



## Avenira to raise approximately \$3.4 million to advance Jundee South Gold and Wonarah Projects

- ~\$2.2 million Placement at \$0.008 per share to sophisticated investors
- Fully underwritten 2 for 7 non-renounceable entitlements issue to raise an additional \$1.2 million, also at \$0.008 per share
- Proceeds result in Avenira being well-funded to undertake exploration at the Jundee South project, progress the Wonarah project scoping study as well as to meet general working capital

Avenira Limited (**Avenira** or the **Company**) (ASX: **AEV**) is pleased to announce that it has secured binding commitments to raise a total of A\$2,218,240 (before costs) by way of a two-tranche placement to sophisticated and strategic investors of 277,280,000 fully paid ordinary shares in the Company (**New Shares**) at \$0.008 per New Share (**Placement**). The success of the Placement is a strong endorsement for the Company's growth strategy in the Western Australian gold sector whilst continuing to explore the Company's Wonarah Phosphate Project.

Avenira also proposes to undertake a non-renounceable pro-rata entitlements issue (**Entitlements Offer**), under which eligible shareholders will have the opportunity to subscribe for two New Shares for every seven existing shares held at the same issue price of \$0.008 per share, to raise approximately \$1.2 million (before costs). The Entitlements Offer is fully underwritten by Taylor Collison.

Proceeds from the Placement and Entitlements Offer will be used to:

- Undertake a maiden drilling program at the Company's Jundee South Gold Project.

Following the acquisition of the Jundee South Project earlier this year, Avenira has completed a review that has highlighted a number of exploration targets. A drilling program to investigate the Priority 1 Targets is anticipated to commence in September 2020 (refer to the Company's announcements of 4 June 2020 and 11 June 2020 for further details).

- Continue the Wonarah Project Scoping Study.

Avenira is continuing to progress its Wonarah Project, although notes that there has been a continued deterioration in the phosphate rock price through 2020. The Company intends to monitor the phosphate market while it considers the optimal processing solution for the project in such a low price environment.

- General working capital purposes.

New Shares issued under the Placement and Entitlements Offer will rank equally with the Company's existing ordinary shares on issue.



**Avenira's Executive Chairman, Mr Brett Clark** said *"We have been overwhelmed with support for the Placement and we look forward to enabling existing shareholders to participate in the Entitlements Offer.*

*We are excited to have the funding available to advance our projects. In particular, we are looking forward to drilling the Jundee South Gold Project, with a program testing the Priority 1 targets commencing soon."*

## **Placement**

The Placement comprises:

- 66.1 million New Shares to be issued under the Company's existing Listing Rule 7.1 placement capacity (**Tranche 1**); and
- 211.1 million New Shares to be issued subject to shareholder approval, to be sought at a general meeting to be held in late August 2020 (**Tranche 2**).

The issue price of \$0.008 represents:

- a 20% discount to the last closing price of the Company's shares on 30 June 2020 of \$0.01 per share; and
- a discount of 27% to the fifteen-day volume weighted average price of the Company's shares on the ASX of \$0.011 prior to the date of the trading halt on 1 July 2020.

Mr Kevin Dundo, Director, will, subject to Shareholder approval participate in Tranche 2, by subscribing for up to 6.25 million New Shares.

Taylor Collison has acted as the Sole Lead Manager to the Placement. Taylor Collison will be entitled to receive:

- a management fee equal to 2% of the Placement;
- a placing fee equal to 4% of the Placement funds raised from new investors introduced by Taylor Collison;
- 6 million options in the Company with an exercise price of \$0.025 and an expiry date of 3 years from the date of issue; and
- 6 million options in the Company with an exercise price of \$0.035 and an expiry date of 3 years from the date of issue.

Settlement of the New Shares to be issued under Tranche 1 is expected to occur on Monday, 13 July 2020. New Shares issued under Tranche 1 will rank equally with exiting shares in the Company. An Appendix 3B for the proposed issue of New Shares in respect to Tranche 1 will be lodged following this announcement.

