

# Capital Raising Presentation

2 July 2021





# Important Notice and Disclaimer

This presentation should be considered in its entirety. If you do not understand the material contained in this presentation, you should consult your professional advisers. The sole purpose of this presentation is to provide shareholders with an update on current activities of the Company and the current state of exploration at the Manono Lithium and Tin Project in the Democratic Republic of Congo. Any statements which may be considered forward looking statements relate only to the date of this presentation document. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause actual results, performance or achievements of the Company to be materially different from future results, performance, or achievements expressed or implied by such forward looking statements. As a result of these factors, the events described in the forward-looking statements in this document may not occur. Notwithstanding the material in this presentation, shareholders should consider that any investment in the Company is highly speculative and should consult their professional advisers - whether scientific, business, financial or legal - before deciding whether to make any investment in the Company. The Company may at its absolute discretion, but without being under any obligation to do so, update, amend or supplement this presentation or any other information to the recipient. No person has been authorised to give any information or make any representation other than contained in this document and if given or made, such information or representation must not be relied on as having been so authorised.

## Competent Person Statement

The information that relates to Ore Reserves is based on information compiled by Mr Daniel Grosso and reviewed by Mr Karl van Olden, both employees of CSA Global Pty Ltd. Mr van Olden takes overall responsibility for the Report as Competent Person. Mr van Olden is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Person in terms of the JORC (2012 Edition). The Competent Person, Karl van Olden has reviewed the Ore Reserve statement and given permission for the publication of this information in the form and context within which it appears. The estimated ore reserves underpinning the production target have been prepared by Competent Person, Karl van Olden from CSA Global, in accordance with the requirements in Appendix 5A of the (JORC Code) 2012. Mr van Olden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Mineral Resource estimate has been completed by Mrs. Ipelo Gasela (BSc Hons, MSc (Eng)) who is a geologist with 14 years' experience in mining geology, Mineral Resource evaluation and reporting. She is a Senior Mineral Resource Consultant for The MSA Group (an independent consulting company), is registered with the South African Council for Natural Scientific Professions (SACNASP) and is a Member of the Geological Society of South Africa (GSSA). Mrs. Gasela has the appropriate relevant qualifications and experience to be considered a Competent Person for the activity being undertaken as defined in the 2012 edition of the JORC Code. Mrs. Gasela consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to metallurgical test work and Exploration Targets results is based on, and fairly represents information compiled and reviewed by Mr Nigel Ferguson, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists. Mr Ferguson is a Director of AVZ Minerals Limited. Mr Ferguson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Ferguson consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

## Cautionary Statement: Definitive Feasibility Study Parameters

The April 2020 DFS referred to in this document is based upon Proved and Probable Ore Reserves, derived from Measured and Indicated Mineral Resources as at the date of release. No Inferred Mineral Resource is included in the estimation of Ore Reserves. The Company advises that the Proved and Probable Reserve provides 100% of the total tonnage and 100% of the total lithium and tin underpinning the forecast production target and financial projections. No Inferred Mineral Resource is included in the Life of Mine plan. The DFS is based on the material assumptions outlined in this document. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the DFS will be achieved.

To achieve the range of outcomes indicated in the April 2020 DFS, funding in the order of US\$545 M will likely be required. Investors should note that there is no certainty that the Company will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce the Company's proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the DFS.

Project approval and development remains subject to market conditions, project financing, and Board and regulatory approvals. There is no certainty that the DFS or the Ore Reserve from which it was derived will result in commercial production or the assumptions used in the DFS and resulting economic outcomes that are included in this document will be realised. Unless otherwise stated, all cash flows are in US dollars and are not subject to inflation/escalation factors and all years are calendar years. The estimate accuracy has been developed to comply with AACE International Recommended Practice No. 47R-11, Class 3, nominally  $\pm 15\%$ .

