



ASX ANNOUNCEMENT

10 December 2021

AVZ completes successful \$75M placement to strategic institutions

Highlights

- AVZ receives firm commitments to raise \$75 million (before costs), with 85% coming from global institutions and the balance from existing sophisticated shareholders, including CATH
- Placement supported by several Tier 1 North American and Australian institutions; was heavily oversubscribed with applications proportionately scaled back
- Issue price of \$0.50 per share represents a discount of 22% to the last closing price, following a doubling of AVZ's share price during the past two months
- Raising provides assurance ahead of FID that 90% of Project capital funding required by the DFS of April 2020* is secured on closure of the deal with CATH**
- Proceeds allow AVZ to undertake early site works program while awaiting award of mining licence
- Seeding of long-term institutional investors supportive of AVZ's strategic vision to vertically integrate and invest in downstream lithium processing
- AVZ continues to enjoy a collaborative and supportive relationship with the DRC Government and remains confident of positive outcome with respect to all licencing and permitting requirements for the Manono Project.

* Refer ASX Announcement dated 21 April 2020 "AVZ Delivers Highly Positive Definitive Feasibility Study for Manono Lithium and Tin Project"

** Refer ASX Announcement dated 27 September 2021 "Cornerstone investor secured for development of Manono Lithium and Tin Project"

AVZ Minerals Limited (ASX: AVZ, "the Company" or "AVZ") is pleased to announce it has received firm commitments for a placement to raise \$75 million (before costs) with 85% of funds coming via new global institutions and the balance from existing sophisticated shareholders including cornerstone investor Suzhou CATH Energy Technologies ("CATH").

The placement was significantly oversubscribed and further confirms the significant level of interest in the Company's world-class Manono Lithium and Tin Project ("Manono Project") situated in the Democratic Republic of the Congo ("DRC").

The successful capital raising allows the Board of AVZ ("Board") to efficiently progress towards a Final Investment Decision ("FID") for the commencement of project development at the Manono Project, as well as providing foundation support for AVZ's longer term strategic vision to vertically integrate via further investments into downstream lithium processing opportunities.

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Directors

Non-Executive Chairman: John Clarke

Managing Director: Nigel Ferguson

Technical Director: Graeme Johnston

Non-Executive Director: Rhett Brans

Non-Executive Director: Peter Huljich

Market Cap

\$2.1Bn

ASX Code: AVZ

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The proceeds from the capital raise will allow the Company to undertake its early site works program to accelerate the project development timetable ahead of a decision on the Permis d'Exploitation (or Mining Licence).

Commenting on the capital raising, AVZ's Managing Director, Nigel Ferguson, said:

"This capital raising marks an important milestone in our journey to develop the Manono Project which strengthens the financial position of the Company and will assist to keep the Project timeline within reach, despite the award of our Mining Licence taking longer than we had previously anticipated".

"We are in close consultation with the DRC Government authorities that are undertaking the Mining Licence assessment and are confident of delivering a favorable outcome for all stakeholders - most importantly the people of the DRC and our shareholders".

"Such a significant cash injection further de-risks the Company during a time where increased market volatility is apparent and global economic uncertainty still remains.

"The placement also assists our financing discussions, providing capital for up-front debt finance establishment costs and ensuring minimum liquidity requirements are met which provides AVZ with a solid foundation to negotiate favourable terms.

"We welcome our new shareholders and thank our existing shareholders for their continued support, in what is expected to be an exciting time in the development of this truly world-class asset."

Placement

The Placement comprises 150,000,000 new Shares (~4% of shares on issue post the Placement) at an issue price of \$0.50 per Share, to raise \$75 million (before costs) utilising the Company's existing ASX Listing Rule 7.1 capacity.

The issue price represents a 22% discount to the closing price on 7 December 2021.

The lead manager and book runner on the Placement was jointly undertaken by Cantor Fitzgerald and Curran & Co.

An indicative timetable for the Placement is set out in Appendix 1. The timetable remains subject to change at the Board's discretion, subject to compliance with applicable laws and ASX Listing Rules.

AVZ will use the funds to:

- Negotiate the extra 15% equity in Manono from the Government from a strong cash position
- Undertake early-works program, including upgrade of roads, bridges and progress camp construction;
- Progress various technical studies with respect to LiOH conversion and infrastructure initiatives that further enhance the Project;
- Negotiate final project financing requirements from a position of enhanced balance sheet strength; and
- Provide necessary working capital for corporate requirements, including potential new exploration opportunities.

This release was authorised by Nigel Ferguson, Managing Director of AVZ Minerals Limited.

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

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Appendix 1: Indicative Timetable

Key Event	Date
Trading Halt	8 December 2021
Launch of Capital Raising and Investor Presentation	10 December 2021
Trading Halt lifted, Announcement of completion of Capital Raising	10 December 2021
Settlement of Placement Shares	14 December 2021
Allotment of Placement Shares	14 December 2021

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