



**AVZ Minerals
Limited**

2 March 2017

Companies Announcement Office
ASX Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

SHAREHOLDER MEETING AND MANONO DUE DILIGENCE UPDATE

Shareholder Meeting

The shareholders meeting to consider resolutions associated with the acquisition of the interest in the Manono Lithium, Tin and Tantalum Project (refer news release dated 2 February 2017) will be held on Thursday, 6 April 2017. A copy of the Notice of General Meeting being distributed to shareholders is attached.

Manono Acquisition Due Diligence Update

The Company has established a presence on site at Manono with a group of technical and support contractors. A senior expatriate geologist has commenced work with the assistance of four local Congolese geologists preparing drill pad sites, and mapping and sampling outcrop and historical waste and tailings dumps.

The arrival of the two contracted diamond drill rigs has been delayed due to severe wet season conditions making most roads inaccessible to the project area for low bed trucks. The initial attempt to send drill rigs to the project failed due to grounding out of the drill contractor's low bed transporter. The Company has recently identified a contractor with high bed trucks to transport the drill rigs and equipment to site. It is estimated that the drilling contractor will be established on site around mid-March 2017. Attempts are being made to bring the arrival date forward. The Company is negotiating an extension to the previously agreed 60 day due diligence period with its joint venture partners.

Approximately 400 line metres of trenching have been designed across the Kitotolo strike. Trenching is off-set by approximately 400 metres, but designed perpendicular to the Kitotolo pit strike. This is to cover the north-east mineralisation as a surface extension between the most south-western pits.

A total of 400 samples have been collected to date from both the Kitotolo and Manono waste dumps. These samples are being sent for analysis in South Africa.

Technical staff on-site are encouraged that spodumene is present in the dump material (10%-15% by rock volume) and also present in outcropping pegmatite of between 15%-25% by rock volume in places.

The due diligence review by the Company's legal adviser in the DRC is progressing and is expected to be completed in late March 2017.

Further information about AVZ is available at www.avzminerals.com.au or contact:

Klaus Eckhof
Executive Chairman
Phone: +377 680 866 300
Email: klauseckhof@monaco.mc

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AVZ MINERALS LIMITED

ACN 125 176 703

NOTICE OF GENERAL MEETING

TIME: 10.00am WST

DATE: Thursday, 6 April 2017

PLACE: Level 1, 33 Ord Street
West Perth WA 6005

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 9420 9300.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am WST on Thursday, 6 April 2017 at:

Level 1
33 Ord Street
West Perth WA 6005

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 5:00pm WST on 4 April 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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ACQUISITION AGREEMENT – ISSUE OF SHARES TO DATHOMIR MINING RESOURCES SARL

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

“That, subject to the passing of Resolutions 2 and 3, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 280,000,000 Shares to Dathomir Mining Resources SARL or its nominee(s), 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 (including Dathomir Mining Resources SARL) 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.

2. RESOLUTION 2 – FACILITATION SHARES – MR KLAUS ECKHOF

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

“That, subject to the passing of Resolutions 1 and 3, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 80,000,000 Shares to Mr Klaus Eckhof or his nominee, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Klaus Eckhof and any associate of Mr Klaus Eckhof. 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 – FACILITATION SHARES – THIRD PARTIES

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

“That, subject to the passing of Resolutions 1 and 2, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 60,000,000 Shares to the parties or their nominee(s) and 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 – TRANCHE 1 PLACEMENT SHARES

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, the issue by the Company of 125,000,000 Tranche 1 Placement Shares in the Company, on the terms and conditions set out in the Explanatory Statement, be ratified and approved.”

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.

5. RESOLUTION 5 – TRANCHE 2 PLACEMENT SHARES

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

“That, subject to the Company resolving to proceed with the Acquisition in accordance with the terms of the Acquisition Agreement, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 125,000,000 Tranche 2 Placement Shares in the Company, 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 – TRANCHE 1 PLACEMENT OPTIONS

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 125,000,000 Tranche 1 Placement Options in the Company, 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 – TRANCHE 2 PLACEMENT OPTIONS

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

“That, subject to the passing of Resolution 5 and the Company resolving to proceed with the Acquisition in accordance with the terms of the Acquisition Agreement, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 125,000,000 Tranche 2 Placement Options in the Company, 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 – HARTLEYS OPTIONS

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 50,000,000 Hartleys Options to Hartleys Limited or its nominee, 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 (including Hartleys Limited) 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 – PERFORMANCE RIGHTS – MR NIGEL FERGUSON

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 10.11 and for all other purposes, approval is given for the Company to grant and issue 30,000,000 Performance Rights to Mr Nigel Ferguson or his nominee, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Nigel Ferguson and any associate of Mr Nigel Ferguson. 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 – PERFORMANCE RIGHTS – MR PATRICK FLINT

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 10.11 and for all other purposes, approval is given for the Company to grant and issue 10,000,000 Performance Rights to Mr Patrick Flint or his nominee, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Patrick Flint and any associate of Mr Patrick Flint. 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: 28 February 2017

By order of the Board

Gary Steinepreis
Company Secretary

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. BACKGROUND TO PROPOSED ACQUISITION OF 60% INTEREST IN THE MANONO LITHIUM, TIN AND TANTALUM PROJECT, DRC

1.1 General

As announced on 2 February 2017, the Company has agreed to acquire, subject to certain conditions, a 60% interest in the historic Manono Mine and surrounding area in the south of the Democratic Republic of Congo (**DRC**) in central Africa. The Company also proposes to raise up to \$5 million by the placement of Shares.

The key features of the transactions referred to above are as follows:

- (a) The Manono Project is potentially one of the world's largest lithium rich LCT (Lithium Caesium Tantalum) pegmatite deposits.
- (b) The Manono pegmatite deposit was mined for its tin content between 1919 and 1980.
- (c) The Manono pegmatite extends for a strike length of at least 13km, with only a small shallow portion tested by historical exploration activities. The historical exploration activity indicates potential thickness of the pegmatite is up to 250m in places.
- (d) Reporting of historic activities also indicates that the Manono pegmatites appear to be reasonably homogeneous mineralogically with cassiterite (up to 2000g/m³), tantalum (up to 100g/m³) and spodumene (up to 25% or 1.6% Li₂O) present.
- (e) The Company will be responsible for funding expenditure to completion of a feasibility study, and will also make certain cash payments and share issues in relation to the acquisition.
- (f) Placement of up to 250 million shares at an issue price of 2 cents per Share (together with up to 250 million attaching options exercisable at 3 cents and expiring 3 years from the date of issue) to raise up to \$5,000,000 (the subject of Resolutions 4 to 7). Hartleys Limited acted as Lead Manager of the Placement.
- (g) Mr Klaus Eckhof has been appointed Executive Chairman of the Company and Mr Nigel Ferguson has joined the Board as Technical Director. Mr Ferguson, a geologist with 30 years of experience, will be responsible for the management of the Company's exploration activities at Manono. Mr Ferguson has been active in the DRC since 2004 in gold and base metals exploration and resource development.
- (h) The acquisition is subject to the completion of due diligence, shareholder approval and certain other conditions in connection with the acquisition (please see "Acquisition Agreement" further below).

