



27 October 2017

ASX Market Announcements  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000  
ASX: AGR

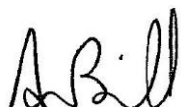
### **NOTICE OF ANNUAL GENERAL MEETING & PROXY FORM**

**Agua Resources Limited** advises that the following documents will be dispatched to Shareholders today, being Friday 27 October 2017:

- 2017 Notice of Annual General Meeting
- Proxy Form
- Annual Report (to those shareholders who have elected to receive it in hardcopy)

*\*The Notice of Annual General Meeting and a sample Proxy Form are attached on the following pages.*

For further information, please contact Andrew Bursill on +612 9299 9690.



Andrew Bursill  
Company Secretary  
Agua Resources Limited



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## **AGUIA RESOURCES LIMITED**

ABN 94 128 256 888

## **NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11.00am (AEDT)  
**DATE:** 28 November 2017  
**PLACE:** Suite 2, Level 10  
70 Phillip Street  
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, using the contact details on page 25.

27 October 2017

Dear Shareholder

**Annual General Meeting**

On behalf of the Board, I am pleased to invite you to attend the Annual General Meeting of Aguia Resources Limited. This will be held at 11.00am (AEDT) on Tuesday 28 November 2017 at:

Suite 2  
Level 10  
70 Phillip Street  
Sydney NSW 2000

Enclosed are the following documents:

- Notice of Meeting and Explanatory Statement;
- Proxy Form for the Annual General Meeting; and
- Annual Report for the year ended 30 June 2017, for those Shareholders who have requested a printed copy.

If you are unable to attend the Meeting, I encourage you to appoint a proxy, by following the instructions on page 3 of the Notice of Meeting. You may also provide questions or comments in advance of the Meeting, by contacting the Company Secretary, using the details set out on page 25 of the Notice.

Important Notice – 2017 Annual Report

Shareholders are reminded that the Annual Report is only mailed to those Shareholders who have elected to receive it in hard copy. The 2017 Annual Report can be viewed on the Company's website at <http://www.aguiaresources.com.au/>

We look forward to seeing you at the Annual General Meeting.

Yours faithfully,



Paul Pint  
Executive Chairman

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## YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

## VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out on page 5.

## APPOINTING A PROXY

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A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder of Aguia.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes on a poll. Fractions will be disregarded.

To appoint a proxy online, go to [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and click the 'Investor & Employee Login' button. You will need your HIN (holder identification number) or SRN (Shareholder Reference Number) to log in.

Alternatively, you can appoint a proxy by completing and signing the enclosed proxy form and sending the form to:

- (a) By Post: Aguia Resources Limited, c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia; or
- (b) By Fax: Link Market Services at (+61 2) 9287 0309.

All enquiries to: (+61) 1300 554 474

The deadline for receipt of proxy appointments is 11:00am (AEDT) on 26 November 2017, being not later than 48 hours before the commencement of the Meeting.

***Any Proxy appointments received later than this time will not be valid for the Meeting.***

## **POWER OF ATTORNEY**

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If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already been provided to the Share Registry.

## **CORPORATE REPRESENTATIVES**

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If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

An appointment of corporate representative form may be obtained from Link Market Services by calling: (+61) 1300 554 474 or online at:  
<http://www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html>

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting (**AGM**) of Shareholders of Aguia Resources Limited will be held at Suite 2, level 10, 70 Phillip Street, Sydney, NSW, 2000, at 11.00am (AEDT) on Tuesday, 28 November 2017. Registration will open at 10.30am (AEDT).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

The Directors have determined under Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 7.00pm (AEDT) on 26 November 2017.

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## AGENDA

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### ADOPTION OF ANNUAL REPORT

To receive and consider the Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017

Shareholders will be asked to consider, and if thought fit, to pass, with or without amendment, the Resolutions below, which will be proposed as Ordinary Resolutions:

**1. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT**

*“To adopt the Aguia Remuneration Report for the year ended 30 June 2017.”*

**2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DAVID GOWER**

*“That Mr David Gower be re-elected as a Director of the Company.”*

**3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS DIANE LAI**

*“That Ms Diane Lai be re-elected as a Director of the Company.”*

**4. RESOLUTION 4 – GRANT OF OPTIONS TO MR PAUL PINT**

*“That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 1,250,000 options to Mr Paul Pint or his nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

**5. RESOLUTION 5 – GRANT OF OPTIONS TO MR JUSTIN REID**

*“That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 1,500,000 options to Mr Justin Reid or his nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

**6. RESOLUTION 6 – GRANT OF OPTIONS TO MR BRIAN MOLLER**

*“That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 150,000 options to Mr Brian Moller or his nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

**7. RESOLUTION 7 – GRANT OF OPTIONS TO MR DAVID GOWER**

*“That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 150,000 options to Mr David Gower or his nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

**8. RESOLUTION 8 – GRANT OF OPTIONS TO MR ALEC PISMIRIS**

*“That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 150,000 options to Mr Alec Pismiris or his nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

**9. RESOLUTION 9 – GRANT OF OPTIONS TO MS DIANE LAI**

*“That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 150,000 options to Ms Diane Lai or her nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

**10. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SECURITIES TO EXEMPT, SOPHISTICATED AND PROFESSIONAL INVESTORS UNDER ASX LISTING RULE 7.1A**

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify and approve the issue of 14,584,165 ordinary shares for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

**11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF SECURITIES TO EXEMPT, SOPHISTICATED AND PROFESSIONAL INVESTORS UNDER ASX LISTING RULE 7.1**

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify and approve the issue of 13,450,418 warrants (options) for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

Shareholders will be asked to consider, and if thought fit, to pass the Resolution below, which will be proposed as a Special Resolution:

**12. RESOLUTION 12 – AMENDMENT OF THE COMPANY’S CONSTITUTION**

“That the Company’s Constitution be amended by deleting Clause 6.3 in its entirety and replacing it with the following:

**“6.3 Retirement of Directors and vacation from office**

- (a) *So long as the Company is listed on the TSXV, at each annual general meeting of the Company all of the directors shall retire from office. A retiring Director is eligible for re-election.*
- (b) *A director may resign from office by giving the Company notice in writing.*
- (c) *The company may by ordinary resolution passed at a general meeting remove any director, and if thought fit, appoint another person in place of that Director.*
- (d) *A Director ceases to be a Director if:*
  - (i) *The Director becomes of unsound mind or a person whose property is liable to be dealt with under a law about mental health;*
  - (ii) *The director is absent without the consent of the of the directors from all meetings of the Directors held during a period of 6 months;*
  - (iii) *The Director resigns or is removed under this constitution;*

- (iv) The Director is an Executive Director (including a managing director) and ceases to be an employee of the Company (not including being a Non-executive Director) or of a related body corporate of the Company;*
- (v) The Director becomes an insolvent under administration; or*
- (vi) The Corporations Act so provides”*

This amendment is to take effect from the close of the meeting or last adjournment of the meeting at which this resolution is passed.”

**13. RESOLUTION 13 – APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES**

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital in the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

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DATED: 27 October 2017

BY ORDER OF THE BOARD



Andrew Bursill  
Company Secretary  
AGUIA RESOURCES LIMITED



## Voting Exclusion Statement

For the definitions of Key Management Personnel (**KMP**) and Closely Related Parties, please refer to the Glossary on page 39.

The Corporations Act restricts members of the KMP of the Company and their Closely Related Parties from voting in relation to remuneration related Resolutions (such as Resolutions 1, 4, 5, 6, 7, 8 and 9).

In addition, separate voting restrictions apply in respect of Resolutions 1, Resolutions 4 to 11 and Resolution 13 under the ASX Listing Rules.

**What this means for Shareholders:** If you intend to appoint a member of the KMP (other than the Chairman of the Meeting) as your proxy, please ensure that you direct them on how to vote on Resolution 1. If you do not do so, your proxy will not be able to vote on your behalf on Resolution 1.

If you intend to appoint the Chairman of the Meeting as your proxy, you are encouraged to direct him how to vote by marking a box for each Resolution (for example if you wish to vote for, or against, or to abstain from voting). If you appoint the Chairman as your proxy without directing him how to vote, the proxy form authorises him to vote as he decides on Resolution 1, 4, 5, 6, 7, 8 and 9 (even though those Resolutions are connected with the remuneration of KMP). The Chairman of the Meeting intends to vote in favour of all Resolutions (where permissible).

The Company will disregard votes cast on the Resolutions below by the persons detailed in the table.

Resolution	Voting Exclusions
Resolution 1 – Adoption of Remuneration Report	<p>A vote must not be cast in any capacity by:</p> <ul style="list-style-type: none"><li>- A current or former member of the KMP whose remuneration details are included in the remuneration report for the year ended 30 June 2017, and</li><li>- Any Closely Related Parties of such member of the KMP.</li></ul> <p>In addition, no votes may be cast as a proxy by any other person who has become a member of the KMP by the time of the AGM, or their Closely Related Parties.</p> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 1 if:</p> <ul style="list-style-type: none"><li>- The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or</li><li>- The vote is cast by the Chairman of the Meeting and the proxy form authorises him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).</li></ul>
Resolution 4 – Grant of Options to Mr Paul Pint	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"><li>- Paul Pint, who participated in the issue; and</li><li>- Any associates of Paul Pint.</li></ul> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 4 if:</p> <ul style="list-style-type: none"><li>- The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and</li><li>- It is not cast on behalf of Paul Pint, being a related party, or any associate of Paul Pint</li></ul> <p>Any undirected proxies giving their vote to the Chairman to vote as he decides shall be excluded in accordance with s224 of the Corporations Act 2001.</p>
Resolution 5 – Grant of Options to Mr Justin Reid	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"><li>- Justin Reid, who participated in the issue; and</li><li>- Any associates of Justin Reid.</li></ul>

	<p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 5 if:</p> <ul style="list-style-type: none"> <li>- The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and</li> <li>- It is not cast on behalf of Justin Reid, being a related party, or any associate of Justin Reid</li> <li>- The vote is cast by the Chairman of the Meeting and the proxy form authorises him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).</li> </ul>
<p>Resolution 6 – Grant of Options to Mr Brian Moller</p>	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"> <li>- Brian Moller, who participated in the issue; and</li> <li>- Any associates of Brian Moller.</li> </ul> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 6 if:</p> <ul style="list-style-type: none"> <li>- The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and</li> <li>- It is not cast on behalf of Brian Moller, being a related party, or any associate of Brian Moller</li> <li>- The vote is cast by the Chairman of the Meeting and the proxy form authorises him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).</li> </ul>
<p>Resolution 7 – Grant of Options to Mr David Gower</p>	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"> <li>- David Gower, who participated in the issue; and</li> <li>- Any associates of David Gower.</li> </ul> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 7 if:</p> <ul style="list-style-type: none"> <li>- The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and</li> <li>- It is not cast on behalf of David Gower, being a related party, or any associate of David Gower</li> <li>- The vote is cast by the Chairman of the Meeting and the proxy form authorises him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).</li> </ul>
<p>Resolution 8 – Grant of Options to Mr Alec Pismiris</p>	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"> <li>- Alec Pismiris, who participated in the issue; and</li> <li>- Any associates of Alec Pismiris.</li> </ul> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 8 if:</p> <ul style="list-style-type: none"> <li>- The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and</li> <li>- It is not cast on behalf of Alec Pismiris, being a related party, or any associate of Alec Pismiris</li> <li>- The vote is cast by the Chairman of the Meeting and the proxy form authorises him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).</li> </ul>

