AVENIRA LIMITED

ABN 48 116 296 541

GENERAL MEETING

25 June 2025

Dear Shareholder

Notice is hereby given that a General Meeting (**Meeting**) of Avenira Limited (ASX:AEV) (Avenira) will be held as a physical meeting at:

Level 1, Suite 9, 110 Hay Street, Subiaco, WA, 6008
on 25 July 2025 at 10:00am (AWST)

In accordance with section 253RA(2) of the Corporations Act 2001 (Cth), the Company will not be sending hard copies of the Notice of Meeting (NOM) to shareholders unless a shareholder has requested a hard copy. A copy of NOM is available on the Company's website at www.avenira.com.

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Automic Pty Limited, using any of the following methods:

Easiest method

By mobile	Scan the QR code on your proxy form with the camera on your mobile device and follow the prompts.

Other methods

Online	https://investor.automic.com.au/#/loginsah
By mail	Share Registry – Automic Pty Limited, GPO Box 5193, Sydney NSW 2001, Australia

Your proxy voting instruction must be received by 10:00 am (AWST) on 23 July 2025, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The NOM is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the NOM please contact the Company Secretary on +61 8 9264 7000.

Yours sincerely

Ms Yuan Yuan
Executive Chair

ACN 116 296 541

NOTICE OF GENERAL MEETING AND

EXPLANATORY MEMORANDUM AND

PROXY FORM

A General Meeting of the Company
will be held at Level 1, Suite 9, 110 Hay Street, Subiaco, WA
on Friday, 25 July 2025 at 10:00am (AWST)

IMPORTANT INFORMATION

Shareholders are urged to vote by lodging the proxy form that has been separately sent to you.

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

AVENIRA LIMITED

ACN 116 296 541

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the Shareholders of Avenira Limited ACN 116 296 541 (**Company**) will be held at Level 1, Suite 9, 110 Hay Street, Subiaco, WA on Friday, 25 July 2025 at 10:00 am (AWST).

The Explanatory Memorandum provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered as Shareholders on Wednesday, 23 July 2025 at 5:00 pm (AWST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 4.

A Proxy Form is located at the end of the Explanatory Memorandum.

AGENDA

1 Resolution 1 – Approval of issue of Placement Shares to Hebang

To consider, and if thought fit, to pass with or without amendment the following as an **Ordinary Resolution:**

> *"That, for the purposes of section 611 (item 7) of the Corporations Act, approval is given for the acquisition of a relevant interest in an additional 1,081,000,000 voting shares of the Company by Hebang pursuant to the proposed issue of 1,081,000,000 Shares to Hebang at an issue price of $0.007 per Share on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion:

No votes may be cast in favour of this Resolution by:

(a) Hebang, being the person proposing to make the acquisition, and its associates; or

(b) the person (if any) from whom the acquisition is to be made and their associates.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert that accompanies this Notice for the purposes of the Shareholder approval required for Resolution 1 under section 611 (item 7) of the Corporations Act. The Independent Expert Report concludes that the transaction contemplated by Resolution 1 is **not fair but reasonable**.

2 Resolution 2 – Approval of financial benefit to a Related Party

To consider, and if thought fit, to pass with or without amendment the following as an **Ordinary Resolution:**

> *'That, for the purposes of section 208 of the Corporations Act, approval is given for the Company to provide a financial benefit to Hebang, a related party of the Company, by the issue of 1,081,000,000 Shares to Hebang at an issue price of $0.007 per Share on the terms and conditions set out in the Explanatory Statement.'*

Voting Exclusion:
A vote on this Resolution must not be cast (in any capacity) by or on behalf of Hebang, being the related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of Hebang.

By order of the Board

Graeme Smith
Company Secretary

AVENIRA LIMITED
ACN 116 296 541

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined the Glossary.

A Proxy Form is located at the end of the Explanatory Memorandum.

You may vote by attending the General Meeting in person, by proxy or attorney, or by an authorised representative (if you are a body corporate).

To vote in person, attend the General Meeting on the date and at the place set out in the Notice.

1.1 Proxies

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to vote by proxy.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please follow the instructions in the attached Proxy Form.

1.2 Corporate Representatives

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

1.3 Date for Determining Holders of Shares

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the General Meeting. For the purposes of determining voting entitlements at the General Meeting, Shares will be taken to be held by the persons who are registered as holding at 5:00pm (AWST) on Wednesday, 23 July 2025. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

2 Resolution 1 – Approval of Issue of Placement Shares to Hebang

2.1 Background

On 10 March 2025, the Company announced it had successfully secured a further strategic investment from Hebang to raise $7.567 million through the issue of 1,081,000,000 Shares at an issue price of $0.007 per Share (**Placement Shares**). On 19 March 2025 the Company and Hebang entered into a Subscription and Loan Agreement (**Subscription and Loan Agreement**) in relation to the Placement.

2.2 Corporations Act Requirements

Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in the issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

(a) from 20% or below to more than 20%; or

(b) from a starting point that is above 20% and below 90%,

(**Prohibition**), unless one of the exceptions in Section 611 of the Corporations Act applies.

Voting Power

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

Associates

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

(a) (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:

  (i) a body corporate the first person controls;

  (ii) a body corporate that controls the first person; or

  (iii) a body corporate that is controlled by an entity that controls the first person;

(b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or

(c) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Relevant Interests

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

(a) are the holder of the securities;

(b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or

(c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, Section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

(a) a body corporate in which the person's voting power is above 20%; and

(b) a body corporate that the person controls.

2.3 Reason Section 611 Approval is Required

Item 7 of Section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting Shares that would otherwise breach section 606 with Shareholder approval.

Hebang currently has a relevant interest in 1,005,608,182 Shares in the Company, representing a voting power in the Company of 31.65%.

In the event that Hebang is issued the Placement Shares, Hebang will have a relevant interest in 2,086,608,182 Shares in the Company, and the voting power of Hebang will increase to up to 49% as a result.

Shareholder approval under Item 7 of Section 611 of the Corporations Act is therefore required to enable Hebang to be issued the Placement Shares.

2.4 Specific Information required by Section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of Section 611 of the Corporations Act.

Identity of the Acquirer

Sichuan Hebang Biotechnology Co., LTD. (hereinafter referred to as: Hebang Biological, stock code: 603077) was established in 2002, located in Wutongqiao District, Leshan City, Sichuan Province, China and listed on the Shanghai Stock Exchange in 2012.

Since its listing in 2012, Hebang Biological has developed rapidly. It has grown from a domestic company into a global multinational company with business expanded into Australia, Israel, Indonesia, North America, South America and other countries and regions. The business activities have also developed from only salt mining, and soda ash/ammonium chloride manufacturing at the time of listing to its current three major business sectors: mining, chemicals and photovoltaic materials.

In the mining sector, Hebang Biological owns: two salt and one phosphate mining rights in Leshan City, China; one phosphate mining right in Ya 'an City, China; and one lead and zinc deposit and one copper deposit exploration rights in Kezhou City, China.

In the chemical sector, Hebang Biological manufactures soda ash, ammonium chloride, PMIDA, glyphosate, methionine and biopesticide, and also continuously invests in R&D to ensure sustainable business growth and success.

In the photovoltaic glass and other sectors, Hebang Biological specializes in manufacturing photovoltaic glass, special smart glass, LOW-E glass, photovoltaic modules and photovoltaic silicon wafer, and also operates a photovoltaic EPC, oil and gas services businesses.

In the future, Hebang Biological will continue to strengthen its investment in the mining sector, and generate benefits and value to stakeholders.

Hebang is a wholly owned subsidiary of Hebang Biological and is registered in Hong Kong.

Hebang is presently the largest Shareholder of the Company, with a relevant interest in 1,005,608,182 Shares representing a voting power of 31.65%.

Hebang has also appointed to the Board of the Company Ms Stephanie Yuan, Ms Ran Mo and Mr Shixing Zhang (together, the **Hebang Directors**).

Relevant Interest and Voting Power

Hebang presently has a relevant interest in 1,005,608,182 Shares representing a voting power of 31.65%. The Shares are directly held by Hebang.

In the event that Hebang is issued the Placement Shares, Hebang will have a relevant interest in 2,086,608,182 Shares in the Company, and the voting power of Hebang will increase to up to 49%.

Reason for proposed issue of securities

The reason for the proposed issue of Placement Shares to Hebang is to raise funds to progress the Company's Wonarah DSO Project to accelerate the DSO Project, targeting delivery of ore to port by late third quarter / early fourth quarter 2025, substantially enhancing the value of the Wonarah resource.

Date of proposed issue of securities

The Placement Shares will be issued within 2 Business Days after the Company's Shareholders approve the issue of the Placement Shares to Hebang pursuant to Item 7 of Section 611 of the Corporations Act at the General Meeting.

Material terms of proposed issue of securities

The Company and Hebang have agreed to the issue of 1,081,000,000 Placement Shares at an issue price of $0.007 per Share to Hebang to raise $7,567,000, subject to Shareholder approval.

Details of any other relevant agreement

Pursuant to the Subscription and Loan Agreement, Hebang has also agreed to provide an unsecured draw down loan facility of up to $7,567,000 to the Company (**Loan**). The Company is able to draw down amounts of up to $2,000,000 at a time, except for the final draw down when any remaining balance can be drawn. Interest on the Loan is 12% per annum which shall accrue daily and be capitalised and payable in full on the repayment of the Loan principal no later than 12 months after the date of the first draw down.

The Company drew down the first $2,000,000 of the Loan on 21 March 2025.

In the event that Shareholders approve the proposed acquisition of the Placement Shares by Hebang the Company will repay the Loan principal to Hebang through the issue of the Placement Shares and will pay to Hebang the interest owing on the Loan principal in cash at the same time.

In the event that Shareholders do not approve the issue of the Shares the Loan principal and interest will be repayable on or before 12 months after the first draw down and the Company will need to raise alternative funding either from Hebang or other sources to repay the Loan.

Hebang's intentions

Hebang has informed the Company that as at the date of this Notice and on the basis of the facts and information available to it, that it:

(a) has no intention of making any significant changes to the business of the Company;

(b) has no intention to inject further capital into the Company than that already announced;

(c) has no intention to redeploy any fixed assets of the Company;

(d) has no intention to transfer any property between the Company and Hebang;

(e) has no intention to change the Company's existing policies in relation to financial matters or dividends; and

(f) has no intention of changing the future employment of present employees of the entity.

These present intentions may change as new information becomes available, as circumstances change or in light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

Interest and recommendations of Directors

None of the current Board members have a material personal interest in the outcome of Resolution 1.

Based on the information available, including that contained in this Explanatory Memorandum and the Independent Expert's Report, all of the Directors consider that the issue of the Placement Shares is in the best interests of the Company.

The Directors are not aware of any other information other than as set out in this Explanatory Memorandum or the Independent Expert Report that would be reasonably required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

Each of Mr Brett Clark, Mr Nam (Eddy) Cheng and Mr Roger Harris are independent of any relationship with Hebang and therefore for the purpose of Resolution 1 are independent directors (**Independent Directors**).

The Independent Directors note the conclusion set out in the Independent Expert's Report that the proposed transaction is not fair but reasonable.

The Independent Directors recommend that Shareholders vote in favour of Resolution 1.

The Hebang Directors do not consider themselves to be independent directors for the purpose of Resolution 1 because they have been appointed by Hebang and they are or have been employees of either Hebang or a related company of Hebang.

The Hebang Directors therefore do not make any recommendation with respect to Resolution 1.

2.5 Advantages of the Issue

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to the Shareholder's decision on how to vote on Resolution 1:

(a) the issue of the Placement Shares to Hebang represents a further strategic investment by the Company's largest shareholder to enable the Company to progress the Company's Wonarah DSO Project to accelerate the DSO Project, targeting commencement of mining in the third quarter of 2025 and commencement of haulage to port in September 2025, substantially enhancing the value of the Wonarah resource; and

(b) the issue of the Placement Shares to Hebang will enable the repayment of the Loan provided by Hebang and will thereby ensure that the Company is debt free.

2.6 Disadvantages of the Issue

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to the Shareholder's decision on how to vote on Resolution 1:

(a) the issue of the Placement Shares to Hebang will increase the voting power of Hebang from 31.65% up to approximately 49% reducing the voting power of non-associated Shareholders in aggregate from 68.35% to approximately 51.00%; and

(b) the issue of the Placement Shares to Hebang is proposed to be made at an issue price which is below the market price of the Company's Shares as at the date of this Notice and accordingly the issue may lead to a greater dilution of the voting power of non-associated Shareholders than may occur if an alternative equity capital raising was undertaken by the Company.

2.7 Independent Expert's Report

The Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd (a copy of which is attached as Schedule 1 to this Explanatory Memorandum) assesses whether the transaction contemplated by Resolution 1 is fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transaction contemplated by Resolution 1 is not fair but reasonable to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

3 Resolution 2 – Approval of financial benefit to a Related Party

3.1 Background

Resolution 2 seeks Shareholder approval for the purposes of Chapter 2E of the Corporations Act for the Company to provide a financial benefit to Hebang.

3.2 Chapter 2E of the Corporations Act

Subject to certain exceptions set out in Sections 210 to 216 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval.

An entity that controls a public company is a related party of the public company.

An entity is also a related party of a public company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a related party of the public company at any time in the future.

Section 50AA of the Corporations Act provides:

(a) that an entity controls a second entity if the first entity has the capacity to determine the outcome of decisions about the second entity's financial and operating policies; and

(b) in determining whether the first entity has this capacity:

  (i) the practicable influence the first entity can exert (rather that the rights it can enforce) is the issue to be considered; and

  (ii) any practice or pattern of behaviour affecting the second entity's financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).

It is arguable that Hebang is a related party of the Company on the basis that Hebang controls Avenira in circumstances where:

(a) Hebang is currently the Company's largest Shareholder with a voting power of over 31%;

(b) three of the six Directors of the Company were appointed by Hebang, including the Chairman who also has a casting vote in relation to the Board decisions; and

(c) the Company requires Hebang's sign off in relation to financial matters including payment of creditors.

By reason of the proposed increase of Hebang's voting power to 49% and the terms of the proposed Loan there are also reasonable grounds to believe that Hebang is likely to control the Company in the future if it does not already do so.

The issue of the Placement Shares pursuant to the Subscription and Loan Agreement constitutes giving a financial benefit to Hebang.

It is the view of the Directors that the exceptions to the requirement to obtain shareholder approval set out in sections 210 to 216 of the Corporations Act will not apply in the current circumstances.

Accordingly, the Company is seeking shareholder approval for the issue of the Placement Shares.

If Resolution 2 is passed and Resolution 1 is also passed, the Company will be able to provide a financial benefit to Hebang by issuing the Placement Shares.

If Resolution 2 is not passed, the Company will not be able to provide a financial benefit to Hebang by issuing the Placement Shares.

Resolution 2 is an ordinary resolution.

3.3 Information Requirements - Chapter 2E

Pursuant to and in accordance with the requirements of Chapter 2E of the Corporations Act, the following information is provided in relation to the proposed issue of the Placement Shares to Hebang:

The related party to whom the proposed Resolution will permit the financial benefit to be given and the nature of the financial benefit

Hebang is the related party to whom the proposed Resolution would permit the financial benefit to be given by virtue of the fact that Hebang controls the Company within the meaning of section 228 of the Corporations Act as detailed in Section 3.2 above.

The nature of the financial benefit to be given is the issue of the Placement Shares.

The details of the financial benefit including reasons for giving the type and quantity of the benefit

A total of 1,081,000,000 Placement Shares will be issued to Hebang at an issue price of $0.007 per Share.

The number of Placement Shares to be issued to Hebang and the issue price of the Placement Shares has been determined on the basis of an offer of funding made by Hebang to the Company to enable the Company to progress its Wonarah DSO Project to accelerate the DSO Project, targeting delivery of ore to port by late third quarter / early fourth quarter 2025, substantially enhancing the value of the Wonarah resource.

The reason for giving the financial benefit is to ensure that the Company is sufficiently funded for the next important phase of development of its Wonarah DSO Project and ensure that the Company remains debt free during the development phase of the DSO Project.

Value of the Placement Shares

The Independent Expert Report set out in Schedule 1 includes a valuation of Shares in the Company.

The valuation of the Company prior to the proposed issue of the Placement Shares has been prepared on the basis of fair value, being the value that should be agreed in a hypothetical transaction between knowledgeable, willing but not anxious buyer and a knowledgeable willing but not anxious seller, acting at arm's length.

In assessing the value of a Share in the Company prior to the proposed issue of the Placement Shares, RSM utilised the 'Sum of the Parts' methodology by aggregating the fair value of the following:

(a) the Wonarah Phosphate Project, as assessed by ERM International Group Limited (**ERM**) in their Independent Technical Specialist Report (**ITSR**) (referred to in Appendix F of the Independent Expert's Report in Schedule 1);

(b) the Jundee South Gold Project as assessed by ERM in their ITSR; and

(c) the net assets not otherwise included above.

The preferred value of Shares in the Company prior to the proposed issue of the Placement Shares has been assessed in the Independent Expert Report set out in Schedule 1 as $0.0098 per Share and on this basis the total value of the Placement Shares is $10,593,800. The total subscription amount payable by Hebang for the Placement Shares is $7,567,000.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

Related Party's Holdings

Hebang currently has a relevant interest in 1,005,608,182 Shares and voting power of 31.65% in the Company as at the date of this Notice.

Dilution effect of issue of Placement Shares on existing members' interest

The Company currently has 3,177,644,060 Shares on issue.

A total of 1,081,000,000 Placement Shares will be issued to Hebang.

The dilution effect would be that the shareholdings of existing Shareholders would be diluted by an aggregate of 17.35% assuming no other Shares are issued.

Company's Historical Share Price

The trading history of the Shares on ASX in the 3 months before the date of lodgement of this Notice for review by ASIC is:

	Closing Price	**Date**
Highest	$0.01	10 Mar 2025; 20 Mar – 2 Apr 2025
Lowest	$0.007	3 Mar – 7 Mar 2025, 8 Apr 2025; 30 Apr – 5 May 2025; 7 May – 12 May 2025; 15 May 2025; 21 May 2025
Last	$0.008	2 June 2025

Directors' Recommendation

None of the current Board members have a material personal interest in the outcome of Resolution 2.

Based on the information available, including that contained in this Explanatory Memorandum and the Independent Expert's Report, all of the Directors consider that the issue of the Placement Shares is in the best interests of the Company.

Each of the Independent Directors are independent of any relationship with Hebang and therefore for the purpose of Resolution 2 are Independent Directors.

The Independent Directors recommend that Shareholders vote in favour of Resolution 2 for the following reasons:

(a) the issue of the Placement Shares to Hebang represents a further strategic investment by the Company's largest shareholder to enable the Company to progress the Company's Wonarah DSO Project to accelerate the DSO Project, targeting commencement of mining in the third quarter of 2025 and commencement of haulage to port in September 2025, substantially enhancing the value of the Wonarah resource;

(b) the issue of the Placement Shares to Hebang will enable the repayment of the Loan provided by Hebang and will thereby ensure that the Company is debt free;

(c) the Company has not received any alternative offers of debt or equity finance of a quantum sufficient to meet the Company's capital requirements nor any offer from other Shareholders to participate in an equity capital raising on the equivalent terms offered by Hebang; and

(d) in the event that Resolution 2 is not approved the Company will need to seek alternative funding to repay the Loan and there is no certainty that such funding will be available on terms that are no less favourable than the terms offered by Hebang (or at all).

The Hebang Directors do not consider themselves to be independent directors for the purpose of Resolution 2 because they have been appointed by Hebang and they are or have been employees of either Hebang or a related company of Hebang.

The Hebang Directors therefore do not make any recommendation with respect to Resolution 2.

Other Information

The Directors are not aware of any other information other than as set out in this Explanatory Memorandum and the Independent Expert Report that would be reasonably required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

4 Glossary

Capitalised terms in the Notice of General Meeting and in the Explanatory Memorandum have the following meanings:

ASX	ASX Limited and, where applicable, the Australian Securities Exchange operated by ASX Limited.
Avenira or **Company**	Avenira Limited ACN 116 296 541.
AWST	Australian Western Standard Time.
Board	The board of Directors of the Company.
Business Day	A day on which banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday.
Chair	The person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.
Constitution	The Company's constitution.
Corporations Act	*Corporations Act 2001* (Cth).
Director	A director of the Company.
Explanatory Memorandum	The Explanatory Memorandum and management information circular accompanying this Notice of Meeting.
General Meeting or **Meeting**	The general meeting of Shareholders convened by the Notice.
Hebang	Hebang Biotechnology (Hong Kong) Investment Limited.
Hebang Directors	Ms Stephanie Yuan, Ms Ran Mo and Mr Shixing Zhang.
Independent Directors	Mr Brett Clark, Mr Nam (Eddy) Cheng and Mr Roger Harris.
Loan	The loan from Hebang to the Company pursuant to the Subscription and Loan Agreement.
Notice or **Notice of Meeting**	The notice of meeting relating to the General Meeting of Shareholders to be held at 10.00am (AWST) on Friday, 25 July 2025.
Ordinary Resolution	A resolution passed by a simple majority of Shareholders on a show of hands or by a simple majority of votes given on a poll.
Placement Shares	1,081,000,000 placement shares proposed to be issued to Hebang pursuant to the Subscription and Loan Agreement.
Proxy Form	The proxy form accompanying this Notice of Meeting.
Resolutions	The resolutions set out in this Notice of Meeting, or any of them as the context requires.
RSM	RSM Corporate Australia Pty Ltd ABN 82 050 508 024.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	The holder of a Share.
Subscription and Loan Agreement	The subscription and loan agreement between Avenira Limited (ACN 116 296 541) and Hebang Biotechnology (Hong Kong) Investment Limited dated 19 March 2025.

Schedule 1 – Independent Expert's Report

Avenira Limited

Financial Services Guide and Independent Expert's Report

May 2025

For the purposes of Item 7 s611 of the Corporations Act, we have concluded that the Proposed Transaction is not fair but reasonable to the Non-Associated Shareholders of the Company

Contents

Financial Services Guide

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("**RSM**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence ("**AFSL**"), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Avenira Limited ("**Avenira**" or "**the Company**") will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to external dispute resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 5 of this report.

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28 May 2025

The Directors
Avenira Limited
Unit 13, 6-10 Douro Place
West Perth WA 6005

Dear Directors,

Independent Expert's Report

Introduction

This Independent Expert Report (the "Report" or "IER") has been prepared to accompany the Notice of General Meeting and Explanatory Memorandum ("Notice") to be provided to the shareholders for a General Meeting of Avenira Limited ("Avenira", "AEV", or "the Company") at which shareholder approval will be sought for (among other things) the issue of placement shares to Avenira's largest shareholder, Hebang Biotechnology (Hong Kong) Investment Limited ("Hebang"), a wholly-owned subsidiary of Sichuan Hebang Biotechnology Investment Limited ("Sichuan Hebang").

Since December 2023, Hebang has made a number of strategic investments in Avenira resulting in Hebang acquiring an interest in the Company of 31.65%. Most recently, on 2 December 2024 Avenira completed a two-tranche placement of shares to Hebang at an issue price of $0.006 per share to raise $4.5 million.

On 10 March 2025, Avenira announced that it had secured a further strategic investment from Hebang comprising a placement of 1,081,000,000 AEV shares to Hebang at an issue price of $0.007 per share to raise $7.567 million ("Placement" or the "Proposed Transaction").

Pending shareholder approval and any other required regulatory approvals for the Placement, Hebang has also agreed to provide an unsecured interest-bearing loan facility of $7.567 million ("Loan Facility"). On 21 March 2025, Avenira announced that it had drawn down on the first $2 million of the Loan Facility. If the Proposed Transaction is approved by the Company's shareholders, the amount drawn down under the Loan Facility (including accrued interest) will be repaid from the proceeds of the Placement. Otherwise, such amounts become repayable in full in March 2026.

The Placement will result in Hebang increasing its interest in the Company from 31.65% to 49.00%. Therefore Avenira is seeking shareholder approval for the Proposed Transaction for the purposes of Item 7 of Section 611 of the *Corporations Act 2011* (Cth) (the "Act") on the basis that following the Proposed Transaction, Hebang will increase its interest in Avenira from a starting point that is above 20% and below 90%.

The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, express an opinion as to whether the Proposed Transaction is fair and reasonable to shareholders not associated with the Proposed Transaction ("Non-Associated Shareholders").

The request for approval of the Proposed Transaction is included as Resolution 1 in the Notice. Resolution 1 as extracted from the Notice is included below for reference.

> **Resolution 1 – Approval of issue of Placement Shares to Hebang**
>
> *"That, for the purposes of section 611 (item 7) of the Corporations Act, approval is given for the acquisition of a relevant interest in an additional 1,081,000,000 voting shares of the Company by Hebang, pursuant to the proposed issue of 1,081,000,000 Shares to Hebang at an issue price of $0.007 per Share on the terms and conditions set out in the Explanatory Memorandum.*

The Explanatory Memorandum includes certain other resolutions to be voted on by shareholders in the General Meeting. However, when considering the fairness and reasonableness of the Proposed Transaction, we have only considered the impact of Resolution 1, noting it is not subject to the approval of any other resolution.

The ultimate decision whether to approve the Proposed Transaction should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the Proposed Transaction, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

Summary and conclusion

In our opinion, and for the reasons set out in Sections 8 and 9 of this Report, the Proposed Transaction is **not fair but reasonable** to the Non-Associated Shareholders of Avenira.

Approach

In assessing whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, we have considered Australian Securities and Investment Commission ("ASIC") Regulatory Guide 111 – *Content of Expert Reports* ("RG 111"), which provides specific guidance as to how an expert is to appraise transactions.

Where an issue of shares by a company otherwise prohibited under Section 606 of the Act is approved under Item 7 of Section 611, and the effect on the company shareholding is comparable to a takeover bid, such as the Proposed Transaction, RG 111 states that the transaction should be analysed as if it was a takeover bid.

Therefore, we have considered whether or not the Proposed Transaction is "fair" to the Non-Associated Shareholders by assessing and comparing:

- The Fair Value of a Share in Avenira on a control basis prior to the Proposed Transaction; with
- The Fair Value of a Share in Avenira on a non-controlling basis immediately post completion of the Proposed Transaction.

We have considered whether the Proposed Transaction is "reasonable" to the Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transaction which are likely to be relevant to the Non-Associated Shareholders in their decision of whether or not to approve the Proposed Transaction.

Further information of the approach we have employed in assessing whether the Proposed Transaction is "fair" and "reasonable" is set out at Section 2 of this Report.

Fairness opinion

Our assessed values of an Avenira Share prior to and immediately post the Proposed Transaction are summarised in the table and figure below.

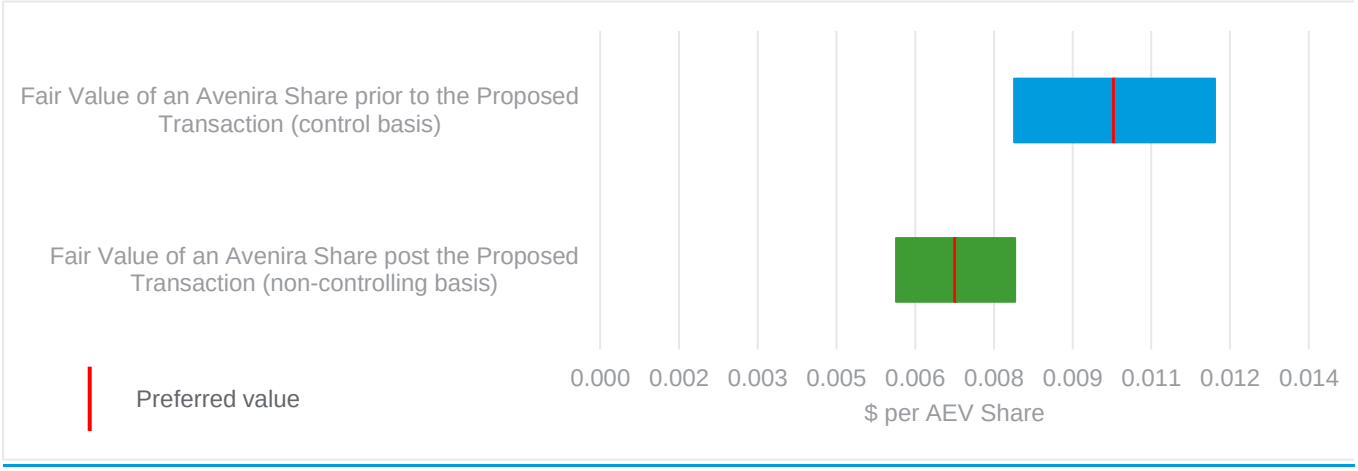
Table 1 Assessed values of an AEV Share prior to and post the Proposed Transaction

Fairness assessment $ per AEV share	Low	High	Preferred
Fair Value of an Avenira Share **prior** to the Proposed Transaction (control basis)	0.0079	0.0117	0.0098
Fair Value of an Avenira Share **post** the Proposed Transaction (non-controlling basis)	0.0056	0.0079	0.0067

Source: RSM Analysis

We have summarised the Fair Market Values included in the table above in the chart below.

Figure 1 Assessment of Fairness of the Proposed Transaction



Source: RSM Analysis

The assessed range of values for an Avenira Share post the Proposed Transaction is lower than the range of values assessed for an Avenira Share prior to the Proposed Transaction.

In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of Section 611, Item 7 of the Act, we therefore consider the Proposed Transaction to be **not fair** to the Non-Associated Shareholders of Avenira.

Reasonableness opinion

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- The future prospects of Avenira if the Proposed Transaction does not proceed;
- The likelihood of an alternative proposal / offer emerging; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Future prospects of Avenira if the Proposed Transaction does not proceed

On 10 March 2025, Avenira announced that it had secured a $7.567 million unsecured loan facility from Hebang. On 21 March 2025 Avenira announced it had drawn down on the first $2 million of the facility.

Should the Proposed Transaction be approved by Shareholders, proceeds from the Placement will be used to repay the loan. However, should the Proposed Transaction not eventuate, the Company will look to raise additional funds either from Hebang or through other sources to repay the Loan Facility principal and interest by March 2026. There is no guarantee that the fund raising will be successful or be on favourable terms.

As stated in Section 3.4, Hall Chadwick noted a material uncertainty in relation to Avenira's ability to continue as a going concern in the FY24 and HY25 financial statements due to the Company reporting ongoing net losses, net operating and investment cash outflows, and working capital deficiencies. As at 31 March 2025, Avenira had cash at bank of $2.06 million. The Company is operating with a monthly overheads cash burn of approximately $0.30 million, excluding capital raising activities and exploration or development costs for the Wonarah Phosphate Project. As such, if no alternative source of funding is made available, it is unlikely that Avenira would have sufficient funds to repay the loan when it becomes due and payable on or around March 2026.

As an exploration company, Avenira's ability to raise funds has been heavily dependent on the performance and outlook of the phosphate market, noting that capital raises have typically been undertaken when rock phosphate prices were at a high, therefore providing investors with better sentiment around Avenira's outlook. With the phosphate market experiencing a volatile and generally downwards trend since Avenira's acquisition of the Wonarah Phosphate Project, the ability of the Company to successfully complete a raise with superior terms to the Proposed Transaction is uncertain.

Alternative proposals to the Proposed Transaction

Prior to entering into a Term Sheet with Hebang, the Company explored alternative funding options, however none of the other proposals progressed to a stage where commercial terms could be agreed to provide required near term working capital and project funding with certainty that the funding conditions could be met.

Advantages and disadvantages

The key advantages of the Proposed Transaction are:

Table 2 Advantages of approving the Proposed Transaction

Advantage	Details
Repayment of Hebang Loan	On 10 March 2025, Avenira announced it had secured a $7.57 million unsecured loan from Hebang to enable the Company to progress the development of the Wonarah Phosphate Project. On 21 March 2025 Avenira announced it had drawn down on the first $2 million of the facility. The loan will become due and payable in March 2026. Approval of the Proposed Transaction will enable Avenira to repay the Hebang Loan from the proceeds of the Placement and become debt free. In the absence of shareholder approval, the Company would need to secure alternative funding to repay the loan or renegotiate a new loan with Hebang. There is no guarantee that funding will be available, or if it is, that it will be on favourable terms to Avenira.
Provides financial capacity and value accretion potential	The Proposed Transaction will provide Avenira with funding to enable the company to continue to operate on a going concern basis and progress its Direct Shipping Ore ("DSO") project at the Wonarah Phosphate Project. The Non-Associated Shareholders would benefit from any value accretion associated with the continued development of the Project with the aim of delivering ore to port by the end of 2025.
Impact on Avenira's share price	Prior to the announcement of the Proposed Transaction, Avenira Shares had not traded above $0.008. Following the announcement of the Proposed Transaction, Avenira Shares reached a high of $0.010. It is possible that the share price may fall below previously traded levels if the Proposed Transaction is not successful and no alternative funding solutions are received by the Company. Included in Section 9.4 is a summary of Avenira's share price performance prior to and directly after the announcement of the Proposed Transaction.

RSM Analysis

The key disadvantages of the Proposed Transaction are:

Table 3 Disadvantages of approving the Proposed Transaction

Disadvantages	Details
The Proposed Transaction is not fair	The assessed value of an Avenira Share post the Proposed Transaction lies below the range of values assessed for the value of an Avenira Share prior to the Proposed Transaction.
Dilutionary impact on Non-Associated Shareholders	Should the Proposed Transaction be approved, Non-Associated Shareholders' collective interest and voting power in Avenira will drop from 68.35% to 51.00%.
Significant influence of Hebang	Hebang currently has three Directors appointed to the Avenira Board and is able to block Special Resolutions of the Company through its current 31.65% holding. If the Proposed Transaction is approved, Hebang's interest in Avenira will increase to 49%, which would mean it would require support from only 1% of shareholders to also block ordinary resolutions.

Source: RSM Analysis

Conclusion on Reasonableness

In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than their position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior alternative, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Avenira.

Non-Associated Shareholders should have particular regard to the potential advantages and disadvantages set out above in the context of their own risk profile and investment strategy. If in doubt, Shareholders should consult an independent advisor.

General

This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of the Non-Associated Shareholders.

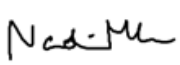
The ultimate decision whether to accept the Proposed Transaction should be based on the Non-Associated Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions.

Shareholders should read and have regard to the contents of the Notice which has been prepared by the Directors and Management of Avenira. Non-Associated Shareholders who are in doubt as to the action they should take with regard to the Proposed Transaction and/or the matters dealt with in this Report, should seek independent professional advice.

This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD



Nadine Marke
Director

Justin Audcent
Director

1. Summary of Proposed Transaction

1.1 Overview

On 10 March 2025, Avenira announced it had secured a strategic investment from its largest shareholder, Hebang, being a wholly-owned subsidiary of Sichuan Hebang, a Chinese domiciled and Shanghai Stock Exchange ("SHSE") listed company with core businesses in mining, chemicals manufacturing, photovoltaic products, and other industries.

On 19 March 2025, Avenira and Hebang entered into a formal Subscription and Loan Agreement, pursuant to which Avenira has agreed to issue 1,081,000,000 AEV shares to Hebang at an issue price of $0.007 per AEV share to raise $7.567 million, subject to shareholder approval and any other required regulatory approvals.

Avenira intends to use funds from the Placement to progress its Direct Shipping Ore ("DSO") project at the Wonarah Phosphate Project as well as for general working capital purposes.

Under the Subscription and Loan Agreement, Hebang has also agreed to provide a Loan Facility to Avenira. The terms of the Loan Facility are as follows:

- Available facility: $7.567 million;
- Drawdowns: Minimum amounts of $2 million at a time, except for the final drawdown;
- Repayment: Repayment of principal and interest upon the completion of the Placement, or if the Placement is not completed, within 12 months after the date of the first drawdown; and
- Interest: 12% per annum accrued daily and capitalised, payable in full on repayment of the loan.

The Placement will result in Hebang increasing its interest in the Company from 31.65% to 49.00%. As such, Avenira is seeking shareholder approval for the Proposed Transaction for the purposes of Item 7 of Section 611 of the Act.

If the Proposed Transaction is approved by the Company's shareholders, the amount drawn down under the Loan Facility (including accrued interest) will be repaid from the proceeds of the Placement. Otherwise, such amounts become repayable in full in March 2026.

1.2 Key conditions of Proposed Transaction

Completion of the Proposed Transaction is subject to:

- Avenira shareholders approving the Placement pursuant to Item 7 of Section 611 of the Act; and
- The Company and Hebang receiving any other regulatory or third party approvals or consents required to issue the Subscription Shares.

If the Conditions Precedent are not satisfied by 30 May 2025, the Company and Hebang shall negotiate in good faith either an extension of time for satisfaction of the Conditions Precedent or an alternative transaction in relation to the Placement. We understand from the Directors of Avenira that an extension will be negotiated past 30 June 2025 if required.

1.3 Rationale for the Proposed Transaction

Avenira will use funds from the Placement to repay amounts drawn down under the Loan Facility and progress its Wonarah Direct Shipping Ore ("DSO") Project, targeting delivery of ore to port by late third quarter or early fourth quarter of 2025, which will facilitate the Company in unlocking the value of its Wonarah resource.

1.4 Impact of Proposed Transaction on Avenira's Capital Structure

The table below sets out a summary of the capital structure of Avenira prior to and immediately after the Proposed Transaction.

Following the issue of the Placement shares, Hebang's interest in Avenira will increase from 31.65% to 49.00% as illustrated below.

The Non-Associated Shareholders' interests in Avenira will therefore decline from 68.35% currently to 51.00% post the Proposed Transaction.

Table 4 Proposed Transaction's impact on Avenira's capital structure

Share structure of Avenira pre and post the Proposed Transaction	Shares held in Avenira	% of ownership in Avenira
Shares on issue prior to the Proposed Transaction		
Non-Associated Shareholders of Avenira	2,172,035,878	68.35%
Hebang	1,005,608,182	31.65%
Total shares on issue prior to the Proposed Transaction	**3,177,644,060**	**100.00%**
Shares on issue post the Proposed Transaction		
Non-Associated Shareholders of Avenira	2,172,035,878	51.00%
Hebang	2,086,608,182	49.00%
Total shares on issue post the Proposed Transaction	**4,258,644,060**	**100.00%**

Source: RSM Analysis

The Company also has various listed and unlisted options on issue, however we have not presented the fully diluted shareholding position in the above table as Hebang does not hold any of the options.

2. Scope of the Report

2.1 Purpose of this Report

The Directors of Avenira have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Proposed Transaction is fair and reasonable to Non-Associated Shareholders.

2.2 Corporations Act

Section 606 of the Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest in the company increasing from a starting point that is above 20% and below 90%. Following the completion of the Proposed Transaction, Hebang will increase its interest in Avenira from 31.65% to 49.00%.

Under Item 7 of Section 611 of the Act, the prohibition contained in Section 606 does not apply if the acquisition of shares has been approved by the Non-Associated Shareholders of the Company.

Accordingly, the Company is seeking approval from the Non-Associated Shareholders for the Proposed Transaction under Item 7 of Section 611 of the Act.

Section 611(7) of the Act states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC Regulatory Guide 111 ("RG 111") advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.

2.3 Adopted basis of evaluation

In determining whether the Proposed Transaction is "fair" and "reasonable" to the Non-Associated Shareholders we have given regard to the views expressed by ASIC in RG 111.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

RG 111 states that the expert's report should focus on:

- The issues facing the security holders for whom the report is being prepared: and
- The substance of the transaction rather than the legal mechanism used to achieve it.

Where an issue of shares by a company otherwise prohibited under section 606 is approved under Item 7 of Section 611 and the effect on the company's shareholding is comparable to a takeover bid, RG 111 states that the transaction should be analysed as if it was a takeover bid.

RG 111 applies the fair and reasonable test as two distinct criteria in the circumstance of a takeover offer, stating:

- A takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- A takeover is considered "reasonable" if it is fair, or where the offer is "not fair" it may still be reasonable if the expert believes that there are sufficient reasons for security holders to accept the offer.

Consistent with the guidelines in RG 111, in determining whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, the analysis we have undertaken is as follows:

- A comparison of the fair value of an ordinary Share in Avenira prior to (on a controlling basis) and immediately following (on a non-control basis) the Proposed Transaction – fairness; and
- A review of other significant factors which Non-Associated Shareholders might consider prior to approving the Proposed Transaction – reasonableness.

The other significant factors to be considered include:

- Prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this Report.

3. Profile of Avenira Limited

3.1 Background

Avenira Limited (ASX:AEV), formerly Minemakers Limited, is an ASX-listed company focused on the development of its flagship Wonarah Phosphate Project and Jundee South Gold Project.

Key Projects

Wonarah Phosphate Project

The Wonarah Phosphate Project is located in the Barkly Tableland region of the Northern Territory, approximately 240 km east of Tennant Creek and 1,035 km southeast of Darwin.

As illustrated in Figure 2 below, Wonarah is supported by its proximity to the Barkly Highway, as well as the Amadeus-Darwin gas pipeline, Darwin-Adelaide rail line and high quality water sources.

Figure 2 Location map of Wonarah Phosphate Project

Source: ITSR

The project comprises six exploration licences, two Mineral Leases, and an Access Authority covering 1,501 km^2.

The Company intends to develop Wonarah to supply premium quality products into the agricultural, and industrial chemical markets.

Feedstock from the Wonarah Phosphate Project is intended to enable the production and sale of the following product streams:

- Direct Shipping Ore ("DSO") phosphate to supply the fertiliser markets and allowing for the production of Yellow Phosphorous ("YP") and Thermal (Super) Phosphoric Acid ("T(S)PA"); and
- YP to utilise in the T(S)PA and LFP CAM production chains.

As summarised in Appendix D, the Company has explored various options for the development of the Wonarah Phosphate Project over nearly 20 years of ownership, based on prevailing market prices and demand for the above product streams. The ability to source development and funding partners, together with logistical challenges from proximity to export routes and delays in advancing technology options, led to a sustained decline in AEV's share price and reduced investment interest over recent years.

In March 2023, Avenira announced positive results from a scoping study conducted on its 100% owned Lithium Iron Phosphate Cathode Manufacturing Project in Darwin ("LFP Scoping Study"), and in September 2023, entered into a Licence and Technology Transfer Agreement and Subscription Agreement with Advanced Lithium Electrochemistry Co Limited ("Aleees") granting Avenira the right to use Aleees' intellectual property for the manufacture and global distribution of LFP CAM expected to be produced from the Company's proposed LFP Plant. Based on changes in market sentiment of LFP, these agreements were terminated on 11 February 2025. The Company has since decided to adopt a phased development strategy for the Wonarah Phosphate Project, focusing on early revenue generation from its DSO operation before undertaking further technical and feasibility studies and investigating downstream production of YP and TPA.

In October 2023, Avenira announced positive results from the Wonarah DSO Project Feasibility Study and received approval of its Mine Management Plan ("MMP") authorising 40,000 tonnes of ore extraction. Avenira submitted an updated MMP for the Wonarah Phosphate Project in May 2025, with approval expected in Q2 2025.

Avenira's current JORC 2012 compliant mineral resource estimate for the Wonarah Phosphate Project is summarised below.

Table 5 Wonarah Mineral Resource Statement ('Dec 2024)

Resource category at 10% P_2O_5 COG	Tonnes Mt	P_2O_5 %	Al_2O_3 %	CaO %	Fe_2O_3 %	K_2O %	MgO %	MnO %	Na_2O %	SiO_2 %	TiO_2 %
Measured	78.3	20.8	4.85	28.0	1.11	0.43	0.25	0.04	0.10	39.7	0.21
Indicated	222.0	17.5	4.75	23.2	1.49	0.47	0.20	0.04	0.09	48.3	0.22
Measured + Indicated	**300.3**	**18.3**	**4.77**	**24.4**	**1.40**	**0.46**	**0.21**	**0.04**	**0.09**	**46.1**	**0.22**
Inferred	512.0	18.0	4.80	24.0	2.10	0.50	0.20	0.08	0.05	46.0	0.20
Total	**812.3**	**18.0**	**4.80**	**24.0**	**1.80**	**0.50**	**0.20**	**0.07**	**0.06**	**46.0**	**0.20**
Resource category at 15% P_2O_5 COG	**Tonnes Mt**	**P_2O_5 %**	**Al_2O_3 %**	**CaO %**	**Fe_2O_3 %**	**K_2O %**	**MgO %**	**MnO %**	**Na_2O %**	**SiO_2 %**	**TiO_2 %**
Measured	64.9	22.4	4.47	30.0	1.10	0.37	0.19	0.04	0.09	37.0	0.19
Indicated	133.0	21.1	4.77	28.0	1.53	0.47	0.21	0.04	0.09	39.7	0.22
Measured + Indicated	**197.9**	**21.5**	**4.67**	**28.7**	**1.39**	**0.44**	**0.20**	**0.04**	**0.09**	**38.8**	**0.21**
Inferred	335.0	21.0	4.50	28.0	2.00	0.50	0.20	0.10	0.06	39.0	0.20
Total	**533.0**	**21.0**	**4.60**	**28.0**	**1.80**	**0.50**	**0.20**	**0.10**	**0.07**	**39.0**	**0.20**
Resource category at 27% P_2O_5 COG	**Tonnes Mt**	**P_2O_5 %**	**Al_2O_3 %**	**CaO %**	**Fe_2O_3 %**	**K_2O %**	**MgO %**	**MnO %**	**Na_2O %**	**SiO_2 %**	**TiO_2 %**
Measured	3.4	30.9	3.14	42.1	0.85	0.18	0.19	0.05	0.08	18.0	0.14
Indicated	9.6	30.0	3.43	38.8	1.14	0.28	0.11	0.03	0.08	24.7	0.15
Measured + Indicated	**13.4**	**30.2**	**3.35**	**39.7**	**1.07**	**0.26**	**0.13**	**0.04**	**0.08**	**22.9**	**0.15**
Inferred	53.0	30.0	3.10	40.0	1.30	0.30	0.10	0.10	0.06	22.0	0.10
Total	**66.0**	**30.0**	**3.10**	**40.0**	**1.30**	**0.30**	**0.10**	**0.10**	**0.06**	**22.0**	**0.10**

Source: AEV Interim Financial Report for the Half Year ended 31 December 2024

Further details on the Project are contained in the Independent Technical Specialist's Report at Appendix F.

Jundee South Gold Project

In April 2020, Avenira entered into an agreement with Faurex Pty Ltd to purchase the Jundee South Gold Project ("Jundee South Gold Project") which, at the time of acquisition, comprised four exploration licences covering 720 km^2.

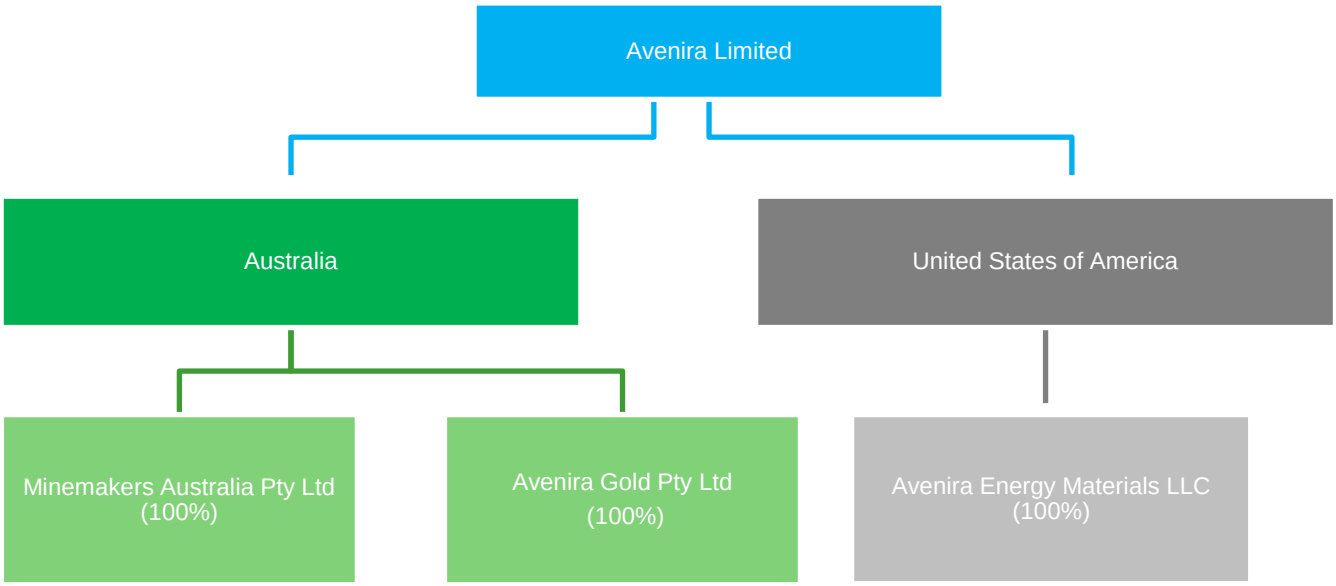
The Jundee South Gold Project's tenement portfolio has since increased to 47 core exploration and prospecting licences covering 1,373 km^2 across the Yandal Greenstone Belt which hosts several significant gold deposits, including the Jundee Mine, Bronzewing, and Darlot deposits.

To date, works on the Jundee South Gold Project have been relatively limited due to Avenira's focus on the Wonarah Phosphate Project. However, Avenira has completed an aeromagnetic survey covering an area of approximately 29,355 linear kilometres. Results, including geophysical interpretations, to help refine geological models and identify new exploration targets; the report is currently being reviewed by the Company's in-house team.

3.2 Legal structure

The corporate structure of Avenira is outlined in the diagram below.

Figure 3 Avenira corporate structure



Source: 2024 AEV Annual Report

3.3 Directors and management

The directors and key management of Avenira are summarised in the table below.

Table 6 Avenira directors and management

Name	Title	Experience
Ms Yuan (Stephanie) Yuan	Executive Chair & CEO	Ms Yuan has been a Board Secretary and Board member of various Hebang companies over the past 10 years. Ms Yuan has a Master of Management Accounting and a Master of Philosophy from Melbourne University as well as a Bachelor of Medicine from Tongji University in China.
Mr Brett Clark	Executive Director & Deputy Executive Chairman	Mr Clark has over 30 years' experience in the mining & energy sectors in funding, operations and advisory with companies such as Hamersley Iron Pty Ltd, CRA Limited, Rio Tinto Limited, and Oakajee Port and Rail. Mr Clark has extensive leadership experience in board positions held at both listed and unlisted companies. Mr Clark holds a Bachelor of Engineering from Curtin University and a Graduate Diploma of Business Management and Finance from Deakin University.

Ms Ran Mo	Executive Director	Ms Mo is the Finance Manager of a Hebang subsidiary and is responsible for overseeing the company's financial operations, ensuring compliance with financial regulations and providing strategic financial guidance to support the organisation's growth objectives. Ms Mo has a Masters Degree in Professional Accounting and Business Law.
Mr Shixing Zhang	Non-Executive Director	Mr Zhang is the assistant to the Chairman of the Board of Directors at Hebang. He has an Associate Degree in Chemical Engineering and provides strategic support and advice to the Chairman of Hebang.
Mr Nam (Eddy) Cheng	Non-Executive Director	Mr Cheng is an experienced senior management professional with established leadership credentials in the development of strategic outcomes. Mr Cheng has a background in business development, strategic analysis, and negotiation.
Mr Roger Harris	Non-Executive Director	Mr Harris has a Bachelor of Applied Science and was the founding director / owner of a large service-based company with branches in Western Australia and South-East Asia. Mr Harris continued to operate a family office for 30 years, investing in the natural resources sector and other asset classes. Mr Harris continues the development and growth of businesses through mergers and acquisitions. Mr Harris is also a member of Avenira's Audit Committee.
Mr Graeme Smith	Company Secretary	Mr Smith is the principal of Wembley Corporate Services which provides corporate secretarial, chief financial officer, and corporate governance services. Mr Smith has over 30 years' experience in company secretarial work in both listed and unlisted companies. Mr Smith holds a Bachelor of Economics from Macquarie University, a Master of Business Administration, and a Master of Commercial Law from Deakin University. He is a Fellow of the Australian Society of CPAs (FCPA), a Fellow of The Chartered Governance Institute FCG (CS, CGP) and a Fellow of the Governance Institute of Australia (FGIA).

Source: Avenira 2024 Annual Report, S&P Capital IQ, and 'Board Changes', 'Key Leadership Appointments', and 'Strategic Investment from Sichuan Hebang Biotechnology' AEV ASX Announcements on 9 September 2024, 7 August 2024, and 30 July 2024, respectively

3.4 Financial information

The Company's auditor, Hall Chadwick WA Audit Pty Ltd ("Hall Chadwick"), issued an unmodified audit opinion on the financial statements for the year ended 30 June 2024 and an unmodified review conclusion on the financial statements for the half-year ended 31 December 2024. However, a material uncertainty related to the Company's ability to continue as a going concern was noted in the audit and review reports due to the Company's ongoing net losses, net operating and investment cash outflows and working capital deficiency. Hall Chadwick noted that the ability of the Group to continue as a going concern is principally dependent upon the Company raising capital.

Financial performance

The following table sets out a summary of Avenira's historical consolidated financial performance for the years ended 30 June 2022 ("FY22"), 30 June 2023 ("FY23"), 30 June 2024 ("FY24") and half-year ended 31 December 2024 ("HY25").

Table 7 Avenira historical financial performance

$'000	FY22 Audited	FY23 Audited	FY24 Audited	HY25 Reviewed
Income				
Interest income	7	53	90	42
Other income	3	6	-	-
	10	**58**	**90**	**42**
Expenditure				
Depreciation & amortisation expense	(34)	(18)	(15)	(7)
Salaries & employee benefits expense	(1,139)	(1,242)	(1,756)	(681)
Net foreign currency gain / (loss)	(2)	-	2	(2)
Impairment expense	(676)	-	(48)	(2,939)
Interest expense - leases	(2)	-	-	(67)
Share-based payment (expense) / reversal	(7)	(972)	(569)	(1,061)
Administrative & other expenses	(879)	(1,024)	(828)	(659)
Extinguishment of financial liabilities	(146)	-	-	-
Loss before income tax	**(2,875)**	**(3,198)**	**(3,123)**	**(5,374)**
Income tax (expense) / benefit	-	-	-	-
Loss after income tax	**(2,875)**	**(3,198)**	**(3,123)**	**(5,374)**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss, net of tax				
Financial assets measured at fair value through profit & loss				
Net fair value gain / (loss) on financial assets measured at fair value through OCI	(1,845)	(429)	160	-
Other comprehensive income / (loss) for the period	**(1,845)**	**(429)**	**160**	**-**
Total comprehensive income / (loss) for the period	**(4,720)**	**(3,627)**	**(2,963)**	**(5,374)**

Source: Avenira 2023 Annual Report, Avenira 2024 Annual Report, Avenira Half-Year Ended 31 December 2024 Report

We note the following in relation to Avenira's consolidated financial performance:

- The statement of financial performance reflects the Company's main activities as a mineral exploration company with no operating revenue. Costs primarily comprise salaries and other employee-related expenses, administration and corporate expenses. Exploration and evaluation expenses are capitalised on Avenira's balance sheet;

- Salaries and employee benefits expenses have consistently been the largest component of the Company's expenses across the review period, comprising around 40% of total expenditure over the two years ended 30 June 2023 and 55% of total expenses in FY24.
- Share based payments predominantly relate to options and performance rights granted to directors, employees, and consultants, and also include service rights granted to employees pursuant to the Company's employee share investment plan. In HY25 performance rights with a value of $47,614 and options with a value of $383,016 were issued to key management personnel. Shares with a value of $630,000 were issued pursuant to a previous mining agreement signed with Arruwurra Aboriginal Corporation and Arruwurra Pty Ltd.
- Administrative and other expenses accounted for around 30% of total expenses over the two years ended 30 June 2023 and approximately 25% in FY24. Administrative and other expenses largely relate to accounting, legal and consultants expenses, regulatory costs, travel expenses and interest paid on the Company's borrowings;
- The Company recognises changes in the fair value of investments in other comprehensive income with the amounts being reclassified to profit or loss when the assets are sold or impaired; and
- An impairment expense of $2,938,970 was recognised in HY25 in connection with the termination of the Licence and Technology Transfer Agreement and Subscription Agreement with Aleees in February 2025. Licence rights of $2,199,960 payable and $739,010 paid by the Company to Aleees had been previously capitalised to the balance sheet. Impairment expenses in previous periods were in relation to the impairment of capitalised exploration and evaluation expenditure.

Financial position

The following table sets out a summary of Avenira's historical consolidated financial position as at 30 June 2023, 30 June 2024 and 31 December 2024.

Table 8 Avenira historical financial position

$'000 Financial Position	30-Jun-23 Audited	30-Jun-24 Audited	31-Dec-24 Reviewed
Current Assets			
Cash & cash equivalents	3,268	426	1,174
Trade & other receivables	208	136	129
Total Current Assets	**3,476**	**562**	**1,303**
Non-Current Assets			
Other assets	1,482	1,482	1,482
Financial assets	402	85	10
Plant & equipment	62	48	41
Capitalised exploration & evaluation expenditure	11,939	15,316	16,859
Intangible assets	-	4,401	-
Total Non-Current Assets	**13,885**	**21,331**	**18,391**
Total Assets	**17,361**	**21,894**	**19,695**
Current Liabilities			
Trade & other payables	745	3,877	3,073
Provisions (current)	109	154	168
Loans & borrowings	3,464	-	-
Total Current Liabilities	**4,318**	**4,032**	**3,241**
Non-Current Liabilities			
Provisions (non-current)	2,184	2,051	1,919
Total Non-Current Liabilities	**2,184**	**2,051**	**1,919**
Total Liabilities	**6,502**	**6,083**	**5,160**
Net Assets	**10,859**	**15,811**	**14,535**
Equity			
Issued capital	149,210	154,849	159,979
Reserves	17,422	19,857	18,825
Accumulated losses	(155,772)	(158,895)	(164,269)
Total Equity	**10,859**	**15,811**	**14,535**

Source: Avenira 2023 Annual Report, Avenira 2024 Annual Report, Avenira Half-Year Ended 31 December 2024 Report

We note the following in relation to Avenira's consolidated financial position as at 31 December 2024:

- As at 31 December 2024, Avenira reported net assets of $14.54 million and net current liabilities of $1.94 million, with current liabilities exceeding current assets;
- Capitalised exploration and evaluation expenditure relates to costs associated with the Wonarah Phosphate Project and the Jundee South Gold Project. These costs are accumulated and expected to be recouped either through the sale or successful development and exploitation of the area of interest;

- Of the $16.86 million capitalised exploration and evaluation expenditure balance as at 31 December 2024, $12.40 million relates to the Wonarah Phosphate Project with the remainder relating to the Jundee South Gold Project;
- Other assets relate to security deposits held over the Wonarah tenements whilst intangibles relate to rights to use intellectual property pursuant to the Licence and Technology Transfer Agreement executed between Avenira and Aleees. Following the termination of the Licence and Technology Transfer Agreement and Subscription Agreement with Aleees in February 2025, a $2.94m impairment expense was recognised in HY25 and 150,000,000 unlisted performance rights issued to Aleees for the rights to use the intellectual property valued at $1.46 million were cancelled.
- Financial assets relate to the fair value of unlisted holdings of Avenira which comprise a $10,000 investment in Bullseye Mining;
- Trade and other payables largely relate to the accrual of US$1.50 million (A$2.25m) pursuant to the Licence and Technology Transfer Agreement with Aleees. We understand that all claims and liabilities between the parties were discharged as part of the licence termination and therefore no payment is required by Avenira in relation to this accrued item;
- Loans and borrowings at 30 June 2023 were wholly comprised of a $3 million secured loan facility with Au Xingao Investment Pty Ltd, inclusive of capitalised interest amounts. The facility expired on 8 March 2024 with the Company repaying the loan (with interest) in instalments on 12 and 14 March 2024. As at 30 June 2024, the facility had been discharged; and
- Provisions are separated into current and non-current, with the former relating to employee benefits (i.e. wages, salaries, annual leave, and long service leave) and the latter relating to provisions for mine rehabilitation & restoration (i.e. costs of removing the plant, abandoning the mine site, and restoring the affected areas).

Cash flow statement

The following table sets out a summary of Avenira's historical consolidated cash flow statement for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024.

Table 9 Avenira historical cash flows

$'000	FY22 Audited	FY23 Audited	FY24 Audited	HY25 Reviewed
Cash flows from operating activities				
Payments to suppliers & employees	(1,607)	(1,832)	(1,295)	(1,532)
Interest received	7	50	90	38
Receipt of other income	3	6	-	-
Payment of lease interest	(2)	-	-	(67)
Net cash outflow from operating activities	**(1,599)**	**(1,776)**	**(1,205)**	**(1,561)**
Cash flows from investing activities				
Payments for exploration expenditure	(1,705)	(2,883)	(3,557)	(2,266)
Payments for plant & equipment	(2)	(65)	-	-
Purchase of financial instruments	(2,322)			
Payments for intangibles	(	-	(739)	-
Proceeds from sale of investments	1,333	-	477	75
Net cash outflow from investing activities	**(2,697)**	**(2,948)**	**(3,819)**	**(2,191)**
Cash flows from financing activities				
Proceeds from issue of shares	1,446	7,491	6,260	4,500
Transaction costs on issue of shares	(74)	(495)	(377)	-
Amounts received in advance for issue of shares	-	-	5	-
Payment of principal portion of lease liabilities	(34)	(14)	-	-
Repayment of loans	-	-	(3,707)	(2,790)
Proceeds from loans & borrowings	846	-	-	2,790
Net cash inflow from financing activities	**2,184**	**6,982**	**2,181**	**4,500**
Net increase / (decrease) in cash & cash equivalents	(2,112)	2,257	(2,844)	748
Cash & cash equivalents at the beginning of the financial year	3,123	1,010	3,268	426
Effects of exchange rate changes on cash & cash equivalents	(2)	-	2	-
Cash & cash equivalents at the end of the financial year	**1,010**	**3,268**	**426**	**1,174**

Source: Avenira 2023 Annual Report, Avenira 2024 Annual Report, Avenira Half-Year Ended 31 December 2024 Report

We note the following in relation to Avenira's cash flow statement:

- In the year ended 30 June 2024 and half-year ended 31 December 2024, Avenira had operating cash outflows of $1.21 million and $1.56 million respectively, relating to payments to suppliers and employees and interest payments, net of interest income received. We note that the Company has consistently reported operating cash outflows across the review period, typical of a company in the exploration and development phase;
- In the year ended 30 June 2024 and half-year ended 31 December 2024, Avenira's investing cash outflows primarily comprised payments for exploration expenditure. Avenira also made a $739,010 payment to Aleees to extend and improve Avenira's exclusive licence to construct a commercial scale LFP plant for the Wonarah Phosphate Project in HY25;
- In the year ended 30 June 2024 and half-year ended 31 December 2024, Avenira had net financing cash inflows of $2.18 million and $4.50 million respectively. The FY24 net cash inflows were the net of share placements and the repayment of the Au Xingao loan while the HY25 net cash inflows were attributable to the $4.50 million placement to Hebang; and
- We have been provided with the Company's cash flow budget for the period from 1 January 2025, through 31 March 2026. In the absence of capital raising activities, the budget forecasts that Avenira will operate with a monthly overheads cash burn

over this period of approximately $0.30 million before Project costs. Taking into account forecast sales and associated cost of sales from the development of the Wonarah DSO Project, net cash inflows are expected from September 2025.

Events subsequent to 31 December 2024

As we have had regard to Avenira's 2025 Half-Year Report in the assessment of the Company's financial position as set out in Table 8 above, we note the following significant events that have occurred since 31 December 2024:

- On 11 February 2025, the Licence and Technology Transfer Agreement and Subscription Agreement with Aleees was terminated. The termination unconditionally and irrevocably releases and discharges each of Avenira and Aleees completely, from all claims and liabilities arising from the Licence and the Technology Transfer Agreement or Subscription Agreement and/or any other agreements. As a result of the termination the performance rights held by Aleees have automatically lapsed and an impairment expense of $2,938,970 has been recognised in the profit or loss for the half year ended 31 December 2024; and
- On 10 March 2025, Avenira announced that it had secured a further strategic investment from Hebang. Subject to shareholder approval and any other required regulatory approvals on or before 30 May 2025, the Placement will raise $7.567 million through the issue of 1,081,000,000 shares at an issue price of $0.007.
- Hebang has also agreed to provide Avenira with a Loan Facility of $7.567 million. On 21 March 2025, Avenira announced the drawdown of $2 million from the facility (to be repaid from the proceeds of the Placement, subject to shareholder approval).

Capital structure

Avenira has 3,177,644,060 ordinary shares on issue as at the date of this Report. The top 20 shareholders of Avenira as at 15 May 2025 are set out below.

Table 10 Avenira top 20 shareholders

Rank	Name	Number of shares	% of issued shares
1	BNP Paribas Nominees Pty Ltd	1,035,852,965	32.6%
2	Citicorp Nominees Pty Ltd	207,575,659	6.5%
3	Mr Li Guaoli	130,890,000	4.1%
4	Arruwurra Pty Ltd	100,000,000	3.1%
5	Holy Investments Pty Ltd	56,388,818	1.8%
6	Mr Craig Graeme Chapman	50,000,000	1.6%
7	Mr Fanchao Lin	25,525,486	0.8%
8	Old Forrester Pty Ltd	22,727,273	0.7%
9	Chaleyer Holdings Pty Ltd	21,500,000	0.7%
10	Mrs Vineeta Gupta	20,733,821	0.7%
11	MR GREGORY BRUCE HILL PO BOX 4931	20,000,000	0.6%
12	Awakening Investment Pty Ltd	19,877,100	0.6%
13	STC SUPER HOLDINGS PTY LTD <STC SUPER FUND A/C	19,376,679	0.6%
14	Mr Rowan Timothy Danischewski & Mrs Natasha Jane Danischewski	18,150,000	0.6%
15	Miss Yaqian Shan	16,791,283	0.5%
16	Mrs Jinfang Yu	16,210,053	0.5%
17	Ms Shu-Fen Liaou	16,000,000	0.5%
18	MR CRAIG GRAEME CHAPMAN & MRS JOANNE CHAPMAN	15,045,455	0.5%
19	Mr Giovanni Del Conteiliou	14,849,612	0.5%
20	SOCIETE DE POLYSERVE POUR LES ENGRAIS ET PRODUITS CHIMIQUES SAIC	14,703,962	0.5%
	Total	**1,842,198,166**	**58.0%**
	Other holders	**1,335,445,894**	**42.0%**
	Total issued capital	**3,177,644,060**	

Source: Shareholder Register 15 May 2025
**As advised by the Directors of Avenira, Hebang's 1,005,608,182 shares are held under BNP Paribas Nominees Pty Ltd.*

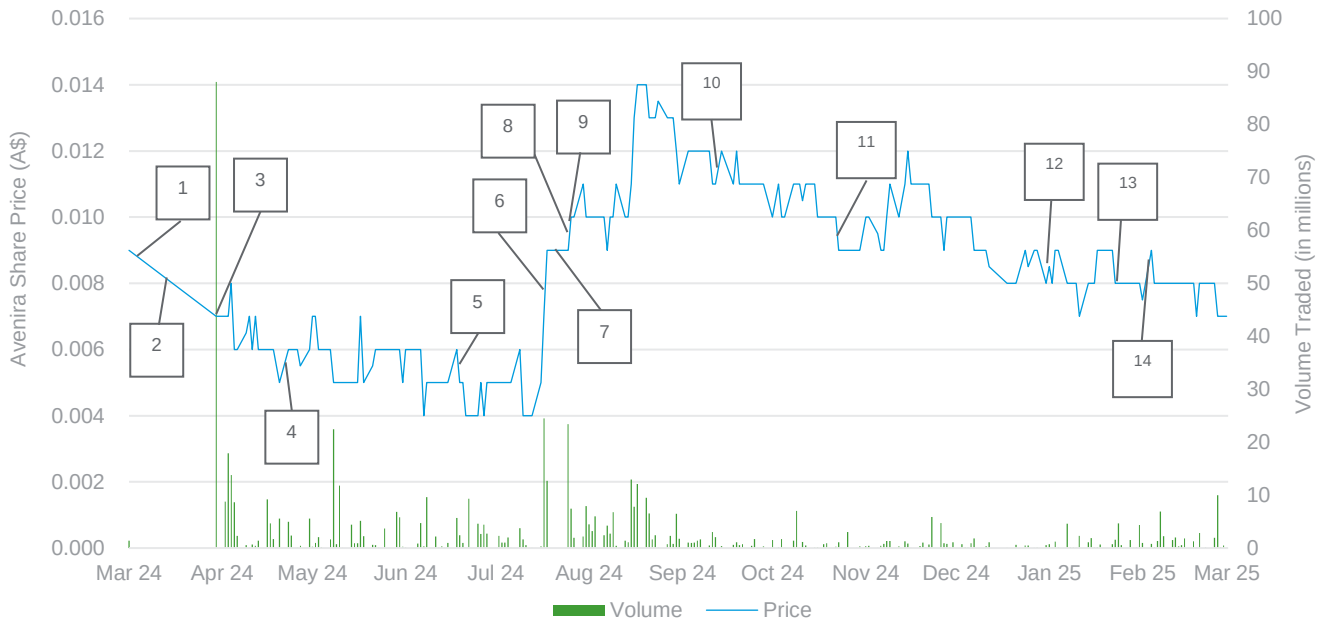
In addition, as at the date of this Report, Avenira has:

- 145,000,000 listed Options with an exercise price of $0.025 and expiry of 31 October 2025. Mr John Pezzaniti was the largest holder of these Options with 17%; and
- Multiple classes comprising 275,636,364 unlisted Options with various exercise prices with expiring dates across 2025, 2026 and 2027.
    - Security holders holding 20% or more of the unlisted Options, other than those securities issued or acquired under an employee incentive scheme, included BLC National Pty Ltd, Dunes Corporation Pty Ltd, Ms Xin Li and Winn Consulting Pty Ltd.

Share Price Performance

The figure below sets out a summary of Avenira's closing share price and trading volumes over the 12-month period to 7 March 2025, being the last trading day prior to the announcement of the Proposed Transaction.

Figure 4 Avenira recent share price performance



Source: S&P Capital IQ

Over the period, the AEV share price traded between a low of $0.004 in June 2024 and a high of $0.014 in August 2024. AEV's share price rose sharply in late July 2024 with the announcement of the $4.5 million strategic investment by Hebang.

Key announcements made by the Company over the 12-month period to 7 March 2025 (being the last trading day prior to the announcement of the Proposed Transaction) are summarised in the table below.

Table 11 Avenira key announcements

Ref	Date	Commentary
1	08-Mar-24	Trading halt
2	18-Mar-24	Avenira completes placement of approximately 137 million new fully paid ordinary shares at $0.008 per share to raise approximately $1 million to fund working capital requirements
3	05-Apr-24	Reinstatement to quotation, operational and financial update, cleansing prospectus for an offer of up to 100,000 new shares at $0.008 per new share
4	29-Apr-24	Quarterly activities - Hebang progressing with Scoping Study for the YP Plant, successful capital raising, and repayment of the secured convertible loan with Au Xingao Investment Pty Ltd
5	25-Jun-24	Further MoU extension with Aleees and NT Government until 30 June 2025
6	24-Jul-24	Trading Halt
7	26-Jul-24	Avenira announces the completion of a placement of approximately 70 million new fully paid ordinary shares to the Arruwurra Aboriginal Corporation as part of their annual payment agreement
8	30-Jul-24	Avenira announce a strategic investment from its largest shareholder, Sichuan Hebang Biotechnology Corporation Limited. The investment comprises a two-tranche placement totalling A$4.5 million at an issue price of A$0.006 per new share
9	31-Jul-24	Quarterly activities report
10	20-Sep-24	Execution of $2.79m unsecured loan agreement with Hebang
11	30-Oct-24	Quarterly activities report
12	09-Jan-25	Projects Update – Wonarah phosphate project, Jundee South Project and strategic developments
13	31-Jan-25	Quarterly activities report
14	12-Feb-25	Termination of the Licence and Technology Transfer Agreement and Subscription Agreement with Aleees.

Source: ASX

4. Profile of Hebang

4.1 Background

Hebang is a wholly-owned subsidiary of Sichuan Hebang, a Chinese domiciled company that was established in 2002 and officially listed on Shanghai Stock Exchange in July 2012 (Stock Code: 603077).

Since its listing, Sichuan Hebang has leveraged its salt mine reserves, phosphate mines, and the natural gas supply advantages in the China southwestern region to achieve high-growth development. It operates through the following three key sectors:

- Mining: owns salt and phosphate mining rights and exploration rights for lead-zinc and copper deposits;
- Chemicals: manufactures soda ash, ammonium chloride, PMIDA, glyphosate, methionine, and biopesticides; and
- Photovoltaics: manufactures specialty glass, including photovoltaic glass, special smart glass, LOW-E glass, photovoltaic modules and photovoltaic silicon wafer.

Sichuan Hebang has developed its natural resource portfolio, with its salt mine and phosphate mine reserves amounting to 98 million tonnes and 630 million tonnes, respectively. Further, Sichuan Hebang has grown into the world's largest N-phosphonomethyl iminodiacetic acid ("PMIDA") supplier, accounting for 70% of the global PMIDA market share. PMIDA is a key intermediate ingredient in the manufacturing of glyphosate, which is world's largest pesticide variety and is widely used to kill weeds in various situations including agriculture, industrial areas, and home gardens.

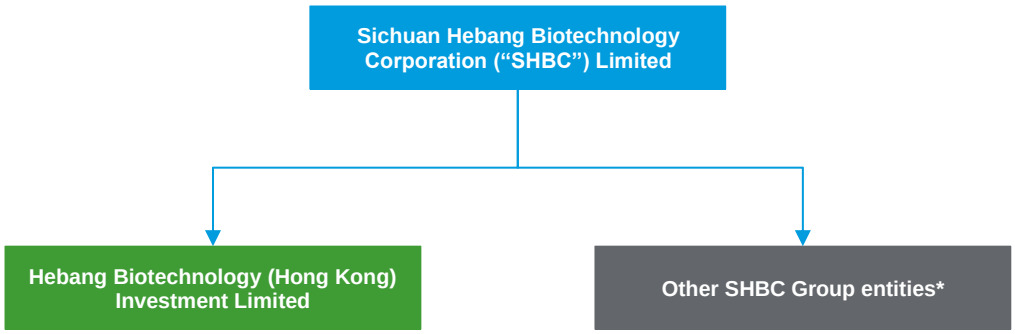
More recently, Sichuan Hebang has ventured into the photovoltaic industry, becoming a major manufacturer of solar panels, thereby possessing the necessary technology and processes required for photovoltaic power stations and yellow phosphorous factory construction.

As well as its investment into Avenira, Hebang has increased its international presence with a US$800 million investment into the Indonesian Java Integrated Industrial and Port Estate ("JIIPE"), which is set to produce 200,000 tonnes of glyphosate annually.

4.2 Legal structure

The corporate structure of Hebang is outlined in the diagram below.

Figure 5 Hebang corporate structure



Source: 'Change in substantial holding' AEV ASX Announcement on 5 December 2024

** Sichuan Hebang Salt Mine Co. Ltd, Sichuan Hebang Phosphate Mine Co. Ltd, Leshan Hebang Agricultural Technology Co. Ltd, Leshan Hebang New Materials Technology Co Ltd, S.T.K Stockton Group Ltd, Sichuan WuJun Solar Energy Co. Ltd, Leshan Yongjiang Industrial Co Ltd, Sichuan Hebang Liujiashan Phosphate Mine Co Ltd, Sichuan Qiaolian Trading Co Ltd, Pan Pacific Industries Pty Ltd and Qianwei Hebang Shuncheng Salt Industry Co Ltd.*

4.3 Directors and management

Details of the directors and management of Hebang as at the date of this Report are summarised in the table below.

Table 12 Hebang Directors & Management

Name	Title	Experience
Xiaoping Zeng	Chairman & General Manager	Mr Zeng has been Chairman of Hebang since 2017, before being appointed to the dual role of Chairman and General Manager in 2023.
Jun Wang	CFO & Director	Mr Wang has been CFO and Director of Hebang since 2008 and was additionally Deputy General Manager between 2008 and 2023.
Jing Chen	Chairman of the Supervisory Board	Ms Chen currently serves as the Chairman of the Supervisory Board of Hebang.
Siying Jiang	Secretary to the Board	Ms Jiang currently serves as the Secretary to the Hebang Board.
Tian Chen	Director	Ms. Tian Chen has been Director of Sichuan Hebang Biotechnology Corporation Limited from May 12, 2023.
Zhenggang He	Director	Mr Zhenggang has served on the board since 2008.
Yang Hu	Independent Director	Mr. Yang Hu has been an Independent Director of Sichuan Hebang Biotechnology Corporation Limited since May 13, 2020.
Jin Li	Director	Mr. Jin Li is Director of Sichuan Hebang Biotechnology Corporation Limited from May 12, 2023.
Xueling Qin	Director	Ms. Xueling Qin has been a Director of Sichuan Hebang Biotechnology Corporation Limited since May 18, 2021.
Ying Song	Independent Director	Ms. Ying Song is Independent Director of Sichuan Hebang Biotechnology Corporation Limited from May 12, 2023.

Source: S&P Capital IQ

4.4 Financial information

Financial performance

Hebang has experienced a decline in financial performance over recent years, with a negative compound annual growth rate ("CAGR") in revenue of 5.1% over the three years ended 31 December 2024, with EBITDA margins decreasing from 41.4% to 10.8% across the same period.

The 2024 financial year saw revenue decline 3.4% against prior year results with EBITDA margins also falling.

Financial position

As at 31 March 2025, Hebang was in a net debt position of $414.7 million (being debt and debt-like items less cash & cash equivalents), with short term and long-term borrowings comprising the majority of the debt-like items. However, Hebang has a strong net asset position of $4,080.9 million due to a large asset base of property, plant and equipment ($3,065.9 million) and cash and cash equivalents ($1,573.3 million) compared to long term debt ($1,296.0 million).

Hebang's current and quick ratios (measures of a company's liquidity) as at 31 March 2025 were 2.8 and 1.8, respectively, reflecting an ability to meet short term obligations (current liabilities) from current assets on hand.

5. Valuation Approach

5.1 Basis of evaluation

The valuation of Avenira prior to and after the Proposed Transaction has been prepared on the basis of Fair Value, being the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length.

5.2 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- The discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
- The application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
- The amount which would be available for distribution on an orderly realisation of assets;
- The quoted market price for listed securities ("QMP"); and
- Any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

Market based methods estimate the fair market value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include:

- The quoted price for listed securities; and
- Industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair market value of a company's securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair market value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

Income based methods

Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- Discounted cash flow; and
- Capitalisation of future maintainable earnings.

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

The capitalisation of future maintainable earnings is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("FME") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.

Asset based methods

Asset based methodologies estimate the fair market value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method;
- Liquidation of assets method; and
- Net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where it is not appropriate to value the on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but, unlike the orderly realisation of assets method, it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

5.3 Selection of valuation methodologies

Valuation of an Avenira Share prior to the Proposed Transaction (control basis)

Primary methodology – Sum of the Parts methodology

In assessing the value of an Avenira Share prior to the Proposed Transaction, we have utilised the 'Sum of the Parts' methodology by aggregating the Fair Value of the following:

- The Wonarah Phosphate Project, as assessed by ERM International Group Limited ("ERM") in their Independent Technical Specialist Report ("ITSR", refer to Appendix F);
- The Jundee South Gold Project as assessed by ERM in their ITSR; and
- Net assets not otherwise included above.

Given the key assets of Avenira as at the Valuation Date are interests in mineral assets, we have instructed ERM to act as an independent technical specialist to provide a technical review and valuation of the Mineral Resources at the Wonarah Phosphate Project and Jundee South Gold Project.

Secondary methodology – Quoted Market Price methodology

Avenira's securities are listed on the ASX. We have therefore also utilised the quoted market price of the Company on the ASX as a secondary valuation methodology and to assess the market value as a cross check to our valuation of Avenira derived under the Sum of the Parts methodology.

Valuation of an Avenira Share post the Proposed Transaction (non-control basis)

In assessing the value of an Avenira Share post the Proposed Transaction, we have adjusted the pre-Proposed Transaction value for the immediate impact of the Proposed Transaction, assuming it proceeds. In particular, we have made the following adjustments:

- Included the cash raised and loan repayment, the dilutionary effect, and the associated transaction costs of the issue of Placement shares; and
- Applied a minority discount to the value of an Avenira Share, having regard to Hebang's assumed operational control should the Proposed Transaction proceed.

6. Valuation of Avenira prior to the Proposed Transaction

As stated at Section 5.3 we have assessed the value of an Avenira Share prior to the Proposed Transaction using the sum of the parts methodology as our primary methodology.

6.1 Sum of the parts valuation

In adopting the sum of the parts methodology, we have aggregated the values of the following:

- The Fair Value of the Wonarah Phosphate Project as assessed by ERM in their ITSR using the Comparable Transactions methodology;
- The Fair Value of the Jundee South Gold Project as assessed by ERM in their ITSR using the Geoscience Factor Method;
- Avenira's other net assets, based on their carrying values as set out in the reviewed financial statements of Avenira as at 31 December 2024 adjusted for the impact of subsequent events.

We have determined the Fair Value of an Avenira Share on a controlling basis prior to the announcement of the Proposed Transaction, based on the sum of the parts methodology, to be as outlined below.

Table 13 Fair Value of an Avenira Share using the sum of parts methodology

Valuation assessment $'000	Low	High	Preferred
Mineral assets			
Wonarah Phosphate Project	15,500	23,300	19,400
Jundee South Gold Project	10,800	15,000	12,900
Total mineral assets	**26,300**	**38,300**	**32,300**
Other assets and liabilities	(1,298)	(1,298)	(1,298)
Net cash	57	57	57
Equity value (control basis)	**25,059**	**37,059**	**31,059**
Number of shares on issue ('000s)	3,177,644	3,177,644	3,177,644
Value per AEV share (control basis, $ per share)	**0.0079**	**0.0117**	**0.0098**

Source: ITSR & RSM Analysis

The methodology applied represents the value of a controlling shareholding. Accordingly, we consider the value generated under the sum of the parts methodology to already incorporate a premium for control and no further adjustment is considered necessary to assess the value of an Avenira Share on a controlling basis.

Value of Mineral assets

We have instructed ERM to act as an independent technical specialist to provide a technical review and valuation of the Mineral Resources at the Wonarah Phosphate Project and Jundee South Gold Project.

We set out in the table below a summary of ERM's valuations as extracted from the ITSR.

Table 14 ERM Valuation opinion summary – Wonarah Phosphate Project and Jundee South Gold Project

	Fair Value Low $m	Fair Value High $m	Fair Value Preferred $m
Wonarah Phosphate Project			
Comparable Transactions – DSO (Arruwurra deposit + Main Zone)	15.5	23.3	19.4
Rule of Thumb (Yardstick) – DSO (Arruwurra deposit + Main Zone)	46.7	70.0	58.3
Rule of Thumb (Yardstick) – DSO (Arruwurra deposit only)	11.1	17.4	13.9
DCF Valuation – DSO (Arruwurra deposit only) @ US$152.50 phosphate rock price			(6.1)
DCF Valuation – DSO (Arruwurra deposit only) @ US$200.00 phosphate rock price			11.7
Jundee South Gold Project			
Comparable Transactions	4.9	8.2	6.6
Multiple of Exploration Expenditure	9.2	12.2	10.7
Geoscience Factor Method	10.8	15.0	12.9

Source: ITSR

In assessing the Fair Value of the Wonarah Phosphate Project and Jundee South Gold Project, ERM has utilised the following methodologies:

- Wonarah Phosphate Project – Comparable Transactions, Rule of Thumb (Yardstick) Approach and Discounted Cash Flow Method; and
- Jundee South Gold Project – Comparable Transactions, Multiple of Exploration Expenditure Approach and Geoscience Factor Method.

ERM favours the Comparable Transactions Approach to value the Wonarah Phosphate Project, as they consider it reflects the value which would likely be achieved were the project to be offered for sale, having regard to the fact that the range of development scenarios are either at an early stage or not feasible at current phosphate rock prices. ERM therefore concludes an adopted value is between $15.5m and $23.3m with a preferred value of $19.4m.

ERM's preferred approach to valuing the Jundee South Gold Project is the Geoscience Factor Method ("GFM") since the more granular process undertaken in the GFM method allows for a better reflection of the range of valuations applicable to the project. ERM therefore concludes an adopted value is between $10.8m and $15.0m with a preferred value of $12.9m.

We have adopted ERM's preferred valuations in our assessment of the Fair Value of Avenira's mineral assets. Accordingly, we consider the Fair Value of Avenira's mineral assets to be in the range of $26.3 million to $38.3 million, with a preferred valuation of $32.3m, as set out below.

Table 15 Fair Value of Avenira's mineral assets

	Fair Value Low $m	Fair Value High $m	Fair Value Preferred $m
Wonarah Phosphate Project	15.5	23.3	19.4
Jundee South Gold Project	10.8	15.0	12.9
Fair Value of Avenira's mineral assets	**26.3**	**38.3**	**32.3**

Source: ITSR

Other assets and liabilities

The following table sets out our assessment of Avenira's other assets and liabilities as per the reviewed position presented as at 31 December 2024 and our assessed fair value based on adjustments made to reflect the impact of subsequent events.

Table 16 Avenira other assets and liabilities as at 31 December 2024

Other assets and liabilities $'000	31-Dec-24 Reviewed	Fair Value Adjustment	Assessed Fair Value
Trade & Other Receivables	129	-	129
Financial Assets – listed investments	10	-	10
Other Assets – security deposits	1,482	-	1,482
Plant & Equipment	41	-	41
Trade & Other Payables	(3,073)	2,200	(873)
Provisions (Current) – employee entitlements	(168)	-	(168)
Provisions (Non-current) – rehab provision	(1,919)	-	(1,919)
Other Assets and Liabilities	**(3,498)**	**2,200**	**(1,298)**

Source: Avenira Half Year Report 31 December 2024 & RSM Analysis

Based on our understanding of the nature of the balances, we have not made any adjustments to the carrying values of the other assets and liabilities and have assumed that their Fair Values are equal to their reviewed balances as at 31 December 2024 with the exception of Trade & Other Payables, which we have adjusted to remove the amount payable to Aleees given the termination of the License and Technology Transfer Agreement.

Net cash

The following table sets out our assessment of Avenira's net cash position as per the reviewed position presented as at 31 December 2024 and our assessed fair value based on adjustments made to reflect the impact of subsequent events.

Table 17 Avenira net cash as at 31 December 2024

Net cash $'000	31-Dec-24 Reviewed	Fair Value Adjustment	Assessed Fair Value
Cash & cash equivalents	1,174	883	2,057
Loans & borrowings	-	(2,000)	(2,000)
Net cash	**1,174**	**(1,117)**	**57**

Source: Avenira Half Year Report 31 December 2024 & RSM Analysis

In assessing the fair value of Avenira's net cash position, we have had regard to events subsequent to 31 December 2024 and adjusted the carrying values of cash and borrowings from their reviewed balances as at 31 December 2024 as follows:

- Adjusted the cash balance to the amount specified in the Company's 31 March 2025 quarterly cash flow report, which incorporates the $2 million drawn down by the Company on 21 March 2025; and
- Added the value of the $2 million loan to borrowings.

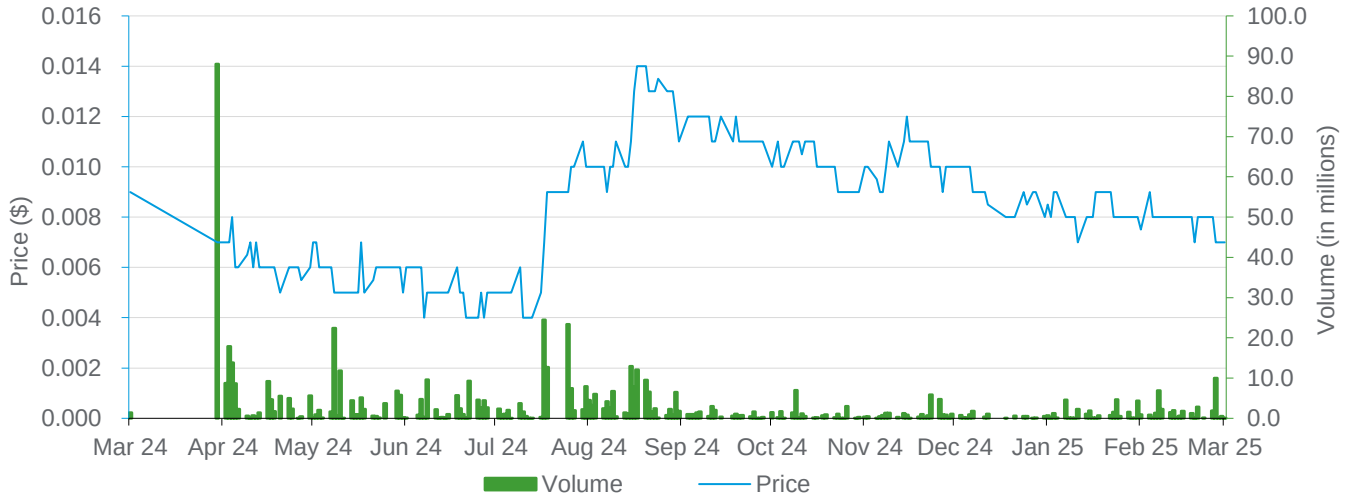
6.2 Quoted Price of Listed Securities Methodology

Prices at which a company's shares have been traded on the ASX can, in the absence of low liquidity or unusual circumstances, provide an objective measure of the value of the company, excluding a premium for control.

As such, to provide a comparison and cross check to our primary valuation methodology for Avenira, we have also considered the Fair Value of the Company through assessing the recent quoted price for AEV Shares on the ASX prior to the announcement of the Proposed Transaction.

The figure below sets out a summary of Avenira's closing share prices and traded volumes in the 12-month period to 7 March 2025, being the last trading day prior to the announcement of the Proposed Transaction. The assessment only reflects the trading prior to the announcement of the Proposed Transaction in order to avoid the influence of any movement in price that occurred as a result of the announcement.

Figure 6 Closing share price and recent trading of Avenira Shares



Source: S&P Capital IQ

RG 111.62 indicates that in order for the quoted market share price methodology to represent a reliable indicator of Fair Market Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- Regular trading in the company's securities;
- Approximately 1% of a company's securities traded on a weekly basis;
- The bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- There are no significant but unexplained movements in share price.

To provide further analysis of the quoted market prices for Avenira shares, we have considered the Volume Weighted Average Price ("**VWAP**") for the 1, 5, 10, 30, 60, 90, 120, and 180 trading days up to and including 7 March 2025, as summarised in the table below.

Table 18 VWAP of Avenira Shares to 7 March 2025

# of Days	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
VWAP	**0.0070**	**0.0072**	**0.0072**	**0.0076**	**0.0078**	**0.0085**	**0.0090**	**0.0093**
Total Volume (000's)	76	12,702	16,940	49,842	69,252	97,422	124,062	348,375
Total Volume as a % of Total Shares (free float)	0.00%	0.58%	0.78%	2.29%	3.19%	4.49%	5.71%	16.04%
Low Price	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0040
High Price	0.0070	0.0080	0.0080	0.0090	0.0100	0.0120	0.0120	0.0150

Source: S&P Capital IQ

The table above shows that in the 180 trading days to 7 March 2025, 16.04% of Avenira Shares were traded. In the 5 trading days to 7 March 2025, 0.58% of Avenira Shares were traded, which is less than the 1% weekly threshold.

As set out in the table above, Avenira's traded share price fluctuated between $0.0040 and $0.0150 over the 180 trading days to 7 March 2025, with a VWAP of $0.0093 over the same period.

Avenira's closing share price on 7 March 2025, the last day of trade before announcement of the Proposed Transaction, was $0.007.

Avenira is obligated to comply with the full disclosure regime required by the ASX. As a result we have assumed that the market is fully informed about the performance and prospects of Avenira.

In our assessment of the quoted market prices for Avenira Shares, we have had particular regard to the 10 to 60 day VWAP up to and including 7 March 2025, as we believe these periods are typically most reflective of the underlying value of a share, excluding the disruptive influence of the announcement.

Based on the above, we have assessed the value of an Avenira Share prior to the announcement of the Proposed Transaction, on a minority basis, to be in the range of $0.0072 and $0.0078.

Control Premium

In the absence of a takeover premium, multiples of listed companies generally reflect the buying and selling of small parcels of shares, which, therefore, do not attract a control premium. In order to assess the value of 100% of the equity interest in Avenira, we are required to adjust the value of a Share to reflect a premium for control. In doing so, we have had regard to the 2021 RSM Control Premium Study ("Control Premium Study", refer to Appendix G).

RSM conducted a study of 605 takeovers and schemes of arrangement involving companies listed on the ASX over the 15.5 years ended 31 December 2020. In determining the control premium, we compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, we used the closing share price of the acquiring company on the date prior to the date of the offer.

In assessing an appropriate control premium to apply, we have had regard to those seen in 161 transactions in the 'Mining & Metals' industry. In doing so, we have assessed an appropriate control premium to be in the range of 27.3% and 32.4% (being the median premia for the 2 and 20 trading days prior to the announcement, respectively).

Based on the above, we have determined the Fair Value of an Avenira Share on a controlling basis prior to the announcement of the Proposed Transaction to be in the range of $0.0092 and $0.0104, with a preferred value of $0.0098, using the quoted price of listed securities methodology as outlined below.

Table 19 Fair Value of an Avenira Share using the quoted price of listed securities methodology

Valuation assessment	Low	High	Preferred
Quoted market price (non-controlling basis, $ per share)	0.0072	0.0078	0.0075
Control premium	27%	32%	30%
Assessed value per share (controlling basis, $ per share)	**0.0092**	**0.0104**	**0.0098**

Source: S&P Capital IQ, Control Premium Study & RSM Analysis

6.3 Valuation Summary of an Avenira Share prior to the Proposed Transaction

A summary of our assessed values of an Avenira Share on a controlling basis prior to the announcement of the Proposed Transaction derived under our two adopted methodologies is set out in the table below.

Table 20 Avenira Share valuation summary

Fair value per AEV Share pre-Proposed Transaction $ per share	Low	High	Preferred
Method 1: Sum of the parts	0.0079	0.0117	0.0098
Method 2: Quoted price of listed securities	0.0092	0.0104	0.0098
Adopted value	**0.0079**	**0.0117**	**0.0098**

Source: RSM Analysis

In our opinion, we consider the sum of the parts methodology provides a more appropriate indicator of the Fair Value of an Avenira Share given it reflects the current financial position of the Company and an independently assessed value of the key assets of Avenira, being the Wonarah Phosphate Project and Jundee South Gold Project, based on current operations and outlook.

We note that the value derived from the quoted price of listed securities methodology falls within our assessed value range using the sum of the parts methodology, and the preferred values under each methodology are aligned.

Accordingly, we have assessed the Fair Value of an Avenira Share, on a controlling basis, prior to the Proposed Transaction to be in the range of $0.0079 to $0.0117, with a preferred value of $0.0098.

7. Valuation of Avenira post the Proposed Transaction

As stated at Section 5.3, we have assessed the value of an Avenira Share post the Proposed Transaction by adjusting the pre-Proposed Transaction value for the immediate impact of the Proposed Transaction, assuming it proceeds.

In doing so, we have adjusted for:

- The proceeds from the issue of the Placement Shares which will be partly utilised to repay the Loan Facility;
- The dilutionary impact from the issue of the Placement Shares;
- The associated transaction costs relating to the issue of the Placement Shares; and
- A minority discount, given Hebang's assumed operational control should the Proposed Transaction proceed.

Based on the above, we have determined the Fair Value of an Avenira Share on a non-controlling basis post the Proposed Transaction to be in the range of $0.0056 and $0.0079, with a preferred value of $0.0067 as outlined below.

Table 21 Fair Value of an Avenira Share post the Proposed Transaction

Fair value per AEV Share post the Proposed Transaction $'000	Low	High	Preferred
Assessed value of Avenira pre the Proposed Transaction	25,059	37,059	31,059
Proposed Transaction adjustments:			
Proceeds from Placement	7,567	7,567	7,567
Repayment of Loan Facility	(2,000)	(2,000)	(2,000)
Transaction costs	(128)	(128)	(128)
Assessed equity value of Avenira post the Proposed Transaction	**30,498**	**42,498**	**36,498**
Number of shares on issue post-Proposed Transaction ('000)	4,258,644	4,258,644	4,258,644
Value per AEV share (control basis, $ per share)	**0.0072**	**0.0100**	**0.0086**
Minority discount	(21.3%)	(21.3%)	(21.3%)
Value per AEV share (non-controlling basis, $ per share)	**0.0056**	**0.0079**	**0.0067**

Source: Management, RSM Control Premium Study & RSM Analysis

We understand that the estimated costs of the Proposed Transaction amount to $127,966. As such, we have deducted these costs in the assessment of Avenira's equity value post the Proposed Transaction.

Minority interest discount

In assessing an appropriate minority discount to apply, we have had regard to the Control Premium Study and the control premium range of 27.3% to 32.4% applied in the previous section, since a minority interest discount is the inverse of a control premium. However, we have also had regard to the assumed operational and governance control held by Hebang prior to the Proposed Transaction.

We note that Hebang already has some operational and governance control with an Executive Chair, an Executive Director and a Non-Executive Director appointed to the Board of Avenira, and they have the ability to block special resolutions with their 31.65% voting interest. We therefore consider it reasonable to apply a minority discount based on the low end of our control premium range adopted in our quoted market price valuation of Avenira, given the existing level of control.

The low end of our control premium range, 27.3%, is derived from the median control premium paid in mining transactions in the RSM Control Premium Study and translates to a minority discount of 21.3%.

8. Is the Proposed Transaction Fair to Non-Associated Shareholders?

Our assessed values of an Avenira Share prior to and immediately after the Proposed Transaction are summarised in the table and figure below.

Table 22 Assessment of Fairness of the Proposed Transaction

Fairness assessment $ per AEV share	Low	High	Preferred
Fair Value of an Avenira Share **prior** to the Proposed Transaction (control basis)	0.0079	0.0117	0.0098
Fair Value of an Avenira Share **post** the Proposed Transaction (non-controlling basis)	0.0056	0.0079	0.0067

Source: RSM Analysis

Figure 7 Assessment of Fairness of the Proposed Transaction

Source: RSM Analysis

The assessed range of values for an Avenira Share post the Proposed Transaction is lower than the range of values assessed for an Avenira Share prior to the Proposed Transaction.

In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with Section 611 of the Act, we therefore consider the Proposed Transaction to be **not fair** to the Non-Associated Shareholders of Avenira as the Fair Market Value of an Avenira Share post the Proposed Transaction is less than the Fair Market Value of an Avenira Share prior to the Proposed Transaction.

9. Is the Proposed Transaction Reasonable to Non-Associated Shareholders?

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- The future prospects of Avenira if the Proposed Transaction does not proceed;
- The likelihood of an alternative proposal / offer emerging; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

9.1 Future prospects of Avenira if the Proposed Transaction does not proceed

On 10 March 2025, Avenira announced that it had secured a $7.567 million unsecured loan facility from Hebang. On 21 March 2025 Avenira announced it had drawn down on the first $2 million of the facility.

Should the Proposed Transaction be approved by Shareholders, proceeds from the Placement will be used to repay the loan. However, should the Proposed Transaction not eventuate, the Company will look to raise additional funds either from Hebang or through other sources to repay the Loan Facility principal and interest by March 2026. There is no guarantee that the fund raising will be successful or be on favourable terms.

As stated in Section 3.4, Hall Chadwick noted a material uncertainty in relation to Avenira's ability to continue as a going concern in the FY24 and HY25 financial statements due to the Company reporting ongoing net losses, net operating and investment cash outflows, and working capital deficiencies. As at 31 March 2025, Avenira had cash at bank of $2.06 million. The Company is operating with a monthly cash burn of approximately $0.46 million, excluding capital raising activities and sales and associated cost of sales from the Wonarah DSO Project. As such, if no alternative source of funding is made available, it is unlikely that Avenira would have sufficient funds to repay the loan when it becomes due and payable on or around March 2026.

As an exploration company, Avenira's ability to raise funds has been heavily dependent on the performance and outlook of the phosphate market, noting that capital raises have typically been undertaken when rock phosphate prices were at a high, therefore providing investors with better sentiment around Avenira's outlook. With the phosphate market experiencing a volatile and generally downwards trend since Avenira's acquisition of the Wonarah Phosphate Project, the ability of the Company to successfully complete a raise with superior terms to the Proposed Transaction is uncertain.

9.2 Alternative proposals

Prior to entering into a Term Sheet with Hebang, the Company explored alternative funding options, however none of the other proposals progressed to a stage where commercial terms could be agreed to provide required near term working capital and project funding with certainty that the funding conditions could be met.

9.3 Advantages and disadvantages

In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of approving the Proposed Transaction

Table 23 Advantages of approving the Proposed Transaction

Advantage	Details
Repayment of Hebang Loan	On 10 March 2025, Avenira announced it had secured a $7.57 million unsecured loan from Hebang to enable the Company to progress the development of the Wonarah Phosphate Project. On 21 March 2025 Avenira announced it had drawn down on the first $2 million of the facility. The loan will become due and payable in March 2026.

	Approval of the Proposed Transaction will enable Avenira to repay the Hebang Loan from the proceeds of the Placement and become debt free. In the absence of shareholder approval, the Company would need to secure alternative funding to repay the loan or renegotiate a new loan with Hebang. There is no guarantee that funding will be available, or if it is, that it will be on favourable terms to Avenira.
Provides financial capacity and value accretion potential	The Proposed Transaction will provide Avenira with funding to enable the company to continue to operate as a going concern and progress its Direct Shipping Ore ("DSO") project at the Wonarah Phosphate Project. The Non-Associated Shareholders would benefit from any value accretion associated with the continued development of the Project with the aim of delivering ore to port by the end of 2025.
Impact on Avenira's share price	Prior to the announcement of the Proposed Transaction, Avenira Shares had not traded above $0.008. Following the announcement of the Proposed Transaction, Avenira Shares reached a high of $0.010. It is possible that the share price may fall below previously traded levels if the Proposed Transaction is not successful and no alternative funding solutions are received by the Company. Included in Section 9.4 is a summary of Avenira's share price performance prior to and directly after the announcement of the Proposed Transaction.

Source: RSM Analysis

Disadvantages of approving the Proposed Transaction

Table 24 Disadvantages of approving the Proposed Transaction

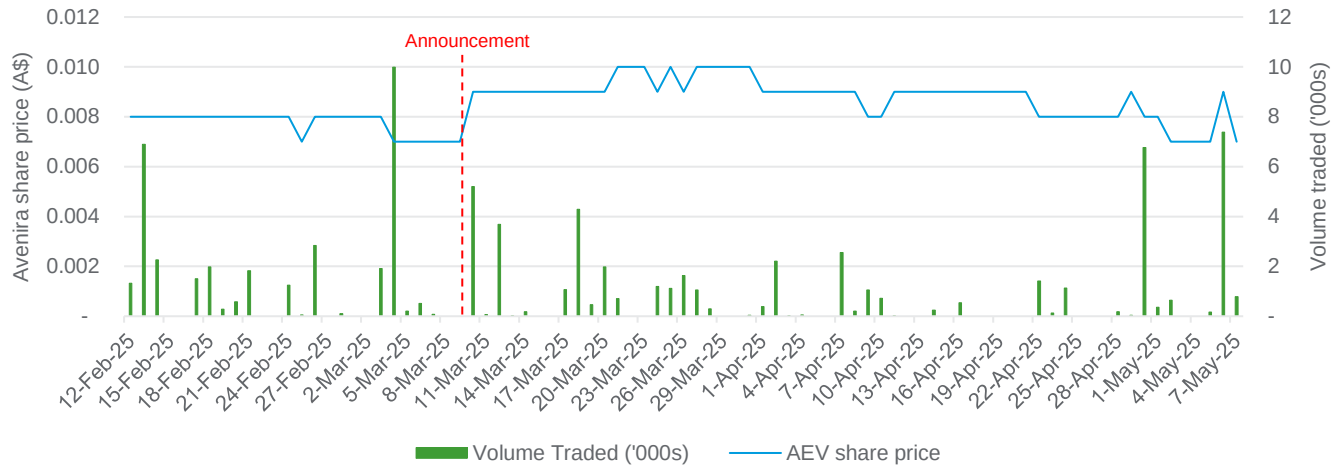
Disadvantages	Details
The Proposed Transaction is not fair	The assessed value of an Avenira Share post the Proposed Transaction lies below the range of values assessed for the value of an Avenira Share prior to the Proposed Transaction.
Dilutionary impact on Non-Associated Shareholders	Should the Proposed Transaction be approved, Non-Associated Shareholders' collective interest and voting power in Avenira will drop from 68.35% to 51.00%.
Significant influence of Hebang	Hebang currently has three Directors appointed to the Avenira Board and is able to block Special Resolutions of the Company through its current 31.65% holding. If the Proposed Transaction is approved, Hebang's interest in Avenira will increase to 49%, which would mean it would require support from only 1% of shareholders to also block ordinary resolutions.

Source: RSM Analysis

9.4 Trading in Avenira Shares after announcement of the Proposed Transaction

The offer was announced to the ASX on 10 March 2025. Shown below is a summary of the trading activity of Avenira Shares from 17 February 2025 to 7 May 2025.

Figure 8 Performance of an Avenira Share pre and post the Proposed Transaction



Source: S&P Capital IQ & RSM Analysis

Since the announcement of the Proposed Transaction on the ASX on 10 March 2025, Avenira's closing share price has traded at a high of $0.010 and a low of $0.007, being a premium of 43% and nil respectively over the issue price of the Placement at $0.007.

Avenira's share price increased marginally following the market announcement, indicating a potentially positive market reaction to the Proposed Transaction. However, the share price has since fallen to pre-announcement levels.

Should the Proposed Transaction not be successful and no alternative funding solution emerges, it is possible that the Avenira share price will fall further below the current traded levels.

9.5 Conclusion on Reasonableness

In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than their position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior alternative, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Avenira.

An individual Shareholder's decision in relation to the Proposed Transaction may be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

APPENDICES

A. Declarations and Disclaimers

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Nadine Marke and Justin Audcent are directors of RSM Corporate Australia Pty Ltd. Both Nadine Marke and Justin Audcent are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of the Company in considering the Proposed Transaction. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of Avenira and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Nadine Marke, Justin Audcent nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of approximately $25,000 (excluding goods and services tax ("**GST**") based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of Avenira receiving Shareholder approval for the Proposed Transaction, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice of Extraordinary General Meeting and Explanatory Memorandum to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd or has been involved in the preparation of the Notice of General Meeting and Explanatory Memorandum. Accordingly, we take no responsibility for the content of the Notice of General Meeting and Explanatory Memorandum.

B. Sources of Information

In preparing this Report we have relied upon the following principal sources of information:

- Drafts and final copies of the Notice of Meeting;
- Subscription and Loan Agreement between Avenira and Hebang;
- Audited financial statements for Avenira for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 and reviewed financial statements for the period ended 31 December 2024;
- Avenira ASX Announcements;
- Avenira Annual Reports;
- Wonarah Phosphate Feasibility Study 2010;
- Independent Technical Specialist Report dated October 2024;
- S&P Capital IQ database;
- Historical phosphate rock prices sourced from World Bank Group;
- JORC Code: 2012 Edition;
- RSM Control Premium Study 2021;
- IBIS World Report – Mineral & Phosphate Mining Industry in the US;
- IBIS World Report – Fertiliser Manufacturing in Australia;
- US Geological Survey;
- Government of South Australia – Energy & Mining: Phosphate;
- S&P Capital IQ database; and
- Discussions with Directors and Management of Avenira.

C. Glossary of Terms and Abbreviations

Term	Definition
$	Australian dollar
Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
Aleees	Advanced Lithium Electrochemistry Limited
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
Bechtel	Bechtel Australia Pty Ltd
CAGR	Compound annual growth rate
CAPEX	Capital expenditure
COG	Cut-off Grade
Company / Avenira / AEV	Avenira Limited
Control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Control Premium Study	RSM Control Premium Study 2021
Current Ratio	Current assets divided by current liabilities
DAP	Diammonium Phosphate
DCF	Discounted cash flows
DFS	Definitive Feasibility Study
Directors	Directors of the Company
DSO	Direct Shipping Ore
DSO FS	Wonarah DSO Project Feasibility Study 2023
Enabling Study	Independent Enabling Study conducted by KEMWorks to confirm the economic potential for a fertiliser production facility at Wonarah
ERM	The ERM International Group Limited; the Independent technical specialist
ESIP	Employee savings investment plan
EV	Electric vehicle
Explanatory Memorandum	The explanatory memorandum accompanying the Notice
Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future Maintainable Earnings
FSG	Financial Services Guide

FYxx	Financial year ending 30 June 20xx
GEAR	Golden Energy and Resources
GFC	Global Financial Crisis
Hall Chadwick	Hall Chadwick WA Audit Pty Ltd; Avenira's auditors
Hebang / SHBC	Sichuan Hebang Biotechnology Corporation Limited
HY25	Half-year ended 31 December 2024
IER	This Independent Expert Report
IHP	Improved Hard Process
Issue Price / Proposed Transaction Price	$0.007 per Avenira Share
ITSR	Independent Technical Specialist Report dated April 2025
Indo Mines	Indo Mines Limited
JDC	JDCPhosphate Inc
JIIPE	Java Integrated Industrial and Port Estate
LFP (CAM)	Lithium ferro phosphate (cathode active material)
LFP Scoping Study	Scoping study for the LFP cathode manufacturing project
Loan Facility	Unsecured interest-bearing draw down loan facility of $7.567 million
Subscription and Loan Agreement	Subscription and loan facility agreement entered into between Avenira and Hebang on 19 March 2025
MAP	Monoammonium Phosphate
Matrix	Matrix Resource Consultants
MD	Managing Director
MoU	Memorandum of Understanding
NMDC	NMDC Limited
Non-Associated Shareholders	Shareholders who are not a party, or associated to a party, to the Proposed Transaction
NED	Non-executive Director
Notice	The notice of meeting to vote on, inter alia, the Proposed Transaction
NT	Northern Territory
NWC	Net working capital
OCI	Other comprehensive income
Option or Options	Unlisted options to acquire Shares with varying vesting conditions
P&E	Plant and equipment
Proposed Transaction / Placement	Placement of 1,081,000,000 AEV shares to Hebang at an issue price of $0.007 to raise $7.567 million
Quick Ratio	Current assets less inventory, divided by current liabilities
Report	This Independent Expert's Report prepared by RSM

Resolution	The resolutions set out in the Notice
RG 111	ASIC Regulatory Guide 111 Content of Expert Reports
RSM	RSM Corporate Australia Pty Ltd
S&P Capital IQ	An entity of Standard and Poors which is a third-party provider of company and other financial information
Share / Avenira Share / AEV Share	Ordinary fully paid share in the capital of the Company
Shareholder	A holder of Share
SHSE	Shanghai Stock Exchange
SPA / TPA	70% / super / thermal phosphoric acid
USGS	US Geological Survey
Verte	Verte Group Pty Ltd
Vulcan	Vulcan Phosphates LLC
VWAP	Volume weighted average price
Wonarah Phosphate Project / Project	Wonarah Phosphate deposit together with the facilities for the transport to and shipping of rock phosphate from the Port of Darwin; Avenira's flagship phosphate project
YP	Yellow Phosphorous

D. History of the Wonarah Phosphate Project

'Rock phosphate' project

The Wonarah Phosphate deposit was discovered by Australian government geologists in the 1960s. Shortly after listing on the ASX in October 2006, Avenira (then Minemakers Australia Pty Ltd) obtained full ownership of the Wonarah Phosphate deposit at the same time as a dramatic increase in the world rock phosphate price was experienced, noting that an ASX Announcement by Avenira in March 2008 made mention of "*the rock phosphate benchmark Moroccan export price has reportedly increased to US$350-400 per tonne FOB. This is a leap from the US$200 per tonne December 2007 price and is a multiple of the US$50 per tonne of earlier in 2007.*"

The onset of the Global Financial Crisis ("GFC") towards the end of 2008 and the impact it had on rock phosphate prices (reducing to US$110 per tonne as per the Company's 2009 Annual Report) resulted in the depletion of available capital and the Company's focus on reducing the capital requirement for development. As such, Avenira shifted strategy to developing a high-grade mine and producing direct shipping ore ("DSO") material.

In March 2009, Avenira appointed AMC Consultants Pty Ltd ("AMC") as the lead consultant for the Definitive Feasibility Study ("DFS") for the development of a rock phosphate mine at the Wonarah Phosphate deposit, together with the facilities for the transport to and shipping of rock phosphate from the Port of Darwin (together, the "Wonarah Phosphate Project" or "Project").

The DFS' phosphate price assumption of US$150 per tonne, was based on how the "*global fertiliser markets are currently improving and average diammonium phosphate prices continue firm just over US$500*" [DFS, para 1.3.3]. Additionally, AMC made note of British Sulphur Consultants' forecast on rock phosphate prices increasing to a range of US$155 to US$170 CFR ('cost & freight'), from the trough experienced as a result of the GFC. The DFS concluded that the DSO operation was positive, with the base case for the Study anticipating the 9.4 Mt of DSO-suitable Ore Reserve to be mined in an initial five year operation.

'Super phosphoric acid' & finished fertiliser product project

In September 2010, the Company announced that a Licence Agreement and a Subscription Agreement had been signed with JDCPhosphate, Inc ("JDC"), whereby:

- Avenira invested US$1 million (in an equal mix of cash and Company shares) to buy a cornerstone 6.67% equity interest in JDC; and
- Subject to further test work and successful trialling of Wonarah phosphate, Avenira was granted exclusive rights in Australia for seven years to construct a plant, and associated infrastructure, which used JDC's patented dry kiln process in order to make 70% phosphoric acid ("super-phosphoric acid" or "SPA") at Wonarah.

The Agreements with JDC were driven by Avenira's desire to use Wonarah rock phosphate to produce phosphate fertilisers, with the first step in that objective being the production of phosphoric acid. Typically, sulphuric acid is used in this process. However, in Wonarah's case, it was assessed that this would involve either the cost of importing and transporting the acid to site, or by producing it on site from imported sulphur with associated capital expenditure. Through the Agreements with JDC, Avenira sought to utilise the dry kiln process which does not use sulphuric acid, thereby allowing capital and operating cost savings for Wonarah.

The SPA produced from the dry kiln process was anticipated to sell at a premium price as it could be used for both normal fertiliser production as well as for higher grade applications in the food and chemical feed industries. Additionally, freight was assessed to be more economic on a unit of SPA basis, compared to standard grade phosphoric acid.

During 2011, evaluation and planned development at Wonarah moved away from the rock phosphate / DSO production and export model to one that incorporated downstream processing to produce phosphate and compound fertilisers. The move away from rock phosphate / DSO was largely due to Avenira not assessing ready acceptance in the spot or short-term contract markets and the uncertainty and lack of control over future prices and the rapidly rising AUD.

In June 2011 Avenira entered into an MoU with Bombay Stock Exchange listed NMDC Limited ("NMDC") to establish a pathway for the development of the Wonarah Phosphate Project. Under the MoU, relevant NMDC staff would assist in undertaking a joint Feasibility Study for the proposed development of a mine and downstream processing facilities to produce:

- Beneficiated rock phosphate for export;
- Phosphoric acid; and

- Finished fertiliser products such as Diammonium Phosphate ("DAP") and Monoammonium Phosphate ("MAP").

In November 2011, Avenira announced that the independent enabling study (the "Enabling Study") conducted by KEMWorks (a Florida-based fertiliser industry consultancy firm) confirmed the economic potential for a major fertiliser production facility out of Wonarah. The Enabling Study was conducted for modelling of the economics of the development of the Wonarah Phosphate Project and the proposed downstream processing facilities to produce SPA, DAP and MAP, with the results justifying the commitment to a bankable feasibility study.

Having completed the divestment of a direct interest in Namibian assets for $25 million in December 2012, Avenira concentrated on the development of Wonarah, specifically its development of the dry kiln process to produce the high value SPA product (which was priced around US$1,000 per tonne of P_2O_5 at that time).

In June 2013, Avenira announced that the following matters had been recently completed or advanced:

- Execution of an improved License Agreement with JDC to use the Improved Hard Process ("IHP") technology, which improves the efficiency of the production of SPA from rock phosphate in the dry kiln process;
- A further equity investment in JDC of approximately US$1 million thereby increasing Avenira's shareholding to 5.8%;
- Avenira had been engaged in a technical study with JDC whose aims were to define IHP as a preliminary feasibility study level (prior to IHP validation) and as a bankable feasibility study level (post IHP validation) thereby furthering the bankable feasibility study covering the upgrading of mined rock phosphate to SPA using the IHP technology; and
- Whilst significant progress had been made on a demonstration plant for the IHP technology, the validation process was delayed due to construction issues.

In August 2018, Avenira announced that JDC had successfully produced high-quality SPA using low-quality rock phosphate tailings without creating phosphogypsum waste in its IHP method. JDC was expected to further upgrade its commercial demonstration plant for on-demand and sustained operations, with the potential to be applied in the Wonarah Phosphate Project.

