

31 July 2017

JUNE 2017 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

BAOBAB PHOSPHATE PROJECT

- Second sale of rock phosphate product to customers completed in June
- New Strategic Plan put in place for Baobab Phosphate Project
- Exploitation Permit (previously referred to as the Large Mine Permit) submitted in May, to take over from current Small Mine Permit
- No lost time injuries during the period

JDCPHOSPHATE

- In July JDCP advised that they had secured funding to accelerate their next step to commercialise the company's innovative Improved Hard Process (IHP) technology

CORPORATE

- Cash balance at 30 June 2017 of A\$2.9 million
- Share Purchase Plan completed in June successfully raised A\$2.5 million
- Additional US\$3.6 million in shareholder bridge loans secured
- Company to conduct a pro rata Entitlement Offer during the third quarter to raise up to A\$13 million
- Entitlement Offer strongly supported by major shareholders with agreement to underwrite A\$7 million

Managing Director and CEO Louis Calvarin, commented:

"Avenira has made progress during the June Quarter, successfully selling our second full cargo vessel of phosphate rock concentrate as well developing an ambitious Strategic Plan for the Company and implementing its early steps."

"Value-in-Use confirmation of Baobab's Gadde Bissik phosphate rock concentrate from comprehensive expert third-party pilot plant testing as well as at industrial scale validates our confidence in the value of our product and in its lasting success in the marketplace."

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1. BAOBAB PHOSPHATE PROJECT (Avenira, 80%)

1.1 STRATEGIC PLAN

The Company approved a new **Strategic Plan** in June. The Strategic Plan includes two stages: first optimise the existing ore beneficiation unit to bring it to a fully sustainable operational level, and then implement next step investments towards the long-term objective of becoming a leading supplier to the fertilizer industry and a leading fertiliser producer for West African and international markets.

Stage 1 will deliver a capacity and performance expansion of the existing Baobab processing facility. It will include a Flotation line to improve P_2O_5 recovery from around 50% currently to around 70%, and to reduce the silica assay of the Gadde Bissik phosphate rock concentrate product. It will also include a drying process unit to control product moisture at the commercially required level, including during the annual wet season.

Stage 2 will be the construction of a second production line delivering around 1 Mtpy of additional capacity.

The resulting combined capacity of at least 1.5 Mtpy will provide sufficient product for Avenira to supply a dedicated Phosphoric Acid facility – this being the Company's long term strategic objective - while continuing to grow its relationships with its phosphate rock customers.

Engineering studies are under way to provide a detailed design as well as capital and operating cost estimates for Stage 1. The expanded plant is expected to be fully commissioned in stages within 12 to 18 months of funding.

1.2 PROJECT DEVELOPMENT

Key areas of activity during the June 2017 quarter are listed below.

Occupational Health and Safety

- No medical treatment injury during the quarter.

Permitting

- The company submitted its Cherif Lo-Ngakhram exploration permit three-year renewal application to the Senegalese government during the month of May.
- The company has applied, also during the month of May, for an Exploitation Permit (referred to as a Large Mine Permit in past communications) in an expanded area around its current Gadde Bissik Small Mine Permit.

Mining

- Phosphate ore mining from Stages 1 and 2 open pit operations was completed in April 2017.
- Steady partial Stage 3 open pit overburden removal was focused on the 112RL bench at the end of June 2017.



Processing

- Revised contracted crushing and screening lines now planned to be commissioned during August 2017.

Local Community Consultation and Relocation

Avenira continued to collaborate closely with the local communities through the June 2017 Quarter:

- The employment rotation system for selection from potential local employees for short term and longer term operational functions continued.

Marketing

Baobab sold its maiden shipment of 21,400 tonnes of Gadde Bissik phosphate rock, which was successfully processed into phosphoric acid and finished fertilizers by the end customer during the June 2017 quarter.

The company sold a second cargo of approximately 30,000 tonnes during the quarter, and the vessel sailed from the port of Dakar during June.

A trusted industry engineering company, Prayon Technologies, has completed a detailed pilot test assessment of the Gadde Bissik phosphate rock concentrate and concluded that Baobab's product was very suitable as a raw material for the production of Phosphoric Acid and DiAmmonium Phosphate (DAP) fertilizer. The test highlighted a number of very positive Gadde Bissik phosphate rock features, including very low sulfuric acid consumption when processing into Phosphoric Acid, as well as good processing yields and reaction productivity.