<p>Resolution 9 – Grant of Options to Ms Diane Lai</p>	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"> <li>- Diane Lai, who participated in the issue; and</li> <li>- Any associates of Diane Lai.</li> </ul> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 9 if:</p> <ul style="list-style-type: none"> <li>- The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and</li> <li>- It is not cast on behalf of Diane Lai, being a related party, or any associate of Diane Lai</li> <li>- The vote is cast by the Chairman of the Meeting and the proxy form authorises him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).</li> </ul>
<p>Resolution 10 – Ratification of prior issue of securities to Sophisticated and Professional Investors</p>	<p>The Company will disregard any votes cast on Resolution 10 by the persons listed in part (d) of the explanatory statement pertaining to resolution 10, being the persons that participated in the issue of the Securities that are the subject of Resolution 10, and any associate of those persons.</p> <p>However, the Company will not disregard a vote on Resolution 10 if it is cast by:</p> <ul style="list-style-type: none"> <li>- A person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or</li> <li>- The person chairing the Meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides.</li> </ul>
<p>Resolution 11 – Ratification of prior issue of securities to Sophisticated and Professional Investors</p>	<p>The Company will disregard any votes cast on Resolution 11 by the persons listed in part (d) of the explanatory statement pertaining to resolution 11, being the persons that participated in the issue of the Securities that are the subject of Resolution 11, and any associate of those persons.</p> <p>However, the Company will not disregard a vote on Resolution 11 if it is cast by:</p> <ul style="list-style-type: none"> <li>- A person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or</li> <li>- The person chairing the Meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides.</li> </ul>
<p>Resolution 13 – Approval of 10% Capacity to Issue Equity Securities</p>	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"> <li>- Persons who may participate in the proposed issue of the securities, and any persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; and</li> <li>- Any associates of those persons.</li> </ul> <p>However, the company need not disregard a vote cast as proxy for a person who is entitled to vote on resolution 13 if:</p> <ul style="list-style-type: none"> <li>- The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the resolution; or</li> <li>- The vote is cast by the chairman of the meeting, in accordance with a direction on the proxy form, to vote as the proxy decides.</li> </ul>

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held on 28 November 2017 at 11.00am (AEDT).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### **1. ANNUAL REPORT**

The business of the Meeting will include receipt and consideration of the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017, which are included in Aguia's Annual Report.

In accordance with the Corporations Act 2001, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Annual Report, and on the management of Aguia.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the auditor's report;
- Accounting policies adopted by the company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### Written questions for the Auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report to the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, that is by Tuesday 21 November 2017.

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### **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

The Remuneration Report is set out in the Annual Report. The Remuneration Report details the Company's remuneration arrangements for the Directors and senior management of the Company.

S250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and not binding on the Company or its Directors.

However, under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report then:

- If comments are made on the Remuneration Report at the Meeting, Aguia's 2017 Remuneration Report will be required to include an explanation of the Board's proposed action response or, if no action is proposed, the Board's reasons for this; and
- If, at next year's AGM, at least 25% of the votes cast on the resolution for adoption of the 2017 Remuneration Report are against it, Aguia will be required to put to Shareholders a

resolution proposing that an Extraordinary General Meeting (**EGM**) be called to consider the election of Directors (**Spill Resolution**). If the Spill Resolution is passed (i.e. More than 50% of the votes cast are in favour of it), all of the Directors (other than the Managing Director) will cease to hold office at the subsequent EGM, unless re-elected at that Meeting.

Last year, a resolution was passed to adopt the 2016 Remuneration Report, with in excess of 75% of votes cast in favour of the resolution on a show of hands (noting that in excess of 75% of proxies lodged were also in favour of the resolution).

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Remuneration Report.

**Board Recommendation:** *The Remuneration Report forms part of the Directors' Report, which was approved in accordance with a unanimous resolution of the Board. Each Non-Executive Director recommends that Shareholders vote in favour of adopting the Remuneration Report.*

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### 3. RE-ELECTION OF DIRECTOR

Clause 6.3(a) of the Constitution and ASX Listing Rule 14.4 provide that the Managing Director is exempt from standing for re-election. In accordance with these provisions the Company's Managing Director, Mr Justin Reid, is not seeking re-election.

Clause 6.3(b) of the Constitution requires that a Director must retire at the third annual general meeting following their appointment or last re-election by Shareholders.

Clause 6.3(c) provides that if the Company has three or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each annual general meeting.

Directors who retire under clauses 6.3(b) or 6.3(c) are eligible for re-election.

Clause 6.3(j) of the Constitution requires that a Director who was appointed as a Director by the other Directors must retire at the next annual general meeting of the Company and is eligible for re-election.

#### RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DAVID GOWER

Mr Gower retires as a Director and now seeks re-election in accordance with clause 6.3(c) of the Constitution.

#### **Brief Curriculum Vitae of Mr David Gower**

Non-Executive Director

#### ***Experience and expertise***

Mr Gower joined the Board of Aguia on 30 November 2012. Mr Gower has over 25 years' experience in the minerals industry including senior positions with Falconbridge Limited and Noranda Inc. He was previously a senior executive of several Forbes & Manhattan group companies. Mr Gower has a strong record of exploration and project development in Brazil including the Araguaia nickel deposits, Autazes potash discoveries, acquisition of the Irati Energia oil shales. He is a member of the Association of Professional Geoscientists of Ontario and of the Canadian Institute of Mining.

#### ***Current Directorships of other listed companies***

Emerita Resources Corp (TSX-V: EMO), Alamos Gold inc (TSX: AGI), Apogee Opportunities Inc (TSX-V: APE)

#### ***Former Directorships of other listed companies in the last three years***

Coastal Gold Corp.

**Additional corporate governance disclosures**

Mr Gower is a Non-Executive Director and is considered by the Board to be Independent.

**Special responsibilities**

Chair of the Compensation Committee  
Member of the Audit and Risk Committee

**Board Recommendation:** *The Directors (with Mr Gower abstaining) unanimously recommend the re-election of Mr Gower.*

**RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS DIANE LAI**

Ms Lai retires as a Director and now seeks re-election in accordance with clause 6.3(j) of the Constitution.

**Brief Curriculum Vitae of Ms Diane Lai**

Non-Executive Director

**Experience and expertise**

Ms Lai joined the Board of Aguia on 7 July 2017. Ms Lai has over 22 years of global experience in business development, management and acquisitions. Diane has formerly worked at Vodafone in the United Kingdom and Entrata Communications in California, before returning to Canada where she was instrumental in the acquisition of FloNetwork to DoubleClick and Platform Computing to IBM. Diane's entrepreneurial nature led to the launch of a successful organic skin care company in 2010. She formerly held Board positions at Windmill Line Co-Operative, Cloverdale Inc. in Bermuda, and currently holds board positions with the Flato Markham Theatre and Sulliden Mining Capital Inc. Diane graduated from the University of Waterloo and holds an MBA from the Kellogg School of Management at Northwestern University.

**Current Directorships of other listed companies**

Sulliden Mining Capital Inc. (TSX:SMC)

**Former Directorships of other listed companies in the last three years**

None

**Additional corporate governance disclosures**

Ms Lai is a Non-executive Director and is considered by the Board to be Independent.

**Special responsibilities**

None

**Board Recommendation:** *The Directors (with Ms Lai abstaining) unanimously recommend the re-election of Ms Lai.*

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**4. RESOLUTIONS 4, 5, 6, 7, 8 AND 9 - GRANT OF OPTIONS**

It is proposed that a total grant of 3,350,000 options to the Board of Directors. The options will have an expiry date of 3 years from their date of issue, with an exercise price of \$0.60 (**Options**).

Vesting conditions only apply in respect of the Options to be issued to Mr Paul Pint (under resolution 4) and Mr Justin Reid (under resolution 5) as follows;

- 50% of the Options will vest upon the completion of the Bankable Feasibility Study (BFS), and
- 50% will vest upon the granting of the Preliminary License, which is issued on the approval of the Environmental Impact Assessment by FEPAM, the Rio Grande do Sul, Brazil environmental authority.

Both these vesting conditions are considered to be key development milestones for the Company's mining project in Brazil.

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without first receiving Shareholder approval:

- (a) A related party; or
- (b) A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) A Director of a public company; and
- (b) An entity controlled by a Director of a public company.

Accordingly Mr Paul Pint, Mr Justin Reid, Mr Brian Moller, Mr David Gower, Mr Alec Pismiris and Ms Diane Lai being all of the directors of the Board of the Company (**Directors**) are "related parties" to the Company.

Shareholder approval is sought for the grant of 3,350,000 Options to the Directors, or their nominees. These Options are proposed to be issued as additional compensation for assistance with the Company's recent success.

The Directors each have a material personal interest in the outcome of their relevant Resolution as it is proposed that Options be granted to them (or to their nominee).

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be issued to the Directors, or their nominees;
- (b) The maximum number of Options that will be issued to each individual is detailed below:

<b>Resolution</b>	<b>Name of Holder or Nominee</b>	<b>Number of Options</b>
4	Paul Pint	1,250,000
5	Justin Reid	1,500,000
6	Brian Moller	150,000
7	David Gower	150,000
8	Alec Pismiris	150,000
9	Diane Lai	150,000
	<b>Total</b>	<b>3,350,000</b>

- (c) The Company proposes to issue the Options immediately following the Meeting, but in any case no later than one month after the date of the Meeting;
- (d) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses;
- (e) A voting exclusion statement is set out in the Notice of Meeting; and
- (f) Other material terms and conditions of the Options are set out at Annexure 1.

## **Chapter 2E of the Corporations Act Disclosures**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. Exceptions to this general prohibition include where the company

first obtains the approval of its shareholder in general meeting, or the financial benefit being provided is on arm's length terms or better.

A "financial benefit" for the purposes of the Corporations Act includes issuing securities to a related party.

The proposed Resolutions 4 to 9 if passed will confer financial benefits to the Directors. Therefore the Company seeks to obtain shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act, and for this reason, and for all other purposes, the following information is provided to Shareholders:

The related parties to whom Resolutions 4, 5, 6, 7, 8 and 9 would permit the financial benefit to be given to the Directors

- (a) The nature of the proposed financial benefit to be given is 3,350,000 Options with an expiry date 3 years from their date of issue and an exercise price of \$0.60;
- (b) The Options, the subject of Resolutions 4 to 9, will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used for working capital and other operational expenses;
- (c) As Resolutions 4 to 9 relate to Directors' remuneration, the Directors have refrained from making a recommendation in relation to these resolutions; and
- (d) Directors have the following interests and other remuneration:

Director (including associated entities)	2017 Financial Year Remuneration	Proposed 2018 Financial Year Remuneration **
Paul Pint	324,999	398,312
Justin Reid	524,004	586,979
David Gower	0	23,798
Brian Moller	40,000	63,798
Alec Pismiris	40,001	63,799
Diane Lai*	0	63,798
<b>Total</b>	<b>324,999</b>	<b>398,312</b>

\* Appointed on 7 July 2017

\*\* Including the accrued value of the options proposed to be granted under Resolutions 4 to 9

\*\*\* David Gower is not paid salary or fees

If the Options, the subject of Resolutions 4 to 9 are approved, the following will be the effect of their holdings in the Company:

Directors (including associated entities)	Current Share & Option Holding	Current % of Total Share & Option Capital	Share & Option Capital Upon Exercise*	% of Total Share & Option Capital Upon Exercise
Paul Pint	270,000	0.20%	1,520,000	1.11%
David Gower	322,033	0.24%	472,033	0.34%
Justin Reid	642,000	0.48%	2,142,000	1.56%
Brian Moller	190,000	0.14%	340,000	0.25%
Alec Pismiris	161,966	0.12%	311,966	0.23%
Diane Lai	0	0.00%	150,000	0.11%
All Other Holders	131,706,745	98.81%	132,000,745	96.40%
<b>Total</b>	<b>133,292,744</b>	<b>100.00%</b>	<b>136,936,744</b>	<b>100.00%</b>



\*This figure includes the Options proposed to be granted to the Directors under Resolutions 4 to 9.

