



Activities Report for the Quarter ending 31 December 2023

Highlights

- AVZ's securities remained in suspension during the December 2023 Quarter pending a resolution and clarity of the mining and exploration rights for the Manono Lithium and Tin Project (**Manono Project**).
- AVZ continued its strategy to facilitate the development of the Manono Project, including the affirmation of its legal rights to a 75% interest in Dathcom Mining SA (**Dathcom**), the entity holding legal rights to PR13359 comprising the Manono Project and its continuing pre-emptive rights over 15% of the 25% interest held by La Congolaise d'Exploitation Minière (**Cominière**).
- The Company continued to work, with its legal and corporate advisors in respect to International Chamber of Commerce (**ICC**) and International Centre for Settlement of Investment Disputes (**ICSID**) arbitration proceedings to confirm the Company and its subsidiaries interests in the Manono Project which included the below notable developments:
 - a successful application to ICC in the case ICC 27401 granting emergency measures against Dathomir Mining Resources SARL (**Dathomir**) on 18 December 2023, including an injunction compelling Dathomir to withdraw the application to the Commercial Court of Lubumbashi seeking a judgment to wind-up Dathcom;
 - submissions heard on 11 December 2023 with respect to ICSID Case No. ARB/23/20 against the DRC, seeking the suspension of activities or administrative actions over the perimeter of PR13359 including the withdrawal of the ministerial order granting PR15775 and withdrawal of any concession or other right for the rehabilitation and operation of the Mpiana Mwanga power plant pending a tribunal decision;
 - a successful application resulting in the grant of an ICC Emergency order dated 15 November 2023, preventing Cominière taking any steps to explore and exploit, directly or indirectly, within the perimeter of PR 13359 and PR 15775 until such time as the ICC tribunal in charge of determining the validity of the termination of the Dathcom JVA hears this issue. The order also includes a further fine of €50,000 per day in addition to the original €50,000 daily penalty in respect of the first emergency order against Cominière dated 5 May 2023, for any non-compliance with the order, in addition to the ICC's administrative costs and part of the legal costs of AVZ's subsidiaries; and
 - a hearing on 5 and 6 October 2023 in ICC arbitration proceeding (ICC No. 26986/SP) commenced by Jin Cheng Mining Company (Jin Cheng) which is the subsidiary of Zijin Mining Limited (Zijin) to consider AVZ's jurisdictional challenge that Jin Cheng is not entitled to have recourse to ICC arbitration as it is not a shareholder of Dathcom. A decision from this hearing is now pending.

ASX ANNOUNCEMENT

31 January 2024

AVZ Minerals Limited

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Managing Director: Nigel Ferguson

Technical Director: Graeme Johnston

Non-Executive Director: Rhett Brans

Executive Director: Serge Ngandu

Non-Executive Director: Casta Tungaraza

Non-Executive Director: Salome Sijaona

ASX Code: AVZ

OTC Code: AZZVF

- The Company released its maiden mineral resource estimate for the Carriere de l'Este pegmatite, increasing total mineral resources for the Manono Project by 43% to 574 million tonnes @ 1.63% Li₂O¹.
- The Company signed a Binding Term Sheet (**Term Sheet**) to provide a pathway for the execution of a formal agreement for a general working capital and litigation funding facility of up to US\$20,000,000 (**Funding Facility**).
- The Company held its Annual General Meeting on 23 November 2023 (**AGM**), with shareholders electing all Board endorsed nominees. The Board is of the view the AGM result represents a strong vote of shareholder confidence in both the Board and its clear and considered strategy to advance the development of the Manono Project.
- Her Excellency Salome T. Sijaona was appointed to the Board of AVZ during the December 2023 Quarter which was ratified by shareholders at the AGM.
- Fat Tail Holdings Pty Ltd (**Fat Tail**) (an entity which holds less than 0.14% of the Company's issued capital) was seeking to solicit support from AVZ shareholders for the election of Peter Huljich (a former director of the Company), Michael Carrick and Tyrone Ludbrook to the Board of AVZ at the AGM.
- Fat Tail filed an originating process on Friday 15 December 2023 commencing proceedings in the Supreme Court of Western Australia against the Company and two of its directors, Mr Nigel Ferguson and Mr John Clarke.

