

3 July 2023

## Mining Agreement with Arruwurra Aboriginal Corporation

### Highlights

- Avenira and Arruwurra Aboriginal Corporation have signed an agreement which will allow Avenira to continue to develop the Wonarah Phosphate Project.
- The agreement governs the relationship between Avenira and the Arruwurra Members.

The Agreement provides Avenira with continued Arruwurra Members' support for the Wonarah Phosphate Project, while delivering confidence to the Arruwurra Members regarding sustainable commercial outcomes, social benefits and cultural matters. The terms of the Agreement provide a strong commitment to create mutual benefits while continuing to respect the traditional lands, activities, values and the rights of Arruwurra Members.

The key commercial terms of the agreement are as follows:

- An annual payment in respect of mineral leases of \$434,750 (indexed for future payments), of which \$159,750 will be paid within 7 days and the balance by the immediate issue of 20 million Avenira shares, 5 million shares issued at a deemed issue price of \$0.01 and the balance of 15 million Avenira shares at the volume weighted average share price over the last 10 business days. Avenira may elect to pay 50% of future annual payments by way of issue of shares at a 15% discount to the volume weighted average share price calculated over the 10 business days prior to the exercise of that election.
- 2 Categories of Capital Payments are to be made:
  - a. The immediate issue of 10 million Avenira shares at a deemed issue price of \$0.01 and the payment of \$200,000 which will occur at the commencement of production and excludes the trial mining program;
  - b. A Capital Payment will be made every 5 years being the greater of the sum of \$300,000 or the equivalent to 2% of any increased capital expenditure made by Avenira (after commencement of production), with that payment in any event capped at \$5 million (indexed). Avenira may elect to pay 50% of future capital payments by way of issue of shares at a 15% discount to the volume weighted average share price calculated over the 10 business days prior to the exercise of that election.
- The first 15 million Avenira shares issued will be held in escrow for a period of six months from the date of issue.
- A community payment of 2.5% for production sold and exported to offtakers (or delivered within Australia to offtakers) less logistics costs between mine gate and product loaded on ship.

Commenting on the signing of the Mining Agreement, Avenira's Chairman and Chief Executive Officer, Brett Clark, said:

*"We are pleased to have reached agreement with the Arruwurra Aboriginal Corporation and pay tribute to Chairman Allen Punch and the board of the Arruwurra Aboriginal Corporation for the spirit in which the discussions have taken place.*

*We will continue to respect the land, tradition and culture of the Arruwurra Members whilst doing our best to share in the economic and social benefits of our investment on Arruwurra Lands. This is just the beginning of a strong sustainable partnership with Arruwurra Members and look forward to the community benefits that will be reaped from our ongoing success at Wonarah."*

Allen Punch, Arruwurra's Chairman said:

*"We are pleased to have reached agreement with Avenira regarding the phosphate mining operation on our Lands. This represents the strong and mutually respectful relationship that has resulted from our partnering engagements."*

*"In this agreement, we have developed a strong framework for the protection of our lands, and certainty that our members will fairly benefit from the mining work undertaken, including employment, training and the establishment of sustainable Arruwurra businesses, which support the mining operation. Each of these qualities are fundamental to building a solid long term relationship."*

**This announcement was authorised for release by the Board of Directors.**

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