AVENIRA LIMITED

(formerly Minemakers Limited)

ABN 48 116 296 541

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2015

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2015 and any public announcements made by Avenira Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

AVENIRA LIMITED
31 DECEMBER 2015

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DIRECTORS' REPORT

Your Directors submit their report on the consolidated entity consisting of Avenira Limited and the entities it controlled (Avenira or the Group) at the end of, or during, the half-year ended 31 December 2015.

On 25 November 2015, following shareholders' approval at the Annual General Meeting, the company changed its name from Minemakers Limited to Avenira Limited.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Richard H (Dick) Block (Non-executive Chairman)
Cliff Lawrenson (Managing Director and CEO)
Richard O'Shannassy (Non-executive Director)
Ian McCubbing (Non-executive Director)
Timothy Cotton (Non-executive Director) – appointed 23 September 2015
Farouk Chaouni (Non-executive Director) – appointed 19 November 2015
David Mimran (Non-executive Director) – appointed 2 March 2016

The Directors held their position throughout the entire half year period and up to the date of this report unless stated otherwise.

REVIEW OF OPERATIONS

The Review of operations should be read in conjunction with the half-year statements, the consolidated annual financial report of the Group as at 30 June 2015 and for the year then ended and considered together with any public announcements made by the Group during the half-year ended 31 December 2015 in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

Baobab Phosphate Project

On 23 September 2015 Avenira acquired 100% of a potential near-term production rock phosphate project in the Republic of Senegal ("the Project") from Baobab Partners LLC, an affiliate of Agrifos Partners LLC ("Agrifos"). Agrifos is an affiliate of Vulcan Phosphates LLC ("Vulcan") and a major Avenira shareholder. The Project advances Avenira's focus on the nutrient and fertiliser sector and advances Avenira's nearer-term strategic objective of early cash flow generation with minimal capital expenditure and no technology risk.

Following the acquisition the Group made the decision on 12 November 2015 to commence mining the Project.

An intended preliminary economic assessment had been prepared which enabled the fast-tracking of the decision to commence mining without the associated cost and time delay involved in completing a more formal feasibility study. External expert consultants were used where required in support of the assessment, in particular in areas of mining, processing, quality and marketability of product. The sedimentary mineralisation and the simple flow sheet result in a low capital expenditure project that can be committed to sequentially.

Geology

Exploration activity during the period comprised several drill programs. Diamond drilling programs were conducted within and adjacent to the Small Mine Permit ("SMP") to provide information to underpin estimation of a maiden Indicated Resource and to assist detailed mine planning. A total of 55 resource holes were drilled on a 125 x 125 metre grid and 10 holes were drilled at a nominal 50 x 50 metre grid spacing over the area where first production is anticipated. A 1,000 metre regional air core drill program was commenced in December. This program was designed to test targets to the east of the current resource area and drilling was planned on a nominal 4 kilometres x 4 kilometres grid. Results from these drilling programs, including location plans, will be released to the market when assay results have been received and validated.

An updated Mineral Resource estimate for the Gadde Bissik prospect was released in a market announcement on 7 December 2015. The updated estimate was carried out by independent consultants, MPR Geological, and contains a maiden Indicated Mineral Resource estimate. The resource estimate is summarised in Table 1 below. A technical report authored by MPR Geological Consultants Pty Ltd entitled "Technical Report Mineral Resource Estimation for the Gadde Bissik Phosphate Deposit, Republic of Senegal" has been lodged on SEDAR and is available for viewing at www.sedar.com under the Group's issuer profile and on the Group's website.

For further information on the Senegal Phosphate Project please refer to Avenira's market announcements dated 11 May 2015, 27 April 2015, 22 September 2015 and 7 December 2015 ("Prior Announcements") and the NI43-101 technical report entitled "Technical Report Mineral Resource Estimation for the Gadde Bissik Phosphate Deposit, Republic of Senegal" dated 7 January, 2016 and available on SEDAR at www.sedar.com. Avenira is not aware of any new information or data that materially affects the information included in those Prior Announcements.

Table 1 summarises estimated resources at a P_2O_5 cut-off grade of 15%. The figures in this table are rounded to reflect the precision of estimates and include rounding errors.

GADDE BISSIK MINERAL RESOURCE TABLE – EFFECTIVE DATE 7/12/2015										
PROSPECT		CATEGORY	TONNES (Million)	P_2O_5 %	CaO %	MgO %	Al_2O_3 %	Fe_2O_3 %	SiO_2 %
Gadde Bissik East	Within SMP area	Indicated	12.6	21.0	28.8	0.08	2.05	3.30	41.3
	Within SMP area	Inferred	16	20	28	0.13	2.2	3.9	42
	Outside SMP area	Inferred	64	19	26	0.12	2.8	4.0	43
	Combined	Inferred	80	19	26	0.12	2.7	4.0	43
Gadde Bissik West		Inferred	7	18	24	0.17	4.8	6.3	40
Total Gadde Bissik		**Indicated**	**12.6**	**21.0**	**28.8**	**0.08**	**2.05**	**3.30**	**41.3**
Total Gadde Bissik		**Inferred**	**87**	**19**	**26**	**0.13**	**2.9**	**4.2**	**43**

Table 1: Gadde Bissik Mineral Resource estimates

The current Mineral Resources represent two areas tested by generally 500 by 500 metre and closer spaced drilling designated as Gadde Bissik East and West, respectively. Estimates for portions of the SMP at Gadde Bissik East tested by 250 by 250 and locally closer spaced drilling are classified as Indicated. Estimates for mineralisation tested by drill hole spacings of between 250 by 250 metres and 500 by 500 metres are classified as Inferred. Potential mineralisation in more broadly sampled areas is currently too poorly defined for estimation of Mineral Resources, and represents Exploration Targets.

