7 May 2020

ASX Market Announcements
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Management's Discussion and Analysis

Sydney, Australia, - Aguia Resources Limited ABN 94 128 256 888 (ASX:AGR) (**Aguia** or the **Company**) has today released the attached announcement. Please see overleaf.

AUTHORISED FOR ISSUE TO ASX BY FERNANDO TALLARICO, MANAGING DIRECTOR OF AGUIA RESOURCES LIMITED

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About Aguia:

Aguia Resources Limited, ("Aguia") is an ASX listed company whose primary focus is on the exploration and development of mineral resource projects in Brazil including copper and phosphate. Aguia has an established and highly experienced in-country team based in Rio Grande State, Southern Brazil. Aguia has multiple copper targets. Aguia is also in the pre-production stage of a low-cost natural phosphate fertiliser project which is expected to be operational in early 2022.

ÁGUIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020

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 May 7, 2020 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 unaudited condensed consolidated interim financial statements for the nine months ended March 31, 2020 and the audited consolidated financial statements as at and for the year ended June 30, 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 March 31, 2020 unaudited condensed consolidated interim financial statements and the audited consolidated financial statements for the year ended June 30, 2019 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., Managing Director of Aguia, is the in-house Qualified Person under National Instrument 43-101 and JORC for all technical materials. Dr. 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 and Australian 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 Limited is an exploration and development company focused on Brazilian phosphate and copper projects to supply the Brazilian agriculture sector. Aguia is listed on the Australian Securities Exchange ("ASX") under the symbol AGR and has offices in Sydney, Australia and Porto Alegre, Brazil. The Company currently controls over 1,573 km^2 of land in the states of Rio Grande do Sul, Paraiba and Minas Gerais containing phosphate mineralization through exploration permits it has acquired from the Brazilian National Mining Agency ("ANM"). 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.

Scoping Study

On February 12, 2020, the Company announced the conclusion of the Scoping Study for Phase 1 of its Três Estradas Phosphate Project (http://aguiaresources.com.au/2020/02/17/scoping-study-of-tres-estradas-confirms-excellent-economics/). The Study was conducted by independent consulting firm GE21 Consultoria Mineral Ltda (GE21) in Brazil and includes pit optimization and design, mine scheduling, capital expenditure (CAPEX), operational expenditure (OPEX) estimates and an economic analysis based on the production of a Direct Application Natural Fertilizer (DANF) from a Mineral Resource of 5.1Mt at 8.79% P_2O_5, which represents the oxidized portion (Saprolite).

The DANF production is attractive given the high natural P_2O_5 grade in the saprolite with initial CAPEX much lower than the previously planned larger-scale processing facility that was proposed in the Bankable Feasibility Study (BFS) announced in March of 2018.

Phase 1 Economics

The financial model in the GE21 Study indicates a post-tax IRR of 51% with NPV of A$69.3 million using an 8% discount rate. The financial model is based on the following assumptions:

- The Scoping Study assumes a long-term DANF price of A$72/tonne and BRL/AUD foreign exchange of 2.85.
- The Três Estradas Project Phase 1 will have a life of mine of 18 years that will require an initial capital expenditure of A$9.72 million (A$10.57 million including contingency):

The costs for the project include the initial capital cost (Initial CAPEX) and the operational cost (OPEX).

All costs are expressed in Australian Dollars and the exchange rate used is AUD $1.00 = R$2.85.

Table 1 - CAPEX Summary

Item	Phase 1 (Saprolite) (million AUD)
Mine Equipment (year 3)	1.26
Infrastructure (buildings, security, facilities, power)	3.89
Processing Plant	1.88
Environmental and permits	0.26
Others	2.43
Contingency	0.85
Total	**10.57**

- The simple process with a crushing and milling circuit results in a low operational cost of A$11.87/tonne of DANF produced in Phase 1.

Table 2 - Financial Results Summary

Financial Analysis	Post-Tax
NPV at 5%	AUD 92.7 million
NPV at 8%	AUD 69.3 million
NPV at 10%	AUD 58.6 million
IRR	51%
Total Cash Flow	AUD 152.7 million
Payback	3.3 years
EBITDA Average for Years 1 to 18 (Phase 1 - Saprolite)	AUD 14.8 million

Mining and Processing

The Scoping Study, which includes the following mine schedule, was based on a Mineable Resource of 5.1Mt at 8.79% P_2O_5, which represents the oxidized portion (Saprolite) of the Três Estradas Phosphate Deposit. By classification, considering the mineable resource pit shell, 0.7 Mt (13%) of the resources are Measured, 4.4Mt (86.2%) are Indicated and the remaining 0.04Mt (0.8%) are classified as Inferred resource.

The Phase 1 updated mining plan forecasts a total of 5.1 million tonnes of ROM mined at a strip ratio of 0.49 (waste to phosphate, in tonnes). The project includes an open-pit, truck and shovel operation, over a life of mine (LOM) of 18 years.

With a planned nameplate capacity of 370,000 tpy of DANF product, the average annual feed to the processing plant, after the ramp up in the first three years, will be 317 thousand tonnes of ROM in

Phase 1. This will result in a LOM production of a total 4.9 million tonnes of DANF, averaging about 269,000 tons of DANF product annually over 18 years.

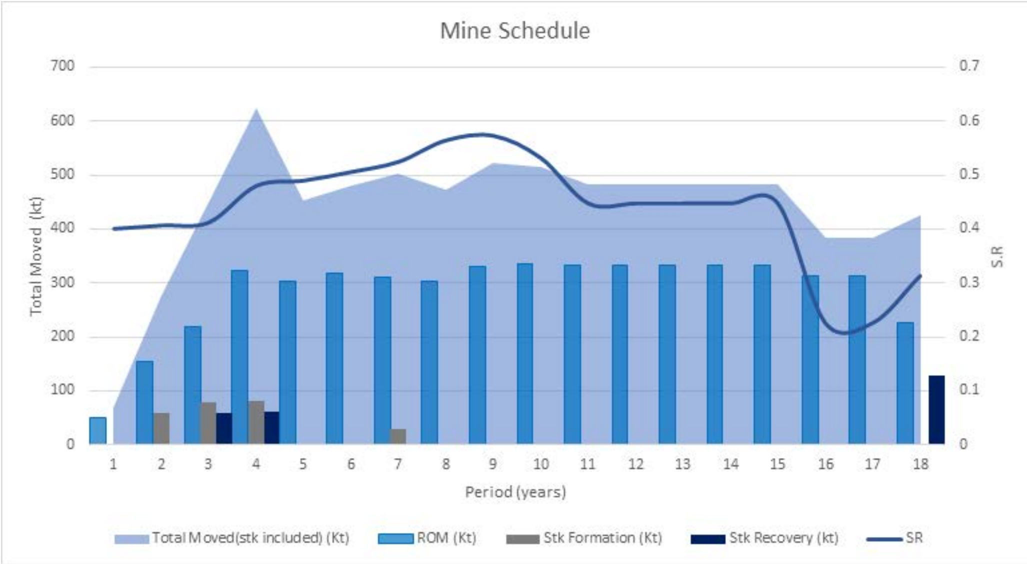

Figure 3 – Chart of Phase 1 mining schedule

Environmental Improvements

The new approach for Phase 1 of the Project, considering the DANF production instead of the phosphate concentrate, will allow a reduction of approximately 77% in the environmental footprint of the project. All the important environmental initiatives not only reduce the impact of the project on the natural environment but also provide important cost savings and decreases risk.

Table 3 – Comparative table of Phase 1 DANF vs. Phase 1 Phosphate Concentrate (BFS – March 2018)

	Phase 1 DANF (this announcement)	Phase 1 Phosphate Concentrate (BFS – March 2018)
Directly affected area	93 ha	412 ha
Tailing dam	No	Yes
Water dam	No	Yes
Operational life	18 years	3.5 years
ROM	5.1 Mt	5.0 Mt
Total Production	4.9 Mt	1.0 Mt
Waste	2.5 Mt	7.0 Mt
CAPEX	AUD 9.72 million and AUD 10.57 million with contingency	AUD 112.1 million and AUD 125.1 million with contingency*
OPEX	11.87/tonne	76.10/tonne**

*CAPEX originally reported in USD of 75.6 million and 83.9 million with contingency

** OPEX originally reported in USD 51.30/tonne. Exchange rate used is USD $1.00 = AUD 1.48

Agronomic Trials and Lab Results

Agronomic efficiency tests with the DANF product are currently being undertaken by Integrar Gestão e Inovação Agropecuária which is an independent agronomic research institution located at Capivari do Sul – RS. The tests are being conducted with soybean in the field and maize in pots, representing the summer crops in Brazil. After the harvest, test work will move to Brazilian winter crops, with ryegrass and wheat replacing soybean and maize respectively. First results from the tests with soybean and maize are expected during May 2020.

