MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED MARCH 31, 2019

(Containing information through May 14, 2019 unless otherwise noted)

Background

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Aguia Resources Limited. ("we", "our", "us", "Aguia" or the "Company") as of March 14, 2019 unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations and compares its financial results with those of the previous periods and should be read in conjunction with our interim consolidated financial statements for the nine months ended March 31, 2019. The financial statements and related notes of Aguia have been prepared in accordance with International Financial Reporting Standards ("IFRS") and do not reflect the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

Please refer to the notes of the June 30, 2018 consolidated financial statements for disclosure of the Company's significant accounting policies. Unless otherwise noted, all references to currency in this MD&A refer to Australian dollars. References to R$ refer to the Brazilian Real, US$ refer to the US dollar and C$ refer to the Canadian dollar.

Additional information relating to the Company can be found on the Aguia website at www.aguiaresources.com.au

Dr. Fernando Henrique Bucco Tallarico, B.Sc. Geology, M.Sc., Ph.D. and P.Geo. M.Sc., Technical Director for Aguia, is the in-house Qualified Person under National Instrument 43-101 for all technical materials. Mr. Tallarico has reviewed and approved the scientific and technical information in this MD&A.

Cautionary Statement Regarding Forward Looking Information

Except for statements of historical fact relating to Aguia, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking information includes, without limitation, statements with respect to: possible events, the future price of limestone and phosphate, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, permitting timelines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words "anticipates", ''plans'', ''expects'', "indicative", "intend", ''scheduled'', "timeline", ''estimates'', ''forecasts", "guidance", "opportunity", "outlook", "potential", "projected", "schedule", "seek", "strategy", "study" (including, without limitation, as may be qualified by "feasibility" and "pre-feasibility"), "targets", "models", or ''believes'', or variations of or similar such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', or ''should'', ''might'', or ''will be taken'', ''occur'' or ''be achieved'' and similar expressions identify forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Aguia and its external professional advisors as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in the ''Risk Factors'' section of this MD&A. These factors are not intended to represent a complete list of the factors that could affect Aguia. Economic analyses in technical reports are based on commodity prices, costs, sales, revenue and other assumptions and projections that can change significantly over short periods of time. As a result, economic information in a technical report can quickly become outdated. Aguia disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent actual events and such forward-looking information, except to the extent required by applicable law.

Overview of the Company

Aguia Resources Ltd. is an exploration and development company focused on Brazilian phosphate projects to supply the Brazilian agriculture sector. Aguia is listed on the Australian Stock Exchange ("ASX") under the symbol AGR and the Toronto Venture Exchange ("TSXV") under the symbol AGRL and has offices in Sydney, Australia and Belo Horizonte, Brazil. The Company currently controls over 1,110 km^2 of land in the states of Rio Grande do Sul and Paraiba containing phosphate mineralization through exploration permits it has acquired from the Brazilian National Department of Mineral Production ("DNPM"). The Company seeks to develop its holdings of phosphate deposits into viable mining operations providing phosphate and agricultural limestone to Brazil's agriculture industry. The Company's phosphate properties in Brazil include its principal project, Três Estradas in Rio Grande do Sul State. Aguia's other property is the Lucena Project in Alagoas State.

The Três Estradas project represents a significant new phosphate discovery with characteristics similar to existing producers in Brazil. The project is located in the southern region of Brazil where 30% of Brazilian national phosphate consumption is located. There are currently no producing phosphate mines in the region.

The Lucena Phosphate Project, comprising 48 tenements and applications for 345.5 km^2 was drilled from August 2011 to October 2012 in which Aguia completed 49 core drill holes in two separate drilling campaigns, 40 of which were used to estimate the JORC compliant mineral resource.

In 2018, Aguia 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. The Company successfully secured a strategic land package along the Rio Grande Copper Belt, totaling

34,000 hectares across 23 tenements and identified two mineralised targets within the belt: Canhada and Big Ranch. During the March 2019 quarter, Aguia executed an Option Agreement to acquire the Primavera Project which includes the Andrade copper occurrence from Referencial Geologia Ltda. The acquisition increases Aguia's holdings in the Rio Grande Copper Belt by 9,282 hectares for total area of 43,282 hectares. Andrade is located some 5 km southeast of the city of Caçapava do Sul, Rio Grande do Sul State, approximately 17 km to the southwest of Aguia's Big Ranch target and 65 km north of the Canhada target

Highlights for the nine months ended March 31, 2019 include:

- The Company closed a private placement financing for $874,708 by issuing 7,289,237 ordinary shares and entering into loans convertible to ordinary shares with certain Directors and management (see April 12, 2019 press release).
- The Company held a successful community consultation event for Aguia's Tres Estradas phosphate project, a final step in the environmental permitting process (see March 21, 2019 press release).
- The Company reported a maiden resource estimate for its newly acquired Andrade copper deposit (see March 18, 2019 press release).
- The Company completed a 2,224 metre diamond drilling program at the Big Ranch copper prospect which defined a large system of sulphide mineralisation (see March 7, 2019 press release).
- The Company closed a private placement financing for gross proceeds of A$2,922,103 (see December 17, 2018 press release).
- Soil sampling along the Big Ranch Target revealed a copper anomaly in excess of 6 km flanking the northern border of the Caçapava Granite, returning Au, Zn, Cu and Pb results in gossan samples (see August 1, 2018, September 11, 2018 press releases)

Outlook

In January 2019, Jair Bolsonaro took office as the new President of Brazil. This has had a positive impact on economic sentiment although pressure is on the new government to prove itself by implementing economic and political reforms in short order in order to spur a recovery. In particular, President Bolsonaro's government must tackle pension reform. Currently, social security payments amount to 13% of GDP which is unsustainable given Brazil's growth outlook (G20 average is 8%). The number of citizens over the age of 65 will jump to 25.5 percent of the population in 2060 from just 9.5 percent now, according to the national statistics agency. In February 2019, the government proposed new legislation to set a minimum retirement age of 65 for men and 62 for women, among other changes. The government says the overhaul would save more than 1 trillion reais (£210bn; $270bn) over the next decade. The proposal must be approved by both Houses of Congress.

