

25 May 2015

ASX Market Announcements Office  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000  
Australia

### Notice of General Meeting


Agua Resources Limited (ASX: **AGR**) (“Agua” or “Company”) is pleased to provide Notice that a General Meeting of the Company’s Shareholders will be held on:

Friday 26 June 2015 commencing at 10:00am Sydney time at:

Franks & Associates’ Office at Suite 4, Level 9, 341 George Street, Sydney NSW 2000, Australia.

The attached Notice of General Meeting and Explanatory Notes with a personalised Proxy Form (together the “Notice”) will be distributed to Shareholders today.

Regards,



Andrew Bursill  
Company Secretary



## **AGUIA RESOURCES LIMITED**

ABN 94 128 256 888

### **NOTICE OF GENERAL MEETING**

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To be held at the offices of  
**Franks & Associates**  
Suite 4, Level 9,  
341 George Street  
Sydney, NSW 2000, Australia  
on  
**Friday 26 June 2015**  
at **10:00am (AEST)**

*This Notice of General Meeting should be read in its entirety.*

*If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (02) 9299 9690.***

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# AGUIA RESOURCES LIMITED

ABN 94 128 256 888

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Aguia Resources Limited (**Aguia** or **Company**) will be held at the offices of Franks & Associates, Suite 4, Level 9, 341 George Street, Sydney, New South Wales on Friday 26 June 2015 at 10:00 am (AEST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice. A copy of this Notice, including the Explanatory Memorandum and Proxy Form, has been lodged with the Australian Securities and Investments Commission (**ASIC**) in accordance with section 218 of the Corporations Act.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday 24 June 2015 at 10:00 am (AEST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 9 of the Explanatory Memorandum.

## AGENDA

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### **1. Resolution 1 – Ratification of Prior Issue of Securities to Sulliden Mining Capital Inc. under ASX Listing Rule 7.1**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify and approve the issue of 19,012,542 ordinary shares for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

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### **2. Resolution 2 – Ratification of Prior Issue of Securities to Sulliden Mining Capital Inc. under ASX Listing Rule 7.1A**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify and approve the issue of 20,987,458 ordinary shares for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

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**3. Resolution 3 – Ratification of Prior Issue of Securities to Sophisticated and Professional Investors under ASX Listing Rule 7.1**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify and approve the issue of 16,802,972 ordinary shares for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

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**4. Resolution 4 – Ratification of Prior Issue of Securities to Sophisticated and Professional Investors under ASX Listing Rule 7.1A**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify and approve the issue of 2,947,028 ordinary shares for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

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**5. Resolution 5 – Grant of Options to Mr. Justin Reid**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 1,350,000 options to Mr. Justin Reid or his nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

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**6. Resolution 6 – Grant of Options to Ms. Catherine Stretch**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to grant 650,000 options to Ms. Catherine Stretch or her nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

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**7. Resolution 7 – Approval of Issue of Securities to Lara Exploration Ltd.**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue and allotment of 11,000,000 ordinary shares to Lara*

*Exploration Ltd. as part of the renegotiated Lara Option Agreement, for the purposes and upon the terms and conditions outlined in the Explanatory Memorandum accompanying the Notice.”*

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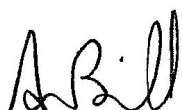
## **8. Other Business**

To transact any other business as may be brought before the Meeting.

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Dated 25 May 2015

BY ORDER OF THE BOARD



**ANDREW BURSILL**  
Company Secretary

# AGUIA RESOURCES LIMITED

ABN 94 128 256 888

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at the offices of Franks & Associates, Suite 4, Level 9, 341 George Street, Sydney, New South Wales on Friday 26 June 2015 at 10:00 am (AEST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

- Section 2: Action to be taken by Shareholders
- Section 3: Background to applicable ASX Listing Rules and Corporations Act provisions
- Section 4: Resolutions 1 & 2 – Ratification of Prior Issue of Securities to Sulliden Mining Capital Inc. under ASX Listing Rules 7.1 and 7.1A
- Section 5: Resolutions 3 & 4 – Ratification of Prior Issue of Securities to Sophisticated and Professional Investors under ASX Listing Rules 7.1 and 7.1A
- Section 6: Resolution 5 – Grant of Options to Mr. Justin Reid
- Section 7: Resolution 6 – Grant of Options to Ms. Catherine Stretch
- Section 8: Resolution 7 – Approval of Issue of Securities to Lara Exploration Ltd.
- Section 9: Definitions
- Annexure 1: Terms and Conditions of Grant of Options to Mr. Justin Reid and Ms. Catherine Stretch

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## 2. Action to be taken by Shareholders

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return the Proxy Form to the Company in accordance with the instructions provided below. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please read this Document carefully and in its entirety before decided how to vote on the Resolutions. If you appoint a proxy, the Company encourages you to provide voting directions to your proxy (using the 'For', 'Against' or 'Abstain' boxes on the Proxy Form).