As part of the DANF product registration with the Brazilian Ministry of Agriculture, Livestock and Supply (MAPA), agronomical laboratory tests have been carried out at the Instituto Brasileiro de Analises Agronomic Lab (IBRA) in accordance with MAPA guidelines. The agronomic tests were performed on a representative sample from the carbonatite saprolite ore (CBTSAP) that was previously assayed at ALS Global Lab in Belo Horizonte, returning a total P_2O_5 content of 9.08% (Table 4). The results were announced by Aguia on 19 March 2020 (http://aguiaresources.com.au/2020/03/18/positive-results-from-agronomic-tests-on-tres-estradas-phosphate/).

The P_2O_5 solubility in citric acid (2% concentration at a 1:100 ratio) is the nearest condition to the acidity found in Brazilian soils. The laboratory test returned a solubility of 22.9%, which is above the minimum requirement of 15% (Table 4). Sample CBTSAP was also tested for secondary macronutrients Ca and Mg, and for elements which are potentially micronutrients; Co, Fe, Mn, Mo and Zn (Table 5) and potential toxic heavy metals. Results regarding toxic heavy metals (As, Cd, Pb, Cr and Hg) were excellent with Sample CBTSAP passing all tests and all results within the specifications of a natural phosphate fertilizer as determined by MAPA.

Table 4 – P2O5 solubility results.

Sample	ALS Lab	IBRA Lab	IBRA Lab	IBRA Lab	IBRA Lab	IBRA Lab	IBRA Lab
	P_2O_5 Total	P_2O_5 Acid. Cit.	P_2O_5 NAC	P_2O_5 H_2O	Solubility Acid. Cit.	Solubility NAC	Solubility H_2O
CBTSAP	9.08	2.08	1.36	0.56	22.9%	14.9%	6.1%

NAC = Neutral Ammonia Citrate

Table 5 – Results for Ca, Mg and potential micronutrients.

Sample	Ca (%)	Mg (%)	Co (ppm)	Fe (%)	Mn (%)	Mo (ppm)	Zn (%)
CBTSAP	6.54	0.41	114.9	11.33	1.11	81.19	0.02

Environmental Licensing

The Company was granted the Preliminary License (LP) by the State Government Agency (FEPAM) on 15 October 2019. After the issuing of the LP for the Três Estradas Phosphate Project, the Company commenced work obtainining the Installation License (LI), which provides the necessary authorization to initiate construction and start the development of the mine site.

To complete all requirements for the granting of the LI, Aguia's team in Brazil is actively progressing with the environmental plans and programs and with the detailed engineering for Phase 1.

In March 2020, the company continued the archaeological survey over the project area. Environmental consultant companies, specialized in environmental licensing, are currently being reviewed to conduct the mandatory environmental programs and to elaborate on the environmental plans for the LI. Aguia expects to deliver all requirements to FEPAM in Q4 2020.

The Company is continuing with the preparation of the detailed engineering for Phase 1, including the detailed executive project of the enterprise (plans and descriptive memorials) in compliance with the LP conditions. The state power company (CEEE), which was formally consulted on the capacity to supply power to the project for Phase 1, officially confirmed the available capacity to provide power from a transmission line located approximately 10km from the planned production unit.

In parallel, the Company is progressing with all requirements of the Brazilian Mining Agency (ANM) in accordance with the Brazilian Mining Law. Aguia expects to file the Economic Exploitation Plan (PAE) with ANM in Q4 2020 and to receive ANM approval by Q1 2021. This approval is mandatory for the granting of the Installation Licence (LI) for the project.

A recent update on the Três Estradas Phosphate Project was lodged by the Company on March 17, 2020 (http://aguiaresources.com.au/2020/03/16/tres-estradas-phosphate-project-update/).

Quarterly Highlights

Aguia is pleased to report on its activities for the third quarter of its fiscal year ending on June 30, 2020:

- The Scoping Study for the Três Estradas Phosphate Project Phase 1 has been completed with positive economic results. The Scoping Study is now being reviewed by multiple parties including local Brazilian banks and other financiers, and potential offtake partners.
- The appointment of a highly experienced fertilizer expert focussed on advancing the Três Estradas Phosphate Project.
- Environmental work and programs to facilitate the granting of the critical Installation License (LI) for the Três Estradas Phosphate Project Phase 1 are advancing.
- Agronomic trials are ongoing and all results from agronomic laboratory tests were well within the required specifications to produce a Natural Phosphate Product.
- RS State power company (CEEE) has confirmed available capacity to provide power for the Phase 1 production unit.
- Andrade drilling confirms extensions of high-grade copper zone.

