AGUIA

Resources Limited | ABN 94 128 256 888

INTERIM REPORT

31 December 2021

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', 'Aguia' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

DIRECTORS

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

Christina McGrath	Executive Chair (appointed 7 January 2022)
Fernando Tallarico	Managing Director
Martin McConnell	Non-Executive Director
David Carland	Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity were the continued exploration and development of resource projects, predominantly phosphate and copper, and investment in the resources sector. No significant change in the nature of these activities occurred during the half-year.

REVIEW OF OPERATIONS

The loss for the consolidated entity for the half year ended 31 December 2021 after providing for income tax amounted to $1,040,257 (31 December 2020: $747,755).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

No matter or circumstance has arisen since 31 December 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.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Christina McGrath – Executive Chair

16 March 2022

REVIEW OF OPERATIONS AND ACTIVITIES

NOTABLE EVENTS DURING THE HALF YEAR ENDED 31 DECEMBER 2021

- **Aguia presented its defence along with several documents to support the technical issues outlined in the Legal Proceedings commenced by a Federal Public Prosecutor ('FPP') against Aguia and the Rio Grande do Sul State Environmental Agency ('FEPAM').**
- **Aguia received archaeological consent on the Preliminary Licence ('LP') for the Três Estradas Phosphate Project ('TEPP'), a requirement for the granting of the Installation License ('LI').**
- **The TEPP was recognised as being of strategic importance by the Federal Government of Brazil under the newly created Strategic Minerals Policy which has the objective of increasing the national production of strategic minerals.**
- **Aguia commenced the process to have the TEPP certified as a self-sufficient project requiring net-zero Energy, Water and Carbon (0-0-0).**
- **A non-binding Memorandum of Understanding ('MOU') for the sale of 30,000 tonnes per annum of Pampafos® with a key distributor of fertiliser and agriproducts in the southern region of Brazil was signed.**
- **Aguia entered into an agreement with Farm Trade Australia ('FTA') for testing of Pampafos® in Australian conditions. This strategic alliance has the potential to create an international market for Pampafos® and open the supply of natural fertiliser to Australian growers.**
- **The application of Aguia's branded natural phosphate fertilisers, Pampafos® and Lavrato®, to oat and rice crops returned excellent productivity levels and reaffirmed the high performance of Aguia's products.**
- **Initial geological reconnaissance and rock sampling along Aguia's new tenements in the Rio Grande Copper Belt has resulted in the identification of three new targets: Salso (Copper-Silver), Piquiri (Copper) and Estuque (Gold).**
- **Aguia released an updated presentation on the Company's Andrade Copper Project and satellite copper exploration targets which included a planned exploration and project development timeline.**
- **Aguia successfully completed a private placement to raise A$2.5 million which was followed by a fully subscribed share purchase plan on the same terms to raise an additional A$500,000.**

TEPP – LEGAL UPDATE

Legal Proceedings were commenced by a FPP against Aguia and FEPAM to put a stay on the LP for the TEPP due to discrepancies in the Environmental Impact Assessment ('EIA').

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 filed addressing all the technical issues. Following this, FEPAM presented it defence.

The case was then sent to the FPP for a response and an indication of the evidence it intends to produce. This reply was presented in mid-November 2021. On 21 January 2022, Aguia filed a sur-reply with FEPAM's sur-reply to follow. The initial stage of the case (pleadings and initial allegations) will then be closed.

Following the presentation of FEPAM's sur-reply, the case records will be sent to the judge's chambers for either a decision on the evidence to be further produced (possibly including an expert examination) or a decision on the merits.

If the testing of technical evidence is required, Aguia does not expect a merits decision by the Trial Court for 18-24 months (from July 2021). 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 remains very confident that the work carried out on the EIA, which was approved by FEPAM was done with upmost competence and complies with all the necessary legal and regulatory requirements. Aguia remains open to attempting settlement discussions in court with the FPP aimed at resolving the matter in a timely manner.

TEPP – ARCHAEOLOGICAL CONSENT

Following the filing of the mandatory environmental programs with the FEPAM in early January 2021, Aguia conducted an archaeological survey to assess the impact of the TEPP on the local archaeological heritage as part of the permitting process for Phase 1 of the TEPP.

The granting of consent on the LP by the National Historical and Artistic Heritage Institute ('IPHAN') is required for the granting of the LI. Aguia engaged the archaeological consulting company A Lasca Arqueologia ('A Lasca') to conduct a survey over the project area and prepare a Report on the Impact Assessment on Archaeological Heritage ('RAIPA').

The field survey was conducted over 5,543 hectares corresponding to the Direct Influence Area of the Project ('AID'), which includes the Direct Affected Area ('ADA') of the TEPP. According to Normative Instruction IN-01/2015 of the National Historical and Artistic Heritage Institute ('IPHAN'), the primary data survey should cover only the ADA. However, Aguia elected to perform a broader and more complete study over the entire AID.

As a result of Aguia's efforts, 29 archaeological sites were mapped, of which three are inside the Phase 1 ADA. In addition, one archaeological site was classified as lithic, one as lithic and historical, and one as a historic site.

In May 2021, Aguia filed the RAIPA with IPHAN, including a complete description of the work undertaken, and the approval was granted during the quarter together with consent to the LP for TEPP Phase 1. Archaeological excavation and collection of the lithic material from those sites inside the Phase 1 ADA is to be undertaken. Collected material will then be sent to the University of Rio Grande do Sul who will be responsible for the storage and maintenance of our findings.

TEPP – STRATEGIC MINERALS POLICY

On 13 October 2021, Aguia announced that the TEPP has been recognised as being of strategic importance by the Federal Government of Brazil under the newly created Strategic Minerals Policy (the 'Policy') which has the objective of increasing the national production of strategic minerals (including phosphate). This is considered a top priority by the Government. The Policy aims to select projects for the country's development and promote articulation between government agencies in order to join efforts for the implementation of projects and expand the national production of strategic minerals on an environmentally sustainable basis.

Aguia submitted an application for the TEPP to the Inter-ministerial Committee and was informed that the project has been accepted by the program and recognized as a strategic minerals project by the Federal Government of Brazil. Aguia's TEPP was accepted in the very first lot of projects that were reviewed and recognized as strategic by the Committee with the others being two iron ore projects and one copper project, all owned by world-class Brazilian mining companies. The rationale for selecting the TEPP was based on the fact that phosphate is regarded as being critical for Brazil's agricultural sector; Rio Grande do Sul state, being one of the three largest agribusiness producers in Brazil, imports 100% of its phosphate from overseas, and there are very few phosphate projects in Brazil that have the size of resource or the scale of the TEPP when it reaches operation.

