

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.

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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 significant further potential. Beer & Co maintains a BUY, High Risk recommendation on AEV.

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Baobab SMP under development

Baobab SMP

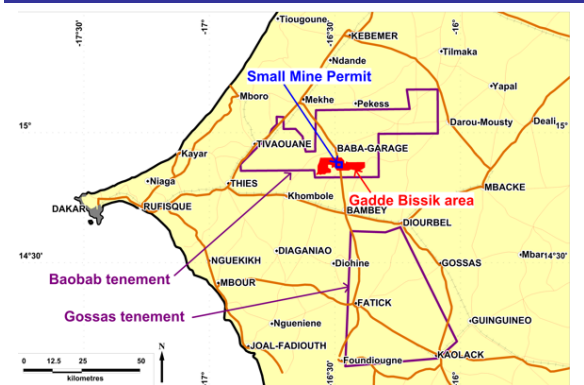
AEV's Senegal interests are in a multi-stage development, starting with a modest project, that is fully funded into production.

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



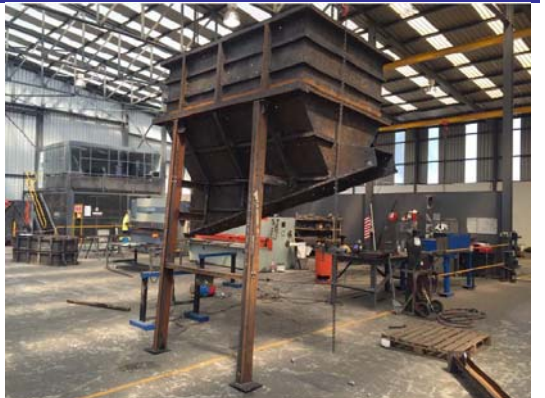
Source : AEV March 2016 quarterly

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.

Beer & Co Research

Avenira Limited (AEV.ASX)

