

30 April 2018

MARCH 2018 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

BAOBAB PHOSPHATE PROJECT

- 10.9% increase in Inferred Mineral Resource tonnage to an estimated 173 million tonnes at 18% P₂O₅ at a 15% P₂O₅ cut-off
- Updated Inferred Resource area is now continuous over 20 km from Gandal to Gadde Escalé prospects
- Indicated Mineral Resource is estimated at 42.0 million tonnes at 19.4% P₂O₅ at a cut-off grade of 10% P₂O₅, and Inferred Mineral Resource is estimated at 320 million tonnes at 16% P₂O₅ at a cut-off grade of 10% P₂O₅
- Expansion and Upgrade Feasibility Study oriented work and approvals are progressing and Wood PLC have been appointed as Lead Engineering Consultants
- Third sale of rock phosphate product to customers completed in early January
- No lost time injuries during the period

CORPORATE

- Receipt of final A\$3.6 million of Entitlement Offer funds completing the successful raising of A\$15m via Entitlement Offer and Placement
- Appointment of Mr Brett Clark as independent non-executive Chairman
- Cash balance at 31 March 2018 of A\$6.8 million

Managing Director and CEO Louis Calvarin commented: *"The company has delivered a solid performance this March quarter, with a third full vessel cargo sold and a fourth one in preparation in an improving phosphate rock market environment, and with the launch of the Baobab Project's expansion and upgrade feasibility study. The selection of Wood as our engineering contractor is an important step. Wood have an excellent reputation as engineers for mining and processing projects and bring a first-class team and highly valued experience. We look forward to further key advances ahead of us in this transformational year."*

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1. BAOBAB PHOSPHATE PROJECT (Avenira 80%)

1.1 EXPANSION AND UPGRADE PROJECT

Background

During the 2017 calendar year, the Company has established a strategic plan for its Baobab Phosphate Project, focused first on a major expansion and upgrade of the existing Baobab Project's beneficiation plant at Gadde Bissik mine to bring it to a sustainable operational level, and subsequently on implementing next-step investments towards its longer-term objective of downstream integration.

Under the plan to expand and upgrade the existing ore beneficiation unit the Company engaged engineering firm Hatch to conduct a conceptual engineering study which delivered positive results detailed in the Company's announcement of 17 October 2017.

The planned expansion and upgrade of the existing ore beneficiation unit is expected to deliver a capacity and performance expansion of the existing Baobab processing facility at Gadde Bissik. The project includes a flotation step and a magnetic separation step to improve P_2O_5 recovery from around 50% currently to around 70%, to reduce the silica assay and to control iron levels in the phosphate rock concentrate product, as well as a drying process unit to control product moisture at the commercial target at all times, annual wet season included. Following completion of the expansion and upgrade of the existing ore beneficiation unit, the nameplate production capacity is projected to be 1 Mtpa.

The 2017 conceptual engineering study concluded that upgrading the processing plant and increasing its nameplate capacity to 1 Mtpa of high-grade phosphate rock concentrate, could be undertaken for a total upfront capital expenditure of approximately US\$53.4 million (to \pm 30% accuracy at processing plant battery limits). This expansion should significantly improve product specifications and place the Baobab Project in a globally competitive unit operating cost position, on a quality adjusted basis.

Following the positive conceptual study the Company has embarked on the next phases of its strategic plan, to include more detailed engineering work, approvals and financing. The Company anticipates using a combination of debt and equity, supported by off-take agreements, to finance and implement the expansion and upgrade project. Private equity, off-takers and other strategic investors (including the Company's existing shareholders) will be targeted to cornerstone the equity component. For the debt, the Company has received preliminary interest from local and international banks and development finance institutions.

March Quarter Highlights

The Company has appointed Wood PLC (formerly AMEC Foster Wheeler) as lead engineering consultants for the Baobab Project Feasibility Study. Building on the conceptual study focused on ore processing completed in 2017. The 2018 feasibility study will cover all project aspects, with teams in South Africa (ore processing and overall lead), supported by process experts in the United States, as well as Great Britain (mining and tailings management).

