

AVENIRA
LIMITED



ABN 48 116 296 541

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2022**

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 2022 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*.

CORPORATE INFORMATION

ABN 48 116 296 541

DIRECTORS

Brett Clark

(Executive Chairman & CEO)

Kevin Dundo

(Non-executive Director)

Winnie Lai Hadad

(Non-executive Director)

Roger Harris

(Non-executive Director)

Dr Geoffrey Xue

(Non-executive Director)

COMPANY SECRETARY

Graeme Smith

REGISTERED OFFICE

Unit 13, 6 – 10 Douro Place

West Perth WA 6005

PRINCIPAL PLACE OF BUSINESS

Unit 13, 6 – 10 Douro Place

West Perth WA 6005

SOLICITORS

Thomson Geer Lawyers

Level 27, Exchange Tower,

2 The Esplanade, Perth WA 6000

BANKERS

National Australia Bank Limited

Level 14, 100 St George's Terrace

Perth, WA 6000

SHARE REGISTER

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace

Perth, WA 6000

Telephone: 1300 787 272

AUDITORS

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road

Subiaco WA 6008

INTERNET ADDRESS

www.avenira.com

EMAIL ADDRESS

frontdesk@avenira.com

STOCK EXCHANGE LISTING

Avenira Limited shares are listed on the:

Australian Securities Exchange (Code: AEV)

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 2022.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year to the date of this report are:

Brett Clark (Executive Chairman)
Kevin Dundo (Non-Executive Director)
Winnie Lai Hadad (Non-Executive Director)
Roger Harris (Non-Executive Director)
Dr Geoffrey Xue (Non-Executive Director)

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 2022 and considered together with any public announcements made by the Group during the half-year ended 31 December 2022 in accordance with continuous disclosure requirements of the Corporations Act 2001.

HIGHLIGHTS

- Scoping study underway to investigate high value phosphoric acid products for LFP battery metals and fertilisers.
- Feasibility study underway for DSO phosphate project
- Licences granted adjacent to Wonarah Phosphate Project
- Licences acquired and granted to expand footprint in Yandal Belt

Directors' Report

WONARAH PHOSPHATE PROJECT, Australia NT (Avenira 100%)



Figure 1. Wonarah Location map.

The Wonarah Phosphate Project is considered to be one of Australia's largest phosphate projects:

Total Resource 533Mt (15% P₂O₅ cutoff grade)

- Measured Resource of 64.9 Mt @ 22.4% P₂O₅
- Indicated Resource of 133 Mt @ 21.1% P₂O₅
- Inferred Resource of 335 Mt @ 21% P₂O₅ (15% cut-off)

- 100%-owned by Avenira.
- Scoping study to develop the Tier 1 Wonarah Phosphate Project to produce critical end products for LFP batteries underway.
- Excellent infrastructure including nearby road, rail, gas, and water.
- Strategic review underway into supply/demand from:
 - Lithium ferro phosphate (LiFePO₄) cathode market;
 - Fertiliser market

Directors' Report

Wonarah Tenure Update

During the half year, Exploration Licences EL33062, EL33192 and EL33193 were granted. Applications for Mineral Leases ML33343 and ML33344 were submitted to support Wonarah DSO operations. The granting of these leases increases Avenira's footprint in the region from 614km² to 1,449km².

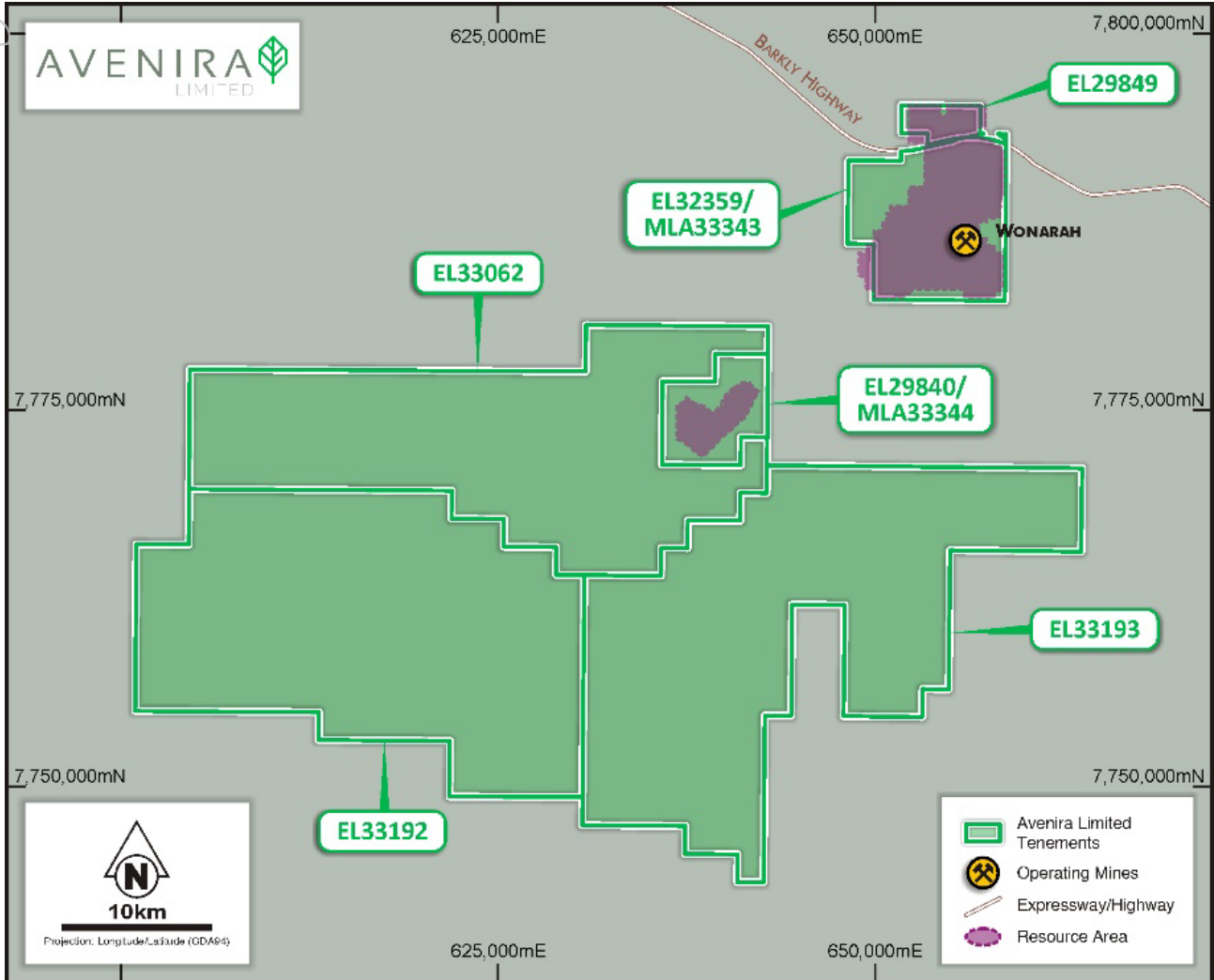


Figure 2. Wonarah Tenement Map

Immediate proposed work on these licences will comprise compilation of historic data, refining of the geological interpretation and reconnaissance exploration.

Wonarah DSO Update

Progress was made towards assessing the viability of a DSO operation at Wonarah after a market announcement on 16 August 2022. Activities completed during the half include:

- Supply of marketing samples to potential offtake producers
- Progress being made on Mining Agreement with the Arruwurra Aboriginal Corporation
- Mine Management Plan (MMP) drafting for trial pit for potential offtake trial shipment
- Identifying and obtaining quotes from various logistics providers for potential ore transport to port
- Advancement of Feasibility study for DSO product with 28% P₂O₅ cut-off
- Requests for Quotation for mining, crushing and screening

Directors' Report

Wonarah High-Grade Extensions

An ASX release dated 5 December 2022 highlighted potential extensions to the high-grade ore material being targeted for the DSO operation. The intersections are external to the Mineral Resource Estimate.

Hole ID	Easting (MGA94 Zone 53)	Northing (MGA94 Zone 53)	Collar RL (mASL)	EOH Depth (m)	Depth From (m)	Depth To (m)	Drillhole Thickness (m)	P ₂ O ₅ (%)	Geology
WNRC0600	652748	7791753	286	51	43	44	1	29.5	TUP
WNRC0601	651748	7791749	289	54	45	46	1	36.0	TUP
WNRC1525	626980	7775002	274.	66	55	60	5	35.7	BPH
WNRC1526	620997	7775004	265	60	50	52	2	34.1	BPH
WNRC1528	629008	7774998	278	60	47	48	1	28.7	APH
WNRC1529	635995	7777002	277	39	32	33	1	30.3	BPH
WNRC1533	632004	7777004	287	42	39	40	1	36.2	BPH
WNRC1745	629997	7776001	284	56	45	46	1	30.3	APH
					49	51	2	33.2	BPH
WNRC1747	628005	7774004	266	62	38	39	1	32.7	APH
					54	55	1	35.2	BPH
WNRC1748	626000	7776006	271	65	47	55	8	28.2	APH
WNRC1753	623005	7776996	270	65	52	53	1	34.7	APH
					57	58	1	27.1	APH
WNRC1754	625005	7776998	273	62	56	59	3	33.4	APH
WNRC1755	627005	7776900	280	47	45	47	2	33.3	APH

Table 1. Wonarah High-Grade Intersections

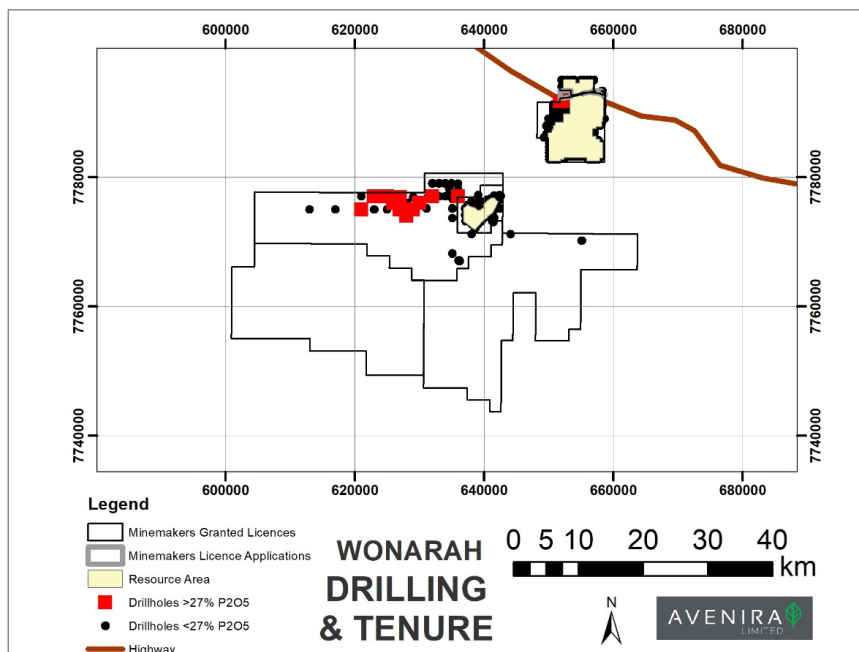


Figure 3. Wonarah High-Grade Intersections

Directors' Report

The Wonarah Scoping Study to develop the Tier 1 Wonarah Phosphate Project to produce critical end products for LFP batteries and fertilizer industries is near completion with work progressed by Bechtel Australia, Avenira and Aleees.

Part of this work completed included a strategic review of both the Lithium Ferro Phosphate (LiFePO₄) pre-cursor cathode market, and the global fertilizer market. This review determined the appointment of an additional Engineer was necessary to complete the Scoping Study due to the increased scope of downstream Ferro Phosphate and Lithium Ferro Phosphate manufacturing opportunities.

Avenira appointed Bechtel Australia Pty Ltd (Bechtel) to complete scoping study level engineering for a Battery Grade Lithium Iron Phosphate Cathode Active Material (LFP CAM) for application in Australia. The Project will commence with thermal phosphoric acid from other sources whilst Avenira continues to study the use of the Wonarah Phosphate deposit to feed a high purity phosphoric acid plant and potentially seek to combine this with a downstream LFP manufacturing plant located in Darwin.

The Scoping Study is based on the flow sheet and process configuration of the existing LFP manufacturing plant in Taiwan owned and operated by Advanced Lithium Electrochemistry (Aleees). The proposed Darwin Aleees LFP plant will be the 3rd Aleees technology plant commissioned outside of Taiwan following similar plants in Norway and USA. The LFP plant has a modular installation design, providing flexibility to pursue several configurations for the size and location of the final LFP Plant, allowing optionality to scale and finance the Project progressively.

Bechtel was selected due to its expertise in mineral, energy and manufacturing projects. It is one of the largest global engineering and construction companies with over 120 years of experience, more than 25,000 completed projects in over 175 countries and has specific experience in phosphate processing, battery supply chain and working with international vendors. Their design teams are based in Melbourne and Brisbane.

The Company has ongoing discussions with the NT Government to progress the Project, including evaluating potential land allocated to the LFP manufacturing plant in Darwin, with the view to expediting the permitting requirements and regulatory approvals.

Tripartite LFP cathode material manufacturing MOU

On 21 August 2022, Avenira signed a non-binding MOU with world leading LFP cathode material manufacturer, Advanced Lithium Electrochemistry Ltd (ALEEES), (TWSE: 5227) and the Northern Territory (NT) Government to investigate and work towards the development of a Lithium Iron Phosphate (LFP) battery cathode manufacturing plant in Darwin, Australia.

The 3-way MOU would leverage Avenira's flagship Wonarah Phosphate Project, the technical expertise of ALEEES in LFP cathode manufacturing, and the willingness of the Northern Territory Government to assist with the development of value-adding industry projects.

The NT Government has recognised the potential to leverage natural resources in the Northern Territory and is marketing itself as a stable and reliable regulatory partner in the supply of critical minerals. With the Wonarah Project working towards the production of phosphoric acid, and the availability of other abundant battery metals such as lithium and iron in Australia, the next step of producing LFP cathode material is a logical value-add for all parties. The NT Government has indicated as part of the MOU that it will work proactively with ALEEES and Avenira to assist and advise where appropriate in relation to necessary infrastructure including water, energy, power, telecommunications, road, port and rail access and service requirements.

ALEEES is a globally recognised LFP battery cathode material manufacturer. It is one of the two companies outside China with complete LFP cathode material manufacturing capability and patents and certification for electric vehicle and stationary storage batteries. ALEEES owns more than 120 exclusive patents worldwide, with customers including investment grade energy storage battery and EV battery customers across Europe, U.S., Japan, Korea, and Asia. ALEEES co-develops various types of LFP products with more than 40 global customers, and produces high-quality, low-cost, and long life-cycle LFP cathode materials.

Directors' Report

Avenira – Aleees LFP Production pathway MOU

On 26 August 2022, Avenira announced that it had signed a second non-binding MOU with ALEEEES, outlining the shared willingness to work towards the development of a Lithium Iron Phosphate (LFP) battery cathode manufacturing plant in Darwin using Avenira's flagship Wonarah Phosphate Project.

Under this second MOU, Avenira proposes to construct the LFP plant in the NT and use phosphoric acid feedstock from its advanced Tier 1 high-grade Wonarah Phosphate Project, south-east of Darwin.

ALEEEES, which has deep industry knowledge and an extensive list of intellectual property rights and patents, will grant licensing rights and offer certain operational, management and research and development support for the establishment and operation of the LFP Plants.

JUNDEE SOUTH GOLD PROJECT, Australia WA (Avenira 100%)

The Yandal Greenstone belt is located in the north-eastern part of the Norseman-Wiluna belt of the Archaean Craton in Western Australia. It is one of few Archaean greenstone belts containing multiple million-ounce deposits, including Jundee, Bronzewing and Darlot (Figure 3).

The Jundee South Project area is located within 3km of the Jundee Mine and covers more than a 60km strike length of highly prospective greenstone stratigraphy. The project area contains major regional structures interpreted to control gold mineralisation throughout the Yandal Greenstone Belt and contains a number of historically defined gold occurrences.

Access is via a well-established road system. Accommodation and facilities including flight services are well established in the district, given the number of operating mines in the area.

Avenira continues to increase its ground position in the Yandal greenstone belt with the recent acquisition of tenements around Lake Irwin, Bronzewing and Ockerberry. Tenements were granted at the Darlot East, Mount Stirling and Jundee South areas.

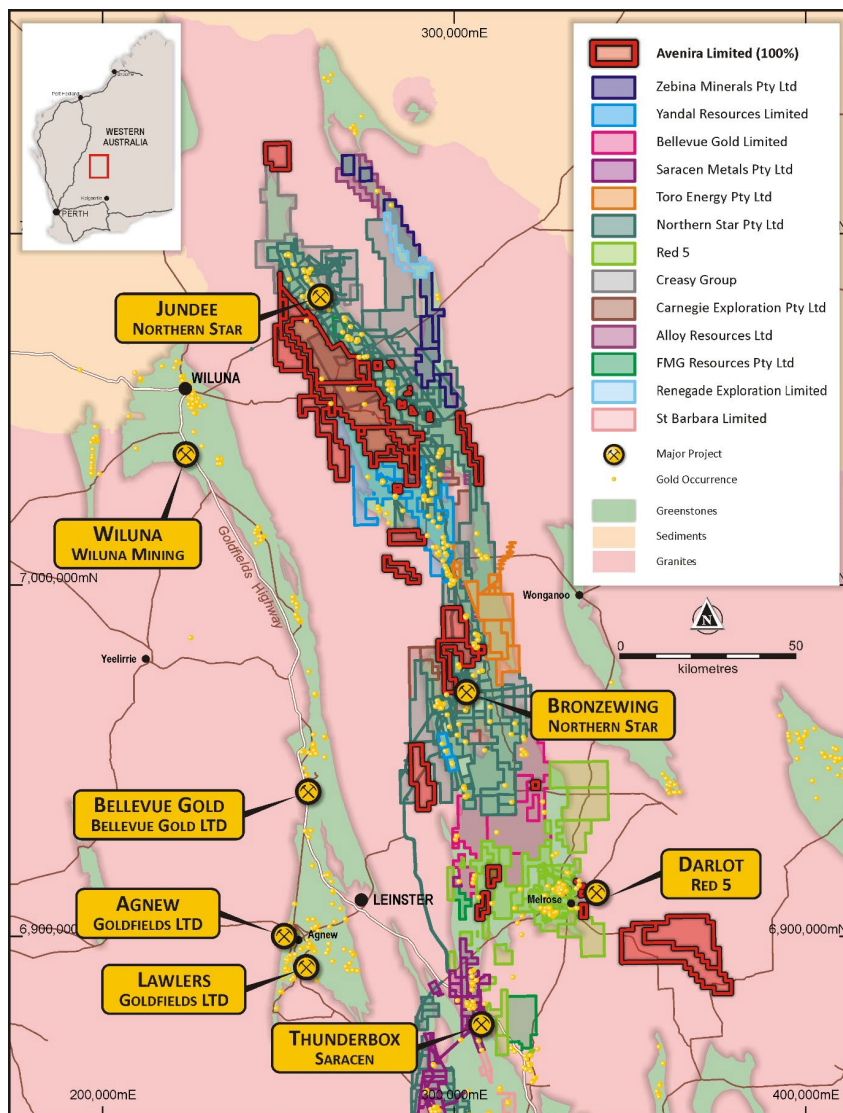


Figure 3: Jundee South Project Tenure Location Map

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Directors' Report

TENEMENTS AND MINERAL RESOURCE STATEMENT

Schedule of Avenira Limited Tenements as at 31 December 2022

Location	Tenement Name	Tenement	Nature of Company's Interest
Western Australia	Bronzewing North	E 36/1021 (Application)	100%
Western Australia	McKenzies Bore	E 36/1029 (Application)	100%
Western Australia	Ockerburry Hill	E36/1049 (Application)	100%
Western Australia	Ockerburry Hill	E36/1050 (Application)	100%
Western Australia	Darlot	E 37/1474	100%
Western Australia	Langfords Find	E 37/1489 (Application)	100%
Western Australia	Lake Irwin	E37/1515 (Application)	100%
Western Australia	Lake Irwin	E37/1517 (Application)	100%
Western Australia	Jundee South	E 53/1856	100%
Western Australia	Jundee South	E 53/1859	100%
Western Australia	Jundee South	E 53/2078	100%
Western Australia	Jundee South	E 53/2079	100%
Western Australia	Jundee South	E 53/2204 (Application)	100%
Western Australia	Bullock Well	E 53/2205 (Application)	100%
Western Australia	Jundee South	E 53/2207	100%
Western Australia	Jundee South	E 53/2208	100%
Western Australia	Jundee South	E 53/2209 (Application)	100%
Western Australia	Bullock Well	E 53/2210 (Application)	100%
Western Australia	Bronzewing North	E 53/2211 (Application)	100%
Western Australia	Orphan Well	E 53/2212 (Application)	100%
Western Australia	Jundee South	E 53/2213	100%
Western Australia	Jundee South	E 53/2214	100%
Western Australia	Jundee South	E 53/2215	100%
Western Australia	Jundee South	E 53/2216	100%
Western Australia	Jundee South	E 53/2217	100%
Western Australia	Jundee South	E 53/2218	100%
Western Australia	Jundee South	E 53/2219	100%
Western Australia	Jundee South	E 53/2220	100%
Western Australia	Jundee South	E 53/2237 (Application - Ballot Lost)	0%
Western Australia	Jundee South	E 53/2238 (Application)	100%
Western Australia	Jundee South	E 53/2250	100%
Western Australia	Jundee South	E 53/2251	100%
Western Australia	Jundee South	E 53/2252	100%
Western Australia	Jundee South	E 53/2253	100%
Western Australia	Jundee South	E 53/2272 (Application)	100%
Western Australia	Bronzewing North	E 53/2280 (Application - Ballot Pending)	100%
Western Australia	Bungarra Bore	E 69/4020	100%
Western Australia	Darlot	P 37/9539	100%
Western Australia	Mount Stirling	P 37/9593	100%
Western Australia	Mount Stirling	P 37/9594	100%
Western Australia	Mount Stirling	P 37/9595	100%
Western Australia	Mount Stirling	P 37/9596	100%
Western Australia	Darlot	P 37/9630	100%
Western Australia	Darlot	P 37/9631	100%
Western Australia	Jundee South	P 53/1712	100%
Western Australia	Jundee South	P 53/1713	100%
Northern Territory	Arruwurra	EL29840	100%
Northern Territory	Wonarah	EL29849	100%
Northern Territory	Dalmore	EL32359	100%
Northern Territory		EL33062	100%
Northern Territory		EL33063 (Application)	100%
Northern Territory		EL33192	100%
Northern Territory		EL33193	100%
Northern Territory	Arruwurra	MLA33343 (Application)	100%
Northern Territory	Dalmore	MLA33344 (Application)	100%

Directors' Report

WONARAH PROJECT, NORTHERN TERRITORY, AUSTRALIA												
Cut off P ₂ O ₅ %	Resource Category	Tonnes	P ₂ O ₅	Al ₂ O ₃	CaO	Fe ₂ O ₃	K ₂ O	MgO	MnO	Na ₂ O	SiO ₂	TiO ₂
		Mt	%	%	%	%	%	%	%	%	%	%
10	Measured	78.3	20.8	4.85	28	1.11	0.43	0.25	0.04	0.1	39.7	0.21
	Indicated	222	17.5	4.75	23.2	1.49	0.47	0.2	0.04	0.09	48.3	0.22
	M+I	300	18.3	4.77	24.4	1.4	0.46	0.21	0.04	0.09	46.1	0.22
	Inferred	512	18	4.8	24	2.1	0.5	0.2	0.08	0.05	46	0.2
15	Measured	64.9	22.4	4.47	30	1.1	0.37	0.19	0.04	0.09	37	0.19
	Indicated	133	21.1	4.77	28	1.53	0.47	0.21	0.04	0.09	39.7	0.22
	M+I	198	21.5	4.67	28.7	1.39	0.44	0.2	0.04	0.09	38.8	0.21
	Inferred	335	21	4.5	28	2.0	0.5	0.2	0.10	0.06	39	0.2

Competent Persons Statement – Exploration Results

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Steve Harrison, a part-time contractor to Avenira, from the DMIRS WAMEX database. He is satisfied that previous pertinent exploration in the project area has been accessed and reflects, in general, the prospective nature of the tenements being considered. Mr Harrison is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Harrison consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

Competent Persons Statement – Mineral Resource Estimates

The information in this report that relates to Mineral Resources is based on information compiled by Mr Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Abbott is a director of Matrix Resource Consultants Pty Ltd and provides geological consulting services to the Company. Mr. Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Directors' Report

FINANCIAL REVIEW

During the half year ended 31 December 2022 the Group reported an operating loss after tax of \$2,631,852 (half-year ended 31 December 2021: loss of \$1,301,343).

As at 31 December 2022 the total cash balance was \$1,424,384 (30 June 2022: \$1,009,638).

SUBSEQUENT EVENTS

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods.

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 12.

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



Brett Clark
Chairman / CEO
Perth, 14 March 2023

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Avenira Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,


HALL CHADWICK WA AUDIT PTY LTD


D M BELL CA
Director

Dated 14th day of March 2023
Perth, Western Australia

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**Consolidated Statement of Profit or Loss
and Other Comprehensive Income**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	Consolidated	
		31 December 2022 \$	31 December 2021 \$
INCOME			
Interest income		18,449	3,342
Other income		4,745	-
EXPENDITURE			
Depreciation and amortisation expense		(15,390)	(17,626)
Salaries and employee benefits expense		(554,615)	(484,284)
Impairment of exploration and evaluation expenditure	4	(519,426)	(260,316)
Interest expense		(253)	(1,451)
Share based payment expense	5	(929,025)	(7,335)
Net foreign currency gain/(loss)		741	1
Administrative and other expenses		(637,078)	(533,674)
LOSS BEFORE INCOME TAX		(2,631,852)	(1,301,343)
INCOME TAX BENEFIT		-	-
PROFIT / (LOSS) FOR THE PERIOD		(2,631,852)	(1,301,343)
OTHER COMPREHENSIVE INCOME/ (LOSS)			
<i>Items that may be reclassified subsequently to Profit or Loss, net of tax</i>			
Net fair value gain / (loss) on financial assets measured at fair value through OCI		(286,403)	(840,112)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		(2,918,255)	(2,141,455)
Income / (Loss) for the period is attributable to:			
Owners of Avenir Limited		(2,631,852)	(1,301,343)
		(2,631,852)	(1,301,343)
Total comprehensive income / (loss) for the period is attributable to:			
Owners of Avenir Limited		(2,918,255)	(2,141,455)
		(2,918,255)	(2,141,455)
LOSS PER SHARE			
Basic profit /(loss) per share (cents)		(0.26)	(0.15)
Diluted profit /(loss) per share (cents)		(0.26)	(0.15)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2022

	Notes	Consolidated	
		31 December 2022	30 June 2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,424,384	1,009,638
Other receivables		188,630	140,646
TOTAL CURRENT ASSETS		1,613,014	1,150,284
NON-CURRENT ASSETS			
Other assets		1,481,600	1,481,600
Financial assets	3	544,892	831,296
Plant and equipment		8,136	1,788
Capitalised exploration and evaluation expenditure	4	9,899,262	8,927,892
Right-of-use asset		-	14,320
TOTAL NON-CURRENT ASSETS		11,933,890	11,256,896
TOTAL ASSETS		13,546,904	12,407,180
CURRENT LIABILITIES			
Trade and other payables		911,023	679,679
Lease liability		-	16,412
Provisions		84,499	66,122
TOTAL CURRENT LIABILITIES		995,522	762,213
NON-CURRENT LIABILITIES			
Provisions		2,328,347	2,105,817
Loans and borrowings	6	3,332,127	3,202,956
TOTAL NON-CURRENT LIABILITIES		5,660,474	5,308,773
TOTAL LIABILITIES		6,655,996	6,070,986
NET ASSETS		6,890,908	6,336,194
EQUITY			
Issued capital	7	144,576,100	142,385,648
Reserves	8	17,521,441	16,525,327
Accumulated losses	8	(155,206,633)	(152,574,781)
TOTAL EQUITY		6,890,908	6,336,194

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	Attributable to Owners of Avenira Limited			Total
		Issued Capital	Reserves	Accumulated Losses	
		\$	\$	\$	\$
BALANCE AT 30 JUNE 2021		140,516,513	18,290,545	(149,699,572)	9,107,486
Profit/(loss) for the period		-	-	(1,301,343)	(1,301,343)
Other comprehensive income for the period		-	(840,112)	-	(840,112)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		-	(840,112)	(1,301,343)	(2,141,455)
Share based payment		-	7,335	-	7,335
BALANCE AT 31 DECEMBER 2021		140,516,513	17,457,768	(151,000,915)	6,973,366
BALANCE AT 30 JUNE 2022		142,385,648	16,525,327	(152,574,781)	6,336,194
Profit/ (loss) for the period		-	-	(2,631,852)	(2,631,852)
Other comprehensive income for the period		-	(286,403)	-	(286,403)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		-	(286,403)	(2,631,852)	(2,918,255)
Shares cancelled during the period		-	-	-	-
Shares issued during the period		2,282,000	-	-	2,282,000
Options converted to shares during the period		391,094	-	-	391,094
Share issue transaction costs		(482,642)	-	-	(482,642)
Options issued during the period		-	353,492	-	353,492
Share based payments		-	929,025	-	929,025
BALANCE AT 31 DECEMBER 2022		144,576,100	17,521,441	(155,206,633)	6,890,908

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	Consolidated	
		31 December 2022	31 December 2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(860,068)	(596,610)
Payment of interest		(253)	(1,451)
Interest received		15,640	3,165
Proceeds from other income		4,745	-
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(839,936)	(594,896)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(1,268,266)	(944,485)
Payments for plant and equipment		(7,418)	(2,437)
Purchase of financial instruments		-	(2,321,927)
Proceeds from sale of investments		-	1,151,326
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(1,275,684)	(2,117,523)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,673,094	-
Transaction costs on issue of shares		(129,150)	-
Proceeds from loans and borrowings		-	494,649
Payment of lease liabilities		(14,320)	(17,338)
NET CASH INFLOW FROM FINANCING ACTIVITIES		2,529,624	477,311
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		414,004	(2,235,108)
Cash and cash equivalents at the beginning of the period		1,009,638	3,123,043
Effects of exchange rate changes on cash and cash equivalents		742	1
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,424,384	887,936

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

HALF-YEAR ENDED 31 DECEMBER 2022

1. BASIS OF PREPARATION**(a) Reporting Entity**

The financial report of Avenira Limited and its subsidiaries (collectively, Avenira or the Group) for the six months ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 14 March 2023.

Avenira Limited (the Company) is a for profit company limited by shares, domiciled and incorporated in Australia, whose shares are publicly traded. The company's principal place of business is Unit 13, 6-10 Douro Place, West Perth WA 6005.

The Group's principal activities are the exploration, development and production of valuable phosphate and other nutrient projects.

(b) Basis of preparation

The interim financial report for the half-year reporting period ended 31 December 2022 is a general purpose condensed financial report prepared in accordance with the *Corporations Act 2001* and AASB 134: Interim Financial Reporting.

The interim 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 interim financial report be read in conjunction with the annual report of the Group for the year ended 30 June 2022 and considered together with any public announcements made by Avenira during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX listing rules.

The interim 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 2022 except for new accounting policies outlined at 1(d).

(c) Going concern

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the period ended 31 December 2022 the Group incurred a loss of \$2,631,852 (2021: \$1,301,343) and outflows from operating and investing activities of \$2,115,620 (2021: \$2,712,419).

The ability of the Group to continue as a going concern is principally dependent on the sale of liquid investments or raising capital. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

The Directors believe it is appropriate to prepare these accounts on going concern basis for the following reasons:

- The Company has the ability to raise capital; and
- The Group has the ability to reduce corporate and overhead expenditures in line with available funds if required.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Notes to the Consolidated Financial Statements (cont.)

HALF-YEAR ENDED 31 DECEMBER 2022

(d) New standards, interpretations and amendments adopted by the Group
Standards and Interpretations applicable to 31 December 2022

In the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

2. SEGMENT INFORMATION

The following tables present revenue and profit information for the Group's operating segments for the six months ended 31 December 2022 and December 2021, respectively.

