



9 January 2014

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

Dear Sir/Madam

**Rights Issue Offer Document and related documentation, and potential TSX-V Listing**

Agua Resources Limited (the **Company**) is pleased to announce a non-renounceable rights issue (**Rights Issue**) of 1 fully paid ordinary share (**New Share**) for every 10 fully paid ordinary shares held by eligible shareholders on 15 January 2015.

Shareholders who are eligible to participate in the Rights Issue are those persons who:

1. are registered as a Shareholder of the Company as at 7.00pm (Sydney time) on 15 January 2015; and
2. have a registered address in Australia or New Zealand.

Pursuant to the Rights Issue, the Company will issue New Shares at a price of \$0.04 each in order to raise up to approximately \$1.016 million before the costs of the Offer.

It is proposed that the funds raised from the Offer will be applied for the purposes of expanding the resource at Três Estradas and funding delineation drill testing of the neighbouring Joca Tavares project, with the objective of defining at least 75 million tonnes of phosphate resources between the two deposits. Funds raised will also be used to cover the costs of the issue and to provide working capital.

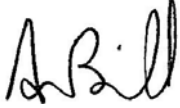
In addition to the above, the Company has decided to undertake a preliminary review of whether a TSX-V listing is appropriate for the Company. Funds raised from the Rights Issue will be applied towards this preliminary review.

The Offer is not being underwritten.

A copy of the attached Offer Document will be mailed to all eligible shareholders on or around 20 January 2015. Also being released are the following documents:

- a letter to eligible shareholders, to be mailed on or around 9 January 2015;
- a letter to ineligible shareholders, to be mailed on or around 9 January 2015;
- a letter to option holders, to be mailed on or around 9 January 2015;
- a Cleansing Notice pursuant to section 708AA(7) of the Corporations Act; and
- an Appendix 3B.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A. Bursill', with a stylized flourish at the end.

Andrew Bursill  
Company Secretary  
Agua Resources Limited

# Agua Resources Ltd ACN 128 256 888

## Rights Issue Offer Document

### Pursuant to S708AA(2) *Corporations Act 2001* (Cth)

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A non renounceable rights issue to existing shareholders of Agua Resources Limited of 1 New Share at an issue price of \$0.04 each for every 10 Shares held to raise up to approximately \$1.016m before costs of the Offer.

#### **Important notice**

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

The Offer is not underwritten.

## Important Information

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance.

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the Definitions and Glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars or else as indicated.

## Key dates for investors

Record Date for determining entitlements under the Offer: .... 15 January 2015, 7:00pm (Sydney time)  
Offer Opens: ..... 20 January 2015, 9:00am (Sydney time)  
Offer Expected to Close: ..... 30 January 2015, 5:00pm (Sydney time)  
Expected Date for Despatch of New Shareholding statements: ..... 6 February 2015  
Commencement of trading of New Shares on ASX: ..... 6 February 2015

Further details regarding the timetable for the Offer are set out in section 1.7. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible.

## Offer statistics

Number of New Shares to be issued: ..... up to 25,394,979\*  
Issue Price: ..... \$0.04

\*Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date

## Important notice

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This rights issue Offer Document is not a disclosure document for the purposes of Chapter 6D of the *Corporations Act*. The Company is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 9 January 2015 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set forth in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of Chapter 2M of the *Corporations Act*, as they apply to the Company; and
- section 674 of the *Corporations Act*.

## **No excluded information**

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA (8) and (9) of the *Corporations Act*.

## **Foreign Shareholders**

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, in which the Company's Shareholders may reside. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

## **New Zealand**

In making this offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2013* by virtue of which this Offer Document is not required to be registered in New Zealand.

## **No representations**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

## **Deciding to Accept the Offer**

No person named in this Offer Document, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarized in section 5. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: [www.aguiaresources.com.au](http://www.aguiaresources.com.au).

## **Competent Person Statement**

Information contained in this Offer Document for projects of the Company located in Brazil is based on information compiled by Fernando Tallarico who is a Member (P.Geol) of the Association of Professional Geoscientists of Ontario. Fernando Tallarico is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration in this Offer Document, and to the activity for which he is qualifying as a Competent

Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Fernando Tallarico consents to the inclusion in this Offer Document of the matters based on his information in the form and context in which it appears.

