Aguia Resources Limited

ABN 94 128 256 888

Annual Financial Report - 30 June 2015

Aguia Resources Limited
Corporate directory
30 June 2015

Directors	Justin Reid - Executive Chairman and Managing Director David Gower - Non-Executive Director Brian Moller - Non-Executive Director Alec Pismiris - Non-Executive Director Dr Fernando Tallarico - Technical Director
Company secretary	Andrew Bursill
Registered office	Suite 4 Level 9 341 George Street Sydney NSW 2000 Tel. +61 2 9299 9690 Fax. +61 2 9299 9629
Principal place of business	Rua Antonio de Albuquerque n°156, 1504 Bairro Savassi – Belo Horizonte / MG – Brazil CEP: 30112-010
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Tel. +61 2 8280 7111 Fax. +61 2 9287 0303
Auditor	Deloitte Touche Tohmatsu
Solicitors	Addisons Lawyers
Bankers	National Australia Bank
Stock exchange listing	Aguia Resources Limited shares are listed on the Australian Securities Exchange (ASX code: AGR)
Website	www.aguiaresources.com.au

CHAIRMAN'S REPORT

Dear Shareholders,

On behalf of the Board of Directors it is our pleasure to present the 2015 annual report for Aguia Resources Limited ("Aguia" or "Company").

The past 12 months have been a transformational year for Aguia with major progress achieved in developing our Brazilian asset base, strengthening our management team and ensuring the Company is well funded to advance to the next level. We believe this year's achievements provide a solid foundation for the Company to evolve into a major fertiliser supplier to the Brazilian agriculture sector in the next few years.

In the first quarter of this year, Aguia completed a Conceptual Mining Study on the Três Estradas deposit, the results of which indicated highly competitive operating and capital costs for a 350,000 tpa SSP facility, with OPEX that would make it a lowest quartile producer. These results were based on the JORC Compliant Mineral Resource at the time of 30.5M tonnes at 4.30% P_2O_5 (9.9M tonnes Indicated at 5.03% P_2O_5 and 30.5M tonnes Inferred at 3.94 P_2O_5). These initial positive results gave the Company the green light to further develop and expand the opportunity at Três Estradas with the secondary nearby target of Joca Tavares providing the potential for future development. In the second quarter, the Company commenced a reverse circulation and diamond drilling programme at Três Estradas south.

Our major achievement for the year was announced in April, when the results of the Três Estradas drilling programme were analysed and resulted in a 130% increase in the total JORC compliant Indicated and Inferred resource from 30.5 Mt to 70.1 Mt (comprising 15.2 Mt Indicated and 54.9 MT Inferred) with an average grade of 4.20% P_2O_5. Higher grade oxide zone from surface more than doubled to 3.9 Mt averaging 10.25% P_2O_5 (comprised of 2.4 Mt at 9.98% P_2O_5 Indicated and 1.5 Mt at 10.69% P_2O_5 Inferred). The strike-length of the Três Estradas project also increased considerably following completion of reverse circulation (1,153 metres) and diamond drilling (3,273 metres) programs in with an additional 1.3 km of strike-length of the deposit discovered, resulting in a total strike-length of 2.5 km of mineralisation.

Subsequent to year end Aguia announced positive results from beneficiation test work at Três Estradas reporting phosphate recovery from the fresh carbonatite of 65%. Flotation tests also successfully resulted in phosphate recovery of 80% from the oxidized mineralization. Phosrock, or flotation concentrates, grading up to 39% P_2O_5 were produced from fresh carbonatite with no impurity issues. Another significant outcome of the program was the opportunity to produce a commercial quality calcite concentrate from the phosphate flotation tailings stream. Calcitic aglime (<5% MgO) product with 48% CaO was produced, indicating the potential for an additional revenue stream in the future.

During the year, the Company also commenced reconnaissance work over a number of targets within the Rio Grande project area. This early stage work which concentrated on the Arroio Marmeleiro Formation resulted in the discovery of Cerro Preto, sediment hosted phosphate which has returned rock chip assays of up to 20.4% P_2O_5 and channel sampling up to 55m grading 6.99% P_2O_5. Since the discovery of this highly prospective sedimentary target in the Rio Grande region, Aguia has expanded its land holding to 35,415 hectares in the Rio Grande region of which Cerro Preto makes up 18,800 hectares. The main phosphorite beds at Cerro Preto now extend over approximately 12.5 km.

The Arroio Marmeleiro Formation, a Proterozoic shelf sequence extends over an area of about 30 km along strike and 5 km wide. These types of sequences host several giant phosphate deposits around the world, including Morocco and Northern Africa, Florida, South Carolina, Idaho and Utah, and account for over 80% of the global phosrock production.

In the first half of the year, the Company secured a $2 million private placement from strategic investor Sulliden Mining Capital Inc. This investment provided the funds needed to advance the drilling at Três Estradas, which has provided the Company with a significant milestone to develop the phosphate deposits at Rio Grande. Sulliden indicated to the Company that it intends to maintain its pro rata shareholding in the future and has actively been buying shares on the ASX since the time of its investment. In early 2015, the Company raised an additional $1.8 million through a combination of Rights Issue, Shortfall Placement and Additional Share Placement which provided the funding needed to continue work at Três Estradas and complete a Preliminary Economic Assessment ("PEA").

Subsequent to the Company's year-end we published the results of the PEA of Três Estradas conducted by SRK Consulting (Canada) Inc. The results of the PEA confirm the technical and economic viability of the Três Estradas project as a low cost producer of 500,000 tonnes of SSP per annum in Southern Brazil, indicating attractive potential project returns. Our next step will be to proceed with environmental base-line studies and Bankable Feasibility for Três Estradas Project, while continuing to develop its other phosphate projects in the Rio Grande region. We plan to initiate drilling at the nearby Joca Tavares deposit that has the potential to contribute additional high-grade oxide material which will substantially improve the Project's economics. Otherwise we are considering options to optimize production scale and mine-life, as well as, a lower capital cost option to produce phosrock. The production of calcitic aglime will also be evaluated in detail as it has the potential to bring huge economic benefits for the project by reducing operational costs of waste management and contribute additional revenue.

We are also pleased to report that subsequent to year end we closed a private placement of $9.5 million which provides the funding we need to advance our Rio Grande assets over the next 18 months and build shareholder value.

I would like to thank our management and staff for their hard work and dedication over the past year, and to our shareholders for their continued support. The upcoming year will be exciting as we move Três Estradas towards bankable feasibility and continue to explore and develop the phosphate deposits in Rio Grande at Joca Tavares, Porteira and Cerro Preto.

Justin Reid
Chairman and Managing Director

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Aguia Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

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

Justin Reid (appointed 7 April 2015)
David Gower
Brian Moller
Alec Pismiris
Fernando Tallarico
Prakash Hariharan (resigned 7 April 2015)
Allan Pickett (resigned 21 November 2014)

Principal activities
The principal activities of the group during the year were the continued exploration and development of resource projects, predominately phosphate and potash in Brazil, and investment in the resources sector.

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

Review of operations
The loss for the group after providing for income tax amounted to $10,744,829 (30 June 2014: $14,398,716).

A full review of operations is presented below.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the group during the financial year.

Matters subsequent to the end of the financial year
On 26 August 2015, the company announced that it has completed a $9.5 million capital raising through the placement of 55.88 million new fully paid ordinary shares to institutional and sophisticated investors at $0.17 per share. The company intends to use the proceeds from the placement for ongoing project development and exploration work, including environmental baseline studies and a bankable feasibility study at its flagship Tres Estradas project, drill programs at targeted areas and for general working capital purposes.

