

28 April 2017

MARCH 2017 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

BAOBAB PHOSPHATE PROJECT

- First sale of product to customers completed in early March
- More than 30,000 tonnes of processed concentrate product stored on drying pads and available for trucking to the Port of Dakar
- Successful installation and commissioning of enhancements to the hydrocyclone circuit
- Significant increase to Indicated Mineral Resource Estimate to 31.7 million tonnes at 20.6% P₂O₅ at a 15% P₂O₅ cut-off grade at Gadde Bissik East
- Maiden Inferred Resource estimates released for three new prospects, taking the global Inferred Resource estimate at Baobab to 114 million tonnes at 19% P₂O₅ at a 15% P₂O₅ cut-off
- No lost time injuries during the period
- Work progressing on securing Exploitation Permit (previously referred to as the Large Mine Permit) to take over from current Small Mine Permit currently in place

CORPORATE

- Appointment of highly experienced executive Mr Louis Calvarin as Managing Director and Chief Executive Officer effective 29 March 2017
- Cash balance at 31 March 2017 of A\$3.7million
- Share Purchase Plan launched to raise limited funds (up to A\$2.5million)

Newly appointed Managing Director, Louis Calvarin, commented: "Avenira has made progress during the Quarter, successfully selling our first full cargo vessel of phosphate rock concentrate to our customers as well as deploying successful debottlenecking enhancements to the processing plant."

"We anticipate that the Baobab processing plant will continue to make steady progress towards full steady operation in the near term, and expect that a number of shipments will happen during the June Quarter."

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Mr Louis Calvarin

Managing Director and CEO, Avenira Limited

Mr Rod Wheatley

CFO and Company Secretary, Avenira Limited



1. BAOBAB PHOSPHATE PROJECT (Avenira, 80%)

1.1 PROJECT DEVELOPMENT

Key areas of activity during the March 2017 quarter are listed below.

Occupational Health and Safety

- One medical treatment injury occurred during the quarter with a contractor stung by a scorpion at his Bambey offsite accommodation. This required medical treatment with the appropriate antivenom.
- Work continued progressing safe operating procedures (SOPs), and assessing changes to the site Hazard Identification Register since commissioning.

Mining

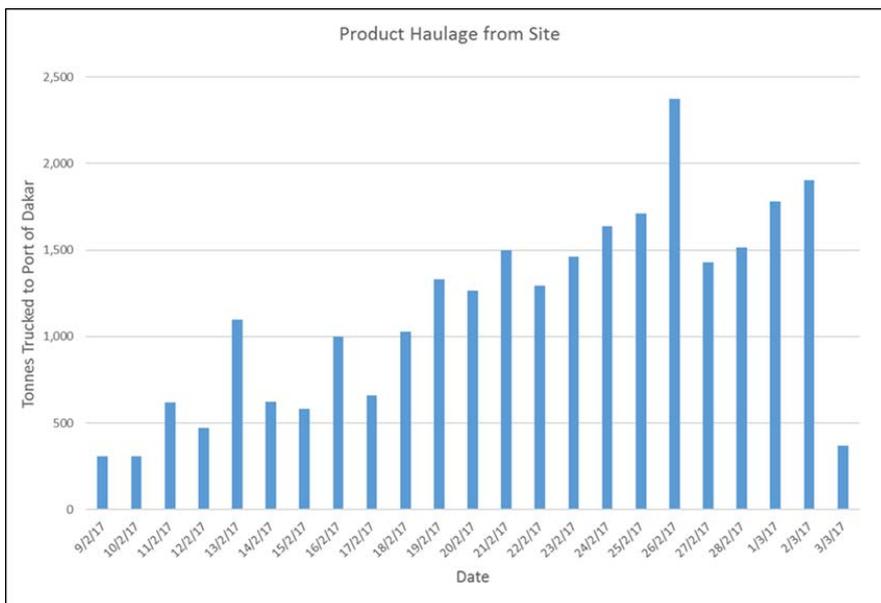
- Phosphate ore mining in the Stage 2 open pit commenced on the 100RL bench in the first week in December 2016 and reached the 92RL bench at the end of March 2017.
- Stage 3 open pit overburden removal completed the 128RL bench and was focused on the 124RL bench at the end of March 2017.

