



ASX ANNOUNCEMENT

24 January 2019

AVZ Launches Fully Underwritten Share Purchase Plan

AVZ Minerals Limited (ASX: AVZ) announces it is offering by way of a prospectus, a Share Purchase Plan (“SPP”) to raise a minimum of **A\$5 million** (up to a maximum of A\$10 million before costs) to advance its Manono Lithium and Tin Project (“**Project**”) in the Democratic Republic of Congo (“DRC”) and for general working capital. The SPP will afford the Company’s Eligible Shareholders the opportunity to participate and support their Company.

The SPP will be underwritten to A\$5 million by Patersons Securities Limited (“**Patersons**”) which is acting as Lead Manager and Underwriter to the offer. The New Shares (as defined below) will be issued at a **20% discount to the VWAP trading price over the 5 trading days before the date of issue of the New Shares** and will only be offered to Eligible Shareholders (as defined below) free of brokerage and fees.

Funds raised will be used to fast-track pre-development activity such as the Definitive Feasibility Study including hydrogeological test-work, environmental studies, pit dewatering and for general working capital.

AVZ Managing Director Nigel Ferguson said: *“The Board acknowledges shareholders’ desire to support the Company’s progress and this capital raising has been conceived to reward existing shareholders by providing a cheaper method to support the company as well as certainty with regards to company progression. We look forward to providing further updates on Manono as we move towards completion of the definitive feasibility study.”*

Appointment of Corporate Advisor

AVZ is also pleased to announce that it has appointed Patersons as Corporate Advisor. As a leading arranger of equity capital for small and mid-cap companies in Australia with a strong group of resource analysts and specialists, Patersons with over 68,000 clients and A\$14bn of client funds under advice is well placed to assist the company in an advisory capacity to achieve its stated goals.

Details of the SPP

The Company will offer Eligible Shareholders who were registered shareholders as at 4:00pm (AWST) on Wednesday, 23 January 2019 (“**Record Date**”) the opportunity to apply for new fully paid ordinary shares (“**New Shares**”) in the Company under the SPP.

Additionally, the Company has agreed that Patersons may facilitate an offer of New Shares that may be issued to sophisticated investors at the same price as those under the SPP (“**Top-Up Placement**”) to raise a further A\$5 million (before costs).

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Directors

Managing Director: Nigel Ferguson
Technical Director: Graeme Johnston
Non-Executive Director: Rhett Brans
Non-Executive Director: Hongliang Chen
Non-Executive Director: Guy Loando

Issued Capital

1,888 M Ordinary Shares

Market Cap

\$126 M

ASX Code: AVZ

The maximum number of New Shares that may be issued under the Top-Up Placement will be equal to the Company's remaining placement capacity as per ASX Listing Rules 7.1 and 7.1A on completion of the SPP or such lower number as nominated by the Company.

Under the SPP, Eligible Shareholders (being those whose registered address is in Australia or New Zealand as at the Record Date) ("**Eligible Shareholders**") will be given the opportunity to purchase up to A\$15,000 worth of New Shares in the Company at a discount and without incurring brokerage or transaction costs.

Eligible shareholders will be able to participate in the SPP by choosing one of the following levels of participation:

A\$1,000 (minimum) of New Shares
A\$2,500 of New Shares
A\$5,000 of New Shares
A\$7,500 of New Shares
A\$10,000 of New Shares
A\$15,000 (maximum) of New Shares

Full details of the SPP will be set out in the SPP prospectus and personalised Application Form which will be sent to eligible shareholders on or about Monday 4 February 2019.

Completed Application Forms and payment must be received by **5:00pm (AWST) on Monday 18 February 2019**.

An indicative timetable for the SPP is set out below. Other than the Record Date and announcement of the SPP, the Company may change these dates and times at its discretion.

Event	Indicative Date
Record Date	Wednesday, 23 January 2019
Announce SPP	Thursday, 24 January 2019
Despatch SPP Prospectus to eligible shareholders	Monday, 4 February 2019
Opening Date	Monday, 4 February 2019
Closing Date	5.00pm (AWST) Monday, 18 February 2019
Company to notify Underwriter of Shortfall (if any)	Wednesday, 20 February 2019
Issue of New Shares under SPP and Top-Up Placement	Monday, 25 February 2019
Quotation on ASX of New Shares	Wednesday, 27 February 2019

ASX has granted the Company waivers from ASX Listing Rules 7.1 and 10.11 to the extent necessary to permit the Company to issue shares under the SPP without shareholder approval, on condition that the number of shares issued in relation to the SPP under the prospectus will not exceed 30% of the number of fully paid ordinary shares in the Company already on issue.

Details of Corporate Advisory Mandate

In consideration for Patersons acting as Corporate Advisor to the Company, the Company has agreed to issue Patersons (and/or its nominee) with a total of 15m options in the following tranches within three months of completion of the SPP:

- (a) 5m options exercisable at a 25% premium to the issue price of the New Shares issued under the SPP on or before that date which is 24 months from the date of issue of the options;
- (b) 5m options exercisable at a 50% premium to the issue price of the New Shares issued under the SPP on or before that date which is 30 months from the date of issue of the options; and
- (c) 5m options exercisable at a 75% premium to the issue price of the New Shares issued under the SPP on or before that date which is 36 months from the date of issue of the options.

The options will be issued under the Company's placement capacity as per ASX Listing Rule 7.1.

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

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