**AVZ Minerals Limited**

6 April 2018

# Drill Intercepts at Manono

## HIGHLIGHTS

- Drill-holes MO18DD003, 004, 006 and 007 confirm the thickness of the Roche Dure pegmatite, intersecting 313.88m*, 276.77m*, 284.30m* and 273.20*, respectively, of pegmatite.
- All holes contain a high proportion of spodumene within the pegmatite.
- Drill-holes MO18DD001, 002, 003 and 004 despatched for assaying.
- Drill-holes MO18DD006, 007 and 008 have been logged and sampled and the samples will be despatched for assaying. Drill-holes MO18DD009, 010 and 011 are progressing towards completion.
- Four drill rigs now on-site and drilling rate set to increase, concentrating on the Roche Dure pegmatite.
- Successful site visit by Beijing National Battery Technology Co., Ltd ("BNBT") Chairman & Technical Advisors.

AVZ's Executive Chairman Klaus Eckhof commented *"Ongoing resource drilling of the Roche Dure pegmatite is gaining momentum with four drill rigs operational on site and a further one rig enroute to site. This additional drilling ability will allow AVZ to complete the initial 20,000m program of resource drilling in a timely manner. Core recovery has been excellent to date with nearly 100% core being recovered. Geological logging of the core has proven yet again that the Manono Lithium Project is world class in size."*

**AVZ Minerals Limited** (ASX: AVZ) is pleased to provide an update on its activities at the Manono Lithium Project in the Democratic Republic of Congo ("DRC"), including progress of the initial 20,000m resource drilling program.

The announcement accompanies the Price Query Response, and contains drilling intercept information for recent holes drilled, of which images of drill core were recently circulated on social media by Mr Michael Langford of Airguide International Pte Limited, AVZ's strategic advisor regarding Chinese relationships. The circulation of those images was not authorised by AVZ. AVZ advises that investors should not rely on those images as a basis for any investment decision about AVZ shares and should await AVZ reporting assay results for MO18DD001, 002, 003, 004, 006, 007 and 008.

* Down-hole length. Additional drilling is required to confirm the true-thickness of the pegmatite.



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The Company is also pleased to confirm that the drilling at its present rate will allow an initial JORC resource calculation by the end of the June quarter 2018. Following completion of drill-holes MO18DD001 and MO18DD002, reported on 19 February 2018 and 6 March 2018 respectively, progress has been made with the completion of six additional drill-holes.

*Table 1: Roche Dure Pegmatite Resource drilling intersections achieved to-date*

| Hole ID | Drill Line | From (m) | To (m) | Length of Intercept* (m) | Comments |
|---|---|---|---|---|---|
| MO18DD001 | 7000mN | 62.00 | 356.06 | 294.06 | Spodumene bearing pegmatite |
| MO18DD002 | 7000mN | 63.20 | 346.15 | 282.95 | Spodumene bearing pegmatite |
| MO18DD003 | 7000mN | 59.01 | 372.89 | 313.88 | Spodumene bearing pegmatite |
| MO18DD004 | 7000mN | 54.00 | 330.77 | 276.77 | Spodumene bearing pegmatite |
| MO18DD005** | 7000mN | 82.00 | 85.50 | N/A | Terminated in hanging wall |
| MO18DD006 | 6900mN | 76.80 | 361.10 | 284.30 | Spodumene bearing pegmatite |
| MO18DD007 | 7000mN | 93.90 | 367.10 | 273.20 | Spodumene bearing pegmatite |
| MO18DD009 | 7100mN | 44.50 | | In progress | In progress; data not available |
| MO18DD010 | 6900mN | 52.13 | | In progress | In progress; data not available |
| MO18DD011 | 6900mN | | | In progress | In progress; pegmatite not yet reached |

Refer Appendix 3 for detailed table of results for drill-holes.

* Down-hole length. Additional drilling is required to confirm the true-thickness of the pegmatite.

**Drill-hole MO18DD005 was terminated after it penetrated the Roche Dure pegmatite as the orientation of the drill-hole was not optimal. The core from the drill-hole was not sampled and the hole was re-drilled at a more suitable orientation, with the new drill-hole identified as MO18DD007.

MO18DD008 was not drilled to test the Roche Dure pegmatite; it was drilled with the intent of testing for the presence of groundwater to provide fresh water to the AVZ camp, located in the Manono sector near the Carriere De L'est pegmatite. Instead of obtaining fresh water, AVZ intercepted 72m of pegmatite. Further geological data from the drill hole is as yet, not available.

Samples from holes MO18DD001 to MO18DD003 are in Perth awaiting assay and should be reported before the end of the month. The core from MO18DD004 is in Lubumbashi ready to be sent to Perth and the core from MO18DD006, 007 and 008 has been logged, cut and sampled and will be despatched to Lubumbashi soon.

The location of drill-holes MO18DD001 to MO18DD007 (excluding MO18DD005) and MO18DD009 to MO18DD011 are stated in Appendix 1 and displayed in Figure 1.

