

25 September 2019

### TRANSACTION UPDATE

On 2 July 2019, Avenira Limited (**Avenira or the Company**) announced a proposed transaction which, if implemented, will see our company transformed. The Company agreed to sell its interest in the Baobab Project and Novaphos to a consortium of its major shareholders (**the Purchasers**) and in return undertake a buy-back of their shares in Avenira and receive consideration as well as essential funding support (**the Transaction**).

#### ***Meeting documentation, questions and voting***

On 13 September 2019, the Company dispatched to shareholders a Notice of Meeting and Independent Expert's Report in respect of the Transaction. These documents are also available on the ASX platform and the Company's website. We encourage shareholders to read these documents carefully.

**Shareholders who have any questions can call the Avenira Shareholder Information Line on 1300 381 486 (within Australia) or +61 3 9415 4104 (outside Australia) between 8:30am – 5:30pm AEST.**

All shareholders are encouraged to attend the shareholder meeting on 14 October 2019 or, if they are unable to attend in person, appoint a proxy to vote on their behalf by signing and returning the proxy form which accompanied the Notice of Meeting or lodging a proxy online at [www.investorvote.com.au](http://www.investorvote.com.au). Replacement proxy forms can be obtained by contacting the Company's share registry on 1300 850 505.

#### ***Rationale for the Transaction***

The Company has incurred significant debts in seeking to progress the Baobab Project. At the time the Company announced the Transaction, it owed approximately A\$7.1 million and had received a tax statement from the Senegalese Government for US\$1.6 million. The Company's cash balance was approximately A\$0.3 million and it required an additional A\$11-14 million to progress the Baobab Project to a Bankable Feasibility Study. Despite the Company's best efforts, it has been unable to secure any alternative third-party funding to a level that could meet its financial requirements.

The Transaction enables the Company to become debt free and receive a cash injection of approximately A\$3.9 million in cash.

If the Transaction is not approved, a large portion of the Company's debt becomes immediately payable and, without immediate third party funding (which will be extremely challenging to secure), the Company may not be able to continue as a going concern.

The Independent Expert has concluded that the Transaction is "not fair, but reasonable" and provides reasons for this opinion in its report which accompanies the Notice of Meeting.

**The Independent Directors recommend that all shareholders vote in favour of the Transaction in the absence of a superior proposal.**

***Avenira retains cash, the Wonarah Project and the exclusive rights to use the Novaphos technology in Australia***



The Independent Directors believe that the Transaction will put Avenira in a stronger position. It will enable the Company to progress its Wonarah Project in Australia; Avenira will maintain the right to use the IHP Technology in Australia; and it will have cash reserves of approximately A\$3.9 million.

Following completion of the Transaction, Avenira will undertake a review of the Wonarah Project to determine the potential value that it may offer to Shareholders and investigate other investment opportunities.

The Independent Directors believe the Transaction is the best way for Avenira shareholders to address the financial uncertainty of the Company, receive consideration for the sale of its interest in the Baobab Project and Novaphos and retain exposure to the potential upside of the Wonarah Project and the Novaphos technology.

Brett Clark  
Chairman