TEPP – 0-0-0 CERTIFICATION

Aguia has commenced the process to have the TEPP independently certified as being a self-sufficient project using net-zero Energy, Water and Carbon (0-0-0) by an internationally recognized agency. The process can broken down into five steps, as illustrated by Figure 01.

Figure 01 – Planned timeline of activities to receive 0-0-0 certification.

The Project has already been defined (Step 1). The Company recently submitted the details of the TEPP processing unit to the certifying agency to register the Project for international certification (Step 2). Aguia has chosen to pursue Edge Certification, a globally accepted certifier created by the International Finance Corporation ('IFC').

Following this initial registration and after inspection by the certifier, the Project can then be classified as a "Certified Project" (Step 3).

Sixty days following the commencement of production at the TEPP, Aguia will then apply for organic product registration of Pampafos® with an independent and globally accredited agency (Step 4). This phase confirms that no chemicals are added to Pampafos® during production.

Final certification as a 0-0-0 project is granted one year after the commencement of operations following satisfactory testing and inspections (Step 5)

TEPP – SIGNING OF NON-BINDING MEMORANDUM OF UNDERSTANDING

Aguia has signed a non-binding MOU for the sale of 30,000 tonnes per annum of our Pampafos® natural phosphate fertiliser from the TEPP.

The MOU is with Tuch Soluções Comerciais Ltda. ('Tuch'), a key distributor of fertiliser and agriproducts in the southern region of Brazil. Tuch has an extensive customer portfolio with approximately 500 producers covering 50,000 hectares of ground over some of the most productive agricultural regions in Southern Brazil, including three bordering states of RS.

Tuch believe there is capacity to increase sales of natural fertiliser to their existing client base and beyond because of the promising testing results and because natural fertiliser has not been available locally.

With estimated target sales of 30,000 tonnes per annum, this MOU potentially represents well over half of our projected first year of TEPP sales which were estimated in the BFS to be 50,000 tonnes.

MOU Overview

- The agreement is for an initial supply of 30,000 tonnes of Pampafos™ per annum.
- The MOU is a non-binding agreement signed between Aguia and Tuch.
- The sale price of Pampafos® from Aguia to Tuch, agreed between the two parties is A$74.00 per tonne FOB for the product in bulk.
- Tuch intends to distribute Pampafos® to customers located in the vicinity of 19 cities across RS State.
- The MOU does not provide an exclusive right to Tuch to sell the product in the region.
- The duration of the agreement is for 24 months with the expectation that it will become a binding agreement.
- Aguia will be able to commence the delivery of Pampafos® once all the environmental permits are approved and upon the granting of the product registration by the Brazilian Ministry of Agriculture, Livestock and Supply ('MAPA').

TEPP – AGREEMENT WITH FARM TRADE AUSTRALIA

Aguia has entered into a strategic alliance with FTA to undertake testing of Pampafos® from the TEPP in Australian conditions.

This strategic alliance has the potential to create an international market for Pampafos® and open the supply of natural fertiliser to Australian growers.

The price of agricultural fertiliser in Australia has doubled since last season, and future shortages in Australia are anticipated. Pampafos® has the potential to offer a cost-effective alternative, and an environmentally sustainable solution, for the phosphorus needs of Australian farmers.

Aguia is in a position where it can progressively expand its planned phosphate production capability quite easily and significantly without a significant capital investment. Aguia also possesses vast phosphate assets, which can become available if increased sales warrant it.

TEPP – AGRONOMIC TRIALS – RICE CROPS

As part of the development of Aguia's natural phosphate fertilisers, Pampafos® and Lavrato®, agronomic efficiency tests were conducted on the rice crop at AUD agronomic station located at Camaquã - RS. AUD is a grower's association that brings together more than 400 rice producers, with an average rice production of 7 t/ha over an area of approximately 40,000 ha.

The tests were conducted under the supervision of Integrar Gestão e Inovação Agropecuária ('Integrar'), an independent agronomic consulting firm.

The rice was seeded in a flat soil area, with similar conditions to the previous tests on rice conducted at Integrar's Capivari do Sul – RS agronomic station, but with a distinct fertilisation history. Previous trials were performed with the application of distinct dosages of Pampafos® and Lavrato® against conventional sources of phosphate for comparison purposes, including conventional phosphate fertilisers[1] such as Super-simple Phosphate (SSP), Triple Superphosphate (TSP), Monoammonium Phosphate (MAP), and Natural Phosphate from Morocco (NP).

[1] "Conventional phosphate fertilisers" refers to products with common use as source of phosphate to crops in Brazil, such as Super-simple Phosphate (SSP) with 20% P^2O^5 + 16%Ca + 10%S), Triple Superphosphate (TSP) with 46% P_2O_5 + 10%Ca, Monoammonium Phosphate (MAP) with 52% P^2O^5 + 9%N, and Natural Phosphate from Morocco (NP) with 20% P_2O_5.

The test at AUD consisted of 7 distinct agronomic treatments designed to compare the performance of the natural phosphate from the TEPP deposit to the conventional phosphate fertiliser, TSP. The products were applied in two distinct dosages, as listed in Table 01 below.

The nutrient sources were applied by launching in the field and then incorporated into the soil. The experimental units were equivalent to 4m x 20m plots, side by side, with four repetitions, totalling an area of 2,240m^2.

Table 01 – Summary of treatments on rice in the field.

Treatment	Product	Dosage per hectare
T1	Control	No source of P_2O_5
T2	Lavrato®	50 kg P_2O_5
T3	Pampafos®	50 kg P_2O_5
T4	TSP	50 kg P_2O_5
T5	Lavrato®	100 kg P_2O_5
T6	Pampafos®	100 kg P_2O_5
T7	TSP	100 kg P_2O_5

In addition to the phosphate sources, a dosage of 120 kg/ha of K2O and 220 kg/ha of N were applied to all treatments.

The rice seeding was undertaken in early November 2020 and the crop harvested in late March 2021.

Rice Productivity

Treatment T7, where 100 kg/ha of P_2O_5 was applied through TSP, returned the highest rice productivity of all treatments with 14.9 t/ha, followed by treatment T6 with 100 kg/ha of P_2O_5 through Lavrato®, resulting in productivity of 13.6 t/ha.

Comparing treatments T5 and T6 with T7, a dosage of 100 kg/ha of P_2O_5, the yields returned using Pampafos®, and Lavrato® reached 87% and 91%, respectively, of the yield, returned using the conventional fertiliser, TSP, in the same dosage.

