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AVZ MINERALS LIMITED

ACN 125 176 703

NOTICE OF GENERAL MEETING

TIME: 11:00 am (WST)

DATE: Thursday, 12 October 2017

PLACE: At the offices of BDO Australia, 38 Station Street, Subiaco, Western Australia 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9380 6789.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11:00 am (WST) on Thursday, 12 October 2017 at the offices of BDO Australia:

38 Station Street, Subiaco, Western Australia, 6008

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00 am (WST) on Tuesday, 10 October 2017.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. **RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS – HUAYOU INTERNATIONAL MINING (HONG KONG) LIMITED**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 45,800,000 Shares and 86,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. **RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES – HUAYOU INTERNATIONAL MINING (HONG KONG) LIMITED**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 140,200,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. **RESOLUTION 3 – PLACEMENT – OPTIONS – HUAYOU INTERNATIONAL MINING (HONG KONG) LIMITED**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 100,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – PLACEMENT – SHARES AND OPTIONS – INSTITUTIONAL AND SOPHISTICATED INVESTORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 28,285,714 Shares and 28,285,714 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – APPROVAL FOR THE COMPANY TO ISSUE EMPLOYEE PERFORMANCE RIGHTS TO MR GRAEME JOHNSTON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Employee Performance Rights on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – APPROVAL FOR THE COMPANY TO ISSUE EMPLOYEE PERFORMANCE RIGHTS TO MR JARAD ROBERTSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 500,000 Employee Performance Rights on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a

person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – APPROVAL FOR THE COMPANY TO ISSUE EMPLOYEE PERFORMANCE RIGHTS TO MR BALTHAZAR TSHISEKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Employee Performance Rights on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – APPROVAL FOR THE COMPANY TO ISSUE EMPLOYEE PERFORMANCE RIGHTS TO MR PAPY LUNGA KYONI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Employee Performance Rights on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – APPROVAL FOR THE COMPANY TO ISSUE EMPLOYEE PERFORMANCE RIGHTS TO MR MATHEW O’HARA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 500,000 Employee Performance Rights on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is

cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE – SHARES – SOPHISTICATED INVESTORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 44,583,333 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE – SHARES – MEDIDOC FZE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE – AIRGUIDE PERFORMANCE RIGHTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Airguide Performance Rights on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. RESOLUTION 13 – PLACEMENT – SHARES – DATHOMIR MINING RESOURCES SARL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 6,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 7 September 2017

By order of the Board

Mathew O'Hara
Company Secretary

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS – HUAYOU INTERNATIONAL MINING (HONG KONG) LIMITED

1.1 General

On 16 August 2017, the Company announced the completion of a capital raising of \$13,020,000 through the issue of 186,000,000 Shares at an issue price of \$0.07 per Share together with 1 free attaching Option for every 1 Share subscribed for and issued to Huayou International Mining (Hong Kong) Limited (**Capital Raising**).

The Company issued 45,800,000 of the Shares and 86,000,000 Options the subject of the Capital Raising without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1.

The Company also issued 140,200,000 Shares the subject of the Capital Raising without prior Shareholder approval pursuant to the Company's capacity under ASX Listing Rule 7.1A, which was approved by Shareholders at the annual general meeting held on 24 November 2016. The Company also seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (and that ratification is the subject of Resolution 2).

The issue of 100,000,000 Options remains subject to Shareholder approval (and is the subject of Resolution 3).

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 45,800,000 Shares and 86,000,000 Options referred to above (**First Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the First Ratification:

- (a) 45,800,000 Shares and 86,000,000 Options were issued;
- (b) the issue price per Share was \$0.07 and the issue price of the Options was nil as they were issued free attaching with the Shares on a 1:1 basis;

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- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (d) the Options were issued on the terms and conditions set out in Schedule 1;
 - (e) the Shares and Options were issued to Huayou International Mining (Hong Kong) Limited. This subscriber is not a related party of the Company; and
 - (f) the funds raised from this issue will be used primarily for the planned drilling and initial metallurgical test work programs at the Manono project in the south of the Democratic Republic of Congo, as well as ongoing corporate and administration costs.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

The Directors (other than Mr Hongliang Chen) recommend that Shareholders vote IN FAVOUR of Resolution 1. Mr Hongliang Chen is a nominee director of Huayou International Mining (Hong Kong) Limited and has abstained from making a recommendation to Shareholders.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES – HUAYOU INTERNATIONAL MINING (HONG KONG) LIMITED

2.1 General

On 16 August 2017, the Company announced the completion of the Capital Raising.

