

31 July 2020

JUNE 2020 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Avenira acquired the highly prospective Jundee South Gold Project comprising four tenements covering more than 720km²
- \$3.4 million Placement and Entitlements Issue undertaken early July to:
 - Undertake a drilling program at the Company's Jundee South Project
 - Continue the Wonarah Phosphate Project Study
- The Company continues to review additional projects and opportunities with a focus on precious metals in Australia
- A\$1.286 million cash balance on 30 June 2020

JUNDEE SOUTH GOLD PROJECT (Avenira 100%)

During the quarter , Avenira acquired the Jundee South Gold Project, comprising a tenement suite covering more than 720 km² of the Yandal Greenstone Belt, for a consideration of \$350,000.

The Yandal Greenstone belt is located in the north-eastern part of the Norseman-Wiluna belt of the Archaean Craton in Western Australia. It is one of few Archaean greenstone belts containing multiple million-ounce deposits, including Jundee, Bronzewing and Darlot (Figure 1).

The Jundee South Project area is located within 3km of the Jundee Mine and covers more than 60km strike of highly prospective greenstone stratigraphy. The project area contains major regional structures interpreted to control gold mineralisation through the Yandal Greenstone Belt and contains a number of historically defined gold occurrences.

Access is via a well-established road system. Accommodation and facilities including flight services are well established in the district, given the number of operating mines in the area.

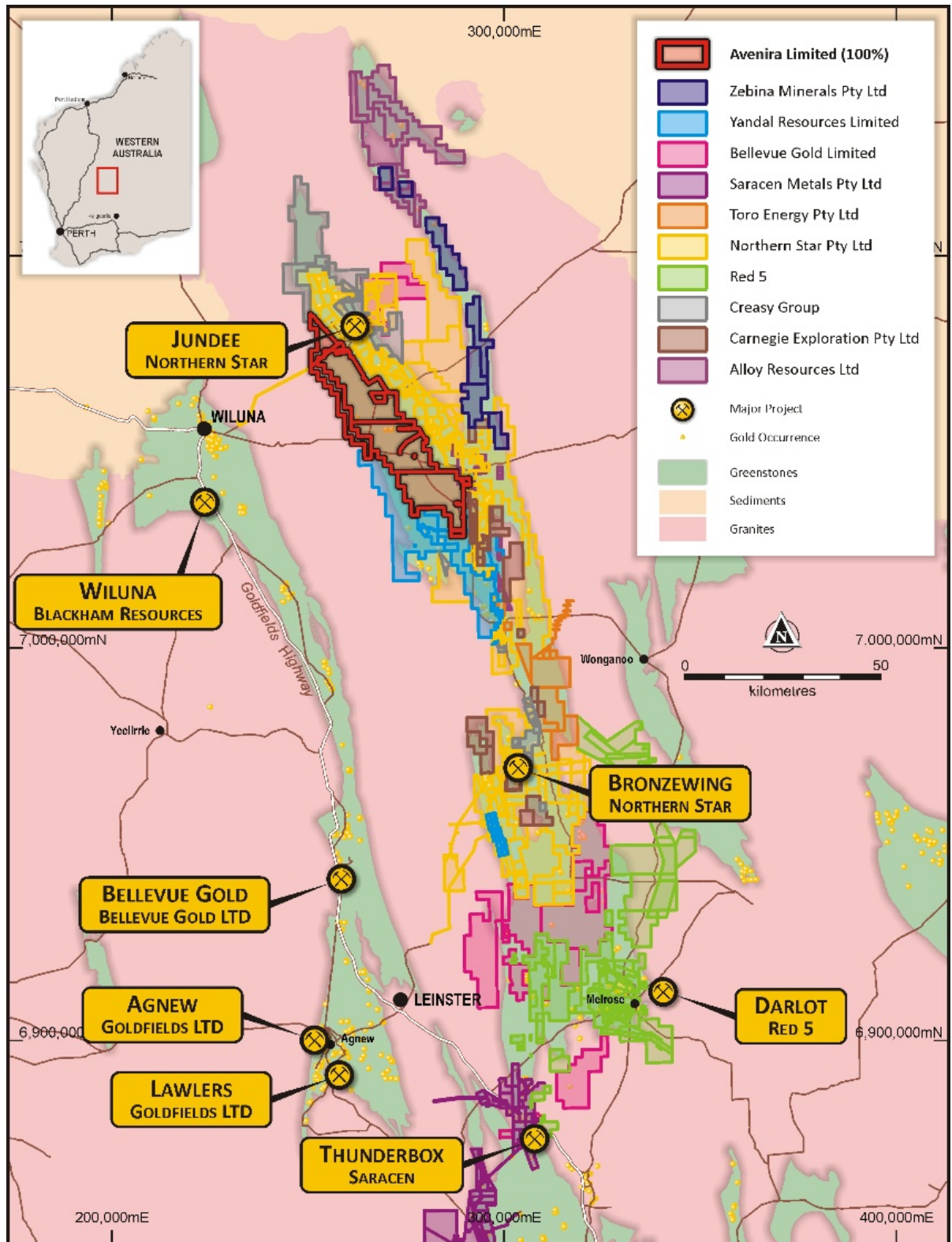


Figure 1: Jundee South Project location map



Project Review

Work undertaken during the quarter comprised a review of the project, including a geological re-interpretation based on drilling and geophysical data. The review identified prospective mafic stratigraphy not identified previously. Differences between the existing and new geological interpretations are displayed in Figures 2 and 3, with further detail provided in the ASX releases dated 4 June 2020 and 11 June 2020.