Treatment T2, Pampafos® in a P_2O_5 dosage of 50 kg/ha returned productivity of 13.2 t/ha, which surpassed the productivity of 12.8 t/ha that was achieved using the conventional fertiliser, TSP, in the same dosage (T4). Treatment T3 of Lavrato® in a 50 kg/ha dosage yielded 93% compared to the productivity achieved with Pampafos (T2) and 97% when compared to TSP (T4). The rice productivity returned from each treatment in Table 01 above is presented in Figure 02 below.

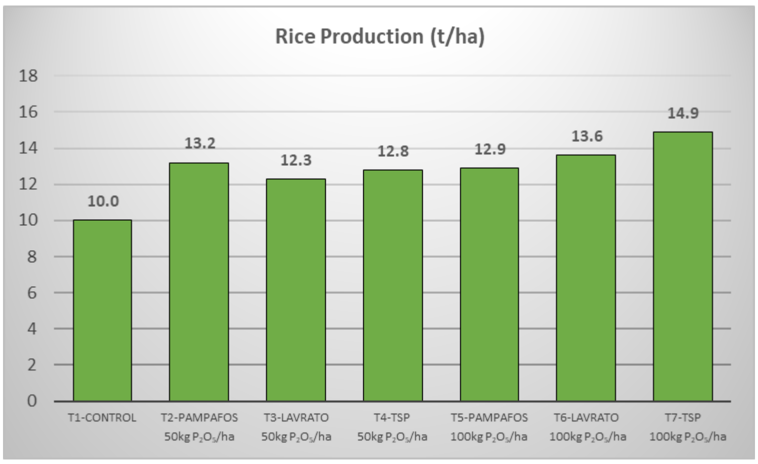

Figure 02 – Rice production resulting from each treatment. 2020/2021 summer harvest at AUD agronomic station at Camaquã, RS, Brazil.

The relative rice yields illustrating these results is presented in Figure 03 below.

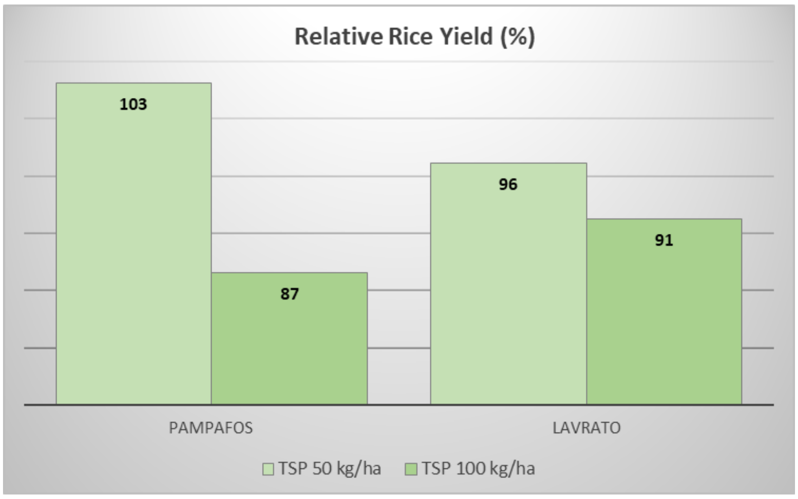

Figure 03 – Relative rice yields for production results. 2020/2021 summer harvest at AUD agronomic station at Camaquã, RS, Brazil.

These results reaffirm the previous results from agronomic tests on rice crops at Integrar's agronomic station in Capivari do Sul, RS state, published on 11 May 2021,[2] which demonstrated the high absorption by the plants of P_2O_5 from Pampafos® and Lavrato®. Thus, the results from the tests on rice crop production at the AUD agronomic station are very positive for both Pampafos® and Lavrato®. Furthermore, there is a high similarity between treatments with the application of Pampafos® or Lavrato® and the conventional fertiliser, TSP.

TEPP – AGRONOMIC TRIALS – OAT CROPS

Agronomic efficiency tests were also conducted on the oat crop on a commercial farm selected by Tuch located in Rio Grande, RS. The very promising performance of natural phosphate sources on oat crops in RS is very relevant as the state has approximately 270,000 hectares of oat fields cultivated annually. Aguia's DANF phosphate products have now been tested on the following crops grown in Brazil: soybean, rice, corn, wheat and now oats, with all tests returning excellent results.

The tests were conducted in partnership with Tuch, and under the supervision of Integrar Gestão e Inovação Agropecuária ('Integrar'), a renowned independent agronomic consulting firm located in RS, that was retained by Aguia to plan and supervise the program.

The oat was seeded in a flat soil area during the winter season in early June 2021, and the nutrient sources were applied by launching in the field. The test consisted of 5 treatments across a total area of 5 hectares, 1 hectare per treatment. It consisted of treatment T1 (control without P_2O_5), treatments T2, T3 and T4 with distinct dosages of P_2O_5 from Pampafos® and Lavrato®, and treatment T5 (following the usual farm management), the application of conventional phosphate fertilizer, Triple Superphosphate ('TSP'). Table 02 below shows the distinct dosages and products used in each treatment.

Table 02 – Summary of treatments on oat in the field.

Treatment	Product	Dosage per hectare
T1	Control	No source of P_2O_5
T2	Pampafos™	100kg P_2O_5
T3	Pampafos™	200kg P_2O_5

[2] https://aguiaresources.com.au/asx-announcements/further-exceptional-agronomic-test-results-from-tepp-on-rice/

T4	Lavrato™	100kg P_2O_5
T5	TSP	100kg P_2O_5

In addition to the phosphate sources, a dosage of 64.8kg/ha of N + 9.6kg/ha of Ca + 4.8kg/ha of Mg was applied in all treatments.

The oat crop was harvested in October 2021.

Oat Biomass Production

Oat biomass production was determined by the manual cutting of plants green mass in sample areas. Seven areas of 0.25m^2, randomly selected, were sampled for each treatment. Samples were collected when the oat pasture reached its reproductive stage. Samples were dried at a temperature of 62° Celsius for 72 hours in an oven. The dry samples were weighed, and the dry matter values were calculated in kilograms per hectare (kg/ha).

The results of the oat dry matter yields were similar in treatments T2, T3, T4 and T5. Clearly, the results from these treatments surpassed the mark from the control treatment (T1).

Treatment T5, where 100kg/ha of P^2O^5 was applied through the application of the conventional phosphate fertilizer TSP, returned the highest dry matter productivity of all treatments with 4,442kg/ha, followed by treatment T3 (the application of 200kg/ha of P^2O^5 through Pampafos™), which returned productivity of 4,210kg/ha.

Comparing treatments T2 and T4 with T5 (dosages of 100kg/ha of P^2O^5), the yields returned using Pampafos™ and Lerato™ reached 92% and 93%, respectively, of the yield returned using the conventional phosphate fertilizer, TSP, in the same dosage.

