AGUIA

30 June 2021

Annual Financial Report

Aguia Resources Limited | ABN 94 128 256 888

Directors	Christina McGrath - Non-Executive Chair Fernando Tallarico - Managing Director Martin McConnell - Non-Executive Director David Carland - Non-Executive Director (appointed 4 December 2020)
Company secretary	Nicholas Donlon (appointed 29 January 2021) Sarah Prince (resigned 29 January 2021)
Registered office	Level 12 680 George Street Sydney NSW 2000 Tel. +61 2 8280 7355
Principal place of business	Rua Dr. Vale nº 555, Sala 406, Bairro Moinhos de Vento CEP.: 90560-010, Porto Alegre, RS. Tel. +55 51 3519 516661
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Tel. +61 2 8280 7111 Fax. +61 2 9287 0303
Auditor	Ernst & Young
Bankers	National Australia Bank
Stock exchange listing	Aguia Resources Limited is listed on the Australian Securities Exchange (ASX code: AGR) Effective 1 July 2020, the number of Aguia Resources Limited securities owned either directly or indirectly by residents of Canada does not exceed 10% of securities on issue in the Company on a fully diluted basis. As such, Aguia Resources Limited qualifies as a "Designated Foreign Issuer" as defined in the Canadian National Instrument 71-102. Aguia remains subject to all regulatory requirements of the Australian Securities Exchange (ASX) and the Australian Securities and Investment Commission (ASIC)
Website	www.aguiaresources.com.au
Corporate Governance Statement	http://aguiaresources.com.au/about/corporate-governance/

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Aguia Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

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

- Christina McGrath - Non-Executive Chair
- Fernando Tallarico - Managing Director
- Martin McConnell - Non-Executive Director
- David Carland - Non-Executive Director (appointed 4 December 2020)

Principal activities

The principal activities of the consolidated entity during the year were the continued exploration and development of resource projects, predominately phosphate and copper.

Dividends

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

Operating and Financial review

Overview of the Company

Aguia Resources Limited ('Aguia') is an exploration and development company focused on Brazilian phosphate and copper projects. 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 1,626 km^2 of land in the Brazilian states of Rio Grande do Sul, Paraiba and Minas Gerais containing phosphate and copper mineralization through exploration permits it has acquired from the Brazilian National Mining Agency ('ANM'). The Company seeks to develop its holdings of phosphate and copper deposits into viable mining operations.

Notable events during the year

- Legal Proceedings commenced by a Federal Public Prosecutor ('FPP') against Aguia and the Rio Grande do Sul State Environmental Agency ('FEPAM') to put a stay on the Preliminary Licence for the Três Estradas Phosphate Project ('TEPP') due to discrepancies in the Environmental Impact Assessment ('EIA'). Aguia is very confident that the work carried out on the EIA was done with upmost competence and complies with all the necessary legal and regulatory requirements.
- In accordance with AASB 6, the exploration asset value for the Lucena Project has been written down to nil value. Any future gain on the sale of this asset will be recognised as income.
- Land acquisition for the TEPP advanced considerably with ten of the eleven properties covering the project area now acquired.
- Marketing of Aguia's Pampafos® natural phosphate fertiliser continued with an ever-growing positive response. Expressions of interest received from both growers and agronomists as consultants for growers.
- The application of Pampafos® to rice crops returned yields of up to 99.8% of those achieved using conventional fertilisers.
- The application of Pampafos® to corn crops returned green mass productivity higher than that achieved using conventional fertilisers.
- Further agronomic tests have been developed with universities and the contract with Integrar has been extended for 24 months, demonstrative plots with influential producers are being planned.
- Significant expansion of copper leases in the highly prospective Rio Grande Copper Belt ('RGCB') has taken Aguia's total land position to over 130,000 hectares; the Brazilian Geological Survey ('CPRM') has reported ~110 copper occurrences in the RGCB. Most have not yet been the subject of systematic modern exploration programs.
- Completion of Private Placement raising A$4.16 million.
- Secured a A$3.75 million loan from the Development Bank of Southern Brazil for TEPP CAPEX funding, subject to satisfying conditions precedent.

Legal proceedings

Subsequent to the year end (2 July 2021), Aguia announced that on 29 June 2021 (following market close in Australia), a FPP in Southern Brazil filed a public civil action ('PCA') before the 1st Federal Trial Court of the City of Bagé in the State of Rio Grande do Sul ('Trial Court'), seeking an emergency injunction to put a stay on the Preliminary Licence ('LP') for the TEPP granted on 15 October 2019, and to not proceed with the granting of the LI for the TEPP. Aguia and FEPAM were named as co-defendants in the matter.

Upon becoming aware of the filing of the case, Aguia's legal team was heard by the Trial Court judge in view of the FPP's request for an injunction to be granted to suspend the LP without hearing from the co-defendants. Following this, and on the same day, the Trial Court judge denied the FPP injunctive relief.

A subsequent announcement was made on 8 July 2021 providing further information on the legal proceedings brought by the FPP on three grounds. All three grounds relate to requirements of the EIA for the TEPP:

1. The Traditional Community of family ranchers present on the land affected by the TEPP was not consulted and did not provide prior, free, and informed consent.
2. In addition to the public hearing held in Lavras do Sul, a second public hearing should have been held to encompass those people in the Municipality of Dom Pedrito and in the Torquato Servero district, locations that will be affected by environmental impact of the TEPP.
3. Technical discrepancies in the EIA that was presented to FEPAM

As stated on 2 July 2021 and on 8 July 2021, Aguia is confident that the work carried out on the EIA, which was approved by FEPAM (the government environmental protection agency and co-defendant in these proceedings) prior to the granting of the LP, was done so with upmost competence by several highly qualified experts in their fields. As announced on 17 October 2019, FEPAM was extremely diligent in their review of the technical aspects of the EIA, and, in particular, the Aguia community consultation program.

Following the filing of the PCA, Aguia's technical team and legal advisers in Brazil, who worked alongside the Company during the LP process, commenced work on its defence. FEPAM retained its own legal counsel and Aguia's legal team is working in close consultation with them. At all times, Aguia maintains a willingness to engage proactively with the FPP to resolve this matter and settle these issues.

On 13 July 2021, Aguia Chair, Ms Christina McGrath, and Managing Director, Dr Fernando Tallarico, hosted a webinar to provide shareholders with further information on the grounds on which the action has be brought, legal process, and continuing company activities, followed by a Q&A session. A recording of this webinar and Q&A is available on Aguia's website: https://aguiaresources.com.au/news/#jul21.

On 18 August 2021, Aguia filed its defence along with several documents to support the technical issues outlined. The case is based on disputed facts, rather than on questions of law, with the defence addressing all the technical issues of fact.

FEPAM has since presented its defence and the case will now be sent to the FPP for a response and an indication of the evidence it intends to produce. As the testing of technical evidence in PCAs is lengthy and usually takes at least a year, Aguia is not expecting a merits decision by the Trial Court for 18-24 months. Once a merits decision is rendered, parties may appeal to the Federal Circuit Court of Appeals. An appeal to this Court can be expected to be filed which may take 6-12 months for a decision.

Aguia will be doing everything within its power to expedite the case, whilst always considering local laws, but the Company has limited control over the pace of the PCA.

Aguia has retained an expert legal team and technical personnel of the highest quality to assist with the litigation and remains confident in the work performed to date as well as the Company's solid defence arguments.

As previously advised, Aguia will attempt to engage in settlement discussions in court with the FPP aimed at resolving the matter in a timely manner.

Lucena Project

Given the geographical location of the Lucena project, in the state of Paraiba in north-eastern Brazil, the focus of the Company to bring the TEPP into production, and the continued exploration of copper assets, the exploration assets associated with the Lucena project have been written down to nil value. This is in accordance with AASB 6. Any future gain on the sale of these assets will be recognised as income.

Três Estradas Phosphate Project (TEPP)

Notwithstanding the legal proceedings, Aguia has advanced key activities to progress the TEPP into production with the application for the Installation Licence ('LI') for the TEPP submitted to FEPAM. The LI will not be granted until finalisation of the legal proceedings.

The LI is the only major outstanding permit required to commence project construction and once the Company receives the LI from FEPAM, earthworks, civil works and installation of the processing unit can begin. The Operation Licence ('LO') is then granted once FEPAM confirms that the site installation has been completed strictly within the guidelines detailed in the LI.

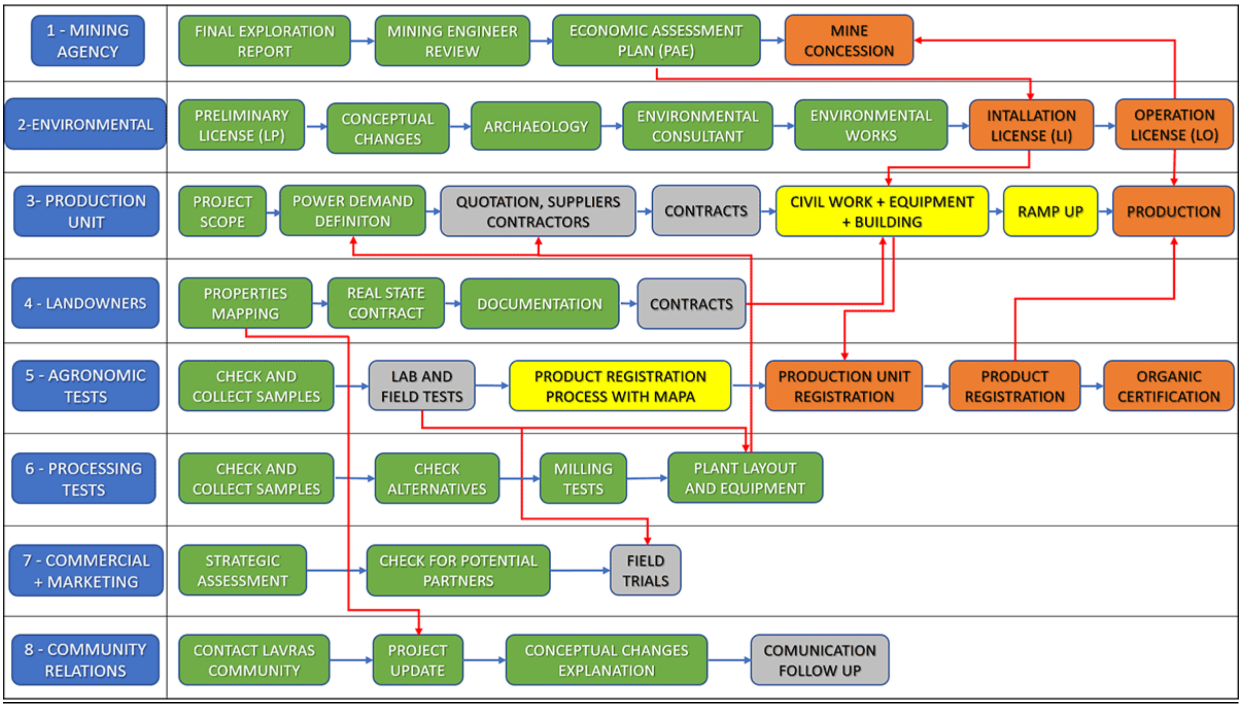

Figure 01 – Blue boxes – key activities, Green boxes – company actions completed, Grey boxes – ongoing actions, Yellow boxes – planned actions, Orange boxes – milestones.

Land acquisition

Aguia is in the final stages of land acquisition with ten of the eleven properties covering the TEPP area now acquired. The receipt of the LI, which gives the right to commence mine construction, is dependent upon completion of the land acquisition.

Phosphate marketing

Aguia is developing a natural phosphate fertiliser product with the registered brand 'Pampafos®' grading about 10% P_2O_5 which will be produced from the saprolite of the carbonatite ore (CBTSAP).

Marketing of Pampafos® has now been in progress for around nine months with an ever-growing positive response. During the year, Aguia received several expressions of interest from both growers and agronomists who consult to a significant number of growers who collectively control very large tracts of land in RS. The Company hosted a meeting attended by over 70 interested parties, including growers and agronomists. Aguia continues to promote our products at agricultural fairs and conduct site visits for interested growers.

Agronomic trials

Aguia has engaged Integrar Gestão e Inovação Agropecuária ('Integrar'), a renowned independent agronomic consulting firm located in RS, to conduct agronomic efficiency tests on 'Pampafos®' as a source of Phosphorus ('P') for crops and compare it to different sources of phosphate, including conventional phosphate fertilisers such as Super-simple Phosphate, Triple Superphosphate, Monoammonium Phosphate, and Natural Phosphate from Morocco. Tests were undertaken at Integrar's Agronomic Station located in Capivari do Sul, RS.

Test #1 evaluated three successive crops (soybean, ryegrass, and rice) in the field. It commenced in late December 2019 on soybean, the 2019/2020 summer crop, followed by ryegrass in the 2020 winter crop, and finally rice in the 2020/2021 summer crop. The results of the test on the 2020/2021 rice crop were announced on 11 May 2021. The results demonstrated an efficient P_2O_5 absorption by the plants from Pampafos® with yields of up to 98% of those achieved using conventional phosphate fertilisers returned.

