



AVZ signs MoU with Ministry of Industry to create a Special Economic Zone in Manono

Highlights:

- AVZ has executed a Memorandum of Understanding with the Congolese Government to create a Special Economic Zone in Manono, Tanganyika Province, DRC
- The Special Economic Zone has the potential to present significant economic benefits for the development and profitability of the Manono Lithium and Tin Project, including exemptions or reductions on corporate taxation and duty taxes

AVZ Minerals Limited (ASX: AVZ, “the Company”) is pleased to advise AVZ has executed a binding Memorandum of Understanding (“MoU”) with the Ministry of Industry for the development of a Special Economic Zone (“SEZ”) in Manono, located in the Tanganyika Province in the Democratic Republic of Congo.

The purpose of the MoU is to set up the terms for collaboration and negotiation between the Ministry of Industry and AVZ with a view to establishing the “Manono Special Economic Zone” in the Tanganyika Province and the development of basic infrastructure within the same. Development of the Manono Lithium and Tin Project and associated infrastructure for mining operations including the export of product, would be at the core of these developments.

AVZ management team, led by Mr. Balthazar Tshiseke, Mr. Serge Ngandu and Mr. Christian Lukusa, on behalf of its 60% controlled subsidiary Dathcom Mining SA, presented the Manono Lithium and Tin Project to a panel of delegates from the Ministry of Industry, the Special Advisor to the President on Infrastructure and the Head of the Special Economic Zone Agency.

ASX ANNOUNCEMENT

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In essence, a Special Economic Zone provides for an “investor to enjoy exemptions or reductions, either permanently or temporarily, in a degressive or non-degressive manner, with or without the possibility of renewal or extension, on direct or indirect taxes, domestic duties and taxes, national, provincial and municipal royalties, import or export duties payable in Democratic Republic of Congo”.

AVZ as the developer of the SEZ, would be eligible to additional benefits from the Congolese Government as opposed to being purely an investor in the SEZ. AVZ intends to secure the services of a suitably qualified manager to run the SEZ under contract which will be a joint venture between the Government, a financier, a manager and AVZ. Further terms for this joint venture will be discussed.



Figure 1: Members of AVZ and Dathcom’s Management team and Government Officials in Kinshasa, DRC
Left to Right: Mr Christian Lukusa; Mr Serge Ngandu; Mr Balthazar Tshiseke representing AVZ and Dathcom and then Honourable Mr Julien Paluku, His Excellency the Minister of Industry; Mr. Alexy Kayembe, The Infrastructure Presidential Special Advisor; Mr Jean Dieudonné Kavese, the Chief of Staff of the Ministry of Industry and Mr Auguy Boland a, Chargé de mission of the Special Economic Zone Agency

The MoU has a 12-month term and can be terminated in the event of non-performance by either party. Within four months of executing the MoU, AVZ will commit to defining and delineating the geographical area of the “Manono Special Economic Zone”. The defined geographical area will initially include all essential infrastructure such as water, power (the Mpiana Mwanga hydro facility) and roads including the Manono Lithium and Tin Project licences (PR13359, PR4029 and PR4030) to facilitate a successful mining operation.

A special workshop including the respective government representatives, has been organised in March to address these matters, including the framework for development and satisfaction of all conditions for the SEZ.

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Under the MoU, the Ministry of Industry of the DRC commits to:

- Grant all necessary legal authorisation for the completion of the SEZ;
- Make all relevant information available to AVZ and facilitate team missions;
- Engage with AVZ in a Public Private Partnership; and
- Support AVZ in its administrative process to develop basic infrastructure including the Mpiana Mwanga hydroelectric power plant, communication channels (Roads, Rail, lake transport, etc.) that would contribute to the promotion of the industrialisation in the Manono SEZ and, in particular, to that of the lithium industry in the DRC.

AVZ's Managing Director, Nigel Ferguson, said: "We are extremely excited by this major step forward for the Manono Lithium and Tin Project. The Congolese Government has executed on what they stated they would do in support of the Manono district and they clearly agree with us, in that AVZ's Manono Lithium and Tin Project can be a major catalyst for the redevelopment and invigoration of the Manono district to its former glory."

At the signing of the Memorandum of Understanding, the **Minister for Industry, the Honourable Minister Julien Paluku, stated:** "Industry must now be a factor of stability and peace with the creation of wealth and jobs..." because "we intend to change the perception and transform this 'triangle' into a 'triangle' of industrialisation that will result in job creation..."

Mr. Ferguson said: "AVZ is very much onboard with the redevelopment of the province to allow what was once a bustling industrial and mining community to again be allowed to shine through direct investment in infrastructure, job creation and the education of its residents on the back of the Manono Lithium and Tin Project being commissioned."

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

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