These results, summarised in Figure 04, reaffirm that both natural phosphate fertilizer products from the TEPP, Pampafos™ and Lavrato™, are effective in providing macronutrient phosphorus to the plants. In addition, there is a high similarity between treatments with the application of Pampafos™ and Lavrato™ and the conventional phosphate fertilizer, TSP.

Aguia plans to repeat the tests on oat in the same location during the Brazilian winter of 2022.

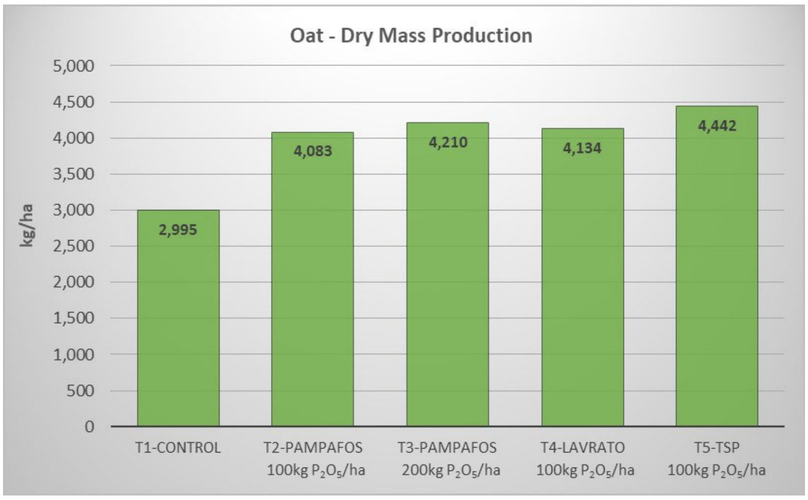

Figure 04 – Oat dry mass production resulting from each treatment. 2021 winter harvest at Rio Grande, RS, Brazil.

COPPER EXPLORATION UPDATE

In December 2020, Aguia was granted 24 new exploration permits, which expanded the Company's land position within the Rio Grande Copper Belt by 37,451 hectares to 81,700 hectares. The Rio Grande Copper Belt includes several copper occurrences and one historical copper mine hosted in various rock types and structural settings and usually occur with silver and/or gold.

On 28 October 2021, Aguia announced that initial geological reconnaissance and rock sampling along Aguia's new tenements in the Rio Grande Copper Belt resulted in the identification of two new copper targets and one gold target: Salso (Copper-Silver), Piquiri (Copper) and Estuque (Gold).

Figure 05 shows the distribution of Aguia's tenements, the copper targets, and the recently identified new targets (Salso, Piquiri and Estuque).

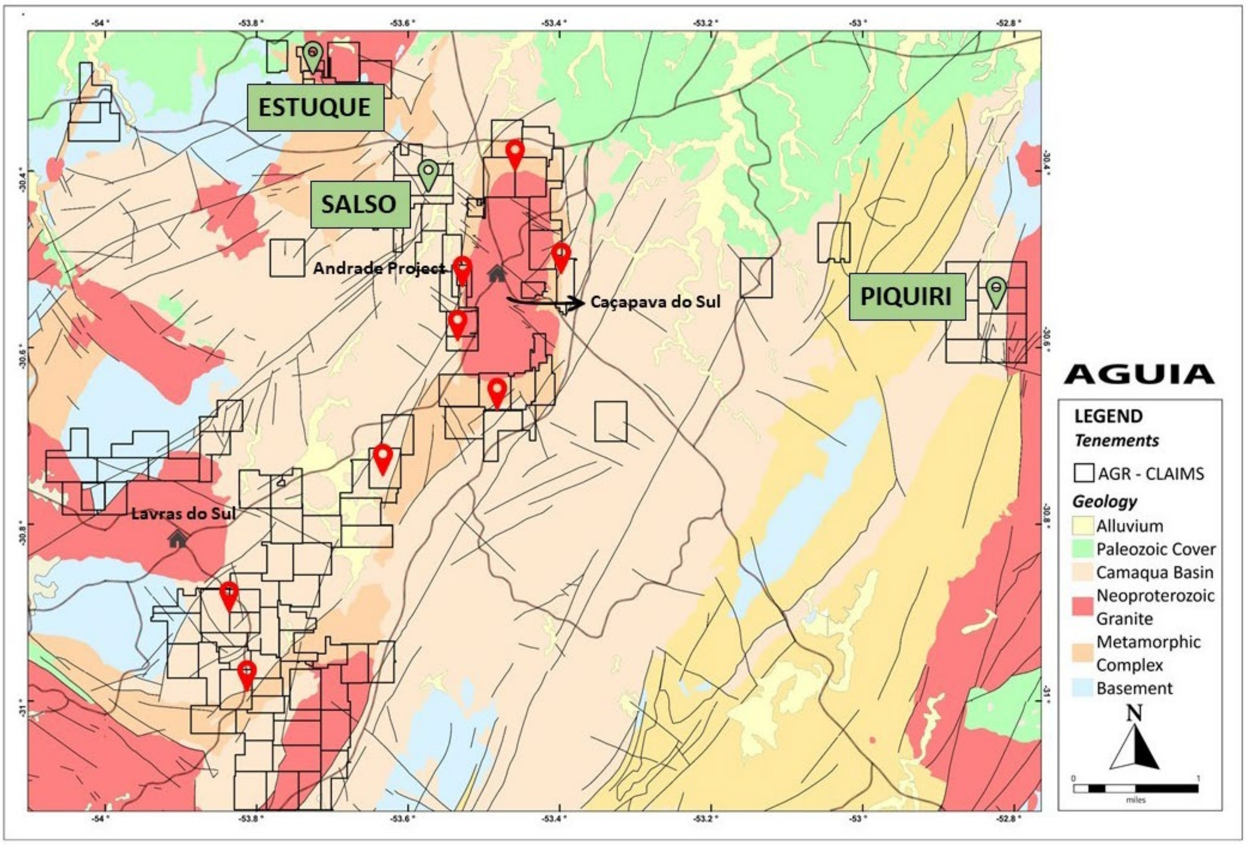

Figure 05 – Regional Geological map of the Rio Grande Copper Belt highlighting the distribution of Aguia's tenements, copper targets, and newly identified targets: Salso, Piquiri and Estuque.

Salso Target

The Salso Target is located 12km to the northwest of the Andrade Project (Figure 06). Initial geological mapping shows that the Salso Target is associated with a contact between volcanic rhyolitic rock with a sedimentary sequence, represented by rhythmites and sandstones. The copper occurs as disseminations in the matrix of the rhythmite and filling the foliation plans and also occurs in association with quartz veins in the geological contact zone. Although the primary copper mineral is malachite, some chalcocite was also found, reflecting the weathering at the surface (Figure 07). Initial reconnaissance and geological mapping returned a rock assay of up to 2.67% copper and 27.1g/t silver. The rock assay results are presented in Table 03.