AVZ Minerals Limited (ASX: AVZ, OTC:AZZVF) (**Company** or **AVZ**) presents its Quarterly Activities Report for the period ended 31 December 2023 and provides the following update to shareholders.

Voluntary Suspension and Mining Licence

AVZ's securities remained in suspension during the December 2023 Quarter, pending a resolution and clarity on the mining and exploration rights for the Manono Project.

The Company continued its discussions with the Government of the Democratic Republic of Congo (**DRC**) with respect to the grant of the Mining Licence (**ML**) or Permis d'Exploitation (**PE**) and Dathcom's continuing exploration rights for the Manono Project.

Legal action to affirm AVZ's interest in Manono Project

AVZ undertook substantial work during the December 2023 Quarter regarding the arbitration proceedings before the International Chamber of Commerce (**ICC**) and International Centre for Settlement of Investment Disputes (**ICSID**) with respect to the Company's legal rights to a 75% interest in Dathcom, the entity under which the Manono Project is held, and its pre-emptive rights over 15% out of Cominière's 25% interest in the Manono Project. The arbitration proceedings involve:

- Dathcom Mining SA (**Dathcom**) which is the entity that holds PR 13359 in respect of the Manono Project and the grant of an exploitation licence (PE) in respect of that licence;
- AVZ International Pty Ltd (**AVZI**) and Green Lithium Holdings Pte Ltd (**GLH**) which are wholly owned subsidiaries of AVZ that held or currently hold 75% of the shares in Dathcom pursuant to the Dathcom joint venture agreement dated 27 January 2017, as amended from time to time (**Dathcom JVA**);
- La Congolaise d'Exploitation Minière (**Cominière**) which is the state-owned entity holding a minority shareholding in Dathcom;

¹ Refer ASX announcement dated 18 December 2023 "Carriere de l'Este Maiden Mineral Resource Estimate"

- Dathomir Mining Resources SARL (**Dathomir**) which is a former minority shareholder in Dathcom; and
- Jin Cheng Mining Company (**Jin Cheng**) which is the subsidiary of Zijin Mining Limited (**Zijin**) which alleges it acquired a minority shareholding in Dathcom from Cominière.

The arbitration proceedings comprise:

1. the three ICC arbitration proceedings involving Cominière and/or Jin Cheng in relation to Cominière's purported sale of a 15% shareholding in Dathcom to Jin Cheng in breach of AVZI's pre-emptive right and other issues of compliance with the Dathcom JVA;
2. the two ICC arbitration proceedings involving Dathomir in relation to its attempts to dispute the sale of its 15% shareholding in Dathcom; and
3. the ICSID arbitration proceedings against the DRC in relation to its failure to procure the expeditious grant to Dathcom of an exploitation permit in respect of the Manono Project.

The Company believes Jin Cheng, Dathomir and Cominière are acting in concert to crystallise disputes with AVZ and disrupt and delay the development of the Manono Project with the aim of seizing control of the Manono Project. Their conduct is believed to have contributed to the delay by the DRC in granting the exploitation permit and therefore led to the commencement of the ICSID proceedings.

During the December 2023 Quarter, the Company made a number of ASX announcements with respect to the arbitration proceedings as detailed below:

AVZ Successfully Restrains Dathomir²

AVZ and AVZI, applied to the ICC in the case ICC 27401 for emergency measures against Dathomir to preserve the status quo, pending the outcome of the Dathomir arbitration proceedings, including an injunction compelling Dathomir to withdraw the application to the Commercial Court of Lubumbashi seeking a judgment to wind-up Dathcom.

On 18 December 2023, the arbitral tribunal made an order to the effect of the above, compelling Dathomir to "take the necessary measures in order to withdraw from the case pending before the Commercial Court of Lubumbashi (RAC 3268) prior to its hearing dated December 20, 2023".