If you appoint the Chairman of the Meeting as your proxy (or the Chairman becomes your proxy by default) and you do not direct your proxy how to vote on the Resolutions set out in the Notice, then you will be authorising the Chairman of the Meeting to vote as he decides on the Resolutions. The Chairman of the Meeting intends to vote, as your proxy, in favour of each the Resolutions (where permissible).

If you appoint a member of Key Management Personnel as your proxy (other than the Chairman of the Meeting) (or a Closely Related Party of such member of the Key Management Personnel), and you do not direct your proxy how to vote on the Resolutions set out in the Notice, then you will be authorising the Key Management Personnel to vote as he/she decides on the Resolutions. The Key Management Personnel intends to vote, as your proxy, in favour of each the Resolutions (where permissible).

A proxy need not be a Shareholder. If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise.

The Company must receive your duly completed Proxy Form by no later than 10:00 am (AEST) on Wednesday 24 June 2015. Please lodge your duly completed Proxy Form:

- By fax to Link Market Services on facsimile number +61 (0)2 9287 0309;
- Online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au); or
- By mail to:  
Agua Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14, Sydney South, NSW 1235, Australia.
- All enquiries to: +61 1300 554 474

Complete details on how to appoint a proxy are set out on the back of the Proxy Form.

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

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### **3. Background to applicable ASX Listing Rules and Corporations Act provisions**

#### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1, known as the '15% rule', limits the capacity of a company to issue Securities without the approval of its shareholders. In broad terms, that Listing Rule provides that a company may not, in a twelve month period, issue Securities equal to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period, unless the issue is first approved by shareholders or otherwise it comes within one of the exceptions to ASX Listing Rule 7.1, as set out in ASX Listing Rule 7.2.

#### **ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after an annual general meeting. This 10% placement capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

#### **ASX Listing Rule 7.4**

ASX Listing Rule 7.4 provides that where holders of ordinary securities approve a previous issue of Securities made without approval under ASX Listing Rule 7.1 and provided that the previous issue of Securities did not breach ASX Listing Rule 7.1, those Securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

#### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without the approval of holders of ordinary securities:

- (a) A related party; or
- (b) A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) A director of a public company; and
- (b) An entity controlled by a director of a public company.

Accordingly, Justin Reid is a related party as he is a Director of the Company.

In accordance with ASX Listing Rule 7.2, as Shareholder approval for Resolution 5 is being sought under ASX Listing Rule 10.11, ASX Listing Rule 7.2, Exception 14 provides that further Shareholder approval in respect of the substance of Resolution 5 is not required to be obtained under ASX Listing Rule 7.1.



## Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. One of the exceptions includes where the company first obtains the approval of its shareholders in general meeting in circumstances where the requirements of Chapter 2E in relation to the convening of that meeting have been met. A “related party” for the purposes of the Corporations Act is defined widely and includes a Director of the Company.

A “financial benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

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### 4. Resolution 1 and Resolution 2 – Ratification of Prior Issue of Securities to Sulliden Mining Capital Inc.

As announced to the ASX on 20 October 2014, the Company secured a \$2,000,000 placement with sophisticated investor Sulliden Mining Capital Inc. for 40,000,000 fully paid ordinary shares at an issue price of \$0.05 per share (**Placement Shares**).

Shareholder approval is being sought to ratify the 40,000,000 Placement Shares that were issued on 13 November 2014, of which 19,012,542 shares were issued under ASX Listing Rule 7.1 (**Resolution 1 Placement Shares**) and 20,987,458 shares were issued under ASX Listing Rule 7.1A. (**Resolution 2 Placement Shares**)

ASX Listing Rule 7.1 restricts listed companies in relation to the number of equity securities that they can issue or agree to issue without shareholder approval. Generally, a listed company cannot, in any 12 month period, issue a number of equity securities which is more than 15% of their fully paid ordinary shares on issue without shareholder approval (15% limit), unless an exception applies. The Company has not exceeded this 15% limit.

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after an annual general meeting. This 10% placement capacity is in addition to the Company’s 15% limit under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

ASX Listing Rule 7.4 provides that where holders of ordinary securities approve a previous issue of securities made without approval under either ASX Listing Rule 7.1 or ASX Listing Rule 7.1A, and provided that the previous issue of securities did not breach ASX Listing Rule 7.1 or ASX Listing Rule 7.1A, those securities shall be deemed to have been issued with Shareholder approval for the purpose of ASX Listing Rule 7.1 and ASX Listing Rule 7.1A.

Shareholder approval of the issues of Resolution 1 Placement Shares and Resolution 2 Placement Shares set out below is now sought pursuant to ASX Listing Rule 7.4, to partially reinstate the Company’s capacity to issue up to 15% of its ordinary issued

capital under ASX Listing Rule 7.1 and an additional 10% of its ordinary issued capital under ASX Listing Rule 7.1A if required, over a twelve month period without seeking further Shareholder approval.