The work program for development of stage 1 of the open pit within the SMP Area at the Project was advanced further during the period.

Environmental Permitting

All environmental permits are in place for development of the project with the final government approval secured in November 2015.

Local Community Relocation Consultation

During December 2015 and January 2016, site surveys and calculations were completed and reviewed by the Compensation and Relocation Commission. The level of compensation has been agreed to by all parties.

Mine Design and Schedule

An updated engineering resource model has been prepared following the Indicated Resource determination in December 2015. Re-optimisation of the mine design and schedule is currently underway as part of ongoing de-risking of the project.

Mining Contract

Reviews of the Mining Contract were completed through December 2015, with the contract signed on 21 December 2015. Initial site visits to finalise the contractor site infrastructure have been completed and site establishment works commenced the week of 18 January 2016.

Site Infrastructure

Quotes have been received and negotiated for establishment of the main access road to the Gadde Bissik site and work has commenced accordingly. Required site buildings have been ordered: these are 40ft containers, converted and equipped in Dakar. The first five site buildings were installed in the third week of February 2016.

Water Supply

The drilling contractor, Bauer Resources Senegal SARL, mobilized to site in early January 2016. Drilling of the first 500m deep process water bores has commenced.

Processing

The process plant Lump Sum Turn-Key (LSTK) contract underwent further reviews during December 2015, which were concluded in early January 2016 with the contract signed on 7 January 2016.

The long lead time ultrafine screening equipment was ordered on 19 November 2015 under an Early Works Agreement Letter with the process plant design and construct contractor Consulmet (Pty) Limited.

Project Schedule

The project schedule shows the mining of overburden to access ore as the critical path for the project. Delays in the mining schedule or reduction in mining efficiency below that agreed in the mining contract could extend the development time of the project. The schedule will remain the primary management focus during the March 2016 quarter.

Marketing

The Group attended industry conferences in Spain and India during the December 2015 quarter in addition to ongoing communication with potential users and buyers of product. As a result of meetings with potential off-take parties at these conferences and other associated meetings, non-binding MOUs have been signed with 6 partners for quantities of product ranging from 50,000 to 240,000 tpa. The combined total of all MOU's is almost double the initial annual production target.

Transport

The road haulage contract has been separated from the Mining Contract, to provide clearer responsibility and management control. This function was re-tendered as a "stand-alone" contract during January and February 2016.

Port of Dakar

A contract to handle the total product tonnage predicted for 2016 was signed with TVS-Necotrans, the Port of Dakar operator, in the first week of December 2015. The contract provides for receiving product at the port and ship loading of product. However, as there are new alternatives for storage under cover at the port, the product storage will be the subject of a second contract which is currently being prepared.

Recruitment

Interviews have been conducted over the past 3 months for key, initial personnel for the Project.
As a result, Senegalese candidates have been appointed to the following positions:

1. Marketing Manager
2. Logistics Superintendent
3. Mining Superintendent
4. Processing Superintendent

Other Projects

The Group continues to review the holding costs of the Wonarah project until the commercial validation of the IHP technology.

The Group withdrew all three Port Keats exploration tenement applications during the period as they are no longer in line with the Group's strategy going forward.

CORPORATE

During the half year ended 31 December 2015 the Group reported an operating loss of $5,634,871 (half-year to 31 December 2014: $1,795,795).

As at 31 December 2015 the total cash balance was $11,964,841 (30 June 2015: $15,388,406).

On 16 July 2015 Avenira completed the sale of all its remaining legacy assets in South Africa to Spearhead Capital Limited. These assets remained from the Group's original takeover of Bonaparte Diamond Mines NL in 2009 and are no longer core to the business. This asset sale is in line with Avenira's strategy to be a major contributor to the world nutrient market via the development of world class rock phosphate projects. During the period, sale proceeds totalling ZAR10,862,874 ($1,170,965) were received. Under the sale agreement, ZAR1,852,406 ($200,000) is to be held in escrow by the Group until the fulfilment of two post-completion conditions. At the reporting date one condition is yet to be satisfied and the amount of ZAR 1 million ($96,389) remains in escrow in Avenira's trust account.

On 3 November 2015, the Group raised additional funds via the issue of 28,151,676 shares at $0.11 per share to global institutional investor JP Morgan Asset Management UK Limited to raise $3.1 million, before costs. The funds raised will be deployed towards the development of the Baobab Phosphate Project and for working capital.