Assuming: (1) The 400,000 listed options at \$0.84 and expiring on 26 June 2018 are exercised; (2) The 614,000 unlisted options exercisable at \$1.10 each, expiring on 27 November 2018 are exercised; (3) The 260,000 unlisted options exercisable at \$0.60 each, expiring on 7 December 2019 are exercised and (4) that none of the following current unlisted options on issue are exercised per below:

- i. 560,000 unlisted options exercisable at \$1.30 each, expiring on 30 September 2018;
- ii. 810,000 unlisted options exercisable at \$0.60 each, expiring on 19 December 2019;
- iii. 120,000 unlisted options exercisable at \$0.64 each, expiring on 2 June 2020;
- iv. 150,000 unlisted options exercisable at \$0.54 each, expiring on 28 July 2022;
- v. 120,000 unlisted options exercisable at \$0.64 each, expiring on 2 June 2020; and
- vi. 13,180,418 unlisted options exercisable at C\$0.65, expiring 30 June 2020

(e) **Valuation**

The Options that are the subject of Resolutions 4 to 9 are not proposed to be quoted on the ASX and as such have no easily identifiable market value. Each Option grants the holder a right to subscribe for one Share upon exercise of each Option and payment of the exercise price described above. Accordingly, the Options may have a present value at the date of their grant.

The Options may acquire future value dependent upon the extent to which the market value of Shares exceeds the exercise price of the Options during the term of the Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:

The period outstanding before the expiry date of the options;

- The exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- The proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. Whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- The value of the shares into which the options may be converted; and
- Whether or not the options are listed (i.e. readily capable of being liquidated) and so on.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black and Scholes option valuation methodology "Black-Scholes Model").

The Company has sought an independent valuation of the Options from Stantons International Securities (**SIS**). The method used to value the Options was the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.

The data relied upon in the valuation applying the Black-Scholes Model was:

- Exercise price of the Option is \$0.60;
- Market price of Agua Shares was \$0.40 on 3 October 2017 valuation as a proxy for the market price at the future date of issue, being the date of the General Meeting to approve the issue;
- Options vesting on the date of issue, assumed to be 28 November 2017;
- Expiry Date of three years from the date of issue;
- Volatility measure of 75%;
- Risk-free interest rate of 3 year Australian Government bond of 1.94%; and
- Dividend yield of 0.00%.

Based on the valuation, the Company has adopted an indicative value for the Options of 15.865 cents each, based on the assessed fair value of the Options as calculated in that report.

The total assessed valuation of the Options that are the subject of Resolutions 4 to 9 is 15.865 cents per option of a total of \$531,478. It is noted that SIS has valued the Options to be in a range of values between 15.865 cents and 26.869 cents per Option, based on volatilities ranging from 75% to 125%.

- (f) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors.

There is no other information known to the Company or any of the Directors save and except as follows:

(i) Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Options to Mr Paul Pint, Mr. Justin Reid, Mr. David Gower, Mr. Brian Moller, Mr. Alec Pismiris, Ms. Diane Lai or their nominees, is the potential dilutionary impact on the issued Share capital of the Company (in the event that the Options are exercised). Until exercised, the issue of the Options will not impact upon the number of shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled Directors on appropriate incentive terms. It is also considered that the potential increase of value in the Options is dependent upon a concomitant increase in the value of the Company generally.

(ii) Trading History of the Shares

As at 29 September 2017, the closing price of Shares on ASX was \$0.40 cents. Set out below is the trading history of the closing price of Shares over the past 6 months and 12 months period:

	<b>Market Price 6 months prior to 29 September 2017 *</b>	<b>Market Prices 12 months prior to 29 September 2017 **</b>
<b>High</b>	52.5 cents (high within the 6 months)	62.5 cents (high within the 12 months)
<b>Low</b>	30.0 cents (low within the 6 months)	30.0 cents (low within the 12 months)

\*From 29 March 2017 – 29 September 2017

\*\*From 29 September 2016 – 29 September 2017

(iii) Taxation Consequences

No stamp duty will be payable in respect of the grant of the Options. No GST will be payable by the Company in respect of the grant of the Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

(iv) Dilutionary Effect

The dilutionary effect on the Company and its shareholders is summarised in the table on page 15.

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**5. RESOLUTIONS 10 AND 11 – RATIFICATION OF PRIOR ISSUE OF SECURITIES TO SOPHISTICATED AND PROFESSIONAL INVESTORS**

At the Company's extraordinary general meeting (EGM) held on 4 April 2017 the shareholders gave approval to raise up to \$8 million. Due to the placement being substantially oversubscribed, the Company announced on 26 June 2017 to the ASX that, the successful completion of a private placement (Placement) to sophisticated and professional investors. The Placement to sophisticated and professional investors was arranged by Paradigm Capital as lead agent as well as Jett Capital and Cannacord as well as other sophisticated and professional investors known to the Company, none of whom are related parties of the Company.

The Company raised \$10.5 million in new capital for the Company and issued 26,360,835 new units (Unit) on various dates from 30 June to 7 July 2017. Each Unit consisted of 1 ordinary share and a half warrant (options), with a total of 13,450,418 warrants (options) being issued as part of the Placement.

ASX Listing Rule 7.1

ASX Listing Rule 7.1, known as the '15% rule', limits the capacity of a company to issue Securities without the approval of its shareholders. In broad terms, that Listing Rule provides that a company may not, in a twelve month period, issue Securities equal to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period, unless the issue is first approved by shareholders or otherwise it comes within one of the exceptions to ASX Listing Rule 7.1, as set out in ASX Listing Rule 7.2.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after an annual general meeting. This 10% placement capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that where holders of ordinary securities approve a previous

issue of Securities made without approval under ASX Listing Rule 7.1 and provided that the previous issue of Securities did not breach ASX Listing Rule 7.1, those Securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder approval of the issue of shares and warrants (options) per resolution 10 and 11 as set out below is sought pursuant to ASX Listing Rule 7.4 to partially reinstate the Company's capacity to issue up to 15% of its ordinary issued capital under ASX Listing Rule 7.1 and an additional 10% of its ordinary issued capital under ASX Listing Rule 7.1A, if required, over a twelve month period without seeking further Shareholder approval.

#### **Resolution 10 – Ratification of Prior Issue of Securities issued in accordance with ASX Listing Rule 7.1A**

Shareholder approval is being sought to ratify the those shares raised over the amount approved by shareholders at the EGM being 6,360,835 shares, 25,835 shares were issued on 3 July 2017 and 6,335,000 shares were issued on 7 July 2017 as per the Appendix 3B lodged on these dates with the ASX, these shares were issued under ASX Listing Rule 7.1A.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders in relation to the Shares:

- (a) The number of shares issued was 6,360,835 shares;
- (b) The shares were issued at an issue price of \$0.40 per share;
- (c) The shares issued rank equally with, and are on the same terms as, the existing shares on issue;
- (d) The shares were allotted to sophisticated and professional investors;
- (e) The funds raised were used to provide sufficient funding to execute on the Company's development plans for the next 18 months as per the conditions of the TSXV listing committee;
- (f) A voting exclusion statement is set out in the Notice of Meeting;

**Board Recommendation:** *The Board recommends Shareholders vote in favour of Resolution 10 as it allows the Company to ratify the above issue of Securities and retain the flexibility to issue further Securities representing up to 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve-month period without seeking further Shareholder approval. The Directors intend to vote all their Shares in favour of Resolution 10.*

#### **Resolution 11 – Ratification of Prior issue of Securities under ASX Listing Rule 7.1**

Shareholder approval is being sought to ratify those 13,450,418 warrants (options) issued as part of the Placement issued under ASX Listing Rule 7.1

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders in relation to the Options:

- (a) The number of warrants (options) issued was 13,450,418;
- (b) The warrants (options) were issued for nil consideration as part of the Placement;
- (c) The warrants (options) have an expiry date of 30 June 2020 and an exercise price of C\$0.65;
- (d) The warrants (options) were allotted to sophisticated and professional investors participating in the Placement;
- (e) No funds were raised from the issue of the warrants (options);
- (f) A voting exclusion statement is set out in the Notice of Meeting; and
- (g) Other material terms and conditions of the warrants (options) are set out at Annexure 2.

**Board Recommendation:** *The Board recommends Shareholders vote in favour of Resolution 11 as it allows the Company to ratify the above issue of Securities and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 during a twelve-month period without seeking further Shareholder approval. The Directors intend to vote all their Shares in favour of Resolution 11.*

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## 6. RESOLUTION 12 – AMENDMENT OF THE COMPANY'S CONSTITUTION

### Background

As part of the Company's dual-listing on the TSX Venture Exchange (TSXV), Agua is required to comply with the Canadian Regulatory Authorities on their general prohibition on "staggered boards" (ie where only a proportion of the Directors are required each year to retire by rotation – usually one-third).

As Agua is listed on the ASX, the Company has undertaken to present a resolution to its shareholders to eliminate the staggered board mechanism. If the resolution is not passed by the shareholders, the Company may keep the staggered board mechanism but it must present the same resolution to its shareholders every 3 years thereafter until the staggered board mechanism is removed.

As such, the Board recommends that the Company's Constitution be amended by deleting Clause 6.3 in its entirety and replacing it with:

#### **"6.3 Retirement of Directors and vacation from office**

- (a) *As long as the Company is listed on the TSXV, at each annual general meeting of the Company all of the directors shall retire from office. A retiring Director is eligible for re-election. An election of Directors shall take place each year.*
- (b) *A director may resign from office by giving the Company notice in writing.*
- (c) *The company may by ordinary resolution passed at a general meeting remove any director, and if thought fit, appoint another person in place of that Director.*
- (d) *A Director ceases to be a Director if:*
  - (i) *The Director becomes of unsound mind or a person whose property is liable to be dealt with under a law about mental health;*
  - (ii) *The director is absent without the consent of the of the directors from all meetings of the Directors held during a period of 6 months;*
  - (iii) *The Director resigns or is removed under this constitution;*
  - (iv) *The Director is an Executive Director (including a managing director) and ceases to be an employee of the Company (not including being a Non-executive Director) or of a related body corporate of the Company;*
  - (v) *The Director becomes an insolvent under administration; or*
  - (vi) *The Corporations Act so provides"*

The amendment to the Company's Constitution is to take effect from the close of the meeting or last adjournment of the meeting at which this resolution is passed.

**Board Recommendation:** *The Directors unanimously recommend that Shareholders vote in favour of this resolution to amend the Company's Constitution.*

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## 7. RESOLUTION 13 - APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES

### ASX Listing Rule 7.1

ASX Listing Rule 7.1 restricts listed companies in relation to the number of equity securities that they can issue or agree to issue without shareholder approval. Generally, a listed company cannot, in any 12 month period, issue a number of equity securities which is more than 15% of their fully paid ordinary shares on issue without shareholder approval (**15% limit**), unless an exception applies. The Company has not exceeded this 15% limit.

## ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after an annual general meeting. This 10% placement capacity (**10% limit**) is in addition to the Company's 15% limit under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

## Shareholder Approval

Shareholder approval is now sought in accordance with ASX Listing Rule 7.1A to give the Company the ability to issue equity securities under the 10% limit. Resolution 13 must be passed as a Special Resolution, meaning that at least 75 per cent of the votes cast at the AGM must be in favour of Resolution 13.

## Current Securities on Issue

As at the date of this Notice, the Company has the following classes and numbers of equity securities on issue:

Security Class	Number on Issue
Ordinary Shares	117,198,326
Unlisted Options, exercise price \$0.84, expiry date 26/06/2018	400,000
Unlisted Options, exercise price \$1.30, expiry date 30/09/2018	560,000
Unlisted Options, exercise price \$1.10, expiry date 27/11/2018	614,000
Unlisted Options, exercise price \$0.625, expiry date 07/12/2019	260,000
Unlisted Options, exercise price \$0.60, expiry date 16/12/2019	810,000
Unlisted Options, exercise price \$0.64, expiry date 02/06/2020	120,000
Unlisted Options, exercise price CAD\$0.65, expiry date 30/06/2020	13,180,418
Unlisted Options, exercise price \$0.54, expiry date 28/07/2022	150,000
<b>Total</b>	<b>133,292,744</b>

## Duration of Approval of 10% Limit

Shareholder approval of the 10% limit under ASX Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) The date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) The date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking),

(the **period of approval**).

## Formula for Calculation of 10% Limit

The exact number of equity securities to be issued under the 10% limit will be determined in accordance with the following formula, which is prescribed in ASX Listing Rule 7.1A.2:

Eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the period of approval, a number of equity securities calculated in accordance with the following formula:

**(A x D) – E**

**A** Is the number of shares on issue 12 months before the date of issue or agreement:

- Plus the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- Plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- Plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 or ASX Listing Rule 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% limit without shareholder approval;
- Less the number of fully paid ordinary shares cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% limit.

**D** Is 10%

**E** Is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

ASX Listing Rule 7.3A requires the following information to be provided to Shareholders:

**(a) Minimum Price**

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of the Company's equity securities in the same class, calculated over the 15 Trading Days immediately before:

- (i) The date on which the price at which the equity securities are to be issued is agreed; or
- (ii) If the equity securities are not issued within five trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

**(b) Risk of Voting Dilution**

If Resolution 13 is approved by Shareholders and the Company issues equity securities under the 10% limit, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) The market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Meeting; and
- (ii) The equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date or the equity securities are issued as part of the consideration for the acquisition of a new asset;

which may have an effect on the amount of funds raised by the issue of the equity securities.

The below table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A', calculated in accordance with the formula in ASX Listing Rule 7.1A(2), as at the date of this Notice.

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company currently has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.20 50% decrease in Issue Price	\$0.40 Issue Price	\$0.80 100% increase in Issue Price
Current Variable 'A'	10% Voting Dilution	11,719,833	11,719,833	11,719,833
117,198,326	Funds Raised \$	\$2,343,967	\$4,687,933	\$9,375,866
50% increase in current variable 'A'	10% Voting Dilution	17,579,749	17,579,749	17,579,749
175,797,489	Funds Raised \$	\$3,515,950	\$7,031,900	\$14,063,799
100% increase in current variable 'A'	10% Voting Dilution	23,439,665	23,439,665	23,439,665
234,396,652	Funds Raised \$	\$4,687,933	\$9,375,866	\$18,751,732

The above table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of equity securities available under the 10% limit.
- (ii) No Options are exercised into Shares before the date of the issue of equity securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% limit, based on that Shareholder's holding at the date of the Meeting;
- (v) The table shows only the effect of issue of equity securities under ASX Listing Rule 7.1A, not under the 15% limit under ASX Listing Rule 7.1;
- (vi) The issue of equity securities under the 10% limit consists only of shares.
- (vii) The issue price is \$0.40 being the closing market price of the shares on the ASX on 29 September 2017.

**(c) Period of Approval**

The Company will only issue and allot the equity securities during the period of approval. The approval under Resolution 13 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).



**(d) Purpose of Issue under 10% Limit**

The Company may seek to issue the equity securities for the following purposes:

- (i) Non-cash consideration for the acquisition of assets such as mineral exploration tenements, or a business or company holding mineral exploration tenements. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
- (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities.

**(e) Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% limit. The identity of the allottees of equity securities will be determined on a case by case basis, having regard to the factors including but not limited to the following:

- (i) The purpose of the issue;
- (ii) The alternative methods for raising funds that are available to the company at the time, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) The effect of the issue of the equity securities on the control of the company;
- (iv) The circumstances of the company, including the financial position and solvency of the company; and
- (v) Advice from corporate, financial and broking advisers (if available).

The allottees under the 10% limit have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

**(f) Voting Exclusion Statement**

A voting exclusion applies to this item of business, as set out in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder to participate in the issue of the equity securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

**(g) Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at the Company's Annual General Meeting on 29 November 2016.

During the 12 months since the last Annual General Meeting (**preceding 12 month period**):

- (i) The Company has issued in aggregate the following equity securities:
  - 26,832,530 Ordinary Shares
  - 14,520,418 Unlisted Options (taking into account consolidation exercise in April 2017)
- (ii) Those equity securities issues during the preceding 12 month period represent, on a fully diluted basis, 31.02% of the total number of equity securities that were issued on the first day of the preceding 12 month period.

Further details of the equity issued during the preceding 12 month period are set out in Annexure 3.

**Board Recommendation:** *The Directors unanimously recommend that Shareholders vote in favour of approving the 10% limit. This will enable the Company to have the flexibility to issue further equity securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a 12 month period without seeking further Shareholder approval.*

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## 8. ENQUIRIES

Shareholders may contact the Company Secretary if they have any queries in respect of the matters set out in these documents.

Andrew Bursill  
**Company Secretary**

Agua Resources Limited  
c/- Franks & Associates Pty Limited  
GPO Box 4325  
Sydney, NSW 2001

Tel: (+61 2) 9299 9690  
Fax: (+61 2) 9251 7455  
Email: abursill@fa.com.au

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## 9. GLOSSARY

**AEDT** means Australian Eastern Daylight Time, Sydney, New South Wales.

**Agua Group** means Agua and its controlled entities.

**Annual General Meeting, AGM or Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691).

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the Board of Directors of the Company as constituted from time to time.

**Business Day** has the meaning given to that term in ASX Listing Rule 19.12.

**C\$** means Canadian dollars.

**Closely Related Parties**, in relation to a member of KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with Agua (or the Agua Group), and any company the member controls.

**Company or Agua** means Agua Resources Limited (ABN 98 128 256 888).

**Constitution** means the Constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** mean the Directors of the Company.

**Documents** means each of the Notice, Explanatory Statement and the Proxy Form and all other documents that accompany each other when sent to each Shareholder.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel or KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of Agua or the Agua Group, whether directly or indirectly. Members of the KMP include Directors and certain senior executives.

**Notice** means the notice of Meeting that accompanies and forms part of the Documents.

**Option** means an option, if exercised in accordance with its terms, to acquire one Share in the Company.

**Ordinary Resolution** means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Share Registry** means Link Market Services

**Special Resolution** means a resolution passed by at least 75 per cent of the votes at a general meeting of Shareholders.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**VWAP** means the volume weighted average price of trading in Shares on the ASX market and the Chi-X market over a specified period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

## **Interpretation**

In these Documents, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms “included”, “including” and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a statute or statutory provision includes but is not limited to:
  - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
  - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
  - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (j) reference to “\$”, “A\$”, “Australian Dollars” or “dollars” is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia; and
- (k) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

## ANNEXURE 1

### AGUIA RESOURCES LIMITED – EMPLOYEE SHARE OPTION PLAN

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#### 1. Purpose:

The Employee Share Option Plan of Aguia Resources Limited has been established to provide a mechanism through which the wealth of the Employees and Contractors of Group Companies can be directly linked to the share price performance of the Company, thereby creating an additional incentive for Employees to strive to increase shareholder value for the benefit of all shareholders.

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#### 2. Definitions and interpretation

In this document the following terms have the following meanings:

**\$** means Australian dollars.

**Acceptance Form** means the acceptance form in such form as the Directors may approve from time to time.

**AEST** means Australian Eastern Standard Time.

**ASIC** means the Australian Securities and Investment Commission.

**ASIC CO 14/1000** means ASIC Class Order [14/1000] as amended or replaced from time to time.

**Associate** has the meaning given to it by the Corporations Act.

**ASX** means the ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

**Board** means the Board of Directors of the Company.

**Bonus Shares** means Shares to which a holder of Shares is entitled to have allotted to the holder in any pro rata issue by the Company to holders of Shares, for which no consideration is payable by the holder.

**Casual Employee**, means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the Company.

**Certificate** means the option certificate to be issued under clause 7 in such form as the Directors approve from time to time.

**Change of Control** means that event which occurs when an entity who did not have a relevant interest in more than 20% of the Shares acquires a relevant interest in more than 20% of the Shares within the mean of Sections 608 and 609 of the Corporations Act.

**Class Order** means a class order published by ASIC.

**Company** means Aguia Resources Limited (ACN 128 256 888).

**Contractor** means:

- (a) an individual with whom the Company has entered into a contract for the provision of services under which the individual performs work for the Company; or
- (b) a corporation with whom the Company has entered into a contract for the provision of services, which corporation is wholly-owned by an individual who is a Director of the Company, and under which the individual performs work for the Company;

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the Company.

**Corporate Finance Manual** means the policies, forms and appendices comprising the *Corporate Finance Manual* of the TSXV.

**Corporations Act** means the *Corporations Act 2001* (Cth) and includes the *Corporations Regulations 2001* (Cth), as applicable.

**Directors** means the Directors of the Company.

**Early Retirement** means the termination of employment of a person with a Group Company by reason of that person being over the age of fifty-five years and having previously been employed by a Group Company for a total of over ten years, and having been determined by the Board to have agreed to take early retirement.

**Eligible Person** means any of the following:

- (a) a full-time or part time Employee (including an executive Director);
- (b) a non-executive Director;
- (c) a Contractor who is an individual (other than an employee of a Group Company or a Director) or a corporation and that:
  - (ii) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to a Group Company other than services provided in relation to a distribution of securities of the Company;
  - (iii) provides the services under a written contract between the Group Company and the individual;
  - (iv) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of one or more of the Group Companies; and
  - (v) has a relationship with one or more of the Group Companies that enables the individual to be knowledgeable about the business and affairs of the Issuer;
- (d) a Casual Employee; or
- (e) a Prospective Participant.

**Employees** means a person, by whatever name and whether or not a Director, who is employed by, concerned with, or takes part in, the business of the Group Companies.

**Employee Share Option Plan** or **Plan** means the Agua Employee Share Option Plan established by this document.

**Exchange Rules** means the Corporate Finance Manual and the Listing Rules.

**Excluded Event** means an event by which an Eligible Person ceases to be an Eligible Person by reason of being dismissed from office other than for cause (whether or not on terms acceptable to the Eligible Person) within six (6) months after a Change of Control has occurred.