Test #2 is currently ongoing to evaluate three successive crops (corn, wheat, and soybean) in pots. The test commenced in late December 2019 on corn, the 2019/2020 summer crop, followed by wheat in the 2020 winter crop, and finally soybean in the 2020/2021 summer crop. The results of the test on the 2019/2020 corn crop were announced on 9 July 2020. The productivity results indicate that the corn plants can use the P nutrient from Pampafos® that is applied to the soil, demonstrating a very positive agronomic efficiency. The expectation is that in a short period, the differences in productivity between the conventional phosphate fertilisers and Pampafos® will reduce further or be negligible due to residual P in the soil.

Aguia is currently developing further agronomic tests with the Federal University of Rio Grande do Sul and the Federal University of Pelotas, both located in RS. In addition, Aguia has signed a contract addendum with Integrar to extend the current tests at Capivari do Sul Agronomic Station for 24 months. This will include further tests on ryegrass (winter 2021), soybean (summer 2021/2022), wheat (winter 2022) and rice (summer 2022/2023).

Aguia is also planning to undertake agronomic tests in key locations across RS with high productivity, and consequently high demand for phosphate, and to establish demonstrative plots within influential producers. The technical staff is aware that conducting tests in distinct soils, on distinct crops, and varying dosages, is imperative to understanding product performance, guide the product positioning in the market, and support sales.

Copper Assets

The State of Rio Grande do Sul is host to one of the first copper mines in Brazil, the Camaqua Mine, from where 30 million tonnes of copper ore were mined. In addition to this historical mine, the CPRM has reported as many as 110 copper occurrences in the RGCB. Most of these occurrences have not yet been the subject of systematic modern exploration programs.

This geological environment is also the host of many base metal and gold projects, such as the Caçapava Project owned by Nexa Resources in a joint venture with IamGold, with a mineral resource of 26Mt @ 1.05% zinc and 1.95% lead and the Amarillo Gold project located on the outskirts of the city of Lavras do Sul, with a resource of 523,000 ounces of gold. Currently, other copper, gold, and base metals exploration projects are progressing within the RGCB.

The most advanced copper project in Aguia's portfolio is the Andrade Copper Project ('Andrade'). On 9 March 2021, Aguia announced an upgrade of the mineral resource at Andrade, with an Indicated Resource of 18Mt grading 0.41% copper and a further 4Mt of Inferred Resource grading 0.53% copper for a total of 22Mt grading 0.43% copper. In addition to this upgrade, an initial scoping study of the deposit was also released which demonstrated positive economic results. This study investigated the production of metallic copper (copper cathode) to be transported to the Port of Rio Grande, located 260km to the southeast of the project site. The results of this initial economic assessment are compelling. The full announcement can be viewed on Aguia's website: https://aguiaresources.com.au/asx-announcements/andrade-copper-updated-resource-estimate-scoping-study/.

Aguia is also progressing work on its seven other copper exploration targets that have been subjected to systematic geological mapping, rock and soil geochemistry, trenching and channel sampling, and ground geophysics. Of these regional targets, Carlota is the most advanced target as it has a copper and gold-in-soils anomaly that is underlined by a shallow ground geophysics anomaly and is ready to be drill tested. Details of Aguia's copper exploration targets are displayed in Table 01 and Figure 03 on the pages that follow.

Copper land position

During the year, Aguia continued to increase its significant and strategic exploration tenements in the RGCB, designed to cover additional copper occurrences. Aguia announced the granting of new exploration permits on 22 January 2021 and 31 May 2021. Newly permitted areas will be subject to geological mapping and initial scouting to select future targets. Aguia's total land position in the highly prospective RGCB is now over 130,000 hectares.

Table 01 – Aguia's Rio Grande Copper Belt Exploration Targets

Target	Description	Exploration Results
Andrade-Primavera Trend	Primavera is located 3.8km to the south of the Andrade deposit and is Aguia's second most important target. Four additional geophysical targets, yet unnamed, have been identified along the Andrade-Primavera trend.	Sampling of historical trenches in 2019 returned 52 metres grading 1.03% copper and 6.2g/t silver; and 11 metres grading 1.16% copper and 25.16g/t silver.
Carlota	Carlota is the third most important target because of the combined copper and gold-in- soils anomalies at surface that are underlined by a shallow plunging geophysical anomaly. The target also includes some outstanding gold grades in grab rock samples, one of which contains visible gold.	A gold-in-soils anomaly measuring over 500 metres in length with rock chip samples of up to 1.63% copper and 48 g/t gold, and 0.16% copper and 13.4g/t gold taken. Eight channels were sampled in 1 metre intervals totalling 170 samples that returned up to 29.8g/t gold.
Canhada	The Canhada Target is related to an expressive air-borne geophysical anomaly where numerous copper showings were identified at survey. Further follow-up ground geophysics highlighted multiple anomalies that merit drill testing.	The target has historical rock samples with copper assays over 4%. The air-borne geophysical anomaly is 27km2 in size (measuring about 9km by 3km). Airborne geophysics shows the target as a magnetic low, potentially associated with hydrothermal alteration of magnetite to hematite. The copper minerals occur in veins crosscutting highly fractured volcanic rock and are often weathered to malachite from the original primary copper minerals.
Passo Feio	Passo Feio is located approximately 16km to the southeast of Andrade. The target is associated with a 16km2 low-magnetic airborne geophysical anomaly interpreted to be related to the hydrothermal oxidation of magnetite to hematite.	Sampling has returned 1.55% and 2.10% copper in different rock types. Grab samples of sandstone outcrops have returned up to 2.30% copper. Six trenches have been opened (within the coarse conglomerate layer) to follow-up on rock sample results.
Seival	Located approximately 25km southwest of Andrade, the target is interpreted to be associated with the same structural corridor (a major fault zone) that controlled the Andrade and Primavera trend.	Initial rock sampling returned 2.30% copper in volcanic rock.
Lagoa Parada	The Lagoa Parada target is located 10km southeast of the city of Lavras. Airborne geophysics show a very discrete bullseye circular magnetic anomaly with a radius of 3km and copper showing occurring along the border of this anomaly as disseminations in the matrix of the sandstone and filling fractures.	Initial reconnaissance and geological mapping returned a rock assay of up to 4.22% copper and over-limited silver (>100g/t silver).
Big Ranch	Big Ranch is located approximately 18km northwest of Andrade, immediately north of the Caçapava Granite target area. The target consists of several copper-in-soils anomalies associated with a strong IP chargeability anomaly in the northern portion of the target.	Ten dipole-dipole radial lines were surveyed along the target and guided the first pass exploration drilling that was completed in late 2018. Drilling was used to map the different alteration zones and to test the bulk of the ring-shaped IP chargeability anomaly that was revealed to be primarily associated with iron sulphide minerals (such as pyrite). Minor copper and zinc sulphides were intercepted through drilling but so far in very narrow zones.

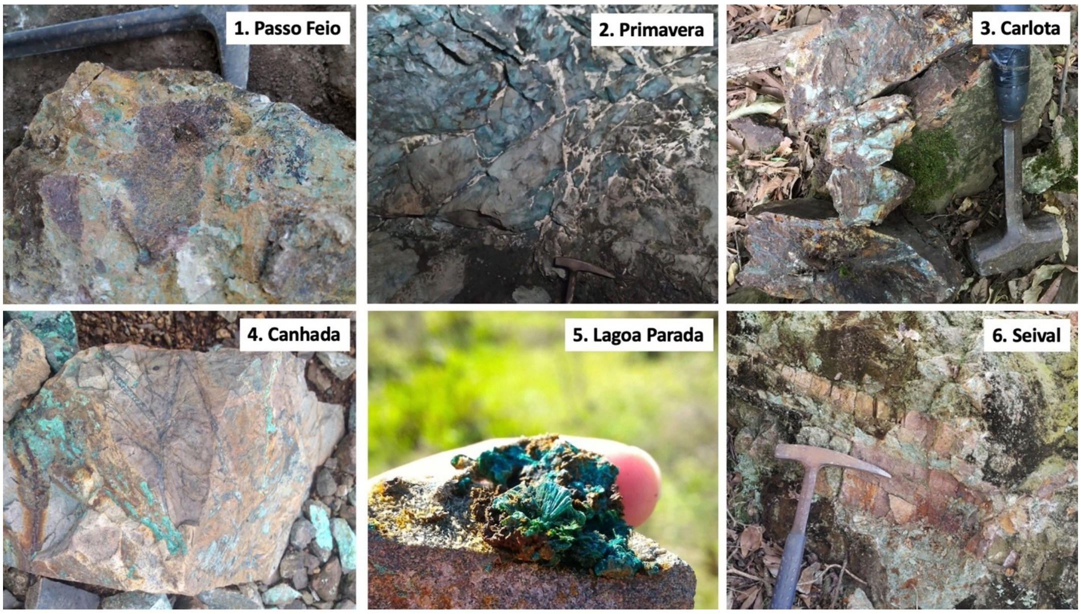

Figure 02 – Rock samples collected from Aguia's copper targets.

Figure 02 illustrates the rock samples collected from Aguia's Copper targets. All green material in the samples are secondary copper minerals, mostly malachite. Assays of each sample are as follows:

1. Passo Feio – Sample from trench interval that returned 14m @ 0.76% Copper and 11.31 g/t Silver.[1]
2. Primavera – Sample from trench interval that returned 52m @ 1.03% Copper and 6.20 g/t Silver.[2]
3. Carlota – Sample from channel interval that returned 12m @ 0.4% Copper 3.64 g/t Gold.[3]
4. Canhada – Grab sample returned 4.34% Copper.[4]
5. Lagoa Parada – Grab sample returned 4.22% Copper and over-limited Silver (>100 g/t).[5]
6. Seival – Grab sample returned 2.30% Copper.[6]

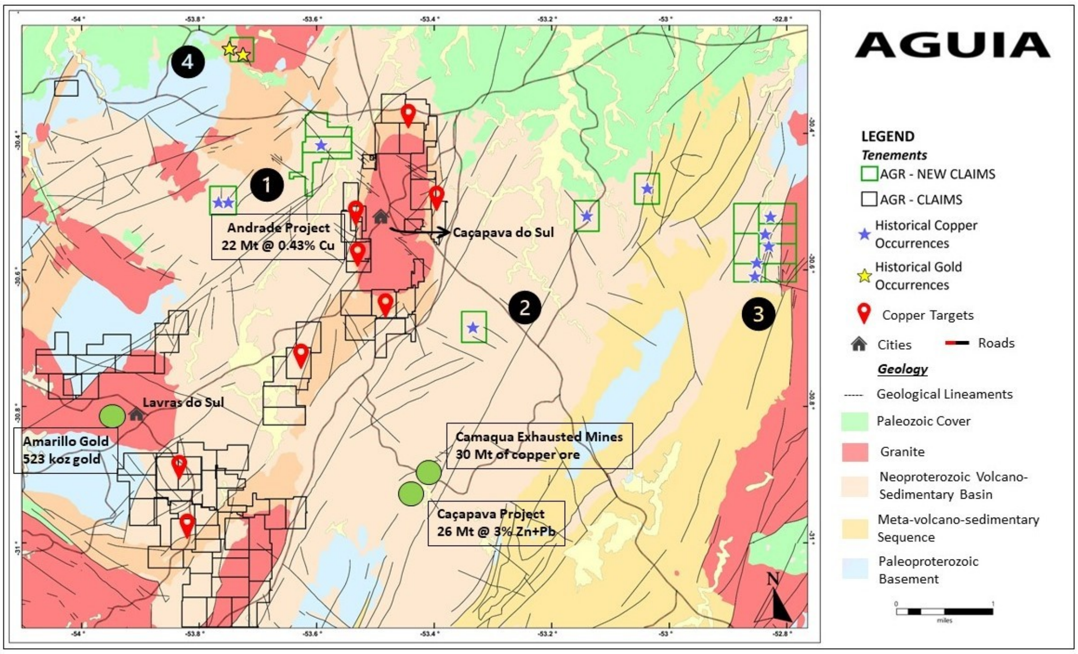

Figure 03 – Geological Map of the Rio Grande Copper Belt.

In Figure 03, the geological map of the RGCB highlights the new tenements that have been staked by Aguia and the copper occurrences they are covering. Numbers within black circles are:

1. Four highly prospective tenements covering three copper occurrences along a NE-SW trending structure.
2. Three tenements covering three copper occurrences within the same major structure that hosted the exhausted Camaqua Copper mine to the southwest.

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[1] Announced 13 November 2019: https://bit.ly/2RXYl2T
[2] Announced 28 June 2019: https://aguiaresources.com.au/asx-announcements/operational-update/
[3] Announced 18 September 2019: https://aguiaresources.com.au/asx-announcements/aguia-exploration-update-and-rock-sample-results-from-copper-targets/
[4] Announced 28 June 2019: https://aguiaresources.com.au/asx-announcements/operational-update/
[5] Announced 22 January 2021: https://aguiaresources.com.au/asx-announcements/copper-exploration-new-permits-and-scoping-study-update-pdf/
[6] Announced 18 September 2019: https://aguiaresources.com.au/asx-announcements/aguia-exploration-update-and-rock-sample-results-from-copper-targets/

3. Five historical copper occurrences spread along a 12km north-south fault system adjacent to the western edge of a Neoproterozoic Granite – a very similar setting to the highly prospective Andrade-Primavera corridor.
4. Historical gold occurrences located in a region where historical copper and gold exploration took place. These occurrences bear a geological and structural framework similar to the Lavras gold mineralisation.

Financial Activity

For the year ended 30 June 2021, the Company recorded a net loss of $10,841,976 compared to a net loss of $2,725,792 for the year ended 30 June 2020.

Capital raise

On 6 April 2021, Aguia announced the completion of a Private Placement raising approximately A$4.164 million. The funds were raised via the issue of approximately 46,269,776 fully paid Ordinary Shares to sophisticated and institutional investors at a price of A$0.09 per share. Under the terms of the Placement, for each Ordinary Share subscribed for, one half of one Unlisted Option was issued for nil additional financial consideration with an exercise price of A$0.18 and an expiry date of 31 March 2023.

Development Bank of Southern Brazil loan

On 8 June 2021, the Board of the Development Bank of Southern Brazil (Banco Regional de Desenvolvimento do Extremo Sul) ('BRDE') announced the approval of a loan to Aguia of A$3.75 million (R$15 million) for the purpose of CAPEX funding for the TEPP, subject to satisfying conditions precedent.

Total CAPEX for the TEPP is A$7.37 million (A$8.11 million with contingency). The loan from BRDE funds just over 50% of the CAPEX. Construction of the TEPP is expected to take 6-8 months following receipt of the LI which will not occur until resolution of the legal proceedings.

Table 02 – BRDE loan Terms

Loan Details	
Credit Limit	A$3.75 million (R$15 million)
Credit Limit as a % of Total CAPEX	50.88% (46.24% with contingency)
Payment Terms	20-year loan with a 2-year grace period[7]
Interest Rate	Approximately 12.00% PA

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

Other than the legal proceedings as noted on page 4 of this report, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

[7] The grace period means that for the first two years, the company will pay interest only. Principal and Interest will commence thereafter, with the loan then being amortised over 18 years.

Information on directors

Name:	**Christina McGrath**
Title:	Non-Executive Chair
Qualifications:	Bachelor of Jurisprudence – Monash University Bachelor of Laws – Monash University
Experience and expertise:	Christina has over 30 years' experience as a commercial lawyer and her specialitie include Corporate Governance, Board and Audit Committee Advisory, and Corporation Law. She has held many senior executive management positions - including Compan Secretary - in the retail and resources sectors. Christina worked at KPMG Australia fc ten years as a senior corporate advisor and was instrumental in developing KPMG' approach to Corporate Governance globally. In addition, she held a senior advisor position at KPMG's headquarters in New York for several years.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	3,671,506*
Interests in options:	4,119,506*

Name:	**Fernando Tallarico**
Title:	Managing Director
Qualifications:	Bachelor of Science – University of Brasilia Master of Science (Economic Geology) – University of Brasilia Ph.D in Economic Geology and P.Geo. – University of Campinas
Experience and expertise:	Fernando has over 25 years' experience in minerals exploration in South America with Vale, Falconbridge/Noranda, BHP Billion and junior companies of the fertilizer sector. Experienced with grassroots discoveries. He has been instrumental in putting together Aguia's portfolio of assets.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	1,137,143
Interests in options:	4,000,000

Name:	**Martin McConnell**
Title:	Non-Executive Director
Qualifications:	Bachelor of Business – University of Technology Sydney London Business School (Senior Executive Program)
Experience and expertise:	Martin has over 30 years' experience in banking and advisory services, gaining initial experience in one of Australia's trading banks before moving into management roles with several domestic and international banks. Martin was previously a Director of Grant Samuel, advising in the property and finance sectors. Martin is currently the Head of Financial Risk Products at Assetinsure, supporting banks on a global basis providing an unfunded risk participation in loan transactions ranging from leverage and acquisition finance, aviation and shipping, real estate, mining, oil and gas, infrastructure and renewables.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	371,944**
Interests in options:	1,567,627**

Name:	**David Carland (appointed 4 December 2020)**
Title:	Non-Executive Director
Qualifications:	Bachelor of Economics (Honours 1) – La Trobe University Master of Economics – Australian National University Ph.D. (Econometrics) – Australian National University
Experience and expertise:	David joined the Board of Aguia in December 2020 and has over 40 years of investment banking and commercial experience in both the private sector and government as well as a track record of success in the junior mining sector. He is the Executive Director of Australian Resources Development Limited, a company focussed on the provision of specialised advice and assistance on the structuring, financing and development of energy and resource projects.

	David was the Non-Executive Chairman of ASX listed Rex Minerals Limited ('Rex') (ASX:RXM) for seven years before retiring in May 2021. Rex is developing the Hillside copper project in South Australia and the Hog Ranch gold project in Nevada, USA. He has also previously been a Non-Executive Director of ASX listed companies Polymetals Mining Limited and Indophil Resources NL.. In June 2021, David was appointed Non-Executive Chairman of ASX listed Legacy Minerals Holdings Limited (ASX:LGM)
Other current directorships:	Legacy Minerals Holdings Limited (ASX:LGM)
Former directorships (last 3 years):	Rex Minerals Limited (ASX:RXM) (Retired May 2021)
Interests in shares:	616,658***
Interests in options:	137,120***

* Christina McGrath holds her interest in shares and options indirectly through Houtskar Pty Ltd <Footie Super Fund A/C> (Houtskar). Ms McGrath controls Houkstar and is a joint beneficiary of the fund.

** Martin McConnell holds his interest in shares and options indirectly through Allambie Pty Ltd <McConnell S/F A/C> and Allambie Pty Ltd <McConnell Family A/C>. Mr McConnell controls Allambie Pty Ltd and is a joint beneficiary of the fund and trust.

*** David Carland holds his interest in shares and options indirectly through Program Images Pty Ltd as Trustee for The Carland Superannuation Fund. Mr Carland controls Program Images Pty Ltd and is a joint beneficiary of the fund.

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

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

Company secretary

Nicholas Donlon (Bachelor of Agricultural Economics, Juris Doctor)
(Appointed 29 January 2021)
Nicholas was appointed Company Secretary of Aguia Resources in January 2021. He holds a Bachelor of Agricultural Economics (majoring in Agricultural Economics and Finance) and a Juris Doctor. He is a Certified Financial Planner, an accredited SMSF Specialist Adviser and is admitted as a Solicitor of the Supreme Court of New South Wales. Nicholas has been involved with Aguia for a number of years. Prior to his appointment as Company Secretary, he was assisting Aguia with investor relations and has worked closely with the team in both Sydney and Brazil.

Sarah Prince (Bachelor of Arts, Bachelor of Law)
(Resigned 21 January 2021)
Sarah is a company secretary and solicitor employed by Company Matters. Since joining Company Matters in 2006, Sarah has assisted many clients either as their statutory appointed company secretary or as an independent adviser to boards and management. Sarah holds a Bachelor of Arts, Bachelor of Laws and a Graduate Diploma of Applied Corporate Governance. Sarah is a member of The Governance Institute of Australia and is admitted as a Solicitor of the Supreme Court of New South Wales.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Christina McGrath - Non-Executive Chair	10	10
Fernando Tallarico - Managing Director	10	10
Martin McConnell - Non-Executive Director	10	10
David Carland - Non-Executive Director (appointed 4 December 2020)	8	8

Held: represents the number of meetings held during the time the director held office.

Committee membership

As at the date of this report, the Company has an Audit & Risk Management Committee and a Nomination & Remuneration Committee. Martin McConnell is Chair of the Audit & Risk Management Committee, David Carland and Christina McGrath are members of the Committee. David Carland is Chair of the Nomination & Remuneration Committee, Christina McGrath and Martin McConnell are members of the Committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The consolidated entity's remuneration policy for its key management personnel ('KMP') has been developed by the Board taking into account the size of the consolidated entity, the size of the management team for the consolidated entity, the nature and stage of development of the consolidated entity's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- the consolidated entity is currently focused on undertaking exploration, appraisal and development activities;
- the risks associated with small cap resource companies whilst exploring and developing projects; and
- other than profit which may be generated from asset sales, the consolidated entity does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

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

Non-executive director remuneration

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

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. Total directors' fees paid to all non-executive directors is not to exceed $400,000 per annum. Director's fees paid to non-executive directors accrue on a daily basis. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the consolidated entity and non-executive directors may in limited circumstances receive incentive options in order to secure their services.

Executive remuneration

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

The executive remuneration and reward framework has four components:

- base pay;
- short-term performance incentives;
- share-based payments; and
- other remuneration.

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

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

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

- Permitting Approvals
- Metallurgical testing Andrade
- Budget control
- Marketing initiatives

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

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

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

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to performance of the consolidated entity. The consolidated entity is currently undertaking exploration and development activities and does not expect to be undertaking profitable operations (other than by way of material asset sales) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly, the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP. The performance measure which drives incentive awards is the company's share price and the discovery, delineation and development of new mineral resources. Refer to 'Additional information' of the remuneration report for details of the last five years earnings and share price.

Voting and comments made at the company's 2020 Annual General Meeting ('AGM')

The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Aguia Resources Limited:

- Christina McGrath - Non-Executive Chair
- Fernando Tallarico - Managing Director
- Martin McConnell - Non-Executive Director
- David Carland - Non-Executive Director (appointed 4 December 2020)

	Short-term benefits		Post-employment benefits	Share-based payments	
	Cash salary	Consulting Fees	Superannuation	Equity-settled	Total
2021	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors:					
Christina McGrath*	112,419	-	20,180	68,296	200,895
Martin McConnell	45,000	-	4,275	27,761	77,036
David Carland (appointed 4 December 2020)	23,365	-	2,220	6,810[8]	32,395
Executive Directors:					
Fernando Tallarico	240,000	-	-	178,725	418,725
	420,784	-	26,675	281,592	729,051

*Included in this balance of Equity Settled share-based payments to Christina McGrath, are Equity Settled share-based payments to the value of $50,000 in lieu of payment for time served during the 2021 Financial year. The Board resolved that subject to shareholder approval at the AGM that Ms McGrath can be paid by the issue of shares and attached options. Shareholder approval was granted at the AGM on 20 November 2020 for $100,000 (being $50,000 reported in 2020, for time served during the 2020 Financial Year and $50,000 reported in 2021, for time served during the 2021 Financial year). The shares and attached options were subsequently issued on 18 December 2020.

[8] In relation to the 1,500,000 options granted to David Carland on 2 July 2021 (as approved at the EGM on this date), under AASB 2, the service period is deemed to commence in the 2021 Financial year and the associated benefit be recorded as part of Equity Settled Remuneration.

2020	Short-term benefits		Post-employment benefits	Share-based payments**	
	Cash salary	Consulting Fees	Superannuation	Equity-settled	Total
	$	$	$	$	$
Non-Executive Directors:					
Christina McGrath*	65,000	-	6,175	59,478	130,653
Martin McConnell	45,000	-	4,275	9,478	58,753
Jonathan Guinness (resigned 6 February 2020)	27,123	-	2,577	-	29,700
David Gower (resigned 16 August 2019)	6,301	-	-	-	6,301
Stephen Ross** (appointed 15 August 2019, resigned 15 April 2020)	30,082	99,400	-	-	129,482
Executive Directors:					
Fernando Tallarico (appointed 16 October 2019)	352,562	-	-	77,746	430,308
David Shearwood (resigned 20 October 2019)	76,027	-	7,223	-	83,250
Justin Reid (resigned 19 July 2019)	104,760	-	-	2,839	107,599
Other Key Management Personnel:					
Luiz Clerot (GM Phosphate, appointed 2 September 2019)	92,749	-	-	-	92,749
	799,604	99,400	20,250	149,541	1,068,795

* Included in this balance of Equity Settled share-based payments to Christina McGrath, are Equity Settled share-based payments to the value of $50,000 for additional hours of work undertaken to 30 June 2020. The Board resolved that subject to shareholder approval at the AGM that Ms McGrath can be paid by the issue of shares which were offered to her during the recent Rights Issue. On this basis, this amount has been accrued in the accounts as at 30 June 2020.

**Consulting Fees to Stephen Ross of $99,400 were for technical consulting during the 2020 financial year.

Fees and salaries for each director and key management personnel is paid through the following entities:

- Fernando Tallarico - Metalica Consultoria e Serviços de Geologia
- David Gower - Gower Exploration Consulting Inc.
- Stephen Ross - Roman Resource Management

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

	Fixed remuneration		At risk - STI		At risk - LTI	
	2021	2020	2021	2020	2021	2020
Non-Executive Directors:						
Christina McGrath	66%	100%	-	-	34%	-
Martin McConnell	64%	100%	-	-	36%	-
David Carland (appointed 4 December 2020)	79%	N/a	-	N/a	21%	N/a
Jonathan Guinness (resigned 6 February 2020)	N/a	100%	-	-	-	-
David Gower (resigned 16 August 2019)	N/a	100%	-	-	-	-
Stephen Ross (resigned 15 April 2020)	N/a	100%	-	-	-	-
Executive Directors:						
Fernando Tallarico	57%	100%	-	-	43%	-
David Shearwood (resigned 20 October 2019)	N/a	100%	-	-	-	-
Other Key Management Personnel:						
Luiz Clerot (GM Phosphate)	N/a	100%	-	-	-	-

Service agreements

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

Name:	**Fernando Tallarico**
Title:	Managing Director
Agreement commenced:	16 October 2019
Term of agreement:	3 months' notice to company and 6 months' notice by the company
Details:	Annual remuneration of AUD$240,000. Bonus as recommended and approved by the Board based on achievement of annual milestones. Mr. Tallarico is also entitled to share based payment option subject to Board approval.

Non-executive director arrangements

Non-executive directors may receive a board fee. The total fee pool for non-executive director is currently limited to $400,000 per annum. All non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Share-based compensation

Issue of shares

As approved by Shareholders at the AGM on 20 November 2020, on 18 December 2020; 2,000,000 ordinary shares at $0.05 were issued to Christina McGrath and 1,000,000 ordinary shares were issued to Fernando Tallarico in lieu of cash payment for time served to the Company.

Options

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

Options granted on 29 October 2019

All Key Management Personnel voluntarily surrendered the options granted on 29 October 2019 as they were not aligned to the Company's strategy. The terms of these options are below;

Name	Number of options granted		Grant date	Vesting date and exercisable date		Expiry date	Exercise price	Fair value per option at grant date
Fernando Tallarico	4,000,000	[a]	29/10/2019	Based on milestones	[a]	31/10/2024	$0.23	$0.1155
Christina McGrath	500,000	[b]	29/10/2019	Based on milestones	[b]	31/10/2024	$0.23	$0.1155
Martin McConnell	500,000	[b]	29/10/2019	Based on milestones	[b]	31/10/2024	$0.23	$0.1155
Jonathan Guinness (resigned 6 February 2020)	500,000	[b]	29/10/2019	Based on milestones	[b]	31/10/2024	$0.23	$0.1155
Stephen Ross (resigned 15 April 2020)	500,000	[b]	29/10/2019	Based on milestones	[b]	31/10/2024	$0.23	$0.1155

[a] 4,000,000 unlisted options issued to Fernando Tallarico with an expiry date of 31 October 2024 and an exercise price of 23 cents. The options will vest in various tranches, on the satisfaction of a number of KPI's as follows:

- **Tranche 1** – 1,200,000 options will vest on continuous employment by the Company to 30 June 2023.
- **Tranche 2** – 400,000 options will vest on 30 June 2023 if there are no lost time injuries in the period from 29 November 2019 to 30 June 2023.
- **Tranche 3** – 1,200,000 options will vest upon satisfaction of inferred JORC 2012 resource of ≥ 25Mt at ≥ 0.75% copper eq (as determined by the board).
- **Tranche 4** – 1,200,000 options will vest when the Company records one quarter of continuous production and sales of 40kt of phosphate per quarter.

[b] **Non-Executive Director Options** – 2,000,000 unlisted options, with 500,000 issued to each of Christina McGrath, Jonathan Guinness, Martin McConnell and Stephen Ross. Noting Jonathan Guinness and Stephen Ross have resigned and therefore forfeited their options. The options have an expiry date of 31 October 2024 and an exercise price of 23 cents. The options will vest in various tranches, on the satisfaction of a number of KPI's as follows:

- **Tranche 1** – 166,666 options (to each recipient) will vest on continuous employment by the Company to 30 June 2023.
- **Tranche 2** – 166,667 options (to each recipient) will vest upon satisfaction of inferred JORC 2012 resource of ≥ 25Mt at ≥ 0.75% copper eq (as determined by the board).
- **Tranche 3** – 166,667 options (to each recipient) will vest when the Company records one quarter of continuous production and sales of 40kt of phosphate per quarter.

Options granted on 20 December 2020

On 20 December 2020, the Company issued 7,000,000 unlisted share options, with an exercise price of 10 cents and expiration date of 20 November 2025 to the directors of the Company. These options will vest, depending on the satisfaction of KPI's related to the construction and subsequent opening of the TEPP Mine.

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

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Fernando Tallarico	4,000,000	20/12/2020	[a]	20/11/2025	$0.10	$0.0189
Christina McGrath	1,500,000	20/12/2020	[a]	20/11/2025	$0.10	$0.0189
Martin McConnell	1,500,000	20/12/2020	[a]	20/11/2025	$0.10	$0.0189

[a] The unlisted options will vest on the completion of the construction and subsequent opening of the TEPP mine. The options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested (but not yet exercised) by directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

	Number of options granted during the year		Number of options vested during the year	
Name	2021	2020*	2021	2020
Fernando Tallarico	4,000,000	4,000,000	-	-
Christina McGrath	3,500,000	500,000	2,619,506	-
Martin McConnell	1,500,000	500,000	67,627	-
Jonathan Guinness (resigned 6 February 2020)	-	500,000	-	-
Stephen Ross (appointed 15 August 2019, resigned 15 April 2020)	-	500,000	-	-
Total	**9,000,000**	**6,000,000**	**2,687,133**	

* Fernando Tallarico, Christina McGrath and Martin McConnell voluntarily surrendered the options granted during 2020 as they were not aligned to company's strategy. New options were issued in the 2021 year with vesting conditions aligned to the company's strategy. The issuance of the 7,000,000 unlisted share options in 2021 has been treated as a modification of the previous options for accounting and reporting purposes.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

	2021	2020	2019	2018	2017
	$	$	$	$	$
Loss after income tax	(10,841,976)	(2,725,792)	(3,342,455)	(2,242,991)	(4,065,149)

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

	2021	2020	2019	2018	2017
Share price at financial year end ($)	0.076*	0.042	0.12	0.20	0.42
Basic earnings per share (cents per share)	(3.37)	(1.37)	(2.27)	(1.87)	(4.87)

* The company was in a trading halt on the 30 June 2021, the share price at the end of the financial year has been taken as the share price on 29 June 2021.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other* [b]	Balance at the end of the year
Ordinary shares					
Christina McGrath	1,671,506	2,000,000	-	-	3,671,506
Fernando Tallarico	137,143	1,000,000	-	-	1,137,143
Martin McConnell	371,944	-	-	-	371,944
David Carland (appointed 4 December 2020)	-	-	616,658	-	616,658
	2,180,593	3,000,000	616,658	-	5,425,307

Option holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Vested and Exercisable	Balance at the end of the year
Options over ordinary shares						
Christina McGrath[9]	1,190,935	3,500,000	-	(571,429)	2,619,506	4,119,506
Fernando Tallarico	5,140,000	4,000,000	-	(5,140,000)	-	4,000,000
Martin McConnell	594,413	1,500,000	-	(500,000)	67,627	1,594,413
David Carland (appointed 4 December 2020)	-	-	-	137,120	-	137,120
	6,925,348	9,000,000	-	(6,074,309)	2,687,133	9,851,039

This concludes the remuneration report, which has been audited.

[9] Christina McGrath received 1,500,000 options under the ESOP arrangement and 2,000,000 options in lieu of time served. Prior to issuance, the 2,000,000 listed options required shareholder approval. Approval was received at 2020 AGM.

Shares under option

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

Issue date	Expiry date	Exercise price	Number under option
25 July 2019**	30 June 2021	$0.120	697,233
25 May 2020**	23 September 2021	$0.150	500,810
24 April 2020**	20 April 2022	$0.160	4,564,063
20 December 2020**	20 November 2025	$0.100	7,000,000
30 June 2020*	30 June 2023	$0.100	61,773,033
12 April 2021**	31 March 2023	$0.180	23,134,888
			97,670,027

* Listed options are exercisable at the discretion of the option holder, no person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate. The listed options do not carry any voting and dividend rights'

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

Shares issued on the exercise of options

There were no ordinary shares of Aguia Resources Limited issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

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

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young during or since the financial year.

Proceedings on behalf of the company

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

Non-audit services

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

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

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

Auditor's independence declaration

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

Auditor

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

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

On behalf of the directors

Christina McGrath
Chair

29 September 2021
Sydney

Building a better
working world

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Auditor's Independence Declaration to the Directors of Aguia Resources Limited

As lead auditor for the audit of the financial report of Aguia Resources Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

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

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

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

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
29 September 2021

Financial Statements

General information

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

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

Registered office	Principal place of business
Level 12 680 George Street Sydney NSW 2000	Rua Dr. Vale nº 555, Sala 406, Bairro Floresta, CEP.: 90560-010, Porto Alegre, RS.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2021.

Statement of Consolidated Profit and loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue			
Interest revenue calculated using the effective interest method		6,865	8,888
Other income	22	42,544	12,890
Movement in fair value of derivatives		-	41,752
Total Revenue		49,409	63,530
Expenses			
Employee benefits expense		(48,030)	(184,721)
Share based payments	9 & 21	(324,782)	(174,863)
Depreciation and amortisation expense		(4,171)	(8,182)
Impairment of Exploration Assets	6	(9,096,353)	-
Corporate expenses		(670,360)	(943,040)
Business development costs		(253,450)	(698,216)
Legal and professional		(198,037)	(220,215)
Administrative expense		(296,202)	(560,085)
Total Expenses		(10,891,385)	(2,789,322)
Loss before income tax expense		(10,841,976)	(2,725,792)
Income tax expense	4	-	-
Loss after income tax expense for the year		(10,841,976)	(2,725,792)
Attributable to:			
Equity holders of Aguia Resources Ltd		(10,841,976)	(2,570,575)
Non-controlling interests		-	(155,217)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	9	216,349	(8,291,855)
Total other comprehensive income/(loss) for the year		216,349	(8,291,855)
Total comprehensive loss for the year		**(10,625,627)**	**(11,017,647)**
Attributable to:			
Equity holders of Aguia Resources Ltd		(10,625,627)	(10,862,430)
Non-controlling interests		-	(155,217)
		Cents	**Cents**
Basic earnings per share	20	(3.37)	(1.37)
Diluted earnings per share	20	(3.37)	(1.37)

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

Statement of Consolidated Financial Position
As at 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents		4,298,379	3,070,249
Trade and other receivables		53,045	9,905
Prepayments		33,906	32,693
Total current assets		4,385,330	3,112,847
Non-current assets			
Property, plant and equipment	5	1,682,277	32,994
Exploration and evaluation	6	24,137,332	32,048,624
Total non-current assets		25,819,609	32,081,618
Total assets		30,204,939	35,194,465
Liabilities			
Current liabilities			
Trade and other payables	7	1,484,601	660,776
Advances of future capital increases		591,383	-
Total current liabilities		2,075,984	660,776
Total liabilities		2,075,984	660,776
Net assets		**28,128,955**	**34,533,689**
Equity			
Contributed capital	8	118,101,048	114,045,470
Reserves	9	(10,188,952)	(10,570,616)
Accumulated losses		(79,783,141)	(68,785,948)
Non-controlling interest		-	(155,217)
Total equity		**28,128,955**	**34,533,689**

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

Statement of Consolidated Changes in Equity
For year ended 30 June 2021

Consolidated	Ordinary shares	Reserves (Note 9)	Accumulated losses	Non-controlling interest	Total equity
	$	$	$	$	$
Balance at 1 July 2019	104,675,564	(2,529,484)	(66,215,373)	-	35,930,707
Loss after income tax expense for the year	-	-	(2,570,575)	(155,217)	(2,725,792)
Other comprehensive income/(loss) for the year, net of tax	-	(8,291,855)	-	-	(8,291,855)
Total comprehensive income/(loss) for the year	-	(8,291,855)	(2,570,575)	(155,217)	(11,017,647)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	9,369,906	-	-	-	9,369,906
Share-based payments (note 9 and note 21)	-	250,723	-	-	250,723
Balance at 30 June 2020	114,045,470	(10,570,616)	(68,785,948)	(155,217)	34,533,689

Consolidated	Ordinary shares	Reserves (Note 9)	Accumulated losses	Non-controlling interest	Total equity
	$	$	$	$	$
Balance at 1 July 2020	114,045,470	(10,570,616)	(68,785,948)	(155,217)	34,533,689
Loss after income tax expense for the year	-	-	(10,841,976)	-	(10,841,976)
Recognition of NCI as Controlled Interest	-	-	-	155,217	155,217
Transfer of NCI to Accumulated Losses	-	-	(155,217)	-	(155,217)
Other comprehensive income/(loss) for the year, net of tax	-	216,349	-	-	216,349
Total comprehensive income/(loss) for the year	-	216,349	(10,997,193)	155,217	(10,625,627)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 8)	4,055,578	-	-	-	4,055,578
Share-based payments (note 9)	-	165,315	-	-	(224,782)
Balance at 30 June 2021	118,101,048	(10,188,952)	(79,783,141)	-	28,128,955

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

Statement of Consolidated Cash Flows
For year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Payments to suppliers and employees		(735,150)	(3,468,958)
Interest received		6,865	8,888
Net cash used in operating activities	19	(728,285)	(3,460,070)
Cash flows from investing activities			
Purchase of land		(787,501)	16,823
Payments for exploration and evaluation		(938,858)	(2,922,846)
Net cash used in investing activities		(1,726,359)	(2,906,023)
Cash flows from financing activities			
Proceeds from issue of shares		4,004,815	10,072,288
Share issue transaction costs		(288,167)	(626,523)
Net cash from financing activities		3,716,648	9,445,765
Net Increase in cash and cash equivalents		1,262,004	3,079,672
Cash and cash equivalents at the beginning of the financial year		3,070,249	55,498
Effects of exchange rate changes on cash and cash equivalents		(33,874)	(64,921)
Cash and cash equivalents at the end of the financial year		4,298,379	3,070,249

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

Notes to the Consolidated Financial Statements

Note 1. Significant accounting policies

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or Impending Changes to Accounting Standards and Interpretations

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Issued and effective:

Amendments to AASB 3: Definition of a business

In October 2018, the IASB issued amendments to the definition of a business in AASB 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendment to AASB 3 is effective for reporting periods beginning on or after 1 January 2020. Since amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Issued but not yet effective:

Amendments to IFRS 3: Reference to Conceptual Framework

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments are effective for annual periods beginning on or after 1 January 2022. They are not expected to have a significant impact on the Group's consolidated financial statements.