Subject to the Company obtaining shareholder approval, settlement of the New Shares to be issued under Tranche 2 is expected to occur on or about Friday, 4 September 2020. New Shares issued under Tranche 2 will rank equally with exiting shares in the Company. An Appendix 3B for the proposed issue of New Shares in respect to Tranche 2 will be lodged following this announcement.



## Fully Underwritten Entitlements Offer

Avenira also intends to offer all of its existing eligible shareholders the opportunity to subscribe for 2 Shares for every 7 Shares held at an offer price of \$0.008 per Share under the non-renounceable pro rata entitlements issue to raise approximately \$1.2 million (before costs).

The Entitlements Offer will provide eligible Avenira shareholders with the opportunity to participate in the capital raising at the same price as the Placement.

An indicative timetable for the Entitlements Offer is shown in the following table:

**Table 1: Indicative Entitlements Offer timetable**

<b>Event</b>	<b>Date</b>
<b>Settlement of Tranche 1 New Shares</b>	14 July 2020
<b>Issue Date of Tranche 1 New Shares</b>	15 July 2020
<b>Prospectus lodged with ASX and ASIC</b>	16 July 2020
<b>Ex Date</b>	20 July 2020
<b>Record Date</b>	21 July 2020
<b>Prospectus dispatched to eligible shareholders</b>	24 July 2020
<b>Entitlement Offer opening date</b>	24 July 2020
<b>Last day to extend the closing date</b>	11 August 2020
<b>Entitlement Offer closing date</b>	14 August 2020
<b>Issue Entitlement Offer Shares</b>	21 August 2020
<b>General Meeting</b>	31 August 2020
<b>Issue date for Tranche 2 New Shares</b>	7 September 2020

Note: the above timetable is indicative and remains subject to change at the Company's discretion, subject to compliance with applicable laws. Any changes will be announced to ASX as appropriate.

The Entitlement Offer will be fully underwritten by Taylor Collison Limited (**Underwriter**) pursuant to an underwriting agreement with the Company dated 6 July 2020 (**Underwriting Agreement**).

Pursuant to the Underwriting Agreement, the Underwriter will be entitled to an underwriting fee equal to 4% of the amount to be raised under the Entitlement Offer (**Underwritten Amount**) and a management fee equal to 2% of the Underwritten Amount.

Refer to Schedule 1 to this Announcement for a summary of the events upon the occurrence of which the Underwriter may terminate the Underwriting Agreement.

### Sub-Underwriters

The Underwriter may allocate part of the Underwritten Amount to certain Sub-Underwriters (**Sub-Underwriters**).

The Company is pleased to welcome a new strategic investor, Au Xingao Investment Pty Ltd (**Au Xingao**) who has participated in the Placement and will Sub-Underwrite the Entitlement Offer up to \$833,210.

Following the Placement and Entitlement Offer, Au Xingao may acquire an interest of up to 19.9% of the Company. For the avoidance of doubt, the Underwriter and the Company will scale back Au Xingao's Sub-Underwriting, as required, to ensure that Au Xingao does not obtain voting power in the Company above 19.9%.



For more information about Avenira and its projects, please visit the ASX platform (ASX: AEV) or the Company's website, [www.avenira.com](http://www.avenira.com).

This announcement has been authorised by Brett Clark on behalf of the Board of Avenira.

**Brett Clark**

**Executive Chairman**

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### **About Avenira**

Avenira is listed on the Australian Securities Exchange under the code AEV. Avenira is a Western Australian based mining and exploration company with a focus on phosphate and gold projects in Australia.

Avenira's main project is the Wonarah Phosphate Project located in the Northern Territory. Avenira has initiated a scoping study for Wonarah.

In addition to the Jundee South Project, Avenira will also continue to review various precious metals projects in Australia as they are presented to the Company.



