

28 December 2016

## UPDATE ON ACTIVITIES

Avenira Limited ('Avenira' or the 'Company') advises the following:

1. Ramp up of Gadde Bissik Operations Sarl ("GBO") Mine Plant
  - Plant ramp up is progressing well and management's expectations are that full name plate production will be achieved during Q1, 2017.
  - During ramp up the Company and the plant contractor identified an opportunity to install a hydro-cyclone to improve throughput and product quality. This has been installed for a cost to the Company of approximately \$50,000.
  - The Company has also identified other process improvements during ramp up, including the potential to improve drying throughput rates with the installation of a dryer, which the Company is actively sourcing.
  
2. Sales and Marketing
  - GBO has produced approximately 20,000T of phosphate product currently on the drying pads at the mine site.
  - Global phosphate prices were weak in 4Q, 2016, and the Company planned its operations, process upgrades and sales program accordingly.
  - Market conditions are now stabilizing. The Company is receiving new enquires from a range of customers across various geographic markets.
  - First shipment of product is expected early in Q1, 2017.

Avenira further advises that, pursuant to the executive leadership transition announced on 8 November 2016, it is making good progress in recruiting a new Managing Director. An appointment is expected in Q1, 2017.

**Cliff Lawrenson**

**Managing Director**

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