### **Resolution 1**

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders in relation to the Resolution 1 Placement Shares:

- (a) The number of Securities issued was 19,012,542 shares;
- (b) The Placement Shares were issued at an issue price of \$0.05 per Share;
- (c) The Placement Shares issued rank equally with, and are on the same terms as, the existing Ordinary Shares on issue;
- (d) The Placement Shares were issued to the Holders as set out in the table below:

<b>Issue date</b>	<b>Name</b>	<b>No. of Resolution 1 Placement Shares</b>
13/11/2014	National Nominees Limited*	19,012,542

\* as nominee for Sulliden Mining Capital Inc. (please refer to ASX announcement dated 20/10/2014)

- (e) The funds raised will be used to supplement the Company's existing working capital and to provide funding for further testing of the Company's Rio Grande phosphate projects in Southern Brazil; and
- (f) Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by the persons listed in part (d) above, being the persons that participated in the issue of the Securities that are the subject of Resolution 1, and any associate of those persons.

However, the Company will not disregard a vote on Resolution 1 if it is cast by:

- A person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- The person chairing the Meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides.

### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 1**

The Board (with Justin Reid abstaining as he is also a director of Sulliden Mining Capital Inc.) recommends Shareholders vote in favour of Resolution 1 as it allows the Company to ratify the above issue of Securities and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve month period without seeking further Shareholder approval. The Directors entitled to vote on this Resolution, intend to vote all their Shares in favour of Resolution 1.

### **Resolution 2**

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders in relation to the Resolution 2 Placement Shares:

- (a) The number of Securities issued was 20,987,458 shares;
- (b) The Placement Shares were issued at an issue price of \$0.05 per Share;
- (c) The Placement Shares issued rank equally with, and are on the same terms as, the existing Ordinary Shares on issue;
- (d) The Placement Shares were issued to the Holders as set out in the table below:

Issue date	Name	No. of Resolution 2 Placement Shares
13/11/2014	National Nominees Limited*	20,987,458

\* as nominee for Sulliden Mining Capital Inc. (please refer to ASX announcement dated 20/10/2014)

- (e) The funds raised will be used to supplement the Company's existing working capital and to provide funding for further testing of the Company's Rio Grande phosphate projects in Southern Brazil; and
- (f) Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by the persons listed in part (d) above, being the persons that participated in the issue of the Securities that are the subject of Resolution 2, and any associate of those persons.

However, the Company will not disregard a vote on Resolution 2 if it is cast by:

- A person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- The person chairing the Meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides.

#### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 2**

The Board (with Justin Reid abstaining as he is also a director of Sulliden Mining Capital Inc.) recommends Shareholders vote in favour of Resolution 2 as it allows the Company to ratify the above issue of Securities and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve month period without seeking further Shareholder approval. The Directors entitled to vote on this Resolution, intend to vote all their Shares in favour of Resolution 2.

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## **5. Resolution 3 and Resolution 4 – Ratification of Prior Issue of Securities to Sophisticated and Professional Investors**

On 15 April 2015 the Company announced that, following the successful completion of the Company Rights Issue and Shortfall Placement, an additional 19,750,000 new ordinary shares will be issued to sophisticated and professional investors at \$0.04 per Share (**Placement Shares**), raising \$790,000 in new capital for the Company.

Shareholder approval is being sought to ratify the 19,750,000 Placement Shares that were issued on 29 April 2015, of which 16,802,972 shares were issued under ASX

Listing Rule 7.1 (**Resolution 3 Placement Shares**) and 2,947,028 shares were issued under ASX Listing Rule 7.1A (**Resolution 4 Placement Shares**).

ASX Listing Rule 7.1 restricts listed companies in relation to the number of equity securities that they can issue or agree to issue without shareholder approval. Generally, a listed company cannot, in any 12 month period, issue a number of equity securities which is more than 15% of their fully paid ordinary shares on issue without shareholder approval (15% limit), unless an exception applies. The Company has not exceeded this 15% limit.

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after an annual general meeting. This 10% placement capacity is in addition to the Company's 15% limit under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

ASX Listing Rule 7.4 provides that where holders of ordinary securities approve a previous issue of securities made without approval under ASX Listing Rule 7.1, and provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been issued with Shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder approval of the issue of Resolution 3 Placement Shares and Resolution 4 Placement Shares as set out below is sought pursuant to ASX Listing Rule 7.4, to partially reinstate the Company's capacity to issue up to 15% of its ordinary issued capital under ASX Listing Rule 7.1 and an additional 10% of its ordinary issued capital under ASX Listing Rule 7.1A, if required, over a twelve month period without seeking further Shareholder approval.