- (i) The acquisition complements the Company's existing project interests in southern DRC, which are prospective for lithium, tin, tantalum and rare earth elements.

Tenure, Location and Access

The Manono Project comprises PR13359, which covers approximately 188km². The licence was granted on 28 December 2016 for a period of five years, and may be renewed in accordance with the DRC's Mining Code.

The Manono Project is approximately 500km due north of Lubumbashi, the capital of the Katanga Province, in the south of the DRC. The project area can be accessed from Lubumbashi by 1.5 hour flight or by road. Sections of the road from Lubumbashi are in poor condition and there are plans for this road to be upgraded. See Figure 1 below.

The Project is adjacent to the Manono and Kitotolo townships. The region has a low density of population, but the greater Manono town area has a population estimated at 20,000 to 30,000 people, who are occupied mostly in subsistence agriculture and artisanal mining in the region.

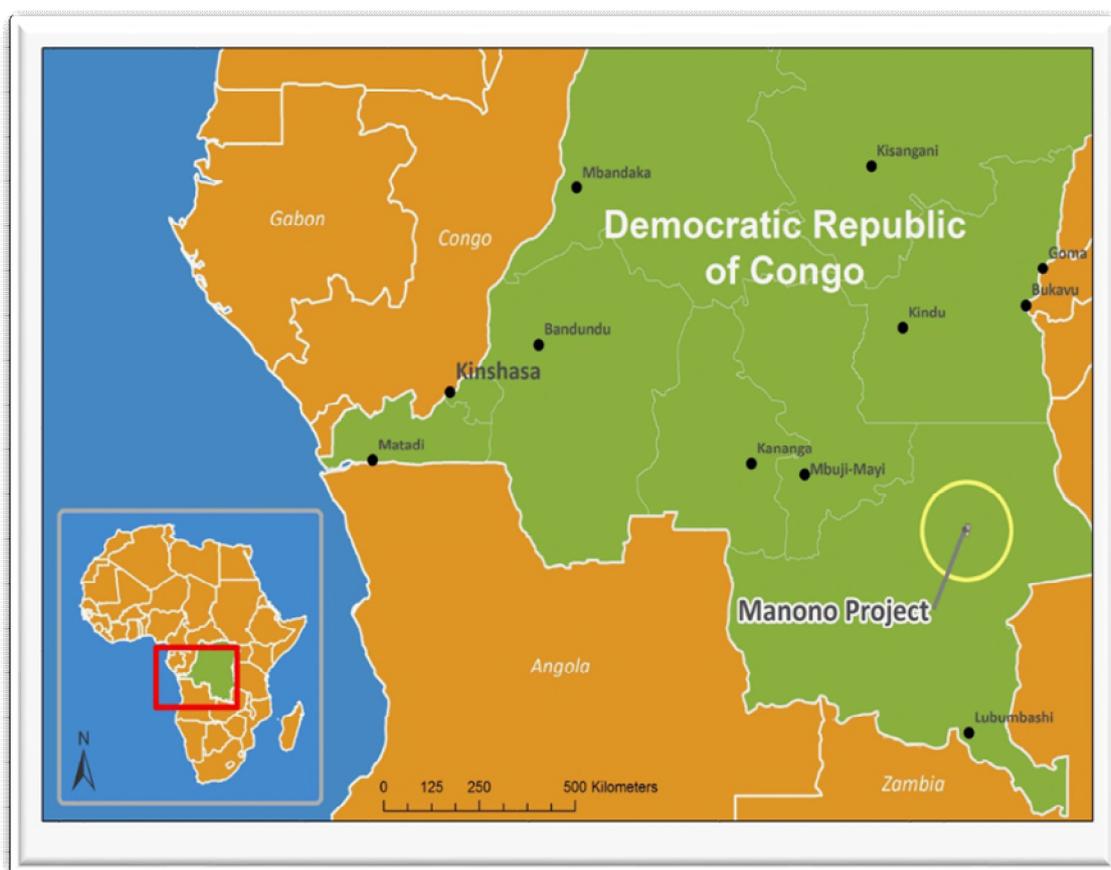


Figure 1. General Location of the Manono Project

Historical Exploration and Mining Activities

Historical Exploration

Cassiterite was first discovered in the Manono area during a regional exploration programme in 1910. Systematic prospecting programmes were conducted between 1910 and 1920. The Manono mining area was defined and Géomines, the original developer, was granted a mining licence and production

commenced in 1919. The weathered pegmatite was discovered in 1925 during an exploration programme concentrating on the eluvial tin deposits.

Exploration continued for the next 10 years. Pits and drill holes were completed above the two main weathered bodies, known as Manono and Kitotolo. Prospecting continued periodically until 1960 with both the deepening of existing mining excavations and new drilling activity. The pits and drill holes were completed to bedrock, which was either a mica schist or a weathered pegmatite. Samples were crushed and washed to provide a tin concentrate which was assayed.

Between 1948 and 1949 a study of the hard-rock pegmatite was initiated. Forty two holes, totalling 2,202 m were completed on a predetermined grid in the far western part of the Kitotolo deposit. Based on these results a hard-rock open pit that operated from 1951 to 1956 was established. It was also determined that columbo-tantalite could be recovered from this hard rock.

With the exception of some exploration work carried out on the old mine dumps, aimed at determining cassiterite and spodumene grades, little prospection took place after 1960. It also appears that no exploration has taken place since 1980.

Historical Mining and Production

According to publicly available records, the Manono pegmatite deposit was mined for its tin content between 1919 and 1980, during which time a total of 100 million cubic metres (Mm³) of ore were processed to produce 185,000 tonnes of cassiterite concentrate, sourced mainly from eluvial and weathered pegmatite from which was recovered an average of 1,850gm of cassiterite concentrate per cubic metre (g/m³) or approximately 1,330g/m³ tin. Production from this ore was economic on account of its amenability to cheap mining and processing methods.

Production started in 1919 and remained a low cost operation until the pegmatite was discovered in 1925. Géomines recognised the significance of this discovery and invested in mechanical equipment. In 1935 Géomines purchased its first large mechanical shovel and also invested in the first phase of the Mpiana Mwanga hydroelectric power station (approximately 90kms from Manono) which was reportedly able to generate between 15 to 30MW. The construction followed with a smelter, which between 1940 and 1945 processed most of the cassiterite produced in the Belgian Congo.

During this time mineral processing plants, workshops, a steel smelter and an oxygen plant, as well as technical schools, hospital and accommodation for 2,500 local workers and 200 to 250 expatriates were also built.

Until 1949 production was derived from the elluvials and weathered pegmatite. This represented the most successful period of the mine with production reaching 3,500tpa of tin, from 5,000t of cassiterite concentrate with a grade of 72% Sn. Production from the hard rock was attempted between 1951 and 1956.

Production declined during the 1950s and 60s due to the depletion of soft rock and eluvial reserves; the tin price; lack of investment and the resultant deteriorating condition of the equipment and poor supervision. All official production ceased in 1982.

Several sites within the project area are currently being worked by artisans for high-grade cassiterite within lateritic material and the lower grade tailings. There are also sporadic, but extensive alluvial workings and less extensive pitting into

hard rock for recovery of “coltan” (columbite tantalum) along the entire length of the known pegmatite.

