

30 October 2018

## SEPTEMBER 2018 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

- **Baobab Exploitation Permit granted by the Government of Senegal**
- **Successfully raised A\$2.8 million via Share Placement**
- **Gadde Bissik mine selling phosphate rock to a local major fertiliser company**
- **No lost time injuries during the period**
- **A\$2.1 million cash balance at 30 September 2018 (A\$2m proceeds from Placement received in Oct 18)**

### 1. BAOBAB PHOSPHATE PROJECT (Avenira 80%)

#### 1.1 EXPANSION AND UPGRADE PROJECT

During the September 2018 quarter, Avenira continued to progress its Baobab Feasibility Study with lead engineering consultant Wood PLC (Wood) advancing key areas in Processing Plant, Tailings Storage Facility, Site Infrastructure and Mine design, and additional test work being carried out to support and validate the project design. New comminution, magnetic separation, settling, filtration and drying testwork has been completed, and the results of this work support and validate the design of the projected Processing Plant crushing and milling, magnetic separation, dewatering and drying circuits.

The Feasibility Study is expected to be completed in the December 2018 Quarter (Class 4 estimate). The Company intends to initiate the “Bankable” Feasibility Study phase once a final project configuration has been selected, with a targeted June 2019 Quarter completion (Class 3 estimate).

On 22 October 2018, the Company announced that Baobab Mining and Chemicals Corporation S.A. (‘BMCC’), an 80%-owned subsidiary of the Company, had received a Senegalese Government Exploitation Permit (‘Permit’) for the Gadde Bissik area within its Baobab Phosphate Project in the Republic of Senegal. The permit was granted by Presidential Decree.

The Permit covers an area of 75 km<sup>2</sup> around the former Gadde Bissik Small Mine Permit (see Figures 1 and 2 below) and is valid for an initial renewable period of 20 years.

Following the restructuring triggered by this Permit grant, the Senegalese Government will hold a 10% free-carried interest in the legal entity owning the Permit, and the new structure will be exempt from paying certain taxes. The new Permit covers the area identified by Avenira as offering the best economic potential for commercial phosphate rock mining. It surrounds the Small Mine operation launched by Avenira through BMCC in 2016.

avenira.com

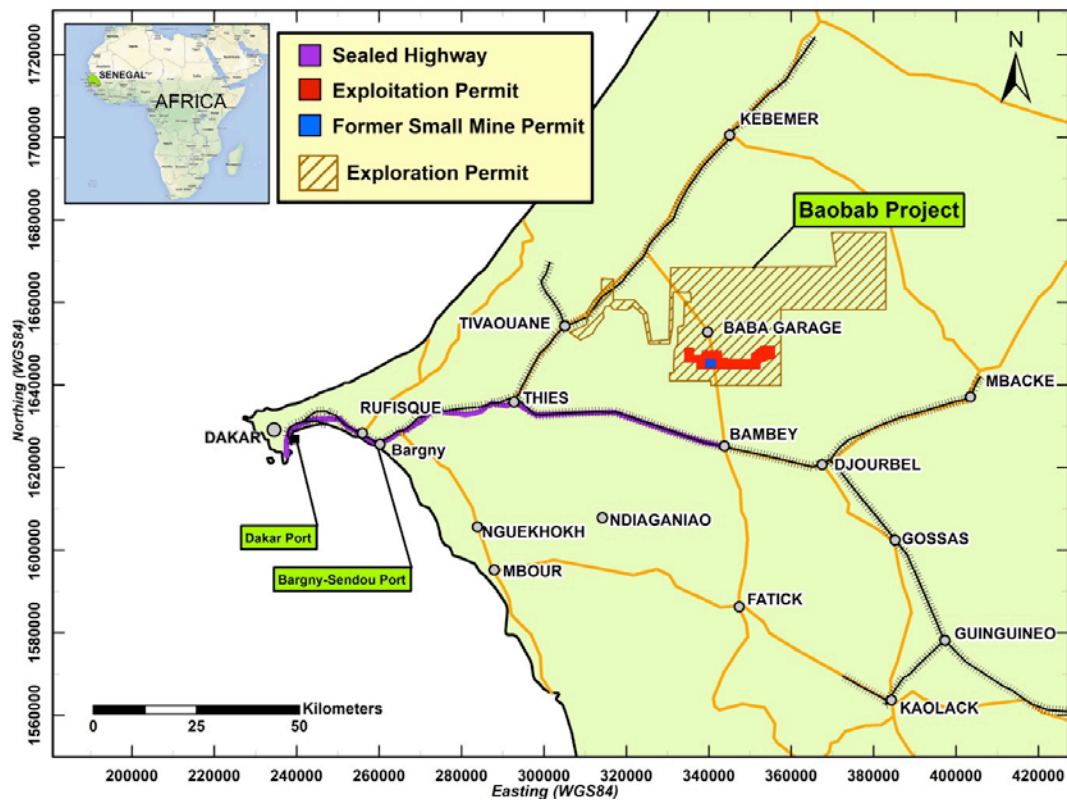


Figure 1 - Baobab Project location map

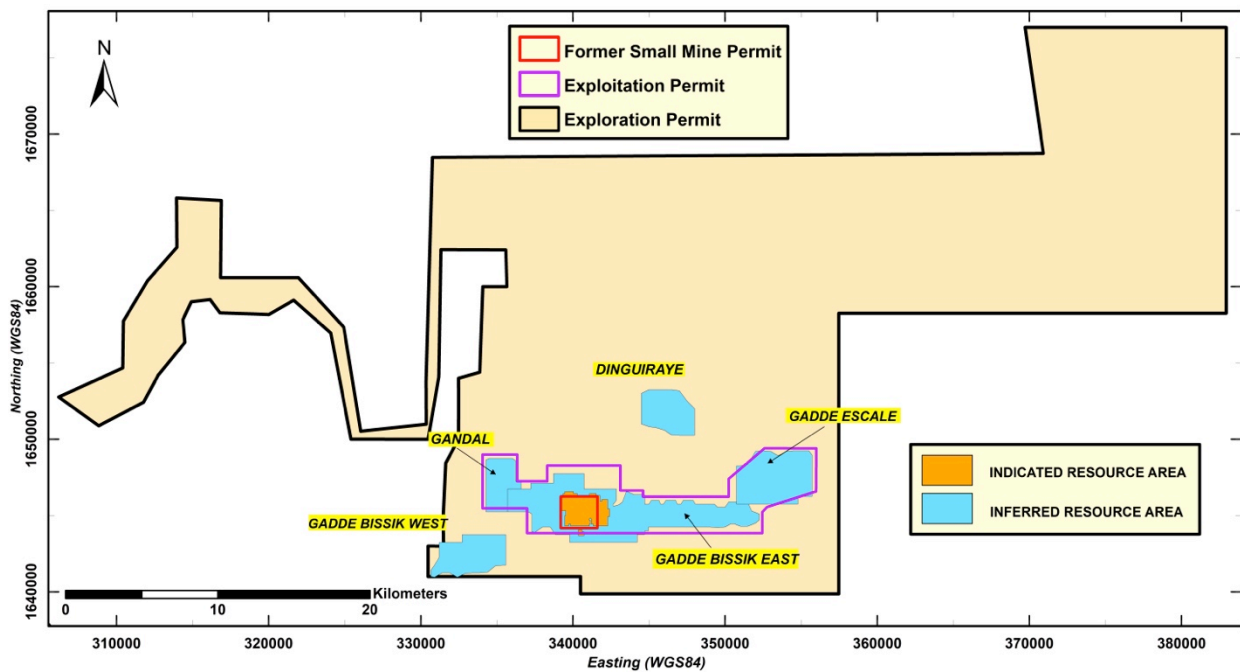


Figure 2 - Exploitation permit area, exploration permit area and resource outlines.



## 1.2 PROJECT OPERATIONS

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

### Occupational Health and Safety

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

### Mining & Processing

Crushing and processing of mined ore from the ROM continued to build product inventory ahead of sales to local end user.

### Bargny-Sendou Port

On-shore and off-shore civil works contractors equipment mobilised during September.

### Sales

Since June 2018, the Company has been shipping a small quantity of phosphate rock product to a local Senegalese major fertiliser producer.

## 2. JDC PHOSPHATE, INC. (Avenira $\approx$ 7%)

Avenira owns a minority position of approximately 7% of JDC Phosphate, Inc. (JDC) and has an exclusive license to utilise the Improved Hard Process (IHP) technology in Senegal and Australia for an extended period of time.

As detailed in the Company's announcements of 13 June 2018 and 8 August 2018, JDC has informed Avenira that its new demonstration plant has been commissioned at its Fort Meade, Florida facility. The plant has operated and successfully produced phosphoric acid using the IHP process, a key IHP process development milestone. Over the next several months JDC, is planning to further upgrade its commercial demonstration plant for on-demand and sustained operations.