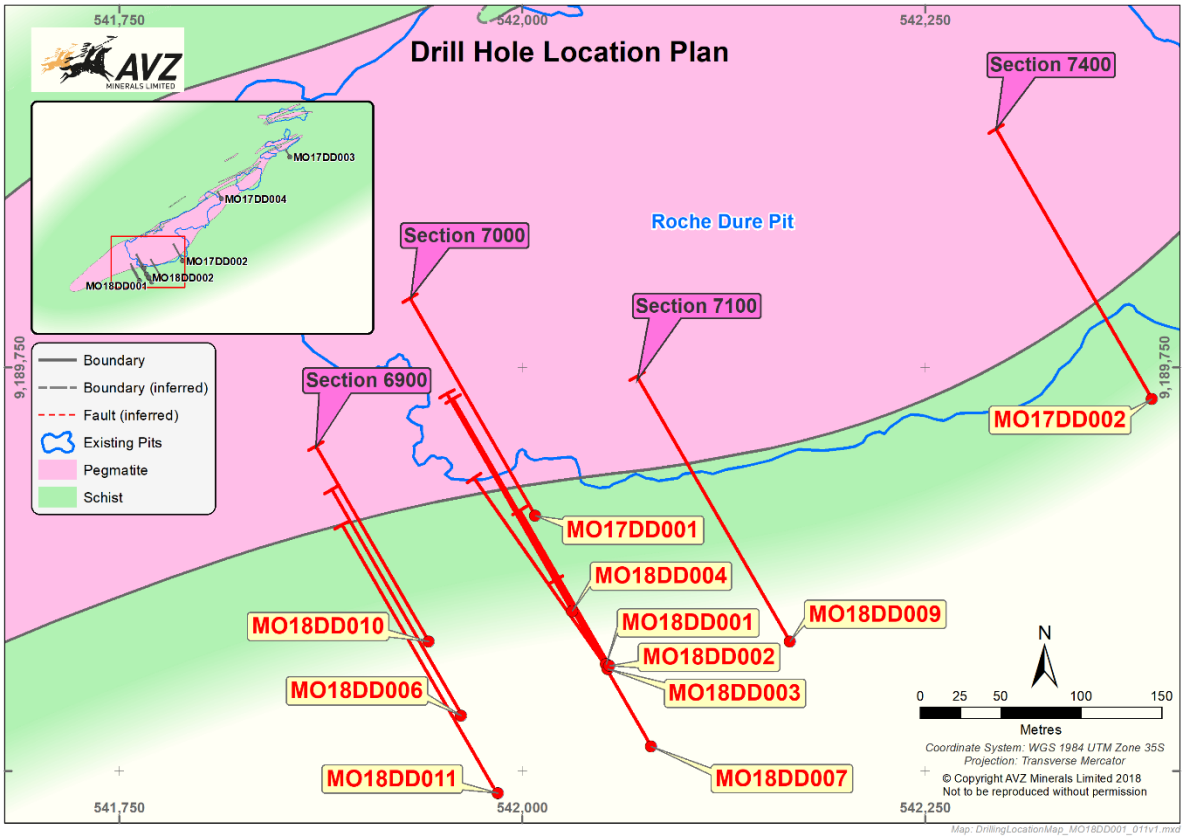


*Figure 1: Location of drill-holes MO18DD001 to MO18DD007 and MO18DD009 to MO18DD011*

Drill-holes MO18DD001 to MO18DD005 and MO18DD007 were drilled on section line 7000mN and confirm the continuation of the Roche Dure pegmatite at depth, see Figure 2.

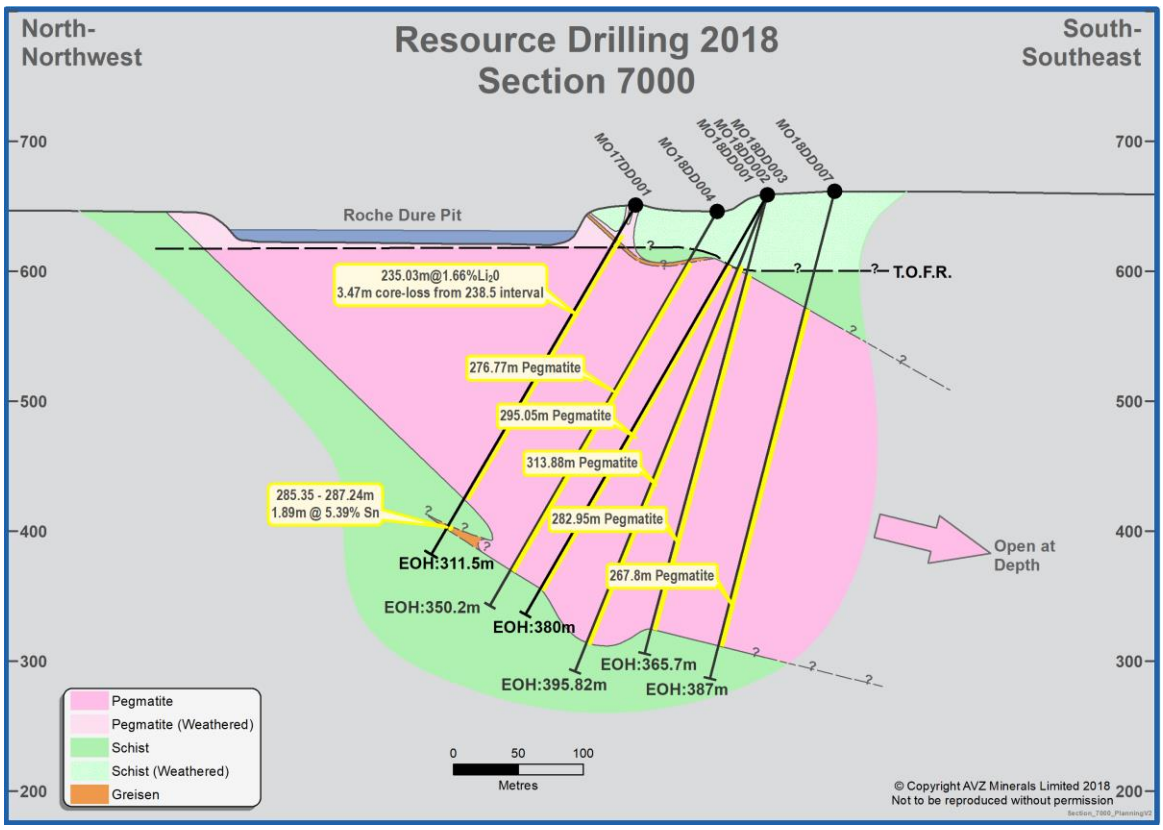


*Figure 2: Section line 7000mN*

Drill-holes MO18DD006, MO18DD010 and MO18DD011 are located on section line 6900mN and confirm the continuation of thick pegmatite, see Figure 3, 100m southwest of the intersections achieved by drill-holes situated on section line 7000mN.

