

18 March 2019

AVENIRA FUNDING UPDATE

Avenira Limited ('Avenira' or the 'Company') (ASX: AEV) has achieved a significant development milestone with today's release of the key outcomes from the 1 Mtpa High-Grade Phosphate Rock Concentrate Project (the 'Project') Feasibility Study ('FS' or 'Feasibility Study') at its 80%-owned Baobab Phosphate Project in Senegal (see *Avenira Delivers Strong Feasibility Study for Expansion of Baobab Phosphate Project* market announcement ('FS Announcement') dated 18 March 2019).

Finalisation of the Class 4, \pm 20% accuracy Project FS is a material milestone, and the Company intends to commission a value-engineering study in the very short-term to identify and explore further cost optimisation opportunities and thereby finalise the basis of the Class 3 'Bankable' Feasibility Study to follow. The Company will require additional funding to fully engineer and implement the Project, and is pleased to provide the following funding plan update.

Pre-Project Finance Funding

Targeting Final Investment Decision (FID) during the first half of 2020, the Company estimates its funding needs up to FID and before full Project Finance at approximately A\$11M (US\$8M) to A\$14M (US\$10M). Considering the consolidated group cash balance of A\$0.9M on 8 March 2019 and in order to secure enough runway to hold fundraising discussions with potential financing partners following the FS Announcement, the Company has entered into convertible loans (the 'Bridge Loans') with its three major shareholders Agrifos Partners LLC, Tablo Corporation and Agrifields DMCC (each a 'Lender').

The aggregate funding amount made available to Avenira by the Bridge Loans is A\$1.25M (US\$0.9M), with the funds to be drawn down immediately.

The Bridge Loans have been entered into on the following terms:

- Maturity: 12 months after the drawdown date
- Interest: accrued at 10%
- Conversion: subject to Avenira obtaining shareholder approval, each Bridge Loan may be converted into fully-paid ordinary Avenira shares ('Shares') at any time by a Lender at the 15 trading days volume weighted average ASX Share price ('15-day VWAP') subject to a \$0.008 floor and a \$0.024 ceiling, or by Avenira, at the 15-day VWAP subject to a \$0.001 floor and a \$0.024 ceiling, at any time with the Lender's prior consent or during the month prior to maturity (subject to certain conditions).

Following the FS Announcement, Avenira will be seeking additional funding, estimated at A\$11M (US\$8M) to A\$14M (US\$10M), to enable the Company to complete the value-engineering study and the BFS, move to FID, repay the unconverted Bridge Loans and have sufficient runway to raise a combination of debt and equity funds to build and commission the Project.

The Company intends to raise the targeted A\$11M (US\$8M) to A\$14M (US\$10M) amount in two or more stages starting April 2019, and to that effect the Company continues to have discussions with a number of

avenira.com



private equity funds focused on mining and Africa, project financing groups and Avenira's shareholders.

Project Finance Funding

Avenira plans to seek full Project Finance funding following BFS completion via a combination of debt and equity supported by off-take agreements to finance and implement the Project. Sourcing of this financing would position Avenira to proceed with FID and Project implementation.

Private equity funds, off-takers and other strategic investors, including the Company's existing shareholders, will be targeted to cornerstone the equity component. The Company has had multiple meetings and discussions with local and international banks and with development finance institutions regarding the debt component, among other finance sourcing avenues explored.

The total required Project Finance funding amount will include Project capital expenditure as well as operational capability ramp-up costs and working capital. The FS-estimated capital expenditure, before revision during the value-engineering study and confirmation during the BFS, is detailed in the FS Announcement.

Brett Clark
Chairman

Louis Calvarin
Managing Director



About Avenira Limited

Avenira Limited (ASX: AEV) is a phosphate rock mining company with a vision to develop a portfolio of agricultural minerals and production assets that will build long term shareholder value by supplying to the world the agricultural nutrients critical to global food security.

Our flagship asset is the 80% owned Baobab Phosphate Project located in Senegal, West Africa. During the 2017 calendar year, the Company has established its strategic plan for the Baobab Project, focused first on a major expansion and upgrade of the beneficiation plant at Baobab's Gadde Bissik mine to bring it to a profitable higher operational level, and subsequently on implementing next-step investments towards its longer-term objective of downstream integration.



Phosphate Concentrate Production



Gadde Bissik Pit 1

Under the plan to expand and upgrade the existing ore beneficiation unit the Company engaged engineering firm Hatch to conduct a conceptual study which delivered positive results detailed in the Company's announcement of 17 October 2017. Following the positive conceptual study and successful completion of its Entitlement Offer and Placement capital raising, the Company has embarked on the next phases of its strategic plan, to include more detailed engineering work on a broader expansion project scope, no longer limited to the ore beneficiation battery limits, as well as approvals and financing. The Company has appointed Wood Group PLC as the lead engineering consultants.

The Company also owns approximately 7% interest in JDCPhosphate Inc., a private company in the USA focused on the development of the Improved Hard Process (IHP), a potentially game-changing proprietary high-grade phosphoric acid production technology. Avenira has exclusive license rights to use the IHP in Australia and Senegal once commercially proven.

The Company's other asset is the 100% owned Wonarah Phosphate Project in the Northern Territory. The project forms part of the Company's long-term strategy and will be enabled by the IHP process. Wonarah is one of the largest known phosphate deposits in Australia.

For further information on the company please refer to the company's website at www.avenira.com.