Farmers were strong backers of President Bolsonaro in the recent election as they anticipate his government will be pro-agribusiness. Brazilian farmers are currently benefiting from the US-China trade war which has essentially seen China cut off all imports of soybean from the US. This season's soybean crop is projected at 119.4 million tonnes (119.2 million tonnes in 2018) while surface area planted is projected to increase from 86.7 million acres to 89.2 million acres. Brazilian soil is typically low in nutrients so this growth in yield and acreage will require additional fertilizer, mainly sourced from abroad.

The fundamentals of the global phosphate market have strengthened over the last year, on the back of strong, less volatile demand and supply adjustments which include the idling of Mosaic's Plant City and the closure of marginal producers in China due to new environmental regulations. Lower prices coupled with bumper harvests have in turn stimulated demand and prices across all three fertilizer nutrients (NPK) have gained momentum. Looking ahead, a slowdown in new capacity additions are expected to keep market conditions tight between now and 2022.

Brazil continues to be a key driver for global phosphate growth. Brazilian demand for phosphate has more than doubled since 2000, due to a combination of increased harvested area and increases in fertilizer application rates. Brazilian demand for phosphate is expected to significantly outpace global demand growth for the foreseeable future.

In 2017, Brazil consumed 6.5 million tonnes of phosphate, of which 71% was imported. Southern Brazil, where Aguia's Três Estradas phosphate project is located, accounts for 30% of Brazilian phosphate consumption and is entirely dependent on imports from Morocco and Peru. Três Estradas is the only domestic source of phosphate planned to start production in the next few years.

The key activity at Três Estradas is the final approval of the Environmental Impact Assessment by FEPAM, the state regulator in Rio Grande do Sul. In preparation for this major milestone, Aguia has been engaged in an extensive community outreach program and opened an office in Lavras do Sul. A public consultation event in Lavras do Sul was attended by over 1,500 people and livestreamed by another 2,000 on March 20, 2019. The response of attendees was overwhelmingly in favour of the development of Três Estradas. To date, interactions with the local community and government at the municipal and state levels have been very encouraging. Aguia has responded to follow up items requested by FEPAM subsequent to the public event and now awaits final approval of the Preliminary License ("LP").

Approval of the LP will be a major milestone for the Company. The next phase of development will be obtaining the Installation Permit or "LI". The LI requires implementation of the programs and requirements prescribed in the LP to ensure Três Estradas has a minimal impact on the environment and social wellbeing of the community. During this time, Aguia will be finalizing the design and plans for the project site, negotiating offtake contracts and sourcing debt for construction. The LI is expected to take up to 12 months to obtain after which construction can commence.

In 2018, Aguia announced that it had identified a new zone of copper mineralization in the region and staked 34,000 hectares across 23 tenements. Soil sampling and ground geophysics conducted since have returned promising results and initial scout drilling was undertaken at Aguia's Big Ranch target, defining a large system of sulphide mineralisation. These drill results will provide important data to better understand the mineralization beneath the surface so that Aguia's Board and Management can decide how best to deliver value to shareholders.

During the most recent quarter, Aguia completed an intensive 60-day due diligence of the Primavera Project which includes the Andrade copper occurrence. Satisfied with the results of the due diligence, Aguia signed an option agreement to acquire the Primavera Project. As part of the technical review Aguia undertook 382 metres of drilling at Andrade and assay results have returned thick and high-grade zones of mineralisation. Hole AND-19-003 intersected a zone with 28.77 metres grading 1.83% copper and 3.84 grams per tonne of silver and includes a higher-grade zone of 19.39 metres grading 2.55% copper and 4.54 grams per tonne of silver , with individual samples of up to 7.53% copper within this intercept (see press release dated February 28, 2018).

Copper occurrences at Andrade were first reported in the late 19th century in government surveys. The first drilling program was undertaken by DNPM (the Brazilian mining agency) in the 1940s where the scout program revealed the first mineral intercepts. Between 2009 and 2010, Mining Ventures, a private Swiss exploration company, conducted an exploration program which included mapping, soil geochemistry, trenching, IP and 10,300 metres of diamond drilling (49 holes) at Andrade. Aguia engaged its own independent technical consultant, RPA Inc. a Toronto based consulting firm, to complete a preliminary JORC/NI 43-101 compliant mineral resource estimate for the Andrade deposit.

The Mineral Resource Statement for Andrade includes an open pit-constrained Inferred Resource of 1.3 million tonnes of oxidized material, from surface, grading 0.43% copper and 8.8 million tonnes of sulphide-bearing material grading 0.51% copper, and an additional 675 thousand tonnes of sulfide-bearing material, amenable for underground mining, grading 1.42% copper. The total Inferred Mineral Resource is 10.8 million tonnes with an average grade of 0.56% copper and 2.56 grams per tonne of silver (see press release dated (see press release dated March 19, 2019).

For fiscal 2019, the Company continues to focus on the advancement of the Três Estradas project. The Company will focus on the following activities:

1) Obtaining the LP, a major milestone for mine development in Brazil and once granted implementing the programs and requirements defined in the LP.
2) Expansion of the investor base and increased profile in Australia, Asia Pacific, North America and Europe through retail roadshows, investment conferences and meetings with institutional investors.
3) Discussions with potential offtake partners and debt providers.
4) Ongoing exploration of targets around the Três Estradas deposit that exhibit similar geology.

For the Lucena Project, the Company will focus on the following activities:

1) The Company will continue to maintain its claims.

For the new Rio Grande Copper discovery, the Company will focus on the following activities:

1) Ongoing exploration at Canhada, Big Ranch, Primavera, Andrade and Carlota which will include sampling, trenching, geophysics and drilling. Andrade will be the main focus of drilling activity to expand the existing Mineral Resource.
2) Analysis of monetization and funding options for the copper assets which could include keeping them in Aguia or a spin out to a new standalone public entity.

Summary of Unaudited Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q3-2019 31-Mar 2019	Q2-2019 31-Dec 2018	Q1-2019 30-Sep 2018	Q4-2018 30-Jun 2018	Q3-2018 31-Mar 2018	Q2-2018 31-Dec 2017	Q1-2018 30-Sep 2017	Q4-2017 30-Jun 2017
Net (loss)	(721,594)	(1,019,404)	(391,954)	(127,527)	(621,424)	(1,057,580)	(436,460)	(1,176,233)
Net (loss) per share	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)
Working Capital*	329,420	1,701,500	1,291,109	2,558,413	(742,780)	1,347,092	3,888,843	3,991,689
Total Assets	36,568,680	37,511,919	34,011,184	35,176,878	33,921,137	35,702,552	37,422,875	34,167,877
Total Non-current Liabilities	-	-	-	-	-	-	-	-

Working Capital is defined as current assets minus current liabilities. Working capital is a Non-IFRS figure without a standardized meaning. Please see "Non-IFRS Measures" for a reconciliation.

<u>Factors Affecting Comparability of Quarters</u>

Results of operations can vary significantly due to a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by a number of factors, including the level of working capital, the availability of external financing, the time required to gather, analyze and report on geological data related to its properties and the nature of activity, and the number of personnel required to advance each individual project.

The Company´s level of activities increased in 2017 and 2018 with the completion of the BFS in March 2018. A drill campaign took place plus several technical studies to optimize the Três Estradas project. Numerous technical studies were conducted during 2017 to support the BFS analysis.

Total assets increased from June 2017 to September 2017 as cash was invested to develop Aguia´s Três Estradas project. The Company's working capital fluctuated as a result of financings injecting funds into the Company in June 2017, June 2018 and December 2018 as well as the Company's use of those funds for the development of the Três Estradas project.

In March 2018, a low cash balance position due to the completion of the BFS for the Três Estradas project, led to a negative working capital of $742,780.

In June 2018, working capital increased to $2,558,413 on the completion of a C$5 million financing, providing funding to advance Três Estradas permitting and continue exploration of the Rio Grande Copper Belt.

In September 2018, working capital decreased to $1,291,109 as the Company continued to invest in exploration at the Rio Grande Copper Belt as well as preparing for upcoming public hearings for environmental permitting process for Tres Estradas project.

In December 2018, working capital increased to $1,701,500 and total assets increased to $37,511,919 reflecting the completion of the A$2.9 million private placement financing to provide funding for Big Ranch copper drilling activities and upcoming public hearings for environmental permitting process for Tres Estradas project.

In March 2019, working capital reduced to $329,420 due to ongoing investment in Big Ranch copper project, acquisition of the Primavera Project and the public hearing for Tres Estradas project that took place in March 2019.

Changes in foreign exchange rates also contributed to fluctuating quarterly net (losses). The Company holds a portion of its monetary assets and liabilities in Brazil and therefore changes in the rate of exchange between the Brazilian Real and the Australian dollar result in reported gains and losses on foreign currency fluctuations.

There were no significant changes in accounting principles during the eight most recent quarters.

Results of Operations – Financial

The following is a discussion of the results of operations of the Company for the three and nine months ended March 31, 2019 and 2018. This should be read in conjunction with the Company's interim financial statements for the three and nine months ended March 31, 2019 and related notes.

For the three months ended March 31, 2019 and 2018:

	Three months ended March 31,	
	2019	2018
Net loss	**(721,594)**	**(621,424)**
Interest income	702	2,622
Corporate Expenses	(304,517)	(275,103)
Business development cost	(139,067)	(144,635)
Employee benefits expenses	(28,051)	(93,976)
Professional fees	(59,399)	(139,089)
General administration	(322,793)	(415,077)
Depreciation	(4,039)	(3,805)
Share-based payments	0	0
Exploration and evaluation expenses	(1,761)	(1,789)
Movement in fair value of derivatives	137,331	449,428

For the three months ended March 31, 2019, the Company recorded a net loss of $721,594 ($0.0046 per share) compared to a net loss of $621,424 ($0.0053 per share) for the three months ended March 31, 2018.

Professional fees decreased by $79,690 in Q3-2019 compared to Q3-2018 due to the TSX Venture listing process that occurred in 2018.

General Administration costs decreased by $92,284 in Q3-2019 compared to Q3-2018 due to foreign currency gain and losses.

Movement in fair value of derivatives in Q3-2019 resulted from the change in the fair market value of the warrants issued in Canadian dollars that were part of the June / July 2017 and April 2018 private placement financings.

For the nine months ended March 31, 2019 and 2018:

	Nine months ended March 31, 2019	2018
Net loss	**(2,132,952)**	**(2,115,464)**
Interest income	3,442	22,026
Corporate Expenses	(978,305)	(1,276,034)
Business development cost	(388,469)	(522,745)
Employee benefits expenses	(301,045)	(278,887)
Professional fees	(140,954)	(291,621)
General administration	(713,145)	(838,541)
Depreciation	(11,847)	(11,345)
Share-based payments	(152,586)	(721,166)
Exploration and evaluation expenses	(3,194)	(3,332)
Movement in fair value of derivatives	553,151	1,806,181

For the nine months ended March 31, 2019, the Company recorded a net loss of $2,132,952 ($0.0151 per share) compared to a net loss of $2,115,464 ($0.0181 per share) for the nine months ended March 31, 2018.