The Company issued 140,200,000 Shares the subject of the Capital Raising without prior Shareholder approval pursuant to the Company's capacity under ASX Listing Rule 7.1A, which was approved by Shareholders at the annual general meeting held on 24 November 2016.

The Company also issued 45,800,000 of the Shares and 86,000,000 Options the subject of the Capital Raising without prior Shareholder approval out of its 15% annual placement capacity. The Company also seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options (and that ratification is the subject of Resolution 1).

The issue of 100,000,000 Options remains subject to Shareholder approval (and is the subject of Resolution 3).

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 140,200,000 Shares as referred to above (**Second Ratification**).

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 2, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Second Ratification:

- (a) 140,200,000 Shares were issued;
- (b) the issue price was \$0.07 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Huayou International Mining (Hong Kong) Limited. This subscriber is not a related party of the Company; and
- (e) the funds raised from this issue will be used for the planned drilling and initial metallurgical test work programs at the Manono project in the south of the Democratic Republic of Congo, as well as ongoing corporate and administration costs.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

The Directors (other than Mr Hongliang Chen) recommend that Shareholders vote IN FAVOUR of Resolution 2. Mr Hongliang Chen is a nominee director of Huayou International Mining (Hong Kong) Limited and has abstained from making a recommendation to Shareholders.

3. RESOLUTION 3 – PLACEMENT – OPTIONS – HUAYOU INTERNATIONAL MINING (HONG KONG) LIMITED

3.1 General

On 16 August 2017, the Company announced the completion of the Capital Raising.

The Company issued 45,800,000 of the Shares and 86,000,000 Options the subject of the Capital Raising without prior Shareholder approval out of its 15% annual placement capacity. The Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options (and that ratification is the subject of Resolution 1).

The Company also issued 140,200,000 Shares the subject of the Capital Raising without prior Shareholder approval pursuant to the Company's capacity under ASX Listing Rule 7.1A, which was approved by Shareholders at the annual general

meeting held on 24 November 2016. The Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (and that ratification is the subject of Resolution 2).

The issue of 100,000,000 Options remains subject to Shareholder approval.

Resolution 3 seeks Shareholder approval for the issue of up to 100,000,000 Options for nil cash consideration to Huayou International Mining (Hong Kong) Limited under the Capital Raising on the basis of 1 Option for every 1 Share subscribed for and issued (**Option Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 3 will be to allow the Company to issue the Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be issued is 100,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Capital Raising on a 1:1 basis;
- (d) the Options will be issued to Huayou International Mining (Hong Kong) Limited. This subscriber is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Option Placement as the Options are being issued for nil cash consideration.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

The Directors (other than Mr Hongliang Chen) recommend that Shareholders vote IN FAVOUR of Resolution 3. Mr Hongliang Chen is a nominee director of Huayou International Mining (Hong Kong) Limited and has abstained from making a recommendation to Shareholders.

4. RESOLUTION 4 – PLACEMENT – SHARES AND OPTIONS – INSTITUTIONAL AND SOPHISTICATED INVESTORS

4.1 General

On 16 August 2017, the Company announced the completion of the Capital Raising.

On 10 August 2017, the Company also announced it proposes to raise, subject to Shareholder approval, up to a further \$1,980,000 from institutional and sophisticated investors by the issue of up to 28,285,714 Shares at an issue price of \$0.07 per Share, together with up to 28,285,714 attaching Options exercisable at \$0.10 and expiring on 15 April 2019.

