

30 July 2024

Strategic Investment from Sichuan Hebang Biotechnology

Highlights

- **Avenira Limited** (ASX: AEV) ("**Avenira**" or "**the Company**") has secured a Strategic Investment from its largest shareholder, Sichuan Hebang Biotechnology Corporation Limited (SHSE: 603077) ("**Hebang**").
- The Strategic Investment comprises:
 - A\$4.5 million 2-tranche Placement at an issue price of A\$0.006 per new share, with Tranche 2 subject to shareholder approval and any other required regulatory approvals.
 - Pending shareholder approval for Tranche 2 Hebang will provide an unsecured loan of the Tranche 2 proceeds.
 - Funds from the Placement will be used for progressing the Yellow Phosphate study work, Lithium Ferro Phosphate study work and for general working capital.
- As part of the investment, Hebang has the right to appoint an Executive Chairman and two directors to the Board, as well as a Chief Executive Officer and Chief Financial Officer to the management team.

Strategic Investment

- **Tranche 1 Placement:** Tranche 1 will raise A\$1.7 million through the issue of 285,000,000 shares, at an issue price of A\$0.006 per new share. These shares will be issued on or around 2 August under the Company's existing Listing Rule 7.1 (223 million shares) and 7.1A (62 million shares) placement capacity ("**Tranche 1**").
- **Tranche 2 Placement:** Tranche 2 will raise A\$2.79 million through the issue of 465,000,000 shares at the same price as Tranche 1 ("**Tranche 2**"). As the issue of the Tranche 2 shares will mean Hebang has an interest in the issued capital of the Company of greater than 20%, shareholder approval pursuant to Item 7 of Section 611 of the Corporations Act (Cth) 2001 will be required for the issue of shares under Tranche 2. Tranche 2 is also subject to any other required regulatory approvals
- **Unsecured loan:** Hebang will also provide an unsecured loan of the Tranche 2 placement proceeds pending shareholder approval and any other required regulatory approvals for the Tranche 2 placement. The terms of the loan are:

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- Principal - \$2.79 million;
- Repayment – Repayment of principal and interest upon the earlier of either the completion of Tranche 2 placement or 12 months
- Interest – 12% pa capitalised and payable on repayment of principal

The unsecured loan will be repaid from funds received from the Tranche 2 placement.

If the Shareholders Approval or any other regulatory approval required for Tranche 2 is not obtained by 31 October 2024, given the company’s history of raising capital to date, the directors are confident of the company’s ability to raise additional funds through a placement, rights issue, SPP, convertible note or other capital raising method previously utilized by the Company, when the unsecured loan is due for repayment, on or around September 2025.

Board and Management Changes

Following the completion of Tranche 1 and subject to all required regulatory requirements, the Company will appoint:

- **Mr Mo Yang as Executive Chairman and Chief Executive Officer**

Mr Yang is a qualified accountant and is currently the managing director of a private company subsidiary of Hebang which specialises in the sales and distribution of chemical products and photovoltaic modules in Australia and New Zealand. Mr Yang has skills in Strategic leadership, Corporate Finance, Risk Management and Business Development. Mr Yang has a Masters degree in Accounting.

- **Ms Ran Mo as Executive Director**

Ms Mo is the finance manager of a subsidiary of Hebang and is responsible for overseeing the company's financial operations, ensuring compliance with financial regulations, and providing strategic financial guidance to support the organization's growth objectives. Ms Mo has a Masters degree in Professional Accounting and Business Law.

- **Mr Shixing Zhang as Non-Executive Director**

Mr Zhang is the assistant to the Chairman of the Board of Directors of Hebang. He has an Associate Degree of Chemical Engineering and provides strategic support and advice to the Chairman of Hebang.

- **Mr Brett Clark’s role will change to Executive Deputy Chairman**

Hebang also has the right to appoint a Chief Financial Officer.

The remuneration for Messrs Yang and Zhang and Ms Mo will be finalised prior to their appointment and may include certain short-term and long-term incentives. The material terms of their service agreements will be announced by Avenira in accordance with ASX Listing Rule 3.16.4 when they are finalised.

Commenting on the Strategic Investment, Avenira Chairman and Chief Executive Officer, Brett Clark stated:

“We are very pleased to welcome Hebang, our major shareholder with a further investment and increased participation in Avenira.

The increase in cooperation with Hebang creates an opportunity for Avenira to accelerate the downstream development of the Yellow Phosphorus Project, adding substantial value to Wonarah resource and delivering a key element in the production of LFP.

On behalf of Avenira’s board and management, I would like to take this opportunity to thank shareholders for their long-standing support as we move to develop our significant phosphate resource.”

Comment from Mr Zhenggang He, Actual Controller - Sichuan Hebang Biotechnology Co., Ltd.:

“We have been working with the Avenira team for some time. We are interested in furthering our collaborative relationship with Avenira by investing in the company and participating on the board and management team. In the meantime, we are open to providing further financial and technical support to ensure Avenira’s future growth and success.

We look forward to working with Brett and the Avenira team and contributing to the future success of the company.”

Timeline of Events

| Event | Date |
|-----------------------------------|-----------------------------|
| Issue of Tranche 1 Shares | Friday, 2 August 2024 |
| Lodgment of Appendix 2A | |
| Appointment of new Directors | Monday, 5 August 2024 |
| Unsecured Loan of Tranche 2 Funds | Thursday, 15 September 2024 |
| General Meeting | Wednesday, 30 October 2024 |
| Issue of Tranche 2 Shares | Thursday, 31 October 2024 |
| Lodgment of Appendix 2A | |

Note: This timetable is indicative only and may be subject to change.

This announcement was authorised for release by the Board of Directors.

For further information, contact:

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