

31 January 2019

## DECEMBER 2018 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

- Exploitation Permit granted to the Baobab phosphate project by the government of Senegal
- Baobab Feasibility Study to be delivered in January to Avenira's Board for review
- Mr Charles Graham appointed as Project Director to manage the Company's Baobab Expansion and Upgrade investment project
- Non-Executive Directors Dr. Christopher Pointon and Mr. Ian McCubbing retired from the Board
- A\$2.3 million cash balance at 31 December 2018

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

#### 1.1 EXPANSION AND UPGRADE PROJECT

During the December 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.

The Feasibility Study (Class 4 estimate) was expected to conclude in the December 2018 Quarter, and a draft report will be made available to Avenira for review in January. The Company intends to initiate the "Bankable" Feasibility Study phase (Class 3 estimate) once a final project configuration has been selected at the conclusion of the draft Feasibility Study report review and a planned value-engineering study, with a targeted September 2019 Quarter completion.

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 in line with the Mining Convention between the Company and the Senegalese government, the 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

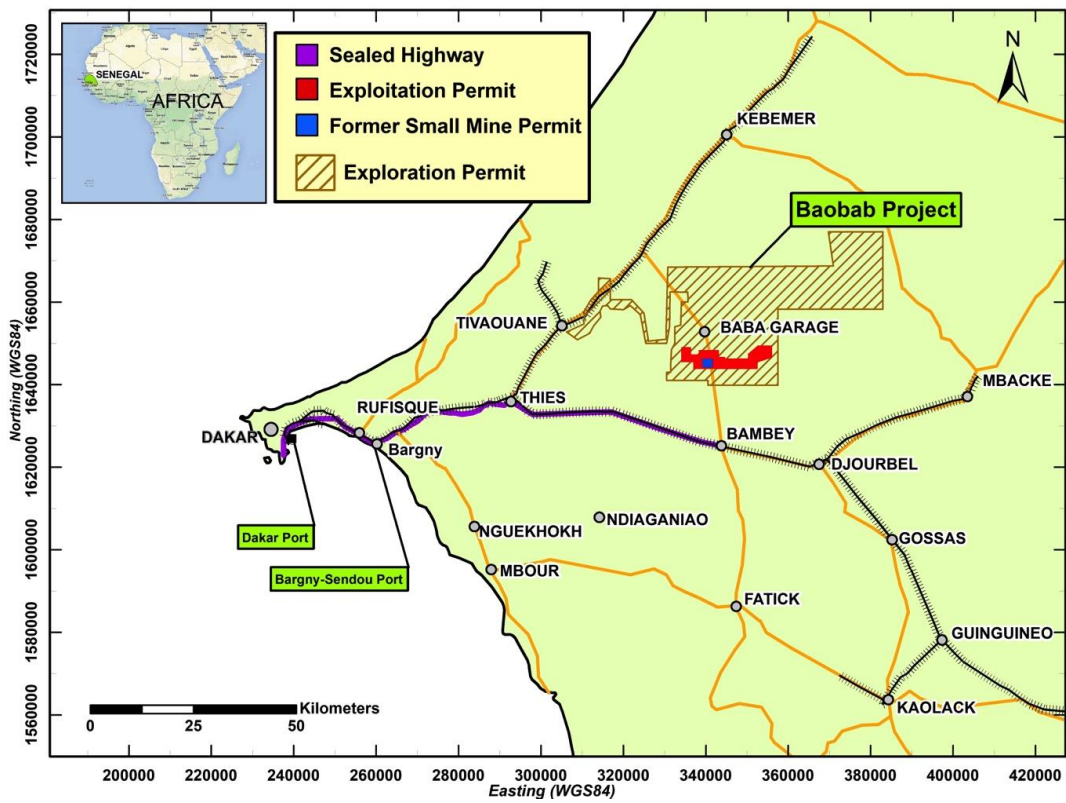


Figure 1 - Baobab Project location map

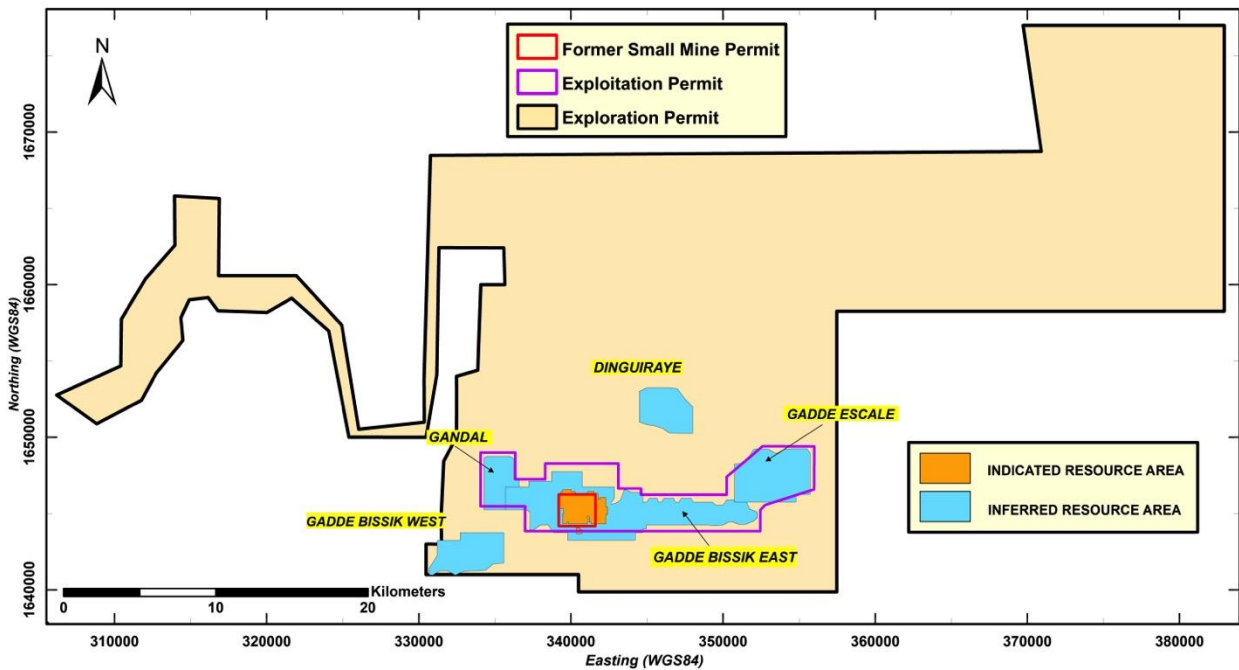


Figure 2 - Exploitation permit area, exploration permit area and resource outlines.



## 1.2 PROJECT OPERATIONS

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

### Occupational Health and Safety

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

### Mining & Processing

There was minimal crushing and processing of mined ore from the Run Of Mine material onsite during the quarter as the Company has been monitoring commissioning and evaluation tests of a modified contracted crushing and screening operation.

### Bargny-Sendou Port

Construction of warehouses destined to be dedicated to phosphate rock exports is underway.

### Sales

There were no sales during the quarter.

## 2. JDC PHOSPHATE, INC. (Avenira ≈ 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.

JDC have completed their planned upgrade modifications to its commercial demonstration plant for on-demand and sustained operations, and trial and demonstration runs are expected to take place during the March quarter.

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 during the June or September quarters.

## 4. CORPORATE

### 4.1 BOARD AND EXECUTIVE UPDATES

In December, the Company announced several Board and Executive changes.

Mr Charles Graham was appointed as Project Director to manage Avenira's Baobab Expansion and Upgrade investment project, and to lead the Baobab Feasibility Study.



Mr Graham holds a National Higher Diploma in Mechanical Engineering from Pretoria Technikon (Now Tshwane University of Technology) in South Africa and has over 15 years' experience working as a project manager delivering mining and infrastructure projects of up to US\$450 million from initial feasibility study stages through to construction, successful execution and final commissioning, including projects with Gold Fields Limited in South Africa, Ghana and the DRC, Hummingbird Resources in Malawi and most recently with METC Engineering.

Former company chairman and Non-Executive Director Dr Christopher Pointon retired from the Board. After the passing of the incumbent Chairman, Dr Pointon took on the role of Chairman and has served on the Remuneration and Nomination committee as well as the Risk management and Audit committee. Non-Executive Director Mr Ian McCubbing retired from the Board on 31 January 2019 due to increasing personal commitments and other board roles. Mr McCubbing served as Chairman of the Audit and Risk committee as well as a member of the Remuneration and Nomination committee.

The Avenira Board has commenced a search for new independent directors.

## **4.2 ANNUAL GENERAL MEETING**

Avenira held its Annual General Meeting of shareholders on 14 November 2018. All resolutions as specified in the Notice of Meeting were passed unanimously on a show of hands.

## **4.3 CASH POSITION**

At the end of the December 2018 Quarter, Avenira had a cash balance of \$2.3 million.



## Schedule of Avenir Limited Tenements as at 31 December 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	Gadde Bissik	2018-1840	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](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: Avenir 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

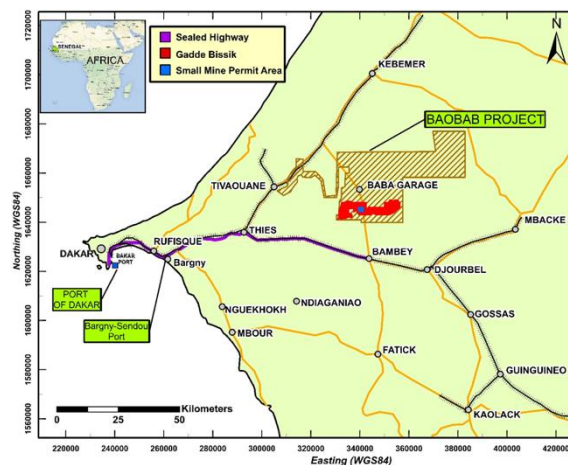
All statements, trend analysis and other information contained in this document relative to markets for Avenir trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking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