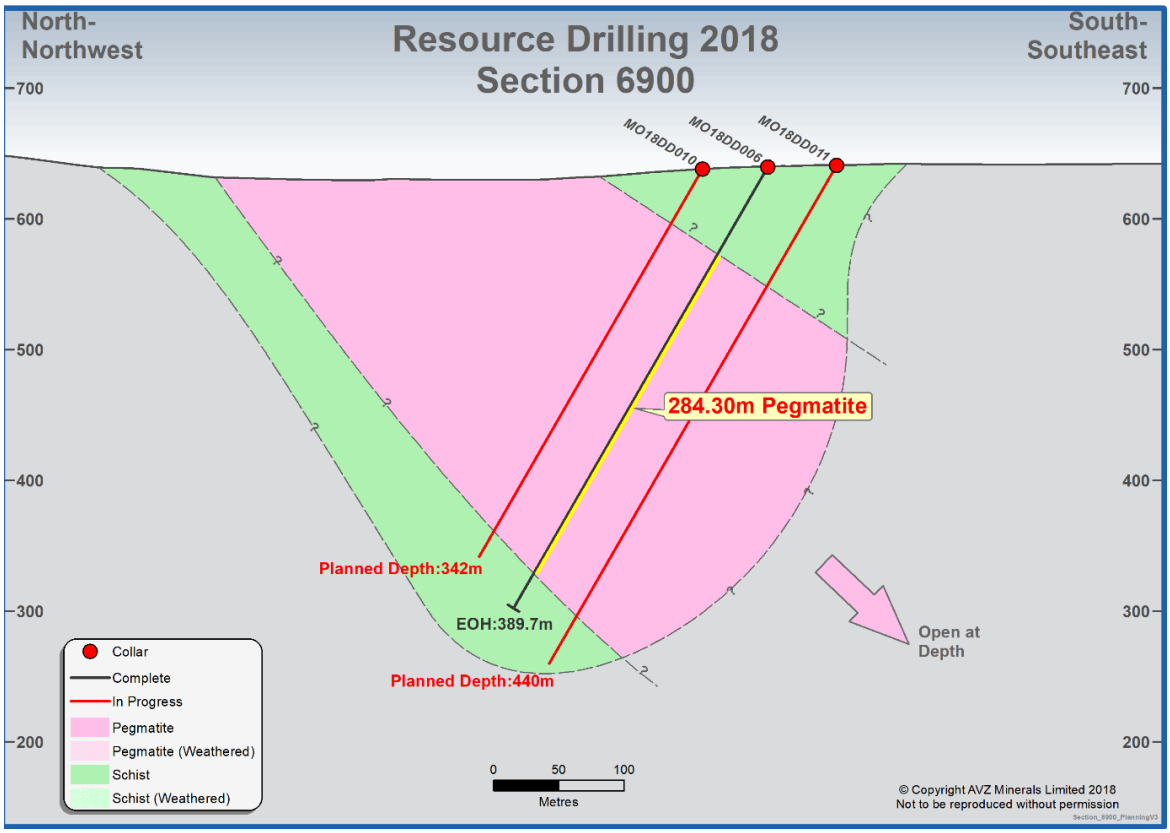


*Figure 3: Section Line 6900mN*

Drill-hole MO18DD009 is located on section line 7100mN and confirms the continuation of thick pegmatite, see Figure 3, 100m northwest of the intersections achieved by drill-holes situated on section line 7000mN.

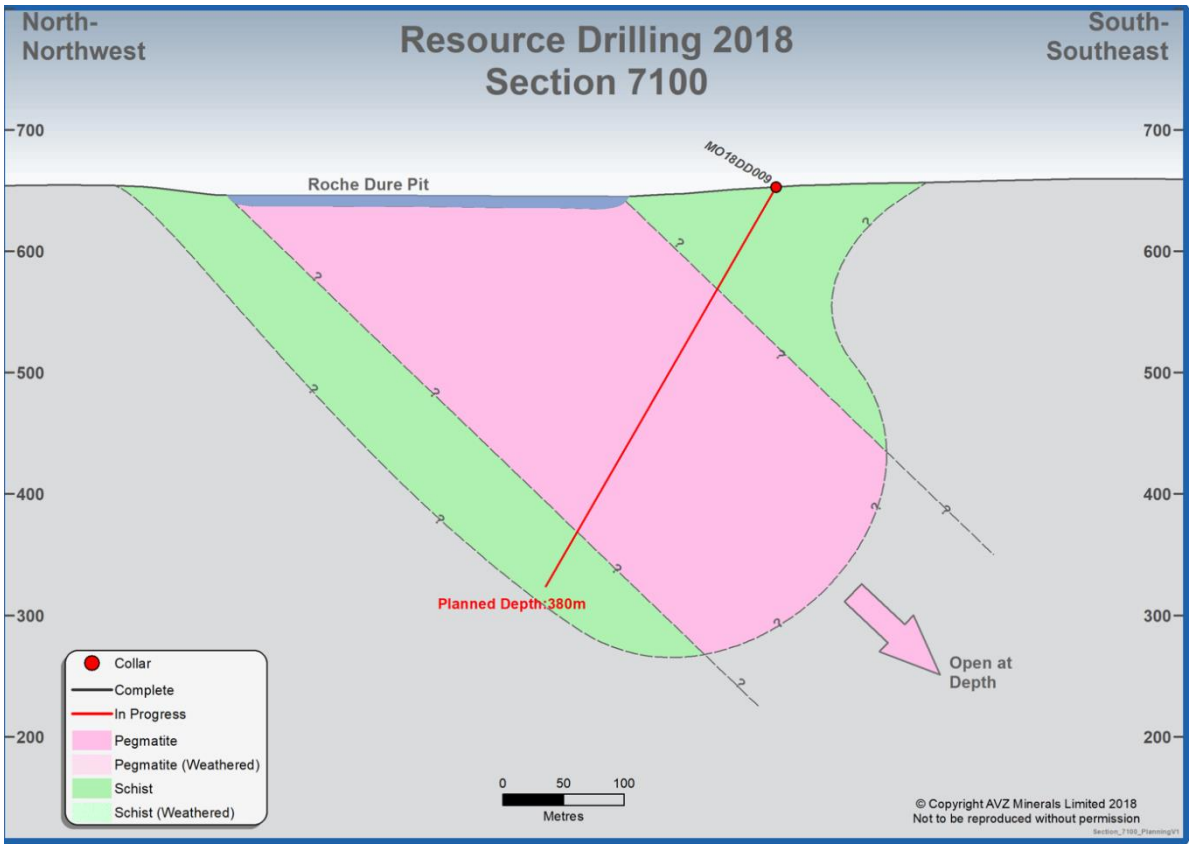


*Figure 4: Section Line 7100mN*

Note that the displayed orientation of drill-holes in Figures 2, 3 and 4 is schematic; there was some lifting and deviation of the drill-hole towards the north and this has increased the distance of the path of drill-holes through the pegmatite. The down-hole survey table for these holes is attached as Appendix 2.

MO18DD008 was drilled in the Manono sector (location stated in Appendix 1 and displayed in Figure 5) as a bore-hole to draw ground-water from, so that the AVZ camp would have its own water supply. Although no water was found, at depth the hole penetrated a thick pegmatite, see Figure 6. The core from the hole has been logged and sampled for assaying. The pegmatite may be an as-yet un-named pegmatite that underlies the Carriere De L'est pegmatite or part of the Carriere De L'est pegmatite.