On 28 September 2015, the company announced that the remuneration of its Executive Chairman and Managing Director, Mr Justin Reid has been reviewed with immediate effect. The material terms of the contract for Mr Reid are: salary of A$350,000 per annum, granting of 1,500,000 3-year options priced at 40% above share price on date of approval subject to shareholder approval, and a bonus of up to A$250,000 in cash cash subject to achievement of KPIs as announced to ASX on 28 September 2015.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

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

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

Information on directors

Name:	Justin Reid
Title:	Executive chairman and Managing director
Qualifications:	M.Sc, MBA
Experience and expertise:	Mr Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the mineral resource space. Mr Reid currently holds the position of President and Chief Executive officer of Sulliden Mining Capital, Aguia's largest shareholder. Over his career he has raised in excess of C$4BB in mining investment, driven multiple acquisitions, relaunched and structured various mining ventures and led the development, financing and eventual sale of Sulliden Gold to Rio Alto Mining.
Other current directorships:	Director of Kombat Copper Inc (listed on TSX) and President and CEO of Sulliden Mining Capital Inc (listed on TSX).
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	1,350,000

Name:	Dr Fernando Tallarico
Title:	Technical director
Qualifications:	B.Sc (Geology), M.Sc (Economic Geology), PhD (Economic Geology), P.Geo
Experience and expertise:	Dr Tallarico brings over 20 years' experience in exploration to the team and has played an integral part in acquiring the phosphate projects. He has previously held senior roles with BHP and Noranda/Falconbridge, and was with CVRD for over 9 years working throughout South America. Most recently as exploration director of Falcon Metais was focused on the exploration of fertiliser raw materials. Dr Tallarico was appointed a director of the Company on 23 June 2010. Dr Tallarico leads the exploration team for the Company that recently discovered the Tres Estradas phosphate deposit. Dr Tallarico is a practising member of the Association of Professional Geoscientists of Ontario (APGO), and is entitled to practice and use the title of P.Geo.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	685,713
Interests in options:	1,000,000

Name:	Mr David Gower (Interim Chairman until 7 April 2015)
Title:	Non-executive director
Qualifications:	M.Sc, P. Geo
Experience and expertise:	Mr Gower has over 25 years' experience in the minerals industry including senior positions with Falconbridge Limited and Noranda Inc (now Xstrata). He was previously a senior executive of several Forbes & Manhattan group companies. Mr Gower has a strong record of exploration and project development in Brazil including the Araguaia nickel deposits, Autazes potash discoveries, acquisition of the Irati Energia oil shales and presently the corporate qualified person for all resource and geological work on Brazil's largest underdeveloped gold deposit. He is a member of the Association of Professional Geoscientists of Ontario and of the Canadian Institute of Mining. Mr Gower was appointed a director of the Company on 30 November 2012.
Other current directorships:	Castillian Resources Corp, Emerita Gold Corp, Alamos Gold Inc, Apogee Silver Ltd
Former directorships (last 3 years):	Forbes & Manhattan Coal Corp (September 2010 - October 2012), Kibaran Resources Limited (September 2010 - February 2013).
Special responsibilities:	None
Interests in shares:	6,296,167
Interests in options:	250,000

Name:	Mr Allan Pickett (resigned 21 November 2014)
Title:	Non-executive director
Qualifications:	B.Sc
Experience and expertise:	Mr Pickett is a highly regarded fertiliser professional with extensive and direct experience with fertiliser producers, blenders and end-users globally. His career includes 14 years with CRU Fertilizers (formerly British Sulphur Consultants), the fertiliser and chemical division of CRU International Ltd. Mr Pickett brings a wealth of experience to the Board especially in the area of the commercial development and marketing of projects. During his time leading CRU Fertilizers he was heavily involved with the project feasibility of a number of world-scale phosphate and potash projects which have subsequently been commissioned. Mr Pickett was appointed a director of the Company on 25 August 2011.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	347,761
Interests in options:	396,641

Name:	Mr Brian Moller (appointed 18 December 2013)
Title:	Non-executive director
Experience and expertise:	Mr Moller specialises in capital markets, mergers and acquisitions and corporate restructuring, and has acted in numerous transactions and capital raisings in both the industrial and resources and energy sectors. He has been a partner at the legal firm, HopgoodGanim for 30 years and leads the Corporate Advisory and Governance practice. Mr Moller acts for many publicly listed companies in Australia and regularly advises boards of directors on corporate governance and related issues.
Other current directorships:	DGR Global Ltd, Platina Resources Ltd, Navaho Gold Limited and chairman of ASX listed AusTin Limited and the AIM-listed SolGold plc.
Former directorships (last 3 years):	Buccaneer Energy Ltd (July 2013 -November 2013)
Special responsibilities:	None
Interests in shares:	None
Interests in options:	250,000

Name:	Mr Alec Pismiris (appointed 26 March 2014)
Title:	Non-executive director
Qualifications:	B. Com
Experience and expertise:	Mr Pismiris is currently a director of Capital Investment Partners Pty Ltd, a company which provides corporate advisory services and of several ASX listed resources companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and is an associate of the Governance Institute of Australia. He has over 25 years' experience in the securities, finance and mining industries.
Other current directorships:	Agrimin Limited, Cardinal Resources Limited, Mount Magnet South NL and Pelican Resources Limited
Former directorships (last 3 years):	Gladiator Resources Limited (December 2012 – March 2013) and Papillon Resources Limited (May 2006 – October 2014)
Special responsibilities:	None
Interests in shares:	209,822
Interests in options:	250,000

Name:	Mr Prakash Hariharan (resigned 7 April 2015)
Title:	Managing director and CEO
Qualifications:	B.Sc, MBA
Experience and expertise:	Mr Hariharan is a chemical engineer with experience in Agrochemicals and a highly successful fund manager focused on the phosphate and potash sectors on both the ASX and TSX capital markets. He has excellent understanding of the agriculture sector in Brazil and Aguia's highly prospective phosphate and potash projects and provides a wealth of experience from technical, financial and capital markets perspectives. Prior to joining the company, he managed the Front Street Growth and Income Class portfolios and off shore Resource Growth Funds in the small/mid-cap space of Canadian investment firm, Front Street Capital. Prior to his career in funds management Mr. Hariharan worked as a process engineer with leading multinational - BASF in the Agrochemicals business involved in specialty chemicals for the agricultural sector. Mr Hariharan holds a financial engineering degree from York University, an MBA from the Schulich School of Business and an undergraduate degree in Chemical Engineering.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	500,000
Interests in options:	2,000,000

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

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

Company secretary
Mr Andrew Bursill B.Agr. Ec., CA

Mr Bursill is a principal of Franks & Associates Pty Ltd and has been with the firm for over 15 years, where he has specialised in the provision of outsourced company secretary and finance services. During this time Mr Bursill has been a director and company secretary of numerous listed and unlisted public companies. Mr Bursill is a member of the Institute of Chartered Accountants in Australia.

Mr Bursill was appointed as company secretary on 28 September 2010. In addition, Mr Bursill is a director and company secretary of Argonaut Resources NL, and company secretary of Site Group International Limited, Eagle Nickel Limited, Elk Petroleum Limited, Novogen Limited, Gladiator Resources Limited and several other unlisted and private companies.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Justin Reid *	2	2
David Gower	7	10
Fernando Tallarico	8	10
Brian Moller	10	10
Alec Pismiris	10	10
Allan Pickett **	4	5
Prakash Hariharan ***	7	8

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

* Appointed 7 April 2015
** Resigned 21 November 2014
*** Resigned 7 April 2015

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The consolidated entity's remuneration policy for its key management personnel ("KMP") has been developed by the Board taking into account the size of the consolidated entity, the size of the management team for the consolidated entity, the nature and stage of development of the consolidated entity's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.
In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

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

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

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

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. Total directors' fees paid to all non-executive directors is not to exceed $200,000 per annum. Director's fees paid to non-executive directors accrue on a daily basis. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the consolidated entity and non-executive directors may in limited circumstances receive incentive options in order to secure their services.

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

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation.

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

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

Short-term incentives ('STI') payments are granted to executives based on specific targets being achieved and include bonus payments. Executives may be entitled to an annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. The Board has focused the consolidated entity's efforts on finding and completing new business opportunities. The Board considers that the prospects of the consolidated entity and resulting impact on shareholder wealth are largely linked to the success of this approach, rather than by referring to current or prior year earnings. Accordingly, the Board may pay a bonus to executive KMP's based on the success in generating suitable new business opportunities. A further bonus may also be paid upon the successful completion of a new business acquisition.

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

The Board has a policy of granting incentive options to executives with exercise prices at and/or above market share price (at the time of agreement). As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the consolidated entity increases sufficiently to warrant exercising the incentive options granted.

Other than service-based vesting conditions, there are no additional performance criteria on the incentive options. The consolidated entity does not currently have a policy regarding executives entering into arrangements to limit their exposure to incentive options granted as part of their remuneration package.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to performance of the consolidated entity. The consolidated entity is currently undertaking exploration and development activities, and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP. The performance measure which drives incentive awards is the company's share price and the discovery, delineation and development of new mineral resources. Refer to section E of the remuneration report for details of the last five years earnings and share price.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Voting and comments made at the company's 2014 Annual General Meeting ('AGM')
The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the group are set out in the following tables.

The key management personnel of the group consisted of the following directors of Aguia Resources Limited:
- Justin Reid (appointed 7 April 2015)
- David Gower
- Prakash Hariharan (resigned 7 April 2015)
- Fernando Tallarico
- Brian Moller
- Alec Pismiris
- Allan Pickett (resigned 21 November 2014)

And the following persons:
- Andrew Bursill - Company Secretary
- Catherine Stretch - Chief Commercial Officer (appointed 7 April 2015)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2015	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Brian Moller	40,000	-	-	-	-	-	40,000
Alec Pismiris	43,333	-	-	-	-	-	43,333
Allan Pickett**	30,757	-	-	-	-	-	30,757
Executive Directors:							
Justin Reid *	43,800	-	-	-	-	78,300	122,100
Fernando Tallarico	180,986	-	-	-	-	-	180,986
Prakash Hariharan ***	242,690	-	-	-	-	-	242,690
Other Key Management Personnel:							
Catherine Stretch *	25,200	-	-	-	-	37,700	62,900
	606,766	-	-	-	-	116,000	722,766

* Appointed 7 April 2015
** Resigned 21 November 2014
*** Resigned 7 April 2015

Non-executive directors are paid director fees and are not entitled to superannuation or long service leave. Executive directors are based overseas where superannuation or long service leave are not applicable in their service agreements.

David Gower is not paid salary or fees but holds shares in HFX Consultoria Empresarial Ltda, a Brazilian company which provides consultancy services to the consolidated entity. Payments made to HFX Consultoria Empresarial Ltda during the year are disclosed in the related party transactions note to the financial statements. Services were provided on an arms length basis on normal commercial terms.

Alec Pismiris is not paid non-executive director fees. Disclosed amounts in the above table relate to consultancy services paid to entities of the director.

In addition to director fees disclosed in the table above, Brian Moller is a partner of HopgoodGanim law firm, who provides legal services to the company. The contract between the company and HopgoodGanim is based on normal commercial terms. Payments made to HopgoodGanim during the year are disclosed in the related party transactions note to the financial statements.

Andrew Bursill, company secretary is also an associate of Franks & Associates Pty Ltd who provides accounting and company secretary services to the Company. The contract between the Company and Franks & Associates is based on normal commercial terms. Payments made to Franks & Associates Pty Ltd during the year are disclosed in the related party transactions note to the financial statements.

Refer to note 22 for related party transactions.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2014	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
David Gower*	-	-	-	-	-	3,657	3,657
Allan Pickett**	112,804	-	-	-	-	3,657	116,461
Brian Moller	21,288	-	-	-	-	3,657	24,945
Alec Pismiris**	10,645	-	-	-	-	3,657	14,302
Graham Ascough ***	18,750	-	-	-	-	-	18,750
Executive Directors:							
Prakash Hariharan	268,833	-	-	-	-	29,251	298,084
Fernando Tallarico	183,603	-	16,506	-	-	7,312	207,421
Simon Taylor	235,380	-	-	10,599	-	-	245,979
	851,303	-	16,506	10,599	-	51,191	929,599

* David Gower holds shares in HFX Consultoria Empresarial Ltda, a Brazilian company which provides consultancy services to the consolidated entity. Payments of $170,805 (2013: $229,608) made to HFX Consultoria Empresarial Ltda during the year are disclosed in the related party transactions note to the financial statements. Services were provided on an arms length basis on normal commercial terms.

** The non-executive directors were not paid non-executive directors fees. Disclosed amounts relate to consultancy services paid to entities of the directors.

*** Resigned 15 November 2013

Share-based payments relate to options issued which were granted during the current and prior years.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2015	2014	2015	2014	2015	2014
Non-Executive Directors:						
David Gower	-%	-%	-%	-%	-%	100%
Allan Pickett **	100%	97%	-%	-%	-%	3%
Brian Moller	100%	85%	-%	-%	-%	15%
Alec Pismiris	100%	74%	-%	-%	-%	26%
Executive Directors:						
Justin Reid *	36%	90%	-%	-%	64%	10%
Fernando Tallarico	100%	96%	-%	-%	-%	4%
Prakash Hariharan ***	100%	90%	-%	-%	-%	10%
Other Key Management Personnel:						
Catherine Stretch *	40%	-%	-%	-%	60%	-%

* Appointed 7 April 2015
** Resigned 21 November 2014
*** Resigned 7 April 2015

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

Name:	Justin Reid
Title:	Executive Chairman and Managing Director
Agreement commenced:	7 April 2015
Details:	Annual salary of $175,200. Entitlement to a discretionary cash bonus and contract may be terminated by providing 3 months' notice to company and 6 months' notice by company. Mr Reid is also entitled to share based payment options subject to shareholder approval.

Name:	Fernando Tallarico
Title:	Exploration Director
Agreement commenced:	April 2010
Details:	Annual salary of R$381,600. Entitlement to a discretionary bonus and contract may be terminated by providing 30 days' notice. Mr Tallarico is also entitled to share based payment options and personal insurance.

Name:	Catherine Stretch
Title:	Chief Commercial Officer
Agreement commenced:	7 April 2015
Term of agreement:	Initial 12 months from commencement date
Details:	Annual consultancy fees of $100,800. Entitlement to a cash bonus and/or options upon meeting KPIs prescribed by the Board. Contract may be terminated by providing 3 months' notice to company and 6 months' notice by company.

Prakash Hariharan resigned on 7 April 2015 and had a contract of employment as Managing Director and Chief Executive Officer with Aguia Resources Limited effective 17 December 2013. Mr Hariharan received a salary $275,000 per annum of which 50% was committed to the purchase of shares in the company on-market and a discretionary annual bonus paid upon achievement of key performance indicators, as agreed with by the Board. Mr Hariharan was also entitled to share based payment options.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015.

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

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
30/11/2012	30/11/2012	30/09/2016	$0.250	$0.049
03/06/2014	03/06/2014	30/04/2017	$0.084	$0.015
26/06/2015	26/06/2015	26/06/2018	$0.168	$0.058

Options granted carry no dividend or voting rights.

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below. 100% of :

Name	Grant date	Expiry date	Number of options granted	Value of options granted $	Value of options vested $	Percentage vested %
Justin Reid *	26/06/2015	26/06/2018	1,350,000	78,300	78,300	100
Catherine Stretch *	26/06/2015	26/06/2018	650,000	37,700	37,700	100

* Appointed 7 April 2015

Additional information
The earnings of the group for the five years to 30 June 2015 are summarised below:

	2011 $	2012 $	2013 $	2014 $	2015 $
Loss after income tax	(2,794,759)	(18,259,646)	(2,381,655)	(14,398,716)	(10,744,829)

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

	2011	2012	2013	2014	2015
Share price at financial year end ($)	0.79	0.15	0.06	0.04	0.16
Basic earnings per share (cents per share)	(4.62)	(17.92)	(2.01)	(7.57)	(4.32)

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Received as part of remuneration	Additions ***	Held at resignation	Balance at the end of the year
Ordinary shares					
David Gower	6,296,167	-	-	-	6,296,167
Prakash Hariharan (resigned 7 April 2015) *	500,000	-	-	(500,000)	-
Fernando Tallarico	685,713	-	-	-	685,713
Allan Pickett (resigned 21 November 2014) **	347,761	-	-	(347,761)	-
Alec Pismiris	192,114	-	17,708	-	209,822
Catherine Stretch (appointed 7 April 2015)	-	-	18,293	-	18,293
	8,021,755	-	36,001	(847,761)	7,209,995

* Mr Haraharan held 500,000 shares at the time of resignation.
** Mr Pickett held 347,761 shares at the time of resignation.
*** On-market purchase.

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
David Gower *	1,164,798	-	-	(914,798)	250,000
Prakash Hariharan (resigned 7 April 2015) **	2,000,000	-	-	(2,000,000)	-
Fernando Tallarico *	1,314,114	-	-	(314,114)	1,000,000
Brian Moller	250,000	-	-	-	250,000
Allan Pickett (resigned 21 November 2014) ***	396,641	-	-	(396,641)	-
Alec Pismiris *	377,895	-	-	(127,895)	250,000
Andrew Bursill	640,000	-	-	-	640,000
Justin Reid (appointed 7 April 2015)	-	1,350,000	-	-	1,350,000
Catherine Stretch (appointed 7 April 2015)	-	650,000	-	-	650,000
	6,143,448	2,000,000	-	(3,753,448)	4,390,000

* Options lapsed.
** Mr Haraharan held 2,000,000 options at the time of resignation.
*** Mr Pickett held 396,641 options at date of resignation.

This concludes the remuneration report, which has been audited.

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

Grant date	Expiry date	Exercise price	Number under option
28/10/2011	28/10/2015	$0.750	150,000
30/11/2012	30/09/2016	$0.250	500,000
30/11/2012	30/11/2016	$0.250	630,000
03/06/2014	30/04/2017	$0.084	3,500,000
07/07/2014	30/04/2017	$0.084	1,450,000
26/06/2015	26/06/2018	$0.168	2,000,000
			8,230,000

All of above options are unlisted. No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Aguia Resources Limited issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

Indemnity and insurance of officers
The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.
During the financial year, the consolidated entity paid a premium of $14,281 in respect of directors and officers liability insurance.

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

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Deloitte Touche Tohmatsu
There are no officers of the company who are former partners of Deloitte Touche Tohmatsu.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

Justin Reid
Executive Chairman & Managing Director

28 September 2015
Sydney

REVIEW OF OPERATIONS

Over the past year, Aguia has continued to focus on advancing the development of its flagship Rio Grande phosphate assets which include the Três Estradas and Joca Tavares carbonatite hosted deposits and the Cerro Preto sediment hosted deposit located in the state of Rio Grande do Sul in Southern Brazil (Figure 1).

Southern Brazil is a major farming region which currently imports 100% of its phosrock requirements. There are currently no phosphate mines in the region and none scheduled to be built in the foreseeable future other than Aguia's planned development of Três Estradas. Aguia's landholding in Rio Grande do Sul currently totals about 38,289 hectares. Três Estradas is the most advanced of Aguia's holdings in the region which also includes the carbonatite-hosted Joca Tavares and Porteira Projects, and recently discovered sedimentary Cerro Preto Project. The region has well developed infrastructure with excellent roads, rail, power, port and utilities.

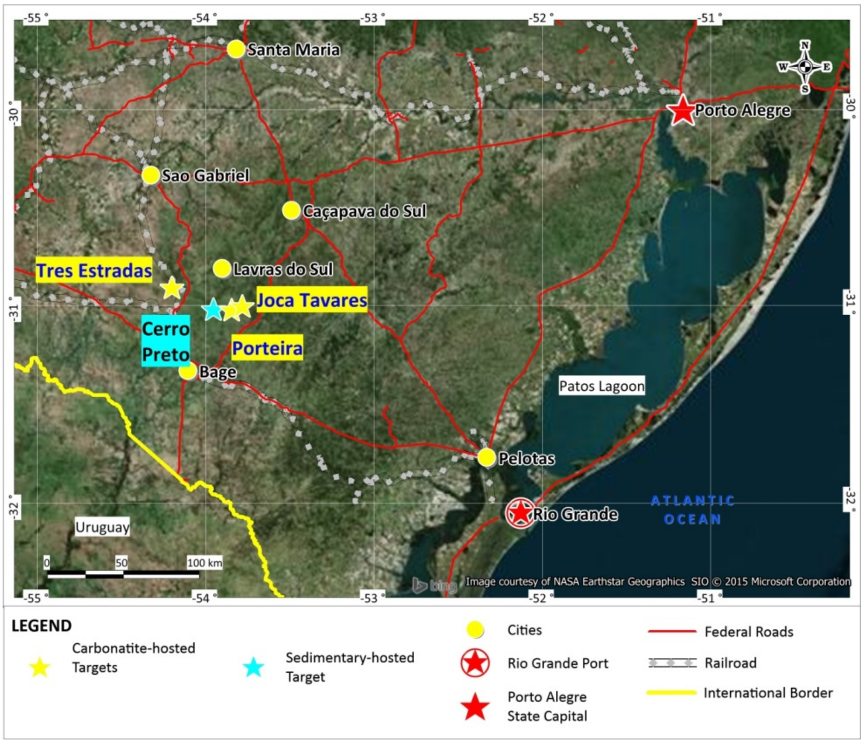

Figure 1: Rio Grande Tenement Map and Key Prospects – Refer to Tenement Register for Licence Details

TRÊS ESTRADAS DEPOSIT

The Três Estradas project represents a significant new phosphate discovery with characteristics similar to existing producers in Brazil. Importantly, the grade and mineralogy is similar to that of other open-cut operating mines globally including Yara's Siilinjärvi mine in Finland and Vale's Cajati mine in Brazil, both of which produce a high quality phosphate concentrate from carbonatite host rocks.

In the first quarter of this year, Aguia completed a Conceptual Mining Study on the Três Estradas deposit, the results of which indicated highly competitive operating and capital costs for a 350,000 tpa SSP facility, with OPEX that would make it a lowest quartile producer. These results were based on the JORC Compliant Mineral Resource at the time of 30.5M tonnes at 4.30% P_2O_5 (9.9M tonnes Indicated at 5.03% P_2O_5 and 30.5M tonnes Inferred at 3.94 P_2O_5). These initial positive results prompted the Company to procced with further exploration and development at Três Estradas. In the second quarter, the Company commenced a reverse circulation and diamond drilling programme at Três Estradas south.

On 27 April, 2015, Aguia announced a significant 130% expansion of the previously announced JORC compliant Mineral Resource estimate at its flagship Três Estradas ("TE") phosphate project in southern Brazil.The audited Mineral Resource Statement (Table 1) of 70.1 Mt (comprising 15.2 Mt Indicated and 54.9 Mt Inferred) at an average grade of 4.20% P_2O_5 represented a 130% increase compared to previous results announced in late 2013 of 30.5 Mt (comprised of 9.9 Mt Indicated and 20.6 Mt Inferred) grading 4.30% P_2O_5. The higher grade oxide from surface doubled and now totals 3.9 Mt Indicated and Inferred resource with an average grading 10.25% P_2O_5 (comprised of 2.4 Mt at 9.98% P_2O_5 Indicated and 1.5 Mt at 10.69% P_2O_5 Inferred).

Table 1: Audited Mineral Resource Statement*, Três Estradas Phosphate Poject, Rio Grande do Sul State, Brazil, SRK Consulting (Canada) Inc., April 25, 2015

Lithotype		Tonnage	P_2O_5	CaO	MgO	Fe_2O_3	SiO_2	Al_2O_3	P_2O_5AP‡	RCP†
		T x 1000	%	%	%	%	%	%	%	%
Indicated Mineral Resources										
Saprolite										
	SAMM (amphibolite)	415	6.30	11.44	6.64	17.12	36.87	7.36	6.27	1.97
	SCBT (carbonatite)	2,017	10.74	18.06	4.79	18.99	28.88	5.11	10.69	1.94
Weathered										
	WCBT (carbonatite)	1,713	4.99	34.26	6.34	9.54	13.85	2.21	4.99	7.58
Fresh Rock										
	MCBT (carbonatite)	11,055	3.94	33.94	7.77	8.35	12.26	2.09	3.94	8.84
Total Indicated Resources		15,200	5.02	31.25	7.18	10.14	15.32	2.65	5.02	7.59
Inferred Mineral Resources										
Saprolite										
	SAMM (amphibolite)	302	5.35	11.14	6.88	16.91	38.34	8.09	5.33	2.32
	SCBT (carbonatite)	1,205	12.03	18.10	4.04	20.69	27.92	4.96	11.96	1.72
Weathered										
	WCBT (carbonatite)	866	4.40	35.79	6.41	8.50	12.11	2.01	4.40	8.82
Fresh Rock										
	MCBT (carbonatite)	52,489	3.78	35.35	7.69	7.81	10.55	1.82	3.78	9.49
Total Inferred Resources		54,862	3.98	34.84	7.59	8.15	11.11	1.92	3.97	9.27

* Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. The mineral resources are reported within a conceptual pit shell at a cut-off grade of 3.00 percent of P_2O_5 for saprolite, weathered and fresh rock mineralization. Optimization parameters include selling price of US$330.00 per tonne of SSP, a metallurgic recovery of 65 and 80 percent of P_2O_5 in fresh and oxide rock, 100 percent for mining recovery, 0 percent dilution, and overall pit slopes of 38 and 60 degrees for saprolite and fresh rock, respectively.

† CaO/ P_2O_5 ratio

‡ P_2O_5 contained in apatite

Aguia commissioned leading independent global consulting company SRK Consulting to prepare the JORC compliant Mineral Resource Statement (Table 1). The mineral resources are reported within a conceptual pit shell at a cut-off grade of 3% P_2O_5. A competent person's statement follows.

Aguia also reported that the strike-length of the Três Estradas project had increased considerably following completion of reverse circulation (1,153 metres) and diamond drilling (3,273 metres) programs in February 2015. An additional 1.3 km of strike-length of the deposit was discovered, resulting in a total strike-length of 2.5 km of mineralisation.

On 11 May 2015, Aguia announced positive results from completed beneficiation test work at Três Estradas conducted by SGS Lakefield Canada, reporting phosphate recovery from the fresh carbonatite of 65%. Flotation tests also successfully resulted in phosphate recovery of 80% from the oxidized mineralization. Phosrock, or flotation concentrates, grading up to 39% P_2O_5 were produced from fresh carbonatite with no impurity issues.

Another significant outcome of the program was the opportunity to produce a commercial quality calcite concentrate from the phosphate flotation tailings stream. Calcitic aglime (<5% MgO) product with 48% CaO was produced, indicating the potential for an additional revenue stream in the future.

Subsequent to year end on 19 August 2015, a Preliminary Economic Assessment for Três Estradas prepared by SRK Consulting Canada (Inc.) with contributions by Kemworks Technology Inc., other consultants and Aguia employees was published. The results of the PEA suggest the potential economic and technical viability of the proposed project. This represented a major milestone for the Company to advance to the next phase of development for Tres Estradas which will involve environmental base-line studies, infill drilling, additional metallurgical testing, optimization, and completion of a feasibility study.

For the purposes of the PEA, Aguia has forecast production of 500,000 tonnes of SSP per annum. This production will require 330,000 tonnes of phosphate concentrate grading 28% P_2O_5. There is an opportunity to produce 630,000 tonnes per year of calcitic aglime as a by-product. The study was based on the mineral resources audited by SRK and effective 27 April 2015.

The proposed project includes an open pit, truck-excavator operation. Phosphate mineralization will involve drilling and blasting, with phosphate bearing rocks and waste rock hauled to an on-site concentrator and waste dump. The phosphate rock concentrate will be produced by flotation and will be transported by truck from the mine site to the port city of Rio Grande, where it will be upgraded to a granulated SSP at a plant located in the industrial area of the port. It is anticipated that the final SSP product will be sold and distributed in the local market in southern Brazil.

The project will involve moving approximately 138 million tonnes of material, of which 40 million tonnes will be processed at the concentrator and subsequently upgraded at the SSP plant. The concentrator is planned for feed capacity of 7,500 tonnes per day with an estimated average P_2O_5 feed grade of 4.3%. Metallurgical testwork indicates an average process recovery of 67% yielding phosphate rock grading at 28% P_2O_5.

The PEA assumes a long term SSP price of US$280 per tonne as defined by respected Brazilian agribusiness specialists Agroconsult and BRL/USD foreign exchange of 3.5. Based on the current JORC compliant mineral resource (comprising 15.2 Mt Indicated and 59.2 Mt Inferred) the Três Estradas project will have a 15.5 year mine life and will require CAPEX of US$184 million to build (US$209 million including contingency). The project has a low OPEX of US$160.7 per tonne of SSP.

Based on these assumptions, the preliminary financial model indicates pre-tax $NPV_{5\%}$ of US$273 million (A$385 million) and IRR of 25%. *(Based on current FX rate)*

Cautionary Statement: Preliminary Economic Assessment / Scoping Study
The preliminary economic assessment discussed herein is partly based on Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment based on these mineral resources will be realized. The results of the economic analyses discussed herein represent forward-looking information as defined under Australian securities law. The results depend on inputs that are subject to a number of known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented here. The accuracy of the results is in the range of the industry-wide commonly accepted scoping study level of accuracy.

JOCA TAVARES DEPOSIT

The Joca Tavares project is another carbonatite hosted deposit located 41 kilometres east-south-east from the Três Estradas project. The tenement covering the carbonatite was granted during the June Quarter 2013 and as reported previously the Company carried out a programme of shallow auger drilling to delineate the boundaries of the carbonatite with the results to be used in planning upcoming drilling programmes to develop high-grade optionality for the Três Estradas deposit.

CERRO PRETO DEPOSIT

During the year, the Company commenced scouting and mapping over the Arroio Marmeleiro Formation, concentrating on the Cerro Preto sediment hosted phosphorate discovery. Based on this work, the main phosphorite beds at Cerro Preto now extend over approximately 12.5 km (Figure 2). The discovery includes four layers of marine phosphorite with thicknesses up to 200 metres. The area is continuously mineralised with outcropping phosphorite grading up to 20.8% P_2O_5.

The Cerro Preto discovery consists of a sedimentary phosphate mineralisation hosted by black phosphorites of the Arroio Marmeleiro Formation, a Proterozoic shelf sequence that extends over an area of about 30 km along strike and 5 km wide.

These types of sequences host several giant phosphate deposits around the world, including Morocco and Northern Africa, Florida, South Carolina, Idaho and Utah, and account for over 80% of the global phosrock production.

Since the discovery of this highly prospective sedimentary target in the Rio Grande region, Aguia has expanded its land holding to 35,415 hectares in the Rio Grande region of which Cerro Preto makes up 18,800 hectares.