The study early stages include mining and processing trade-off studies currently under way, targeting in particular operating cost optimisation.



Development test work completed during the quarter, including wet high-intensity magnetic separation tests, additional comminution tests oriented at sizing of milling steps and flotation tests using the actual mine site water have all led to positive outcomes confirming engineering expectations and past assumptions. The results of all testwork is being incorporated into the feasibility design basis.

Forward Work Program

The Company plans to expedite the remaining activities required to facilitate funding and make a Final Investment Decision on the expansion and upgrade project.

Though subject to change, this includes the following current targeted milestones:

Completion of Ore Reserve estimate	Q2 2018
Award of Large Mine Concession (Exploitation Permit)	Q2 2018
Phase 1 Feasibility Study Class 4 Cost Estimate and Ore Reserve estimate	Q2 2018
Phase 2 Bankable Feasibility Study Class 3 Cost Estimate	Q4 2018

1.2 PROJECT DEVELOPMENT

Key areas of activity during the March 2018 quarter are listed below.

Occupational Health and Safety

No medical treatment injury or lost-time injury during the quarter.

Permitting

The Company awaits the approval from the Senegalese Government for an Exploitation Permit applied for in May 2017 in an expanded area of 75 km² around its current Gadde Bissik Small Mine Permit.

Mining & Processing

- The Company's operational priority is to complete the targeted 1 Mtpa nameplate capacity expansion and upgrade engineering and feasibility studies, whilst also securing off-take, approvals and financing. Once the final decision to invest will have been made, the Company's focus will shift to a successful implementation of this capital investment project. In the meantime, mining activities at Baobab Project, if any, are expected to be limited in scope.
- Mining activities have been on hold since they were interrupted during the 2017 wet season.
- Crushing and processing of mined ore from the ROM pad recommenced following the end of the 2017 wet season in preparation for the third shipment which took place in January 2018 and are ongoing as inventory is being readied for a fourth shipment.

Bargny-Sendou Port

The Company has entered into a lease agreement with Senegal Minergy Port to secure a parcel of land in the Industrial Free Zone of this new bulk solids and liquids port development east of Dakar, from which exports will be shipped in the future. Initial civil works (land clearing and levelling of the entire port area) are nearing completion.



Local Community Consultation and Relocation

Avenira continued to collaborate closely with the local communities through the March 2018 Quarter. Starting with the inception of the 2017 rainy season and scaling back of operations, rotational employment at the Baobab Project has been scaled back to a minimum.

Sales

On 19 January 2018 the Company announced that it had completed its third shipment. The vessel, loaded with 25,155 tonnes of Gadde Bissik phosphate rock concentrate sailed from the port of Dakar.

Other

In early January 2018 Senegalese subsidiary company, Gadde Bissik Phosphate Operations SUARL, received a VAT refund of XOF 1.6 billion (US\$2.9 million) on its outstanding VAT receivable from the Senegalese Tax Authority following approval from the Senegalese Tax Commissioner.

In late March 2017 Gadde Bissik Phosphate Operations SUARL finalised an agreement with CBAO Groupe Attijariwafa Bank to extend the deferral of the principal repayments of the existing working capital facility by a further twelve months to December 2018. All other terms and conditions remain as previously disclosed.

1.3 GEOLOGY AND EXPLORATION

BAOBAB PROJECT

Gadde Bissik Area

No exploration drilling has been undertaken during the March 2018 quarter.

The project location is shown in Figure 1. The results of the 50 x 50 m air core grade control drilling undertaken within the SMP (Small Mine Permit) during the last half of 2017 became available during the first quarter of 2018. Material drill intercepts for 34 diamond holes, for the most part located between the Gadde Bissik East and Gadde Escale prospects, at 250 x 250 m and 500 x 500 m grid spacing, have been published in the 5 February 2018 Mineral Resource estimate announcement (Figure 3).

After validation of assay results from SGS laboratory, an update of the JORC Mineral Resource estimate was completed during Q1 2018 by independent consultants MPR Geological. An announcement was published on 5 February 2018 and provided the following resource information (Table 1 and 2; figure 2).



GADDE BISSIK MINERAL RESOURCE TABLE - EFFECTIVE DATE 31/01/2018									
Cut-off grade 15% P ₂ O ₅									
Area		Resource Category	Mt	P ₂ O ₅ %	CaO %	MgO %	Al2O3 %	Fe2O3 %	SiO2 %
Gadde Bissik East	Within SMP	Indicated	27.2	21	29	0.08	2.10	3.68	40.7
		Inferred	2	20	28	0.14	2.6	2.7	43
	Outside SMP	Indicated	7.7	19.6	27.2	0.08	2.28	3.93	44
		Inferred	80	18	25	0.12	2.9	3.6	47
	Combined	Indicated	34.9	20.7	28.6	0.08	2.14	3.74	41.4
		Inferred	82	18	25	0.12	2.9	3.6	47
Gadde Bissik West		Inferred	6	17	23	0.2	5.1	6.7	42
Gandal		Inferred	16	18	25	0.1	3.4	8.8	41
Gadde Escale		Inferred	48	18	26	0.1	2.2	2.9	47
Dinguiraye		Inferred	21	19	27	0.2	3.1	3.3	43
Total Resources		Indicated	34.9	20.7	28.6	0.08	2.14	3.74	41
		Inferred	173	18	25	0.13	2.8	4	46

Table 1: Mineral Resource Table - Cut-off grade 15% P₂O₅

GADDE BISSIK MINERAL RESOURCE TABLE - EFFECTIVE DATE 31/01/2018									
Cut-off grade 10% P ₂ O ₅									
Area		Resource Category	Mt	P ₂ O ₅ %	CaO %	MgO %	Al2O3 %	Fe2O3 %	SiO2 %
Gadde Bissik East	Within SMP	Indicated	31.5	20	28	0.09	2.19	3.80	42.9
		Inferred	3	18	24	0.15	3.0	2.9	49
	Outside SMP	Indicated	10.5	17.9	24.7	0.08	2.40	4.10	47
		Inferred	142	16	22	0.17	3.4	3.9	51
	Combined	Indicated	42.0	19.4	26.8	0.09	2.24	3.88	44.0
		Inferred	145	16	22	0.17	3.4	3.9	51
Gadde Bissik West		Inferred	26	13	17	0.4	6.7	7.0	48
Gandal		Inferred	32	15	21	0.1	4.2	7.9	46
Gadde Escale		Inferred	82	16	23	0.2	2.4	3.0	52
Dinguiraye		Inferred	35	17	25	0.2	3.4	3.7	46
Total Resources		Indicated	42.0	19.4	26.8	0.09	2.24	3.88	44
		Inferred	320	16	22	0.18	3.5	4	50

Table 2: Mineral Resource Table - Cut-off grade 10% P₂O₅

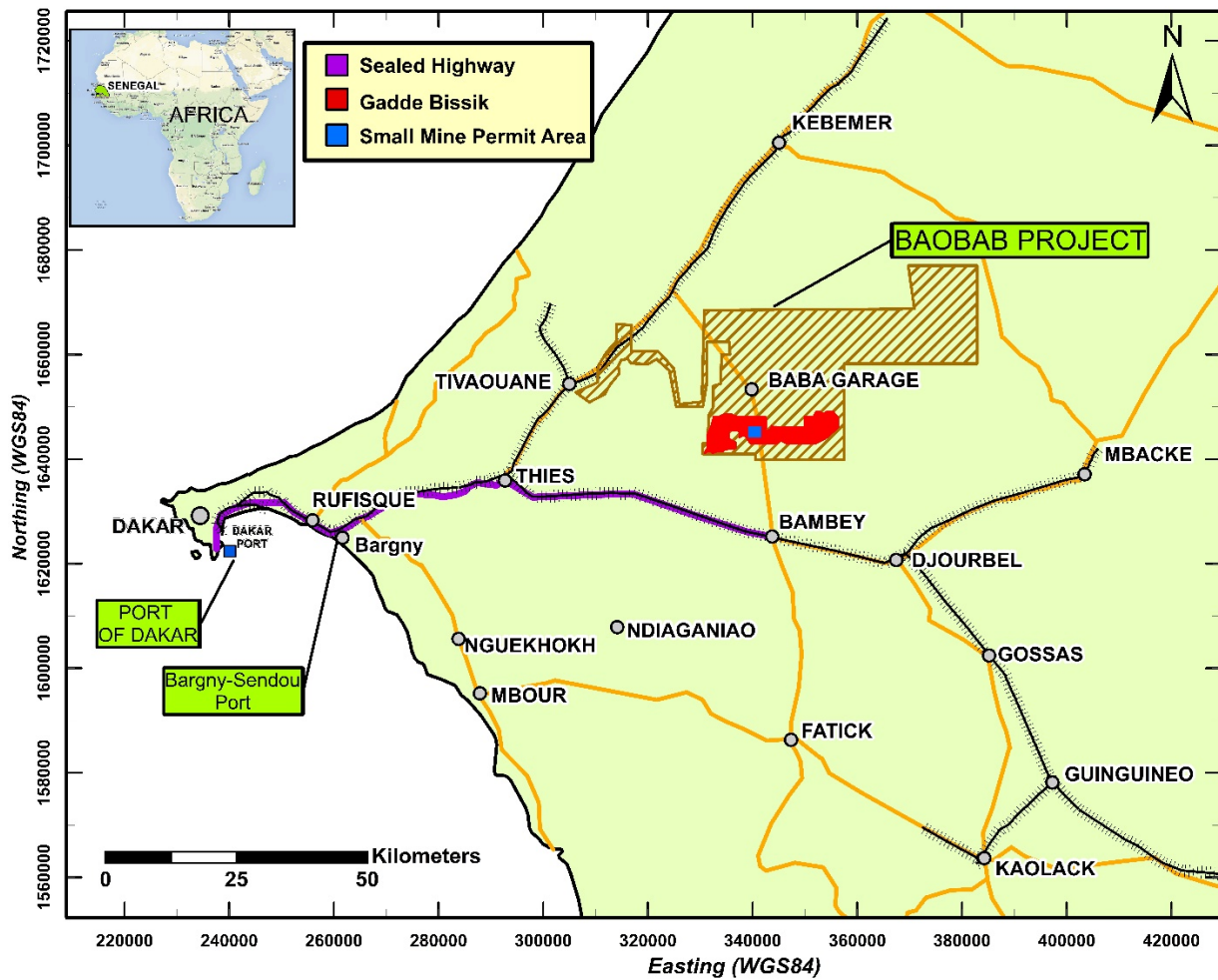


Figure 1: Project location plan

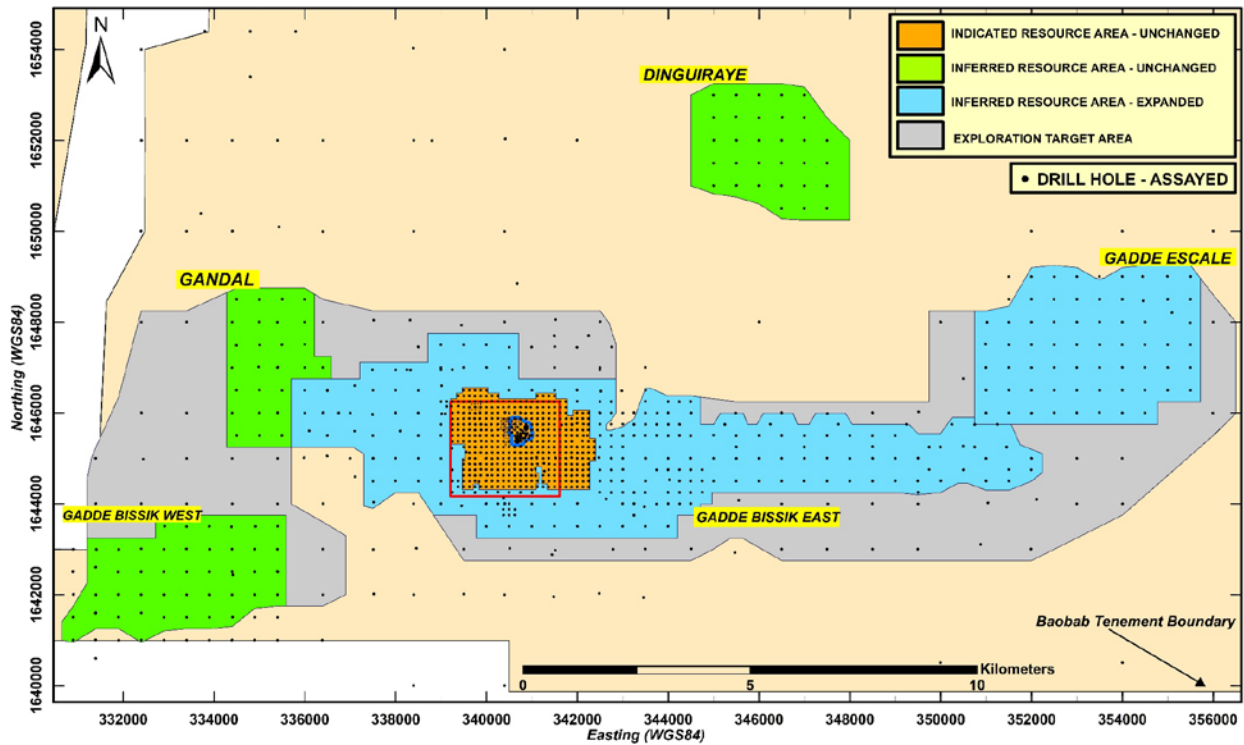


Figure 2: Drill status plan and resource outlines for Gadde Bissik area. Small mine permit outline in red. Pit outline in blue. Drilling status as at 31 March 2018.