Processing

- Review of the crushing plant productivity and availability during the quarter demonstrated that the existing contractor plant would require supplementary equipment to provide continuity of crushed product. The required equipment is currently being sourced by the contractor and is expected to be installed during the June 2017 Quarter.
- The additional pumping capacity for the wet screening plant's hydrocyclone section identified in the December quarter was installed and commissioned as planned during the first week in March 2017. Operations since installation have demonstrated a significant improvement in plant performance.

Product Transport

- From the 9th February trucking of blended product started from the mine site to Dakar Port.
- A total of 26,200 tonnes of product was transported to the Port of Dakar over 23 days.
- Once the trucking cycle had been established and the number of trucks in the circuit had been optimized, the planned mean trucking rate of 1,500 tpd was maintained over the last 2 weeks of the trucking campaign.
- The daily tonnages of product trucked are shown in the following graph.



Local Community Consultation and Relocation

Avenira continued to collaborate closely with the local communities through the March 2017 Quarter:

- The employment rotation system for selection from potential local employees for short term and longer term operational functions continued.
- The tree planting program in the areas immediately outside the project safety fence was completed during the quarter.

Recruitment

Recruitment of the personnel required to establish and operate the site quality control and process support laboratory was completed in February 2017.

Marketing

Establishing long-term relationships with end users of Baobab product is an important priority that is being diligently worked on.

The maiden shipment of 21,400 tonnes of product was completed in the first week of March 2017, with port operations and vessel loading rates at planned levels.

The first sale and shipment has reached destination and is being processed into finished fertilizers. This represents a key step in our product development cycle and the Company awaits final results.



1.2 GEOLOGY AND EXPLORATION

BAOBAB PROJECT

Gadde Bissik Area

The project location is shown in Figure 1. The results of the 125 x 125 m resource diamond drilling undertaken within and around the SMP (Small Mine Permit) during the last half of 2016 became available during the first quarter of 2017. The purpose of the 2016 diamond drilling program was to provide sufficient information to allow an increase in the Indicated Mineral Resource at Gadde Bissik. After validation of assay results from ALS and SGS laboratories, an update of the JORC Mineral Resource estimate was completed during Q1 2017 by independent consultants MPR Geological. An announcement was published on 2 March 2017 and provided the following resource information (Table 1).

GADDE BISSIK MINERAL RESOURCE TABLE - EFFECTIVE DATE 31/01/2017									
Cut-off grade 15% P ₂ O ₅									
Area		Resource Category	Mt	P ₂ O ₅ %	CaO %	MgO %	Al ₂ O ₃ %	Fe ₂ O ₃ %	SiO ₂ %
Gadde Bissik East	Within SMP	Indicated	25.9	20.9	28.9	0.07	2.07	3.71	41.0
		Inferred	3	20	27	0.14	2.8	3.2	43
	Outside SMP	Indicated	5.8	19.5	27.0	0.05	2.10	3.64	44.7
		Inferred	53	19	26	0.13	2.9	4.0	45
	Combined	Indicated	31.7	20.6	28.6	0.07	2.08	3.70	41.7
		Inferred	56	19	26	0.13	2.9	4.0	45
Gadde Bissik West		Inferred	6	17	23	0.19	5.0	6.7	42
Gandal		Inferred	14	18	25	0.10	3.2	8.9	41
Dinguiraye		Inferred	19	19	27	0.14	3.0	3.2	44
Gad Escale		Inferred	19	20	28	0.16	2.3	2.5	44
Total Resources		Indicated	31.7	20.6	28.6	0.07	2.08	3.70	41.7
		Inferred	114	19	26	0.14	3.0	4.3	44

Table 1: Updated Mineral Resource estimate

In addition to the diamond drilling aimed at providing information for an upgrade to the Indicated Mineral Resource, air core drilling programs were conducted at three locations in the greater Gadde Bissik area and resulted in the establishment of three maiden Inferred Mineral Resource estimates; Gandal, Gad Escale and Dinguiraye (Table1 and Figure 2).

