Aguia Resources Limited

ABN 94 128 256 888

Annual Financial Report - 30 June 2018

Aguia Resources Limited
Chairman's Letter
30 June 2018

On behalf of the Board of Directors it is our pleasure to present the 2018 Annual Financial statements for Aguia Resources Limited.

GLOBAL FERTILIZER PRICES ON THE REBOUND

Fertilizer capacity expansions in excess of global demand growth pushed prices for the key fertilizer nutrients nitrogen, phosphate and potassium ("NPK") to multi-year lows, but in mid-2017 nitrogen and potash started to show signs of recovery while phosphate prices still lagged. With inventories now running low, demand is increasing and phosphate prices are up 21% YTD. Pricing outlook by fertilizer sector analysts has significantly improved in the last 6 months, with Brazilian demand noted as a key driver for global pricing. As a potential new entrant to the phosphate market, Brazil is the best place to be.

TRÊS ESTRADAS PHOSPHATE PROJECT

The release of the Bankable Feasibility Study (BFS) in March 2018, was the culmination of many months of hard work by our outstanding Brazilian technical team. Infill drilling that started in late 2016 and into 2017, demonstrated the continuous and homogenous nature of the deposit both laterally and at depth. The drill program led to the discovery of a new limb of the deposit which remains open to the northeast. The objective of the drill program was to convert Inferred Resources to the Measured & Indicated Resource categories and this objective was achieved with the release of a new JORC/43-101 Mineral Resource in September 2017.

Extensive trade-off studies and results from pilot plant testing conducted in 2017 were incorporated in the BFS which delivered a project NPV of US$300 million and 21% IRR (pre-tax) and NPV of US$212 million and 18% IRR (post-tax). A sensitivity analysis indicates foreign exchange and phosphate price to be the key factors in the project's economic outlook so the rise of phosphate prices we are currently experiencing is positive for Aguia over the long term. CAPEX for Phase 1 will be US$84 million (including contingency). Based on the current Mineral Resource the mine will have a life of 16 years in production followed by another 20 years of Agricultural Lime (aglime) recovery from the tailings. Total Revenue is projected at US$1.65 billion, generating EBITDA of US$1.08 billion. For more details you can find the report on our website, SEDAR and ASX.com.au.

With the BFS complete, we have been focused on obtaining approval for the Environmental Impact Assessment which will result in the granting of the Preliminary License ("LP"), considered one of the major milestones for Brazilian mining projects. We expect public hearings to take place soon and anticipate the LP could even be granted before the end of the year. To date, we have received widespread support from the local community and government in Rio Grande do Sul.

After the granting of the LP, the next step in our permitting process will be the Installation License ("LI"), which will authorize the start of construction. To obtain this approval we will need to fulfill any conditions of the LP, obtain approval of the mine development plan and demonstrate the project's economic feasibility, and obtain approval of the Basic Environmental Plan. Concurrent with fulfilling the requirements of the Installation License application we will commence discussions on project funding and offtake. As the only domestic producer of phosrock in the southern region of Brazil, it will be our objective to target the fertilizer blenders located 4 hours away from Três Estradas to displace their current phosrock supply that is imported from Morrocco and Peru. Our proximity to the blenders coupled with access to the road and rail network provide us with a sustained cost advantage compared to the imports.

We also intend to continue exploring interesting targets adjacent to Três Estradas that could provide opportunities for further consolidation to the Rio Grande phosphate belt and significantly add to the overall life of mine.

AGUIA's NEW DISCOVERY OF COPPER MINERALISATION IN RIO GRANDE

While our main focus continues to be the advancement of our phosphate project towards construction and production, this year's "grassroots" discovery of copper mineralization at Canhada and Big Ranch has been an exciting new development for Aguia. The Copper mineralization discoveries could generate material value creation for Aguia shareholders on the back of very solid underlying economics of the Phosphate deposit.

The Canhada target is located 20 km south of the City of Lavras do Sul, where Aguia has its field office, and consists of a 9-km-long by 3-km wide structurally-controlled trend within which a 2km x 1km airborne potassium anomaly (which remains open to the northeast) has been identified with an extensive coincident copper-in-soils anomaly in an area where multiple copper occurrences have been identified in bedrock by Aguia geologists.

The Big Ranch target is located approximately 70km north of Lavras do Sul, along the northern edge of the Caçapava Granite and consists of an 8-km-long by 4-km-wide alteration zone where multiple zinc and copper showings have been identified including multiple outcrops of gossans within a mineralization and alteration aureole along the northern margin of the intrusion. Further mapping and rock sampling along this zone has identified multiple gossan occurrences that define a corridor extending at least 3 km in length along the northern margin of the granite. Wide spaced reconnaissance soil lines returned a continuous copper anomaly in excess of 6 km in length and up to 1 km wide.

We have undertaken soil sampling and trenching along these two targets, along with a ground geophysics program at Big Ranch in anticipation of a scout reverse circulation ("RC") drilling campaign to take place in the fourth quarter of 2018.

In conclusion, our team at Aguia is very excited about the months and quarters ahead. Not only is the fertilizer sector beginning to show signs of recovery, but with all the hard work of the past couple of years culminating in a go-forward plan for Três Estradas plus some new discoveries to explore, Aguia is positioned to add value to our shareholders as we move forward with all projects within the Company.

I would like to thank our management and staff for their hard work and dedication over the past year which has substantially added to the value of the Company, to our shareholders for their continued enthusiasm and support and to the people and government of Rio Grande do Sul for welcoming us to their community.

Yours truly,

Paul Pint
Chairman

Directors	Paul Pint - Executive Chairman Justin Reid - Managing Director Brian Moller - Non-Executive Director Alec Pismiris - Non-Executive Director David Gower - Non-Executive Director Diane Lai - Non-Executive Director
Company secretary	Andrew Bursill
Registered office	Suite 2 Level 10 70 Phillip Street Sydney NSW 2000 Tel. +61 2 9299 9690 Fax. +61 2 9299 9629
Principal place of business	Rua Antonio de Albuquerque n°156, 1504 Bairro Savassi – Belo Horizonte / MG – Brazil CEP: 30112-010
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Tel. +61 2 8280 7111 Fax. +61 2 9287 0303
Auditor	Ernst & Young
Solicitors	HopgoodGanim
Bankers	National Australia Bank
Stock exchange listing	Aguia Resources Limited is dual-listed since July 2017, trading on both the Australian Securities Exchange (ASX code: AGR) and on the TSX Venture Exchange (TSXV: AGRL)
Website	www.aguiaresources.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Aguia Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors
The following persons were directors of Aguia Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Justin Reid
David Gower
Brian Moller
Alec Pismiris
Paul Pint
Diane Lai (appointed 7 July 2017)

Principal activities
The principal activities of the group during the year were the continued exploration and development of resource projects, predominately phosphate and investment in the resources sector.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the group after providing for income tax amounted to $2,242,991 (30 June 2017: $4,065,149).

A full review of operations is presented below.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the group during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations
A summary of the likely developments in the operations of the consolidated entity and the expected results of operations, to the extent they would not likely result in unreasonable prejudice to the group, has been included in the review of operations report below.

Environmental regulation
The group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no significant known breaches by the group during the financial year.

Information on directors

Name:	Justin Reid
Title:	Managing Director
Qualifications:	M.Sc, MBA
Experience and expertise:	Mr Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the mineral resource space. Mr Reid currently holds the position of President and Chief Executive officer of Sulliden Mining Capital, Aguia's largest shareholder. Over his career he has raised in excess of C$4BB in mining investment, driven multiple acquisitions, relaunched and structured various mining ventures and led the development, financing and eventual sale of Sulliden Gold to Rio Alto Mining.
Other current directorships:	Kombat Copper Inc (listed on TSX) , EuroSun Mining Inc. (listed on TSX), Trigon Metals Inc (listed on TSX), Deep Yellow Limited (ASX: DYL) and Troilus Gold Inc. (TSXV: TLG)
Former directorships (last 3 years):	Copper One Inc. (February 2013 – December 2015, listed on TSX), Coastal Gold Corp. (April 2013 – January 2016, listed on TSX) and Sulliden Mining Capital Inc (2015 to 31 Dec 2017 listed on TSX)
Special responsibilities:	None
Interests in shares:	336,037
Interests in options:	1,800,000

Name:	Mr David Gower
Title:	Non-Executive Director
Qualifications:	M.Sc, P. Geo
Experience and expertise:	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 and presently the corporate qualified person for all resource and geological work on Brazil's largest underdeveloped gold deposit. He is a member of the Association of Professional Geoscientists of Ontario and of the Canadian Institute of Mining. Mr Gower was appointed a director of the Company on 30 November 2012.
Other current directorships:	Emerita Resources Corp, Alamos Gold Inc and Apogee Opportunities Inc (all TSX listed)
Former directorships (last 3 years):	Coastal Gold Corp. (February 2007 – July 2015)
Special responsibilities:	Chair of the Compensation Committee, member of the Audit Committee
Interests in shares:	559,234
Interests in options:	220,000

Name:	Mr Paul Pint
Title:	Executive Chairman
Qualifications:	B.Comm, CPA, CA
Experience and expertise:	Mr. Pint, CPA, CA, is a capital markets professional with over 20 years of experience. Mr. Pint began his capital markets career on the institutional equity team at a large Canadian financial institution. Over his career, he has held a number of senior positions at various financial institutions and boutique investment banks in Canada. Mr Pint is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Toronto.
Other current directorships:	Copper One Inc. (TSX listed)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	334,037
Interests in options:	1,450,000

Name:	Mr Brian Moller
Title:	Non-Executive Director
Qualifications:	LLB Hons
Experience and expertise:	Mr Moller has been a partner at the legal firm, HopgoodGanim for 35 years and leads the Corporate Advisory and Governance practice. Mr Moller holds an LLB Hons from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association. Mr Moller specialises in capital markets, mergers and acquisitions and corporate restructuring, and has acted in numerous transactions and capital raisings in both the industrial and resources and energy sectors. Mr Moller acts for many publicly listed companies in Australia and regularly advises boards of directors on corporate governance and related issues.
Other current directorships:	Non-executive director of DGR Global Ltd (ASX: DGR), Dark Horse Resources Ltd (ASX: DHR), and Non-executive chairman of Lithium Consolidated Mineral Exploration Limited (ASX: LI3), AusTin Mining Limited (ASX: ANW), Platina Resources Ltd (ASX: PGM) and the LSE and TSX listed SolGold plc.
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Compensation Committee
Interests in shares:	120,000
Interests in options:	220,000

Name:	Mr Alec Pismiris
Title:	Non-Executive Director
Qualifications:	B. Comm, MAICD, FGIA FCIS
Experience and expertise:	Mr Pismiris is currently a director and company secretary for several ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris was recently appointed a director of Pacton Gold Inc., a company listed on the TSX Venture Exchange, where he is engaged as Interim President and Chief Executive Officer. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a Fellow of The Governance Institute of Australia. Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.
Other current directorships:	Agrimin Limited (ASX: AMN), HotCopper Holdings Limited (ASX: HOT), Pelican Resources Limited (ASX: PEL)and TSX listed Pacton Gold Inc
Former directorships (last 3 years):	Cardinal Resources Limited (2010 – 2015) and Impression Healthcare Limited (August 2013 – March 2017)
Special responsibilities:	Chair of the Audit Committee, member of the Compensation Committee
Interests in shares:	91,966
Interests in options:	220,000

Name:	Diane Lai (appointed 7 July 2017)
Title:	Non-Executive Director
Qualifications:	MBA
Experience and expertise:	Diane Lai has over 22 years of global experience in business development, management and acquisitions. She formerly worked at In Touch Communications 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 Sulliden Mining Capital Inc, and currently holds board positions with the Flato Markham Theatre. Diane graduated from the University of Waterloo and holds an MBA from the Kellogg School of Management at Northwestern University.
Other current directorships:	None
Former directorships (last 3 years):	Sulliden Mining Capital Inc. (Dec 2014 – Sep 2018)
Special responsibilities:	Member of the Audit Committee
Interests in shares:	None
Interests in options:	150,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary
Mr Andrew Bursill B.Agr. Ec., CA

Mr Bursill is a principal of Franks & Associates Pty Ltd and has been with the firm for over 15 years, where he has specialised in the provision of outsourced company secretary and finance services. During this time Mr Bursill has been a director and company secretary of numerous listed and unlisted public companies. Mr Bursill is a member of the Institute of Chartered Accountants in Australia.

Mr Bursill was appointed as company secretary on 28 September 2010. In addition, Mr Bursill is a director and company secretary of Argonaut Resources NL, and company secretary of Austral Gold Limited, Argonaut Resources Limited, Austex Oil Limited, Bod Australia Limited, Elk Petroleum Limited, ShareRoot Limited, Lake Resources NL, zipMoney Limited and several other unlisted and private companies.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board		Audit and risk committee	
	Attended	Held	Attended	Held
Justin Reid	5	5	-	-
David Gower	5	5	2	3
Diane Lai	5	5	2	2
Brian Moller	5	5	1	1
Alec Pismiris	5	5	3	3
Paul Pint	5	5	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The consolidated entity's remuneration policy for its key management personnel ("KMP") has been developed by the Board taking into account the size of the consolidated entity, the size of the management team for the consolidated entity, the nature and stage of development of the consolidated entity's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.
In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:
- the consolidated entity is currently focused on undertaking exploration, appraisal and development activities;
- the risks associated with small cap resource companies whilst exploring and developing projects; and
- other than profit which may be generated from asset sales, the consolidated entity does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the consolidated entity, incentive options have been used to attract and retain non-executive directors. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The Board did not use remuneration consultants during the year.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. Total directors' fees paid to all non-executive directors is not to exceed $200,000 per annum. Director's fees paid to non-executive directors accrue on a daily basis. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the consolidated entity and non-executive directors may in limited circumstances receive incentive options in order to secure their services.

Executive remuneration
The consolidated entity's remuneration policy is to provide a fixed remuneration component and a performance based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

The executive remuneration and reward framework has four components:
- base pay;
- short-term performance incentives;
- share-based payments; and
- other remuneration.

The combination of these comprises the executive's total remuneration.