### **Forward Looking Statements**

This Offer Document contains certain forward looking statements and statements of current intention. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which the Company is involved as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of the Company, any of its officers, or any person named in this Offer Document with their consent or any person involved in the preparation of this Offer Document makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward looking statement, and you should not place undue reliance on these statements. Forward looking statements in this Offer Document reflect views held only as at the date of this Offer Document.

## Chairman's letter

9 January 2015

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Agua Resources Limited (**the Offer**).

The Company is making a non-renounceable rights issue of 1 New Share at \$0.04 per New Share for every 10 ordinary shares held in Agua Resources Limited on the Record Date, to raise up to approximately \$1.016m before the costs of this Offer.

It is proposed that the funds raised from the Offer will be applied for the purposes of expanding the resource at Três Estradas and funding delineation drill testing of the neighbouring Joca Tavares project, with the objective of defining at least 75 million tonnes of phosphate resources between the two deposits. The Company has also decided to undertake a preliminary review of whether a TSX-V listing is appropriate for the Company. Funds will be applied towards this preliminary review. Funds raised will also be used to cover the costs of the issue and to provide working capital.

The Offer provides Eligible Shareholders with the opportunity to increase their investment in Agua Resources Limited.

The Offer is not underwritten.

Some or all of those Directors who are Eligible Shareholders intend to take up a portion of their entitlement to New Shares.

Pursuant to the Corporations Act, Agua Resources Limited is not required to prepare a prospectus for the Issue. A summary of the key information with respect to the Offer is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is also attached to this Offer Document. If you are eligible and you wish to accept your Entitlement pursuant to the Offer, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate application money to the Company's share registry before the closing date of 30 January 2015 at 5pm (Sydney time).

On behalf of the Directors, I commend this investment to you.

Yours sincerely,



David Gower  
Chairman  
Agua Resources Limited

## **1. Offer details**

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### **1.1 The Offer**

This Offer Document is for the non-renounceable rights issue of approximately 25,394,979 New Shares at an issue price of \$0.04 per New Share, on the basis of 1 New Share for every 10 Shares held by Eligible Shareholders as at the Record Date.

The Offer may be increased by a total of 2,045,632 New Shares if holders of Existing Options exercise their Existing Options prior to the Record Date.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 6 February 2015.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all application monies (without interest) within 28 days of giving notice of such withdrawal.

The Offer is not underwritten.

### **1.2 Eligibility of Shareholders**

The Entitlement Offer is being offered to all Eligible Shareholders only.

Eligible Shareholders are Shareholders on the Record Date who have a registered address in Australia and New Zealand or who are Shareholders that the Company has otherwise determined are eligible to participate.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

In particular this Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

### **1.3 Minimum subscription**

There is no minimum subscription to the Offer.

### **1.4 New Share terms**

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **1.5 Acceptance of Entitlement to New Shares**

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded to the nearest whole number.

Entitlements to New Shares can be accepted by Eligible Shareholders in full or in part or in excess of their Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

## 1.6 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer, for the purposes of expanding the resource at Três Estradas and funding delineation drill testing of the neighbouring Joca Tavares project, with the objective of defining at least 75 million tonnes of phosphate resources between the two deposits. The Company has also decided to undertake a preliminary review of whether a TSX-V listing is appropriate for the Company. Funds will be applied towards this preliminary review. Funds raised will also be used to cover the costs of the issue and to provide working capital.

The proceeds from the Offer (assuming it is fully subscribed) is proposed to be allocated in the following manner:

<b>Proposed use of funds</b>	
Costs of issue*	\$55,000
Joca Tavares project	\$400,000
Initial review of TSX-V listing	\$150,000
Três Estradas	\$100,000
Drill testing and evaluation	\$250,000
Working capital, including Company overheads	\$60,799
<b>Total (Maximum raising)</b>	<b>\$1,015,799</b>

