



Climate Change Strategy

March 2022

Document number: PR000-COR-GO-POL-020 AVZ Climate Change Strategy

Rev No.	Date	Description	Prepared by	Checked by	Approved by
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0	02/06/2022	Amended - Issued for Use	S Beech	Ben Cohen	N Ferguson

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1. CLIMATE CHANGE STRATEGY

AVZ Minerals Limited (AVZ) and its controlled subsidiaries, accept the current scientific evidence of climate change as reported by the Intergovernmental Panel on Climate Change (IPCC). AVZ recognises the ongoing global effort to mitigate and adapt to climate change, in particular the United Nations Framework Convention on Climate Change, the Kyoto Protocol and the Paris Agreement.

AVZ anticipates that future climate change conditions will present unique opportunities and risks to the business through physical changes to the environment, changes in Government Policy and changes to investor, consumer and stakeholder preferences and expectations.

AVZ's ambition is to achieve carbon emission neutrality as soon as possible after commencing Mining Operations. AVZ will implement a series of short and long term strategic actions to proactively build resilience into its assets and manage issues relating to climate change.

These actions include planning for physical and transitional risk and reducing greenhouse gas (GHG) emissions from its operations.

To plan for and respond to climate change, AVZ will:

- Monitor changes in International Policy and Regulations through its Corporate Risk Management process
- Consider emission profiles and low emission alternative technologies at the project design stage
- Investigate the use and application of carbon capture sequestration technologies
- Refurbish the Mpiana Mwanga hydroelectric power plant (HEPP) to generate the power requirements for the Manono Project
- Supply excess energy from the HEPP to the local electricity network for use within the local community
- Investigate the use of other renewable energy generation technologies including solar power and energy storage systems
- Generate power from excess heat from the sulphuric acid plant
- Investigate the use of hydrogen electrolysis for powering Fuel Cell Electric Vehicles (FCEVs)
- Establish emergency procedures for climate-related hazards and natural disasters, including early warning systems for extreme weather events
- Establish employee and contractor awareness of our Climate Change Strategy
- Establish awareness of our Climate Change Strategy within host communities
- Maintain transparency of IPCC Scope 1 and 2 emissions for all assets within periodic corporate reporting
- Proactively work with and incentivise contractors and service providers to reduce Scope 3 emissions related to our project.

2. AVZ'S MANONO LITHIUM AND TIN OPERATION

AVZ has undertaken a GHG assessment of its Manono Lithium and Tin Operation (MLTO) (the 'Project') to establish a baseline for Scope 1 and Scope 2 emissions and qualitatively review the Project's proposed GHG reduction actions, described below.

These actions are part of AVZ's ambition to achieve carbon neutrality as soon as possible after commencing Mining Operations.

Table 1 Actions and Timeframe

ACTION	TIMEFRAME
Consider options for carbon capture technology to reduce emissions at the primary lithium sulphate (PLS) calciner plant. Diesel usage in the PLS processing facility is expected to be the largest contributor of GHG emissions from the Project, with almost 50% of the total Project emissions attributed to this source. Therefore, substantial reductions in the diesel combusted at the PLS calciner plant could have an impact on the Projects total emissions.	Engineering design phase - Prior to Project construction
Refurbish the abandoned Mpiana Mwanga Hydro Electric Power Plant (HEPP) to produce renewable power for the MLTO. The HEPP will be owned by AVZ Power SAU (AVZP) on a 25-year lease basis from the Democratic Republic of the Congo (DRC) Government, and provide the MLTO's energy requirements, excluding diesel fuel usage in mining equipment, vehicles and the calcining kiln. No electricity will be purchased via the grid and excess electricity from the HEPP will be made available to the local community, reducing the use of diesel generators in the surrounding area.	Commencement of Operations
Investigate the use of electric light vehicles prior to commencement of operations using electrical power from the HEPP.	Prior to commencement of operations
Investigate the viability of an electric mining fleet once the technology is proven and becomes commercially available to reduce GHG emissions from diesel combustion. This fleet will be powered using electricity from the HEPP.	When the technology is proven and is commercially available
Investigate the conversion of renewable power into hydrogen for use in fuel cell electric vehicles once these are commercially available.	When FCEV technology is commercially viable
Develop a GHG emissions offset strategy to achieve net zero emissions by 2030. The strategy may include the development of a sustainable plantation forest industry.	Within 5 years of receiving financial approval for the Project
Aim to achieve ZERO GHG emission status for IPCC scopes of work 1 and 2 for all Operations.	2030
Proactively work with contractors and service providers to reduce scope 3 emissions in line with relevant global and DRC policies and standards.	Commencement of operations.