As previously stated by the Company on 8 October 2014 and 23 January 2015, the Cerro Preto phosphorites have returned high grades and apparent thicknesses at surface. Weathering tends to remove phosphate and only the primary unweathered rock samples return the highest results. This initial program included 28 wide spaced channels that covered a strike length of about 3 km and returned some very encouraging results:

CH-AM-02: 17.5m @ 10.30% P_2O_5
CH-AM-11: 15.0m @ 9.34% P_2O_5
CH-AM-12: 10.0m @ 7.44% P_2O_5 and 19.0m @ 8.96% P_2O_5
CH-AM-14: 12.0m @ 9.11% P_2O_5
CH-AM-17: 10.0m @ 10.62% P_2O_5
CH-AM-22: 15.0m @ 8.97% P_2O_5
CH-AM-23: 23.0m @ 8.61% P_2O_5
CH-AM-24: 14.0m @ 9.02% P_2O_5
CH-AM-28: 54.0m @ 6.99% P_2O_5

These initial results indicate strong similarities between Cerro Preto and the deposits of the Western Phosphate Field in the United States. The district has a long mining history with the first mine opened in Idaho in 1889, Wyoming in 1906, Utah in 1907, and Montana in 1921. Total production from marketable phosphate in the district since 1911 has been 230 Mt, representing 12% of the US's cumulative production. Current production is 5.5 million tons per year of phosrock. Idaho mines produce up to 14% of the phosphate in this country, and bring more income to Idaho than any other mineral. Total reserves in the Western Phosphate Field are 1.6 Billion tons grading 24% P_2O_5 (+1.5 meters thickness), representing 3% of World Reserves and 30% of US reserves.

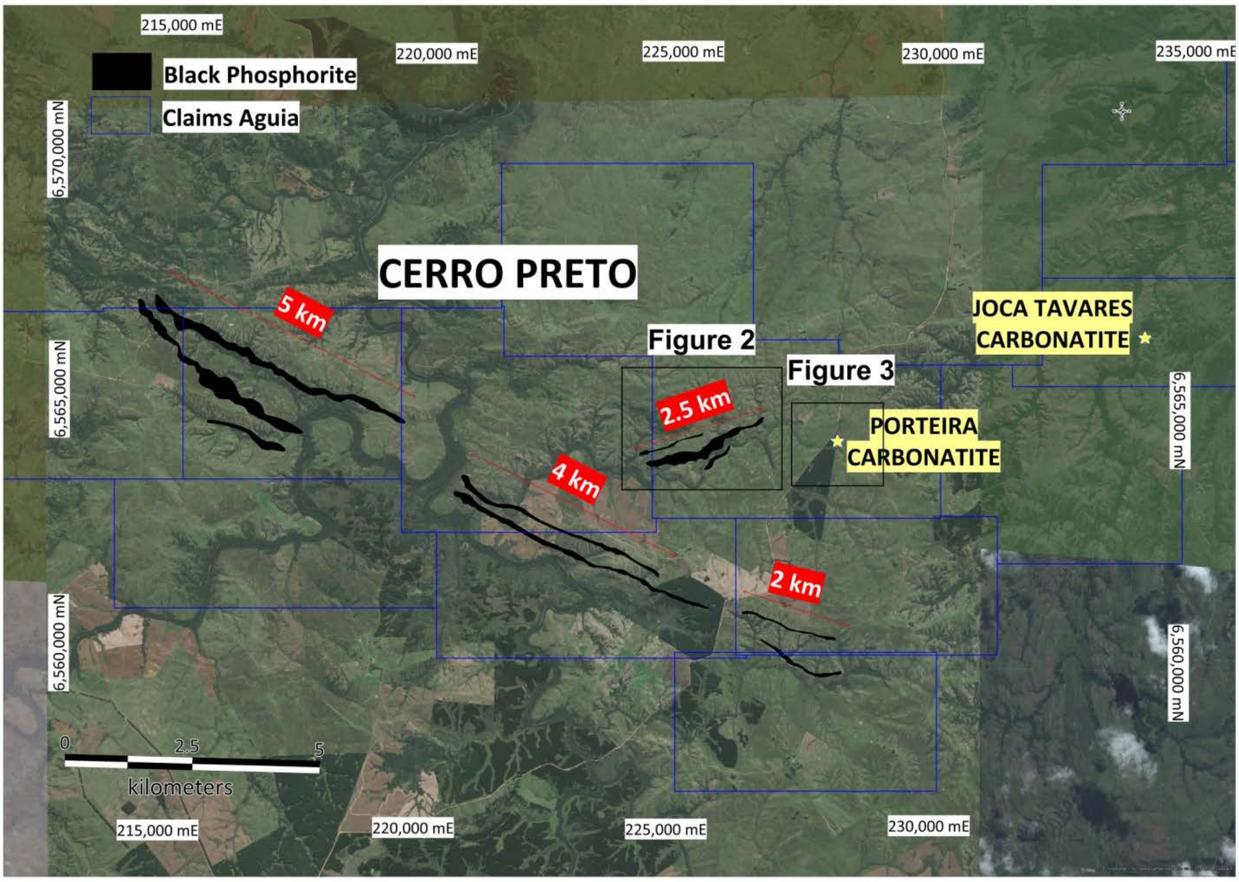

Figure 2 - Map of Cerro Preto Target highlighting the black phosphorite beds and Aguia's land holdings.

PORTEIRA DEPOSIT

During the year, Aguia also completed a shallow auger drilling program at the Porteira Carbonatite, the Company's fourth target in the Rio Grande do Sul region. A total of 22 holes were completed and returned encouraging results including:

- PTT-14-038: 3.0 m @ 9.44% P_2O_5, from 2.0m and ending in mineralisation.
- PTT-14-045: 4.0 m @ 16.34% P_2O_5, from surface and ending in mineralisation.
- PTT-14-055: 2.0 m @ 12.53% P_2O_5, from surface and ending in mineralisation.

Similar to the deposits at nearby Três Estradas and Joca Tavares, the auger results from Porteira confirm the presence of high-grade oxidised mineralisation at surface with grades up to 18.5% P_2O_5. The depth of this high-grade oxidised zone is yet to be determined, as many of the auger holes have ended in mineralisation. The Porteira Carbonatite has a strike-length of about 1 km and average width of about 30 metres.

Border Control Zone

Some of the Rio Grande projects are located within the Brazilian border control zone (150 kilometres from the international border) restricting foreign ownership of the tenements to 49%. The Company will be required to enter into a joint venture with a Brazilian owned company to develop the tenements. Accordingly Aguia has set up a company called Aguia Fertilizantes in which Aguia Resources owns 49% and Brazilian interests 51%, and which incorporates shareholder agreements channelling all economic benefits back to Aguia Resources. This arrangement is not expected to materially alter the Company's potential economic return on the funds invested as part of the exploration program.

LUCENA PHOSPHATE PROJECT

The Lucena Phosphate Project, comprised of 49 tenements and applications for 350 km^2, contains an initial JORC compliant Inferred Mineral Resource of 55Mt grading 6.42% P_2O_5 in the state of Paraiba in north eastern Brazil. A feature of the Lucena tenement is outcropping limestone, which is a potential commercialisation opportunity given the presence of a number of cement plants in the region. Activity during the year was limited to maintenance of the tenements.

MATA DA CORDA PHOSPHATE PROJECT

During the year, 111.3 Km^2 or 66 tenements were transferred to Vicenza Mineracao e Participacoes S.A. ("Vicenza") who are the operator and have an option to acquire a 100% interest in the mineral rights (as per Option Agreement amended October 15, 2014). Aguia still retains 10 tenements or application totalling 130 Km^2. From this, 5 tenements totalling 66.56 Km^2 are not subject of Vicenza agreement.