Corporate expenses decreased by $297,729 in Q3-2019 compared to Q3-2018 due to bonuses that were paid in fiscal 2018.

Business development costs decreased by $134,276 in Q3-2019 compared to Q3-2018 due to lower marketing costs.

Professional fees cost decreased by $150,667 due to a reduction in legal costs following the completion of the 2017 TSX Venture listing.

Share-based payments were $152,586 in 2019. This is the Black-Scholes value of the options granted in 2018.

Movement in fair value of derivatives in 2019 resulted from the change in the fair market value of the warrants issued in Canadian dollars that were part of the June / July 2017 and April 2018 private placement financings.

CASH FLOW STATEMENT	Mar 31, 2019
Payments to suppliers and employees	(2,614,608)
Interest income	3,442
Net cash flow from/(used) in operating activities	**(2,611,166)**
Payment for exploration	(3,539,670)
Net cash flow from/(used in) in investing activities	**(3,539,670)**
Proceeds from issue of shares	3,583,731
Share issue transaction costs	(74,419)
Net cash flow from/(used in) in financing activities	**3,509,312**
Net increase / decrease in cash and cash equivalents	(2,641,524)
Cash at beginning of financial period	3,405,149
Net foreign exchange differences	3,304
Cash balance at end	**766,929**

During the nine months ended March 31, 2019, the Company used cash in operating activities of $2,611,166 of which $2,614,608 related to payments to suppliers and employees offset by interest income of $3,442. The Company invested $3,539,670 in exploration activities at the Rio Grande Copper Belt and for the public hearings for the environmental permitting process for Tres Estradas project. During the nine months ended March 31, 2019, the Company spent $74,419 on share issue costs and increased net cash by $3,583,731 from financings completed in December 2018 and March 2019.

EXPLORATION AND EVALUATION IN PROPERTY-BY-PROPERTY BASIS

	Tres Estradas Project	Lucena Project	Copper Project	Total E&E
E&E Initial Balance 30 June, 2018	**21,986,165**	**9,588,559**	**78,919**	**31,653,643**
Labor	423,153	8,815	485,908	917,876
Property (Claims, Land Fees)	193,248	6,192	554,206	753,647
Travel & Accomodation	99,011	0	37,043	136,054
Vehicle / Equipment Lease & Maintnce	65,602	0	30,032	95,634
Field Supplies	4,097	0	3,201	7,298
Other Exploration Expenses	285,055	10,606	128,877	424,537
Drilling / Assays	67,519	0	333,643	401,161
Bankable Feasibility Study and technical studies	12,134	0	12,506	24,641
Geophysics / Geochemistry	15,792	0	66,123	81,915
Environmental, Social, Health and Safety	525,210	0	0	525,210
Depreciation	0	0	0	0
Asset Exchange variation of the period	577,012	55,400	2,496	634,908
Increase of E&E in the Half Year	**2,267,833**	**81,012**	**1,654,036**	**4,002,881**
Total Exploration & Evalutaion in 31 March 2019	**24,253,998**	**9,669,571**	**1,732,955**	**35,656,524**

During the nine months ended March 31, 2019, the Company focused on developing its flagship Tres Estradas project and exploration of the Rio Grande Copper belt, including the acquisition of the Primavera Project. Exploration and evaluation expenses reflect the work on the environmental studies and social communication for the public hearings as part of the permitting process of Tres Estradas phosphate project as well as exploration expenses for the Rio Grande Copper belt development.

Liquidity and Capital Resources

Given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the development of a property that leads to the production of phosphate. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

The Company currently has a negative operating cash flow and finances its mineral exploration activities through equity financings. The Company's financial success will be dependent on the economic viability of its mineral exploration properties and the extent to which it can establish economic mineral reserves and operations.

The Company had working capital of $329,420 as at March 31, 2019 (June 30, 2018 - $2,558,413) including cash and cash equivalents of $766,929 (June 30, 2018 - $3,405,149). None of the cash equivalents are invested in asset-backed securities.

The Company's estimate of the adequacy of its working capital is a forward-looking statement as it involves known and unknown risks, uncertainties and other factors. Actual results could differ, perhaps materially; with the result that the adequacy of working capital required for fiscal year 2019 expressed by such forward-looking statements is materially different than so stated. Also, the ability of the Company to successfully acquire and develop additional properties in the resource sector or to continue development of its current properties is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through equity financing when required. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired by the Company. See “Cautionary Statement Regarding Forward Looking Information”.

The Company is currently focusing its efforts on the Três Estradas Phosphate project and Rio Grande Copper belt.

Non-IFRS Measures

The Company has included a Non-IFRS performance measure, working capital, throughout this document. In the mining industry, this is a common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company’s performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following tables provide a reconciliation of working capital to the financial statements as at March 31, 2019 and June 30, 2018.

	March 31, 2019	June 30, 2018
Current assets		
Cash and cash equivalents	766,929	3,405,149
Prepaid expenses and sundry receivables	102,701	69,567
	869,630	3,474,716
Current liabilities		
Accounts payable and accrued liabilities	540,210	916,303
Working Capital		
current assets less current liabilities	329,420	2,558,413

Capital Risk Management

The Company’s capital includes cash and equity, comprised of issued ordinary shares, share-based payment reserve and deficit in the definition of capital. The Company’s objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company’s management and consultants to sustain future development of the business.