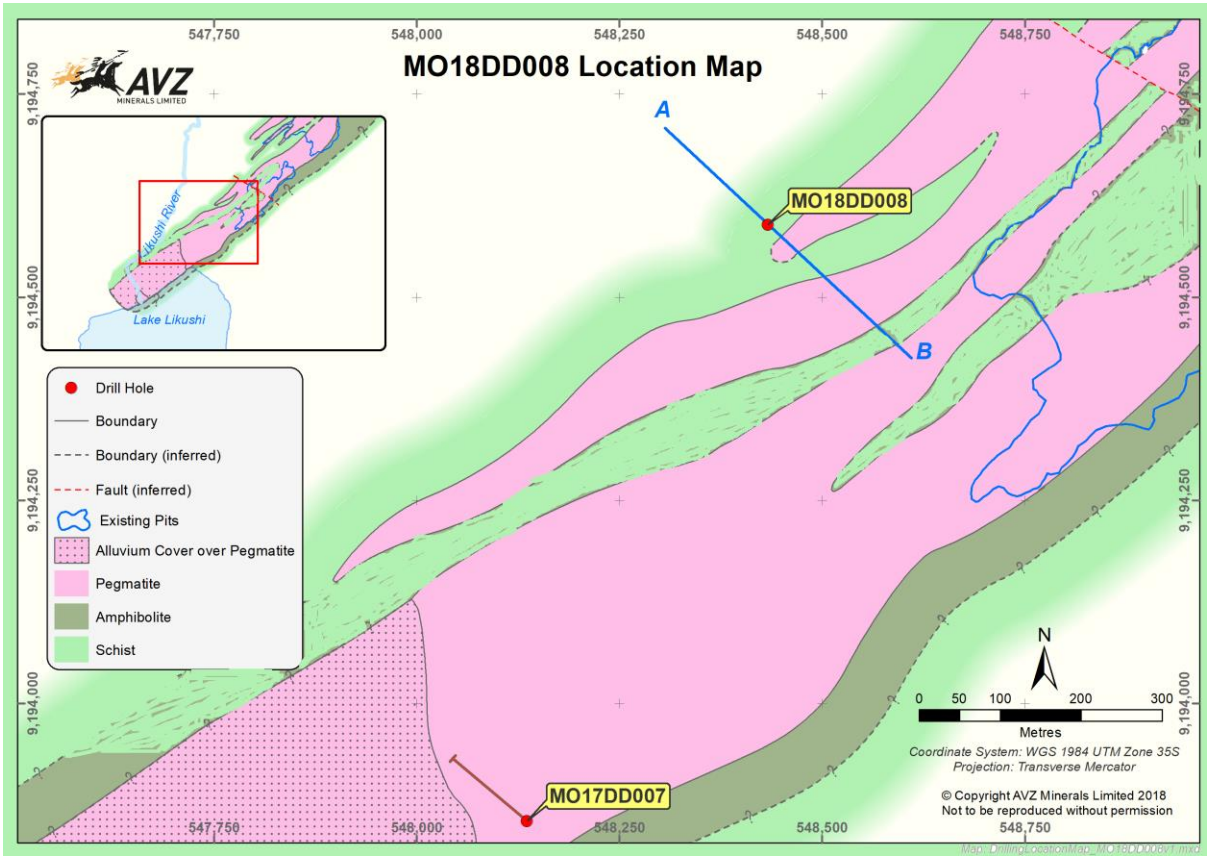


*Figure 5: Location of MO18DD008*

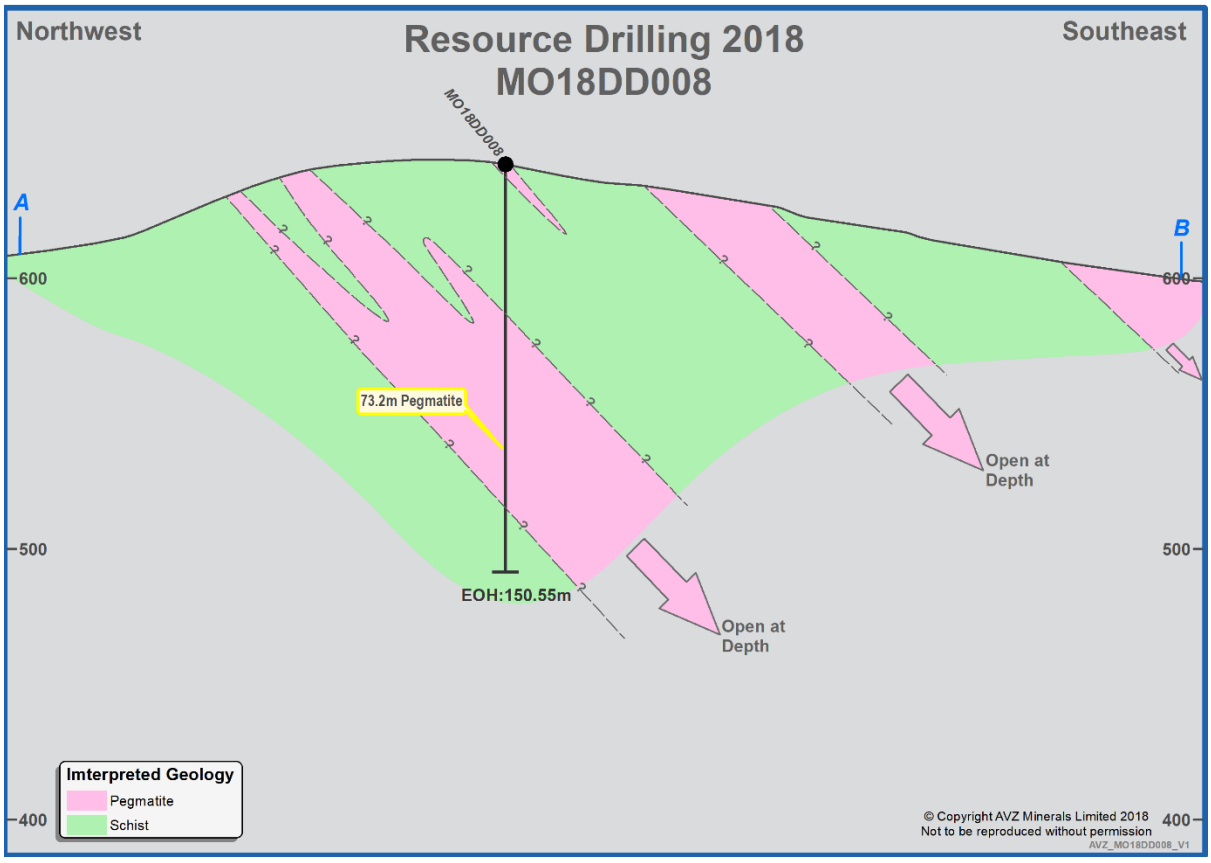


*Figure 6: Cross-section of MO18DD008*

Drill-hole assay results are anticipated to be received before the end of the month and will be reported as soon as possible.