**Exercise Period** means the period commencing on the Vesting Date and ending on the Last Exercise Date.

**Exercise Price** means, subject to clause 16, the amount to be paid to the Company upon the exercise of an Option, being not less than the weighted average market closing price of the Shares traded on the ASX over a five (5) Trading Day period ending on the last Trading Day immediately prior to the Issue Date.

**Group Company** means the Company and or its Subsidiaries and associates.

**Holder** means the holder specified on the face of the Certificate or that person's legal personal representative, except when an Eligible Person dies, the Options may, subject to clause 17, be transferred to their heirs, successors, legal personal representatives or administrator as the case may be and they will become the holder for the purposes of exercising the Options prior to the Last Exercise Date.

**Initial Number** means the number of Shares specified on the face of the Certificate.

**Insider** means:

- (a) a Director or officer of the Company,
- (b) a Director or officer of a person or company that is itself an Insider or subsidiary of the Company,
- (c) a person or company that has:
  - (i) beneficial ownership of, or control or direction over, directly or indirectly, securities of the Company carrying more than 10 per cent of the voting rights attached to all the Company's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or company as underwriter in the course of a distribution; or
  - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of the Company reporting issuer carrying more than 10 per cent of the voting rights attached to all the Company's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or company as underwriter in the course of a distribution;
- (d) a reporting issuer that has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security,

or any associates or affiliates of an Insider.

**Issue Date** means the date of grant of the Options as specified on the face of the Certificate.

**Last Exercise Date** means subject to clause 16, the earlier of:

- (a) 5 pm AEST on the date that is five (5) years after the Issue Date; and

- (b) 5 pm AEST on the date that is six (6) months after the day on which the Holder Retires, takes Early Retirement, is Permanently Disabled, is made Redundant, ceases to be an Eligible Person by virtue of an Excluded Event or, while an Eligible Person, dies.

**Listing Rules** means the Listing Rules of the ASX.

**Marketable Parcel** has the meaning given to it by the Listing Rules.

**Notice of Exercise** means a duly completed notice of exercise of Options signed by the Holder, in a form approved by the Directors from time to time.

**Offer** means the written offer of Options made by the Company.

**Offer Document** is given the meaning attributed to that term in ASIC CO 14/1000.

**Option** means a right to subscribe for a Share granted to the Holder, evidenced by the Certificate.

**Option Period** means the period commencing on the Vesting Date and ending when the Options are exercised or lapse.

**Option Shares** means the number of Shares the subject of Options adjusted in accordance with these terms.

**Other Securities** means securities or other interests or rights in them, other than Shares.

**Permanent Disablement** means the disablement of a person the effect of which is, in the opinion of the Directors, likely to be permanent and will stop that person from continuing employment with the Company.

**Prospective Participant**, in relation to an Offer, means a person to whom the Offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Person.

**Redundancy** means the termination of employment by a person with the Company by reason of a restructure within the Company whereby the position previously being occupied by that person no longer exists within the Company and the Board in its absolute discretion determining that such event qualifies as a redundancy for the purposes of the Employee Share Option Plan, and "**Redundant**" has the corresponding meaning.

**Related Body Corporate** has the meaning given to it by the Corporations Act.

**Retire** means termination of a person's employment with the Company at the normal retirement age, or at any other time with the Company's consent, but excluding dismissal or resignation, and "**Retirement**" has the corresponding meaning.

**Rights Issue** means an offer or invitation made by the Company to holders of issued Shares to subscribe for new Shares pro rata according to their respective holdings of Shares.

**Rights Issue Shares** means Shares for which Holders of issued Shares are entitled to subscribe under a Rights Issue.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Shareholders** mean holders of Shares.

**Subsidiary** has the meaning given to it by the Corporations Act.

**Takeover Bid** has the meaning given to that term in section 9 of the Corporations Act.

**Total Exercise Price** means the number of Options to be exercised in a particular case multiplied by the Exercise Price.

**Trading Day** means a day on which the ASX or the TSXV, as the context requires, is open for trading.

**Tranche** means Options, issued to a Holder, with the same Exercise Condition, Vesting Date and Exercise Price.

**TSXV** means the TSXV Venture Exchange.

**Vesting Conditions** means any criteria, requirements or conditions (as specified in the Offer and determined by the Board in its sole and absolute discretion), which the Board may throughout the course of the Option Period waive or accelerate as the Board considers reasonably appropriate.

**Vesting Date** means the earlier of:

- (a) the date on which the applicable Vesting Condition is satisfied or waived in accordance with this Employee Share Option Plan;
- (b) the date on which the Holder Retires, takes Early Retirement, is Permanently Disabled, is made Redundant, is dismissed as a result of an Excluded Event or, while an Eligible Person, dies; and

- (c) such earlier date determined by the Board in its absolute discretion in accordance with this Employee Share Option Plan.

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### **3. Interpretation**

In this document:

- (a) the masculine gender includes the feminine;
- (b) the singular includes the plural and vice versa; and
- (c) a reference to any legislation or to the provision of any legislation or Exchange Rule includes any modification or reenactment of it, any legislative or regulatory provision substituted for it and all regulations and statutory instruments issued under it.

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### **4. Eligibility**

The Directors may at their absolute discretion determine who is an Eligible Person and, subject to obtaining any approval of shareholders when required, the extent of that person's participation in the Employee Share Option Plan from time to time.

As and to the extent required by the Corporate Finance Manual, the Company and the Holder are responsible for ensuring and confirming that in respect of any Option granted to Employees, Consultants or Management Company Employees (as all such terms are defined in the Corporate Finance Manual), the Holder is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

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### **5. Offer**

#### **5.1 Offers of Options**

The Company may offer to each Eligible Person by notice in writing Options in the Employee Share Option Plan whereby the written notice of Offer must:

- (a) specify:
  - (i) the maximum number of Options being offered to each Eligible Person;
  - (ii) the estimated Exercise Price based on recent trading of the Shares;
  - (iii) the duration of the Options;
  - (iv) the date of the Offer;
  - (v) the time period for acceptance of the Offer;
  - (vi) the name and address of the Eligible Person to whom the offer was made;
  - (vii) a copy or a summary of the rules of the Employee Share Option Plan (and if a summary is provided, a statement that a copy will be provided free of charge on request) and include an undertaking and an explanation of the way in which the Company will, during the Option Period, make available to the Eligible Person information concerning the current market price of the Company's Shares;
  - (viii) any other material terms and conditions applicable to the offer including the Vesting Conditions (if any) applicable to each Tranche of Options; and
  - (ix) any other information required by ASIC CO 14/1000; and
- (b) be issued with an Acceptance Form and such explanatory material in respect of the Employee Share Option Plan as the Directors consider appropriate, or as required by law.
- (c) be lodged with ASIC within seven (7) days of it being provided to the Eligible Person.

#### **5.2 Overriding restrictions on grant and exercise**

Notwithstanding anything else in this Plan or in the terms of any Option, an Option may not be offered, granted or exercised if to do so:

- (a) would contravene the Corporations Act or the Exchange Rules; or
- (b) would contravene the local laws of, or the rules or requirements of any regulatory or statutory body in, a Holder's country of residence or in the opinion of the Board compliance with those local laws, rules or requirements would be impractical or result in any unnecessary or unreasonable expense in the circumstances.

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### **6. Acceptance of offer**

#### **6.1 Acceptance procedure**

An Eligible Person may only accept the offer to take up Options by delivering to the Company the duly completed Acceptance Form within the time period specified in the written notice of offer. The acceptance takes effect on the Issue Date.

#### **6.2 Acceptance of Options in whole or in part**

An Eligible Person may accept the offer to take up the Options in whole or in part but, if the offer is accepted in part, then the Eligible Person may only do so in a number which is a multiple of either one



hundred (100) or such greater number as constitutes a Marketable Parcel, and may not subsequently accept the offer in respect of the remaining Options unless those Options are re-offered by the Company.

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## **7. Option Certificate**

The Company must issue a Certificate for the Options granted to an Eligible Person when the Company has received a duly completed Acceptance Form from the Eligible Person.

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## **8. Exercise price for Options**

The Total Exercise Price is payable by a Holder on the exercise of Options.

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## **9. Lapse of Options**

### **9.1 Time of lapse**

- (a) Options lapse, to the extent they have not been exercised, on the earliest of:
  - (i) the Last Exercise Date;
  - (ii) except as provided in paragraph (iii), the day which is sixty (60) days after the day on which the Holder ceases to be an Eligible Person, otherwise than by death, Early Retirement, an Excluded Event, Permanent Disablement, Redundancy or Retirement;
  - (iii) the day on which the Holder ceases to be an Eligible Person by reason of dismissal for misconduct; and
  - (iv) the day on which a Holder defaults under these terms.

### **9.2 Rights following lapse**

Upon the lapse of an Option, all rights of the Holder under the Option cease.

### **9.3 Black-Out Period**

Notwithstanding clauses 9.1 and 9.2, if the Option Period of an Option expires during a period when the Board or a policy adopted by the Board has determined that Insiders of the Company shall not trade in securities of the Company as a result of the bona fide existence of undisclosed material information (a **Black-Out Period**), or within five business days of the end of a Black-Out Period, the Option Period shall be deemed to end at 5:00pm AEST on the tenth (10th) business day after the end of the Black-Out Period, *provided that*:

- (a) for greater certainty, in the absence of the Company formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances;
  - (b) the Black-Out period expires upon the general disclosure of the undisclosed material information giving rise to the Black-Out Period; and
  - (c) there shall be no extension of a Holder's Options where the Holder or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities.
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## **10. Exercise of Options**

### **10.1 Exercise procedure**

The Holder may, during the Exercise Period and in the manner provided by these terms (but not at any time after the Options have lapsed, subject to clause 9.3), exercise the Options, in respect of some or all of the Option Shares, by lodging a Notice of Exercise and a cheque payable to the Company for the Total Exercise Price, or such other means of payment as may be approved by the Board, at the head office of the Company for the time being or other place nominated by the Board for this purpose.

### **10.2 Use of moneys**

The Company must apply the moneys received from a Holder upon the exercise of the Options in satisfaction of the payment by the Holder of the price referred to in clause 8 in respect of the Options to the extent of the Exercise Price.

### **10.3 Exercise of Options in whole or in part**

If a Holder elects to exercise only some of the Options, the election must be in a number which is a multiple of either one hundred (100) or such greater number as comprises a Marketable Parcel.

### **10.4 Cancellation or replacement of Option Certificate**

Within five (5) days of receipt of a Notice of Exercise pursuant to clause 10.1, the Company will cancel the Option Certificate if Options are being exercised in respect of all of the Option Shares or replace the Option

Certificate if Options are being exercised in respect of only some of the Option Shares as contemplated by clause 10.3.

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## **11. Share allotment and Official Quotation**

### **11.1 Allotment and application for Official Quotation**

Subject to clauses 11.2 and 11.3, the Company must within five days after receipt of the Notice of Exercise and the Total Exercise Price allot to the Holder the number of Shares specified in such Notice, enter the Holder's name in the share register of the Company and apply for official quotation of the Option Shares by the ASX.

### **11.2 Allotment after record date**

Where a Holder submits a Notice of Exercise to the Company which is received after an announcement by the Directors of their intention to pay or to recommend the payment of a dividend to shareholders, the Company will not allot Shares specified in such Notice until the day after the record date for the determination of entitlements to that dividend.

### **11.3 Exception**

Clause 11.2 does not apply where a Holder receives a notice from the Directors under clause 15 and exercises any of the Holder's Options during:

- (a) the period that the Takeover Bid referred to in that notice remains open for acceptance; and
- (b) if the offeror under the Takeover Bid has the right to acquire compulsorily any outstanding Shares and exercises that right, the period during which such compulsory acquisition may occur.

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## **12. No interest in Shares or Other Securities**

### **12.1 No interest**

The Option does not confer on the Holder the right to participate in new issues of Shares or Other Securities without exercising the Option. The Company must give notice to the Holder of any new issue of Shares or Other Securities before the record date for determining entitlements to the issue in accordance with the Listing Rules or any waiver from the Listing Rules provided to the Company by ASX.

### **12.2 Cancellation in case of dismissal for cause**

If the Holder ceases to be an Eligible Person by reason of dismissal for cause, the Directors may in their absolute discretion cancel the Holder's Options, whether before or after any purported exercise of them, without any liability arising out of that cancellation.

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## **13. Bonus issues**

If the Company from time to time during the Option Period issues any Bonus Shares, then the number of Option Shares to be allotted to a Holder upon exercise of an Option (an "**Exercised Option**") must be increased to that number which is the aggregate of the number of Shares which would have been allotted, subject to the Exchange Rules, on the exercise of the Exercised Options but for this term and such number of Bonus Shares as the Holder would have been entitled to receive if, immediately prior to the entitlement date for the Bonus Shares, the Holder:

- (a) had exercised the Options in respect of all of the Option Shares; and
- (b) became the registered holder on the entitlement date of the Shares which would have been issued.

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## **14. Reconstruction of capital**

Notwithstanding any other term of the Employee Share Option Plan:

- (a) if the issued share capital of the Company is reconstructed in any way (including, without limitation, by consolidation, division, reduction or return), the number of Options or the Exercise Price or both will be reconstructed (as appropriate), to the extent necessary to comply with the Exchange Rules applying to a reconstruction of capital at the time, and in a manner which will not result in any benefits being conferred on Holders which are not conferred on the holders of Shares; and
- (b) (subject to provisions with respect to adjusting the number of Option Shares to which a Holder will be entitled as sanctioned by a meeting of members of the Company approving the reconstruction of the issued share capital of the Company) in all other respects the terms for the exercise of the Options will remain unchanged.

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**15. Change of control**

If a Takeover Bid is made to acquire the whole or any part of the issued share capital of the Company or the Directors believe a Change of Control of the Company is otherwise reasonably likely to occur at any time up to the Last Exercise Date of the Options, the Directors may in their absolute discretion give written notice of the Takeover Bid or the prospective Change in Control to the Holders. Immediately upon the giving of such notice by the Directors, each Holder becomes and remains entitled to exercise the Holder's Options regardless of whether or not the Vesting Conditions have been satisfied, at any time up to the Last Exercise Date of the Options.

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**16. Determination of number of Option Shares, Exercise Price and Exercise Period**

The aggregate number of Option Shares available for issuance from treasury under this Plan, subject to adjustments provided for in this Plan, shall be 45,182,827.

The Directors may, subject to the Exchange Rules, determine the amount or extent of any adjustment to be made, taking into account the definitions of "Option Shares", "Exercise Price", "Last Exercise Date" and "Vesting Date" and to the number of the Option Shares having regard to the provisions of those definitions and to these terms, and each determination is conclusive and binding on the Company and the Holder.

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**17. Options not transferable**

Options may not be transferred or assigned except that an heir, successor, administrator or legal personal representative of a Holder who has died or whose estate is liable to be dealt with under laws relating to mental health or bankruptcy will be entitled to be registered as the holder of those Options after the production to the Board of such documents or other evidence as the Board may reasonably require to establish that entitlement.

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**18. Ranking and listing**

- (a) Shares allotted as a consequence of the exercise of Options will, from the date of allotment, rank equally with all other issued Shares.
- (b) The Company will apply for official quotation of those Shares on the stock exchange on which the Shares are to be quoted (as directed by the Holder) in accordance with the Exchange Rules.
- (c) The Options will not be listed for quotation on any stock exchange.

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**19. Set-off rights**

Where, pursuant to these terms, the Holder is obliged to make a payment to the Company and the Company is obliged to make a payment to the Holder, the Company may, in its absolute discretion, set off to the extent permitted by law any amount owing by the Holder to the Company against any amount the Company is obliged to pay the Holder. The liability of the Holder to the Company will be reduced by the amount set off.

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**20. Issue limitations****20.1 5% Limit**

An Option will not be granted if the Board has reasonable grounds to believe that immediately following its grant, the Shares to be issued on the exercise of any Option under the Plan when aggregated with any Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:

- (a) an employee incentive scheme or like scheme of the Company or an associated body corporate (as defined in the Corporations Act) of the Company, where those offers were covered by ASIC CO [14/1000] or an individual instrument made by ASIC in terms similar to ASIC CO [14/1000]; or
- (b) an employee incentive scheme or employee share scheme of the Company or an associated body corporate of the Company, where the offers were covered by ASIC Class Order [CO 03/184] or an individual instrument made by ASIC in terms similar to that class order,

exceeds 5% of the total number of issued Shares of the Company at the time the Option is granted, provided that the Board may, in its absolute discretion, increase this percentage, subject to any applicable Corporations Act, Exchange Rule or Class Order requirements.

**20.2 5% Limit to One Person**

Subject to receipt of disinterested Shareholder approval in accordance with the Corporate Finance Manual, the aggregate number of options granted to any one person (and corporations wholly owned by that person)

in a 12 month period must not exceed 5% of the issued shares of the Company, calculated on the date an option is granted to the person.

### **20.3 2% Limit to Contractors**

The aggregate number of options granted to any one Contractor in a 12 month period must not exceed 2% of the issued shares of the Company, calculated on the date an option is granted to the Contractor.

### **20.4 2% Limit to Providers of Investor Relations Activities**

The aggregate number of options granted to any all persons retained to provide Investor Relations Activities (as such term is defined in the Corporate Finance Manual) in a 12 month period must not exceed 2% of the issued shares of the Company, calculated on the date an option is granted to any such person.

### **20.5 10% Limit to Insiders**

Pursuant to the Corporate Finance Manual, the aggregate number of options granted to the Insiders as an aggregate during any 12 month period shall not exceed 10% of the issued shares of the Company as calculated on the date an option is granted to any Insider.

### **20.6 Exceptions**

When aggregating the number of shares for the purposes of clause 20.1, the Company may disregard any offer made, option acquired or share issued by way of or as a result of:

- (a) an offer to a person situated at the time of receipt of the offer outside of Australia;
- (b) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (c) an offer made under a disclosure document in accordance with Chapter 6D of the Corporations Act.

### **20.7 Compliance with ASIC CO 14/1000**

The Board may only offer to issue Securities pursuant to this Plan:

- (a) if the Company has provided ASIC with notice written notice (in a form approved in writing by ASIC) that it is relying upon ASIC CO 14/1000 with respect to this Plan;
- (b) if the Company has issued an Offer Document pursuant to which the Company offers to issue Options pursuant to this Plan;
- (c) the Company has complied with clause 20.1; and

the Company has complied with any other requirements imposed upon the Company by ASIC CO 14/1000.

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## **21. Commencement and termination**

### **21.1 Commencement**

The Company's Employee Share Option Plan was established by way of a resolution of the Board on 20 February, 2017 prior to the listing of the Company's Shares on the TSXV.

### **21.2 Termination**

This Employee Share Option Plan may be terminated at any time by a resolution of the Board. A resolution for termination may take effect not fewer than thirty (30) days after notification to Holders of that termination. For the avoidance of doubt, any termination of the Employee Share Option Plan pursuant to this clause will not affect any Options which are outstanding and the Board will continue to administer the plan in accordance with these rules until all Options have been exercised or lapsed.

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## **22. General**

### **22.1 Holder's entitlement**

The entitlement of the Holder and these terms are subject to the Company's Constitution.

### **22.2 Fractions**

If upon the making of any adjustment contemplated by these terms, a person becomes entitled to a fraction of a Share, that fraction will be disregarded.

### **22.3 Employee Share Option Plan not part of employment contracts**

The Employee Share Option Plan does not form part of any contract of employment between any of the Group Companies and any Employee or officer, nor does it constitute a related condition or collateral arrangement to any such contract of employment or engagement, and furthermore does not confer directly or indirectly on any Employee or officer any legal or equitable rights whatever against the Group Companies, except as a participant under the Employee Share Option Plan or the holder of Shares allotted

under it. Further still the terms of an Eligible Person's employment or engagement with the Company do not in any way affect the rights and obligations of a Participant under this Plan.

#### **22.4 Rights of Participants**

Nothing in this Plan or participation in the Plan:

- (a) confers on any Eligible Person the right to continue as a Director, Employee or Contractor;
- (b) confers on any Eligible Person the right to become or remain a Director, Employee or Contractor or to participate under the Plan;
- (c) will be taken into account in determining an Eligible Person's salary or remuneration for the purposes of superannuation or other pension arrangements (where applicable);
- (d) affects the rights and obligations of any Eligible Person under the terms of their office, employment with the Company or Associated Body Corporate;
- (e) affects any rights which the Company may have to terminate the office, employment or engagement of an Eligible Person or will be taken into account in determining an Eligible Person's termination or severance pay;
- (f) may be used to increase damages in any action brought against the Company or an Associated Body Corporate (as that term is defined under the Corporations Act) in respect of any such termination; or
- (g) confers any responsibility or liability on the Company or Associated Body Corporate or their directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Person.

#### **22.5 Amendment or variation**

Subject to the Exchange Rules, the Board may amend or vary the terms of this Employee Share Option Plan in any respect which does not materially affect the accrued rights of a Holder.

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs (a) and (b) below, the Board may from time to time amend or revise the terms of the Employee Share Option Plan or may discontinue the Employee Share Option Plan at any time provided however that no such amendment or revision may, without the consent of the Holder, in any manner adversely affect his rights under any Option already granted under the Employee Share Option Plan.

- (a) The Board may, only if it first obtains shareholder and regulatory approval as required by the Exchange Rules, make the following amendments to the Employee Share Option Plan:
  - (i) any amendment to the number of securities issuable under the Employee Share Option Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;
  - (ii) a reduction in the Exercise Price under this Employee Share Option Plan benefiting an Insider of the Company;
  - (iii) an extension of a term of an Option under this Employee Share Option Plan benefiting an Insider of the Company;
  - (iv) any amendment to remove or to exceed the Insider participation limit;
- (b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion make all other amendments to the Employee Share Option Plan that are not of the type contemplated in subparagraph (a) above including, without limitation:
  - (i) amendments of a "housekeeping" nature;
  - (ii) a change to the vesting provisions of a security or the Employee Share Option Plan; and
  - (iii) a change to the termination provisions of a security or the Employee Share Option Plan which does not entail an extension beyond the original expiry date.

#### **22.6 Exchange Rules**

To the extent this Plan is inconsistent with the Exchange Rules, the Exchange Rules will prevail.

#### **22.7 Governing Law**

This Employee Share Option Plan and the rights of Holders under its terms are governed by the laws in force in New South Wales, Australia and the Commonwealth of Australia.

