



AVZ introduces Yibin Tianyi Lithium as a Strategic Investor in A\$14.1m equity raising

Company executes a conditional Subscription Agreement with Yibin Tianyi Lithium Industry Co., Ltd who will emerge with a 12% stake in AVZ Minerals Ltd upon completion of a A\$14.1 million strategic share placement.

Highlights:

- Yibin Tianyi Lithium Industry Co., Ltd to invest in AVZ Minerals through a placement of A\$14.1 million
- Yibin Tianyi is an emerging lithium chemical producer in China backed by China's largest EV battery manufacturer CATL and Shenzhen listed company, Suzhou TA&A Ultra Clean Technology Co., Ltd
- Parties to negotiate in good faith to agree and execute a binding offtake arrangement
- Placement funds enables AVZ to complete acquisition of an additional 5% project interest from Dathomir and undertake early development works at Manono Project

AVZ Minerals Limited (ASX: "AVZ" or "the Company") is pleased to advise an equity placement of A\$14.1 million to Yibin Tianyi Lithium Industry Co., Ltd ("Yibin Tianyi") through the issue of 314,300,000 shares at 4.5 cents per share ("Placement").

Upon completion of the placement, Yibin Tianyi will hold a 12% stake in AVZ Minerals.

Yibin Tianyi is backed by a number of Chinese entities including China's largest EV battery manufacturer, Contemporary Amperex Technology (SZSE: 300750) ("CATL") and Suzhou TA&A Ultra Clean Technology Co., Ltd (SZSE: 300390).

Under the Subscription Agreement ("Subscription Agreement"), upon completion of the placement, both parties will negotiate in good faith to agree and execute a binding offtake agreement for the products from the Manono Lithium and Tin Project ("Manono Project").

Yibin Tianyi is currently constructing its Phase 1 lithium chemical plant in Yibin, China, and expects it to be completed by Q2 2020. The Company's Phase 2 expansion is expected to be completed by 2023/2024.

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Directors

Managing Director: Nigel Ferguson
Technical Director: Graeme Johnston
Non-Executive Director: Rhett Brans
Non-Executive Director: Peter Huljich
Non-Executive Director: Hongliang Chen

Market Cap

\$110 M

ASX Code: AVZ

AVZ Managing Director, Mr. Nigel Ferguson said: “We are excited to welcome Yibin Tianyi as a new, strategic investor in AVZ, especially given the backing they have from CATL – China’s largest EV battery manufacturer. Their intention to become one of the largest global lithium chemical producers certainly complements our vision of developing the largest hard rock lithium deposit in the world.

“Yibin Tianyi’s intention to invest in AVZ and enter into a binding offtake arrangement underpins the tier 1 quality of our Manono Project.

“The funds to be raised from this placement will enable AVZ to complete the acquisition of an additional 5% project interest from Dathomir Mining SARL, increasing AVZ’s overall interest in the Manono Project to 65%. The placement will also allow early development works to be undertaken at the Manono Project while the DFS is being completed.”

Placement Details

On completion of the placement, the Company will be issuing 314,300,000 shares at a price of 4.5 cents per share. This represents the last 7-day VWAP of AVZ shares. The new shares issued under the placement will rank equally with existing AVZ shares.

The placement is conditional upon the following being satisfied or waived within 84 days from the execution of the Subscription Agreement:

- Obtaining the approval of the Company's shareholders;
- Yibin Tianyi obtaining all relevant regulatory approvals for the placement shares including Chinese overseas direct investment (**ODI**) approvals and FIRB approval;
- Dathcom Mining SAS being converted from an SAS corporation to an SA corporation, and the articles of association and joint venture agreement in relation to Dathcom Mining SAS (as converted into an SA corporation) being adopted in a form that provides that the Company controls a majority of the board (on terms satisfactory to Yibin Tianyi, acting reasonably); and
- AVZ providing evidence to Yibin that Dathcom Mining has officially applied for and is in the process of being granted the tin rights in respect of the licenses, and such an application has not been refused or denied by a government agency.

Board representation

From completion of the placement, and provided that it retains voting power in AVZ of at least 10%, Yibin Tianyi will be entitled to nominate one person to be appointed as a non-executive director of the AVZ Board.

Standstill

Yibin Tianyi has also agreed, for a period of 12 months from the date of the Subscription Agreement, not to acquire (and procure its associates do not acquire) an aggregate relevant interest in more than 19.9% of AVZ shares, other than with the approval of the AVZ Board.

Additional information

CMB International is acting as Financial Adviser to Yibin Tianyi on the Placement.

About Yibin Tianyi Lithium Industry Co., Ltd:

Yibin Tianyi Lithium Industry Co., Ltd. (“the Company”) was set up by a partnership of Suzhou TA&A Ultra Clean Technology Co., Ltd. (SHE: 300390) and Changjiang Chendao (Hubei) New Energy Industry Investment Co., Ltd., Contemporary Amperex Technology Co., Limited (SZSE: 300750), Yibin Tianyuan Group Co., Ltd. (SHE: 002386), Ningbo Hanyi Investment Partnership Enterprise and Ningbo Meishan Bonded Port Area Chaoxing Investment Partnership Enterprise which signed the investment agreement on 13 November 2018 in Ningde City, Fujian Province to jointly invest in the construction of lithium battery materials projects to further strengthen their presence in the lithium battery industry.

On 19 November 2018, Yibin Tianyi Lithium Industry Co., Ltd. was formally established in Jiangan County Industrial Park, Yibin City, Sichuan Province, China. The Company's business scope is: lithium battery materials and lithium series products; R&D, production and sales of new energy related chemical products; production, processing and sales of battery-grade lithium hydroxide, lithium carbonate, lithium metal, industrial-grade lithium carbonate and its lithium series products, and other chemical products; and related technology research and promotion services; import and export business of product and technology and consulting services.

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

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