



**AVZ Minerals
Limited**

11 May 2017

ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Attention: Ben Secrett, Senior Adviser, ASX Listings Compliance

Dear Ben

AVZ MINERALS LIMITED (“COMPANY”) – ASX AWARE LETTER

I refer to your letter of 8 May 2017.

The Company provides an answer separately each of the questions as requested by ASX:

1. *Does the Company consider the information in the Announcement (“Information”) to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

No

2. *If the answer to question 1 is “no”, please advise the basis for that view.*

On 28 April 2017 the Company issued two announcements, being the Manono Project Due Diligence Update and the March 2017 Quarterly Report. These announcements advised that:

In April 2017 a claim for annulment of the Ministerial Order which cancelled the mining right (PE 12202) previously held by a third party named Manono Minerals Sarl (Manomin) in respect of the area covered by PR 13359 was heard by the DRC Supreme Court of Justice (DRC SCJ). AVZ’s legal adviser in the DRC attended the hearing and is of the opinion that the chances of a ruling in favour of Manomin appear very slight. Further, if the DRC SCJ finds that PE 12202 had been wrongly forfeited and, as a consequence, the decision of the DRC Minister for Mines should be annulled, the effects of the annulled decision cannot alter the rights of third parties. Any decision declaring the ministerial order invalid would not extend its effect to the subsequent granting of PR 13359 to AVZ’s joint venture partner (Cominiere), and it would be for the administrative authority to decide what compensation, if any, should be granted to Manomin as a consequence of the wrongful forfeiture of its tenement.

The Company considers the probable outcome of the claim had already been disclosed and the subsequent announcement on 8 May 2017 confirmed this outcome. The Company was not a party to these proceedings in the DRC and the review of this claim is part of the Company’s due diligence.

3. *When did the Company first become aware of the Information? In answering this question, please specify the date and time when the Company first became aware of the Information or any part thereof.*

The Company first became aware of the Information when it received written confirmation from its legal adviser in the Democratic Republic of Congo (DRC) at 11.43pm WST on 4 May 2017, being after the market was closed on 4 May 2017, that the operative part of the judgment was available for public review.

The operative part of the judgment of the Supreme Court of Justice (**SCJ**) advised that the claim for the annulment of the Ministerial Order which cancelled the mining right (**PE 12202**) previously held by a third party named Manono Minerals Sarl (**Manomin**) in respect of the area covered by PR 13359 (**Manono Project**) was dismissed. Further to this, the legal adviser advised that the full written judgment of the SCJ was not yet available and was expected to be available within the next few days.

The Board of AVZ consulted via various emails from 3.31am WST on 5 May 2017 and confirmed that it was appropriate for a trading halt request to be made whilst it prepared an announcement on the Information and the trading Halt Request was sent to ASX at 5.32am WST on 5 May 2017 prior to the opening of trade. ASX released this to the market at 7.21am WST on 5 May 2017.

The announcement was prepared and reviewed and approved by the Board and this was released on Monday, 8 May 2017 (following which the trading halt was lifted).

4. *If the Company first became aware of the Information before the Trading Halt Request, did the Company make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the information under listing rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay.*

Not applicable – refer above

5. *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

The Company is in compliance with the Listing Rules of the ASX and, in particular, Listing Rule 3.1.

6. *Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.*

I confirm that the Company's responses to the questions above have been authorised and approved by the Board.

Yours sincerely



Gary Steinepreis
Director



8 May 2017

Mr Gary Steinepreis
AVZ Minerals Limited
Level 1, 33 Ord Street
WEST PERTH WA 6005

By email

Dear Mr Steinepreis

AVZ MINERALS LIMITED (“COMPANY”) – AWARE LETTER

ASX Limited (“ASX”) refers to the following.

- A. The change in the price of the Company’s securities from a closing price of \$0.037 on Wednesday, 3 May 2017, to an intra-day high of \$0.047 on Thursday, 4 May 2017.
- B. The Company’s trading halt request released on the ASX Market Announcements Platform (“Platform”) at 7.21 am AWST on Friday, 5 May 2017 (“Trading Halt Request”).
- C. The Company’s announcement entitled “DRC Supreme Court of Justice Dismisses Claim for Manono Project by Previous Licence Holder” released on the Platform at 7.15 am AWST on Monday, 8 May 2017 (“Announcement”), disclosing that the Democratic Republic of Congo’s Supreme Court of Justice dismissed a claim by Manono Minerals Sarl for the annulment of a Ministerial Order which cancelled mining right PE 12202.
- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- E. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.



F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

G. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states the following:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Does the Company consider the information in the Announcement (“Information”) to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did the Company first become aware of the Information? In answering this question, please specify the date and time when the Company first became aware of the Information or any part thereof.



4. If the Company first became aware of the Information before the Trading Halt Request, did the Company make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the Information was released promptly and without delay.
5. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 3.00 pm AWST on Thursday, 11 May 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;



- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Please contact me if you have any queries about the above.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance