



25 February 2020

Mr Sean Maloney
Advisor Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Via Email: ListingsCompliancePerth@asx.com.au

Dear Sean,

RESPONSE TO ASX AWARE QUERY

AVZ Minerals Limited (ASX: AVZ) ("the Company") refers to your Price and Volume Query Letter dated 21st February 2020 and provides the following responses:

- 1. Does AVZ consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

- 2. If the answer to question 1 is "no", please advise the basis for that view.**

Not applicable.

- 3. When did AVZ first become aware of the Information?**

AVZ became aware of the Information upon the execution of the Memorandum of Understanding between AVZ and the Ministry of Industry held during the day on Saturday, 15th February 2020 in Kinshasa, Democratic Republic of Congo.

- 4. If the answer to question 1 is "yes" and AVZ first became aware of the Information before the relevant date, did AVZ make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe AVZ was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps AVZ took to ensure that the information was released promptly and without delay.**

AVZ emailed ASX requesting for a Trading Halt on Sunday, 16th February 2020 at 10.21pm in order to allow AVZ to finalise the announcement and to be released appropriately.

Trading Halt was implemented prior to the commencement of trading on Monday, 17th February 2020.

The announcement titled “AVZ Signs MoU with Ministry of Industry – SEZ” was released on the ASX on 18th February 2020.

The Company confirms it has taken all necessary steps to ensure the market is fully informed prior to any trading.

The Company considers the announcement was prepared and released promptly without delay.

5. Please confirm that AVZ is complying 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 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.

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.

Yours sincerely,



Leonard Math
Company Secretary



21 February 2020

Reference: 14303

Mr Leonard Math
Company Secretary
AVZ Minerals Limited

By email: lmath@avzminerals.com.au

Dear Mr Math

AVZ Minerals Limited ('AVZ'): Aware Query

ASX refers to the following:

- A. AVZ's announcement entitled "AVZ Signs MoU with Ministry of Industry - SEZ" lodged on the ASX Market Announcements Platform on 18 February 2020 (the 'Announcement'), disclosing the following among other things:
- (i) AVZ has executed a binding Memorandum of Understanding with the Ministry of Industry for the development of a Special Economic Zone ("SEZ") in Manono, located in the Tanganyika Province in the Democratic Republic of Congo;
 - (ii) the SEZ provides for an "investor to enjoy exemptions or reductions, either permanently or temporarily, in a degressive or non-degressive manner, with or without the possibility of renewal or extension, on direct or indirect taxes, domestic duties and taxes, national, provincial and municipal royalties, import or export duties payable in Democratic Republic of Congo"; and
 - (iii) AVZ as the developer of the SEZ, would be eligible to additional benefits from the Congolese Government as opposed to being purely an investor in the SEZ.
- (together, the 'Information').
- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX 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.
- C. 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."*
- D. 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.”*

- E. 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.”

Request for Information

Having regard to the above, ASX asks AVZ to respond separately to each of the following questions and requests for information:

1. Does AVZ consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did AVZ first become aware of the Information?
4. If the answer to question 1 is “yes” and AVZ first became aware of the Information before the relevant date, did AVZ make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe AVZ was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps AVZ took to ensure that the information was released promptly and without delay.
5. Please confirm that AVZ is complying 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Tuesday, 25 February 2020**.

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.

If you wish to request a trading halt, you must tell us:

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- the reasons for the trading halt;
 - how long you want the trading halt to last;
 - the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

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 ListingsCompliancePerth@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.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AVZ's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AVZ's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in AVZ's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Sean Maloney
Adviser, Listings Compliance (Perth)