Infrastructure

As noted above, plant infrastructure was not properly maintained during the production years. In addition, in 2007 forces from Rwanda destroyed much of the remaining infrastructure in Manono and the surrounding areas, including the Mpiana Mwanga hydroelectric power station and associated transmission lines. Power is currently generated at the Manono township using diesel generators and a solar power system. There are plans for the reconstruction of the hydroelectric power station.

There is an abundance of good water supply for both local consumption and any potential mining operation at Manono. Other consumables are bought locally and supplemented by goods brought in from Lubumbashi.

Climate and Topography

Manono lies in the middle of a peneplain elevated at 600masl and is vegetated with shrubby savannah. The climate is temperate with temperatures ranging from 20 to 32oC. Annual rainfall is about 1,200mm falling mostly during a well-defined rainy season from October to April. The area is drained by the Lukushi River, which was dammed as a water supply for the Project. This tributary of the Luava River drains into the Lualaba River, headwaters of the Congo River.

Geology

Regional Geology

The Project lays within the mid-Proterozoic Kibaran Belt, an intracratonic domain stretching for over 1,000km through Katanga and into southwest Uganda. The belt strikes predominantly SW-NE and is truncated by the N-S to NNW-SSE trending Western Rift system. The Kibaran is underlain in the east by Archaean rocks of the Tanzanian Craton and in the west and south by Lower Proterozoic metamorphic rocks.

The Kibaran comprises a sedimentary and volcanic sequence that has been folded, metamorphosed and intruded by at least three separate phases of granite. The latest granite phase (900 to 950Mya) is assigned to the Katangan cycle and is associated with widespread vein and pegmatite mineralization containing tin, tungsten, tantalum, niobium, lithium and beryllium. Deposits of this type occur as clusters and are widespread throughout the Kibaran terrain. In the DRC, the Katanga Tin Belt stretches over 500km from near Kolwezi in the southwest to Kalemie in the northeast comprising numerous occurrences and deposits of which the Manono deposit is the largest.

Local Geology

The geology of the Manono area is poorly documented and no reliable maps of local geology are available. Limited historical reporting states the Manono pegmatites are hosted by a series of quartzitic mica schists presumed to belong to the Lower Kibaran, which are associated with volcanic and intrusive rocks of mainly doleritic composition, that are also well represented at Manono. The schists observed in the vicinity of the mine are generally steeply dipping in contrast to the sub-horizontal attitude of the pegmatite intrusions.

The pegmatite intrusion is exposed in two areas, Manono in the northeast, and Kitotolo in the southwest. These are separated by a 2.5km unexposed section centred on Lake Lukushi and the surrounding alluvial plain. It is proposed that this is a faulted section due to the highly weathered nature of the pegmatite to clays derived from mica.

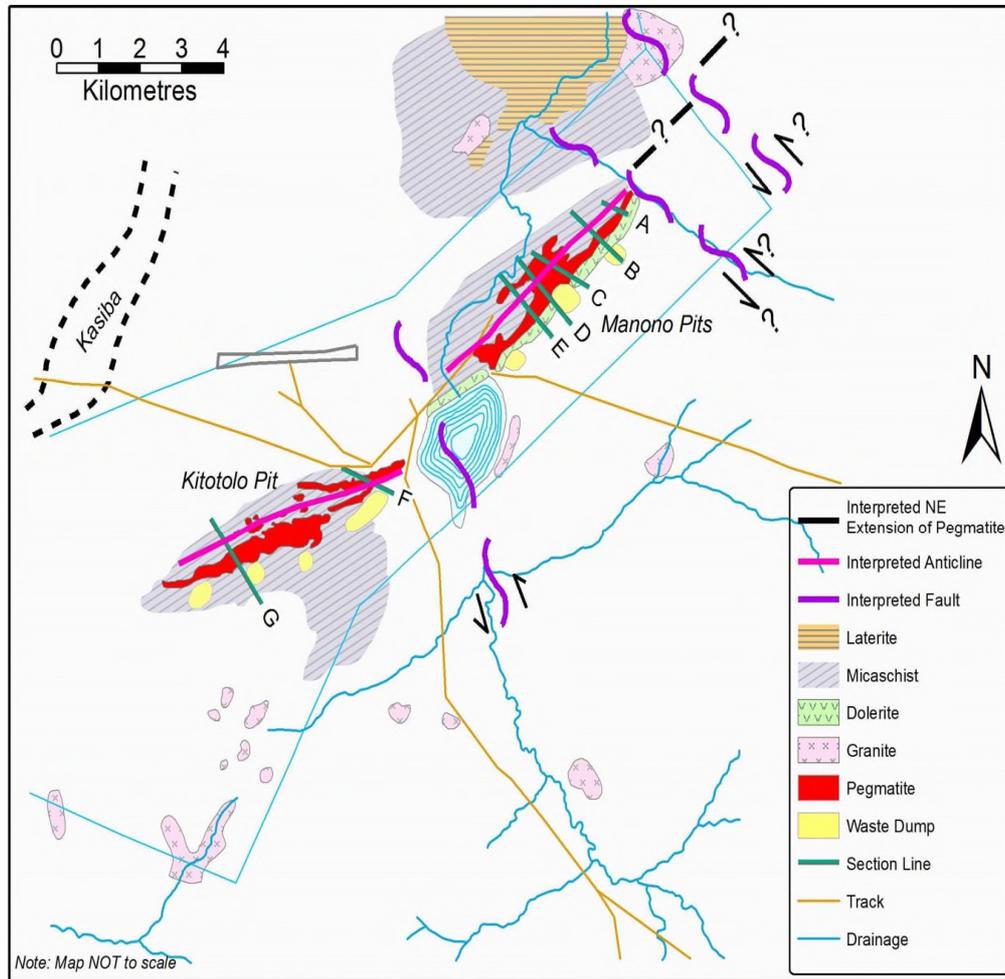


Figure 2: Plan View of the Kitotolo and Manono Pegmatite Workings, Manono, DRC

The areal extent of the pegmatite bodies is depicted in Figure 2 above. This figure indicates that the Manono-Kitotolo pegmatite extends over a total strike length of 13km.

The pegmatite intrusion is irregular in outline and typically includes a main body as well as separate sub-parallel lenses injected into the host schists. Rafts of schist occur occasionally as enclaves within the pegmatite. The Manono body may be best described as a laccolith rather than as a simple sill.

The area between the two pegmatite exposures around Lake Lukushi and the surrounding flood plains is poorly exposed due to its highly weathered nature. On inspection during a recent site visit an outcrop of spodumene pegmatite and albite granite is exposed near the pump station in the middle of the Lukushi dam, suggestive that the pegmatite, albeit highly weathered, is continuous beneath Lake Lukushi.

Outlying occurrences of pegmatite are also recorded about 5km north of this locality and also several 10's of kilometres to the south, suggesting that the pegmatite structure may be more extensive than recorded on available maps.