ICSID Proceedings Update^{3 & 4}

AVZ, by its subsidiaries AVZI and GLH together with Dathcom previously commenced international arbitration proceedings against the DRC pursuant to its Mining Code and the Convention on the Settlement of Investment Disputes between States and the Nationals of Other State (**ICSID Convention**) under (ICSID Case No. ARB/23/20).

The purpose of the ICSID proceedings is two-fold:

- to support the Company's negotiations with the DRC Government; and
- in the alternative, to seek relief relating to the failure of institutions of the government of the DRC to comply with the Mining Code in relation to PR 13359 and to grant a **PE** in respect of the Manono Project.

² Refer to ASX announcement dated 19 December 2023 "AVZ Successfully Restrains Dathomir"

³ Refer to ASX announcement dated 15 November 2023 "ICSID Proceedings Update"

The primary relief AVZ seeks is a declaration that it holds title to PR13359 over the entirety of the Manono Project and an order compelling the grant of the PE over the entirety of the Manono Project.

At the first directions hearing in respect of the ICSID proceedings, which was held on 6 November 2023, the parties made submissions in relation to the programming of the proceedings and are awaiting the decision of the ICSID tribunal in relation to the programming milestones.

AVZ previously reported that, since the commencement of the ICSID proceedings, some government officers had been procured to make decisions related to PR 13359 which are contrary to law and would, if given effect, operate to appropriate Dathcom's lawful rights for the benefit of others (refer to ASX announcement dated 30 October 2023 'Zijin Response').

In the absence of steps being taken to address these developments, AVZI, GLH and Dathcom have been forced to seek provisional measures including an urgent order to preserve the status quo and an order to confirm or restore ownership of PR 13359 to Dathcom.

In relation to the application for provisional orders, the ICSID tribunal directed the matter be listed for a hearing on 11 December 2023.

Following this hearing and subsequent to the end of December 2023 Quarter, the ICSID tribunal made interim orders on 16 January 2024, to the effect that the DRC take necessary steps to reflect that Dathcom is the holder of PR 13359 and to protect AVZI, GLH and Dathcom's rights during the pendency of the proceedings.⁴

AVZ Successfully Restrains Cominière and Additional ICC Arbitration Updates⁵

AVZ's subsidiaries previously obtained orders for emergency relief against Cominière with the ICC imposing a penalty of €50,000 per day if Cominière took any steps to implement its purported termination of the joint venture agreement in respect of Dathcom (**Dathcom JVA**).

Cominière subsequently took steps to implement its purported termination of the Dathcom JVA and on 30 October 2023, AVZ's subsidiaries applied to the ICC for further emergency relief against Cominière.

The application was heard on 9 November 2023 and the ICC emergency arbitrator ordered on 15 November that:

1. Cominière must not take any steps to explore and exploit, directly or indirectly, within the perimeter of PR 13359 and PR 15775 until such time as the ICC tribunal in charge of determining the validity of the termination of the Dathcom JVA hears this issue;
2. Cominière pay a fine of €50,000 per day for any non-compliance with the order in paragraph 1; and
3. Cominière must pay the ICC's administrative costs and part of the legal costs of AVZ's subsidiaries.

The ICC emergency arbitrator also refused Cominière's request to set aside the emergency order dated 5 May 2023. Accordingly, the latest €50,000 daily penalty is in addition to the original €50,000 daily penalty in respect of the first emergency order against Cominière dated 5 May 2023. In light of Cominière's conduct to date, AVZ notes the original €50,000 daily penalty continues to accrue.