This document has been prepared in accordance with the JORC Code (2012) and the current ASX Listing Rules. The Company has concluded that it has a reasonable basis for providing forward-looking statements included in this document. The detailed reasons for this conclusion are outlined throughout this document. Your attention is drawn to the preceding Disclaimer and the Forward-looking Statements.



# Important Notice and Disclaimer

## No New Information or Data

Refer ASX Announcement dated 21 April 2020 "AVZ delivers highly positive Definitive Feasibility Study for Manono Lithium and Tin Project".

AVZ Minerals Limited ("AVZ" or "the Company") confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, 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 Person's findings are presented have not materially changed from the original market announcement.

## Cautionary Notes: Exploration Targets

The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

## Cautionary Notes: Forward Looking Statements

Certain statements contained in this document, including information as to the future financial or operating performance of AVZ and its projects may also include statements which are 'forward-looking statements' that may include, amongst other things, statements regarding targets, estimates and assumptions in respect of mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by AVZ, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Forward-looking statements can generally be identified by the use of forward looking words such as "likely", "believe", "future", "project", "should", "could", "target", "propose", "to be", "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", and other similar words and expressions, which may include, without limitation, statements regarding plans, strategies and objectives of management, expected exploration costs for the Company and indications of, and guidance on future earnings or financial position or performance. Any such forward-looking statement also inherently involves known and unknown risks (including risks generally associated with the mining industry), uncertainties and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated.

Any forward-looking statements are also based on assumptions and contingencies which are subject to change without notice and which may ultimately prove to be materially incorrect. Investors should consider the forward-looking statements contained in this document, in light of those disclosures and not place undue reliance on such statements.

The forward-looking statements in this document are not guarantees or predictions of future performance and may involve significant elements of subjective judgment, assumptions as to future events that may not be correct, known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. The forward-looking statements are based on information available to the Company as at the date of this document. Except as required by law or regulation, the Company undertakes no obligation to provide any additional or updated information or update any forward-looking statements, whether as a result of new information, future events or results or otherwise. To the maximum extent permitted by law, each member of the Company and its respective directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. No member of the Company makes any representation or warranty (express or implied) as to the fairness, accuracy, reliability, currency or completeness of any forward-looking statements contained in this document.

## Authorisation of release

Release of this market announcement is authorised by Nigel Ferguson, AVZ Minerals Limited's Managing Director.