The buy-back program that commenced on 3 November 2014 lapsed on 2 November 2015. A total of 1,300,000 shares were bought back at a cost of $97,167. The cost was presented in the 2015 financial statements.

Following shareholder and ASIC approval in November 2015, Minemakers Limited changed its name to Avenira Limited. As a result of the name change, Avenira has been assigned the new ASX and TSX code "AEV".

SUBSEQUENT EVENTS

On 31 January 2016 Avenira executed legally binding agreements with Mimran Natural Resources and Tablo Corporation (affiliate of Group Mimran) for:

- the issue of 20% of the capital in Baobab Mining and Chemicals Corporation SA (BMCC) to Mimran Natural Resources for consideration of US$11.25m million ($16m) and the transfer of a phosphate exploration permit in the Republic of Senegal to BMCC; and

- the issue of 104,750,000 fully paid ordinary Avenira shares (19.9% of Avenira Limited) to Tablo Corporation at a price of $0.117 per share.

This transaction was completed on 2 March 2016 resulting in Avenira receiving approximately $28 million in proceeds. Mr. David Mimran, CEO of Mimran Natural Resources, was appointed to the Boards of BMCC and Avenira Limited at completion.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of the directors.

Cliff Lawrenson
Managing Director

Perth, 11 March 2016

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Auditor's Independence Declaration to the Directors of Avenira Limited

As lead auditor for the review of Avenira Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Avenira Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
11 March 2016

AVENIRA LIMITED
31 DECEMBER 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	31 December 2015 $	31 December 2014 $
REVENUE			
Other income		**242,694**	410,900
EXPENDITURE			
Depreciation and amortisation expense		**(18,800)**	(44,034)
Salaries and employee benefits expense		**(618,464)**	(621,065)
Exploration expenditure		**(774,166)**	(900)
Impairment of exploration and evaluation expenditure		**(230,397)**	-
Doubtful debts		**(93,588)**	(10,000)
Impairment losses on available-for-sale financial assets		**-**	(140,575)
Share based payment expense		**(172,321)**	(61,833)
Net foreign currency losses		**(149,106)**	(13,614)
Net loss on disposal of subsidiary	9	**(1,354,707)**	-
Adminstrative and other expenses		**(2,466,016)**	(1,314,674)
LOSS BEFORE INCOME TAX		**(5,634,871)**	(1,795,795)
Income tax benefit / (expense)		**-**	-
LOSS FOR THE HALF-YEAR		**(5,634,871)**	(1,795,795)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations			
Exchange differences arising during the period		**(54,810)**	(12,292)
Reclassification adjustments relating to foreign operations disposed of in the period		**2,420,842**	-
		2,366,032	(12,292)
Available-for-sale financial assets			
Net fair value gain on available-for-sale financial assets		**-**	117,821
Impairment of available for-sale financial assets reclassified to profit and loss for the period		**-**	140,575
		-	258,396
Other comprehensive income for the period, net of tax		**2,366,032**	246,104
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		**(3,268,839)**	(1,549,691)
Loss for the period attributable to:			
Owners of Avenira Limited		**(5,634,871)**	(1,785,059)
Non-controlling interest		**-**	(10,736)
		(5,634,871)	(1,795,795)
Total comprehensive loss for the period attributable to:			
Owners of Avenira Limited		**(3,268,839)**	(1,538,955)
Non-controlling interest		**-**	(10,736)
		(3,268,839)	(1,549,691)
Loss per share			
From continuing operations			
Basic loss per share (cents)		**(1.76)**	(0.72)
Diluted loss per share (cents)		**(1.76)**	(0.72)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

AVENIRA LIMITED
31 DECEMBER 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	31 December 2015 $	30 June 2015 $
CURRENT ASSETS			
Cash and cash equivalents		**11,964,841**	15,388,406
Trade and other receivables		**695,065**	317,731
		12,659,906	15,706,137
Assets held for sale	9	**-**	287,863
TOTAL CURRENT ASSETS		**12,659,906**	15,994,000
NON-CURRENT ASSETS			
Trade and other receivables		**1,490,114**	1,481,600
Available-for-sale financial assets	3	**15,629**	15,629
Property, plant and equipment		**291,596**	32,471
Capitalised exploration and evaluation expenditure	4	**16,000,000**	16,000,000
Capitalised mine development	5	**21,591,725**	-
Intangible assets		**189,287**	202,095
Goodwill	8	**4,977,122**	-
TOTAL NON-CURRENT ASSSETS		**44,555,473**	17,731,795
TOTAL ASSETS		**57,215,379**	33,725,795
CURRENT LIABILITIES			
Trade and other payables		**1,227,497**	1,886,729
Provisions		**389,344**	127,128
		1,616,841	2,013,857
Liabilities directly associated with the assets held for sale	9	**-**	647,128
TOTAL CURRENT LIABILITIES		**1,616,841**	2,660,985
NON-CURRENT LIABILITIES			
Provisions		**1,328,272**	1,333,139
Deferred tax liability	8	**4,977,122**	-
TOTAL NON-CURRENT LIABILITIES		**6,305,394**	1,333,139
TOTAL LIABILITIES		**7,922,235**	3,994,124
NET ASSETS		**49,293,144**	29,731,671
EQUITY			
Issued capital	6	**107,540,688**	89,901,304
Reserves		**19,252,963**	13,857,599
Reserves directly associated with the assets held for sale		**-**	(2,042,989)
Accumulated losses		**(77,500,507)**	(71,865,636)
Capital and reserves attributable to members of Avenira Limited		**49,293,144**	29,850,278
Non-controlling interest		**-**	(118,607)
TOTAL EQUITY		**49,293,144**	29,731,671

