

I am writing to raise awareness of the predatory conduct of State-owned mining company **Zijin Mining**. Who have been systematically attacking a Perth based company **AVZ minerals**. The story is long and complex, so please treat this letter as an introduction to the saga only.

Australian company AVZ, who discovered the world's largest lithium reserve, situated at Manono in the Democratic Republic of Congo (DRC). Faces an existential threat from Zijin Mining. A huge Chinese state-owned enterprise with not only considerable influence and resources, but also with one of the worst records in safety and environmental damage.

AVZ has made headlines recently since delisting from the ASX. This was largely due to relentless attacks, court cases and allegations, making it impossible for the company to comply with ASX rules. There have been many articles written in the AFR and others that are shallow, biased, and omit basic facts. Serious questions could be asked about the true motivations of these articles. I would encourage anyone looking to investigate the AVZ case to look deeper than the initial results of a Google search. There are billions to be made and lost on this story, so there is a great deal of propaganda from the last 3 years of AVZ.

AVZ has spent approximately 5 years and \$100 million on exploration and developing the site. Just prior to receiving a mining licence, AVZ progress was brought to a sudden halt, via the corrupted entity of Cominiere (an instrument of the DRC govt) and the equally corrupted Zijin Mining group which is a state owned enterprise of China . They are attempting to steal the project by driving AVZ to bankruptcy. The modus operandi of Zijin has been to stall AVZ via DRC court cases to drain their cash reserves. Cash reserved which are close to depletion.

This is not a simple case of another speculative mining company that has failed. AVZ was a success, once reaching a market cap of over \$3 billion. This situation is actually a highly organised attack on an Australian company, by a powerful Chinese state-owned entity. It can be accepted that AVZ has chosen a difficult region to operate in being the DRC, but it is China's influence through Zijin that is the true root of the problem. In short the corruption facilitated by Zijin has caused the mining licence decree issued 5th May 2022 to be taken from AVZ, resulting in AVZ being forced to take legal action against the DRC government. It has since been alleged that Zijin is actually funding the DRC governments legal battles against AVZ.

We basically have Chinese funds (Zijin) assisting a sovereign state (DRC) to fight against an Australian company (AVZ), a company which lists the Australian future fund as a shareholder, along with many SMSF and retail share holders

Key points.

- Australian company AVZ, has spent \$100m defining the world's largest lithium deposit, a resource that despite current market rates, will be critical for decades.
- Control of this asset will dictate global lithium pricing. Effecting Australian producers.
- Corrupting Chinese elements are working to bankrupt AVZ, both in the DRC and here in Australia. Zijin mining even went as far as setting up an office in Perth adjacent to the AVZ office.
- AVZ has a strong case in various international court cases, already achieving some victories, but it is uncertain the company can see these cases through due to lack of funds.
- If China successfully steals the Manono lithium deposit, they will control the lithium price world wide, as they do with rare earths, nickel, copper, cobalt etc.
- The Australian government should take a decisive stand to assist AVZ Minerals through whatever means necessary, not only to protect a vital national interest but also to uphold global trade principles and ensure the ethical stewardship of valuable resources.
- Zijin currently enjoys 100% ownership of the extremely lucrative Norton gold fields in Australia.

Stake holders.

- 20,000 Australian retail shareholders.
- In the event of successful outcome for AVZ the capital gains tax paid by shareholders is likely in the \$100's of millions.
- ***The Australian Future fund is currently holding 16,787,107 shares (At its peak this was valued at \$21,800,000, potentially tens of millions more)***

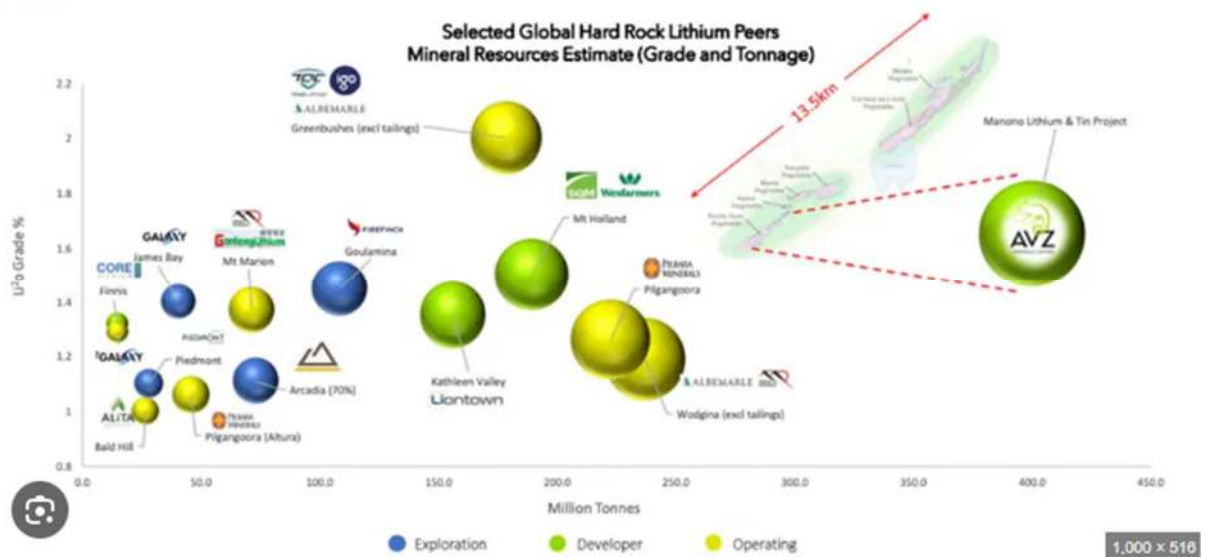
What is required to assist the company.