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## Project Overview





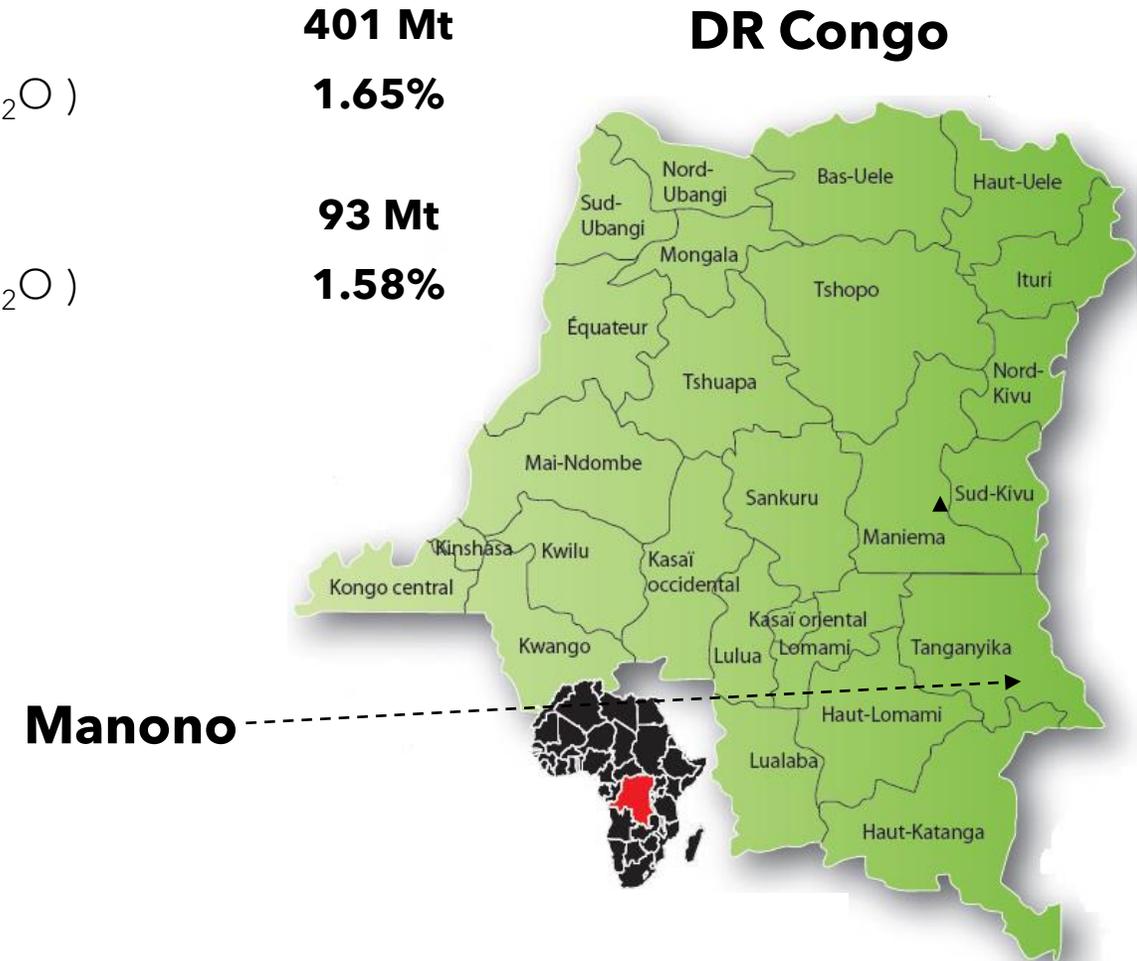
The Manono Lithium and Tin Project is the worlds largest undeveloped hard-rock lithium deposit. AVZ is unlocking the immense potential to deliver sustainably sourced lithium from the DRC to the world.

## Key Highlights

- World class high grade deposit
- LoM 20 years+
- Supply SC6 & our own high value, low waste midstream product “PLS”
- ESG & GHG emission focus, striving to reach carbon neutral status
- Verified transport solution
- Highly robust DFS to be updated with BFS imminent
- Decision on award of Mining License imminent
- Discussions with financiers, including DFI’s progressing well
- Growth via production expansions, further downstream processing & alluvial tin potential

## Manono Resources & Reserves

JORC Resource	<b>401 Mt</b>
Lithium Grade (Li <sub>2</sub> O ) Spodumene	<b>1.65%</b>
JORC Reserve	<b>93 Mt</b>
Lithium Grade (Li <sub>2</sub> O ) Spodumene	<b>1.58%</b>