⁴ Refer to ASX announcement dated 18 January 2024 "AVZ Successful in ICSID Interim Measures"

⁵ Refer to ASX announcement dated 17 November 2023 "AVZ Successfully Restrains Cominière and Additional ICC Arbitration Updates"

ICC Arbitration Hearing Jin Cheng Jurisdictional Challenge^{5 & 6}

In the ICC arbitration proceeding (ICC No. 26986/SP) issued by Jin Cheng, the ICC Arbitral Tribunal in Paris heard AVZI's jurisdictional challenge on the 5th and 6th October 2023. AVZI objected on the basis that Jin Cheng is not entitled to have recourse to arbitration because it is not a shareholder of Dathcom as the purported acquisition of its 15% shareholding from Cominière was ineffective and occurred in contravention of AVZI's pre-emptive right. A decision from this hearing is now pending.

Carriere de l'Este Maiden Mineral Resource Estimate⁷

The Company confirmed the potential of its 75% owned Carriere de l'Este Prospect, located within the Manono Project which is located less than 5 km from Roche Dure, is likely to underpin future resource upgrades and or be considered as a standalone source of feedstock for any expanded operations at Manono, subject to the results of ongoing studies.

The maiden Carriere de l'Este Mineral Resource was estimated by independent geological consultants CSA Global South Africa Pty Ltd (CSA Global), an ERM Group Company [Mining & Metals \(erm.com\)](https://www.erm.com).

The Mineral Resource is reported in accordance with the guidelines of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition. The Mineral Resource (Table 1) is classified as Inferred and can be extracted by means of open pit mining and therefore meets the criteria required for reasonable prospects for eventual economic extraction.

The lithium Mineral Resource is reported above a cut-off grade of 0.5% Li₂O in the fresh pegmatite domain. The Mineral Resource comprises of 173 million tonnes of spodumene-rich fresh pegmatite at a grade of 1.58% Li₂O.

| Fresh Pegmatite Category | Tonnes | Li ₂ O | Sn | Ta | Fe ₂ O ₃ | Li ₂ O |
|--------------------------|------------|-------------------|------------|-----------|--------------------------------|-------------------|
| | (Millions) | % | ppm | ppm | % | Million tonnes |
| Inferred | 173 | 1.58 | 785 | 52 | 1.04 | 2.7 |
| Total | 173 | 1.58 | 785 | 52 | 1.04 | 2.7 |

Table 1: Manono Carriere de l'Este –Maiden Mineral Resource estimate at a 0.5% Li₂O cut-off *Note: Tabulated data have been rounded and as a result minor computational errors may occur.*

Initial Mineral Resource for the Carriere de l'Este Pegmatite is reported as 173 million tonnes at 1.58% Li₂O, 785ppm Sn and 52ppm Ta.

The Carriere de l'Este maiden Mineral Resource estimate provides a 43% increase in Manono Project total Mineral Resources to 574 million tonnes @ 1.63% Li₂O, cementing its place as the world's largest hard rock lithium deposit (Source - www.mining.com).

Important information regarding ownership of the Carriere de l'Este deposit

*On the 28th December 2016, PR13359 which authorises exploration and feasibility studies to be undertaken, was granted for a period of 5 years. On the 29th December 2016, PR13359 was transferred from La Congolaise d'Exploitation Minière SA (**Cominière**) to Dathcom Mining SA (**Dathcom**). On 4th May 2021, Dathcom applied to convert PR13359 into an exploitation permit (**PE**) which authorises mining. Upon lodging the PE application, PR13359's term was extended indefinitely to allow determination of the PE application.*

⁶ Refer to ASX announcement dated 9 October 2023 "ICC Arbitration Hearing Jin Cheng Jurisdictional Challenge"

⁷ Refer ASX announcement dated 18 December 2023 "Carriere de l'Este Maiden Mineral Resource Estimate"

Dathcom undertook the drilling of the Carriere de l'Este resource pursuant to PR 13359 between 2017 and 2021. Subsequently, disputes have emerged relating to the ownership of PR 13359. These disputes are the subject of various arbitration proceedings which are summarised in previous AVZ ASX announcements.

The allegation that Manono Lithium SAS holds PR 15775 over the northern portion of the Manono Project is without any legal foundation. This northern area includes the Carriere de l'Este, Malata and Kahungwe deposits, the rebuilt Colline Manono construction camp and administrative centre as well as the Dathcom core yard and core farm that hosts the sample library.