The Company’s properties are in the intermediate exploration stage and, accordingly, the Company is dependent upon external financings to fund activities. In order to carry out planned engineering, test work, advancement and development of the mining projects, and pay for administrative costs, the

Company will spend working capital and expects to raise the additional funds from time to time as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes in the Company's approach to capital management during the nine months ended March 31, 2019. The Company is not subject to externally imposed capital requirements.

Commitments and contingencies

Legal contingencies

The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount that may be required to be paid in connection thereto, will have a material effect on the financial condition or future results of operations. As at March 31, 2019 and 2018, no amounts have been accrued related to such matters.

Environmental Commitments

The Company's mining and exploration activities are subject to various federal, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Results of Operation - Exploration

TRÊS ESTRADAS PROPERTY

Background

The Três Eestradas Project is located in the municipality of Lavras do Sul, approximately 320 kilometers (km) southwest of Porto Alegre, the capital city of Rio Grande do Sul in southern Brazil and 1,790km south of Brasilia. The mining operation will consist of mining phosphate from the Três Estradas deposit as well as mining phosphate from the Joca Tavares deposit located southeast of Três Estradas. Phosphate material from both deposits will be milled and processed at Três Estradas.

Aguia has been diligently following a systematic approach in its exploration programs for Três Estradas and Joca Tavares. Aguia has undertaken detailed geologic mapping, topographic surveys, remote sensing, soil and rock geochemical surveys, and geophysical surveys. Aguia completed four drilling campaigns on the Três Estradas area between 2011 and 2015. Drilling has included 78 core holes (10,801.45m), 154 reverse circulation ("RC") holes (3,304m), and 487 auger holes (2,481.65m). At Joca Tavares, Aguia completed 89 auger holes (359.65m) followed by a 40-hole core drilling program (2,305.90m) in late 2015.

Between December 2016 and April 2017, more than 14,000 metres of infill drilling occurred at Três Estradas which included 9,708 metres of diamond drilling and 4,496 metres of reverse circulation drilling.

In the twelve-month period subsequent to December 31, 2015, environmental studies were undertaken to enable the Company to complete the EIA for the Três Estradas Phosphate Project. This study was compiled in a final report that was filed and presented to the Rio Grande State Environmental Agency FEPAM on October 7, 2016. Subsequently, engineering optimisations identified from trade-off studies resulted in a number of modifications and improvements to the project and a revised version of the EIA was filed in September 2017. In March 2019, Aguia participated in a community consultation event in Lavras do Sul to consider the Três Estradas Phosphate Project, one of the final activities to obtain approval of the EIA which will result in the grant of the Preliminary License ("LP").

The LP is considered a 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.

Bankable Feasibility Study Update

On March 20, 2018, Aguia Resources Ltd. completed its bankable feasibility study for its Três Estradas phosphate project in southern Brazil. 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.

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 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 highhead-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.

The 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;
- For the carbonatite ore, global phosphate recovery of 75.3% is achievable at a concentrate grade of 30.1% P_2O_5;

For further information please see the press release dated March 20, 2018 and the technical report filed on SEDAR on April 11, 2018.

Mineral Resource

On September 19, 2017, the Company announced a new Mineral Resource for Três Estradas estimated at total Measured resources of 36 million tonnes grading 4.0% P_2O_5 and Indicated resources of 47 million tonnes grading 4.2% P_2O_5, using a cut off of 3% P_2O_5 and an additional 21.8 million tonnes grading 3.7% in the Inferred category (see press release dated September 19, 2017).

Community Consultations

The Company held its community consultation event for the Tres Estradas phosphate project that took place on Wednesday, March 20, 2019, in Lavras do Sul, Brazil. The meeting date was set at the beginning of the year by FEPAM, the environmental regulator for the State of Rio Grande do Sul and the event was open to members of the local community. It is estimated approximately 1,500 people were in attendance and the overall response throughout the evening was extremely positive. The

Company also live streamed the event on Facebook, which was accessed by 2,000 viewers during the event.

The event was held at the public auditorium in Lavras do Sul and was at full capacity inside. Overflow attendees numbering in the hundreds were accommodated outside the auditorium and were able to watch the proceedings projected live on big screens. The event was opened by the FEPAM authorities, followed by a one-hour presentation of the Tres Estradas Phosphate Project by Aguia and finally a presentation of the Environmental Impact Assessment ("EIA") by Golder & Associates who produced the report. After the official presentations were finished, a 3-hour discussion took place with 50 individuals or groups stepping up to the microphone for questions and comments. This included the Mayor of Lavras do Sul who expressed his strong support for the project, the Mayor of the neighboring city of Cacapava do Sul, which has a long history of mining activity, State Deputies, representatives of the Chamber of Commerce, Public Servers Syndicate, Rural Syndicate, the Santa Maria Water Committee and other important associations from the local community. Most importantly, there was overwhelming support from the citizens of Lavras do Sul in attendance and online who strongly welcomed the project and Aguia to the community.

In the 30 days following the event, FEPAM reviewed the results requested some follow up items from Aguia which have been provided. Approval of the LP will be a major milestone for the Company. The next phase of development will be obtaining the Installation Permit or "LI". The LI requires implementation of the programs and requirements prescribed in the LP to ensure Tres Estradas has a minimal impact on the environment and social wellbeing of the community. During this time, Aguia will be finalizing the design and plans for the project site, negotiating offtake contracts and sourcing debt for construction. The LI is expected to take up to 12 months to obtain after which construction can commence.