**Community Relations and Social Investment**

AVZ prides itself on being an equal opportunity employer and is committed to creating lasting benefits for our host country and the communities around our operation, ensuring that the exploitation of their natural resources improves the lives of all stakeholders. Safety, community grievances, health, and education are central to managing our operations.

AVZ has engaged with local community leaders and Government officials to establish and develop facilities and benefits in the areas of education, housing, health, water and agribusiness infrastructure. We will continue to advance our contributions as the company grows. Primary initial investment will be in the areas of health including inoculations for children, safe water supplies and local infrastructure. AVZ has contributed to medical evacuations for the local citizens requiring more advanced medical attention in Lubumbashi and will continue to advance investment in the new local hospital to ensure a better service for the community.


*Various images of locals from the Manono area.*

**BNBT Site Visit**

The Company hosted BNBT's Chairman, Executive & Technical Teams on-site at Manono. The key focus of the visit was furthering the appreciation of the 13.5 km of pegmatite, four main historic mine pits, the camp facilities, drilling operations and meeting the 40+ staff that AVZ has on the ground. AVZ's focus on community relations, including health, education and employment initiatives was well received by BNBT and remains a core focus of the Company.

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

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**Competent Persons Statement**

The information in this report that relates to mineral composition investigations is based on information compiled by Mr Peter Spitalny, a Competent Person whom is a Member of the Australasian Institute of Mining and Metallurgy. Mr Spitalny is a full-time employee of Hanree Holdings Pty Ltd. Mr Spitalny has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Spitalny consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## APPENDIX 1 - Drill Hole Collar Details

| Drill-hole ID | Drilling method | Section Line | Easting (mE) | Northing (mN) | Elevation (m) | Datum | Zone | Dip [degrees] | Azimuth (Magnetic) [degrees] | EOH (m) |
|---|---|---|---|---|---|---|---|---|---|---|
| MO18DD001 | DDH | 7000mN | 542052 | 9189566 | 659 | WGS 84 | 35 M | -60 | 335 | 380 |
| MO18DD002 | DDH | 7000mN | 542054 | 9189565 | 658 | WGS 84 | 35 M | -75 | 330 | 365.7 |
| MO18DD003 | DDH | 7000mN | 542053 | 9189565 | 656 | WGS 84 | 35 M | -67 | 325 | 395.8 |
| M018DD004 | DDH | 7000mN | 542031 | 9189599 | 656 | WGS 84 | 35 M | -60 | 325 | 350.2 |
| M018DD005 | DDH | 7000mN | 542082 | 9189520 | 658 | WGS 84 | 35 M | -60 | 325 | 85.5 |
| M018DD006 | DDH | 6900mN | 541962 | 9189534 | 650 | WGS 84 | 35 M | -60 | 330 | 389.7 |
| M018DD007 | DDH | 7000mN | 542080 | 9189515 | 655 | WGS 84 | 35 M | -75 | 325 | 387 |
| M018DD008 | DDH | N/A | 548433 | 9194589 | 642 | WGS 84 | 35 M | -90 | N/A | 149.5 |
| M018DD009 | DDH | 7100mN | 542163 | 9189580 | 653 | WGS 84 | 35 M | -60 | 330 | 380 (planned) |
| M018DD010 | DDH | 6900mN | 541942 | 9189580 | 650 | WGS 84 | 35 M | -60 | 330 | 342 (planned) |
| M018DD011 | DDH | 6900mN | 541985 | 9189485 | 653 | WGS 84 | 35 M | -60 | 330 | 440 (planned) |

## APPENDIX 2 - Down Hole Survey Table for MO18DD003 to MO18DD008

| Hole I.D. | Depth | Inclination (degrees) | Azimuth (degrees) |
|---|---|---|---|
| MO18DD003 | 0 | -67 | 325 |
| MO18DD003 | 30 | -67.2 | 326.3 |
| MO18DD003 | 60 | -66.9 | 326.5 |
| MO18DD003 | 90 | -66.9 | 325.7 |
| MO18DD003 | 120 | -67.1 | 326.4 |
| MO18DD003 | 150 | -66.9 | 326.9 |
| MO18DD003 | 180 | -66.9 | 328 |
| MO18DD003 | 210 | -67 | 329.5 |
| MO18DD003 | 240 | -67 | 329.5 |
| MO18DD003 | 270 | -67.1 | 330.5 |
| MO18DD003 | 300 | -66.8 | 331.9 |
| MO18DD003 | 330 | -66.4 | 332.7 |
| MO18DD003 | 360 | -66 | 334.2 |
| MO18DD004 | 0 | -60 | 325 |
| MO18DD004 | 30 | -60 | 325 |
| MO18DD004 | 60 | -61.9 | 325.7 |
| MO18DD004 | 90 | -61.8 | 327.3 |
| MO18DD004 | 120 | -61.4 | 329.2 |
| MO18DD004 | 150 | -61.4 | 330.1 |
| MO18DD004 | 180 | -61.3 | 331.3 |
| MO18DD004 | 210 | -61.3 | 332.4 |
| MO18DD004 | 240 | -61.2 | 331.1 |
| MO18DD004 | 270 | -61.2 | 334.4 |
| MO18DD004 | 300 | -61.5 | 334.6 |
| MO18DD004 | 330 | -61.5 | 335.3 |
| MO18DD004 | 350 | -61.5 | 335.6 |
| MO18DD005 | N/A | | |
| MO18DD006 | 0 | -60 | 330 |
| MO18DD006 | 32 | -59.7 | 330 |
| MO18DD006 | 62 | -59.9 | 330 |
| MO18DD006 | 92 | -61 | 327.8 |
| MO18DD006 | 122 | -61.2 | 326.8 |
| MO18DD006 | 152 | -60.7 | 327.5 |
| MO18DD006 | 182.7 | -60.2 | 327.6 |
| MO18DD006 | 212 | -59.6 | 328.3 |
| MO18DD006 | 242 | -58.8 | 328.4 |
| MO18DD006 | 272 | -58.7 | 329.9 |
| MO18DD006 | 302 | -57.9 | 328.2 |
| MO18DD006 | 330 | -58.7 | 329.9 |
| MO18DD006 | 362 | -55.8 | 328.3 |
| MO18DD006 | 389 | -59.6 | 328 |
| MO18DD007 | 0 | -75 | 325 |
| MO18DD007 | 30 | -75.3 | 325 |
| MO18DD007 | 60 | -75.3 | 325 |
| MO18DD007 | 90 | -75.7 | 326.1 |
| MO18DD007 | 120 | -75.7 | 327.1 |
| MO18DD007 | 150 | -76 | 327.1 |
| MO18DD007 | 180 | -75.8 | 328.7 |
| MO18DD007 | 210 | -75.5 | 330.1 |
| MO18DD007 | 240 | -75.5 | 332 |
| MO18DD007 | 270 | -75.4 | 333.1 |
| MO18DD007 | 300 | -75.4 | 334.8 |
| MO18DD007 | 330 | -75.2 | 336.3 |
| MO18DD007 | 360 | -75.3 | 337.3 |
| MO18DD007 | 387 | -75.6 | 338.3 |
| MO18DD008 | N/A | | |