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Attributable to Owners of Avenira Limited					
	Issued Capital	Reserves	Accumulated Losses	Total	Non-controlling Interest	Total Equity
	$	$	$	$	$	$
BALANCE AT 1 JULY 2014 – as previously stated	89,927,470	10,920,114	(28,185,002)	72,662,582	(148,357)	72,514,225
Error correction	-	690,089	(690,089)	-	-	-
RESTATED BALANCE AT 1 JULY 2014	89,927,470	11,610,203	(28,875,091)	72,662,582	(148,357)	72,514,225
Loss for the period	-	-	(1,785,059)	(1,785,059)	(10,736)	(1,795,795)
Other comprehensive income for the period	-	246,104	-	246,104	-	246,104
Total comprehensive income for the period	-	246,104	(1,785,059)	(1,538,955)	(10,736)	(1,549,691)
Transactions with owners in their capacity as owners						
Buy back of shares	(97,167)	-	-	(97,167)	-	(97,167)
Employee share options	-	61,833	-	61,833	-	61,833
BALANCE AT 31 DECEMBER 2014	89,830,303	11,918,140	(30,660,150)	71,088,293	(159,093)	70,929,200
BALANCE AT 1 JULY 2015	**89,901,304**	**11,814,610**	**(71,865,636)**	**29,850,278**	**(118,607)**	**29,731,671**
Loss for the period	**-**	**-**	**(5,634,871)**	**(5,634,871)**		**(5,634,871)**
Other comprehensive income for the period	**-**	**2,366,032**	**-**	**2,366,032**	**-**	**2,366,032**
Total comprehensive income for the period	**-**	**2,366,032**	**(5,634,871)**	**(3,268,839)**	**-**	**(3,268,839)**
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	**3,359,384**	**-**	**-**	**3,359,384**	**-**	**3,359,384**
Issue of ordinary shares as consideration for a business combination, net of transaction costs	**14,280,000**	**-**	**-**	**14,280,000**	**-**	**14,280,000**
Issue of share options and rights as consideration for a business combination	**-**	**4,900,000**	**-**	**4,900,000**	**-**	**4,900,000**
Share options expensed		**130,200**		**130,200**	**-**	**130,200**
Employee share rights expensed	**-**	**42,121**	**-**	**42,121**	**-**	**42,121**
Derecognition of non-controlling interest on disposal of subsidiary	**-**	**-**	**-**	**-**	**118,607**	**118,607**
BALANCE AT 31 DECEMBER 2015	**107,540,688**	**19,252,963**	**(77,500,507)**	**49,293,144**	**-**	**49,293,144**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

AVENIRA LIMITED
31 DECEMBER 2015

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	31 December 2015 $	31 December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(3,203,700)**	(1,994,041)
Payments for exploration expenditure		**(774,166)**	(901)
Interest received		**199,487**	423,872
Proceeds from other income		**2,298**	1,000
Net cash (outflow) from operating activities		**(3,776,081)**	(1,570,070)
CASH FLOWS FROM INVESTING ACTIVITIES			
Research and development tax receipt		**-**	213,728
Payment for property, plant and equipment		**(39,805)**	-
Proceeds on sale of plant and equipment		**508**	-
Expenditure on mineral interests		**(1,585,419)**	(1,004,136)
Payments for mine development		**(2,028,610)**	-
Cash balance on subsidiary acquired		**117,255**	-
Proceeds on sale of subsidiary		**1,170,965**	-
Refund of security deposits		**94,500**	-
Payments for security deposits		**(103,013)**	(215,000)
Net cash (outflow) from investing activities		**(2,373,619)**	(1,005,408)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for share buy-back		**-**	(97,167)
Proceeds from issue of shares		**3,096,682**	-
Payments for share issue costs		**(154,834)**	-
Net cash inflow / (outflow) from financing activities		**2,941,848**	(97,167)
Net (decrease) in cash and cash equivalents		**(3,207,852)**	(2,672,645)
Cash and cash equivalents at the beginning of the half-year		**15,388,406**	22,075,533
Effects of exchange rate changes on cash and cash equivalents		**(215,713)**	(13,552)
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR		**11,964,841**	19,389,336

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

(a) Reporting Entity

Avenira Limited is a for profit company limited by shares, domiciled and incorporated in Australia. The company's principal place of business is Ground Floor, 20 Kings Park Road, West Perth WA 6005.

On 25 November 2015, following shareholders' approval at the company's Annual General Meeting, the company changed its name from Minemakers Limited to Avenira Limited.