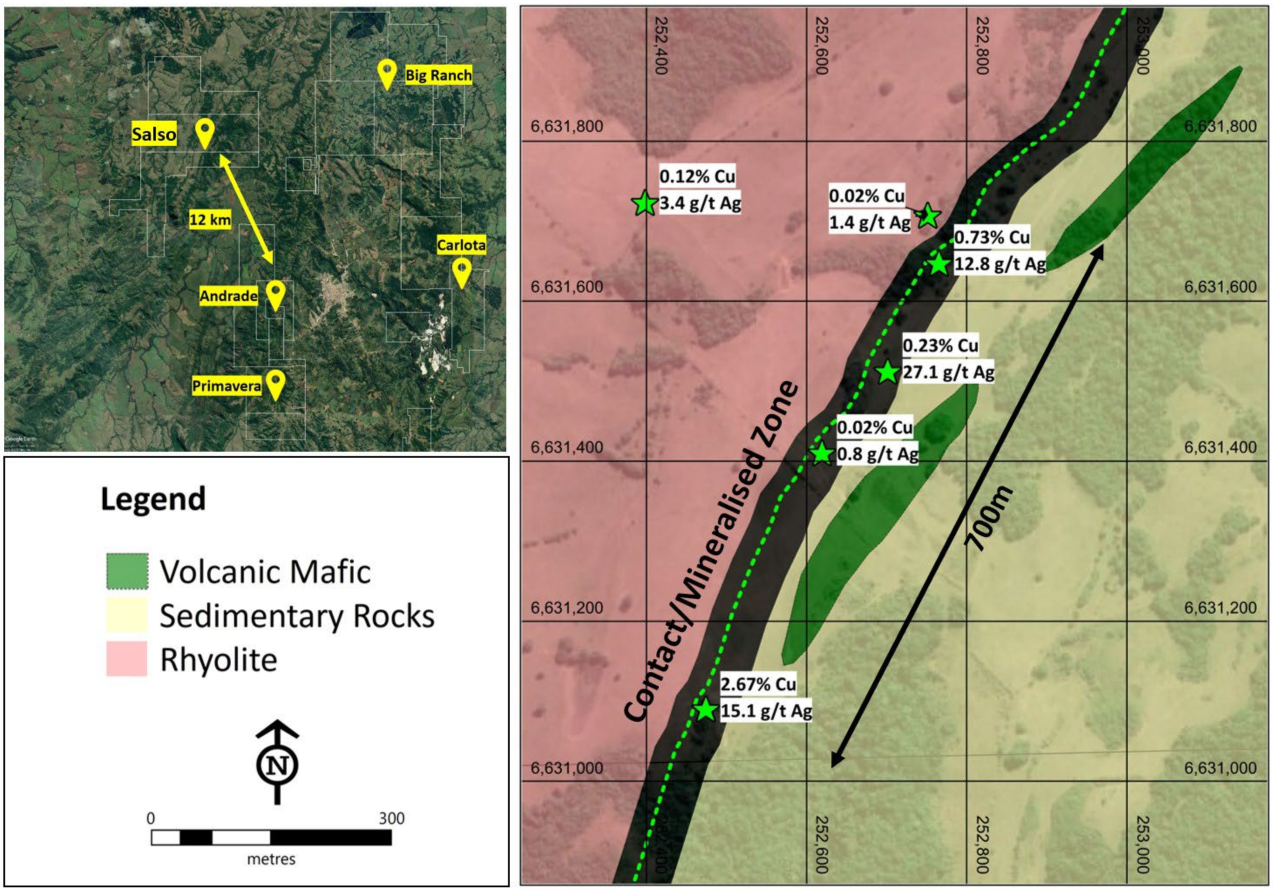

Figure 06 – Salso Target location and rock assay results over a background geological map and satellite image.

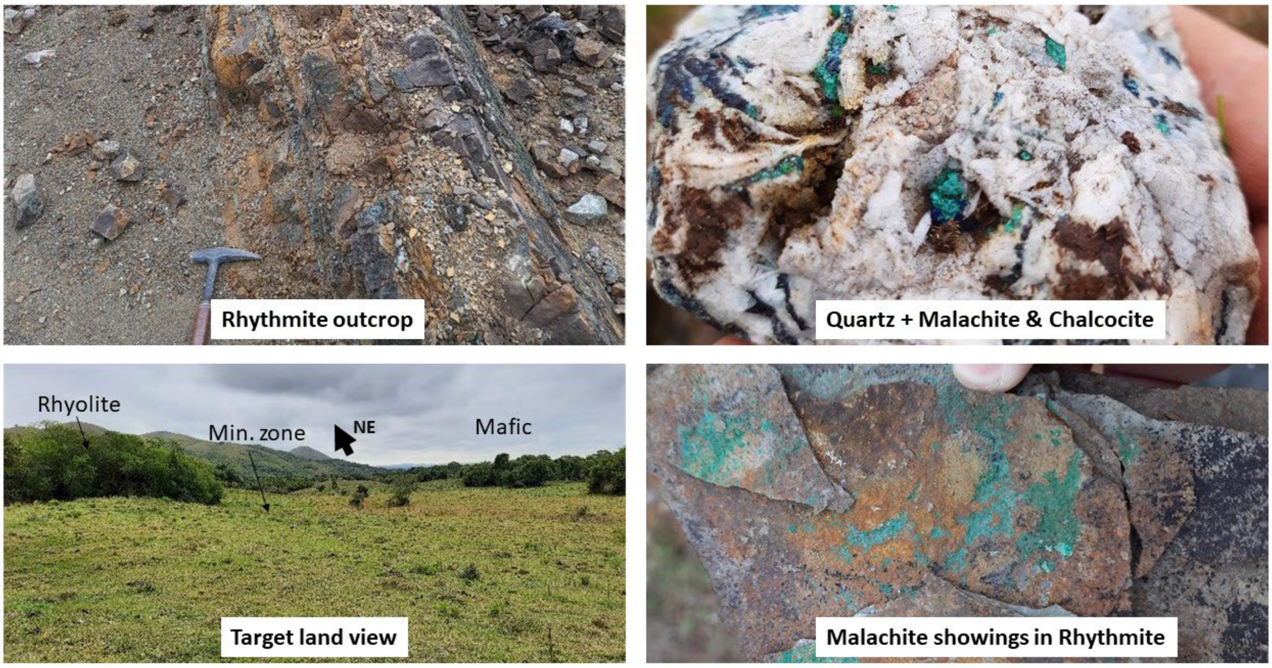

Figure 07 – Salso Target photos.