# Robust Project Economics

Ownership before Placement	<ul style="list-style-type: none"><li>▪ 60% owned by AVZ Minerals Limited (15% under Option from Dathomir Mining Resources)</li><li>▪ 25% owned by DRC Government</li></ul>
Status	<ul style="list-style-type: none"><li>▪ Mining Licence Application submitted</li><li>▪ Permits and environmental approvals expected in Q3 2021</li></ul>
Reserve and Resources	<ul style="list-style-type: none"><li>▪ 401 Mt @ 1.65% Li<sub>2</sub>O (spodumene)</li><li>▪ 93 Mt @ 1.58% Li<sub>2</sub>O Proved and Probable Reserves</li></ul>
Steady State Throughput	<ul style="list-style-type: none"><li>▪ Conventional open pit mining with low ore waste strip ratio of 1:0.48</li><li>▪ 4.5 Mt/a (with a ramp-up period of 3 months)</li><li>▪ Modelled to 20 years with potential to significantly extend this</li></ul>
Process Flow Sheet	<ul style="list-style-type: none"><li>▪ 2 stage crush, HPGR, DMS and Calcination plant for lithium Sulphate</li><li>▪ Wilfley tables and magnetic separation for tin and tantalum recovery</li></ul>
Products	<ul style="list-style-type: none"><li>▪ Initial production of 700 kt/a SC6 and 46 kt/a Primary Lithium Sulphate Additional credits for Tin, Tantalum and Niobium likely</li></ul>
Capital Requirement	<ul style="list-style-type: none"><li>▪ US\$545M (including contingency of US\$49M - <i>Note: subject to change with completion of optimised DFS/BFS</i>)</li></ul>
AISC	<ul style="list-style-type: none"><li>▪ US\$371/t SC6</li><li>▪ US\$2,662/t Primary Lithium Sulphate</li></ul>
NPAT	<ul style="list-style-type: none"><li>▪ Net Profit After Tax - Life of Mine of US\$3,779M</li></ul>
NPV & IRR	<ul style="list-style-type: none"><li>▪ US\$2,348 M<sup>1</sup> pre-tax NPV<sub>10</sub> and US\$1,028 M<sup>1</sup> post-tax NPV<sub>10</sub></li><li>▪ Internal Rate of Return of 53% (pre-tax)<sup>1</sup> and 33% (post-tax)<sup>1</sup></li></ul>

<sup>1</sup> Based on 100% of project interest. AVZ holds 60% of the project with an option to increase to 75%



# Manono (Roche Dure) - Mineral Resource

Table 1: Roche Dure Pegmatite Mineral Resource at a cut-off of 0.5% Li<sub>2</sub>O (as at 1 May 2021)

Category	Tonnes (millions)	Li <sub>2</sub> O Grade %	Sn Grade ppm	Ta Grade ppm	Fe <sub>2</sub> O <sub>3</sub> Grade %	P <sub>2</sub> O <sub>5</sub> Grade %	Li <sub>2</sub> O Tonnes (millions)
Measured	100	1.67	870	35	0.93	0.30	1.66
Indicated	174	1.65	807	35	0.97	0.29	2.87
<b>Measured + Indicated</b>	<b>274</b>	<b>1.66</b>	<b>830</b>	<b>35</b>	<b>0.96</b>	<b>0.29</b>	<b>4.53</b>
Inferred	128	1.65	585	31	1.01	0.28	2.11
<b>Total</b>	<b>401</b>	<b>1.65</b>	<b>752</b>	<b>34</b>	<b>0.97</b>	<b>0.29</b>	<b>6.64</b>

Notes:

- Figures may not sum due to rounding
- Fe<sub>2</sub>O<sub>3</sub> and P<sub>2</sub>O<sub>5</sub> are potentially deleterious elements.

For further information and associated 2012 JORC Code Tables refer to the Company's ASX Announcement dated 24 May 2021, titled "Updated Mineral Resource Estimate includes Pit Floor "Wedge" Drill Results"



# Manono (Roche Dure) Tin Mineral Resource

Table 2: Roche Dure Pegmatite Mineral Tin Oxide Resource at a cut-off of 500 ppm Sn (as at 1 May 2021)

Category	Tonnes (millions)	Sn Grade %	Li <sub>2</sub> O Grade %	Ta Grade ppm	Fe <sub>2</sub> O <sub>3</sub> Grade %	P <sub>2</sub> O <sub>5</sub> Grade %	Sn Tonnes (thousands)
Indicated	8.3	1,071	0.37	45	0.77	0.11	8.9
Inferred	3.1	1,147	0.44	45	0.70	0.08	3.5
<b>Total</b>	<b>11.3</b>	<b>1,092</b>	<b>0.39</b>	<b>45</b>	<b>0.75</b>	<b>0.11</b>	<b>12.4</b>

Notes:

➤ Figures may not sum due to rounding

For further information and associated 2012 JORC Code Tables refer to the Company's ASX Announcement dated 24 May 2021, titled "Updated Mineral Resource Estimate includes Pit Floor "Wedge" Drill Results"



# Manono (Roche Dure) Ore Reserve Estimate

Table 3: Roche Dure Main Pegmatite Ore Reserve Estimate (as at 30 June 2020)

Category	Tonnes (millions)	Li <sub>2</sub> O Grade %	Li <sub>2</sub> O Tonnes (millions)	Sn Grade g/t	Sn Tonnes (thousands)
Proved	44.6	1.62	0.72	958	42.7
Probable	48.5	1.54	0.75	1,016	49.3
<b>Total</b>	<b>93.0</b>	<b>1.58</b>	<b>1.47</b>	<b>988</b>	<b>92.0</b>

Notes:

➤ Figures may not sum due to rounding

For information on applied cut-off, mining dilution and mining recovery assumptions, refer to relevant sections in AVZ Mineral's 2020 Annual Report released on 29 October 2020



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## Corporate Update



The team consists of an excellent mix of technical, corporate and legal professionals with over 150 years of combined African experience and with major mining operations both in Africa and globally



## Capital Structure

ASX Code	AVZ
Share Price (29 June 2021)	\$0.16
Shares outstanding	2.89bn
Market Cap (A\$)	\$464.9m
Cash (May 2021)	\$3.0m
Debt	Nil
Directors and Management Shareholding	3%





## Key Project Advantages

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Binding offtakes in place	<ul style="list-style-type: none"><li>80% of SC6 under binding offtake agreement;<ul style="list-style-type: none"><li>Ganfeng, 160ktpa SC6, initial 5-year term</li><li>Chengxin, 180ktpa SC6, initial 3-year term</li><li>Yibin Tianyi, 200ktpa, SC6, initial 3-year term.</li></ul></li><li>First tin offtake in place; 600tpa with Kalon Resources (subsidiary of the Noble Group).</li></ul>
Potentially lowest carbon footprint	<ul style="list-style-type: none"><li>AVZ is striving to be as close to a 'zero emissions' operation</li><li>Independent assessment shows Manono Project could have one of the lowest carbon footprints of any global hard rock lithium miner</li></ul>
Power	<ul style="list-style-type: none"><li>MOU signed in Jan 2020 to refurbish the Mpiana Mwanga hydro-electric power station, approx. 87 km from the Manono operations</li></ul>
Alluvial Tin & Primary Tin Credits	<ul style="list-style-type: none"><li>Alluvial tin and tantalum Exploration Target; 25Mm<sup>3</sup> - 75Mm<sup>3</sup> (cassiterite) @ 75g/m<sup>3</sup> - 180g/m<sup>3</sup></li><li>Tin prices at all time highs with electrification set to strengthen demand.</li></ul>
Payback Period	<ul style="list-style-type: none"><li>Payback period of 1.50 years (pre-tax) and 2.25 years (post-tax)</li></ul>
Significant Cash Flow Returns	<ul style="list-style-type: none"><li>US\$380 M average annual EBITDA for LOM</li></ul>

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## Other Opportunities

Other opportunities being investigated:

- Improved tin and tantalum recovery
- Lower rail rates from railway companies
- Use of 900kt/a middlings in a potential flotation circuit
- Producing sulphuric acid on site for cost savings
- Renewable energy on site such as solar arrays
- Upgraded resources and associated economic benefits
- Tax incentives from the Manono Special Economic Zone (SEZ)
- Down-stream processing - European Lithium Hydroxide Plant
- Alternative methods to treat SC6 for battery products
- Train two for PLS
- Significant expansion of operations to increase economies of scale