During the March 2020 Quarter (the "Quarter"), Aguia continued to advance its Três Estradas Phosphate Project located in the state of Rio Grande do Sul (RS State) in Southern Brazil and focussed its exploration efforts on the highly prospective copper targets by undertaking a more specific drilling campaign in the Andrade area in the Rio Grande Copper Belt.

On February 7th, 2020, Non-Executive Director Mr. Jonathan Guinness resigned from the Board of the Company to pursue other business opportunities. The Board of Aguia wishes to thank Mr. Guinness for his invaluable service to the Company during his time as a Director and we wish him all the best in his future endeavours.

On April 6th, 2020, the Company announced that the Development Bank of Southern Brazil (Banco Regional de Desenvolvimento do Extremo Sul) (BRDE) has provided a letter of support for a development loan to fund up to 50% of the capital expenditure for the Três Estradas Phosphate Project.

BRDE is a recognized and well-respected Brazilian institution that promotes economic and sustainable development in Southern Brazil. The Bank has confirmed that the Três Estradas Phosphate Project meets its investment criteria following an extensive review of the project.

As the Company's focus turns primarily to the final development phase of Três Estradas, it has further streamlined its operations and cost base with ongoing monthly costs anticipated to be in the vicinity of A$180,000. This provides sufficient financial flexibility to secure all remaining permits to take Três Estradas to a 'shovel ready' phase, and to ensure that all the copper tenements remain in good standing.

Subsequent Events

On April 10th, 2020, the Company closed a private placement financing for gross proceeds of approximately A$730,250. These funds were raised in connection with the issue of approximately 9,128,126 fully paid ordinary shares via a non-brokered private placement to sophisticated and institutional investors at a price of $0.08 per share. Under the placement, for each ordinary share subscribed for, one half of one unlisted option will be issued for nil additional consideration with an exercise price of A$0.16 and an expiry rate of April 20, 2022.

Outlook

During the June 2020 Quarter, Aguia plans to continue agronomic trials to determine the efficiency of the Direct Application Natural Fertiliser (DANF) product and initiate the detailed engineering with a focus on advancing the LI (Installation Licence) at its Três Estradas Phosphate Project.

Summary of Unaudited Quarterly Results

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

	Q3-2020 31-Mar 2020	Q2-2020 31-Dec 2019	Q1-2020 30-Sep 2019	Q4-2019 30-Jun 2019	Q3-2019 31-Mar 2019	Q2-2019 31-Dec 2018	Q1-2019 30-Sep 2018	Q4-2018 30-Jun 2018
Net (loss)	(1,484,927)	(797,775)	(854,223)	(1,209,503)	(721,594)	(1,019,404)	(391,954)	(127,527)
Net (loss) per share	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)
Working Capital*	116,632	1,368,259	1,402,963	(1,584,815)	329,420	1,701,500	1,291,109	2,558,413
Total Assets	35,837,542	37,317,890	39,472,600	37,632,223	36,568,680	37,511,919	34,011,184	35,176,878
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.

Factors Affecting Comparability of Quarters

The Company's level of activity and expenditure 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 is an exploration and evaluation stage company with no producing assets. As such, it expects to generate losses for its exploration activities and supporting corporate costs until such time as it commences profitable commercial production.

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

Results of Operations – Financial

The following is a discussion on the results of operations of the Company for the three and nine months ended March 31, 2020 and 2019. This should be read in conjunction with the Company's un-audited condensed consolidated interim financial statements for the three and nine months ended March 31, 2020 and related notes.

	Three months ended March 31,	
	2020	2019
Net loss	**630,704**	**721,594**
Interest income	(3,103)	(702)
Corporate Expenses	132,428	304,517
Business development cost	239,000	139,067
Employee benefits expenses	63,317	28,051
Professional fees	30,362	59,399
General administration	141,089	322,793
Depreciation	901	4,039
Share-based payments	48,140	0
Exploration and evaluation expenses	0	1,761
Movement in fair value of derivatives	(21,429)	(137,331)

For the three months ended March 31, 2020, the Company recorded a net loss of $630,704 compared to a net loss of $721,594 for the three months ended March 31, 2019.

Corporate expenses decreased by $172,089 in Q3 2020 compared with Q3 2019 due to corporate level staff reductions implemented by the Board.

