

14 May 2019

AVENIRA FUNDING UPDATE

Following the market announcement on 18 March 2019 Avenira Limited ('Avenira' or the 'Company') (ASX:AEV) is pleased to provide the following funding plan update.

Pre-Project Finance Funding

To enable the Company to continue to progress fundraising discussions with potential financing partners to seek its estimated working capital funding needs up to full Project Finance of approximately A\$11M (US\$8M) to A\$14M (US\$10M), targeting Final Investment Decision (FID) during the first half of 2020, the Company's 80% subsidiary Baobab Mining and Chemicals Corporation ('BMCC') is in the process of arranging unsecured loans ('Shareholder Loans') with the Company's three major shareholders Agrifos Partners LLC, Tablo Corporation and Agrifields DMCC (each a 'Lender'). Non-binding term sheets have been executed and formal binding loan agreements are being finalised.

The aggregate funding amount to be made available to BMCC under the Shareholder Loans is US\$0.7M (approximately A\$1.0M), with the funds to be drawn down subject to execution of binding loan documents, expected this week.

The Shareholder Loans will be advanced on the following terms:

- Maturity: 30 September 2019 (or as extended by agreement between the parties)
- Interest: accrued at 10% per annum
- Structure: the Shareholder Loans will be between the Company's 80% subsidiary BMCC and the Lenders, to be drawn down in tranches over the coming weeks
- Other: customary events of default, negative pledge and undertakings

As part of its pre-project finance fundraising activities referenced above, the Company is currently progressing discussions with West African regional commercial banks for short-term credit line facilities to one of its Senegalese subsidiaries for approximately US\$8M. These credit line funds will go towards financing the Company's working capital funding needs to Final Investment Decision (FID), including funding of planned Value Engineering studies and Bankable Feasibility Study. Avenira will continue to explore other funding avenues to complement these proposed credit line facilities.

The Shareholder Loans are expected to cover the Company's Senegalese subsidiaries' working capital requirements up until first funds are drawn down under said credit line facilities, expected early June 2019. If, for any reason, these facilities were delayed to the end of June, the Company would then approach the Lenders to discuss increasing the total amount of the Shareholder Loans to BMCC, with no commitments made to date by the Lenders.

Considering Avenira's cash balance of A\$0.7M on 30 April 2019, its cash runway currently extends to end July 2019, assuming the Shareholder Loans are secured.

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FOR FURTHER INFORMATION:

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Mr Rod Wheatley

CFO and Company Secretary, Avenira Limited



Project Finance Funding

As Pre-Project finance funds become available in the very short term, the Company intends to commission a value-engineering study to identify and explore further cost optimisation opportunities and thereby finalise the basis of the Class 3 'Bankable' Feasibility Study to follow.

Avenira plans to seek full Project Finance funding following BFS completion via a combination of debt and equity supported by off-take agreements to finance and implement the Project. Sourcing of this financing would position Avenira to proceed with FID and Project implementation.

Private equity funds, off-takers and other strategic investors, including the Company's existing shareholders, will be targeted to cornerstone the equity component. The Company has had multiple meetings and discussions with local and international banks and with development finance institutions regarding the debt component, among other finance sourcing avenues explored.

The total required Project Finance funding amount will include Project capital expenditure as well as operational capability ramp-up costs and working capital. The FS-estimated capital expenditure, before revision during the value-engineering study and confirmation during the BFS, is detailed in the FS Announcement.

Brett Clark
Chairman

Louis Calvarin
Managing Director



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 established its strategic plan for the Baobab Project, focused first on a redevelopment of 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.



Phosphate Concentrate Production



Gadde Bissik Pit 1

Under the plan to redevelop the Baobab Phosphate Project the Company engaged engineering firm Hatch to conduct a conceptual study which delivered positive results detailed in the Company's announcement of 17 October 2017. Following the positive conceptual study and successful completion of its Entitlement Offer and Placement capital raising, the Company embarked on the next phases of its strategic plan, to include more detailed engineering work, approvals and financing, and the Company appointed Wood Group PLC as lead engineering consultants for the first phase of the feasibility study, which delivered strong results detailed in the Company announcement dated 18 March 2019.

The Company also owns approximately 7% interest in Novaphos Inc. (formerly known as JDCPhosphate, Inc.), a private company in the USA focused on the development of a potentially game-changing proprietary high-quality super-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.