April 2016

Year ended June	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Section 1 - P&L								
Sales revenue	\$A m	0	0	47	59	95	174	269
Interest revenue	\$A m	1	0	0	0	0	1	2
Other revenue	\$A m	0	0	0	0	0	0	0
Total Revenue	\$A m	1	0	47	60	95	174	271
Cost of Goods Sold	\$A m	0	0	(32)	(35)	(54)	(97)	(155)
Royalties	\$A m	0	0	(3)	(4)	(6)	(11)	(18)
Corporate Costs	\$A m	(5)	(4)	(4)	(4)	(4)	(4)	(4)
Exploration Expense	\$A m	(2)	0	0	0	0	0	0
Other Operating Expenses	\$A m	(3)	0	0	0	0	0	0
Total Operating Expenses	\$A m	(9)	(4)	(39)	(42)	(64)	(112)	(176)
EBITDA	\$A m	(9)	(4)	8	17	31	64	95
Dep'n & Amort'n	\$A m	(0)	0	(1)	(2)	(3)	(6)	(10)
EBIT	\$A m	(9)	(4)	7	15	28	57	85
Interest Expense	\$A m	0	0	0	0	0	0	0
Other	\$A m	(34)	0	0	0	0	0	0
Pre-Tax Profit	\$A m	(43)	(4)	7	15	28	57	85
Tax Expense	\$A m	0	0	(3)	(6)	(6)	(6)	(6)
NPAT	\$A m	(43)	(4)	4	10	21	48	79
Section 2 - Key Data								
Ordinary shares - year end	m	247	525	579	588	588	668	668
Fully diluted shares on issue	m	247	525	579	588	588	668	668
Weighted # shares	m	247	454	574	582	588	668	668
Earnings per Share		(17.5c)	(0.8c)	0.7 c	1.6 c	3.6 c	7.2 c	11.8 c
Dividends Per Share		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Section 3 - Balance Sheet								
Cash	\$A m	15	30	30	16	32	101	206
Receivables	\$A m	0	0	14	15	32	43	74
Other	\$A m	0	2	2	2	6	6	10
CURRENT ASSETS	\$A m	16	32	46	33	70	150	290
Receivables	\$A m	1	0	0	0	0	0	0
P, P & E	\$A m	0	11	12	29	28	27	54
Mining Properties / Exploration	\$A m	16	6	11	19	23	23	19
Other	\$A m	0	0	0	0	0	0	0
NON-CURRENT ASSETS	\$A m	18	17	24	48	51	50	73
TOTAL ASSETS	\$A m	33	49	70	82	121	200	363
Payables	\$A m	2	0	3	3	6	8	14
Debt	\$A m	0	0	0	0	0	0	0
Other	\$A m	1	0	0	0	0	0	0
CURRENT LIABILITIES	\$A m	3	0	3	3	6	8	14
Long Term Debt	\$A m	0	0	0	0	0	0	0
Other	\$A m	0	0	0	0	0	0	0
Provisions	\$A m	1	0	0	0	0	0	0
NON-CURRENT LIABILITIES	\$A m	1	0	0	0	0	0	0
TOTAL LIABILITIES	\$A m	4	0	3	3	6	8	14
NET ASSETS	\$A m	29	48	66	79	115	192	349
Accumulated Profit (Loss)	\$A m	(72)	(76)	(72)	(62)	(41)	7	57
Reserves	\$A m	12	22	32	34	49	57	85
Contributed Equity	\$A m	90	102	106	107	107	127	127
Minority Interest	\$A m	(30)	48	66	79	115	192	349
Total Equity	\$A m	30	48	66	79	115	192	349
Section 4 - Cashflow								
Net Cashflow from operations	\$A m	(6)	(4)	8	17	31	60	95
Net Interest Paid	\$A m	1	0	0	0	0	1	2
Taxes Paid	\$A m	0	0	0	(3)	(6)	(6)	(6)
Change in Working Capital	\$A m	2	(1)	(11)	(1)	(14)	(9)	(24)
OPERATING CASHFLOW	\$A m	(3)	(5)	(3)	14	12	46	67
Exploration + Feasibility	\$A m	(2)	(4)	(6)	(8)	(5)	0	0
Maintenance Capex	\$A m	0	0	(1)	(1)	(3)	(5)	(8)
Expansion Capex	\$A m	0	0	0	(18)	0	0	(29)
PPE Acquisitions (Total Capex)	\$A m	(2)	(4)	(7)	(27)	(9)	(5)	(34)
PPE Divestments	\$A m	0	0	0	0	0	0	0
INVESTING CASHFLOW	\$A m	(2)	(4)	(7)	(27)	(9)	(5)	(34)
Change in Equity	\$A m	0	13	3	2	0	20	0
Dividends Paid	\$A m	0	0	0	0	0	0	0
Change in Debt	\$A m	0	0	0	0	0	0	0
FINANCING CASHFLOW	\$A m	0	13	3	2	0	20	0
Free Cashflow	\$A m	(6)	(9)	(10)	(14)	3	41	59
Net Cashflow	\$A m	(6)	4	(7)	(12)	3	61	59

Commodity price assumptions

Year ended June	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
AUD/USD	0.750	0.750	0.750	0.750	0.750	0.750
USD/EUR	1.150	1.150	1.150	1.150	1.150	1.150
Phos Rock, USD/t	USD /t	115	115	115	115	115
Boabab v. Benchmark	(7)	(1)	5	5	5	5
Low Fe v. benchmark	(2)	(2)	(2)	(0)	6	10

Mine Production / Sales, phosphate concentrate (AEV share)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Small Mine Permit	322	390	390	390	390	390
Gayden Bissik East	0	0	214	712	697	697
Other Baobab	0	0	0	0	0	599