	WONARAH (NORTHERN TERRITORY) \$	JUNDEE SOUTH (WESTERN AUSTRALIA)	UNALLOCATED – OTHER SEGMENTS \$	TOTAL CONSOLIDATED \$
Six months ended 31 December 2022				
Income				
Interest income	14,126	-	4,323	18,449
Other income	-	-	4,745	4,745
Total segment income	14,126	-	9,068	23,194
Impairment of non-current assets	(519,426)	-	-	(519,426)
Salaries, administrative and other expenses	(18,912)	-	(2,101,318)	(2,120,230)
Depreciation and amortisation	-	-	(15,390)	(15,390)
Segment net loss before tax	(524,212)	-	(2,107,640)	(2,631,852)
Tax Benefit	-	-	-	-
Segment net loss after tax	(524,212)	-	(2,107,640)	(2,631,852)
Total net loss per statement of profit or loss and other comprehensive income				(2,631,852)
Segment assets				
Capitalised exploration and evaluation expenditure	6,620,809	3,278,453	-	9,899,262
Plant and equipment	-	-	8,136	8,136
Other assets at balance date	1,514,273	-	2,125,233	3,639,506
Total segment assets	8,135,082	3,278,453	2,133,369	13,546,904
Segment liabilities				
Provisions & other liabilities at balance date	2,329,505	-	4,326,491	6,655,996
Total segment liabilities	2,329,505	-	4,326,491	6,655,996

Notes to the Consolidated Financial Statements (cont.)

HALF-YEAR ENDED 31 DECEMBER 2022

2. SEGMENT INFORMATION (continued)

Six months ended 31 December 2021	WONARAH (NORTHERN TERRITORY) \$	JUNDEE SOUTH (WESTERN AUSTRALIA)	UNALLOCATED – OTHER SEGMENTS \$	TOTAL CONSOLIDATED \$
Income				
Interest income	1,734	-	1,608	3,342
Other income	-	-	185,598	185,598
Total segment income	1,734	-	187,206	188,940
Impairment of non-current assets	(260,316)	-	-	(260,316)
Salaries, administrative and other expenses	(18,853)	-	(1,007,890)	(1,026,743)
Depreciation and amortisation	-	-	(17,626)	(17,626)
Segment net loss before tax	(277,435)	-	(838,310)	(1,115,745)
Tax Benefit	-	-	-	-
Segment net loss after tax	(277,435)	-	(838,310)	(1,115,745)
Total net loss per statement of profit or loss and other comprehensive income				(1,115,745)

30 June 2022	WONARAH (AUSTRALIA) \$	JUNDEE SOUTH (WESTERN AUSTRALIA) \$	UNALLOCATED – OTHER SEGMENTS \$	TOTAL CONSOLIDATED \$
Segment assets				
Capitalised exploration and evaluation expenditure	5,889,800	3,038,092	-	8,927,892
Property, plant and equipment	-	-	1,788	1,788
Other assets at balance date	1,492,531	-	1,984,969	3,477,500
Total segment assets	7,382,331	3,038,092	1,986,757	12,407,180
Segment liabilities				
Provisions & other liabilities at balance date	2,106,747	-	3,964,239	6,070,986
Total segment liabilities	2,106,747	-	3,964,239	6,070,986

3. FINANCIAL ASSETS

	31 December 2022 \$	30 June 2022 \$
Fair value of financial assets through OCI – listed (Level 1)	459,892	746,296
Fair value of financial assets through OCI – unlisted (Level 3)	85,000	85,000
	544,892	831,296

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

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

Notes to the Consolidated Financial Statements (cont.)

HALF-YEAR ENDED 31 DECEMBER 2022

4. NON-CURRENT ASSETS – CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022 \$	30 June 2022 \$
<i>Reconciliation of movements of exploration and evaluation costs in respect of areas of interest</i>		
Opening net carrying amount	8,927,892	7,511,257
Capitalised exploration and evaluation costs	1,268,266	1,755,073
Increase in rehabilitation provision	222,530	337,735
Impairment of exploration and evaluation expenditure	(519,426)	(676,173)
Closing net carrying amount	9,899,262	8,927,892

	31 December 2022 \$	30 June 2022 \$
<i>Closing net carrying amount represented by the following projects</i>		
Jundee South Project	3,278,452	3,038,092
Wonarah Phosphate Project	5,889,800	5,889,800
- Wonarah Scoping Study	731,010	-
Closing net carrying amount	9,899,262	8,927,892

During the reporting period an amount of \$519,426 was impaired and recognised in the Statement of Profit or Loss and Other Comprehensive Income. The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

5. SHARE BASED PAYMENTS

2022	Grant Date	Issued During the Year	Expiry Date	Exercise Price
AEVOPT18	31/10/2022	36,000,000	31/10/2025	0.020
AEVOPT19	31/10/2022	36,000,000	31/10/2025	0.030
AEVOPT20	12/12/2022	7,500,000	31/10/2025	0.020
AEVOPT21	12/12/2022	7,500,000	31/10/2025	0.030
AEVOPT22	31/10/2022	15,000,000	14/10/2026	0.040

The fair value of the options granted during the year were calculated using the Black Scholes option pricing model applying the following inputs for each tranche of options :

	Director Options		Staff Options		Contractors Options
	AEVOPT18	AEVOPT19	AEVOPT20	AEVOPT21	AEVOPT22
Options issued	36,000,000	36,000,000	7,500,000	7,500,000	15,000,000
Measurement Date	31/10/2022	31/10/2022	31/10/2022	31/10/2022	31/10/2022
Share price at measurement date	0.013	0.013	0.013	0.013	0.012
Exercise price	0.020	0.030	0.020	0.030	0.040
Fair value at grant date	0.0092	0.0085	0.0092	0.0085	0.0093
Volatility	133.9%	133.9%	133.9%	133.9%	133.3%
Expiry date	31/10/2025	31/10/2025	31/10/2025	31/10/2025	14/10/2026
Risk free rate	3.45%	3.45%	3.45%	3.45%	3.27%

In October 2022, 7,250,000 Service Rights were issued pursuant to the ESIP 31/10/2022.