The structure of the pegmatite intrusion is best reported from the area known as the RD Pit at the west end of the Kitotolo sector which was investigated by 42 shallow drill holes (maximum depth approximately 100m). Whilst assay results for these holes are not yet available to the Company, drill sections indicate that the Kitotolo body dips around 40 degrees to the east, although steeper, faulted contacts are also recorded. The maximum thickness of the pegmatite in the RD Pit area is around 250m as interpreted from drilling. Further north, the pegmatite body is interpreted as sub-horizontal and affected by a gentle anticlinal fold structure with NE axis parallel to the elongation of the intrusion. Reverse faults parallel to the axis of the antiform suggest that the pegmatite bodies underwent NW-SE compression after emplacement. See Figure 3 below.

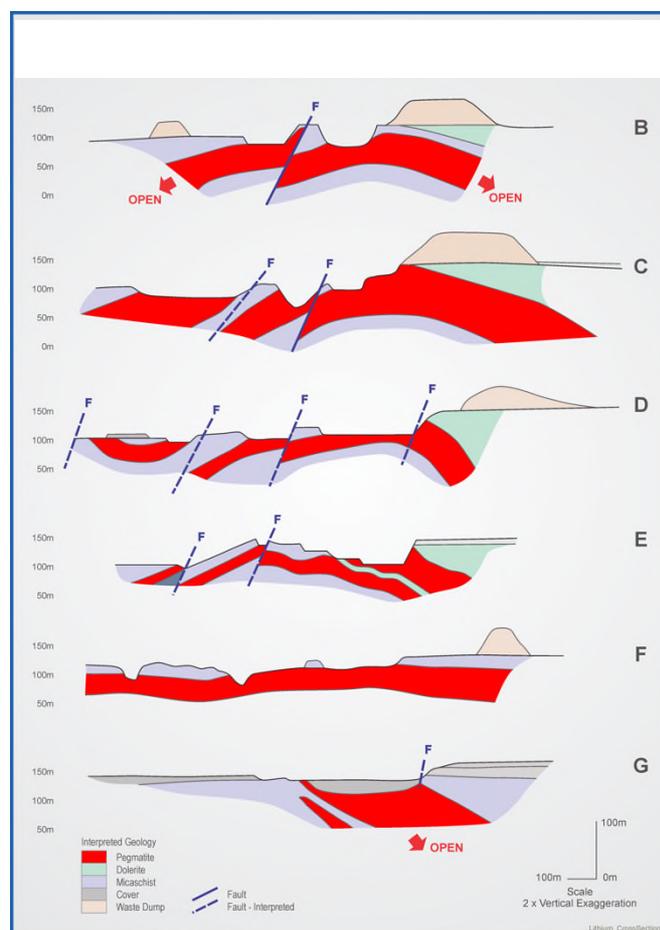


Figure 3: Cross sectional interpretation of the Manono and Kitotolo Pegmatites

It is considered the Manono intrusion may have a more widespread extent below a thin cover of schists, and may therefore be much more extensive than is indicated on maps. Such an interpretation would have important implications for exploration and possible development.

Mineralogy

There is no apparent record of any formal mineralogical study of the Manono pegmatite, however four types of pegmatite at Manono have been described in historic reports:

1. Potash feldspar (orthoclase or microcline) – quartz – muscovite
2. Calcic feldspar (Albite) - quartz-muscovite
3. Calcic feldspar (Albite) - quartz-muscovite + spodumene
4. Quartz-muscovite (Greisen)

Type 1 pegmatite is considered to be the initial phase that has been pervasively altered by later albitisation and spodumene formation to result in subsequent pegmatite phases. Greisen phases are generally restricted to small occurrences predominantly close to the intrusive contact.

The main body of the Kitotolo pegmatite is characterised by development of large platy microcline feldspar crystals with a pronounced orientation perpendicular to the contact with the host rock resulting in a columnar type of structure.

The Manono pegmatite is considered to be reasonably homogeneous mineralogically, with cassiterite (up to 2000g/m³), tantalum (up to 100g/m³) and spodumene (up to 25% or 1.6%Li₂O) reported to be present. This suggests that it was emplaced in a sub-horizontal magma chamber in stable temperature and pressure conditions. This is in contrast to most pegmatites, including Greenbushes, WA, in which marked zoning occurs both towards the contacts and laterally. Further investigation may prove this incorrect as more detail of the character of the pegmatite is gained.

The main accessory mineral recorded is cassiterite, which most probably developed during albitisation. Cassiterite occurs as scattered aggregates and crystals frequently up to 10 mm in size throughout the pegmatite. It is observed previously that a large proportion (40 to 50%) of the cassiterite is finely disseminated as particles below 630 microns suggestive that previous rudimentary crush and recovery grades could be increased through modern analysis.

Spodumene is the most common mineral found in the fresh pegmatite after plagioclase and quartz. Spodumene is easily decomposed by weathering and does not therefore occur close to surface in weathered rock or laterite. The fresh pegmatite is reported to contain variable amounts of lithium, commonly around 1.6% Li₂O, equivalent to 25% spodumene within the host rock.

A purple-tinged mica has also been reported in the face at the west end of the Quarry V pit. This is tentatively identified as lepidolite (lithium mica) that appears not to have been recorded previously. If this identification is correct, whole-rock lithium analyses cannot be used as a reliable indicator of spodumene content in areas where lepidolite occurs.

Coloured accessories, such as tourmaline, apatite, beryl and biotite, that are typical of many other pegmatites, are only sparsely developed at Manono.

Project Potential

The Kitotolo-Manono pegmatite is known to extend for a strike length of at least 13km within the licence area. Only a small portion of the pegmatite has been drill tested (and most of that work is to a depth less than -100m). The historic drilling also indicated the thickness of the pegmatite was up to 250m. The Manono Project has the potential to host one of the world's largest lithium rich pegmatite deposits.

Reporting of historic activities also indicates that the Manono pegmatites appear to be reasonably homogeneous mineralogically with cassiterite (up to 2000g/m³), tantalum (up to 100g/m³) and spodumene (up to 25% or 1.6% Li₂O) present.

In addition, as noted above outlying occurrences of pegmatite are also recorded about 5km north of Manono and also to the south, offering further potential.

The Manono pegmatite can be classified as an "LCT" or Lithium-Caesium-Tantalum pegmatite which are well known for hosting significant amounts of lithium. For example, Greenbushes in Western Australia is considered to be "a giant pegmatite dyke of Archaean age with substantial Li-Sn-Ta mineralisation and is considered to be the largest lithium resource". Greenbushes pegmatite consists of a large main zone over 3kms long and up to 300m wide with numerous smaller pegmatite dykes and pods flanking the main body. The Greenbushes pegmatites are mineralogically zoned in a lenticular inter-fingering style along strike and down dip. The lithium zone is over 2kms long and enriched in the lithium-bearing mineral spodumene which often makes up 50% of the rock.

Based on available information, the Company considers there is significant potential for the discovery of significant lithium, tin and tantalum, not to mention other economic minerals, at Manono within the Manono-Kitatolo "LCT" pegmatite.

Initial Work Planned

The Company plans to complete a review of additional historic data, geological mapping and a short drilling program during the due diligence period (see Acquisition Agreement below) to confirm the presence of lithium, tin and tantalum mineralisation at Manono in significant quantities.

