



**AVZ Minerals
Limited**

Quarterly Report for the Period Ending 30 June 2016

27 July 2016

Companies Announcements Office
Australian Securities Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

The Board is pleased to provide the following report on activities to be read in conjunction with the Appendix 5B for the quarter ending 30 June 2016.

Shareholder meeting

A general meeting of shareholders was held on 2 June 2016 to ratify the following matters:

Capital raising and corporate advisory mandate

On 31 March 2016, the Company announced a mandate with GTT Ventures Pty Ltd (**GTT**), for the purpose of identifying new business opportunities, promotion of the Company and undertaking a capital raising (**Mandate**). GTT is a Perth based specialist corporate advisory firm with an extensive network of contacts in the mining and technology sectors.

The Mandate provided for a placement of 73,000,000 shares at a price of 0.6 cents per share to raise \$438,000 using the Company's existing capacity in accordance with Listing Rule 7.1 (**Placement**). The placement was completed on 13 April 2016 and the funds will be used for working capital, expenses of the issue and for the consideration of new business opportunities.

Corporate Advisory and Company Promotion Services

The Mandate provides for the provision of corporate advisory and company promotion services for a period of six months, with a focus on introducing and assisting in the promotion of new business opportunities. GTT will be paid a monthly retainer and in June 2016 the Company issued to GTT 35,000,000 unlisted options with an exercise price of 1.2 cents per share, with an expiry date of 30 September 2017. In addition, and subject to shareholder approval at the time of a corporate transaction, the Company has agreed to pay GTT a fee (**Success Fee**) of 5% of the value of the consideration amount for any transaction that is successfully introduced by GTT. The Success Fee will be satisfied by the issue of shares to GTT or its nominees at a deemed issue price equal to that of the corporate transaction.



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New Projects

During the quarter the Company continued its efforts to secure a potentially large-scale mineral project at the advanced exploration/evaluation phase. Mr Eckhof has identified a number of potential mineral project opportunities in Africa that the Company is pursuing. Negotiations with project stakeholders in respect of a promising gold project noted in the March 2016 quarterly report were unsuccessful. The Company has also reviewed a number of project opportunities introduced by GTT.

The Company has sufficient funding to continue its Namibian exploration activities and proceed with new project opportunities.

In addition to evaluating new mineral projects, the Board is also considering business opportunities in other sectors.

Exploration projects - Namibia

Activities undertaken in Namibia during the period involved planning and pursuing the renewal of its exploration licences however 3 current licence applications were unsuccessful.

For further information about AVZ is available at www.avzminerals.com.au

Information required under Listing Rule 5.3.3

All projects are located in Namibia.

List of current mining and exploration tenements:

Project	Tenement	Interest	Status
Tumba	EPL 4436	95%	Granted (renewal lodged)
Himba	EPL 4283	95%	Application
	EPL 4284	95%	Application
	EPL 4285	95%	Application

Key

EPL: Exploration Licence

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

AVZ MINERALS LIMITED

ABN

81 125 176 703

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1) (73)	(35) (355)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	24
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (net GST / FBT Activity)	(5)	(3)
Net Operating Cash Flows	(73)	(369)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	14
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	14
1.13 Total operating and investing cash flows (carried forward)	(73)	(355)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(73)	(355)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	438	438
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Costs of issuing shares	(30)	(30)
1.20	Proceeds from deposit refunded		
1.21	Proceeds from application funds held in trust	(22)	-
	Net financing cash flows	386	408
	Net increase (decrease) in cash held	313	53
1.22	Cash at beginning of quarter/year to date	1,734	1,998
1.23	Exchange rate adjustments to item 1.20	-	(4)
1.24	Cash at end of quarter	2,047	2,047

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	69
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments to Directors (excluding GST)	42
	Payment to director-related entity – placement fee	27

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation including project review	30
4.2 Development	-
4.3 Production	-
4.4 Administration	50
Total	80

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,047	1,734
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,047	1,734

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EPL 4788, Namibia	Application	95%	-
		EPL 5502, Namibia	Application	95%	-
		EPL 5503, Namibia	Application	95%	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Converting Performance Shares	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	*Ordinary securities	560,883,310	560,883,310	
7.4	Changes during quarter			
	(a) Increases through issues	73,000,000	73,000,000	
	(b) Decreases through returns of capital, buy-backs	-	-	
7.5	*Convertible debt securities (description)	-	-	

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	Options (description and conversion factor)	35,000,000 4,000,000 (performance rights)	- -	Exercise price \$0.012	Expiry date 30/9/2017
7.8	Issued during quarter	35,000,000	-	\$0.012	30/9/2017
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter			Exercise price	Expiry date
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Gary Steinepreis
Company Secretary
July 2016

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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