Resource definition drilling continued through Q1 at Gadde Bissik East. Diamond drilling was undertaken on a 125 x 125 m grid spacing adjacent to the updated Indicated Resource area to acquire data to underpin a further increase in Indicated resources. Further to the east, diamond drilling was and continues to be conducted on 250 x 250 m grid spacing within the current Gadde Bissik Inferred Resource area to better define areas of thicker mineralisation that may potentially be upgraded to Indicated Mineral Resource status. Air core drilling at 500 x 500 m drill spacing was conducted between the Gadde Bissik East and Gad Escale Inferred Resource areas to determine the nature and extent of phosphate mineralisation in this area with a view to increasing the Inferred Resource inventory.

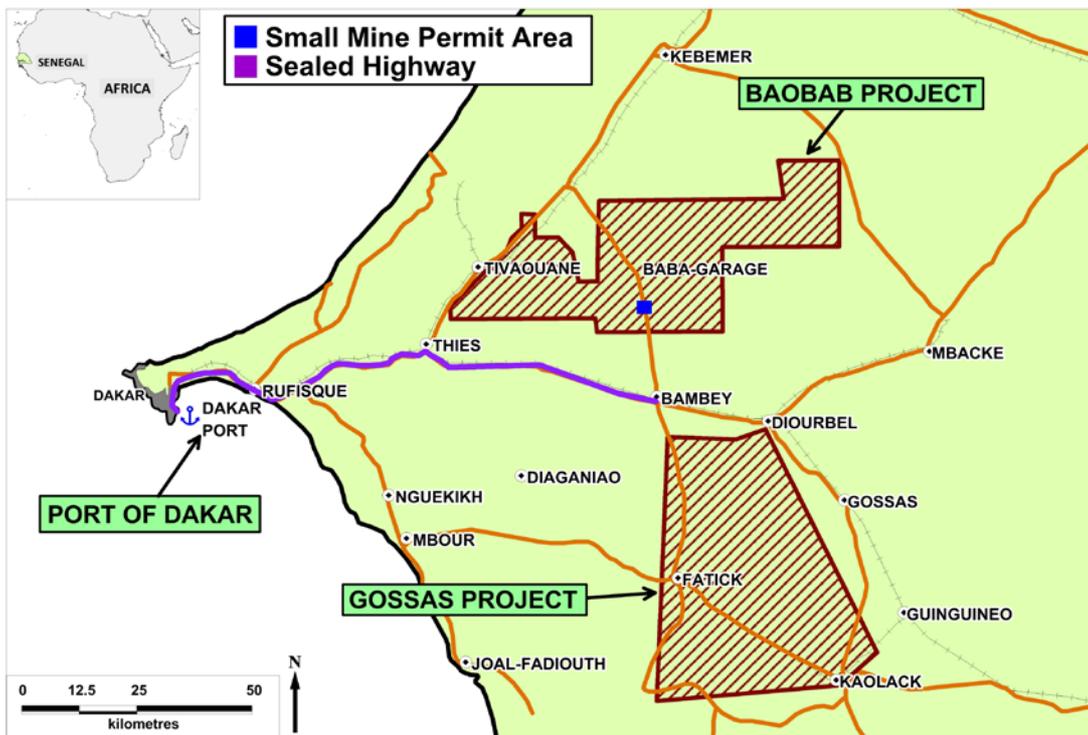


Figure 1: Project location plan

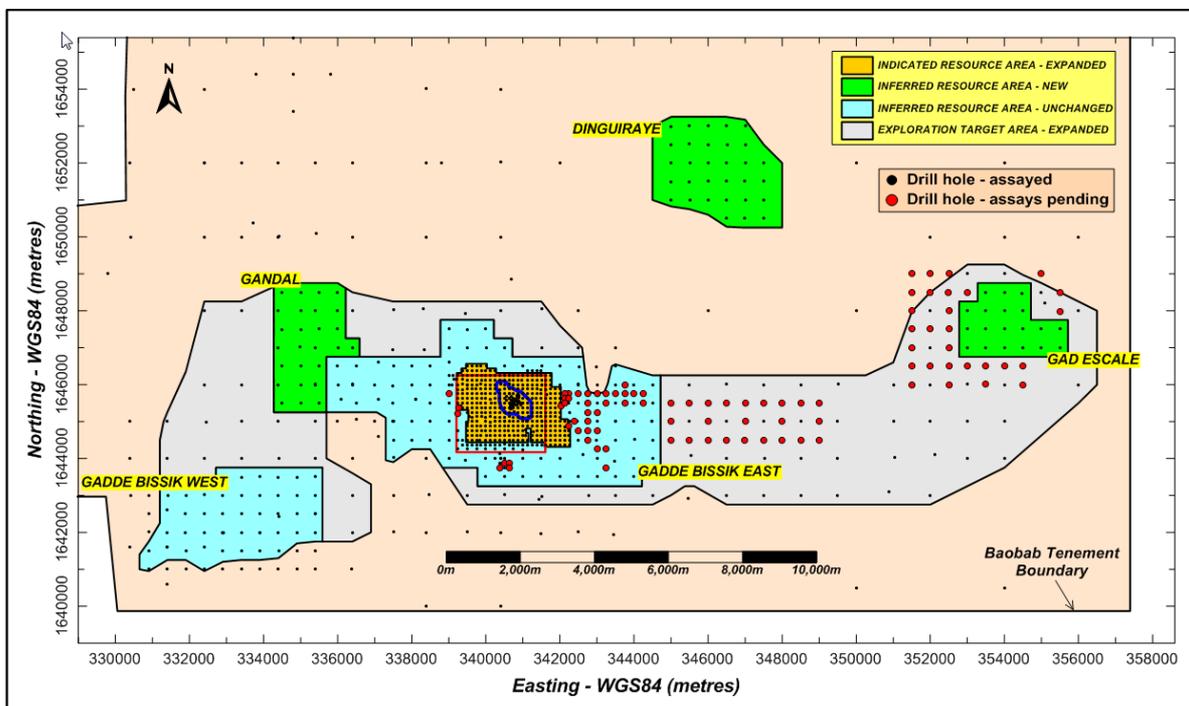


Figure 2: Drill status plan and resource outlines for the Gadde Bissik area. Small mine permit outline in red. Initial pit outline in blue. Drilling status as at 31 March 2017.



Regional exploration

Results of broad-based 48-hole regional air core drilling were published in an ASX release on 23 February 2017. The 4,000 x 4,000 m grid-spaced program has demonstrated the presence of intervals of good phosphate mineralisation at locations across the tenement (Figure 3). More than half the holes drilled intersected phosphate mineralisation with at least one metre of >10% P₂O₅ material. Just under 20% intersected at least one metre with >20% P₂O₅.

Follow-up infill drilling is planned to commence in Q2/Q3 2017 aimed at defining the extent and grade of mineralisation around the better intercepts and further validating the successful exploration model developed within the company.

In late March, a 10-hole air core sterilisation drilling program for 241 metres was conducted in the western part of the Baobab tenement in preparation for a statutory 25% reduction in tenement size due in mid-2017 (Figure 3). Visual logging indicates little or no mineralisation in this area and assay results are expected in late April.