In April 2020, Avenira announced that it had commenced a review of the Wonarah Project and had initiated a scoping study to consider whether the Project was able to be developed economically, as significant time had passed since the last Enabling Study in 2011 and noting a continued deterioration in the rock phosphate price through 2020. Further to the potential for rock phosphate concentrate, Avenira examined, through a scoping study, the potential inclusion of further tertiary processing, including DAP / MAP technology as well as the IHP technology developed by JDC.

'Lithium ferro phosphate' and fertiliser project

In November 2021, Avenira announced that a strategic review into the supply and demand from the $LiFePO_4$ (lithium ferro phosphate or "LFP") cathode market and fertiliser market was underway, largely driven by the surge in the performance of the battery industry and electric vehicle ("EV") industry.

In August 2022, Avenira announced the commencement of a DSO study to determine the feasibility of mining its Wonarah deposit and the direct shipping of phosphate ore. This return to the initial rock phosphate / DSO strategy of the Wonarah Phosphate Project was driven by the rock phosphate price for 32% P_2O_5 COG increasing from a 10-year low of approximately US$80 per tonne in April 2020 to US$320 per tonne in July 2022. Avenira noted this upward trend was driven by:

- The Russian and Chinese ban on phosphate exports;
- European Union heavy metal limits for phosphate imports affecting supply from Morocco and the Middle East; and
- The Russia-Ukraine conflict constricting supply of ammonia supply for fertiliser manufacture.

As at August 2022, and alongside the increased focus on the DSO strategy, Avenira was continuing its scoping study to develop the Wonarah Phosphate Project to produce critical end products for LFP batteries and fertiliser industries. The Project continued to use the Wonarah Phosphate deposit to feed a high purity phosphoric acid plant and looked to combine with a downstream LFP manufacturing plant. Bechtel Australia Pty Ltd ("Bechtel") was appointed to complete an evaluation of the technology for a Battery Grade Lithium Iron Phosphate Powder Plant.

In September 2022, Avenira announced that it had signed an MoU with leading LFP battery manufacturer Advanced Lithium Electrochemistry Limited ("Aleees") and the NT Government to investigate and work towards the development of a LFP battery cathode manufacturing plant, leveraging the phosphoric acid feed from the Wonarah Phosphate Project. Avenira noted that Aleees is one of

the few companies outside China with complete LFP cathode material manufacturing capability and patents for EV and stationary storage batteries.

In November 2022, Avenira announced an update on the proposed DSO Phosphate Project to mine and sell high-grade phosphate ore from the Wonarah Phosphate Project to third-parties to produce high-purity phosphoric acid. The key results of this update were as follows:

- Testing confirmed Wonarah Ore to be well suited for the production of battery-grade phosphoric acid;
- Offtake discussions were well advanced with a binding offtake agreement expected to be executed for the sale of up to 600,000 tonnes per annum of high grade, high value Wonarah DSO phosphate ore; and
- Prices for high grade phosphate ore (being 32% P_2O_5 COG) continued to trade at or near record highs (US$317.5 per tonne in October 2022) and were expected to remain elevated throughout 2023 and 2024 (US$200 per tonne) due to global fertiliser shortages and the accelerating adoption of LFP battery cells. Avenira believed that due to its abnormally high-grade, physical properties, and low impurities, Wonarah phosphate ore may command a premium to the benchmark price.

In March 2023, Avenira announced the results of the scoping study conducted for the LFP cathode manufacturing project (the "LFP Scoping Study"). The results of the LFP Scoping Study were positive, with strong economics and technical viability highlighting the potential for Avenira to become one of the leading LFP cathode active material ("CAM") producers globally and one of the only LFP producers in the world based outside of China, Taiwan, and Japan. The LFP Scoping Study concluded that additional funding of $180 million and $527 million for a 10,000 tonne per annum and 30,000 tonne per annum scale plant, respectively, would be required.

In September 2023, Avenira announced that it had entered into formal agreements with Aleees granting the Company the right to use Aleees' intellectual property for the manufacture and global distribution of LFP CAM.

In September 2023, Avenira announced that independent consultants Matrix Resource Consultants ("Matrix") issued a Mineral Resource estimate for the Wonarah deposit, based on a 27% P_2O_5 COG. Based on this COG, Matrix assessed the Mineral Resource estimate for the Wonarah Project to be 66 Mt at 30% P_2O_5 COG, thereby supporting the deposit's potential to support DSO operations and downstream opportunities, such as Yellow Phosphorous ("YP"), SPA (also referred to as Thermal Phosphoric Acid ("TPA")), and LFP.

In October 2023, Avenira announced the positive results from the Wonarah DSO Project Feasibility Study ("DSO FS") based on a 27% P_2O_5 COG. The key results of the DSO FS were reported as follows:

- Substantial Mineral Resource with an estimate of 66 Mt at 30% P_2O_5 being able to support the DSO Project;
- Opportunity for a mine plan extension and further upside to the DSO Project economics if the global phosphate price remains high;
- Total free cash flows of $27.3 million generated over 23 months to support the funding and development requirements of Avenira's downstream ventures, noting that the DSO FS was based on a phosphate price assumption of US$200 per tonne; and
- The low pre-production CAPEX of $11.5 million allowed for a short 14-month payback period.

The DSO FS notes that additional funding of $10 - $15 million would be required to achieve the outcomes of the Study.

'Yellow phosphorous' project and strategic relationship with Hebang

In December 2023, Avenira announced a binding strategic equity investment of $2 million from Sichuan Hebang Biotechnology Corporation Limited by way of a placement of Avenira shares at an issue price of $0.011 per share.

Parallel to the placement, Avenira entered into a non-binding strategic cooperation offtake MoU with Hebang, allowing for close cooperation between Avenira and Hebang for phosphate mining, DSO, and YP production. The rationale behind the MoU was stated to be largely around Hebang's need for YP in its manufacturing processes for agricultural and photovoltaic products, and with YP being a vital intermediate product in the production of SPA/TPA and a core feedstock in the manufacture of LFP CAM.

The MoU was stated to provide for the following:

- The construction and operation of an initial 50,000 tonnes per annum YP plant;
- A commitment by Hebang to purchase part of the production of YP from the plant, noting that the purchase will not affect the supply of YP for the production of SPA/TPA needed in the LFP plant;

- Hebang to provide the necessary technology, processes, construction management, operational experience, personnel, and other support to assist Avenira in the construction and operation of the YP plant;
- Hebang to contribute to the funding of the YP plant; and
- Both Avenira and Hebang to jointly pursue renewable energy options for the YP plant, notably solar and wind power.

Further to the Hebang placement, Singapore-based resource investment firm Golden Energy and Resources ("GEAR") also participated in the placement at $0.011, to bring the total capital raise to $4.8 million.

In April 2024, Avenira announced its business objectives for the next 12 months, comprising:

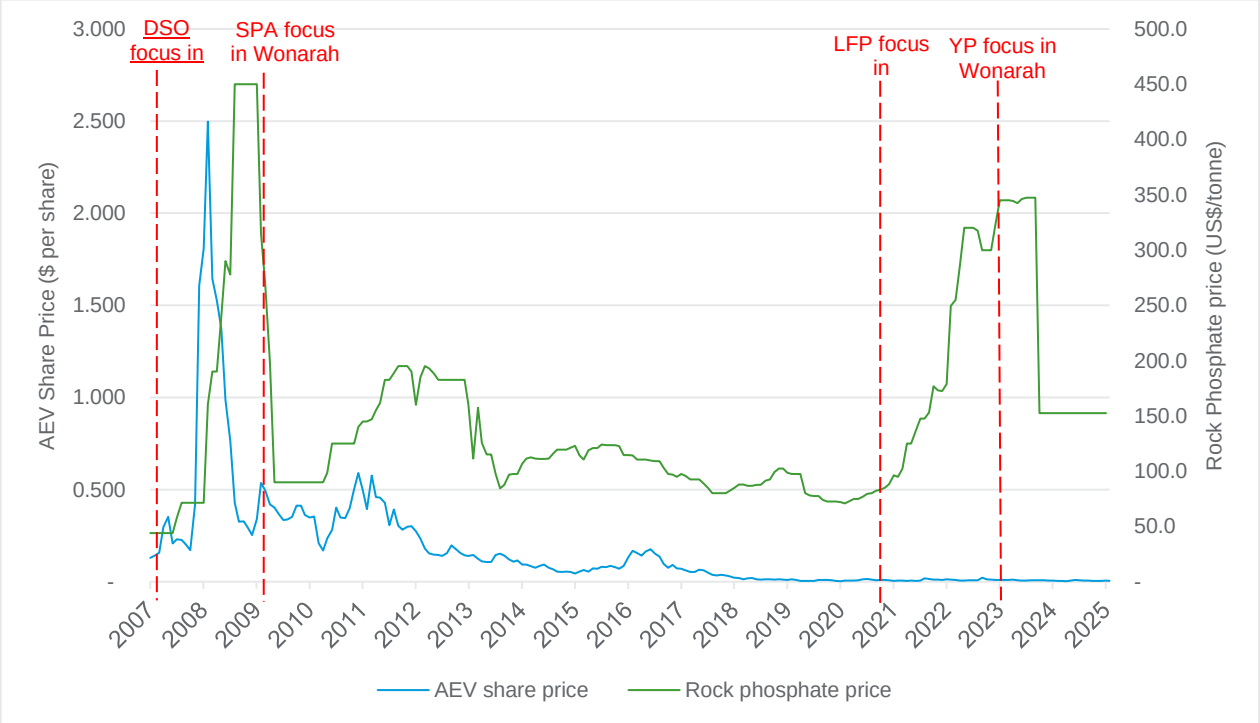
- The primary objective of advancing the development of the YP plant with Hebang;
- Aleees, at its own cost, undertaking work to improve the strategic value of the LFP project; and
- Avenira continuing to monitor the DSO rock phosphate price and work with off-takers when the rock phosphate market recovers.

In January 2025, Avenira announced the submission of an updated Mine Management Plan (MMP) outlining key developments such as operational scaling to target 1.3 million tonnes of DSO production, alongside infrastructure improvements including haul roads, waste rock dumps, fuel storage facilities and a demineralisation plant.

In February 2025, the Aleees Licence and Technology Transfer Agreement and Subscription Agreement was terminated. Future licence payments owed by Avenira to Aleees were forgiven. The termination unconditionally and irrevocably releases and discharges each of Avenira and Aleees completely, from all Claims and Liability which either has or may have against the other in relation to or arising from the License and Technology Transfer Agreement or Subscription Agreement and/or any other agreements. With the termination of the Aleees Agreement, the Avenira Board has focussed their attention on progressing the Wonarah Phosphate Project.

Figure 9 below illustrates Avenira's daily share price movements compared to the rock phosphate prices (reported on a monthly basis), making specific reference to the points at which Avenira shifted its focus for the Wonarah Phosphate Project (as outlined in the prior paragraphs).

Figure 9 Avenira share price movements against the price of rock phosphate



Source: S&P Capital IQ, World Bank Group Commodity Price Data (Pink Sheet)

E. Industry Overview

Rock Phosphorous Industry

Overview

Phosphorous is one of the three essential nutrients required by plants, with the marketable product being beneficiated phosphate rock with phosphorous pentoxide (P_2O_5) content suitable for phosphoric acid or elemental phosphorous production, most commonly used as a fertiliser and to produce a range of fertiliser products such as DAP, MAP (both of which are 'wet-process phosphoric acid' products), and super phosphoric acid ("SPA").

For general use in the fertiliser industry, phosphate rock, or its concentrates, preferably have levels of approximately 30% P_2O_5, reasonable amounts of calcium carbonate (5%), and less than 4% combined iron and aluminium oxides. Worldwide, resources of high-grade ore are declining, and the beneficiation of lower-grade ore by washing, flotation, and calcining is becoming more commonplace.

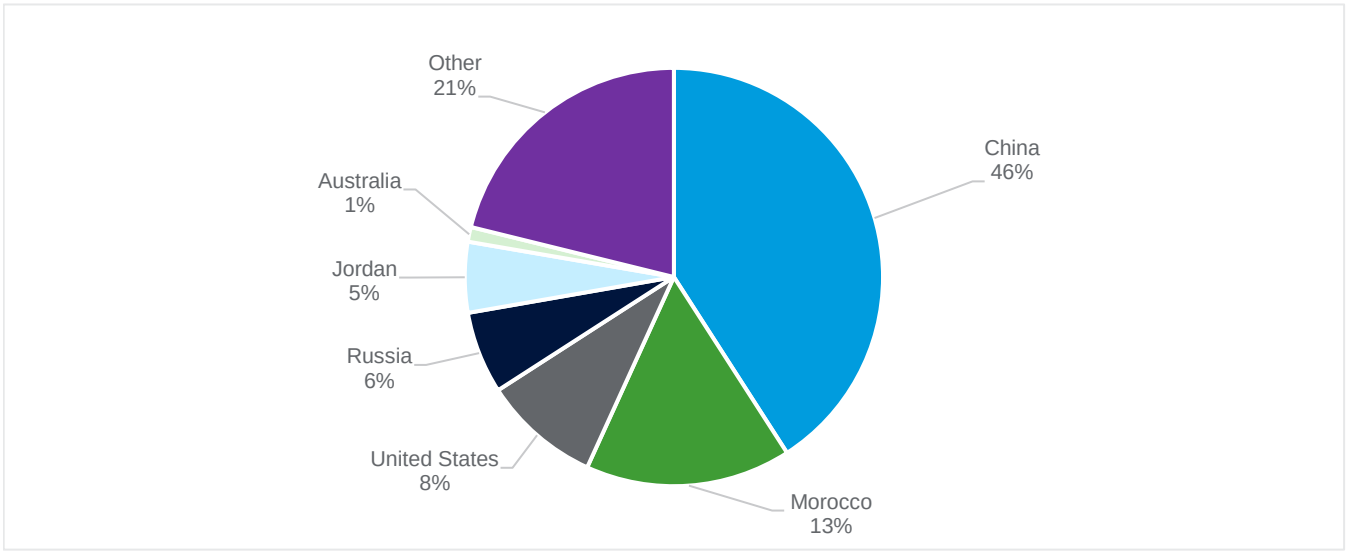
Phosphate rock resources occur as sedimentary marine phosphorites (the most economically significant and primary form), apatite-rich igneous rock, and ancient & modern guano accumulations, with the largest sedimentary deposits located in northern Africa (Morocco), the Middle East, China, and the United States (as seen in Figure below).

As per the US Geological Survey Mineral Commodity Summaries 2025 Report (the "USGS Report"), global production of phosphate rock was estimated to be 3% higher in 2024 than in 2023, with China, Morocco, the United States and Russia continuing to be the leading producers. The increase in production is in line with the estimated increase in global consumption of P_2O_5 in fertilisers over the same period.

Global production capacity is projected to increase to 70.6 million tonnes by 2028 (compared to 65.0 million tonnes in 2024), with capacity expansions expected to be completed in 2027 in Brazil, Kazakhstan, Mexico, Morocco, and Russia, and new mining projects planned to be completed after 2027 in Canada, Congo, Guinea-Bissau, and Senegal.

The figure below summarises the global phosphate rock production in 2024, by country, as per the USGS Report.

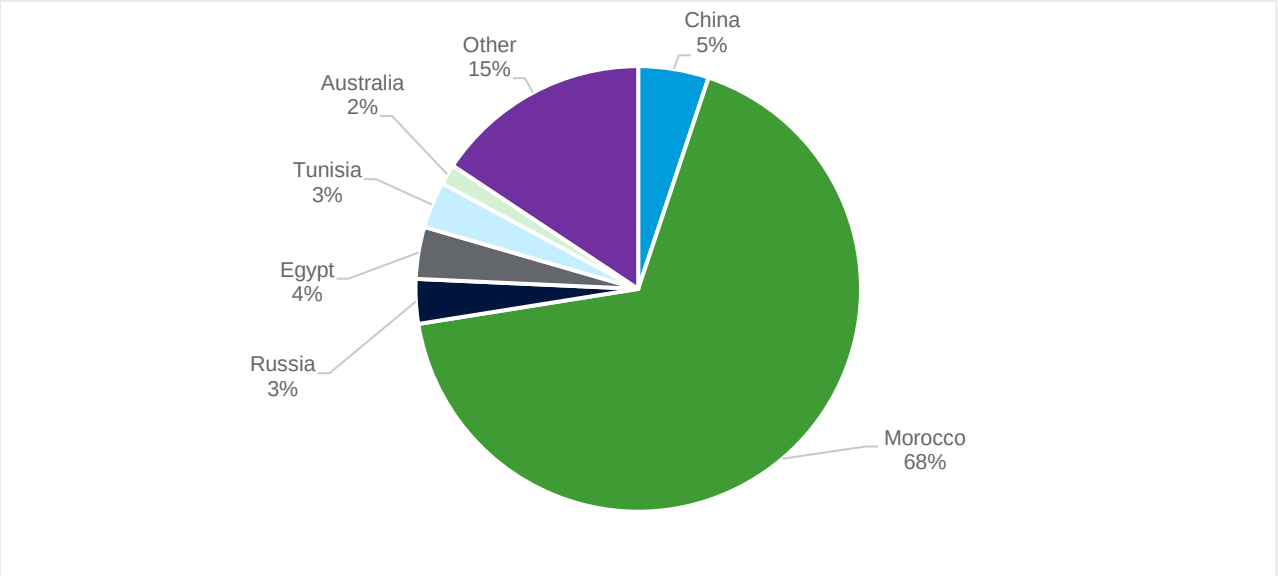
Figure 10 Phosphate rock production by country - 2024



Source: USGS Report

The figure below illustrates the global phosphate reserves by country in 2024, as per the USGS Report.

Figure 11 Phosphate reserves by country - 2024



Source: USGS Report

The USGS Report estimated Australia to have the 9th largest phosphate reserve globally in 2024.

World consumption of P_2O_5 contained in fertilisers was estimated to have been 47.5 million tonnes in 2024 compared to 45.8 million tonnes in 2023 and is expected increase to 51.8 million tonnes by 2028, with Asia and South America expected to be the leading regions for growth. In 2024, more than 95% of the phosphate rock mined in the United States was used to manufacture wet-process phosphoric acid and SPA which were used as intermediate feedstocks in the manufacture of fertilisers and animal feed supplements. As per the USGS Report, there are no substitutes for phosphorous in agriculture.

Phosphate pricing

Pricing of phosphate rock is largely determined by the Morocco phosphate rock price due to the country's dominant industry position (in terms of Mineral Resources, Ore Reserves, and annual production). As phosphate rock is a bulk commodity, local suppliers benefit from proximity to potential markets. Countries such as India, Australia, Indonesia, and New Zealand are currently reliant on imports from Morocco, Senegal, Peru, and Egypt. However, given Australia's proximity to these markets, there is a potential opportunity for local producers to establish themselves as the preferred suppliers, allowing for more control over phosphate pricing.

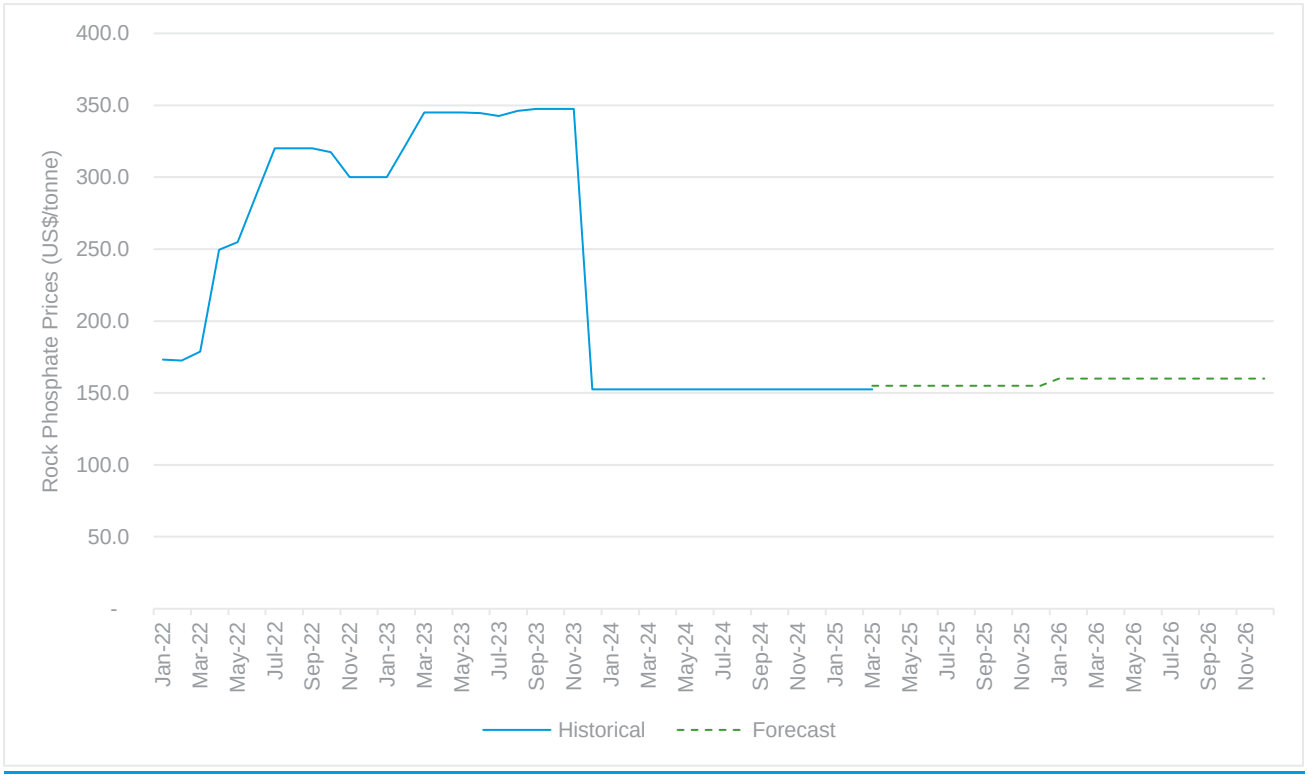
Phosphate rock prices have experienced notable fluctuations since 2006, driven by factors such as shifts in global agricultural demand, supply chain disruptions, and evolving trade policies. Looking forward, global demand for phosphate is expected to rise due to the need to increase agricultural output to feed a growing population, therefore prices are also expected to increase marginally as illustrated in Figure 12 below. Emerging Australian producers are pursuing the development of mines for the production of raw materials for phosphate chemicals, thereby differentiating away from major international producers, allowing for higher prices for their products which are expected to have increased demand in coming years.

China, as a major phosphate producer, generally uses its production domestically, which gives rise to the perception that China is an unreliable supplier of phosphate products, thereby allowing other producers to fill the supply gap and have more price control.

The figure below illustrates historical phosphate rock price performance from January 2022 and forecast prices as at April 2025 from World Bank Group.

Prices increased significantly in 2022 as a result of the Ukraine-Russia conflict and the introduction by China of a quota system restricting phosphate exports to 3 million metric tonnes per year, down from the 10 million metric tonnes it had previously been supplying. In 2024, prices reverted to levels consistent with pre-2022 and are forecast to reach $155 per metric tonne in 2025, and $160 per metric ton in 2026.

Figure 12 Rock phosphate prices - historical & forecast



Source: World Bank Group Commodity Price Data (Pink Sheet) & World Bank Group Commodity Price Forecasts as at April 2025

Performance

The performance of the phosphate rock market, particularly the mining of the commodity, is largely driven by the following factors, as identified by IBISWorld:

Consumer spending

The need for inorganic chemicals, fertilisers, and other non-metallic minerals depends on consumer spending on food and various other goods. As consumers spend more, manufacturing and farming activity increases, thereby raising the need for minerals and phosphate as inputs. During times of economic uncertainty, the opposite may occur, posing a potential threat to miners.

Trade-weighted index ("TWI")

Mineral and phosphate miners have increasingly relied on exports for revenue, particularly as the global need for agricultural and industrial activities continues to grow. Any boost in strength of the US dollar negatively impacts US exports, which allows for foreign producers to potentially fill this supply gap.

Industrial production index

The industrial production index measures the output from the mining, manufacturing, electric, and gas industries. Miners in this industry produce various minerals including phosphate to be used in various downstream markets such as the fertiliser market. When these markets thrive, so too does the industry miners' revenue.

Demand from fertiliser manufacturing

Fertiliser manufacturers primarily produce products that contain a different mixture of the three vital nutrients essential for plant growth (namely, nitrogen, phosphorous, and potassium). Phosphate and potash are the primary ingredients to manufacture these fertilisers

and nutrients, meaning there is a positive correlation between the performance and demand for fertilisers and the phosphate production industry.

With approximately 30% of the Australian fertiliser manufacturing industry being comprised of phosphate fertilisers, the performance of this industry is directly aligned with the performance of the phosphate rock mining industry. Record global fertiliser prices have recently driven growth and pushed the Australian industry revenue to new highs. However, as global fertiliser prices begin to retract, so too will industry revenue, although remaining above historical averages. Following a series of global supply-side shocks, including the COVID-19 pandemic, the European natural gas crisis, the Russia-Ukraine conflict, and China's recent attempt to curb fertiliser exports, there is a greater focus on the domestic supply chain, which will reduce the reliance on imports into Australia, thereby creating an opportunity for Australian producers and suppliers of the fertiliser supply chain.

The performance of the Australian fertiliser manufacturing industry is largely driven by the following factors, as identified by IBISWorld:

- Demand from agriculture;
- Domestic price of fertiliser; and
- TWI (with a weaker Australian dollar making Australian fertilisers more competitive overseas).

Outlook

According to IBISWorld, the US phosphate rock market, particularly the mining of the commodity, is anticipated to experience revenue growth with a CAGR of 1.2% in the five years to 2029, largely due to the following reasons:

- Lower prices being counteracted by production expansion largely due to expanding food production, elevated consumer spending, and increasingly competitive local (US) and global markets keeping the need for minerals and phosphate steady as economic conditions improve;
- Trade remaining essential to the success of miners; and
- Technology advancements helping to improve mining operations.

The Australian fertiliser manufacturing industry is anticipated to experience a slight improvement in performance, with a revenue CAGR of 0.3% in the five years to 2030, largely due to the following reasons:

- Global fertiliser price corrections, although prices may remain volatile in the near future due to ongoing global macro events;
- A greater focus on domestic supply chain security will reduce import reliance; and
- Environmental issues will drive change in the industry's product portfolio, with a focus on producing biofertilisers, provision of digital services and decarbonisation of production processes.

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F. ERM Independent Technical Specialist Report

Wonarah Phosphate Project, N.T. and Jundee South Gold Project WA.

Updated Independent Technical Specialists' Report

Prepared for

Avenira Limited

Date

Report Date 7 May 2025

Valuation Date 10 March 2025

Reference

AVEITR02

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Wonarah Phosphate Project, NT and Jundee South Gold Project WA.

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EXECUTIVE SUMMARY

Overview

Avenira Limited (AEV) and RSM Australia Pty Ltd (RSM) requested that ERM prepare an Independent Technical Assessment and Valuation of the mineral assets of Avenira Limited (AEV) for inclusion in an information package to be provided to AVE's investors for use in assessment of a major transaction proposed by AEV. Avenira Limited is an ASX listed company (ASX:AEV) developing the Wonarah Phosphate Project, Northern Territory and the Jundee South gold project, Western Australia which comprise AEV's principal mineral assets.

This report has been prepared by ERM to meet Avenira's requirements for a report satisfying the requirements of the VALMIN Code (2015) and be suitable for public release by the Company.

This report was prepared by ERM during April 2025, using information available at 31st August 2024 and market information from April 2025. 22 April 2025 represents the effective date of this report. The valuation date is 10 March 2025. The report is the product of a comprehensive desktop study completed by ERM.

Site visits to the Wonarah and Jundee projects were not conducted. For Wonarah, there has been little substantive exploration completed at the site in recent years and previous drilling and bulk sampling sites have been rehabilitated. Exploration of the Jundee project is at an early-stage. These factors result in little information that could contribute materially to the report being acquired by visiting either site.

Information required to complete this work was sourced from reports and other information made available by RSM and AEV, and other publicly accessible sources identified by RSM, AEV and ERM.

This report's authors and reviewers have no previous association with AEV. Neither ERM nor the authors and reviewer of this report, have or have had previously, any material interest in AEV or both the Wonarah and Jundee projects. ERM's relationship with AEV is solely one of professional association between client and independent consultant.

Valuation of mineral assets is not an exact science, and several approaches are possible, each with varying strengths and shortcomings. While valuation is a subjective exercise, there are several generally accepted methods for ascertaining the value of mineral assets. ERM considers that, wherever possible, inputs from a range of methods should be assessed to inform conclusions about the Market Value of Mineral Assets. Valuers should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value."

Global Phosphorus Resources, Markets and Applications

Phosphorus is one of the three essential nutrients required by plants. Phosphate rock is used directly as a fertiliser and to produce a range of fertiliser products. Avenira has recognised the importance of producing high value products from phosphate rock mined at Wonarah and maximising resource utilisation. A scoping study has been previously completed by AEV that investigates the potential for the Wonarah project to supply inputs to downstream products required for Lithium Ferro (Iron) Phosphate (LFP) battery cathode manufacture and yellow phosphate, used widely in the production of phosphate chemicals.

Phosphate rock resources occur principally as sedimentary marine phosphorites. The largest sedimentary deposits are found in northern Africa (Morocco and Senegal), the Middle East, China and the United States. World resources of phosphate rock are more than 300 billion tonnes, including 65 billion tonnes of reserves, concentrated in northwest Africa according to the United States Geological Survey (USGS). Global phosphate rock production, in contained P_2O_5 terms, is forecast to increase to 69.1 Mt by 2027 compared with 63.6 Mt in 2023, representing an increase of approximately 9% over this period. In Australia the Middle Cambrian phosphorite deposits of the Georgina Basin, Queensland and Northern Territory host 90% of Australia's phosphate rock resource. Incitec Pivot's Duchess mine in the Georgina Basin of northwest Queensland is currently mainland Australia's only phosphate rock mining operation.

The phosphate rock price is largely determined by the Morocco phosphate rock price due to Morocco's dominant industry position. India, Australia, Indonesia, New Zealand, Japan and South Korea are currently reliant on phosphate fertiliser imports from Morocco, Senegal, Peru and Egypt, creating a potential opportunity for Australian producers. Emerging Australian producers, including AEV, are pursuing the development of mines producing the raw materials for phosphate chemicals to differentiate them from major international producers and secure higher prices for products for which demand is forecast to increase in coming years. These include yellow phosphorus which is used in a broad range of industrial applications including the production of fertilisers, pesticides, flame retardants, certain types of plastics and synthetic resins, as well as in the production of semiconductors and other electronic components. The largest market for yellow phosphorus is the Asia-Pacific region. Phosphate rock has been included in the critical minerals lists of Australia, the European Union, USA, China and a number of other countries. The global yellow phosphorus market was estimated to be 2,100 kt in 2022, expected to grow at a CAGR of over 5.3% to exceed 3,000 kt annually by 2030.

Wonarah Phosphate Project—Geology, Resources, Mining and Processing

The Wonarah Phosphate project is located around 960 km southeast of Darwin, 400 km west of Mount Isa, Queensland and 250 km east of Tennant Creek in the Barkly Tableland of the Northern Territory. Wonarah is accessed via the Barkly Highway, a sealed road between Tennant Creek to the west and Mt Isa to the east. The road surface meets national highway standard and provides a secure road access to the mine site, except in exceptional flooding conditions that may be experienced during the northern Australia Monsoon during summer months. The Wonarah site is close to the northern Australian gas pipeline (NGP) which could provide natural gas for the manufacture of phosphate products onsite in the future.

AEV's landholding at Wonarah consists of two granted mining leases and six granted exploration leases with a total area of 1,494.12 km^2. All leases are 100% held by Minemakers Australia Pty Ltd, a 100% owned subsidiary of AEV. The licences are located within the Georgina Basin which contains Early and Middle Palaeozoic sediments that occurs over a broad area of western Queensland and the eastern Northern Territory. The sequence includes a number of phosphate rock beds that are being mined or explored by several companies.

AEV's exploration activities have generally comprised initial broad spaced reverse circulation (RC) drilling to outline the extents of the main mineralised zones followed by successively tighter infill drilling designed to improve definition of the distribution of phosphate mineralisation. Two mineralised zones have been identified at Wonarah: the Main Zone and the smaller, shallower and slightly higher-grade Arruwurra deposit. The geology of the two principal mineralised zones is broadly comparable, although some variation in host rock lithology, phosphate mineralisation and grade are evident. The Mineral Resource Estimate for the Wonarah deposit reported in June

2022 was 533 Mt at 21% P_2O_5, at a 15% P_2O_5 cut-off grade; and 812 Mt at 17% P_2O_5 based on a 10% P_2O_5 cut-off grade. A resource estimate of 66 Mt at 30% P2O5 was reported in September 2023 at a cut-off grade of 27% P_2O_5. Phosphate rock quality meets industry criteria established for fertiliser manufacture and yellow phosphate production. Only a small proportion of samples have been analysed for trace elements that may restrict phosphate rock transport and utilisation, but the concentrations of deleterious components are generally low.

As a relatively low value bulk commodity, phosphate rock is typically mined by open cut methods. AEV propose mining the Arruwurra deposit using conventional open pit truck and excavator mining. The mining process will primarily entail progressive stripping and selective ore mining, with drilling and blasting required to fragment the higher-grade phosphate rock bed.

ERM reviewed the recently completed direct shipping ore (DSO) feasibility study and concluded that most capital and operating cost estimates provided a generally suitable basis for mining studies. The study, however, did not include any mention of rehabilitation and closure costs, grade control practices and costs, and costs associated with water supply, fuel storage facilities, power infrastructure, information technology and communications infrastructure and other owner related costs that are expected to exceed the contingency included in the study. An environmental management plan was developed for the proposed DSO operation at Arruwurra, for handling of phosphate rock and products at the Wonarah project site. The Darwin Port Authority will require an environmental plan for product stockpiles covering particle management, water runoff and dust control. A plan will also be developed by Avenira to cover transport of beneficiated ore and phosphate products between the site and port. This proved to be a shortcoming in feasibility studies for recent mineral resource development projects using the ports of Esperance and Bunbury in Western Australia which delayed project development but is being managed proactively by Avenira. Estimates of mining and processing costs in the study are based on contractor estimates provided by a single contractor, which can contribute to inconsistencies in estimates used.

Coarse (<10mm) lump ore from the project is demonstrably suited to the manufacture of yellow phosphate and downstream phosphate chemicals. Fine ore is intended for export and use in the production of single superphosphate fertiliser or for agglomeration into briquettes for use in yellow phosphate production. Lower-grade phosphate rock would be crushed and sold in one tonne bags as a direct application fertiliser at the mine gate.

The Wonarah project may be valued using several approaches, in terms of an exploration opportunity, identified Mineral Resource and a resource development project that has been subject to feasibility studies. Several approaches have been followed by ERM to provide both technical and market value opinions. It is important to note that mineral asset valuations are opinions that involve a subject assessment of the project's value that are the opinion of the valuer and can only be tested by taking the project to market.

Valuation methods employed comprised:

- analysis of comparable transactions
- development of a Discounted Cash Flow analysis based on mining of the Arruwurra zone of the deposit
- Rule of Thumb (Yardstick) valuation

Valuation opinions provided by each of these approaches are summarised in the following table.

Approach	Type	Currency	Valuation Opinion (A$ M)			Notes
			Low	Preferred	High	
Comparable Transactions Wonarah DSO (Arruwurra + Main Zone)	Market	A$ M	15.5	19.4	23.3	Based on analysis of comparable transactions presented in Table 4-11 with removal of four outlier values. The low and high case values represent the preferred value ± 20%. This limit was imposed due to the wide scatter in transaction values
Rule of Thumb (Yardstick) – Wonarah DSO (Arruwurra + Main Zone)	Market	A$ M	46.7	58.3	70.0	Low and high case values represent the preferred value ± 20%. This limit was imposed due to the wide scatter in transaction values used to develop the Rule of Thumb multipliers evident in Figure 4-13.
Rule of Thumb (Yardstick) Arruwurra deposit DSO	Market	A$M	11.1	13.9	17.4	Included in the Wonarah Deposit value opinion above.
DCF Valuation Arruwurra deposit DSO	Technical	A$ M		(6.1)		NPV_{10} estimated for the Arruwurra deposit only using a phosphate rock price of US$152.50 per tonne.
				11.7		NPV_{10} sensitivity scenario for the Arruwurra deposit only using a phosphate rock price of US$200.00 per tonne.

Analysis of comparable transactions provides a valuation opinion of between A$15.5 million and A$23.3 million, with a preferred, central value of A$19.4 million. This opinion reflects the results of 15 transactions involving projects with publicly reported phosphate rock Mineral Resources and Ore Reserves, with additional context provided by analysis of 15 additional, primarily earlier stage projects where Mineral Resources were not reported.

The Rule of Thumb valuation represents an opinion of the market value of the undeveloped Wonarah phosphate resource between A$46.7 million and A$70.0 million, with a preferred value of A$58.3 million based on mineralisation reported to comprise the Arruwurra and Main zones respectively used in the DSO feasibility study.

Using a Rule of Thumb approach, the Arruwurra deposit is valued at a preferred value of A$13.9 million. Again, the multiplier factors derived from an analysis of comparable transactions, discussed in section 0, provides a broad spread of values. Limiting the low and high valuation opinions to within ±20% of the preferred valuation opinion provides a low and high opinion of A$11.1 million and A$17.4 million, respectively. The low and high value cases developed using the Rule of Thumb approach were considered to be too broad by ERM to be useful in further studies of the project. ERM's practice in instances of this, which are not uncommon in situations where the number of competent transactions is relatively small, spread over an extended period of time, and cover resources in multiple jurisdictions with varying sovereign risk profiles, is to

set limits of ±20% around the central, preferred case based on the multipliers developed for the project.

ERM validated the inputs required for development of a net present value (NPV) estimate for the project (Arruwurra + Main Zone deposits) and prepared high level estimates for a central case using a phosphate rock price of US$152.50 per tonne and a sensitivity case of US$200.00 per tonne. The NPV of the project was estimated to be negative for the US$152.50 phosphate rock price, but positive for the US$200.00 price, indicating that the project is relatively sensitive to product price. This is also viewed by ERM to support Avenira's strategy of seeking to use phosphate rock from Wonarah in the production of higher value products, notably yellow phosphorus (YP), to enhance project feasibility.
A discounted cash flow (DCF) valuation based on mining of the Arruwurra zone only was estimated to be a NPV_{10} of (US$6.06) million using the prevailing phosphate rock price. A sensitivity case using a phosphate rock price of US$200.00 per tonne demonstrated the sensitivity of the Wonarah project to price.

The DSO feasibility study completed for Avenira in 2023 (Avenira Limited, 2023) demonstrated that production of DSO phosphate rock for export from Wonarah is not viable at current prices but may be viable at prices that have been experienced in the Australian market in recent years. The principal issues affecting project viability were interpreted by ERM to be phosphate rock road transport charges between the project site and Port of Darwin, and Darwin port charges. This could render production of DSO for domestic markets a viable option, although the proportion of the Wonarah phosphate rock resource meeting DSO specifications is relatively small (about 8% of the resource tonnage at a 10% P_2O_5 cut-off). Although discussed in the DSO study as an option, the production of direct application phosphate rock (DAPR) for sale at a lower price for domestic use has not been studied adequately to attribute potential value to this resource.

AEV have elected to pursue the production of higher value phosphate products including YP which would significantly alter the value of the project and utilise a greater proportion of the resource, determined by the cut-off grade required and mining factors. These studies are yet to reach a point where analysis of capital and operating (mining, processing and transport) costs and product revenue could be used to determine the economic basis for valuing a phosphate chemicals operation and the recoverable portion of the mineral resource, that could be used in turn to develop an Ore Reserve estimate, open pit design and production schedule. AEV's confidence that a viable phosphate chemicals project can be developed is supported by ERM on the basis of available data.

Jundee South Gold Project (WA)

The Jundee South project is located between Wiluna, Leinster and Leonora in the Northeastern Goldfields region of Western Australia which is a well-established mining district. The project is easily accessed from Wiluna or Leinster at multiple points by well-maintained sealed roads. The towns of Wiluna and Leinster could sustain the workforce. Both have airports able to handle commute flights for FIFO workers.

The project includes 47 exploration and prospecting licences covering an area of 1,372.8 km^2 that has been extensively explored by multiple companies in an Archean granite-greenstone domain that contains several long-life gold mining and milling operations. AEV have established access to land for exploration with both Native Title claimant groups and pastoral leaseholders.

AEV's tenements straddle the Yandal Greenstone Belt which forms part of the Archean Yilgarn Craton.

Gold was first discovered in the Yandal belt in the late 1880s. Production was at a small scale initially, however, this changed following the discovery of the significant mineralisation at the Bronzewing, Jundee and Darlot deeps (Centenary) deposits in the 1990s. The gold mineralisation is of orogenic-type. It is typically shear related with later stage brittle cross-cutting faults being critical in gold localisation. Iron rich mafic rocks or porphyry intrusive association, quartz vein development, and carbonate (± potassium mica and iron sulphide) alteration are common features.

Extensive reconnaissance drilling and geochemical sampling and geophysical surveys have identified a range of exploration targets for more detailed testing. No discoveries leading to the estimation of Mineral Resources have been established to date, with exploration by AEV still considered to be at an early-stage. In addition to gold, Avenira is actively generating targets for pegmatite-hosted lithium and potash.

The project has been valued by ERM using a series of methods applicable to projects without identified Mineral Resources including:

- comparable transactions
- the Appraised Value or Exploration Expenditure Approach (EEA)
- the Geoscience Factor Method (GFM) or Kilburn Geoscience Rating (KGR)

The valuation opinions for the Jundee South project are presented in the table below.

The EEA and GFM opinions are considered by ERM to be consistent with one another, and significantly higher than the Comparable Transactions valuation. Comparison with the EEA and GFM valuations suggest that tenements without Mineral Resources are being traded at a discount in Western Australia over the past two years.

Approach	Type	Currency	Valuation Opinion ($ million)			Notes
			Low	Preferred	High	
Comparable Transactions	Market	A$	2.1	4.1	6.2	Gold projects without Mineral Resources and Ore Reserves in WA completed in the two years prior to the effective date of this report.
EEA	Technical	A$	9.2	10.7	12.2	PEM 1.5 to 2.0 used to determine the low and high bounds of the MEE estimate respectively. Exploration expenditure A$6.1 million.
GFM	Technical	A$	10.8	12.9	15.0	37 EL, 9 PL, 1,272km^2 tenement package. Separate BAC estimates prepared for PL and EL.

Valuation Opinion Summary

ERM proposes that the Comparable Transactions valuation opinion for the Wonarah project, between A$15.5 million and A$23.3 million, with a preferred value of A$19.4 million, would be more likely to be achieved were the project offered for sale and should be preferred to the Rule of Thumb valuation for the project.

There are a range of potential development scenarios for the project, ranging from production of DSO and an intermediate grade phosphate rock product (DAPR) to production of phosphate chemicals. The latter is at an early-stage of investigation by AEV. The potential of DSO production for export has been shown not to be viable at current phosphate rock prices, but the value of the project is price sensitive.

AEV's Jundee South gold project's value was determined using comparable transactions, Multiples of Exploration Expenditure (MEE) and Geoscience Factor Method (GFM) approaches. The MEE and GFM approaches produced very similar valuation opinions which are around 40% higher than that obtained by analysis of comparable transactions. ERM contends that the comparable transactions available, while all-in recent years and in Western Australia, did not fully value the size of AEV's tenement package and its proximity to a number of significant deposits that have been in production for an extended period.

ERM favours the GFM valuation opinion of A$10.8 million to A$15.0 million, with a preferred value of A$12.9 million. Both the MEE and GFM methods are subjective. MEE depends on the valuer's opinion of the enhancement of prospectivity achieved by exploration while GFM is based on the opinion of how the project should be described in the four categories used to assess projects. ERM's opinion is that the more granular process followed in the GFM method produces a more defensible valuation, and that the method is better able to express the range of valuations applicable to the project. The MEE valuation is interpreted to support the preferred GFM valuation.

Summary

AEV has demonstrated acute awareness of issues affecting the viable development of the Wonarah project that has contributed to development of strategies to address weaknesses and threats to the project.

Jundee South is considered by ERM to represent an attractive opportunity for new resource discovery in a highly prospective region in a favourable jurisdiction.

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ACRONYMS AND ABBREVIATIONS

Acronym	Description
AAC	Arruwurra Aboriginal Corporation
AACE	Association for the Advancement of Cost Engineering
AC	Air-Core drilling
AEV	Avenira Limited (ASX code)
AIG	Australian Institute of Geoscientists
Al_2O_3	Aluminium oxide
AusIMM	Australasian Institute of Mining and Metallurgy
ASX	Australian Securities Exchange Ltd
ATO	Australian Taxation Office
BAC	Base Acquisition Cost—financial basis of the GFM valuation approach
bcm	Bank cubic metres (material as it lies in its natural bank state)
CAGR	Compound annual growth rate
CaO	Calcium oxide
DAP	Diammonium phosphate fertiliser
DAPR	Direct Application Phosphate Rock
DCF	Discounted Cash Flow
DMIRS	Department of Mines, industry Regulation and Safety
DSO	Direct Shipping Ore
EEA	Exploration Expenditure Approach (appraised value mineral asset valuation method for projects without Mineral Resources and Ore Reserves)
EL	Exploration Licence
ERM	ERM Australia Consultants Pty Ltd
EU	European Union
Fe_2O_3	Iron (ferric) oxide
FeO	Iron (ferrous) oxide
FIFO	Fly In/Fly Out (long distance commute arrangement for mining industry workers at remote sites)
GFM	Geoscience Factor Method (mineral asset valuation method for projects without Mineral Resources and Ore Reserves)
IMVAL	International Mineral Valuation Committee
IRR	Internal rate of return
JORC	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 edition)
K2O	Potassium oxide
KGR	Kilburn Geoscience Rating (synonymous with GFM)
km^2	square kilometre
koz	Thousand (Troy) ounces
LFP	Lithium Ferro (Iron) Phosphate (LFP) battery cathode
MAP	Monoammonium phosphate fertiliser
MEE	Multiple of Exploration Expenditure
MER	Minor Element Ratio (phosphate rock quality index)
MGA94	Map Grid of Australia 1994 (national coordinate system)
MgO	Magnesium oxide
ML	Mining Licence / Mining Lease
MMP	Mine management plan
MnO	Manganese oxide
Moz	Million (Troy) ounces
Mt	Million tonnes
Na_2O	Sodium oxide
NGP	Northern Australia gas pipeline
NPV	Net Present Value
NT	Northern Territory
P_2O_5	Phosphorus oxide (stable oxide form of phosphorus)
PL	Prospecting Licence
PEM	Prospectivity Enhancement Multiplier, component of EEA valuations
RAB	Rotary air blast drilling
RBA	Reserve Bank of Australia
RC	Reverse Circulation drilling
ROM	Run of Mine
RPGeo	Registered Professional Geoscientist
RSM	RSM Australia Pty Ltd

RTP	Reduced to pole (magnetic data modelling)
saprock	Saprolite rock—product of deep weathering of rocks near surface in lateritic profiles
SiO_2	Silicon dioxide, silica
SSP	Single superphosphate fertiliser
TiO_2	Titanium oxide
TMI	Total magnetic intensity (geophysical survey)
tpa	tonnes per annum (mining, production rate)
USGS	United States Geological Survey
VALMIN	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code 2015 edition)
VMS	Volcanogenic massive sulphide
WA	Western Australia
wt%	Weight per cent
YP	Yellow phosphorus

1. INTRODUCTION

1.1 Scope of Work

RSM Australia Pty Ltd (RSM) requested that ERM prepare an Independent Technical Assessment and Valuation of the mineral assets of Avenira Limited (AEV) for inclusion in an information package to be provided to investors for use in assessment of a major transaction proposed by AEV. AEV's principal mineral assets are the Wonarah Phosphate Project in Northern Territory and the Jundee Gold Project in Western Australia.

This report has been prepared by ERM to meet Avenira's requirements for a report satisfying the requirements of the VALMIN Code (2015) and be suitable for public release by the Company.

1.2 Effective Date

This report was prepared by ERM during April 2025, using information available at 31st August 2024 and market information from April 2025.

7 May 2025 represents the effective date of this report. The valuation date is 10 March 2025.

1.3 Approach

The Independent Technical Assessment and Valuation report is the product of a comprehensive desktop study.

The valuation of the projects was based on several methodologies including:

- recent comparable transactions
- multiples of previous exploration and resource evaluation expenditure
- Geoscience Factor Method (Kilburn Geoscience Rating) valuation
- Rule of Thumb (Yardstick) valuation and
- high level income based valuation

1.4 Compliance with the JORC and VALMIN Codes

This report has been prepared to meet all the requirements of the VALMIN and JORC Codes for mineral asset valuation (VALMIN, 2015) and public reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012) respectively.

1.5 Site Visits

Site visits to the Wonarah and Jundee projects were not conducted. For Wonarah, there has been little substantive exploration completed at the site in recent years and previous drilling and bulk sampling sites have been rehabilitated. Exploration of the Jundee project is at an early-stage. These factors result in little information that could contribute materially to the report being acquired by visiting either site.

ERM has followed an approach consistent with best practice in transparently describing the basis for opinions required by the project scope and taking account of their materiality to the project.

1.6 Principal Sources of Information

Information required to complete this work was sourced from reports and other information made available by RSM and AEV, and other publicly accessible sources identified by RSM, AEV and ERM.

The Wonarah Phosphate Project's feasibility study completed by Mining Plus for AEV 4 December 2023 was the principal source of information for the Wonarah project. Information for the Jundee project was largely obtained from ASX announcements released by AVE and other documents provided by the Company.

1.7 Rock Phosphate Price

The March Morocco phosphate rock price was US$152.50 per tonne (A$224.07). This price has been used throughout this report. The price has not changed since October 2023.

1.8 Exchange Rates

Australian:US dollar exchange rate of 0.6420, the prevailing rate at 21 April 2025., is used throughout this report. This is consistent with the Consensus Economics exchange rate forecast of 0.650 for April 2025.

1.9 Report Authors -Qualifications, Experience and Competence

Andrew Waltho

Consulting Director at ERM; BAppSc (Hons1st), FAIG RPGeo (MinExpl, Mining), FAusIMM, FGS, Prof Member SME, GAICD.

Andrew has more than 40 years as an exploration and mining geoscientist spanning multiple commodities, deposit styles and settings with major, mid-tier and junior companies and as a consultant. Andrew also has more than 23 years' experience as a director of resources sector companies and not for profit professional organisations. He is a past-President of the Australian Institute of Geoscientists and Chair of the Institute's Ethics and Standards Committee. Andrew was recently appointed to the VALMIN Committee which is responsible for the development of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets. He is also an Australian representative on the International Mineral Valuation Committee (IMVAL) that promotes consistency of mineral asset valuation practices globally.

Andrew has more than 40 years of experience in exploration, resource evaluation and due diligence for a range of commodities including phosphates in Australia and overseas. Other career highlights have included deep involvement in the development of the Century zinc-lead-silver mine in northwest Queensland, extending from early exploration through all stages of feasibility to commissioning and the initial years of production. Other highlights have included participation in feasibility studies for the Dugald River zinc project in Queensland, the Jadar lithium-borate project in Serbia and due diligence reviews for multiple projects spanning a broad suite of commodities, including gold, base metals, uranium, potash, phosphates, industrial minerals and mineral sands, again both in Australia and overseas.

Andrew has direct experience in the exploration and resource evaluation of Georgina Basin phosphate deposits and Mississippi Valley style base metal exploration within the basin.

Charlie Gianfriddo

Principal Technical Consultant at ERM; BSc (Hons. Geology), MAIG.

Charlie is an accomplished geoscientist with 15 years' technical and managerial experience in minerals exploration and corporate services focused mainly on base and precious metals. His experience ranges from grassroots project generation to near-mine resource development. Charlie has worked across Africa, Asia, Europe and Australia. He has previously held senior roles in the MMG Project Generation Team and was Chief Geologist at Castlemaine Goldfields in Victoria. Based out of Melbourne, Charlie is part of the ERM Sustainable Mining Services team primarily working on geological analysis, due diligence and independent technical reporting for mergers, acquisitions and company listings. His fields of interest include Minerals Systems, geochemistry and remote sensing.

Steve Hoban

Director, Principal Process Engineer at BHM Process Consultants.

Steve is a qualified metallurgist with 20 years' experience in the mining industry. His main areas of expertise are in commissioning, project design, circuit optimisation and training. Steve's experience covers crushing, grinding, beneficiation and beneficiation/mineral separation, flotation, thickening, solvent extraction/electrowinning, and smelting. He has worked all over Australia and overseas in a number of commodities including gold, nickel, mineral sands, tin/tungsten and uranium. Steve has held numerous roles during his time in the mineral processing industry such as Principal Metallurgist, Process Commissioning Manager and Corporate Liaison Officer.

Howard Simpson

Mining Manager, Consulting Director at ERM, BSc Eng (Mining) (Hons), BCom (Accounting and Quantitative Management), FAusIMM (CP Mining), RPEQ.

Howard is an experienced mining professional who has delivered mining engineering, mine planning and economic evaluation for projects, technical studies and operations. He has delivered projects and studies across multiple geographies and commodities, with responsibilities for design, planning, scheduling of mine operations and economic evaluation. Howard has focused on innovation throughout his career, focusing on technology solutions, integrated mining systems such as in-pit crushing and conveying, and new and alternative mining methodologies.

Trivindren Naidoo

Principal Consultant – Valuation at ERM; MSc(ExplGeol), GradCert(Bus), GradCert (MinEnrgEcon), BSc(Geol&AppGeol)(Hons), MAusIMM

An exploration geologist with over 25 years' experience in the minerals industry, including 20 years as a consultant, specialising in project evaluations and technical reviews as well as code-compliant reporting (JORC, VALMIN, NI 43-101 and CIMVAL) and valuation. His knowledge is broad-based, and he has wide-ranging experience in the field of mineral exploration, having managed or consulted on various projects that range from first-pass grassroots exploration to brownfields exploration and evaluation, including the assessment of operating mines. Trivindren is part of ERM's Mining Transactions and Corporate Advisory team and has completed independent evaluations and valuations of numerous mineral assets ranging from early-stage exploration properties to projects with multiple operating mines, across various commodities and jurisdictions. Trivindren is a Member of the AusIMM.

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Graham is a geologist with over 35 years' experience in exploration geology and management in Australia, PNG and Indonesia. He is a Principal Geologist and the Service Lead for the Sustainable Mining Services in Australia. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally. He is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration. Graham has completed numerous independent technical reports (IGR, CPR, QPR) and valuations of mineral assets. Graham capitalised on his knowledge of exploration to undertake expert technical reviews, valuations, and independent reporting services to groups desiring improved understanding of the value, risks, and opportunities associated with mineral investment opportunities. Graham was a Federal Councillor/board member (including Company Secretary and Treasurer) of the Australian Institute of Geoscientists for 11 years and joined the Joint Ore Reserves Committee in 2014, where he is currently a member of the executive committee. As the Service Lead for the Sustainable Mining Services team in Australia he is now responsible for managing geoscience and mining engineering in the Australasian region.

1.10 Prior Association and Independence

This report's authors and reviewers have no previous association with AEV. Neither ERM nor the authors and reviewer of this report, have or have had previously, any material interest in AEV or both the Wonarah and Jundee projects.

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No employee of ERM is, or is intended to become, a director, officer or other direct employee of AEV. There is no formal agreement between ERM and AEV in relation to ERM conducting further work for the company.

1.11 Disclaimers

The statements and opinions contained in this report are given in good faith and in the belief that they are not false nor misleading. The report is based on information available up to and including the date of this report.

The statements and opinions are based on a reference date of 31st August 2024 and could alter over time depending on exploration results, mineral resource knowledge, mineral prices and other relevant market factors.

The opinions expressed in the report have been based on information compiled by ERM. The opinions in the report are provided in response to a specific request from AEV to do so. ERM has exercised all due care in reviewing the supplied information. While ERM has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the data assembled by ERM for this

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ERM's valuation opinions are based on both public and non-public information. The information available is the product reasonable enquiries within the time available, to confirm the authenticity and completeness of the technical data and other relevant information used.

ERM considers that its opinion must be considered as a whole and that selecting portions of the analysis, or factors considered by it, without considering all factors and analyses together could create a misleading view of the process underlying the opinions presented in this report. The timing and context of an independent valuation report is complex and does not lend itself to partial analysis or selective interpretations without consideration of the entire report.

No audit of any financial data has been conducted.

The valuations discussed in the report are opinions as to likely values, not absolute values, which can only be tested by going to the market.

2. MINERAL ASSET VALUATION PRINCIPLES

2.1 Basic Principles

Valuation of mineral assets is not an exact science, and several approaches are possible, each with varying strengths and shortcomings. While valuation is a subjective exercise, there are several generally accepted methods for ascertaining the value of mineral assets. ERM considers that, wherever possible, inputs from a range of methods should be assessed to inform conclusions about the Market Value of Mineral Assets.

A valuation opinion should always be presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Mineral Assets are defined in the VALMIN Code (VALMIN, 2015) as all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that tenure.

Business valuers typically define market value as "The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arms-length." The accounting criterion for a market valuation is that it is an assessment of "fair value," which is defined in the accounting standards as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms-length transaction." The VALMIN Code defines the value of a mineral asset as its market value, which is "the estimated amount (or the cash equivalent of some other consideration) for which the mineral asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion."

Market Value usually consists of two components, the underlying or technical value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most likely value be selected as the most likely figure within a range after considering those factors which might impact on value.

The concept of market value hinges upon the notion of an asset changing hands in an arms-length transaction. Market Value must therefore consider, inter alia, market considerations, which can only be determined by reference to "comparable transactions." Generally, truly comparable transactions for mineral assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any "cash equivalent of some other consideration." While acknowledging these limitations, ERM identifies what it considers to be "comparable transactions" (i.e. transactions that are useful to consider) to be used in assessing the values to be attributed to mineral assets.

2.2 Valuation Methods for Mineral Assets

The choice of valuation methodology applied to mineral assets, including exploration licences, depends on the amount of data available and the reliability of that data.

The VALMIN Code classifies mineral assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to operating mines which have well-defined Ore Reserves, as listed below:

"**Early-stage Exploration Projects**" – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

"**Advanced Exploration Projects**" – tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource (as defined in the JORC2 Code) estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

"**Pre-Development Projects**" – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

"**Development Projects**" – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of development projects will be proven by at least a Prefeasibility Study.

"**Production Projects**" – tenure holdings (particularly mines, wellfields and processing plants) that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "market valuation."