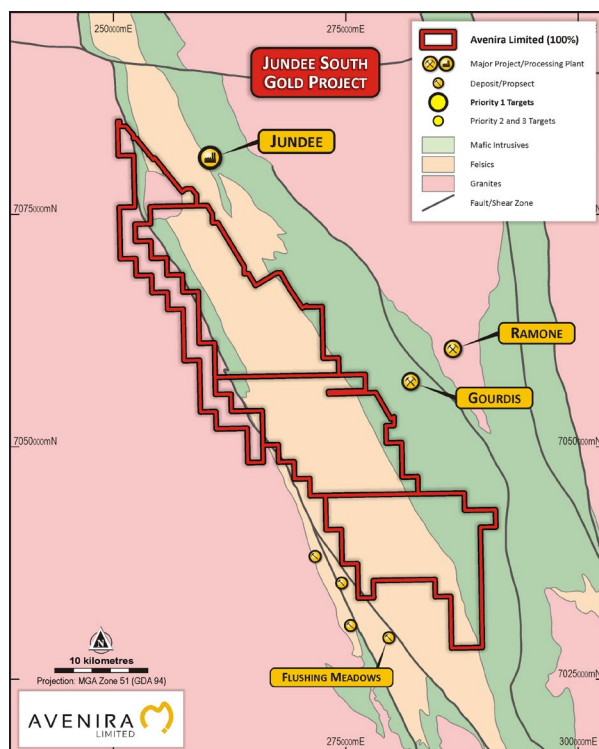


Figure 2. Existing geological interpretation

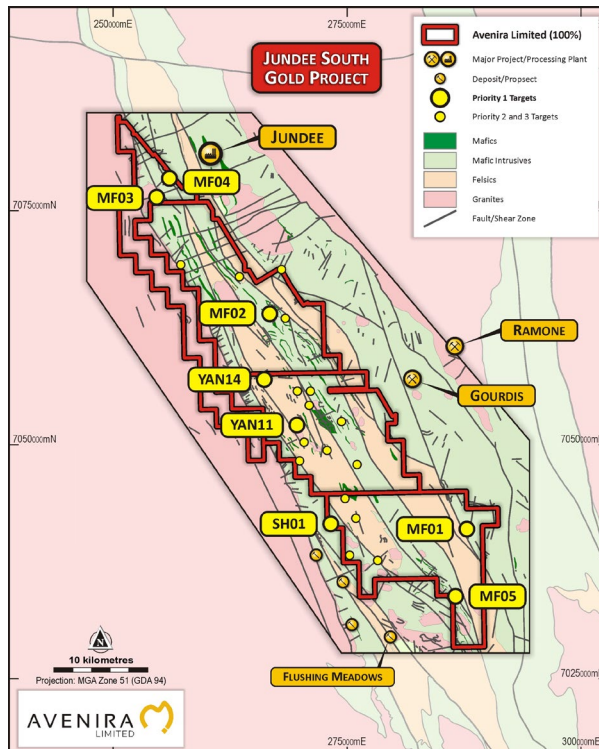


Figure 3. New Geological interpretation

Following on from the re-interpretation, a process of target generation was completed by applying mineralisation models from known mesothermal gold deposits including the adjacent Jundee, Bronzewing and Darlot gold deposits. Figure 4 displays examples of the targets identified and their similarities to the Jundee Gold Mine.

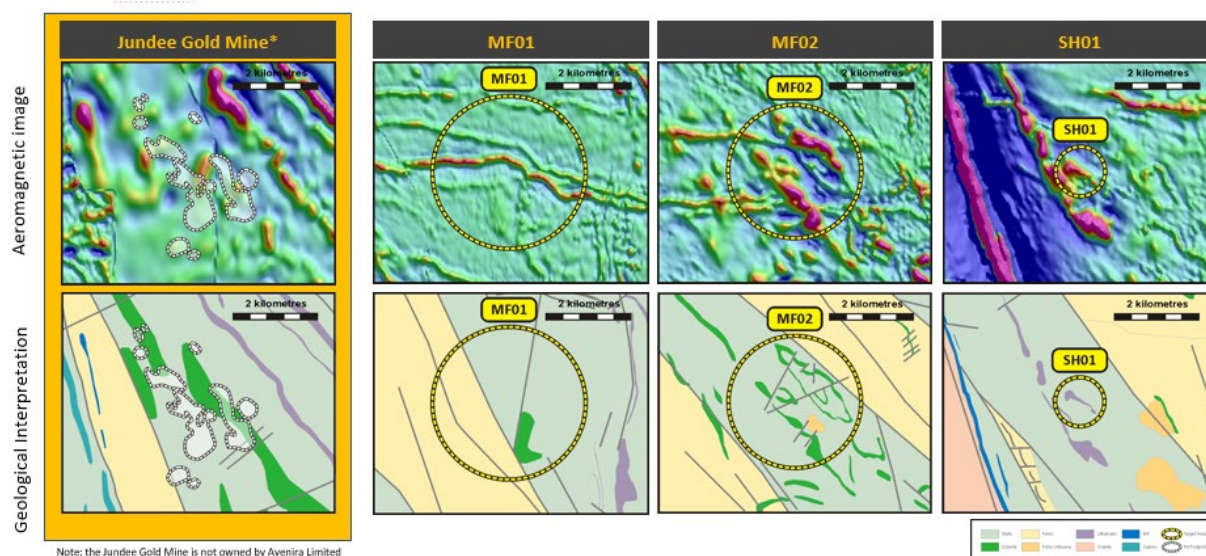


Figure 4. Priority 1 targets share common features with nearby major mines including: early & late stage structure, dolerite host, ultramafics, near intrusives

A total of 24 targets were identified, 8 of which were classed as “priority 1” (Figure 5). It is believed that these Priority 1 targets have not been adequately tested previously.

Priority 1 targets are to be surveyed with focused ground magnetic surveys ahead of a drilling program scheduled for commencement in the September quarter.

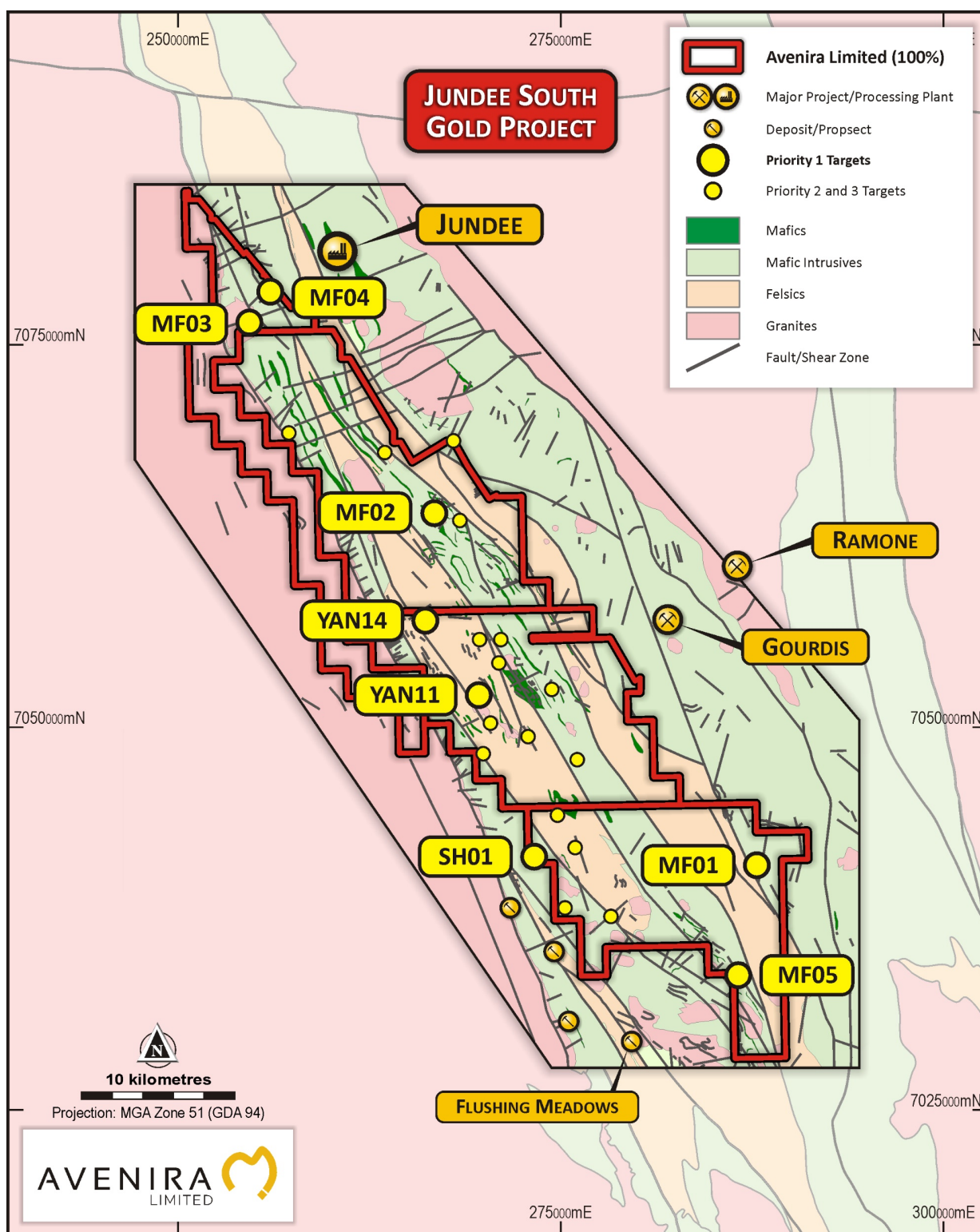


Figure 5. Priority 1 Target Locations



WONARAH PHOSPHATE PROJECT, Australia NT (Avenira 100%)



Figure 6. Wonarah Location map

The Wonarah Phosphate Project is considered to be one of Australia's largest phosphate projects:

- Measured Resource of 64.9 Mt @ 22.4% P₂O₅
- Indicated Resource of 133 Mt @ 21.1% P₂O₅
- Inferred Resource of 352 Mt @ 21% P₂O₅ (15% cut-off)



The Project is close to excellent infrastructure such as the Northern Gas Pipeline which runs through the project area. It is also adjacent to the national highway and a high-quality water source.

Port and rail infrastructure are underutilised allowing easy expansion of Wonarah capacity

Avenira commenced a review of the Wonarah Project in November 2019 and has since initiated a scoping study to consider whether the project may be able to be developed economically.

Along with the potential for phosphate rock concentrate, Avenira is also examining options of potential inclusion of further tertiary processing, including Di-Ammonium Phosphate (DAP) / Mono-Ammonium Phosphate (MAP) technology as well as utilizing the option of Novaphos technology (which Avenira has exclusive rights to use in Australia).

Avenira notes that there has been continued deterioration in the phosphate rock price through 2020. The Company intends to monitor the Phosphate market while it considers the optimal processing solution for the project in such a low-price environment.

The following table provides a breakdown of anticipated expenditure for the Wonarah Project.

Table 1: Wonarah Project Incurred and Proposed Expenditure* (A\$ thousands)

Activity	To Mar 2020		Jun Qtr 2020	Sep Qtr 2020	Dec Qtr 2020	Mar Qtr 2021	Total
Engineering and Study Management	38		24	15	10	10	97
Review of Mineral Resources, mine planning and economic modelling	10		12	0	0	0	22
Avenira administration and statutory expenditure	14		4	28	4	4	54
Total	62		40	43	14	14	173



CORPORATE

Fully Underwritten Entitlements Issue and Placement

Subsequent to the end of the quarter, Avenira secured binding commitments to raise a total of A\$2,218,240 (before costs) by way of a two - tranche placement to sophisticated and strategic investors of 277,280,000 fully paid ordinary shares in the Company (New Shares) at \$0.008 per New Share (Placement).

The Placement comprises:

- 66.1 million New Shares which were issued under the Company's existing Listing Rule 7.1 placement capacity (Tranche 1); and
- 211.1 million New Shares to be issued subject to shareholder approval, to be sought at a general meeting to be held on 31 August 2020 (Tranche 2).

The success of the Placement is a strong endorsement for the Company's growth strategy in the Western Australian gold sector whilst continuing to evaluate the Company's Wonarah Phosphate Project.

Avenira also, subsequent to the end of the quarter, undertook a non-renounceable pro-rata entitlements issue (Entitlements Offer), under which eligible shareholders will have the opportunity to subscribe for two New Shares for every seven existing shares held at the same issue price of \$0.008 per share, to raise approximately \$1.2 million (before costs). The Entitlements Offer is fully underwritten by Taylor Collison.

Proceeds from the Placement and Entitlements Offer will be used to:

- Undertake a maiden drilling program at the Company's Jundee South Gold Project.
- Continue the Wonarah Project Scoping Study
- General working capital purposes.

New Shares issued under the Placement and Entitlements Offer will rank equally with the Company's existing ordinary shares on issue.

OTHER

The expenditure incurred on exploration activities during the quarter as summarised in this report is approximately \$469,000. No expenditure was incurred on mining production or development activities during the quarter.

Payments totalling approximately \$85,000 were made to related parties of the Company, as shown in the Appendix 5B. These payments related to director and consulting fees payable to non-executive directors.

CASH POSITION

At the end of the June 2020 Quarter, Avenira had a cash balance of \$1.286 million.

This quarterly report has been authorised for release by the Board of Avenira Limited.



Appendix 1 - JUNDEE SOUTH COMPETENT PERSON STATEMENT

Competent Persons Statement

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Marcus Flis, a consultant to Avenira from the DMIRS WAMEX database. He is satisfied that previous pertinent exploration in the project area has been accessed and reflects, in general, the prospective nature of the tenements being considered. Mr Flis is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr Flis consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

Previously Reported Results

There is information in this report relating to Mineral Resource estimates which was previously reported on 15 Mar 2013 and 30 Apr 2014. 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.

Forward-Looking Statements

This release may include forward-looking statements. Forward-looking statements may generally be identified by the use of forward-looking verbs such as anticipate, aim, expect, intend, plan or similar words, which are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Avenira Limited. Actual values, results or events may be materially different to those expressed or implied in this release. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this release speak only at the date of issue. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Avenira Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this release or any changes in events, conditions or circumstances on which any such forward-looking statement is based.



Appendix 2 - WONARAH TENEMENTS AND MINERAL RESOURCE STATEMENT

Schedule of Avenira Limited Tenements as at 30 June 2020

Location	Tenement Name	Tenement	Nature of Company's Interest
Western Australia	Jundee South	E53/1856	100%
Western Australia	Jundee South	E53/1859	100%
Western Australia	Jundee South	E53/2078	100%
Western Australia	Jundee South	E53/2079	100%
Northern Territory	Arruwurra	EL29840	100%
Northern Territory	Wonarah	EL29841	100%
Northern Territory	Dalmore	EL29849	100%
Northern Territory	Central Wonarah	EL31477	100%
Northern Territory	Wonarah Gap	EL32227	100%

Mineral Resource Statement

WONARAH PROJECT, NORTHERN TERRITORY, AUSTRALIA												
Cut off P ₂ O ₅ %	Resource Category	Tonnes Mt	P ₂ O ₅ %	Al ₂ O ₃ %	CaO %	Fe ₂ O ₃ %	K ₂ O %	MgO %	MnO %	Na ₂ O %	SiO ₂ %	TiO ₂ %
10	Measured	78.3	20.8	4.85	28	1.11	0.43	0.25	0.04	0.1	39.7	0.21
	Indicated	222	17.5	4.75	23.2	1.49	0.47	0.2	0.04	0.09	48.3	0.22
	M+I	300	18.3	4.77	24.4	1.4	0.46	0.21	0.04	0.09	46.1	0.22
	Inferred	512	18	4.8	24	2.1	0.5	0.2	0.08	0.05	46	0.2
15	Measured	64.9	22.4	4.47	30	1.1	0.37	0.19	0.04	0.09	37	0.19
	Indicated	133	21.1	4.77	28	1.53	0.47	0.21	0.04	0.09	39.7	0.22
	M+I	198	21.5	4.67	28.7	1.39	0.44	0.2	0.04	0.09	38.8	0.21
	Inferred	335	21	4.5	28	2.0	0.5	0.2	0.10	0.06	39	0.2

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AVENIRA LIMITED

ABN

48 116 296 541

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	(1,352)
	(c) production	-	-
	(d) staff costs	(85)	(940)
	(e) administration and corporate costs	(367)	(2,196)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	37
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Net VAT refund	87	97
1.9	Net cash from / (used in) operating activities	(354)	(4,354)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(102)
	(d) exploration & evaluation (if capitalised)	(469)	(724)
	(e) investments	(10)	(341)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	--
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	3,745
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(479)	2,578

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	3,017
3.6	Repayment of borrowings	-	(234)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	2,783

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,119	301
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(354)	(4,354)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(479)	2,578
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,783

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(22)
4.6	Cash and cash equivalents at end of period	1,286	1,286

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	844	1,730
5.2 Call deposits	442	389
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,286	2,119

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
85
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(354)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(469)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(823)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,286
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,286
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.56
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Yes – as announced on 6 July 2020, Avenira is undertaking a \$3.4M placement and rights issue which is expected to be completed in September 2020.	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Yes – For reason noted above re capital raising.	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 July 2020

Date:

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.