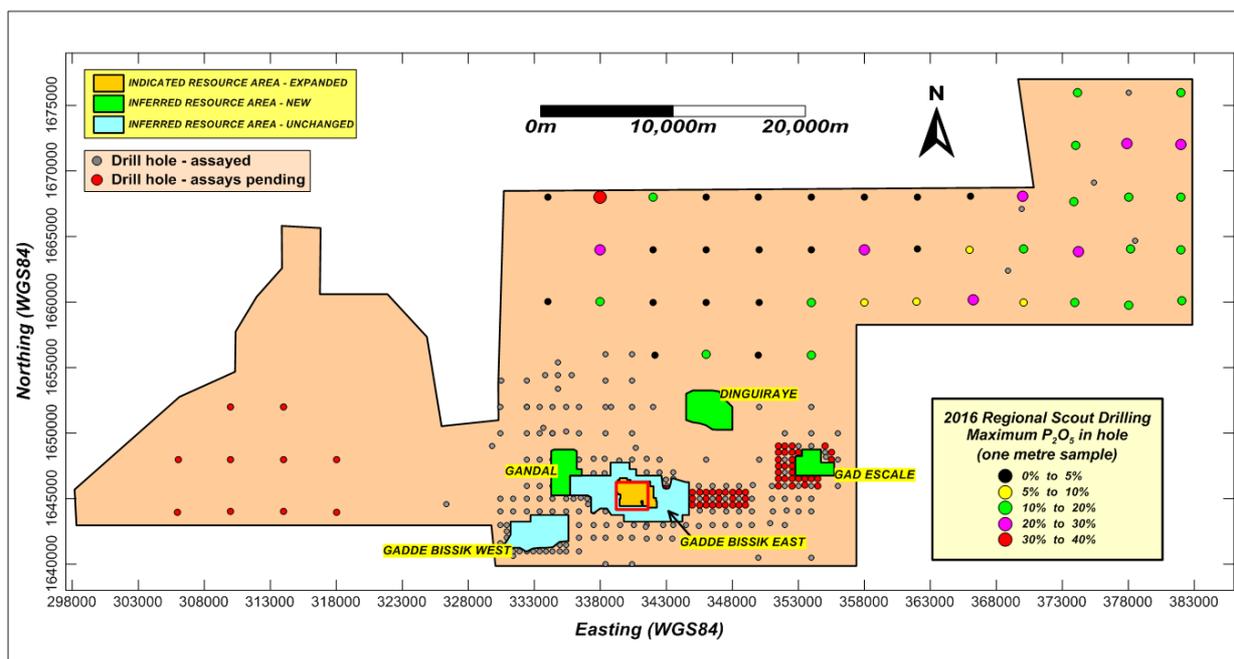


Figure 3: Baobab broad-based scout drilling results as at 23 February 2017. SMP in red outline. Note: historical non-JORC drilling not shown here.

GOSSAS PROJECT

Initial exploration of the Gossas tenement commenced in July 2016 with 5 scout air core holes drilled in the Diakhao area targeting historical anomalies defined by the French geological survey, the BRGM. Drilling investigation restarted in Q1 2017 and drilling progressed from the south to the north following a drilling 2,000 x 2,000 m grid spacing in the south-eastern part, across more BRGM-defined anomalies, and 4,000



x 4,000 m grid spacing to the west and north (Figure 4). The program ended on March 22 with a total of 78 drilled aircore for 1,977 m (Table 2).

Visual observation indicated a thickening of phosphate mineralisation towards the east under increasing overburden thickness.

Final assay results are expected to be validated in Q2 2017.

