legal title to the 60% of shares issued in Dathcom, including, for the avoidance of doubt, as a consequence of the waiver of any rights of Cominiere and Dathomir under the Dathcom JVA by virtue of their entry into that same agreement;
- following AVZ's acquisition of its initial 60% of shares issued in Dathcom, AVZ performed the funding obligations under the Dathcom JVA; and
- neither it nor any of its representatives had any involvement in, nor any prior knowledge of, the transfers of mining exploration permits 12436, 12449 and/or 12450 to any third party.

AVZ further confirms that it is continuing to cooperate with all competent DRC governmental authorities regarding the findings within the IGF Report.

This announcement was authorised for release by the board of directors of AVZ Minerals Limited.

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

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