



ASX ANNOUNCEMENT

8 December 2022

Legal action to affirm interests in the Manono Project

AVZ Minerals Limited (ASX: AVZ, OTC: AZZVF) (AVZ or Company) advises that, with or through its wholly owned subsidiary AVZ International Pty Ltd (AVZI), on 1 December 2022 it has filed the first of two International Chamber of Commerce (ICC) arbitrations against Dathomir Mining Resources SARL (Dathomir) (First Dathomir Arbitration) and expects to file the second arbitration shortly (Second Dathomir Arbitration) (together the Dathomir Arbitrations).

The purpose of the Dathomir Arbitrations is to seek a declaration affirming AVZI's legal title to the 15% stake in the Manono Project acquired under the validly executed and completed sale and purchase agreements with Dathomir, there being two such agreements pursuant to which AVZI acquired 10% and 5% stakes, respectively, in Dathcom Mining SA (Dathcom).

Background to the Dathomir Arbitrations

In 2019 and 2020, AVZ, AVZI and Dathomir entered into two separate binding contracts for Dathomir's sale and AVZI's purchase of 15% of the shares in Dathcom, the company through which the Manono Lithium and Tin Project (Manono Project) is held (Dathomir SPAs).

By letter dated 14 May 2021, Dathomir claimed to terminate the Dathomir SPAs. The letter did not cite any valid ground, nor did it have the effect of terminating either of the Dathomir SPAs.

AVZI duly completed each of the Dathomir SPAs in August 2021, including payment within the required time period, and thereby legally acquired a further 15% interest in Dathcom.

Dathomir has since maintained its claims to have terminated the Dathomir SPAs and denied the validity of AVZI's acquisitions under them. Manifestations of this include the DRC Tribunal Decisions referred to in the Company's announcements of 4 May 2022, 9 September 2022 and 20 October 2022. However, as both of the Dathomir SPAs contain, and are subject to arbitration agreements, only a properly constituted arbitral tribunal has jurisdiction to rule on Dathomir's claims. Prior to 1 December 2022, Dathomir had not commenced any such arbitration proceedings.

AVZ and AVZI have brought the First Dathomir Arbitration, and will bring the Second Dathomir Arbitration, to affirm AVZI's acquisition in August 2021 of the aforesaid 15% interest in Dathcom, to put an end, once and for all, to Dathomir's claims and to recover losses sustained from them.

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Background to Cominière's 25% interest in the Manono Project

La Congolaise d'Exploitation Minière (**Cominière**) holds 25% of the share capital of Dathcom. The shareholders of Dathcom (namely, Cominière and AVZI) are parties to a joint venture agreement dated 27 January 2017 and its subsequent amendments and, as such, benefit from a right of first refusal on proposed transfers of shares in Dathcom to third parties.

Under the laws of the Democratic Republic of Congo (**DRC**), a transfer of shares made in violation of a right of first refusal of this kind is null and void.

Cominière has purported to transfer shares in Dathcom to a third party (Jin Cheng Mining Company Limited a subsidiary of Zijin Mining Group Company Limited) in breach of AVZI's right of first refusal, which is the subject of the Jin Cheng ICC Arbitration Proceedings previously addressed in the Company's announcements of 11 May 2022, 17 June 2022, 9 September 2022 and 20 October 2022.

The Company will seek to annul any purported third party transfer by Cominière which contravene AVZI's right of first refusal.

AVZ's 75% interest in the Manono Project

AVZ confirms that it retains legal title to a 75% interest in the Manono Project and pre-emptive rights over 15% out of Cominière's 25% interest in the Project (noting that Cominière must cede 10% out of its 25% interest in the Project to the Government of the DRC as a condition of the award of the mining licence under the Dathcom Joint Venture Agreement).

The Company considers it has strong prospects of success in the Dathomir Arbitrations and Jin Cheng ICC Arbitration Proceedings and will vigorously pursue its claims to vindication.

This announcement was authorised for release by the board of directors of AVZ Minerals Limited.

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Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Forward looking statements involve known and unknown risks, uncertainty and other factors which can cause the Company's actual results

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