



**AVZ Minerals  
Limited**

23 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 23 April 2018 and provides the following responses:

**1. Please advise who wrote the Article.**

The Article was written by the Australian Financial Review as part of a paid advertising feature. The Article included comments from an interview with Mr Nigel Ferguson, AVZ's Managing Director.

**2. Did the board of directors of AVZ approve the contents of the Article?**

The Article was approved by Mr Nigel Ferguson, AVZ's Managing Director.

**3. Please explain the basis for Mr Ferguson's statement that the Manono Project "is the world's largest undrilled lithium resource target". In responding to this question, please address the requirements of clause 17 of the JORC Code and the fact that AVZ has not yet defined a JORC Code compliant mineral resource estimate for the Manono Project.**

The statement made by Mr Nigel Ferguson referring to the Manono Project as being the "world's largest undrilled lithium resource target" is based on the Manono Project's stated exploration target in comparison to its peers. This comparison was shown in the Company's AGM Presentation and released on the ASX on 29 November 2017.

The exploration target for the Manono Project is between 1Bt to 1.2Bt of 1.25% to 1.5% Li<sub>2</sub>O, including between 300Mt and 400Mt of 1.25% to 1.5% Li<sub>2</sub>O for the Roche Dure pegmatite alone.

The potential quantity and grade of the exploration target as stated above, is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

**4. Please confirm that AVZ has released an announcement which:**

- **Retracts any reference to potential mineral resources as being contrary to the JORC Code, and includes a statement to the effect that investors should not rely on that information for their investment decisions; and**
- **Clarifies that AVZ has previously released exploration targets in compliance with clause 17 of the JORC Code, re-state those exploration targets with the required cautionary statement, and cross reference the previous announcements which disclose the exploration targets in compliance with clause 17.**

The Company confirms that an announcement has been released to the market, dated 23 April 2018, which addresses the above points.

**5. 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.

**6. Please confirm that AVZ's responses to the questions above have been 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**



23 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. An advertising feature on page 30 of the *Australian Financial Review* newspaper on Monday, 23 April 2018 about AVZ and entitled 'Lithium shapes the way for clean energy – Ready for world's biggest lithium play' ("Article") which, amongst other things, contains the following statements.

"With a potential total resource of between 1.25 and 1.5 billion tonnes and an average grading around 1.5 per cent lithium oxide, Manono is considered to be key in controlling the global price of lithium in coming years.

"This is most probably the world's largest undrilled lithium resource target," says AVZ managing director, Nigel Ferguson."

"We will focus on the Roche Dure pegmatite and hope to drill out somewhere between 300-400 million tonnes, and then work on infill drilling approximately 150-200 million tonnes of measured resources."

- B. Clause 17 of the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* ("JORC Code") which, amongst other things, states:

17. *It is recognised that it is common practice for a company to comment on and discuss its exploration in terms of target size and type. However, any such comment in a Public Report must comply with the following requirements.*

***An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.***

*Any such information relating to an Exploration Target must be expressed so that it cannot be misrepresented or misconstrued as an estimate of a Mineral Resource or Ore Reserve. The terms Resource or Reserve must not be used in this context.*



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. Please advise who wrote the Article.
2. Did the board of directors of AVZ approve the content of the Article?
3. Please explain the basis for Mr Ferguson's statement that the Manono project "is most probably the world's largest undrilled lithium resource target". In responding to this question, please address the requirements of clause 17 of the JORC Code and the fact that AVZ has not yet defined a JORC Code compliant mineral resource estimate for the Manono project.
4. Please confirm that AVZ has released an announcement which:
  - retracts any reference to potential mineral resources as being contrary to the JORC Code, and includes a statement to the effect that investors should not rely on that information for their investment decisions; and
  - clarifies that AVZ has previously released exploration targets in compliance with clause 17 of the JORC Code, re-states those exploration targets with the required cautionary statement, and cross-references the previous announcements which disclose the exploration targets in compliance with clause 17.
5. Please confirm that AVZ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. 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.

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**