*\* Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 6.3*

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

## 1.7 Important dates

<b>Announcement and application for official quotation of New Shares</b>	9 January 2015
<b>Section 708AA notice given to ASX</b>	9 January 2015
<b>Lodge Offer Document with ASX</b>	9 January 2015
<b>Notice provided to Option Holders and Shareholders</b>	9 January 2015
<b>Ex Date</b>	13 January 2015
<b>Record Date for the Offer</b>	15 January 2015 at 7.00 pm (Sydney time)
<b>Dispatch of Offer Document and Acceptance Form and announcement of dispatch</b>	20 January 2015
<b>Opening Date of Offer</b>	20 January 2015 at 9:00am (Sydney time)
<b>Closing Date of Offer</b>	30 January 2015 at 5:00pm (Sydney time)
<b>Securities quoted on deferred settlement basis</b>	2 February 2015

<b>ASX notified of under subscriptions</b>	4 February 2015
<b>Allotment of New Shares</b>	5 February 2015
<b>Despatch of New Shares holding statements</b>	6 February 2015
<b>Commencement of trading of New Shares on ASX</b>	6 February 2015

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the *Corporations Act* and the Listing Rules, without notice. The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- withdraw the Offer without prior notice; or
- vary any of the important dates set out in this Offer, including extending the Offer.

#### 1.8 **Directors' intentions in respect of Entitlements**

As at the date of this Offer Document, some of the Directors have either a direct or indirect interest in Shares. Some or all of those Directors who are Eligible Shareholders intend to take up a portion of their entitlement to New Shares.

#### 1.9 **Underwriting**

The Offer is not underwritten.

#### 1.10 **Fees and Commissions**

The Company may if it deems it necessary for the placement of any Shortfall, pay stockbrokers' fees which will be equal to a percentage of the issue price (including GST) of New Shares issued under the Shortfall. Payment of any such fee is subject to agreement with the Company and subject to the receipt of a valid tax invoice by the Company from the stockbroker or Australian Financial Services licensee.

#### 1.11 **Additional shares**

Entitlements not taken up may become available as Additional Shares. Eligible Shareholders may, in addition to their Entitlements, apply for New Shares over and above their Entitlement at the Offer Price (**Additional Shares**) regardless of the size of their present holding.

It is an express term of the Offer that applicants for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for. If a lesser number is allocated to them, excess Acceptance Money will be refunded without interest (where the amount is \$1.00 or greater) and will be returned to Eligible Shareholders as soon as practicable following the Closing Date, without interest. The Company reserves the right to scale back any applications for Additional Shares in their absolute discretion and to ensure that no Shareholder will as a consequence of taking up their Entitlement and being issued any Additional Shares hold a relevant interest of more than 19.99% of all of the Shares in the Company after this Issue.

#### 1.12 **Placement of Shortfall**

Eligible Shareholders can apply for Additional Shares.

In the event that there is a Shortfall in subscriptions under the Issue, the Directors reserve the right to issue the Shortfall at their discretion so as to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will as a consequence of taking up their Entitlement and being issued any Shortfall hold a relevant interest of more than 19.99% of all of the Shares in the Company after this Issue.

Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Offer Price.

### 1.13 How to accept your Entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part.

The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Shareholders take no action in respect of their Entitlement they will have no right to subscribe for the New Shares pursuant to this Offer. If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Offer may be placed by the Directors to third parties.

#### (a) Payment by cheque or bank draft

Entitlements to New Shares can be accepted in full or in part or in excess of the Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. Payment may be made by cheque or bank draft. The Issue Price of \$0.04 per New Share is payable in full on acceptance of part or all of your Entitlement.

If you wish to take up all of your Entitlement and apply for Additional Shares, complete the Entitlement and Acceptance Form by inserting the number of New Shares for which you wish to accept the Offer under this Offer Document plus the number of Additional Shares (being more than your Entitlement as specified on the Entitlement and Acceptance Form) in accordance with the instructions set out on the form and ensure that your payment is sufficient to cover the Acceptance Money for both the New Shares under your Entitlement and the Additional Shares in excess of your Entitlement.

Cheques should be in Australian currency and made payable to "Agua Resources Limited - Rights Issue Account" and crossed "not negotiable".

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

Mailing Address	Hand Delivery
Agua Resources Limited Offer c/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001	Agua Resources Limited Offer c/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2038 [Please do not use this address for mailing purposes]

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

#### (b) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form, which includes the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers. You can only

make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form, but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Acceptance Money.