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by the following general approaches: Income, Market and Cost (Table 2-1). The Market Value of Development and Production Projects are best assessed using the Market and Income approaches, whereas the Market Value of exploration projects are best assessed using the Market and Cost approaches.

2.3 Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

Table 2-1 shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table 2-1: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation Approach	Exploration Properties	Mineral Resource Properties	Development Properties	Production Properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

2.4 Income

Discounted Cash Flow/Net Present Value Method

The DCF valuation method recognises the time value of money, it is most suitable for development projects, where detailed studies have been completed to justify input assumptions and Production Projects, where there is actual historical data to justify input assumptions. Less commonly the DCF methodology is applied to pre-development projects.

The DCF valuation method provides a means of relating the magnitude of expected future cash profits to the magnitude of the initial cash investment required to purchase a mineral asset or to develop it for commercial production.

The DCF valuation method determines:

- The net present value (NPV) of a stream of expected future cash revenues and costs
- The internal rate of return (IRR) that the expected cash flows will yield on a given cash investment.

The DCF valuation method is a forward-looking methodology, requiring that forecasts be made of technical and economic conditions which will prevail in the future. All future predictions are inherently uncertain. The level of uncertainty reduces as the quality of the data available to project future rates of production and future costs, increases.

It is essential to understand specific fundamental attributes of the mining industry in undertaking a DCF, such as:

- An Ore Reserve and in some cases Mineral Resource is the basis of any mineral development.
- Costs are determined by the number of tonnes mined and processed, while revenues are determined by the number of tonnes, pounds or ounces of metal produced. The two are related by the recovered grade of the ore.
- Profit is typically more sensitive to changes in revenue that to changes in costs.
- The commodity price is a principal determinant of revenue but is also the factor with the greatest level of financial risk.

The most significant factors, which must be considered in a DCF valuation of a mineral asset is the reliability of the Mineral Resource and Ore Reserve, particularly with respect to recovered grade, the price at which the product is sold and the risk of not maintaining the projected level of commodity price.

Key inputs into the DCF valuation method for a mineral asset valuation are:

- life-of-mine planning assumptions
- capital cost estimates—can be the initial cost of constructing the project and/or the ongoing cost of sustaining the productive life of the operation
- operating cost estimates—costs incurred both onsite in producing the commodity which is shipped from the property, and off site, in the transportation and downstream processing of that commodity into saleable end products
- revenue estimates—revenue in the mining context is the product of the following factors:
- the tonnage of ore mined and processed
- the grade of the ore
- the metallurgical recovery
- the price of the saleable commodity
- taxation and royalty payments
- discount rate—represents the risk adjusted rate of interest expected to be yielded by an investment in the mineral asset

The Income Approach is not appropriate for properties without Mineral Resources. It should be employed only where enough reliable data are available to provide realistic inputs to a financial model, preferably based on studies at or exceeding a pre-feasibility level.

2.5 Market

Comparable Transaction Method

The Comparable Transactions method looks at prior transactions for the property and recent arms-length transactions for comparable properties.

The Comparable Transaction method provides a useful guide where a mineral asset that is generally comparable in location and commodity has in the recent past been the subject of an "arms-length" transaction, for either cash or shares.

For the market approach resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated *in situ* resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project-specific factors at play to allow any more than a consideration of price paid vs total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end ERM's discussion of the market approach is predicated on the consolidated resource base, to allow application of the method.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date.

Hence the current value of a tenement or tenements will be the value implied from the terms of the most recent transaction involving it/them, plus any change in value as a result of subsequent exploration.

High quality mineral assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Rule of Thumb (Yardstick)

The Rule of Thumb (Yardstick) method is relevant to exploration properties where some data on tonnage and grade exist, and these properties may be valued by methods that employ the concept of an arbitrarily ascribed current in situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence, An Outline of Market-based Approaches for Mineral Asset Valuation Best Practice, 2001), (Lawrence, 2011).

Rules-of-Thumb (Yardstick) methods are commonly used where a Mineral Resource remains in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in situ value to the resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule of thumb.

This Yardstick multiplier factor applied to the resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% of the current spot price is used for base metals and platinum group metals, whereas for gold and diamonds a range of 2% to 5% of the current spot price is used, and typically much lower factors are applied for bulk commodities. The method estimates the in situ gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned Mineral Resource category, the commodity's likely extraction and treatment costs, availability / proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth and strip ratio of the potential mining operation.

This method is best used as a non-corroborative check on the order of magnitude of values derived using other valuation methods that are likely to better reflect project-specific criteria.

2.6 Cost

Appraised Value or EXPLORATION EXPENDITURE APPROACH

The Appraised Value or EEA considers the costs and results of historical exploration.

The Appraised Value method is based on the premise that the real value of an exploration property lies in its potential for the existence and discovery of an economic mineral deposit (Roscoe, 2002). It utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past **relevant and effective expenditure** using the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 2004). Table 2-2 lists the PEM factors and criteria used in this Report.

Table 2-2: PEM Factors

PEM range	Criteria
0.2 to 0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5 to 1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0 to 1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3 to 1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical, or geophysical activities)
1.5 to 2.0	Scout drilling (rotary air blast, air-core, RC percussion) has identified interesting intersections of mineralisation
2.0 to 2.5	Detailed drilling has defined targets with potential economic interest
2.5 to 3.0	A Mineral Resource has been estimated at Inferred JORC category, no concept, or scoping study has been completed
3.0 to 4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0 to 5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

Geoscience Factors

The GFM or KGR, as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources. It seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought. The criteria originally proposed by Kilburn (Kilburn, 1990) have been modified by several authors since the approach was originally published. The version of the GFM criteria used by ERM incorporate changes advocated by SRK in a previous review of Avenira's mineral assets (McKibben, 2019).

Valuation is based upon a calculation in which the geological prospectivity, commodity markets and mineral property markets are assessed independently. The GFM is essentially a technique to define a value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

Location with respect to any off property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies

Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued

Number and relative position of anomalies on the property being valued

Geological models appropriate to the property being valued.

The GFM systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table 2-3).

Table 2-3: Geoscientific Factor Ranking

Rating	Address/Off property factors	On property factors	Anomaly factors	Geological factors
0.1			No mineralisation identified; area sterilised	Unfavourable geological setting, No alteration of interest
0.5		Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Potentially favourable geological setting but poor results to date, complexly deformed and metamorphosed
1	No known mineralisation in district	Exploration model support; Indications of prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/ alteration (70%)
1.5	Reconnaissance (rotary air blast/air-core) drilling with some scattered favourable results. Minor workings	Exploratory sampling with encouragement	Several early-stage targets outlined from geochemistry and geophysics	Shallow cover; Generally favourable lithology/ alteration
2	Several old workings; Significant RC percussion drilling leading to advanced project	Several old workings; Reconnaissance drilling or RC percussion drilling with encouraging intersections	Several well-defined targets supported by reconnaissance drilling data. Multiple exploration models being applied simultaneously	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after RC percussion with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced Resource definition drilling (early stages)	Several significant subeconomic targets; No indication of “size”	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant workings/mines with significant historical production; Adjacent to known mineralisation at Prefeasibility Study stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant subeconomic targets; Potential for significant “size”; Early-stage drilling	

Rating	Address/Off property factors	On property factors	Anomaly factors	Geological factors
4	Along strike or adjacent to resources at Definitive Feasibility Study stage	Adjacent to known mineralisation at Prefeasibility Study stage	Marginally economic targets of significant "size" advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to resources at Definitive Feasibility Study stage	Marginal economic targets of significant "size" with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	
6				Advanced exploration model constrained by known and well understood mineralisation
10		World class deposit / mine		

The Geoscience Rating Factor valuation method is a subjective valuation method, and different valuation practitioners are likely to derive different on-off property, anomaly and geological factors, based on their interpretation and understanding of the project. Different descriptions of the rating factors also exist. However, provided the same rating system of factors and descriptions of their values is used, the results from different practitioners should not be dramatically different.

The Base Acquisition Cost (BAC) is an important input to the GFM. In essence, it is the average cost to acquire and hold an average tenement in the jurisdiction and it is determined by summing the costs to identify an area of interest, application fees, annual rents and other government costs, work required to facilitate granting (e.g. Native Title, environmental etc.) and minimum annual statutory expenditures. In other words, the BAC is the total average expenditure per standard unit area (km², hectare, subblock, etc.) and captures the identification cost and then the application and retention costs. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The standard references on the method (Kilburn, 1990) (Goulevitch & Eupene, 1994) do not provide much detail on how the market factor should be ascertained. ERM takes the approach of using the implied value range from our selected comparable transactions to inform the selection of a GFM market factor. Our presumption is that the selected comparable transactions are capturing the market sentiment, so any other valuation method should not be significantly different (order of magnitude).

This is achieved by finding the market factor that produces an average GFM preferred value per unit area for whole project (i.e. total preferred GFM value divided by the total area) that falls within the range of the comparables implied values per unit area. It is ERM's view that this

adequately accounts for global market factors on an empirical basis. For example, if the implied value range is $100/km² to $2000/km², then the market factor should give an average GFM preferred value per unit area that falls within that range.

ERM generally would select a market factor (rounded to an appropriate number of significant digits) that gives a value closer to the upper end of the range (though this is the valuer's judgement call). This is because the GFM is a tool that addresses the exploration potential of a project and is best suited to informing the upper end of valuation ranges for a project.

Geological Risk Method

In the Geological Risk valuation method, as described by Lord, Etheridge, Wilson, Hall, & Uttley (2001), the value of a project at a given stage of knowledge/development is estimated based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage. The relevant stages of exploration are defined in Table 2-4.

Table 2-4: Definition of exploration stages

Stage	Description
Stage A	Ground acquisition, project/target generation
Stage B	Prospect definition (mapping and geochemistry)
Stage C	Drill testing (systematic RC, diamond drilling)
Stage D	Resource delineation
Stage E	Feasibility

The expected value (E) of a project at a given stage is then dependent on the target value at the next stage (T), the probability of successfully advancing the project to the next stage (P), and the cost of advancing the project (C). This can be expressed as:

$$E=P*(T-C)E=P*(T-C)$$

This valuation method generates an expected value for each project (or prospect) at each of the main exploration stages or decision points, by working back from a project's target value. A project's target value can be based on an expected NPV from a reasonably constrained DCF model, or from a reasonable approximation of the value of a defined resource, in which case the initial target value will be the value at the end of Stage D, as opposed to the value at the end of Stage E.

Lord, Etheridge, Wilson, Hall, & Uttley (2001) concluded that the probability of successfully proceeding from one exploration phase to the following one was as depicted in

Table 2-5, based on a detailed study of gold exploration programs in the Laverton area of Western Australia.

The Geological Risk method has not been applied to this study but is described here for completeness.

Table 2-5: Probability of successfully proceeding from one exploration stage to another

Stages	Probability of advancing
Generative to reconnaissance	0.54
Reconnaissance to systematic drill testing	0.17
Systematic drill testing to Resource delineation	0.58
Resource delineation to Feasibility	0.87
Feasibility to Mine	0.90

Source: (Lord, Etheridge, Wilson, Hall, & Uttley, 2001)

3. PROJECT BACKGROUND

3.1 Avenira Limited Corporate Overview

Avenira Limited is an ASX listed company (ASX:AEV) developing the Wonarah Phosphate Project, Northern Territory and Jundee gold project, Western Australia.

ERM considers the Wonarah Phosphate Project to be Avenira's principal mineral asset.

Avenira has recognised the importance of producing high value products from phosphate rock mined at Wonarah and maximising resource utilisation.

A scoping study has been previously completed by AEV that investigates the potential for the Wonarah project to supply inputs to downstream products required for Lithium Ferro (Iron) Phosphate (LFP) battery cathode manufacture (Avenira Limited, 2023). Avenira have also advanced plans to build a YP plant that will provide battery grade YP to the LFP plant and food grade phosphoric acid to food and industrial chemical producers. YP is a precursor in the production of thermal phosphoric acid used in the production of LFP cathode material.

Avenira announced the results of a DSO project feasibility study to the ASX 19 October 2023 (Avenira Limited, 2023). The study examined an opportunity to crush and screen phosphate rock using an onsite crushing plant to produce three products:

1. **BPH lumps** (10-50 mm) comprising hard rock, suited to YP production intended to be transported to the Port of Darwin for export
2. **BPH Fines** (<10mm) that would also be exported for use in single superphosphate (SSP) production and for agglomeration into briquettes for use in the YP plant; and
3. **Direct Application Phosphate Rock (DAPR) Product** produced from softer APH phosphate rock for sale into domestic agricultural markets as Direct Application Phosphate Rock

The phosphate rock price assumptions underpinning the feasibility study were a BPH product price of A$308/tonne and APH product price of A$100/tonne, providing an average product price of A$238.6/tonne, and an all-in sustaining cost of A$181.3/tonne. A fall in global phosphate rock prices to US$152.50 per tonne soon after the release of the DSO feasibility study rendered the project uneconomic and required a shift in focus to YP production to deliver a viable project.

3.2 Rock Phosphorus Industry overview

Some general observations regarding rock phosphorus resources, production and applications are useful, given the industry's nature and the significance of the Wonarah project to Avenira.

Phosphate rock products and end-uses

Phosphorus is one of the three essential nutrients required by plants. Phosphate rock is used directly as a fertiliser and to produce a range of fertiliser products (Figure 3-1). The end-uses of phosphate rock are outlined in Figure 3-2.

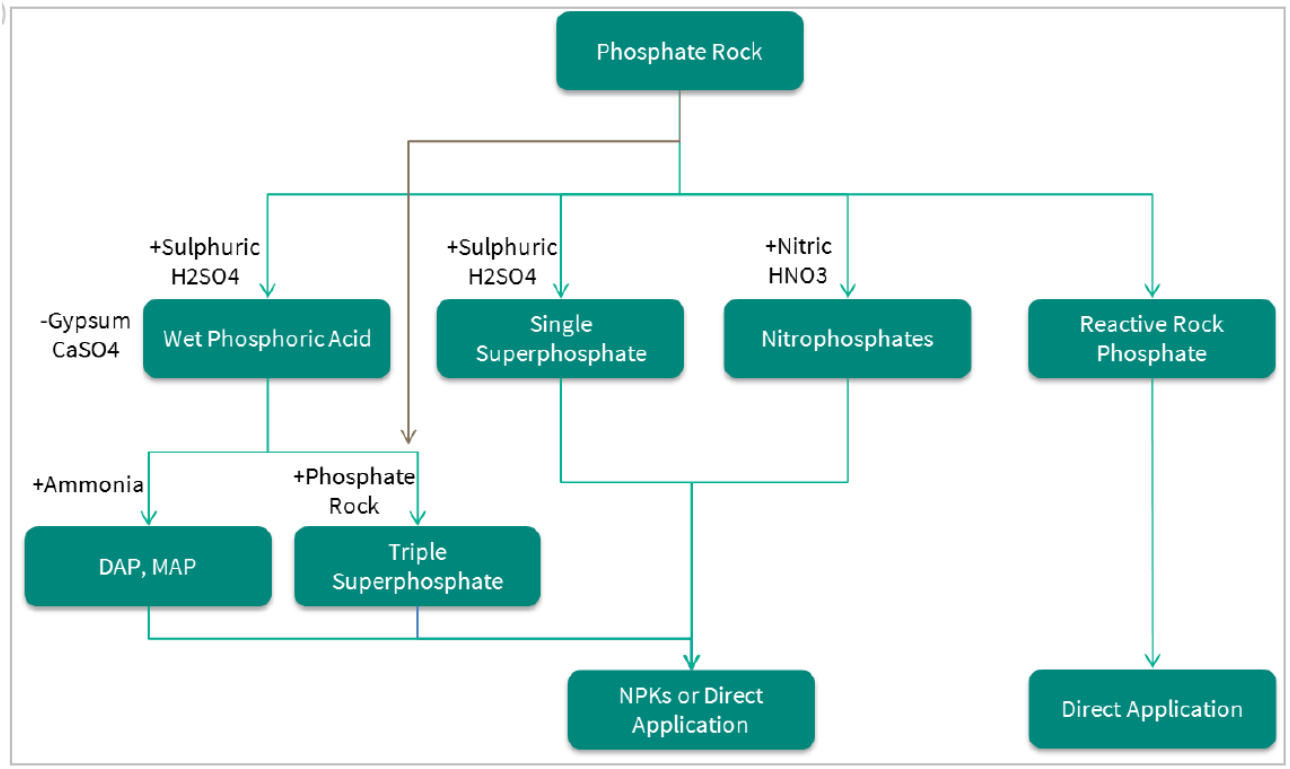

Figure 3-1: Phosphate rock fertiliser products (Van Kauwenbergh, 2010)

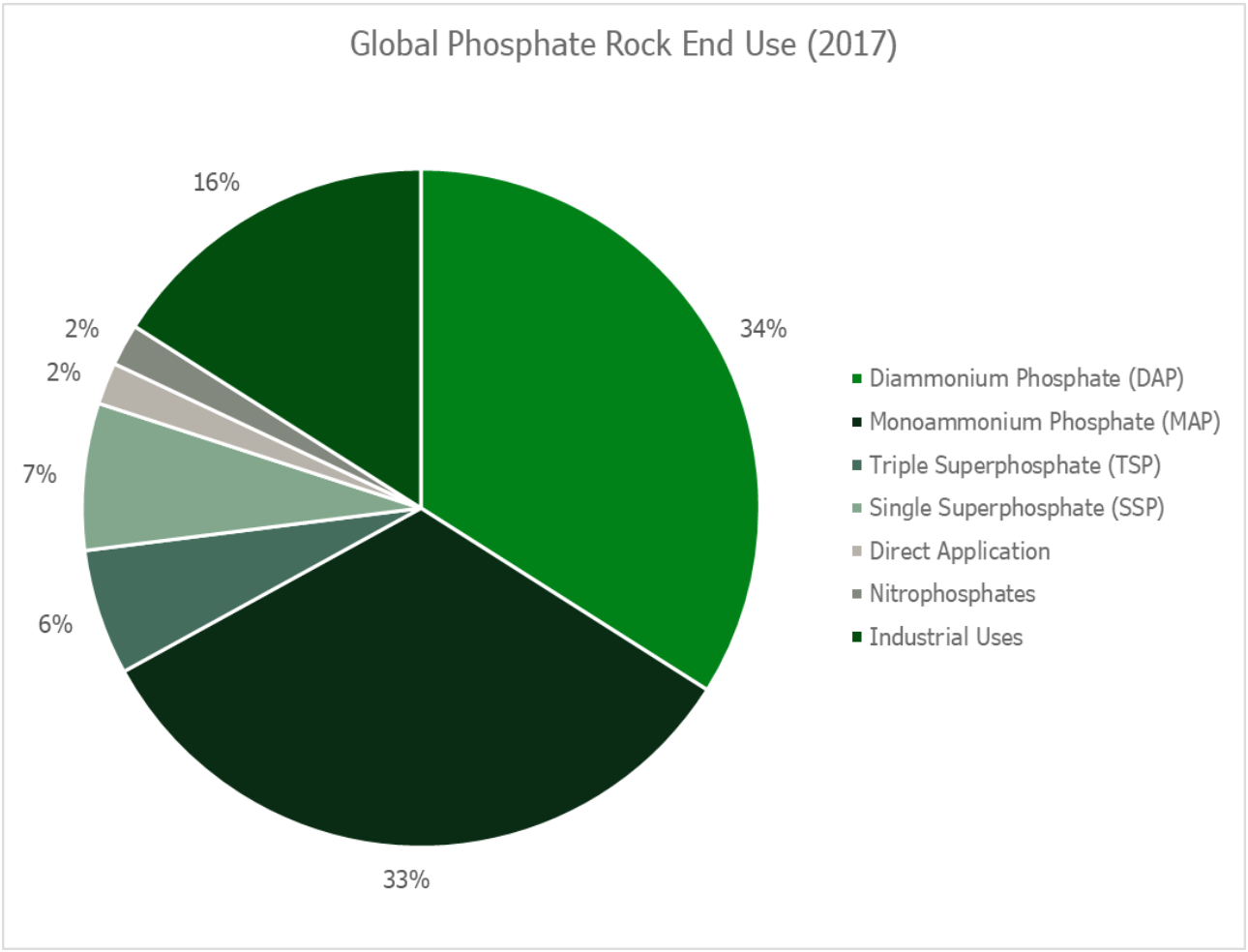

Figure 3-2. Global phosphate rock end use (2017)

Phosphate rock occurrences, Resources and global production

Phosphate rock resources occur principally as sedimentary marine phosphorites. The largest sedimentary deposits are found in northern Africa (Morocco and Senegal), the Middle East, China and the United States.

World resources of phosphate rock are more than 300 billion tonnes, including 65 billion tonnes of reserves, concentrated in northwest Africa (Figure 3-3). There are no imminent shortages of phosphate rock, according to the USGS, and there are no substitutes for phosphorus in agriculture (Jasinski, Phosphate Rock, in, Mineral Commodity Summaries, January 2024, 2024). The global phosphate reserves to production ratio points to 370 years' of supply from currently identified reserves at constant extraction rates but a marked decrease in production between 2060 and 2070 due to depletion of reserves in the US and China (Figure 3-4) (Cooper, Lombardi, Boardman, & Carliell-Marquet, 2011).

Global phosphate rock production, in contained P_2O_5 terms, is forecast to increase to 69.1 Mt by 2027 compared with 63.6 Mt in 2023, representing an increase of approximately 9% over this period (Jasinski, Phosphate Rock, in, Mineral Commodity Summaries, January 2024, 2024). Significant new mining projects are planned to be completed after 2027 by the USGS in Congo, Guinea Bissau and Senegal.
For general use in the fertiliser industry, phosphate rock or its concentrates preferably have levels of approximately 30% phosphorus pentoxide (P_2O_5), reasonable amounts of calcium carbonate (5%), and less than 4% combined iron and aluminium oxides. Worldwide, the resources of high-grade ore are declining, and the beneficiation of lower-grade ore by washing, flotation and calcining is becoming more widespread.

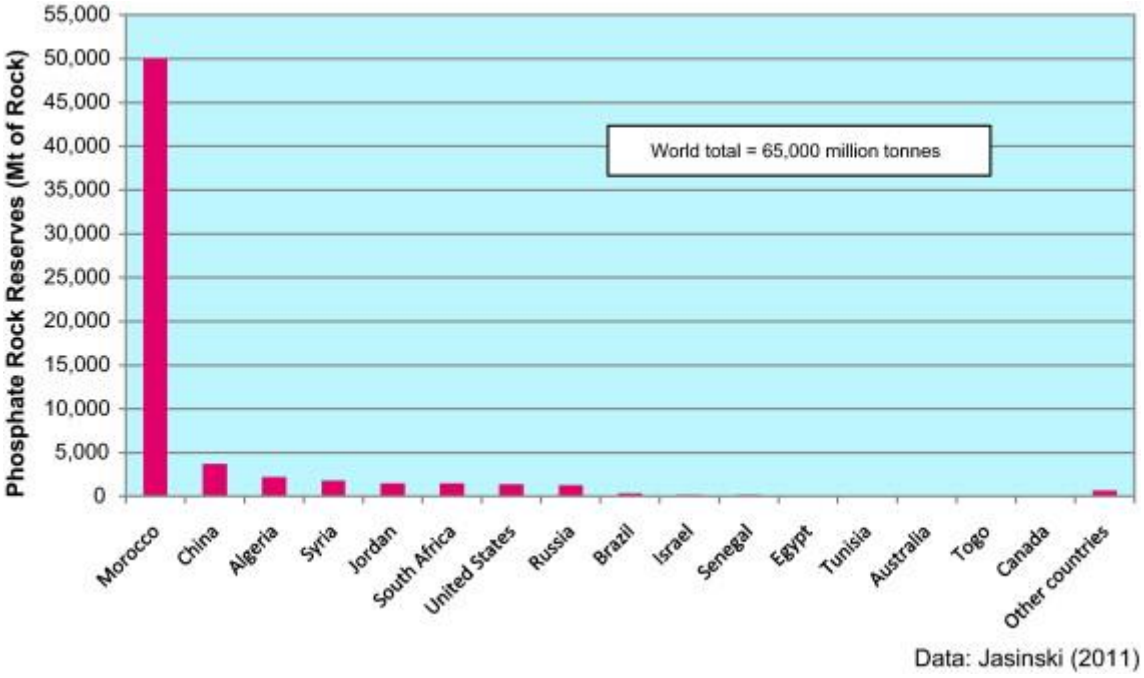

Figure 3-3: Geographic distribution of global phosphate rock reserves
Source: Jasinski (2011)

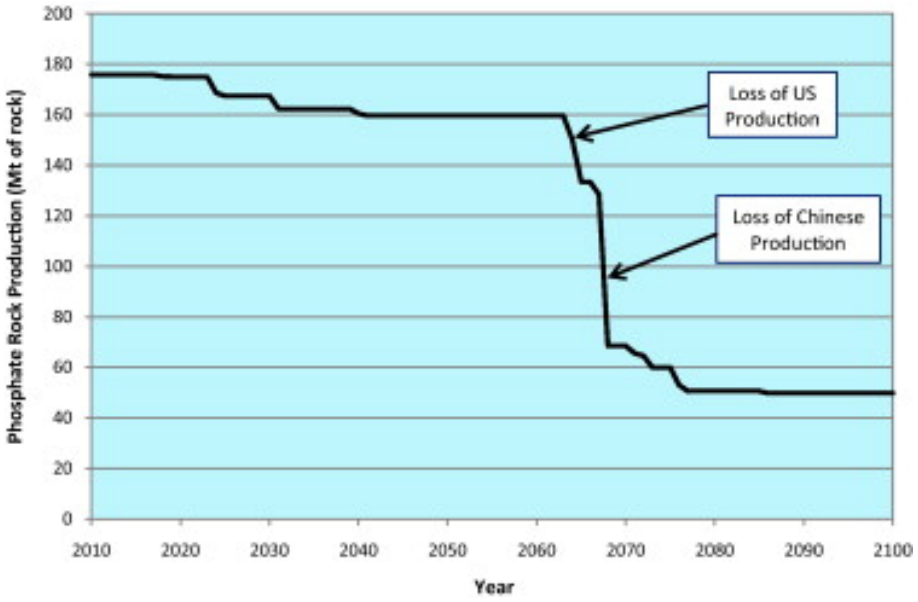

Figure 3-4: Future global phosphate rock production allowing for depleting reserves based on constant individual country extraction rates.

Source: (Cooper, Lombardi, Boardman, & Carliell-Marquet, 2011)

In Australia the Middle Cambrian phosphorite deposits of the Georgina Basin, Queensland and Northern Territory (NT) host 90% of Australia's phosphate rock resources. Wonarah in the NT is Australia's second largest known deposit behind the Ammaroo deposit being studied by Verdant Minerals Ltd (Verdant Minerals, 2024). Incitec Pivot's Duchess mine in the Georgina Basin of northwest Queensland is currently mainland Australia's only phosphate rock mining operation. Other significant resources include the Mount Weld deposit in Western Australian (carbonatite-hosted apatite) and Christmas Island (phosphatic laterite developed on volcanics) (Government of South Australia, 2024).

Phosphorus as a Critical Mineral

Phosphorus is included in the critical minerals lists for Australia, China, the EU, USA and several other countries. Phosphates are on the first watchlist of the UK Critical Minerals Expert Committee.

Phosphate Rock economics and pricing

The phosphate rock price is largely determined by the Morocco phosphate rock price due to Morocco's dominant industry position, in terms of both Mineral Resources, Ore Reserves and annual production. The August 2024 phosphate rock price was US$152.50 per tonne. This price has been used throughout this report. Prices for the past five years (August 2019—August 2024) are presented in Figure 3-5 for production meeting fertiliser industry product specifications.

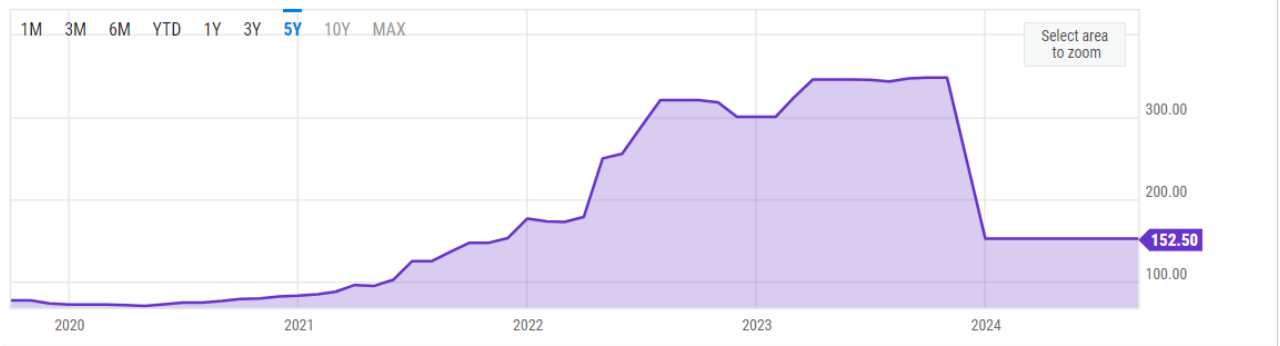

Figure 3-5: Phosphate Rock Prices Aug 2019 - Aug 2024

Phosphate rock is a bulk commodity, where local suppliers benefit from proximity to potential markets. India, Australia, Indonesia, New Zealand, Japan and South Korea are currently reliant on imports from Morocco, Senegal, Peru and Egypt, creating a potential opportunity for Australian producers (Figure 3-6). Emerging Australian producers, including AEV, are pursuing the development of mines producing the raw materials for phosphate chemicals to differentiate them from major international producers and secure higher prices for products for which demand is forecast to increase in coming years. China is a major phosphate producer but uses almost all of its production domestically. This is contributing to China being perceived as an unreliable supplier of phosphate products by overseas clients (Bechtel, 2022)-.

Figure 3-6: Current major Asia-Pacific region phosphate rock importers (green) and suppliers to the region (brown)

Source: (Centrex Metals, 2018)

Avenira is investigating several development options for the Wonarah project, including value adding through production of phosphorus products.

3.3 Yellow Phosphorus Industry

YP is a highly reactive, white or yellow-coloured, waxy substance that is produced through the heating of white phosphorus in an inert atmosphere to around 250-300°C, which causes it to melt and then vapourise. The vapour is then condensed into a liquid, which solidifies into a waxy substance upon cooling. YP is used in a broad range of industrial applications including the production of fertilisers, pesticides, flame retardants, certain types of plastics and synthetic resins, as well as in the production of semiconductors and other electronic components (Chexngxing, 2023). YP is recognised as a critical material in the LFP battery supply chain. Phosphate rock has been included in the European Union Critical and Raw Materials list.

Major players in the global YP industry include Kazphosphate LLC, Jiangyin Chengxing Industrial Group Ltd and Hubei Xingfa Chemicals Group Co. Ltd. The largest market for YP is the Asia-

Pacific region. The global YP market was estimated to be 2,100 kt in 2022, expected to grow at a CAGR of over 5.3% to exceed 3,000 kt annually by 2030 (Chemanalyst, 2023).

Approximately 7.5 tonnes of phosphorus slag are generated during the production of one tonne of phosphorus, composed primarily of calcium oxide (CaO) and silicon dioxide (SiO_2), with traces of minor components including 2.5—5 wt.% Al_2O_3, 0.2—2.5 wt.% Fe2O3, 0.5—3 wt.% MgO, 1—5 wt.% P_2O_5, and a range of trace elements, depending on the characteristics of the source materials used (Criado, Xinyuan, Provis, & Bernal, 2017).

3.4 Australian Phosphate Production and consumption

Incitec Pivot's Duchess mine in the Georgina Basin of northwest Queensland, approximately 580 km southeast by road from Avenira's Wonarah project, is the only current phosphate rock producer in Australia. The Phosphate Hill mine is the only significant manufacturer of Monoammonium Phosphate (MAP) and Diammonium Phosphate (DAP) in Australia. The mine currently produces between 730-770 kt of phosphate fertiliser products annually (Incitec Pivot Ltd, 2024). Production utilises natural gas from a major pipeline passing through the site and sulphuric acid sourced from Glencore's copper and lead smelting operations in Mount Isa which will be curtailed with the proposed closure of the Mount Isa copper mine in 2015. The mine's production is shipped by rail to Townsville from where it is shipped to distribution centres throughout Australia for sale to agricultural end users in both bulk and packaged form.

Australia consumes about 400 kt of phosphorus annually, about half of which is produced in Australia (Fertilizer Australia, 2024). The domestic fertiliser market is highly competitive and barriers to entry are low. Major fertiliser products are traded in significant volume on the world market and the only requirement for entry into Australia are strict quarantine regulations.

Avenira, by focusing on phosphate chemicals, is targeting a market segment where there are no current domestic competitors.

4. Wonarah Phosphate Project, NT.

4.1 Project Location

The Wonarah project is located around 960 km southeast of Darwin, in the Barkly Tableland of the Northern Territory (Figure 4-1). The project is approximately 400 km west of Mount Isa, Queensland and 250 km east of Tennant Creek, NT, close to the Barkly Highway which joins the two towns. The project site the south of the Barkly Highway, approximately 75 km to the east of Barkly Roadhouse.

The coordinate system used in this section is Map Grid of Australia 1994 (MGA94) Zone 53.

Figure 4-1: Location of the Wonarah project.

Source: Avenira

4.2 Climate and topography

Wonarah is in the south-central area of the Barkly region. The climate of much of the Barkly region is semiarid, merging into an arid zone at the southern limit and into a narrow subhumid northern strip adjoining the Gulf of Carpentaria. The climate is monsoonal with well-defined wet and dry seasons, with nearly all rain falling between October and March and the greatest incidence during December and January. Light rains are sometimes received during the dry season, but the period between April and September is frequently dry.

Bureau of Meteorology records show an expected annual rainfall of 602 mm, based on records from the Tennant Creek station.

Monthly temperatures are high throughout the year, particularly in October to March prior to the onset of the wet season. Relative humidity reaches its highest levels in January.

4.3 Access and Infrastructure

Wonarah is accessed via the Barkley Highway, a sealed road between Tennant Creek to the west and Mt Isa to the east (Figure 4-1). The road surface meets national highway standard and provides a secure road access to the mine site, except in exceptional flooding conditions.

The Wonarah site is close to the NGP which could provide natural gas for the manufacture of phosphate products onsite in the future.

4.4 Existing Landuse

The region is predominantly used for pastoral activities, with large-scale cattle grazing constituting the primary land use. This area is part of the extensive Barkly Tableland, one of Australia's most important pastoral zones due to its vast tracts of semiarid grasslands that are highly suitable for extensive cattle operations. The landscape is dominated by large pastoral stations, including prominent properties such as Barkly Downs and Alexandria, which operate over thousands of square kilometres.

4.5 Exploration and Mining Tenure

Mineral Exploration and Mining Tenements

Avenira's landholding at Wonarah consists of two granted mining leases and six granted exploration leases with a total area of 1,494.12 km^2. All leases are 100% held by Minemakers Australia Pty Ltd, a 100% owned subsidiary of AEV (Table 4-1).

The estimated Mineral Resources lie within Exploration Licence EL EL32359 and Mining Lease ML33343 (Main Zone); and EL29840 and ML33344 (Arruwarra), and EL33610, formed by the amalgamation of EL29849 and EL33063 (Figure 4-2).

A significant part of the mineral resources were previously contained within mining lease ML27244. This mining lease was conditionally surrendered in May 2017 to significantly reduce project holding costs. Tenure was maintained over the mineral resources through the granting of the three exploration licences (EL 33062, EL 33192, EL 33193).

Avenira's Wonarah project tenements are considered by ERM to be in good standing according to NT government tenure information accessed online, which ERM considers to be reliable. Independent legal confirmation of this, however, should be sought.

Table 4-1: Avenira's Wonarah tenements

Tenement	EL29840	EL32359	ML33343	ML33344	EL33062	EL33192	EL33193	EL33610
Area (km^2)	41.79	98.50	16.86	29.95	371.72	460.99	460.42	13.89
Area (ha)	4,179.0	9,849.7	2,994.7	1,686.0	37,171.7	46,098.9	46,042.4	1,389.0
Granted	19/03/2013	26/05/2020	11/04/2023	11/04/2023	14/10/2022	15/11/2022	15/07/2022	19/10/2023
Exp Requirement: 22-23 (A$)	-	-			40,600	31,500	31,600	
Exp Requirement: 23-24 (A$)	10,500	147,200			41,000	45,750	46,000	20,000
Exp Requirement: 24-25 (A$)								

There are also a number of small area licences for bore fields and access roads. This tenure is not considered material to the valuation since this tenure supports and enables the value of the main tenure.

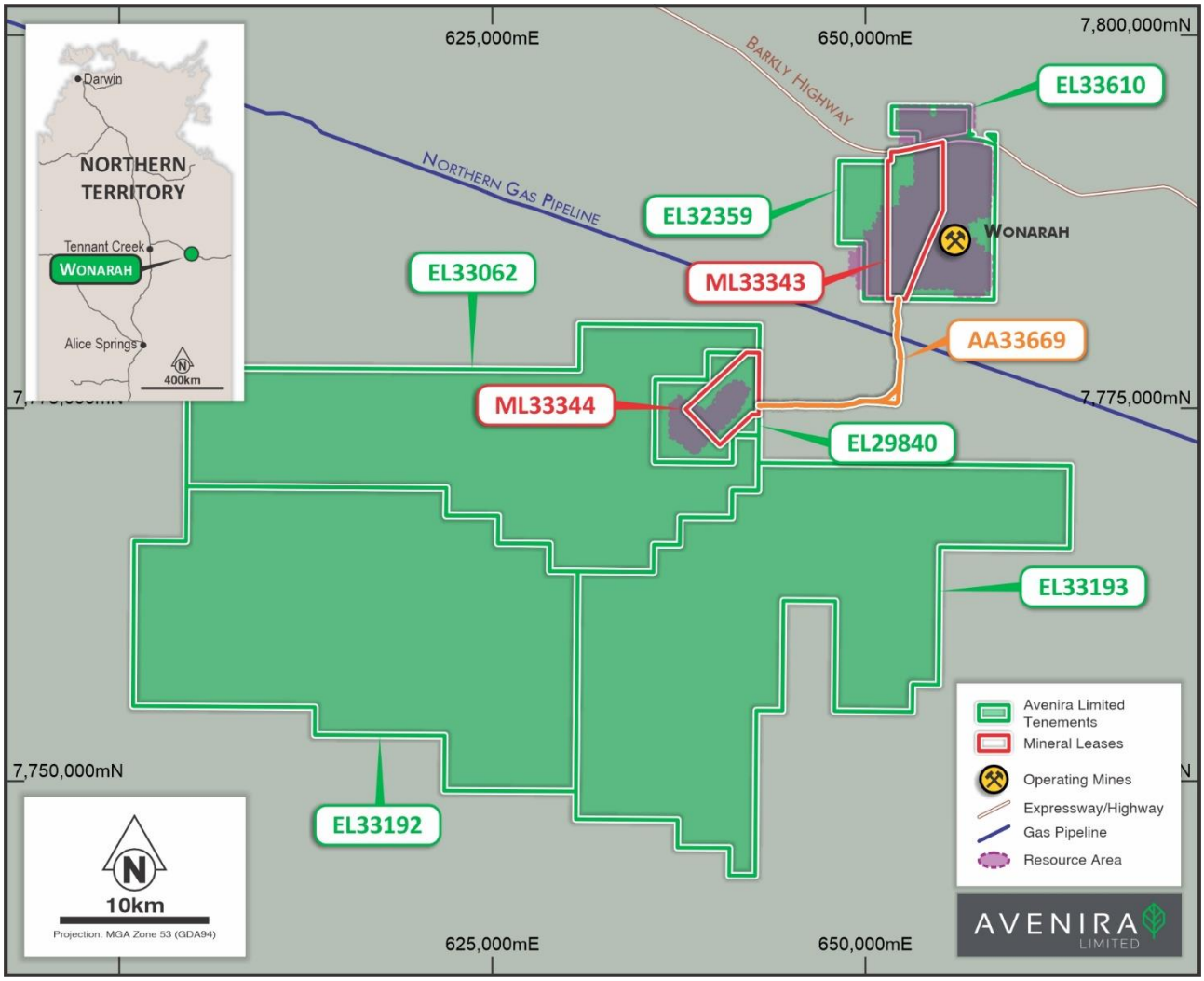

Figure 4-2: Avenira's Wonarah tenements and resource areas.

Source: Avenira

Restricted Land in the Project Area

No restricted land is known within the project tenements.

As per Native Title Agreement over the project, ground disturbing fieldwork is subject to heritage survey clearances which could result in restrictions on exploration activities in some areas.

Native Title

Wonarah is situated on Arruwurra enhanced freehold land owned by the Arruwurra Aboriginal Corporation (AAC). This results in local Aboriginal Land Councils not being involved in determining access to land or being stakeholders in the project. A mining agreement was signed between Avenira and AAC in July 2023.

4.6 Exploration and Development History

The Wonarah area was initially identified as having phosphate potential in 1967 by ICI Australia, however, it was not until the year 2000 that major discoveries were made. These were driven by exploration efforts conducted by Rio Tinto, which undertook more detailed drilling and exploration campaigns. Avenira's drilling database also records drilling completed by a number of other explorers (Figure 4-3).

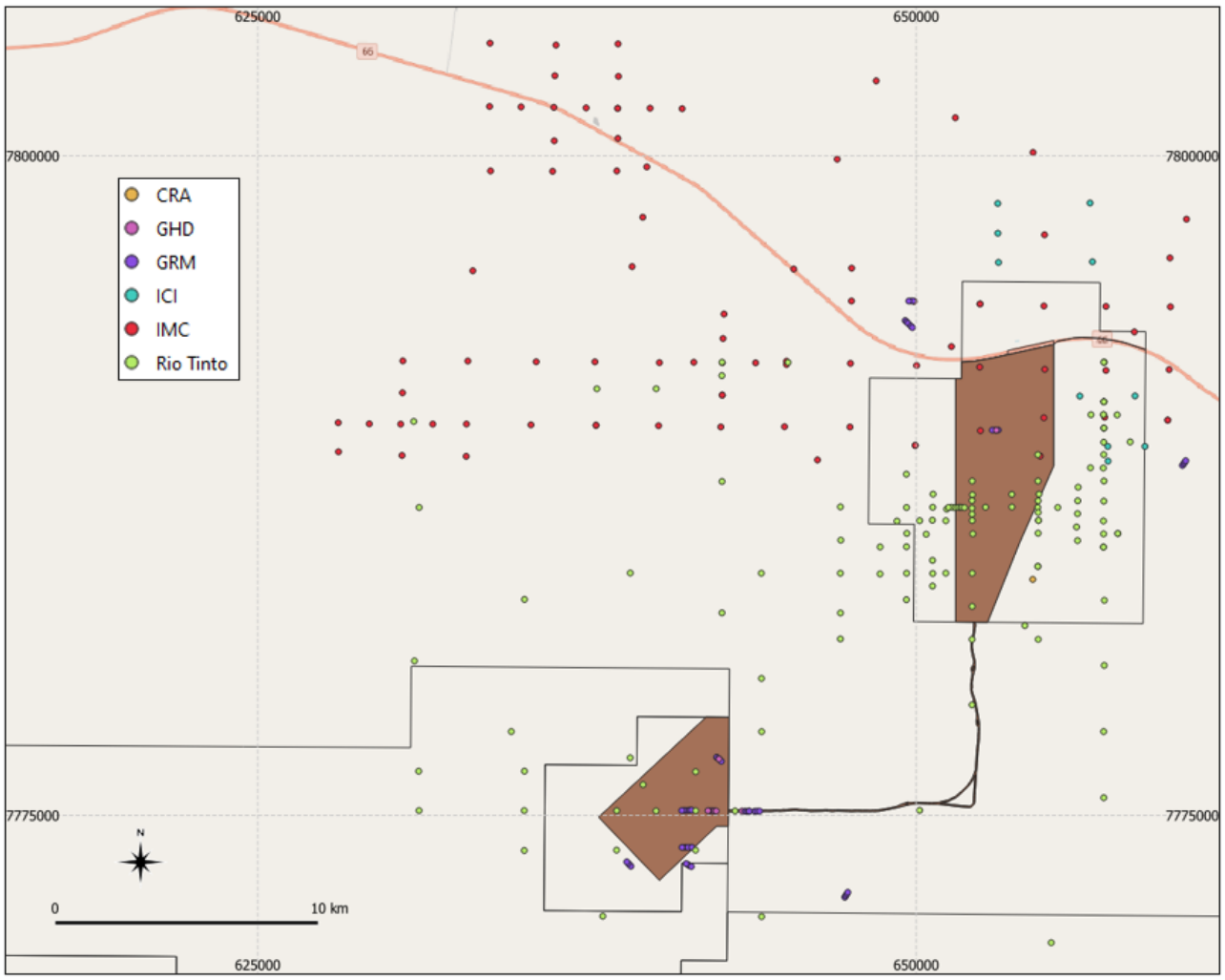

Figure 4-3: Historical Drilling recorded in Avenira's drilling database for the Wonarah project, coloured by company.

Avenira's exploration activities have generally comprised initial broad spaced RC drilling aimed at outlining the extents of the main mineralised zones followed by successively tighter infill drilling designed to improve definition of the distribution of phosphate mineralisation within the broader zones (Figure 4-4). The infill drilling has been focused on higher-grade portions of the mineralisation with drill hole spacings selected based on interpreted local mineralisation trends. Higher-grade portions of the mineralisation which have been the focus of Avenira's closer spaced infill drilling include the basal BPH zone at Arruwurra and higher-grade, generally northeast trending zones within the MPH at Main Zone.

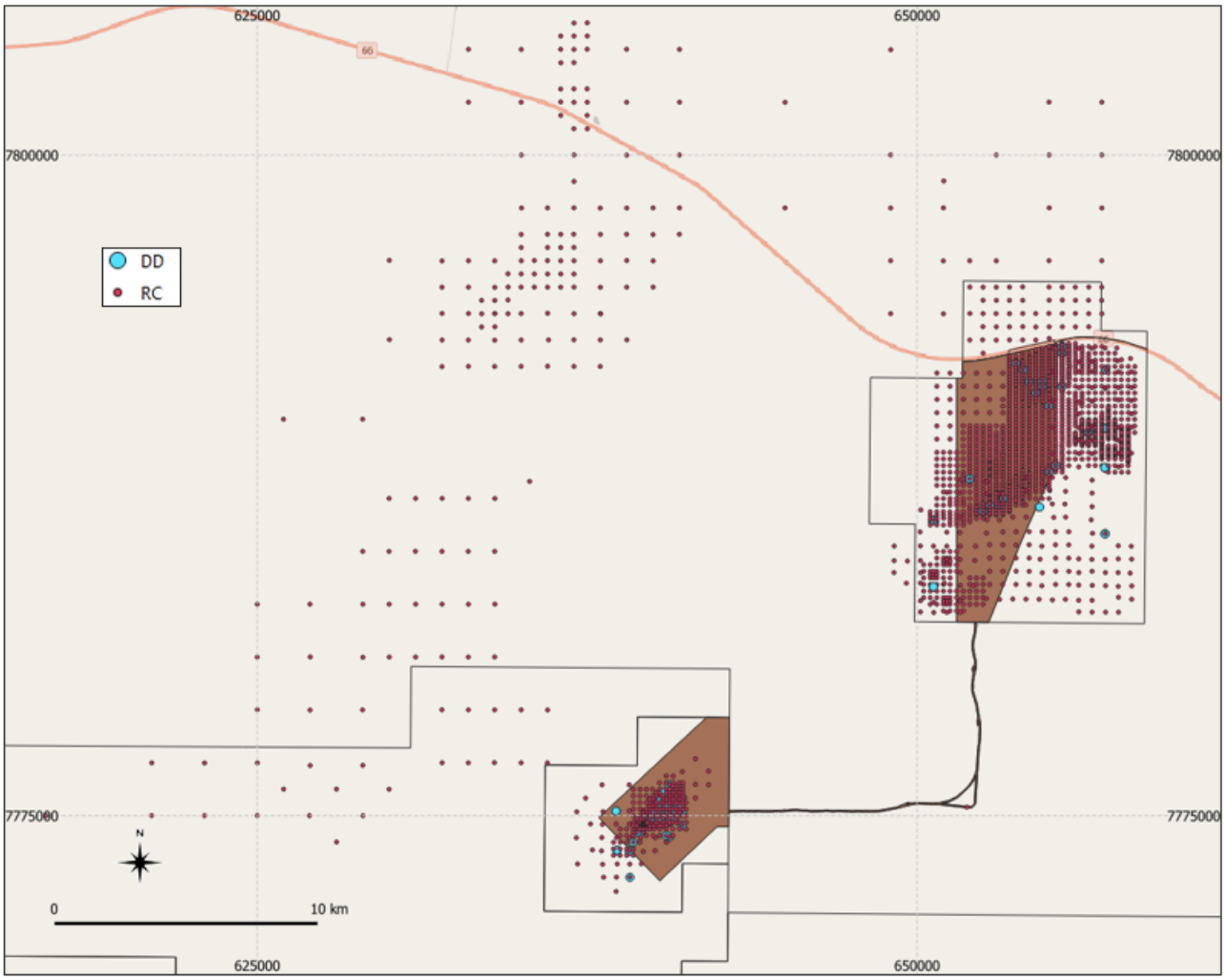

Figure 4-4: Avenira's drilling at the Wonarah project.

Mining to date is limited to a 2009 bulk sampling exercise.

4.7 Geology and Resources

Regional Geology

The Wonarah deposit is located within the Georgina Basin, a sedimentary basin containing Early and Middle Palaeozoic sediments which occurs over a broad area of western Queensland and the eastern NT (Figure 4-5). The Georgina Basin contains several significant phosphate deposits, including the Phosphate Hill deposit which Incitec Pivot has developed to produce ammonia and phosphoric acid used in fertiliser production

The Georgina Basin is subdivided into several subbasins that primarily reflect the thickness of Cambrian deposition. Within the region of the deposit, two subbasins occur, the Brunette and the Undilla, which are made up of Middle Cambrian sediments and volcanics.

Within these subbasins, two geological sequences (the Ordian (510—520 Ma) and the Late Templetonian (510-508 Ma)) have been identified (Figure 4-6). The Ordian sequence consists of Thorntonia limestone (dolomitic siltstone) onlapping onto the Peaker Piker Volcanics which comprise weathered basalt and dolerite.

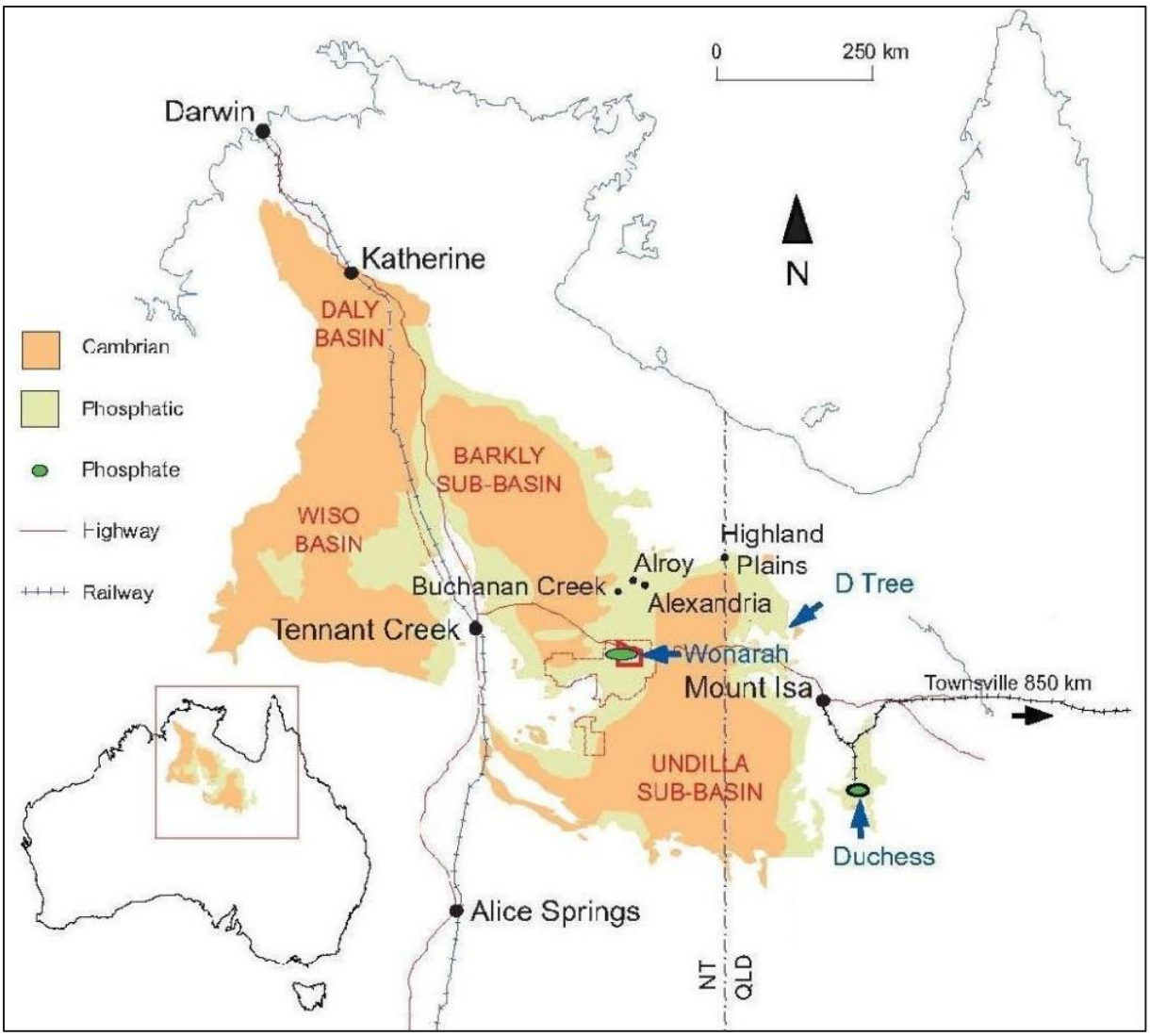

Figure 4-5: Distribution of Late Proterozoic to Early Palaeozoic rocks of the Georgina Basin in western Queensland and eastern NT, Australia.

Source: Avenira

The Late Templetonian unconformably overlies the Ordian. Its basal unit is represented by the Upper Gum Ridge Formation, which consists of mudstone and siltstones variably overlain by brecciated chert and mudstone phosphorite, which hosts the phosphorite mineralisation included in the current estimates.

The Upper Gum Ridge Formation is overlain by the Wonarah Beds which are devoid of significant phosphate mineralisation and comprise of mudstone, siltstone and dolostone with minor nodular chert.

Several metres of aeolian sands and variably developed, locally outcropping silcrete, ferricrete and calcrete overlays most of the Wonarah area.

Deposit Geology and Mineralisation

There are two mineral deposits at Wonarah: the Main Zone and the smaller, shallower and slightly higher-grade Arruwurra deposit. These are hosted by flat lying to gently undulating phosphorite bearing sedimentary rocks of the Upper Gum Ridge Formation.

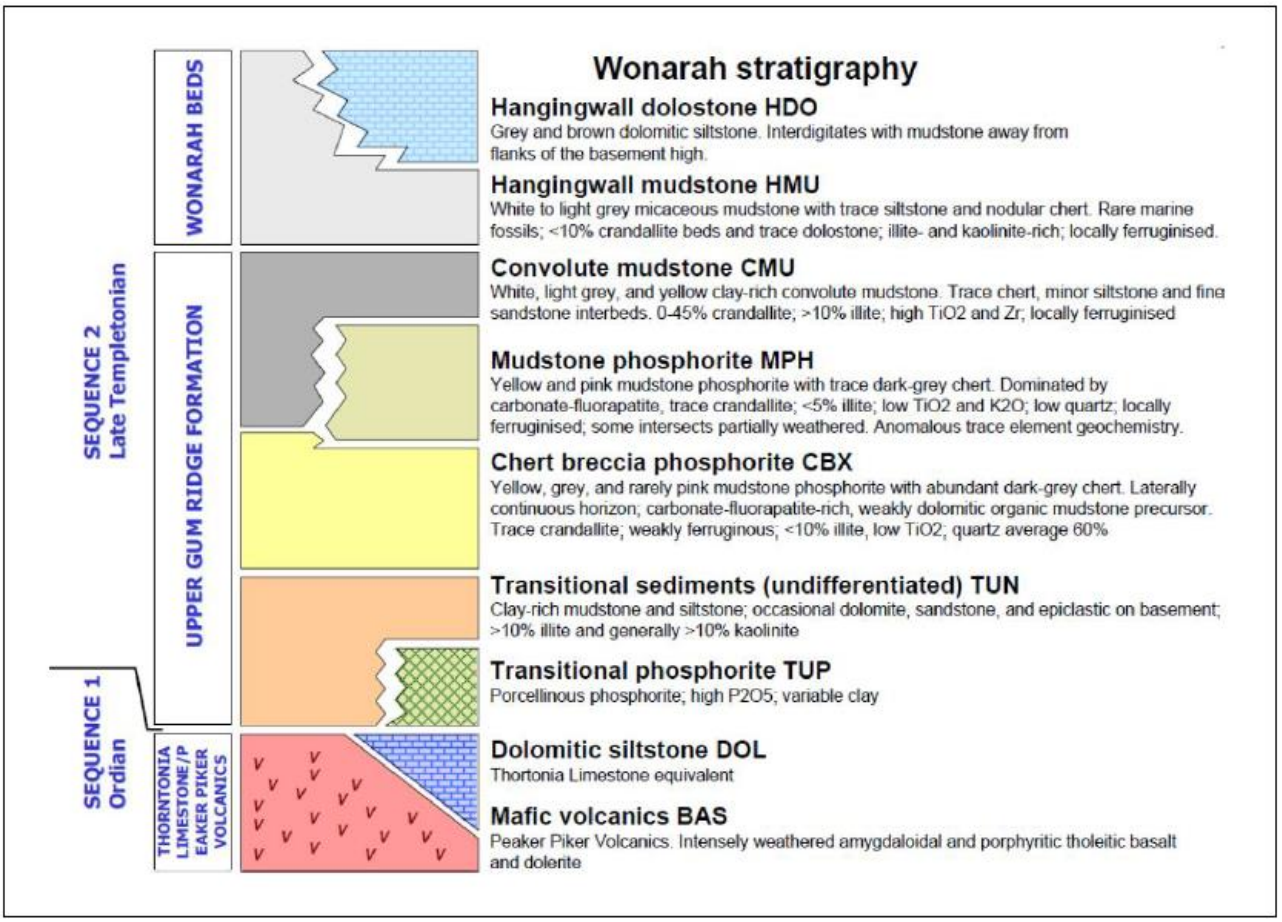

Figure 4-6: Stratigraphy in the Wonarah region.