(b) Basis of preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance the *Corporations Act 2001* and AASB 134: Interim Financial Reporting.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Avenira Limited and its controlled entities (Avenira or the Group) as the annual financial report. It is recommended that the half-year financial report be read in conjunction with the annual report of the Group for the year ended 30 June 2015 and considered together with any public announcements made by Avenira during the half-year ended 31 December 2015 in accordance with the continuous disclosure obligations of the ASX listing rules.

The half-year financial report has been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2015.

(c) New and accounting standards for application in future periods

The Group has adopted all new and revised Accounting Standards and Interpretations effective from 1 July 2015, including:

- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 *Materiality;*

The adoption of this new and amended Standards and Interpretations had no impact on the financial position or performance of the Group.

(d) New accounting policies for events and transactions that occurred during the period

Capitalised mine development

Once technical feasibility and commercial viability of extraction of mineral resources in a particular area of interest become demonstrable, the exploration and evaluation assets attributable to that area of interest is reclassified as mine development.

Capitalised mine development represents the costs incurred in preparing mines for production and includes plant and equipment under construction, stripping and waste removal costs incurred before production commences. These costs are capitalised to the extent that they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs will be amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

Amortisation of capitalised mine development will commence at the point when production from geological area of interest commences.

(e) Comparatives

The comparatives have been restated to be presented on a consistent basis with the current half-year presentation. No reclassification of the presentation of financial information has occurred in the current period and as such, the comparability of periods has been maintained.

NOTE 2: SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board considers the business from both functional and geographic perspectives and has identified that there are two reportable segments being:

- exploration and development of the Wonarah Project in the Northern Territory (Wonarah), and
- exploration and development of the Baobab Phosphate Project in the Republic of Senegal (Baobab), a new operating segment identified in the current reporting period, hence there is no comparative information relating to this segment in the financial report.

(b) Segment information provided to the Board

The following table presents revenue and profit for the Group's operating segments for the six months ended 31 December 2015.

Six months ended 31 December 2015	Wonarah	Baobab	Total
	$	$	$
Other income	22,026	2,299	24,325
Total segment revenue	**22,026**	**2,299**	**24,325**
Loss for the period	**(227,394)**	**(809,252)**	**(1,036,646)**

The following table presents assets and liabilities information for the Group's operating segments as at 31 December 2015.

	Wonarah	Baobab	Total
	$	$	$
Total assets	**17,544,119**	**27,539,223**	**45,083,342**
Total liabilities	**(1,495,368)**	**(5,479,094)**	**(6,974,462)**

Segments assets are measured in the same way as presented in the financial statements. These assets are allocated based on the operations of the segment and physical location of the asset.

(c) Reconciliation to the Group reported loss:

	31 December 2015
	$
Loss of reportable segments	**(1,036,646)**
Reconciliation of loss:	
Other income	218,369
Depreciation and amortisation expense	(16,599)
Salaries and employee benefits expense	(618,464)
Exploration expenditure	(270)
Doubtful debts	(93,588)
Net loss of disposal of subsidiary	(1,354,707)
Share based payment expense	(172,321)
Net foreign currency losses	(149,106)
Administrative and other expenses	(2,411,539)
Loss before tax from continuing operations	**(5,634,871)**

NOTE 3: NON-CURRENT ASSETS – FINANCIAL ASSETS

The Group's financial instruments consist of cash and cash equivalents, available-for-sale financial assets, derivative assets, trade and other receivable – current, trade and other receivable non-current and trade payables. These financial instruments are measured at cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

The totals of each category of financial instruments, other than those with carrying amounts which are reasonable approximations of fair value, are set out below:

31 December 2015	**Carrying amount**		**Fair value**	
	31 Dec 2015	**30 June 2015**	**31 Dec 2015**	**30 June 2015**
	$	**$**	**$**	**$**
Financial assets				
Available-for-sale financial assets	**15,629**	15,629	**15,629**	15,629
Derivative financial instruments	**-**	-	**-**	-
	15,629	15,629	**15,629**	15,629

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in the making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted process included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

31 December 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Available-for-sale financial assets				
- Listed investments (i)	**15,629**	**-**	**-**	**15,629**
- Unlisted investments (ii)	**-**	**-**	**-**	**-**
Derivative financial instruments				
- Unlisted warrants at fair value through profit or loss (iii)	**-**	**-**	**-**	**-**
	15,629	**-**	**-**	**15,629**

30 June 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Available-for-sale financial assets				
- Listed investments(i)	15,629	-	-	15,629
- Unlisted investments(ii)	-	-	-	-
Derivative financial instruments				
- Unlisted warrants at fair value through profit or loss (iii)	-	-	-	-
	15,629	-	-	15,629

(i) These equity securities are ordinary fully paid 15,619,524 shares of Niuminco Group Limited valued at 0.10 cent per share.

(ii) At 30 June 2015 the Group assessed whether any objective evidence existed indicating that its available-for-sale investments in JDCP was impaired. The current financial situation of JDCP and the protracted capital raising activities were considered sufficient evidence that the investment was impaired. Accordingly, the fair value of the Group's investment in unlisted equity securities at 30 June 2015 was assessed as nil. There was no change to the carrying value at 31 December 2015.