## APPENDIX 3 - Results for drill-holes MO18DD001 to MO18DD004, MO18DD006 and MO18DD007

| Hole ID | Depth from | Depth to | Intercept width | Weathering | Lithology | Rock texture | Colour | Mineral |
|---|---|---|---|---|---|---|---|---|
| MO18DD001 | 0.00 | 62.00 | | weathered to fresh | Laterite with quartz and haematitic schists | | brown grey | |
| **MO18DD001** | **62.00** | **85.95** | **23.95** | weakly weathered to fresh | **LCT pegmatite with very minor haematitic schists** | emg | white cream | spodumene |
| **MO18DD001** | **85.95** | **356.06** | **270.11** | fresh | **Massive LCT pegmatite** | ecg | grey | spodumene |
| MO18DD001 | 357.00 | 358.00 | | fresh | Greisen | emg | grey | |
| MO18DD001 | 358.00 | 380.00 | | fresh | Footwall quartz biotite schists | cpsch | grey | |
| MO18DD002 | 0.00 | 63.00 | | very to weakly weathered | laterite and haematitic schists | | red brown & grey | |
| **MO18DD002** | **63.20** | **346.15** | **282.95** | fresh | **Massive LCT pegmatite** | emg | white to pink cream | spodumene |
| MO18DD002 | 346.00 | 347.00 | | fresh | dolerite | efg | black drak grey | |
| MO18DD002 | 347.00 | 366.00 | | fresh | Haematite mica biotite schist | cpsch | green grey | |
| MO18DD003 | 0.00 | 59.00 | | very to weakly weathered | laterite and haematitic schists | extra fine grained | brown and red | |
| **MO18DD003** | **59.01** | **83.00** | **23.99** | moderrately weathered | **LCT pegmatite with minor schists and quartz** | extra fine grained | white to cream | minor spodumene |
| **MO18DD003** | **83.00** | **372.89** | **289.89** | fresh | **Massive LCT pegmatite** | afc | grey white | spodumene |
| MO18DD003 | 372.89 | 380.00 | | fresh | haematitic mica schists | sch | grey | |
| **MO18DD004** | 0.00 | 54.00 | | strongly weathered | laterite and haematitic schists | mainly nodular | brown | |
| **MO18DD004** | **54.00** | **65.00** | **11.00** | strongly weathered | **LCT pegmatite** | friable | white | spodumene |
| **MO18DD004** | **65.00** | **331.77** | **266.77** | fresh | **Massive LCT pegmatite** | massive | white | spodumene |
| MO18DD004 | 331.77 | 331.89 | | fresh | greisen | fine grained | grey | |
| MO18DD004 | 331.89 | 350.20 | | fresh | haematite biotite schists | schistose | grey | |
| MO18DD006 | 0.00 | 77.00 | | strongly weathered | laterite with haematitic schist and quartz | friable | red brown | |
| MO18DD006 | 77.00 | 81.00 | | fresh | greisen | emg | grey | |
| **MO18DD006** | **76.80** | **361.10** | **284.30** | fresh | **Massive LCT pegmatite** | afc | white | spodumene |
| MO18DD006 | 361.00 | 371.00 | | fresh | haematitic biotite schists | schistose | grey | |
| MO18DD007 | 0.00 | 94.00 | | strongly weathered | Laterite and haematitic schists | nodular schistose | brown red | |
| **MO18DD007** | **93.90** | **367.10** | **273.20** | fresh | **Massive LCT pegmatite** | massive | grey | spodumene |
| MO18DD007 | 367.10 | 367.90 | | fresh | greisen | fine grained | grey | |
| MO18DD007 | 367.90 | 387.00 | | fresh | haematitic biotite schists | schistose | grey | |
| **NB: Pegmatite intercept between 93.90m and 367.10m includes two sections of no core recovery (zero grade included in average grade calculations) as follows:** | | | | | | | | |
| MO18DD007 | 150.00 | 150.00 | 0.00 | | lost core | | | |
| MO18DD007 | 153.00 | 153.00 | 0.00 | | lost core | | | |

***JORC Code, 2012 Edition – Table 1***

***Section 1*** *Sampling Techniques and Data*

(Criteria in this section apply to all succeeding sections)