AVZ maintains that Dathcom is the holder of PR 13359 in respect of the entire Manono Project (including the northern area) and the applicant for a PE in respect of that land. AVZ has grounds to believe it has strong prospects of success and is confident of its position. The purpose of the ICSID proceedings which were commenced by AVZ on 8 May 2023 and registered on 8 June 2023 is to authoritatively establish this.

There is a reasonable prospect that a party, including the Company, will be granted a PE in respect of the Carriere de l'Este Mineral Resource. If Dathcom is granted a PE in respect of the Carriere de l'Este Mineral Resource, further negotiations will then be undertaken with the shareholders of Dathcom in relation to the terms of the mining joint venture.

Binding Term Sheet Signed for Funding Facility of up to US\$20,000,000⁸

The Company signed a Binding Term Sheet (**Term Sheet**) to provide a pathway for the execution of a formal agreement for a general working capital and litigation funding facility of up to US\$20,000,000 (**Funding Facility**) with Locke Capital I, LLC and its investment manager Locke Capital Limited (**Locke**).

After consultation and negotiations with various potential funders, the AVZ board of directors (**Board**) has elected to proceed to a phase of exclusive due diligence with Locke until, at latest, 31 March 2024, with the aim of executing a formal agreement for the Funding Facility as soon as practicably possibly.

The Funding Facility is intended to fully fund the legal costs incurred with respect to the three ICC arbitration proceedings involving Cominière and/or Jin Cheng, the two ICC arbitration proceedings involving Dathomir, and the ICSID arbitration proceedings against the DRC, as previously disclosed to the ASX and summarised above. Funds can also be used for other proceedings as agreed upon.

Additionally, the Term Sheet outlines the intention for the Funding Facility to cover any further legal costs associated with the Manono Project, corporate costs and any project costs associated with maintaining the current state of the Manono Project's assets, should the Company require.

2023 Annual General Meeting⁹

The Annual General Meeting (**AGM**) of the Company was held on 23 November 2023. Resolutions for the re-election of Mr Graeme Johnston and Dr John Clarke and the election of Dr Casta Tungalaza, Mr Serge Ngandu and Her Excellency Salome Thaddaus Sijaona to the Board were all carried.

The Company received very high shareholder participation across the resolutions relating to the election of directors to the Board. Approximately 70% of the share register by number of shares, voted at the AGM.

⁸ Refer ASX announcement dated 17 November 2023 "Binding Term Sheet Signed for Funding Facility of up to US\$20,000,000"

⁹ Refer ASX announcement dated 23 November 2023 "Strong Vote of Confidence for AVZ's Board of Directors and its Strategy" and 29 November 2023 "AGM Results - Additional Information"

The Board is of the view the AGM result represents a very strong vote of shareholder confidence in both the Board and its clear and considered strategy to advance the development of the Manono Project.

Fat Tail Holdings Pty Ltd (**Fat Tail**), (an entity which holds less than 0.14% of the Company's issued capital) was seeking to solicit support from AVZ shareholders for the election of Peter Huljich (a former director of the Company), Michael Carrick and Tyrone Ludbrook to the Board at the AGM (together the "Fat Tail Nominees") with each of the Fat Tail Nominees strongly voted down by the Company's shareholders.

Director Appointment¹⁰

The Company received a number of director nominations from its shareholders pursuant to clause 14.3 of the Constitution for election to the Board at the AGM.

One of these nominated Directors, Her Excellency Salome T. Sijaona, was appointed to the Board of Directors during the December 2023 Quarter and that appointment was ratified by shareholders at the AGM.