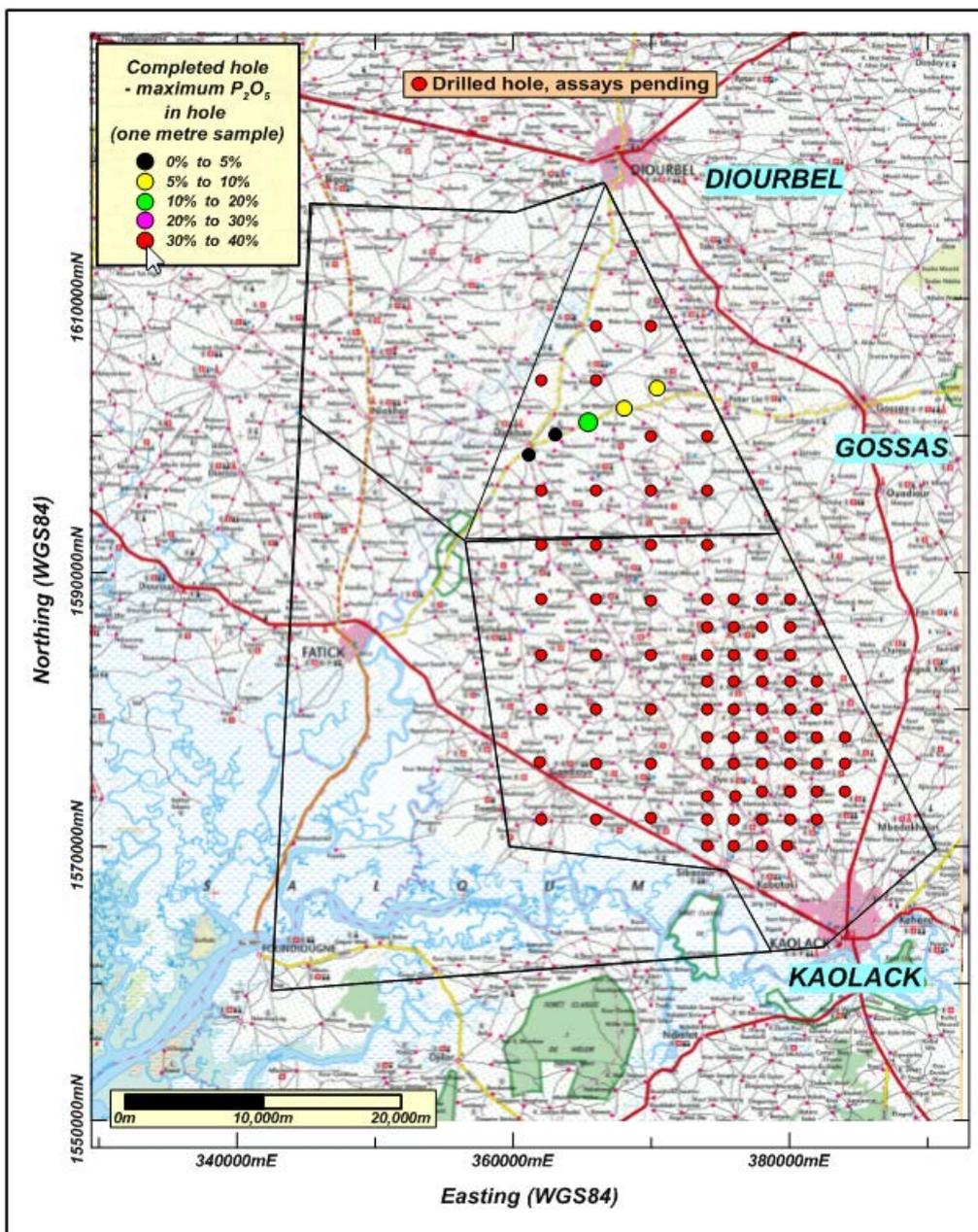


Figure 4: Gossas tenement – Drill Status Plan at 31 March 2017



Tenement	Purpose of drilling	AC		DD	
		Holes	Metres	Holes	Metres
Baobab	Regional exploration	61	2,263	-	-
	Resource definition	-	-	-	-
	Within SMP	-	-	2	99.5
	Outside SMP	-	-	34	1,331.2
Gossas	Regional exploration	78	1,977	-	-
TOTAL		139	4,240	36	1,430.7

Table 2: Drilling statistics – March 2017 Quarter

2. JDCPHOSPHATE, INC.

Avenira owns approximately 10% of JDCPhosphate, Inc. (JDCP) and has an exclusive license to utilise the Improved Hard Process (IHP) technology in Australia and Senegal for an extended period of time.