For the six months ended 31 December 2022, the Group recognised \$929,025 of share-based payment expense in the statement of profit or loss. (31 December 2021: \$7,335).

Notes to the Consolidated Financial Statements (cont.)

HALF-YEAR ENDED 31 DECEMBER 2022

6. LOANS AND BORROWINGS

Non-Current	INTEREST RATE	31 December 2022	30 June 2022
	%	\$ ⁽¹⁾	\$
Loan Facility – secured	8%	3,332,127	3,202,956
Total non-current loans and borrowings		3,332,127	3,202,956

⁽¹⁾ The Loan balance at 31 December 2022 includes capitalised interest of \$357,478

7. ISSUED CAPITAL

	31 December 2022		30 June 2022	
	Number of shares	\$	Number of shares	\$
(a) Share capital				
Ordinary shares fully paid	1,245,461,756	144,576,100	1,001,085,139	142,385,648
Total share capital	1,245,461,756	144,576,100	1,001,085,139	142,385,648
(b) Movements in ordinary share capital				
Beginning of the financial period	1,001,085,139	142,385,648	862,852,818	140,516,513
Transactions during the period:				
– Issue of shares @ \$0.0184	-	-	27,000,000	496,800
– Issue of shares @ \$0.013	-	-	111,231,602	1,446,011
– Conversion of options @ 0.022	-	-	719	16
– Issue of shares @ \$0.008	6,250,000	50,000	-	-
– Issue of shares @ \$0.010	210,000,000	2,100,000	-	-
– Issue of shares @ \$0.0113	11,681,416	132,000	-	-
– Conversion of options @ 0.020	9,350,000	187,000	-	-
– Conversion of options @ 0.030	6,000,000	180,000	-	-
– Conversion of options @ 0.022	903,520	19,877	-	-
– Conversion of options @ 0.022 (not quoted)	191,681	4,217	-	-
Less: transaction costs	-	(482,642)	-	(73,692)
End of the financial period	1,245,461,756	144,576,100	1,001,085,139	142,385,648

	Number of unlisted options	
	31 December 2022	30 June 2022
(c) Movements in unlisted options on issue		
Beginning of the financial period	100,076,281	60,000,000
Expired during the period	(32,650,000)	(719)
Exercised during the period	(16,253,520)	-
Issued during the period		
– 2 cent options, 30 June 2024	-	1,500,000
– 3 cent options, 30 June 2024	-	1,500,000
– 2.2 cent options, 30 April 2024	-	37,077,000
– 2 cent options, 31 October 2025	36,000,000	-
– 3 cent options, 31 October 2025	36,000,000	-
– 2 cent options, 31 October 2025	7,500,000	-
– 3 cent options, 31 October 2025	7,500,000	-
– 4 cent options, 14 October 2026	15,000,000	-
End of the financial period	153,172,761	100,076,281

Notes to the Consolidated Financial Statements (cont.)

HALF-YEAR ENDED 31 DECEMBER 2022

7. ISSUED CAPITAL (continued)

	Number of listed options	
	31 December 2022	30 June 2022
(d) Movements in listed options on issue		
Beginning of the financial period	-	-
Issued during the period		
– 2.5 cent listed options, 31 October 2025	105,000,000	-
– 2.5 cent listed options, 31 October 2025	40,000,000	-
End of the financial period	145,000,000	-

	Number of share rights	
	31 December 2022	30 June 2022
(e) Movements in share rights on issue		
Beginning of the financial period	-	-
Issued during the period		
– Service rights under the ESIP, 31 October 2022	7,250,000	-
End of the financial period	7,250,000	-

8. RESERVES AND ACCUMULATED LOSSES

	31 December 2022	30 June 2022
	\$	\$
a) Reserves		
Financial assets at fair value through OCI	(1,645,023)	(1,358,620)
Foreign currency translation	128,765	128,765
Share-based payments	19,037,699	17,755,182
Total reserves	17,521,441	16,525,327
b) Accumulated losses		
Balance at the beginning of the financial year	(152,574,781)	(149,699,572)
Net loss attributable to the owners of Avenir Limited	(2,631,852)	(2,875,209)
Balance at end of the year	(155,206,633)	(152,574,781)

9. COMMITMENTS AND CONTINGENCIES

Since 30 June 2022 the Directors are not aware of any other matter or circumstance that has significantly or may significantly affect the commitments and contingencies disclosed in the 30 June 2022 annual report.

10. EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Avenira Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes of Avenira Limited for the half-year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date;
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board.



Brett Clark
Chairman / CEO

Perth, 14 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AVENIRA LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Avenira Limited ("the Company") and its subsidiaries ("the Group") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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 the Group does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Group incurred a net loss of \$2,631,852 during the half year ended 31 December 2022. As stated in Note 1(c) these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 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*.

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.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated 14th day of March 2023
Perth, Western Australia