(iii) The Group holds unlisted warrants in JDCP. The warrants have an exercise prices of US$0.01 and expire on 17 February 2024. The fair value of the warrants is considered to equate to the fair value of the underlying ordinary shares. Accordingly, unlisted warrants had been impaired to nil as at 30 June 2015. There was no change to the carrying value at 31 December 2015.

NOTE 4: NON-CURRENT ASSETS – CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2015 $	30 June 2015 $
Exploration and evaluation costs carried forward in respect of mining areas of interest		
Opening net carrying amount	**16,000,000**	48,664,776
Capitalised exploration and evaluation costs	**905,545**	1,981,258
Impairment of exploration and evaluation expenditure (i)	**(230,397)**	(34,432,307)
Research and development tax refund	**-**	(213,727)
Capitalised exploration and evaluation costs on acquisition (ii)	**19,908,486**	-
Reclassification to capitalised mine development (iii)	**(20,583,634)**	-
Closing net carrying amount	**16,000,000**	16,000,000

The recovery of the carrying amount of the capitalised exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. No amortisation is charged during the exploration and evaluation phase.

(i) At 30 June 2015 the Group assessed the carrying value of exploration and evaluation expenditure capitalised in respect of the Wonarah project for impairment. The independent valuation of the Wonarah project prepared by Optiro Pty Ltd was used for determining the recoverable value of the exploration expenditure and as a result, the Group assessed the fair value less costs to sell the Wonarah project to be at the low end of the expert's valuation of $16,000,000. Accordingly, an impairment charge of $34,432,307 was recognised in the statement of profit or loss as at 30 June 2015.

The Group examined movement of the inputs and valuation metrics (rock phosphate prices, exchange rates and comparable sale transactions of phosphate projects) used by Optiro for evaluation of the fair market value of the Wonarah project and formed a view that as at 31 December 2015 the estimated recoverable amount of the Wonarah project has not materially changed since 30 June 2015. This view was also supported by the fact that the impairment of the project recognised at 30 June 2015 was written down to the lowest level of the Optiro's valuation of the fair market value being $16m.

(ii) Refer to Note 8 for further details.

(iii) Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, the exploration and evaluation expenditure attributable to that area of interest is first tested for impairment and then reclassified to capitalised mine development. On 11 November 2015 the capitalised exploration and evaluation expenditure was reclassified to capitalised mine development following the decision of Avenira's Board of Directors to commence mining activities at the Baobab project.

NOTE 5: NON-CURRENT ASSETS – CAPITALISED MINE DEVELOPMENT

	31 December 2015 $	30 June 2015 $
Development costs carried forward in respect of mining areas of interest		
Opening net carrying amount	**-**	-
Capitalised mine development	**1,161,292**	
Reclassification from capitalised exploration and evaluation expenditure	**20,583,634**	-
Foreign currency translation movement	**(153,201)**	-
Closing net carrying amount	**21,591,725**	-

The capitalised mine development represents the costs incurred in preparing the mine for production and includes plant and equipment under construction, stripping and waste removal costs incurred before the production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Please refer to Note 1(d) for the Group's accounting policy on "Capitalised Mine Development".

NOTE 6: EQUITY SECURITIES ISSUED

		31 December 2015		30 June 2015	
		Shares	**$**	Shares	$
(a)	**Issued capital**				
	Issued capital	**419,151,468**	**107,540,688**	247,204,006	89,901,304
	Total Issued capital	**419,151,468**	**107,540,688**	247,204,006	89,901,304
(b)	**Movements in ordinary shares during the half-year**				
	Beginning of the period	**247,204,006**	**89,901,304**	247,504,006	89,927,470
	Transactions during the period				
	- Share buy-back for cash (i)	**-**	**-**	(1,300,000)	(97,166)
	- Issue of shares (ii)			1,000,000	71,000
	- Issue of shares (iii)	**28,151,676**	**3,096,682**	-	-
	- Issue of shares (iv)	**3,795,786**	**417,536**	-	-
	- Issue of shares (v)	**140,000,000**	**14,280,000**	-	-
	Less: Transaction costs	**-**	**(154,834)**	-	-
	End of the period	**419,151,468**	**107,540,688**	247,204,006	89,901,304

(i) From 6 November 2014 to 19 November 2014 1,300,000 shares were bought back on market at an average price of 7.47 cents.
(ii) Issued at 7.1 cents per share in consideration for corporate advisory services provided.
(iii) Issued at 11 cents per share to JP Morgan Asset Management. Share issue costs of $154,834 were incurred.
(iv) Issued at 11 cents per share under the Stock Option Repurchase Agreement with Baobab Mining and Chemicals Corporation SA.
(v) Issued to Baobab Partners LLC in consideration for acquisition of Baobab Fertiliser Africa, the parent company of Baobab Mining and Chemicals Corporation SA: 100 million shares were issued on 24 September 2015 at 10.5 cents and 40 million shares were issued on 11 November 2015 at 9.5 cents.