Regional Exploration Activities - Phosphate

Aguia continues exploration of neighbouring properties. The aim is to identify additional oxidized carbonatite sources that could ultimately contribute to the Três Estradas project. Based on regional mapping and airborne geophysical data, Aguia has identified a number of exploration targets surrounding the Tres Estradas and Joca Tavares carbonatites which is has staked or acquired through option agreements.

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.

Terra Santa is 2.5km northwest of Três Estradas and covers 4,500 hectares. The exploration program to date has included soil sampling along a 200 x 25m sampling grid, covering an airborne radiometric anomaly analogous to those at Três Estradas and where grab rock samples previously returned up to 11.57% P_2O_5. This data will provide the groundwork for future ground geophysics and 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 conducted an auger drilling program over the Mato Grande carbonatite to expand upon historical data that indicated P_2O_5 in fresh carbonatite samples. This auger program helped outline the extent of the carbonatite body and tested for oxidised phosphate mineralisation at surface.

Regional Exploration Activities in the State of Rio Grande do Sul - Copper

In 2018, the Company successfully secured a strategic land package along the Rio Grande Copper Belt, totaling 34,000 hectares across 23 tenements. Aguia identified two mineralised targets within the belt: Canhada and Big Ranch.

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. 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 a 6km x 2km zone that was initially identified as an airborne geophysical anomaly. More specifically, Aguia’s technical team noticed the anomaly because it is a zone with no airborne radiometric count. These zones are rare and only a few rocks exhibit this signature.

Based on these initial findings, Aguia staked the claims for Big Ranch and initiated exploration on the ground. Multiple copper and zinc showings were identified in outcrops, including a zone of gossans that occur to the west of the main geophysical and geochemical anomaly. Aguia completed a soil geochemistry survey along the target resulting in significant copper anomaly extending over some 6 km, juxtaposed in some portions to gold-in-soils anomalies. Anomalous trends of zinc and lead were also mapped and are being followed up.

Sampling along the Big Ranch target returned 13.14 grams per tonne gold (g/t Au) in a gossan sample, one of 17 gossan samples reported during the most recent quarter. The western zone of Big Ranch became an area of focus earlier this year when a gossan sample returned 7.74 grams per tonne gold (g/t Au) as reported in April.

Big Ranch Drill Program

The drilling program at Bid Ranch commenced in October 2018 with 2,224 metres drilled. The main purpose of this campaign was to acquire additional data on the geology and nature of the hydrothermally altered rocks at depth, to provide the necessary information for a more accurate interpretation of the copper and base metals showings identified to that point.

This first pass of exploration drilling, which focused on the broadly spaced surface base metal showings, structural controls and associated geophysical anomalies identified a 6 km by 2 km zone of mineralisation including zinc, copper and precious metals. The data gathered in this drill program will be used to vector towards zones that exhibit high discovery potential for future drilling.

Assay results for 11 holes encountered mineralisation in 7 holes. The assays from the drilling program confirm Aguia has identified a major hydrothermal system and provides greater understanding of the distribution and nature of the various geophysical and geochemical anomalies mapped at surface and also at depth. Intense hydrothermal alteration including chlorite, carbonate and K-feldspar halos host the sulfide minerals. Pyrrhotite and pyrite are the most abundant sulfide species and explain the bulk of the geophysical anomalies that were mapped. Zinc and copper sulfide minerals occur in association with the iron-sulfides. High-grade samples were intersected over thin intervals. The next stage of the exploration program is being developed to continue the vectoring program using the data gathered. The key objective moving forward will be to identify and rank structural and chemical trap zones that can potentially favor the concentration of economic sulfide mineralization (see press release March 7, 2019).

Andrade Copper Deposit Maiden Resource

In February 2019, Aguia announced it had executed an Option Agreement to acquire the Primavera Project which includes the Andrade copper occurrence. Andrade is located some 5 km southeast of the city of Caçapava do Sul, Rio Grande do Sul State, approximately 17 km to the southwest of Aguia's Big Ranch target and 65 km north of the Canhada target The Company released a maiden resource for Andrade in March 2019. The entire data set was subject to independent review and audit by Toronto-based firm Roscoe Postle Associates Inc. (RPA) which has signed off on the new resource statement for the project. The resource estimate meets the criteria required to be compliant with both JORC and CIM standards.

The mineral resource statement is based on the results of 38 historical diamond drill holes drilled by Referencial Geologia Ltda. between 2009 and 2010 that were compiled and integrated into the database together with a drilling campaign carried out by Aguia in January and February, 2019, as part of the due diligence the company undertook before signing the option to acquire the Primavera project from Referencial (see Australian Stock Exchange release dated Feb. 28, 2019). During this period, Aguia completed three drill holes (382 metres). The primary goal of this drilling campaign was to confirm the presence of significant copper intersections that would suggest economic potential. The drilling campaign was successful as assay results from all three drill holes returned thick and high-grade zones of copper mineralization, which has provided the data needed for a maiden resource that is JORC and CIM (as incorporated in National Instrument 43-101) compliant.

The mineral resource statement includes an open pit-constrained inferred resource of 1.3 million tonnes of oxidized material, from surface, grading 0.43 per cent copper and 8.8 million tonnes of sulphide-bearing material grading 0.51 per cent copper, and an additional 675,000 tonnes of sulphide-bearing material, amenable for underground mining, grading 1.42 per cent copper. The total inferred mineral resource is 10.8 million tonnes with an average grade of 0.56 per cent copper and 2.56 grams per tonne of silver. The complete results of the mineral resource statement will be described in greater detail in the NI 43-101-compliant technical report to be filed on SEDAR within 45 days of this release.

Off Balance Sheet Arrangements

The Company is not party to any off-balance sheet arrangements.

Related Party Transactions

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name	Principal place of business / Country of incorporation	Ownership interest 2016 %
Aguia Mining Pty Ltd	Australia	100.00%
Aguia Phosphates Pty Ltd	Australia	100.00%
Aguia Potash Pty Ltd	Australia	100.00%
Aguia Metais Ltda	Brazil	100.00%
Potassio do Atlantico Ltda	Brazil	100.00%
Aguia Rio Grande Mineracao Ltda *	Brazil	100.00%
Aguia Fertilizantes S.A. **	Brazil	49.00%

During the six and nine months ended March 31, 2019 and 2018, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Purchases of goods / services			
	Nine months ended March 31,		Three months ended March 31,	
	2019	2018	2019	2018
- Payment for legal services from HopgoodGanim of which Mr Brian Moller is a partner.	9,615	10,501	514	0
- Payment for accounting and company secretary services from Franks & Associates Pty Ltd of which Mr Andrew Bursill is a principal.	33,271	53,889	20,101	11,658

The following balances included in accounts payable and accrued liabilities were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	Mar 31, 2019	Jun 30, 2018	Mar 31, 2019	Jun 30, 2018
Directors and officers of the company	-	-	99,833	45,833

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation of key management personnel of the Company

	Nine months ended Mar 31,		Three months ended Mar 31,	
	2019	2018	2019	2018
Short-term benefits	915,645	1,239,023	282,558	260,024
Share-based payments	138,326	466,884	-	-

*share-based payments is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions are disclosed in Note 26 of the June 30, 2018 financial statements.

In accordance with IAS 24 Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

Financial Instruments and Other Instruments

The carrying value of cash and cash equivalents, prepaid expenses, sundry receivable, accounts payable and finance leases approximate their fair values due to the short maturity of those instruments.

The Company's risk exposures and their impacts on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the nine months ended March 31, 2019.

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's primary counterparty related to its cash and cash equivalents and term investment carry an investment grade rating as assessed by external rating agencies. The Company maintains all of its cash and cash equivalents and term investment with major Australian, Canadian and Brazilian financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

The Company's maximum exposure to credit risk at the balance sheet date is the carrying value of cash and cash equivalents, trade and other receivables.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

As at March 31, 2019, the Company had current assets of $869,630 to settle current liabilities of $540,210. Approximately $500,000 of the Company's financial liabilities as at March 31, 2018 have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk

The Company's cash equivalents are subject to interest rate cash flow risk as they carry variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase.

Based on cash and cash equivalent balances on hand at March 31, 2019, a 0.1% change in interest rates could result in a corresponding change in net loss of approximately $760.

Currency Risk

As the Company operates on an international basis, foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign currency risk arises primarily with respect to the Brazilian Real. Fluctuations in the exchange rates between these currencies and the Australian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

A strengthening of $0.01 in the Brazil Real against the Australian dollar would have decreased other comprehensive income by approximately $87,000 for the six months ended March 31, 2019. Rates as at March 31, 2019 and 2018 are represented in the following chart:

	As at	
	Mar 31, 2019	Mar 31, 2018
1 Australian dollar = Brazilian Real	2.7835	2.5376

As at December 31, 2018 the monetary balances in non-Australian dollar currencies are as follows:

	Brazilian Real
Cash	307,008
Accounts receivable and Prepaid expenses	267,085
Intangible (project investments)	67,906,510
Accounts payable	(1,131,393)
	67,349,209

Outstanding Share Data

As at May 14, 2019, the Company has 164,255,158 common shares issued and outstanding. Stock options, warrants and convertible securities outstanding as at May 14, 2019 are as follows:

Number of Stock Options Outstanding	Exercise Price	Expiry Date
260,000	$0.625	07/12/2019
810,000	$0.600	16/12/2019
120,000	$0.640	02/06/2020
150,000	$0.540	28/07/2020
7,520,000	$0.600	05/12/2020
300,000	$0.140	05/04/2022
9,160,000		

Numbers of Warrants Outstanding	Exercise Price	Expiry Date
13,180,418	CAD$ 0.65	30/06/2020
7,142,900	CAD$ 0.60	12/04/2021
20,323,318		

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

<u>Nature of Mining, Mineral Exploration and Development Projects</u>

Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, mineral resource estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the mineral deposit, expected recovery rates of minerals from ore, estimated operating costs, and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish measured, indicated and inferred mineral resources through drilling. Upon completion of a feasibility study, with an accompanying economic analysis, proven and probable mineral reserves may be estimated. Because of these uncertainties, no assurance can be given that exploration programs will result in the expansion of mineral resources or the establishment of mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Mine development capital cost estimates are vulnerable to market forces, cost escalations and reductions, exchange rate fluctuations and supplier price changes. These factors can affect capital cost estimates.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in geological interpretation. These amounts are estimates only and the actual level of recovery of minerals from such deposits may be different. Differences between management's assumptions, including economic assumptions such as mineral prices, market conditions and actual events could have a material adverse effect on the Company's mineral resource and reserve estimates, financial position and results of operations.

Uncertainty Relating to Mineral Resources

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may attach to mineral resources, there is no assurance that mineral resources will be upgraded to mineral reserves.

Foreign Operations

At present, the mineral properties of Aguia are located in Brazil. As a result, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates; price controls; import or export controls; currency remittance; high rates of inflation; labour unrest; renegotiation or nullification of existing permits, applications and contracts; tax disputes; changes in tax policies; restrictions on foreign exchange; changing political conditions; community relations; currency controls; and governmental regulations that may require the awarding of contracts of local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Brazil or other countries in which Aguia may conduct business, may adversely affect the operations of the Company. The Company may become subject to local political unrest or poor community relations that could have a debilitating impact on operations and, at its extreme, could result in damage and injury to personnel and site infrastructure.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installing of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill and infrastructure facilities, require permits and approvals from various government authorities, and are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, transportation, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. The Company will be required to obtain additional licenses and permits from various governmental authorities to continue and expand its exploration and development activities. There can be no assurance that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or to operate its mining facilities.