**It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.**

- (c) Administration of applications for New Shares

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any Acceptance Money received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the Closing Date. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

#### 1.14 **Binding effect of Entitlement and Acceptance Form**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

#### **1.15 Allotment and allocation policy**

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors reserve the right to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

#### **1.16 ASX listing**

The Company applied for the listing and quotation of the New Shares on the ASX on 9 January 2015. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

#### **1.17 Investment risks**

Investors should carefully read the section on Risk Factors outlined in section 5. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

#### **1.18 CHESS**

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

#### **1.19 No rights trading**

Entitlements to New Shares pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

#### **1.20 Option Holders**

Option Holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder at 7.00pm (Sydney time) on the Record Date.

There are currently 20,456,321 Existing Options on issue on the following terms.

Expiry Date	Exercise Price	Number of Options
28/10/2015	0.75	150,000
30/09/2016	0.25	500,000
30/11/2016	0.25	630,000
31/05/2015	0.30	14,226,321
30/04/2017	0.084	4,950,000

All of the above Existing Options are unlisted, vested and exercisable.

If all Option Holders elect to exercise their Existing Options prior to the Record Date to participate in the Offer, a further 2,045,632 New Shares may be issued under this Offer Document.

#### 1.21 Overseas shareholders

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form. The distribution of this Offer Document and the accompanying form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

In particular the Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

##### *Notice to nominees and custodians*

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

## 2. The Company and its operations

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### 2.1 Operations

The Company's primary focus is on the exploration and development of large scale phosphate projects in Brazil. Through its 100 per cent owned subsidiaries, Aguia Metais Ltda and Potassio do Atlantico Ltda, it has an established and experienced in-country management team based in Belo Horizonte, Brazil with corporate offices in Sydney, Australia.

### 2.2 Board

The Board of the Company is currently comprised of:

- (a) David Gower, Acting Chairman;
- (b) Prakash Hariharan, Managing Director;
- (c) Fernando Tallarico, Technical Director;
- (d) Brian Moller, Non-executive Director; and
- (e) Alec Pismiris, Non-executive Director.

## 3. Use of Funds

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The capital raised will be used for the purpose of expanding the resource at Três Estradas and funding delineation drill testing of the neighbouring Joca Tavares project, with the objective of defining at least 75 million tonnes of phosphate resources between the two deposits. The Company has also decided to undertake a preliminary review of whether a TSX-V listing is appropriate for the Company. Funds will be applied towards this preliminary review. Funds raised will also be used to cover the costs of the issue and to provide working capital.

The proceeds from the Offer (assuming it is fully subscribed) are proposed to be allocated in the following manner:

Proposed use of funds	
Costs of issue*	\$55,000
Joca Tavares project	\$400,000
Initial review of TSX-V listing	\$150,000
Três Estradas	\$100,000
Drill testing and evaluation	\$250,000
Working capital, including Company overheads	\$60,799
<b>Total (Maximum raising)</b>	<b>\$1,015,799</b>

\* Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 6.3

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

## 4. Control issues arising from the Offer on the Company

### 4.1 Present position

At the date of this Offer Document the Company is of the view that there is no one entity who controls the Company.

The top 20 shareholders of the Company as at 5 January 2015 are as follows:

Name	Shares	%
NATIONAL NOMINEES LIMITED	51,394,151	20.24
NEFCO NOMINEES PTY LTD	17,226,999	6.78
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	14,488,854	5.71
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,515,575	2.57
2051580 ONTARIO INC	4,984,576	1.96
CITICORP NOMINEES PTY LIMITED	4,478,981	1.76
ARREDO PTY LTD	4,000,000	1.58
FGDG SUPER PTY LTD	3,144,000	1.24
MR NICHOLAS JAMES REDPATH	3,046,500	1.20
FITEL NOMINEES LIMITED	3,000,000	1.18
LINOR PTY LTD	3,000,000	1.18
FORBES & MANHATTAN (BARBADOS) INC	2,883,806	1.14
SYMINGTON PTY LTD	2,677,602	1.05
DUNROOTIN PTY LTD	2,510,000	0.99
TELIC PTY LIMITED	2,500,000	0.98
MR BENJAMIN WILLIAM JARVIS	2,450,000	0.96
PI FINANCIAL CORP	2,247,536	0.89
FORBES & MANHATTAN (BARBADOS) INC	2,247,536	0.89
TAYCOL NOMINEES PTY LTD	1,875,000	0.74
BALFAR PTY LTD	1,833,333	0.72
MRS ELISABETH HERZ	1,833,333	0.72
ROUSSEL CORP PTY LTD	1,833,333	0.72
<b>Total:</b>	<b>140,171,115</b>	<b>55.20</b>