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Short-term incentives ('STI') payments are granted to executives based on specific targets being achieved and include bonus payments. Executives may be entitled to an annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. KPIs may include:

- Material increase in market cap and share price performance relative to peer groups;
- Completion of drilling and resource estimate at Joca Tavares;
- Expanding institutional ownership;
- Budget control;
- Maintain strong balance sheet; and
- Further metallurgical testing and submission of EIS

The Board has focused the consolidated entity's efforts on finding and completing new business opportunities. The Board considers that the prospects of the consolidated entity and resulting impact on shareholder wealth are largely linked to the success of this approach, rather than by referring to current or prior year earnings. Accordingly, the Board may pay a bonus to executive KMP's based on the success in generating suitable new business opportunities. A further bonus may also be paid upon the successful completion of a new business acquisition.

The long-term incentives ('LTI') include share-based payments. The Board has chosen to issue incentive options to some executives as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the consolidated entity. The Board considers that each executive's experience in the resources industry will greatly assist the consolidated entity in progressing its projects to the next stage of development and the identification of new projects. As such, the Board believes that the number of incentive options granted to executives is commensurate to their value to the consolidated entity.

The Board has a policy of granting incentive options to executives with exercise prices at and/or above market share price (at the time of agreement). As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the consolidated entity increases sufficiently to warrant exercising the incentive options granted.

Other than service-based vesting conditions, options may be subject to vesting based on development milestones. The consolidated entity does not currently have a policy regarding executives entering into arrangements to limit their exposure to incentive options granted as part of their remuneration package.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to performance of the consolidated entity. The consolidated entity is currently undertaking exploration and development activities, and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP. The performance measure which drives incentive awards is the company's share price and the discovery, delineation and development of new mineral resources. Refer to 'Additional information' of the remuneration report for details of the last five years earnings and share price.

Voting and comments made at the company's 2017 Annual General Meeting ('AGM')
The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 30 June 2017. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
Amounts of remuneration
Details of the remuneration of key management personnel of the group are set out in the following tables.

The key management personnel of the group consisted of the following directors of Aguia Resources Limited:
- Justin Reid
- David Gower
- Brian Moller
- Alec Pismiris
- Paul Pint
- Diane Lai (appointed 6 July 2017)

And the following persons:
- Andrew Bursill - Company Secretary
- Catherine Stretch - Chief Commercial Officer
- Fernando Tallarico - Technical Director
- Ryan Ptolemy - Chief Financial Officer

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2018	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
David Gower	-	-	-	-	-	20,535	20,535
Brian Moller	50,000	-	-	-	-	20,535	70,535
Alec Pismiris	50,000	-	-	-	-	20,535	70,535
Diane Lai *	50,000	-	-	-	-	20,535	70,535
Executive Directors:							
Paul Pint	200,000	150,000	-	-	-	135,474	485,474
Justin Reid	350,004	200,000	-	-	-	162,569	712,573
Other Key Management Personnel:							
Catherine Stretch	159,996	70,000	-	-	-	119,217	349,213
Fernando Tallarico	160,215	40,000	-	-	-	108,379	308,594
Ryan Ptolemy	18,487	10,000	-	-	-	11,406	39,893
Andrew Bursill	-	-	-	-	-	13,690	13,690
	1,038,702	470,000	-	-	-	632,875	2,141,577

* Appointed 6 July 2017

Non-executive directors are paid director fees and are not entitled to superannuation or long service leave. Executive directors are based overseas where superannuation or long service leave are not applicable in their service agreements.

Fees and salaries for each director and key management personnel is paid through the following entities :
- Justin Reid - EJ3 Consulting Inc
- Catherine Stretch - Castara Management Inc
- Paul Pint - Tarkus Consulting Inc
- Alec Pismiris - Lexcon Services Pty Ltd
- Fernando Tallarico - Metalica Consultoria e Serviços de Geologia
- Ryan Ptolemy - 1809276 Ontario Inc

In addition to director fees disclosed in the table above, Brian Moller is a partner of HopgoodGanim law firm, which provides legal services to the company. The contract between the company and HopgoodGanim is based on normal commercial terms. Payments made to HopgoodGanim during the year were $15,815 (2017: $27,013).

Andrew Bursill, company secretary is also an associate of Franks & Associates Pty Ltd which provides accounting and company secretary services to the Company. The contract between the Company and Franks & Associates is based on normal commercial terms. Fees made to Franks & Associates Pty Ltd during the year were $69,302 (2017: $98,904).

Refer to note 20 for related party transactions.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2017	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
David Gower	-	-	-	-	-	-	-
Brian Moller	40,000	-	-	-	-	-	40,000
Alec Pismiris	40,001	-	-	-	-	-	40,001
Executive Directors:							
Paul Pint	199,999	125,000	-	-	-	-	324,999
Justin Reid	349,004	175,000	-	-	-	-	524,004
Other Key Management Personnel:							
Catherine Stretch	152,997	50,000	-	-	-	15,400	218,397
Fernando Tallarico	254,303	52,900	-	-	-	21,560	328,763
Ryan Ptolemy *	4,466	-	-	-	-	5,114	9,580
Andrew Bursill	-	-	-	-	-	4,620	4,620
	1,040,770	402,900	-	-	-	46,694	1,490,364

* Appointed 1 April 2017

Share-based payments relate to options issued which were granted during the current and prior years.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2018	2017	2018	2017	2018	2017
Non-Executive Directors:						
David Gower	-	-	-	-	100%	-
Brian Moller	71%	100%	-	-	29%	-
Alec Pismiris	71%	100%	-	-	29%	-
Diane Lai	71%	-	-	-	29%	-
Executive Directors:						
Justin Reid	41%	67%	31%	33%	28%	-
Paul Pint	49%	62%	28%	38%	23%	-
Other Key Management Personnel:						
Catherine Stretch	46%	70%	20%	23%	34%	7%
Fernando Tallarico	52%	77%	13%	16%	35%	7%
Ryan Ptolemy	46%	47%	25%	-	29%	53%
Andrew Bursill	-	-	-	-	100%	100%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements.

Name:	Paul Pint
Title:	Executive Chairman
Agreement commenced:	12 January 2016
Term of agreement:	3 months' notice to company and 6 months' notice by company.
Details:	Annual remuneration of $200,000. Bonus as recommended and approved by the Board based on achievement of annual milestones. Mr Pint is also entitled to share based payment options subject to shareholders approval.

Name:	Justin Reid
Title:	Managing Director
Agreement commenced:	1 April 2015
Term of agreement:	3 months' notice to company and 6 months' notice by company.
Details:	Annual salary of $350,000. Bonus as recommended and approved by the Board based on achievement of annual milestones. Mr Reid is also entitled to share based payment option to Board approval.

Name:	Catherine Stretch
Title:	Chief Commercial Officer
Agreement commenced:	1 April 2015
Term of agreement:	3 months' notice to company and 6 months' notice by company.
Details:	Annual fees of $160,000. Bonus as recommended and approved by the Board based on achievement of annual milestones. Ms Stretch is also entitled to share based payment option to Board approval.

Name:	Fernando Tallarico
Title:	Technical Director
Agreement commenced:	1 April 2010
Term of agreement:	3 months' notice to company and 6 months' notice by the company
Details:	Annual remuneration of $280,000. Bonus as recommended and approved by the Board based on achievement of annual milestones. Mr Tallarico is also entitled to share based payment option to Board approval.

Name:	Ryan Ptolemy
Title:	Chief Financial Officer
Agreement commenced:	1 April 2017
Term of agreement:	Month-to-month notice by the Company
Details:	Base fee of CAD$1,500 per month, subject to annual review. Entitlement to a cash bonus and/or options upon meeting KPIs prescribed by the Board

Non-executive director arrangements
Non-executive directors may receive a board fee. The total fees for the non-executive directors is currently limited to $200,000 per annum. All non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel during the year ended 30 June 2018.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price *	Fair value per option at grant date
27/11/2015	27/11/2015	27/11/2018	$1.100	$0.048
12/01/2016	07/12/2016	07/12/2019	$0.625	$0.048
16/12/2016	16/12/2016	16/12/2019	$0.600	$0.154
02/06/2017	02/06/2017	02/06/2020	$0.640	$0.205
28/07/2017	28/07/2017	28/07/2020	$0.540	$0.182
28/11/2017	Vesting immediately / Based on milestones **	29/11/2020	$0.600	$0.137

* Exercise price has been updated for post consolidation of shares.

** 2,170,000 of these options vest immediately, On the remaining options, 50% of the options vest when the bankable feasibility study is completed, and the remaining 50% vest upon granting of Preliminary Licence issued on the approval of the Environmental Impact Assessment by FEPAM, the Rio Grande do Sui, Brazil environmental authority.

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2018 are set out below:

Name	Number of options granted during the year 2018	Number of options granted during the year 2017	Number of options vested during the year 2018	Number of options vested during the year 2017
David Gower	150,000	-	150,000	-
Fernando Tallarico	1,000,000	140,000	500,000	140,000
Brian Moller	150,000	-	150,000	-
Alec Pismiris	150,000	-	150,000	-
Justin Reid	1,500,000	-	750,000	-
Paul Pint	1,250,000	200,000	625,000	200,000
Catherine Stretch	1,100,000	100,000	550,000	100,000
Diane Lai	150,000	-	150,000	-
Ryan Ptolemy	75,000	25,000	75,000	25,000
Andrew Bursill	100,000	30,000	100,000	30,000

* Note that while Paul Pint's issue of options was formally approved at the 2016 AGM, the share-based payments relating to these options had been recognised in the 30 June 2016 financial statements.

Details of options over ordinary shares granted and vested for directors and other key management personnel as part of compensation during the year ended 30 June 2018 are set out below.

Name	Grant date	Expiry date	Number of options granted	Value of options granted $	Value of options vested $	Percentage vested %
David Gower	28/11/2017	29/11/2020	150,000	20,535	20,535	100
Brian Moller	28/11/2017	29/11/2020	150,000	20,535	20,535	100
Alec Pismiris	28/11/2017	29/11/2020	150,000	20,535	20,535	100
Diane Lai	28/11/2017	29/11/2020	150,000	20,535	20,535	100
Paul Pint	28/11/2017	29/11/2020	1,250,000	171,125	85,562	50
Justin Reid	28/11/2017	29/11/2020	1,500,000	205,350	102,675	50
Catherine Stretch	28/11/2017	29/11/2020	1,100,000	150,590	75,295	50
Fernando Tallarico	28/11/2017	29/11/2020	1,000,000	136,900	68,450	50
Ryan Ptolemy	28/11/2017	29/11/2020	50,000	6,845	6,845	100
Ryan Ptolemy	28/07/2017	28/07/2020	25,000	4,561	4,561	100
Andrew Bursill	28/11/2017	29/11/2020	100,000	13,690	13,690	100

Additional information
The earnings of the group for the five years to 30 June 2018 are summarised below:

	2018 $	2017 $	2016 $	2015 $	2014 $
Loss after income tax	(2,242,991)	(4,065,149)	(5,873,212)	(10,744,829)	(14,398,716)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2018	2017	2016*	2015*	2014*
Share price at financial year end ($)	0.20	0.42	0.60	0.80	0.20
Basic earnings per share (cents per share)	(1.87)	(4.87)	(8.25)	(21.60)	(37.85)

* Prior to the consolidation of shares

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Others / Disposals	Balance at the end of the year
Ordinary shares					
David Gower	559,234	-	-	-	559,234
Justin Reid	72,000	-	264,037	-	336,037
Fernando Tallarico	137,143	-	-	-	137,143
Brian Moller	120,000	-	-	-	120,000
Diane Lai	-	-	-	-	-
Alec Pismiris	91,966	-	-	-	91,966
Catherine Stretch	3,659	-	-	-	3,659
Paul Pint	70,000	-	264,037	-	334,037
Andrew Bursill	10,000	-	-	-	10,000
Ryan Ptolemy	602	-	-	-	602
	1,064,604	-	528,074	-	1,592,678

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
David Gower	70,000	150,000	-	-	220,000
Fernando Tallarico	240,000	1,000,000	-	-	1,240,000
Brian Moller	70,000	150,000	-	-	220,000
Alec Pismiris	70,000	150,000	-	-	220,000
Diane Lai	-	150,000	-	-	150,000
Justin Reid	570,000	1,500,000	-	(270,000)	1,800,000
Catherine Stretch	310,000	1,100,000	-	(130,000)	1,280,000
Paul Pint	200,000	1,250,000	-	-	1,450,000
Andrew Bursill	90,000	100,000	-	-	190,000
Ryan Ptolemy	25,000	75,000	-	-	100,000
	1,645,000	5,625,000	-	(400,000)	6,870,000

	Vested and exercisable	Unvested	Balance at the end of the year
Options over ordinary shares			
David Gower	220,000	-	220,000
Fernando Tallarico	740,000	500,000	1,240,000
Brian Moller	220,000	-	220,000
Alec Pismiris	220,000	-	220,000
Diane Lai	150,000	-	150,000
Justin Reid	1,050,000	750,000	1,800,000
Catherine Stretch	730,000	550,000	1,280,000
Paul Pint	825,000	625,000	1,450,000
Andrew Bursill	190,000	-	190,000
Ryan Ptolemy	100,000	-	100,000
	4,445,000	2,425,000	6,870,000

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Aguia Resources Limited under option at the date of this report are as follows:

Issue date	Expiry date	Exercise price	Number under option
30 September 2015	30 September 2018	$1.300	560,000
27 November 2015	27 November 2018	$1.100	614,000
7 December 2016	7 December 2019	$0.625	260,000
16 December 2016	16 December 2019	$0.600	810,000
2 June 2017	2 June 2020	$0.640	120,000
30 June 2017 - 7 July 2017 *	30 June 2020	$0.650	13,180,418
27 July 2017	28 July 2020	$0.540	150,000
28 November 2017	29 November 2020	$0.600	7,520,000
16 April 2018 *	12 April 2021	$0.600	7,142,900
			30,357,318

* Exercise price is in Canadian dollars

All of above options are unlisted. No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate. The options do not carry any voting and dividend rights.

Shares issued on the exercise of options

There were no ordinary shares of Aguia Resources Limited issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

Indemnity and insurance of officers

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During the financial year, the consolidated entity paid a premium of $14,281 in respect of directors and officers liability insurance.