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## Capital Raising Summary



# Equity raising overview

<b>Offer size and structure</b>	<ul style="list-style-type: none"><li>• Institutional Placement to sophisticated, professional and institutional investors to raise A\$40 million (“Placement”)</li><li>• The Placement will be issued using AVZ placement capacity pursuant to ASX Listing Rule 7.1</li><li>• New shares issued will rank pari-passu with existing fully paid ordinary shares</li></ul>
<b>Placement offer price</b>	<ul style="list-style-type: none"><li>• Bookbuild offering from A\$0.13 per share. The price represents:<ul style="list-style-type: none"><li>• 18.8% discount to the last closing price of AU\$0.16 on 29 June 2021</li></ul></li></ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"><li>• Capital raising provides funding to increase AVZ’s interest in Dathcom mining by 15% (to 75%), advance early works program (completing the Manono camp and deposit for long lead items) and for project working capital and contingency cost buffer</li></ul>
<b>Lead Manager</b>	<ul style="list-style-type: none"><li>• Curran &amp; Co is acting as Lead Manager and Bookrunner to the Placement</li></ul>



# Capital raising timetable

<b>Event</b>	<b>Date</b>
<b>Placement</b>	
Trading halt	30 June 2021
Launch of Placement and lodgement of Investor Presentation	2 July 2021
Trading Halt Lifted and completion of the Placement	2 July 2021
Settlement of Placement shares	6 July 2021
Allotment of Placement shares	7 July 2021



## Increase interest in Manono from 60% to 75%:

- AVZ (purchaser) to exercise September 2020 call option with Dathomir (seller) to increase interest in Manono Project by 10% by the payment of US\$15M (~A\$19.9M)\*
- AVZ (purchaser) to exercise June 2019 call option with Dathomir (seller) to increase interest in Manono Project by 5% by the payment of US\$5M (~A\$6.6M)\*\*

## Early capital works program at Manono:

- Increase Manono camp size to accommodate more employees and contractors during construction ramp up

## Working Capital:

- Mainly for lenders advisory, legal and corporate costs and minimum liquidity requirements

Sources	A\$M
Placement proceeds	40
<b>Total</b>	<b>40</b>

Uses	A\$M
15% interest increase in Manono (to 75%)	26.5
Working Capital and early works program	13.5
<b>Total</b>	<b>40</b>

\*Option agreement expires in September 2021. US\$0.5M deposit was paid in September 2020 with US\$15M (A\$19.9M) payable by Aug 2021. A\$:US\$ FX rate assumed US\$0.7536

\*\* Option Agreement expires in May 2022. US\$0.5M deposit was paid in June 2019 with US\$5M(A\$6.6M) payable by May 2022. A\$:US\$ FX rate assumed US\$0.7536



## SUMMARY

- **Tier 1 World Class Project**

The largest and highest grade undeveloped hard rock lithium project globally - JORC Resource of 400.4 Mt @ 1.65% lithium (spodumene) including intercepts of >200 m with grades of up to 1.75% lithium. Expandability Carriere de L'Este - doubles tonnage. Exploration target stated "up to 1.5Bn tonnes @ up to 1.5%".

- **Robust Project Economics**

DFS (April 2020) delivered an NPV<sub>10</sub> (100% project interest) of US\$2.348Bn (US\$1.028Bn after tax). IRR 53% (33.2% after tax) based on a CAPEX of US\$545M inclusive of a US\$49M contingency (100% interest).

- **Secure Offtake Agreements**

~80% of SC6 under binding offtake agreement with major lithium converters and first tin offtake in place.

- **Project Funding**

Advanced discussions with a potential syndicated facility comprising principally of Pan African Development Finance Institutions (DFIs) with favourable terms and conditions. The equity component of the required funding has attracted a number of interested industry participants and private equity investors with discussions ongoing.

- **Highly Leveraged to EV Thematic**

AVZ offers significant leverage to the price of lithium and tin offering considerable relative value compared to its ASX listed peers.

- **Excellent Government Relationships**

Ongoing discussion with DRC Government to secure significant favourable SEZ terms.

- **Application for Manono Mining License lodged, awaiting award.**