



ASX ANNOUNCEMENT

12 June 2019

AVZ Executes Strategic Relationship Agreement with Huayou Cobalt Group

AVZ Minerals Limited (ASX: AVZ, "The Company") is pleased to advise that the Company has entered into a strategic relationship with Zhejiang Huayou Cobalt Co. Ltd (SHA:603799, Mkt Cap US\$4.5bn) through its group company Huayou International Mining (Hong Kong) Limited, ("Huayou Cobalt Group").

Under the agreement, AVZ will be able to draw on Huayou Cobalt Group's experience in the DRC and mainland China in assisting AVZ in the completion of the Definitive Feasibility Study for the Manono Lithium and Tin Project in the Democratic Republic of Congo (DRC). Huayou will also be able to provide advice and assistance with respect to project financing, offtake financing, strategic services, EPCM and cost effective transport of product to final recipients ("Strategic Relationship").

Huayou Cobalt Group is one of the world's largest manufacturers of cobalt chemicals for use in batteries and has extensive in-country experience with a number of established cobalt mining and processing operations within the DRC. Huayou is also a 9.47% shareholder in AVZ.

The Strategic Relationship has been designed to promote the following between AVZ and Huayou Cobalt Group:

- Discussions to advance Manono to production including, but not limited to, the Definitive Feasibility Study; project financing; off-take and EPCM;
- Consideration of any other ways in which a relationship between the two parties may be beneficial for all stakeholders.

The Strategic Relationship agreement is non-binding and non-exclusive.

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Non-Executive Director: Peter Huljich

Market Cap

\$149 M

ASX Code: AVZ

AVZ Managing Director, Mr Nigel Ferguson said: “AVZ values its existing relationship with Huayou very highly and this new agreement will see the two companies come even closer to advance the Manono Project. We believe that bringing Huayou’s tremendous mining expertise to bear on the DFS, financing and offtake negotiation will accelerate the commercialisation of the largest lithium ore body on the ASX and yield tremendous value for AVZ shareholders.”

President of Huayou Cobalt Group, Mr Hongliang Chen said: “Huayou is pleased to have joined AVZ in a Strategic Relationship to progress the Manono Lithium and Tin Project. This project is one of the standout development projects globally in our view. It has the potential to deliver a premium grade product to market and we expect to work closely with AVZ to maximise the potential of the Manono project.”

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

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