Tip Fowler, CEO of JDCP commented “*JDCP continues to conduct laboratory scale testing on phosphate containing materials from around the world, both conventional phosphate ore and mine waste streams. These tests provide further confirmation that IHP can be employed for a broad range of raw materials of much lower quality than traditional processes can accommodate. The company has advanced the design and equipment selection for next phase of its commercialization and continues to pursue a capital financing to fund this next stage of technology development and ultimate full scale commercialization.*”

Shareholders are encouraged to view the JDCP website <http://jdcphosphate.com/>

3. WONARAH PHOSPHATE PROJECT, NORTHERN TERRITORY (100% owned)

The Company continues to take action to reduce the holding costs of the Wonarah project until the commercial validation of the IHP technology.

4. CORPORATE

4.1 BOARD CHANGES

The Company appointed Mr Louis Calvarin as Avenira’s new Managing Director and Chief Executive Officer, effective 29th March 2017. Mr Calvarin is a highly-experienced executive with over 15 years’ experience in the phosphate industry.

Mr Calvarin previously held the position of Senior Vice President of Innophos, a NASDAQ-listed specialist in the production of specialty-grade phosphate products. Prior to this, he was Director of Manufacturing at Rhodia Specialty Phosphates.



Mr Calvarin brings an extensive understanding of the global phosphate industry and has outstanding experience in leading plant operations, phosphate procurement, supply chain management, strategy and business development. A native French speaker, his appointment to Avenira comes at a pivotal time, as production from the Baobab Project in Senegal becomes established, and the first shipments of product are made.

Mr Calvarin will be based in Senegal, overseeing the ramp-up of the Baobab operations and seeking to expand production and product sales into new markets.

4.2 FINANCING

On 5 April 2017, the Company announced the launch of a Share Purchase Plan to raise up to A\$2.5 million ('Offer'). Funds raised from the Offer will be used to strengthen the Company's balance sheet as it continues to ramp up production from the Baobab Phosphate Project in Senegal and as general working capital.

The Offer opened on 7 April 2017 and has been extended to 10 May 2017.

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

4.3 CASH POSITION

At the end of the March 2017 Quarter, Avenira had cash of \$3.7 million.

Breakdown of cash spend for the March quarter:

Tenement cost and maintenance	(\$0.01m)
Wonarah Project and JDCP ⁽ⁱ⁾	\$0.21m
Baobab Phosphate Project ⁽ⁱⁱ⁾	(\$3.60m)
Net Admin and Corporate	(\$1.62m)

(i) Includes Research and Development refund

(ii) Includes receipts from sale of first shipment and pro rata contribution of loan funds from joint venture partner



Schedule of Avenira Limited Tenements as at 31 March 2017

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	Wonarah Mineral Lease	ML27244	100%
Senegal	Baobab	14626/MIM/DMG	80%
Senegal	Gadde Bissik	09810/MIM/DMG	80%

Compliance Statement

Information in this report relating to Exploration Results or estimates of Mineral Resources or Ore Reserves has been extracted from the reports listed below. The reports are available to be viewed on the company website at: www.avenira.com

Baobab Project:

27 April 2015: Minemakers to acquire a potential near-term production rock phosphate project in the Republic of Senegal

11 May 2015: Minemakers delivers maiden Inferred Resource for Baobab Rock Phosphate Project in Republic of Senegal

22 September 2015: Baobab project update

7 December 2015: Maiden Indicated Mineral Resource at Baobab Phosphate Project

7 January 2016: Technical Report Mineral Resource Estimation for the Gadde Bissik Phosphate Deposit, Republic of Senegal

28 October 2016: September 2016 Quarterly activities report

23 February 2017: Baobab exploration results update

2 March 2017: Significant increase to Indicated Mineral Resource at Baobab Phosphate Project

Wonarah Project:

15 March 2013: Technical Report Mineral Resource Estimation for the Wonarah Phosphate Project, Northern Territory, Australia

30 April 2014: Quarterly activities report

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.

Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this document relative to markets for Avenira trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Avenira does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements.