



ASX ANNOUNCEMENT

29 November 2019

Annual General Meeting Managing Director's Address

Ladies and Gentlemen – in providing you with a brief overview - the last 12 months have been extremely decisive for your company, with our world class Manono Lithium and Tin Project moving well beyond the exploration phase into a pre-development stage.

As you are all aware, we have commenced our Definitive Feasibility Study – which is due to be completed in Quarter 1 of 2020 – and in the last month or so we have started all of our environmental and social impact studies.

We have officially confirmed our Manono Project as the largest undeveloped hard-rock lithium resource in the world – in terms of grade, mine life and expandability – delivering a Measured, Indicated and Inferred resource of 400 million tonnes at 1.65% Spodumene, 715 parts per million Tin and 34 parts per million Tantalum¹.

Whilst these numbers confirm Manono's potential to become a world leader in the global lithium market, your company also discovered an exciting new standalone lithium project at Carriere de l'Este, which is located approximately 5.6km along strike from Roche Dure in the northern Manono sector.

The spectacular assay results from Carriere de l'Este show the deposit could deliver high-grade material for a potential mill-feed blend allowing us to process less tonnes to achieve the same concentrate tonnages.

Consequently, we made a conscious decision not to continue drilling for more resource – despite the huge potential that it clearly presents – and instead focussed our efforts on fast-tracking the Manono Project towards production.

To that end, we have completed our Phase 1 metallurgical test work on material from the Roche Dure prospect that showed it supports the potential for high-grade spodumene concentrate – producing up to a 6.3% Li₂O DMS concentrate – which is highly suitable for the supply of chemical grade concentrate to the lithium battery market.

An upgrade in specification is certainly possible – with our Phase 2 metallurgical test work now underway.

¹Refer to ASX announcement dated 14th October 2019, "Manono Lithium and Tin Project – Mineral Resource Statement".

AVZ Minerals Limited

Level 2, 8 Colin Street,
West Perth WA 6005
Australia

T: + 61 8 6117 9397

F: + 61 8 6118 2106

E: admin@avzminerals.com.au

W: www.avzminerals.com

ABN 81 125 176 703

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

\$100 M

ASX Code: AVZ

Another significant milestone achieved during the 2019 financial year was the release of our initial 2Mtpa Scoping Study, and later, our 5Mtpa Scoping Study – which demonstrated excellent economic outcomes for the Manono Project – with a pre-tax, pre-royalties Net Present Value¹⁰ of approximately US\$2.63 billion and an Internal Rate of Return of greater than 64%².

Importantly, ladies and gentlemen, – we expect further improvements can be made to our transport economics in our final DFS, which as I said earlier, is scheduled for completion in Quarter 1 next year.

On the corporate front, your Company recently announced a strategic equity placement of A\$14.1 million to Yibin Tianyi Lithium Industry Co. Ltd through the issue of 314,300,000 shares at 4.5 cents per share.

Yibin Tianyi is an emerging lithium chemical producer in China that is aligned and backed by China’s largest EV battery manufacturer, CATL, and the Shenzhen-listed company, Suzhou TA&A Ultra Clean Technology Co., Ltd.

We’re very excited to welcome Yibin Tianyi as a new strategic investor in AVZ – especially given the backing they have from CATL.

Yibin is expecting to have their Phase 1 20,000tpa lithium chemical plant in China completed by Q2 2020, and they intend to expand to Phase 2 by 2023-2024.

As part of their strategic share placement, your Company will be negotiating in good faith with Yibin to agree and execute a binding offtake agreement for lithium products from our Manono Project.

Ladies & Gentleman, clearly we have much to do over the coming 12 months to realise the full potential of this world class resource.

As I’ve said earlier, we’re working towards completing our DFS before the end of Quarter 1 next year, as well as finishing our Phase 2 Confirmatory Met Test Work.

We continue to investigate our export routes – and have been offered “every possible assistance” from relevant Tanzania Government agencies to facilitate our transport objective of being able to efficiently and cost effectively transport Roche Dure concentrate via the port of Dar es Salaam.

We’re looking to secure DRC Government benefits by way of supportive tax incentives and exemptions.

We’re in ongoing discussions with a number of interested parties around longer term partnerships involving offtake, offtake financing and strategic investment.

We continue the process to secure additional equity in the Manono Project from our main partner – La Congolaise D’Exploration Miniere.

We have appointed a highly experienced Project Director, Michael Hughes as well as strengthening our Board and executive management team to ensure we have an appropriate mix of geological, metallurgical, engineering, project development, finance and public company expertise to take our world-class Manono Project into development.

All in all, we have an incredibly exciting 12 months ahead of us and I look forward to your ongoing support and commitment.



Thank you.

²More detail on the Scoping Study can be found in the ASX Announcement dated 23rd May 2019 titled "5Mtpa Study Further Strengthens the Economic Potential". AVZ confirms that all the material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the initial public report referred to continue to apply and have not materially changed.

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

Mr. Leonard Math
Company Secretary
AVZ Minerals Limited
Phone: +61 8 6117 9397
Email: admin@avzminerals.com.au

Media Enquiries:
Mr. Peter Harris
Peter Harris & Associates
Phone: +61 (0) 412 124 833

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Competent Person Statement

The Mineral Resource estimate has been completed by Mrs Ipelo Gasela (BSc Hons, MSc (Eng)) who is a geologist with 14 years' experience in mining geology, Mineral Resource evaluation and reporting. She is a Senior Mineral Resource Consultant for The MSA Group (an independent consulting company), is registered with the South African Council for Natural Scientific Professions (SACNASP) and is a Member of the Geological Society of South Africa (GSSA). Mrs Gasela has the appropriate relevant qualifications and experience to be considered a Competent Person for the activity being undertaken as defined in the 2012 edition of the JORC Code. Mrs Gasela consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to metallurgical test work results is based on, and fairly represents information compiled and reviewed by Mr Nigel Ferguson, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists. Mr Ferguson is a Director of AVZ Minerals Limited. Mr Ferguson 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 Resource and Ore Reserves". Mr Ferguson consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.