1.3 GEOLOGY AND EXPLORATION

BAOBAB PROJECT

Gadde Bissik Area

The project location is shown in Figure 1.

During the June quarter, initial results of the March quarter 250 x 250 m grid diamond drilling campaign conducted in the Gadde Bissik Inferred Resources area east of the Small Mine Permit (SMP) have become available, and are being interpreted. Diamond drilling at 125 x 125 m grid-spacing near the SMP and 250 x 250 m further to the east continued in the same Gadde Bissik Inferred Resources area to better define the thickness of the mineralisation and for its potential upgrading to Indicated Mineral Resource status (Figure 2). A total of 53 diamond holes (1,971.5 m) were made east of the SMP (Table 1).

Limited diamond drilling at 250 x 250 m grid spacing, with the goal to reinforce the Indicated Mineral Resources, will continue during the September quarter around the SMP and in an area between the SMP and the Gadde Escale prospect.



Results of 500 x 500 m grid-spaced diamond drilling campaign undertaken during the March quarter between Gadde Bissik East and Gadde Escale Inferred Resources have also become available and are being interpreted (Figure 2). The purpose of this program was to determine the nature and extent of phosphate mineralisation in this area with a view to increasing the inferred resource inventory.

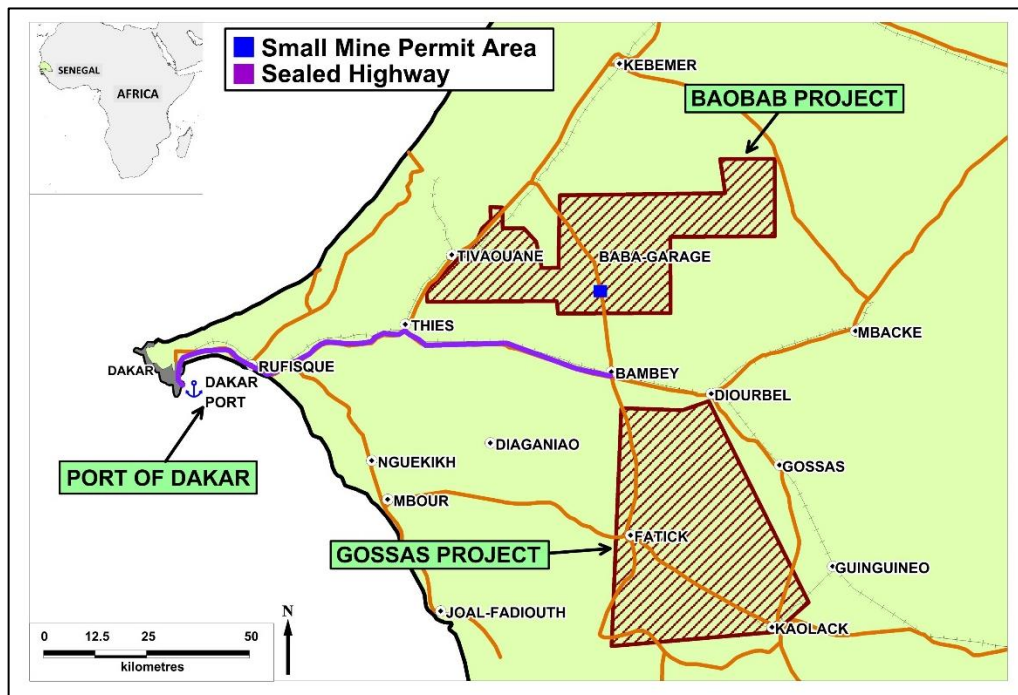


Figure 1: Project location plan

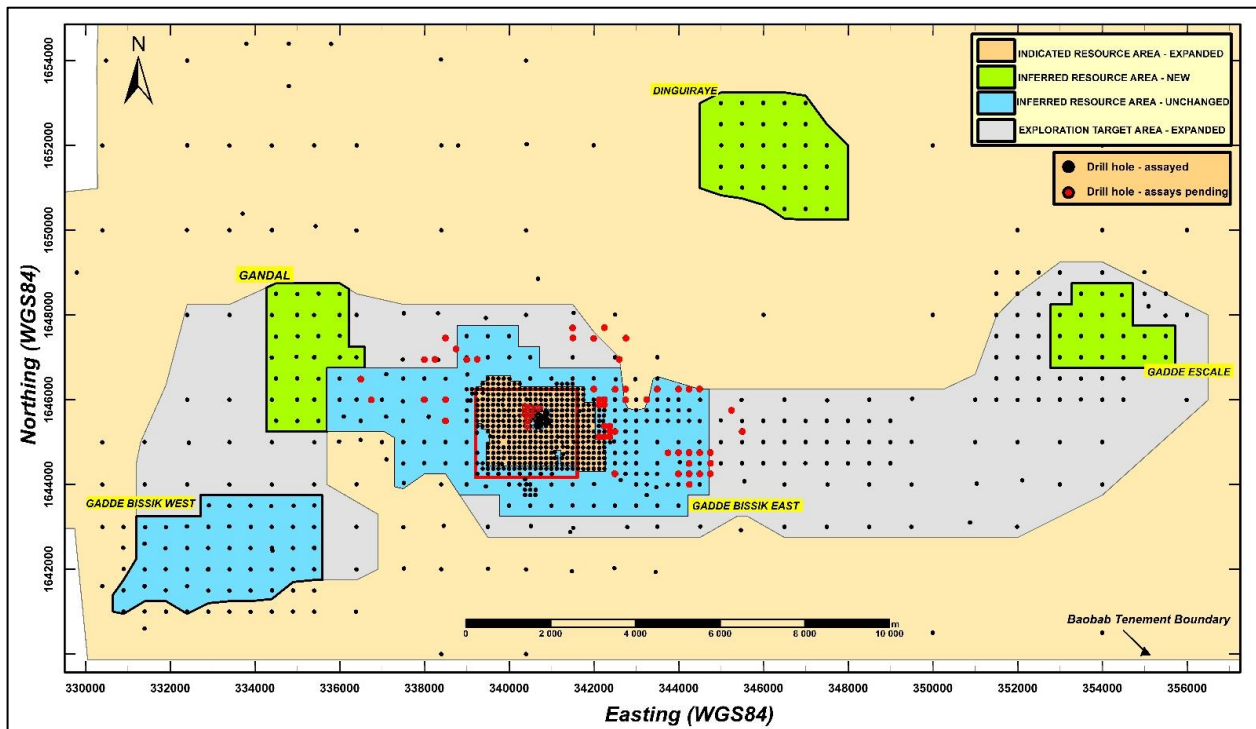


Figure 2: Drill status plan and resource outlines for Gadde Bissik area. Small mine permit outline in red. Drilling status as at 30 June 2017.

Mining Support

During the quarter, from May and June, the Company carried out an air core 50 x 50 m grid-spaced Grade Control drilling program within the SMP perimeter (Figure 3). Drill holes were intended to better control the presence, thickness, grade and geometry of the phosphate sequence planned to be exploited during Stages 3 and 4 of the mine's operating plan.

Towards the end of the June quarter, air core drilling for control and sterilisation began in the northern part of the SMP perimeter around mine infrastructure (Figure 3). Drilling will resume just outside the SMP perimeter at the end of the September quarter or beginning of the December quarter (after the rainy season) with the objective to identify and confirm sterile areas where mining infrastructure and processing equipment can be installed, moved or relocated.

A total of 83 air core holes (3,231 m) were carried out within the SMP sector (Table 1).