### 4.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of the Company immediately following the Issue assuming the Offer is fully subscribed will be as follows:

	Shares
Shares on issue at the date of the Offer Document*	253,949,788
Maximum number of New Shares under the Offer Document	25,394,979
<b>Total:</b>	<b>279,344,767</b>

As at the date of this Offer Document, the Company has the following Existing Options on issue:

Expiry Date	Exercise Price	Number of Options
28/10/2015	0.75	150,000
30/09/2016	0.25	500,000
30/11/2016	0.25	630,000
31/05/2015	0.30	14,226,321

30/04/2017	0.084	4,950,000
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All of the above Existing Options are unlisted, vested and exercisable.

#### 4.3 Potential effect of the Offer

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and provided that none of the Option Holders exercise their Existing Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, the proportional shareholdings of Shareholders who are not resident in Australia or New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer. Additionally, if an Eligible Shareholder does not take up their entitlement in full, there may be a dilutionary effect on that Shareholder's proportional shareholdings (which may occur as a result of other Eligible Shareholders taking up Additional Shares, or as a result of the placement of the Shortfall by the Directors).

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

As set out in section 1.11 above, the Company reserves the right to scale back any applications for Additional Shares in their absolute discretion and to ensure that no Shareholder will as a consequence of taking up their Entitlement and being issued any Additional Shares holds a relevant interest of more than 19.99% of all of the Shares in the Company after this Issue.

#### 4.4 Sulliden Top-Up Right

The Company notes that the Shareholding of NATIONAL NOMINEES LIMITED as set out in section 4.1 includes those Shares which are owned by Sulliden Mining Capital Inc (**Sulliden**), being a Toronto based and Toronto Stock Exchange listed company. Accordingly, the Company notes that Sulliden may not be an Eligible Shareholder.

However, as announced to the ASX on 26 November 2014, the Company has been granted a waiver from ASX in respect of ASX Listing Rule 6.18, so as to allow Sulliden the right to participate in any future equity financings in order to maintain its proportionate equity interest in the Company (**Top-Up Right**).

Accordingly, following the issue of the Shares pursuant to this Offer Document (**Diluting Event**), Sulliden may elect to exercise its Top-Up Right so as to maintain its percentage holding in the issued share capital of the Company immediately before the Diluting Event (as permitted by the Top-Up Right).

In accordance with the terms of the ASX instrument of relief granting the Company a waiver from ASX Listing Rule 6.18, the Company advises that:

- (a) The Top-Up Right lapses on the earlier of:
  - (1) Sulliden's holding in the Company falling below 10%;
  - (2) Sulliden's holding in the Company exceeding 25%; or
  - (3) the strategic relationship between the Company and Sulliden ceasing or changing in such a way that it effectively ceases.
- (b) The Top-Up Right can only be transferred to an entity in the wholly owned group of Sulliden.

- (c) Any securities issued under the Top-Up Right are offered to Sulliden for cash consideration that is:
  - (1) no more favourable than cash consideration paid by third parties (in the case of issues of securities to third parties for cash consideration); or
  - (2) equivalent in value to non-cash consideration offered by third parties (in the case of issues of securities to third parties for cash consideration).
- (d) The number of securities that may be issued to Sulliden under the Top-Up Right in the case of any diluting event must not be greater than the number required in order for Sulliden to maintain its percentage holding in the issued share capital of the Company immediately before the diluting event.
- (e) The Company must disclose a summary of the Top-Up Right to persons who may subscribe for securities under a prospectus, and undertakes to include in each annual report a summary of the Top-Up Right.

## **5. Risk factors**

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### **5.1 Introduction**

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside its control. The principal risk factors are described below.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Offer Document before you decide whether to accept New Shares.

