

17 July 2020

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

I am writing to you as the registered holder of shares with a registered address outside of Australia and New Zealand in Avenira Limited ACN 116 296 541 (**Company**) (ASX:AEV) as at today's date.

If your registered address remains the same at 5.00pm (WST) on the Record Date of 21 July 2020, you will not be eligible to participate in the Offer.

On 6 July 2020, the Company announced that it would be offering eligible shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise approximately \$1.15 million (before costs) (**Offer**), on the basis of 2 fully paid ordinary share in the capital of the Company (**New Share**) for every 7 fully paid ordinary shares held at the record date, at an issue price of \$0.008 per New Share. The Offer is fully underwritten as described below.

Only shareholders with a registered address in Australia and New Zealand will be eligible to participate in the Offer (**Eligible Shareholders**). The Offer is made to Eligible Shareholders registered at 5:00pm (WST) on the Record Date of 21 July 2020 (**Record Date**).

Assuming no options are exercised before the Record Date, up to approximately 144,819,475 New Shares will be issued under the Offer (subject to rounding).

As a non-renounceable offer, rights are not tradeable on the ASX or otherwise transferable. New Shares will rank equally with the Company's existing shares.

The Offer will be made by way of a prospectus pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Prospectus**). The Prospectus is available on the Company's website at <https://www.avenira.com/> and on the ASX website at www.asx.com.au.

Placement

The Company also announced on 6 July 2020, that it had secured firm commitments for a placement of fully paid ordinary shares in the capital of the Company to sophisticated and institutional investors at \$0.008 per Share to raise \$2,218,240 before costs) (**Placement**).

The Placement comprises two tranches as follows:

- (a) **Tranche 1:** 66,113,238 shares issued on 15 July 2020 under the Company's existing 7.1 placement capacity (**Tranche 1 Placement Shares**); and
- (b) **Tranche 2:** subject to shareholder approval to be sought at a general meeting to be held in August 2020, 211,166,762 shares to be issued in or about late August 2020 (**Tranche 2 Placement Shares**).



Purpose of Offer and Placement

The Company intends to apply the funds raised from the Offer and Placement as follows:

Description	(\$)
Existing operations at the Jundee South Project and Wonarah Phosphate Project	600,000
To undertake a drilling program on the Jundee South Project	1,559,230
Costs of the Placement and Entitlement Offer	259,314
General working capital	958,251
TOTAL	3,376,795

The above table is a statement of the Board's current intentions as at the date of this letter. However, you should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

Indicative Timetable

The indicative timetable for the Offer is as follows:

Event	Date
"Ex" Date	20 July 2020
Record Date (at 5:00pm WST)	21 July 2020
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	24 July 2020
Entitlement Offer Opening Date	24 July 2020
Anticipated dispatch of Notice of General Meeting	29 July 2020
Last day to extend the Entitlement Offer Closing Date	11 August 2020
Entitlement Offer Closing Date (at 5:00pm WST)	14 August 2020
Entitlement Offer Shares quoted on a deferred settlement basis	17 August 2020
Notification of Shortfall	19 August 2020
Issue of New Shares under Entitlement Offer	21 August 2020
Anticipated General Meeting to approve the Lead Manager Offer and issue of the Tranche 2 Placement Shares	31 August 2020
Anticipated Lead Manager Offer Closing Date	2 September 2020
Anticipated issue date of Lead Manager Options and Tranche 2 Placement Shares	7 September 2020



The above timetable is indicative only and all dates may be subject to change. The Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

Underwriting

The Offer is fully underwritten by Taylor Collison Limited.

Taylor Collison Limited has entered into a sub-underwriting agreement with Au Xingao to sub-underwrite the Offer up to a maximum of 104,151,298 New Shares, representing a maximum sub-underwritten amount of \$833,210 (subject to any scale-back to ensure that Au Xingao's Voting Power and Interest in the Company does not exceed 19.9%).

Taylor Collison Limited has also entered into sub-underwriting agreements with various non-related parties of the Company to sub-underwrite the Offer up to a maximum of 40,668,176 New Shares, representing a maximum sub-underwritten amount of \$325,345.

Shortfall

If Eligible Shareholders do not wish to take up any part of their entitlement they are not required to take any action. Eligible Shareholders may not apply for any shortfall shares. Any entitlements not taken up pursuant to the Offer will become the shortfall, which will be dealt with in accordance with the underwriting agreement with Taylor Collison Limited.

Ineligible Shareholders

The Company has determined that it would be unreasonable to extend participation in the Offer to shareholders who do not have a registered address in Australia and New Zealand (**Ineligible Shareholders**) having regard to:

- (a) the number Ineligible Shareholders;
- (b) the number and value of the New Shares that would otherwise be offered to Ineligible Shareholders; and
- (c) the cost of complying with overseas legal and regulatory requirements.

Unfortunately, according to our records, you do not satisfy the criteria for an Eligible Shareholder. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, the Company wishes to advise that it is unable to extend to you the opportunity to participate in the Offer. If our records are incorrect on this matter, please contact the Company Secretary on +61 8 9264 7000. You will not be sent a Prospectus and will not be able to subscribe for New Shares under the Offer.

Yours sincerely

Brett Clark
Executive Chairman