The costs and potential delays associated with obtaining the necessary authorizations and licenses and complying with these authorizations, licenses and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of the Tres Estradas Project. Any failure to comply with applicable laws, regulations, authorizations or licenses, even if inadvertent, could result in interruption or termination of exploration, development or mining operations or logistics operations, or material fines, penalties or other liabilities which could have a material adverse effect on the Company's business, properties, results of operations, financial condition or prospects. The Company can make no assurance that it will be able to maintain or obtain all of the required mineral licenses and authorizations on a timely basis, if at all. There is no assurance that it will obtain the corresponding mining concessions, or that if they are granted, that the process will not be heavily contested and thus costly and time consuming to the Company. In addition, it may not obtain one or more licenses. Any such failure may have a material adverse effect on the Company's business, results of operations and financial condition.

The Environmental Secretary Office of the State of Rio Grande do Sul is the regulatory authority responsible for evaluating and determining the appropriateness of preliminary licenses. As part of the standard application process the Environmental Secretary Office holds public hearings. There can be no assurances that the Environmental Secretary Office of the State of Rio Grande do Sul will grant a license to the Company.

Environmental

The Company's activities are subject to extensive federal, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

The current and future operations of the Company, including development and mining activities, are subject to extensive federal, state and local laws and regulations governing environmental protection, including protection and remediation of the environment and other matters. Activities at the Company's properties may give rise to environmental damage and create liability for the Company for any such damage or any violation of applicable environmental laws. To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that the Company may incur to remedy environmental pollution would reduce otherwise available funds and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards.

Many of the local, state and federal environmental laws and regulations require the Company to obtain licenses for its activities. The Company must update and review its licenses from time to time, and is subject to environmental impact analyses and public review processes prior to approval of new activities. Aguia can make no assurance that it will be able to maintain or obtain all of the required environmental and social licenses on a timely basis, if at all.

In addition, it is possible that future changes in applicable laws, regulations and authorizations or changes in enforcement or regulatory interpretation could have a significant impact on the Company's activities. Those risks include, but are not limited to, the risk that regulatory authorities may increase bonding requirements beyond the Company's or its subsidiaries' financial capabilities. Developments elsewhere in the Brazilian mining industry or in relation to Brazilian mining legislation may add to regulatory processes and requirements, including additional scrutiny of all current permitting applications.

<u>Liquidity Concerns and Future Financings</u>

The Company will require significant capital and operating expenditures in connection with the development of the Três Estradas Project. There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of the Company's properties or reduce or terminate some or all of its activities. In the event that the Company completes an equity financing, such financing could be extremely dilutive to current shareholders who invested in the Company at higher share prices and dilutive as compared to the Company's estimated net asset value per share and mineral resource or reserve ounces per share.

<u>Title to Properties</u>

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in its properties indirectly through exploration permits and exploration applications. Title to, and the area of, the permits may be disputed, or applications may lapse. There is no guarantee that such title will not be challenged or impaired.

The Company may need to acquire title to additional surface rights and property interests to further exploration and development activities. There can be no assurances that the Company will be able to acquire such additional surface rights. To the extent additional surface rights are available, they may only be acquired at significantly increased prices, potentially adversely affecting financial performance of the Company.

<u>Project development costs</u>

The Company plans to continue to develop its Três Estradas Project. There can be no assurance that this project will be fully developed in accordance with the Company's current plans or completed on time or to budget, or at all.

<u>Litigation</u>

Aguia has entered into legal binding agreements with various third parties on a consulting and partnership basis. The rights and obligations that arise from such agreements are open to interpretation and Aguia may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause Aguia to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any future disputes could have a material adverse effect on Aguia.

Dependence on Key Personnel

The success of the Company is dependent upon the efforts and abilities of its senior management and board of directors. The loss of any member of the management team or board of directors could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel will be found.

Conflicts of Interest

Certain of the directors and officers of the Company may serve from time to time as directors, officers, promoters and members of management of other companies involved in mining or natural resource exploration and development and therefore it is possible that a conflict may arise between their duties as a director or officers of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and the directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Disclosure Controls and Procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Chief Executive Officer and the Chief Financial Officer by others within those entities.

The CEO and CFO have evaluated (or caused to be evaluated under their supervision) the effectiveness of the Company's disclosure controls and procedures as of March 31, 2019. Based upon the results of that evaluation, the CEO and CFO have concluded that as of March 31, 2019, the Company's disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

Aguia's management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Under their supervision, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions, acquisitions and dispositions of the assets of the Company;

- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control (COSO - 1992) Framework to design the Company's internal control over financial reporting.

The CEO and CFO have evaluated (or caused to be evaluated under their supervision) the Company's internal control over financial reporting as of March 31, 2019. Based on this assessment, the CEO and CFO have concluded that the Company's internal control over financial reporting was effective as at March 31, 2019.

There has been no change in the Company's internal control over financial reporting during the nine months ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

<u>Limitations of Controls and Procedures</u>

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Significant Accounting Policies

The Company's significant accounting policies can be found in Note 1 of its annual consolidated financial statements for the twelve months ended June 30, 2018.

<u>New and Future Accounting Pronouncements</u>

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after July 1, 2018 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. There was no material impact from the adoption of this standard.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. There was no material impact from the adoption of this standard.

IFRS 16 – Leases ('IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is still evaluating the impact of the adoption of IFRS 16.

Critical Accounting Estimates

The preparation of the Company's Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and impact estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.