### **5.2 Nature of investment**

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment

### **5.3 Stock market**

The New Shares may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their New Shares after listing may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase.

The price at which the New Shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets,

local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

#### **5.4 Economic factors**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

#### **5.5 Management actions**

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

#### **5.6 Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

#### **5.7 Additional capital requirements**

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

#### **5.8 Regulatory risk, Government policy**

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse affect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

#### **5.9 Risks related to the phosphate industry**

##### **(a) Competition in the phosphate industry may adversely affect the Company**

The Company competes with other mining companies in the phosphate industry, many of which have greater resources and experience in exploring for and mining phosphate, but also conduct refining and marketing options on a worldwide basis. Such competition may affect the Company's ability to acquire desired properties, develop and integrate new technologies, recruit or retain qualified employees or acquire the capital necessary to fund operations and develop its properties. Any inability to compete with these companies for resources would have a material adverse effect on the Company's business and operations.

##### **(b) Demand for phosphate tends to be cyclical in nature**

Phosphate demand is driven by a number of macroeconomic factors, including changes in global population, availability of arable land, changes in diet and income growth and tends to be cyclical in nature. During periods of increase demand, phosphate producers often expand and develop projects to capitalize on favorable phosphate prices, leading to an increased supply of phosphate products. This supply

growth increases until supply exceeds demand which eventually puts downward pressure on phosphate prices. These variations in supply and demand may have a material adverse effect on the Company's business, financial performance and operations.

(c) **Volatility in the price of phosphate may adversely affect future revenues of the Company**

Phosphate prices can fluctuate widely and are affected by a number of factors beyond the Company's control. The Company's future economic viability, and the value of Shares, will be highly sensitive to changes in phosphate prices. Macroeconomic factors may also affect the price of phosphate, including interest rates, inflation, changes in the supply of phosphate and the strength of the US dollar (the currency in which phosphate prices are generally quoted).

**5.10 Insurance arrangements**

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

**5.11 Operational risks and costs**

The Company will be exposed to operational risks and costs present in the current business. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position as well as reputation. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however, certain residual risk will remain with the Company

**5.12 Currency fluctuations**

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs in its operations. The appreciation of the Brazilian Real against the USD would increase the costs of phosphate production at such mining operations, which could materially and adversely affect the Company's earnings and financial condition.

**5.13 Exploration risk**

Phosphate mineral exploration involves a high degree of risk in relation to the probability of the discovery of a significant resource which can be commercially developed. Regardless of the application of experience, technical knowledge and careful evaluation, the discovery of commercial deposits of phosphate cannot be assured. The Company strives to reduce exploration risk by ensuring a high level of experience and technical skill is applied to planning and execution of exploration programs.

There is also no assurance that if deposits of phosphate are discovered, that commercial development of these resources will occur. The commercial viability of a particular resource is dependent on a number of factors including the quality and nature of the resource and future commodity and exchange rate fluctuations, factors which are beyond the control of the Company.

**5.14 Resource estimate risks**

Resources and reserves are estimates based upon drilling results, past experience with mining properties, experience of the person making the resource/reserve estimates and many other factors. Resource/reserve estimation is an interpretative process based upon available data. The actual quality and characteristics of ore deposits and metallurgical recovery rates cannot be known until mining takes place, and will almost certainly differ from the assumptions used

to develop reserves. Further, reserves are valued based on current costs and current prices and consequently may be reduced with declines in, or sustained low, metal prices. A reduction in the price of alternative fuels may lead to a decrease in demand for phosphate and a consequent fall in price.

#### **5.15 Operating hazards**

The Company holds mining properties in Brazil and is exposed to the laws governing the mining industry in that country. The government in Brazil is currently supportive of the mining industry but changes in government regulations including taxation, the repatriation of profits, restrictions on production, export controls, environmental compliance, expropriation of property, shifts in the political stability of the country and labour unrest could adversely affect the Company and its exploration and production initiatives in Brazil.

#### **5.16 Tenements**

Tenements may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

The renewal of a tenement is not as-of-right. The Ministers retain a discretion to grant the renewal of a tenement. Similarly, a Minister may in the future grant production tenements to the holders of exploration tenements.