As at the date of this Notice of Meeting, the above due diligence review is in progress. The Company has entered into a service agreement with a contractor for the completion of a 2,000 metre drilling program. The drill rig is currently mobilising to site. The Company's DRC legal adviser has commenced the review of legal matters including the validity of title in relation to the Manono Project. Subsequent to the Company's ASX announcement on 2 February 2017, the Company has been advised a third party that previously held an indirect interest in an historic licence at Manono (PE 12202) is claiming the cancellation of that licence in 2016 by the DRC Mining Registry was invalid. The Company understands the DRC Minister of Mines has rejected an appeal against the cancellation (ie. upheld the cancellation). The Company's joint venture partner La Congolaise D'exploitation Miniere SA (**Cominiere**, a State owned enterprise) has also made standard representations and warranties to the Company with respect to the validity of title as part of the Acquisition Agreement (defined below).

Following this initial program, the Company would move quickly to undertake detailed drilling within the main target area and commence initial metallurgical test-work, with the objective of progressing to project feasibility as soon as possible thereafter.

1.2 Acquisition Agreement and Capital Raising

Upon satisfaction of all conditions precedent set out in the Joint Venture Agreement between Cominiere, the Company, Dathcom Mining SAS and Dathomir Mining Resources SARL (**Dathomir**) dated on or about 27 January 2017 (**Acquisition Agreement**), the Company has agreed to make certain cash payments and to issue 420,000,000 Shares at a deemed issue price of \$0.02 per Share in connection with the Acquisition (as defined in the Acquisition Agreement) (**Acquisition**).

The principal terms of the Acquisition, pursuant to which the Company will acquire a 60% interest in the Manono Project, are as follows:

- (a) Agreement is subject to certain conditions precedent, including:
- (i) The Company completing its due diligence review to its satisfaction within 60 days (and as at the date of this Notice of Meeting, it is intended that the due diligence review will be completed by 28 March 2017).
 - (ii) The Company obtaining all necessary regulatory and shareholder approvals.
- (b) The Company will pay Cominiere a total of US\$6 million in cash as follows:
- (i) US\$100,000 upon execution of the agreement (this payment has been completed);
 - (ii) US\$1,900,000 upon satisfaction of all conditions precedent (**First Instalment**);
 - (iii) US\$1,500,000 within 12 months of the date of the First Instalment;
 - (iv) US\$1,500,000 within 24 months of the date of the First Instalment; and
 - (v) US\$1,000,000 within 36 months of the date of the First Instalment.
- (c) The Company will pay Dathomir US\$750,000 in cash within 30 business days of execution of the Acquisition Agreement (and as at the date of this Notice of Meeting, subject to any agreed extension, this date is 10 March 2017), and issue to Dathomir and its nominees 280 million shares upon satisfaction of all conditions precedent. It is noted that the announcement by the Company on 2 February 2017 stated that the Company would issue to Dathomir and its nominees 260 million shares upon satisfaction of all conditions precedent. Dathomir had sought to increase this amount to 280 million shares prior to execution of the Acquisition Agreement. The Company agreed to this amendment, whilst at the same time reaching agreement to reduce the number of shares issued to parties associated with facilitating the transaction by 20 million shares (refer (d) below).
- (d) The Company will issue a further 140 million shares upon satisfaction of all conditions precedent, comprising 80 million shares to Mr Klaus Eckhof (a director of the Company), and 60 million shares to other parties (not related parties of the Company) associated with facilitating the transaction. It is noted that the announcement by the Company on 2

February 2017 stated that the Company would issue 160 million shares upon satisfaction of all conditions precedent, comprising 100 million shares to Mr Klaus Eckhof (a director of the Company), and 60 million shares to other parties (not related parties of the Company) associated with facilitating the transaction. As noted above, the parties reached agreement to reduce the number of shares issued to Mr Eckhof by 20 million shares, to a total of 80 million shares.

- (e) The interests of the parties in the Manono Project at completion will be: the Company (60%), Cominiere (30%) and Dathomir (10%). Cominiere will also be entitled to a 1% royalty interest. The Company will be responsible for funding expenditure to completion of a feasibility study.
- (f) The Company may relinquish its interest in the Manono Project at any time (with no further obligations).
- (g) The Company has received warranties in respect of the Exploration Licence (as defined in the Acquisition Agreement) that are generally expected in a transaction of this nature.
- (h) Neither Cominiere nor Dathomir are related parties of the Company.

Separate to the Acquisition Agreement, Dathomir and Cominiere have agreed that Dathomir will facilitate the rehabilitation of the road from Lubumbashi to Manono and the Mpiana Mwanga hydroelectric power station.

In order to raise up to \$5,000,000 to fund the Acquisition and planned work programs, on 2 February 2017 the Company and Hartleys Limited ABN 33 104 195 057 (**Hartleys**) entered into a corporate advisory mandate (**Mandate**) pursuant to which Hartleys agreed to act as Sole Lead Manager in relation to a two tranche placement of up to 250,000,000 Shares at an issue price of \$0.02 per Share and 250,000,000 free Options to institutional and sophisticated investors (**Placement**). A total of 125,000,000 Shares at an issue price of \$0.02 per Share were issued on 13 February 2017 (refer Section 5 below – Tranche 1 Placement Shares). The 125,000,000 attaching Options for the Tranche 1 Placement Shares are the subject of Resolution 6. The further 125,000,000 Shares and 125,000,000 attaching Options (the Tranche 2 Placement Shares and Tranche 2 Placement Options respectively) are the subject of Resolutions 5 and 7.

In accordance with the terms of the Mandate, the Company has agreed, subject to Shareholder approval pursuant to Resolution 8, to issue to Hartleys (or its nominee) 50,000,000 unlisted Options (the terms and conditions of which are contained in Schedule 1) (**Hartleys Options**).

The indicative effect of the Acquisition Agreement and the Placement on the capital structure of the Company is anticipated to be as follows:

Particulars	Currently on issue	Acquisition Agreement	Capital Raising	Proforma at completion
Ordinary shares	889,466,643	420,000,000	125,000,000 ¹	1,434,466,643
Options	-	-	300,000,000 ²	300,000,000

Performance rights ³	-	40,000,000	-	40,000,000
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1. The Tranche 1 Placement Shares were issued on 13 February 2017. The issue of the Tranche 2 Placement Shares is the subject of Resolution 5.
2. Exercisable at 3 cents, expiring 3 years from date of issue (includes the Tranche 1 Placement Options, the Tranche 2 Placement Options and 50,000,000 Options to be issued to the Lead Broker, being the subject of Resolution 8).
3. Subject to various VWAP hurdles. The issue of these Performance Rights is the subject of Resolutions 9 and 10.

In terms of changes to the Board of the Company, as announced on 2 February 2017 Mr Klaus Eckhof, who was previously the Company's Managing Director, has been appointed Executive Chairman of the Company. Mr Nigel Ferguson has joined the Board of the Company as Technical Director. The Company's previous Chairman, Mr Patrick Flint, continues to serve on the Board as a Non-Executive Director.

2. RESOLUTION 1 – ACQUISITION AGREEMENT – ISSUE OF SHARES TO DATHOMIR MINING RESOURCES SARL

2.1 General

Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 280,000,000 Shares at a deemed issue price of \$0.02 per Share for nil cash consideration to Dathomir (or its nominee(s)) in connection with the Acquisition.

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.