Table 03 – Copper and silver assay results at the Salso Target

Sample_ID	UTM_E	UTM_N	Cu %	Ag g/t
108455	252398	6631724	0.12	3.4
108456	252474	6631091	2.67	15.1
108457	252474	6631091	0.36	23.6
108458	252474	6631091	0.12	5.9
108459	252474	6631091	0.09	1.6
108460	252474	6631091	0.09	<0.5
108461	252751	6631708	0.02	1.4
108462	252765	6631648	0.73	12.8
108463	252701	6631513	0.23	27.1
108464	252619	6631411	0.02	0.8

Piquiri Target

The Piquiri Target is located 60km to the east of the city of Caçapava do Sul and comprises an area covered by six tenements where volcanic and sedimentary rocks outcrop in contact with granite, which is a geological environment similar to that found at the Andrade Deposit (Figure 08). Copper mineralization occurs in both sedimentary and volcanic rocks, predominantly in shales along the strike over 2.5km. The main copper mineral is malachite, occurring as disseminations in the matrix of the volcanic rocks and filling the foliation plans of the shales. Initial reconnaissance and geological mapping returned a rock assay of up to 1.08% copper. The rock assay results are presented in Table 04.

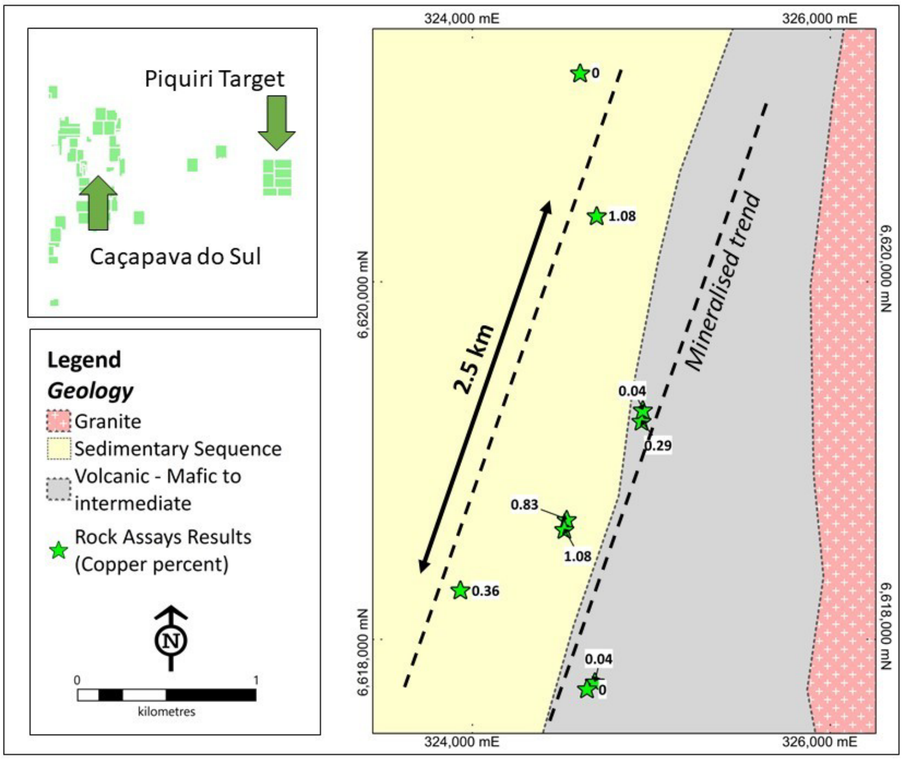

Figure 08 – Piquiri Target map

Table 04 – Copper and silver assay results at the Piquiri Target

Sample_ID	UTM_E	UTM_N	Cu %	Ag g/t
108465	324944	6619224	0.29	0.7
108466	324952	6619287	0.04	1.1
108467	324684	6617766	0.04	1.9
108468	324640	6617727	0.00	<0.5
108469	323932	6618280	0.36	5.1
108470	324526	6618674	0.83	4.8
108471	324513	6618619	1.08	9.9
108472	324601	6621172	0.00	<0.5
108473	324694	6620373	1.08	9
108464	252619	6631411	0.02	0.8

Estuque Target

The Estuque target is located 33km northwest of the Andrade Project and comprises an area with outcrops and historical gold exploration works, such as trenches and shafts, along a 1km strike length (Figure 09). The host rock is a silicified granite, occurring in the border of the main intrusive structure. The mineralization is associated with a radial structure in the border of this zone, and the gold is bearing in sheeted vein structures. The sheeted vein is a hydrothermal structure typical of gold deposits associated with nearby intrusive rocks, formed by a set of parallel gold-bearing quartz veins separated from each other by the country rock (Figure 10). Initial results from rock samples of this rock type returned up to 2.68 g/t gold (Table 05).

Table 05 – Gold assay results at the Estuque Target

Sample_ID	UTM_E	UTM_N	Au g/t
108479	238508	6646998	0.04
108480	238349	6646763	0.51
108481	238292	6646692	0.02
108482	238264	6646684	0.18
108483	237821	6646687	1.27
108484	237748	6646708	0.07
108485	237720	6646708	2.68
108486	237567	6646684	0.35
108487	237538	6646289	<0.005
108464	252619	6631411	0.02