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Ernst & Young

There are no officers of the company who are former partners of Ernst & Young.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Justin Reid
Managing Director

25 September 2018
Sydney

Ernst & Young
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Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
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Auditor's Independence Declaration to the Directors of Aguia Resources Limited

As lead auditor for the audit of Aguia Resources Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aguia Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
25 September 2018

REVIEW OF OPERATIONS

Over the past year, Aguia has continued to focus on advancing the development of its flagship Rio Grande phosphate assets and in particular advancing the Três Estradas phosphate deposit located in the state of Rio Grande do Sul in Southern Brazil (Figure 1).

Southern Brazil is a major farming region which currently imports 100% of its phosrock requirements. There are currently no phosphate mines in the region and none scheduled to be built in the foreseeable future other than Aguia's planned development of Três Estradas. Aguia's phosphate landholding in Rio Grande do Sul currently totals about 66,923 hectares. Três Estradas has well-developed infrastructure with access to excellent roads, rail, power, port and utilities.

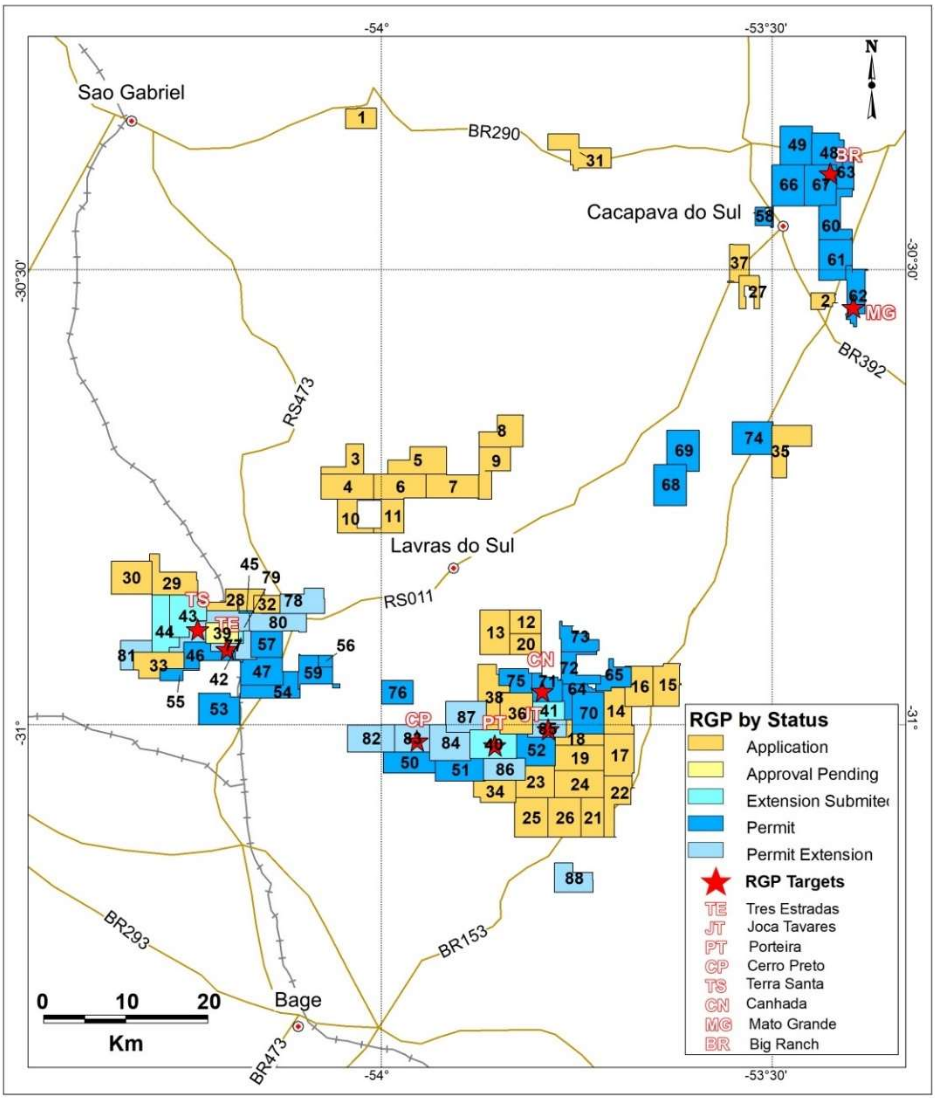


Figure 1: Rio Grande Tenement Map and Key Prospects

In early 2018, Aguia announced that it had identified a new zone of copper mineralisation on ground staked within the Rio Grande Copper Belt, as a result of regional exploration activities in the State of Rio Grande do Sul, Brazil. Aguia secured a strategic land package along the Rio Grande Copper Belt, totalling 34,000 hectares across 23 tenements across two mineralised targets: Canhada and Big Ranch which have been the subject of further exploration this year.

TRÊS ESTRADAS PHOSPHATE PROJECT

Aguia's Três Estradas project is located in the state of Rio Grande do Sul, Southern Brazil in a major farming region which imports 100% of its phosrock requirements. There are currently no phosphate mines in the region and none scheduled to be built in the foreseeable future other than Aguia's planned development of Três Estradas. Três Estradas is the most advanced of Aguia's holdings in the region Aguia has also signed option agreements on a number of neighbouring properties which are currently being explored.

Update to the Mineral Resource Statement

In September 2017, Aguia released an updated Mineral Resource Statement based on the results of an extensive drilling campaign carried out between December 2016 and June 2017. During this period, Aguia completed 61 core holes (9,708m) and 90 reverse circulation holes (4,496m). The primary goal of this drilling campaign was to increase the geologic assurance and classification of the inferred resources identified in the 2016 resource statement related to the Tres Estradas project. The drilling campaign was successful in converting most Inferred Resources in the 2016 resource estimate to Measured and Indicated categories as well as discovering and delineating additions to the Tres Estradas deposit, including a new extension to the deposit.

The entire dataset was subject to independent revision and auditing by Millcreek Mining Group who signed off on the new resource statement for the project. The resource estimate meets the criteria required to be compliant with both JORC and NI 43-101 standards.

The Mineral Resource Statement now includes 83 million tonnes grading 4.1% P_2O_5 of Measured and Indicated resources. Thus, 79% of the current resource model now falls in the Measured & Indicated category, whereas the previous model comprised only 21% of Measured and Indicated resources.

In addition to a high rate of conversion of Inferred Resources to Measured and Indicated resources, the Mineral Resource Statement also identified a new shallow zone of mineralization within the existing borders of the Tres Estradas pit shell.

Table 1: Mineral Resource Statement*, Três Estradas Phosphate Project, Rio Grande do Sul, Brazil September 19, 2017

		Tonnage (Tx1,000)	P_2O_5%	CaO%	MgO%	Fe_2O_3%	SiO_2%	Al_2O_3%
Oxidized	Measured	851	9.95	17.72	5.69	18.53	29.19	4.84
	Indicated	4,487	8.60	15.55	5.01	18.01	32.84	6.22
	Total Measured & Indicated	5,338	8.81	15.90	5.12	18.09	32.26	6.00
	Inferred	45	5.41	20.17	5.61	12.17	29.81	6.80
Fresh Rock	Measured	35,345	3.87	33.97	8.06	8.16	11.68	1.98
	Indicated	42,527	3.72	33.43	7.66	8.19	13.60	2.60
	Total Measured & Indicated	77,872	3.78	33.67	7.84	8.18	12.73	2.31
	Inferred	21,800	3.66	33.65	8.06	7.94	12.94	2.36
Grand Total Measured & Indicated		83,210	4.11	32.53	7.67	8.81	13.98	2.55
Grand Total Inferred		21,845	3.67	33.62	8.06	7.95	12.98	2.36

* Mineral Resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect relative accuracy of the estimates. The mineral resources are reported within a conceptual pit shell using a cut-off grade of 3.0% for all mineralized domains. Optimization parameters include a mining recovery of 100%, 0% dilution, process recovery of 87% P_2O_5 for saprolites and 80% P_2O_5 recovery for fresh rock, concentrate grade of 35.0% for saprolite and 32.0% for fresh rock, pit slopes of 34° for saprolite/51° & 55° for fresh rock, selling price of US$215 for P_2O_5 concentrate and exchange rate of 3.2 R$ to US$.

Table 2: Change in Mineral Resource Statement from June 24, 2016 to September 19, 2017

	Mineral Resource June 24, 2016	Mineral Resource September 19, 2017	Total Change	% Change
	Tonnage (T x 1000)			
Measured	745	36,196	+35,451	+4758%
Indicated	15,070	47,014	+31,944	+212%
Inferred	58,891	21,845	-37,046	-63%

Measured and Indicated resources that are the subject of the economic mine plan have been classified as Proved and Probable Reserves, respectively.

Total estimated Proven and Probable reserves for the Três Estradas Phosphate Project assuming, considering a saleable product as a 'reference point', are summarized in Table 3. Reserves and head grade are reported on a mill-feed (post mining) basis and are inclusive of ore losses and dilution.

Table 3: Proven and Probable Reserves

Classification	Reserves (Sap.)	Reserves (Cbt. + Amp.)	Reserves (Total)	Head Grade (%P_2O_5)
Proven	844,302	27,023,619	27,867,921	3.92
Probable	4,352,915	11,334,168	15,687,083	5.01
Prove. + Prob.	**5,197,217**	**38,357,787**	**43,555,004**	**4.31**

The Proven and Probable Mineral Reserves are included in the Measured and Indicated Mineral Resources.

Completion of Pilot Plant Testing
Aguia conducted a pilot plant program at Eriez Flotation Division ("EFD"), a world leader in advanced flotation technology and a wholly owned subsidiary of Eriez Manufacturing Co.

After this extensive pilot-scale program, recoveries and grades were forecasted accounting for scaling from pilot plant to industrial production. An overall process recovery of 87% producing concentrate grading 35% P_2O_5 was forecast for the processing of the oxidized (saprolite) ore, and a process recovery of 80% with a concentrate grading 32% P_2O_5 was forecast for the fresh carbonatite. These results improved on the previous bench-scale flotation tests performed at Eriez and in 2016 and, demonstrate that Três Estradas has a metallurgical performance very similar to other operating carbonatite mines in the world such as Vale's Cajati mine in Brazil and Yara's Siilinjärvi mine in Finland.

Table 4: Comparison of metallurgical results from bench scale tests conducted in 2016 versus pilot plant results conducted in 2017

	2016		2017	
	Recovery	P_2O_5 Grading	Recovery	P_2O_5 Grading
Oxide	80%	31%	87%	35%
Fresh Carbonatite	84	30.2%	80%	32%

Major Milestone Achieved with Completion of BFS
In the first quarter of 2018, Aguia announced the completion of the Bankable Feasibility Study (BFS) for its flagship Três Estradas phosphate deposit. The Company retained Millcreek Mining Group from Utah, USA to complete the independent engineering and resource studies. The BFS financial model indicates a pre-tax IRR of 21% and a post-tax IRR of 18% with a pre-tax NPV of USD 300 million and post-tax NPV of USD 212 million using a 5% discount rate. The Três Estradas project will require an initial capital expenditure of USD 75.6 million (USD 84 million including contingency). The high efficiency of the column flotation circuit translated into an operational cost of USD 51/tonne of phosphate concentrate produced in Phase 1, USD 77/tonne of phosrock plus USD 5/tonne aglime produced in Phase 2 and USD 2/tonne of aglime in Phase 3.

Table 5: Financial Results Summary

Financial Analysis	Unit	Pre-Tax[2]	Post-Tax
NPV@5%	(USD Million)	300	212
NPV@7.5%	"	186	129
NPV@10%	"	116	78
IRR	(%)	20.7%	18.3%
Total Cash Flow	(USD Million)	1,041	849
Payback[1]	(Years)	5.9	6.2
EBITDA Years 1 to 3.5 (Phase 1 - Saprolite)	(USD Million)	28	
EBITDA Years 3.6 to 16 (Phase 2 - Carbonatite)	"	37	
EBITDA Years 17 to 36 (Phase 3 - Aglime)	"	26	

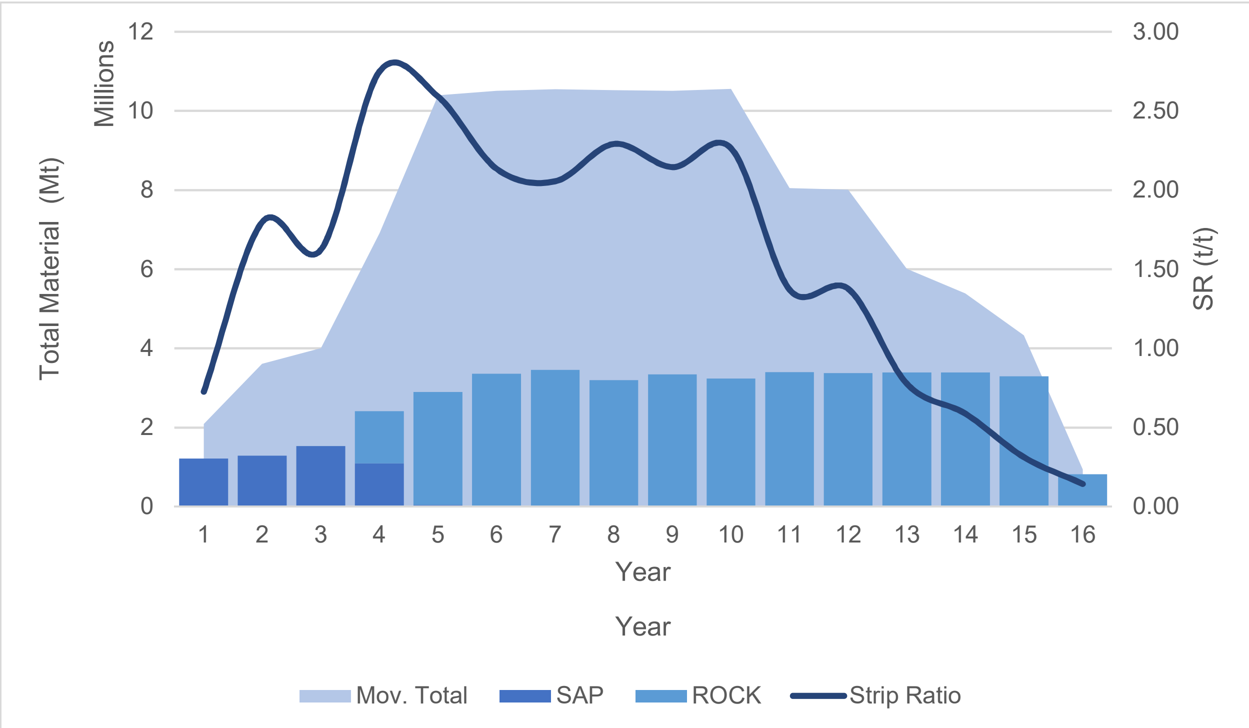
[1]Undiscounted, after start-up, [2]Before direct taxes

The updated mining plan forecasts a total of 43.5 million tonnes of ROM ore mined at a strip ratio of 1.61 (waste to phosphate, in tonnes). The project includes an open-pit, truck and shovel operation, over a life of mine (LOM) of 16 years plus another 20 years of aglime production which will be reclaimed from the tailings dam. The phased approach to the project reduced the initial capital and maximized the economics of the project.