Resources, Reserves and assumed mining inventory

Gayden Bissik Mineral Resources

	Indicated	Inferred	P2O5	CaO	MgO	Al2O3	Fe2O3
Within SMP area	12.6 Mt	21.0 %	28.8 %	0.08 %	2.05 %	3.30 %	
	16 Mt	20 %	28 %	0.13 %	2.2 %	3.9 %	
Gayden Bissik East	Inferred	64 Mt	19 %	26 %	0.12 %	2.8 %	4.0 %
Gayden Bissik West	Inferred	7 Mt	18 %	26 %	0.17 %	4.8 %	6.3 %
Total Gayden Bissik	Indicated	12.6 Mt	21.0 %	28.8 %	0.08 %	2.05 %	3.30 %
	Inferred	87.0 Mt	19.1 %	26.4 %	0.13 %	2.85 %	4.17 %
TOTAL GAYDEN BISSIK		99.6 Mt	19.3 %	26.7 %	0.12 %	2.75 %	4.06 %

Beer & Co estimated mining inventory, Gayden Bissik

	P2O5	CaO	Fe2O3	K2O	MgO
Small Mine Permit	25 Mt	20 %			
Gayden Bissik East	51 Mt	19 %			
Other Baobab	40 Mt	18 %			

Wanarah Mineral Resources

	P2O5	Al2O3	CaO	Fe2O3	K2O	MgO
Measured	64.9 Mt	22.4 %	4.47 %	30 %	1.1 %	0.37 %
Indicated	133 Mt	21.1 %	4.77 %	28 %	1.53 %	0.47 %
Sub-Total	198 Mt	21.5 %	4.67 %	28.7 %	1.39 %	0.44 %
Inferred	352 Mt	21 %	4.6 %	28 %	2.1 %	0.5 %
TOTAL	550 Mt	21 %	4.6 %	28 %	1.8 %	0.5 %

Asset based Valuation

	risk :	100%	Product	per share	
Small Mine Permit	85 %	\$ 92m	\$ 79m	12.5 c	14.0 c
Gayden Bissik East	40 %	\$ 148m	\$ 59m	9.4 c	10.4 c
Other Baobab	20 %	\$ 77m	\$ 15m	2.5 c	2.7 c
Gossas	nom	\$ 5m	\$ 5m	0.8 c	0.8 c
Wanarah	nom	\$ 5m	\$ 5m	0.8 c	0.8 c
IHP (Wanarah)	nom	\$ 10m	\$ 10m	1.6 c	1.6 c
JDC Phosphate	nom	\$ 0m	\$ 0m	0.0 c	0.0 c
Corporate	100 %	(\$ 30m)	(\$ 30m)	(4.7c)	(4.7c)
Cash / Debt, etc	100 %	\$ 41m	\$ 41m	6.6 c	7.3 c
TOTAL		\$ 349m	\$ 185m	29.3 c	32.9 c
Shares on issue		247.2m	FPO shares	127.1m	Options
		278.2m	2015 - 16	104.6m	Ops. Ex'd
		0.0m	later		

Financial Ratios

Year ended June	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue	\$A m	0	47	60	95	172
EBITDA	\$A m	(9)	(4)	8	17	31
EBIT	\$A m	(9)	(4)	7	15	28
NPAT (reported)	\$A m	(43)	(4)	4	10	21
Adjusted EPS (cps)		(17.5c)	(0.8c)	0.7 c	1.6 c	3.6 c
EPS Growth (%)			95 %	184 %	130 %	119 %
DPS (c)		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Dividend Yield (%)		0 %	0 %	0 %	0 %	0 %
PE adj. (x)	x	(0.4)	(27.3)	32.4	14.1	6.4
EV / EBITDA (x)	x	(0)	(24)	13	7	3
EV / EBIT (x)	x	(0)	(24)	14	8	4
Gearing (%)		0 %	0 %	0 %	0 %	0 %
Return on Assets		(8%)	11 %	19 %	23 %	27 %
Return on Equity		(8%)	6 %	12 %	18 %	25 %
EBITDA Margin (%)		n/a	n/a	17 %	29 %	32 %
Interest Cover (x)	x	n/a	n/a	n/a	n/a	n/a

Major Shareholders

Current	end 2016
Mimran Groupe	104.750m 19.9 % 23.4 %
plus 40m further performance shares	
Vulcan / Agrifos	114.000m 21.7 % 18.4 %
JP Morgan AM	28.152m 5.4 % 4.5 %

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

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