Her Excellency Salome T. Sijaona is a Tanzanian citizen and economist with vast experience in governance, project execution, private sector engagement and international economic diplomacy. In 2010, Her Excellency Salome T. Sijaona was appointed as the Ambassador Extraordinary and Plenipotentiary by the Tanzanian Government, serving as the Tanzanian Ambassador in Japan and is also accredited with Australia, New Zealand, South Korea and Papua New Guinea. Before being appointed as Ambassador, her Excellency was a long serving Chief Executive of two major government Ministries and Advisor to their respective Ministers. Her Excellency Salome T. Sijaona's 20 years' experience in high level management and governance has seen her chair various boards, including serving on international bodies.

Fat Tail Proceedings¹¹

Fat Tail filed an originating process on Friday 15 December 2023 commencing proceedings in the Supreme Court of Western Australia against the Company and two of its directors, Mr Nigel Ferguson and Mr John Clarke. The proceedings brought by Fat Tail allege the Company has engaged in oppressive conduct against shareholders and that Mr Ferguson and Mr Clarke have engaged in misleading or deceptive conduct. Fat Tail seeks orders that Mr Ferguson and Mr Clarke be removed as directors of the Company and not be eligible for re-election for 24 months or such other period ordered.

The commencement of proceedings follows Fat Tail and its associates' failed attempt to appoint the Fat Tail Nominees to the Board at the 2023 AGM and seemingly relate to previous allegations made by Fat Tail and its associates in the lead up to the 2023 AGM regarding the northern area of the Company's Manono Project.

During the December 2023 Quarter, the Company addressed media speculation and unsolicited shareholder communications from Fat Tail through its ASX Announcements^{12 & 13}.

¹⁰ Refer ASX announcement dated 18 October 2023 "Director Nominations and Director Appointment"

¹¹ Refer ASX announcement dated 18 December 2023 "Fat Tail Proceedings"

¹² Refer ASX announcement dated 9 October 2023 "Response to Shareholder Communications from Fat Tail"

¹³ Refer ASX announcement dated 23 October 2023 "Media Release – Fat Tail Nominees"

Corporate

The Company closed the December 2023 Quarter with a cash balance of A\$6.4M.

Cash for the December 2023 Quarter was used to fund legal expenses for the various arbitration cases and for AVZ and Dathcom corporate expenditure, including:

- A\$3.3M for payroll, administration and corporate costs; and
- A\$1.7M was capitalised as exploration and project development works and evaluation costs to the Manono Project.

US\$20 million is held in escrow for the benefit of Dathomir following the Company's completion of the 15% share purchase in Dathcom in 2021. Since the successful completion of the Dathomir share purchase agreements the Company holds 75% of the shares in Dathcom.

As summarised above, the Company obtained two successful ICC emergency orders against Cominière to preserve the status quo of the Dathcom Joint Venture agreement. The Company, with its legal advisors, calculates the penalty incurred via clear contraventions of these orders at the end of the reporting period to be approximately US\$40 million. The contraventions are yet to be determined by the ICC and as such the Company has not conducted a detailed assessment with respect to the recoverability of the amount.

Subsequent to 31 December 2023, the Company has agreed with Acuity Capital to extend the expiry date of its At-the-Market Subscription Agreement (**ATM**) to 31 January 2027. As previously announced, the ATM was initially established with an expiry of March 2024 (see previous ASX announcement dated 3 December 2021). The Company has, to date, not raised any capital through its ATM. There is no requirement on the Company to utilise the ATM and there were no fees or costs associated with the extension of the ATM. Further, no additional security has been provided or required in relation to the ATM extension.

Payments made to related parties as reported in the Appendix 5B (refer Items 6.1 and 6.2) for the December 2023 Quarter relate to Director's employment, consultancy services and business expense reimbursements to our Director-related parties.

During the December 2023 Quarter, 13,148,000 Performance Rights lapsed unexercised.

As of 31 December 2023, the Company's securities on issue were as follows:

| Quoted Securities | Number |
|---------------------|---------------|
| Ordinary Fully Paid | 3,528,729,748 |
| Unquoted Securities | Number |
| Performance Rights | 33,460,600 |

Despite being suspended from trading its shares on the ASX the Company continue to comply to all its continuous disclosure requirements.