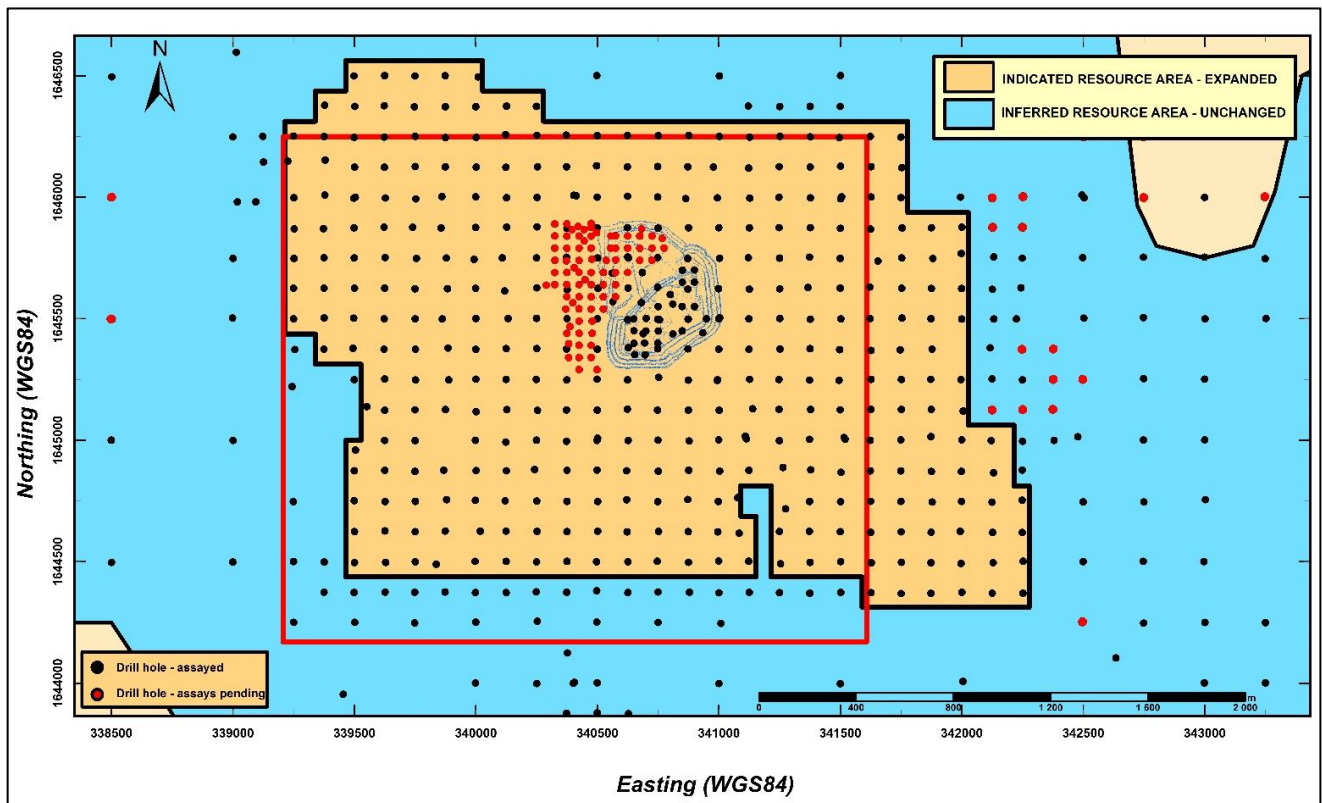


Figure 3: Drill status plan – SMP and environs. Small mine permit outline in red. Sterilization holes in red circles. Pit outline in grey. Drilling status as at 30 June 2017.

Regional Exploration

Results of the 4,000 x 4,000 m air core grid-spaced sterilisation drilling program realized in the west part of the Baobab tenement have become available during the June 2017 quarter (Figure 4). This 10-hole air core sterilisation drilling program was conducted in preparation for a statutory 25% reduction in tenement size due in mid-2017. As expected, results indicate that no significant mineralisation has been intercepted. The Company submitted the Baobab exploration permit renewal application during May 2017.