ATLANTIC POTASH PROJECT

During the year, the Company continued to review data from historic work to aid in planning future activities on the project. The project is comprised of 17 tenements and applications totalling 273 km^2, following relinquishment of a number of tenements during the year.

Proceedings (as announced previously) against Aguia's subsidiary Potassio do Atlantico Ltda (PAL) taken out by Prest Performance Services Limitada ("Prest") on 20th June 2013 regarding an alleged breach of a drilling contract are still yet to be heard before the courts.

The Company believes that PAL has acted appropriately at all times and is not in breach of the contract and both PAL and the Company will vigorously defend the action. The Company will update the market when further information comes to hand.

In May 2012, Aguia entered into an Option Agreement with Lara Alliance (BVI) Ltda. and Lara Exploration Ltd. to acquire 100% of the unencumbered legal and beneficial title in all the Enigma BVI Securities. Lara Exploration Ltd. owns all the issued capital of Lara BVI, which owns all the issued capital of Enigma BVI. This Agreement was amended in March 2014 and again in June 2015.

In the June quarter, by means of the second amendment mentioned above, the Company successfully renegotiated the Option Agreement with Lara. The terms were as follows.

- Aguia will make immediate payment of US$50,000 to Lara (completed);
- If Optionee fails to drill the hole on or before June 30, 2015 for any reason, other than an event of force majeure, Aguia will issue 11,000,000 (four million) Aguia Shares to a third party specified by Lara on or before 30 June 2015 whereupon the option be deemed exercised (completed);
- Aguia will be required to make payment of a further US$150,000 to Lara on or before 30 September 2015;

After the final payment of US$150,000 due on 30 September 2015, Aguia will not have any remaining obligation to Lara and will retain the Sergipe interests.

CORPORATE ACTIVITIES UPDATE

In October 2014, the Company announced it had secured a $2,000,000 placement at $0.05 per share from Sulliden Mining Capital Inc. Sulliden has indicated to the Company that it intends to be a long term strategic investor in Aguia and has continued to add to its shareholding since then.

In early January, the Company launched a 1 for 10 non-renounceable rights issue of 4,247,574 new shares at $0.04 per share for total proceeds of $169,902.96. On April 7th, 2015 a Shortfall Placement of 21,147,503 new shares at $0.04 per share was completed, to raise a total of $845,900. Shortly after this, on April 15th, 2015, the Company announced a Follow-on Share Placement of 19,750,000 new ordinary shares at $0.04 per share representing an additional capital raising of $790,000.

On April 7, 2015, the Company announced the appointment of Justin Reid as the new Executive Chairman and Managing Director, replacing David Gower moved to Independent Director and Prakash Hariharan who resigned as a Director and remained as strategic advisor for the Company. In addition Catherine Stretch was appointed as Chief Commercial Officer, focusing on the administration and strategic positioning of the Company as it migrates towards production and evolves into a major supplier to the Brazilian Agribusiness sector.

At an Extraordinary General Meeting held on 26 June 2015, shareholders voted overwhelmingly in favour of ratification of prior issues of securities.

JORC Code Competent Person Statements

The Três Estradas Phosphate Project has a current JORC compliant inferred and indicated mineral resource of 70.1 Mt grading 4.20% P_2O_5 (total initial contained phosphate of 2.941 Mt P_2O_5). This includes indicated resources of 15.2 Mt @ 5.02% P_2O_5 and inferred resources of 54.862 Mt @ 3.98% P_2O_5.

The Lucena Phosphate Project has a current JORC compliant inferred mineral resource of 55.1Mt grading 6.42% P_2O_5

Information in this presentation is extracted from the following reports, which are available for viewing on the Company's website:

- *July 28, 2015: Aguia Extends Strike Length of Cerro Preto Phosphate Discovery by 2.5km*
- *June 25, 2015: Strike Length of Aguia's Cerro Preto Phosphate Extends over 10km*
- *May 11, 2015: Aguia Reports 80% Phosphate Recovery from Oxidized Carbonatite and 65% from Fresh Carbonatite at Flagsjo[Tres Estradas Phosphate Project*
- *April 27, 2015: Aguia Significantly Increases Três Estradas Phosphate Resource by 130% to 70.1 Million Tonnes*
- *January 23, 2015: Further positive exploration results from Cerro Preto, Rio Grande Project, Brazil.*
- *January 9, 2015: Aguia provides drill program update for the Três Estradas Project, Brazil.*
- *October 8, 2014: Aguia discovers new high grade phosphate mineralization at Rio Grande Project, Brazil.*
- *September 16, 2014: Mining Study indicates highly competitive capital and operating costs for Aguia's Três Estradas phosphate deposit in southern Brazil.*

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements listed above and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this presentation that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Fernando Tallarico, who is a member of the Association of Professional Geoscientists of Ontario. Dr Tallarico is a full-time employee of the company. Dr Tallarico has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Tallarico consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Sydney NSW 2000

28 September 2015

Dear Board Members

Aguia Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Aguia Resources Limited.

As lead audit partner for the audit of the financial statements of Aguia Resources Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hynes

T Hynes
Partner
Chartered Accountants

Aguia Resources Limited, (the "Company") and its controlled entities (the "Group") have adopted the corporate governance framework and practices set out in this statement. The Board of the Company is responsible for its corporate governance, that is, the system by which the Group is managed. The corporate governance framework and practices have been in place throughout the financial year, and comply with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Recommendations"), unless otherwise stated below.

This statement has been approved by the Board, and the information in the statement remains current as at 30 September 2015. Company policies and charters are available in the 'Corporate' section of the Company's website at www.aguiaresources.com.au.

Principle 1: Lay Solid Foundations for Management and Oversight

1.1 Role of the Board and Management

The Board is responsible for evaluating and setting the strategic direction for the Group, establishing goals for management and monitoring the achievement of those goals.

The Board has responsibility for the following:

- appointing and removing the Chief Executive Officer ("CEO") and managing director, chief financial officer ("CFO"), company secretary and any other executives and approving their remuneration;
- determining the strategic direction of the Group and measuring performance of management against approved strategies;
- review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- adopting operating and capital expenditure budgets at the commencement of each financial year, approving acquisitions and divestitures, and monitoring progress by both financial and non-financial key performance indicators;
- monitoring the Group's medium term capital and cash flow requirements;
- approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- determining that satisfactory arrangements are in place for auditing the Group's financial affairs;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Group's corporate governance practices are continually reviewed and improved as required.

1.2 Information on New Directors

The Company has in place an external supplier to undertake appropriate checks on any potential director appointments. Under the Company's Constitution, all directors appointed throughout the year as an additional director or to fill a casual vacancy hold office to the AGM. Current directors hold office and are required to be considered by Shareholders for re-election under the Listing Rules.

All directors, whether appointed throughout the year as an additional director or to fill a casual vacancy or who are due for election under the Listing Rules, are disclosed in the Notice of AGM, with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. The company's constitution provides that at each annual general meeting, one third of the Board (other than any managing director in office from time to time) or, if their number is not a multiple of three, the number nearest to one third, must retire and, if the retiring directors so chose, may offer themselves for re-election.

1.3 Contracts with Directors

On appointment, directors are provided with a formal letter of appointment and executive management with written employment agreements incorporating job descriptions (where relevant).

1.4 Professional Advice

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Group's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

The finance and company secretarial functions are outsourced to an external firm, Franks & Associates. Andrew Bursill of Franks & Associates holds the role of Company Secretary. The Company Secretary is accountable to the Board through the Chairman on corporate governance matters pertaining to the company secretarial role. All directors have access to the Company Secretary.

1.5 Diversity

Recommendation 1.5 is that the Company should establish and disclose a diversity policy. Due to the Company's size and nature of operations, the Board has not yet implemented a diversity policy but the Board recognises the value of diversity and the opportunities that it brings. As the Company grows and positions become available, the Board remains conscious of the requirement to establish a diversity policy and will seek to promote and increase diversity.

