



ASX ANNOUNCEMENT

15 December 2022

Disclosure Clarifications – AFR Article

AVZ Minerals Limited (ASX: AVZ) (AVZ or Company) is aware of an article published by the Australian Financial Review dated 12 December 2022 (AFR Article), which the Company notes contains various unsubstantiated allegations including that the Company failed to disclose ownership disputes with Congolaise d'Exploitation Minière (Cominière), Jin Cheng Mining Company Limited (Jin Cheng), a subsidiary of Zijin Mining Group Company Limited (Zijin) and Dathomir Mining Resources SARL (Dathomir) with respect to ownership interests in the Manono Lithium and Tin Project (Manono Project).

The Company treats such allegations seriously and confirms that it has and continues to comply with the Company's disclosure obligations under the Corporations Act and the ASX Listing Rules.

An allegation or threat by a third party that is made without legal merit or is spurious in nature, provides such circumstances that the Company, applying reasonable judgement to the facts in its possession from time to time, would consider to be insufficiently material to warrant disclosure.

Indeed, in such circumstances a reasonable person would not expect the disclosure of such information.

The Company considers that the AFR Article was written without a competent understanding of the material facts, contrary to the Company's previous public disclosures, and using overly emotive and imprecise language, which in the Company's opinion is likely to mislead investors.

The Company takes the opportunity to present a right of reply to certain of the allegations contained within the AFR Article in the table presented over the following page.

AVZ Minerals Limited

Level 2, 1 Walker Street
West Perth, WA 6005
Australia

T: + 61 8 6117 9397

F: + 61 8 6118 2106

E: admin@avzminerals.com.au

W: www.avzminerals.com.au

ABN 81 125 176 703

Directors

Non-Executive Chairman: John Clarke

Managing Director: Nigel Ferguson

Technical Director: Graeme Johnston

Non-Executive Director: Rhett Brans

ASX Code: AVZ

OTC Code : AZZVF

AFR Allegation	Company Response
<p>AVZ hid the dispute over title and failed to disclose the dispute during the period between July 2021 to May 2022</p>	<p>Rejected.</p> <p>The Company considered the Cominière transfer claim in detail and assessed it as spurious in nature, without merit, containing fundamental and material errors, and as having no substance or foundation in fact or law.</p> <p>Disclosure of the claim was ultimately released to ASX in May 2022 on account of the broad false and misleading rumour/trage promulgated on social media and other alternative media sources.</p> <p>Refer to ASX announcements dated 4 May, 11 May, 17 June, 9 September, 20 October and 6 December 2022.</p>
<p>AVZ actively sought to dissuade Cominière from selling the 15 per cent stake to Zijin.</p>	<p>Correct, Cominière were reminded of the pre-emptive rights of AVZI around July/August 2021, preventing any such sale in breach of the Company’s contractual rights.</p> <p>The transfer of the 15% was never concluded and this is now the matter of ongoing legal proceedings, commenced by Jin Cheng/Zijin against the Company claiming an abuse of majority. The Company is actively defending the proceedings and considers Jin Cheng’s/Zijin’s claims as also being spurious in nature, without merit, containing fundamental and material errors, and as having no substance or foundation in fact or law.</p> <p>Refer to ASX announcement dated 11 May 2022.</p>
<p>Dathomir is reported to have obtained Congo court orders in December last year to have a deal annulled in which it sold a separate 15 per cent interest in Manono to AVZ for \$US20 million in August 2021.</p> <p><i>(Company note: the total amount paid to Dathomir was actually US\$21M, which includes US\$1M of deposits paid on signing of the SPA’s)</i></p>	<p>Rejected.</p> <p>The Company considered Dathomir’s claim in detail and assessed it as spurious in nature, without merit, containing fundamental and material errors, and having no substance or foundation in fact or law.</p> <p>As noted in the Company’s ASX announcement of 4 May 2022, neither AVZ, nor AVZI was a party to the court orders (or Tribunal Decision) of December 2021 to which the AFR refers. And the court orders did not purport to (nor did they, in fact, under DRC law) have any effect on:</p> <ul style="list-style-type: none"> • AVZ’s 75% equity interest in the Manono Project, to which AVZ holds good legal title); or • the sale and purchase agreements under which AVZ acquired that interest (which AVZ has duly performed and completed and which have not been annulled by order, letter or otherwise). <p>As noted in the Company’s ASX announcement dated 9 September 2022, no court of law or arbitral tribunal has ruled that the Dathomir sale and purchase agreements entered into in 2019 and 2020 (Dathomir SPAs) were “cancelled”, validly terminated or not duly completed by AVZI. Both Dathomir SPAs contain and are subject to arbitration agreements, so only a properly constituted arbitral tribunal has jurisdiction to rule on such matters (and that was acknowledged by the DRC Tribunal decision dated 20 September 2022).</p> <p>As noted in the Company’s ASX announcement dated 8 December 2022, AVZ has commenced (and shortly will commence) arbitrations against Dathomir to affirm AVZI’s acquisition in August 2021 of a 15% interest in Dathcom (and corresponding 15% interest in the Manono Project) from Dathomir and to put an end, once and for all, to Dathomir’s claims and to recover losses sustained from them.</p> <p>Refer to ASX announcements dated 4 May 2022, 9 September 2022, 20 October 2022 and 8 December 2022.</p>

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:

Mr. Jan de Jager or Mr. Ben Cohen

Joint Company Secretary

AVZ Minerals Limited

Phone: +61 8 6117 9397

Email: admin@avzminerals.com.au

Media Enquiries:

Mr. Peter Harris

Peter Harris & Associates

Phone: +61 (0) 412 124 833