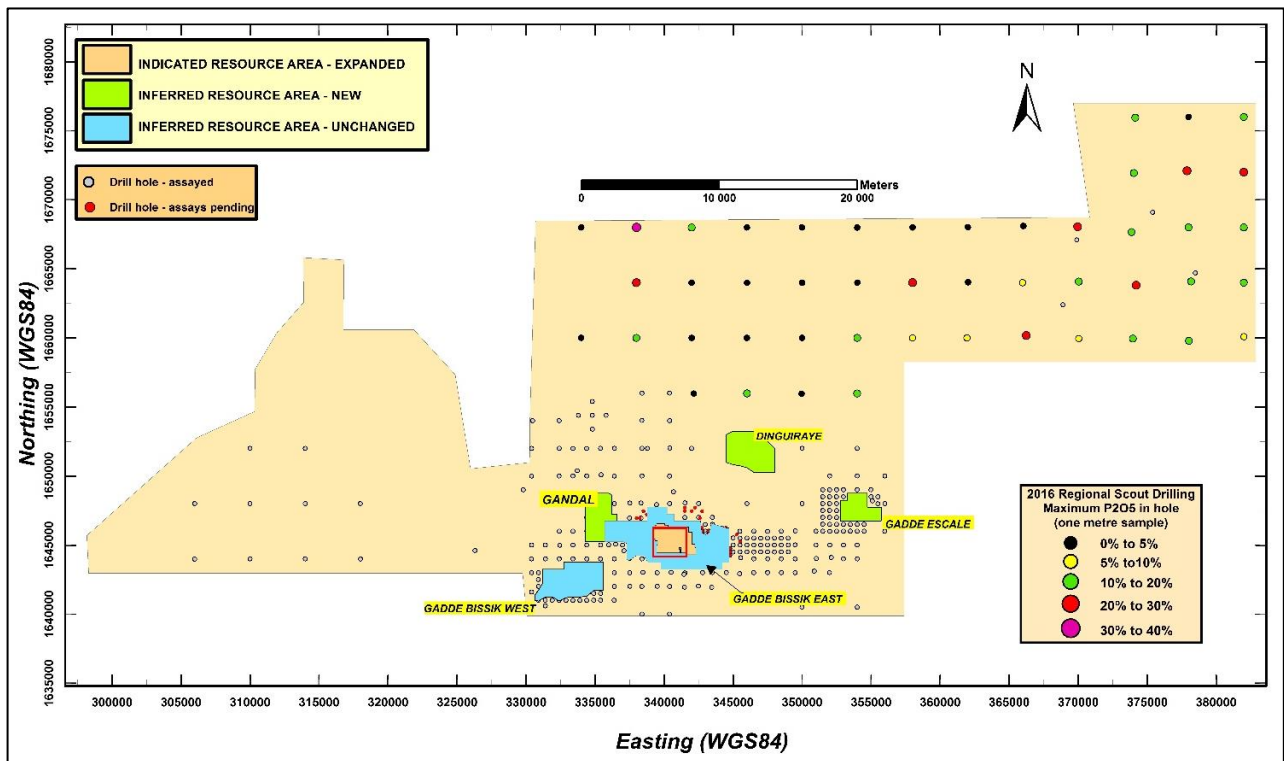


Figure 4: Baobab broad-based scout drilling results as at 23 February 2017. Small mine permit outline in red. Drilling status as at 30 June 2017. Note: historical non-JORC drilling not shown here.

GOSSAS PROJECT

Results of the broad-based March 2017 quarter 78-hole regional air core drilling at 4,000 x 4,000 m and 2,000 x 2,000 m grid spacing in the West, North and South-Eastern sectors of the Gossas tenement have become available (Figure 5). The drilling program targeted BRGM-defined and historical anomalies.

The air core drilling campaign results indicate that phosphate mineralisation of economic thickness and continuity is unlikely to exist in this area. No further drilling is planned in the Gossas area at this time. Resources will be re-allocated to more prospective areas in the Baobab tenements.

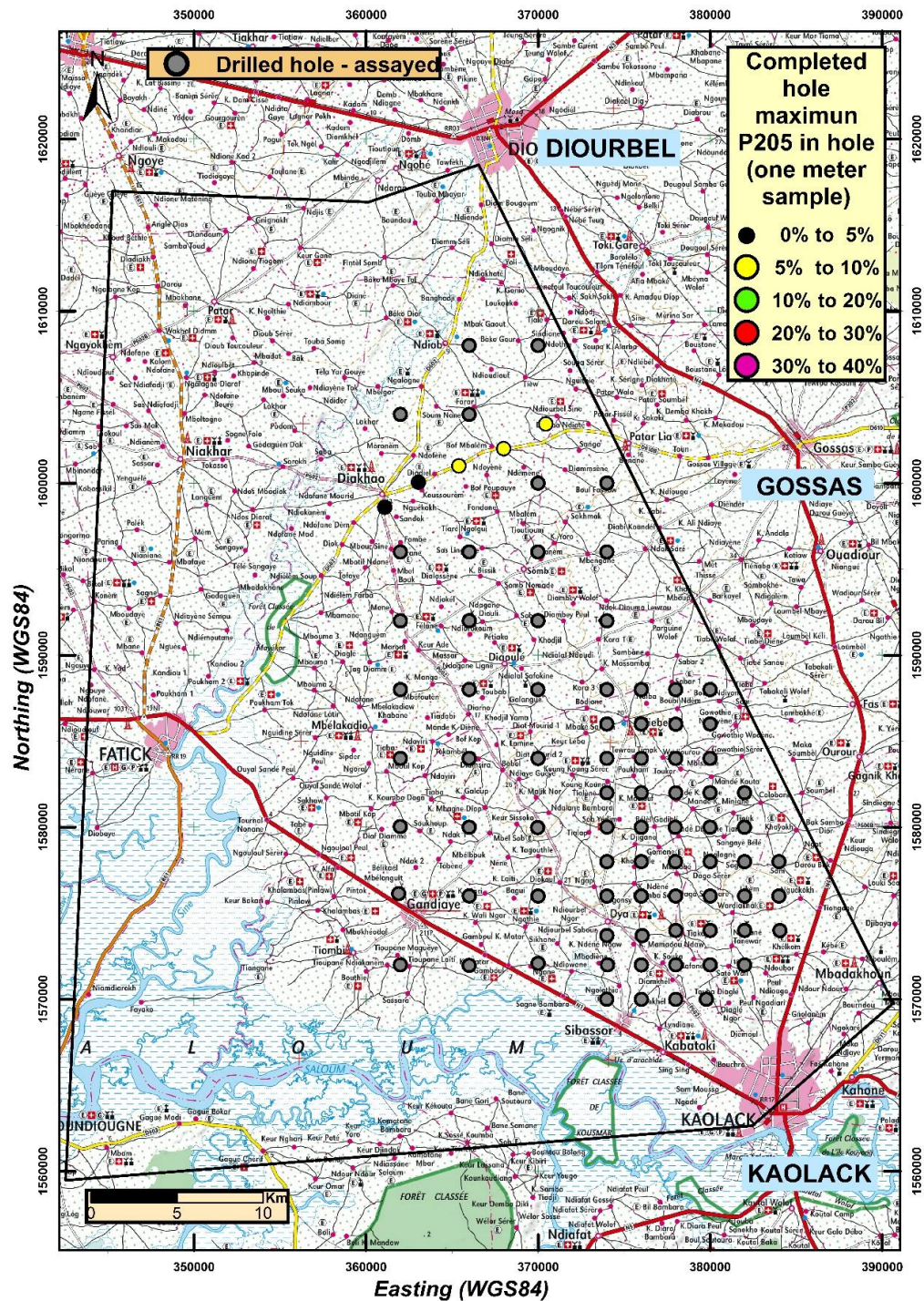


Figure 5: Gossas tenement - Drilling status as at 30 June 2017



Tenement	Purpose of drilling	AC		DD	
		Holes	Metres	Holes	Metres
BAOBAB	Regional exploration	-	-	-	-
	Resource definition	-	-	-	-
	- Within SMP	83	3,231		
	- Outside SMP	11	648	53	1971.5
TOTAL		94	3,879	53	1971.5

Table 1: Drilling statistics – June 2017 Quarter

2. JDCPHOSPHATE, INC.

Avenira owns a minority position of less than 10% of JDC Phosphate, Inc. (JDCP) and has an exclusive license to utilise the Improved Hard Process (IHP) technology in Senegal and Australia for an extended period of time.

Timothy Cotton, newly named CEO of JDCP commented "JDCP recently announced that it has raised significant equity financing from Stonecutter Phosphate Investors LLC, which will accelerate commercialisation of the company's innovative Improved Hard Process (IHP) technology for producing high-grade phosphoric acid using low-grade phosphate rock, a patented process that eliminates the large volume of phospho-gypsum waste that is necessary byproduct of the traditional phosphoric acid process. JDCP will modify its facility in Fort Meade, Florida to complete the processing design package for a full-scale commercial IHP plant. The facility will test various qualities of phosphate rock raw material in the IHP process, allowing potential licensors to validate the process for the phosphate ore sources they have available. JDC expects to complete the plant modifications by early 2018. Independent engineering studies will be conducted ahead of commercial deployment of IHP. We are excited about this development and look forward to commercialising IHP in the near future."