The effect of Resolution 1 will be to allow the Company to issue 280,000,000 Shares in connection with the Acquisition during the period of 3 months after the Meeting (or a longer period, if allowed by ASX).

2.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Shares to be issued to Dathomir (or its nominees):

- (a) the maximum number of Shares to be issued to Dathomir (or its nominee(s)) is 280,000,000;
- (b) the issue of the Shares will occur on the date of completion of the Acquisition and it is intended that 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);
- (c) the Shares will be issued to Dathomir (or its nominee(s)) for nil cash consideration at a deemed issue price of \$0.02 per Share in connection with the Acquisition;

- (d) the Shares will be issued to Dathomir (or its nominee(s)), which is not a related party of the Company and Dathomir will ensure that its nominee(s) (if any) will not be a related party of the Company;
- (e) the Shares 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) no funds will be raised from the issue of the Shares as they will be issued for nil cash consideration in connection with the Acquisition; and
- (g) a voting exclusion statement has been included in the Notice in connection with Resolution 1.

3. RESOLUTION 2 – FACILITATION SHARES – MR KLAUS ECKHOF

3.1 General

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of 80,000,000 Shares at a deemed issue price of \$0.02 per Share for nil cash consideration to Mr Klaus Eckhof (or his nominee) due to his facilitation of the Acquisition.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control.

A director such as Mr Eckhof is considered to be a related party within the meaning of the Corporations Act, and the Shares will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

An exception to the requirement to obtain Shareholder approval in accordance with Chapter 2E applies where the terms on which the Company and the related party are transacting could reasonably be considered to be arm's length or such terms are less favourable to the related party than arm's length terms.

The Board (other than Mr Eckhof, who is not able to make a determination due to his interests in the issue of the Shares) has determined that the issue of Shares to Mr Eckhof is on arm's length terms.

ASX Listing Rule 10.11

Approval for the issue of the Shares is sought for the purposes of ASX Listing Rule 10.11 and all other purposes. Listing Rule 10.11 provides that a company must not issue equity securities to a related party of the Company (including a Director) without Shareholder approval.

Approval under Listing Rule 7.1 is not required in order to grant the Shares to Mr Eckhof, as approval is being obtained under Listing Rule 10.11. The grant of the Shares to Mr Eckhof will not be included in calculating the Company's capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1.

The effect of Resolution 2 will be to allow the Company to issue 80,000,000 Shares to Mr Eckhof within one (1) month after the Meeting (or a longer period, if allowed by ASX) without breaching Listing Rule 10.11 or using up the Company's 15% placement capacity under ASX Listing Rule 7.1 or its 10% placement capacity under ASX Listing Rule 7.1A.

3.2 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Shares to be issued to Mr Eckhof (or his nominee):

- (a) The Shares shall be issued to Mr Klaus Eckhof (or his nominee);
- (b) the maximum number of Shares the Company will issue to Mr Eckhof (or his nominee) is 80,000,000;
- (c) the Shares will be issued no later than one (1) month after the date of the Meeting, or such longer period of time as ASX may in its discretion allow;
- (d) the Shares will be issued at a deemed issue price of \$0.02 per Share for nil cash consideration;
- (e) a voting exclusion statement has been included in the Notice in connection with Resolution 2; and
- (f) no funds will be raised from the issue of the Shares as they will be issued for nil cash consideration to Mr Eckhof (or his nominee) due to his facilitation of the Acquisition.

4. RESOLUTION 3 – FACILITATION SHARES – THIRD PARTIES

4.1 General

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 60,000,000 Shares at a deemed issue price of \$0.02 per Share for nil cash consideration to third parties due to their facilitation of the Acquisition.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 3 will be to allow the Company to issue 60,000,000 Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX).

4.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Shares to be issued to third parties:

- (a) the maximum number of Shares to be issued to third parties is 60,000,000;
- (b) the issue of the Shares will occur on the date of completion of the Acquisition and it is intended that 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);

- (c) the Shares will be issued to Mark Gasson (20,000,000 Shares) and Andreas Reitmeier (40,000,000 Shares) or their nominees (**Third Parties**) for nil cash consideration at a deemed issue price of \$0.02 per Share;
- (d) the Shares will be issued to Third Parties, each of which are not a related party of the Company;
- (e) the Shares 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) no funds will be raised from the issue of the Shares as they will be issued for nil cash consideration to Third Parties due to their facilitation of the Acquisition; and
- (g) a voting exclusion statement has been included in the Notice in connection with Resolution 3.

5. RESOLUTION 4 – TRANCHE 1 PLACEMENT SHARES

5.1 General

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the issue and allotment on 13 February 2017 of 125,000,000 Shares at an issue price of \$0.02 per Share under its existing placement capacity in accordance with ASX Listing Rules 7.1 and 7.1A (**Tranche 1 Placement Shares**) to sophisticated and professional investors pursuant to the Placement in order to fund the Acquisition and planned work programs of the Company.

ASX Listing Rule 7.1 allows the Company to issue new securities that represent up to 15% of the existing capital of the Company in any 12 month period without the prior approval of Shareholders. Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution at the Company's Annual General Meeting, to issue equity securities up to an additional 10% of its issued capital by placements over a 12 month period after the Annual General Meeting. The Tranche 1 Placement Shares were issued within the combined limitation set out in ASX Listing Rules 7.1 and 7.1A.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of Shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and the holders of ordinary securities subsequently approve it. As the issue of the Tranche 1 Placement Shares was within the placement capacity prescribed by ASX Listing Rules 7.1 and 7.1A and was not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issue of the Tranche 1 Placement Shares pursuant to ASX Listing Rule 7.4.

If Resolution 4 is approved, the prior issue of the Tranche 1 Placement Shares may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities with the Tranche 1 Placement Shares the subject of this Resolution 4 counting towards the 15% threshold for the purposes of Listing Rule 7.1.

5.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Tranche 1 Placement Shares issued by way of the Placement:

- (a) on 13 February 2017, a total of 125,000,000 Tranche 1 Placement Shares were issued to sophisticated and professional investors in accordance with the terms of the Mandate and the Placement;
- (b) the Tranche 1 Placement Shares were issued at an issue price of \$0.02 per Share;
- (c) each Tranche 1 Placement Share was issued on the same terms and ranked equally with the existing Shares in the Company as at the date of their issue;
- (d) the Tranche 1 Placement Shares were issued to sophisticated and professional investors introduced by Hartleys in accordance with the terms of the Mandate;
- (e) the funds raised from the issue of the Tranche 1 Placement Shares will be used to fund the Acquisition and planned work programs of the Company; and
- (f) a voting exclusion statement has been included in the Notice in connection with Resolution 4.

6. RESOLUTION 5 – TRANCHE 2 PLACEMENT SHARES

6.1 General

Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to a further 125,000,000 Shares at an issue price of \$0.02 per Share in accordance with ASX Listing Rule 7.1 (**Tranche 2 Placement Shares**) to sophisticated and professional investors pursuant to the Placement in order to fund the Acquisition and planned work programs of the Company, subject to the completion of the Acquisition.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 5 will be to allow the Company to issue Tranche 2 Placement Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX).