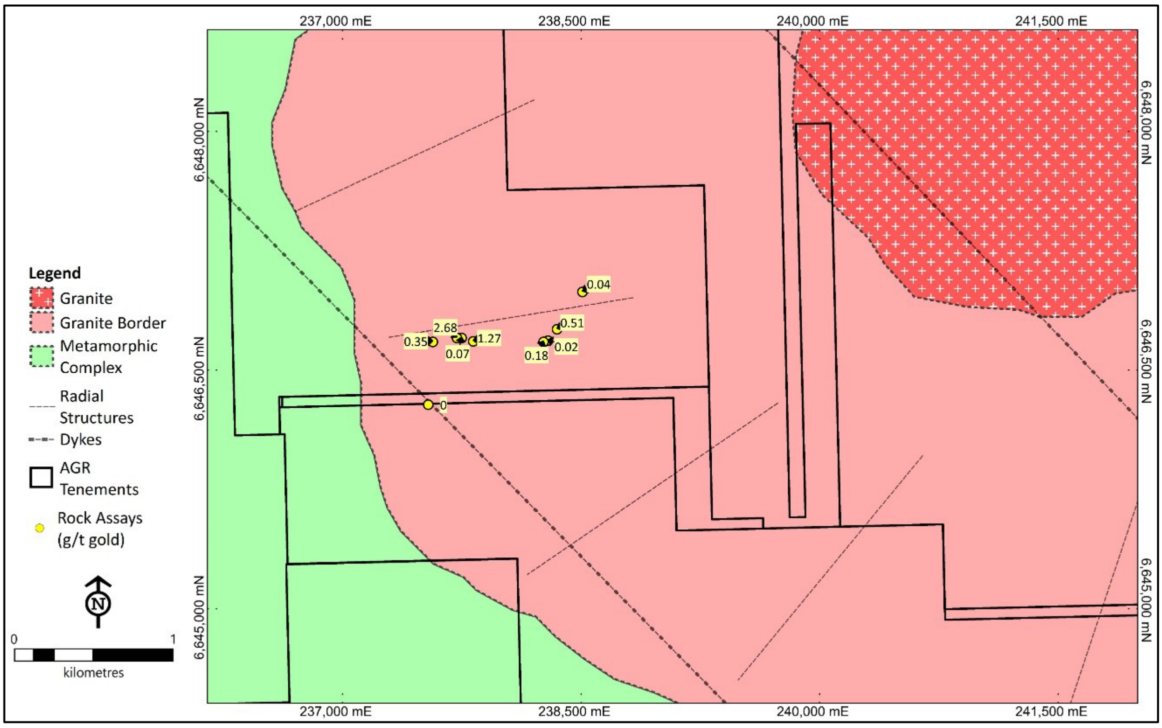

Figure 09 – Estuque Target map

Figure 10 – Estuque target - mineralisation style photos

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

As lead auditor for the review of the half-year financial report of Aguia Resources Limited for the half-year ended 31 December 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 review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
16 March 2022

	Note	Consolidated	
		6 months ended 31 December 2021 $	6 months ended 31 December 2020 $
Interest Income		68,687	45,276
Expenses			
Employee benefits expense		(32,210)	(17,623)
Legal & professional		(78,441)	(41,925)
Depreciation and amortisation expense		(2,444)	(1,929)
Corporate expense		(427,469)	(292,124)
Business development		(119,839)	(106,230)
Share-based payments	12	(372,227)	(240,849)
Administration expense		(126,314)	(92,351)
Loss before income tax expense		(1,090,257)	(747,755)
Income tax expense		-	-
		(1,090,257)	(747,755)
Loss after income tax expense for the half-year attributable to the owners of Aguia Resources Limited		(1,090,257)	(747,755)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	7	(1,771,570)	(1,263,927)
Other comprehensive income for the half-year, net of tax	7	(1,771,570)	(1,263,927)
Total comprehensive loss for the half-year		(2,861,827)	(2,011,682)
Attributable to;			
Equity Holders of Aguia Resources		(1,090,257)	(747,755)
Non-Controlling Interests		-	-

	Cents	Cents
Basic earnings per share	(0.32)	(0.29)
Diluted earnings per share	(0.32)	(0.29)

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

	Note	Consolidated	
		31 December 2021 $	**30 June 2021 $**
Assets			
Current assets			
Cash and cash equivalents		5,165,387	4,298,379
Trade and other receivables		32,020	53,045
Prepayments		65,841	33,906
Total current assets		5,263,248	4,385,330
Non-current assets			
Property, plant and equipment		1,575,321	1,682,277
Exploration and evaluation	4	23,132,728	24,137,332
Total non-current assets		24,708,049	25,819,609
Total assets		29,971,297	30,204,939
Liabilities			
Current liabilities			
Trade and other payables	5	1,055,646	1,484,601
Advance of future capital increases		-	591,383
Total current liabilities		1,055,646	2,075,984
Total liabilities		1,055,646	2,075,984
Net assets		**28,915,651**	**28,128,955**
Equity			
Contributed capital	6	121,647,344	118,101,048
Reserves	7	(11,858,295)	(10,188,952)
Accumulated losses		(80,873,398)	(79,783,141)
Total equity		**28,915,651**	**28,128,955**

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

Consolidated	**Ordinary shares** $	**Reserves** $	**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 half-year	-	-	(747,755)	-	(747,755)
Recognised as a controlled interest	-	-	(155,217)	155,217	-
Other comprehensive income for the half-year, net of tax	-	(1,263,927)	-	-	(1,263,927)
Total comprehensive income for the half-year	114,045,470	(11,834,543)	(69,688,920)	-	32,522,007
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	-	-	-	-	-
Share-based payments	159,465	81,384	-	-	240,849
Balance at 31 December 2020	114,204,935	(11,753,159)	(69,688,920)	-	32,762,856

Consolidated	**Ordinary shares** $	**Reserves** $	**Accumulated losses** $	**Total equity** $
Balance at 1 July 2021	118,101,048	(10,188,952)	(79,783,141)	28,128,955
Loss after income tax expense for the half-year	-	-	(1,090,257)	(1,090,257)
Other comprehensive income for the half-year, net of tax	-	(1,771,570)	-	(1,771,570)
Total comprehensive income for the half-year	118,101,048	(11,960,522)	(80,873,398)	(25,267,128)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (Note 6)	3,526,296	-	-	3,526,296
Share-based payments	20,000	102,227	-	122,227
Balance at 31 December 2021	121,647,344	(11,858,295)	(80,873,398)	28,915,651

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

	Consolidated	
	31 December 2021 $	31 December 2020 $
Cash flows from operating activities		
Payments to suppliers and employees	(794,053)	(1,019,947)
Interest received	68,687	2,732
Net cash used in operating activities	**(725,366)**	**(1,017,215)**
Cash flows from investing activities		
Purchase of Fixed Assets	(573,930)	(76,590)
Payments for exploration and evaluation	(622,351)	(103,867)
Net cash used in investing activities	**(1,196,281)**	**(180,457)**
Cash flows from financing activities		
Proceeds from issue of shares	3,047,732	-
Share issue transaction costs	(112,820)	-
Net cash from financing activities	**2,934,912**	**-**
Net increase/(decrease) in cash and cash equivalents	1,013,264	(1,197,672)
Cash and cash equivalents at the beginning of the financial half-year	4,298,379	3,070,249
Effects of exchange rate changes on cash and cash equivalents	(146,257)	(28,053)
Cash and cash equivalents at the end of the financial half-year	**5,165,387**	**1,844,524**

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

Note 1. General information

The financial report consists of financial statements, notes to the financial statements and the directors' declaration.

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 Moinhos de Vento 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 directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 March 2022.

Note 2. Significant accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
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.

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 $1,090,257 (31 December 2020: $747,755) and net cash outflows from operating and investing activities of $1,921,647 (31 December 2020: $1,197,672) for the half-year ended 31 December 2021.

