

31 January 2024

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 DECEMBER 2023

Avenira Limited (ASX: AEV) ("**Avenira**" or "**the Company**") is pleased to provide its Activities Report for the quarter ending on 31 December 2023 ("**the Quarter**").

Highlights

- **Successfully completed A\$4.8 million placement, including a A\$2 million strategic equity investment from Hebang and cornerstone investment from GEAR¹**
- **Hebang's strategic equity investment comes with a Cooperation and Offtake Memorandum of Understanding ("MOU"), facilitating the cooperation between both parties to develop a Yellow Phosphorous plant at Wonarah, with Hebang providing funding, operational and offtake support²**
- **Received Mining Authorisation from the Northern Territory Government for the Wonarah Project, enabling the commencement of mining³**
- **Feasibility Study completed for the Wonarah Project, demonstrating strong project economics and low capital investment⁴**
- **Agreed an extension of time for the payment of the US\$2 million licence fee due under the Licence and Technology Transfer Agreement⁵**

Strategic Investment from Sichuan Hebang Biotechnology

In December of 2023, Avenira secured a binding strategic equity investment of A\$2 million from Sichuan Hebang Biotechnology Corporation Limited (SHSE: 603077) ("**Hebang**"), by way of a placement of Avenira shares. In parallel with the Placement, Avenira has also entered into a non-binding Strategic Cooperation and Offtake Memorandum of Understanding ("**MOU**") with Hebang.

The MOU provides for cooperation between Avenira and Hebang for the development of the Wonarah Project, covering the following key aspects of the development of a yellow phosphorous plant including development of renewable energy solutions:

1. **Yellow Phosphorus Project** - Hebang to contribute to the investment, construction, and operation of a yellow phosphorus plant with an initial production capacity of 50,000 tonnes per annum, including:
 - **Support:** providing the yellow phosphorus plant with technology, processes, operational experience, personnel, and other support to assist Avenira in the

¹ ASX Announcement dated 4 December 2023 - Equity Investment and Strategic Cooperation and Offtake MOU

² ASX Announcement dated 6 December 2023 – Avenira Successfully Completes A\$5 Million Placement

³ ASX Announcement dated 24 October 2023 – Avenira Receives Mining Authorisation for DSO Operations

⁴ ASX Announcement dated 19 October 2023 – Wonarah Project Feasibility Study Delivers Strong Financial Results

⁵ ASX Announcement dated 23 November 2023 - Update on Aleees Arrangements and Work on LFP Project

construction and operation of the yellow phosphorus plant;

- **Funding:** contributing to the funding of the yellow phosphorus plant on terms to be negotiated between the parties and acceptable to Avenira and Hebang; and
- **Offtake:** committing to purchase part of the production of yellow phosphorus from the yellow phosphorus plant.

2. **Development of renewable energy solution** – Avenira and Hebang to jointly pursue renewable energy options for the yellow phosphorus plant, notably photovoltaic and wind power with energy storage systems.⁶

Wonarah Phosphate Project

In October 2023, Avenira announced the results of the Feasibility Study for the Wonarah Project.

The findings of the Feasibility Study reinforce Wonarah's position as one of the largest high-grade phosphate rock deposits in Australia and supports the development of multiple downstream opportunities, including the Company's yellow phosphorous and LFP Projects.

The Mineral Resource Estimate for the Wonarah deposit remains unchanged at previously reported cut-off grades, being:

- 66Mt at 30% P₂O₅ based on a 27% P₂O₅ cut-off grade;
- 533Mt at 21% P₂O₅ based on a 15% P₂O₅ cut-off grade; and
- 812Mt at 18% P₂O₅ based on a 10% P₂O₅ cut-off grade

During the Quarter, the Northern Territory Government authorised the approval of the Mine Management Plan ("MMP") for the Wonarah Project allowing:

- An initial test pit targeting 5,000 tonnes of marketable material.
- Commencement of mining for an estimated further 35,000 tonnes of ore.
- Surface grade control drilling to support detailed mine planning for the remaining operations.

This authorisation enables the Company to manage a staged expansion of the Wonarah Project with customary conditions including submitting an amended MMP with findings of surface grade control drilling, pathway to development and consideration of site rehabilitation. Along with other supporting documents that demonstrate appropriate management of environmental risks.⁷

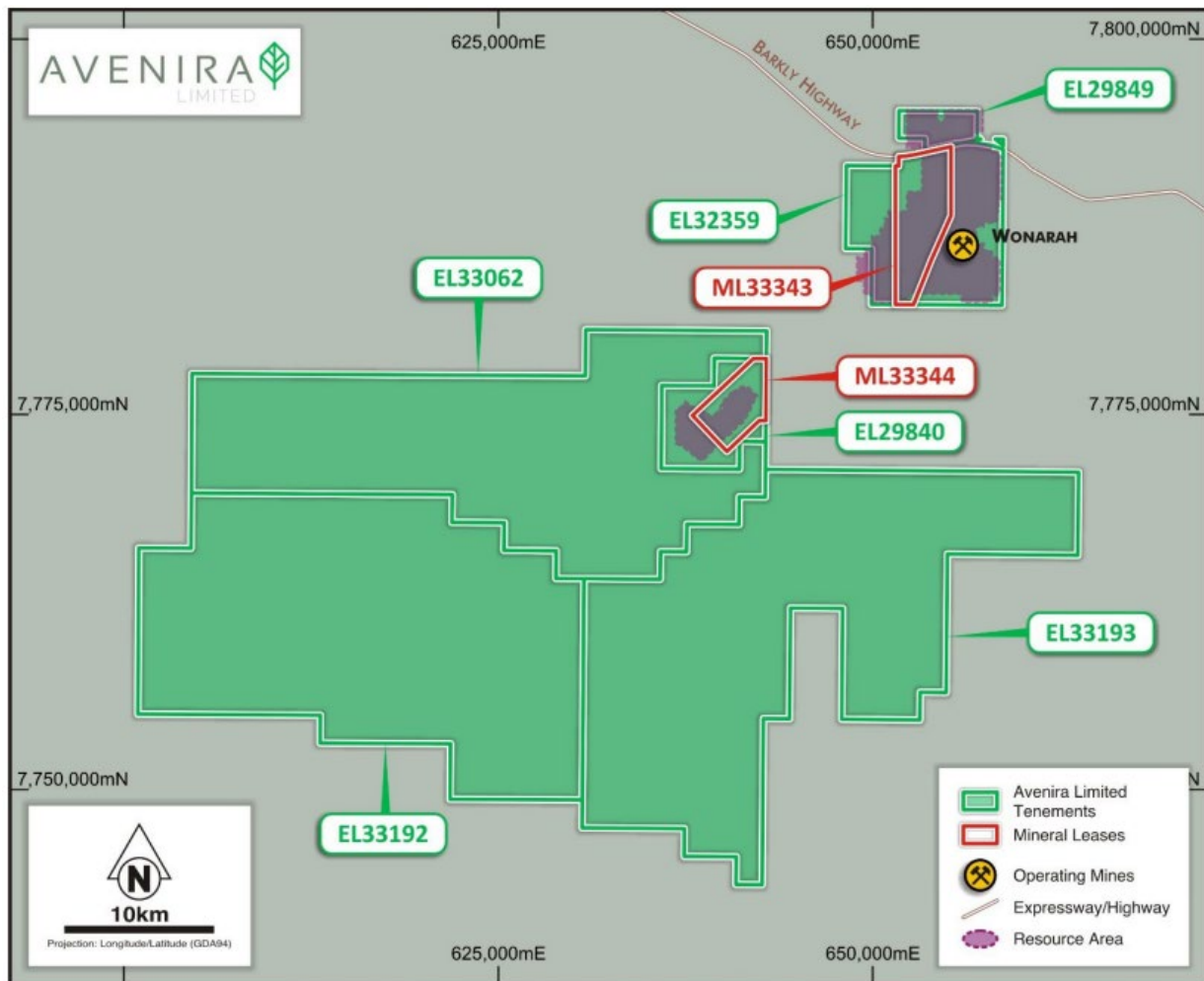
⁶ ASX Announcement dated 4 December 2023 - Equity Investment and Strategic Cooperation and Offtake MOU

⁷ ASX Announcement dated 24 October 2023 – Avenira Receives Mining Authorisation for DSO Operations.

Figure 1. Wonarah Phosphate Project in the Northern Territory



Figure 2: Wonarah Exploration and Mineral Lease Portfolio



LFP Project Workstreams

Subsequent to the execution of a binding Licence and Technology Transfer Agreement with Aleees, several significant work streams have been initiated, including the completion of the basic process design for the LFP Project. This includes the provision by Aleees of essential engineering data, equipment specifications and the process flow sheet for Avenira's LFP Project.

In November 2023, Avenira successfully negotiated and agreed with Aleees to extend the time for payment of the first US\$2 million licence fee due under the Licence and Technology Transfer Agreement. Subsequently, Avenira paid US\$500,000 to Aleees in December 2023.

Discussions have been initiated with various global car manufacturers, as Avenira and Aleees actively explore opportunities for supplying LFP cathode active material. Aleees has played a pivotal role in providing valuable technical support to facilitate these discussions.⁸

⁸ ASX Announcement dated 23 November 2023 - Update on Aleees Arrangements and Work on LFP Project.

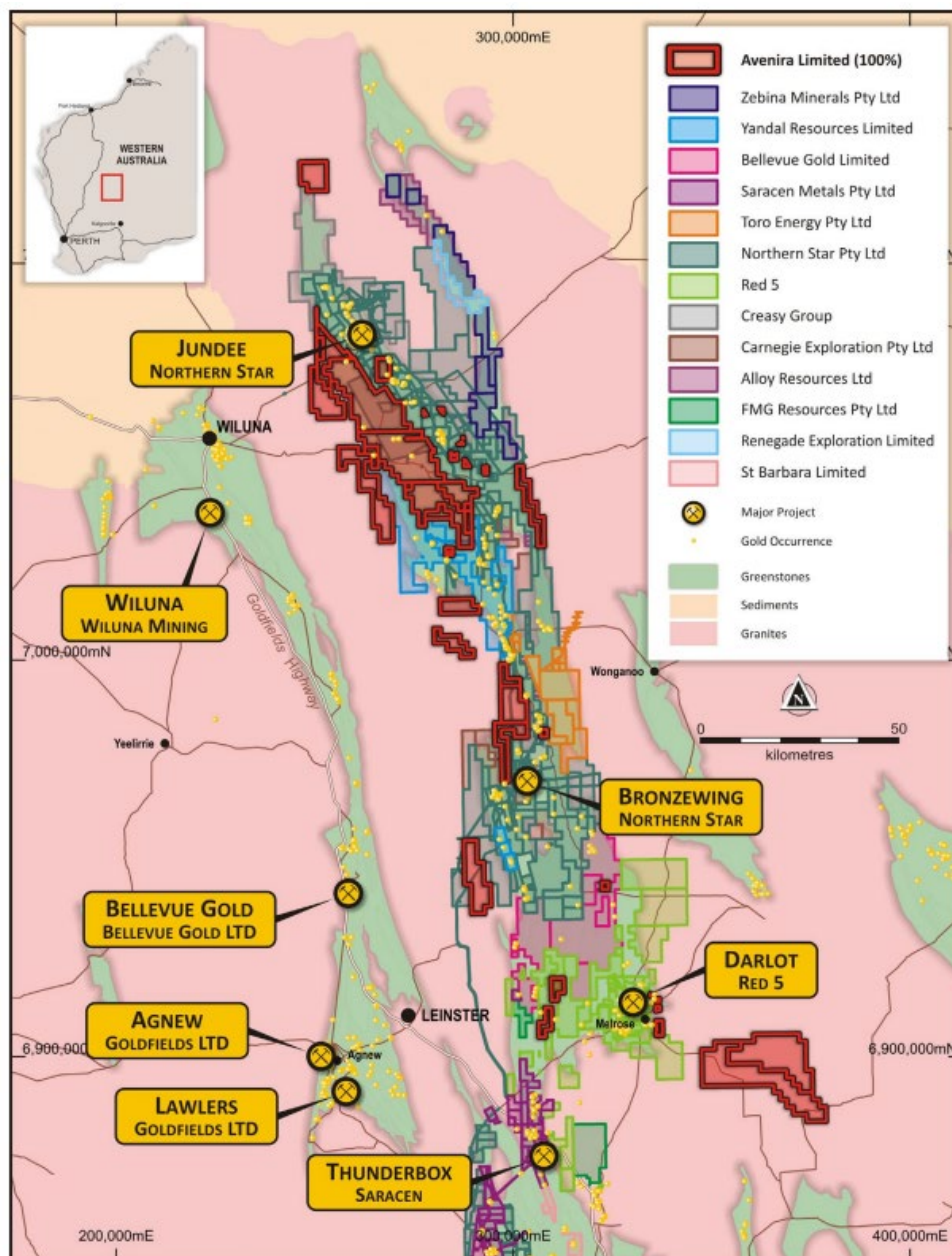
Jundee South Gold Project

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

Access is via a well-established road system. Accommodation and facilities including flight services are established in the district, given the number of operating mines in the area. Avenira holds applications for Exploration Licenses throughout the greater Yandal Belt including Ockerburry Hill, Darlot and Bronzewing North.

Work completed during the quarter comprised ongoing data compilation for tenements in the existing portfolio and field reconnaissance across the MacKenzie's Bore leases for pegmatites analogous to those found at Kathleen Valley.

Figure 3: Jundee South Project location map



Corporate Information

Placement Details

The Company successfully completed A\$4.8 million capital raising during the quarter and at a General Meeting held on 22 January 2024 shareholder approval was received for directors to participate in the recent Placement for the amount of 21 million shares at A\$0.011 per share to raise A\$231,000.⁹ Shareholders also ratified the placement shares issued as part of the capital raising.

Cash Position

At the end of the December 2023 Quarter, Avenira had a cash balance of \$4.1 million.

Other

The expenditure incurred on exploration activities during the Quarter in the order of \$1.5 million. No expenditure was incurred on mining production or development activities during the Quarter.

Payments in the order of \$204,000 were made to related parties of the Company, as shown in the Appendix 5B. These payments related to current salary and fees paid to directors.

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

For further information, contact:

Brett Clark

Chairman and Chief Executive Officer
+61 8 9264 7000

Media/Investor Queries

Citadel-MAGNUS
Michael Weir 0402 347 032
Jono van Hazel 0411 564 969

⁹ ASX Announcement dated 6 December 2023 – Avenira Successfully Completes A\$5 Million Placement.

Appendix 1 - COMPETENT PERSON STATEMENT

Competent Persons Statement - Wonarah

The information in this report that relates to Mineral Resources is based on information compiled by Mr Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Abbott is a director of Matrix Resource Consultants Pty Ltd and provides geological consulting services to the Company. Mr. Abbott has sufficient experience that is 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. Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement - Jundee South

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Steve Harrison, a full-time employee and option-holder of Avenira, from the DMIRS WAMEX database or Avenira-acquired drilling data. 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 Harrison is a Member of the Australian Institute of Geoscientists (AIG) 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 Harrison consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

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 – TENEMENT SCHEDULE AND MINERAL RESOURCE STATEMENT

Schedule of Avenira Limited Tenements as at 31 December 2023

Location	Tenement Name	Tenement	Nature of Company's Interest
Western Australia	Bronzewing North	E 36/1021	100%
Western Australia	McKenzies Bore	E 36/1029	100%
Western Australia	Ockerburry Hill	E36/1049	100%
Western Australia	Ockerburry Hill	E36/1050	100%
Western Australia		E36/1074 (Application)	100%
Western Australia	Darlot	E 37/1474	100%
Western Australia	Langfords Find	E 37/1489 (replaced by E37/1547)	0%
Western Australia		E37/1546	
Western Australia	Langfords Find	E37/1547 - Application) [replacement for E37/1489]	100%
Western Australia	Jundee South	E 53/1856	100%
Western Australia	Jundee South	E 53/1859	100%
Western Australia	Jundee South	E 53/2078	100%
Western Australia	Jundee South	E 53/2079	100%
Western Australia	Jundee South	E 53/2204	100%
Western Australia	Bullock Well	E 53/2205	100%
Western Australia	Jundee South	E 53/2208	100%
Western Australia	Jundee South	E 53/2209 (Application)	100%
Western Australia	Bullock Well	E 53/2210 (Application)	100%
Western Australia	Bronzewing North	E 53/2211 (Application)	100%
Western Australia	Jundee South	E 53/2216	100%
Western Australia	Jundee South	E 53/2218	100%
Western Australia	Jundee South	E 53/2219	100%
Western Australia	Jundee South	E 53/2220	100%
Western Australia	Jundee South	E 53/2250	100%
Western Australia	Jundee South	E 53/2251 (Application)	100%
Western Australia	Jundee South	E 53/2252 (Application)	100%
Western Australia	Jundee South	E 53/2253	100%
Western Australia	Jundee South	E 53/2272 (Application)	100%
Western Australia	Bronzewing North	E 53/2280 (Application - Ballot Successful)	100%
Western Australia	Jundee South	E53/2288 (Granted 12/10/23)	100%
Western Australia	Jundee South	E53/2289 (Application)	100%
Western Australia	Jundee South	E53/2290 (Application)	100%
Western Australia	Jundee South	E53/2291 (Application)	100%
Western Australia	Jundee South	E53/2296 (Application)	100%
Western Australia	Jundee South	E53/2297 (Application)	100%
Western Australia	Jundee South	E53/2298 (Application - Ballot Successful)	100%
Western Australia	Jundee South	E53/2299 (Application - Ballot Successful)	100%
Western Australia	Jundee South	E53/2308 (Application)	100%
Western Australia	Jundee South	E53/2317 (Application to replace E53/2251)	100%
Western Australia	Jundee South	E53/2318 (Application to replace E53/2252)	100%
Western Australia	Bungarra Bore	E 69/4020	100%
Western Australia	Darlot	P 37/9539	100%
Western Australia	Mount Stirling	P 37/9593	100%
Western Australia	Mount Stirling	P 37/9594	100%
Western Australia	Mount Stirling	P 37/9595	100%
Western Australia	Mount Stirling	P 37/9596	100%
Western Australia	Darlot	P 37/9630	100%
Western Australia	Darlot	P 37/9631	100%
Western Australia	Jundee South	P 53/1712	100%
Western Australia	Jundee South	P 53/1713	100%
Northern Territory	Arruwurra	EL29840	100%
Northern Territory	Wonarah	EL29849 (amalgamated into EL33610)	0%
Northern Territory	Dalmore	EL32359	100%
Northern Territory		EL33062	100%

Northern Territory		EL33063 (amalgamated into EL33610)	0%
Northern Territory		EL33192	100%
Northern Territory		EL33193	100%
Northern Territory		EL33610 (amalgamation of EL29849 & EL33063)	100%
Northern Territory	Arruwurra	ML33343	100%
Northern Territory	Dalmore	ML33344	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
	Total	812	18	4.8	24	1.8	0.5	0.2	0.07	0.06	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
	Total	533	21	4.6	28	1.8	0.5	0.2	0.1	0.07	39	0.2
27	Measured	3.4	30.9	3.14	42.1	0.85	0.18	0.19	0.05	0.08	18.0	0.14
	Indicated	9.6	30.0	3.43	38.8	1.14	0.28	0.11	0.03	0.08	24.7	0.15
	M+I	13.4	30.2	3.35	39.7	1.07	0.26	0.13	0.04	0.08	22.9	0.15
	Inferred	53	30	3.1	40	1.3	0.3	0.1	0.1	0.06	22	0.1
	Total	66	30	3.1	40	1.3	0.3	0.1	0.1	0.06	22	0.1

Refer to ASX release dated 27 September 2023 for Mineral Resource estimate details. In accordance with ASX Listing Rule 5.23, the Company is not aware of any new information or data that materially affects the information included in this release and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the estimates in this release continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity quarterly cash flow report

AVENIRA LIMITED

48 116 296 541

31 DECEMBER 2023

	Current quarter \$A'000	Year to date (6 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	-	-
(c) production	-	-
(d) staff costs	(401)	(682)
(e) administration and corporate costs	(257)	(611)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	36	46
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 GST / VAT refund	72	180
1.9 Net cash from / (used in) operating activities	(550)	(1,067)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(1,514)	(2,530)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-

	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (Cash received in advance from future disposal of assets)	-	-
2.6 Net cash from / (used in) investing activities	(1,514)	(2,530)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	4,777	4,777
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	-331	(331)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
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	4,446	4,446

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,735	3,268
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(550)	(1,067)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,514)	(2,530)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,446	4,446
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	4,117	4,117

5.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	-	-
5.2	Call deposits	4,117	1,735
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)	4,117	1,735

6.		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	204
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7.		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	3,000	2,975
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	3,000	2,975
7.5	Unused financing facilities available at quarter end		25
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.		
A \$3 million secured loan facility with Au Xingao Investment Pty Ltd at an interest rate of 8% p.a. Accrued interest capitalised every 6 months if not paid. Facility is for a period of 3 years			

8.		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(550)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,514)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,064)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,117
8.5	Unused finance facilities available at quarter end (Item 7.5)	25
8.6	Total available funding (Item 8.4 + Item 8.5)	4,142
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.01

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:

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:

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:

- 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 January 2024

Date:

Authorised by:By the Board.....

(Name of body or officer authorising release – see note 4)

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.