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Sampling techniques | Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. | Diamond drilling, producing drill-core has been utilised to sample the pegmatite below ground surface. This method is recognised as providing the highest quality information and samples of the unexposed geology. |
| | Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. | Based on available data, there is nothing to indicate that drilling and sampling practices were not to normal industry standards at the time within the Manono licence PR13359. |
| | Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. | Diamond drilling has been used to obtain core samples which have then been cut longitudinally. Sections to be submitted for assay have been determined according to geological boundaries and, away from the contact zones, samples have been taken at 1-m intervals.<br>The submitted half-core samples typically have a mass of 3kg – 4kg. |
| Drilling techniques | Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, whether core is oriented and if so, by what method, etc.). | The drilling discussed in the report preceding this table was completed using diamond core rigs with PQ and HQ sized drill rods. Most holes, apart from a vertical hole discussed in the attached announcement, are angled between $-50^0$ and $-75^0$ and collared from surface into weathered bedrock. All hole collars will be surveyed after completion. All holes (apart from the vertical hole) are down-hole surveyed using a digital multi-shot camera at about 30m intervals. The core obtained to-date by drilling has been oriented. |
| Drill sample recovery | Method of recording and assessing core and chip sample recoveries and results assessed. | Current diamond core drilling is averaging greater than 90% recovery as calculated from RQD logs. |
| | Measures taken to maximise sample recovery and ensure representative nature of the samples. | AVZ has ensured minimum adequate supervision of drilling has been completed by an experienced geologist to correct drilling protocols are followed and sample recovery is maximized. |
| | Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | For the vast majority of the drilling completed, recovery was near 100% and there is no sample bias due to preferential loss or gain of fine or coarse material. |
| Logging | Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. | Drill-core is logged by a qualified geologist using a data-logger which is then uploading into the micromine software system. A complete copy of the data is held by an independent consultant. The parameters recorded in the logging are adequate to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. |
| | Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography | All core is logged, and logging is by qualitative (Lithology) and quantitative (RQD) methods. All core is also photographed. |
| | The total length and percentage of the relevant intersections logged. | The entirety of all drill-holes are logged for geological, mineralogical and geotechnical data. |

| | | |
|---|---|---|
| Sub-sampling techniques and sample preparation | If core, whether cut or sawn and whether quarter, half or all core taken. | Core is cut longitudinally and half-core is submitted for assay. |
| | If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. | The current program is diamond core drilling. |
| | For all sample types, the nature, quality and appropriateness of the sample preparation technique. | The sample preparation for drill-core samples incorporates standard industry best-practice and is appropriate. The half-core samples are sent to ALS Lubumbashi where they are crushed and then pulverized to produce a pulp. A 120gm subsample is split and then exported to Australia for analytical determination. |
| | Quality control procedures adopted for all subsampling stages to maximise representivity of samples. | Standard sub-sampling procedures are utilized by ALS Lubumbashi at all stages of sample preparation such that each sub-sample split is representative of the whole it was derived from. |
| | Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling | Duplicate sampling has been undertaken for the current drilling program. After half-core samples have been crushed, a split is taken as a field duplicate and then placed into a pre-numbered bag. The Duplicate is then pulverized and a pulp split from the pulverized mass. An AVZ geologist supervises the preparation and bagging of the duplicate. |
| | Whether sample sizes are appropriate to the grain size of the material being sampled. | Samples from drilling are sampled by methods that are appropriate for the material being sampled for the purposes of the sampling and in-accord with standard industry best-practice. |
| Quality of assay data and laboratory tests | The nature, quality and appropriateness of the Assaying and laboratory procedures used and whether the technique is considered partial or total. | Diamond drill-hole (core) samples are to be submitted to ALS Lubumbashi (DRC) where they will be crushed and pulverized to produce pulps. These pulps will exported to Australia and analyzed by ALS Laboratories in Perth, Western Australia using a Sodium Peroxide Fusion followed by digestion using a dilute acid thence determination by AES or MS, i.e. methods ME-ICP89 and ME-MS91), with determination of a suite of elements that includes Li, Sn, Ta & Nb.<br><br>Peroxide fusion results in the complete digestion of the sample into a molten flux. As fusion digestions are more aggressive than acid digestion methods, they are suitable for many refractory, difficult-to-dissolve minerals such as chromite, ilmenite, spinel, cassiterite and minerals of the tantalum-tungsten solid solution series. They also provide a more-complete digestion of some silicate mineral species and are considered to provide the most reliable determinations of lithium mineralization.<br><br>Sodium Peroxide Fusion is a total digest and considered the preferred method of assaying pegmatite samples. |
| | For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. | These geophysical instruments are not used in assessing the mineralization within AVZ's Manono Lithium Project. |
| | Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. | For the drilling, AVZ has incorporated standard QA/QC procedures to monitor the precision, accuracy and general reliability of all assay results from assays of drilling samples. As part of AVZ's sampling protocol, CRM's (standards), blank and duplicates are inserted into the sampling stream. In addition, the laboratory (ALS Perth) incorporates its own internal QA/QC procedures to monitor its assay results prior to release of results to AVZ. AVZ will also utilize a "sister laboratory" (external laboratory check) to complete checks upon assay results received from ALS Perth.<br>At the time of issue of the attached announcement, assay results had not been received. |

| | | |
|---|---|---|
| Verification of sampling and assaying | The verification of significant intersections by either independent or alternative company personnel. | No verification exploration work has so far been undertaken. |
| | The use of twinned holes. | Twinned holes have not been drilled. |
| | Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. | The data from previous exploration are currently stored in hardcopy and digital format on site. A hard drive copy of this is located at the administration office in country and all data is uploaded to the GIS consultants' database in Perth, WA. |
| | Discuss any adjustment to assay data. | Assay results for the core samples have not yet been received at the time of issuing the announcement preceding this table. |
| Location of data points | Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. | The drill-hole collars have been surveyed using handheld GPS devices, giving an accuracy of +/- 3m in open-ground. The locations will be verified at a later date using an RTK differential GPS giving an accuracy of +/- 0.005m.<br>Down-hole surveys are completed at 30m intervals with both azimuth and inclination determined with an accuracy of 1 decimal place. |
| | Specification of the grid system used. | WGS_84 UTM Zone 35M |
| | Quality and adequacy of topographic control. | No survey has been undertaken. Hand held GPS coordinates have been utilized to locate drill-holes to-date but a high-accuracy survey using an RTK differential GPS giving an accuracy of +/- 0.005m will be completed after the drilling program is completed. |
| Data spacing and distribution | Data spacing for reporting of Exploration Results. | Drill-hole spacing is planned for completion of drill-holes on sections 100m apart, with drill collars 50m to 100m apart where possible. In situations of difficult terrain, it is planned to drill multiple holes from a single drill-pad but using differing angles for each drill-hole.<br><br>Sample spacing is sufficiently dense to give a reasonable indication of the tenor of mineralisation. |
| | Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. | The spacing of drill-holes in the drilling program currently in-progress is considered sufficient to establish the degree of geological and grade continuity such that a Mineral Resource can be defined. |
| | Whether sample compositing has been applied. | No compositing was applied. |
| Orientation of data in relation to geological structure | Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. | The drill-hole orientation is designed to intersect the pegmatites such that drilling-intersections are at, or nearly at, $90^0$ to the strike of the pegmatite. Most holes are also intended to intersect the pegmatite at, or close to, $90^0$ to the dip of the pegmatite however, some drill-holes have had to be oriented such that the ideal intersection is not achieved. Where this is the case, it is stated. |
| | If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | There is no apparent bias in any sampling to date. |
| Sample security | The measures taken to ensure sample security. | Chain of custody is maintained by AVZ personnel on-site to Lubumbashi. At Lubumbashi, the prepped samples (pulps) are sealed into a box and delivered by DHL to ALS Perth. |
| Audits or reviews | The results of any audits or reviews of sampling techniques and data. | The sampling techniques and data have been reviewed and the assay results are believed to give a reliable indication of the lithium mineralisation within the samples. |