Source: Avenira

Avenira subdivide the Upper Gum Ridge Formation into four units which are listed in stratigraphic (top down) order in Figure 4-6.

Four phosphate horizons are recognised, two in the Arruwurra deposit and two in the Main Zone. These units are interpreted to occupy similar stratigraphic positions but are distinguished due to lithological and mineralogical differences. In the Arruwurra deposit, mineralisation is present in a main mudstone phosphorite unit (APH) with an internal basal indurated high phosphate grade unit (BPH). Mineralised domains interpreted for Main Zone comprise a mudstone phosphorite (MPH) unit underlain by Chert Breccia Phosphorite (CBX) and undifferentiated Transitional Sediments (TUN) which contain locally developed and generally discontinuous beds of high-grade porcelaneous mudstone phosphorite designated as transitional phosphorite (TUP). Thin discontinuous zones of elevated phosphate grades within mudstone above the main mineralised envelope are designated as CMU.

The Transitional Undifferentiated sediments (TUN) unit shows generally only low phosphate grades. Higher-grade portions include rare generally discontinuous beds of high-grade porcelaneous mudstone phosphorite designated as transitional phosphorite (TUP).

The chert (breccia) fragments within the CBX unit are interpreted to represent silicified phosphatic dolostone bands, replaced by silica during diagenesis, and brecciated through post-depositional collapse processes.

The mudstone phosphorite (MPH) unit is commonly friable with typically medium to high phosphate grades. At Arruwurra this unit is designated as APH and locally includes a visually distinct indurated, high-grade phosphorite basal unit designated as the Basal Phosphorite (BPH).

The Convolute Mudstone (CMU) overlies the main mineralised zones and generally contains only low-grade phosphorus values interpreted to be of supergene origin with rare, discontinuous high-grade mudstone phosphorite interbeds.

The mineralised domains used for resource estimation reflect the rock units described above and were interpreted based on Avenira's geological logging and one metre down-hole composited assay grades. These domains are gently undulating, with an overall gentle dip of less than one degree towards the south and west. The distribution of the mineralised domains interpreted for Arruwurra and Main Zone is summarised below.

At Arruwurra, the CBX unit is less well developed than at Main Zone. The majority of Arruwurra phosphate mineralisation is hosted by the APH unit which averages around 6 m thick. The Arruwurra domains cover an area around 6 x 2.5 km. The high-grade basal BPH zone is developed in central portions of the deposit with an average interpreted thickness of approximately 1.6 m over an area around 0.9 x 2.2 km. The mineralisation trends northeast-southwest, outcropping in the northeast and sloping shallowly to the southwest. It reaches depths of about 55 m; however, a substantial proportion of the mineralisation is within 30 m of the surface. A cross-section of Arruwurra is shown in Figure 4-7.

Main Zone mineralised domains are interpreted to cover an area around 10 km east-west by 14 km north-south. The MPH and CBX domains dominate the Main Zone resources and contain around 96% of combined Measured and Indicated Mineral Resources estimated for this deposit at a cut-off grade of 10% P_2O_5. The MPH domain averages approximately 4 m thick. CBX mineralisation is significantly more continuous than the MPH zone. It is interpreted over most of the Main Zone area with an average thickness of around 4 m. The TUP and CMU mineralised domains represent comparatively small, discontinuous zones that are generally intersected by only a small number of drill holes. Overall, the combined thickness of the mineralised sequence is about 10 m. The mineralisation reaches depths of about 75 m, however, most of the mineralisation is within 50 m of the surface. A cross-section of Main Zone is shown in Figure 4-8.

Mineral Resource Estimation

The Mineral Resource Estimate for the Wonarah deposit reported in June 2022 is,

- 533 Mt at 21% P_2O_5, based on a 15% P_2O_5 cut-off grade; and
- 812 Mt at 17% P_2O_5 based on a 10% P_2O_5 cut-off grade.

The Wonarah resource model was re-evaluated in September 2023 with a 27% P_2O_5 cut-off grade. At this cut-off grade, the resultant Mineral Resources estimate is 66 Mt at 30% P_2O_5.

Table 4-2 summarises the combined Wonarah mineral resource estimates. The figures in this table are rounded to reflect the precision of the estimates and include rounding errors.

Table 4-3 provides a breakdown of the latest resource estimate for the project at a 27% P_2O_5 cut-off grade broken down by deposit (Abbott, 2022). The Arruwurra zone Mineral Resource comprises only 6% of the total phosphate resource for the project above a 27% P_2O_5 cut-off and is slightly higher-grade than the remainder of the deposit.

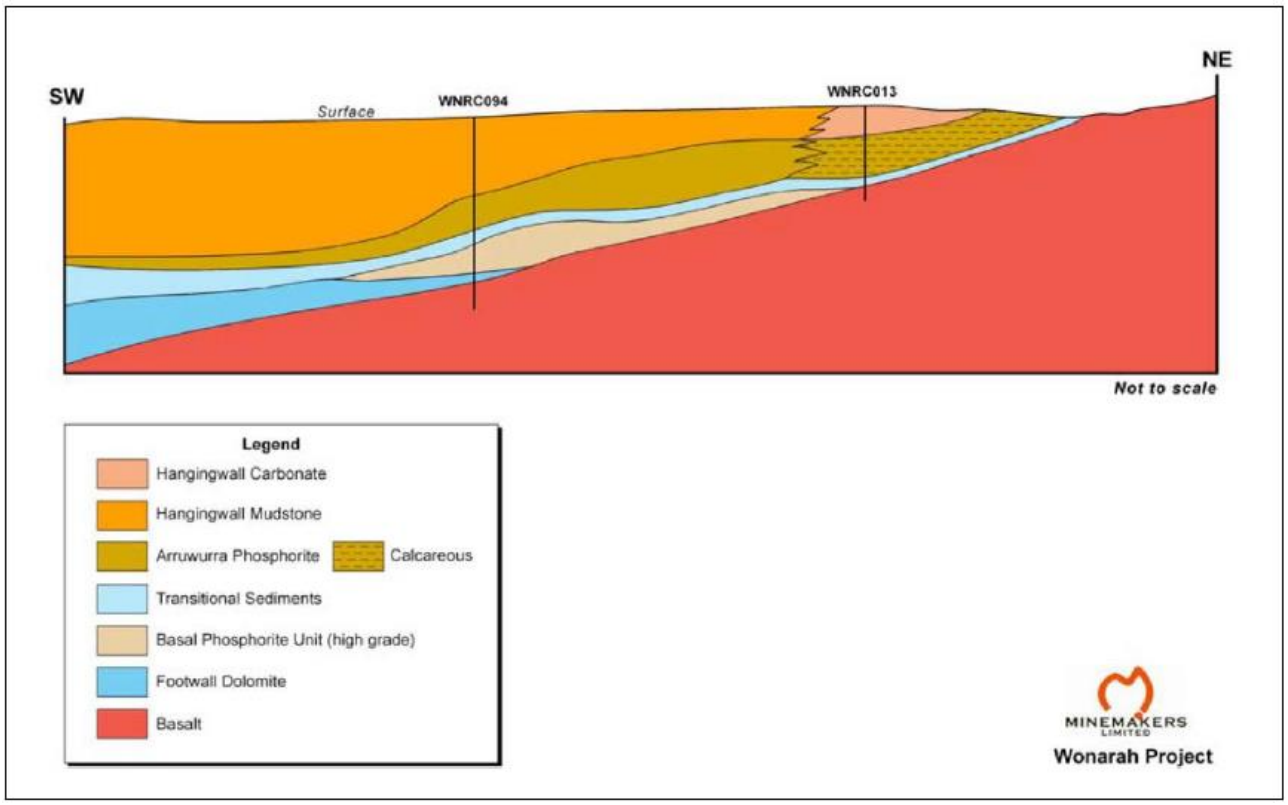

Figure 4-7: Arruwurra cross-section.

Source: Avenira

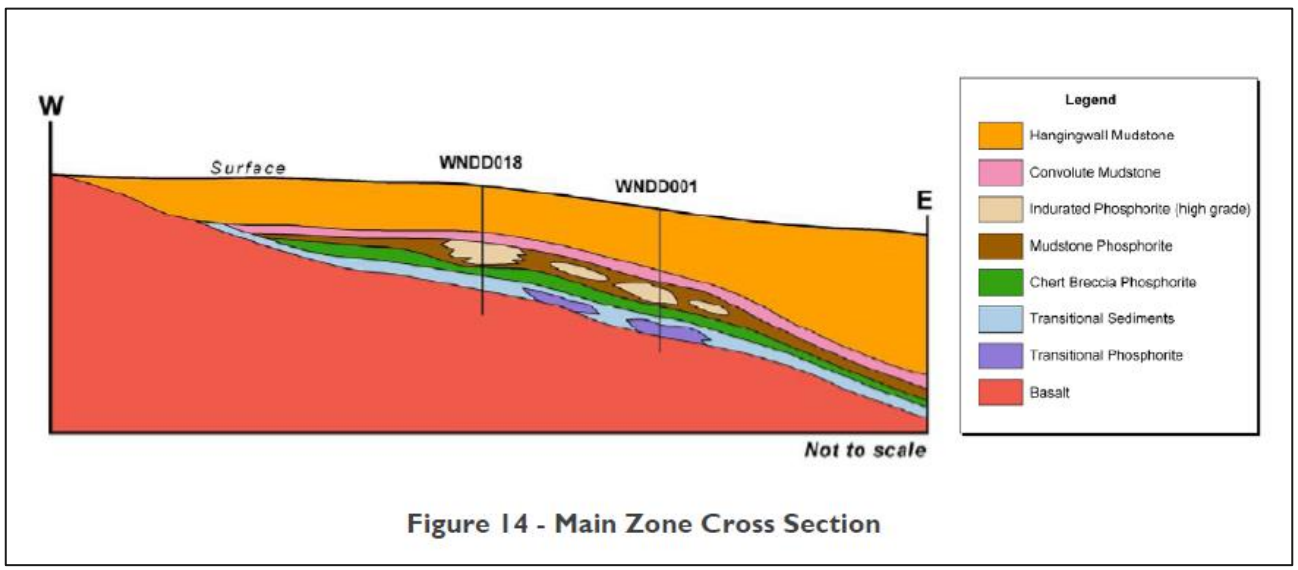

Figure 4-8: Main Zone cross-section.

Source: Avenira

Figure 4-9 and Figure 4-10 show the extents of mineralisation included in the current estimates relative to the tenement boundaries.

Table 4-2: Wonarah Mineral Resource Statement.

Cut-off P_2O_5	Resource Category	Tonnes	P_2O_5	Al_2O_3	CaO	Fe_2O_3	K_2O	MgO	MnO	Na_2O	SiO_2	TiO_2
		Mt	%	%	%	%	%	%	%	%	%	%
10%	Measured	78.3	20.8	4.85	28.0	1.11	0.43	0.25	0.04	0.10	39.7	0.21
	Indicated	222.0	17.5	4.75	23.2	1.49	0.47	0.20	0.04	0.09	48.3	0.22
	Meas+Ind	300.3	18.4	4.78	24.5	1.40	0.46	0.21	0.04	0.09	46.1	0.22
	Inferred	512.0	18.0	4.80	24.0	2.10	0.50	0.20	0.08	0.05	46.0	0.20
	Total	812.3	18.1	4.79	24.2	1.84	0.49	0.20	0.07	0.07	46.0	0.21
15%	Measured	64.9	22.4	4.47	30.0	1.10	0.37	0.19	0.04	0.09	37.0	0.19
	Indicated	133.0	21.1	4.77	28.0	1.53	0.47	0.21	0.04	0.09	39.7	0.22
	Meas+Ind	197.9	21.5	4.67	28.7	1.39	0.44	0.20	0.04	0.09	38.8	0.21
	Inferred	352.0	21.0	4.50	28.0	2.00	0.50	0.20	0.10	0.08	39.0	0.20
	Total	549.9	21.2	4.56	28.2	1.78	0.48	0.20	0.08	0.08	38.9	0.20
27%	Measured	3.4	30.9	3.14	42.1	0.85	0.18	0.19	0.05	0.08	18.0	0.14
	Indicated	9.6	30.0	3.43	38.8	1.14	0.28	0.11	0.03	0.08	24.7	0.15
	Meas+Ind	13.0	30.2	3.35	39.7	1.06	0.25	0.13	0.04	0.08	22.9	0.15
	Inferred	53.0	30.0	3.10	40.0	1.30	0.30	0.10	0.10	0.06	22.0	0.10
	Total	66.0	30.0	3.15	39.9	1.25	0.29	0.11	0.09	0.06	22.2	0.11

Source: Avenira.

Table 4-3: Wonarah project Mineral Resource, by Prospect at 27% P_2O_5 cut-off

Area and Ore Type	Resource Category	Tonnes	P_2O_5	Al_2O_3	CaO	Fe_2O_3	K_2O	MgO	MnO	Na_2O	SiO_2	TiO_2
		Mt	%	%	%	%	%	%	%	%	%	%
Arruwurra (BPH)	Measured	3.4	30.9	3.14	42.1	0.85	0.18	0.19	0.05	0.08	18.0	0.14
	Indicated	0.6	30.7	2.95	41.8	1.05	0.20	0.22	0.05	0.08	18.6	0.13
	Total	4.0	30.9	3.11	42.1	0.88	0.18	0.19	0.05	0.08	18.1	0.14
Main Zone (MPH)	Indicated	9.0	30.0	3.46	38.6	1.15	0.29	0.10	0.03	0.08	25.1	0.15
	Inferred	37.0	30.0	3.30	40.0	1.30	0.30	0.10	0.04	0.07	21.0	0.10
	Total	46.0	30.0	3.33	39.8	1.27	0.30	0.10	0.04	0.07	21.8	0.11
Main Zone (TUP)	Inferred	16	30	2.5	40	1.3	0.2	0.1	0.09	0.04	23	0.2
Combined	Measured	3.4	30.9	3.14	42.1	0.85	0.18	0.19	0.05	0.08	18.0	0.14
	Indicated	9.6	30.0	3.43	38.8	1.14	0.28	0.11	0.03	0.08	24.7	0.15
	Inferred	53.0	30.0	3.06	40.0	1.30	0.27	0.10	0.10	0.06	21.6	0.13
	Total	66.0	30.0	3.12	39.9	1.25	0.27	0.11	0.09	0.06	21.9	0.13

Source: Abbott (2022)

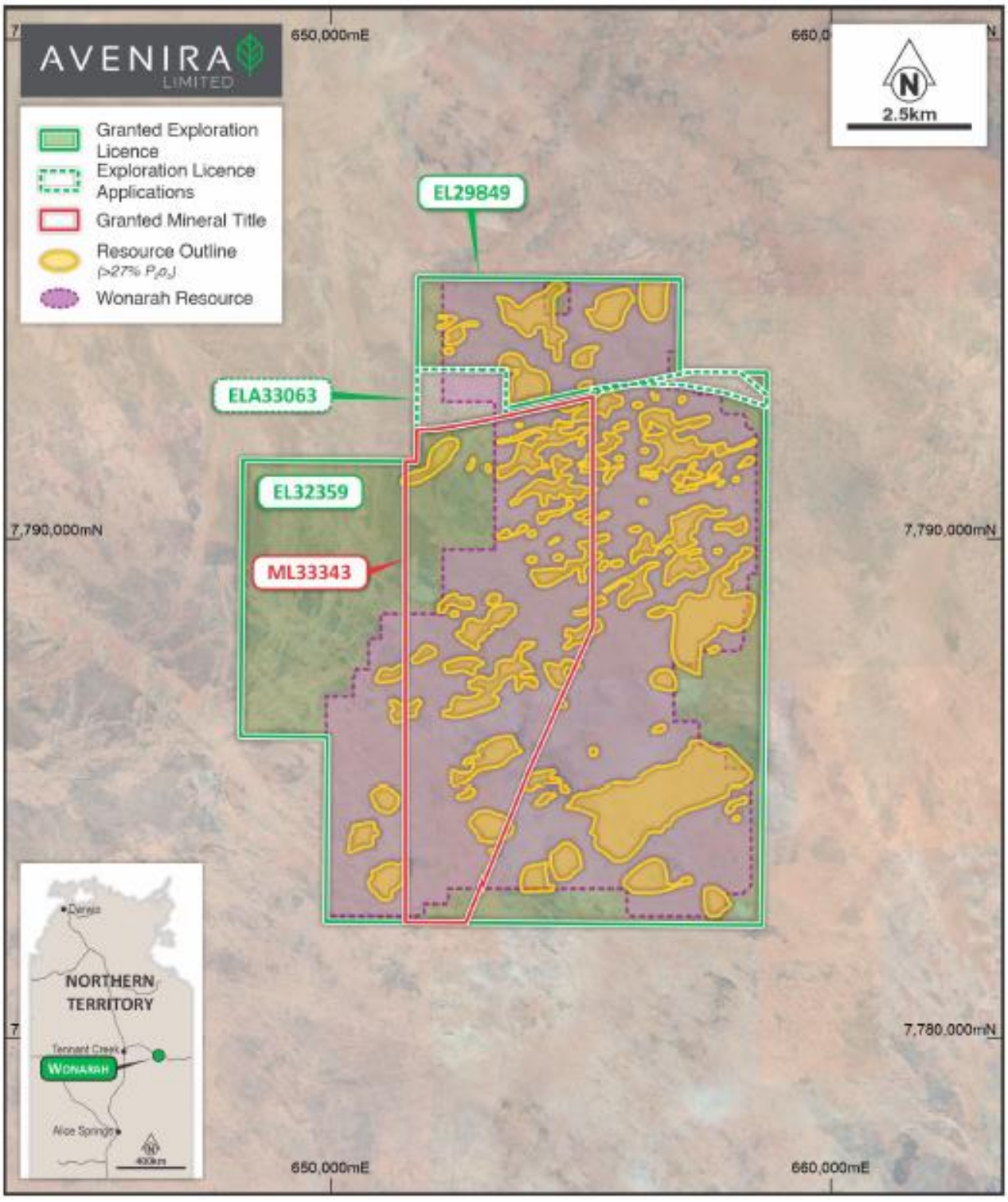

Figure 4-9: Wonarah Main Zone Resource Block Model >27% P_2O_5.

Source: Avenira.

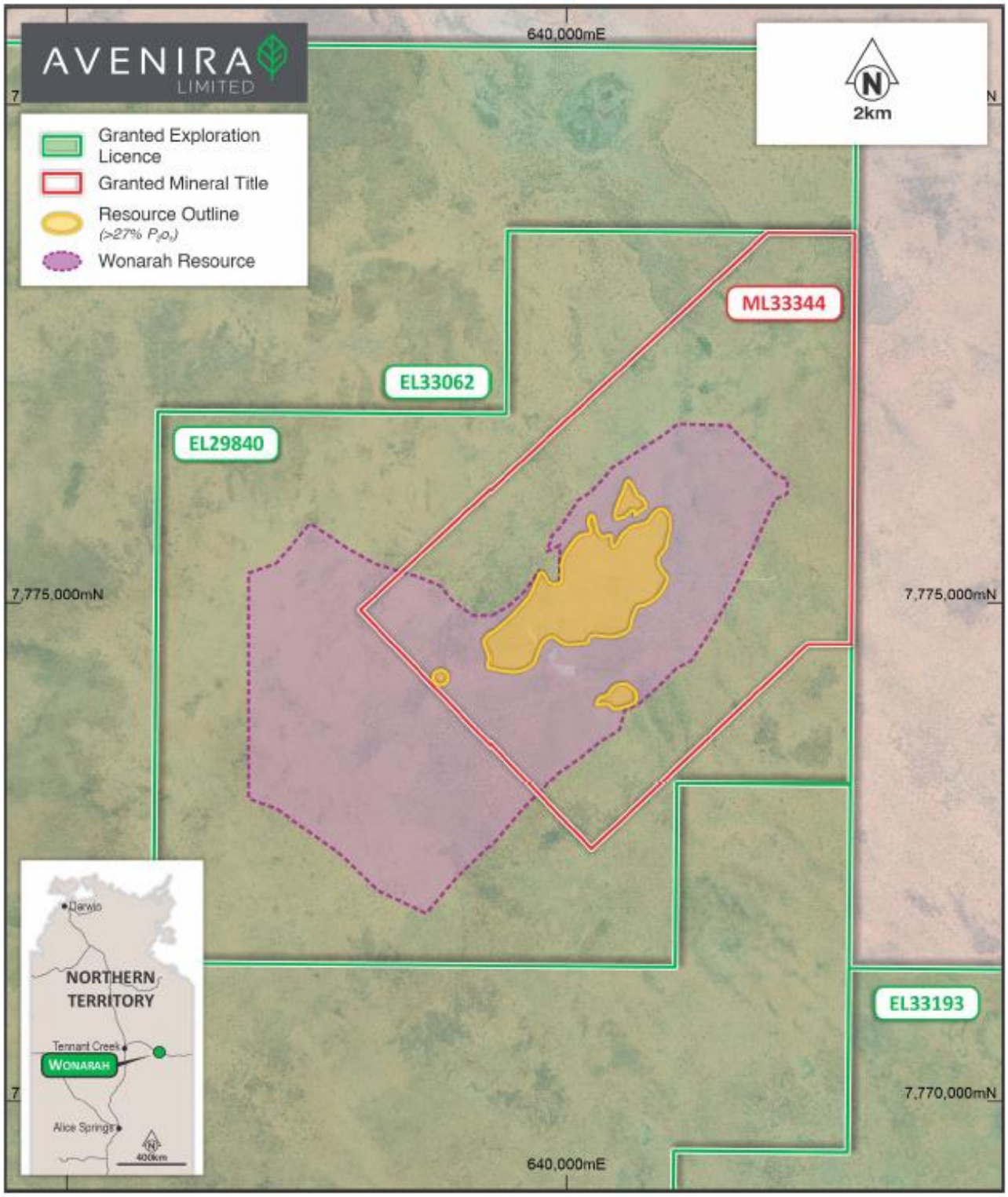

Figure 4-10: Wonarah Arruwurra Resource Block Model >27% P_2O_5.

Source: Avenira.

Mineral Resource Classification

The Mineral Resources are classified as Measured, Indicated, and Inferred on the basis of estimation search passes and plan view polygons defining areas of relatively consistent drill spacing. The classification scheme varies between mineralised domains and cut-off grades reflecting the differences in grade continuity between different zones, and the decreasing continuity of the mineralisation with increasing P_2O_5 cut-off grades.

For P_2O_5 cut-off grades of 10% and 15% Measured resources include estimates for Arruwurra mineralisation tested by 125 x 125 m spaced drilling and Main Zone MPH mineralisation tested by 125 x 62.5 m drilling. Indicated resources include Arruwurra mineralisation and Main Zone MPH, CBX and TUN mineralisation tested by 250 x 250 m spaced drilling. Inferred Mineral Resources include all estimates for the Main Zone CMU and TUP domains and estimates for the other mineralised domains tested by drilling spaced at broader than 250 x 250 m generally to around 500 x 500 m.

Mineral Resources at 27% P_2O_5 cut-off include mineralisation within the Arruwurra BPH domain, and the MPH and TUP domains at the Main Zone. At this cut-off grade estimates for BPH mineralisation tested by 125 x 125 m and 250 x 250 m spaced drilling are classified as Measured and Indicated respectively, with estimates for more broadly sampled mineralisation classified as Inferred. For Main Zone, MPH mineralisation tested by 250 x 250 m spaced drilling is classified as Indicated, and all other estimates including more broadly sampled portions of the MPH domain and all estimates for the TUP domain classified as Inferred Resources.

The current estimates are primarily based on results from Avenira's RC and diamond sampling. Data from a small number of holes drilled by previous tenement holders were included to provide information in areas of limited Avenira's sampling. Information available to demonstrate the reliability of the sampling and assaying for Avenira's drilling includes recovered sample weights, field duplicates, reference standards and inter-laboratory repeats. Additional confirmation of the reliability of RC sampling is provided by comparison of results from nearby RC and diamond holes.

ERM considers that quality control measures undertaken by Avenira have established that the RC sampling is representative and free of any biases or other factors that may materially impact the reliability of the sampling, and analytical results. The sample preparation, security and analytical procedures adopted by Avenira provide an adequate basis for the current Mineral Resource estimates.

Resources were estimated by Ordinary Kriging of one metre down-hole composited assay grades within mineralised domains interpreted for Arruwurra and Main Zone. The estimates reflect Avenira's current conceptual development plans for the project which comprise a large-scale operation feeding a beneficiation plant with mineralisation defined at comparatively low P_2O_5 cut-off grades. Zones of mineralisation were established predominantly at grades of 10% P_2O_5 or higher. The estimates include P_2O_5, Al_2O_3, CaO, Fe_2O_3, K_2O, MgO, MnO, Na_2O, SiO_2 and TiO_2 grades with variograms modelled for each attribute. The estimates include bulk densities of 1.7 to 2.0 t/bcm derived from 520 immersion density measurements performed on core samples from Avenira's diamond drilling.

ERM proposes that the project would benefit from further work to confirm the adequacy of 125 m x 125 m spaced drilling to classify Mineral Resources as Measured at high P_2O_5 cut-off grades (Table 4-4). The current Mineral Resource Classification has, however, been systematically applied by AEV and is considered suitable for the purposes of this report by ERM.

Table 4-4: Drill hole spacing criteria used in Mineral Resource Classification

	Main Zone	Arruwurra
Measured	125 x 62.5	125 x 125
Indicated	250 x 250	250 x 250

Inferred	>250 x 250	>250 x 250

Wonarah Phosphate Rock Quality

Chemical grade phosphate rock used in fertiliser and YP manufacturing should contain at least 24% P_2O_5 (between 28.7% and 31.2% is most desirable), less than 3.0% Fe_2O_3, and have a $CaO:P_2O_5$ ratio between 3.3:1 and 3.6:1. The Minor Element Ratio (MER), a frequently used indicator of phosphate rock purity when used in fertiliser production is higher than for other major phosphate rock sources, but not excessive. Low MER material is preferred for fertiliser manufacture (Table 4-5).

Table 4-5: Wonarah phosphate rock quality characteristics

Quality Parameter	Specification	Value
Phosphorus (P_2O_5 %)	>24%	30.1
Preferred (P_2O_5 %)	28.7%—31.2%	30.1
Fe_2O_3 %	<3.0%	1.25
$CaO:P_2O_5$ ratio	3.3—3.6	1.33
MER		14.9

Only a small proportion of samples have been analysed for trace elements that may restrict phosphate rock transport and utilisation, including chlorine, fluorine and heavy metals (As, Cd, Cr, Cu, Hg, Mn, Ni, Pb, Ti, V, U, Zn). Copper and zinc may be permitted at higher concentrations in fertilisers for use in Europe where these metals are specifically required to correct natural deficiencies in soils (Ryszko, Rusek, & Kolodynska, 2023). Other Georgina Basin deposits have ubiquitously low trace element and heavy metal contents, but it may be beneficial to have a representative set of analyses for Wonarah phosphate rock.

Figure 4-11 (below) shows the distribution of the samples assayed for any of these elements. Further work is required to determine if these data are representative of the deposit overall.

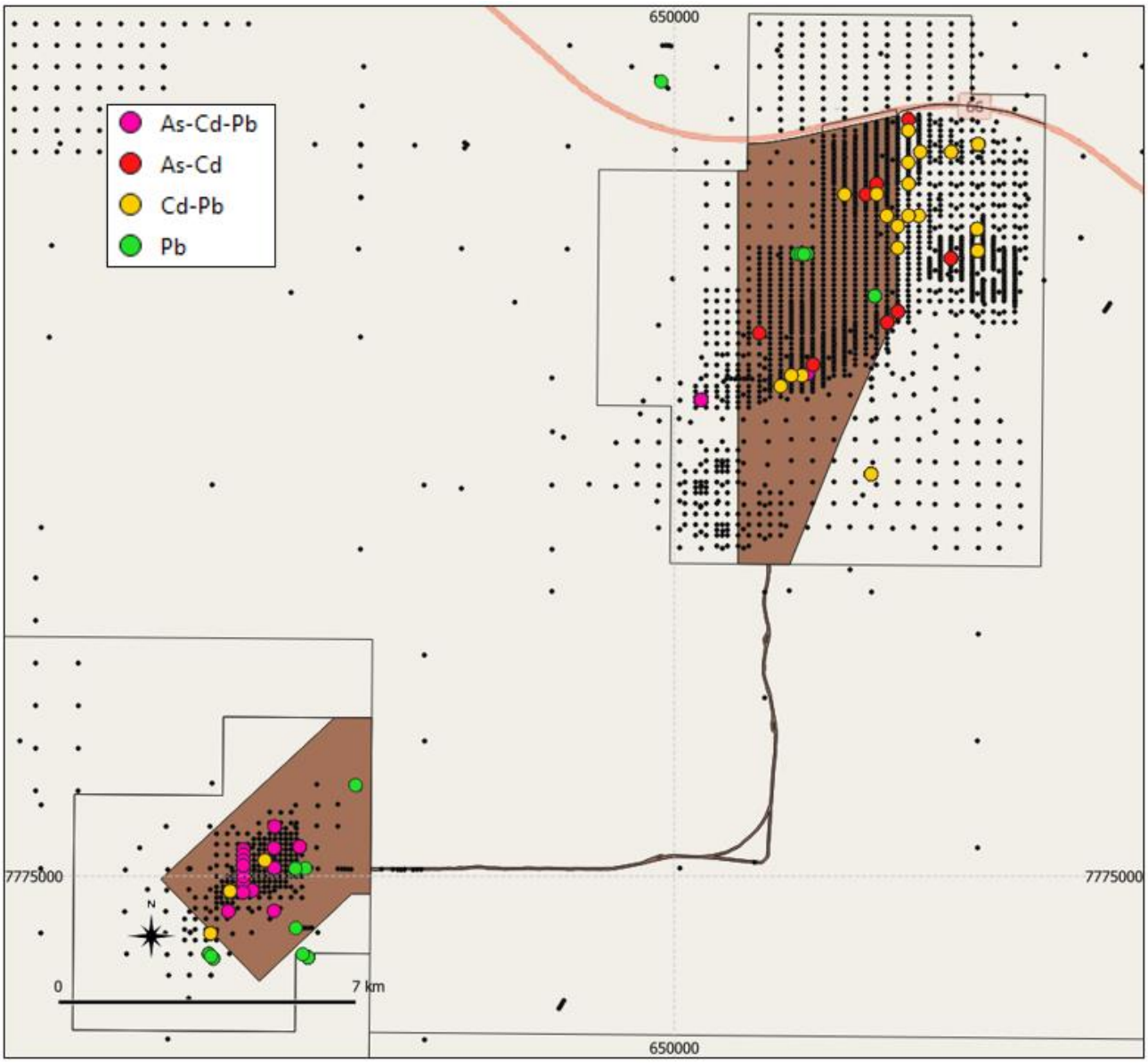

Figure 4-11: Distribution of samples with Arsenic, Cadmium and/or lead assays

4.8 Proposed Mining

Mining Approach

Phosphate Rock is a relatively low unit-value commodity. Consequently, most phosphate rock operations tend to be open cut mines with high production rates and, ideally, reasonably short transport distances to major markets, although, value added products are being traded globally.

The proposed mining approach is outlined in the project's feasibility studies, the most recent of which examining a DSO proposal was completed in 2023 (Mining Plus, 2023).

Avenira propose mining the Arruwurra deposit using conventional open pit truck and excavator mining. The mining process will primarily entail progressive stripping and selective ore mining, with limited drill and blasting operations.

An experienced mining contractor will undertake the mining operations. The contractor will establish essential mining facilities, including a mobile equipment workshop, tyre bay, warehouse, laydown yard and fuel and oil facilities.

Excavators will load BPH and APH material and waste on 2.5 m benches. BPH and APH material will be transported to the Run of Mine (ROM) pad, while waste material will be deposited in an ex-pit waste dump. Waste material from the pre-stripping operation will be used for the construction of ROM pads and haul roads. Ancillary equipment, such as tracked dozers, graders, water carts and lighting plants will be used to support the operation and assist with pit development.

Limited drill and blast on 5-10 m benches will be required, but operations will be mostly comprised of free digging activities. The mining contractor will handle the magazines and explosives.

ROM will then be blended, crushed and screened to meet DSO product specification. ROM will be hauled and stockpiled at a dedicated storage facility adjacent to the primary crusher from the multiple locations in the pit. BPH material will then be reclaimed from stockpiles and blended into the crusher to meet DSO grade and physical quality targets.

The mine plan focuses exclusively on the Arruwurra deposit and does not consider any mining of the orebody at Main Zone. Subject to a decision to extend the life of the DSO Project, Avenira may look to incorporate mining at Main Zone to increase production.

A mining model was created to estimate material loss using a 200 mm boundary on both upper and lower material bounds, resulting in a 14% material loss estimated for the selected mining method within the pit design.

Feasibility Study review

ERM reviewed the feasibility study (Mining Plus, 2023) and makes the following observations:

1. The mining contract rate of A$6.35 per tonne is considered to align with industry norms, although it is not clear whether ancillary equipment detailed in the feasibility study are included.
2. Diesel used by ancillary operations is included in the study financial model.

1) Diesel consumption for proposed operations (A$495,915) may not reflect variability in haul distances. The diesel cost allocation for the APH (800 m) and BPH (50 m) ROM material rehandle is a monthly estimate of A$130,000. There is no account of the variable haul distances and tonnes across the financial model.

3. Contract mining estimates were obtained from several contractors, but only details of the preferred estimate were provided for review. ERM would prefer to review all submissions to confirm confidence in estimates and to ensure that significant items have not been overlooked.
4. The mining costings used in the feasibility study, in ERM's view, do not provide an appropriate level of detail for a feasibility study. The mining component of a feasibility study should typically be supported by sufficient process and life cycle detail to align with an Association for the Advancement of Cost Engineering (AACE) class 3 study. Contractor assessments need a similar level of detail and should be obtained from at least three independent vendors or independent contracting shadow estimate specialists.
5. The mobile crushing and screening rate of A$8.75 per tonne aligns with industry norms. The loading and hauling rates for the crushing process align with industry norms for this type of operation.

6. A closure management plan has been developed for the project which is discussed in the DSO project feasibility study (Mining Plus, 2023). The proposed dumps require reshaping and profiling to provide long term stability and drainage, and the open pits created by mining will be backfilled as much as possible.
7. There are no grade control costs included in the study. Some form of grade control will be required to ensure that DSO specifications are met.
8. Capital expenditure for:
    - water supply and storage facilities
    - fuel facilities
    - power infrastructure and supply
    - technical resources (hardware, software, communications infrastructure)
    - other owner related costs

    are mentioned in the mining capital section of the feasibility study (Mining Plus, 2023) but are not addressed in the contractor estimate.

2) The crushing and screen process schedule defines a monthly process rate of 40,000 tonnes for 23 months. The feasibility study is silent on the planned operated hours, throughputs, mechanical availabilities and planned maintenance schedules.
3) The cost of infrastructure required to support a 24/7 paramedic at site do not appear to have been considered in the feasibility study.

9. Given the experience of Esperance and Bunbury ports in Western Australia with the shipment of bulk products, the feasibility study and cost estimate have not considered a sustainable environmental plan for transferring products from containers to cargo sizes ranging from 25,000 to 50,000 tonnes at the Port of Darwin.
10. Closure and rehabilitation costs have not been included in the feasibility study. The study does recognise the importance of this work and the need for the design of pits, waste dumps and infrastructure being undertaken with consideration to minimising post-mining works. Rehabilitation and closure activities need to be undertaken progressively as mining advances in areas where mining has been completed, and the need for closure landforms to be consistent with agreed post-mining land use and the surrounding landscape. The feasibility study states that a Mine Closure Plan to be developed by SLR Consulting Australia for the Wonarah site will comply with NT government regulations governing mine development and closure and is in preparation. Rehabilitation and closure costs are able to be reasonably estimated using the type and area of disturbance associated with mining operations and should be included in the feasibility study.

The feasibility study includes a 10% contingency in the cost estimates which ERM proposes may not be adequate to cover closure of the site, and required environmental management that will be required at the Port of Darwin. There is also an environmental bond process in the Mine Management Plan (MMP) which includes an estimated rehabilitation cost-based on the nature and area of different types of land disturbance associated with the project. This will be addressed by ERM in the valuation opinion for the project.

These issues are not considered sufficiently material to affect conclusions regarding the valuation of the project for the purposes of this report.

4.9 Ore processing and Beneficiation

Avenira completed a feasibility study in 2010 which was updated in 2023 on the principles of Direct Shipping Phosphate ore for sale from the Port of Darwin.

BPH lump ore (10-50 mm) is suited to the production of YP (and ultimately thermal phosphoric acid, a critical input into the manufacture of LFP cathodes). BPH lumps are intended to be transported to the Port of Darwin via a combination of road and rail, for export to international clients with off-take agreements and for use in the proposed YP plant.

BPH Fines (<10 mm) will also be exported overseas, targeting the single superphosphate (SSP) market, the downstream fertiliser industry or phosphate chemicals including YP and phosphoric acid production. SSP involves mixing phosphate rock with sulphuric acid to enhance phosphate solubility and form hard granules ranging from 2 mm to 5 mm in size. The rock is crushed and milled before mixing with sulphuric acid, allowing for the use of a wide range of sizes and rock types. Phosphate chemicals production would rely on a plant constructed in Darwin or elsewhere on the Adelaide to Darwin railway, or shipping ore from the Port of Darwin to an existing or newly constructed overseas site.

APH material will be targeted at the domestic agricultural market as a DAPR and will be sold as a bulk product or in 1 t bulk bags at the mine gate, targeting local farmers and fertiliser traders.

A subsequent update to the Direct Shipping model was released by Avenira incorporating a revised resource and mining method while entertaining a crushing and screening process in order to generate the below product streams displayed in Table 4-6. The key processing principles of the proposed Avenira Wonarah Phosphate project hinge on the principles of Direct Shipping Operations in order to generate the premium product/s of single superphosphate (SSP) or Thermal Lump from the in situ resource. This is driven by the grade of the primary +10mm lump phosphate aimed at 32% P_2O_5 product will still be entirely driven by the in situ grade of the material and how it is managed through the mining process.

Both BPH and APH DSO will be processed via an onsite mobile crushing and screening plant, producing the three distinct product specifications: BPH lumps (10-50 mm), BPH Fines (<10 mm), and Crushed APH Ore. BPH and APH ores will be campaigned separately through the plant.

Table 4-6: Marketable product details

Product	Full Product Name	Specifications		Ore Source
		Size (mm)	Grade (P_2O_5%)	
DAPR	Direct Application Phosphate Rock	0 to 2	20% average	APH or BPH
SSP	Single Super Phosphate	0 to 5	28% average	BPH
Thermal Lump	Thermal Grade	10 to 50	28% minimum	BPH

Source: Avenira.

Two key processing improvements have been adopted in the 2023 study (Mining Plus, 2023) over that which was considered in the 2010 DSO Study in order to facilitate a greater degree of operational and production flexibility aiming to address, or entertain, the key following project drivers.

4) A campaign approach to processing by which lower-grade BPH (basal high-grade phosphate) material and APH (mudstone phosphorite) units are processed to produce a lower quality product as opposed to being considered waste. Or co-treated with the high-grade BPH entertaining serious variation and risk to the overall product quality and saleability of the primary product.
5) A Crushing and Screening Operation has been added in order to facilitate a size separation at 10mm by which the premium lump product can be isolated from the "fines" fraction to affect a grade separation of the BHP material into the two product fractions for BPH lump and fines.

The lump product chemical characteristics based on an ore sample treated and analysed by CMPI in 2022 are presented in Table 4-7.

Table 4-7: 2022 Lump Product Characteristics

Analyses / Tests	Unit	Results	Requirements
P as P_2O_5	%	33.66	> 28.0
Al as Al_2O_3	%	1.27	< 0.65
Mg as MgO	%	0.17	< 0.35
Ca as CaO	%	47.52	< 46.5
Fe as Fe_2O_3	%	0.65	< 1.9
Arsenic, As	ppm	3.00	< 20.0
Lead, Pb	ppm	222.48	-
Sulphur, S	%	0.35	-
SiO_2	%	9.89	> 10.0
CO_2	%	5.98	< 6.25
Tumbler Index (TI)	%	86.57	> 97.0
Abrasion Index (AI)	%	8.41	< 0.2

Source: Avenira.

It is unclear how much mass was processed in order to generate this sample. Avenira project staff believe that the test work described in Table 4-7 comprised approximately 20 litres of material. However, it does reflect the fact that the Wonarah phosphate product envisaged for sale is a relatively clean product in relation to deleterious elements by which the combined As, Mg and Fe is well below 5 % and the arsenic and sulphur grades are well within acceptable

limits. Only lead appears to be slightly elevated but should not have a bearing on the inherent value of the product.

In relation to the resource average material, this sample appears to be comparatively lower in silica (SiO2) which is detailed at 14-20 % as opposed to the 9.9 % reported here, it can thus be assumed that the calcite content is elevated when compared to that of the resource average (47.5 % CaO) indicating it has had some degree of mudstone incorporated in the composite as opposed to pure BPH.

Looking at the product size distribution generated from what appears to be a P100 25mm crush two key conclusions can be made (Table 4-8, Figure 4-12).

Table 4-8: Lump BPH product size distribution

Sieve Size	Mass Retained (%)
> 25 mm	0.00
20 -25 mm	1.48
16 - 20 mm	6.20
12.5 - 16 mm	29.71
10 - 12.5 mm	54.95
5 - 10 mm	6.98
2 - 5 mm	0.15
< 2 mm	0.53

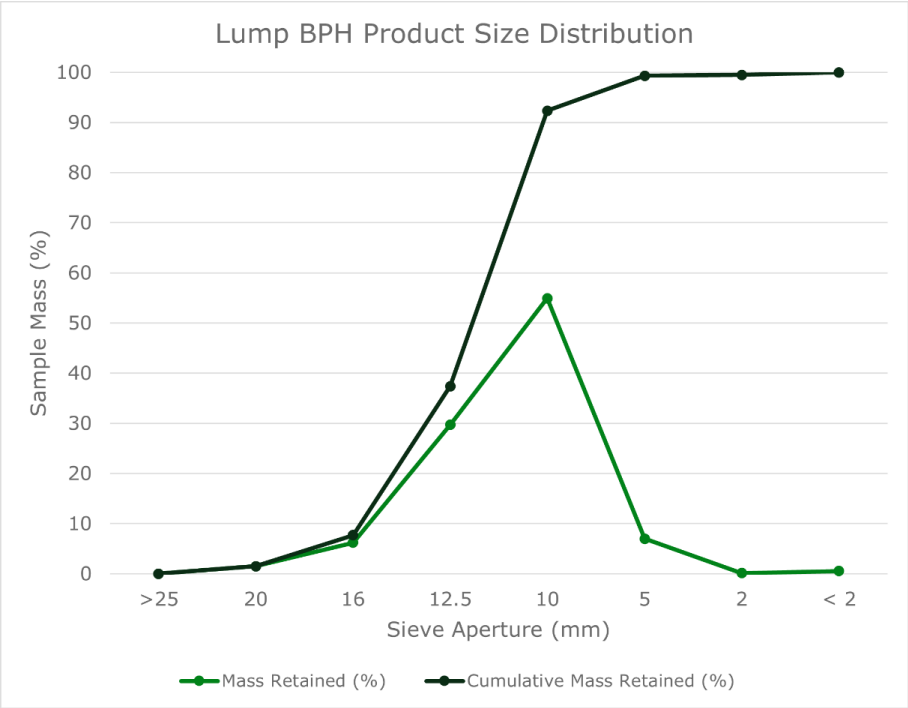

Figure 4-12: Lump BPH size distribution

Samples were splits from a 12.7 mm crush of drill core, resulting in no mass greater than 20mm being available for testing. There is a considerable amount of mass (55 %) sitting right on the product separation line between 10 and 12.5 mm. This introduces some degree of risk

as to the assumed 60 /40 % mass distribution between SSP and thermal lump product ratios generated from the crushing and screening unit operation as well as bulk material handling from mine to product. Control of the top size of the crush in order to affect the desired product mass split will take some trial and error in the early phase of operation. ERM proposes that this does not constitute a material economic risk.

The criteria outlined in Table 4-9 are used as modifying factors in the project's Ore Reserve model. The mineral resource at a 27% P_2O_5 cut-off grade is presented in Table 4-3.

Table 4-9: Ore Reserve Modifying Factors

Model Parameter	Unit	Metric
Mining Dilution	%	0
Mining Recovery	%	87.3
Product Price 10-50 mm	USD/t	260
Product Price <10 mm	USD/t	260
Payability	%	100
Processing Rate	tpa shipped	300,000
Product Yield (10-50mm)	%	40
Product Yield (<10mm)	%	60

Source: Avenira.

The complete revenue factor (RF) 0.64 open pit shell described in the project's feasibility study produces 675 kt of BPH at a 27 % P_2O_5 cut-off grade. The Mineral Resource Estimate (Table 4-3) confirms that the bulk of the tonnes processed from Main Zone will present with an average head grade of 30.0 % P_2O_5.

The introduction of the crushing and screening operation and generation of two products introduces a beneficiation component that will likely present on an ore component hardness basis by which the harder ore component of phosphorite (4.9-5.5 hardness) will upgrade in the coarser fraction and softer shattering mineral species will concentrate in the finer (<10mm) fraction creating a grade bias.

Creating a simple mass balance and assuming that the coarse lump product does indeed upgrade to a grade of 33 % P_2O_5, then the SSP or -10mm product will satisfy the specification grade of 28 % P_2O_5 (Table 4-10).

Table 4-10: Theoretical Lump Upgrade Production Equation

	Pit Shell RF 0.64	Lump Product (10-50mm)	SSP Product (<10mm)
P_2O_5 Grade %	30.0	33.0	28.0
% by Mass	100	40	60
Contained Tonnes	675000	270000	405000

In the absence of specific size by assay data on a bulk representative sample, the expected product distribution from both a mass and grade perspective may witness significant variation in operation from that modelled.

From an economic perspective, ERM conclude that there is more than likely a premium that should be applied to the thermal lump product value which is likely to present with an upgraded P_2O_5 content of certainly > 30 %, potentially 32-33 %, and the SSP product will by default be on, or very close to the specification point of 28 % P_2O_5.

The feasibility study alludes to the fact that ROM stocks and feed blending of the BPH mined will be scarce and the mining, processing and logistics is very streamlined. This leaves little opportunity to address any imbalance observed in product mass distribution or quality. Thus, there will be a heavy onus on grade control sampling prior to crushing in order to understand what the production profile will look like and ensure that the SSP product does not continually fall out of specification by which the grade is lower than 28 % P_2O_5.

As mentioned in the opening of this section, the process and production will still be predominantly driven by the principles of DSO production by which all the economic outcomes will be entirely driven by that which is presented to the plant. A fair degree of homogeneity is required for smooth operation and ensuring each bulk parcel will meet the specified product and sales specification.

ERM conclude the three-phase product approach is a much more targeted, and operationally flexible approach to achieving the economic outcome than that of Direct Shipping originally entertained however, poor mining practices, discontinuity and internal dilution of the resource remain the key risks to the economic outcome.

BPH lump ore (10-50 mm) is suited to the production of YP (and ultimately thermal phosphoric acid, a critical input into the manufacture of LFP cathodes). BPH lumps are intended to be transported to the Port of Darwin via a combination of road and rail, for export to international clients with off-take agreements until the YP plant is commissioned.

BPH Fines (<10 mm) will also be exported overseas targeting the SSP market and the downstream fertiliser industry. SSP involves mixing phosphate rock with sulphuric acid to enhance phosphate solubility and form hard granules ranging from 2 mm to 5 mm in size. The rock is crushed and milled before mixing with sulphuric acid, allowing for the use of a wide range of sizes and rock types.

APH material will be targeted into the domestic agricultural market as a DAPR and will be sold as bulk ore or in 1 t bulk bags at mine gate, targeting local farmers and fertiliser traders.

4.10 Project Valuation Opinion

The Wonarah project may be valued using several approaches, in terms of an exploration opportunity, identified Mineral Resource and a resource development project that has been subject to feasibility studies. Several approaches have been followed by ERM to provide both technical and market value opinions.

It is important to note that market valuations are opinions that involve a subject assessment of the project's value that are the opinion of the valuer and can only be tested by taking the project to market.

Comparable Transactions

Analysis of comparable transactions forms the basis of an opinion of the market value of the project. ERM completed a global review of comparable transactions in a period of 10 years prior to the effective date of this report (2014-2024) using the S&P Capital IQ commercial transactions database which covers global mining and mineral resources M&A activity (S&P, 2025). In all, 15

transactions involving the sale of projects with reported Ore Reserves and Mineral Resources were identified (Table 4-11). These transactions provided values of between US$0.58 and US$8.32 per tonne for Ore Reserves, and US$0.01 and US$3.80 per tonne for Mineral Resources. Only four projects identified had reported Ore Reserves. These were not considered in valuing Wonarah mineralisation. An Ore Reserve for the project was included in a 2010 feasibility study. This study, however, used different product specifications than the current study resulting in this estimate not being applicable in the context of the current project.

Mineral Resources were reported for all 15 transactions examined by ERM. Values per tonne range from less than US$0.01 per tonne and US$3.80 per tonne in the complete dataset. The five lowest values, all less than US$0.10 per tonne, were discarded for being anomalously low in ERM's view. The remaining 10 transactions had effective values of US$0.18/tonne to US$3.80/tonne, with a geometric mean of US$0.82/tonne. These represent between 0.12% and 2.50% of the US$152.50/tonne phosphate rock price used in this report.

ERM also identified a further 17 transactions where phosphate projects without Mineral Resources were sold in their entirety, or equity in projects was acquired by third parties (Table 4-12). These results are not immediately applicable to developing a valuation opinion for the Wonarah project, other than demonstrating demand for early-stage phosphate projects available for acquisition.

4.11 Comparable Transactions Valuation

An analysis of Comparable Transactions summarised in Table 4-11, after the removal of several outliers, indicates that considerable scatter exists in the relationship between resource size and market value (Figure 4-13). The relationship in Figure 4-13 indicates that a 66 Mt phosphate rock resource would have a market value of A$19.4 million or A$0.29/tonne of mineralisation, within a margin of error that could be as high as ± 35% (A$12.6 million to A$26.2 million). Low and high case values represent the preferred value ± 20%. This limit was imposed due to the wide scatter in transaction values and results in a low and high valuation of A$15.5 million and A$23.3 million respectively.

The lack of correlation evident between resource tonnes and predicted value is influenced by the lack of Mineral Resource Classification information in the Comparable Transactions data. Approximately 80% of the Wonarah mineral resource (at a 27% P_2O_5 cut-off) is classified as Inferred Resource, and 95% classified as Indicated + Inferred. Only the Arruwurra deposit has been drilled in sufficient detail to report a Measured + Indicated Mineral Resource. The resulting low level of resource confidence for the Wonarah deposit as a whole would contribute to a relatively low valuation for the deposit. The market value of the project could also be improved by more detailed studies of the YP production option being examined for development of the project, which requires further work in terms of improved Mineral Resource definition and YP project studies, which is Avenira's declared development option for the project.

Table 4-11. Comparable Transactions - Phosphate projects with Ore Reserves and Mineral Resources

Project	Country	Owner	Acquirer	Date Announced	Date Completed	Trans.Valu $US (M)	Equity	Trans 100% US$	Reserves Mt	Reserves $/t	Reserves $/t 2024	Resources Mt	Resource $/t	Resource $/t 2024
Ardmore	Australia (Qld)	Icitec Pivot Ltd	Centrex Metals Ltd	2/02/2017	27/06/2017	3.79	100.0	3.79	10.10			16.20	0.23	0.44
Baobab	Senegal	Avenira Limited	Mimran Natural Resources	4/11/2015	2/03/2016	11.25	20.0	56.25				19.90	0.57	0.80
Bayovar	Peru	Peruvian Group	Americas Potash Peru S.A.	25/01/2016	25/01/2016	9.51	30.0	31.70				166.40	0.19	0.29
Berlin	Peru	Green Shift Commodities Ltd	Ltam Battery Metals Inc.	11/12/2023	9/04/2024	8.85	100.0	8.85				8.70	1.02	0.53
	British Virgin Islands	Cominco Resources	Kropz Plc	29/11/2018	19/02/2019	26.90	100.0	26.90				675.80	0.06	0.12
Dissimieux Lake	QC, Canada	Jourdan Resources Inc.	Genius Properties Ltd	23/03/2016	20/06/2016	0.26	100.0	0.26				235.00	0.00	0.00
Elandsfontein	South Africa	African Rainbox Capital Pty Ld	Kropz Plc	29/11/2018	27/11/2018	2.81	4.0	70.25				4.04	0.69	1.34
	BC, Canada	GB Minerals Ltd	Itafos	28/12/2017	27/02/2018	54.93	68.7	79.96	30.23	1.75	3.32	98.38	0.54	1.02
	BC, Canada	GB Minerals Ltd	De Jong Capital LLC, Alpha Infrastructure	22/02/2016	29/02/2016	3.48	20.5	16.98	9.02	0.38	0.58	29.35	0.12	0.18
	Australia (NSW)	Golden Cross Resources Ltd	HQ Mining Resources Holding Pty Ltd	23/10/2015	29/01/2016	6.96	76.6	9.09				147.02	0.03	0.05
	ON, Canada	Jourdan Resources Inc.	Investor Group	27/02/2017	28/04/2017	322.00	19.7	1632.03				46.37	0.01	0.01
	Peru	Juan Paulo Quay SAC	Agrifos Peru SAC	10/03/2015	26/03/2015	3.96	70.0	5.66				131.85	0.03	0.04
Idaho Mineral Rights	USA	Nutrien Ltd	Itafos	7/11/2017	12/01/2018	66.50	100.0	66.50	15.13	4.39	8.32	33.13	2.01	3.80
	Uganda	Namakera Mining Company Ltd	Black Montain Resources Ltd	11/04/2016	1/11/2016	2.36	100.0	2.36				54.90	0.04	0.07
Niobium and Phosphate Business	Brazil	Anglo American Plc	CMOC Mining Pty Ltd	28/04/2016	30/09/2016	1500.00	100.0	1500.00	34.98	4.79	9.25	741.68	2.02	3.11

Table 4-12: Comparable Transactions—Exploration projects without Mineral Resources and Ore Reserves

Project	Country	Owner	Acquirer	Date		Trans.Value	Equity	Transaction Value		Notes
				Announced	Completed	$US (M)	%	100% US$ (M)	US$ (M) 8/2024	
Aflao	Ghana	Kropz Plc	Russell Brooks Limited	16/02/2021	28/02/2021	0.33	50.0	0.66	0.88	
Ardmore	Australia (Qld)	Incitec Pivot Limited	Centrex Metals Limited	2/02/2017	27/06/2017	3.79	100.0	3.79	6.97	
	Australia	Avenir Makatea Pty Ltd	Chatham Rock Phosphate Limited	21/12/2020	29/06/2021	1.59	100.0	1.59	2.13	
	South Africa	Glenover Phosphate Pty Ltd	Afrimat Limited	9/12/2021	22/08/2022	14.69	100.0	14.69	9.11	
Mejillones	Chile	Xstract Resources Plc	Mining Global Inc	2/10/2014	5/02/2015	0.63	100.0	0.63	0.86	
Mejillones	Chile	Buccaneer Holdings Ltd	Handa Mining Corporation	31/01/2018	23/10/2018	3.62	100.0	3.62	5.43	
	Brazil	Undisclosed Seller	DuSolo Fertilizers Inc.	17/02/2015	17/02/2015	0.59	100.0	0.59	0.81	Acquired 33.071 tonnes of phosphate (US$17.84 per tonne - US$24.47 per tonne in 2024 dollars)
	Australia (WA)	Phosphate Resources Ltd	CI Resources Kimited	9/10/2014	12/01/2015	29.03	37.0	78.57	107.74	
	Canada	Randsburg International Gold	Private Investor	17/08/2018	12/10/2018	0.20	18.4	1.08	2.03	
	Canada	Randsburg International Gold	Private Investor Group	17/08/2018	12/10/2018	0.20	16.5	1.21	2.27	
	Canada	Randsburg International Gold	Private Investor	17/08/2018	12/10/2018	0.20	16.5	1.21	2.27	
Serra do Salitre	Brazil	Private Investor	Yara International; ASA	5/10/2018	10/07/2019	0.10	40.0	0.25	0.48	
Serra do Salitre	Brazil	Tara International ASA	Eurochem Group AG	1/08/2021	22/02/2022	0.45	100.0	0.45	0.61	
	USA	Southwind Corporation	First Uranium Resources Ltd	9/03/2022	30/06/2022	1.75	100.0	1.75	1.08	
	Australia (NT)	Verdant Minerals Ltd	CD Capital Asset Management Limited	11/03/2019	18/06/2019	16.67	66.6	25.04	46.97	

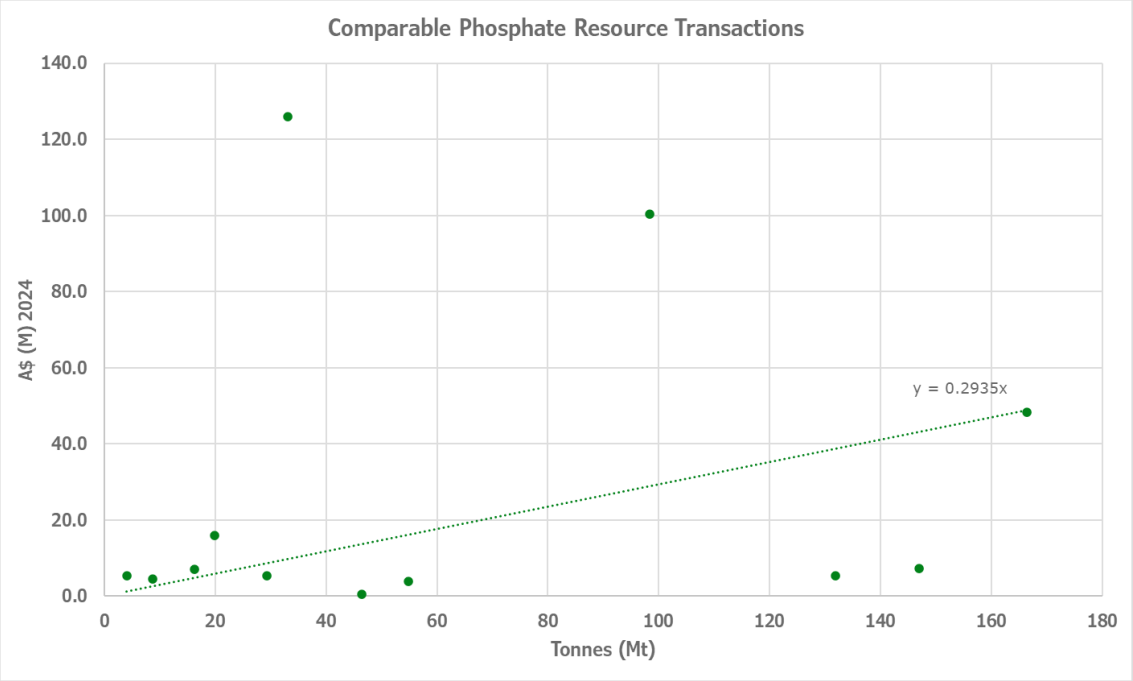

Figure 4-13: Comparable Transactions - Transaction Value vs Resource Tonnage

4.12 Rule of Thumb (Yardstick) Valuation

Rule of Thumb (Yardstick) valuations typically use multipliers of between 0.5% and 5.0% of the commodity price to estimate the value of Mineral Resources. These criteria are based on the valuation approach being applied to gold deposits. This results in multipliers used for other commodities, particularly industrial minerals and other bulk commodities, to be derived from information for recent comparable transactions. This approach has been adopted by ERM for this project. The comparable transactions information available for phosphate rock deposits with Mineral Resources suggests that this range should be modified to be 0.12% to 2.5%. This is interpreted to reflect lower interest in acquiring phosphate rock assets that other, higher value mineral commodities, especially gold, reducing the influence of competition on pricing of acquisitions. ERM believes that this, in part, reflects the dominant influence that major phosphate rock producers, notably Morocco, are able to exert on product pricing. Bulk commodities are also widely perceived to be "easy" mining and development prospects, which ERM considers a misconception that overlooks the need to produce products meeting often stringent product specifications.