### **Resolution 3**

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders in relation to the Resolution 3 Placement Shares:

- (a) The number of Securities issued was 16,802,972 shares;
- (b) The Placement Shares were issued at an issue price of \$0.04 per share;
- (c) The Placement Shares issued rank equally with, and are on the same terms as, the existing Shares on issue;
- (d) The shares were allotted to the following sophisticated and professional investors:

<b>Issue Date</b>	<b>Name</b>	<b>No. of Resolution 3 Placement Shares</b>
29/04/2015	ACT 2 Pty Limited	552,972
29/04/2015	Ms Karen Aviva Schumer & Mr Gary Leon Lewis	1,000,000
29/04/2015	Taylor Family Superannuation Fund	500,000
29/04/2015	Jetan Pty Limited	5,000,000
29/04/2015	Anthony Scott Walker	250,000
29/04/2015	Simon John Allsop	458,333
29/04/2015	Murray Kenneth Chatfield	250,000
29/04/2015	Mr Steven Henry Greatorex	500,000
29/04/2015	Mr Alex Suvoltos	500,000

29/04/2015	Sapphire Chip Pty Ltd	500,000
29/04/2015	Romray Pty Ltd	250,000
29/04/2015	Justin Bradley Clyne	1,000,000
29/04/2015	Simon O'Loughlin	1,000,000
29/04/2015	Ugumjil Pty Ltd	625,000
29/04/2015	Nefco Nominees Pty Ltd	1,000,000
29/04/2015	Christopher Thomas Rae & Elana Jo-Ane Mitchell	250,000
29/04/2015	MLB Holdings Pty Ltd	250,000
29/04/2015	Emerald Vale No. 1 Pty Ltd	125,000
29/04/2015	Mr Terry Limberg and Mrs Sandra Limberg	125,000
29/04/2015	Nicalpa Pty Ltd	125,000
29/04/2015	Twin Peaks Super Pty Limited	250,000
29/04/2015	Deluto Pty Limited	125,000
29/04/2015	Mrs Wendy Demetriou	125,000
29/04/2015	Mrs Pangy Demetriou	125,000
29/04/2015	Paul Anthony Pryce	312,500
29/04/2015	Michael Hugo Silm	675,000
29/04/2015	Jonathan Irwin	429,167
29/04/2015	Robert Clancy and Christine Clancy	500,000
	<b>Total Shares Issued under ASX LR 7.1</b>	<b>16,802,972</b>

(e) The funds raised will be used to supplement the Company's existing working capital and to provide funding to advance the Tres Estradas project through preliminary engineering and continued derisking while evaluating additional value opportunities at Joca Tavares and Cerro Preto.

(f) Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by the persons listed in part (d) above, being the persons that participated in the issue of the Securities that are the subject of Resolution 3, and any associate of those persons.

However, the Company will not disregard a vote on Resolution 3 if it is cast by:

- A person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- The person chairing the Meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides.

### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 3**

The Board recommends Shareholders vote in favour of Resolution 3 as it allows the Company to ratify the above issue of Securities and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve month period without seeking further Shareholder approval. The Directors intend to vote all their Shares in favour of Resolution 3.

### **Resolution 4**

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders in relation to the Resolution 4 Placement Shares:

- The number of Securities issued was 2,947,028 shares;
- The Placement Shares were issued at an issue price of \$0.04 per share;

- (c) The Placement Shares issued rank equally with, and are on the same terms as, the existing Shares on issue;
- (d) The shares were allotted to the following sophisticated and professional investors:

Issue Date	Name	No. of Resolution 4 Placement Shares
29/04/2015	ACT 2 Pty Limited	447,028
29/04/2015	Lobster Cave Superannuation	1,250,000
29/04/2015	Lien Pty Ltd	1,250,000
	<b>Total Shares Issued under ASX LR 7.1A</b>	<b>2,947,028</b>

- (e) The funds raised will be used to supplement the Company's existing working capital and to provide funding to advance the Tres Estradas project through preliminary engineering and continued derisking while evaluating additional value opportunities at Joca Tavares and Cerro Preto; and
- (f) Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by the persons listed in part (d) above, being the persons that participated in the issue of the Securities that are the subject of Resolution 4, and any associate of those persons.

However, the Company will not disregard a vote on Resolution 4 if it is cast by:

- A person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- The person chairing the Meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides.

#### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 4**

The Board recommends Shareholders vote in favour of Resolution 4 as it allows the Company to ratify the above issue of Securities and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve month period without seeking further Shareholder approval. The Directors intend to vote all their Shares in favour of Resolution 4.

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## **6. Resolution 5 – Grant of Options to Mr. Justin Reid**

It is proposed that a grant of 1,350,000 options is made to Mr. Justin Reid or his nominee. The options will have an expiry date 3 years from their date of issue, with the exercise price at 40% above the Company's closing share price on the date of shareholder approval (**Options**).

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without first receiving Shareholder approval:

- (a) A related party; or
- (b) A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) A director of a public company; and
- (b) An entity controlled by a director of a public company.

