



**AVZ Minerals  
Limited**

13 April 2018

Mr Ben Secrett  
Senior Advisor, Listings Compliance (Perth)  
ASX Compliance Pty Limited  
Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

Via email: [Ben.Secrett@asx.com.au](mailto:Ben.Secrett@asx.com.au) and [tradinghaltsperth@asx.com.au](mailto:tradinghaltsperth@asx.com.au)

Dear Mr Secrett,

**AVZ Minerals Limited - ASX Query Letter**

AVZ Minerals Ltd (ASX: **AVZ**) ("the Company") refers to your query letter dated 13 April 2018 and provides the following responses:

**1. Is AVZ aware of the 11 April Twitter Post? If so, at what time and date did it become aware?**

Yes, the Company is aware of the 11 April Twitter Post. The Company became aware of the 11 April Twitter Post at 12:25pm on 12 April 2018 when it was contacted by Ben Secrett of the ASX to advise the Company of the Twitter Post. Following this conversation, the Company requested a trading halt.

**2. Has AVZ executed any "Confidential MOUs" as referred to in the 11 April Twitter Post?**

Yes, the Company has signed one Memorandum of Understanding ("MOU") with an undisclosed third party on 2 October 2017 ("Undisclosed Party") which has not been announced to the market.

**3. If the answer to question 2 is 'yes', are any of those Confidential MOUs such that a reasonable person would expect them to have a material effect on the price or value of the Company's securities? If not, why not?**

No, we do not consider that a reasonable person would expect the announcement of this Confidential MOU to have a material effect on the price or value of the Company's

securities. Whilst announcements in relation to MOU's have been made by the Company in the past the Company does not consider that this MOU requires disclosure. In addition to this, the Company has had little engagement with this Undisclosed Party since the MOU was executed and negotiations have not progressed.

- 4. If the answer to questions 2 and 3 are "yes", please provide details of the MOUs (this is on the basis they are no longer confidential, having regard to the 11 April Twitter Post, and therefore do not qualify for protection from immediate disclosure under Listing Rule 3.1A).**

Not applicable.

- 5. Was AVZ aware of Mr Langford's intention to publish the 11 April Twitter Post ahead of its publication?**

No, the Company was not aware of Mr Langford's intention to publish the 11 April Twitter Post ahead of its publication.

- 6. Did AVZ approve the publication of the 11 April Twitter Post?**

No, the Company did not authorise or approve the 11 April Twitter Post by Mr Langford.

- 7. Please explain the nature of the relationship between AVZ and Airguide (including Mr Langford as a principal of Airguide). In answering this question, please provide details of the specific work and tasks that Airguide has been engaged to conduct, including whether any Airguide staff are authorised to act as spokesperson for AVZ.**

On 2 June 2017, the Company announced that it had appointed Airguide as its Strategic Advisor to facilitate and advise the Company on key relationships and a broader work program aimed at securing value-added commercial agreements with relevant counter-parties in China. The objective of the appointment was to secure binding off-take agreements, partnership agreements, investment agreements and/or joint-venture agreements with industry leaders involved in commodity investment and asset management in China. Mr Michael Langford is one of Airguide's principals and one of the Company's main contacts for this engagement.

Under the terms of engagement with Airguide, as the Company's Strategic Advisor, they are to provide the Company with advisory services, which may include some or all of the following:

- provide ongoing understanding and modelling of the lithium market (global demand & supply) and identification of strategic options for the Company;
- the identification of parties to potentially develop and/or finance and/or purchase the assets of AVZ in part or in entirety;
- the introduction and facilitation of meetings and site visits with potential future prospective parties;
- provide ongoing translation of documents relevant to this Engagement for the China market and the provision of translators for the Company during our joint visits to meet parties in China during the Period of Engagement;

- advise on contract key terms, pricing and negotiation strategies;
- advise on use of funds and/or capital raising timing and market feedback on Company valuation;
- advise on capital markets regarding equity, debt, pre-payments and/or alternative structures for financing and project development;
- to assist and make recommendations to the Company in connection with Strategic Placements;
- procure the signing of non-binding memoranda of understanding and/or letter of intent with multiple parties; and
- manage existing and develop new relationships for the Company's benefit in order to procure potential future corporate transactions.

The key terms of the engagement with Airguide are as follows:

- The engagement period commenced 1 June 2017 and expires on 31 May 2018 and which is extendable by mutual agreement;
- Airguide have been issued 15 million Performance Rights subject to certain performance hurdles (of which 7.5 million have vested). The issue of these Performance Rights was ratified by Company shareholders at a General Meeting held on 12 October 2017; and
- The Company pays Airguide a monthly retainer of US\$25,000;
- If the Company completes a placement with a party introduced by Airguide, the Company must pay Airguide a fee of 6% of the total funds raised.

No, neither Airguide nor any Airguide staff are authorised to act as spokesperson for AVZ.

- 8. Please provide a copy of any agreement between the Company and Airguide relating to provision of any advisory or marketing services (this is to enable ASX to verify the answer to the previous question and is not for release to the market).**

The Company has provided all agreements in place with Airguide to the ASX for review.

- 9. Does the Company consider it appropriate for Mr Langford, as a principal of Airguide, an advisor to the Company, to publish Tweets about the Company with potentially market-sensitive information about the Company's securities that have not been released to on the ASX Markets Announcements Platform?**

No, the Company does not consider it appropriate.

- 10. Does the Company consider it appropriate for Mr Langford, as a principal of Airguide, an advisor to the Company, to publish Tweets about the Company without disclosing the relationship between the Company and Airguide?**

No, the Company does not consider it appropriate.