A shortcoming of the S&P Global transactions data used by ERM is that, while it distinguishes between Ore Reserves and Mineral Resources involved in mining industry transactions, it does not distinguish between Ore Reserve and Mineral Resource Classification categories. For Ore Reserves, this shortcoming is not considered significant. A project with Ore Reserves is, in most instances, better valued using other approaches, notably income methods, where the information required is usually produced by the conversion of Mineral Resources to Ore Reserves by applying modifying factors. Open pit optimisations and detailed designs may be used to derive meaningful production schedules for valuation purposes which account for waste stripping costs and revenue resulting from ore production. For Mineral Resources, however, the shortcoming is more significant. ERM addresses this by applying the proportion of the Mineral Resource value range to the minimum and maximum multipliers derived for analysis of comparable transactions presented in Table 4-13.

Table 4-13. Rule of Thumb (Yardstick) Multiplier Factor Estimation

Convention				Wonarah project		
Resource Class	Low (%)	High (%)	Range (%)	Low (%)	Preferred (%)	High (%)
Measured	2.0	5.0	66%	0.93	1.71	2.50
Indicated	1.0	2.0	22%	0.41	0.93	0.93
Inferred	0.5	1.0	12%	0.12	0.67	0.41

Rule of Thumb Valuation

DSO Phosphate Rock

The DSO phosphate rock resource at Wonarah, which is distributed across both the Arruwurra deposit and Main Zone, is the most thoroughly studied and understood portion of the deposit from both a geological and marketing viewpoint. ERM proposes that this portion of the resource at Wonarah is the basis of a meaningful and robust valuation of the project. There is scope to improve this valuation with further studies that:

1. Demonstrate that a market exists for DAPR mine gate sales
2. Progress studies on the production of higher value phosphate chemicals

The latter, significantly, could deliver a completely changed set of value assumptions that would have a major impact on the size of the Mineral Resource that could contribute to Ore Reserves and for the basis of an income based valuation for the project.

A Rule of Thumb (yardstick) valuation for the Wonarah project is presented in Table 4-14. The valuation considers both the Arruwurra and Main Zone resources.

Table 4-14: Rule of Thumb valuation, DSO Phosphate Resource (Arruwurra Deposit + Main Zone)

Resource Category	Tonnes	P_2O_5	Multiplier			Valuation (A$M)		
	Mt	%	Low	Pref	High	Low	Pref	High
Measured	3.4	30.9	0.93	1.71	2.50	7.1	13.0	19.0
Indicated	9.6	30.0	0.41	0.67	0.93	8.8	14.4	20.0
Inferred	53.0	30.0	0.12	0.26	0.41	14.3	30.9	48.7
Total	66.0	30.1				30.2	58.3	87.7

The Rule of Thumb analysis uses resource multipliers derived from the analysis of comparable transactions discussed in Section 0 above.

The Rule of Thumb valuation represents an opinion of the market value of the undeveloped Wonarah phosphate resource identified by exploration completed by Avenira to date of between A$30.2 million and A$87.7 million, with a preferred value of A$58.3 million.

The broad range of values reflects the variability in the values of comparable transactions in which the multipliers used in the valuation opinion are based. In instances of this, ERM frequently

uses an approach of setting the lower and upper boundaries at ±20% of the preferred transaction value, which would be A$46.6 million and A$70.0 million.

A Rule of Thumb valuation using the same parameters was completed for the Arruwurra deposit only (Table 4-15). This valuation was included to be more closely comparable with the DCF valuation prepared for the project.

Table 4-15: Rule of Thumb valuation, Arruwurra Deposit DSO Phosphate Resource

Resource Category	Tonnes	P_2O_5	Multiplier			Valuation (A$M)		
	Mt	%	Low	Pref	High	Low	Pref	High
Measured	3.4	30.9	0.93	1.71	2.50	7.1	13.0	19.0
Indicated	0.6	30.7	0.41	0.67	0.93	0.6	0.9	1.3
Inferred			0.12	0.26	0.41			
Total	**4.0**	**30.9**				**11.1**	**13.9**	**16.7**

Using a Rule of Thumb approach, the Arruwurra deposit alone is valued at between A$7.6 million and A$20.3 million, with a preferred value of 13.9 million. Again, the multiplier factors derived from an analysis of comparable transactions, discussed in section 0 above, provides a broad spread of values. Limiting the low and high valuation opinions to within ±20% of the preferred valuation opinion provides a low and high opinion of A$11.1 million and A$16.7 million respectively.

DAPR Phosphate Rock

The Arruwurra deposit and Main Zone are estimated to contain a large DAPR resource of 546 Mt @ 21.1% P2O5 at a cut-off grade of 15%, excluding phosphate rock meeting the specifications for DSO phosphate rock. ERM has reviewed AEV's logic for producing an intermediate grade phosphate rock product for mine gate sales and believes it could find a market within Australia. The product could be viably mined, processed and packaged for sale on site on a cash-cost basis, without allowance for capital) for sale at the mine gate from where purchasers would transport the product to potential domestic markets for sale at a required margin. The economics of this activity, in ERM's view, rely on the cost of transporting imported phosphate rock from overseas producers which has been between US$600/tonne and more than US$1,000 per tonne in recent years, depending on the availability of vessels required to transport product. ERM's opinion is that insufficient work has been completed to adequately demonstrate the viability of this option at this stage. Potential exists for the value of this resource to significantly exceed the value of DSO production, and also helps to support AEV's case for studying the production of phosphate chemicals. Mine gate phosphate rock sales and phosphate chemicals should be compared on both a relative value and resource utilisation basis to help ensure appropriate stewardship of the Wonarah phosphate resource by AEV. ERM does not believe that stating the value of potential domestic market DAPR production is appropriate at this time and prefers to remain with DSO phosphate value as the basis for valuing the Wonarah resource.

Financial Model Review and DCF Valuation

ERM reviewed a financial model provided in the Avenira data room managed by RSM (AEV Scoping Study Financial Model 15 Feb 2023.xlsm). The inputs used in the model were dated 1 Jan 2023.

The financial model examines mining of the Arruwurra deposit only (4.0 Mt@30.9% P_2O_5). AEV has yet to complete the studies required to support a DCF valuation of the Main Zone resource.

ERM made a series of changes to the model:

1. operating cost allocations were increased by 12.5%, to align with an assumed date of January 1, 2025. The increase reflects inflation, industry cost escalation that ERM has observed in Australia during 2023-24, and affords a level of contingency, given that mining and crushing costs were based on a single contract cost estimate, discussed in Section 0 above of this report.
2. The financial model has an opening 2022 financial year tax loss balance of A$110.2 million. For the purpose of preparing a revised valuation, this opening tax loss balance was removed from the model.
3. The capital allocation and detail included in the model are based on the preferred case from three mining contractor estimates. The reliability of the information presented would have benefited from all estimates being available for review, especially of the contractors have limited infrastructure engineering experience. The capital allocation has an 11% contingency, which has been increased by 10% to align it with an assumed date of January 1, 2025. The net capital allocation adjustment is 21 %.
4. ERM proposes that the inventory balance allocations in the financial model are somewhat complex and include duplicate cost allocations by including net movement balances for the APH and BPH products when all products may be assumed to be sold. ERM simplified the model by assuming that APH and BPH products are sold in the same production period, eliminating the inventory balance allocations.
5. The net material movements and products detailed in the mine plan remain unchanged as follows.
    a. BPH mined a total of 450,938 tonnes.
    b. APH mined and sold 391,576 tonnes.
    c. Waste tonnes mined: 3,403,338.
    d. Total tonnes mined: 4,244,853.
    e. +10mm BPH tonnes produced and sold 180,375.
    f. -10mm BPH tonnes produced and sold 208,992.
6. The financial model has been adjusted to the assumed date of January 1, 2025, as follows:
    a. BPH product pricing adjustment from US$200.0 to US$152.5 per tonne.
    b. APH product pricing adjustment from US$100 to US$96 per tonne.
    c. The AUD/USD exchange rate was adjusted from 0.65 to 0.68 (PoundSterlingLive, 2024).

6) All control switches and flags in the worksheet header remain unchanged in the revised valuation model prepared by ERM.

7. The financial model has no provisions for the following:

    a. Closure costs or accumulation of a sinking fund for closure, although the MMP includes payment of a rehabilitation surety to the NT government.

    b. Ongoing rehabilitation maintenance costs post-closure.

    c. No owner working capital replacement provisions.

    d. There are no details in the contractor statements regarding how working capital replacement has been evaluated in the proposed operational costs and capital pricing schedules.

This may, in part, reflect the model examining mining of the Arruwurra portion of the resource only, which is a relatively small portion of a larger resource, but do represent parameters that will need to be considered in future studies of the broader resource.

The revised financial model predicts the valuation presented in Table 4-16. Two models were prepared using BPH prices of US$152.5/tonne and US$200.0/tonne to provide an indication of model sensitivity and consistency with the 2023 DSO feasibility study (Mining Plus, 2023).

Table 4-16: Wonarah project DCF Valuation, US$152.50/tonne (A$224.07/tonne) rock phosphate price (Australian Dollars)

Parameter	BPH US$152.5/tonne	BPH US$200.0/tonne
EBITDA	$749,000	$27,311,000
EBIT	$(441,000)	$26,121,000
NPBT	$(441,000)	$26,121,000
NPAT	$(217,000)	$17,935,000
Cashflow from Operations	$1,325,000	$19,918,000
Cashflow from Investing	$(5,508,000)	$(5,508,000)
Cashflow from Financing	$0.00	$0.00
Total Valuation Cashflows / Net Movement in Cash	$(4,183,000)	$14,410,000
NPV at a Discount of 10% on 30 June 2025	$(6,055,000)	$11,165,000

At current prices (US$152.50 per tonne), development of the Wonarah project to produce phosphate rock for use in downstream fertiliser manufacture is estimated to have a NPV_{10} of A$(6.06 million). The 10% discount rate used reflects ERM's view of the return that would be required to justify investment in the project under prevailing finance market conditions where companies are experiencing difficulties attracting investment for mineral resource development projects. The phosphate price sensitivity case indicates that project economics are sensitive to price.

4.13 Wonarah Project Valuation Summary

Discussion

Development of valuation opinions for the Wonarah project as a pre-development asset was completed by ERM using a combination of comparable transactions data obtained using S&P's Capital IQ database (S&P, 2025) and further research of transactions revealed by the database. The comparable transactions data was used to directly estimate the potential project value and was used to derive resource multipliers for use in development of a Rule of Thumb (Yardstick) valuation opinion for the project. A phosphate rock price of US$152.5 per tonne and US:Australian dollar exchange rate of 1.4693 at the effective date of this report were used in this process. All transaction values were recast in real (2024) Australian dollar terms.

The Wonarah project is difficult to arrive at a preferred valuation for. AEV have demonstrated that a large resource of moderate to high-grade phosphate rock which appears to have low deleterious trace metal contents exists in the project tenements. Several, relatively small portions of the phosphate rock resource have been drilled to Measured and Indicated Mineral Resource status, but most of the identified Mineral Resources remain classified as an Inferred Mineral Resource. Further drilling has potential to upgrade confidence in this resource or demonstrate that the resource is less continuous than interpreted using available drilling. Additional drilling may also contribute to recognition of additional phosphate rock meeting DSO specifications.

Studies by AEV have demonstrated that several potential development options exist, which include the sale of phosphate rock into Australian fertiliser markets. These are in areas of Australia that are a considerable distance from the project site, requiring products to be transported long distances by road. The cost of this, however, is considered likely by ERM to be lower than transport costs associated with phosphate rock imports to Australia. Production of phosphate rock for export has been shown by studies not to be viable, mainly due to road transport and port changes. The Australian phosphate fertiliser product market is, however, heavily reliant on imports which local phosphate production could displace. Analysis of available data demonstrates the in situ of the identified and studied DSO resource. This analysis also suggests that there is value in the production of an intermediate grade DAPR product that would use a considerable proportion of the identified Mineral Resource, but potential markets have not been adequately examined by AEV for this option to contribute to the project's valuation at this stage.

ERM is convinced that AEV's strategic decision to focus on the production of higher value phosphate products (YP and phosphoric acid) has clear potential to enhance the value of the project. Studies have not, however, proceeded to a point where these options can be meaningfully valued, requiring valuation opinions to remain focused on phosphate rock production.

The valuation opinions obtained by the work are summarised in Table 4-17.

Analysis of Comparable Transactions and the Rule of Thumb (Yardstick) valuation are both potentially useful sources of valuation opinions. The latter is particularly subject to phosphate prices which appear to be strongly influenced by the behaviours of major producers. The market for phosphate fertilisers is strong and growing. Recent events, notably China's reservation of domestic phosphate production for domestic use, appears to have had little impact on global prices. The potential for supply disruption of Moroccan production by border tensions with

Western Sahara and Algeria has potential to disrupt phosphate supply should current tensions escalate.

Table 4-17: Valuation Summary, Wonarah Phosphate Project (Arruwurra deposit + Main Zone)

Approach	Type	Currency	Valuation Opinion (A$ M)			Notes
			Low	Preferred	High	
Comparable Transactions Wonarah DSO (Arruwurra + Main Zone)	Market	A$ M	15.5	19.4	23.3	Based on analysis of comparable transactions presented in Table 4-11 with removal of four outlier values. The low and high case values represent the preferred value ± 20%. This limit was imposed due to the wide scatter in transaction values
Rule of Thumb (Yardstick) – Wonarah DSO (Arruwurra + Main Zone)	Market	A$ M	46.7	58.3	70.0	Low and high case values represent the preferred value ± 20%. This limit was imposed due to the wide scatter in transaction values used to develop the Rule of Thumb multipliers evident in Figure 4-13.
Rule of Thumb (Yardstick) Arruwurra Deposit DSO	Market	A$M	11.1	13.9	17.4	Included in the Wonarah Deposit value opinion above.
DCF Valuation Arruwurra Deposit DSO	Technical	A$ M		(6.1)		NPV_{10} estimated for the Arruwurra deposit only using a phosphate rock price of US#152.50 per tonne.
				11.7		NPV_{10} sensitivity scenario for the Arruwurra deposit only using a phosphate rock price of US$200.00 per tonne.

The low and high value cases developed using the Rule of Thumb approach were considered to be too broad by ERM to be useful in further studies of the project. ERM's practice in instances of this, which are not uncommon in situations where the number of competent transactions is relatively small, spread over an extended period of time, and cover resources in multiple jurisdictions with varying sovereign risk profiles, is to set limits of ±20% around the central, preferred case based on the multipliers developed for the project.

ERM validated the inputs required for development of a NPV estimate for the project and prepared high level estimates for a central case using a phosphate rock price of US$152.50 per tonne and a sensitivity case of US$200.00 per tonne. The NPV of the project was estimated to

be negative for the US$152.50 phosphate rock price, but positive for the US$200.00 price, indicating that the project is relatively sensitive to product price. This is also viewed by ERM to support Avenira's strategy of seeking to use phosphate rock from Wonarah in the production of higher value products, notably YP, to enhance project feasibility.

The range of values based on comparable transactions is one-third that proposed by a rule of thumb valuation approach (Table 4-17).

ERM believes that the Rule of Thumb (Yardstick) valuation opinion for the Wonarah deposit of between A$46.7 million and A$70.0 million, with a preferred value of A$58.3 million is a valid assessment of expected market value, but is based on a development option for the project for which AEV is actively pursuing alternatives. The Rule of Thumb opinion is influenced heavily by the value of identified phosphate rock resources meeting DSO specifications.

Valuation Opinion

ERM proposes that the Comparable Transactions valuation opinion for the project of between A$15.5 million and A$23.3 million, with a preferred value of A$19.4 million, would be more likely to be achieved were the project offered for sale. This opinion is better aligned with AEV's current ASX market capitalisation of A$29.74 million (ASX, 2024).

Additional, unrealised, value may exist in the deposit due to the low level of confidence in the project's Mineral Resource based on current drilling.

AEV have elected to pursue the production of higher value phosphate products including YP which would significantly alter the value of the project and utilise a greater proportion of the resource, determined by the cut-off grade required and mining factors. These studies are yet to reach a point where analysis of capital and operating (mining, processing and transport) costs and product revenue could be used to determine the economic basis for valuing a phosphate chemicals operation and the recoverable portion of the mineral resource, that could be used in turn to develop an Ore Reserve estimate, open pit design and production schedule. AEV's confidence that a viable phosphate chemicals project can be developed is supported by ERM on the basis of available, early-stage data.

5. JUNDEE SOUTH PROJECT, WA.

5.1 Project Location

Avenira's Jundee South project is located in the Northeastern Goldfields region of Western Australia (Figure 5-1). The tenements discontinuously extend around 300 km northwest-southeast. Most of the tenements run about 35 km from, and east parallel to, the stretch of the Goldfields Highway between Wiluna to the north and Leinster. The Flinders Park project area tenements are about 65 km further south, located to west of the stretch of the Goldfields Highway between Leinster and Leonora to the south.

The coordinate system used throughout this section is Map Grid of Australia 1994 (MGA94) Zone 51.

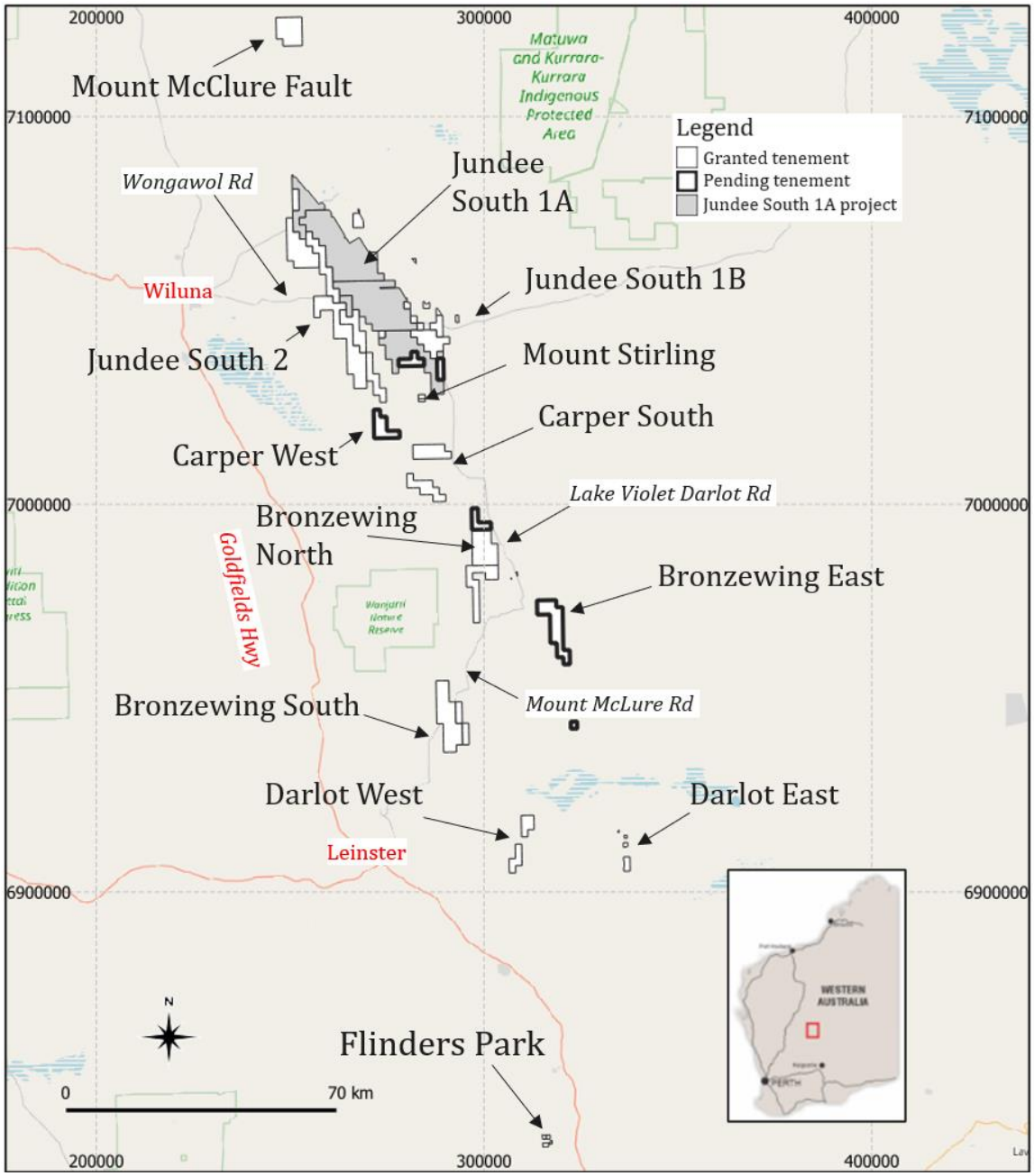

Figure 5-1: Jundee South project location map showing the different project areas.
Note: All licences granted as at April 2025

5.2 Climate and topography

The Jundee South project in Western Australia has a semiarid to arid climate, with hot summers where temperatures often exceed 35°C and cooler winters averaging 15°C to 25°C during the day. Rainfall is sparse, averaging 200 to 300 mm annually, with most precipitation occurring during summer thunderstorms or from the remnants of tropical cyclones.

The landscape is characterised by flat to gently undulating terrain with elevations ranging from 400 to 500 metres above sea level. The topography includes rocky outcrops, broad valleys and occasional salt lakes. Vegetation is sparse, mainly consisting of shrublands and mulga woodlands, reflecting the region's dry conditions.

5.3 Access and Infrastructure

The Jundee South project is easily accessed from Wiluna or Leinster at multiple points by well-maintained sealed roads (Figure 5-1). From Wiluna, the Wongawol Road runs east directly entering the Jundee South project after around 35 km. Within the Jundee South project area there is a turn off south onto the Lake Violet Road, and then a turn off southwest onto Mount Mclure Road leading to Leinster. This route comes within 5 km of the Mount Stirling, Carper and Bronzewing project areas. The Darlot project areas are within 6.5 km of the Darlot-Weebo Road accessed from Leinster and the Flinders Park project area is within 6 km of the Goldfields Highway. An extensive network of variably maintained station tracks is used to travel from the main roads into, and within, the project areas.

There are several active mines along the main roads and the infrastructure to sustain a new mining operation, including haul roads and processing facilities, is already well-established.

The towns of Wiluna and Leinster could sustain the workforce. Both have airports able to handle commute flights for FIFO workers.

5.4 Existing Landuse

The Jundee South project is situated in a well-established mining district.

Existing land use in the project area is largely dedicated to pastoral activities, with large cattle grazing properties occupying much of the area. Due to the semiarid climate and low rainfall, grazing is extensive but low-density, relying on native grasses and shrubs for feed. Water for livestock is sourced primarily from bores and a few seasonal watercourses, as natural surface water availability is limited.

5.5 Exploration and Mining Tenure

Mineral Exploration and Mining Tenements

The Jundee South project includes 47 leases, all of which are granted. These are 100% owned by Avenira. The package covers 1,372.8 km^2 (Figure 5-1; Table 5-1). Exploration licences cover 1,363.5 km^2. Prospecting licences (live) cover the remaining 9.4 km^2. Pending tenements (considered highly likely to be granted), held as both exploration licences and prospecting licences. Prospecting licences account for only 100.6 km^2 of the Avenira tenement package.

Table 5-1: Jundee South project tenement information.

Tenement ID	Project Area	Status	Key Dates			Area	Combined Reporting	Required Expenditure
			Applied	Granted	Expiry			
E 37/1546	Bronzewing East	LIVE	18/10/2023	4/12/2024	3/12/2029	57.84	148/2024	$30,000
E 37/1547	Bronzewing East	LIVE	18/10/2023	31/10/2024	30/10/2029	3.04		$10,000
E 53/2272	Bronzewing North	LIVE	19/10/2022	26/08/2024	25/08/2029	54.89	148/2024	$20,000
E 53/2280	Bronzewing North	LIVE	9/12/2022	14/10/2024	13/10/2029	15.25	148/2024	$15,000
E 36/1021	Bronzewing North	LIVE	22/09/2021	7/02/2023	6/02/2028	45.71	148/2024	$20,000
E 53/2211	Bronzewing North	LIVE	18/01/2022	27/02/2024	26/02/2029	0.24	148/2024	$10,000
E 36/1029	Bronzewing South	LIVE	27/01/2022	3/07/2023	2/07/2028	79.01	287/2024	$26,000
E 36/1074	Bronzewing South	LIVE	4/04/2023	1/07/2024	30/06/2029	18.23	287/2024	$20,000
E 53/2205	Carper South	LIVE	13/12/2021	22/08/2023	21/08/2028	33.61	106/2024	$20,000
E 53/2210	Carper South	LIVE	18/01/2022	18/03/2024	17/03/2029	30.53	148/2024	$20,000
E 53/2291	Carper West	LIVE	24/02/2023	26/08/2024	25/08/2029	27.51	106/2024	$20,000
P 37/9539	Darlot East	LIVE	22/07/2021	18/03/2022	17/03/2026	0.18	278/2022	$2,000
E 37/1474	Darlot East	LIVE	27/01/2022	5/09/2022	4/09/2027	5.83	278/2022	$15,000
P 37/9630	Darlot East	LIVE	8/02/2022	6/09/2022	5/09/2026	0.57	278/2022	$2,320
P 37/9631	Darlot East	LIVE	8/02/2022	6/09/2022	5/09/2026	1.24	278/2022	$4,960
E 36/1049	Darlot West	LIVE	14/11/2022	10/07/2023	9/07/2028	15.16	158/2023	$15,000
E 36/1050	Darlot West	LIVE	14/11/2022	10/07/2023	9/07/2028	15.15	158/2023	$15,000
P 53/1712	Flinders Park	LIVE	23/01/2021	1/07/2022	30/06/2026	1.37	123/2021	$5,480
P 53/1713	Flinders Park	LIVE	23/01/2021	1/07/2022	30/06/2026	1.95	123/2021	$7,840
E 53/2317	Jundee South 2	LIVE	18/10/2023	7/11/2024	6/11/2029	9.18	280/2022	$15,000
E 53/2318	Jundee South 2	LIVE	18/10/2023	14/10/2024	13/10/2029	15.30	280/2022	$15,000
E 53/2204	Jundee South 1A	LIVE	8/12/2021	30/01/2023	29/01/2028	61.36	106/2024	$20,000
E 53/2289	Jundee South 1A	LIVE	24/02/2023	22/01/2024	21/01/2029	33.69	106/2024	$20,000
E 53/2209	Jundee South 1A	LIVE	18/01/2022	27/02/2024	26/02/2029	101.06	106/2024	$33,000

Tenement ID	Project Area	Status	Key Dates			Area	Combined Reporting	Required Expenditure
			Applied	Granted	Expiry			
E 53/2308	Jundee South 1A	LIVE	11/09/2023	10/04/2024	9/04/2029	42.94	106/2024	$20,000
E 53/2290	Jundee South 1A	LIVE	24/02/2023	26/08/2024	25/08/2029	27.54	106/2024	$20,000
E 53/1859	Jundee South 2	LIVE	11/08/2015	23/03/2016	22/03/2026	104.09	123/2021	$102,000
E 53/1856	Jundee South 2	LIVE	21/07/2015	30/11/2016	29/11/2026	62.09	123/2021	$70,000
E 53/2078	Jundee South 2	LIVE	22/05/2019	5/02/2020	4/02/2025	175.58	123/2021	$88,500
E 53/2079	Jundee South 2	LIVE	22/05/2019	5/02/2020	4/02/2025	193.67	123/2021	$99,000
E 53/2208	Jundee South 2	LIVE	18/01/2022	2/09/2022	1/09/2027	9.21	123/2021	$15,000
E 53/2216	Jundee South 1B	LIVE	18/01/2022	2/09/2022	1/09/2027	0.71	280/2022	$10,000
E 53/2218	Jundee South 1B	LIVE	18/01/2022	2/09/2022	1/09/2027	2.37	280/2022	$10,000
E 53/2219	Jundee South 1B	LIVE	18/01/2022	2/09/2022	1/09/2027	1.72	280/2022	$10,000
E 53/2220	Jundee South 1B	LIVE	18/01/2022	2/09/2022	1/09/2027	1.45	280/2022	$10,000
E 53/2250	Jundee South 1B	LIVE	28/07/2022	8/05/2023	7/05/2028	39.81	280/2022	$20,000
E 53/2253	Jundee South 1B	LIVE	28/07/2022	8/05/2023	7/05/2028	3.06	280/2022	$10,000
E 53/2288	Jundee South 1B	LIVE	8/02/2023	12/10/2023	11/10/2028	9.16	280/2022	$20,000
E 53/2296	Jundee South 1B	LIVE	28/03/2023	22/01/2024	21/01/2029	2.87	280/2022	$10,000
E 53/2297	Jundee South 1B	LIVE	28/03/2023	22/01/2024	21/01/2029	3.06	280/2022	$10,000
E 53/2299	Jundee South 1B	LIVE	28/03/2023	10/04/2024	9/04/2029	12.25	280/2022	$15,000
E 53/2298	Jundee South 1B	LIVE	28/03/2023	20/05/2024	19/05/2029	3.06	280/2022	$10,000
P 37/9593	Mount Stirling	LIVE	26/11/2021	5/09/2022	4/09/2026	1.03	279/2022	$4,160
P 37/9594	Mount Stirling	LIVE	26/11/2021	5/09/2022	4/09/2026	1.02	279/2022	$4,080
P 37/9595	Mount Stirling	LIVE	26/11/2021	5/09/2022	4/09/2026	1.60	279/2022	$6,440
P 37/9596	Mount Stirling	LIVE	26/11/2021	5/09/2022	4/09/2026	0.42	279/2022	$2,000
E 69/4020	Mt MClure Fault	LIVE	27/01/2022	14/09/2022	13/09/2027	46.22		$20,000
TOTAL						**1,373**		**$967,780**

The Jundee South project refers to all tenements. Jundee South 1 is used here to refer to the original and marquee gold project area. Jundee South 1 is the largest of the project areas, is located mainly on gold prospective greenstone belt rocks, and has been explored most extensively historically and by Avenira. Jundee South 2 is used here to refer to the later acquired tenements west-adjoined to Jundee South 1 on less prospective granitoid rocks. Jundee South 1A indicates the original main tenements and Jundee South 1B indicates the relinquished/re-acquired tenements (Figure 5-1).

Restricted Land in the Project Area

No restricted land is known within the project tenements.

E36/1049 partly overlaps the Weebo Aboriginal Reserve, however, Avenira does not anticipate this having any major effect on exploration activities.

As per Native Title Agreement over the project, ground disturbing fieldwork is subject to heritage survey clearances which could result in restrictions on exploration activities in some areas.

Native Title

Parts of the Jundee South project are subject to Native Title determination WAD108/2016 and WAD241/2004 (Tarlka Matuwa Piarku Aboriginal Corporation RNTBC). A *Native Title Land Access and Mineral Exploration Agreement* pertaining to the Jundee South 1 project area (including exploration licences E53/1856, E53/1859. E53/2078, and E53/2079) was signed between Tarlka Matuwa Piarku and Avenira on September 16, 2021. These licence IDs are now superseded as per Figure 5-2, however, Avenira confirm that the agreement remains in good standing.

On August 8, 2022, the above agreement was updated by a *Deed of Variation* to also include exploration licences E53/2204, E53/2207, E53/2208, E53/2209, E53/2212, E53/2213, E53/2214, E53/2215, E53/2216, E53/2217, E53/2218, E53/2219, E53/2220, E53/2237, E53/2238, and E69/4020.

Parts of the Jundee South project are subject to Native Title determination WAD228/2011 and WAD302/2015 (Tjiwarl Aboriginal Corporation RNTBC). An *Exploration and Prospecting Deed of Agreement* was signed between Tjiwarl and Avenira pertaining to E36/1029 and E53/2210 on June 21, 2023.

Parts of the Jundee South project are subject to Native Title determination WAD225/2018 (Kultju Aboriginal Corporation RNTBC). An *Exploration and Prospecting Deed of Agreement* was signed between Kultju and Avenira pertaining to P53/1712, P53/1713, E53/1859, E36/1021, E53/2205, E53/2209, E53/2210, E53/2211, E53/2212, E53/2251, E53/2252, E53/2272, E53/2280, E53/2290 and E53/2291 on June 12, 2023.

The Darlot/Watarra Native Title Agreement was executed by AEV and countersigned by Watarra on 3 September 2024. This covers all licences in the southern part of AEV's tenement package.

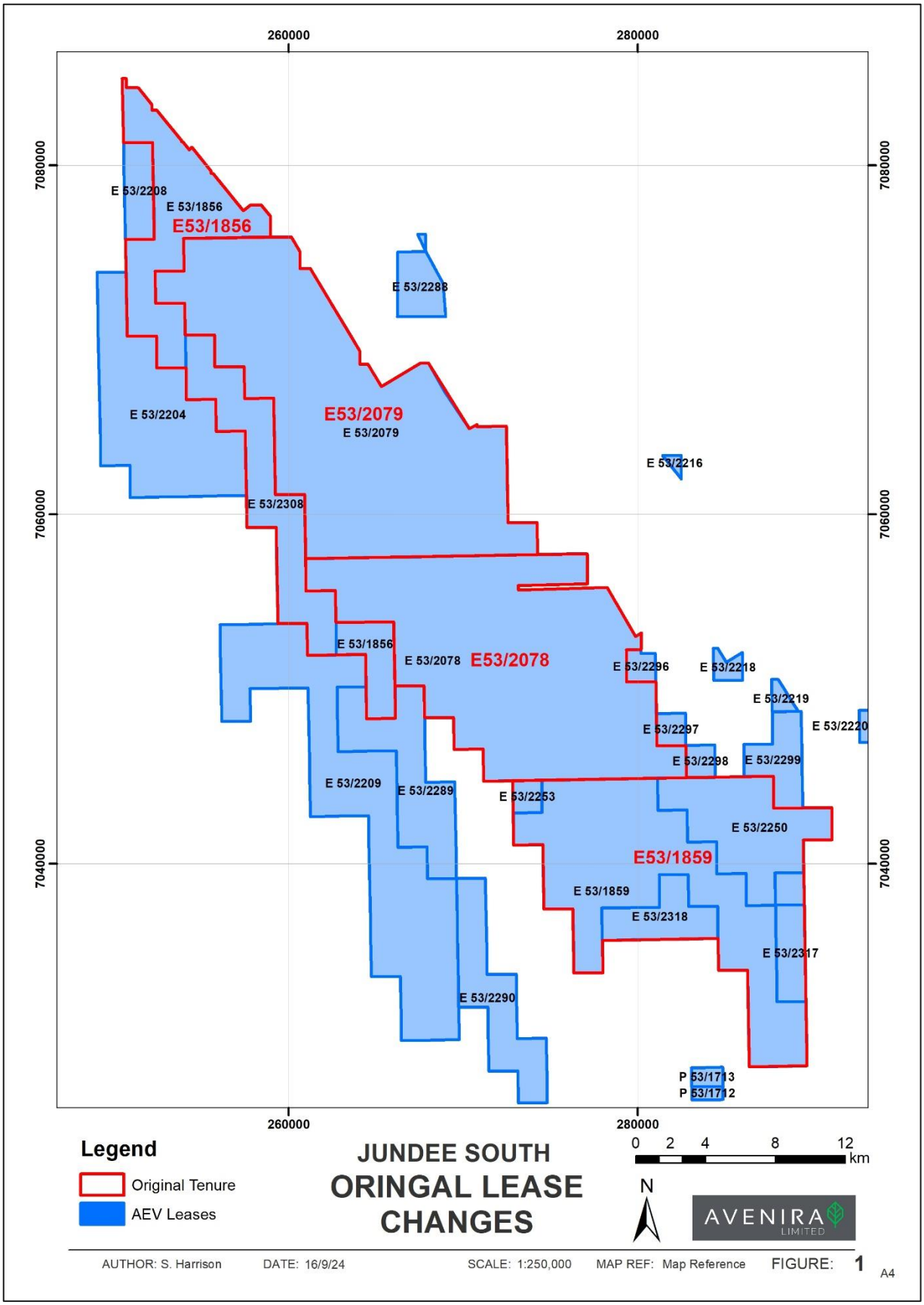

Figure 5-2: Lease changes at Jundee South 1

5.6 Exploration and Development History

There has been no development of resources on the tenements. Exploration is at an early-stage.

Geological mapping has been undertaken by various previous explorers. These maps have not been digitised.

Various surface geochemical surveys have been undertaken. These have not been reviewed for this report.

6,638 historical rotary air blast (RAB), air-core (AC) and similar method drillholes (total 358,379 m) and 106 RC historical drillholes (total 13,847 m) have been completed on Avenira's tenements (Table 5-2; Figure 5-3).

The Jundee South 1 project area has been extensively RAB and AC drilled by a number of previous explorers, typically on a 160 x 640 m grid, but with drill hole spacings of up to 1280m x 160m. This was effectively untargeted first pass geochemical exploration. It was infilled to 40 x 80 m in areas of gold geochemical anomalism and there has been considerable follow-up by RC drilling (Figure 5-4).

The other project areas have not been systematically drilled and there is only sparse RAB and AC historical drilling recorded in Avenira's drill database.

No diamond (DD) drilling has been undertaken on any of Avenira's tenements.

Exploration by Avenira in recent years has focused on the Jundee South 1 project area. Avenira's exploration here is underpinned by a detailed structural and geological interpretation map completed by consultant Rountree in February 2021 (Figure 5-5). Further structural interpretation was completed by consultant Gold Vector in April 2021.

Between 2020-2022 Avenira drilled 295 AC drillholes (total 23,063 m) and 23 RC drillholes (total 13,847 m) across a number of prospects at the Jundee South project area (Table 5-2; Figure 5-6). The best intercepts from this drilling are included in Table 5-3 and Table 5-4.

Table 5-2: Summary of drilling in Avenira's drill database.

Tenement	Historical Drilling						Avenira Drilling					
	AC, RAB etc.			RC			AC			RC		
	Holes	Avg m	Total m	Holes	Avg. m	Total m	Holes	Avg. m	Total m	Holes	Avg. m	Total m
E 37/1546												
E 37/1547												
E 53/2272												
E 53/2280												
E 36/1021	20	32	637									
E 53/2211	2	50	100									
E 36/1029	19	29	557									
E 36/1074	9	11	95									
E 53/2205	7	21	148									
E 53/2210												
E 53/2291												
P 37/9539	1	15	15									
E 37/1474												
P 37/9630												
P 37/9631												
E 36/1049	45	31	1417									
E 36/1050	10	70	704									
P 53/1712	37	29	1083									
P 53/1713	11	20	216									
E 53/2317	51	72	3697									
E 53/2318	155	44	6890				13	74	968			
E 53/2204												
E 53/2289	36	14	514									

E 53/2209												
E 53/2308	34	23	773									
E 53/2290												
E 53/1859	1021	45	46100	4	175	698	63	90	5666	2	210	420
E 53/1856	414	37	15277	14	126	1769	45	92	4132	2	231	462
E 53/2078	2086	57	119072	49	133	6541	73	77	5545	11	223	2452
E 53/2079	1968	65	127097	20	129	2581	101	67	6752	8	195	1560
E 53/2208	4	16	65									
E 53/2216												
E 53/2218	48	36	1728									
E 53/2219	21	25	524									
E 53/2220	49	51	2511									
E 53/2250	311	54	16674	19	119	2258						
E 53/2253	15	79	1187									
E 53/2288												
E 53/2296	22	88	1930									
E 53/2297	39	52	2014									
E 53/2299	107	45	4789									
E 53/2298	21	58	1224									
P 37/9593	15	28	413									
P 37/9594	60	15	928									
P 37/9595												
P 37/9596												
E 69/4020												
TOTAL	6,638	40	358,379	106	136	13,847	295	80	23,063	23	215	4,894

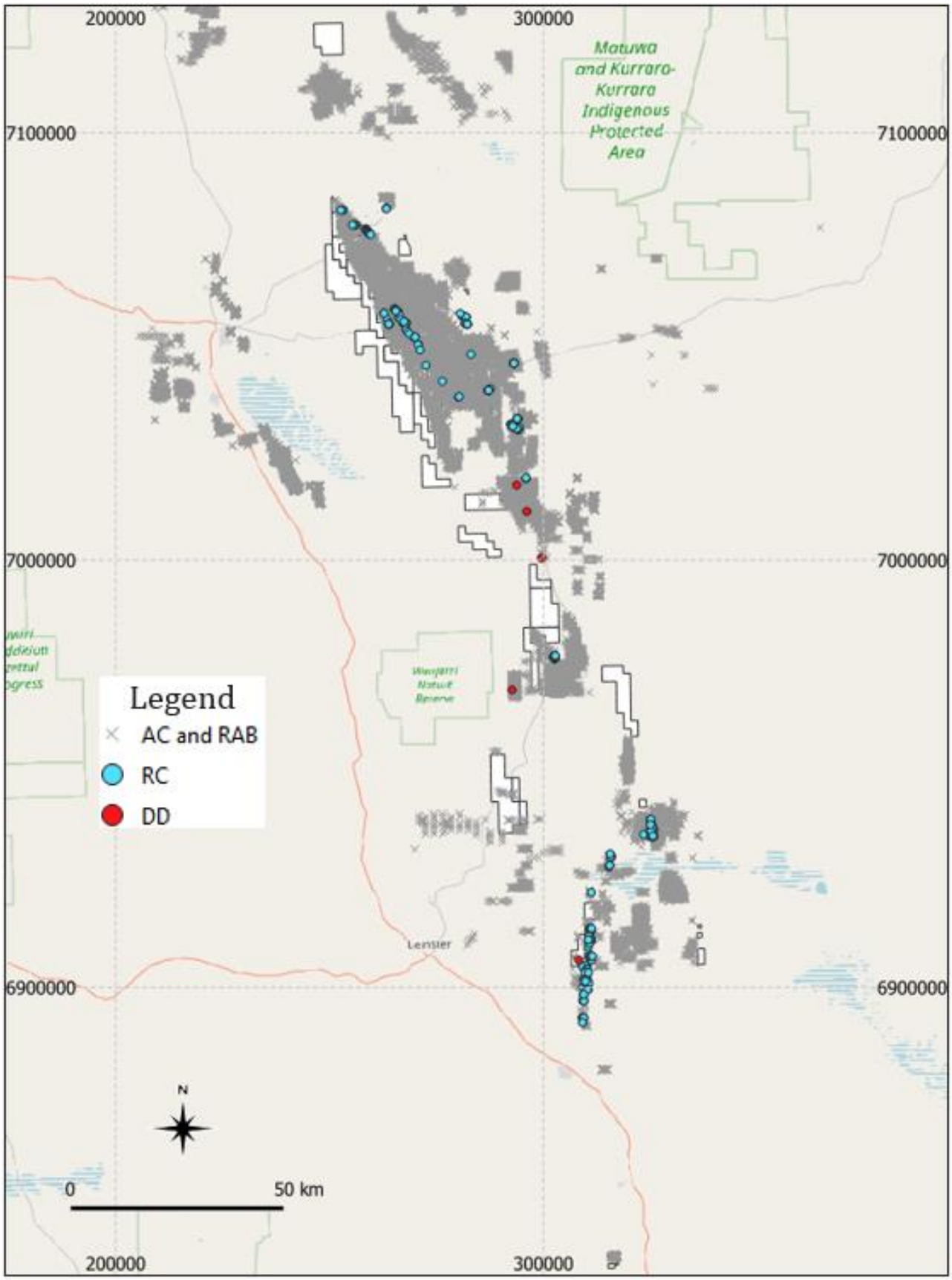

Figure 5-3: Historical drilling in and around the Jundee South project recorded in Avenira's drilling database.

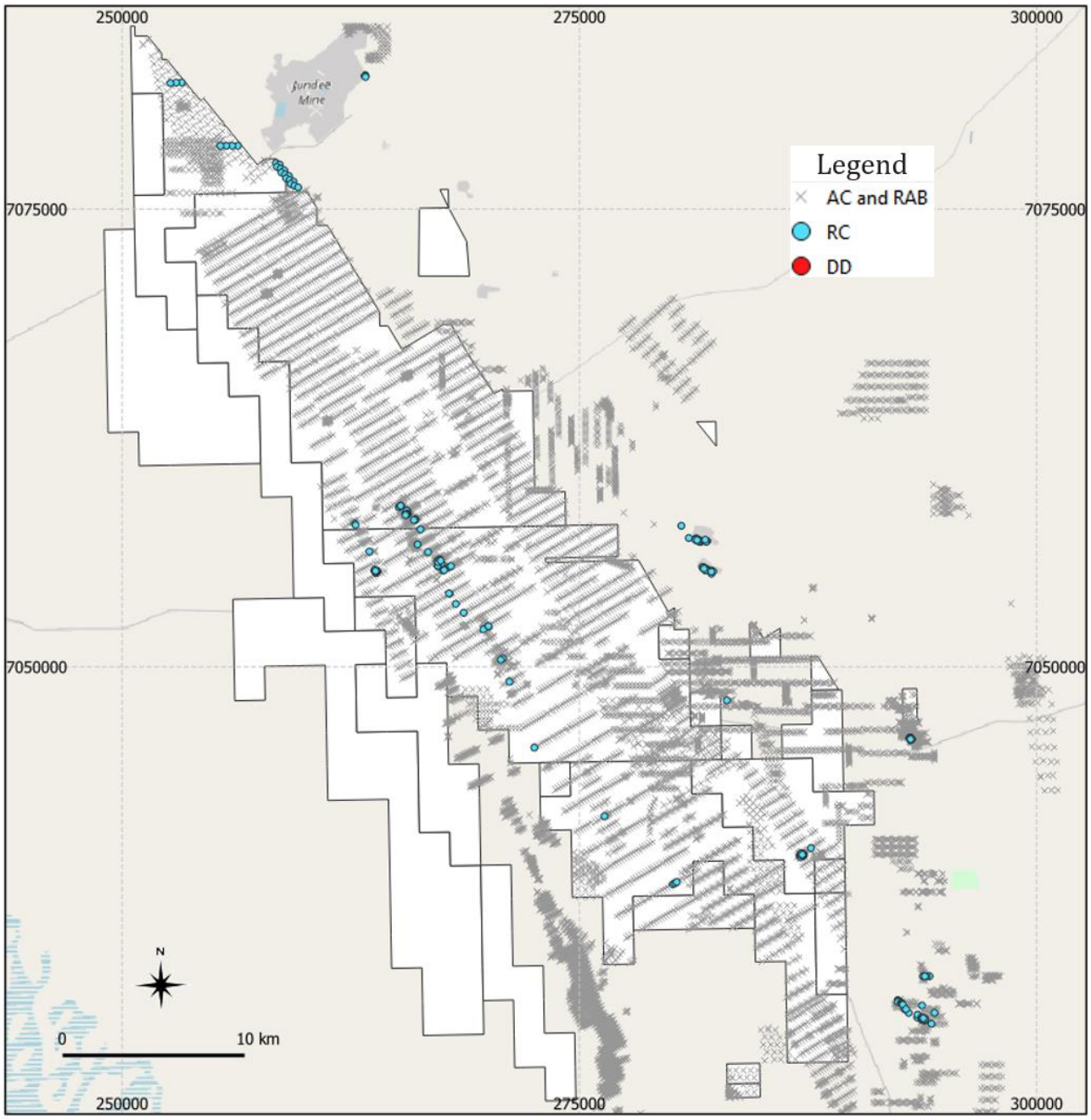

Figure 5-4: Historical drilling in and around the Jundee South 1 and 2 project areas recorded in Avenira's drilling database.

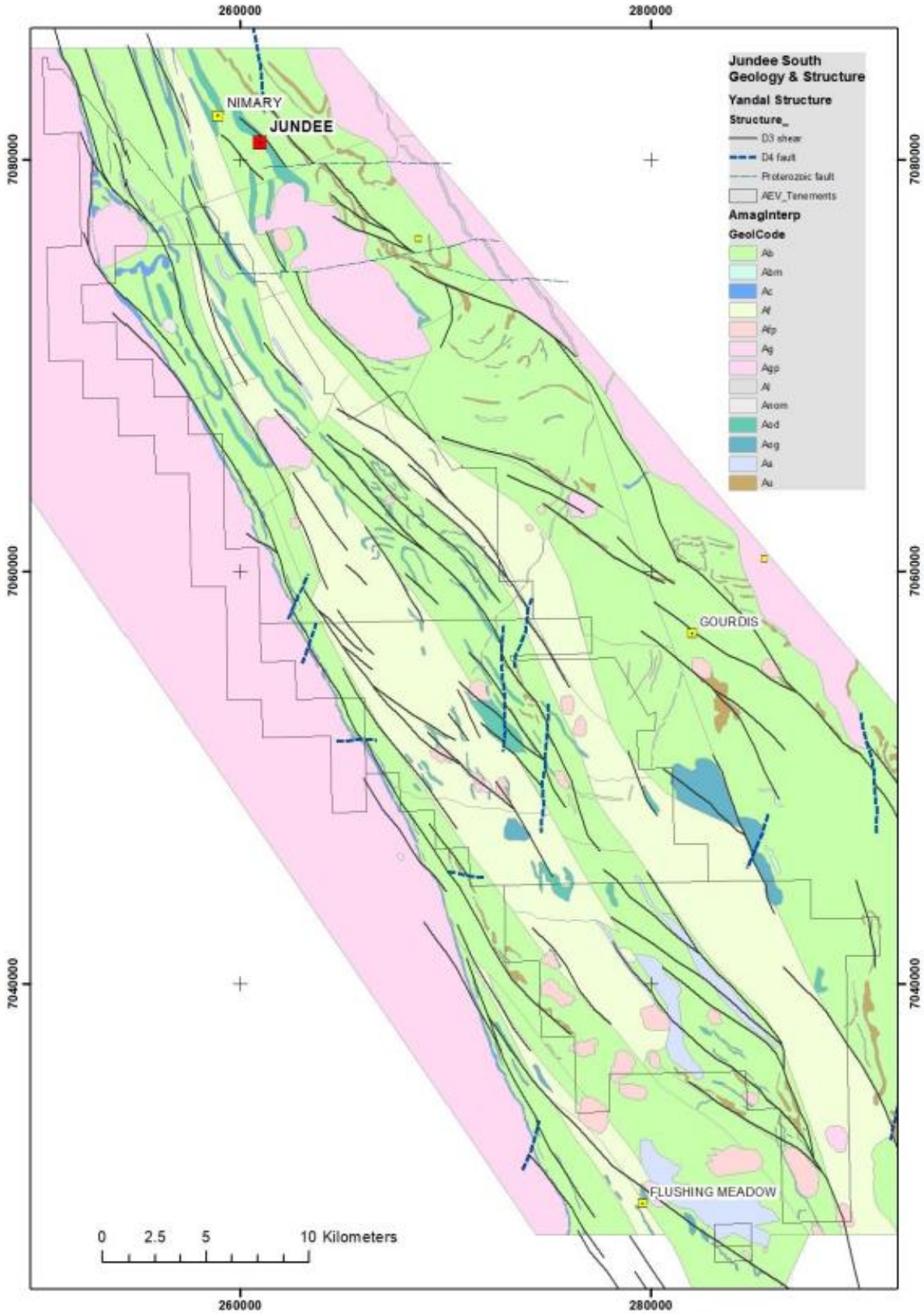

Figure 5-5: Rountree structural and geological interpretation map of the Jundee South 1 area.
Source: Avenira. Note that this figure shows outdated tenements.

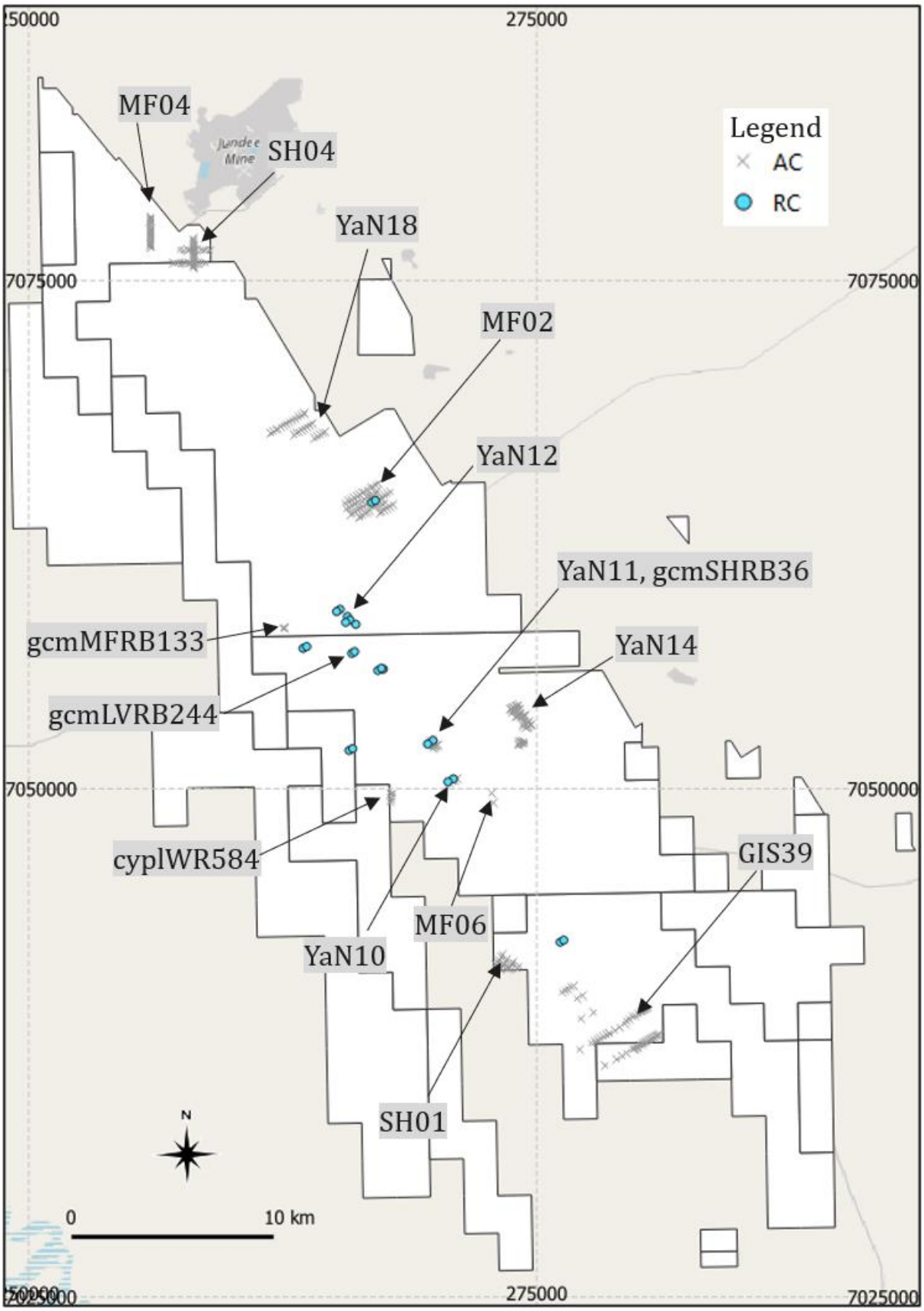

Figure 5-6: Avenira drilling including prospect names.

Table 5-3: Mineralised AC intercepts from the 2021 drilling.

Hole	Target	Depth From (m)	Depth To (m)	Width (m)	Grade (g/t Au)	Comment
Resampled Intervals (>0.2 g/tAu)						
JSA20_058	MF02	35	42	7	**1.36**	Quartz vein in felsic volcanic. The hole finished in mineralisation
including		39	40	1	**5.22**	
JSA20_125	YaN11 (gcmSHRB36)	81	84	3	0.45	Redox Front
JSA20_123		104	105	1	**0.78**	Quartz veining with relict sulphide
JSA20_129		89	90	1	0.57	Redox front
Composite Intervals (>0.1g/t Au)						
JSA20_333	YaN11 (gcmSHRB36)	68	76	8	0.25	Intermediate porphyry
JSA20_333		96	100	4	0.30	Weathered sulphide veining in intermediate volcanic
JSA20_334		72	76	4	0.18	Foliated mafic rock
JSA20_332		32	36	4	0.14	Quartz veined weathered felsic
JSA20_223	SH04	52	56	4	0.13	Weathered Dolerite
JSA20_304	cypIWR584	60	64	4	0.10	Weathered sulphide veining in Gabbro

Source: Avenira.

Table 5-4: Mineralised RC intercepts from the 2022 drilling.