- Phase 1 (Saprolite): Takes advantage of the high head-grade, low strip-ratio, and relatively low processing costs to produce a high-value phosrock concentrate. Open pit mining of 1.3 Mtpy RoM of saprolitic ore, to the processing plant, which will produce an average of 307,000 tpy of phosrock.
- Phase 2 (Carbonatite): As saprolite is depleted, the plant is expanded to handle the carbonatite ore types, as well as produce an aglime by-product**.** Mining an average of 3.3 Mtpy RoM of lower-grade carbonatite ore, with expansion of the processing plant to maintain production of 300,000 tpy of phosphate concentrate, as well as 2.8 Mtpy of aglime. Anticipated that 1Mtpy of aglime will be sold, the remainder stored in a tailings dam.
- Phase 3 (Aglime): Remaining stockpile of stored aglime is reclaimed and depleted. Following mining operations, recovery of 1Mtpy of the remaining aglime from the Tailings Dam.

With an average capacity of 300,000 tpy of phosrock the average annual feed to the processing plant will be 1.3 million tonnes of the oxide ore in Phase 1 and 3.3 million in Phase 2 of the fresh carbonatite ore, resulting in a life of mine production of 4.7 million tonnes of phosphate concentrate and another 32.9 million tonnes of aglime, averaging about 300,000 tons of phosrock annually over 16 years and one million tonnes of by-product aglime annually over 33 years. The relatively steeply dipping and confined nature of the deposit, as well as the drive to optimize project value through early development of the saprolite ore, leads to a decreasing strip ratio after Year 4.

Figure 2: Mine Schedule - Quantities



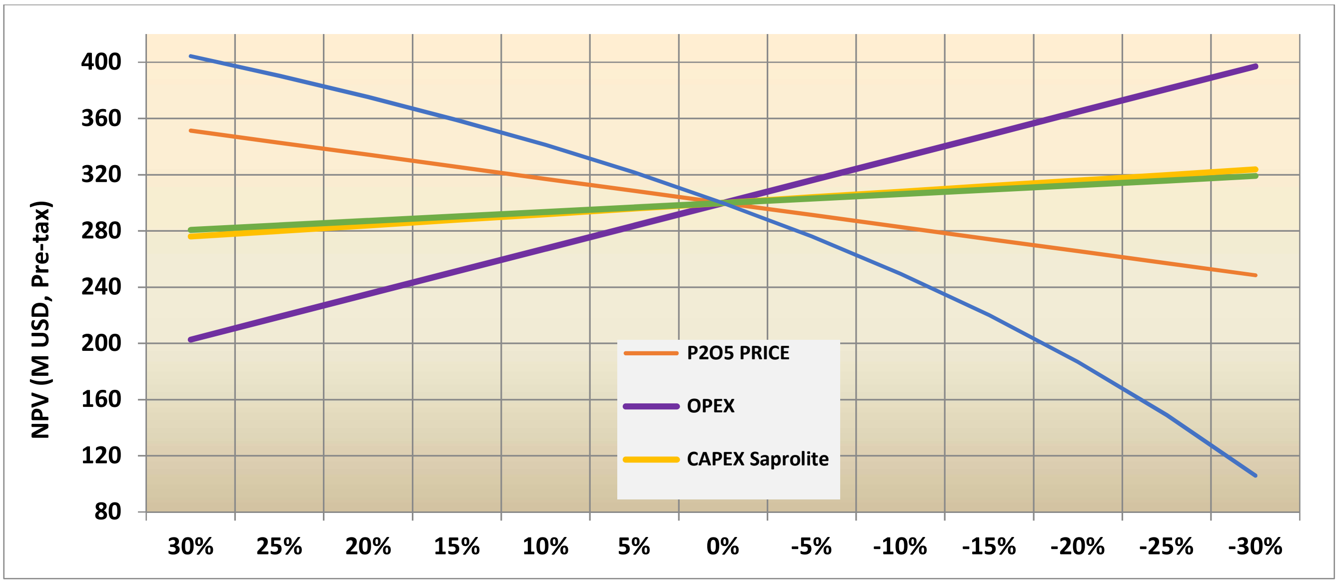
The current findings and conclusions from the most recent pilot-plant program and collector reagents optimization testwork are as follows:

- For the saprolite ore, global phosphate recovery of 81.4% is achievable at a concentrate grade of 32.7% P_2O_5; and
- For the carbonatite ore, global phosphate recovery of 75.3% is achievable at a concentrate grade of 30.1% P_2O_5.

Sensitivity analyses were performed on a variety of independent factors, including:

- P_2O_5 concentrate price: ±30%
- Operating costs: ±30%
- iCAPEXSaprolite: ±30%
- iCAPEX Carbonatite: ±30%
- Exchange Rate: ±30%

The NPV, on a pre-tax basis, was found to be most sensitive to exchange rate, followed by P_2O_5 concentrate pricing:



Environmental Impact Assessment

In the fourth quarter of 2016, Aguia completed the Environmental Impact Assessment (EIA) for the Três Estradas Phosphate Project. This extensive study was compiled in a final report that was filed and presented to the Rio Grande State Environmental Agency FEPAM. Approval of the EIA is expected by the end of 2018 and will result in the awarding of the Preliminary License ("LP").

The Preliminary License is considered the major milestone in the development of a mining project in Brazil and represents a substantial de-risking in the path to construction and production. This is the phase of permitting where all of the technical data relating to the environmental impact assessment is presented and the community consultations are completed to provide the social license to proceed to installation and operating permits.

As a result of trade-off studies Aguia conducted which support a phased project approach, the proposed mine site was completely revised, supported by systematic geotechnical drilling and modelling by Walm. Recirculation of process water, and other engineering improvements allow for the water reservoir to be reduced 74%, the tailings dam to be reduced 56% and the waste piles to be reduced 38%. This significant reduction of the project footprint triggered a requirement for a revision and update to the EIA, which was submitted to FEPAM in September 2017.

Over the last year, Aguia has broadened its communication program and hosted a number of events to explain plans for Três Estradas to the local community, and to introduce Aguia as a good corporate neighbour that will make significant contributions to the local economy in the years to come. The program has included a series of workshops with members of the local community, sponsoring cultural events in Lavras do Sul and at the State Capital Porto Alegre, and giving presentations of the project at conferences.

FEPAM is reviewing the EIA and Aguia expects to receive their technical evaluation in the coming months. The Agency's technical staff have conducted one site visit and a second site visit is being arranged. After the Agency is satisfied with the technical content of the EIA, public hearings with the local communities will be the major remaining task to be completed before final approval.

Três Estradas Regional Exploration Activities

In late 2017, Aguia resumed exploration of neighbouring properties with the objective of identifying additional oxidized carbonatite sources that could ultimately contribute to the Três Estradas Project. Based on regional mapping and airborne geophysical data, Aguia identified a number of exploration targets surrounding the Três Estradas and Joca Tavares carbonatites (Figure 3). Exploration to date has returned promising initial results at Santa Clara, Porteira and Santa Ines.

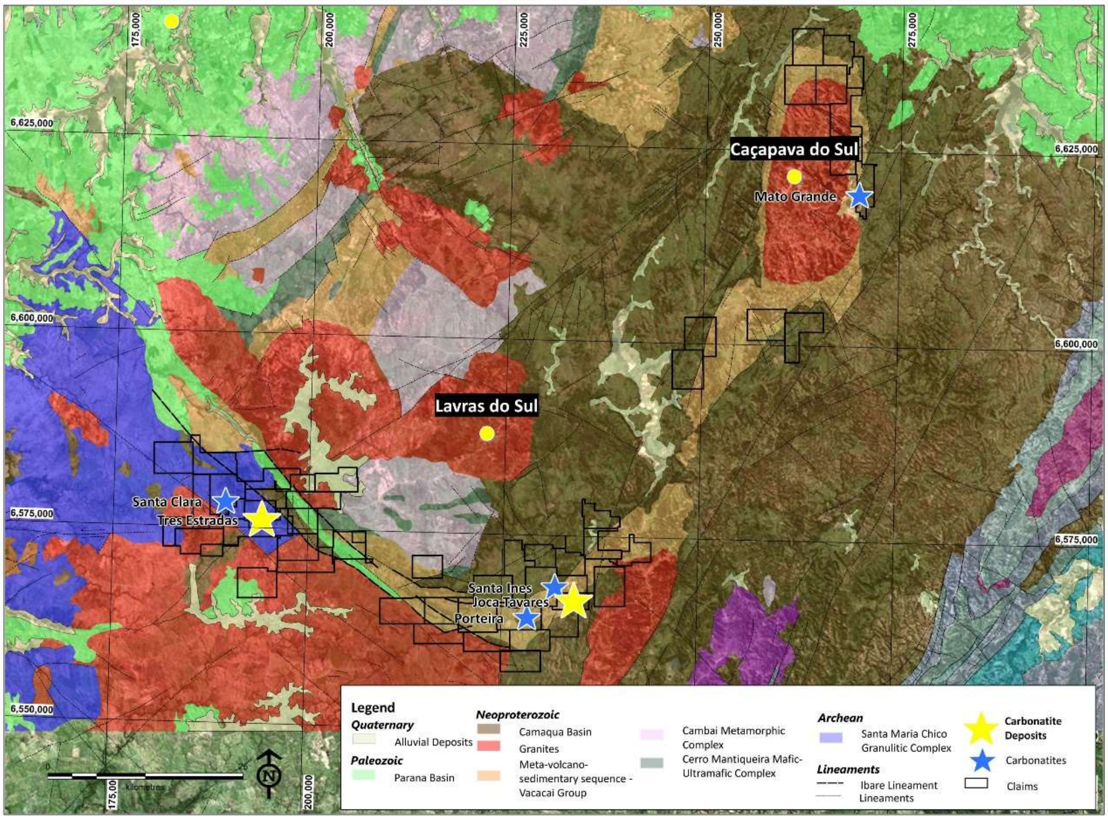


Figure 3. Regional geological map of the Rio Grande project, highlighting the Três Estradas and Joca Tavares carbonatites and the exploration targets that the Company is currently exploring: Santa Clara, Mato Grande, Porteira and Santa Ines.

Santa Clara is located only 4 km from Três Estradas, thus having the potential to add oxidized material to the Três Estradas operation with minimal transport cost. The target was identified using airborne magnetic and radiometric signatures that closely resemble Três Estradas. Initial scouting along this NE-trending, 2.2 km long and 900 m wide target identified outcropping, mineralized carbonatite in rock grab samples. Further sampling and mapping are planned followed by drilling.

Porteira and Santa Ines are adjacent to the Joca Tavares carbonatite and were identified using airborne geophysics. Both targets are associated with discrete magnetic anomalies, and ground follow-up analysis identified a series of breccias, carbonatites and altered host sedimentary rocks that returned positive assays. The Porteira target is approximately 2 km long by 600 m wide, and Santa Ines is approximately 3.8 km long by 800 m wide. Further prospecting, rock and soil sampling followed by auger and RC drilling is planned.

Mato Grande is a 700 m long by 200 m wide carbonatite target located 80km northeast of Três Estradas and close to the city of Caçapava. Aguia has been conducting an auger drilling program over the Mato Grande carbonatite to expand upon historical data that indicated P_2O_5 in fresh carbonatite samples. The objective of this auger program is to outline the extent of the carbonatite body and test for oxidised phosphate mineralisation at surface.

RIO GRANDE COPPER MINERALISATION DISCOVERY

In the first Quarter of 2018, Aguia announced the identification a new zone of copper mineralisation on ground staked within the Rio Grande Copper Belt, as a result of regional exploration activities in the State of Rio Grande do Sul, Brazil. The Company successfully secured a strategic land package along the Rio Grande Copper Belt, totalling 34,000 hectares across 23 tenements and has identified two mineralised targets within the belt: Canhada and Big Ranch (see Figure 4 below).