6.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Placement Shares to be issued by way of the Placement:

- (a) the maximum number of Tranche 2 Placement Shares to be issued to sophisticated and professional investors is 125,000,000;
- (b) it is intended that the Tranche 2 Placement 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 as the Meeting;

- (c) the issue price of the Tranche 2 Placement Shares will be \$0.02 per Share;
- (d) the Tranche 2 Placement Shares will be issued to sophisticated and professional investors introduced by Hartleys in accordance with the terms of the Mandate;
- (e) the Tranche 2 Placement Shares 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 Tranche 2 Placement Shares will be issued in order to fund the Acquisition and planned work programs of the Company; and
- (g) a voting exclusion statement has been included in the Notice in connection with Resolution 5.

7. RESOLUTION 6 – TRANCHE 1 PLACEMENT OPTIONS

7.1 General

Resolution 6 seeks Shareholder approval for the issue of up to 125,000,000 attaching Options with the Tranche 1 Placement Shares at an exercise price of \$0.03 per Option and expiring 3 years from the date of issue in accordance with ASX Listing Rule 7.1 (**Tranche 1 Placement Options**), to be issued to sophisticated and professional investors in accordance with the terms of the Mandate and the Placement in order to fund the Acquisition and planned work programs of the Company.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 6 will be to allow the Company to issue the Tranche 1 Placement 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.

7.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 1 Placement Options:

- (a) the maximum number of Tranche 1 Placement Options to be issued is 125,000,000;
- (b) the issue of the Tranche 1 Placement Options will occur on the same date as the Meeting, and in any event the issue of the Tranche 1 Placement Options will occur 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);
- (c) the Tranche 1 Placement Options will be listed at the point in time at which there are more than 50 holders of the Options;
- (d) the Tranche 1 Placement Options will be issued for nil cash consideration and will be exercisable at \$0.03 per Tranche 1 Placement Option;

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- (e) the Tranche 1 Placement Options will be issued to the Shareholders that subscribed for the Tranche 1 Placement Shares;
 - (f) the Tranche 1 Placement Options will be attached to the Tranche 1 Placement Shares and issued on the terms and conditions set out in Schedule 1;
 - (g) funds raised from the exercise of the Tranche 1 Placement Options will be used to fund the Acquisition and planned work programs of the Company; and
 - (h) a voting exclusion statement has been included in the Notice in connection with Resolution 6.
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8. RESOLUTION 7 – TRANCHE 2 PLACEMENT OPTIONS

8.1 General

Resolution 7 seeks Shareholder approval for the issue of up to 125,000,000 attaching Options with the Tranche 2 Placement Shares at an exercise price of \$0.03 per Option and expiring 3 years from the date of issue in accordance with ASX Listing Rule 7.1 (**Tranche 2 Placement Options**), to be issued to sophisticated and professional investors in accordance with the terms of the Mandate and the Placement in order to fund the Acquisition and planned work programs of the Company, subject to the completion of the Acquisition.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 7 will be to allow the Company to issue the Tranche 2 Placement 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.

8.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Placement Options:

- (a) the maximum number of Tranche 2 Placement Options to be issued is 125,000,000;
- (b) the issue of the Tranche 2 Placement Options will occur on the same date as the issue of the Tranche 2 Placement Shares, and in any event 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). the Tranche 2 Placement Options will be issued to investors that subscribe for the Tranche 2 Placement Shares;
- (c) the Tranche 2 Placement Options will be listed at the point in time at which there as more than 50 holders of the Options;
- (d) the Tranche 2 Placement Options will be issued for nil cash consideration and will be exercisable at \$0.03 per Tranche 2 Placement Option;
- (e) the Tranche 2 Placement Options will be issued to Shareholders that subscribe to the Tranche 2 Placement Shares;

- (f) the Tranche 2 Placement Options will be attached to the Tranche 2 Placement Shares and issued on the terms and conditions set out in Schedule 1;
- (g) funds raised from the exercise of the Tranche 2 Placement Options will be used to fund the Acquisition and planned work programs of the Company; and
- (h) a voting exclusion statement has been included in the Notice in connection with Resolution 7.

9. RESOLUTION 8 – HARTLEYS OPTIONS

9.1 General

Resolution 8 seeks Shareholder approval for the issue of 50,000,000 Hartleys Options at an exercise price of \$0.03 per Hartleys Option and expiring 3 years from the date of issue pursuant to the Placement in order to fund the Acquisition and planned work programs of the Company.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 8 will be to allow the Company to issue the Hartleys 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.

9.2 Technical information required by ASX Listing Rule 7.3

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

- (a) the maximum number of Hartleys Options to be issued is 50,000,000;
- (b) the issue of the Hartleys Options will occur 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 Hartleys Options will occur on the same date as the Meeting;
- (c) the Hartleys Options will be issued for nil cash consideration and will be exercisable at \$0.03 per each Hartleys Option;
- (d) the Options will be issued to Hartleys Limited (or its nominee), which is not a related party of the Company and Hartleys will ensure that its nominee(s) (if any) will not be a related party of the Company;
- (e) the Hartleys Options will be issued on the terms and conditions set out in Schedule 1;
- (f) funds raised from the exercise of the Hartleys Options will be used to fund the Acquisition and planned work programs of the Company; and
- (g) a voting exclusion statement has been included in the Notice in connection with Resolution 8.

10. RESOLUTIONS 9 AND 10 – PERFORMANCE RIGHTS – MR NIGEL FERGUSON AND MR PATRICK FLINT

10.1 General

Mr Nigel Ferguson is the Technical Director of the Company and a Director on the Board of the Company. Mr Patrick Flint is a Non-Executive Director on the Board of the Company.

The Board is seeking Shareholder approval by way of Resolution 9 and 10 to grant Performance Rights to Mr Ferguson and Mr Flint (or their nominees) respectively, in accordance with the terms set out below.

Resolution 9 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 to grant and issue a total of 30,000,000 unlisted Performance Rights to Mr Nigel Ferguson (or his nominee) at no cost and at an exercise price of nil on the terms set out below:

- (a) 10,000,000 Performance Rights shall vest if the 10 day volume weighted average share price (**VWAP**) for the Shares on the ASX is \$0.03 or higher from the date of issue;
- (b) 10,000,000 Performance Rights shall vest if the 10 day VWAP for the Shares on the ASX is \$0.05 or higher during the period commencing 12 months from the date of issue; and
- (c) 10,000,000 Performance Rights shall vest if the 10 day VWAP for the Shares on the ASX is \$0.075 or higher during the period commencing 12 months from the date of issue.

Resolution 10 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 to grant and issue 10,000,000 unlisted Performance Rights to Mr Patrick Flint (or his nominee), which shall vest if the 10 day VWAP for the Shares on the ASX is \$0.03 or higher from the date of issue.

Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in section 3.1 above.

Directors such as Mr Ferguson and Mr Flint are each considered to be a related party within the meaning of the Corporations Act, and the above Performance Rights will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

An exception to the requirement to obtain Shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Board (other than Mr Ferguson and Mr Flint, who are not able to make a recommendation due to their interests in the grant of the Performance Rights) considers that the grant of the Performance Rights to Mr Ferguson and Mr Flint constitutes part of the reasonable remuneration of each of Mr Ferguson and Mr Flint. In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

ASX Listing Rule 10.11

Approval for the issue of the Performance Rights is sought for the purposes of ASX Listing Rule 10.11 and all other purposes. Listing Rule 10.11 provides that a company must not issue equity securities to a related party of the Company (including a Director) without Shareholder approval.

