



## AVZ shareholders approve A\$14.1m Yibin Tianyi placement and commence discussions on a binding offtake agreement

### Highlights:

- AVZ shareholders approve Yibin Tianyi placement at General Meeting held on 3 January 2020
- AVZ's senior management visits Yibin Tianyi's lithium chemical plant in Yibin, China, and commences discussions on a binding offtake agreement
- Condition precedent matters progressing well and expected to be satisfied, including relevant regulatory approvals, by the end of January 2020

AVZ Minerals Limited (ASX: AVZ, "the Company") is pleased to advise AVZ has commenced initial discussions with Yibin Tianyi Lithium Industry Co., Ltd ("Yibin Tianyi") on a binding offtake arrangement, following a visit to Yibin, China last week.

As announced on 11 November 2019, the Company executed a conditional Subscription Agreement<sup>1</sup> with Yibin Tianyi for a A\$14.1 million share placement.

Under the Subscription Agreement and upon completion of the placement, both parties will negotiate in good faith to agree and execute a binding offtake agreement for lithium products from the Manono Lithium and Tin Project ("Manono Project").

AVZ's visit to Yibin, China was led by the Company's Managing Director, Nigel Ferguson, and Project Director, Michael Hughes. The visit included Yibin Tianyi's lithium chemical plant, which is currently under construction and anticipated to commence production by June 2020.

<sup>1</sup> Refer to ASX announcement dated 11 November 2019 "AVZ Introduces Yibin Tianyi Lithium as a Strategic Investor"

ASX ANNOUNCEMENT

13 January 2020

#### AVZ Minerals Limited

Level 2, 8 Colin Street,  
West Perth WA 6005  
Australia

T: + 61 8 6117 9397

F: + 61 8 6118 2106

E: [admin@avzminerals.com.au](mailto:admin@avzminerals.com.au)

W: [www.avzminerals.com](http://www.avzminerals.com)

ABN 81 125 176 703

#### Directors:

Non-Executive Chairman: John Clarke  
Managing Director: Nigel Ferguson  
Technical Director: Graeme Johnston  
Non-Executive Director: Rhett Brans  
Non-Executive Director: Hongliang Chen  
Non-Executive Director: Peter Huljich

#### Market Cap

\$100 M

ASX Code: AVZ

For personal use only

Yibin Tianyi's lithium chemical plant is targeting production of up to 25,000 tonnes of lithium hydroxide per annum. Staged expansion plans are in place to further increase lithium hydroxide production to approximately 100,000 tonnes per annum, making Yibin Tianyi's plant one of the largest hydroxide suppliers in China.



Figure 1: L-R. Mr Nigel Ferguson (AVZ Managing Director), Mr Tay CS (Director, International Business of Suzhou TA&A Ultra Clean Technology Co Ltd), Mr Michael Hughes (Project Director), at Yibin Tianyi's lithium chemical plant.



Figure 2 & 3: Yibin Tianyi's lithium chemical plant under construction in Yibin, China.

For personal use only

**AVZ's Managing Director, Nigel Ferguson, said:** "We are excited with the progress of welcoming Yibin Tianyi as AVZ's strategic partner following shareholders' approval.

"The conditions precedent are progressing well and we expect all matters to be satisfied, including regulatory approvals, by the end of this month.

"We were well received by Mr Pei Zhen Hua, Yibin Tianyi's Chairman, and his management team in China last week and we thank them for their hospitality. We look forward to completing this placement and also settling a binding offtake arrangement.

"Yibin Tianyi's intention to become one of the largest hydroxide suppliers in China certainly compliments AVZ's vision of developing the largest hard rock lithium deposit in the world."

#### **About Yibin Tianyi Lithium Industry Co., Ltd:**

Yibin Tianyi Lithium Industry Co., Ltd. ("the Company") was set up by a partnership of Suzhou TA&A Ultra Clean Technology Co., Ltd. (SHE: 300390) and Changjiang Chendao (Hubei) New Energy Industry Investment Co., Ltd., Contemporary Ampere Technology Co., Limited (SZSE: 300750), Yibin Tianyuan Group Co., Ltd. (SHE: 002386), Ningbo Hanyi Investment Partnership Enterprise and Ningbo Meishan Bonded Port Area Chaoxing Investment Partnership Enterprise which signed the investment agreement on 13 November 2018 in Ningde City, Fujian Province to jointly invest in the construction of lithium battery materials projects to further strengthen their presence in the lithium battery industry.

On 19 November 2018, Yibin Tianyi Lithium Industry Co., Ltd. was formally established in Jiangan County Industrial Park, Yibin City, Sichuan Province, China. The Company's business scope is: lithium battery materials and lithium series products; R&D, production and sales of new energy related chemical products; production, processing and sales of battery-grade lithium hydroxide, lithium carbonate, lithium metal, industrial-grade lithium carbonate and its lithium series products, and other chemical products; and related technology research and promotion services; import and export business of product and technology and consulting services.

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

For further information, visit [www.avzminerals.com.au](http://www.avzminerals.com.au) or contact:

**Mr. Leonard Math**  
Company Secretary  
AVZ Minerals Limited  
Phone: +61 8 6117 9397  
Email: [admin@avzminerals.com.au](mailto:admin@avzminerals.com.au)

**Media Enquiries:**  
**Mr. Peter Harris**  
Peter Harris & Associates  
Phone: +61 (0) 412 124 833



For personal use only