Accordingly Mr. Justin Reid is a "related party" to the Company.

Shareholder approval is sought for the grant of 1,350,000 Options to Mr. Justin Reid or to his nominee. These Options are proposed to be issued to Mr. Justin Reid as part of his compensation package, where the Company seeks to conserve its cash reserves as best possible, whilst retaining the services of highly qualified and experienced personnel.

Mr. Justin Reid has a material personal interest in the outcome of Resolution 5 as it is proposed that Options be granted to him (or his nominee). Excluding the Options that are the subject of Resolution 5, Mr. Justin Reid currently has no interests in Agua Securities.

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be issued to Mr. Justin Reid or to his nominee;
- (b) The maximum number of Options that will be issued to Mr. Justin Reid or to his nominee is 1,350,000;
- (c) The Company proposes to issue the Options to Mr. Justin Reid immediately, but in any case no later than one month after the date of the Meeting;
- (d) Mr. Justin Reid is a Director of the Company;
- (e) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses; and
- (f) Other material terms and conditions of the Options are set out at Annexure 1.

### **Chapter 2E of the Corporations Act disclosures**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. Exceptions to this general prohibition include where the company first obtains the approval of its shareholder in general meeting, or the financial benefit being provided is on arm's length terms or better.

A "financial benefit" for the purposes of the Corporations Act includes issuing securities to a related party.

The proposed Resolution 5, if passed, will confer financial benefits to the Director. Therefore the Company seeks to obtain member approval in accordance with the requirements of Chapter 2E of the Corporations Act and for this reason, and for all other purposes, the following information is provided to Shareholders:

- (a) The related parties to whom Resolution 5 would permit the financial benefit to be given is Mr. Justin Reid, a Director of the Company;
- (b) The nature of the proposed financial benefit to be given is 1,350,000 Options with an expiry date 3 years from their date of issue, with the exercise price at 40% above the Company's share price on date of shareholder approval;

- (c) The Options, the subject of Resolution 5, will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used for work capital and other operational expenses;
- (d) As Resolution 5 relates to a Directors' remuneration, the Directors have refrained from making a recommendation in relation to this resolution; and
- (e) Directors have the following interests and other remuneration:

Director (including associated entities)	Actual 2014 Financial Year Remuneration*	Expected 2015 Financial Year Remuneration **	Proposed 2016 Financial Year Remuneration ***
J Reid	-	43,800	220,710
D Gower	3,657	-	-
F Tallarico	207,421	207,000	207,000
B Moller	24,945	40,000	40,000
A Pismiris	14,302	40,000	40,000
<b>Total</b>	<b>250,325</b>	<b>330,800</b>	<b>507,710</b>

\* In addition to above, David Gower is a shareholder of HFX Consultoria Empresarial Ltda, a Brazilian company which provided consultancy services of \$170,805 to Agua in 2014. Fees for 2015 are expected to be \$83,000.

\*\* Mr. Justin Reid was only employed for part of 2015.

\*\*\* Including the value of the options proposed to be granted to be Justin Reid under Resolution 5.

If the Options, the subject of Resolution 5, are granted to Mr. Justin Reid, the following will be the effect of his holding in the Company:

Director (including associated entities)	Current Share & Option Holding	% of Total Share & Option Capital	Share & Option Capital Upon Exercise*	% of Total Share & Option Capital Upon exercise
J Reid	0	0.00%	1,350,000	0.44%
D Gower	7,414,733	2.44%	7,414,733	2.42%
F Tallarico	1,999,827	0.66%	1,999,827	0.65%
B Moller	250,000	0.08%	250,000	0.08%
A Pismiris	522,992	0.17%	522,992	0.17%
All Other Holders	293,857,313	96.65%	294,507,313	96.23%
<b>Total</b>	<b>304,044,865</b>	<b>100.00%</b>	<b>306,044,865</b>	<b>100.00%</b>

\*This figure includes the 1,350,000 Options proposed to be granted to Justin Reid under Resolution 5 and the 650,000 Options proposed to be granted to Catherine Stretch under Resolution 6.

Assuming: (1) The 4,950,000 options at \$0.0840 and expiring on 30 April 2017 are exercised; and (2) that none of the following current unlisted options on issue are exercised and that none of the following current performance shares vest:

- i. 150,000 Options exercisable at \$0.75 each, expiring on 28 October 2015;
- ii. 500,000 Options exercisable at \$0.25 each, expiring on 30 September 2016;
- iii. 630,000 Options exercisable at \$0.25 each, expiring on 30 November 2016; and
- iv. 1,547,431 Performance shares vesting on completion of an independent Joint Ore Reserves Committee (**JORC**) compliant combined mineral resource estimate including all categories of resources as defined by the JORC guidelines of not less than 100 million tonnes (**Mt**) with a



grade of not less than 10% KCI at the Potassio do Atlantico potash project, expiring on 06 July 2016.