Approval under Listing Rule 7.1 is not required in order to grant the Performance Rights to Mr Ferguson and Mr Flint, as approval is being obtained under Listing Rule 10.11. The grant of the Performance Rights to Mr Ferguson and Mr Flint will not be included in calculating the Company's capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1.

The effect of Resolution 9 will be to allow the Company to issue a maximum of up to 30,000,000 Performance Rights to Mr Ferguson within one (1) month after the Meeting (or a longer period, if allowed by ASX) without breaching Listing Rule 10.11 or using up the Company's 15% placement capacity under ASX Listing Rule 7.1 or its 10% placement capacity under ASX Listing Rule 7.1A.

The effect of Resolution 10 will be to allow the Company to issue a maximum of up to 10,000,000 Performance Rights to Mr Flint within one (1) month after the Meeting (or a longer period, if allowed by ASX) without breaching Listing Rule 10.11 or using up the Company's 15% placement capacity under ASX Listing Rule 7.1 or its 10% placement capacity under ASX Listing Rule 7.1A.

10.2 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Performance Rights to be issued to Mr Ferguson and Mr Flint (or their nominees):

- (a) The Performance Rights shall be issued to Mr Ferguson and Mr Flint (or their nominees), subject to the satisfaction of the performance hurdles referred to in section 10.1 above;
- (b) the maximum number of Performance Rights the Company will issue is up to 30,000,000 in respect of Mr Ferguson and up to 10,000,000 in respect of Mr Flint;
- (c) the Performance Rights will be issued no later than one (1) month after the date of the Meeting, or such longer period of time as ASX may in its discretion allow;
- (d) the Performance Rights will be issued on the terms and conditions set out in Schedule 2;
- (e) a voting exclusion statement has been included in the Notice in connection with Resolutions 9 and 10; and
- (f) no funds will be raised from the issue of the Performance Rights as they will be issued for nil cash consideration to Mr Ferguson and Mr Flint (or their nominees) in order to incentivise each of them to provide dedicated and ongoing commitment to the Company.

GLOSSARY

\$ means Australian dollars.

Acquisition has the meaning given in Section 1.1 of the Explanatory Statement.

Acquisition Agreement has the meaning given in Section 1.1 of the Explanatory Statement.

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).

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

Dathomir has the meaning given in Section 1.1 of the Explanatory Statement.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Hartleys has the meaning given in Section 1.1 of the Explanatory Statement.

Hartleys Options has the meaning given in Section 1.1 of the Explanatory Statement.

Mandate has the meaning given in Section 1.1 of the Explanatory Statement.

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

Option means a Tranche 1 Placement Option, a Tranche 2 Placement Option and a Hartleys Option, each being an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

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

Placement has the meaning given in Section 1.1 of the Explanatory Statement.

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.

Tranche 1 Placement Options has the meaning given in Section 7.1 of the Explanatory Statement.

Tranche 1 Placement Shares has the meaning given in Section 5.1 of the Explanatory Statement.

Tranche 2 Placement Options has the meaning given in Section 8.1 of the Explanatory Statement.

Tranche 2 Placement Shares has the meaning given in Section 6.1 of the Explanatory Statement.

VWAP has the meaning given in Section 10.1 of the Explanatory Statement.

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

For personal use only

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 (j), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date 3 years after the date of issue (**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 15 Business Days after the Exercise Date, the Company will:

- (i) allot and 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) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **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.

(k) **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.

(l) **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.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX until there are more than 50 holders of Options.

(n) **Transferability**

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

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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

- (a) **(Vesting Condition):**
- (i) In respect of the grant and issue of a total of 30,000,000 unlisted Performance Rights to Mr Nigel Ferguson (or his nominee), the Performance Rights shall vest on the terms set out below:
 - (A) 10,000,000 Performance Rights shall vest if the 10 day volume weighted average share price (VWAP) for the Shares on the ASX is \$0.03 or higher from the date of issue;
 - (B) 10,000,000 Performance Rights shall vest if the 10 day VWAP for the Shares on the ASX is \$0.05 or higher during the period commencing 12 months from the date of issue; and
 - (C) 10,000,000 Performance Rights shall vest if the 10 day VWAP for the Shares on the ASX is \$0.075 or higher during the period commencing 12 months from the date of issue.
 - (ii) In respect of the grant and issue of 10,000,000 unlisted Performance Rights to Mr Patrick Flint (or his nominee), the Performance Rights shall vest if the 10 day VWAP for the Shares on the ASX is \$0.03 or higher from the date of issue.
- (b) **(Vesting):** Upon the Vesting Condition being satisfied, the Company shall notify the holder in writing that the relevant Performance Rights have vested (**Vested Performance Rights**).
- (c) **(Consideration):** The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights.
- (d) **(Automatic Vesting):** Upon satisfaction of the Vesting Condition, each Performance Right will automatically vest into one Share.
- (e) **(Lapse of a Performance Right):** A Performance Right will lapse upon the earlier to occur of:
- (i) 3 years from the date that the Performance Right is granted to the holder;
 - (ii) the Performance Right lapsing in accordance with rule (f); or
 - (iii) the Performance Right lapsing in accordance with a provision of rule (g).
- (f) **(Fraudulent or dishonest action):** If a holder ceases to be an employee or Director of 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 his or her duties, then:
- (i) the Board must deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - (ii) any 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 an employee or Director of the Company in circumstances where the cessation or termination arises because the holder:

- (i) voluntarily resigns his or her position (other than to take up employment with a subsidiary of the Company);
- (ii) wilfully breaches the terms of the engagement of the holder or any policy of the Company's published policies regulating the behaviour of holder;
- (iii) is 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) is found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute,

then:

- (i) the Board must deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and
- (ii) any 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) **(Other circumstances):** The Performance Rights will not lapse and be forfeited where the holder ceases to be an employee or Director 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);
- (ii) redundancy (being where the holder ceases to be an Eligible Person due to the Company no longer requiring the holder's position to be performed by any person); or
- (iii) any other reason, other than a reason listed in rules (f) and (g) (other than (g)(i)), that the Board determines is reasonable to permit the holder to retain his Performance Rights,

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

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

- (ii) 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;
- (iii) 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
- (iv) 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.
- (j) **(Share ranking)**: All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (k) **(Listing of Shares on ASX)**: The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (l) **(Transfer of Performance Rights)**: A 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.
- (m) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (n) **(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 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 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.
- (o) **(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 a 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.
- (p) **(Dividend and Voting Rights)**: A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

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 10.00am WST, on Thursday, 6 April 2017 at Level 1, 33 Ord Street, West Perth, WA, 6005, 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	Acquisition Agreement – Issue of Shares to Dathomir Mining Resources SARL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Facilitation Shares – Mr Klaus Eckhof	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Facilitation Shares – Third Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Tranche 1 Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Tranche 2 Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Hartleys Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Performance Rights – Mr Nigel Ferguson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Performance Rights – Mr Patrick Flint	<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

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 1, 33 Ord Street, West Perth, WA 6005; or
 - (b) facsimile to the Company on facsimile number +61 8 9420 9399; 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.