## SCHEDULE 1 – UNDERWRITING AGREEMENT TERMINATION EVENTS

### 1. Unqualified termination events

The Underwriter may in its sole discretion terminate the Underwriting Agreement if:

- (a) **(Offer Withdrawn)**: the Entitlement Offer is withdrawn by the Company;
- (b) **(No Listing Approval)**: the Company fails to lodge an Appendix 2A in relation to the underwritten New Shares with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (c) **(Corrective Disclosure)**:
  - (i). If the Underwriter, in certain circumstances, forms the view on reasonable grounds that a corrective document should be lodged with ASX to comply with the Corporations Act and the Company fails to lodge a corrective document in such form and content and within such time as the Underwriter may reasonably require; or
  - (ii). the Company lodges a corrective document without the prior written agreement of the Underwriter (which agreement the Underwriter may not unreasonably withhold);
- (d) **(Restriction on issue)**: the Company is prevented from issuing the underwritten New Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, or any other law;
- (e) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Entitlement Offer before the shortfall notification date;
- (f) **(Indictable offence)**: a director or senior manager of the Company is charged with an indictable offence which is materially adverse to the Underwriter; or
- (g) **(Default from Key Sub-Underwriter)**: the Company is unable to provide evidence and confirmation of cleared funds in a bank account controlled by the Company of the a key sub-underwriter's respective proportion of the shortfall amount one business day prior to the settlement date; and

### 2. Qualified termination Events:

The Underwriter may at any time terminate the Underwriting Agreement if, in the reasonable opinion of the Underwriter reached in good faith, any of the specified events has or is likely to have, or those events together have, or could reasonably be expected to have:

- (a) a material adverse effect on the:
  - (i). outcome of the Entitlement Offer (including, without limitation, a material adverse effect on a decision of an investor to invest in underwritten New Shares); or
  - (ii). a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries taken as a whole; or
- (b) could give rise to a liability of the Underwriter under the Corporations Act.



The qualified termination events are as follows:

- (a) **(Misleading Documents)**: any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive, subject to this being materially adverse to the Underwriter;
- (b) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and is not withdrawn or disposed of by the shortfall notice deadline, either of which in the Underwriter's reasonable opinion has a material adverse effect;
- (c) **(Termination Event)**: any of the following events having a materially adverse effect:
  - (i). **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking and the default or breach is either incapable of remedy or is not remedied within 10 business days after the Underwriter notifies the Company of the default or breach or by the shortfall notice deadline date, whichever is earlier;
  - (ii). **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect to a material respect;
  - (iii). **(Contravention of constitution or Act)**: a material contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (iv). **(Adverse change)**: an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, losses, prospects, business or operations of the Company;
  - (v). **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive to a material respect;
  - (vi). **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
  - (vii). **(Prescribed Occurrence)**: a prescribed occurrence (as defined in the Underwriting Agreement) occurs;
  - (viii). **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
  - (ix). **(Event of Insolvency)**: an event of insolvency occurs in respect of the Company;
  - (x). **(Judgment against the Company)**: a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within seven days;
  - (xi). **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company;



- (xii). **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the issue of the New Shares without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (xiii). **(Change in shareholdings)**: a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (xiv). **(Timetable)**: there is a delay in any specified date in the timetable for the Entitlement Offer which is greater than 3 Business Days, without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (xv). **(Force Majeure)**: a force majeure event affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of seven days occurs;
- (xvi). **(Certain resolutions passed)**: the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xvii). **(Capital Structure)**: the Company alters its capital structure in any manner not contemplated by the Prospectus or permitted by the Underwriting Agreement;
- (xviii). **(Market Movement)**: the S&P/ASX Small Ordinaries index falls by more than 7.5% after the date of the Underwriting Agreement;
- (xix). **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
- (xx). **(Hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom any member state of the European Union, Indonesia, Japan, Russia or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries; or
- (xxi). **(Adverse Change in Financial Markets)** there occurs any material adverse change or material adverse disruption to the political or economic conditions or financial markets in Australia, the United Kingdom, the United States of America or the international markets or any change of development involving a prospective change in national or international political, financial or economic conditions.