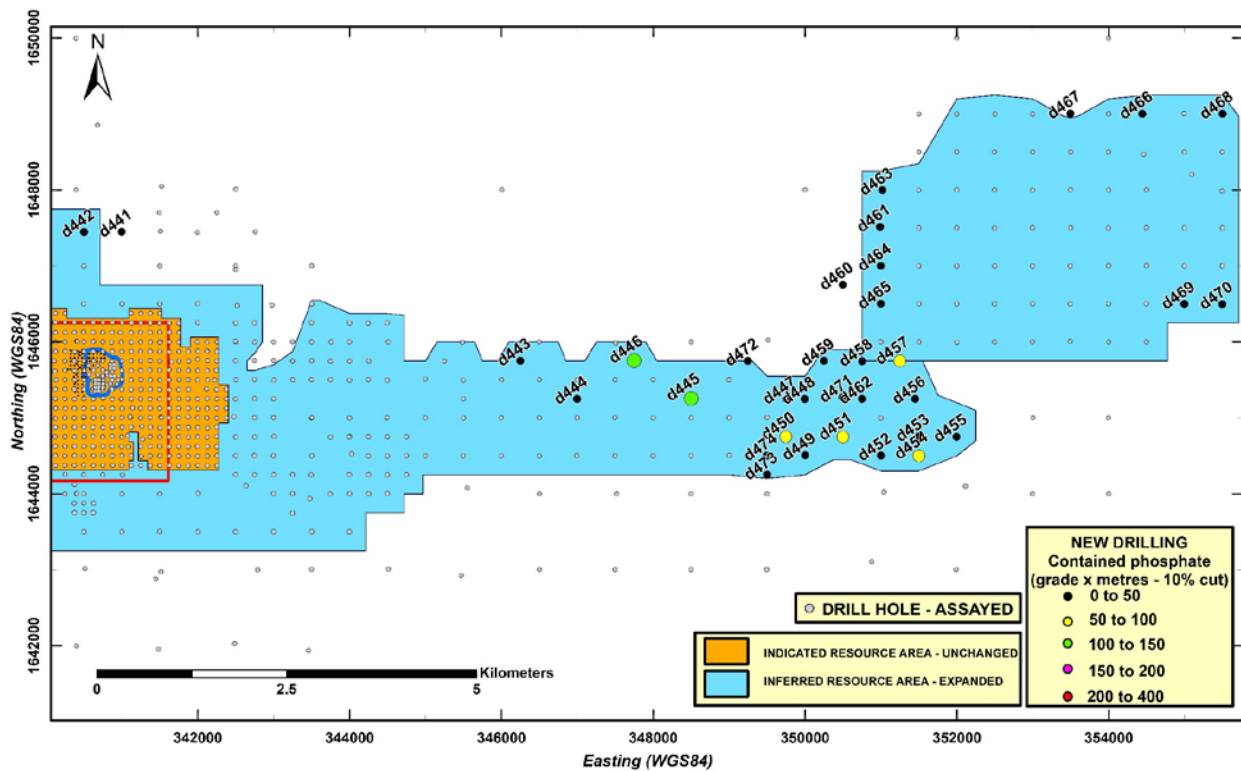


Figure 3: Drill location plan - SMP and environs. Symbols coded for contained phosphate (grade x metres at a 10% P_2O_5 cut-off). "d" prefix indicates diamond-core drilling. Small mine permit outline in red. Initial pit outline in blue.



No drilling is planned for the second quarter of 2018 in the Gadde Bissik area.

Mining Support

During the March quarter, in support of the ongoing Baobab project feasibility study, 10 trial pits have been excavated by tracked excavators on proposed future plant and tailings dam areas located outside the west border the SMP perimeter. The purpose of these trial pits was geotechnical evaluation of soils for future construction of site infrastructure and processing facilities.

2. JDCPHOSPHATE, INC. (Avenira ≈ 7%)

Avenira owns a minority position of approximately 7% 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, CEO of JDCP commented “*JDCP has completed the demonstration pilot construction activities during the March 2018 quarter and our team is eager to engage in commissioning and piloting runs during the June quarter.*”

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

3. WONARAH PHOSPHATE PROJECT, Australia NT (Avenira 100%)

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

4. CORPORATE

4.1 BOARD CHANGES

On 21 March 2018 the Company announced the appointment of independent non-executive director Mr Brett Clark as the independent non-executive chairman. Mr Clark replaced Dr Christopher Pointon who was stepping down for personal reasons. Dr Pointon will continue as a non-executive director.

4.2 FINANCING

On 9 June 2017, the Company announced its three-stage plan to secure the financing required to fund the completion of the expansion and upgrade investment and the Company's ongoing working capital requirements. The first two stages have now completed. The final stage of fund raising will comprise a combination of debt and equity with a significant capital raising likely to take place within the next 6 to 12 months, in particular to fund the construction of the expansion and upgrade project.

Entitlement Offer

In January 2018 the Company received the second tranche of funds totalling A\$3,617,698 from Agrifields DMCC for the subscription of 85,785,375 Shortfall Shares in accordance with the Entitlement Offer announced to the ASX on 24 October 2017.

This completed the Entitlement Offer and Placement raising of A\$15 million (before costs).



4.3 CASH POSITION

At the end of the March 2018 Quarter, Avenira had a cash balance of \$6.8 million.

Breakdown of cash movement for the March 2018 quarter:

Wonarah Project (including tenement maintenance costs) and JDGP	(\$0.02m)
Baobab Phosphate Project ⁽ⁱ⁾	\$1.55m
Net Admin and Corporate	(\$0.73m)
Net Proceeds from equity issue and borrowing (includes loan repayments)	\$3.59m

(i) Includes receipts from local sales and Net VAT refund



Schedule of Avenira Limited Tenements as at 30 March 2018

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
 21 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.
 9 June 2017: Company Update (Strategic Plan)
 31 July 2017: June 2017 Quarterly Activities Report
 11 September 2017: Baobab Exploration Results Update
 12 October 2017: Mineral Resource increase at Baobab Phosphate Project
 5 February 2018: Mineral Resource Increase 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.