Note 1. Significant accounting policies (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

• What is meant by a right to defer settlement

• That a right to defer must exist at the end of the reporting period

• That classification is unaffected by the likelihood that an entity will exercise its deferral right

• That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

These amendments are effective for annual periods beginning on or after 1 January 2023. They are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments are effective for annual periods beginning on or after 1 January 2022. They are not expected to have a significant impact on the Group's consolidated financial statements.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated entity has incurred net losses after tax of $10,841,976 (2020: $2,725,792) and net cash outflows from operating and investing activities of $2,454,644 (2020: $6,366,093) for the year ended 30 June 2021.

The consolidated entity has not generated significant revenues from operations. Based on the cash flow forecasts, the Board is aware of the Group's need to access additional working capital in the future in order to progress its projects.

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to pay its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on the following pertinent matters:

- The Group has the capacity to manage its activities in the short term to minimise its funding requirements.
- The directors regularly monitor the Group's cash position and, on an on-going basis, consider capital raisings or other methods to ensure that adequate funding continues to be available.
- The Group's history of being able to raise funds when required.
- The Directors believe that future funding will be available to meet the Group's objectives and debts as and when they fall due.

In the event the consolidated entity is unsuccessful in achieving the above, there is a material uncertainty that may cast significant doubt as to whether the consolidated entity will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 16.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Aguia Resources Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Aguia Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 1. Significant accounting policies (continued)

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

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

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

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

Operating segments

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

Foreign currency translation

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

Foreign currency transactions

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

Foreign operations

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

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

Revenue recognition

The consolidated entity recognises revenue as follows:

Interest

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established. Other revenue in the current period relates to grants from the Australian Government under the cash boosting scheme (Refer to Note 22). Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

Note 1. Significant accounting policies (continued)

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

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

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

Members of the tax consolidated group and the tax sharing arrangement Aguia Resources Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2013. Aguia Resources Limited is the head entity of the tax consolidated group.

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

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

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

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

Other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 1. Significant accounting policies (continued)

Derivative financial instruments

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

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

Property, plant and equipment

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

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

- Plant and equipment 3-5 years

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

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

Exploration and evaluation assets

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

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

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

Trade and other payables

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

Employee benefits

Short-term employee benefits

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

Defined contribution superannuation expense

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

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

Fair value measurement

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

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

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

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

Contributed capital

Ordinary shares are classified as equity.

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

Earnings per share

Basic earnings per share

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

Note 1. Significant accounting policies (continued)

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions used in the valuation models relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Carrying value of exploration and evaluation assets

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

Note 3. Operating segments

Identification of reportable operating segments

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

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

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

Note 4. Income tax expense

	Consolidated	
	2021 $	2020 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(10,841,976)	(2,725,792)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(2,818,914)	(749,593)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenditure not allowable for income tax purposes	84,442	48,070
Differences arising from losses in Brazil at a tax rate of 15%	53,640	60,673
Non-assessable income	(3,520)	(15,026)
Lucena Impairment	2,365,052	-
Current year tax (loss) not recognised	(319,029)	(655,876)
Income tax expense	-	-

	Consolidated	
	2021 $	2020 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	19,911,357	18,684,322
Potential tax benefit @ 26% (2020: 27.5%)	5,176,953	5,138,188

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

Tax consolidation

Members of the tax consolidated group and the tax sharing arrangement Aguia Resources Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2013. Aguia Resources Limited is the head entity of the tax consolidated group.

Note 5. Property, Plant and Equipment

	Consolidated		
	Freehold Land	Other Equipment $	Total $
Cost or valuation			
At 1 July 2019	-	43,580	43,580
Additions	-	-	-
Disposals	-	-	-
At 30 June 2020	**-**	**43,580**	**43,580**
Additions	1,642,511	10,943	1,642,511
Disposals	-	-	-
At 30 June 2021	**1,642,511**	**54,523**	**1,686,091**
Depreciation			
At 1 July 2019	-	2,404	2,404
Depreciation	-	8,182	8,182
Disposals	-	**-**	-
At 30 June 2020	**-**	**10,586**	**10,586**
Depreciation	-	4,171	4,171
Disposals	-	-	-
At 30 June 2021	**-**	**14,757**	**14,757**
Net Book Value			
At 30 June 2020	-	32,994	32,944
At 30 June 2021	**1,642,511**	**39,766**	**1,682,277**

Note 6. Non-current assets - exploration and evaluation

	Consolidated	
	2021 $	2020 $
Brazilian Phosphate project - at cost	42,848,733	41,891,765
Less: Impairment*	(21,852,634)	(12,660,637)
	20,996,099	29,231,128
Brazilian Copper project - at cost	3,141,233	2,817,496
Less: Impairment	-	-
	3,141,233	2,817,496
	24,137,332	32,048,624

* In accordance with AASB 6, the exploration asset value for the Lucena Project has been written down to nil value. Any future gain on the sale of this asset will be recognised as income. Given the geographical location of the Lucena project, in the state of Paraiba in North Eastern Brazil, the focus of the Company to bring the TEPP into production and the continued exploration of copper assets, the exploration assets associated with the Lucena project have been written down to nil value.

Note 6. Non-current assets - exploration and evaluation (continued)

Reconciliations

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

	Consolidated	
	Exploration & evaluation $	Total $
Balance at 1 July 2019	37,471,942	37,471,942
Additions	2,571,588	2,571,588
Exchange differences	(7,994,906)	(7,994,906)
Balance at 30 June 2020	32,048,624	32,048,624
Balance at 1 July 2020	32,048,624	32,048,624
Additions	686,607	686,607
Impairment - Lucena Project	(9,096,353)	(9,096,353)
Exchange differences	498,454	498,454
Balance at 30 June 2021	24,137,332	24,137,332

Note 7. Current liabilities - Trade and other payables

	Consolidated	
	2021 $	2020 $
Trade payables	75,969	491,306
Accrued expenses	1,339,181	118,078
Other payables	69,451	51,392
	1,484,601	660,776

Trade Payables are settled within 30 -90 days and are non-interest bearing

Note 8. Equity - Contributed capital

	Consolidated			
	2021 # of Shares	2020 # of Shares	2021 $	2020 $
Ordinary shares - fully paid	327,121,517	277,365,126	118,101,048	114,045,470

Movements in ordinary share capital

	Date	Shares	Issue price	$
Opening Balance 1 July 2019	1 July 2019	164,255,158		104,675,564
Shares issued - Placement	16 July 2019	21,128,290	$ 0.120	2,535,395
Shares issued - Commission	7 August 2019	286,496	$ 0.120	34,380
Shares issued - Placement	27 September 2019	15,176,068	$ 0.150	2,276,410
Shares issued - Placement	21 November 2019	1,428,571	$ 0.175	250,000
Shares issued - Placement	20 December 2019	9,454,666	$ 0.150	1,418,200
Shares issued – Placement*	24 April 2020	9,128,126	$ 0.080	730,250
Shares issued – Commission	25 May 2020	350,448	$ 0.080	28,036
Rights issue**	30 June 2020	56,157,303	$ 0.050	2,807,865
Share issue costs				(710,630)
Closing Balance 30 June 2020	30 June 2020	277,365,126		114,045,470
Opening Balance 1 July 2020	1 July 2020	277,365,126		114,045,470
Shares issued – to Christina McGrath at AGM	18 December 2020	2,000,000	$0.05	100,000
Shares issued – to Fernando Tallarico at AGM	18 December 2020	1,000,000	$0.05	50,000
Shares issued – in lieu of cash payment	18 December 2020	236,615	$0.04	9,465
Shares issued – Placement***	12 April 2021	46,269,776	$0.09	4,164,280
Shares issued – in lieu of cash payment	21 Jun 2021	250,000	$0.08	20,000
Share issue costs				(288,167)
Closing Balance 30 June 2021	30 June 2021	327,121,517		118,101,048

* Attached to the shares issued on 24 April 2020 are 4,564,063 unlisted options, with an exercise price of $0.160 and expiry date of 20 April 2022. These options can be exercised at the discretion of the option holders.

** Attached to the shares issued on 30 June 2020 are 61,773,033 listed options, with an exercise price of $0.100 and expiry date of 30 June 2023. These options can be exercised at the discretion of the option holders.

*** Attached to the shares issued on 12 April 2021 are 23,134,88 unlisted options, with an exercise price of $0.180 and expiry date of 31 March 2023. These options can be exercised at the discretion of the option holders.

Ordinary shares

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

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

Note 8. Equity - Contributed capital (continued)

Capital risk management

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

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

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

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

As at 30 June 2021, The consolidated entity is not subject to financing arrangements covenants.

Note 9. Equity – Reserves

	Consolidated	
	2021 **$**	**2020** **$**
Foreign currency reserve	(15,631,844)	(15,848,193)
Share-based payments reserve	5,360,707	5,195,392
Capital contribution reserve	82,185	82,185
	(10,188,952)	(10,570,616)

Foreign currency reserve

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

Share-based payments reserve

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

Capital contribution reserve

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

Note 9. Equity – Reserves (continued)

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

	Consolidated			
	Capital contribution	Share-based payments	Foreign currency	Total
	$	$	$	$
Balance at 1 July 2019	82,185	4,944,669	(7,556,338)	(2,529,484)
Foreign currency translation	-	-	(8,291,855)	(8,291,855)
Share-based payments	-	250,723	-	250,723
Balance at 30 June 2020	82,185	5,195,392	(15,848,193)	(10,570,616)
Balance at 1 July 2020	82,185	5,195,392	(15,848,193)	(10,570,616)
Foreign currency translation	-	-	216,349	216,349
Share-based payments	-	165,315	-	165,315
Balance at 30 June 2021	82,185	5,360,707	(15,631,844)	(10,188,952)

Note 10. Equity – Dividends

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

Note 11. Financial instruments

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

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

Market risk

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

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

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

Interest rate risk
The consolidated entity's main interest rate risk arises from short-term deposits with a floating interest rate.

Note 11. Financial instruments (continued)

Credit risk

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

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

There are no significant concentrations of credit risk within the consolidated entity.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year. The exposure to sensitivities on credit risk in not material.

Liquidity risk

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

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

Remaining contractual maturities

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

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated – 2021	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	75,969	-	-	-	75,969
Other payables	-	1,339,181	-	-	-	1,339,181
Accruals	-	69,451	-	-	-	69,451
Advances of future capital increases	-	591,383	-	-	-	591,383
Total non-derivatives	-	2,075,984	-	-	-	2,075,984

Note 11. Financial instruments (continued)

Consolidated – 2020	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	491,306	-	-	-	491,306
Other payables	-	51,392	-	-	-	51,392
Accruals	-	118,078	-	-	-	118,078
Total non-derivatives		660,776	-	-	-	660,776

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

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

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

Note 12. Key management personnel disclosures

Compensation

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

	Consolidated	
	2021 $	2020 $
Short-term employee benefits	420,784	799,604
Consulting fees	-	99,400
Superannuation	26,675	20,250
Share-based payments	274,782	149,541
	722,241	1,068,795

Note 13. Remuneration of auditors

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

	Consolidated	
	2021 $	2020 $
Audit services - Ernst & Young		
Audit or review of the financial statements	52,000	52,000
Audit services - network firms - Ernst & Young Brazil		
Audit or review of the financial statements	17,500	18,414

Note 14. Contingent liabilities

Subsequent to the year end (2 July 2021), Aguia announced that on 29 June 2021 (following market close in Australia), a FPP in Southern Brazil filed a public civil action (‘PCA’) before the 1st Federal Trial Court of the City of Bagé in the State of Rio Grande do Sul (‘Trial Court’), seeking an emergency injunction to put a stay on the Preliminary Licence (‘LP’) for the TEPP granted on 15 October 2019, and to not proceed with the granting of the LI for the TEPP. Aguia and FEPAM were named as co-defendants in the matter.