Shareholders are encouraged to view the JDCP website <http://jdcphosphate.com/>

3. WONARAH PHOSPHATE PROJECT, NORTHERN TERRITORY (100% owned)

The Company continues to take action to reduce the holding costs of the Wonarah project until the commercial validation of the IHP technology.

Following a comprehensive tenement review, the Company has been able to reduce the area size and holding costs of the tenements held by its wholly-owned subsidiary, Minemakers Australia Pty Ltd (MAPL), while maintaining secure tenure over the key areas of the Project with the addition of a new exploration licence application. In the process, MAPL has surrendered ML27244 and intends to apply for two smaller mining leases over the best mineralisation at Arruwurra and the Main Zone. The surrender of ML27244 will not result in any change to the existing Wonarah Project resource estimates.

During the transitional period between the surrender of ML27244 and the grant of new mining leases, MAPL anticipates substantial saving in annual statutory and other project-related costs.

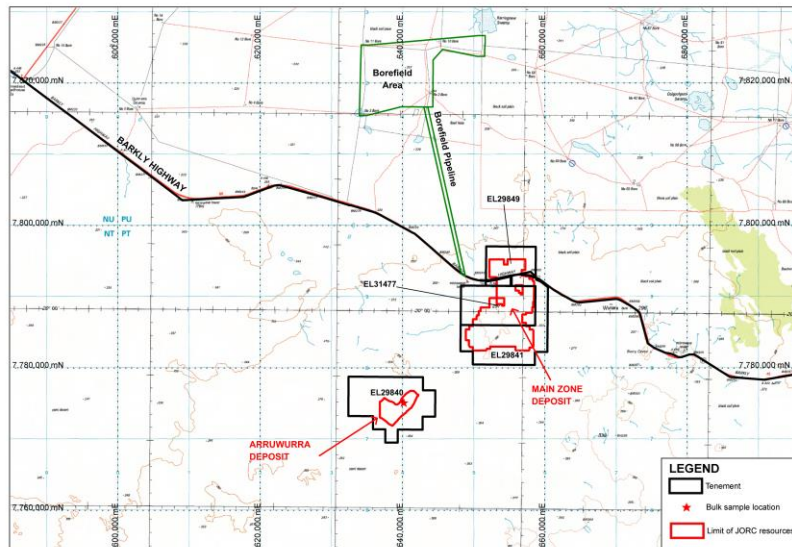


Figure 6: Wonarah tenement status as at 27 July 2017

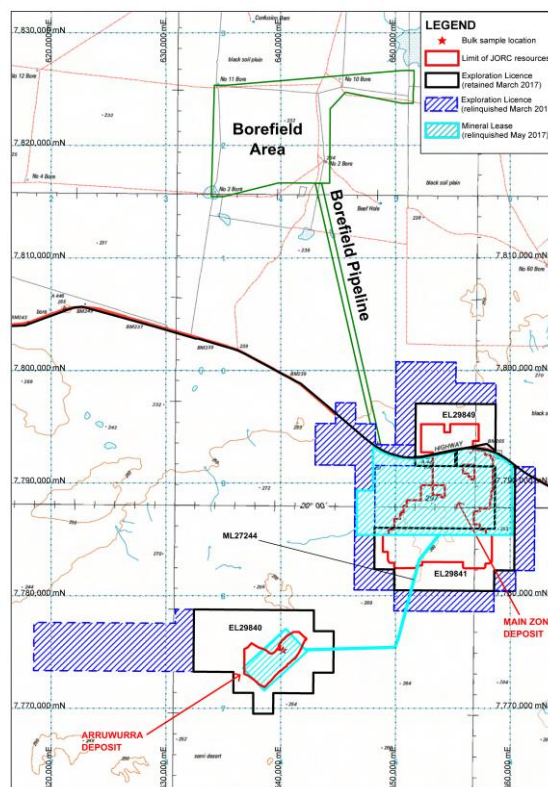


Figure 7: Wonarah tenement status as at 28 February 2017



4. CORPORATE

4.1 FINANCING

The Company closed the Share Purchase Plan ("SPP") in June raising A\$608,950. An additional A\$1,891,050 million was raised via the Shortfall Placement Agreement ("Placement") with Agrifields DMCC. Following completion of the SPP and the Placement the Company raised a total of A\$2,500,000.