Resolution 4 seeks Shareholder approval for the issue of up to 28,285,714 Shares at an issue price of \$0.07 per Share, together with 1 free attaching Option for every 1 Share subscribed for and issued, to raise up to \$1,980,000 (**Placement**).

The Company has engaged the services of Hartleys Limited (ABN 33 104 195 057) (**Hartleys**) a licensed securities dealer (AFSL 230052), to act as Lead Manager of the Placement. The Company will pay Hartleys a fee of 6% (exclusive of goods and services tax) on the amount raised under the Placement.

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 4 will be to allow the Company to issue the Shares and Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 28,285,714 and the maximum number of Options to be issued is 28,285,714;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (c) the issue price will be \$0.07 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1:1 basis;
- (d) the Shares and Options will be issued to institutional and sophisticated investors. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) the Company intends to use the funds raised from the Placement towards the planned drilling and initial metallurgical test work programs at the Manono project in the south of the Democratic Republic of Congo, as well as ongoing corporate and administration costs.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 4.

5. RESOLUTIONS 5 – 9 – APPROVAL FOR THE COMPANY TO ISSUE EMPLOYEE PERFORMANCE RIGHTS TO MR GRAEME JOHNSTON, MR JARAD ROBERTSON, MR BALTHAZAR TSHISEKE, MR PAPY LUNGA KYONI AND MR MATHEW O'HARA

5.1 General

Mr Graeme Johnston is the Project Manager at the Manono project.

Mr Jarad Robertson is the Geologist at the Manono project.

Mr Balthazar Tshiseke is the Chief Administrator at the Manono project.

Mr Papy Lunga Kyoni is the Senior Geologist at the Manono project.

Mr Mathew O'Hara is the Company Secretary of the Company.

The Board is seeking Shareholder approval by way of Resolutions 5 – 9 (inclusive) to issue Employee Performance Rights to Mr Graeme Johnston, Mr Jarad Robertson, Mr Balthazar Tshiseke, Mr Papy Lunga Kyoni and Mr Mathew O'Hara (or their nominees) respectively, in accordance with the terms set out below.

Resolution 5 seeks Shareholder approval for the issue of 2,000,000 unlisted Employee Performance Rights to Mr Graeme Johnston (or his nominee) at no cost and at an exercise price of nil, which shall vest upon definition of a 100Mt Measured Mineral Resource in accordance with JORC Guidelines (as that term is defined for the purposes of JORC Guidelines for lithium) of lithium oxide (Li₂O) that meets the agreed minimum specification of greater than 1% lithium oxide (Li₂O) being delineated within the Manono Project Area (being the licence area of PR13359) within 12 months of the date of issue of the Employee Performance Rights.

Resolution 6 seeks Shareholder approval for the issue of 500,000 unlisted Employee Performance Rights to Mr Jarad Robertson (or his nominee) at no cost and at an exercise price of nil, which shall vest upon definition of a 100Mt Measured Mineral Resource in accordance with JORC Guidelines (as that term is defined for the purposes of JORC Guidelines for lithium) of lithium oxide (Li₂O) that meets the agreed minimum specification of greater than 1% lithium oxide (Li₂O) being delineated within the Manono Project Area (being the licence area of PR13359) within 12 months of the date of issue of the Employee Performance Rights.

Resolution 7 seeks Shareholder approval for the issue of 1,000,000 unlisted Employee Performance Rights to Mr Balthazar Tshiseke (or his nominee) at no cost and at an exercise price of nil, which shall vest upon definition of a 100Mt Measured Mineral Resource in accordance with JORC Guidelines (as that term is defined for the purposes of JORC Guidelines for lithium) of lithium oxide (Li₂O) that meets the agreed minimum specification of greater than 1% lithium oxide (Li₂O) being delineated within the Manono Project Area (being the licence area of PR13359) within 12 months of the date of issue of the Employee Performance Rights.

