

Mine Development underway

Full funded; first product in 2016

Recommendation

BUY, High Risk

Price

23c

Valuation

33c

Commodity

Phosphate

- In December 2015, AEV shareholders approved transactions with Groupe Mimran, so that AEV is now fully funded to bring its first mine at into operation.
- Mine development began in March and the process plant is being fabricated.
 - Successful execution of the Small Mine Permit project
 - Further mines in the Baobab tenement area
 - Success with the Improved Hard Process, which will generate very significant value from Wonarah
- Beer & Co's risked valuation has slipped as we have increased our L-R AUD-USD rate from 0.700 to 0.750.

Snapshot

Market Cap	\$120m
Cash held	\$32.0m
Shares on Issue	523.9m
52 Week High	15.5c
52 Week Low	5.7 c
1 month / 6 month VWAP	19.8c / 15.0c

AEV : daily share price v. value traded



At the November 2015 AGM, shareholders agreed to change the company name from Minemakers (MAK.ASX) to Avenira (AEV).

AEV is now developing a mine in Senegal to produce phosphate (P₂O₅) rock, which is a key fertiliser input, and expects to ship product in 2016.

AEV's first project is on a Small Mine Permit, which is limited to 5km².

AEV has 1,553km² in tenement with significant mineralisation, which can be developed under a Mining Lease.

AEV has significant further potential from applying the Improved Hard Process to its Wonarah ore and to Baobab ore.

Author : Pieter Bruinstroop
pbruinstroop@beerandco.com.au

AEV is fully funded to bring the SMP project into production

AEV shareholders approved transactions with Groupe Mimran, a West African Industrial company with a focus on natural resources that have ensured that AEV has more than enough funds to bring the Small Mine Permit project into production.

Development of SMP Under way

AEV started the mine development in March.

Fabrication of the process plant has started.

AEV's quarterly cashflow shows that AEV invested \$5.4m in the March quarter in project development, and that AEV expects to invest a further \$8.8m in the June quarter, which should substantially complete the physical investment.

Beer & Co expects first product later in 2016.

Valuation adjusted

Beer & Co's risked valuation of AEV is based on Long-Run prices of

- US\$ 115/t for benchmark Phosphate rock; and
- AUD-USD rate 0.750, which is revised up from 0.700 in our initiation research in March 2016

Beer & Co's revised valuation is now 33c/share

Further upside in AEV

Beer & Co sees many areas of potential further upside in AEV, from

- Further mine developments in AEV's Baobab tenement area; and
- Success in the development of the Improved Hard Process.

Beer & Co retains a BUY recommendation on AEV

Despite the strong run in the AEV share price, Beer & Co's risked valuation is still a significant premium to the share price.

AEV is cheap in the base case, with huge upside. Beer & Co initiates research on AEV with a BUY, High Risk recommendation.

This report was produced by Beer & Co Research, an independent research and advisory firm.

It is intended for wholesale investors ONLY.

If you do not wish to receive our research, please email to info@beerandco.com.au with "unsubscribe"

If you wish to receive, free of charge, Beer & Co research, please register at <http://beerandco.com.au/all-research/>

Baobab SMP under development

Baobab SMP

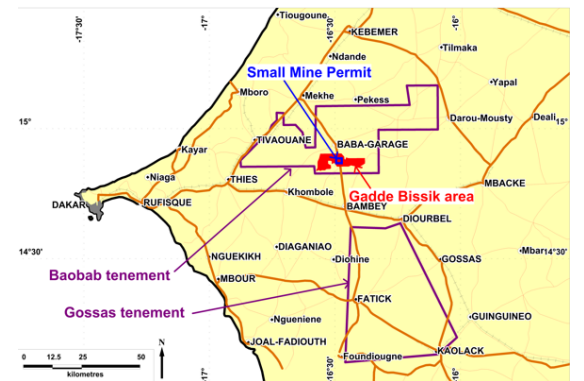
AEV's Senegal interests are in a multi-stage development, starting with a modest project, that is fully funded into production.

Figure 1 shows the tenement area held by the Baobab Mining and Chemicals Corporation (BMCC), in which AEV holds an 80% stake.

As shown in Figure 2, AEV has started mining operation sat the Small Mine Permit.

Figure 3 shows that fabrication of the process plant is also underway.

Figure 1 : AEV's Baobab project, Senegal



Source : AEV presentation, February 2016

Figure 2a : Mining at Baobab



Source : AEV March 2016 quarterly

Figure 2b : Mining at Baobab



Source : AEV March 2016 quarterly

Figure 3a : Process plant fabrication



Source : AEV March 2016 quarterly

Figure 3b : Off-site trial erection of plant



Source : AEV March 2016 quarterly

First Product in 2016

AEV expects to invest \$8.8m in the June quarter, having invested \$5.4m in the March quarter, which should be the total of investment, so first product is expected during the September quarter.

Important Information

Confidential

This document is for the confidential use of the recipients only and is not to be reproduced without the authority of Beer & Co Pty Ltd. It has been prepared at the request of Avenira Limited and Beer & Co Pty Ltd will receive a fee for its preparation.

Disclaimer

The persons involved in or responsible for the preparation and publication of this report believe that the information herein has been obtained from reliable sources and that any estimates, opinions, conclusions or recommendations are reasonably held at the time of compilation. No warranty is made as to the accuracy of the information in this document and, to the maximum extent permitted by law, Beer & Co Pty Ltd and its related entities, their respective directors and officers disclaim all liability for any loss or damage which may be suffered by any recipient through relying on anything contained or omitted from this document.

General Advice

The content is of a general nature and is based on a consideration of the securities alone, and as such is conditional and must not be relied upon without advice from a securities adviser as to the appropriateness to you given your individual investment objectives, financial situation and particular needs. Whilst this document is based on information and assessments that are current at the date of publication, Beer & Co Pty Ltd has not undertaken detailed due diligence on the information provided and has no obligation to provide revised assessments in the event of changed circumstances.

Disclosure

Beer & Co Pty Ltd has been engaged by Avenira Limited to prepare this research report and is being paid a fee for its preparation. In the future, Beer & Co Pty Ltd may provide capital raising services to Avenira Limited on commercial terms. Directors of Beer & Co or other associate companies may own securities in Avenira Limited. Beer & Co Pty Ltd seeks to do work with those companies it researches. As a result, investors should be aware that Beer & Co Pty Ltd may have a conflict of interest that could affect the objectivity of this report.

Analyst Certification

The analyst responsible for this research report certifies that all of the views expressed reflect his personal views about the securities and the issuer.

Report prepared by : Pieter Bruinstroop pbruinstroop@beerandco.com.au

BEER & CO PTY LTD ABN 88 158 837 186,
AUTHORISED REPRESENTATIVE MELBOURNE VENTURE SECURITIES PTY LTD AFSL No. 224 313

Melbourne Office:

Suite 4, Level 2, Bank House

11 - 19 Bank Place,

Melbourne, Vic, Australia 3000

Telephone: (+613) 9600 3599

Facsimile: (+613) 9602 2291

Email: info@beerandco.com.au

Web: www.beerandco.com.au