

16 March 2017

## BAOBAB PHOSPHATE PROJECT UPDATE

Avenira Limited ('Avenira' or 'the Company') is pleased to provide an update on the ongoing ramp-up of the Baobab Phosphate Project in the Republic of Senegal following last week's maiden shipment.

The first stage of key debottlenecking solutions have been installed in the processing plant and commissioning is underway. This has included the installation of larger pumping capacity and enhanced control systems and is a key step in the Company's pathway to nameplate capacity, increased production, and a significant drop in moisture levels.

Design and procurement work is continuing for the installation of a dryer or dryer/filter combination which will be essential to reduce production time and improve production consistency. Funding for the dryer will be provided by debt or equity sources.

During the commissioning, ramp-up and debottlenecking process, Avenira's processing team, together with technical advisers, have identified a number of further enhancements and areas where efficiencies and optimisation can be achieved. The Company is currently working through a systematic approach of prioritising each of these potential modifications and understanding the cost-benefit analysis, the amount of capital required, potential sources of funding and timing.

The de-bottlenecking activities and the identified modifications, when implemented, will ultimately lead to more efficient and lower cost production through increased yields, improved product quality and higher production volumes which the Board believes should make the Baobab Project more economically robust.

avenira.com

AVENIRA LIMITED ABN 48 116 296 541

 Ground Floor, 20 Kings Park Road, West Perth, Western Australia 6005

 PO Box 1704 West Perth WA 6872

 +61 8 9264 7000

 [frontdesk@avenira.com](mailto:frontdesk@avenira.com)

FOR FURTHER INFORMATION:

Mr Rod Wheatley

CFO and Company Secretary, Avenira Limited



Earlier this month Avenira announced a 150% increase in the Indicated Mineral Resource estimate to 31.7 million tonnes at 20.6% P<sub>2</sub>O<sub>5</sub> at a 15% cut-off at Gadde Bissik East, part of the wider Baobab Project (see ASX announcement 2 March 2017). As a result of the resource upgrade Avenira is finalising its application for a Big Mine Permit at Baobab which will pave the way for a decision on the potential Stage Two expansion of the Project.

As part of the longer-term planning for Baobab discussions are currently underway with project partner Groupe Mimran regarding the ultimate long-term ownership structure of the project. Presently, Groupe Mimran companies own 20% of Baobab Mining and Chemicals Corporation (“BMCC”) with Avenira owning the remaining 80% of BMCC, and the talks centre around exchanging Groupe Mimran’s direct project stake for an equivalent interest in Avenira. The Avenira Board believes this approach, which has in-principle support from Groupe Mimran, will fully align all interests, provide Avenira with full control of BMCC operations and reduce administrative costs. Any proposal would be subject to approval by Avenira shareholders.

Avenira’s Chairman, Dr Chris Pointon, said: *“We continue to be buoyed by the progress being achieved at Baobab. While the ramp-up to nameplate capacity has been slower than expected we continue to advance our knowledge of both the orebody and processing facility.”*

*“We are mindful that the shipment delays have placed some pressure on working capital requirements and we continue to monitor and manage the situation very carefully.”*

*“While prices for phosphate generally are still very low, we are starting to see some positive market signs emerge. We remain firm believers in the long-term outlook for phosphate and its role in helping meet future global food demand and our goal is to position Baobab as a project that can prosper throughout future price cycles.”*

Dr Chris Pointon  
Chairman