Resolution 8 seeks Shareholder approval for the issue of 1,000,000 unlisted Employee Performance Rights to Mr Papy Lunga Kyoni (or his nominee) at no cost and at an exercise price of nil, which shall vest upon definition of a 100Mt Measured Mineral Resource in accordance with JORC Guidelines (as that term is defined for the purposes of JORC Guidelines for lithium) of lithium oxide (Li₂O) that meets the agreed minimum specification of greater than 1% lithium oxide (Li₂O) being delineated within the Manono Project Area (being the licence area of PR13359) within 12 months of the date of issue of the Employee Performance Rights.

Resolution 9 seeks Shareholder approval for the issue of 500,000 unlisted Employee Performance Rights to Mr Mathew O'Hara (or his nominee) at no cost and at an exercise price of nil, which shall vest upon definition of a 100Mt Measured Mineral Resource in accordance with JORC Guidelines (as that term is defined for the purposes of JORC Guidelines for lithium) of lithium oxide (Li₂O) that meets the agreed minimum specification of greater than 1% lithium oxide (Li₂O) being delineated within the Manono Project Area (being the licence area of PR13359) within 12 months of the date of issue of the Employee Performance Rights.

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 5 will be to allow the Company to issue 2,000,000 unlisted Employee Performance Rights to Mr Graeme Johnston during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The effect of Resolution 6 will be to allow the Company to issue 500,000 unlisted Employee Performance Rights to Mr Jarad Robertson during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The effect of Resolution 7 will be to allow the Company to issue 1,000,000 unlisted Employee Performance Rights to Mr Balthazar Tshiseke during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The effect of Resolution 8 will be to allow the Company to issue 1,000,000 unlisted Employee Performance Rights to Mr Papy Lunga Kyoni during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The effect of Resolution 9 will be to allow the Company to issue 500,000 unlisted Employee Performance Rights to Mr Mathew O'Hara during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Employee Performance Rights to be issued is:
 - (i) 2,000,000 in respect of Mr Johnston;
 - (ii) 500,000 in respect of Mr Robertson;
 - (iii) 1,000,000 in respect of Mr Tshiseke;
 - (iv) 1,000,000 in respect of Mr Kyoni; and
 - (v) 500,000 in respect of Mr O'Hara;
- (b) the Employee Performance Rights will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any

ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;

- (c) the issue price will be nil per Employee Performance Right;
- (d) the Employee Performance Rights be issued to Mr Johnston, Mr Robertson, Mr Tshiseke, Mr Kyoni and Mr O'Hara. None of these recipients are related parties of the Company;
- (e) the Employee Performance Rights will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue of the Employee Performance Rights as they will be issued for nil cash consideration to Mr Johnston, Mr Robertson, Mr Tshiseke, Mr Kyoni and Mr O'Hara (or their nominees) in order to incentivise each of them to provide dedicated and ongoing commitment to the Company.

The Chairman intends to exercise all available proxies in favour of Resolutions 5 – 9.

The Directors recommend that Shareholders vote IN FAVOUR of Resolutions 5 – 9.

6. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE – SHARES – SOPHISTICATED INVESTORS

6.1 General

On 2 December 2016, the Company issued 44,583,333 Shares at an issue price of \$0.012 per Share to raise \$535,000.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Third Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Third Ratification:

- (a) 44,583,333 Shares were issued;
- (b) the issue price was \$0.012 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated investors. None of these subscribers are related parties of the Company; and

- (e) the funds raised from this issue were used for the acquisition of a 60% interest in seven (7) prospective licences within the mid-Proterozoic Kibaran Belt in south of the Democratic Republic of Congo from the interest holders La Congolaise D'exploitation Miniere SA and Dathomir Mining Resources SARL.

The Chairman intends to exercise all available proxies in favour of Resolution 10.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 10.

7. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE – SHARES – MEDIDOC FZE

7.1 General

On 19 September 2016, the Company announced a transaction for the issue and allotment of 50,000,000 Shares to Medidoc FZE for the acquisition of a 100% legal and beneficial interest in Permis de Recherches PR 4029 and PR 4030, comprising the Manono Extension Project located in the Democratic Republic of Congo.