#### **5.17 Environmental and Compliance Issues**

All phases of the Company's operations are subject to environmental regulation in Brazil. These regulations mandate, among other things, water quality standards and land reclamation and regulate the generation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

The current or future operations of the Company, including mineral exploration or development activities and commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, environmental protection, mine safety, land access and other matters. Such laws and regulations may vary in future. There can be no assurance, however, that all permits which the Company may require for mineral exploration or construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

In relation to current activities, the Company is in compliance with governing laws and regulations and manages these risks through its existing operating procedures, Environmental Plans, internal audits and liaison with regulators and stakeholders.

#### **5.18 Business risks**

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.

#### **5.19 Contractual risk**

The Company's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts have, in some circumstances,

been entered into by the Company and its subsidiaries in this regard. As in any contractual relationship the ability for the Company to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations. To the extent that such third party defaults in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

## 5.20 Other risks

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the New Shares.

## 6. Additional information

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### 6.1 Section 708AA Corporations Act

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to Section 708AA of the *Corporations Act*. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under Section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA (8) and (9); and
- (b) state:
  - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
  - (2) the consequences of that effect.

A notice under Section 708AA(2)(f) was lodged with the ASX on 9 January 2015.

### 6.2 Rights and liabilities attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

### 6.3 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$55,000.

In addition the Company may if it deems it necessary for the placement of any Shortfall, pay stockbrokers' fees which will be equal to a percentage of the issue price (including GST) of New Shares issued under the Shortfall.

#### 6.4 **Consents and disclaimers**

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Franks & Associates Pty Ltd has given and has not withdrawn its consent to be named in this Offer Document as the share registry of the Company in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than the references to its name.

Link Market Services Limited has given and has not withdrawn its consent to be named in this Offer Document as the share registry of the Company in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than the references to its name.

HopgoodGanim has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

#### 6.5 **Directors' statement**

This Offer Document is issued by Aguia Resources Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Aguia Resources Limited by:



.....  
David Gower  
Chairman  
Agua Resources Limited

## 7. Definitions and glossary

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Terms and abbreviations used in this Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements
Acceptance Money	The Issue Price multiplied by the number of New Shares accepted for
Additional Shares	Has the meaning given in section 1.12
Applicant	A person who submits an Entitlement and Acceptance Form
ASX	ASX Limited ACN 008 624 691
Board	The board of directors of the Company
Chess	Means the clearing house electronic sub register system, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form
Closing Date	The date by which valid acceptances must be received by the Share Registrar being 5.00pm (Sydney Time) 30 January 2015 or such other date determined by the Board
Company or Aguia Resources Limited	Aguia Resources Limited ACN 128 256 888
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	The directors of the Company
Eligible Shareholder	A Shareholder of the Company that holds Shares in the Company on the Record Date whose registered address is in Australia or New Zealand
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Offer Document
Entitlements	The entitlement to accept New Shares under this Offer Document
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Offer Document
Issue or Offer	The offer and issue of New Shares in accordance with this Offer Document
Issue Price	\$0.04 for each New Share applied for
Listing Rules	The official listing rules of the ASX
New Shares	Shares proposed to be issued under the Offer
Opening Date	The date of commencement of the Offer, expected to be 20 January 2015 at 9:00am (Sydney time)
Option Holders	The holders of the Existing Options
Options	Options on issue in the Company from time to time
Offer Document	This Offer Document dated 9 January 2015 as modified or varied by the Company
Record Date	15 January 2015 at 7:00pm (Sydney time)

Register	The company register of the Company
Relevant Interest	Has the meaning given to that term in the Corporations Act
securities	Has the same meaning as in Section 92 of the Corporations Act
Share Registry	Link Market Services Limited ACN 083 214 537
Shares	The ordinary shares on issue in the Company from time to time
Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
US Securities Act	The US Securities Act of 1933, as amended.

## Corporate directory

Present Directors	Solicitors to the Offer
David Gower Prakash Hariharan Fernando Tallarico Brian Moller Alec Pismiris	HopgoodGanim Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000
Administration and Registered Office	Share Registry
c/- Franks & Associates Pty Limited Suite 4, Level 9 341 George Street Sydney NSW 2000	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000