		Number of options 31 December 2015
(c)	**Movements of options during the half-year**	
	Unlisted options, exercisable at 10 cents on or before 30 June 2018 (i)	**3,000,000**
	Unlisted options, exercisable at 15 cents on or before 30 June 2018 (i)	**3,000,000**
	Unlisted options, exercisable at 25 cents on or before 30 June 2018 (i)	**3,000,000**
	Unlisted options, exercisable at 25 cents on or before 24 September 2019 (ii)	**80,000,000**
	Total for the period	**89,000,000**

(i) On 28 July 2015 the total of 9 million unlisted options were issued to third parties as an incentive remuneration for services.
(ii) On 24 September 2015 80 million unlisted options were issued to Baobab Partners LLP in accordance with the terms and conditions of the Merger Implementation Agreement in consideration for the acquisition by the Group of Baobab Fertilzer Africa, the parent company of Baobab Mining and Chemicals Corporation SA, a company which owns the Baobab Phosphate Project in the Republic of Senegal.

All options issued during the period were valued using the Black-Scholes European Option Pricing model. The fair value of options granted during the six months ended 31 December 2015 was estimated on the date of grant using the following assumptions:

	31 December 2015
Weighted average exercise price (cents)	0.2416
Expected share price volatility	68.20%
Weighted average risk-free interest rate	1.93%
Weighted average life of option (years)	3.89
Weighted average underlying share price (cents)	0.101
Weighted average fair value per option granted (cents)	0.0310

For six months ended 31 December 2015, in relation to options granted, Avenira has recognised $130,200 of share-based payment transactions expense in the statement of profit or loss (31 December 2014: $61,833).

	Number of share rights 31 December 2015
(d) Movements of share rights during the half-year	
Issued for nil consideration, expiring on 20 September 2020 (i)	**40,000,000**
Issued for nil consideration, expiring on 10 December 2017 (ii) & (iv)	**10,050,000**
Issued for nil consideration, expiring on 10 December 2017 (iii) & (iv)	**3,750,000**
Total for the period	**53,800,000**

(i) On 24 September 2015 40 million contingent share rights were issued to Baobab Partners LLP in accordance with the terms and conditions of the Merger Implementation Agreement in consideration for the acquisition of Baobab Fertilzer Africa, the parent company of Baobab Mining and Chemicals Corporation SA, a company which owns the Baobab Phosphate Project in the Republic of Senegal. These share rights will convert to ordinary shares upon the first commercial production of the phosphate rock at the Baobab Phosphate Project.

(ii) Subsequent to the approval of the Performance Rights Plan (Plan) at the Annual General Meeting held on 18 November 2015 performance share rights were issued during the period to senior management personnel of the Group. The share rights were issued in three tranches in accordance with the terms and conditions of the Plan. Each tranche is subject to vesting performance conditions, a vesting milestone date and has an expiry date 2 years from the date of issue

(iii) Subsequent to the approval at the Annual General Meeting held on 18 November 2015 Director performance share rights were issued to Mr. Lawrenson. The share rights were issued in three tranches in accordance with the terms and conditions approved at the Annual General Meeting. Each tranche is subject to vesting performance conditions, a vesting milestone date and has an expiry date 2 years from the date of issue.

(iv) The fair value of the share-based payments provided to key management personnel was estimated at the grant date (refer to the above notes (ii) and (iii)) taking into the account both market and non-market based vesting conditions. The Monto-Carlo simulation methodology was used to calculate the fair value of each performance right.

The table below summarises the fair value calculations for each tranche of performance rights issue:

	Tranche 1		Tranche 2		Tranche 3	
	note (ii)	note (iii)	note (ii)	note (iii)	note (ii)	note (iii)
Fair value per right, $	0.0920	0.0670	0.0920	0.0670	0.0920	0.0670
Rights issued	1,875,000	5,025,000	937,500	2,512,500	937,500	2,512,500
Probability	50%	50%	40%	40%	50%	50%

For six months ended 31 December 2015, in relation to performance rights granted, Avenira has recognised $42,121 of share-based payment transactions expense in the statement of profit or loss (31 December 2014: Nil).

NOTE 7: CONTINGENCIES

There has been no change in contingent assets or contingent liabilities since the last annual reporting date.

NOTE 8: BUSINESS COMBINATION

On 23 September 2015 Avenira acquired 100% of the issued shares in Baobab Fertilizer Africa (BFA). BFA is the 100% shareholder of Baobab Mining and Chemicals Corporation SA (BMCC), a company which owns the Baobab Phosphate Project in the Republic of Senegal.

The acquisition advances the Group's focus on the nutrient and fertiliser sector and nearer-term strategic objective of early cash flow with minimal capital expenditure and no technology risk.

The acquisition of BFA has been accounted for using the acquisition method. The financial statements include the results of BFA from the date of acquisition.