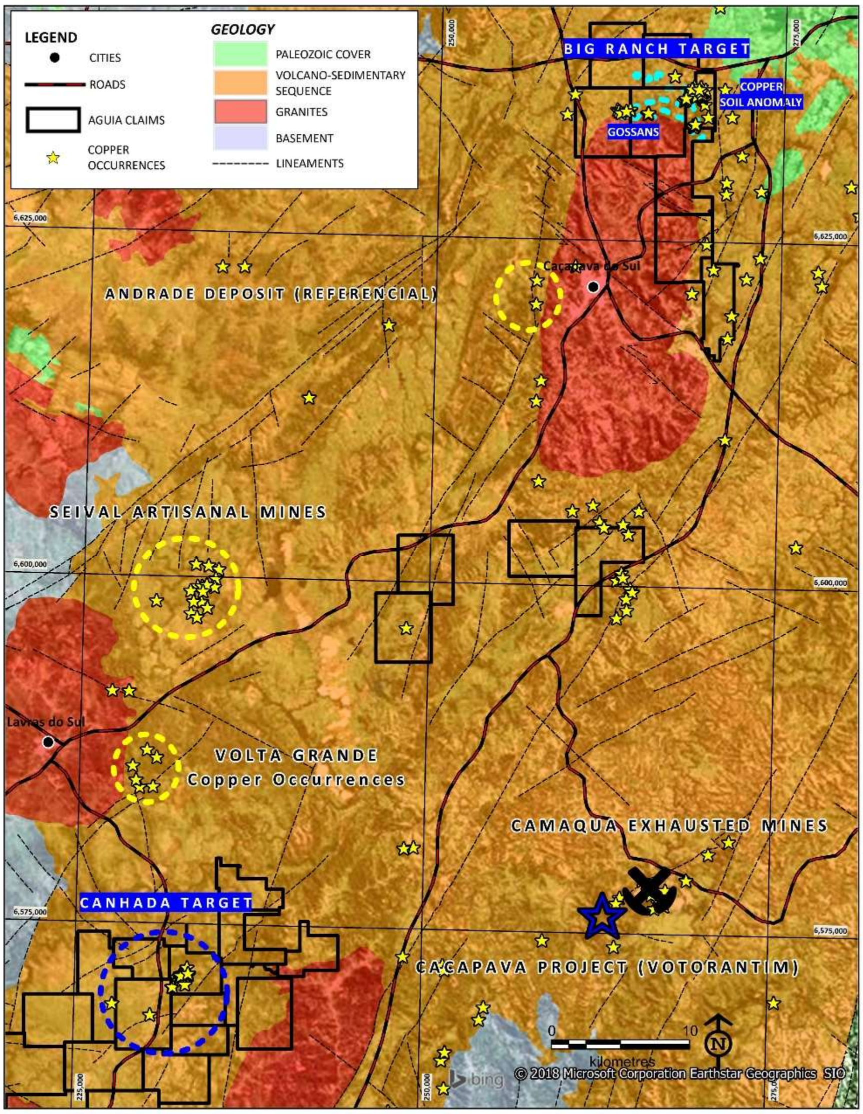


Figure 4. Regional geological map of the Rio Grande Copper Belt, highlighting the distribution of Aguia's Claims with the Canhada Target to the southwest of the belt and the Big Ranch Target to the northeast.

The Canhada target is located 20 km south of the City of Lavras do Sul, where Aguia has its field office, and consists of a 9-km-long by 3-km-wide structurally-controlled trend within which a 2 km x 1 km airborne potassium anomaly (which remains open to the northeast) has been identified with an extensive coincident copper-in-soils anomaly in an area where multiple copper occurrences have been identified in bedrock by Aguia geologists. Mineralisation occurs as stockworks, veins and disseminated sulphides within the alteration zone. The potassium and associated hematite alteration is a characteristic of IOCG mineralised systems. The host sequence includes andesitic volcanic and pyroclastic rocks that have undergone intense hydrothermal alteration including albitization, cloritization, carbonate alteration and hematite alteration. Copper minerals are associated with potassic and hematitice alteration and include chalcopyrite, bornite, digenite and chalcocite, as well as malachite when weathered, typical of IOCG affinity mineralising systems. Soil sampling along this target will continue and in advance of a systematic exploration program that will include a ground induced polarization ("IP") survey followed by a scout reverse circulation drilling campaign.

The Big Ranch target is located along the northern edge of the Caçapava Granite and consists of an 8-km-long by 4-km-wide zone where multiple zinc and copper showings were identified including multiple outcrops of gossans suggesting a mineralised and alteration aureole along the northern margin of the intrusion. Further mapping and rock sampling along this zone has identified multiple gossan occurrences that define a corridor of at least 3 km of strike along the northern margin of the granite. Wide spaced reconnaissance soil lines returned a continuous copper anomaly in excess of 6 km of strike and up to 1 km wide. The Company is currently engaged in a ground geophysical survey to identify detailed drilling targets within these broad geochemical anomalies.

LUCENA PHOSPHATE PROJECT

The Lucena Phosphate Project, comprised of 48 tenements and applications for 345.5km^2, contains an initial JORC compliant Inferred Mineral Resource of 55Mt grading 6.42% P_2O_5 in the state of Paraiba in north eastern Brazil. A feature of the Lucena tenement is outcropping limestone, which is a potential commercialisation opportunity given the presence of a number of cement plants in the region. There was no new activity on the Lucena tenements during the year.

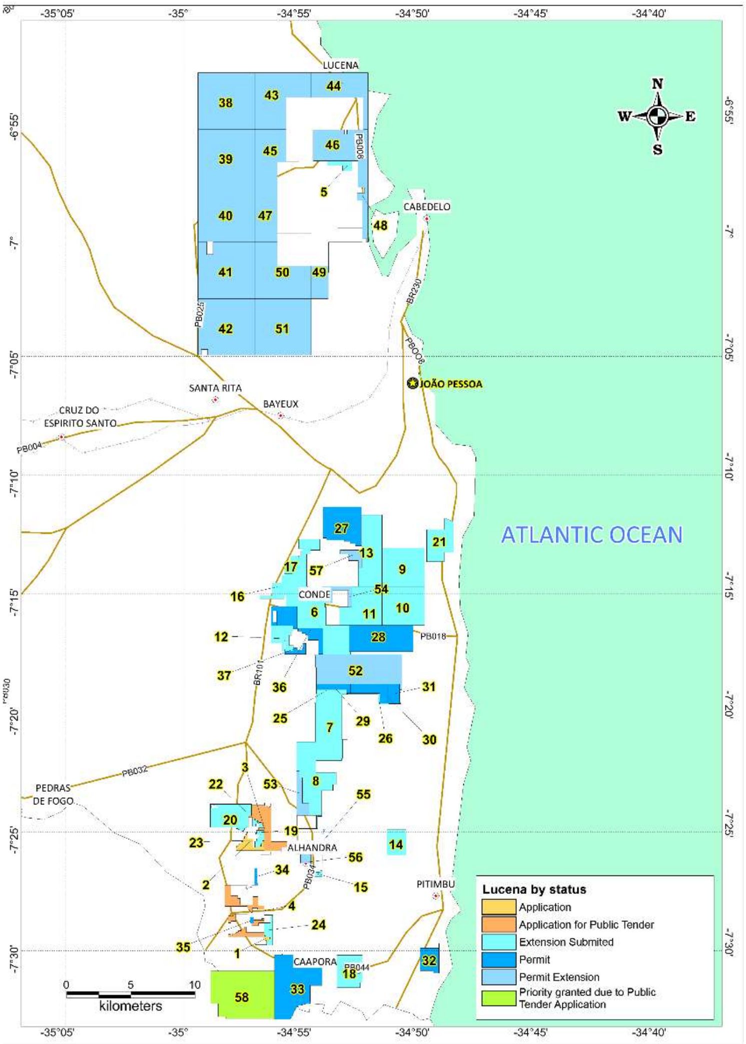


Figure 5: Lucena Tenement Map and Key Prospects

CORPORATE ACTIVITIES UPDATE

In March 2018, Aguia announced the closing of a bought deal private placement financing of 14,285,800 units of the Company (the "Units") at a price of CAD$0.35 per Unit for total proceeds of CAD$5.0 million (the "Offering"). Each Unit consisted of one ordinary share (an "Ordinary Share") in capital of the Company and one-half of one share purchase warrant (each whole warrant, a "Warrant" and collectively the "Warrants"). Each Warrant entitles the holder thereof to acquire one Ordinary Share at a price of CAD$0.60 until April 12, 2021.

Sulliden Mining Capital Inc., a large shareholder of Aguia, placed the lead order for the Offering.

The net proceeds of the Offering are being used to initiate Phase 1 exploration on the Canhada and Big Ranch copper targets, finalize permitting at the Tres Estrada phosphate project and for general corporate and working capital purposes.

General information

The financial statements cover Aguia Resources Limited as a group consisting of Aguia Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Aguia Resources Limited's functional and presentation currency.

Aguia Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Suite 2 Level 10 70 Phillip Street, Sydney NSW 2000	Rua Antonio de Albuquerque n°156 1504 Bairro Savassi – Belo Horizonte / MG – Brazil CEP: 30112-010

A description of the nature of the consolidated entity's operations and its principal activities are included in the notes to the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2018.

Corporate Governance Statement

The Company’s Corporate Governance Statement can be found on the company’s website http://aguiaresources.com.au

	Note	Consolidated 2018 $	2017 $
Other income	4	23,499	215,326
Expenses			
Employee benefits expense	5	(372,895)	(355,765)
Share based payments	26	(904,270)	(161,694)
Depreciation and amortisation expense		(15,420)	(17,531)
Corporate expenses		(1,571,953)	(1,433,106)
Exploration costs	5	(3,305)	(412,877)
Business development costs		(682,948)	(633,780)
Legal and professional		(333,965)	(381,703)
Administrative expense		(1,154,081)	(884,019)
Movement in fair value of derivatives		2,772,347	-
Loss before income tax expense		(2,242,991)	(4,065,149)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Aguia Resources Limited		(2,242,991)	(4,065,149)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(2,814,964)	(1,076,625)
Other comprehensive income for the year, net of tax		(2,814,964)	(1,076,625)
Total comprehensive income for the year attributable to the owners of Aguia Resources Limited		(5,057,955)	(5,141,774)
		Cents	**Cents**
Basic earnings per share	25	(1.87)	(4.87)
Diluted earnings per share	25	(1.87)	(4.87)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	7	3,405,149	6,731,733
Trade and other receivables	8	30,089	112,455
Prepayments		39,478	23,852
Total current assets		3,474,716	6,868,040
Non-current assets			
Property, plant and equipment		48,519	57,479
Exploration and evaluation	9	31,653,643	27,242,357
Total non-current assets		31,702,162	27,299,836
Total assets		35,176,878	34,167,876
Liabilities			
Current liabilities			
Trade and other payables	10	321,400	1,354,235
Derivative financial instruments	11	594,903	1,522,117
Total current liabilities		916,303	2,876,352
Total liabilities		916,303	2,876,352
Net assets		34,260,575	31,291,524
Equity			
Issued capital	12	100,972,143	93,849,407
Reserves	13	(3,838,650)	(1,927,956)
Accumulated losses		(62,872,918)	(60,629,927)
Total equity		34,260,575	31,291,524

The above statement of financial position should be read in conjunction with the accompanying notes

Aguia Resources Limited
Statement of changes in equity
For the year ended 30 June 2018

Consolidated	Ordinary shares $	Performance shares $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2016	81,654,154	241,400	(1,013,025)	(56,806,178)	24,076,351
Loss after income tax expense for the year	-	-	-	(4,065,149)	(4,065,149)
Other comprehensive income for the year, net of tax	-	-	(1,076,625)	-	(1,076,625)
Total comprehensive income for the year	-	-	(1,076,625)	(4,065,149)	(5,141,774)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 12)	12,195,253	-	-	-	12,195,253
Share-based payments	-	-	161,694	-	161,694
Lapse of performance shares	-	(241,400)	-	241,400	-
Balance at 30 June 2017	93,849,407	-	(1,927,956)	(60,629,927)	31,291,524

Consolidated	Ordinary shares $	Performance shares $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	93,849,407	-	(1,927,956)	(60,629,927)	31,291,524
Loss after income tax expense for the year	-	-	-	(2,242,991)	(2,242,991)
Other comprehensive income for the year, net of tax	-	-	(2,814,964)	-	(2,814,964)
Total comprehensive income for the year	-	-	(2,814,964)	(2,242,991)	(5,057,955)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 12)	7,122,736	-	-	-	7,122,736
Share-based payments	-	-	904,270	-	904,270
Balance at 30 June 2018	100,972,143	-	(3,838,650)	(62,872,918)	34,260,575

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2018 $	2017 $
Cash flows from operating activities			
Other receipts		-	187,405
Payments to suppliers and employees		(4,379,643)	(3,978,172)
Interest received		23,499	27,921
Net cash used in operating activities	24	(4,356,144)	(3,762,846)
Cash flows from investing activities			
Payments for exploration and evaluation		(7,174,579)	(6,623,985)
Net cash used in investing activities		(7,174,579)	(6,623,985)
Cash flows from financing activities			
Proceeds from issue of shares	12	9,470,010	14,928,447
Share issue transaction costs		(1,227,323)	(485,895)
Repayment of borrowings		-	(213,949)
Net cash from financing activities		8,242,687	14,228,603
Net increase/(decrease) in cash and cash equivalents		(3,288,036)	3,841,772
Cash and cash equivalents at the beginning of the financial year		6,731,733	2,900,765
Effects of exchange rate changes on cash and cash equivalents		(38,548)	(10,804)
Cash and cash equivalents at the end of the financial year	7	3,405,149	6,731,733

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern
The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated entity has incurred net losses after tax of $2,242,991 (2017: $4,065,149) and net cash outflows from operating and investing activities of $11,530,723 (2017: $10,386,831) for the year ended 30 June 2018.

The consolidated entity has not generated significant revenues from operations and the directors have prepared cash flow forecasts which indicate that the current cash resources will not be sufficient to fund planned exploration expenditure, other principal activities and working capital requirements without the raising of additional capital.

The company will be required to raise additional capital of at least $3.5 million by 31 January 2019 to fund its minimum committed exploration expenditures, and other principal activities and working capital requirements through to 30 September 2019. The company continues to review various other capital raising opportunities

Based on the consolidated entity’s cash-flow forecasts and achieving the funding referred to above, the directors are confident that the company and the consolidated entity will be able to continue as going concerns. In particular, the directors are confident in the company’s ability to raise the capital mentioned above as they have a successful track record as demonstrated in the financial year 2018 ($9.5 million), 2017 ($14.9 million), 2016 ($9.5 million) and 2015 ($3.8 million). The directors are also confident they are able to manage discretionary spending to ensure that cash are available to meet debts as and when they fall due.

Should the company be unable to raise the funding referred to above, there is a material uncertainty whether the company and the consolidated entity will be able to continue as going concerns and therefore, whether they will be able to realise their assets and discharge their liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the company and the consolidated entity not continue as going concerns.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 21.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Aguia Resources Limited ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Aguia Resources Limited and its subsidiaries together are referred to in these financial statements as the 'group' or 'consolidated entity'.

Note 1. Significant accounting policies (continued)

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Aguia Resources Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 1. Significant accounting policies (continued)

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand and at bank and where applicable, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable for an area of interest, the company stops capitalising exploration and evaluation costs for that area, tests recognized exploration and evaluation assets for impairment and reclassifies any unimpaired exploration and evaluation assets either as tangible or intangible development assets according to the nature of the assets.

The demonstration of the technical feasibility and commercial viability is the point at which management determines that it will develop the project and is subject to a significant degree of judgement and assessment of all relevant factors. This typically includes, but is not limited to, the completion of an economic feasibility study, the establishment of mineral reserves and the ability to obtain the relevant construction and operating permits for the project.

Trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options/warrants over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 1. Significant accounting policies (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1. Significant accounting policies (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Aguia Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2018. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB / IFRS 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB / IFRS 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB / IFRS 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The group adopted this standard from 1 July 2018 but the impact of adoption is unlikely to materially impact the financial statements of the group.

Note 1. Significant accounting policies (continued)

AASB / IFRS 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB / IFRS 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB / IFRS 16 will be higher when compared to lease expenses under AASB / IFRS 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB / IFRS 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Carrying value of exploration and evaluation assets
The consolidated entity assesses carrying value of exploration and evaluation assets at each reporting date. If an impairment trigger exists, the recoverable amount of the asset is determined. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant interest. The application of this exploration and evaluation expenditure policy requires management to make certain estimates and assumptions as to future events and circumstances, particularly in relation to the assessment of whether sufficient data exist to indicate that the carrying amount of the exploration and evaluation asset is likely to be recovered in full from successful development or by sale. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of profit or loss and other comprehensive income.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment being mining and exploration in Brazil. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM comprises mainly direct exploration expenditure in assessing performance and allocation of resources and as such no segment result or segment revenues are disclosed. All the company's non-current assets (including exploration assets) are held in Brazil.

The information reported to the CODM is on a monthly basis.

Note 4. Other income

	Consolidated 2018 $	Consolidated 2017 $
Interest	23,499	27,921
Vicenza option payment *	-	187,405
Other income	23,499	215,326

* The Mata da Corda tenements were subject to an Option Agreement between Aguia and Vicenza Mineração e Participações S.A. ("Vicenza") under which all of the Mata da Corda tenements had previously been transferred to Vicenza. The Option Agreement was terminated during the second quarter of financial year ended 30 June 2017 and Vicenza made a final payment to Aguia of $187,405.

Note 5. Expenses

	Consolidated 2018 $	Consolidated 2017 $
Loss before income tax includes the following specific expenses:		
Exploration costs		
Exploration expenses	3,305	412,877
Employee benefit expense		
Wages and salaries	372,895	355,765

Note 6. Income tax expense

	Consolidated 2018 $	Consolidated 2017 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(2,242,991)	(4,065,149)
Tax at the statutory tax rate of 27.5%	(616,823)	(1,117,916)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenditure not allowable for income tax purposes	248,674	48,508
Non-assessable income arising from fair value adjustments from derivatives	(762,395)	-
	(1,130,544)	(1,069,408)
Current year tax losses not recognised	1,130,544	1,069,408
Income tax expense	-	-

Note 6. Income tax expense (continued)

	Consolidated 2018 $	Consolidated 2017 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	16,399,869	12,288,800
Potential tax benefit @ 27.5%	4,509,964	3,379,420

The above potential tax benefit for tax losses has not been recognised in the statement of financial position as it is unlikely they will be utilised in the foreseeable future. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 7. Current assets - Cash and cash equivalents

	Consolidated 2018 $	Consolidated 2017 $
Cash at bank	3,405,149	6,731,733

Note 8. Current assets - Trade and other receivables

	Consolidated 2018 $	Consolidated 2017 $
Other receivables	30,089	112,455

Note 9. Non-current assets - exploration and evaluation

	Consolidated 2018 $	Consolidated 2017 $
Brazilian Phosphate project - at cost	44,314,280	39,902,994
Less: Impairment	(12,660,637)	(12,660,637)
	31,653,643	27,242,357

Note 9. Non-current assets - exploration and evaluation (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration & evaluation $	Total $
Balance at 1 July 2016	21,738,665	21,738,665
Additions	6,593,029	6,593,029
Exchange differences	(1,089,337)	(1,089,337)
Balance at 30 June 2017	27,242,357	27,242,357
Additions	7,191,209	7,191,209
Exchange differences	(2,779,923)	(2,779,923)
Balance at 30 June 2018	31,653,643	31,653,643

Note 10. Current liabilities - Trade and other payables

	Consolidated	
	2018 **$**	**2017** **$**
Trade payables	165,398	247,662
Accrued expenses	55,034	994,078
Other payables	100,968	112,495
	321,400	1,354,235

Refer to note 15 for further information on financial instruments.

Trade payables are settled in 30-90 day terms and are non-interest bearing.

Note 11. Current liabilities - Derivative financial instruments

	Consolidated	
	2018 **$**	**2017** **$**
Warrants	594,903	1,522,117

Refer to note 15 for further information on financial instruments.

Refer to note 16 for further information on fair value measurement.

Note 11. Current liabilities - Derivative financial instruments (continued)

A total of 13,180,418 warrants with the expiry date of 30 June 2020 were issued in various tranches in relation to capital raising in June and July 2017. This represents the 1 for 2 ratio for warrants based on the issued 26,360,835 shares. The exercise price for these options are denominated in Canadian dollars. As the warrants are denominated in foreign currency the value of these warrants is recorded as a derivative financial liability. Using the Black-Scholes model, these warrants had, at date of issue, a fair value of between A$0.2026 and A$0.2377 each and the total fair value at the date of issue was $2,781,532.

The following weighted average assumptions were used to determine the fair value: expected dividend yield of 0%, expected volatility of 90%, risk-free interest rate of 2.21% and an expected life of 3 years.

Using the Black-Scholes model with the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 2.17% and an expected life of 2 years, these warrants have a value of A$0.024 each for a total value of $316,330 as at 30 June 2018.

On 16 April 2018, the Company issued 7,142,900 warrants in relation to capital raising. These options are also denominated in Canadian Dollar. Using Black-Scholes model with the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 2.17% and an expected life of 3 years, the initial valuation on these options were A$0.082 each for a total value of $585,718. These options were subsequently revalued to 30 June 2018 with a value of $0.039 each for a total value of $278,573 with the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 2.17% and an expected life of 2.79 years.

		Number of warrants	Fair Value
Financial year ended 30 June 2017			
Opening balance	01/07/2016	-	-
Warrants issued	30/06/2017	7,512,917	1,522,117
Closing balance		7,512,917	1,522,117

		Number of warrants	Fair value
Financial year ended 30 June 2018			
Opening balance	01/07/2017	7,512,917	1,522,117
Warrants issued	03/07/2017	2,500,001	506,500
Warrants issued	07/07/2017	3,167,500	752,915
Warrants issued	16/04/2018	7,142,900	585,718
Fair value adjustments to profit or loss	30/06/2018	-	(2,772,347)
Closing balance		20,323,318	594,903

Note 12. Equity - Issued capital

	Consolidated			
	2018 Shares	**2017 Shares**	**2018 $**	**2017 $**
Ordinary shares - fully paid	131,484,126	105,863,326	100,972,143	93,849,407

Note 12. Equity - Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2016	366,828,270		81,654,154
Share issued	25 November 2016	85,000,000	$0.100	8,500,000
Consolidation of shares	19 April 2017	(361,462,474)	$0.000	-
Options exercised	5 May 2017	471,695	$0.420	198,112
Shares issued	30 June 2017	11,750,835	CAD$0.400	4,700,335
Shares issued (completed on 7 July 2017)	30 June 2017	3,275,000	CAD$0.400	1,310,000
Derivative financial liability - warrant	30 June 2017	-	$0.000	(1,522,117)
Share issue costs		-	$0.000	(991,077)
Balance	30 June 2017	105,863,326		93,849,407
Shares issued (partly issued on 30 June 2017)	03 July 2017	5,000,000	CAD$0.400	1,999,992
Derivative financial liability - warrant	03 July 2017	-	$0.000	(506,500)
Shares issued	07 July 2017	6,335,000	CAD$0.400	2,618,567
Derivative financial liability - warrant	07 July 2017	-	$0.000	(752,915)
Shares issued	16 April 2018	14,285,800	CAD$0.350	5,071,451
Derivative financial liability - warrant	16 April 2018	-	$0.000	(585,718)
Share issue costs		-	$0.000	(722,141)
Balance	30 June 2018	131,484,126		100,972,143

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

In April 2018, the Company issued warrants together with its ordinary shares as part of its share placement. As these warrants are exercisable in Canadian dollars which is not the entity's functional currency, this give rise to derivative financial liability - see Note 11 for further details.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may issue new shares or sell assets.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is continuously examining new business opportunities where the acquisition / working capital requirements may involve additional funding in some format, including issue of shares or debt where appropriate.

The consolidated entity is not subject to financing arrangements covenants.

Note 13. Equity - Reserves

	Consolidated 2018 $	2017 $
Foreign currency reserve	(8,684,334)	(5,869,370)
Share-based payments reserve	4,763,499	3,859,229
Capital contribution reserve	82,185	82,185
	(3,838,650)	(1,927,956)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Capital contribution reserve
This reserve records the capital contribution arising from unrecognised interest due to non-arm's length interest rate at 1% on the $1 million loan with Forbes Emprendimentos Ltda, a company associated with three of its current/former directors. The consolidated entity ceased to borrow from this counterparty in 2017.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Capital contribution $	Share-based payments $	Foreign currency $	Total $
Balance at 1 July 2016	82,185	3,697,535	(4,792,745)	(1,013,025)
Foreign currency translation	-	-	(1,076,625)	(1,076,625)
Share-based payments	-	161,694	-	161,694
Balance at 30 June 2017	82,185	3,859,229	(5,869,370)	(1,927,956)
Foreign currency translation	-	-	(2,814,964)	(2,814,964)
Share-based payments	-	904,270	-	904,270
Balance at 30 June 2018	82,185	4,763,499	(8,684,334)	(3,838,650)

Note 14. Equity - Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 15. Financial instruments

Financial risk management objectives
The group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the group does not enter into derivative transactions to mitigate the financial risks. In addition, the group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the group's operations change, the directors will review this policy periodically going forward.

Note 15. Financial instruments (continued)

The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The entity does not carry in its books any foreign currency other than its functional currency and therefore the risk associated with foreign currency risk is deemed to be minimal.

Price risk
The group is not exposed to any significant price risk.

Interest rate risk
The group's main interest rate risk arises from short-term deposits with a floating interest rate. As at the reporting date, the group did not have any significant funds on deposit therefore interest rate is minimal.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not hold any collateral.

There are no significant concentrations of credit risk within the group.

Liquidity risk
Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the group will always have sufficient liquidity to meet its liabilities when due. Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	165,398	-	-	-	165,398
Other payables	-	100,968	-	-	-	100,968
Accruals	-	55,034	-	-	-	55,034
Total non-derivatives		321,400	-	-	-	321,400

Note 15. Financial instruments (continued)

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	247,662	-	-	-	247,662
Other payables	-	112,495	-	-	-	112,495
Accruals	-	994,078	-	-	-	994,078
Total non-derivatives		1,354,235	-	-	-	1,354,235

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 16. Fair value measurement

Fair value hierarchy
The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative financial liability	-	594,903	-	594,903
Total liabilities	-	594,903	-	594,903

Consolidated - 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative financial liability	-	1,522,117	-	1,522,117
Total liabilities	-	1,522,117	-	1,522,117

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2
Derivative financial instruments have been valued using the Black-Scholes model. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates. Refer to Note 11 for further details.

Note 17. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

	Consolidated	
	2018 $	2017 $
Short-term employee benefits	1,508,702	1,443,670
Share-based payments	632,875	46,694
	2,141,577	1,490,364

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company, and its network firms:

	Consolidated	
	2018 $	2017 $
Audit services - Ernst & Young		
Audit or review of the financial statements	79,624	64,000
Audit services - network firms - Ernst & Young Brazil		
Audit or review of the financial statements	54,543	32,178
Other services - network firms - Ernst & Young Brazil		
Review of TSX listing	-	8,488
	54,543	40,666

Note 19. Contingent liabilities

The consolidated entity does not have any contingent liabilities as at 30 June 2018 (30 June 2017: nil).

Note 20. Related party transactions

Parent entity
Aguia Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 22.

Key management personnel
Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

Note 20. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2018 $	Consolidated 2017 $
Payment for goods and services:		
Payment for legal services from HopgoodGanim of which Mr Brian Moller is a partner.	15,815	27,013
Payment for accounting and company secretary services from Franks & Associates Pty Ltd of which Mr Andrew Bursill is an associate.	69,302	98,904

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2018 $	Consolidated 2017 $
Current payables:		
Payable to key management personnel for fees and remuneration	45,833	43,000

Terms and conditions
Transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2018 $	Parent 2017 $
Loss after income tax	(5,025,825)	(6,513,092)
Total comprehensive income	(5,025,825)	(6,513,092)

Note 21. Parent entity information (continued)

Statement of financial position

	Parent 2018 $	Parent 2017 $
Total current assets	3,205,535	6,516,212
Total assets	34,862,133	33,758,569
Total current liabilities	649,937	2,547,554
Total liabilities	649,937	2,547,554
Equity		
Issued capital	100,972,143	93,849,407
Share-based payments reserve	4,763,499	3,859,229
Capital contribution reserve	82,185	82,185
Accumulated losses	(71,605,631)	(66,579,806)
Total equity	34,212,196	31,211,015

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2018 %	Ownership interest 2017 %
Aguia Mining Pty Ltd	Australia	100.00%	100.00%
Aguia Phosphates Pty Ltd	Australia	100.00%	100.00%
Aguia Potash Pty Ltd	Australia	100.00%	100.00%
Aguia Metais Ltda	Brazil	100.00%	100.00%
Potassio do Atlantico Ltda	Brazil	100.00%	100.00%
Aguia Rio Grande Mineracao Ltda	Brazil	100.00%	100.00%
Aguia Fertilizantes S.A.*	Brazil	49.00%	49.00%

* Controlled by the parent entity through the entity's board of directors.