Hole	From	To	Width	Grade (g/t Au)	Comment
JSRC_0002	104	108	4	0.12	Felsic Porphyry, 12% Qtz veins
JSRC_0003	108	112	4	0.10	6% Qtz veins
JSRC_0003	180	184	4	0.11	Felsic Porphyry, 2% Qtz veins, minor py
JSRC_0003	200	204	4	0.10	Felsic Porphyry
JSRC_0004	24	28	4	0.33	Minor quartz vein
JSRC_0004	96	100	4	0.10	Saprock contact, Felsic Porphyry
JSRC_0004	149	188	39	0.12	NS 144-149, minor qtz vein + pyrite
Including	149	152	3	0.23	
JSRC_0005	48	52	4	0.12	Minor quartz veining
JSRC_0005	100	128	28	0.84	Minor quartz veining
Including	**100**	**108**	**8**	**2.03**	
JSRC_0005	180	196	16	0.18	Structure with high water flow, minor qtz vein & pyrite
including	180	188	8	0.25	
JSRC_0005	212	216	4	0.20	Minor quartz veining
JSRC_0006	136	140	4	0.66	10% quartz vein
JSRC_0014	176	180	4	0.12	Mafic schist, minor quartz vein and pyrite
JSRC_0016	16	20	4	0.10	Felsic saprolite, minor quartz veining
JSRC_0016	220	224	4	0.19	Intermediate Porphyry, 1% Qtz vein
JSRC_0017	36	40	4	0.41	Minor quartz vein
JSRC_0017	144	148	4	0.21	Minor quartz vein & pyrite
JSRC_0017	**156**	**160**	**4**	**1.04**	15% quartz vein
JSRC_0017	280	284	4	0.32	Felsic porphyry – no vein/pyrite
JSRC_0018	**80**	**88**	**8**	**1.06**	20% quartz vein
JSRC_0018	164	180	16	0.14	Felsic Porphyry, minor qtz vein & minor py
JSRC_0018	208	228	20	0.12	Felsic Porphyry, 6% qtz vein & minor py
JSRC_0018	236	240	4	0.11	Felsic Porphyry, 2% qtz vein & minor py
JSRC_0019	224	228	4	0.11	Felsic Porphyry (EOH)
JSRC_0020	72	84	12	0.13	Felsic Porphyry with up to 8% Quatz
JSRC_0021	68	72	4	0.13	Intermediate Porphyry
JSRC_0021	**160**	**164**	**4**	**7.29**	Intermediate Porphyry with 4% Quartz
JSRC_0021	164	168	4	0.15	Change in unit colour – intermediate
JSRC_0022	64	68	4	0.10	Dacite. Saprock transition

Source: Avenira.

Geophysics

The project is covered by government magnetics-radiometrics data and gravity. Magnetics-radiometrics resolution in the Jundee South 1 project area is 100 m spaced lines. The gravity is of low resolution consisting of 2-4 km spaced readings. AEV have received a proposal to acquire 40m line spacing, 30m flight height aeromagnetics over the majority of the northern portion of the project area at a cost of A$331,000. The AEV board have approved a prepayment required by the selected contractor to secure their services.
In May 2020 AEV used geophysical consultants Southern Geoscience to merge, process and image 8 open file magnetics-radiometrics surveys in the Jundee South 1 area. These were between 50 and 400 m spacing and completed between 1989 and 1996. In addition, the Jundee (50 m line spacing, 1994) and Lake Violet (100 m spacing, 1996) surveys were being processed as standalone datasets.

In July 2020 AEV used consultants DIRT Exploration to review the ASTER remote sensing signature of the Jundee South mine area and determine its applicability to gold exploration in the Jundee South project area.

In July-August 2020 AEV commissioned Modern Magnetics to complete high resolution round magnetics surveys at four prospects: YaN12, YaN14, MF01, and MF05 (Figure 5-7). This was completed at a 25 m line spacing. Modern Magnetics also provided geological interpretations of each prospect (e.g., Figure 5-8).

In October 2023 DIRT Exploration reviewed Sentinel-2 remote sensing data in the western Bronzewing and West Darlot areas in the context of lithium exploration.

In June 2024 Avenira used geophysical consultants Southern Geoscience to merge, process and image two open file airborne magnetics-radiometrics surveys in the Darlot East area. These were originally completed in 2000 and 2014 at a line spacing of 40 and 50 m respectively and with a terrain clearance of 35 m.

The recently completed airborne magnetics survey commissioned by AEV has potential to both generate new exploration targets and prioritise testing of existing targets, which ERM considers to be a positive initiative that will enhance AEV’s exploration and potentially contribute to new resource discovery. The new survey could contribute to enhancement of the value of AEV’s Jundee South tenement package.

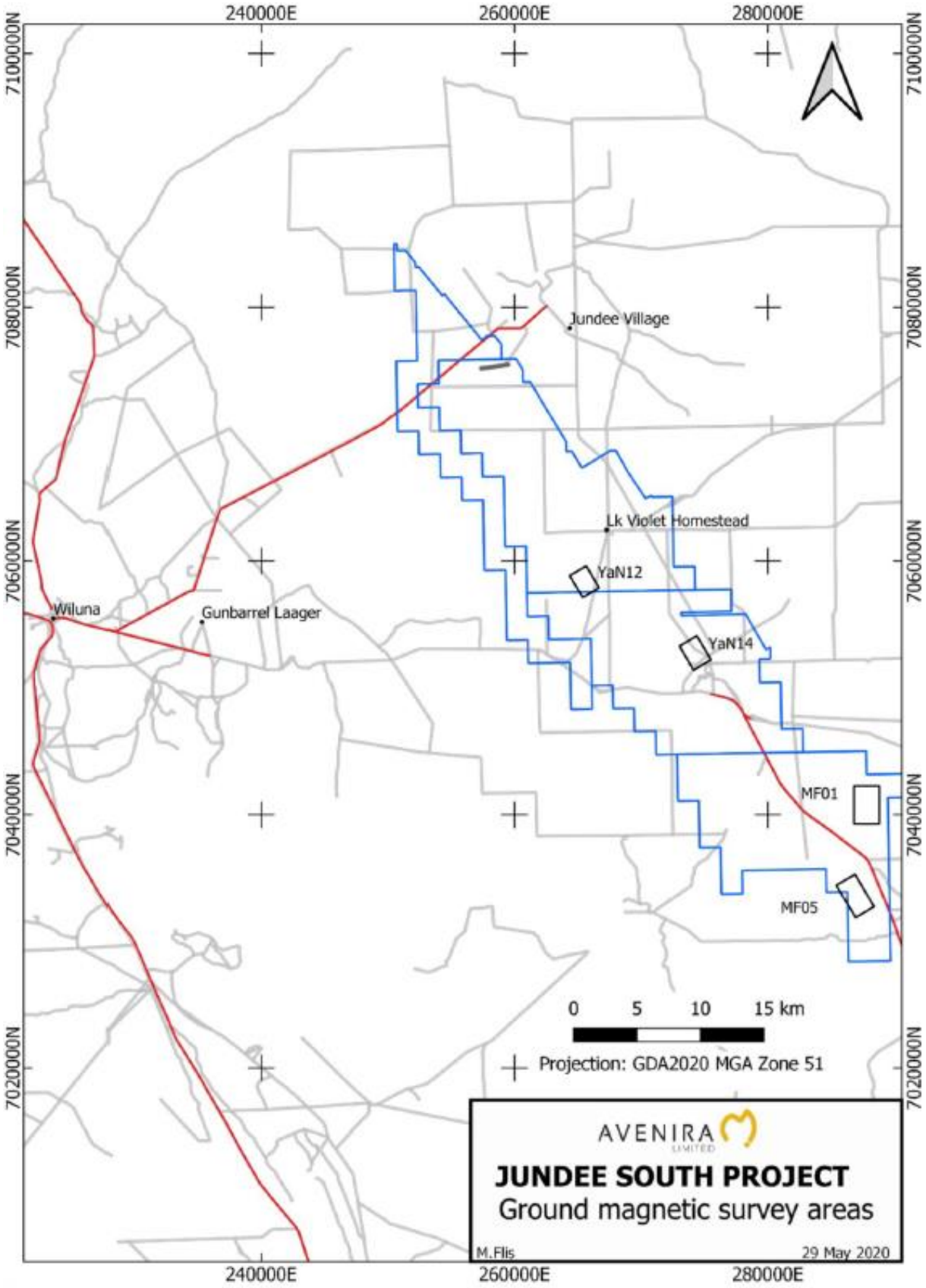

Figure 5-7: Ground magnetics survey areas on the Jundee South area.
Source: Avenira. Note that this figure shows outdated tenements.

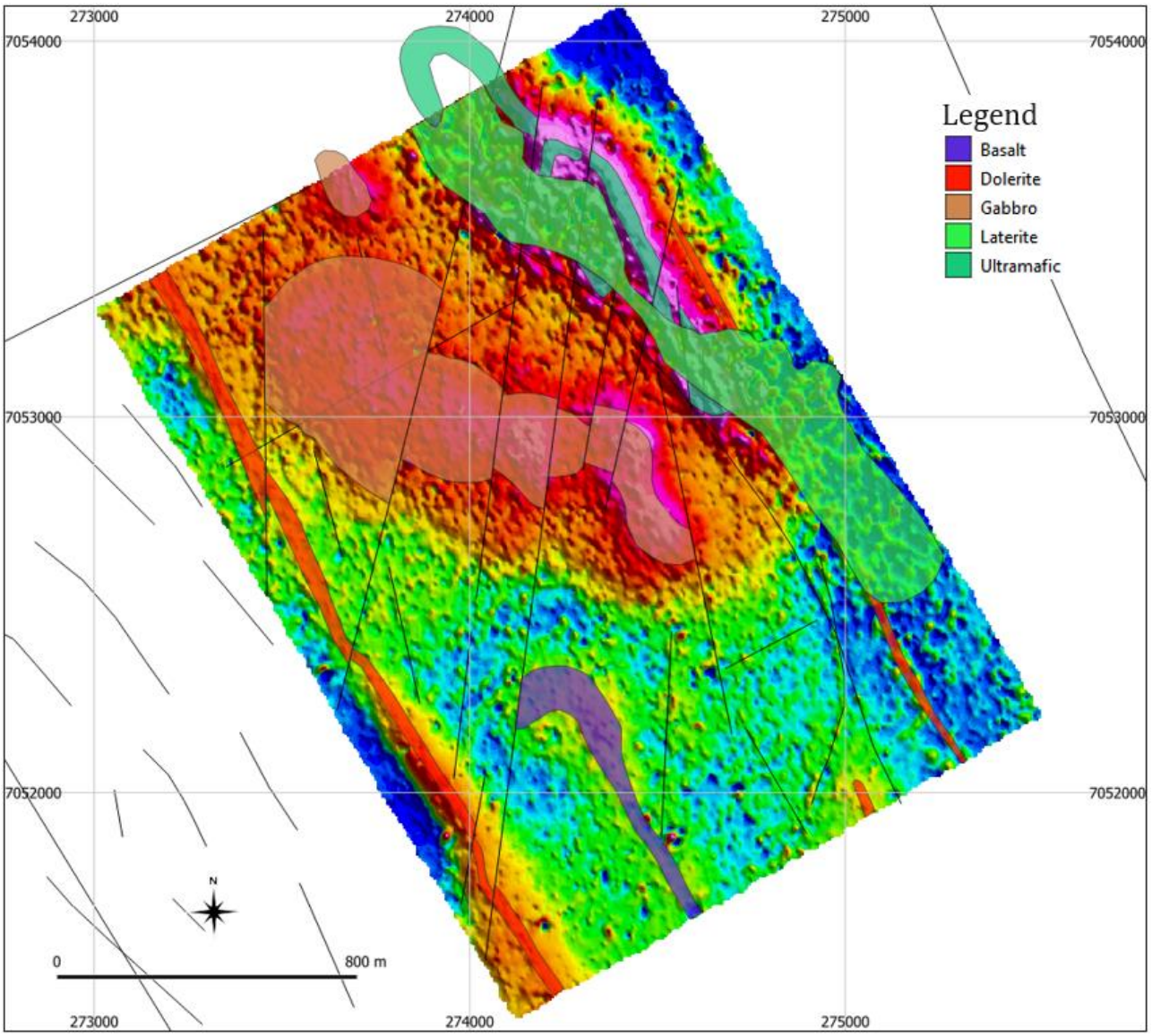

Figure 5-8: Ground magnetics total magnetic intensity (TMI) reduced to pole (RTP) image of the YaN14 Prospect with interpreted geology.

5.7 Geology and Resources

Regional Geology

Avenira's Jundee South project straddles the western flank of the Yandal Greenstone Belt with the tenements concentrated towards the northern end of the belt (Figure 5-9). The Yandal Greenstone Belt forms part of the Kurnalpi Terrane of the Eastern Goldfields Province within the Archean Yilgarn Craton.

The Yandal belt is a linear belt approximately 130 km in strike and 30 km wide that strikes north-northwest and consists of a deformed and metamorphosed sequence of volcanic and sedimentary rocks bounded by granitoids. Metamorphism is generally low to middle-greenschist facies, grading to amphibolite facies close to granite margins.

The greenstone rocks are highly prospective for gold, whereas the prospectivity of the surrounding granitoid rocks is low.

The Jundee South 1 and Mount Stirling tenements in the north of the project dominantly overlie Yandal Greenstone Belt rocks, whereas the Jundee South 2 and Mount McClure Fault tenements

dominantly overlie granitoid rocks (Figure 5-9). The geology in this part of the greenstone belt is relatively complex with slices of mafic stratigraphy intercalated with felsic volcanics and sedimentary rocks and intruded by multiple granitic stocks. It is likely that early structural imbrication and folding gave rise to the observed geological pattern (D1 and D2 events), and these early structures have been later reactivated as sinistral strike—slip faults (D3 event) (Baltis, 2021). There is extensive cover and deep weathering across the region. Drilling indicates cover and weathering is mostly >50 m.

The Carper, Bronzewing and Darlot East tenements to the south predominantly overlie granitoid rocks at the fringes of the greenstone belt, with small sections overlapping the greenstone belt itself (Figure 5-10, Figure 5-11). Greenstone belt rocks in the Darlot East project area are interpreted to consist of undifferentiated basalt.

Avenira interpret that there is potential for covered mafic stratigraphy (of the greenstone belt) beneath some parts of the tenements that are conventionally mapped to overlie granitoid rocks based on magnetic response (e.g., at the Mount McLure Fault project area), however, this interpretation is conceptual only.

Further south, the Ockerburry (Darlot West) tenements are located on the regional scale Ockerburry Fault within a mixed sequence of greenstone belt volcanics and volcaniclastics (Figure 5-12Figure 5-15).

The Mount Stirling tenements to the far south are located on greenstone belt rocks comprising mafic lithologies identified in sporadic outcrop (Figure 5-13).

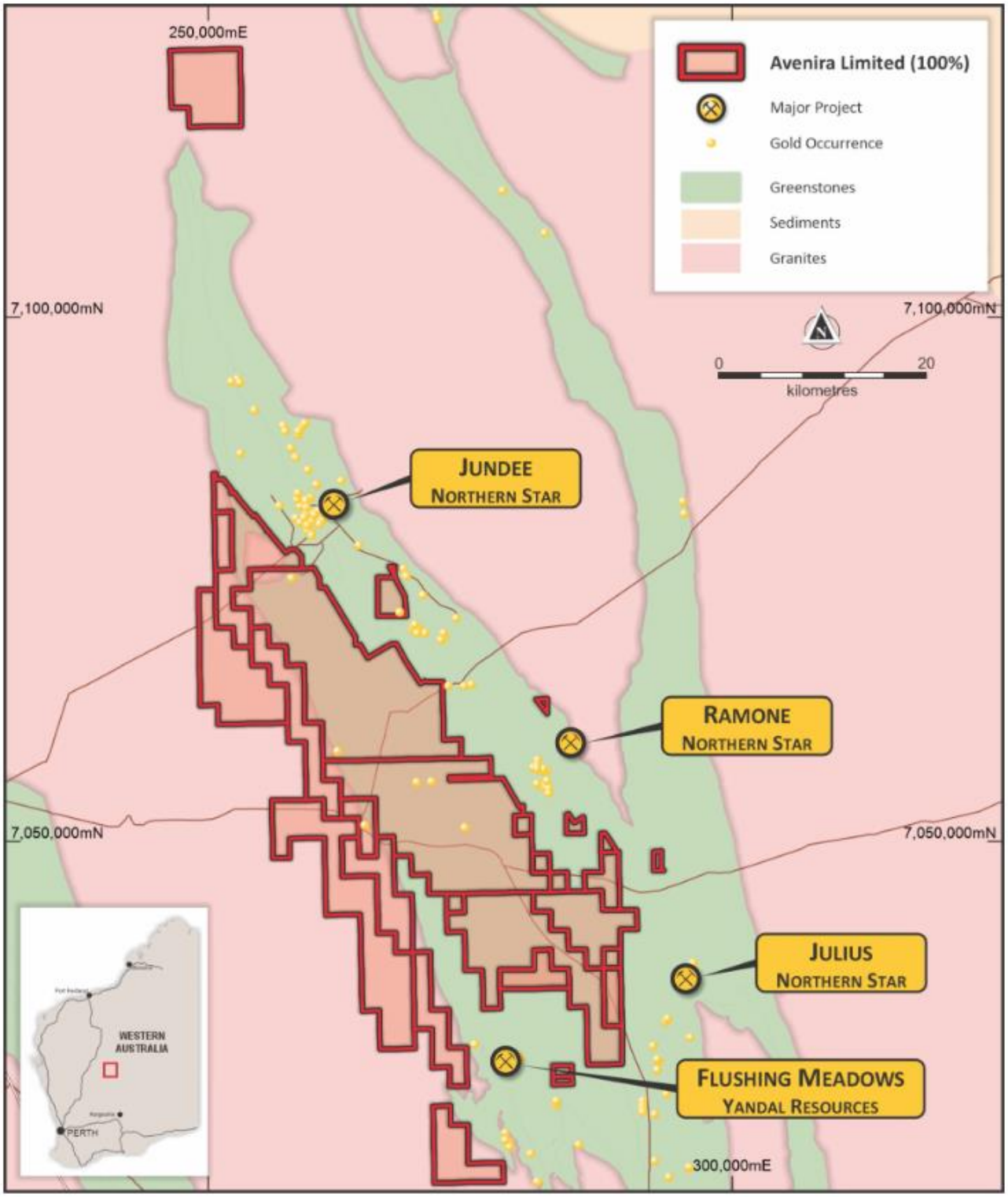

Figure 5-9: Jundee South tenements on Geology.
Source: Avenira

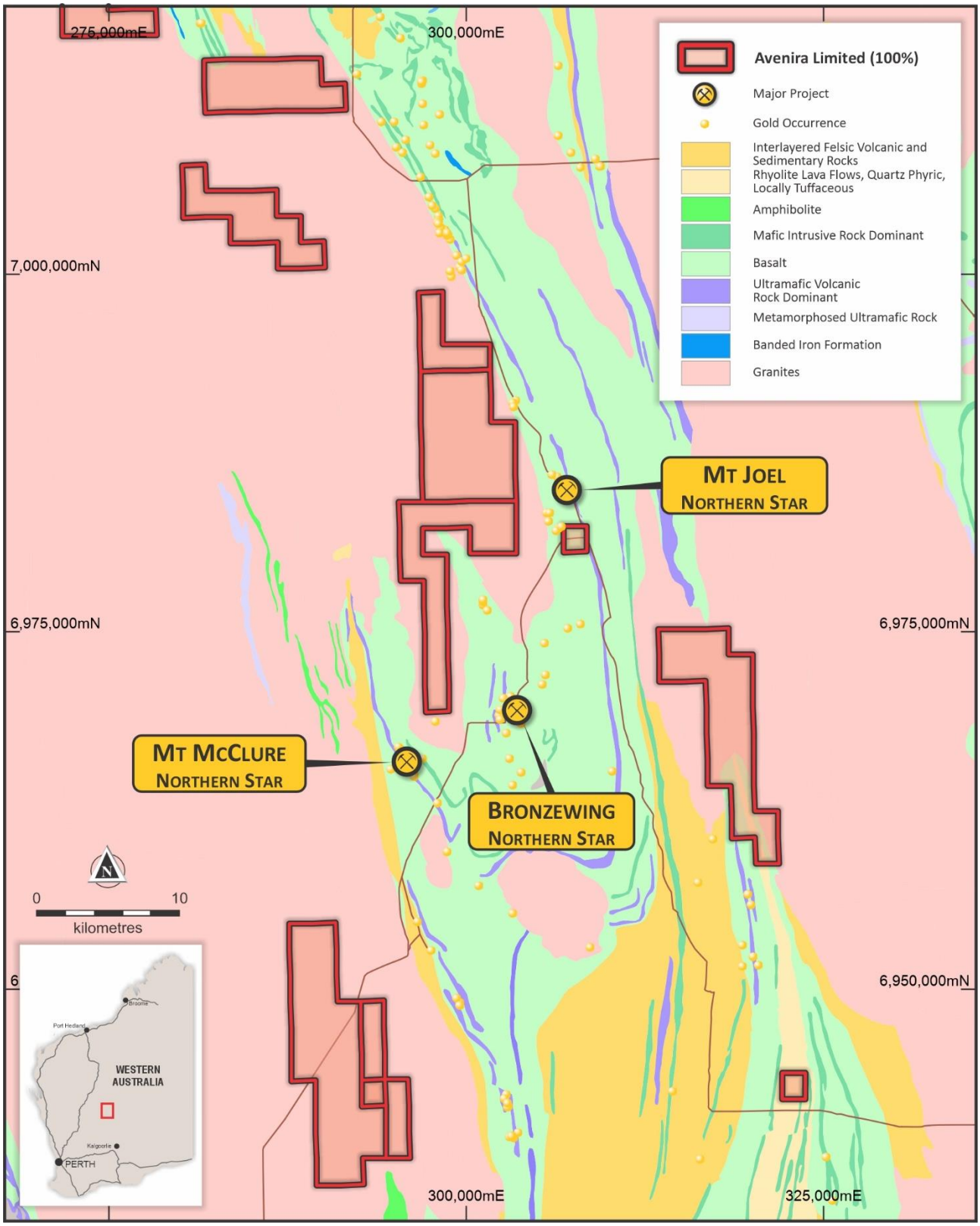

Figure 5-10: Bronzewing tenements on Geology.
Source: Avenira

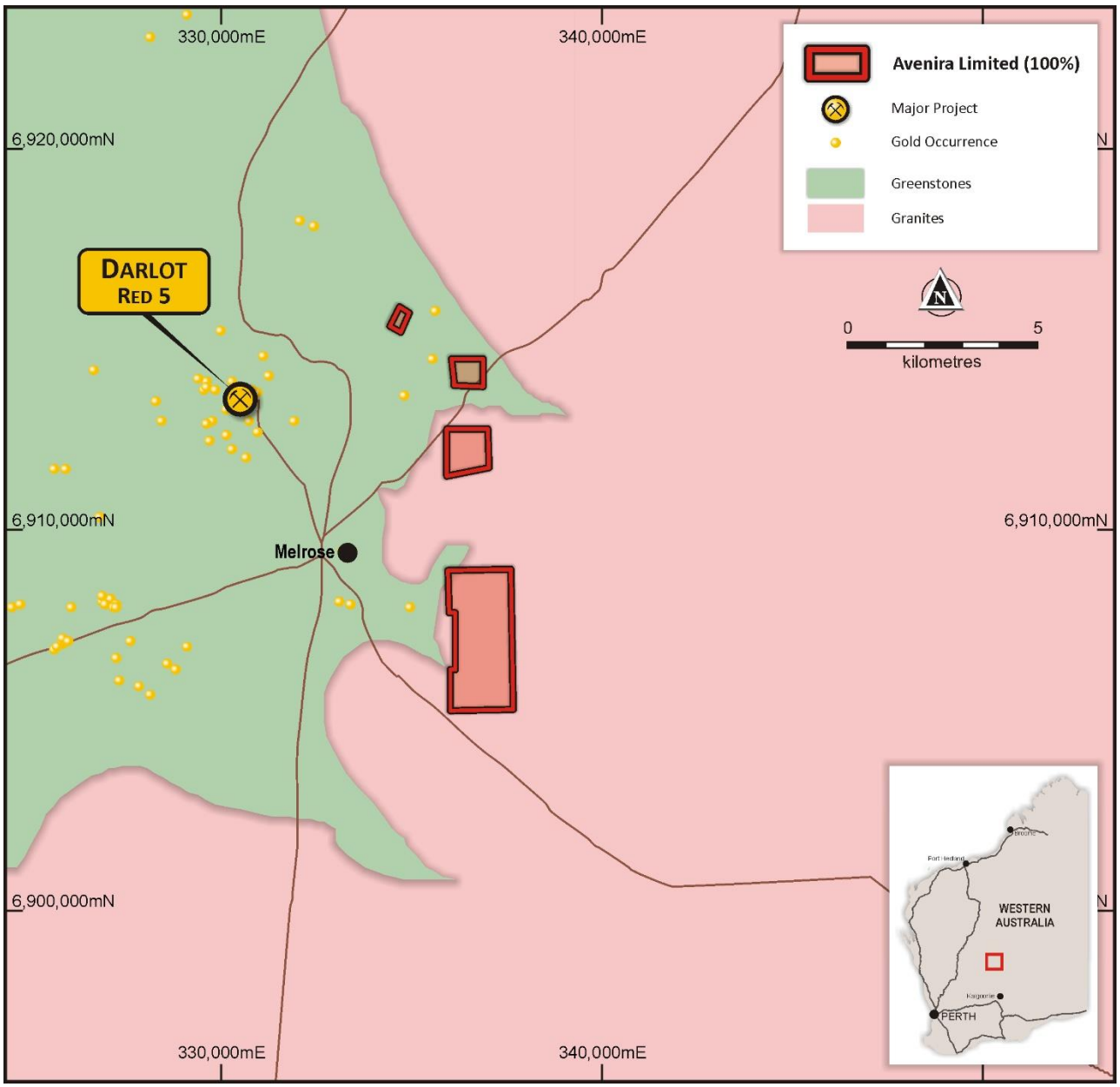

Figure 5-11: Darlot East tenements on Geology.
Source: Avenira

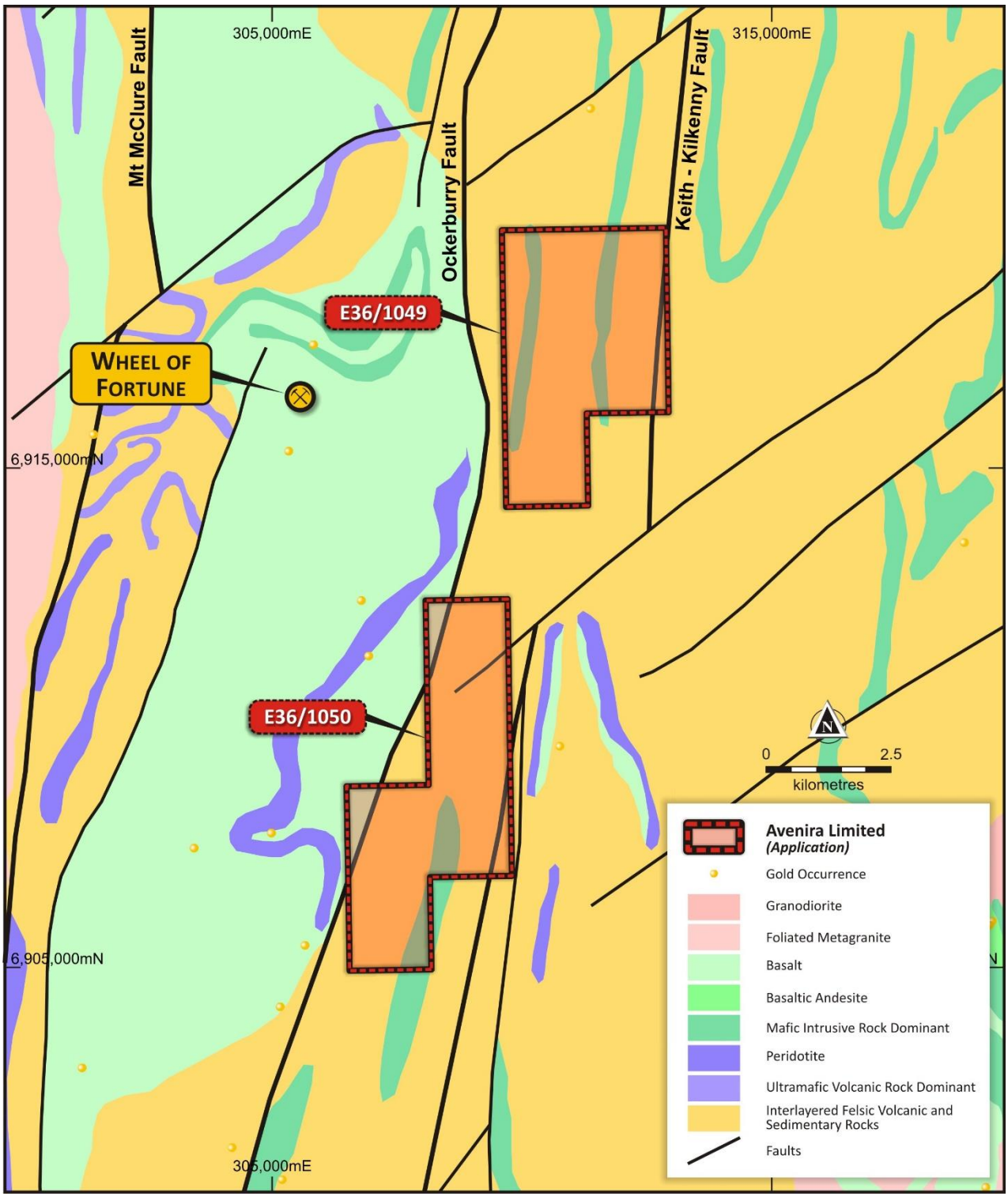

Figure 5-12: Ockerburry (Darlot West) tenements on Geology.
Source: Avenira

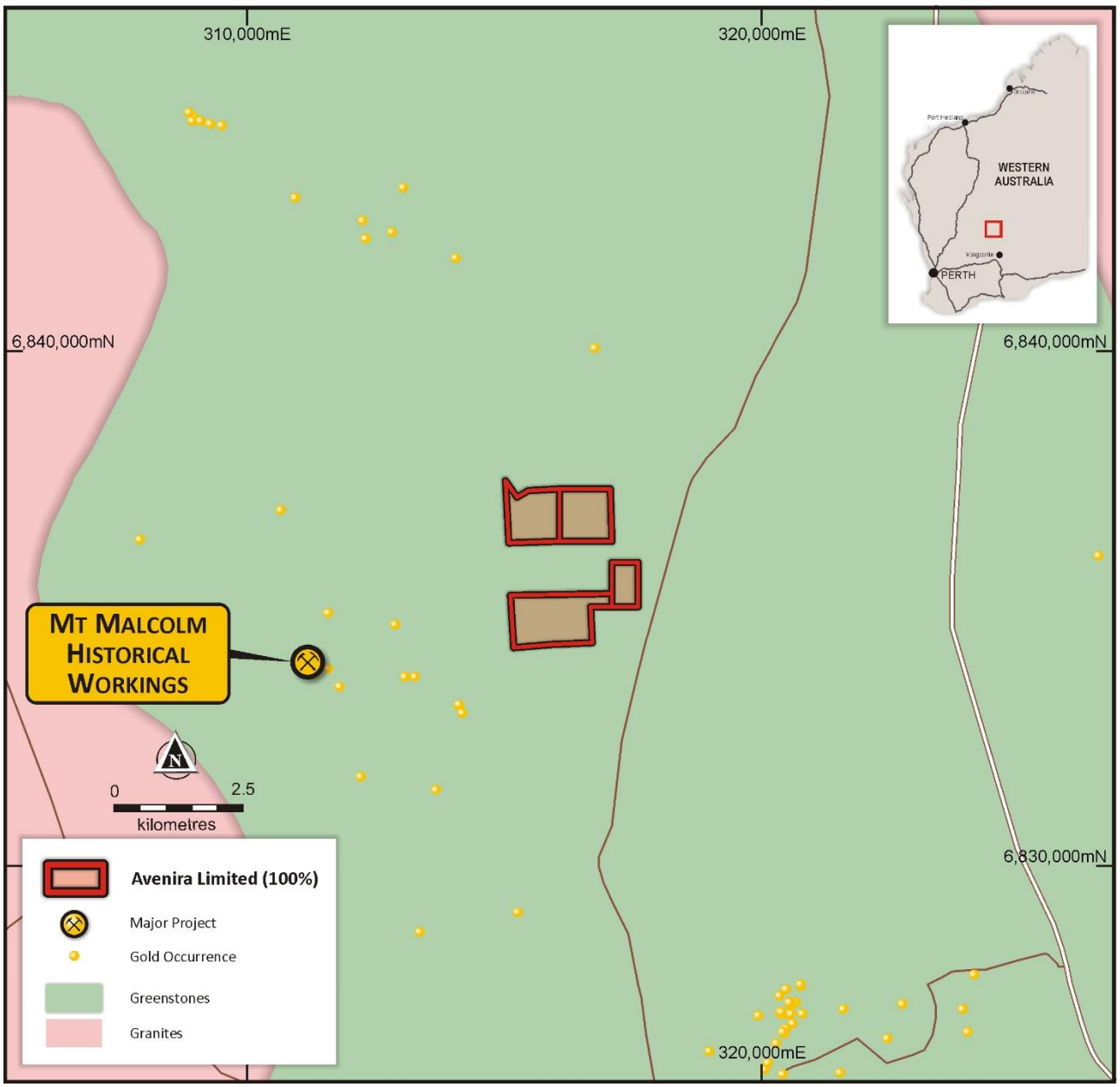

Figure 5-13: Mt Stirling tenements on Geology.
Source: Avenira

Deposit Geology and Mineralisation

The main commodity being explored for at the Jundee South project is gold.

Avenira tenements are within 5 km of the Jundee mine (>10 Moz gold), the Julius deposit (400 koz), the Bronzewing mine (4 Moz), and the Darlot mine (3.5 Moz) (Figure 5-14).

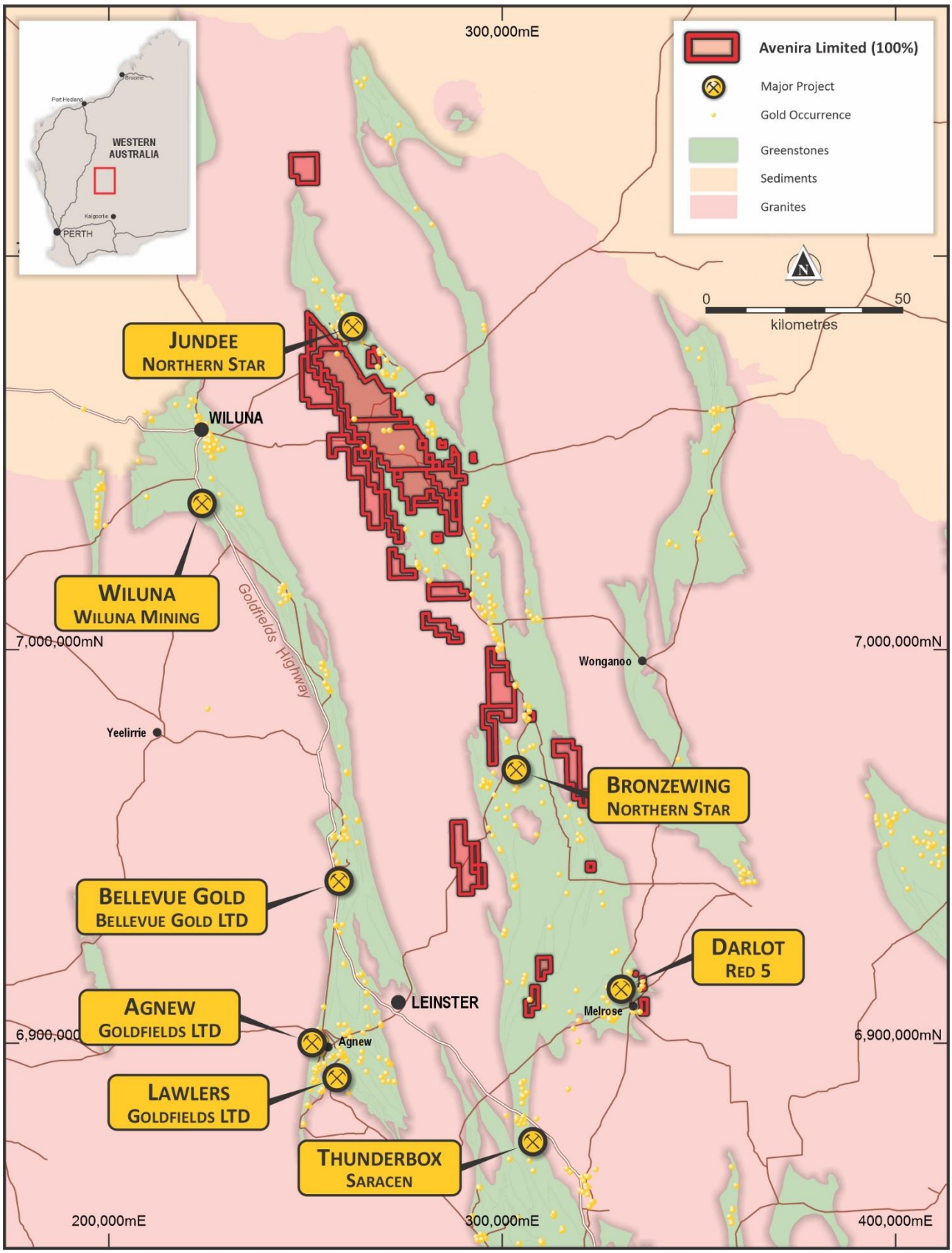

Figure 5-14: Jundee South project tenements on geology, including nearby mineralisation.
Source: Avenira

Gold was first discovered in the Yandal belt in the late 1880s. Production was at a small scale initially, however, this changed following the discovery of the significant mineralisation at the Bronzewing, Jundee and Darlot deeps (Centenary) deposits in the 1990s.

The gold mineralisation is of orogenic-type. It is typically shear related with later stage brittle cross-cutting faults being critical in gold localisation. Iron rich mafic rocks or porphyry intrusive association, quartz vein development, and carbonate (± potassium mica and iron sulphide) alteration are common features. Deposits in felsic volcanic rocks or sediment are rare in the belt and generally small in size. No significant gold mineralisation has been identified within the granitoids.

No economic gold mineralisation is known to occur on Avenira's Yandal tenements, only modest to low-grade gold drill intercepts.

Historical prospects in the Jundee South project area were defined by elevated gold in the first pass AC and RAB drilling (Figure 5-15),

> The Lake Violet prospect was first defined by RAB gold anomalies that have a strike length of about 4.5 km. It was then tested by 39 RC holes. Relatively thin intercepts (1-4 m, true width unknown) of generally low-grade (0.8-2.0 g/t) gold were intercepted at a near constant depth (93-103 m). One interpretation is that gold has concentrated at an old water table level, and this is not necessarily reflective of gold in the underlying rocks (Filis, 2020).
>
> The Moilers Find prospect is to the west and parallel to the Lake Violet prospect. This prospect was first defined on RAB gold anomalies that have a strike length of about 3.2 km. It was then tested by 18 RC holes with only low level gold intersected.
>
> The SH prospect further to the south was tested by six RC holes with only low level gold intersected.
>
> The WW prospect is based on a 1-5 g/t RAB gold anomaly. This prospect was tested by 19 RC holes and intersected wider (up to 14 m, true width unknown) but still low-grade mineralisation.

Avenira has also generated conceptual targets in-house and using external consultants.

In May 2020 Rountree generated 22 targets in the Jundee South 1 tenements based on favourable structural and lithological criteria using a Jundee deposit model (red in Figure 5-16).

In April 2021 Gold Vector generated 21 targets in the Jundee South 1 tenements (blue in Figure 5-16). The target generation involved identifying shear zones that may have been generated or reactivated during the D3 event, in particular left stepping jogs (i.e., from NNW to NW orientation) and splays with a northwest-orientation as favourable positions for gold mineralisation. Other factors considered favourably were gravity gradients reflecting large structures, intrusive centres and competency contrast between juxtaposed rock types.

All targets were reviewed and ranked by CSA Global in September 2021. CSA Global provided 72 planned drill holes to test 47 targets. This work has informed the strategic exploration of prospects in the early stages of the project's life (Figure 5-15, Figure 5-16)

Avenira is currently completing target generation and ranking in the other tenements that make up the project.

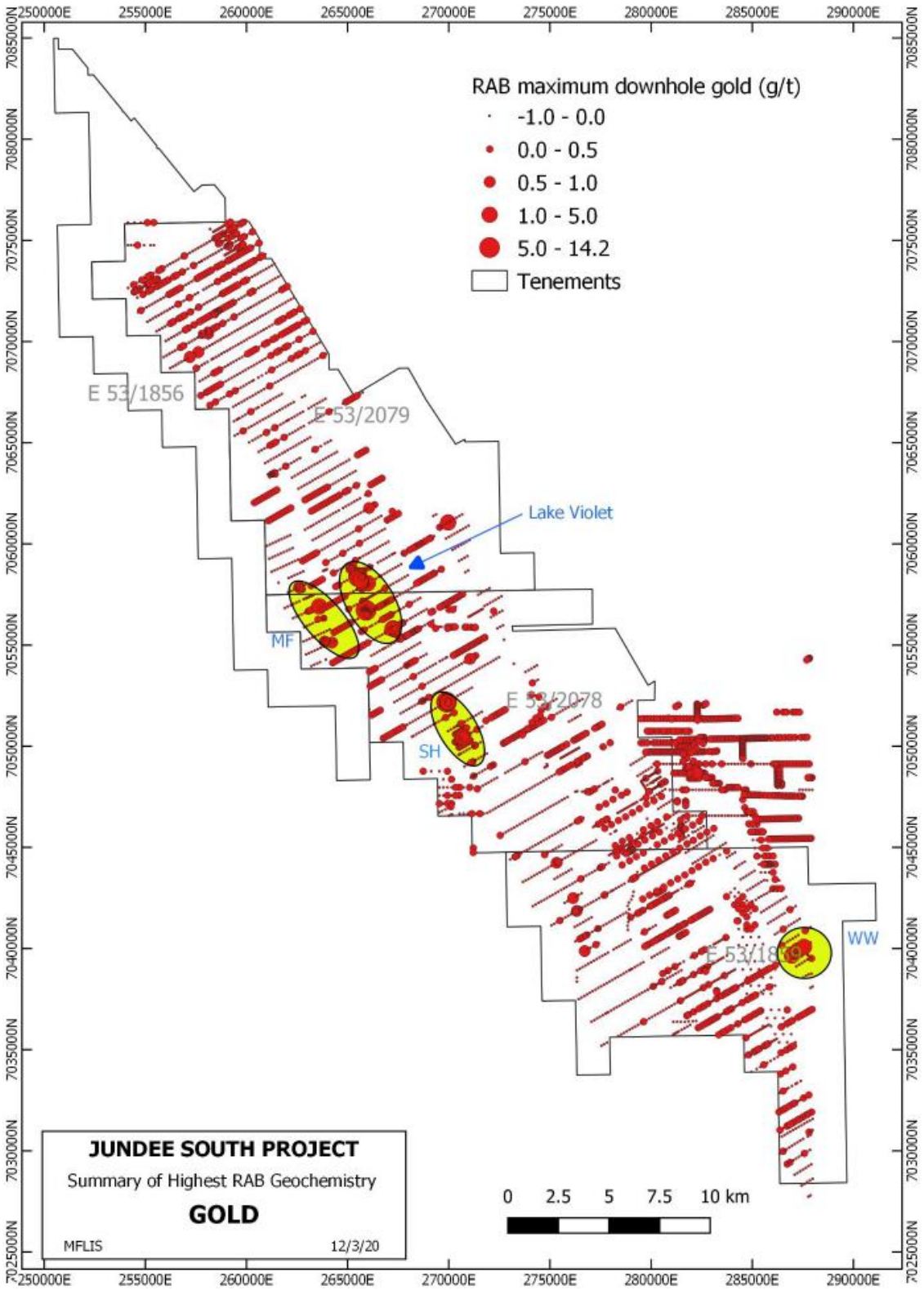

Figure 5-15: Summary of high Au in historical RAB drilling and definition of main prospects in the Jundee South area.

Source: Avenira. Note that this figure shows outdated tenements.

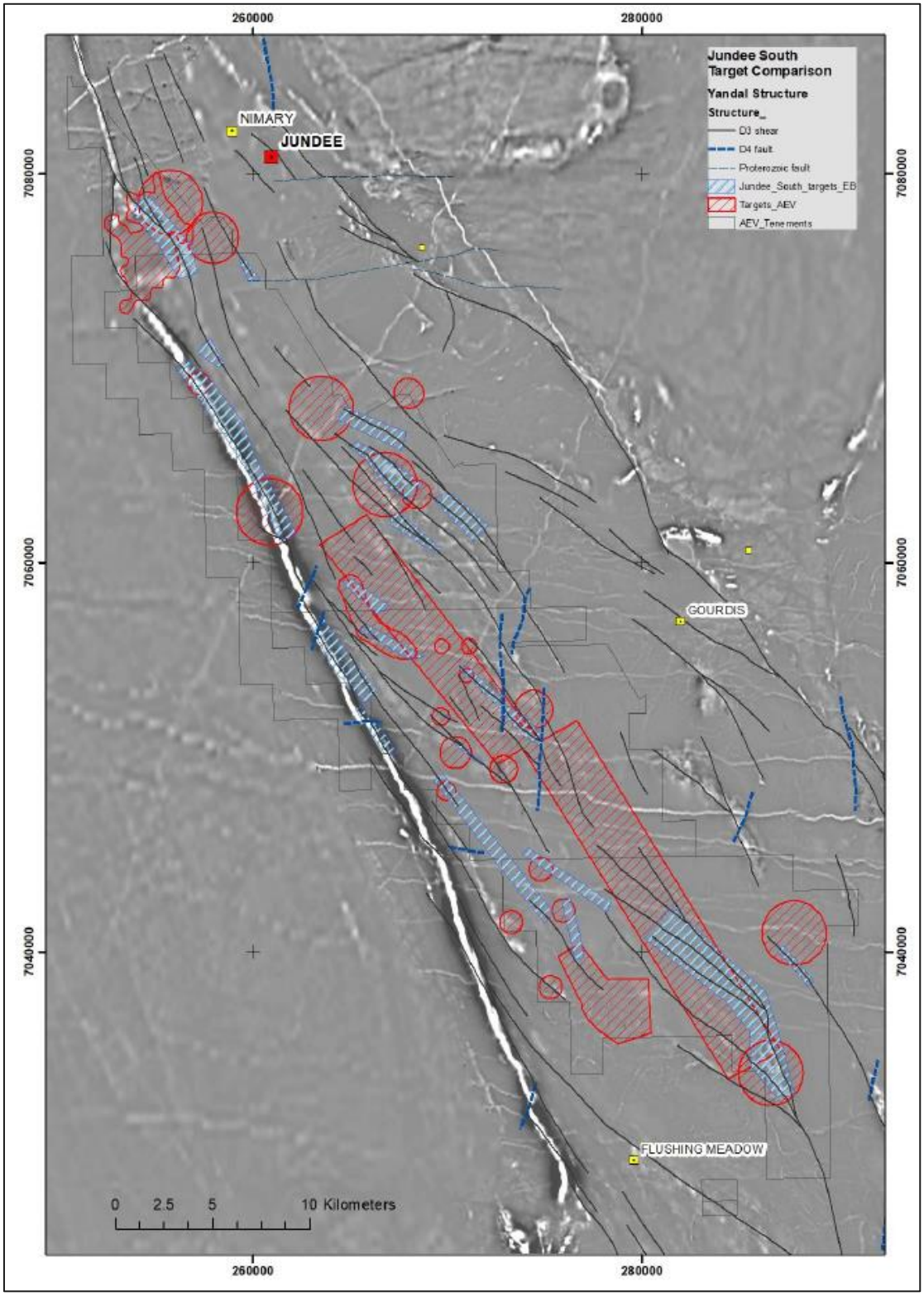

Figure 5-16: Targets in the Jundee South 1 area.
Source: Avenira. Note that this figure shows outdated tenements.

In addition to gold, Avenira is actively generating targets for pegmatite-hosted lithium and potash. The leases may also be prospective for volcanogenic massive sulphide (VMS) base and precious metals, and banded iron formation.

5.8 Mineral Resources

The Jundee South project is at a pre-resource stage of development.

5.9 Proposed Mining

The project is at a very early phase of exploration. Mining studies have yet to advance beyond an initial, conceptual level.

5.10 Ore Beneficiation

The project is at a very early phase of exploration potential and geological definition. ERM cannot comment as to the metallurgical potential or viability of any of the project targets or domains at this time. This is consistent with the current level of project resource evaluation and development.

5.11 Technical Assessment

The Jundee South project is in a well-established mining district with several examples of economic gold mines hosted in greenstone belt rocks in close proximity.

The sections of the Jundee South project with analogous greenstone geology to that which hosts these mines, in particular the Jundee South 1 project area, are highly prospective for gold and Avenira's use of an orogenic-type gold model to inform exploration is of sound technical merit.

The Jundee South project is at an early-stage of exploration.

Historic RAB drilling encountered wet conditions which resulted in inconsistent sampling of the saprock section of the weathering profile. Subsequent drilling by AEV used AC techniques which enabled drilling to consistently sample the complete profile (to refusal). Drilling to date has only intercepted modest to low-grade mineralisation with generally poor geological continuity between intercepts. However, the RC drill density at these prospects is generally low and there remains potential for economic gold mineralisation. Avenira is currently compiling and modelling these data to identify potential positions of structural upgrade to the mineralisation and depth and strike extensions.

Exploration so far has focused on follow-up of elevated gold in first pass RAB and AC drilling. Baltis (2021) notes that much of the first pass drilling appears not to have penetrated through the weathering profile to the key saprock horizon, the lower of two main gold dispersion horizons within the Yilgarn regolith. This means that it may not have necessarily been effective in sterilising areas. In this context, Avenira's strategy of generating, ranking and systematically testing conceptual targets based on key geological criteria is of sound technical merit.

In addition, a number of second and third order RAB-defined gold anomalies remain to be drill tested. These are currently being reviewed.

Avenira's exploration to date has been appropriate for the target style. Given the sulphidic alteration noted at the Jundee mine, it would also be reasonable to assess electrical geophysical methods (especially induced polarisation) for prospect testing.

Exploration for other commodities is at this stage conceptual only. Further work is required to progress these concepts.

5.12 Project Valuation Opinion

Value associated with the Jundee South project is associated with the exploration tenements, interpreted prospectivity and exploration results to date. Early-stage exploration properties without identified Mineral Resources are usually valued using cost-based approaches including the KGR, recent comparable transactions, MEE and joint venture/earn-in terms.

Best practice requires the use of more than one approach for the assets to be valued. Differences in valuation opinions evident between approaches need to be compared and discussed and confidence in the results provided by each approach assessed.

Comparable Transactions

ERM identified 29 transactions announced over the past two years using the S&P Capital IQ transactions service (S&P, 2025), involving projects with declared gold Mineral Resources in WA, for which sufficient information was available in the public domain to allow the transactions to be analysed in terms of A$/oz (Table 5-5). The transactions considered were announced in the period March 2023—March 2025 and there was sufficient information on the transaction and material projects available in the public domain for the analysis of the transactions. Implied A$/oz transaction prices were normalised to the 10 March 2025 gold spot price of A$4,609.87/oz.

In analysing the transactions, all amounts were converted to A$ where necessary, at the relevant exchange rate at the time of the transaction announcement. Joint venture transactions were only valued to the first earn-in milestone and any subsequent earn-in milestones were ignored. Future payments contingent on a future milestone such as declaration of a Mineral Resource or decision to mine were ignored. Share considerations were treated as the equivalent cash value using share prices at the time of the transaction unless the shares were issued at a particular deemed price.

Normalised values in the complete set of identified transactions ranged from A$228/km^2 to A$42,341/km^2. A single high value transaction of A$42,341/km^2 was excluded from the data set, resulting in a revised high value of A$21,141/km^2.

The high outlier transaction was the 30 May 2024 acquisition of the Laverton gold project by Rincon Resources limited, where a comparatively small area (5.4km²) was acquired for A$175,000, as it contained the down plunge extension of the LIN4 gold deposit. The remaining 28 transactions have normalised transaction values between A$228/km^2 to A$21,141/km^2, with a geometric mean value of A$3,137/km^2, a median of A$2,732/km^2 and a weighted average of A$2,187/km^2.

The range of values evident in these transactions (A$20,913/km^2) is considered by ERM too wide to be of meaningful use. Based on our professional experience we have chosen to define a valuation range by setting lower and upper bounds at ±50% of the preferred transaction value of A$3,000/km^2 which is rounded from the geometric mean value (A$1,500 and A$4,500 respectively).

ERM has considered this range and concludes that it provides a reasonable representation of possible valuation outcomes for the project, given the uncertainties inherent in valuing early-stage exploration and pre-development projects.

Table 5-5: Comparable Transactions - WA Gold Exploration Projects 2023-2025

Date	Gold Price (A$)	Project	Vendor	Purchaser	Deemed Equity (%)	Value 100% Equity in the project (A$ million)	Area km²	A$ Cost per km²	A$ Normalised Cost per km²
06-Mar-25	4,579.76	Rebecca	St Barbara Limited; Plowden Resources Pty Ltd	Bulletin Resources Limited	100	0.14	509	277	278
27-Feb-25	4,598.96	Southern Cross	XTC Lithium Limited	Geko Explore Pty Ltd	100	1.00	197	5,076	5,088
25-Feb-25	4,578.88	Higginsville	Loded Dog Prospecting Pty Ltd	Auric Mining Limited	100	0.48	113	4,204	4,232
23-Jan-25	4,374.83	Deadman Flat	Peregrine Gold Ltd	Capricorn Metals Ltd	100	1.50	270	5,556	5,854
23-Jan-25	4,374.83	Kanowna East	Metal Hawk Limited	Accelerate Resources Ltd	70	0.35	75.94	4,609	4,857
13-Jan-25	4,332.86	Mt Venn	Orbminco Limited	Sarama Resources Ltd	80	0.48	420	1,131	1,203
24-Dec-24	4,195.67	Higginsville	Orpheus Uranium Limited	Loded Dog Prospecting Pty Ltd	80	0.19	20.94	8,954	9,838
11-Dec-24	4,266.30	Yerilgee, Evanston	Dreadnought Resources Limited	Catalina Resources Ltd	100	0.45	650	697	753
04-Dec-24	4,123.43	Talga	Octava Minerals Limited	Global Lithium Resources Limited	100	0.40	202	1,980	2,214
28-Nov-24	4,062.11	Yandal West	Great Western Exploration Limited	Albion Resources Limited	88	1.14	61	18,629	21,141
20-Nov-24	4,079.85	Whiteheads	Great Boulder Resources Limited	Great Western Gold Pty Ltd	75	0.87	488	1,776	2,007
05-Nov-24	4,132.98	Music Well	MCA Nominees Pty Ltd	Augustus Minerals Limited	100	0.28	1345	204	228
16-Sep-24	3,829.98	Juno	Callum Baxter	Global Petroleum Limited	10	0.98	106.4	9,206	11,081
12-Sep-24	3,809.08	Ularring	Ramelius Resources Limited	Constellation Resources Limited	100	0.20	187.4	1,067	1,292
30-Aug-24	3,701.05	Penny South	Aurum Resources Limited	NickelX Limited	100	0.12	9.95	12,060	15,022
14-Aug-24	3,706.19	Juno	Callum Baxter	Global Petroleum Limited	70	0.56	106.4	5,243	6,522
26-Jul-24	3,637.19	Mangaroon	Venus Metals Corporation Ltd	Dreadnought Respurces Ltd	100	0.40	300	1,340	1,698
26-Jun-24	3,462.47	Mt Genoa, Civilisation Bore, Pallingup	Mining Equities Pty Ltd	Connected IO Limited	100	0.26	201.23	1,292	1,720
30-May-24	3,528.33	Laverton	Magnetic Resources NL	Rincon Resources Limited	100	0.18	5.4	32,407	42,341
16-May-24	3,560.66	Wild Viper	Terrain Minerals Limited (ASX:TMX)	Northern Star Resources Limited (ASX:NST)	100	0.30	20.17	14,874	19,256
30-Apr-24	3,536.36	Padbury	Black Dragon Gold Corp. (ASX:BDG)	Parbo Resources Pty Ltd.	100	0.15	365.42	410	535

Date	Gold Price (A$)	Project	Vendor	Purchaser	Deemed Equity (%)	Value 100% Equity in the project (A$ million)	Area km²	A$ Cost per km²	A$ Normalised Cost per km²
29-Feb-24	3,145.29	Wagyu	Holcim (Australia) Pty Ltd	New Age Exploration Limited (ASX:NAE)	100	0.16	16	10,000	14,656
23-Jan-24	3,084.73	Newman	DiscovEx Resources Limited (ASX:DCX)	Peregrine Gold Limited (ASX:PGD)	100	0.18	103.74	1,687	2,521
09-Jan-24	3,031.85	Revere	Lil Boyteeth Pty Ltd; Warringa Blue Pty Ltd	Everest Metals Corporation Ltd (ASX:EMC)	100	0.08	6.17	12,966	19,714
01-Jan-24	3,031.67	Bullfinch North	Enterprise Metals Limited (ASX:ENT)	Golden Horse Minerals Limited (TSXV:GHML)	100	0.20	103.31	1,936	2,944
12-Dec-23	3,022.78	Newman	Fortescue Ltd (ASX:FMG)	Peregrine Gold Limited (ASX:PGD)	100	0.10	99.71	1,003	1,529
26-Oct-23	3,141.07	East Pilbara	Hawker Geological Services Pty Ltd	Infinity Mining Limited	100	0.03	15.91	1,571	2,306
11-Oct-23	2,917.81	Christmas Creek	Archer X Pty Ltd	Trek Metals Limited	100	1.20	1183	1,018	1,609
07-Aug-23	2,947.68	Garden Gully	Sipa Exploration NL	Ora Gold Limited	100	1.40	460	3,043	4,760

Based on our professional experience, ERM conclude that these comparable transaction results imply a value of between A$2.1 million and A$6.2 million, with a preferred value of A$4.1 million.

Appraised Value

Exploration expenditure figures for the Jundee South Project were compiled by Avenira using WA Department of Mines, industry Regulation and Safety (DMIRS) online tenement records. This database is publicly accessible and considered by ERM to be reliable and transparent. All companies holding exploration and mining tenements in Western Australia are required to lodge proforma expenditure reports annually by the anniversary date of each tenement. Failure to comply with reporting requirements results in cancellation of the affected tenements by DMIRS. The data compiled by Avenira has not been thoroughly audited, but spot checks by ERM indicate that the data is complete and accurate.

Avenira has recorded exploration expenditure on the Jundee South project of A$6.12 million since 2017, distributed as presented in Figure 5-17.