- 11. If the answer to question 9 or 10 is 'no', what action does the Company intend to take?**

The Company has formally requested Mr Langford to refrain from disclosing any potentially market sensitive information, that has not been announced on the ASX Markets Announcements Platform, regarding the Company via Twitter or any other form of social media. The Company has also requested that any posts on Twitter in regard to AVZ be cleared by the Company prior to release.

**12. Please confirm that AVZ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1?**

The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

**13. Please confirm that AVZ'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 Entity with delegated authority from the Board to respond to ASX on disclosure matters.**

The Company confirms that its response has been authorised and approved by officers of the Company that have delegated authority from the Board to respond to ASX disclosure matters.

Mathew O'Hara  
Company Secretary  
**AVZ Minerals Limited**



13 April 2018

Mathew O'Hara  
AVZ Minerals Limited  
Level 2, 389 Oxford Street  
MOUNT HAWTHORN WA 6016

By email

Dear Mr O'Hara

**AVZ MINERALS LIMITED ("AVZ"): QUERY LETTER**

ASX Limited ("ASX") refers to the following.

- A. A post published on Twitter on Wednesday, 11 April 2018, by Michael Langford (@ML\_SuperNinja) ("11 April Twitter Post"), which appears to have been deleted at the time of writing, which stated [emphasis added]:

"> \$AVZ:

1. Ministry of Land & Resources "Escondida of Lithium"
2. Bank of China International Coverage – AVZ "BUY".
3. SRK Consulting "enormous potential"
4. Lithium intercepts 50x+ > peer avg.
5. BNBT on site / MOU
6. Tinci + **Confidential MOUs**

What other #lithium Co has this?"

- B. AVZ's response to an ASX price query (which references the two Twitter posts detailed below in paragraphs C and D) released to the market on 6 April 2018.
- C. A post published on Twitter on Wednesday, 28 March 2018, by Michael Langford (@ML\_SuperNinja), which appears to have been deleted at the time of writing, which included images of drill core and stated:

"> \$AVZ Manono Core holes.

Core holes take up to 130 trays. Other #lithium companies core holes can be put into 1 or 2 trays.

A specific building is being refurbished to hold all the core trays. Cores are drilled in half to be sent off to the lab. Spodumene size is clearly obvious."



- D. A post published on Twitter on Wednesday, 28 March 2018, by Michael Langford (@ML\_SuperNinja), which appears to have been deleted at the time of writing, which stated:

*">\$AVZ worlds largest #Lithium & #Tin asset.*

*The spodumene crystals in the core holes are obvious in every single drilled hole.*

*High grade tin (see black on drill core) & lithium sections is obvious through the deposit.*

*AVZ is lowest quartile cost, long life and world class."*

- E. AVZ's announcement entitled "AVZ Minerals Appoints Strategic Adviser for China" released to the market through the ASX Market Announcements Platform on 2 June 2017, disclosing that AVZ had appointed Airguide International Pte Limited ("Airguide") as its strategic adviser to facilitate and advise AVZ on key relationships and a broader work program aimed at securing value-added commercial agreements with relevant counter-parties in China, and that Mr Michael Langford is one of Airguide's principals.
- F. 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.
- G. 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"*.
- H. 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."*

- I. 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 that:

*"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 AVZ 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. Is AVZ aware of the 11 April Twitter Post? If so, at what time and date did it become aware?
2. Has AVZ executed any "Confidential MOUs", as referred to in the 11 April Twitter Post?
3. If the answer to question 2 is 'yes', are any of those Confidential MOUs such that a reasonable person would expect them to have a material effect on the price or value of the Company's securities? If not, why not?
4. If the answer to questions 2 and 3 are "yes", please provide details of those MOUs (this is on the basis that they are no longer confidential, having regard to the 11 April Twitter Post, and therefore do not qualify for protection from immediate disclosure under Listing Rule 3.1A).
5. Was AVZ aware of Mr Langford's intention to publish the 11 April Twitter Post ahead of its publication?
6. Did AVZ approve the publication of the 11 April Twitter Post?
7. Please explain the nature of the relationship between AVZ and Airguide (including Mr Langford as a principal of Airguide). In answering this question, please provide details of the specific work and tasks that Airguide has been engaged to conduct, including whether any Airguide staff are authorised to act as a spokesperson for AVZ.
8. Please provide a copy of any agreement between the Company and Airguide relating to the provision of any advisory or marketing services (this is to enable ASX to verify the answer to the previous question and is not for release to the market).
9. Does the Company consider it appropriate for Mr Langford, as a principal of Airguide, an adviser to the Company, to publish Tweets about the Company with potentially market-sensitive information about the Company's securities that have not been released on the ASX Market Announcements Platform?



10. Does the Company consider it appropriate for Mr Langford, as a principal of Airguide, an adviser to the Company, to publish Tweets about the Company without disclosing the relationship between the Company and Airguide?
11. If the answer to question 9 or 10 is 'no', what action does the Company intend to take?
12. Please confirm that AVZ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
13. Please confirm that AVZ'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 AVZ 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 7.00am AWST on Monday, 16 April 2018**. If you do not respond to this letter in a manner satisfactory to ASX by this deadline, ASX will suspend trading in AVZ'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, AVZ'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 and may require AVZ to request a trading halt immediately.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements 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 at [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au). 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 ASX Market Announcements Platform.

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

Yours sincerely

*[sent electronically without signature]*

Ben Secrett  
**Senior Adviser, ASX Listings Compliance**