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

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

The Company has monitored the improving phosphate market conditions with respect to progressing the Wonarah project and intends to commence a Scoping Study soon.

## 4. CORPORATE

### 4.1 FINANCING AND CAPITAL RAISING

On 7 August 2018, the Company announced a share placement to raise A\$2.8 million via the issue of



139,999,999 fully paid ordinary shares at a price of \$0.02 per share (Placement). The Placement was completed in two tranches as follows:

- (i) 40,000,000 shares were issued following receipt of A\$800,000 on 16 August 2018 under the Company's existing 15% capacity under ASX Listing Rule 7.1 (Tranche 1 Shares); and
- (ii) 99,999,999 shares were issued following receipt of A\$2 million on 8 October 2018 and shareholder approval obtained at a general meeting of shareholders held on 20 September 2018 (Tranche 2 Shares).

With the Baobab Feasibility Study now likely to be completed in 4Q 2018, the Company is reviewing the potential amount, timing and sources of interim funding to enable the Company to complete the Feasibility Study.

## 4.2 CASH POSITION

At the end of the September 2018 Quarter, Avenira had a cash balance of \$2.1 million. A further A\$2.0 million was received in October 2018 following completion of tranche 2 of the Placement. Please see September 2018 Quarterly cash flow report for further details.



## Schedule of Avenira Limited Tenements as at 30 September 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	014015/MIM/DMG	80%
Senegal <sup>(1)</sup>	Gadde Bissik	09810/MIM/DMG	80%

### Note:

- (1) The Company's mining operations continue to operate under the Small Mine Permit whilst the Company's Exploitation Permit application is going through the Government approval process.

## 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](http://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  
 22 October 2018: Avenira receives Exploitation Permit for 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

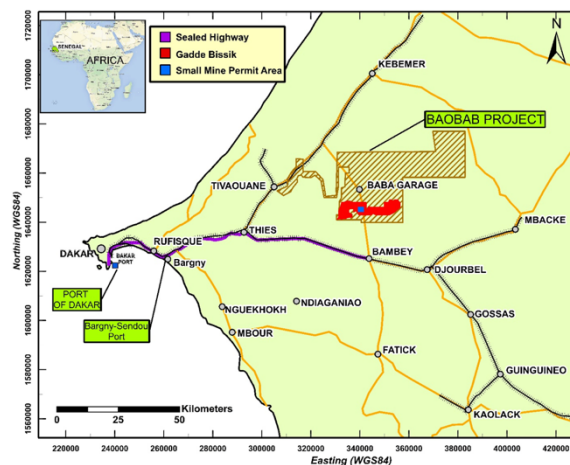
All statements, trend analysis and other information contained in this document relative to markets for Avenira trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking 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.



## About Avenira Limited

Avenira Limited (ASX: AEV) is a phosphate rock mining company with a vision to develop a portfolio of agricultural minerals and production assets that will build long term shareholder value by supplying to the world the agricultural nutrients critical to global food security.

Our flagship asset is the 80% owned Baobab Phosphate Project located in Senegal, West Africa. During the 2017 calendar year, the Company has established its strategic plan for the Baobab Project, focused first on a major expansion and upgrade of the beneficiation plant at Baobab's Gadde Bissik mine to bring it to a profitable operational higher level, and subsequently on implementing next-step investments towards its longer-term objective of downstream integration.



*Project location plan*



*Phosphate Concentrate Production*



*Gadde Bissik Pit 1*

Under the plan to expand and upgrade the existing ore beneficiation unit the Company engaged engineering firm Hatch to conduct a conceptual study which delivered positive results. Following the successful completion of its Entitlement Offer and Placement capital raising, the Company has embarked on the next phases of its strategic plan, to include more detailed engineering work, approvals and financing. As detailed in the Company's 16 May 2018 announcement, Avenira has subsequently appointed Wood Group PLC as the lead engineering consultants.

The Company also owns approximately 7% interest in JDC Phosphate Inc., a private company in the USA focused on the development of the Improved Hard Process (IHP), a potentially game-changing proprietary high-grade phosphoric acid production technology. Avenira has exclusive license rights to use the IHP in Australia and Senegal once commercially proven.

The Company's other asset is the 100% owned Wonarah Phosphate Project in the Northern Territory. The project forms part of the Company's long-term strategy and will be enabled by the IHP process. Wonarah is one of the largest known phosphate deposits in Australia.

For further information on the company please refer to the company's website at [www.avenira.com](http://www.avenira.com).