## ANNEXURE 2

### Warrants to purchase Ordinary shares

of

### Aguia Resources Limited

Warrant Certificate  
No. 2017-●

Certificate for ● warrants, each entitling the Holder subject to adjustment, to acquire one Ordinary Share in the capital of the Company

THIS IS TO CERTIFY THAT for value received the holder, [Name and address of holder] (the "Holder"), of this certificate, is entitled to purchase in the manner herein provided, subject as hereinafter provided, one fully paid and non-assessable Ordinary Share of the Company (as hereinafter defined) for each of the warrants (the "Warrants") represented hereby at a purchase price per Ordinary Share to be acquired upon the exercise of each Warrant of CAD\$0.65, subject to adjustment as provided herein (the "Exercise Price").

The Warrants are exercisable at any time from time to time after the date of this Warrant Certificate and prior to the Expiry Time on the Expiry Date (each as hereinafter defined) subject, however, to the provisions and upon the terms and conditions hereinafter set out.

#### 1. Interpretation

(a) Where used in this Warrant Certificate, the following words and phrases have the following meanings:

- (i) "**ASX**" means the Australian Securities Exchange (which is operated by ASX Limited, ACN 008 624 691);
- (ii) "**ASX Listing Rules**" means the listing rules of the Australian Securities Exchange as they apply to the Corporation from time to time;
- (iii) "**Business Day**" means any day except Saturday, Sunday, or a statutory holiday in Toronto, Ontario, Canada;
- (iv) "**Company**" means Aguia Resources Limited unless and until a successor company shall have become such, and thereafter "Company" shall mean such successor company;
- (v) "**Company Reorganization**" means any reclassification of the Ordinary Shares at any time outstanding or change of the Ordinary Shares into other shares, including in connection with (i) the consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other company or (ii) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another Person or any exchange of Ordinary Shares into securities of another company;
- (v) "**Exchange Basis**" means at any time, the number of Ordinary Shares or other classes of shares or securities which the Holder is entitled to receive upon the exercise of the rights attached to each whole Warrant pursuant to the terms of this Warrant Certificate, as the number may be adjusted in accordance with the terms hereof, such number being equal to one (1) Ordinary Share per Warrant as at the date hereof;

- (vi) **“Exercise Price”** has the meaning given to it on the face page hereof;
- (vii) **“Expiry Date”** means June 30, 2020;
- (viii) **“Expiry Time”** means, with respect to any particular Warrants, 5:00 p.m. (Toronto Time) on the Expiry Date;
- (ix) **“Ordinary Shares”** means Ordinary Shares in the capital of the Company and shall include any other shares or securities issued or to be issued in addition thereto or in substitution or replacement therefor as provided herein;
- (x) **“Person”** means any individual, corporation, partnership, trustee, trust or unincorporated association, joint venture, syndicate, sole proprietorship, executor, administrator, or other legal representatives, regulatory body, or agency, government, governmental agency, authority or entity, however designated or constituted;
- (xi) **“TSXV”** means the TSX Venture Exchange;
- (xii) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended;
- (xiii) **“Warrants”** has the meaning given to it on the face page hereof and “Warrant” means any one of them; and
- (xiv) **“Warrant Certificate”** means this warrant certificate together with any amendments hereto or replacements hereof.

(b) Interpretation not Affected by Headings

The division of this Warrant Certificate into sections and subsections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation thereof.

**2. Exercise of Warrants**

- 2.1 The Warrants represented hereby may be exercised by the Holder at any time and from time to time until the Expiry Time, in whole or in part, by delivery of this Warrant Certificate, together with (i) a notice of exercise in the form attached hereto as Schedule “A” (“Notice of Exercise”) completed and signed by the Holder, together with any other documents or information required thereby, and (ii) payment of the Exercise Price for the number of Ordinary Shares being subscribed for by: (X) wire transfer to an account as may be designated by the Company from time to time; or (Y) where the Company has not otherwise designated an account, by certified cheque payable to the Company and delivered to the registered address of the Company. As promptly as practicable following the delivery of the Notice of Exercise and other required documents, the Company shall deliver to the Holder a certificate representing the Ordinary Shares so subscribed. If the Company considers it necessary or advisable, the Company shall also deliver to the Holder a new Warrant Certificate representing the number of Ordinary Shares, if any, with respect to which this Warrant Certificate shall not then have been exercised.
- 2.2 No fractional shares shall be issued and if the exercise of the Warrants represented hereby would result in the Holder being entitled to receive a fraction of a share, the Company shall instead issue upon the exercise hereof the next lower whole number of Ordinary Shares.
- 2.3 Upon the due exercise of the rights represented by this Warrant Certificate, including payment of the Exercise Price in accordance with the terms hereof, the Ordinary Shares for which the Holder has subscribed and purchased shall be deemed to have been issued and the Holder shall be deemed to have become the holder of record of such shares on the date of such exercise.

2.4 The Company covenants and agrees that the Ordinary Shares which may be issued upon the exercise of the rights represented by this Warrant Certificate will, upon issuance, be fully paid and non-assessable. The Company further covenants and agrees that from and after the date of this Warrant Certificate until the Expiry Time and otherwise during the period within which the rights represented by this Warrant Certificate may be exercised, the Company will at all times (to the extent necessary under applicable corporate law) have authorized and reserved, a sufficient number of Ordinary Shares to provide for the exercise of the rights represented by this Warrant Certificate. Subject to any other written agreement between the Company and the Warranholder, the Company may at any time and from time to time undertake further equity or debt financing and may issue additional Ordinary Shares, warrants or grant options or similar rights to purchase Ordinary Shares to any person.

2.5 The Warrants and the Ordinary Shares deliverable upon exercise of the Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state of the United States. The Warrants may not be exercised in the United States or by or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States unless an exemption from the registration requirements of the 1933 Act and applicable state securities laws is available. "United States" and "U.S. Person" are as defined by Regulation S under the 1933 Act.

### 3. **Register of Holders and Transfer of Warrants**

3.1 The Company shall cause a register to be kept in which shall be entered the names and addresses of all holders of Warrants and the number of Warrants held by them. The Warrants are transferable and the term "Holder" shall mean and include any successor, transferee or assignee of the current or any future Holder. No transfer of the Warrants evidenced hereby or any portion of the rights hereunder will be valid unless duly entered on the appropriate register kept by the Company. The Warrants may be transferred by the Holder by completing and delivering to the Company the transfer form attached hereto as Schedule "B" and upon compliance with all applicable securities laws. The transferee of a Warrant shall, after a transfer form is duly completed and upon compliance with all other reasonable requirements of the Company or law, be entitled to have his, her or its name entered on the register kept by the Company as the owner of such Warrant, free from all equities or rights of set-off or counterclaim between the Company and the transferor or any previous holder of such Warrant, save in respect of equities of which the Company is required to take notice by statute or by order of a court of competent jurisdiction.

### 4. **Company Reorganization**

4.1 The Company shall not enter into any Company Reorganization unless prior to or contemporaneously with the consummation of such Company Reorganization the Company and the other party to the Company Reorganization (herein referred to as the "successor corporation") shall have executed such instruments and done such things as, in the opinion of counsel to the Company, are necessary or advisable to establish that upon the consummation of such transaction:

- (a) the successor corporation will have assumed all the covenants and obligations of the Company under this Warrant Certificate; and
- (b) the Warrant will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant Certificate.

4.2 Whenever the conditions of Subsection 4.1(a) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Company under this Warrant Certificate in the name of the Company or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Company may be done and performed with like force and effect by the like directors or officers of the successor corporation.



## 5. Adjustment of Subscription Rights

5.1 The rules for adjusting the Ordinary Shares are as follows:

- (a) Subject to Subsections 5.2 and 5.3 and to the ASX Listing Rules, if at any time after the date hereof and prior to the Expiry Date, and provided any Warrants remain outstanding, there shall occur:
  - (i) a subdivision or redivision of the outstanding Ordinary Shares into a greater or lesser number of Ordinary Shares; or
  - (ii) a consolidation, combination or reduction of the outstanding Ordinary Shares into a smaller number of Ordinary Shares;

then in each such event the number of Ordinary Shares obtainable under each Warrant shall be adjusted immediately after the effective date of such subdivision, redivision, reduction, combination or consolidation, by multiplying the number of Ordinary Shares theretofore obtainable upon the deemed exercise of such Warrant by a fraction, the numerator of which shall be the total number of Ordinary Shares outstanding immediately after such date and the denominator of which shall be the total number of Ordinary Shares outstanding immediately prior to such date and the Exercise Price shall be amended in inverse proportion to that ratio.

- (b) Subject to Subsections 5.2 and 5.3 and to the ASX Listing Rules, if at any time after the date hereof and prior to the Expiry Date, and provided any Warrants remain outstanding, there shall occur:
  - (i) a reclassification of the Ordinary Shares outstanding at any time, a change of the Ordinary Shares into other shares or securities or any other capital reorganization (other than as described in Subsection 5.1(a));
  - (ii) a consolidation, amalgamation or merger of the Company with or into any other person (other than a consolidation, amalgamation or merger that does not result in any reclassification of the outstanding Ordinary Shares or a change of the Ordinary Shares into other securities) or a statutory arrangement or similar transaction whereby the outstanding Ordinary Shares are exchanged for other securities of the Company or another entity;
  - (iii) a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person; or
  - (iv) issue or distribution to the holders of all or substantially all the Company's outstanding Ordinary Shares or securities of the Company, options or warrants to acquire Ordinary Shares or securities convertible into or exchangeable for Ordinary Shares, or any property or assets, excluding dividends paid or other distributions made in the ordinary course by the Company, but excluding the issue of Ordinary Shares pursuant to rights offerings and excluding securities issued pursuant to stock options or a stock option or stock purchase plan of the Company;

any of such events being called a "Capital Reorganization", the holder of any Warrant who thereafter receives Ordinary Shares on exercise of his Warrants, shall, subject to the ASX Listing Rules, be entitled to receive, and shall accept for no extra cost, in lieu of the number of Ordinary Shares that he was theretofore entitled upon such exercise, the kind and amount of Ordinary Shares immediately prior to the effective date or record date, as the case may be, of the Capital Reorganization and had he been the registered holder of such Ordinary Shares on such effective date or record date, as the case may be. If determined appropriate by the Company, acting reasonably, appropriate adjustments shall, subject to the ASX Listing Rules, be made as a result of any such Capital Reorganization in the application of the provisions set forth hereinafter in this Section 5 with respect to the rights and interests thereafter of the

Holder with the result that the provisions set forth hereinafter in this Section 5 shall thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the exercise of any Warrant.

- (c) Notwithstanding anything in this Section 5, no adjustment shall be made to the Warrants if an issue of Ordinary Shares is being made pursuant to or in connection with:
  - (i) a public offering;
  - (ii) a private placement in accordance with the rules of any stock exchange on which the Ordinary Shares are listed or quoted for trading; or
  - (iii) any negotiated business combination or other acquisition, pursuant to which holders of Ordinary Shares are not receiving additional Ordinary Shares, rights, options or other form of securities of the Company or of any other company or companies involved with respect to such business combination or other acquisition.

5.2 The adjustment rules for the Ordinary Shares are as follows:

- (a) The adjustments (if any) provided for in Subsection 5.1 are cumulative and shall apply (without duplication) to successive events resulting in any adjustment under the provisions of Subsection 5.1; provided that, notwithstanding any other provision of this Section 5, no adjustment shall be made in the number of Ordinary Shares that may be acquired on the exercise of a Warrant unless it would result in a change of at least one one-hundredth of an Ordinary Share (provided, however, that any adjustments that by reason of this Subsection 5.2(a) are not required to be made shall be carried forward and taken into account in any subsequent adjustment).
- (b) If any question shall arise with respect to the adjustments provided in this Section 5, such question shall, subject to the ASX Listing Rules and absent manifest error, be conclusively determined by a firm of Chartered Accountants or Chartered Professional Accountants appointed by the Company (who may be the Company's auditors); such Chartered Accountants or Chartered Professional Accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company, and the Holder, absent manifest error.
- (c) Subject to the prior written consent of the ASX, and if applicable the TSXV, if required, no adjustment in the number of Ordinary Shares that may be acquired upon the exercise of a Warrant shall be made in respect of any event described in Subsection 5.1 if the Holder is entitled to participate in such event on the same terms mutatis mutandis as if the Holder had exercised his Warrants prior to or on the effective date or record date of such event.
- (d) In case the Company, after the date hereof, takes any action affecting the Ordinary Shares other than an action described in this Section 5, which in the opinion of the directors would materially affect the rights of the Holder, the directors shall take such action as is necessary to adjust the number of Ordinary Shares that may be acquired upon exercise of a Warrant and/or shall take such other action as they, in their sole discretion (but subject always to the ASX Listing Rules), may determine to be equitable in the circumstances, provided that no such adjustment will be made unless the prior written approval of the ASX, and if applicable the TSXV and any other stock exchange on which the Ordinary Shares are quoted or listed for trading, is required, has been obtained. Failure of the directors to make such an adjustment shall be prima facie evidence that the directors have determined that it is equitable to make no adjustment in the circumstances.
- (e) If the Company sets a record date to determine the holders of the Ordinary Shares for the purpose of entitling them to receive any issuance or distribution or for the issuance of any rights, options or warrants and thereafter and before such distribution or

issuance to such shareholders legally abandons its plan to make such distribution or issuance, then no adjustment in the number of Ordinary Shares that may be acquired upon the exercise of any Warrant shall be required by reason of the setting of such record date.

- (f) The Company shall not be required to issue fractional securities in satisfaction of its obligations hereunder. If any fractional interest in an Ordinary Share would, except for this Subsection 5.2(f), be deliverable upon the exercise of a Warrant, the number of Ordinary Shares to be issued upon the exercise of the Warrant shall be a whole number of such Ordinary Shares excluding the fraction and the Company shall pay to the Holder by cheque the result obtained when the fraction of such Ordinary Share not so received is multiplied by the closing price of the Ordinary Shares on the ASX on the day immediately preceding the date of the exercise of this Warrant. If the Ordinary Shares are not listed or quoted and posted for trading on the ASX, then the Company shall make a cash payment equal to the fair value of the fraction of such Ordinary Share not so issued as determined by action of the directors in their sole discretion.

- 5.3 As a condition precedent to the taking of any action which would require an adjustment pursuant to Subsection 5.1, the Company shall, subject to the ASX Listing Rules, take any action that may, in the opinion of counsel, be necessary in order that the Company may validly and legally issue as fully paid all the Ordinary Shares that the Holder of the Warrants is entitled to receive on the automatic exercise thereof in accordance with the provisions hereof.

## 6. **Participation Rights**

- 6.1 There are no participation rights or entitlements inherent in the Warrants and the Holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Warrants.

- 6.2 However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be such period of notice as required under the ASX Listing Rules and/or by TSXV after the date upon which the proposed new issue of capital is announced, in order to give the Holder the opportunity to exercise the Warrants prior to the date for determining entitlements to participate in any such issue.

## 7. **Adjustment for bonus issues of Shares**

- 7.1 If the Company makes a bonus issue of Shares or other Securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(a) the number of Shares which must be issued on the exercise of a Warrant will be increased by the number of Shares which the Holder would have received as if the Holder had exercised the Warrant before the record date for the bonus issue; and

(b) no change will be made to the Exercise Price.

## 8. **Miscellaneous**

- 8.1 The terms of the Warrants are subject to the requirements of the ASX Listing Rules from time to time and any changes that may be required under the ASX Listing Rules or as directed by ASX from time to time.

- 8.2 The holding of the Warrants evidenced by this Warrant Certificate shall not (i) entitle the Holder to any rights as a shareholder of the Company, including without limitation, voting rights, or (ii) obligate the Holder to purchase or pay for or the Company to issue any Ordinary Shares except those Ordinary Shares in respect of which the Holder shall have exercised its right to purchase hereunder and in the manner provided herein.

- 8.3 The Company hereby covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such other act,

deed and assurance as the Holder shall reasonably require for the better accomplishing and effectuating of the intentions and provisions of this Warrant Certificate.

- 8.4 The Holder may, upon surrender of this Warrant Certificate (or such other address as indicated by the Company by written notice to the Holder), exchange this Warrant Certificate for other Warrant Certificates evidencing Warrants entitling the holder to receive in the aggregate the same number of Ordinary Shares as may be acquired pursuant to the Warrants evidenced by this Warrant Certificate.
- 8.5 If the Warrant Certificate becomes mutilated, lost, destroyed or stolen:
- (a) the Company shall issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen Warrant Certificate; and
  - (b) the holder shall bear the cost of the issue of a new Warrant Certificate hereunder and in the case of the loss, destruction or theft of the Warrant Certificate, shall furnish to the Company such evidence of loss, destruction, or theft as shall be satisfactory to the Company in its discretion, acting reasonably, and the Company may also require the holder to furnish indemnity in an amount and form satisfactory to the Company in its discretion, acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.
- 8.6 Any notice or other communication (a "Communication") to be made or given in connection with this Warrant Certificate shall be made or given in writing and may be made or given by personal delivery, by registered mail addressed to the recipient at its address provided on the first page of this Warrant Certificate or such other address as may be designated by it by notice given in accordance with this Subsection 6.5 or by facsimile transmission. Any Communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, if given by facsimile transmission, when a facsimile is received by the recipient if received before 5:00 p.m. (local time) on a Business Day or on the next Business Day if such facsimile transmission is received on a day which is not a Business day or after 5:00 p.m. (local time) on a Business Day, or if made or given by registered mail, on the fourth Business Day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of the mail, any such Communication shall not be mailed but shall be made or given by personal delivery.
- 8.7 Time is of the essence hereof.
- 8.8 This Warrant Certificate may only be amended by a written instrument signed by the parties hereto.
- 8.9 This Warrant Certificate and all of its provisions shall enure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.
- 8.10 If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.
- 8.11 This Warrant Certificate shall be exclusively governed by and interpreted in accordance with the laws from time to time in force in Ontario and the federal laws of Canada applicable thereto.

**ANNEXURE 3 - PARTICULARS OF ISSUES OF EQUITY SECURITIES IN PRECEDING 12 MONTH PERIOD**

Date	Class of equity securities issued	Allottees of equity securities issued or basis of allotment	Issue Price per equity security	Discount to market price (if any)	Total cash consideration raised	Amount of cash consideration spent, what it was spent on and proposed application of balance of funds raised	Particulars of any non-cash consideration raised and its current value	No. of Ordinary Shares Issued	No. of Options Issued
7 December 2016	Unlisted Options at \$0.125, expiry date 1 December 2019	Unlisted Options to Directors	\$0.00	N/A	Nil	N/A	Options were issued as 'additional compensation for assistance with the Company's recent success'.	N/A	1,300,000 (consolidated April 2017 to 260,000 options)
19 December 2016	Unlisted Options at \$0.12, expiry date 16 December 2019	Unlisted Options to employees	\$0.00	N/A	Nil	N/A	Options were issued as 'additional compensation for assistance with the Company's recent success' and were approved by shareholders at the AGM held on 29 November 2016	N/A	4,050,000 (consolidated April 2017 to 810,000 options)
5 May 2017	Exercise of Options to Ordinary shares	Prakash Hariharan, Brian Moller and Alec Pismiris	\$0.42	\$0.07	\$198,112	General working capital purposes	N/A	471,695	N/A
2 June 2017	Unlisted Options at \$0.64, expiry date 2 June 2020	Unlisted Options to employees	\$0.00	N/A	Nil	N/A	Options were issued as 'additional compensation for assistance with the Company's recent success'.	N/A	120,000

Date	Class of equity securities issued	Allottees of equity securities issued or basis of allotment	Issue Price per equity security	Discount to market price (if any)	Total cash consideration raised	Amount of cash consideration spent, what it was spent on and proposed application of balance of funds raised	Particulars of any non-cash consideration raised and its current value	No. of Ordinary Shares Issued	No. of Options Issued
30 June 2017	Ordinary Shares	Sophisticated & Professional Investors as part of a Share Placement	\$0.40	\$0.02	\$7,050,501	To provide sufficient funding to execute on the Company's development plans for the next 18 months	N/A	17,626,253	N/A
30 June 2017	Unlisted Options as part of Share Placement	Sophisticated & Professional Investors as part of a Share Placement	\$0.00	N/A	Nil	N/A	N/A	N/A	5,875,418
3 July 2017	Ordinary Shares	Sophisticated & Professional Investors as part of a Share Placement	\$0.40	\$0.02	\$3,310,000	To provide sufficient funding to execute on the Company's development plans for the next 18 months	N/A	8,275,000	N/A
3 July 2017	Unlisted Options as part of Share Placement	Sophisticated & Professional Investors as part of a Share Placement	\$0.00	N/A	Nil	N/A	N/A	N/A	4,137,500

Date	Class of equity securities issued	Allottees of equity securities issued or basis of allotment	Issue Price per equity security	Discount to market price (if any)	Total cash consideration raised	Amount of cash consideration spent, what it was spent on and proposed application of balance of funds raised	Particulars of any non-cash consideration raised and its current value	No. of Ordinary Shares Issued	No. of Options Issued
7 July 2017	Ordinary Shares	Sophisticated & Professional Investors as part of a Share Placement	\$0.40	\$0.07	\$2,534,000	To provide sufficient funding to execute on the Company's development plans for the next 18 months	N/A	6,335,000	N/A
7 July 2017	Unlisted Options as part of Share Placement	Sophisticated & Professional Investors as part of a Share Placement	\$0.00	N/A	Nil	N/A	N/A	N/A	3,167,500
28 July 2017	Unlisted Options at \$0.54, expiry date 28 July 2020	Unlisted Options to employees	\$0.00	N/A	Nil	N/A	Options were issued as 'additional compensation for assistance with the Company's recent success'.	N/A	150,000



**Agua Resources Limited**  
ABN 94 128 256 888


## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
Agua Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am on Sunday, 26 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

 **BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



NAME SURNAME  
 ADDRESS LINE 1  
 ADDRESS LINE 2  
 ADDRESS LINE 3  
 ADDRESS LINE 4  
 ADDRESS LINE 5  
 ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of Agua Resources Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Tuesday, 28 November 2017 at the offices of Franks & Associates, Suite 2, Level 10, 70 Phillip Street, Sydney NSW 2000 Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1 and 4:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Grant of Options To Ms Diane Lai	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – Mr David Gower	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Ratification of prior issue of securities to exempt, sophisticated and professional investors under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-Election of Director – Ms Diane Lai	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Ratification of prior issue of securities to exempt, sophisticated and professional investors under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of Options To Mr Paul Pint	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Amendment of the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Options To Mr Justin Reid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval of 10% capacity to issue equity securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Grant of Options To Mr Brian Moller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Grant of Options To Mr David Gower	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Grant of Options To Mr Alec Pismiris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

AGR PRX1701D