Business development expenditures in Q3 2020 increased by $99,933 due to an increase in the use of technical consultants for the Três Estrade Phosphate Project advancement.

Employee benefit expenditures increased by $35,266 in Q3 2020 compared to Q3 2019 due to staff reductions in Brazil.

General administration decreased by $181,704 in Q3 2020 compared to Q3 2019 due administrative cost structure reductions implemented by the Board.

The movement in the fair value of derivatives was a gain of $21,429 in the three months ended March 31, 2019 compared with a gain of $137,331 in the comparative period. Due to the depreciation in the Company's share price combined with remaining time value erosion, the Black Scholes value of the outstanding warrants at March 31, 2020 decreased resulting in a gain being recognized due to the reduction in the warrant liability. Refer to "outstanding share section" of this MD&A for detailed information on the number of warrants outstanding, their strike price and expiry date.

	Nine months ended March 31,	
	2020	2019
Net loss	**2,282,702**	**2,132,952**
Interest income	(6,269)	(3,442)
Corporate Expenses	796,356	978,305
Business development cost	558,925	388,469
Employee benefits expenses	171,339	301,045
Professional fees	198,541	140,954
General administration	532,195	713,145
Depreciation	7,771	11,847
Share-based payments	65,597	152,586
Exploration and evaluation expenses		3,194
Movement in fair value of derivatives	(41,752)	(553,151)

For the nine months ended March 31, 2020, the Company recorded a net loss of $2,282,702 compared to a net loss of $2,132,952 for the nine months ended March 31, 2019.

Business development expenditure increased by $170,456 in Q3 2020 compared to Q3 2019 due increased technical consultants engaged following the approval of the Environmental Impact Assessment and the awarding of the preliminary license.

Corporate expenses decrease $181,949 due to corporate level staff reductions implemented by the Board.

Employee benefit expenditures decreased by $129,706 in Q3 2020 compared to Q3 2019 due to a reduction of headcount in Brazil.

Professional fees increased by $57,587 in Q3 2020 compared to Q3 2019 due mainly to additional legal fees incurred.

The movement in the fair value of derivatives was a gain of $41,752 in the nine months ended March 31, 2020 compared with a gain of $553,151 in the comparative period. Due to the depreciation in the Company's share price along with time value erosion, the Black Scholes value of the outstanding warrants at March 31, 2020 decreased resulting in a gain being recognized due to the reduction in the warrant liability. Refer to "outstanding share section" of this MD&A for detailed information on the number of warrants outstanding, their strike price and expiry date.

Cash Flows

	Nine months ended 31 March 2020	**Nine months ended 31 March 2019**
Cash flows from operating activities	(3,101,397)	(1,646,416)
Interest received	6,269	2,740
Net cash used in operating activities	**(3,095,128)**	**(1,643,676)**
Cash flows from investing activities		
Payments for exploration and evaluation	(2,492,983)	(2,242,109)
Acquisition of fixed assets	(131,835)	-
Net cash used in investing activities	(2,624,817)	(2,242,109)
Cash flows from financing activities		
Proceeds from issue of shares	6,630,244	3,016,018
Share issue transaction costs	(430,487)	(43,994)
Net cash from financing activities	6,199,756	2,972,024
Net increase (decrease) in cash and cash equivalents	479,811	(913,761)
Cash and cash equivalents at beginning of the period	55,498	3,405,149
Effects of exchange rate changes	(57,598)	10,846
Cash and cash equivalents at end of the period	477,711	2,502,234

During the nine months ended March 31, 2020, the Company used cash for operating activities of $3,095,128 (net of $6,269 interest income) of which $3,101,397 related to payments to suppliers and employees. In the comparative period, the Company used $1,643,676 in operating activities (net of $2,740 interest income) of which $1,646,416 related to payments to suppliers and employees.

The Company spent $2,492,983 on exploration and evaluation activities at the Rio Grande Copper Belt and on the public hearings for the environmental permitting process for the Três Estradas Phosphate Project. Total exploration expenditure in the comparative period was $2,242,109.

During the nine months ended March 31, 2020, the Company raised $6,199,756 (net) from financing activities compared with $2,972,024 in the comparative period.

