

AVZ Minerals Ltd

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AVZ Minerals and Yibin Tianyi move towards finalising \$14 million placement and offtake deal

AVZ Minerals Ltd (ASX:AVZ) has received a US\$1 million convertible note from N-Resource Limited, an associate of Yibin Tianyi Lithium Industry Co., Ltd.

The payment of US\$1 million permits Yibin Tianyi to maintain its rights under a \$14.1 million share subscription agreement for which the sunset date has been extended to March 31, 2020.

It also accommodates a request to Yibin Tianyi from Australia's Foreign Investment Review Board (FIRB) for additional time to finalise its review which is well progressed.

Background

In November 2019, AVZ and Yibin Tianyi executed a subscription agreement that will see Yibin Tianyi take a 12% stake in AVZ for \$14.1 million.

Yibin Tianyi is an emerging lithium chemical producer in China backed by China's largest EV battery manufacturer CATL and Suzhou TA&A Ultra Clean Technology Co Ltd (SHE:300390).

Yibin Tianyi is currently constructing one of the largest lithium hydroxide plants in China.

Offtake agreement

AVZ and Yibin Tianyi are progressing towards finalising and executing a binding offtake agreement for product from the Manono Lithium and Tin project (60% owned by AVZ) in the Democratic Republic of Congo.

The product is for Yibin Tianyi's plant which is targeting a production of up to 25,000 tonnes of lithium hydroxide per annum, with future staged expansions expected to increase production to about 100,000 tonnes per annum.

Under the terms of the subscription agreement, both parties will negotiate in good faith to agree and execute a binding offtake agreement for lithium products from the Manono Project.

Good progress is being made on this front with draft documents having been exchanged.

"Commitment to finalise this strategic investment"

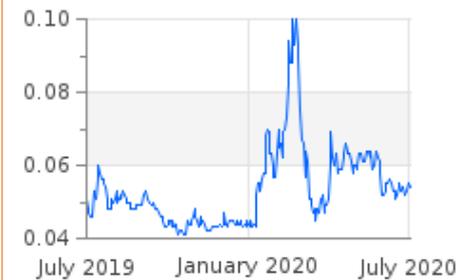
AVZ managing director Nigel Ferguson said: "We are pleased with Yibin Tianyi's commitment to finalise this strategic investment through securing a convertible note for AVZ to maintain the terms of the Subscription Agreement, especially given the current volatile market conditions.

"We continue to work with Yibin Tianyi and FIRB to ensure the necessary regulatory approvals are obtained as soon as possible.

Price: 0.054

Market Cap: \$153.28 m

1 Year Share Price Graph



Share Information

Code: AVZ

Listing: ASX

52 week High Low
0.105 0.04

Sector: Rare earths & specialist minerals

Website: www.avonleaminerals.com

Company Synopsis:

AVZ Minerals Ltd (ASX:AVZ) is listed on the Australian Securities Exchange.

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"We are also pleased with the current progress being made with respect to finalising a binding offtake agreement with Yibin Tianyi for our lithium products from the Manono Project.

"We will keep the market apprised of the latest developments in terms of AVZ executing a binding offtake agreement with Yibin Tianyi."

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