(f) Valuation

The Options that are the subject of Resolution 5 are not currently quoted on the ASX and as such have no market value. Each Option grants the holder a right to subscribe for one Share upon exercise of each Option and payment of the exercise price described above. Accordingly, the Options may have a present value at the date of their grant.

The Options may acquire future value dependent upon the extent to which the market value of Shares exceeds the exercise price of the Options during the term of the Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:

- the period outstanding before the expiry date of the options;
- the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- the value of the shares into which the options may be converted; and
- whether or not the options are listed (i.e. readily capable of being liquidated),

and so on.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black and Scholes option valuation methodology "Black-Scholes Model").

The Company has sought an independent valuation of the Options from Stantons International Securities (**SIS**). The method used to value the Options was the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.

The data relied upon in the valuation applying the Black-Scholes Model was:

- Exercise price of the Options, being 140% of the share price on the day that shareholder approval is received for the issue of the Options;
- Market price of Shares of 6.90 cents, being the closing price of Shares on the ASX on 30 April 2015 valuation as a proxy for the market price at the future date of issue, being the date of the General Meeting to approve the issue;
- Options vesting on the date of issue, assumed to be 26 June 2015;
- Expiry Date of 26 June 2018;
- Volatility measure of 110%;
- Risk-free interest rate of 3 year Australian Government bond of 1.94%; and

- Dividend yield of 0.00%.

Based on the valuation, the Company has adopted an indicative value for the Options of 0.04214 cents each, being the mid-point of valuation of the Options in the valuation report provided by SIS, based on the assessed fair value of the Options as calculated in that report.

The total assessed valuation of the Options that are the subject of Resolution 5 is \$69,531.00. It is noted that SIS has valued the Options to be in a range of values between 3.8559 cents and 4.5445 cents per Option, based on volatilities ranging from 100% to 120%.

- (g) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors.

There is no other information known to the Company or any of the Directors save and except as follows:

(i) Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Options to Justin Reid or his nominee, is the potentially diluted impact on the issued Share capital of the Company (in the event that the Options are exercised). Until exercised, the issue of the Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled Directors on appropriate incentive terms. It is also considered that the potential increase of value in the Options is dependent upon a concomitant increase in the value of the Company generally.

(ii) Trading History of the Shares

As at 3 May 2015, the closing price of Shares on ASX was 0.063 cents.

Set out below is the trading history of the closing price of Shares over the past 6 months and 12 months period:

	<b>Market Price 6 months prior to 3 May 2015 *</b>	<b>Market Prices 12 months prior to 3 May 2015 **</b>
<b>High</b>	8.50 cents	8.50 cents
<b>Low</b>	2.50 cents	2.50 cents

\*From 03 November 2014 - 03 May 2015

\*\*From 03 May 2014 - 03 May 2015

(iii) Taxation Consequences

No stamp duty will be payable in respect of the grant of the Options. No GST will be payable by the Company in respect of the grant of the Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two

dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

(iv) Dilutionary Effect

The dilutionary effect on the Company and its shareholders is summarised in the table on page 15 above.

### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 5 by:

- Justin Reid; and
- Any associate of Justin Reid.

However, the Company will not disregard a vote on Resolution 5 if it is cast by:

- A person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- The person chairing the Meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides.

### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 5**

As Resolution 5 relates to Directors' remuneration, the Directors have refrained from making a recommendation in relation to this resolution.

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## **7. Resolution 6 – Grant of Options to Ms. Catherine Stretch**

It is proposed that a grant of 650,000 options is made to Ms. Catherine Stretch or her nominee. The options will have an expiry date 3 years from their date of issue, with the exercise price at 40% above the Company's closing share price on the date of shareholder approval (**Options**).

ASX Listing Rule 7.1 restricts listed companies in relation to the number of equity securities that they can issue or agree to issue without shareholder approval. Generally, a listed company cannot, in any 12 month period, issue a number of equity securities which is more than 15% of their fully paid ordinary shares on issue without shareholder approval (**15% limit**), unless an exception applies. The Company has not exceeded this 15% limit.

Shareholder approval is now sought in accordance with ASX Listing Rule 7.1 for the issue of securities that were applied for under the Placement.

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders:

- (a) The maximum number of Options that will be issued to Ms. Catherine Stretch or her nominee is 650,000;
- (b) The Options are expected to be issued immediately but in any event, they will be issued no later than three months after the date of the passage of this Resolution;
- (c) The Options will be issued for no cash consideration - the purpose of the issue is to provide a remuneration incentive for a senior executive of the Company.

Any proceeds received by the Company from the exercise of the Options will be used to provide additional working capital to the Company;

- (d) The Options will be issued to Ms. Catherine Stretch or her nominee;
- (e) The options will have an expiry date 3 years from their date of issue, with the exercise price at 40% above the Company's share price on date of shareholder approval; and
- (f) Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6 by:

- Catherine Stretch; and
- Any associate of Catherine Stretch.