This issue and allotment was approved at the Annual General Meeting held on 24 November 2016 however, the Company and Medidoc FZE subsequently agreed to revise the acquisition terms. The Company proceeded to issue Medidoc FZE 30,000,000 Shares in the Company and pay Medidoc US\$200,000 in cash, and agreed to issue Medidoc FZE a further 20,000,000 Shares if the Company continues to hold the Manono Extension Project after 30 April 2017.

On 23 May 2017, the Company issued the 20,000,000 Shares to complete its obligations under this transaction.

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 20,000,000 Shares as referred to above (**Fourth Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Fourth Ratification:

- (a) 20,000,000 Shares were issued;
- (b) the deemed issue price was \$0.01 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Medidoc FZE, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in part consideration for the acquisition of a 100% legal and beneficial interest in

Permis de Recherches PR 4029 and PR 4030, comprising the Manono Extension Project located in the Democratic Republic of Congo.

The Chairman intends to exercise all available proxies in favour of Resolution 11.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 11.

8. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE – AIRGUIDE PERFORMANCE RIGHTS

8.1 General

On 2 June 2017, the Company announced that Airguide International Pte Ltd had been engaged as its strategic advisor.

On 5 June 2017, the Company issued 15,000,000 Airguide Performance Rights to Airguide International Pte Ltd at no cost and at an exercise price of nil.

On 31 August 2017, due to the satisfaction of the Vesting Condition referred to in paragraph (a)(i) of Schedule 3 of this Notice of Meeting, a total of 7,500,000 Airguide Performance Rights converted into 7,500,000 Shares.

Resolution 12 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 15,000,000 Airguide Performance Rights to Airguide International Pte Ltd at no cost and at an exercise price of nil, which shall vest upon satisfaction of the Vesting Conditions set out in paragraph (a) of Schedule 3 of this Notice of Meeting (**Fifth Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Fifth Ratification:

- (a) 15,000,000 Airguide Performance Rights were issued;
- (b) the issue price was nil per Airguide Performance Right;
- (c) the Airguide Performance Rights were issued on the terms and conditions set out in Schedule 3;
- (d) the Airguide Performance Rights were issued to Airguide International Pte Ltd, which is not a related party of the Company; and
- (e) no funds were raised from the issue of the Airguide Performance Rights as they were issued for nil cash consideration to incentivise Airguide International Pte Ltd to facilitate and advise the Company on key relationships and a broader work program aimed at securing value-adding commercial agreements with relevant counterparties in China.

The Chairman intends to exercise all available proxies in favour of Resolution 12.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 12.

9. RESOLUTION 13 – PLACEMENT – SHARES – DATHOMIR MINING RESOURCES SARL

9.1 General

Resolution 13 seeks Shareholder approval for the issue of 6,000,000 Shares to Dathomir Mining Resources SARL (or its nominee) in consideration for its introduction fee in connection with the Capital Raising (**Dathomir Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 13 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Dathomir Placement:

- (a) the maximum number of Shares to be issued is 6,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the deemed issue price will be \$0.07 per Share;
- (d) the Shares will be issued to Dathomir Mining Resources SARL (or its nominee), which is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the Dathomir Placement as the Shares are being issued in consideration for its introduction fee in connection with the Capital Raising.

The Chairman intends to exercise all available proxies in favour of Resolution 13.

The Directors recommend that Shareholders vote IN FAVOUR of Resolution 13.

GLOSSARY

\$ means Australian dollars.