The Company announced in June 2017 it has entered into binding funding agreements with each of its two major shareholders, Agrifos Partners LLC ('Agrifos') and Tablo Corporation, an affiliate of Groupe Mimran ('Mimran') ('Major Shareholders'), whereby Agrifos will provide an unsecured bridge loan of US\$1.44 million to the Company and Mimran will provide an unsecured bridge loan of US\$2.16 million to the Company (together the 'Bridge Loans'), each at a 6% interest rate and to be drawn down progressively and repayable on the earlier of a) six months from first draw down and b) completion of the Entitlement Offer (described below).

The Company will conduct a non-renounceable pro rata entitlement offer (the '**Entitlement Offer**') within the next five months to raise a minimum of A\$7 million and a maximum of A\$13 million.

The Major Shareholders have each agreed, if requested by the Company, to underwrite any shortfall to the Entitlement Offer up to a maximum of A\$4.2 million, in the case of Mimran, and A\$2.8 million in the case of Agrifos (in each case the 'Underwritten Amount'). If the Major Shareholders are required by the Company to underwrite the Entitlement Offer, the Company will pay the Major Shareholders an underwriting fee of 5% on their respective Underwritten Amounts.

The proceeds from the Bridge Loans and the Entitlement Offer will be used to fund engineering studies and upfront capital costs required for Stage 1, as well as ongoing working capital requirements. A portion of the proceeds from the Entitlement Offer will be used to repay the Bridge Loans in full.

Avenira will also be seeking additional financing to fund the remainder of Stage 1 not covered by the Bridge Loans or the Entitlement Offer, and all of Stage 2 of the Strategic Plan.

4.2 CASH POSITION

At the end of the June 2017 Quarter, Avenira had a cash balance of \$2.9 million.

Breakdown of cash movement for the June 2017 quarter:

Tenement cost and maintenance	(\$0.01m)
Wonarah Project and JDCP	(\$0.01m)
Baobab Phosphate Project ⁽ⁱ⁾	(\$3.68m)
Net Admin and Corporate	(\$0.84m)
Proceeds from equity issue and borrowing	\$3.82m

(i) Includes receipts from sale of 2nd shipment



Schedule of Avenira Limited Tenements as at 30 June 2017

Location	Tenement Name	Tenement	Nature of Company's Interest
Northern Territory	Arruwurra	EL29840	100%
Northern Territory	Wonarah	EL29841	100%
Northern Territory	Dalmore	EL29849	100%
Northern Territory	Central Wonarah	EL31477	100%
Senegal	Baobab	14626/MIM/DMG	80%
Senegal	Gadde Bissik	09810/MIM/DMG	80%

Compliance Statement

Information in this report relating to Exploration Results or estimates of Mineral Resources or Ore Reserves has been extracted from the reports listed below. The reports are available to be viewed on the company website at: www.avenira.com

Baobab Project:

27 April 2015: Minemakers to acquire a potential near-term production rock phosphate project in the Republic of Senegal

11 May 2015: Minemakers delivers maiden Inferred Resource for Baobab Rock Phosphate Project in Republic of Senegal

22 September 2015: Baobab project update

7 December 2015: Maiden Indicated Mineral Resource at Baobab Phosphate Project

7 January 2016: Technical Report Mineral Resource Estimation for the Gadde Bissik Phosphate Deposit, Republic of Senegal

28 October 2016: September 2016 Quarterly activities report

23 February 2017: Baobab exploration results update

2 March 2017: Significant increase to Indicated Mineral Resource at Baobab Phosphate Project.

Wonarah Project:

15 March 2013: Technical Report Mineral Resource Estimation for the Wonarah Phosphate Project, Northern Territory, Australia

30 April 2014: Quarterly activities report

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this document relative to markets for Avenira trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Avenira does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements.