

16 August 2016

ADDITIONAL OFFTAKE AGREEMENT SECURED FOR BAOBAB PROJECT

HIGHLIGHTS:

- **Baobab rock phosphate product to be purchased by Polyserve Import Export and Trade**
- **Commitment for 120,000tpa, increasing combined commitment to between 360,000tpa to 480,000tpa**
- **Initial three-year term, extendable by agreement**
- **Market based pricing**

Avenira Limited (Avenira or the Company) is pleased to announce that Gadde Bissik Phosphates Operations SUARL, a Senegalese subsidiary of Avenira, has signed an additional export rock phosphate supply agreement. This offtake agreement is with Polyserve Import Export and Trade, with Baobab rock phosphate product destined for downstream phosphate fertiliser producers. This agreement adds to the offtake agreements announced in July, lifting the combined commitment to between 360,000tpa and 480,000tpa. Polyserve is an Egyptian based privately owned international trading company specialising in fertilisers.

Under the three-year offtake agreement, the buyer will initially purchase 120,000 metric tons per annum of rock phosphate from the Baobab Project's production, with the term extendable at the option of both parties. Product will be delivered from the port of Dakar, with offtake pricing to be based on the global market price for equivalent rock phosphate product and set for semi-annual periods.

Securing this additional agreement further demonstrates that there is good demand for quality rock phosphate product, as well as showing the market's confidence in the Baobab Project's ability to produce and deliver a desirable product. Avenira continues to engage with other parties on further offtake arrangements set to cover the balance of planned annual production which it expects to convert into formal agreements in the near term.

Managing Director, Cliff Lawrenson commented; *"It is remarkable that we have secured offtake agreements for most of the planned initial annual production for the first three years so early. Having secured offtake agreements allows us to plan production carefully and subsequent offtake agreements will be structured to match production. We are encouraged by this early demand and moving as quickly as possible to a full mining concession to increase production and improve efficiency of operations."*

Cliff Lawrenson
Managing Director

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