Airguide Performance Right means a right to acquire a Share upon certain performance vesting conditions being satisfied and otherwise on the terms and conditions set out in Schedule 3.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means AVZ Minerals Limited (ACN 125 176 703).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Employee Performance Right means a right to acquire a Share upon certain performance vesting conditions being satisfied and otherwise on the terms and conditions set out in Schedule 2.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

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SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 15 April 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 2 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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SCHEDULE 2 – TERMS AND CONDITIONS OF EMPLOYEE PERFORMANCE RIGHTS

A summary of the terms and conditions of the Employee Performance Rights is set out below:

- (a) **(Vesting Condition):** The Employee Performance Rights shall vest upon definition of a 100Mt Measured Mineral Resource in accordance with JORC Guidelines (as that term is defined for the purposes of JORC Guidelines for lithium) of lithium oxide (Li₂O) that meets the agreed minimum specification of greater than 1% lithium oxide (Li₂O) being delineated within the Manono Project Area (being the licence area of PR13359) within 12 months of the date of issue of the Employee Performance Rights.
- (b) **(Vesting):** Upon the Vesting Condition being satisfied, the Company shall notify the holder in writing that the relevant Employee Performance Rights have vested (**Vested Employee Performance Rights**).
- (c) **(Consideration):** The Employee Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Employee Performance Rights.
- (d) **(Automatic Vesting):** Upon satisfaction of the Vesting Condition, each Employee Performance Right will automatically vest into one Share.
- (e) **(Lapse of an Employee Performance Right):** An Employee Performance Right will lapse upon the earlier to occur of:
- (i) 1 year from the date that the Employee Performance Right is granted to the holder; or
 - (ii) the Employee Performance Right lapsing in accordance with rule (f).
- (f) **(Ceasing to be an Eligible Employee):** If a holder ceases to be a consultant, contractor or employee of the Company, or a subsidiary of the Company, then:
- (i) the Board must deem any Employee Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - (ii) any Employee Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.
- (g) **(Other circumstances):** The Employee Performance Rights will not lapse and be forfeited where the holder ceases to be a consultant, contractor or employee of the Company for one of the following reasons:
- (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable to work in his or her own or any occupation for which they are suited by training, education, or experience for a period beyond one year); or
 - (ii) any other reason that the Board determines is reasonable to permit the holder to retain his Employee Performance Rights,

and in those circumstances the Employee Performance Rights will continue to be subject to the Vesting Condition.

- (h) **(Takeover, Scheme of Arrangement or Change of Control):** the Employee Performance Rights will automatically vest where:
- (i) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the Shareholders of the Company approve the proposed compromise or arrangement at such meeting;
 - (ii) a takeover bid:
 - (A) is announced;
 - (B) has become unconditional; and
 - (C) the person making the takeover bid has a Relevant Interest (as that term is defined in the Corporations Act) in 50% or more of the Shares; or
 - (iii) any person acquires a Relevant Interest (as that term is defined in the Corporations Act) in 50.1% or more of the Shares by any other means.
- (i) **(Share ranking):** All Shares issued upon the vesting of Employee Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (j) **(Listing of Shares on ASX):** The Company will not apply for quotation of the Employee Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Employee Performance Rights on ASX within the period required by ASX.
- (k) **(Transfer of Employee Performance Rights):** An Employee Performance Right is only transferable:
- (i) with the consent of the Board; or
 - (ii) by force of law upon death to the Related Party's legal personal representative or upon bankruptcy to the Related Party's trustee in bankruptcy.
- (l) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Employee Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Performance Rights.
- (m) **(Adjustment for bonus issue):** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Employee Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Employee Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (n) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Employee Performance Right (including the Vesting Condition) are to

be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (o) **(Dividend and Voting Rights):** An Employee Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

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SCHEDULE 3 – TERMS AND CONDITIONS OF AIRGUIDE PERFORMANCE RIGHTS

A summary of the terms and conditions of the Airguide Performance Rights is set out below:

- (a) **(Vesting Condition):** The Airguide Performance Rights shall vest as follows:
- (i) 7,500,000 upon execution of the first (1st) memoranda of understanding and/or letter of intent in respect of an offtake agreement with an Airguide introduced party; and
 - (ii) 7,500,000 upon execution of the first (1st) binding offtake partnership, development finance or prepayment finance agreement with an Airguide introduced party.
- (b) **(Vesting):** Upon the Vesting Condition being satisfied, the Company shall notify the holder in writing that the relevant Airguide Performance Rights have vested (**Vested Airguide Performance Rights**).
- (c) **(Consideration):** The Airguide Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Airguide Performance Rights.
- (d) **(Automatic Vesting):** Upon satisfaction of the Vesting Condition, each Airguide Performance Right will automatically vest into one Share.
- (e) **(Lapse of an Airguide Performance Right):** An Airguide Performance Right will lapse upon the earlier to occur of:
- (i) 1 year from the date that the Airguide Performance Right is granted to the holder;
 - (ii) the Airguide Performance Right lapsing in accordance with rule (f); or
 - (iii) the Airguide Performance Right lapsing in accordance with a provision of rule (g).
- (f) **(Fraudulent or dishonest action):** If a holder ceases to be strategic advisor to the Company in circumstances where the cessation or termination is specifically referenced to the holder having been found to have acted fraudulently or dishonestly in the performance of their duties, then:
- (i) the Board must deem any Airguide Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - (ii) any Airguide Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.
- (g) **(Ceasing to be an Eligible Person):** If a holder ceases to be strategic advisor to the Company in circumstances where the cessation or termination arises because:
- (i) the holder terminates the appointment;
 - (ii) the holder wilfully breaches the terms of the appointment of the holder;

(iii) the holder or its directors are convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or

(iv) the holder or its directors are found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute,

then:

(v) the Board must deem any Airguide Performance Rights of the holder to have immediately lapsed and be forfeited; and

(vi) any Airguide Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.

(h) **(Takeover, Scheme of Arrangement or Change of Control):** the Airguide Performance Rights will automatically vest where:

(i) A court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the Shareholders of the Company approve the proposed compromise or arrangement at such meeting;

(ii) A takeover bid:

a) is announced;

b) has become unconditional; and

c) the person making the takeover bid has a Relevant Interest (as that term is defined in the Corporations Act) in 50% or more of the Shares; or

(iii) any person acquires a Relevant Interest (as that term is defined in the Corporations Act) in 50.1% or more of the Shares by any other means.

(i) **(Share ranking):** All Shares issued upon the vesting of Airguide Performance Rights will upon issue rank pari passu in all respects with other Shares.

(j) **(Listing of Shares on ASX):** The Company will not apply for quotation of the Airguide Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Airguide Performance Rights on ASX within the period required by ASX.

(k) **(Transfer of Airguide Performance Rights):** An Airguide Performance Right is not transferable.

(l) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Airguide Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Airguide Performance Rights.

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- (m) **(Adjustment for bonus issue):** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Airguide Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Airguide Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
 - (n) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Airguide Performance Right (including the Vesting Condition) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
 - (o) **(Dividend and Voting Rights):** An Airguide Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to AVZ Minerals Limited, Level 2, Suite 9, 389 Oxford Street, Mount Hawthorn, WA 6016; or
 - (b) facsimile to the Company on facsimile number +61 8 9380 6761; or
 - (c) email to the Company at admin@avzminerals.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

PROXY FORM

AVZ MINERALS LIMITED
ACN 125 176 703

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11:00 am (WST), on Thursday, 12 October 2017 at the offices of BDO Australia, 38 Station Street, Subiaco, Western Australia 6008, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of Prior Issue – Shares and Options – Huayou International Mining (Hong Kong) Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue – Shares – Huayou International Mining (Hong Kong) Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Placement – Options – Huayou International Mining (Hong Kong) Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Placement – Shares and Options – Institutional and Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for the Company to Issue Employee Performance Rights to Mr Graeme Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for the Company to Issue Employee Performance Rights to Mr Jarad Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for the Company to Issue Employee Performance Rights to Mr Balthazar Tshiseke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for the Company to Issue Employee Performance Rights to Mr Papy Lunga Kyoni	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval for the Company to Issue Employee Performance Rights to Mr Mathew O'Hara	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Ratification of Prior Issue – Shares – Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Ratification of Prior Issue – Shares – Medidoc Fze	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Ratification of Prior Issue – Airguide Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Ratification of Prior Issue – Shares – Dathomir Mining Resources SARL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

**Consent for contact by e-mail
in relation to this Proxy Form:**

YES NO

For personal use only