This release was authorised by the board of AVZ Minerals Limited.

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

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Information required under ASX Listing Rule 5.3.3

List of current mining and exploration tenements (as of 31 December 2023):

| Country / Project | Tenement | Interest | Status |
|--------------------------|--------------------|----------|---------|
| DRC – Manono Project | PR 13359 | 75%* | Granted |
| DRC – Manono Exploration | PR 4029 PR 4030 | 100% | Granted |

**AVZ through its wholly owned entity, AVZ International Pty Ltd (“AVZ”) has a legal 75% interest in the Manono Project. On 27 September 2021, AVZ announced that Suzhou Cath Energy Technologies (“CATH”) will earn a 24% interest in the Manono Project subject to the satisfaction or waiver of several conditions’ precedent stipulated in the Transaction Implementation Agreement (“TIA”). Since 30 November 2021, both parties have agreed on several occasions to amend the closure date for the TIA. The Company advised on ASX Announcement dated 3 July 2023 that the TIA remains valid until either the completion or cancellation by both parties.*

INFORMATION ABOUT THE MANONO PROJECT

AVZ holds a 75% interest in the Manono Project, located 500km north of Lubumbashi in the south of the Democratic Republic of Congo, hosting the world class Roche Dure Mineral Resource, one of the largest undeveloped hard rock lithium deposits in the world. 10% will remain with the DRC government in accordance with DRC Mining Code and the 15% balance, is subject to a pre-emptive right in favour of AVZ International Pty Ltd.

The Manono Project is strategically positioned as a clean, sustainable source of lithium, significantly contributing to the green energy transition, feeding the global lithium-ion battery value chain. With industry leading ESG credentials, it is forecast to be one of the lowest carbon emitting hard rock mines in the world.

Manono Project - Ore Reserve Estimate (31 December 2023)*:

| Reserve Category | Tonnes (Mt) | Grade Li ₂ O % | Contained Li ₂ O (Mt) | Grade Sn (g/t) | Contained Sn (kt) |
|------------------|--------------|---------------------------|----------------------------------|----------------|-------------------|
| Proved | 65.0 | 1.64 | 1.07 | 942 | 61.2 |
| Probable | 66.6 | 1.61 | 1.075 | 1.037 | 69.1 |
| Total | 131.7 | 1.63 | 2.14 | 990 | 130.3 |

*Refer to 14 July 2021 ASX Announcement “JORC Ore Reserves increase by 41.6% at Roche Dure”

Note: The Ore Reserve estimate has been based on a cut-off > US\$0.00 block value comprising an economic block by block calculation. Figures may not sum due to rounding.

Manono Project – Mineral Resource at a 0.5% Li₂O cut-off (22 January 2024)*:

| Category | Tonnes (Millions) | Li ₂ O % | Sn ppm | Ta ppm | Fe ₂ O ₃ % |
|--------------|----------------------|------------------------|------------|-----------|-------------------------------------|
| Measured | 132 | 1.65 | 898 | 36 | 0.95 |
| Indicated | 367 | 1.62 | 703 | 34 | 1.03 |
| Inferred | 342 | 1.57 | 643 | 42 | 1.02 |
| Total | 842 | 1.61 | 709 | 37 | 1.01 |

*Refer to 31 January 2024 ASX Announcement “Manono Project Mineral Resource increases 47% to 842Mt as Roche Dure tonnages expanded”

NO NEW INFORMATION

This document may include references to information that relates to Mineral Resources and Ore Reserves prepared and first disclosed under the JORC Code 2012. The information references the Company’s previous ASX announcements noting the following:

- Prior to 18 December 2023, Mineral Resources and Ore Reserves for the Manono Lithium and Tin Operation “MLTO”, “Manono Project” or “Roche Dure” references the Company’s previous ASX Announcements “Updated Mineral Resource Estimate Includes Pit Floor “Wedge” Drill Results” released to ASX on 24 May 2021 followed by “JORC Ore Reserves increase by 41.6% at Roche Dure” released to ASX on 14 July 2021.
- On 18 December 2023, the maiden Mineral Resource estimate for Carriere de l’Este (CDL MRE) was announced via ASX Announcement “Carriere de l’Este Maiden Mineral Resource Estimate.”
- Post 18 December 2023, the Mineral Resources and Ore Reserves for the Manono Lithium and Tin Operation “MLTO” or “Manono Project” include both the Roche Dure and CDL MRE.
- On 31 January 2024 the Company issued ASX Announcement “Manono Project Mineral Resource increases 47% to 842Mt as Roche Dure tonnages expanded”
- Any reference to tin exploration targets should be read in conjunction with the Company’s previous ASX Announcement “Initial Exploration Target for Alluvial Placer Hosted Tin Defined at the Manono Lithium and Tin Project” dated 18 May 2021.
- The Definitive Feasibility Study (DFS) refers to the April 2020 DFS, announced to the ASX on 21 April 2020.

These announcements are available to view on the Company’s website www.avzminerals.com.au

The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the relevant original market announcements.

FORWARD LOOKING INFORMATION

This announcement contains certain forward-looking statements and comments about future events, including the Company’s expectations about the Manono Project and the performance of its businesses. Forward looking statements can generally be identified by the use of forward-looking words such as ‘expect’, ‘anticipate’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘predict’, ‘plan’, ‘propose’, ‘will’, ‘believe’, ‘forecast’, ‘estimate’, ‘target’ and other

similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Forward looking statements involve known and unknown risks, uncertainty and other factors which can cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements and many of these factors are outside the control of the Company. As such, undue reliance should not be placed on any forward-looking statement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this announcement, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company.

Except as required by law or the ASX Listing Rules, the Company assumes no obligation to provide any additional or updated information or to update any forward-looking statements, whether as a result of new information, future events or results, or otherwise.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AVZ Minerals Limited

ABN

81 125 176 703

Quarter ended ("current quarter")

31 December 2023

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (7) | (44) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (634) | (1,197) |
| | (e) administration and corporate costs | (2,705) | (6,045) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 48 | 124 |
| 1.5 | Interest and other costs of finance paid | (17) | (35) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants: COVID-19 Cashflow Boost | - | - |
| 1.8 | R&D Tax Incentive | - | 81 |
| 1.9 | Net cash from / (used in) operating activities | (3,315) | (7,116) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (1,683) | (5,197) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (1,683) | (5,197) |

| | | | |
|-------------|---|-------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Payment of lease liability | (66) | (131) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | (66) | (131) |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 11,725 | 18,949 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (3,315) | (7,116) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,683) | (5,197) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (66) | (131) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | (266) | (110) |
| 4.6 | Cash and cash equivalents at end of period | 6,395 | 6,395 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 6,345 | 11,725 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (Bank Guarantee) | 50 | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 6,395 | 11,725 |

| 6. Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 273 |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | 107 |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| | | |
|---|---|--|
| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| N/A | | |

| | |
|---|----------------|
| 8. Estimated cash available for future operating activities | \$A'000 |
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (3,315) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (1,683) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (4,998) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 6,395 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 6,395 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 1.28 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: The Company's net operating cashflow will reduce significantly for the remainder of the 2024 Financial Year. The Board approved an operating budget at its meeting in October 2023 which will cover operating expenditure for the next 12 months to remain a going concern. Activities at the Manono site, Dathcom Office and the Perth Office has been reduced to a bare minimum with expected savings in most areas. Site staff and activities has already been reduced to only cater for security and maintenance of critical items. | |

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company is finalising the due diligence process with Locke Capital as announced on 17 November 2023 and is confident that this facility will be finalised by 31 March 2024.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company was successful in obtaining interim measures from ICSID as announced on 18 January 2024. The ICSID tribunal made interim orders to the effect that the DRC government take the necessary steps to reflect that Dathcom Mining SA is the valid holder of PR13359.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: By the Board of AVZ Minerals Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.