**Section 2** Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code Explanation | Commentary |
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| Mineral tenement and land tenure status | Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. | The Manono licence has been recently awarded as a Research Permit PR 13359 issued on the 28th December 2016 and valid for 5 years.<br><br>All indigenous title is cleared and there are no other known historical or environmentally sensitive areas. |
| | The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | See above, no other known impediments. |

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| Exploration done by other parties | Acknowledgment and appraisal of exploration by other parties. | Within PR13359 exploration of relevance was undertaken by Geomines whom completed a program of drilling between 1949 and 1951. The drilling consisted of 42 vertical holes drilled to a general depth of around 50 to 60m and reaching the -80m level. Drilling was carried out on 12 sections at irregular intervals ranging from 50m to 300m, and over a strike length of some 1,100m. Drill spacing on the sections varied from 50 to 100m. The drilling occurred in the RD Pit only, targeting the fresh pegmatite in the Kitotolo sector of the project area.<br><br>The licence area has been previously mined for tin and tantalum including “coltan” through a series of open pits over a total length of approximately 10km excavated by Zairetain sprl. More than 60Mt of material was mined from three major pits and several subsidiary pits. Ore was crushed and then upgraded through gravity separation to produce a concentrate of a reported 72%Sn. There are no reliable records available of tantalum or lithium recovery as tin was the primary mineral being recovered.<br><br>Apart from the mining excavations and the drilling program, there has been very limited exploration work within the Manono extension licences. |

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| Geology | Deposit type, geological setting and style of mineralisation. | The Project lies within the mid-Proterozoic Kibaran Belt - an intracratonic domain, stretching for over 1,000 km through Katanga and into southwest Uganda. The belt strikes predominantly SW-NE and is truncated by the N-S to NNW-SSE trending Western Rift system.<br><br>The Kibaran comprises a sedimentary and volcanic sequence that has been folded, metamorphosed and intruded by at least three separate phases of granite. The latest granite phase (900 to 950 My ago) is assigned to the Katangan cycle and is associated with widespread vein and pegmatite mineralization containing tin, tungsten, tantalum, niobium, lithium and beryllium. Deposits of this type occur as clusters and are widespread throughout the Kibaran terrain. In the DRC, the Katanga Tin Belt stretches over 500 km from near Kolwezi in the southwest to Kalemie in the northeast comprising numerous occurrences and deposits of which the Manono deposit is the largest.<br><br>The geology of the Manono area is poorly documented and no reliable maps of local geology were observed. Recent mapping by AVZ has augmented the overview provided by Bassot and Morio (1989) and has led to the following description.<br><br>The Manono Project pegmatites are hosted by a series of mica schists and by amphibolite in some locations. These host rocks have a steeply dipping penetrative foliation that appears to be parallel to bedding. There are numerous bodies of pegmatite, the largest of which have sub-horizontal to moderate dips, with dip direction being towards the southeast. The pegmatites post-date metamorphism, with all primary igneous textures intact. They cross-cut the host-rocks but despite their large size, the contact deformation and metasomatism of the host rocks by the intrusion of the pegmatites seems minor. The absence of significant deformation of the schistosity of the host rocks implies that the pegmatites intruded brittle rocks.<br>The pegmatites constitute a pegmatite swarm in which the largest pegmatites have an apparent en-echalon arrangement in a linear zone more than 12km long. The pegmatites are exposed in two areas; Manono in the northeast, and Kitotolo in the southwest. These areas are separated by a 2.5 km section of alluvium-filled floodplain which contains Lake Lukushi. At least one large pegmatite extends beneath the floodplain.<br>The pegmatites are members of the LCT-Rare Element group of pegmatites and within the pegmatite swarm there are LCT Albite-spodumene pegmatites and LCT Complex (spodumene sub-type) pegmatites. |
| Drill hole Information | A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<br>• easting and northing of the drill hole collar<br>• elevation or RL (Reduced Level – elevation above sea level in metres) of<br>the drill hole collar<br>• dip and azimuth of the hole<br>• down hole length and interception depth<br>• hole length. | This information is included as Appendix 1 of the announcement preceding this table. |

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| | If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | This information has not been excluded. |
| Data aggregation methods | In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. | Not yet applicable; assay results for drilling are not included in the announcement to which this table is attached. |
| | Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. | Not yet applicable; assay results for drilling are not included in the announcement to which this table is attached. |
| | The assumptions used for any reporting of metal equivalent values should be clearly stated. | Not applicable; metal equivalents are not reported by AVZ. |
| Relationship between mineralisation widths and intercept lengths | These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported | The geometry of the mineralisation reported is reasonably well understood however the pegmatite are not of uniform thickness and their orientations vary down-dip and along strike. Consequently, most drilling intersections do not represent the true-thickness of the intersected pegmatite. |
| | If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). | In the announcement to which this table is attached, there are clear statements given that clarify the nature of the intersections, stating that the reported interval is not the true thickness. |
| Diagrams | Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | The required sections and plans are included in the announcement to which this table is attached. |
| Balanced reporting | Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | Assay results for samples from the drilling have not yet been received and are therefore not reported in the preceding announcement. |
| Other substantive exploration data | Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | This information will be supplied as the project advances and said data is generated. |
| Further work | The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). | Diamond drill testing of the identified priority targets will be on-going. Metallurgical testing is being undertaken and will be reported when results are received. |
| | Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling | The diagrams in the announcement preceding this table show the intersected pegmatite and potential extensions. |

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| | areas, provided this information is not commercially sensitive. | |