Purchase consideration

The equity instruments were issued as a consideration in a business combination and measured at their fair value on the acquisition date as follows:

	$
Purchase consideration	
100,000,000 fully paid ordinary shares (i) (v)	10,500,000
80,000,000 unlisted options (ii) (v)	2,632,000
40,000,000 Class "A" contingent share rights (iii) (vi)	3,780,000
40,000,000 Class "B" contingent share rights (iv) (vi)	2,268,000
	19,180,000

(i) Fair value is the share price on acquisition date, being $0.105.
(ii) Fair value price of $0.033 was calculated using Black-Scholes European Option Pricing Model at acquisition date.
(iii) Each Class "A" Contingent Share Right will convert to one ordinary share upon the earlier of achievement of (i) a board-approved preliminary feasibility study; (ii) the decision by the Board to proceed with the construction of a phosphate rock mine; or (iii) first commercial production of phosphate rock. Fair value is the share price on acquisition date, being $0.105. Maximum amount of contingent consideration is $4,200,000.
(iv) Each Class "B" Contingent Share Right will convert to one ordinary share upon the first commercial production of the phosphate rock. Fair value is the share price on acquisition date, being $0.105. Maximum amount of contingent consideration is $4,200,000.
(v) The consideration paid is calculated by multiplying the number of securities issued by the fair value of each security.
(vi) The consideration paid is calculated by multiplying the number of securities issued by the fair value of each security multiplied by the probability of each milestone being achieved.

Provisional fair value of identifiable net assets and liabilities

The provisional fair values of the identifiable assets and liabilities of BFA as at the date of acquisition were:

	Provisional fair value on acquisition $
Assets	
Cash and cash equivalents	117,255
Trade and other receivables	82,753
Property, plant and equipment	237,907
Capitalised exploration and evaluation expenditure recognised on acquisition	19,908,486
Total assets	**20,346,401**
Liabilities	
Trade and other payables	(1,166,401)
Deferred tax liability recognised on acquisition	(4,977,122)
Total liabilities	**(6,143,523)**

Total net assets acquired on acquisition	**14,202,878**
Goodwill arising on acquisition (provisional)	**4,977,122**
Total purchase consideration	**19,180,000**

Analysis of cash flows on acquisition	
Cash consideration paid to acquire subsidiary	-
Cash balance acquired	117,255
Net cash inflow on acquisition	**117,255**

The fair value of trade and other receivables represents their recoverable amounts.

The goodwill on the transaction has principally arisen as a result of the requirement to recognise the deferred income tax liabilities representing the tax effect of the difference between the fair value and the tax base of assets acquired. The recognition of the deferred tax liability and associated goodwill is provisional and will be further reviewed and analysed before the financial year end at 30 June 2016.

Other Considerations

Management are not aware of the existence of any other assets and liabilities that should be considered in the assessment of the fair value of assets and liabilities of the acquiree except for the recognition of deferred tax liabilities.

Revenue and loss of acquiree since the date of acquisition to 31 December 2015

The acquired business contributed revenue of $2,299 and a net loss of $35,355 to the Group for the period from 23 September 2015 to 31 December 2015. If the acquisition had taken place at the beginning of the year, revenue and loss for the period would have been $533,057 and $463,396 respectively.

Transaction costs

Transaction costs of $1,189,532 have been expensed and are included in administrative and other expenses in the profit or loss.

NOTE 9: DISPOSAL OF SUBSIDIARY

On 16 July 2015 Avenira completed the sale of all its remaining legacy assets in South Africa to Spearhead Capital Limited and received sale proceeds totalling ZAR10,862,874 ($1,170,965). Under the sale agreement, ZAR1,852,406 ($200,000) is to be held in escrow by the Group until the fulfilment of two post-completion conditions. At the reporting date one condition is yet to be satisfied and the amount of ZAR 1 million ($96,389) remains in escrow in Avenira's trust account.

NOTE 10: DIVIDENDS

There were no dividends paid or proposed during the half-year period.

NOTE 11: COMMITMENTS

Contractual commitments

At 31 December 2015, the Group has estimated capital commitments of EUR 565,377 (equivalent $844,981) in relation to water drilling and ZAR 45,997,437 (equivalent $4,058,502) in relation to the construction of the processing plant at the Baobab project.

NOTE 12: SUBSEQUENT EVENTS

On 31 January 2016 Avenira executed legally binding agreements with Mimran Natural Resources and Tablo Corporation (affiliate of Group Mimran) for:

- the issue of 20% of the capital in Baobab Mining and Chemicals Corporation SA to Mimran Natural Resources for consideration of US$11.25m million ($16m) and the transfer of a phosphate exploration permit in the Republic of Senegal to BMCC; and

- the issue of 104,750,000 fully paid ordinary Avenira shares (19.9% of Avenira Limited) to Tablo Corporation at a price of $0.117 per share.

The transaction was completed on 2 March 2016 resulting in Avenira receiving approximately A$28 million in proceeds. Mr. David Mimran, CEO of Mimran Natural Resources, was appointed to the Boards of BMCC and Avenira Limited at completion.

Apart from the above as at the date of this report there is no matter or circumstance that has arisen since 31 December 2015, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

The directors' declare that:

1. the financial statements and notes set out on pages 8 to 20 are in accordance with the *Corporations Act 2001*, including:
   (a) complying with Accounting Standards AASB 134: Interim Reporting and the Corporations Regulations 2001; and
   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
2. In their opinion there are reasonable grounds to believe that Avenira Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Cliff Lawrenson
Managing Director

Perth, 11 March 2016

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To the members of Avenira Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Avenira Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Avenira Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Avenira Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
11 March 2016