Upon becoming aware of the filing of the case, Aguia’s legal team was heard by the Trial Court judge in view of the FPP’s request for an injunction to be granted to suspend the LP without hearing from the co-defendants. Following this, and on the same day, the Trial Court judge denied the FPP injunctive relief.

A subsequent announcement was made on 8 July 2021 providing further information on the legal proceedings brought by the FPP on three grounds. All three grounds relate to requirements of the EIA for the TEPP:

1. The Traditional Community of family ranchers present on the land affected by the TEPP was not consulted and did not provide prior, free, and informed consent.
2. In addition to the public hearing held in Lavras do Sul, a second public hearing should have been held to encompass those people in the Municipality of Dom Pedrito and in the Torquato Servero district, locations that will be affected by environmental impact of the TEPP.
3. Technical discrepancies in the EIA that was presented to FEPAM.

As stated on 2 July 2021 and on 8 July 2021, Aguia is confident that the work carried out on the EIA, which was approved by FEPAM (the government environmental protection agency and co-defendant in these proceedings) prior to the granting of the LP, was done so with upmost competence by several highly qualified experts in their fields. As announced on 17 October 2019, FEPAM was extremely diligent in their review of the technical aspects of the EIA, and, in particular, the Aguia community consultation program.

Following the filing of the PCA, Aguia’s technical team and legal advisers in Brazil, who worked alongside the Company during the LP process, commenced work on its defence. FEPAM retained its own legal counsel and Aguia’s legal team is working in close consultation with them. At all times, Aguia maintains a willingness to engage proactively with the FPP to resolve this matter and settle these issues.

On 13 July 2021, Aguia Chair, Ms Christina McGrath, and Managing Director, Dr Fernando Tallarico, hosted a webinar to provide shareholders with further information on the grounds on which the action has be brought, legal process, and continuing company activities, followed by a Q&A session. A recording of this webinar and Q&A is available on Aguia’s website: https://aguiaresources.com.au/news/#jul21.

On 18 August 2021, Aguia filed its defence along with several documents to support the technical issues outlined. The case is based on disputed facts, rather than on questions of law, with the defence addressing all the technical issues of fact.

FEPAM has since presented its defence and the case will now be sent to the FPP for a response and an indication of the evidence it intends to produce. As the testing of technical evidence in PCAs is lengthy and usually takes at least a year, Aguia is not expecting a merits decision by the Trial Court for 18-24 months. Once a merits decision is rendered, parties may appeal to the Federal Circuit Court of Appeals. An appeal to this Court can be expected to be filed which may take 6-12 months for a decision.

Aguia will be doing everything within its power to expedite the case, whilst always considering local laws, but the Company has limited control over the pace of the PCA.

Aguia has retained an expert legal team and technical personnel of the highest quality to assist with the litigation and remains confident in the work performed to date as well as the Company’s solid defence arguments.

As previously advised, Aguia will attempt to engage in settlement discussions in court with the FPP aimed at resolving the matter in a timely manner.

The consolidated entity does not have any other contingent liabilities as at 30 June 2021 (30 June 2020: nil).

Note 15. Related party transactions

Parent entity
Aguia Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 16.

Key management personnel
Disclosures relating to key management personnel are set out in note 11 and the remuneration report included in the directors' report.

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

	Consolidated	
	2021 **$**	**2020** **$**
Payment for goods and services:		
Payment to Australian Resources Development Limited, a company controlled by NED David Carland, for consulting work.	42,300	-
Payment to Brooke McConnell, daughter of NED Mr Martin McConnell, for redesign of the Aguia website and corporate presentation.	17,517	-

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

Note 16. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2021 **$**	**2020** **$**
Loss after income tax	(9,203,785)	(2,116,307)
Total comprehensive loss	(9,203,785)	(2,116,307)

Note 16. Parent entity information (continued)

Statement of financial position

	Parent	
	2021 $	2020 $
Total current assets	1,081,697	2,814,536
Total assets	46,654,171	51,074,311
Total current liabilities	125,785	154,419
Total liabilities	717,168	154,419
Equity		
Contributed capital	118,101,048	114,045,470
Share-based payments reserve	5,360,709	5,195,392
Capital contribution reserve	82,185	82,185
Accumulated losses	(77,906,939)	(68,403,155)
Total equity	45,937,003	50,919,892

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 17. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Aguia Mining Pty Ltd	Australia	100.00%	100.00%
Aguia Phosphate Pty Ltd	Australia	100.00%	100.00%
Aguia Potash Pty Ltd	Australia	100.00%	100.00%
Aguia Copper Pty Ltd	Australia	100.00%	100.00%
Aguia Metais Ltda	Brazil	100.00%	100.00%
Potassio do Atlantico Ltda	Brazil	100.00%	100.00%
Aguia Rio Grande Mineracao Ltda	Brazil	100.00%	100.00%
Aguia Fertilizantes S.A.*	Brazil	49.00%	49.00%

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

Note 18. Events after the reporting period

At the EGM held on 2 July 2021, as approved by shareholders, 1,500,000 options were issued to Non-Executive Director Dr David Carland as remuneration. The Options expire on 20 November 2025 and the exercise price is $0.10.

At the EGM held on 2 July 2021, as approved by shareholders 6,570,923 shares be issued at $0.09. Attached to the shares issued on 2 July 2021 are 3,285,461 unlisted options, with an exercise price of $0.180 and expiry date of 31 March 2023. These options can be exercised at the discretion of the option holders.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2021 $	2020 $
Loss after income tax expense for the year	(10,841,976)	(2,725,792)
Adjustments for:		
Depreciation and amortisation	4,172	8,182
Write off of property, plant and equipment	(9,508)	(8,188)
Impairment of Lucena Project	9,096,353	-
Share-based payments	324,782	174,863
Movement in fair value of derivatives	-	(41,752)
Change in operating assets and liabilities:		
Increase/(decrease) in trade and other receivables	(43,876)	18,605
Increase/(decrease) in trade and other payables	741,768	(885,988)
Net cash used in operating activities	(728,285)	(3,460,070)

Note 20. Earnings per share

	Consolidated 2021 $	Consolidated 2020 $
Loss after income tax attributable to the owners of Aguia Resources Limited	(10,841,976)	(2,725,792)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	287,842,400	199,505,879
Weighted average number of ordinary shares used in calculating diluted earnings per share	287,842,400	199,505,879

	Cents	Cents
Basic earnings per share	(3.37)	(1.37)
Diluted earnings per share	(3.37)	(1.37)

Note 21. Share-based payments

A share option plan has been established by the consolidated entity, whereby the consolidated entity may, at the discretion of the Board and if permitted by the Board, grant options over ordinary shares in the parent entity to certain employees, key management personnel and advisers of the consolidated entity. Whereby they were not granted under the share option plan, they have been approved by shareholders at the respective Annual General Meeting. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board. The options are not quoted on the ASX and the Board may amend the option plan rules subject to the requirements of the Listing Rules.

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

2021							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/11/2017	05/12/2020	$0.600	7,520,000	-	-	(7,520,000)	-
29/10/2019 *	31/10/2024	$0.230	5,000,000	-	-	(5,000,000)	-
20/12/2020	05/04/2022	$0.100	-	7,000,000	-	-	7,000,000
			12,520,000	7,000,000	-	(12,520,000)	7,000,000

* All Key Management Personnel voluntarily surrendered the options granted on 29 October 2019 as they were not aligned to company's strategy.

2020							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
07/12/2016	07/12/2019	$0.625	260,000	-	-	(260,000)	-
16/12/2016	16/12/2019	$0.600	810,000	-	-	(810,000)	-
02/06/2017	02/06/2020	$0.640	120,000	-	-	(120,000)	-
28/07/2017	28/07/2020	$0.540	150,000	-	-	(150,000)	-
28/11/2017	05/12/2020	$0.600	7,520,000	-	-	-	7,520,000
05/04/2019	05/04/2022	$0.140	300,000	-	-	(300,000)	-
29/10/2020	31/10/2024	$0.230	-	6,000,000	-	(1,000,000)	5,000,000[a][b]
			9,160,000	6,000,000	-	(2,640,000)	12,520,000

Note 21. Share-based payments (continued)

On 20 December 2020, the Company issued 7,000,000 unlisted share options, with an exercise price of 10 cents and expiration date of 20 November 2025 to the directors of the Company. These options will vest, depending on the satisfaction of KPI's related to the construction and subsequent opening of the TEPP Mine.

All Key Management Personnel voluntarily surrendered the previous options granted at the prior AGM as they were not aligned to company's strategy. The terms of the options that were voluntarily surrendered were as follows;

[a] 4,000,000 unlisted options issued to Fernando Tallarico with an expiry date of 31 October 2024 and an exercise price of 23 cents. The options will vest in various tranches, on the satisfaction of a number of KPI's as follows:

- **Tranche 1** – 1,200,000 options will vest on continuous employment by the Company to 30 June 2023.
- **Tranche 2** – 400,000 options will vest on 30 June 2023 if there are no lost time injuries in the period from 29 November 2019 to 30 June 2023.
- **Tranche 3** – 1,200,000 options will vest upon satisfaction of inferred JORC 2012 resource of ≥ 25Mt at ≥ 0.75% copper eq (as determined by the board).
- **Tranche 4** – 1,200,000 options will vest when the Company records one quarter of continuous production and sales of 40kt of phosphate per quarter.

[b] **Non-Executive Director Options** – 2,000,000 unlisted options, with 500,000 issued to each of Christina McGrath, Jonathan Guinness, Martin McConnell and Stephen Ross. Noting Jonathan Guinness and Stephen Ross have resigned and therefore forfeited their options. The options have an expiry date of 31 October 2024 and an exercise price of 23 cents. The options will vest in various tranches, on the satisfaction of a number of KPI's as follows:

- **Tranche 1** – 166,666 options (to each recipient) will vest on continuous employment by the Company to 30 June 2023.
- **Tranche 2** – 166,667 options (to each recipient) will vest upon satisfaction of inferred JORC 2012 resource of ≥ 25Mt at ≥ 0.75% copper eq (as determined by the board).
- **Tranche 3** – 166,667 options (to each recipient) will vest when the Company records one quarter of continuous production and sales of 40kt of phosphate per quarter.

The issuance of the 7,000,000 unlisted share options has been treated as a modification of the previous options for accounting and reporting purposes. With respect to these options, a total of $165,316 has been recognised in the profit or loss as share-based payments for the 12-month period ended 30 June 2021.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.03 (2020: 4.92 years)

The weighted average exercise price of options outstanding at the end of the financial year was $0.12 (2020: $0.230).

For the replacement options granted during the current financial year, the valuation model (Black-Scholes option pricing model) inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
20/12/2020	20/11/2025	$0.0410	$0.10	103.55%	-	0.1401%	$0.0189

The historical volatility factor for Aguia shares over the 12-month period to 20 December 2020 was 103.55%. This has been used as the expected volatility factor in the Black Scholes model.

Note 22. Other Income

Other Income represents the Australian Governments' Cash Boosting Incentive paid to Aguia Resources Limited. This is a temporary cash flow boost to support small and medium businesses and not-for-profit organisations during the economic downturn associated with COVID-19. In order to be eligible, the Company was required to be a small to medium sized entity making payments to employees subject to withholding.

Note 23. Commitments

The consolidated entity does not have any significant commitments as at 30 June 2021 and 30 June 2020 other than those already been disclosed in the financial statements.

Directors' declaration
30 June 2021

In the directors' opinion:

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

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

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the directors

____
Fernando Tallarico
Managing Director

29 September 2021

Building a better working world

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aguia Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors Declaration.