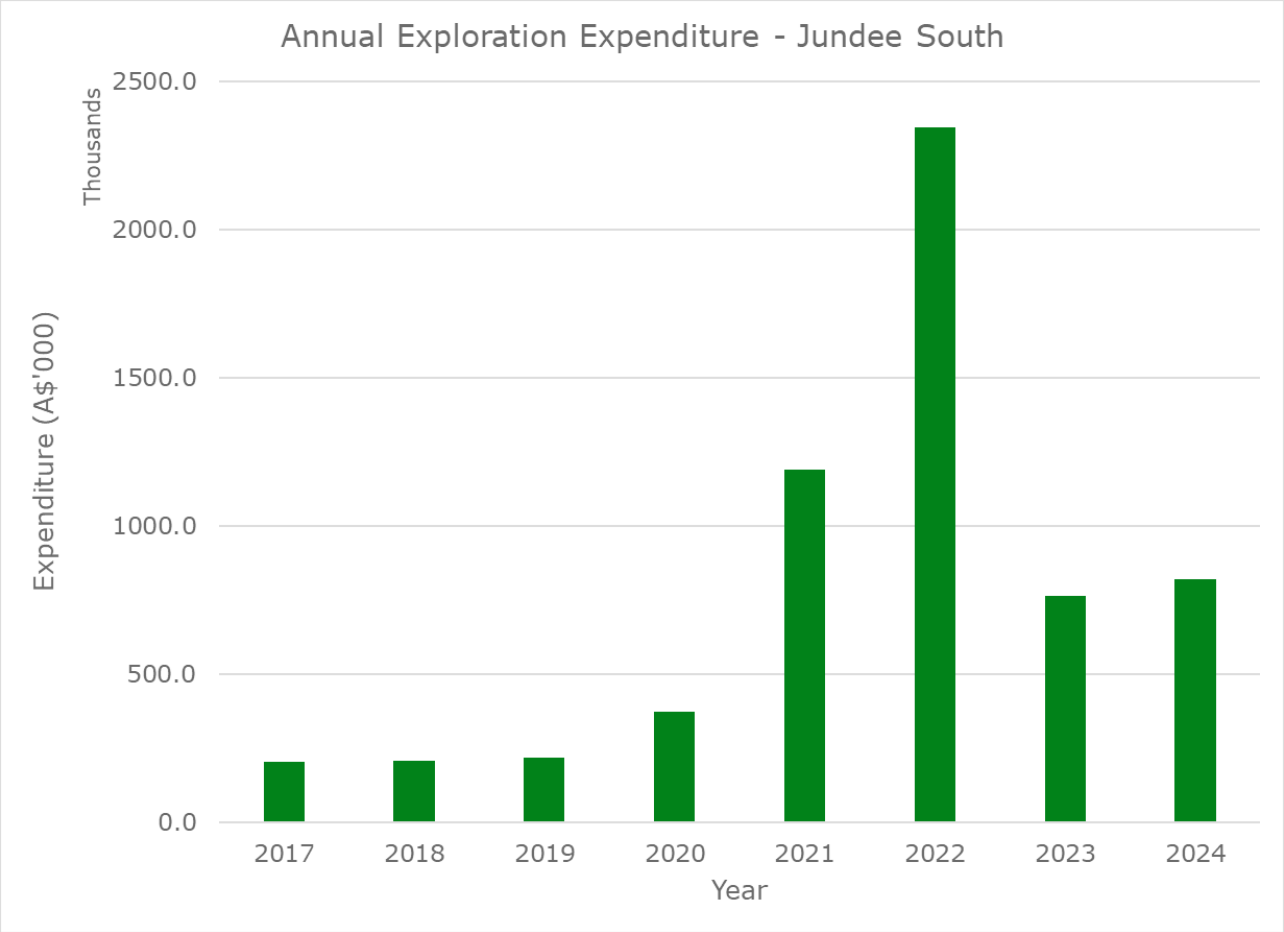

Figure 5-17: Annual Jundee South Project Exploration Expenditure 2017-2024

ERM considers the Jundee South region to be highly prospective, with a number of significant gold deposits, including long-life producing mines in the district (Figure 5-14). Exploration by Avenira has focused on regional mapping, geophysical surveys and sampling beneath surficial cover using AC and RC drilling to facilitate bedrock geochemical analysis (Figure 5-15). This work has been effective in generating new targets for further testing (Figure 5-16) but has not led to the discovery of new gold resources as yet.

ERM proposes that a PEM of 1.5 to 2.0 is appropriate for all tenements within the Jundee South project, resulting in a value opinion of A$9.2 million to A$12.2 million with a preferred value of A$10.7 million, the midpoint of this range, consistent with PEM criteria proposed by Onley, (2004).

ERM considers that reasonable prospects exist to increase the value of the project through discovery of economic mineralisation within the project area with continued exploration.

Geoscience Factor Method

The GFM or KGR seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the project area and the commodity sought. The valuation is based on a calculation in which the geological prospectivity, commodity markets and mineral property markets are assessed independently along with the cost of acquiring exploration tenure and access to land for exploration, reflected in the BAC that forms the basis of the estimate.

The Jundee South project comprises:

- 47 exploration licences with an aggregate area of 1272.2 km^2 and
- nine prospecting licences with an aggregate area of 100.6 km^2.

The GFM valuation approach hinges on rating expenditure incurred in securing access to land captured by the BAC (Table 5-6, Table 5-7). All exploration licences and prospecting licences have been treated as single entities for the purpose of this valuation estimate.

Table 5-6: Jundee South BAC - Exploration Licences

Activity	Rationale	Cost Estimate (A$)
Project Generation	Estimated four weeks by exploration geologist, management review	A$16,000
EL Applications	Application fee A$1,743 for multiple blocks, spread over 37 titles	A$64,490
First Year Tenement Rental	Initial Fee A$$469 per block	A$78,250
Expenditure Commitment	As reported by WA DMIRS database	A$928,500
Administration	Administration costs—two weeks by admin and land access team	A$6,000
Statutory Reporting	One week per licence ($4,000 for 37 licences)	A$148,000
Estimated BAC	A$1,093,240 estimated total cost, 463 blocks	A$1,093,240

Multiples interpreted by ERM to reflect the prospectivity of prospecting and exploration licences included in the Jundee South project are examined in Table 5-8. The GFM method estimates a value of between A$10.8 and A$15.0 million for Avenira's Jundee South project. ERM proposes a preferred value of A$12.9 million.

Table 5-7: Jundee South BAC - Prospecting Licences

Activity	Rationale	Cost Estimate (A$)
Project Generation	Estimated 2.5 days' work by exploration geologist and management review	A$2,000
PL Applications	A$455 per prospecting licence	A$4,095
First Year Tenement Rental	100.61 km^2, 10,061 ha, A$38 per 10 hectares	A$38,230
Expenditure Commitment	Reported from DMIRS database	A$39,280
Administration	3 days by admin and land access team	A$1,800
Statutory Reporting	2 days per licence, 9 licences	A$21,600
Estimated BAC	Estimated total A$107,005 across 9 prospecting licences	A$107,005

Table 5-8: Geoscience Factor Method Assessment - Jundee South

Factor	Rating		Remarks
	Low	High	
Address/Off Property Factors	2.0	2.5	Operating mines with significant gold resources and historical production in the area, but not along strike of Avenira tenements.
On Property Factors	1.5	2.0	Reconnaissance air-core/RC percussion drilling with encouraging intersections
Anomaly Factors	2.0	2.5	Multiple, early-stage targets supported by reconnaissance drilling data
Geological Factors	1.5	1.5	Prospective geology
Market Factor	1.0		
Equity	100%		Tenements are 100% Avenira held
Valuation (A$ M)	10.8	15.0	Exploration and Prospecting licences

6. CONCLUSIONS

6.1 Project Strengths, Weaknesses, Opportunities and Threats

Avenira is pursuing two very different projects which each have distinct features. These are able to be succinctly captured in terms of perceived strengths, weaknesses, opportunities and threats.

Wonarah Phosphate Project

The Wonarah project has a varied set of strengths, weaknesses, opportunities and threats, discussed in Table 6-1. Reports and other documents from the Avenira data room reviewed by ERM and discussions with Avenira management in completing this report demonstrate acute awareness of most issues listed that has contributed to development of strategies to address weaknesses and threats affecting the project.

Jundee South Gold Project

Jundee South is considered by ERM to represent an attractive opportunity for new resource discovery in a highly prospective region in a favourable jurisdiction, summarised in Table 6-2.

6.2 Valuation Summary

Wonarah Phosphate Project

Valuation opinions for the project have been developed by ERM using multiple approaches:

- analysis of comparable transactions
- Rule of Thumb (Yardstick) Valuation
- review and revision of the Wonarah financial model, development of a DCF valuation.

The valuation opinions developed are summarised in Table 6-3. A DCF valuation was run using phosphate rock prices of US$152.50/tonne (August 2024 price) and US$200.00/tonne. This demonstrated the sensitivity of the DCF to price. The DCF valuation uses a discount rate of 10% to reflect the expected cost of capital for mining projects expected in Australia at the date of this report. Further mining studies are needed to extend the DCF valuation to the Main Zone.

The DCF demonstrated that the Wonarah project is not viable as a phosphate rock producer. This has driven Avenira to consider alternative product options provided by phosphate chemicals including YP and LFP battery cathode materials which are in growing demand and attracting prices expected to deliver an attractive investment prospect.

Jundee South Gold Project

Avenira holds an attractive tenement package in a highly prospective region of Western Australia with a long history of gold exploration and mining.

Valuations were developed by ERM using Comparable Transactions, MEE and the GFM which provide transparent valuation opinions for projects without Mineral Resources and Ore Reserves. Results are presented in Table 6-4..

Table 6-1: Wonarah Phosphate Deposit - Strengths, Weaknesses, Opportunities and Threats

Strengths	Weaknesses
High quality product meeting fertiliser industry quality specifications. Well delineated mineral resource provides a sound technical basis for detailed mine design with progressive rehabilitation potential. Suitable raw material for phosphate chemicals production (YP and LFP battery cathode materials). Domestic phosphate market dependent on imports. Multiple strategic options to optimise the value of the Wonarah project for stakeholders being actively considered. Relatively large resource (second largest undeveloped phosphate resource currently known in Australia). Increasing demand for phosphate chemicals used in LFP battery manufacturing. Local Indigenous people are represented by the AAC rather than Land Councils, simplifying Native Title compliance by the project. The Traditional landowner is also the freehold title over the project area which means that all land access negotiations are with a single party. The proposed mine is in a sparsely populated region and will not adversely impact local communities. The project will benefit the local community which is also the owner of the freehold title in the project area. Secure, transparent exploration and mining tenement regime. There is an existing EPA assessment and NOI for the previous 3Mtpa DSO feasibility study and the JDC radial arc furnace. Potential access to natural gas from a major pipeline passing through the project area. Investigations into the use of renewable energy to power the project have commenced.	Phosphate rock is a relatively low value bulk commodity. Major producers (Morocco) effectively set world prices. Relatively remote location, distant from major agricultural industry centres in eastern, southern and southwestern Australia. Lack of infrastructure apart from sealed major road access to the site, which links to Tennant Creek and Mt Isa. Trace element concentrations appear to be low but only a small number of samples, unevenly distributed across the deposit for a restricted suite of elements. The project is not considered to be a viable phosphate rock producer at current phosphate rock prices (but Avenira's development strategy has been designed to effectively counter this).

Opportunities	Threats
China has ceased exporting phosphate rock and directing domestic industry away from phosphate chemicals to fertilisers to help ensure domestic food security. Existing Australian phosphate producer, Incitec Pivot's Duchess Mine, is a mature operation dependent on supplies of sulphuric acid to produce MAP and DAP products. Glencore have announced the closure of the Mount Isa copper operations in 2025 which could impact sulphuric acid cost and availability. Avenira are targeting production of phosphate chemicals (YP and high quality phosphoric acid) which are priced differently to phosphate rock. Avenira has established access to YP and LFP battery cathode technology and expertise through commercial arrangements with industry leaders in these fields. Industry partnerships also have potential to assist with access to capital to develop the project and product sales.	One existing and several emerging competitors also mining Georgina Basin phosphate resources with potential to increase local phosphate production. Proposals for new mineral processing facilities are likely to attract the attention of environmental activists and face intense scrutiny by local communities which could adversely affect permitting timelines. Recent Australian government decisions have contributed to uncertainty of environmental approvals for new mine development projects in Australia.

Table 6-2: Jundee South Gold Project - Strengths, Weaknesses, Opportunities and Threats

Strengths	Weaknesses
Large exploration tenure holding in a high prospective area that contains a number of operating mines and several as yet undeveloped gold discoveries. Well understood and documented geological setting. Access to data from extensive previous exploration by companies and pre-competitive exploration data compiled by government. Secure, transparent exploration and mining tenement regime. Established access to land for exploration. No restricted land in the project area. Access to skilled workforce and support for mining operations. Extensive geophysics, and AC and RC drilling completed to facilitate exploration targeting Targets developed for more detailed and focused testing. Considerable geometallurgical data available to support ore processing flow sheet. High gold prices, strong gold demand outlook. Project is located in a region with a history of gold exploration and production with communities supportive of the industry.	Avenira tenements are across rather than along strike from major resources and discoveries, but where geology remains favourable
Opportunities	**Threats**
Data available for valuation of projects without identified Mineral Resources.	Recent Australian government decisions have contributed to uncertainty of environmental approvals for new mine development projects in Australia

Table 6-3: Valuation Opinion Summary, Wonarah Project (NT)

Approach	Type	Currency	Valuation Opinion (A$ M)			Notes
			Low	Preferred	High	
Comparable Transactions Wonarah (Arruwurra deposit + Main Zone) DSO	Market	A$ M	15.5	19.4	23.3	Based on analysis of comparable transactions presented in Table 4-11 with removal of four outlier values. The low and high case values represent the preferred value ± 20%. This limit was imposed due to the wide scatter in transaction values
Rule of Thumb (Yardstick) – Wonarah (Arruwurra deposit + Main Zone) DSO	Market	A$ M	46.7	58.3	70.0	Low and high case values represent the preferred value ± 20%. This limit was imposed due to the wide scatter in transaction values used to develop the Rule of Thumb multipliers evident in Figure 4-13.
Rule of Thumb (Yardstick) Arruwurra deposit DSO	Market	A$M	11.1	13.9	17.4	Included in the Wonarah Deposit value opinion above.
DCF Valuation Arruwurra deposit DSO	Technical	A$ M		(6.1)		NPV_{10} estimated for the Arruwurra deposit only using a phosphate rock price of US#152.50 per tonne.
				11.7		NPV_{10} sensitivity scenario for the Arruwurra deposit only using a phosphate rock price of US$200.00 per tonne.

This valuation further includes technical information, which requires subsequent calculations to derive sub totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where such errors occur, I do not consider them to be material.

The low and high value cases developed using the Rule of Thumb approach were considered to be too broad by ERM to be useful in further studies of the project. ERM's practice in instances of this, which are not uncommon in situations where the number of competent transactions is relatively small, spread over an extended period of time, and cover resources in multiple jurisdictions with varying sovereign risk profiles, is to set limits of ±20% around the central, preferred case based on the multipliers developed for the project.

ERM validated the inputs required for development of a NPV estimate for the project and prepared high-level estimates for a central case using a phosphate rock price of US$152.50 per tonne and a sensitivity case of US$200.00 per tonne. The NPV of the project was estimated to be negative for the US$152.50 phosphate rock price, but positive for the US$200.00 price, indicating that the project is relatively sensitive to product price. This is also viewed by ERM to support Avenira's strategy of seeking to use phosphate rock from Wonarah in the production of higher value products, notably YP, to enhance project feasibility.

Table 6-4: Valuation Opinion Summary, Jundee South project (WA)

Approach	Type	Currency	Valuation Opinion ($ million)			Notes
			Low	Preferred	High	
Comparable Transactions	Market	A$	2.1	4.1	6.2	Gold projects without Mineral Resources and Ore Reserves in WA completed in the two years prior to the effective date of this report
MEE	Technical	A$	9.2	10.7	12.2	PEM 1.5 to 2.0 used to determine the low and high bounds of the MEE estimate respectively. Exploration expenditure A$6.1 million
GFM	Technical	A$	10.8	12.9	15.0	37 EL, 9 PL, 1,272km^2 tenement package. Separate BAC estimates prepared for PL and EL

This valuation further includes technical information, which requires subsequent calculations to derive sub totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where such errors occur, I do not consider them to be material.

The DSO feasibility study (Avenira Limited, 2023) demonstrated that production of DSO phosphate rock for export from Wonarah is not viable at current prices but may be viable at prices that have been experienced in the Australian market in recent years. This is confirmed by the DCF valuation prepared for this study. ERM interpreted the principal issues affecting project viability to be phosphate rock road transport charges between the project site and Port of Darwin, and Darwin port charges. This could render production of DSO for domestic markets a viable option, although the proportion of the Wonarah phosphate rock resource meeting DSO specifications is relatively small (about 8% of the resource tonnage at a 10% P_2O_5 cut-off). Although discussed in the DSO study as an option, the production of DAPR for sale at a lower price for domestic use has not been studied adequately to attribute potential value to this resource.

AEV have elected to pursue the production of higher value phosphate products including YP which would significantly alter the value of the project and utilise a greater proportion of the resource, determined by the cut-off grade required and mining factors. These studies are yet to reach a point where analysis of capital and operating (mining, processing and transport) costs and product revenue could be used to determine the economic basis for valuing a phosphate chemicals operation and the recoverable portion of the mineral resource, that could be used in turn to develop an Ore Reserve estimate, open pit design and production schedule. AEV's confidence that a viable phosphate chemicals project can be developed is supported by ERM on the basis of available data.

The MEE and GFM opinions for Jundee South are considered by ERM to be consistent with one another, and significantly higher than the Comparable Transactions valuation. Comparison with the MEE and GFM valuations suggest that tenements without Mineral Resources are being traded at a discount in Western Australia over the past two years. AEV are also pursuing exploration approaches that could deliver new data that could enhance potential for new gold (and possibly other metals) within the Jundee South tenements.

The geophysical survey recently commissioned by Avenira over the northern tenements is expected to play a role in the development of new, and prioritisation of existing targets for testing.

Valuation Opinion

ERM proposes that the Comparable Transactions valuation opinion for the Wonarah project, between A$15.5 million and A$23.3 million, with a preferred value of A$19.4 million, would be more likely to be achieved were the project offered for sale and should be preferred to the Rule of Thumb valuation for the project.

There are a range of potential development scenarios for the project, ranging from production of DSO and an intermediate grade phosphate rock product (DAPR) to production of phosphate chemicals. The latter is at an early-stage of investigation by AEV. The potential of DSO production for export has been shown not to be viable at current phosphate rock prices, but the value of the project is price sensitive and the DSO option could be NPV positive at recent phosphate rock prices. Phosphate rock prices are heavily influenced by major producers and may not respond to significant changes in supply, demonstrated by the withdrawal of China from export markets due to a decision to reserve all production for domestic use. This arguably reflects the ability of other large producers to make up any shortfall in supply arising from this decision. Long-running border tensions between Morocco, Western Sahara and Algeria also appear to be exerting little influence on prices currently despite their potential to disrupt phosphate rock supply.

AEV's Jundee South gold project's value was determined using comparable transactions, Multiples of Exploration Expenditure (MEE) and Geoscience Factor Method (GFM) approaches. The MEE and GFM approaches produced very similar valuation opinions which are around 40% higher than that obtained by analysis of comparable transactions. ERM proposes that the comparable transactions available, while all-in recent years and in Western Australia, did not fully value the size of AEV's tenement package and its proximity to a number of significant deposits that have been in production for an extended period.

ERM favours the GFM valuation opinion of A$10.8 million to A$15.0 million, with a preferred value of A$12.9 million. Both the MEE and GFM methods are subjective. MEE depends on the valuer's opinion of the enhancement of prospectivity achieved by exploration while GFM is based on the opinion of how the project should be described in the four categories used to assess projects.

ERM's professional opinion is that the more granular process followed in the GFM method produces a more defensible valuation and that the method is better able to express the range of valuations applicable to the project. The MEE valuation is interpreted to support the preferred GFM valuation.

There is significant range in the values derived for the Jundee South projects. ERM has considered this range and concludes that it provides a reasonable representation of possible valuation outcomes for the project, given the uncertainties inherent in valuing early-stage exploration and pre-development projects.

It is stressed that the valuation is an opinion as to likely values, not absolute values, which can only be tested by going to the market.

ERM notes that the combined valuation opinions for Wonarah and Jundee South closely approximate the current ASX market capitalisation of AEV (A$32.3 million versus A$29.74 million respectively).

It is stressed that the valuation is an opinion as to likely values, not absolute values, which can only be tested by going to the market.

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ERM and Sustainable Mining Services

ERM is one of the world's leading environmental, health, safety, and social consulting services providers.

ERM's Sustainable Mining Services Team is a leading group of geological and mining professionals that includes geologists, mining engineers, hydrologists, hydrogeologists, data, and resource estimation specialists with experience in all types and stages of mineral projects worldwide.

We have a high level of technical expertise across mineral commodities gained from 35 years of experience within the global exploration and mining industry. Our team possess experience in all stages of the mining cycle, from project generation to production and the challenge of finding, developing, and mining orebodies.

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- Exploration strategy & project management
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- Data management (capture, data validation, & quality assurance/quality control)
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- Indigenous & historical heritage management
- Social strategy & policy development
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- Environmental & social impact assessments (ESIAs)
- Operational management & compliance.

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- Risk assessment & management systems
- Risk management & incident investigation
- Hazard identification, inspections, risk assessments & prevention control
- Occupational health & safety systems & compliance auditing

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- Rehabilitation appraisals, planning, & progress monitoring, closure plans
- Community development & economic transition
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- Water management & reduction strategies
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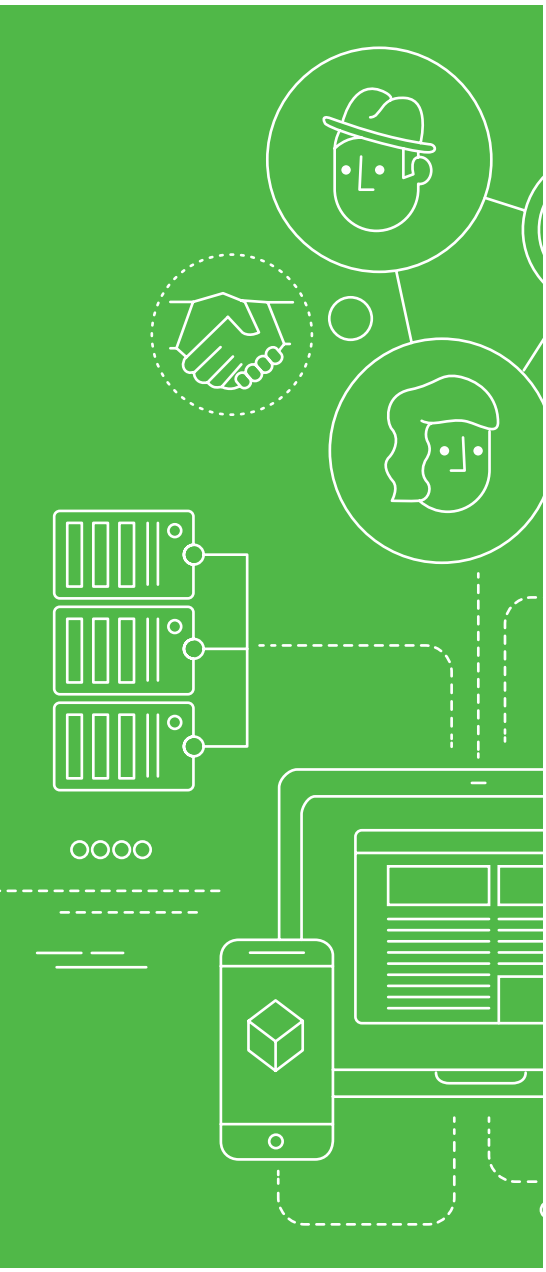
G. RSM Control Premium Study 2021

Control Premium Study

An analysis of the implied control premiums observed in successful takeovers and schemes of arrangement



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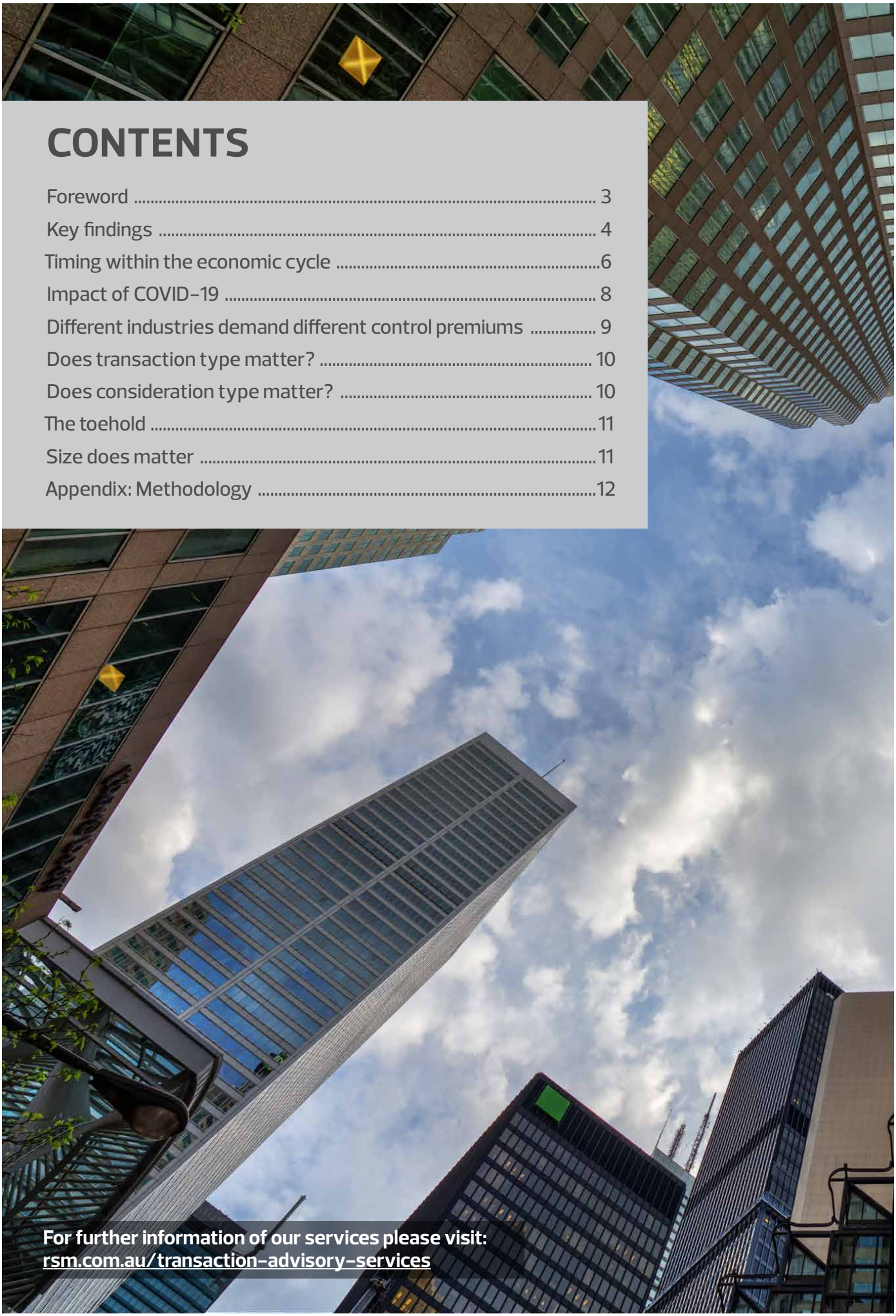

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FOREWORD

In 2010 we released our inaugural study in which we analysed the implied control premiums observed in successful takeovers and schemes of arrangement completed in Australia between 1 July 2005 and 30 June 2010. Further updated studies with expanded data sets to the end of the most recent financial year (FY) were issued in 2013 and 2017.

In this study, we have updated our analysis again to include successful takeovers initiated from 1 July 2005 through to 31 December 2020 (to facilitate analysis on calendar years (CY) as well as by FY). This additional data has expanded our analysis to 605 successful control transactions in Australia covering the 15.5 year period ended 31 December 2020.

In addition the scope of the RSM 2021 Control Premium Study has been expanded to analyse the implied control premiums observed in 131 successful takeovers and schemes of arrangement completed between 1 July 2005 and 31 December 2020 in the New Zealand market.

We acknowledge the input and support we have received from Curtin University's Dr Lien Duong, Dr Baban Eulaiwi and Professor Grantley Taylor, and Victoria University of Wellington's Associate Professor Thu Phuong Truong in the completion of this study.

The results of our analysis indicate that control premiums were influenced by a number of factors including:

- Industry sector
- Consideration type
- Transaction type
- Timing within the economic cycle (including the impact of COVID 19)
- Toehold (extent of existing acquirer holding in the target)
- Size/market capitalisation

With interest rates remaining low and companies holding significant cash reserves following a capital raising spree during COVID-19, mergers and acquisitions (M&A) activity in the Australasia region is expected to be high through FY 2022 and beyond.

The control premium is a fundamental component of value and it is, therefore, critical that directors and investors consider the nature and extent of the premium when assessing equity values in the context of a potential transaction.

We hope you find the results of our study of interest and value. Should you require any further information or wish to discuss our findings in more detail, please contact the authors as follows:

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KEY FINDINGS

The average and median control premiums observed in the Australian and New Zealand markets for companies listed on the Australian Securities Exchange (ASX) and the New Zealand Securities Exchange (NZSX) respectively on the basis of 20 days, 5 days and 2 days pre announcement for the 15.5 years from I July 2005 to 31 December 2020 are summarised in the table below.

CONTROL PREMIUMS	AUSTRALIA	NEW ZEALAND
Number of Transactions	605	131
Average Control Premium		
20 days pre announcement	34.7%	18.6%
5 days pre announcement	29.2%	15.7%
2 days pre announcement	27.1%	14.1%
Median Control Premium		
20 days pre announcement	27.5%	15.0%
5 days pre announcement	24.2%	9.4%
2 days pre announcement	22.2%	8.2%

Average and median control premiums Australia and New Zealand

AUSTRALIA

The table above shows:

- The average implied control premium at 20 days pre-bid for the Australian market lies at 34.7% (based on transactions completed in the period 1 July 2005 to 31 December 2020).
- The median control premium offered at 20 days pre-bid in Australian transactions for the 15.5 year period was 27.5%.
- Observed premiums continue to fall in the days immediately pre-bid, which may indicate bid speculation and/or information leakage in the market.
- Median values lie consistently below the average (mean) due to the occurrence of several transactions with premiums in excess of 150% over the period.

In this study, we have explored factors relating to the target, or the transaction itself, which may exercise influence on the control premium required to be offered to shareholders of listed companies to facilitate change of control transactions. Our analysis indicates that the following factors can have an impact on the premium paid to acquire control:

- Industry sector significantly influences the control premium required to complete a successful transaction. Sectors that are traditionally priced and valued on upside potential revealed considerably higher premiums (e.g. health care and telecommunications, IT and software) than those where valuations are more typically limited to asset base (e.g. real estate and financial institutions).
- Scrip deals, which offer "relative" consideration, continue to attract lower premiums than cash only deals, where consideration is absolute.
- Schemes of Arrangement, which represent almost 50% of the transactions in our data set attract lower control premiums than off market transactions. This is likely due to the hostile nature of off market bids. In addition, Schemes only have to win over 75% of the target shareholders to effect a compulsory acquisition compared to 90% in a takeover, which may enable acquirers to limit their offer.
- Size matters – there appears to be a strong negative correlation between market capitalisation and the level of control premium paid. Our analysis shows the control premium declines as target capitalisation increases and the control premium is appreciably higher in transactions involving targets with a market capitalisation of less than $50 million.
- Our analysis shows that existing knowledge of a target (as a consequence of a toehold) can lead acquirers to pay significantly higher premiums than are otherwise observed – perhaps as a result of lower perceived business risk in the transaction.
- Underlying the specifics above is the external influence of the economic cycle, which creates the fear and optimism that fuels risk appetite, and helps drive share prices. In our opinion, the control premium is influenced by the above factors to varying degrees, at different times within the economic cycle. This can be evidenced in the period since COVID-19 was declared a global pandemic, which lead to significant drops in global equity markets and a rise in observed control premiums with the average implied control premium of the analysed transactions peaking at 50.7% in FY 2020.

NEW ZEALAND

The table above shows:

- The average implied control premium at 20 days pre-bid for the New Zealand market lies at 18.6% (based on transactions completed in the period 1 July 2005 to 31 December 2020).
- The median control premium offered at 20 days pre-bid in New Zealand transactions for the 15.5 year period was 15.0%.
- Observed premiums follow similar trends to those observed in the Australian market with premiums declining in the days immediately pre-bid and median values consistently measuring below the average.
- However, the overall control premiums observed in the New Zealand market are significantly lower than those in the Australian market.

Analysis of the New Zealand market shows that most takeovers are uncontested. Lock-up agreements are commonly used to secure binding commitments from target shareholders in New Zealand without the same restrictions on percentage of voting rights which exist in the Australian Corporations Act 2001. This may explain the lower control premiums offered in NZSX transactions compared to the ASX, where less certainty is achievable in advance and a greater risk of competing bids exists.

Overall, the number of transactions observed in the New Zealand market is relatively low, with 45% occurring immediately prior to the GFC between FY2006 and FY2008, and an average of six per year in the period since then. This has limited the statistical reliability as individual transactions have a significant impact on the overall dataset. The detailed analysis in this study therefore refers primarily to the Australian market.

The number of ***successful control transactions*** covering the 15.5 year period ended 31 December 2020

605

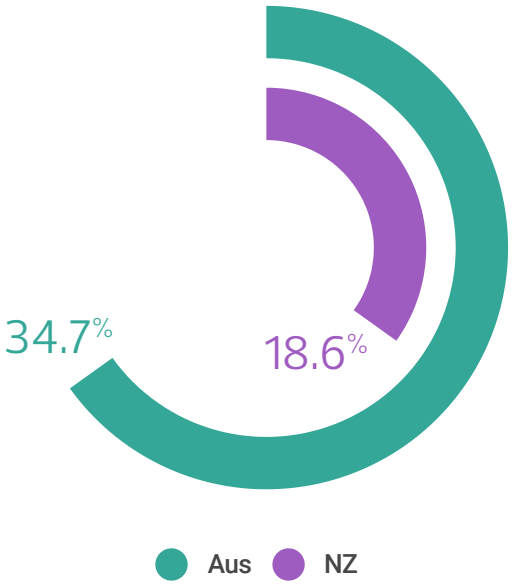
131

The percentage of takeovers in which the ***consideration type was cash***

69.4%

57.3%

The ***average 20-day pre-bid*** implied control premium for the market



The level of ***existing toehold*** in a target in which acquirers are prepared to ***pay the highest premiums*** in Australia and New Zealand

10 < 20%

TIMING WITHIN THE ECONOMIC CYCLE

AUSTRALIA

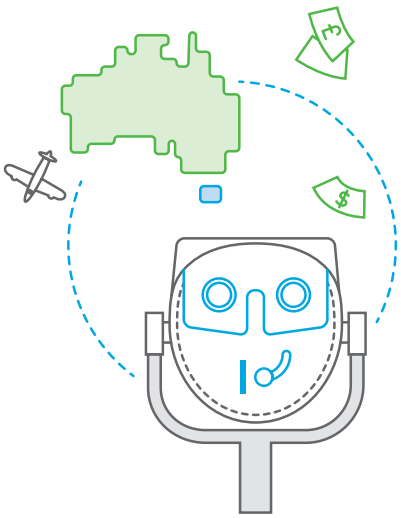
The expansion of the Australian data set to 31 December 2020 has enabled us to perform an analysis of the control premiums over 15.5 financial years from 1 July 2005 to 31 December 2020, during which time Australia experienced a mining boom (2005 – 2012), the global financial crisis (2007 – 2009), the post mining boom "hangover" (2013 – 2016) followed by a gradual expansion until the COVID-19 pandemic (2020 – current).

Financial Year	Number of Transactions	Average Control Premium (20 days pre)	Median Control Premium (20 days pre)
2006	35	32.4%	22.0%
2007	68	27.9%	25.5%
2008	59	25.7%	18.7%
2009	25	42.1%	32.9%
2010	45	45.9%	42.9%
2011	61	40.1%	37.2%
2012	52	39.5%	28.8%
2013	26	31.4%	14.0%
2014	37	36.1%	22.2%
2015	26	31.4%	31.4%
2016	29	28.3%	21.2%
2017	27	25.5%	27.3%
2018	31	35.9%	27.1%
2019	43	27.6%	28.2%
2020	30	50.7%	36.9%
6 months to 31 Dec 2020	11	48.0%	27.5%

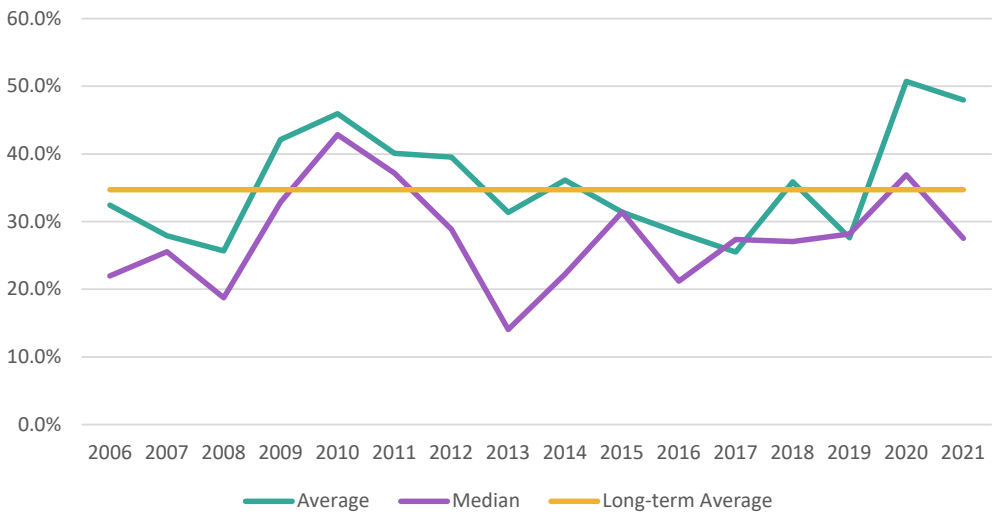
Average and median control premiums Australia and New Zealand

An analysis of the data indicates:

- The number of completed transactions peaked at 68 during FY2007 and fell to a low of 25 in FY2009 as capital markets effectively froze during the GFC. Transaction levels then rose in parallel with the mining boom through FY2010 to FY2012 before falling back to levels seen during the GFC from FY2013 onwards.
- The lowest average control premium of 25.7% was in FY2008, whilst the lowest median control premium of 14.0% was in FY2013.
- Following a period of relatively high activity and lower premiums from FY2006 – FY2008, FY2009 saw average and median control premiums both rise considerably on low transaction volumes.
- Average and median control premiums continued to rise in FY2010 to 45.9% and 42.9% respectively before beginning to contract through FY2011 and FY2012.
- From FY2013 to FY2019 a period of generally reduced transaction activity occurred while average premiums have returned closer to the 15.5 year average of 34.7%.
- For FY2020 and the six months to 31 December 2020, average control premiums rose significantly to 50.7% and 48.0% respectively reflecting the impact of COVID-19 on capital markets and equity valuations.



Implied Control Premium: 20 Days Pre-Announcement (Financial Year)



We consider that several factors explain the control premium volatility over the 15.5 year period analysed, namely:

- In FY2008, the lowest average control premiums recorded coincided with the ASX reaching record levels, as acquirers appeared to baulk at paying "normal" premiums over traded share price. This may have reflected a belief that a certain premium was already inherent in the share prices with the ASX at all-time highs during this time.
- Equally, while the ASX and other global markets continued to fall heavily during the GFC (circa 2009), average and median control premiums increased as buyers may have considered fair value in the context of lower traded market prices and were therefore willing to pay a higher premium.
- The ASX recovered strongly in FY2010 increasing from lows of circa 3,200 points to 5,000 points and with that came a sense of optimism that the GFC may be over. In that environment and with share prices yet to reach their FY2008 highs, buyers appeared to look beyond share prices to future cash flows and were willing to pay a higher premium in order to get deals done.
- The impact of an active metals & mining sector in FY2010, FY2011 and FY2012 (respectively 35.6%, 27.9% and 32.7% of all transactions) influenced the control premium during that period, with this sector particularly impacted by exchange rates. In essence, capital provision in mining is highly internationalised and the attractiveness of deals relates in part to the AUD/USD exchange rate. The rate rose from between $0.77 to $0.94 in FY2010 to between $0.94 and $1.10 in FY2012. In those 3 financial years the average control premium for metals & mining transactions at 20 days pre-bid fell from 48.5% to 22.4% and the median from 37.0% to 21.4%, illustrating how international competitiveness may also impact the level of premium available to acquiree shareholders. Conversely, in the period subsequent to FY2012 the AUD/USD exchange rate fell to the range of $0.70 to $0.77 in FY2016, which was met with a corresponding rise in control premiums in the mining sector, with both the average and median premiums at 36.8%. The movement in the premium in this sector, given the relatively high proportion of mining transactions, impacted the overall premium in the Australian market accordingly.
- In FY2013, a dramatic fall in commodity prices brought about an end to the mining boom and the lowest median control premium of 14.0% was recorded. This reflected a higher number of outliers in the sample as well as potentially, a sense of uncertainty among acquirers due to the volatility of commodity prices.
- In the period FY2013 to FY2019 median control premiums returned to normal levels while average control premiums have gravitated to around the 15.5 year average of 34.7% as Australia contemplated the post mining boom "hangover" and which industry sectors would fill the void left by resources.
- FY2020 and the six months to 31 December 2020 have been dominated by the impact of COVID-19 with control premiums rising to record levels of around 50%, significantly influenced by increased premiums in the health sector, metals & mining and diversified financials. Some acquisitions in these sectors attracted premiums of over 200% as companies sought to implement strategically beneficial Scheme of Arrangements.

IMPACT OF COVID-19

The world started to become aware of COVID-19 in January 2020 and soon after it was recognised as a global pandemic. The impact on world trade and the world markets was dramatic.

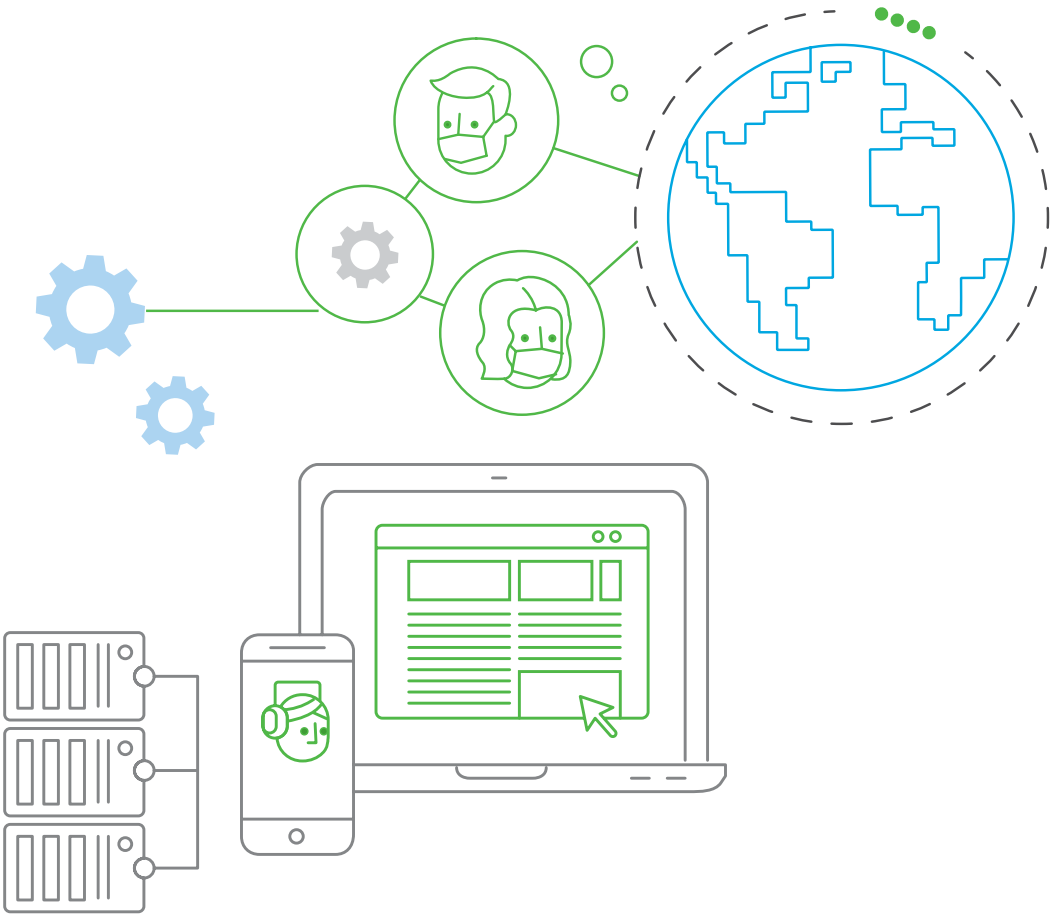
In Australia, the All Ordinaries Index on the ASX went from a high of 7,255.17 on 14 February 2020 to a low of 4,564.13 on 23 March 2020 a fall of 2,691.04 (37%) in just 39 days. The impact on implied control premiums since the onset of COVID-19 is shown in the table below by both Calendar year and Financial Year.

	Number of Transactions	Average Control Premium (20 days pre)	Median Control Premium (20 days pre)
Financial Year			
2019	43	27.6%	28.2%
2020	30	50.7%	36.9%
6 months to 31 Dec 2020	11	48.0%	27.0%
Calendar Year			
2019	37	32.4%	34.4%
2020	23	61.1%	29.9%

Recent average and median control premiums by financial year and calendar year

Whilst on a financial year basis the impact of COVID-19 is spread across two financial years (FY2020 and FY2021 to date) on a calendar year basis it only impacts 2020 in our data set to 31 December 2020.

The data shows a significant increase in control premiums from an average of 27.6% in FY2019 to 50.7% in FY2020 and by calendar year from 32.4% in CY2019 to 61.1% in CY2020. Transactions with the highest observed control premiums were announced during April and May 2020, when economic uncertainty was at its peak and acquirers took advantage of the distressed capital markets.

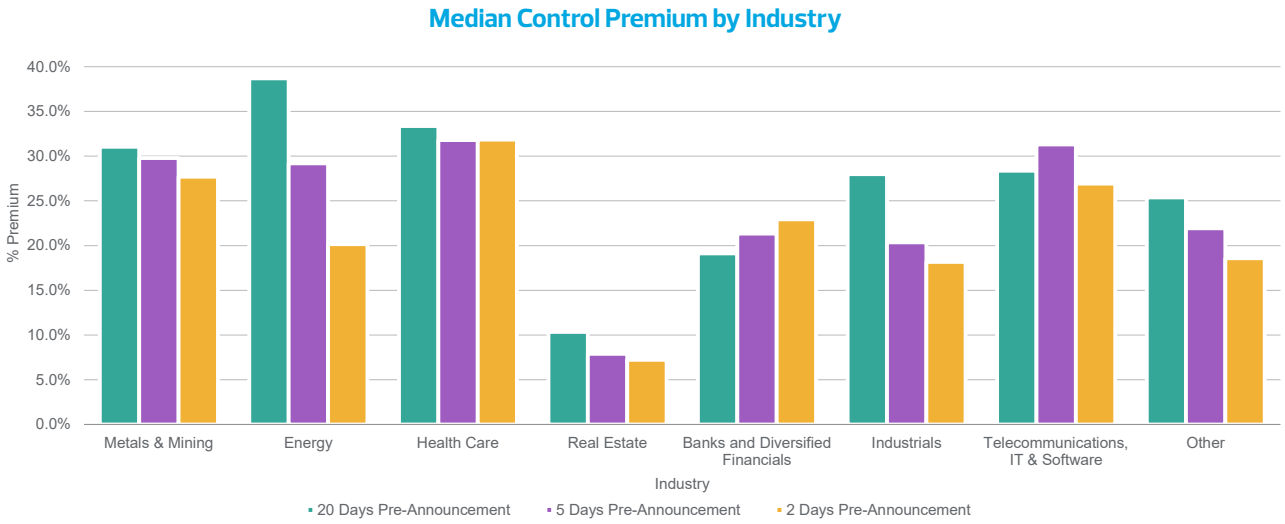


DIFFERENT INDUSTRIES DEMAND DIFFERENT CONTROL PREMIUMS

Our analysis confirms that different industry sectors command different control premiums. The table below highlights the considerable variability in average pre-bid control premiums across different industry sectors for the period of our study.

Industry	Number of Transactions	20 day pre-bid	5 day pre-bid	2 day pre-bid
Metals & Mining	161	36.6%	32.5%	29.8%
Energy	68	39.6%	32.5%	27.2%
Health Care	37	48.6%	49.9%	42.5%
Real Estate	39	14.4%	13.7%	12.6%
Banks and Diversified Financials	47	26.4%	24.8%	25.4%
Industrials	60	36.1%	27.3%	24.7%
Telecommunications, IT & Software	64	44.1%	31.8%	34.8%
Other	125	29.6%	23.4%	21.7%

Average control premium segmented by Industry



Sectors such as metals and mining, healthcare and telecommunications, IT and software exhibit above average control premiums (30% to 50%) whereas average control premiums in the real estate and banks and diversified financials sectors exhibit a tight range around 15% to 25%.

Healthcare in particular exhibits the highest average control premiums. Average control premiums in this sector have increased markedly in recent years as acquirers search for growth.

The higher premiums in the metals and mining, energy, health care and telecommunications, IT and software sectors may suggest that bidders in these sectors are focusing on the future cash flow potential of businesses. However, buyers of financial and property assets are generally paying only for the assets in place. These conclusions are broadly supported by the typical valuation methods used in these sectors and a comparison of control premium to price-to-book ratios where assets tend to be "marked-to-market". In this study pre-bid real estate stocks were trading at a price-to-book ratio of 1.0x and attracting an average control premium of 14.4%, a reduction from the 2017 Study average control premium of 16.9%.

The variability in control premium between industry sectors means the relative proportion of transactions from different industries has a major bearing on the overall average control premium observed. Cyclical/volatile sectors such as metals and mining (26.6%), energy (11.2%) and technology (10.6%) combine to represent 48.4% of transactions. It could be argued that such a high proportion of transactions from these sectors may lead to control premiums in the Australian market having greater variability over time.

DOES TRANSACTION TYPE MATTER?

We have considered whether the type of transaction has an impact on both the average control premium and the median control premium as shown in the table below.

Document Type	Number of Transactions	Average Control Premium (20 days pre)	Median Control Premium (20 days pre)
Scheme of Arrangement	300	32.1%	25.2%
Off-market bids	282	37.3%	30.1%
On-market bids	23	36.4%	22.0%

Average and median control premium by Transaction Type

Schemes of Arrangement (Schemes) account for almost half (49.6%) the transactions in the data set over the 15 year period from FY2006 to FY2020. There has been an increasing use of Schemes over the period with only 41.2% of transactions being Schemes over the 15.5 year period to 31 December 2020 and 62.3% of transactions being Schemes in the period FY2015 to FY2020.

As shown in the table above Schemes have both lower average control premiums (32.1%) and median control premiums (25.2%) compared to the other common takeover structure (an off-market bid) which shows average and median control premiums of 37.3% and 30.1%, respectively.

One of the key differences between Schemes and takeovers is that to achieve compulsory acquisition in a Scheme, acquirers have to win over a lower proportion (75%) of target shareholders than in a takeover (90%). In addition, unlike takeover transactions (off-market bids and on-market bids) which are covered by the provisions of Chapter 6 of the Corporations Act 2001, including safeguards for target shareholders which are known collectively as the Eggleston principles (Section 602), Schemes are subject to the provisions in Part 5.1 of the Corporations Act and therefore not subject to the Eggleston principles.

DOES CONSIDERATION TYPE MATTER?

Cash is the most popular form of consideration accounting for 420 (69.4%) of the transactions in the data set. Scrip consideration accounts for 140 transactions (23.1%) and the remaining 45 transactions (7.5%) comprise both cash and scrip. The average and median control premiums for each of these consideration types for 20 day, 5 day and 2 day pre bid are shown in the table below.

	CASH	SCRIP	SCRIP/CASH
Average Control Premium			
20 days pre-announcement	36.2%	32.3%	28.1%
5 days pre-announcement	30.9%	26.5%	22.2%
2 days pre-announcement	28.1%	25.6%	22.8%
Median Control Premium			
20 days pre-announcement	28.6%	20.7%	27.4%
5 days pre-announcement	26.3%	20.1%	18.7%
2 days pre-announcement	22.6%	22.8%	18.4%

Average and median control premium by consideration type

Our current study reinforces the findings of our previous studies that control premiums in cash transactions are higher than scrip transactions. The average control premium at 20 days pre-bid in cash transactions was 36.2%, considerably higher than scrip and scrip/cash transactions, where the observed premiums were 32.3% and 28.1% respectively.

Cash is an absolute measure of consideration whereas scrip is relative. This may explain why control premiums in scrip transactions appear to be lower than cash transactions as:

- From a business specific perspective, target shareholders can expect to participate in synergistic benefits in the combined entity; and
- From a general market risk perspective, target shareholders effectively receive an option to benefit from market risk volatility

THE TOEHOLD

Our most recent study confirms our findings in the previous studies that control premiums vary based on the level of existing shareholding in the target, with higher premiums generally being paid when acquirers have a material stake in the target as shown in the table below.

Toehold	Number of Transactions	Average Control Premium (20 days pre)	Median Control Premium (20 days pre)
0%	278	33.2%	25.0%
>0%<=10%	48	30.7%	30.5%
>10%<=20%	162	37.8%	31.4%
>20%<=50%	69	35.3%	30.0%
>50%	48	36.1%	28.2%

Average and Median control premium segmented by toehold

Our findings are consistent with the view that, when considering a change of control, an existing shareholder, who may well have board representation, is likely to be better informed and more committed to the target.

The knowledge of operational strengths and potential of the business, together with the associated ability to quantify the risks and rewards of ownership are likely to be amongst the factors which lead the informed buyer to pay more for perceived benefits of synergy. In addition, behavioural finance research has shown that greater commitment to a target does lead to a greater degree of "optimism bias" often leading managers to overestimate their capabilities and to overpay for acquisitions.

The table above indicates that the highest average and median premiums are paid when the existing shareholder's toehold is between 10% and 20%; being 37.8% and 31.4% respectively. This could indicate a strategy to buy the toehold (19.9%) on market with no premium attached, before aggressively acquiring.

SIZE DOES MATTER

Size does matter when it comes to control premiums. In order to explore the relationship between control premium and the size of the target, we have classified targets based on their market capitalisation, and then analysed average and median control premiums for each band at 2, 5 and 20 days pre-bid. Market capitalisation was determined 20 days before bid announcement to mitigate any bid effects on value. Band sizes of less than $25m, $25m to $50m, $50m to $100m, $100m to $500m and greater than $500m were used to achieve statistically reasonable sample sizes. In addition, breakdowns of less than $12.5m and greater than $1 b were analysed to explore the effects at the top and bottom of the spectrum.

A summary of the results of our analysis are set out in the table below.

Market capitalisation	No. of transactions	20 day pre-bid	5 day pre-bid	2 day pre-bid
$0 to $25M	119	50.8%	40.1%	40.6%
$25 to $50M	67	41.0%	37.1%	31.8%
$50 to $100M	102	36.7%	32.6%	28.6%
$100 to $500M	185	30.9%	26.1%	23.9%
$500M +	132	20.8%	17.2%	16.0%

Average Control Premium by Market Capitalisation

Confirming our findings in previous studies, as the target's size increases, the size of the average control premium decreases across all bands at 20, 5 and 2 days pre-bid. Our analysis shows that the starting values and the degree of change for the bands is significant: for entities of less than $25m market capitalisation the average control premium at 20 days pre-bid is above 50% whereas, for entities of greater than $500m market capitalisation this value is just above 20%.

Factors that may explain the relationship between market capitalisation and control premium include:

- The industry and nature of companies within those size bands, with small Metals & Mining and Software deals influencing the lower bands
- Larger companies are likely to be more heavily traded and closely scrutinised by analysts and market participants, than their smaller counterparts, which could lead to share prices more accurately reflecting intrinsic value; and
- Smaller companies, by contrast, are less well followed by analysts and often less understood by market participants and may be subject to discounts relating to lower liquidity. Micro-cap entities may also be targeted for the value of their existing listing – effectively as "shell" companies.

APPENDIX

Methodology

RSM has analysed successful takeover offers and schemes of arrangement completed between 1 July 2005 and 31 December 2020 for companies listed on the Australian Securities Exchange (ASX) and on the New Zealand Securities Exchange (NZSX).

We have calculated the implied control premium as (offer price – share price) / share price, based on the closing share price of the target company at 20, 5 and 2 days pre and post the announcement of the offer. Our analysis and commentary is, however, primarily focused on 20 day pre-bid premiums, which, in our view, are less likely to be influenced by bid speculation. Accordingly, we consider the 20 day pre-bid data as providing the most reliable observation of any control premium implicit in the transaction.

In the period of our review, we observed a total of 784 transactions in Australia and 211 in New Zealand. Of these, 179 transactions in Australia and 80 transactions in New Zealand were excluded due to insufficient available data to calculate control premiums based on pre-bid share prices.

Where the offer included scrip of the acquiring entity, the closing share price of the acquirer on the day of the offer has been used to calculate the value of the offer.

Acknowledgements

We acknowledge the input and support we have received from Curtin University's Dr Lien Duong, Dr Baban Eulaiwi and Professor Grantley Taylor, and Victoria University of Wellington's Associate Professor Thu Phuong Truong in the completion of this study.

THE POWER OF BEING UNDERSTOOD
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rsm.com.au

Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Avenira Limited | ABN 48 116 296 541

Your proxy voting instruction must be received by **10.00am (AWST) on Wednesday, 23 July 2025**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS
The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY
If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING
Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS
You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY
You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS
Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.
By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES
If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automicgroup.com.au.

Lodging your Proxy Voting Form:

Online
Use your computer or smartphone to appoint a proxy at https://investor.automic.com.au/#/loginsah or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.

BY MAIL:
Automic
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IN PERSON:
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Sydney NSW 2000

BY EMAIL:
meetings@automicgroup.com.au

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBSITE:
https://automicgroup.com.au

PHONE:
1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the General Meeting of Avenira Limited, to be held at **10.00am (AWST) on Friday, 25 July 2025 at Level 1, Suite 9, 110 Hay Street, Subiaco, WA** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2 - Your voting direction

Resolutions		For	Against	Abstain
1	Approval of issue of Placement Shares to Hebang	☐	☐	☐
2	Approval of financial benefit to a Related Party	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) ☐☐ / ☐☐ / ☐☐

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

AUTOMIC

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