However, the Company will not disregard a vote on Resolution 6 if it is cast by:

- A person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- The person chairing the Meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides.

#### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 6**

The Directors recommend that Shareholders vote in favour of approving the grant of Options to Ms. Catherine Stretch on the basis that it will allow the Company to adequately reward and incentivise the Chief Commercial Officer to align her interest with the Company.

The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Options. The Directors intend to vote all their Shares in favour of Resolution 6.

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## **8. Resolution 7 – Approval of Issue of Shares to Lara Exploration Ltd.**

On 14 March 2014, the Company announced that it had renegotiated the terms of its option agreement with Lara Exploration Ltd. and Lara Alliance (BVI) Limited (Lara) dated 31 May 2012 (the Agreement), under which the Company may acquire 100% of Lara's Sergipe property in Brazil.

Under the renegotiated Agreement:

- Aguia is required to make a payment of US\$200,000 to Lara on or before 30 June 2015; and
- Lara has granted Aguia an extension of the time for Aguia to drill at least one hole in the Lara Sergipe property (Hole) from 31 December 2013 to 30 June 2015.

If the Company drills the Hole by 30 June 2015, the Company may then elect to exercise the option to acquire 100% of the Sergipe tenements by issuing a further 11,000,000 Shares to Lara.

If the Company does not drill the hole by 30 June 2015, other than because of a force majeure event, then the option to acquire 100% of the tenements will lapse and the Company will be required to issue 11,000,000 Shares to Lara.

ASX Listing Rule 7.1 restricts listed companies in relation to the number of equity securities that they can issue or agree to issue without shareholder approval. Generally, a listed company cannot, in any 12 month period, issue a number of equity securities which is more than 15% of their fully paid ordinary shares on issue without shareholder approval (15% limit), unless an exception applies. The Company has not exceeded this 15% limit.

Shareholder approval is now sought in accordance with ASX Listing Rule 7.1 for the issue of 11,000,000 Shares to Lara Exploration Ltd. as agreed under the renegotiated Agreement.

Pursuant to the provisions of Listing Rule 7.3, the Company advises as follows:

- (a) The Shares are proposed to be issued to Lara Exploration Ltd or its nominee;
- (b) The maximum number of shares that is proposed to be issued is 11,000,000 ordinary shares;
- (c) The shares will be issued on an ordinary fully paid basis and the date by which the Company will issue and allot the Shares is intended to be 30 June 2015, and in any event will be no later than three (3) months after the date of the Meeting;
- (d) The shares will be issued as consideration under the Agreement;
- (e) The rights attaching to those Shares will be identical in all respect with the rights attached to Shares currently on issue;
- (f) No funds will be raised from the issue of the Shares; and
- (g) Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 7 by:

- Lara Exploration Ltd and person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- An associate of that person(s).

However, the Company will not disregard a vote if:

- It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- It is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 7**

The Board recommends Shareholders vote in favour of Resolution 7 it allows the Company to issue the Securities, as required under the terms of the Agreement, and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1. The Directors intend to vote all their Shares in favour of Resolution 7.

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## 9. Definitions

In the Explanatory Memorandum and Notice:

**AEST** means Australian Eastern Standard Time, being the time in Sydney, New South Wales.

**Agua** or **Company** means Agua Resources Limited ACN 128 256 888.

**ASX** means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** means the listing rules of ASX.

**Board** means the board of Directors.

**Closely Related Party**, in relation to a member of the KMP, means the member's spouse, child or dependant (or a child or dependant of the members' spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with Agua (or the Agua group), and any company the member controls.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Document** means each of the Notice, Explanatory Memorandum and the Proxy Form and all other documents that accompany each other when sent to each Shareholder.

**Explanatory Memorandum** means the explanatory memorandum that accompanies and forms part of the Documents.

**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of Agua (or the Agua group), whether directly or indirectly. Members of the KMP include Directors (both executive and non-executive) and certain senior executives.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means the notice of general meeting that accompanies and forms part of the Documents.

**Options** means the Options proposed to be granted to Mr. Justin Reid and Ms. Catherine Stretch, pursuant to Resolutions 5 and 6 respectively, with an expiry date 3 years from their date of issue, with the exercise price at 40% above the Company's share price on date of shareholder approval.

**Proxy Form** means the proxy form that accompanies and forms part of the Documents.

**Resolution** means a proposed resolution contained in the Notice.

**Securities** have the meaning given to that term in Listing Rule 19.12.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Share Registry** means Link Market Services Limited.

