



## Announcement Summary

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**Entity name**

AVZ MINERALS LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

Tuesday March 3, 2020

**The Proposed issue is:**

A placement or other type of issue

**Total number of +securities proposed to be issued for a placement or other type of issue**

| ASX +Security Code | +Security Description  | Maximum Number of +securities to be issued |
|--------------------|--|--|
| n/a                | Convertible Note with conversion price of 85% of the 15 day VWAP | 1,000                                      |

**Proposed +issue date**

Wednesday March 11, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

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**1.1 Name of +Entity**

AVZ MINERALS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

**1.2 Registered Number Type**

ACN

**Registration Number**

125176703

**1.3 ASX issuer code**

AVZ

**1.4 The announcement is**

New announcement

**1.5 Date of this announcement**

Tuesday March 3, 2020

**1.6 The Proposed issue is:**

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

**7A.1 - Are any of the following approvals required for the placement or other type of issue?**

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 7B - Issue details

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

New class

**Will the proposed issue of this +security include an offer of attaching +securities?**

No

Details of +securities proposed to be issued

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**

**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**

Yes

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**

No

**ASX +Security Code**

New class-code to be confirmed

**+Security Description**

Convertible Note with conversion price of 85% of the 15 day VWAP

**+Security Type**

Convertible Debt Securities

**Maximum Number of +securities proposed to be issued**

1,000

**Purpose of the issue**

|  |
|--|
| Early development works to be undertaken at the Manono Project while the DFS is being completed and working capital. |
|--|

**Offer price details for retail security holders****In what currency is the cash consideration being paid?**

USD - US Dollar

**What is the issue price per +security?**

USD 1,000.00000

**AUD equivalent to Offer Price amount per +security****If AUD equivalent not known, date for information to be released**

Wednesday March 11, 2020

**Estimated or Actual?** Estimated**Will all the +securities issued in this class rank equally in all respects from their issue date?** Yes**Oversubscription & Scale back details****May a scale back be applied to this event?** No

## Convertible Debt +Securities details

**These securities are:**

Convertible

**Type of security**

Convertible Bond

**+Security Currency**

USD - US Dollar

**Face Value**

USD 1,000.0000

**Interest Rate Type**

Fixed rate

**Frequency of Coupon/Interest Payments Per Year**

Monthly

**First Payment Date**

Thursday April 30, 2020

**Interest Rate (p.a.)**

10.00000 %

**Is Interest Rate (p.a) estimated at this time?** No**s128F of the Income Tax Assessment Act status applicable to the security**

s128F exemption status unknown

**Is the security Perpetual (ie. No maturity)?** No**Maturity Date**

Thursday June 11, 2020

**Is the Security Subordinated?** No



**Is the Security Secured?**

No

**Select other features applicable to the security**

Redeemable

**Is a First Trigger Date on which conversion, redemption, call or put can occur (whichever is first) applicable?**

Yes

**If Yes, then provide First Trigger Date**

Tuesday March 31, 2020

**Details of the existing class of +security that will be issued upon exercise or conversion of this new class of +security**

AVZ : ORDINARY FULLY PAID

**Please provide any further information relating to the principal terms of the +securities**

Conditions to Conversion:

The Lender may elect to convert some or all of the amounts outstanding under the Convertible Loan Agreement into Shares in the Borrower at any time provided that:

- (a) the Subscription Agreement has been terminated; and
- (b) the Subscriber has withdrawn its existing application for approval under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA) in relation to the Subscription Shares;
- (c) the Lender has obtained all necessary approvals pursuant to the FATA; and
- (d) an Event of Default has occurred.

Any Shares issued on conversion will rank equally with all other Shares on issue at the date of issue and otherwise will be subject to the terms and conditions of the Company's constitution.

Any Shares issued on conversion will be subject to a 12 month escrow period.

Conversion Price: 85% of the 15 day VWAP of the Borrower's trading price per Share prior to the date of notice of conversion, subject to customary adjustments

Part 7C - Timetable

**7C.1 Proposed +issue date**

Wednesday March 11, 2020

Part 7D - Listing Rule requirements

**7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?**

No

**7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

Yes



**7D.1b ( i ) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

Approximately 21,000,000 based on an exchange rate of USD to AUD of 0.65 and with an estimated conversion price of \$0.0765.

**7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?**

No

**7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?**

No

**7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?**

No

**7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?**

Yes

**7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow**

Upon conversion, approximately 21,000,000 Fully Paid Ordinary Shares to be voluntary escrow - 12 months from the date of issue (estimate 11 June 2021)

Part 7E - Fees and expenses

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**7E.1 Will there be a lead manager or broker to the proposed issue?**

No

**7E.2 Is the proposed issue to be underwritten?**

No

**7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue**

Part 7F - Further Information

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**7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?**

No

**7F.2 Any other information the entity wishes to provide about the proposed issue**