Note 23. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 24. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2018 $	2017 $
Loss after income tax expense for the year	(2,242,991)	(4,065,149)
Adjustments for:		
Depreciation and amortisation	15,420	17,531
Write off of property, plant and equipment	(2,955)	-
Share-based payments	904,270	161,694
Exploration costs	3,305	-
Movement in fair value of derivatives	(2,772,347)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(15,626)	29,479
Increase/(decrease) in trade and other payables	(245,220)	93,599
Net cash used in operating activities	(4,356,144)	(3,762,846)

Note 25. Earnings per share

	Consolidated	
	2018 $	2017 $
Loss after income tax attributable to the owners of Aguia Resources Limited	(2,242,991)	(4,065,149)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	120,041,369	83,542,044
Weighted average number of ordinary shares used in calculating diluted earnings per share	120,041,369	83,542,044
	Cents	Cents
Basic earnings per share	(1.87)	(4.87)
Diluted earnings per share	(1.87)	(4.87)

Note 26. Share-based payments

A share option plan has been established by the group, whereby the group may, at the discretion of the Board and if permitted by the Board, grant options over ordinary shares in the parent entity to certain employees, key management personnel and advisers of the group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board, such as the completion of the bankable feasibility study and the granting of preliminary licence. The options are not quoted on the ASX and the Board may amend the option plan rules subject to the requirements of the Listing Rules.

Note 26. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/06/2015	26/06/2018	$0.840	400,000	-	-	(400,000)	-
30/09/2015	30/09/2018	$1.300	560,000	-	-	-	560,000
27/11/2015	27/11/2018	$1.100	614,000	-	-	-	614,000
07/12/2016	07/12/2019	$0.625	260,000	-	-	-	260,000
19/12/2016	16/12/2019	$0.600	810,000	-	-	-	810,000
02/06/2017	02/06/2020	$0.640	120,000	-	-	-	120,000
28/07/2017	28/07/2020	$0.540	-	150,000	-	-	150,000
28/11/2017	29/11/2020	$0.600	-	7,520,000*	-	-	7,520,000
			2,764,000	7,670,000	-	(400,000)	10,034,000
Weighted average exercise price			$0.892	$0.599	$0.000	$0.840	$0.670

* 2,170,000 of these options vest immediately, On the remaining options, 50% of the options vest when the bankable feasibility study is completed, and the remaining 50% vest upon granting of Preliminary Licence issued on the approval of the Environmental Impact Assessment by FEPAM, the Rio Grande do Sui, Brazil environmental authority.

2017

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
30/11/2012	30/09/2016	$0.250	500,000	-	-	(500,000)	-
30/11/2012	30/11/2016	$0.500	630,000	-	-	(630,000)	-
03/06/2014	30/04/2017	$0.080	3,500,000	-	(471,695)	(3,028,305)	-
07/07/2014	30/04/2017	$0.080	1,450,000	-	-	(1,450,000)	-
26/06/2015	26/06/2018	$0.840	2,000,000	-	-	(1,600,000)	400,000
30/09/2015	30/09/2018	$1.300	2,800,000	-	-	(2,240,000)	560,000
27/11/2015	27/11/2018	$1.100	3,070,000	-	-	(2,456,000)	614,000
07/12/2016	07/12/2019	$0.625	-	1,300,000	-	(1,040,000)	260,000
16/12/2016	16/12/2019	$0.600	-	4,050,000	-	(3,240,000)	810,000
02/06/2017	02/06/2020	$0.640	-	120,000	-	-	120,000
			13,950,000	5,470,000	(471,695)	(16,184,305)	2,764,000
Weighted average exercise price			$0.683	$0.607	$0.080	$0.640	$0.892

* Other reflects the consolidation of the options as a result of the share consolidation approved by shareholders at an EGM held on 4 April 2017. The closing balance of option's exercise price has been updated for post consolidation.

Note 26. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2018 Number	2017 Number
26/06/2015	26/06/2018	-	400,000
30/09/2015	30/09/2018	560,000	560,000
27/11/2015	27/11/2018	614,000	614,000
07/12/2016	07/12/2019	260,000	260,000
16/12/2016	16/12/2019	810,000	810,000
02/06/2017	02/06/2020	120,000	120,000
28/07/2017	28/07/2020	150,000	-
28/11/2017	29/11/2020	4,845,000	-
		7,359,000	2,764,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.06 years (2017: 1.86 years).

The weighted average exercise price of options outstanding at the end of the financial year was $0.67 (2017: $0.86).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
28/07/2017	28/07/2020	$0.370	$0.540	90.00%	-	2.21%	$0.182
28/11/2017	29/11/2020	$0.365	$0.600	75.00%	-	2.17%	$0.137

Note 27. Commitments

The group does not have any significant commitments as at 30 June 2018 and 30 June 2017 other than those already been disclosed in the financial statements.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Justin Reid
Managing Director

25 September 2018
Sydney

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Independent Auditor's Report to the Members of Aguia Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aguia Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors Declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 of the financial report which describes the principal conditions that raise doubt about the entity's ability to continue as a going concern.

These conditions along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Building a better working world

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be a key audit matter to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of exploration & evaluation assets

Why significant	How our audit addressed the key audit matter
Capitalised exploration and evaluation assets are the Group's largest asset. The carrying value of exploration and evaluation assets are assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure assets may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has title and tenure to the licenses, has the intention to perform ongoing exploration and evaluation expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year, the Group determined that there had been no indicators of impairment. Due to the quantum of this asset and the subjectivity involved in assessing for indicators of impairment, this was a key audit matter. Refer to Note 9 – Exploration and evaluation assets to the financial statements for the amounts held on the sheet by the Group as at 30 June 2018 and related disclosure.	Our procedures to address the Group's assessment of impairment indicators for exploration and evaluation assets included: ‣ Assessment of the Group's analysis of indicators of impairment, in conjunction with our valuation specialists. This included performance of a transaction multiple analysis comparing the valuation of other phosphate resources to the carrying value of the Group's exploration assets. ‣ Consideration the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements. ‣ Consideration of the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included an assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group. ‣ Agreement of a sample of costs capitalised for the period to supporting documentation and considered whether these costs meet the requirements of Australian Accounting Standards and the Group's accounting policy.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2018 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 15 of the Directors Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Aguia Resources Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
25 September 2018

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Independent auditors' report to the Shareholders of Aguia Resources Limited

We have audited the accompanying consolidated financial statements of Aguia Resources Limited, which comprise the consolidated statements of financial position as at June 30, 2018 and 2017, and the consolidated statements of profit of loss and other comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aguia Resources Limited as at June 30, 2018 and 2017, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $2,242,991 during the year ended June 30, 2018. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Ernst & Young

Chartered Accountants
Sydney, Australia
September 25, 2018

The shareholder information set out below was applicable as at 14 September 2018

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

No. of Holders:	**Ordinary Shares**	**Unlisted Options Exercise price $1.30, Expiry 30/09/2018**	**Unlisted Options Exercise price $1.10, Expiry 27/11/2018**	**Unlisted Options Exercise price $0.625, Expiry 07/12/2019**	**Unlisted Options Exercise price $0.60, Expiry 16/12/2019**
1 to 1,000	157	-	-	-	-
1,001 to 5,000	292	-	1	-	-
5,001 to 10,000	119	6	-	-	1
10,001 to 100,000	353	9	4	1	13
100,001 and over	160	-	1	1	1
	1,081	15	6	2	15
Holding less than a marketable parcel	341	-	-	-	-

No. of Holders:	Unlisted Options Exercise price $0.64, Expiry 02/06/2020	Unlisted Options Exercise price C$0.65, Expiry 30/06/2020	Unlisted Options Exercise price $0.54, Expiry 28/07/2020	Unlisted Options Exercise price $0.60, Expiry 29/11/2020	Unlisted Options Exercise price CAD$0.60, Expiry 12/04/2021
1 to 1,000	-	-	-	-	-
1,001 to 5,000	-	-	-	-	-
5,001 to 10,000	-	-	-	-	2
10,001 to 100,000	4	10	3	7	43
100,001 and over	-	18	-	16	15
	200,004	28	3	23	60

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
CANADIAN CONTROL A/C	39,885,505	30.33
CITICORP NOMINEES PTY LIMITED	10,592,838	8.06
J P MORGAN NOMINEES AUSTRALIA LIMITED	5,648,184	4.30
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,911,792	2.98
PERSHING AUSTRALIA NOMINEES PTY LTD	2,384,300	1.81
MR DAVID SHEARWOOD & MR HARRY SHEARWOOD	1,813,000	1.38
TASTE LIVING PTY LTD	1,612,324	1.23
FGDG SUPER PTY LTD (FG HEPPINGSTONE P/L S/F A/C)	1,490,000	1.13
RYAN SUPERANNUATION NOMINEES PTY LTD	1,402,522	1.07
CMC MARKETS STOCKBROKING NOMINEES PTY LIMITED	1,387,000	1.05
BART PROPERTIES PTY LTD	1,175,000	0.89
ROUSSEL CORP PTY LTD	1,031,485	0.78
MR NICHOLAS JAMES REDPATH	1,027,425	0.78
MR JOHN BROWN & MS ELISABETH FREDERICO	1,000,001	0.76
ARREDO PTY LTD	1,000,000	0.76
BNP PARIBAS NOMINEES PTY LTD	953,420	0.73
FGDG SUPER PTY LTD	914,200	0.70
BALFAR PTY LTD PTY LTD	908,628	0.69
LINOR PTY LTD	895,294	0.68
MR DAVID KIT SHEARWOOD	884,023	0.67
	79,916,941	60.78

Unquoted equity securities

	Number on issue	Number of holders
$1.30 UNQUOTED OPTIONS EXPIRING 30/09/2018	560,000	15
$1.10 UNQUOTED OPTIONS EXPIRING 27/11/2018	614,000	6
$0.625 UNQUOTED OPTIONS EXPIRING 07/12/2019	260,000	2
$0.60 UNQUOTED OPTIONS EXPIRING 16/12/2019	810,000	15
$0.64 UNQUOTED OPTIONS EXPIRING 02/06/2020	120,000	4
C$0.65 OPTIONS EXPIRING 30/06/2020	13,180,418	28
$0.54 UNQUOTED OPTIONS EXPIRING 28/07/2020	150,000	3
$0.60 UNQUOTED OPTIONS EXPIRING 29/11/2020	7,520,000	23
C$0.60 OPTIONS EXPIRING 12/04/2021	7,142,900	60

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
JUSTIN REID	$0.22 UNQUOTED OPTIONS EXPIRING 27/11/2018	300,000
PAUL PINT	$0.625 UNQUOTED OPTIONS EXPIRING 07/12/2019	200,000
HFX CONSULTARIA EMPRESARIAL LTDA	$0.625 UNQUOTED OPTIONS EXPIRING 07/12/2019	60,000
NEIL SAID	$0.64 UNQUOTED OPTIONS EXPIRING 02/06/2020	50,000
SPYROS KARELLAS	$0.64 UNQUOTED OPTIONS EXPIRING 02/06/2020	25,000
RYAN PTOLEMY	$0.64 UNQUOTED OPTIONS EXPIRING 02/06/2020	25,000
NEIL SAID	$0.54 UNQUOTED OPTIONS EXPIRING 28/07/2020	50,000
SPYROS KARELLAS	$0.54 UNQUOTED OPTIONS EXPIRING 28/07/2020	75,000

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	**% of total shares issued**
SULLIDEN MINING CAPITAL INC	14,218,438	10.81

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options
The options do not carry any voting rights.

There are no other classes of equity securities.

On-market buy back
There is currently no on-market buy-back program for any of Aguia Resources Limited's listed securities.

Listing Rule 3.13.1 and 14.3
Further to Listing Rule 3.13.1 and Listing Rule 14.3, the Annual General Meeting of Aguia Resources Limited is scheduled On the 15 November 2018.

ASX Waiver
On 25 November 2014 the Company was granted a waiver from the ASX which allows it to be exempt from listing rule 6.18 and 10.1 (“waiver”) in relation to the subscription agreement entered into between the Company and Sulliden Mining Corporation Inc (“Sulliden”).

The waiver is subject to certain conditions, including that the Company must give a summary of Sulliden’s Top-Up Right (the extent necessary to permit Sulliden to maintain, by way of a right to participate in any issue of shares or to subscribe for shares, its percentage interest in the issued capital of the Company) in each annual report. Therefore, as at 17 September 2015, Sulliden held 14,218,438 ordinary shares in the Company which represented 12.13% of the issued capital at that date.