	Tres Estradas Project	Lucena Project	Copper Project	Total E&E
E&E Initial Balance 30 June, 2019	**25,455,046**	**9,723,978**	**2,292,919**	**37,471,942**
Labor	445,630	0	28,510	474,139
Property (Claims, Land Fees)	97,175	11,241	354,419	462,835
Travel & Accomodation	25,135	0	38,585	63,720
Vehicle / Equipment Lease & Maintnce	27,714	0	38,211	65,924
Field Supplies	142,529	0	19,556	162,085
Other Exploration Expenses	3,212	0	61,036	64,247
Drilling / Assays	15,819	0	90,293	106,111
Bankable Feasibility Study and technical studies	108,324	0	0	108,324
Geophysics / Geochemistry	8,660	0	83,305	91,965
Environmental, Social, Health and Safety	171,639	0	32	171,671
Depreciation	(1,118)	3,180	6,278	8,340
Asset Exchange variation of the period	(3,508,024)	(307,652)	(352,493)	(4,168,170)
Increase of E&E in the quarter	**(2,463,306)**	**(293,232)**	**367,731**	**(2,388,807)**
Total Exploration & Evalutaion in 31 March 2020	**22,991,739**	**9,430,746**	**2,660,650**	**35,083,135**

During the nine months ended March 31, 2020, the Company focused on developing its flagship Três Estradas Phosphate Project and exploration of the Rio Grande Copper belt, including the development 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 for the Três Estradas Phosphate Project that resulted in the granting of the first environmental license, 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 $103,904 as at March 31, 2020 (June 30, 2019 - $1,584,781) including cash and cash equivalents of $477,711 (June 30, 2019 - $55,498). 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 being that the adequacy of working capital required for fiscal three months ended March 31, 2020 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, 2020 and June 30, 2019.

	March 31, 2020	June 30, 2019
Current assets		
Cash and cash equivalents	477,711	55,498
Prepaid expenses and sundry receivables	95,889	61,237
	573,600	116,735
Current liabilities		
Accounts payable and accrued liabilities	469,696	1,701,516
Working Capital		
current assets less current liabilities	103,904	(1,584,781)

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 twelve months ended March 31, 2020. 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, 2020 and 2019, 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.

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 %
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%

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

During the three and nine months ended March 31, 2020 and 2019, the Company did not enter into any transactions with related parties that are not subsidiaries of the Company.

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, 2020	June 30, 2019	Mar 31, 2020	June 30, 2019
Directors and officers of the company	-	-	11,517	391,334

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 March 31,		Three months ended March 31,	
	2020	2019	2020	2019
Short-term benefits	796,356	915,645	341,114	282,558
Share-based payments	65,597	138,326	48,140	-

*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 March 31, 2020 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 Board 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 receivables, accounts payable and finance leases are approximate 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, 2020.

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 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, 2020, the Company had current assets of $573,600 to settle current liabilities of $456,969. The Company raised $730,250 of additional financing via a private placement which closed on April 22, 2020.

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 three months or less on the date of purchase.

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 foreign 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 $74,000 for the nine months ended March 31, 2020.

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.

Nature of Mining, Mineral Exploration and Development Projects

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 three months 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 Três Estradas Phosphate 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.

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.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of the Três Estradas Phosphate 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.

Title to Properties

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.

Project development costs

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.

Litigation

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 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, 2020. Based upon the results of that evaluation, the CEO and CFO have concluded that as of March 31, 2020, 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 at March 31, 2020. 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, 2020.

There has been no change in the Company's internal control over financial reporting during the period ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

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 is also 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 unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended June 30, 2019 with the exception of the adoption of new accounting pronouncements on July 1, 2019 as outlined below.

The Company adopted IFRS 16, *Leases* on July 1, 2019. Adoption of this standard did not have a significant impact on the financial statements.

Critical Accounting Estimates

The preparation of the Company's Financial Statements to conform 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.

Outstanding Share Data

As at May 7, 2020, the Company has 220,857,375 common shares issued and outstanding.

Stock options, warrants and convertible securities outstanding as at May 7, 2020 are as follows:

Number of Stock Options Outstanding			Exercise Price	Expiry Date	
120,000	AUD	$	0.640	2-Jun-20	
150,000	CAD	$	0.650	30-Jun-20	
7,520,000	AUD	$	0.600	5-Dec-20	
697,233	AUD	$	0.120	30-Jun-21	
300,000	AUD	$	0.140	5-Apr-22	
5,000,000	AUD	$	0.230	31-Oct-24	(1)
5,997,233					

(1) Expected vesting date 30 June 2023

Number of Warrants Outstanding			Exercise Price	Expiry Date
13,180,418	CAD	$	0.65	12-Jul-20
7,142,900	CAD	$	0.60	12-Apr-21
4,564,063	AUD	$	0.16	20-Apr-22
24,887,381				