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

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

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

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report which describes the principal conditions that raise doubt about the entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Building a better working world

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

Carrying Value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
The Group's exploration assets of $24.1m as at 30 June 2021 represent 80% of the total assets of the Group. Exploration assets are initially recognised at cost and any additional expenditure is capitalised to the exploration assets in accordance with the Group's accounting policy as outlined in Note 1. At each reporting date the Directors' assess the Group's exploration assets for indicators of impairment. The decision as to whether there are indicators that require the Group's exploration assets to be assessed for impairment in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* involved judgment, including whether; the rights to tenure for the areas of interest are current; the Group's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest. During the period the Group impaired the entire carrying value of the Lucena project totaling $9.1m on the basis that it did not meet the above criteria. We have therefore considered this a Key Audit Matter due to the value of the exploration assets relative to total assets, the significant judgments involved in the assessment of indicators of impairment and the impairment taken during the period.	Our procedures to address the Group's assessment of impairment indicators for exploration assets included: ▶ Understanding the current exploration program and any associated risks. ▶ Considering the Group's right to explore in the relevant exploration area, which included obtaining and assessing supporting documentation such as license agreements. ▶ Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant areas of interest, which included an assessment of the Group's cash-flow forecast models and discussions with management as to the intentions and strategy of the Group. ▶ Agreeing a sample of costs capitalised for the period to supporting documentation and considering whether these costs meet the requirements of Australian Accounting Standards and the Group's accounting policy. ▶ Assessing whether exploration and evaluation data exist to indicate that the carrying value of capitalised exploration and evaluation is unlikely to be recovered through development or sale. ▶ Assessing whether the methodology used and outcomes reached by the Group to identify indicators of impairment met the requirements of Australian Accounting Standards. ▶ Evaluating the adequacy of the related disclosures in the financial report.

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's 2021 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 19 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Aguia Resources Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
Sydney
29 September 2021

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 21 September 2021.

Distribution of equity securities

Analysis of number of equity security holders by size of holding:

No. of Holders:	Ordinary Shares	Unlisted Options Exercise			
		Price $0.15 Expiry 23/09/2021	Price $0.16 Expiry 12/04/2022	Price $0.18 Expiry 31/03/2023	Price $0.10 Expiry 20/11/2025
1 to 1,000	150	-	-	-	-
1,001 to 5,000	221	-	-	-	-
5,001 to 10,000	98	-	-	-	-
10,001 to 100,000	491	-	33	23	-
100,001 and over	421	2	8	53	4
	1,381	2	41	76	4
Holding less than a marketable parcel	448	-	-	-	-

No. of Holders:	Listed Options Exercise
	Price $0.10 Expiry 30/06/2023
1 to 1,000	20
1,001 to 5,000	41
5,001 to 10,000	18
10,001 to 100,000	125
100,001 and over	115
	319
Holding less than a marketable parcel	145

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted fully paid ordinary shares are listed below:

	Ordinary shares	
	Number held	% of total shares issued
BAOBAB HOLDINGS PTY LTD	12,589,660	3.78
SILVERBACK TRAILERS PTY LTD	12,222,222	3.67
CANADIAN CONTROL A/C	10,218,746	3.07
CLUTTERBUCK SF PTY LTD	7,641,993	2.30
MR DAVID SHEARWOOD & MR HARRY SHEARWOOD	6,932,219	2.08
CITICORP NOMINEES PTY LIMITED	6,010,291	1.81
FOWLMERE PTY LTD	6,000,000	1.80
COOPSTER PTY LIMITED	4,200,000	1.26
GEARD FAMILY PTY LTD	4,000,001	1.20
HOUTSKAR PTY LTD	3,771,506	1.13
MRS JANENE LYN MEADEN	3,500,000	1.05
TDD GROUP PTY LTD	3,360,563	1.01
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,302,770	0.99
FGDG SUPER PTY LTD	3,144,207	0.94
CHILLI SF PTY LTD	3,000,000	0.90
BALFAR PTY LTD	2,988,889	0.90
MR CRAIG GRAEME CHAPMAN	2,912,625	0.87
BNP PARIBAS NOMINEES PTY LTD	2,850,757	0.86
DIAMED SUPER PTY LTD	2,841,667	0.85
MR PETER GERARD CREMEN	2,805,562	0.84
	104,293,678	**31.31**

The names of the twenty largest security holders of quoted $0.10 options expiring 30 June 2023 are listed below:

	Listed options	
	Number held	% of total listed options issued
SCINTILLA STRATEGIC INVESTMENTS LIMITED	6,200,000	9.72
BAOBAB HOLDINGS PTY LTD	4,610,341	7.23
FOWLMERE PTY LTD	3,000,000	4.70
HOUTSKAR PTY LTD	2,619,506	4.11
MR DAVID ANTHONY JOHNSTON	2,444,049	3.83
COOPSTER PTY LIMITED	2,100,000	3.29
CS THIRD NOMINEES PTY LIMITED	1,600,000	2.51
CLUTTERBUCK SF PTY LTD	1,389,454	2.18
TDD GROUP PTY LTD	1,240,000	1.94
MR PETER SCARF & MRS IDA SCARF	1,200,000	1.88
MR CRAIG GRAEME CHAPMAN	1,200,000	1.88
MR GREGORY FRANCIS RYAN	1,000,000	1.57
FIT LABORATORIES PTY LTD	962,472	1.51
FIRST INVESTMENT PARTNERS PTY LTD	884,748	1.39
MR DAVID ANTHONY JOHNSTON	800,000	1.25
SUPER MSJ PTY LTD	700,000	1.10
MR DANIEL AARON HYLTON TUCKETT	687,095	1.08
GEARD FAMILY PTY LTD	666,667	1.05
MR PAUL JOSEPH MASSARA	635,000	1.00
MR SAMUEL GERSHON JACOBS & MRS SARITA DEVI JACOBS & MISS MANEKHA BRIDGETTE JACOBS	600,000	0.94
	34,539,332	**54.16**

Unquoted equity securities

	Number on issue	Number of holders
$0.15 options expiring 23/09/2021	500,810	2
$0.16 options expiring 20/04/2022	4,564,063	41
$0.18 options expiring 31/03/2023	29,555,811	76
$0.10 options expiring 20/11/2025	8,500,000	4

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

Name	Class	Number held
Coopster Pty Limited	$0.15 unquoted options expiring 23/09/2021	258,424
Kemosabe Capital Pty Ltd	$0.15 unquoted options expiring 23/09/2021	242,386
TDD Group Pty Ltd	$0.16 unquoted options expiring 20/04/2022	937,500
Dr Fernando Tallarico	$0.10 unquoted options expiring 20/11/2025	4,000,000

Substantial holders
There are no substantial holders in the company.

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

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

Options
The options do not carry any voting rights.

There are no other classes of equity securities.

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

Mineral Resource Statement

On 9 March 2021 Aguia announced an updated Resource Estimate for its Andrade Copper Project.

There has been no change to the below information regarding the Lucena Phosphate Project or the Três Estradas Phosphate Project since the previous reporting period.

Phosphate Resources – 30 June 2021						
Project	Measured Resource (A) (Mt)	Indicated Resource (B) (Mt)	Measured + Indicated (A + B) (Mt)	Inferred Resource (C) (Mt)	Competent Person	Report Date
Lucena Phosphate Project Pariba, Brazil	0.0	0.0	0.0	55.0 at 6.42% P_2O_5	1	8 April 2013
Três Estradas Phosphate Project Rio Grande do Sul, Brazil	36.2	47.0	83.2 at 4.11% P_2O_5	21.8 at 3.67% P_2O_5	2	20 September 2017
Total Phosphate Resources	**36.2**	**47.0**	**83.2**	**76.8**		

1. Ms. Camilla Passos, Dr. Oy Leuangthong and Dr. Jean-Francois Couture (SRK Consulting (Canada) Inc)
2. Mr. Steven Kerr (Millcreek Mining Group)

Copper Resources – 30 June 2021						
Project	Measured Resource (A) (Mt)	Indicated Resource (B) (Mt)	Measured + Indicated (A + B) (Mt)	Inferred Resource (C) (Mt)	Competent Person	Report Date
Andrade Copper Project Rio Grande do Sul, Brazil	0.0	18.0	18.0 at 0.41% Cu & 1.87g/t Ag	4.0 at 0.53% Cu & 2.06 g/t Ag	3	9 March 2021
Total Copper Resources	**0.0**	**18.0**	**18.0**	**4.0**		

3. Mr. Bernado Horta Cerqueira Viana (GE21 Consultoria Mineral)

Information in this report that relates to Phosphate and Copper Resources is based on and accurately reflects reports prepared by the Competent Person named beside the respective information. All Competent Persons who have prepared reports are independent of Aguia Resources Limited.

Named Competent Persons consent to the inclusion of material in the form and context in which it appears.

All Competent Persons named are Members of the Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and have the relevant experience in relation to the mineralisation being reported on by them to qualify as Competent Persons as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition).

Tenement Listing

Aguia Resources Limited Permits (Tenements or Licenses)

Rio Grande Phosphate Project									
#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
1	810.090/91	5/20/1991	2,947	8/16/2010	8/16/2012	1,000.00	Application for Concession	Águia Fertilizantes S.A.	100%
2	810.325/12	2/16/2012	4,101	05/03/2017	05/03/2020	990.95	Application for Concession	Águia Fertilizantes S.A.(CBC Option)	100%
3	810.702/11	6/27/2011	5,433	10/09/2012	10/09/2015	1,885.25	Extension Submitted	Falcon Petróleo S.A.	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
4	810.988/11	8/23/2011	2,232	4/15/2015	4/15/2018	84.39	Extension Submitted	Falcon Petróleo S.A.	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
5	811.189/11	10/05/2011	6,383	7/21/2014	7/21/2017	1,631.70	Extension Submitted	Valmor Pedro Meneguzzo(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
6	810.448/14	4/24/2014	848	2/14/2018	2/14/2021	1,605.12	Permit Extension	Águia Fertilizantes S.A.	100%
7	810.996/10	10/04/2010	4,099	01/04/2018	01/04/2021	896.23	Permit Extension	Águia Fertilizantes S.A.(CBC Option)	100%
8	811.188/11	10/05/2011	6,382	7/17/2019	7/17/2022	1,922.15	Permit Extension	Valmor Pedro Meneguzzo(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
9	810.732/05	11/14/2005	8275	12/27/2016	12/27/2019	1,520.62	Extension Submitted	Mineração Fazenda Terra Santa (MineraçãoTerra Santa Option)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
10	810.346/14	04/08/2014	6,825	11/03/2017	11/03/2020	1,275.66	Permit	Águia Fertilizantes S.A.(IAMGOLD Option)	100%
Total						**12,812.07**			

Rio Grande Copper Project									
#	Claim Number (DNPM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
1	810.187/18	16/03/2018				730.26	Application	Águia Fertilizantes S.A.	100%
2	810.749/19	29/11/2019				1,691.16	Application	Águia Fertilizantes S.A.	100%
3	810.750/19	29/11/2019				1,886.33	Application	Águia Fertilizantes S.A.	100%
4	810.751/19	29/11/2019				1,971.69	Application	Águia Fertilizantes S.A.	100%
5	810.752/19	29/11/2019				1,976.22	Application	Águia Fertilizantes S.A.	100%
6	810.753/19	29/11/2019				1,989.84	Application	Águia Fertilizantes S.A.	100%
7	810.754/19	29/11/2019				1,933.08	Application	Águia Fertilizantes S.A.	100%
8	810.755/19	29/11/2019				1,027.00	Application	Águia Fertilizantes S.A.	100%
9	810.756/19	29/11/2019				1,997.46	Application	Águia Fertilizantes S.A.	100%
10	810.757/19	29/11/2019				1,903.75	Application	Águia Fertilizantes S.A.	100%
11	810.758/19	29/11/2019				1,913.19	Application	Águia Fertilizantes S.A.	100%
12	810.126/21	01/03/2021				1,999.07	Application	Águia Fertilizantes S.A.	100%
13	810.129/21	01/03/2021				1,992.62	Application	Águia Fertilizantes S.A.	100%
14	810.130/21	01/03/2021				1,935.46	Application	Águia Fertilizantes S.A.	100%
15	810.131/21	01/03/2021				1,998.25	Application	Águia Fertilizantes S.A.	100%
16	810.439/21	15/06/2021				1,567.64	Application	Águia Fertilizantes S.A.	100%
17	810.440/21	15/06/2021				1,021.96	Application	Águia Fertilizantes S.A.	100%
18	810.441/21	15/06/2021				1,748.61	Application	Águia Fertilizantes S.A.	100%
19	810.442/21	15/06/2021				990.94	Application	Águia Fertilizantes S.A.	100%

20	810.636/07	8/31/2007	5,604	4/20/2015	4/20/2018	1,046.54	Application for Concession	Referencial Geologia Mineração e Meio Ambiente Ltda(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
21	810.441/16	05/12/2016	8,771	09/01/2016	09/01/2019	1,521.51	Extension Submited	Águia Fertilizantes S.A.	100%
22	810.442/16	05/12/2016	8,772	09/01/2016	09/01/2019	1,825.73	Extension Submited	Águia Fertilizantes S.A.	100%
23	811.530/15	08/05/2015	11,584	10/26/2016	10/26/2019	2,000.00	Extension Submited	Águia Fertilizantes S.A.	100%
24	810.647/08	7/23/2008	11,604	10/07/2015	10/07/2017	1,971.49	Final Report Approved	Referencial Geologia Mineração e Meio Ambiente Ltda(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
25	810.127/18	03/01/2018	7,905	10/16/2018	10/16/2021	537.17	Permit	Águia Fertilizantes S.A.	100%
26	810.385/11	05/05/2011	659	3/14/2019	3/14/2022	1,791.05	Permit	Referencial Geologia Mineração e Meio Ambiente Ltda(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
27	810.386/11	05/05/2011	660	3/14/2019	3/14/2022	1,997.18	Permit	Referencial Geologia Mineração e Meio Ambiente Ltda(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia

28	810.520/11	5/25/2011	661	3/14/2019	3/14/2022	1,365.94	Permit	Referencial Geologia Mineração e Meio Ambiente Ltda(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
29	810.912/16	8/16/2016	1,973	4/29/2019	4/29/2022	1,999.99	Permit	Águia Fertilizantes S.A.	100%
30	810.081/19	03/11/2019	3,825	6/19/2019	6/19/2022	656.83	Permit	Águia Fertilizantes S.A.	100%
31	811.625/15	08/05/2015	4,157	10/19/2020	10/19/2023	1,835.91	Permit	Águia Fertilizantes S.A.	100%
32	810.911/16	8/16/2016	4,159	10/19/2020	10/19/2023	1,936.15	Permit	Águia Fertilizantes S.A.	100%
33	811.092/17	12/06/2017	4,160	10/19/2020	10/19/2023	1,015.46	Permit	Águia Fertilizantes S.A.	100%
34	810.156/18	03/06/2018	4,161	10/19/2020	10/19/2023	1,939.23	Permit	Águia Fertilizantes S.A.	100%
35	810.126/18	03/01/2018	5,157	12/07/2020	12/07/2023	936.38	Permit	Águia Fertilizantes S.A.	100%
36	810.134/18	03/05/2018	5,158	12/07/2020	12/07/2023	1,083.87	Permit	Águia Fertilizantes S.A.	100%
37	810.135/18	03/05/2018	5,159	12/07/2020	12/07/2023	1,970.04	Permit	Águia Fertilizantes S.A.	100%
38	810.136/18	03/05/2018	5,160	12/07/2020	12/07/2023	1,971.27	Permit	Águia Fertilizantes S.A.	100%
39	810.137/18	03/05/2018	5,161	12/07/2020	12/07/2023	1,921.48	Permit	Águia Fertilizantes S.A.	100%
40	810.138/18	03/05/2018	5,162	12/07/2020	12/07/2023	1,832.25	Permit	Águia Fertilizantes S.A.	100%
41	810.139/18	03/05/2018	5,163	12/07/2020	12/07/2023	1,656.77	Permit	Águia Fertilizantes S.A.	100%
42	810.140/18	03/05/2018	5,164	12/07/2020	12/07/2023	1,634.74	Permit	Águia Fertilizantes S.A.	100%
43	810.141/18	03/05/2018	5,165	12/07/2020	12/07/2023	1,126.67	Permit	Águia Fertilizantes S.A.	100%
44	810.142/18	03/05/2018	5,166	12/07/2020	12/07/2023	1,189.46	Permit	Águia Fertilizantes S.A.	100%
45	810.143/18	03/06/2018	5,167	12/07/2020	12/07/2023	1,095.42	Permit	Águia Fertilizantes S.A.	100%

46	810.144/18	03/06/2018	5,168	12/07/2020	12/07/2023	1,986.44	Permit	Águia Fertilizantes S.A.	100%
47	810.145/18	03/06/2018	5,169	12/07/2020	12/07/2023	1,745.06	Permit	Águia Fertilizantes S.A.	100%
48	810.146/18	03/06/2018	5,170	12/07/2020	12/07/2023	1,647.84	Permit	Águia Fertilizantes S.A.	100%
49	810.147/18	03/06/2018	5,171	12/07/2020	12/07/2023	1,486.79	Permit	Águia Fertilizantes S.A.	100%
50	810.148/18	03/06/2018	5,172	12/07/2020	12/07/2023	1,879.32	Permit	Águia Fertilizantes S.A.	100%
51	810.149/18	03/06/2018	5,173	12/07/2020	12/07/2023	872.5	Permit	Águia Fertilizantes S.A.	100%
52	810.150/18	03/06/2018	5,174	12/07/2020	12/07/2023	1,854.55	Permit	Águia Fertilizantes S.A.	100%
53	810.151/18	03/06/2018	5,175	12/07/2020	12/07/2023	977.39	Permit	Águia Fertilizantes S.A.	100%
54	810.152/18	03/06/2018	5,176	12/07/2020	12/07/2023	1,341.15	Permit	Águia Fertilizantes S.A.	100%
55	810.153/18	03/06/2018	5,288	12/31/2020	12/31/2023	1,683.30	Permit	Águia Fertilizantes S.A.	100%
56	810.154/18	03/06/2018	5,289	12/31/2020	12/31/2023	1,610.10	Permit	Águia Fertilizantes S.A.	100%
57	810.155/18	03/06/2018	5,290	12/31/2020	12/31/2023	1,986.76	Permit	Águia Fertilizantes S.A.	100%
58	810.157/18	03/06/2018	5,291	12/31/2020	12/31/2023	1,961.94	Permit	Águia Fertilizantes S.A.	100%
59	810.132/21	01/03/2021	2,431	44302	45398	1,990.42	Permit	Águia Fertilizantes S.A.	100%
60	810.134/21	01/03/2021	2,432	44302	45398	1,984.63	Permit	Águia Fertilizantes S.A.	100%
61	810.125/21	01/03/2021	3,327	44327	45423	669.58	Permit	Águia Fertilizantes S.A.	100%
62	810.127/21	01/03/2021	3,328	44327	45423	1,794.08	Permit	Águia Fertilizantes S.A.	100%
63	810.133/21	01/03/2021	3,329	44327	45423	1,934.00	Permit	Águia Fertilizantes S.A.	100%
64	810.135/21	01/03/2021	3,330	44327	45423	1,995.05	Permit	Águia Fertilizantes S.A.	100%
65	810.136/21	01/03/2021	3,331	44327	45423	1,484.66	Permit	Águia Fertilizantes S.A.	100%
66	810.137/21	01/03/2021	3,332	44327	45423	1,992.99	Permit	Águia Fertilizantes S.A.	100%

67	810.138/21	01/03/2021	3,333	44327	45423	1,992.40	Permit	Águia Fertilizantes S.A.	100%
68	810.140/21	01/03/2021	3,334	44327	45423	1,971.06	Permit	Águia Fertilizantes S.A.	100%
69	810.141/21	01/03/2021	3,335	44327	45423	1,469.60	Permit	Águia Fertilizantes S.A.	100%
70	810.275/21	28/04/2021	4,453	44375	44375	38.25	Permit	Águia Fertilizantes S.A.	100%
71	811.294/15	09/04/2015	14,856	12/08/2015	12/08/2018	731.77	Permit Extension	Águia Fertilizantes S.A.	100%
72	811.549/15	08/05/2015	14,857	12/08/2015	12/08/2018	1,969.47	Permit Extension	Águia Fertilizantes S.A.	100%
73	810.808/08	09/01/2008	6,331	7/17/2019	7/17/2022	279.03	Permit Extension	Referencial Geologia Mineração e Meio Ambiente Ltda(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
74	810.345/09	5/19/2009	6,247	7/17/2019	7/17/2022	115.91	Permit Extension	Referencial Geologia Mineração e Meio Ambiente Ltda(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
75	810.215/10	03/11/2010	6,261	7/17/2019	7/17/2022	714.97	Permit Extension	Referencial Geologia Mineração e Meio Ambiente Ltda(Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
76	811.278/15	09/02/2015	1,464	7/17/2019	7/17/2022	1,872.97	Permit Extension	Águia Fertilizantes S.A.	100%
77	810.799/12	06/01/2012	4,676	7/24/2019	7/24/2022	866.72	Permit Extension	Águia Fertilizantes S.A.	100%
78	811.277/15	09/02/2015	5,125	7/24/2019	7/24/2022	1,560.01	Permit Extension	Águia Fertilizantes S.A.	100%
79	811.279/15	09/02/2015	10,888	10/06/2016	10/06/2019	1,406.77	Permit Extension	Águia Fertilizantes S.A.	100%

80	811.363/14	11/03/2014	851	03/01/2021	03/01/2024	699.35	Permit Extension	Águia Fertilizantes S.A.	100%
81	811.508/15	08/06/2015	856	03/01/2021	03/01/2024	985.65	Permit Extension	Águia Fertilizantes S.A.	100%
82	811.572/15	08/05/2015	857	03/01/2021	03/01/2024	1,999.99	Permit Extension	Águia Fertilizantes S.A.	100%
83	811.573/15	08/05/2015	858	03/01/2021	03/01/2024	1,807.68	Permit Extension	Águia Fertilizantes S.A.	100%
84	811.583/15	08/06/2015	859	03/01/2021	03/01/2024	1,981.95	Permit Extension	Águia Fertilizantes S.A.	100%
85	811.586/15	08/05/2015	860	03/01/2021	03/01/2024	1,147.91	Permit Extension	Águia Fertilizantes S.A.	100%
86	811.588/15	08/06/2015	861	03/01/2021	03/01/2024	1,114.16	Permit Extension	Águia Fertilizantes S.A.	100%
87	811.589/15	08/06/2015	862	03/01/2021	03/01/2024	1,119.44	Permit Extension	Águia Fertilizantes S.A.	100%
88	811.596/15	08/06/2015	863	03/01/2021	03/01/2024	1,945.63	Permit Extension	Águia Fertilizantes S.A.	100%
89	811.639/15	08/06/2015	864	03/01/2021	03/01/2024	1,034.21	Permit Extension	Águia Fertilizantes S.A.	100%
90	811.091/17	12/06/2017	454	03/01/2021	03/01/2024	473.62	Permit Extension	Águia Fertilizantes S.A.	100%
Total						**136,310.13**			

Lucena Project									
#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
1	846.105/09	6/23/2009	10,128	9/1/2009	8/31/2012	1,772.99	Approval Pending	Águia Metais Ltda	100%
2	846.106/09	6/23/2009	11,566	11/6/2014	11/6/2017	1,538.93	Approval Pending	Águia Metais Ltda	100%
3	846.107/09	6/23/2009	10,127	9/1/2009	8/31/2012	1,146.40	Approval Pending	Águia Metais Ltda	100%
4	846.108/09	6/25/2009	8,859	10/29/2014	10/29/2017	188.17	Approval Pending	Águia Metais Ltda	100%
5	846.575/11	10/19/2011	19,301	11/22/2011	11/21/2014	953.33	Approval Pending	Águia Metais Ltda	100%
6	846.153/13	4/25/2013	1,980	3/12/2014	3/12/2016	8.21	Approval Pending	Águia Metais Ltda	100%
7	846.154/13	4/25/2013	5,648	6/13/2014	6/13/2016	31.68	Approval Pending	Águia Metais Ltda	100%
8	846.132/15	7/13/2015	9,614	9/15/2015	9/15/2018	999.88	Approval Pending	Águia Metais Ltda	100%
9	846.133/15	7/13/2015	9,615	9/15/2015	9/15/2018	119.39	Approval Pending	Águia Metais Ltda	100%
10	846.134/15	7/13/2015	9,616	9/15/2015	9/15/2018	265.71	Approval Pending	Águia Metais Ltda	100%
11	846.135/15	7/13/2015	9,617	9/15/2015	9/15/2018	131.58	Approval Pending	Águia Metais Ltda	100%
12	846.236/16	8/29/2016	13,781	1/5/2017	1/5/2020	443.18	Approval Pending	Águia Metais Ltda	100%
13	846.237/16	8/29/2016	13,782	1/5/2017	1/5/2020	66.41	Extension Submitted	Águia Metaus Ltda	100%
14	846.582/11	10/19/2011	19,305	11/22/2011	11/21/2014	251.96	Permit Extension	Águia Metais Ltda	100%
15	846.587/11	10/19/2011	19,309	11/22/2011	11/21/2014	142.71	Permit Extension	Águia Metais Ltda	100%
16	846.588/11	10/19/2011	19,310	11/22/2011	11/21/2014	64.81	Permit Extension	Águia Metais Ltda	100%
Total						**8.125,34**			

#	Claim Number (DNPM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name
1	300.653/12	11/1/2012				71.91	Application for Public Tender	Águia Metais Ltda
2	300.654/12	11/1/2012				201.09	Application for Public Tender	Águia Metais Ltda
3	831.798/13	2/14/2014				1,775.56	Application for Public Tender	Águia Metais Ltda
Total						**2,048.56**		
4	832.036/17	7/1/2015	1,969	03/19/2018	3/19/2021	1,408.55	Permit	Águia Metais Ltda
Total						**1,408.55**		

Aguia Metals SC								
#	Claim Number (DNPM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name
1	815.625/08	1/25/2012				998.27	Application for Public Tender	Águia Metais Ltda
2	815.626/08	1/25/2012				995.89	Application for Public Tender	Águia Metais Ltda
Total						**1994.16**		