

31 JANUARY 2019

## DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

- The sale of the Baobab Phosphate Project and Novaphos completed on October 22, 2019.
- The Company is now debt free, and has received US\$2.7m in cash (approximately A\$4.1 million before Transaction costs).
- Share buyback resulted in only 440.8 million shares now on issue.
- The Company retains the Wonarah Phosphate Project located in the Northern Territory and exclusive rights to use the Novaphos phosphate high grade technology in Australia.

### Corporate

- Mr Brett Clark appointed as Chairman / Chief Executive Officer
- Mr Kevin Dundo and Ms Winnie Lai Hadad joined the Board as non-executive Directors.
- A\$2.8 million cash balance at 31 December 2019.

### BAOBAB PHOSPHATE PROJECT SALE

#### Summary of the Transaction

The Baobab Phosphate Project Sale was completed on October 22 2019 and under the agreement Avenir agreed to sell or assign all its rights and interests in the following assets to the Purchasers:

- Baobab Fertilizer Africa (BFA) (the wholly owned subsidiary which held Avenir's interests in the Baobab Phosphate Project) and the associated Baobab Intellectual Property and Other Information;
- Novaphos (other than the existing Australian Licence Agreement as outlined below);
- The intercompany loan between Avenir and BMCC; and the intercompany loan between Avenir and BFA.

As part of the completed Transaction Avenir received a cash consideration of US\$3,000,000 (Cash Consideration), less Purchaser Loans of up to US\$300,000 (fully drawn at Transaction completion) and the Purchasers waived and forgave outstanding Director fees totalling A\$375,000.

The Transaction also resulted in the Purchasers taking on responsibility for the outcome of current Senegalese tax audits of BMCC and Gadde Bissik Phosphate Operations SUARL (its operating subsidiary).

Whilst Avenira has sold its interests in Novaphos (including the licence agreement to use the Novaphos technology in Senegal), Avenira retains an exclusive licence to use the Novaphos technology in Australia.

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

Scoping study commenced on the Wonarah Project during the December Quarter. The scoping study includes the review of existing data utilized in the Wonarah DFS completed a decade ago. Avenira will also review DAP/MAP technology as a value added step in the processing options in parallel with the option of utilising the Novophos technology. The company envisages reporting the outcomes of the study over the next few months.

## **CORPORATE**

### **Board and Executive**

#### **Chairman & CEO Appointed**

Mr Brett Clark was appointed as Chairman / Chief Executive Officer of the Company with effect from 5 December 2019.

#### **New Non Executive Directors**

Mr Kevin Dundo and Ms Winnie Lai Hadad have joined the Board as Non-Executive Directors.

#### **Kevin Dundo**

Mr Dundo is a practicing lawyer, specializing in commercial and corporate law and in particular, mergers and acquisitions, with experience in the mining services and financial services industries. He is a member of the Law Society of Western Australia, Law Council of Western Australia, Australian Institute of Company Directors and a Fellow of the Australian Society of Certified Practising Accountants.

Mr Dundo is also Non Executive Chairman of Red 5 Limited, Non Executive Director of Cash Converters International Limited and Non Executive Director of Imdex Limited.

#### **Winnie Lai Hadad**

Ms Lai Hadad has expertise in change management, corporate governance and business process improvement and has been involved in listings on the Australian Securities Exchange.

Ms Lai Hadad has been involved with both investments into China and out-bound investment from China. Her past roles include implementing Coca-Cola bottling strategies into Greater China and administering the first Chinese direct investment in an iron ore mine in the Pilbara Region of Western Australia.

Ms Lai Hadad is a lawyer admitted to practice in Western Australia, a qualified CPA, holds a BA, BCom and MSc, and is a graduate of both the Australian Institute of Company Directors and Governance Institute of Australia.

#### **Director Resignations**

Messrs Tim Cotton and Louis Calvarin resigned from the Board on October 22.

## **CASH POSITION**

At the end of the December 2019 Quarter, Avenira had a cash balance of \$2.8 million.

## Schedule of Avenira Limited Tenements as at 31 December 2019

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%

## MINERAL RESOURCE STATEMENT

WONARAH PROJECT, NORTHERN TERRITORY, AUSTRALIA												
Cut off P <sub>2</sub> O <sub>5</sub> %	Resource Category	Tonnes	P <sub>2</sub> O <sub>5</sub>	Al <sub>2</sub> O <sub>3</sub>	CaO	Fe <sub>2</sub> O <sub>3</sub>	K <sub>2</sub> O	MgO	MnO	Na <sub>2</sub> O	SiO <sub>2</sub>	TiO <sub>2</sub>
		Mt	%	%	%	%	%	%	%	%	%	%
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

The mineral resource statement is based on, and fairly represents, information and supporting documentation prepared by a Competent Person.

The mineral resources statement as a whole is approved by Russell Fulton, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Fulton is employed by Russell Fulton Pty Ltd. Mr. Fulton was the former Geological Manager and a full-time employee of the Company and now provides geological consulting services to the Company. Mr. Fulton has sufficient experience deemed relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Fulton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

AVENIRA LIMITED

### ABN

48 116 296 541

### Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(33)	(193)
(b) development <sup>(i)</sup>	(136)	(1,352)
(c) production	-	-
(d) staff costs	(193)	(747)
(e) administration and corporate costs	(1,142)	(1,662)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material) – Net VAT refund	10	10
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,483)</b>	<b>(3,933)</b>

(i) Includes receipts from sale of shipments

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(102)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	3,745	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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>3,745</b>	<b>3,643</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	362	3,017
3.6 Repayment of borrowings	(33)	(234)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>329</b>	<b>2,783</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	207	301
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,483)	(3,933)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	3745	3,643
4.4 Net cash from / (used in) financing activities (item 3.10 above)	329	2,783
4.5 Effect of movement in exchange rates on cash held	(26)	(22)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>2,772</b>	<b>2,772</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	2,422	207
5.2 Call deposits	350	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,772</b>	<b>207</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

265

Nil

Item 6.1 includes aggregate amounts paid to directors including salary, Director fees, consulting fees and superannuation.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

Nil

Nil

N/A

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities (i)		4,648
8.2 Credit standby arrangements (ii)		Nil
8.3 Other (please specify) (iii) (iv)		4,720
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	40
9.2 Development	-
9.3 Production	-
9.4 Staff costs	90
9.5 Administration and corporate costs	300
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>430</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil	-	-	-

**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.



Sign here: .....  
(Company secretary)

Date: 31 January 2020

Print name: Graeme Smith

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.