Note 2. Significant accounting policies (continued)

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, through capital raising.
- 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.

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. Non-current assets - exploration and evaluation

	Consolidated	
Consolidated	**31 December 2021 $**	**30 June 2021 $**
Brazilian Phosphate project - at cost	41,921,795	42,848,733
Less: Impairment	(21,852,634)	(21,852,634)
	20,069,161	20,996,099
Brazilian Copper project - at cost	3,063,567	3,141,233
Less: Impairment	-	-
	3,063,567	3,141,233
	23,132,728	24,137,332

Note 4. Non-current assets - exploration and evaluation (continued)

Consolidated	Exploration and Evaluation $
Balance at 1 July 2021	24,137,809
Additions- Expenditure during the year	622,351
Exchange differences	(1,627,432)
Balance at 31 December 2021	23,132,728

Note 5. Current liabilities - trade and other payables

Consolidated	Consolidated 31 December 2021 $	Consolidated 30 June 2021 $
Trade payables	11,673	75,969
Accrued expenses	668,933	1,339,181
Other payables[3]	375,040	69,451
	1,055,646	1,484,601

Note 6. Equity - issued capital

	Consolidated 31 December 2021 Shares	30 June 2021 Shares	31 December 2021 $	30 June 2021 $
Ordinary shares - fully paid	394,897,089	327,121,517	121,647,344	118,101,048

[3] Included in the Other Payables is the approved unissued capital of 2 million shares at $0.05 per share to Christina McGrath, this was approved by shareholders at the 2021 Annual General Meeting, for previous work undertaken.
In addition, Included in Other Payables is the approved but unissued capital of 3 million shares at $0.05 per share to Fernando Tallarico, which was approved by shareholders at the 2021 Annual General Meeting. This has been accrued in the accounts and included in the compensation to key management personnel in Note 9, in accordance with AASB 2.

Note 6. Equity - issued capital (continued)

Movements in ordinary share capital

	Date	Shares	Issue price	$
Opening Balance 1 July 2021	1 July 2021	327,121,517		118,101,048
Shares issued – Placement	6 July 2021	6,570,923	$ 0.09	591,383
Shares issued – in lieu of cash payment	30 July 2021	250,000	$ 0.08	20,000
Shares issued – Placement	22 November 2021	50,940,000	$ 0.05	2,547,000
Shares issued – Share Purchase Plan	24 December 2021	10,014,649	$ 0.05	500,733
Share issue costs				(112,820)
Closing Balance 31 December 2021	31 December 2021	394,897,089		121,647,344

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 7. Equity - reserves

	Consolidated	
Consolidated	**31 December 2021 $**	**30 June 2021 $**
Foreign currency reserve	(17,403,414)	(15,631,844)
Share-based payments reserve	5,462,934	5,360,707
Capital contribution reserve	82,185	82,185
	(11,858,295)	(10,188,952)

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.

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% of the $1 million loan with Forbes Emprendimentos Ltda, a company associated with three of its current/former directors.

Note 7. Equity - reserves (continued)

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

Consolidated	Capital contribution $	Share-based payment reserve $	Foreign currency reserve $	Total $
Balance at 1 July 2021	82,185	5,360,707	(15,631,844)	(10,188,952)
Foreign currency translation	-	-	(1,771,570)	(1,771,570)
Share-based payments during the period	-	102,227	-	102,227
Balance at 31 December 2021	82,185	5,462,934	(17,403,414)	(11,858,295)

Note 8. Equity - dividends

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

Note 9. Key management personnel disclosures

Directors
The following persons were directors of Aguia Resources Limited during the financial half-year:

Christina McGrath	Executive Chair
Fernando Tallarico	Managing Director
Martin McConnell	Non-Executive Director
David Carland	Non-Executive Director

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

	Consolidated	
	31 December 2021 $	31 December 2020 $
Short-term employee benefits	312,393	175,865
Share-based payments[4]	335,320	231,384
	647,713	407,249

[4] Included in the Share-based payments is the approved unissued capital to directors as outlined in Note 5.

Note 10. Events after the reporting period

No other matters or circumstance have arisen since 31 December 2021 that have 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 11. Earnings per share

	Consolidated	
	31 December 2021 $	31 December 2020 $
Loss after income tax attributable to the owners of Aguia Resources Limited	(1,090,257)	(747,755)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	344,909,150	257,784,518
Weighted average number of ordinary shares used in calculating diluted earnings per share	344,909,150	257,784,518
	Cents	**Cents**
Basic earnings per share	(0.32)	(0.29)
Diluted earnings per share	(0.32)	(0.29)

Note 12. Share-based payments

Included in the Share-based payments expense is the approved unissued capital to directors as outlined in Note 5.

Note 13. Related party transactions

Parent entity
Aguia Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 15.

Key management personnel
Disclosures relating to key management personnel are set out in Note 9 and the remuneration report included in the directors' report.

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

	Consolidated	
	31 December 2021 $	31 December 2020 $
Payment for goods and services:		
Payment to Australian Resources Development Limited, a company controlled by NED David Carland, for consulting work.	-	13,860
Payment to Brooke McConnell, daughter of NED Mr Martin McConnell, for redesign and updates to the Aguia website and corporate presentation.	260	16,000
	260	29,860

Note 14. Commitments

The consolidated entity does not have any significant commitments as at 31 December 2021 other than those already been disclosed in the financial statements.

Note 15. 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 2:

Name	Principal place of business / Country of incorporation	Ownership interest 31 December 2021 %	Ownership interest 31 December 2020 %
Aguia Mining Pty Ltd	Australia	100.00%	100.00%
Aguia Phosphates Pty Ltd	Australia	100.00%	100.00%
Aguia Copper Pty Ltd	Australia	100.00%	100.00%
Aguia Potash Pty Ltd	Australia	100.00%	100.00%
Aguia Metais Ltda	Brazil	100.00%	100.00%
Potassio do Atlantico Ltda	Brazil	100.00%	100.00%
Aguia Rio Grande Mineracao Ltda	Brazil	100.00%	100.00%
Aguia Fertilizantes S.A.*	Brazil	49.00%	49.00%

* Controlled by the parent entity through the shareholder agreement between BS1 and Aguia Rio Grande Mineração Ltda, along with the employment terms of Fernando Tallarico, the sole shareholder of BS1. The group, per the arrangements in place, has a beneficial interest of 100%, as at the reporting date.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Christina McGrath – Executive Chair

16 March 2022

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Building a better working world

Independent auditor's review report to the members of Aguia Resources Limited

Conclusion

We have reviewed the accompanying half-year financial report of Aguia Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 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.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
Sydney
16 March 2022