



13 August 2019

Ref: ASX201908135B

Ms. Puja Patel

Adviser, Listing Compliance (Sydney)

ASX

By Email: listingscompliancesydney@asx.com.au

Dear Ms. Patel

Re: AGUIA RESOURCES LIMITED ('AGR'): Appendix 5B Query

In response to your concerns as outlined below:

1. Does AGR expect that it will continue having negative operating cash flows for the time being, and if not, why not?

Yes, AGR is an exploration company with an advanced phosphate project and copper exploration tenements in Southern Brazil. Until such times as AGR is able to commercialise these assets, it is envisaged that AGR will have negative operating cash flows.

2. Has AGR taken any steps, or does it propose to take any steps, to raise further cash to fund its operations, and, if so, what are those steps and how likely does it believe that they will be successful?

AGR has recently successfully completed a non-brokered private placement raising approximately AUD\$2.5 million. This announcement was released to the market and dated 4 July 2019. AGR is aware of its cash spend, and recent Board changes made fiscal responsibility a major priority. Steps are being undertaken in order to mitigate costs wherever possible.

3. Does AGR expect to be able to continue its operations and to meet its business objectives, and if so, on what basis?

Yes, AGR does expect to be able to continue its operations and to meet its business objectives. The company has recently raised capital which is aimed at the continued effort to develop the Tres Estradas Phosphate Project and to conduct exploration of its existing copper project (Andrade) and at numerous copper targets. The company anticipates raising further capital, as is appropriate to a company of its size and stage of asset development.

4. Please confirm that AGR is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to the ASX in accordance with the rule that has not already been released to the market.

AGR is currently in compliance with Listing Rule 3.1 and will maintain conformity with Listing Rule 3.1.

5. Please confirm the AGR's responses to the questions above have been authorised under its published continuous disclosure policy or otherwise by its board or an officer of AGR with delegated authority from the board to respond to ASX on disclosure matters.

The responses above have been duly considered, authorised and approved by the Board.

Kind regards

Michael Duligal
Company Secretary
Aguia Resources Limited.



13 August 2019

Reference: ODIN05362

Mr Michael Duligal
Company Secretary
AGUIA RESOURCES LIMITED
By Email: mduligal@optusnet.com

Dear Mr Duligal

AGUIA RESOURCES LIMITED ('AGR'): Appendix 5B Query

ASX refers to AGR's Appendix 5B quarterly report for the period ended 30 June 2019 lodged with ASX Market Announcements Platform on 31 July 2019 (the 'Appendix 5B').

ASX notes that AGR has reported:

- negative net operating cash flows for the quarter of \$1,085,000;
- cash at the end of the quarter of \$55,000; and
- estimated cash outflows for the next quarter of \$750,000.

It is possible to conclude, based on the information in the Appendix 5B that if AGR were to continue to expend cash at the rate indicated by the Appendix 5B, AGR may not have sufficient cash to continue funding its operations.

In view of that, ASX asks AGR to respond separately to each of the following questions and requests for information:

1. Does AGR expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has AGR taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does AGR expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that AGR is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that AGR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AGR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEST Friday, 16 August 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AGR's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AGR's obligation is to

disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to AGR’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AGR’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AGR’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Puja Patel
Adviser, Listings Compliance (Sydney)