In the short term, basically funding is the key concern. The company is looking to raise funds through various sources right now. But any assistance that can be offered to the company at this stage should be made available ASAP.

- Reference documents

Visualisation of the size of the AVZ project below, note that this chart is now outdated as the resource size has doubled.

Currently the resource size is 840 million tonnes, grade 1.6% open in all directions from surface, its believed that the true size of the deposit if fully explored and defined could be in the realm of 1.5 - 3 billion tonnes, equivalent to 30%+ of the world's supply. A truly market controlling resource. Further to the Lithium value, there is an enormous tin reserve which is also shaping up to be a critical resource.



The letter below was posting on an investment forum. The government may be aware of the situation in country, a country in which I can appreciate Australia has limited powers. The current situation for AVZ is less about the situation in the DRC, but more about remaining a financial going concern in Perth.



Australian Government
Department of Foreign Affairs and Trade

7 July 2023

Ref: MC23-004364

Mr [REDACTED]

Dear [REDACTED]

Thank you for your correspondence of 14 June 2023 regarding AVZ Minerals arbitration request for proceeding against the Democratic Republic of Congo (DRC). I am replying on behalf of the Minister for Foreign Affairs, Senator the Hon Penny Wong.

We are aware of the issues facing AVZ Minerals in the Democratic Republic of the Congo, including arbitration proceedings underway at the International Centre for Settlement of International Disputes in Washington D.C. and the International Chamber of Commerce in Paris. We are actively engaged with the company on its concerns.

The Australian Embassy in Harare accredited to the Democratic Republic of the Congo (DRC) continues to advocate for a fair, transparent, robust and open business environment during engagements with DRC officials.

The Australian government is using every available tool to promote Australia's critical minerals sector and support globally diversified supply chains, including our free trade agreements. Australia is also working with our like-minded partners, through existing bilateral and plurilateral architecture to ensure diverse, robust, and reliable sources of supply are available to meet growing global demand for critical minerals.

I trust this information is of assistance.

Yours sincerely

Lara Nassau
A/g Assistant Secretary
Africa Branch
Middle East, Africa and Afghanistan Division

Relevant links on AVZ and Zijin.

Recent AVZ announcement.

[20240805+Announcement+-+DRC+Government+Discussions+and+Further+Cominière+Breaches.pdf \(squarespace.com\)](#)

[The curious case of AVZ, the Congo and the biggest lithium deposit on the planet](#)

The fight over AVZ Minerals' mega-lithium deposit in the DRC conjures up images of the whacky Cantina bar scene in Star Wars. A recent court ruling, however, may have reset the playing field in AVZ's favour.

 thewest.com.au

<https://dialogo-americas.com/articles/chinese-state-owned-zijin-mining-under-international-scrutiny/#:~:text=The%20state%20Downed%20mining%20giant,a%20global%20scale%2C%20Infobae%20reported.>

[https://granta.com/power-metals/?fbclid=IwY2xjawD6DGRleHRuA2FibQIxMQABHQiZ8LUQGcQlwXy-9z3jlbf1Bqef696RsuFZ1i8VAR-YekWNzKilB7oKeg_aem_gG1obQ6SNRaLqaK5GZKe5Q\)zijin](https://granta.com/power-metals/?fbclid=IwY2xjawD6DGRleHRuA2FibQIxMQABHQiZ8LUQGcQlwXy-9z3jlbf1Bqef696RsuFZ1i8VAR-YekWNzKilB7oKeg_aem_gG1obQ6SNRaLqaK5GZKe5Q)zijin)
