



**AVZ Minerals
Limited**

6 April 2018

Ms Anjuli Sinniah
Senior Advisor, Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Via email: anjuli.sinniah@asx.com.au and tradinghaltsp Perth@asx.com.au

Dear Ms Sinniah,

AMENDED RESPONSE TO ASX PRICE QUERY

AVZ Minerals Ltd (ASX: **AVZ**) ("the Company") refers to your Price Query Letter dated 29 March 2018 ("Price Query Letter") and provides the following responses:

1. The Company is not aware of any information concerning it that has not been announced which, if known by some in the market, could be an explanation for the recent trading in the securities of the Company.
2. Not applicable.
3. No, the Company is not aware of any other explanation for the recent trading in its securities. We note that over the last 20 trading days, the AVZ share price has traded in the range of \$0.23 to \$0.30. The Company also recently completed a capital raising, as announced on 28 February 2018, at a price of \$0.25 per share. The intraday high you refer to in the Price Query Letter of \$0.255 is well within the range of trading prices during the month of March 2018.

On 2 June 2017, the Company announced that it had appointed Airguide International Pte Limited ("Airguide") as its Strategic Advisor to facilitate and advise the Company on key relationships and a broader work program aimed at securing value-added commercial agreements with relevant counter-parties in China. Mr Michael Langford is one of Airguide's principals.

As announced on 13 March 2018 the Company signed an MOU with Beijing National Battery Technology Co ("BNB") for potential investment and offtake opportunities

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with the Company. BNB was introduced to the Company by Airguide. During this week representatives of BNB visited the Manono Lithium Project in the Democratic Republic of Congo with AVZ Management and Airguide representatives, including Mr Langford, in their capacity as a strategic advisor to the Company.

The Company has been made aware of the Twitter Posts referred to in the Price Query Letter. The Company does not consider the Twitter Posts provide an explanation for the recent trading in its securities.

The Company is currently completing a 20,000 metre drilling program at the Manono Lithium Project with an initial focus on the Roche Dure Pegmatite. The Company has previously released drilling results on this pegmatite on 28 July 2017 and 12 September 2017 reporting intersections of 202.8 metres @ 1.57% Li₂O and 1078ppm Sn and 235.03 metres @ 1.66% Li₂O and 1078ppm Sn respectively. The Company made further announcements in relation to the current drilling program on 19 February 2018 (drill hole MO18DD001 intersected 295.05m of pegmatite) and 6 March 2018 (drill hole MO18DD002 intersected 282.95m of pegmatite) and also provided visual estimation of spodumene contents ranging from 10% up to 40%. The Company has also previously advised of an exploration target for the entire Manono Project, including an exploration target for the Roche Dure Pegmatite alone. The Company has also previously advised the Roche Dure Pegmatite is essentially homogenous.

The Company reviewed the screenshot of the Twitter Posts and believed the pictures of the core were from drill holes MO17DD001, MO17DD002 and MO17DD003 which had been specifically set out for review by BNB as part of their visit to the Manono Lithium Project (as complete drill logs and assay results were available for these drill holes). The Company had released the results to the market for these drill holes on 12 September 2017, 28 July 2017 and 22 August 2017 respectively. Following further review of the actual pictures of the core shown in the Twitter Posts (as opposed to the screen shot of the Twitter Posts on which the Company's previous response to the Price Query Letter were based) the Company has now become aware that some core shown in the Twitter Posts also relates to drill holes MO18DD003, MO18DD006 and MO18DD007 in respect of which geological results had not been released to the market at the time of the Twitter Posts.

Based on a review of a screenshot of the twitter posts provided to the Company and the fact that core from drill holes MO17DD001, MO17DD002 and MO17DD003 had been specifically set out for review by BNB as part of their visit to the Manono Lithium Project, the Company was under a mistaken belief at the time of its initial response to ASX's Price Query Letter that the photos were of core from these drill holes only.

The Company is aware of its reporting obligations under the ASX Listing Rules and had no intention of unreported information being released by way of the Twitter Posts.

Although the Company does not consider that the photos from the Twitter Posts contain material information, the Company has since released an announcement, dated 6 April 2018, which reports the geological results from these drill holes with additional ASX and JORC disclosures. We encourage shareholders to review this announcement.

4. The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. The Company confirms that its response has been authorised and approved by officers of the Company that have delegated authority from the Board to respond to ASX disclosure matters.

Mathew O'Hara
Company Secretary
AVZ Minerals Limited
(+61 8) 9380 6789

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29 March 2018

Mathew O'Hara
Corporate Consultants Pty Ltd
Suite 9, 389 Oxford Street
MOUNT HAWTHORN WA 6016

By email

Dear Mr O'Hara

AVZ MINERALS LIMITED ("AVZ"): price query

We note the change in the price of AVZ's securities from a close of \$0.235 to an intraday high of \$0.255 today, Thursday 29 March 2018.

We also note the significant increase in the volume of AVZ's securities traded today.

We also refer to the following posts on Twitter:

- The post published on Twitter at 3:58 pm on 28 March 2018 by Michael Langford @ ML_SuperNinja which states:

">\$AVZ Manono Core holes.

Core holes take up to 130 trays. Other #lithium companies core holes can be put into 1 or 2 trays.

A specific building is being refurbished to hold all the core trays. Cores are drilled in half to be sent off to the lab. Spodumene size is clearly obvious."

("First Twitter Post")

- The post published on Twitter on 28 March 2018 by Michael Langford @ ML_SuperNinja which states:

">\$AVZ worlds largest #Lithium & #Tin asset.

The spodumene crystals in the core holes are obvious in every single drilled hole.

High grade tin (see black on drill core) & lithium sections is obvious through the deposit.

AVZ is lowest quartile cost, long life and world class."

("Second Twitter Post")

(together "Twitter Posts").

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In light of this, ASX asks AVZ to respond separately to each of the following questions and requests for information:

1. Is AVZ aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is AVZ relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in AVZ’s securities would suggest to ASX that such information may have ceased to be confidential and therefore AVZ may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss the situation.
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. Is there any other explanation that AVZ may have for the recent trading in its securities? In responding to this question, please comment specifically on the Twitter Posts and on the relationship between AVZ and Michael Langford.
4. Please confirm that AVZ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that AVZ’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AVZ with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **6.30 am WST on Wednesday 4 April 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AVZ’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AVZ’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at anjuli.sinniah@asx.com.au and to tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office.

This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to AVZ's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that AVZ's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Anjuli Sinniah

Senior Adviser – Listings Compliance (Perth)

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