**Trading Day** has the meaning given to that term in Listing Rule 19.12.

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## **Interpretation**

In this Document, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms “included”, “including” and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a statute or statutory provision includes but is not limited to:
  - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
  - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
  - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (j) reference to “\$”, “A\$”, “Australian Dollars” or “dollars” is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia; and
- (k) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

## ANNEXURE 1

### TERMS AND CONDITIONS OF GRANT OF OPTIONS TO MR. JUSTIN REID & MS. CATHERINE STRETCH

1. **Entitlement**

Each Option (together **Options**) entitles the holder to subscribe for and be issued one fully paid ordinary share (**Share**) in the capital of Agua Resources Limited (**Company**) upon exercise of each Option. The date of issue of that Option will hereafter be referred to as the **Issue Date**.

2. **Exercise Price and Expiry Date**

- (a) The Exercise Price of the Options is 140% of the closing share price on the day the shareholders approve the issue of the Options.
- (b) The Expiry Date of the Options is the earlier to occur of three (3) years after their date of issue and 30 days after a Change in Control Event.

3. **Exercise Period and Vesting Date**

- (a) Subject to the Change of Control provisions below, each Option is exercisable at any time after the later of the date of grant of the Option and the vesting date (if applicable) and before the Expiry Date.
- (b) Notwithstanding that the Expiry Date has not occurred, each Option that has not already vested as outlined above will expire on that date which is the earlier of the date the Option holder ceases to be employed, engaged as a consultant or appointed as an executive director of the Company because of:
  - (i) if the holder is an employee, the date the holder is dismissed from employment with the Company for gross misconduct;
  - (ii) if the holder is a consultant, the date the holder's appointment is terminated for gross misconduct;
  - (iii) if the holder is a director, the date the holder is disqualified from holding the office of director;
  - (iv) retirement;
  - (v) voluntary cessation; or
  - (vi) by mutual agreement (unless the Board resolves otherwise),  
and thereafter no party has any claim against any other party arising under or in respect of any Option.
- (c) If a Change in Control Event occurs in respect of the Company, all Options that have been issued but have not yet vested, will immediately thereupon vest.
- (d) **A Change in Control Event** means:
  - (i) the occurrence of:
    - (A) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more in number of the Shares; and
    - (B) that takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Options); or
  - (ii) the announcement by the Company that:



- (A) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
  - (1) cancelled; or
  - (2) transferred to a third party; and
- (B) the Court, by order, approves the proposed scheme of arrangement.

4. **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt by the Company of that Notice of Exercise.

5. **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with all other issued Shares.

6. **Quotation of Shares on exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued promptly after the exercise of the Options.

7. **Timing of issue of Shares**

Within fifteen Business Days after the later to occur of:

- (a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company (each an **Exercised Option**) where the Company is not in possession of any excluded information (as defined in section 708A(7) of the Corporations Act) (**Excluded Information**); and
- (b) the date upon which the Company ceases to be in possession of Excluded Information in respect to the Company following the receipt of the Notice of Exercise and payment of the Exercise Price for each Exercised Option being exercised by the Company,

the Company will:

- (c) issue the Shares pursuant to the exercise of the Exercised Options;
- (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (e) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Exercised Options.

8. **Participation in new issues**

The holders of the Options will be permitted to participate in new issues of securities of the Company to Shareholders only on the prior exercise of the Options, in which case the holders of the Options will be afforded the minimum period of notice prescribed under the Listing Rules prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise the Options.

9. **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received as if the Option holder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

10. **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders will, be varied to the extent necessary to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

11. **Quotation of Options**

No application for official quotation of the Options will be made by the Company.

12. **Options Transferable**

The Options are not transferable unless prior approval for the transfer is granted by the Board of Directors of the Company.

13. **Lodgment Instructions**

Cheques payable in respect of the exercise of any right attaching to an Option shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of Options with the appropriate remittance should be lodged at the Company's registry.

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**Agua Resources Limited**  
ABN 94 128 256 888


## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
Agua Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am on Wednesday, 24 June 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting. Proxy Forms may be lodged using the reply paid envelope or:

### **ONLINE**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### **YOUR NAME AND ADDRESS**

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### **APPOINTMENT OF PROXY**

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### **DEFAULT TO CHAIRMAN OF THE MEETING**

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### **VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT**

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### **APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### **SIGNING INSTRUCTIONS**

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### **CORPORATE REPRESENTATIVES**

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

# PROXY FORM

I/We being a member(s) of Aguia Resources Limited and entitled to attend and vote hereby appoint:

## APPOINT A PROXY

the Chairman of the Meeting (*mark box*)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am on Friday, 26 June 2015 at Suite 4, Level 9, 341 George Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

## VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

### Resolutions

	For	Against	Abstain*
1 Ratification of Prior Issue of Securities to Sulliden Mining Capital Inc. under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Prior Issue of Securities to Sulliden Mining Capital Inc. under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Prior Issue of Securities to Sophisticated and Professional Investors under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Prior Issue of Securities to Sophisticated and Professional Investors under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Options to Mr. Justin Reid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Grant of Options to Ms. Catherine Stretch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of Issue of Securities to Lara Exploration Ltd.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