Aguia Resources Limited
Tenement Listing
30 June 2018

Aguia Resources Limited Licenses

RIO GRANDE PROJECT

#	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
1	810.126/18	3/1/2018			936.38	Application	Águia Fertilizantes S.A.
2	810.127/18	3/1/2018			537.17	Application	Águia Fertilizantes S.A.
3	810.134/18	3/5/2018			1,083.87	Application	Águia Fertilizantes S.A.
4	810.135/18	3/5/2018			1,970.04	Application	Águia Fertilizantes S.A.
5	810.136/18	3/5/2018			1,971.27	Application	Águia Fertilizantes S.A.
6	810.137/18	3/5/2018			1,921.48	Application	Águia Fertilizantes S.A.
7	810.138/18	3/5/2018			1,832.25	Application	Águia Fertilizantes S.A.
8	810.139/18	3/5/2018			1,656.77	Application	Águia Fertilizantes S.A.
9	810.140/18	3/5/2018			1,634.74	Application	Águia Fertilizantes S.A.
10	810.141/18	3/5/2018			1,126.67	Application	Águia Fertilizantes S.A.
11	810.142/18	3/5/2018			1,189.46	Application	Águia Fertilizantes S.A.
12	810.143/18	3/6/2018			1,095.42	Application	Águia Fertilizantes S.A.
13	810.144/18	3/6/2018			1,986.44	Application	Águia Fertilizantes S.A.
14	810.145/18	3/6/2018			1,745.06	Application	Águia Fertilizantes S.A.
15	810.146/18	3/6/2018			1,647.84	Application	Águia Fertilizantes S.A.
16	810.147/18	3/6/2018			1,486.79	Application	Águia Fertilizantes S.A.
17	810.148/18	3/6/2018			1,879.32	Application	Águia Fertilizantes S.A.
18	810.149/18	3/6/2018			872.50	Application	Águia Fertilizantes S.A.
19	810.150/18	3/6/2018			1,854.55	Application	Águia Fertilizantes S.A.
20	810.151/18	3/6/2018			977.39	Application	Águia Fertilizantes S.A.
21	810.152/18	3/6/2018			1,341.15	Application	Águia Fertilizantes S.A.
22	810.153/18	3/6/2018			1,683.30	Application	Águia Fertilizantes S.A.
23	810.154/18	3/6/2018			1,610.10	Application	Águia Fertilizantes S.A.
24	810.155/18	3/6/2018			1,986.76	Application	Águia Fertilizantes S.A.
25	810.156/18	3/6/2018			1,939.23	Application	Águia Fertilizantes S.A.
26	810.157/18	3/6/2018			1,961.94	Application	Águia Fertilizantes S.A.
27	810.187/18	3/16/2018			730.26	Application	Águia Fertilizantes S.A.
28	810.223/17	1/19/2017			1,221.49	Application	Águia Fertilizantes S.A.
29	810.224/17	1/19/2017			1,764.88	Application	Águia Fertilizantes S.A.
30	810.225/17	1/19/2017			1,999.46	Application	Águia Fertilizantes S.A.
31	810.373/18	5/18/2018			1,965.36	Application	Águia Fertilizantes S.A.
32	810.443/16	5/12/2016			671.35	Application	Águia Fertilizantes S.A.
33	810.444/16	5/12/2016			1,574.39	Application	Águia Fertilizantes S.A.
34	810.453/15	4/20/2015			1,310.06	Application	Águia Fertilizantes S.A.
35	810.911/16	8/16/2016			1,936.15	Application	Águia Fertilizantes S.A.
36	810.912/16	8/16/2016			1,999.99	Application	Águia Fertilizantes S.A.
37	811.092/17	12/6/2017			1,015.46	Application	Águia Fertilizantes S.A.
38	811.625/15	8/5/2015			1,835.91	Application	Águia Fertilizantes S.A.
39	810.090/91	5/20/1991	2,947	8/16/2012	1,000.00	Approval Pending	Águia Fertilizantes S.A.

Aguia Resources Limited
Tenement Listing
30 June 2018

#	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
40	810.702/11	6/27/2011	5,433	10/9/2015	1,885.25	Extension Submitted	Falcon Petróleo S.A.
41	810.799/12	6/1/2012	4,676	6/9/2017	866.72	Extension Submitted	Águia Fertilizantes S.A.
42	810.988/11	8/23/2011	2,232	4/15/2018	84.39	Extension Submitted	Falcon Petróleo S.A.
43	811.188/11	10/5/2011	6,382	7/21/2017	1,922.15	Extension Submitted	Meneguzzo Option
44	811.189/11	10/5/2011	6,383	7/21/2017	1,631.70	Extension Submitted	Meneguzzo Option
45	810.304/14	3/28/2014	845	2/14/2021	51.68	Permit	Águia Fertilizantes S.A.
46	810.346/14	4/8/2014	6,825	11/3/2020	1,275.66	Permit	Águia Fertilizantes S.A.
47	810.347/14	4/8/2014	6,826	11/3/2020	1,702.56	Permit	Águia Fertilizantes S.A.
48	810.441/16	5/12/2016	8,771	9/1/2019	1,521.51	Permit	Águia Fertilizantes S.A.
49	810.442/16	5/12/2016	8,772	9/1/2019	1,825.73	Permit	Águia Fertilizantes S.A.
50	810.446/14	4/24/2014	846	2/14/2021	1,528.46	Permit	Águia Fertilizantes S.A.
51	810.447/14	4/24/2014	847	2/14/2021	1,495.07	Permit	Águia Fertilizantes S.A.
52	810.448/14	4/24/2014	848	2/14/2021	1,605.12	Permit	Águia Fertilizantes S.A.
53	810.515/15	5/6/2015	852	2/14/2021	1,845.58	Permit	Águia Fertilizantes S.A.
54	810.516/15	5/6/2015	853	2/14/2021	1,412.79	Permit	Águia Fertilizantes S.A.
55	810.524/15	5/6/2015	854	2/14/2021	454.74	Permit	Águia Fertilizantes S.A.
56	810.582/15	5/21/2015	855	2/14/2021	239.33	Permit	Águia Fertilizantes S.A.
57	810.649/14	6/4/2014	849	2/14/2021	1,240.36	Permit	IAMGOLD Option
58	811.091/17	12/6/2017	454	2/7/2021	473.62	Permit	Águia Fertilizantes S.A.
59	811.144/14	9/15/2014	850	2/14/2021	1,286.15	Permit	Águia Fertilizantes S.A.
60	811.277/15	9/2/2015	5,125	5/27/2019	1,560.01	Permit	Águia Fertilizantes S.A.
61	811.278/15	9/2/2015	1,464	2/23/2019	1,872.97	Permit	Águia Fertilizantes S.A.
62	811.279/15	9/2/2015	10,888	10/6/2019	1,406.77	Permit	Águia Fertilizantes S.A.
63	811.294/15	9/4/2015	14,856	12/8/2018	731.77	Permit	Águia Fertilizantes S.A.
64	811.363/14	11/3/2014	851	2/14/2021	699.35	Permit	Águia Fertilizantes S.A.
65	811.508/15	8/6/2015	856	2/14/2021	985.65	Permit	Águia Fertilizantes S.A.
66	811.530/15	8/5/2015	11,584	10/26/2019	2,000.00	Permit	Águia Fertilizantes S.A.
67	811.549/15	8/5/2015	14,857	12/8/2018	1,969.47	Permit	Águia Fertilizantes S.A.
68	811.572/15	8/5/2015	857	2/14/2021	1,999.99	Permit	Águia Fertilizantes S.A.
69	811.573/15	8/5/2015	858	2/14/2021	1,807.68	Permit	Águia Fertilizantes S.A.
70	811.583/15	8/6/2015	859	2/14/2021	1,981.95	Permit	Águia Fertilizantes S.A.
71	811.586/15	8/5/2015	860	2/14/2021	1,147.91	Permit	Águia Fertilizantes S.A.
72	811.588/15	8/6/2015	861	2/14/2021	1,114.16	Permit	Águia Fertilizantes S.A.
73	811.589/15	8/6/2015	862	2/14/2021	1,119.44	Permit	Águia Fertilizantes S.A.
74	811.596/15	8/6/2015	863	2/14/2021	1,945.63	Permit	Águia Fertilizantes S.A.
75	811.639/15	8/6/2015	864	2/14/2021	1,034.21	Permit	Águia Fertilizantes S.A.
76	811.640/15	8/5/2015	865	2/14/2021	1,112.46	Permit	Águia Fertilizantes S.A.
77	810.325/12	2/16/2012	4,101	5/3/2020	990.95	Permit Extension	Águia Fertilizantes S.A.
78	810.730/05	11/14/2005	8274	12/27/2019	1,476.43	Permit Extension	Terra Santa Option
79	810.732/05	11/14/2005	8275	12/27/2019	1,520.62	Permit Extension	Terra Santa Option

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#	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
80	810.733/05	11/14/2005	8276	12/27/2019	1,505.94	Permit Extension	Terra Santa Option
81	810.793/12	6/1/2012	4,672	6/9/2017	894.63	Permit Extension	Águia Fertilizantes S.A.
82	810.796/12	6/1/2012	4,673	6/9/2017	1,887.18	Permit Extension	Águia Fertilizantes S.A.
83	810.797/12	6/1/2012	4,674	6/9/2017	1,438.99	Permit Extension	Águia Fertilizantes S.A.
84	810.798/12	6/1/2012	4,675	6/9/2017	1,894.95	Permit Extension	Águia Fertilizantes S.A.
85	810.996/10	10/4/2010	4,099	1/4/2021	896.23	Permit Extension	Águia Fertilizantes S.A.
86	811.663/12	12/10/2012	4,677	6/9/2017	1,381.76	Permit Extension	Águia Fertilizantes S.A.
87	811.671/12	12/10/2012	4,678	6/9/2017	1,802.85	Permit Extension	Águia Fertilizantes S.A.
88	811.700/12	12/17/2012	4,679	11/3/2020	1,394.87	Permit Extension	Águia Fertilizantes S.A.
	TOTAL				**124,876.04**		

Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
810.373/18	5/18/2018			1,965.36	Application	Águia Fertilizantes S.A.
TOTAL				**1,965.36**		

LUCENA PROJECT

#	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
1	302.256/15	8/29/2016			364.95	Application for Public Tender	Águia Metais Ltda
2	846.460/08	10/28/2008	4,554	11/6/2017	1,927.28	Approval Pending	Águia Metais Ltda
3	846.474/08	10/28/2008	2,086	11/6/2017	946.28	Approval Pending	Águia Metais Ltda
4	846.475/08	10/28/2008	4,575	10/27/2017	1,169.81	Approval Pending	Águia Metais Ltda
5	846.036/09	3/17/2009	8,643	8/17/2012	98.00	Approval Pending	Águia Metais Ltda
6	846.105/09	6/23/2009	10,128	8/31/2012	1,772.99	Approval Pending	Águia Metais Ltda
7	846.106/09	6/23/2009	11,566	11/6/2017	1,538.93	Approval Pending	Águia Metais Ltda
8	846.107/09	6/23/2009	10,127	8/31/2012	1,146.40	Approval Pending	Águia Metais Ltda
9	846.108/09	6/25/2009	8,859	10/29/2017	188.17	Approval Pending	Águia Metais Ltda
10	846.575/11	10/19/2011	19,301	11/21/2014	953.33	Approval Pending	Águia Metais Ltda
11	846.153/13	4/25/2013	1,980	3/12/2016	8.21	Approval Pending	Águia Metais Ltda
12	846.154/13	4/25/2013	5,648	6/13/2016	31.68	Approval Pending	Águia Metais Ltda
13	846.132/15	7/13/2015	9,614	9/15/2018	999.88	Approval Pending	Águia Metais Ltda
14	846.133/15	7/13/2015	9,615	9/15/2018	119.39	Approval Pending	Águia Metais Ltda

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#	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
15	846.134/15	7/13/2015	9,616	9/15/2018	265.71	Approval Pending	Águia Metais Ltda
16	846.135/15	7/13/2015	9,617	9/15/2018	131.58	Approval Pending	Águia Metais Ltda
17	846.236/16	8/29/2016	13,781	1/5/2020	443.18	Approval Pending	Águia Metais Ltda
18	846.578/11	10/19/2011	19,302	11/21/2014	989.89	Extension Submitted	Águia Metais Ltda
19	846.579/11	10/19/2011	19,303	11/21/2014	989.99	Extension Submitted	Águia Metais Ltda
20	846.580/11	10/19/2011	19,304	11/21/2014	841.60	Extension Submitted	Águia Metais Ltda
21	846.582/11	10/19/2011	19,305	11/21/2014	251.96	Extension Submitted	Águia Metais Ltda
22	846.583/11	10/19/2011	19,306	11/21/2014	908.10	Extension Submitted	Águia Metais Ltda
23	846.585/11	10/19/2011	19,307	11/21/2014	300.00	Extension Submitted	Águia Metais Ltda
24	846.586/11	10/19/2011	19,308	11/21/2014	40.49	Extension Submitted	Águia Metais Ltda
25	846.587/11	10/19/2011	19,309	11/21/2014	142.71	Extension Submitted	Águia Metais Ltda
26	846.588/11	10/19/2011	19,310	11/21/2014	64.81	Extension Submitted	Águia Metais Ltda
27	846.343/12	7/16/2012	1,782	3/4/2016	472.35	Extension Submitted	Águia Metais Ltda
28	846.345/12	7/16/2012	1,783	3/4/2016	15.93	Extension Submitted	Águia Metais Ltda
29	846.347/12	7/16/2012	1,785	3/4/2016	511.67	Extension Submitted	Águia Metais Ltda
30	846.150/13	4/25/2013	1,977	3/12/2016	31.19	Extension Submitted	Águia Metais Ltda
31	846.151/13	4/25/2013	1,978	3/12/2016	49.85	Extension Submitted	Águia Metais Ltda
32	846.152/13	4/25/2013	1,979	3/12/2016	105.45	Extension Submitted	Águia Metais Ltda
33	846.346/12	7/16/2012	1,784	3/4/2016	549.12	Permit	Águia Metais Ltda
34	846.309/14	11/10/2014	11,153	10/2/2018	800.22	Permit	Águia Metais Ltda
35	846.012/16	2/4/2016	5,048	5/24/2019	263.24	Permit	Águia Metais Ltda
36	846.013/16	2/4/2016	11,810	10/26/2019	1,454.58	Permit	Águia Metais Ltda
37	846.160/16	7/29/2016	694	1/31/2020	26.24	Permit	Águia Metais Ltda
38	846.161/16	7/29/2016	695	1/31/2020	13.58	Permit	Águia Metais Ltda
39	846.162/16	7/29/2016	7,436	9/28/2020	14.55	Permit	Águia Metais Ltda
40	846.237/16	8/29/2016	13,782	1/5/2020	66.41	Permit	Águia Metais Ltda
41	846.084/17	6/6/2017	2,573	4/10/2021	135.82	Permit	Águia Metais Ltda
42	846.155/17	9/21/2017	220	1/11/2021	1,055.54	Permit	Águia Metais Ltda
43	846.156/17	9/21/2017	2,280	8/23/2021	1,573.48	Permit	Águia Metais Ltda
44	840.282/14	8/29/2016			1,763.77	Priority granted due to Public Tender Application	Águia Metais Ltda
	TOTAL				**25,538.31**		

MATA DA CORDA & LAGAMAR PROJECT

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#	Claim Number (DNPM	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
1	300.653/12	11/1/2012			71.91	Application for Public Tender	Águia Metais Ltda
2	300.654/12	11/1/2012			201.09	Application for Public Tender	Águia Metais Ltda
3	831.798/13	2/14/2014			1,775.56	Application for Public Tender	Águia Metais Ltda
4	832.349/16	10/19/2016	12516	11/29/2019	1,199.89	Permit	Águia Metais Ltda
	TOTAL				**3,248.45**		

#	Claim Number (DNPM	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
5	832.036/17	7/1/2015	1,969	3/19/2021	1,408.55	Permit	Águia Metais Ltda