



ASX ANNOUNCEMENT

20 October 2022

Arbitration Proceedings & Legal Update

AVZ Minerals Limited (ASX: AVZ, OTC: AZZVF) (AVZ or Company) provides an update regarding:

- the arbitration proceedings before the International Chamber of Commerce in Paris (ICC) instigated by Jin Cheng Mining Company Limited (Jin Cheng), a subsidiary of Zijin Mining Group Company Limited (Zijin) against AVZ's wholly owned subsidiary AVZ International Pty Ltd (AVZI), as advised in its ASX Announcement dated 11 May 2022; and
- A DRC Tribunal decision dated 20 September 2022 with respect to Dathomir claims that the SPA's for the 15% interest acquired by AVZ be revalued or cancelled.

Jin Cheng ICC Arbitration Proceedings

The Arbitrator has issued Procedural Order No.1-3 ruling in favour of AVZI and consequently will now proceed to hear and determine AVZI's jurisdictional challenge (around whether AVZI's pre-emption rights were breached) before dealing, if necessary, with the merits of the case.

The timetable of the arbitral proceedings are yet to be set by the arbitrator.

DRC Tribunal Decision

The Company is aware of a DRC Tribunal decision dated 20 September 2022 granting a request by Dathomir Mining Resources SARL (Dathomir) for the interim suspension of payments of purchase prices under SPAs by which Dathomir agreed to sell and AVZI agreed to buy a 15% interest in Dathcom (Dathomir SPAs) pending arbitration.

None of the defendants to Dathomir's request – namely, AVZI, Dathcom, Cominière and Rawbank SA – were present or heard by the DRC Tribunal before it granted Dathomir's request and AVZI and Dathcom dispute, as factually and legally misconceived, the premises for Dathomir's request.

AVZI duly completed each of the Dathomir SPAs in August 2021, including payment within the required time period, and thereby legally acquired a further 15% interest in Dathcom.

As the DRC Tribunal correctly acknowledged, both Dathomir SPAs contain and are subject to arbitration agreements. It follows that only a properly constituted arbitral tribunal has jurisdiction to overturn AVZI's August 2021 acquisition of a further 15% interest in Dathcom from Dathomir. As far as AVZ is aware, no such arbitration proceedings have been commenced.

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ASX Code: AVZ

OTC Code: AZZVF

The Company considers the decision dated 20 September 2022 to be immaterial, noting that it does not purport to (nor does it, in fact or under DRC law) have any effect on the validity of the Dathomir SPAs (which AVZ has duly performed and completed and which have not been terminated or annulled by any order, letter or otherwise).

As previously announced and consistent with the above statements, AVZ confirms that it retains legal title to a 75% interest in the Manono Project and its pre-emptive rights over the balance of the Project.

The Company will continue to provide updates on material developments with respect to ongoing legal matters whilst reserving all of its legal rights.

Media and social media commentary

AVZ has been made aware of false, misleading and/or deceptive statements being published on certain social media.

AVZ's general policy on responding to market speculation and rumours is that it does not respond to market speculation or rumours. However, AVZ may decide to make a statement in response to market speculation or rumours if it considers it is obliged at that time to make a statement to the market about a particular matter.

Voluntary suspension

The Company refers to its request for an extension to its voluntary suspension dated 10 October 2022, in relation to the finalisation and release of an announcement with respect to its mining and exploration rights for the Manono Project.

The Company confirms that this announcement is not intended to end the voluntary suspension.

The Company advises that as at the date of this announcement:

- the subject of the initial trading halt request remains incomplete;
- there is no change to the anticipated timeframe for the completion of the subject of the initial trading halt request (on or before 1 November 2022); and
- the Company is not aware of any other information necessary to inform the market about the voluntary suspension.

AVZ confirms that it is in compliance with Listing Rule 3.1.

This announcement was authorised for release by the Board of Directors of AVZ Minerals Limited.

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

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FORWARD LOOKING INFORMATION

This announcement contains certain forward-looking statements and comments about future events. 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.