Recommendation 1.5 also states that the Company should report against a set of measurable objectives for achieving gender diversity. Due to the Company's size and nature of operations, the Board has not yet established measurable objectives for achieving gender diversity.

The Company currently has no permanent full-time employees; rather it uses the services of a number of consultants. There are five directors on the Board, all of whom are male.

1.6 Performance Review – Board and Directors

Due to the size of the Company and the Board, an informal self-assessment is normally undertaken in relation to the Board's collective performance and the performance of the Chairman and individual directors during each financial year. There are currently no formal policies in place for these evaluations. The Board, its committees and non-executive directors continually monitors its performance during the year in accordance with the processes described above.

Recommendation 1.6 includes the requirement to disclose whether a performance evaluation for the Board, its Committees and directors has taken place in the reporting period. A formal self-assessment was not performed during the 2015 financial year but a performance review is scheduled to take place in the next financial period.

1.7 Performance Review – senior executives

Arrangements put in place by the Board to monitor the performance of the Group's executives include:

- a review by the Board of the Group's financial performance;
- annual performance appraisal meetings, incorporating analysis of key performance indicators with each individual, to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Group;
- an analysis of the Group's prospects and projects; and
- a review of feedback obtained from third parties, including advisors.

Recommendation 1.7 includes a requirement to disclose whether a performance evaluation for senior executives has taken place in the reporting period. Due to the executive changes that occurred during the year, this process was not undertaken during the 2015 financial year.

Principle 2: Structure of the Board to Add Value

2.1 Nomination Committee

Recommendation 2.1 is that the Board should establish a nomination committee. The Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify the formation of a nomination committee at this time. The Board as a whole considers the following factors when selecting new directors and when recommending directors to shareholders for appointment or re-election:

- the aim of having a majority of independent directors on the Board and of having an independent non-executive chairman;
- the aim of having an independent director, other than the Board chairman, as the chairman of the Audit and Risk Management Committee;
- that between them, the directors have the appropriate skill base and range of expertise, experience and diversity to discharge the Board's mandate;

- that each individual director has sufficient time to meet his/her commitments as a director of the Company;
- the duration of each existing director's tenure, noting the retirement provisions of the Constitution as set out below; and
- whether the size of the Board is appropriate to facilitate effective discussions and efficient decision-making.

Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board. To date, new candidates to join the Board have predominantly been sought through referrals, rather than through professional intermediaries.

Directors are initially appointed by the full Board, subject to election by shareholders at the next annual general meeting. Under the Company's Constitution a director (other than the managing director and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his/her last appointment. The nomination of existing directors for reappointment is not automatic and is contingent on performance and on the current and future needs of the Company.

2.2 Board Skills Matrix

The Board has developed a Board skills matrix, to simplify the process for identifying any 'gaps' in the Board's skills, expertise and experience. As part of the review of the skills matrix the Board monitor the skills, expertise and experience that are relevant to the Company and assesses those requirements against the collective attributes of the directors. The Board skills matrix will be reviewed by the directors on an annual basis.

Details of the Directors' skills, experience, expertise and attendance at meetings are set out in the Directors' Report in each year's Annual Report.

2.3/2.4 Independent Directors

The Company currently has the following Board members, who served as directors throughout the year unless otherwise stated below:

- Mr Justin Reid — Executive Chairman and Managing Director (appointed 7 April 2015)
- Mr David Gower — Independent Non-executive Director (resigned as acting chairman on 7 April 2015, appointed 30 November 2012)
- Dr Fernando Tallarico — Technical director (appointed 23 June 2010)
- Mr Brian Moller — Independent non-executive director (appointed 18 December 2013)
- Mr Alec Pismiris — Independent non-executive director (appointed 26 March 2014)
- Prakash Hariharan — Managing Director and CEO (resigned on 7 April 2015)

Justin Reid was appointed as Executive Chairman and Managing Director on 7 April 2015. On this date the acting chairman, David Gower, resumed to the position of Independent Non-executive Director and Prakash Hariharan, resigned as Managing Director and CEO.

Details of the directors' skills, experience, expertise, special responsibilities, attendance at Board meetings and dates of appointment are set out in the directors' report.

In assessing the independence of the directors, the Board has defined an independent director as a director who:

- is non-executive;
- is not a substantial shareholder (i.e. greater than 5%) of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Group member;
- has not within the last three years been a principal or employee of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- has no material contractual relationship with the Company or another Group member other than as a director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount which is greater than five percent of either the net assets of the Company or an individual director's net worth is considered material for these purposes.

Justin Reid and Fernando Tallarico are executive directors, and are therefore not independent.

Brian Moller is a partner of the law firm HopgoodGanim, which periodically provides legal advice to the Company. As HopgoodGanim is not a material consultant to the Company, Brian Moller is deemed to be an independent director. Alec Pismiris and David Gower are also deemed to be independent directors.

The Company's Constitution provides that the number of directors shall not be less than three and not more than ten. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of additional independent non-executive directors. The Board believes that the five individuals on the Board can, and do, make independent judgments and act in the best interests of shareholders.

In accordance with the Corporations Act 2001 and the Company's Constitution, directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. Where the Board believes that a significant conflict exists, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

2.5 Chairman

The role of the chair and CEO is not separated, with Justin Reid performing the role of chairman and Managing Director. The Board feels that due to the size of the Company, the fact that the Board has a majority of independent directors and Mr Reid’s experience in the industry, the Company is able to govern itself appropriately and efficiently with the same director performing both roles.

The Chairman’s responsibilities include leadership of the Board and the efficient organisation and conduct of the functioning of the Board. The Board has delegated to the CEO the authority to manage the day-to-day affairs of the Group. The Board ensures that the CEO is appropriately qualified and experienced to discharge his responsibilities.

2.6 Director Induction

The Board implements an induction program for new Directors which involves providing information about the company, its constitution and policies and practices. The Board is continually informed by Senior Management of key developments in the Company’s business and the industry in which the Company operates.

Principle 3. Act ethically and responsibly

3.1 Code of Conduct

The Group has a Code of Ethics and Conduct in place which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Group.

All Group personnel and directors are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Group information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Group's reputation as a good corporate citizen, which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

Any member of Group personnel that breaches the Code of Ethics and Conduct may face disciplinary action. If a member of Group personnel suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must report that breach to management. No member of Group personnel will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

Since the year end, the Company has adopted a more detailed Code of Conduct, which is available on the Company's website.

Principle 4. Safeguard Integrity in Corporate Reporting

4.1 Audit Committee

During the year, the full Board reviewed the integrity of the Company's financial reporting and the processes to ensure the independence and competence of the external auditors. The Audit and Risk Management Committee held its first meeting on 17 July 2014 and has a formal charter, which is available on the Company's website.

The Audit and Risk Management Committee consists of Brian Moller (independent non-executive director) as Chairman, David Gower (independent non-executive director) and Alec Pismiris (independent non-executive director). All members of the Committee are financially literate and have an understanding of the industries in which the Group operates. Meeting dates and attendance information for the Committee, is detailed below.

Directors	**17/07/2014**	**18/09/2014**	**16/10/2014**	**11/03/2015**
Brian Moller (Chair)	1	1	1	1
Alec Pismiris	1	1	1	1
David Gower	1	-	1	1

The Committee's main responsibilities include:

- considering whether the Company's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company;
- ensuring that the quality of financial controls is appropriate for the business of the Company;
- considering the appointment or removal of the external auditor, the rotation of the external audit partner and approving the remuneration and terms of engagement of the external auditor;
- monitoring and reviewing the external auditor's independence, objectivity and performance, taking into consideration relevant professional and regulatory requirements; and
- reviewing the Company's risk management and internal control systems.

4.2 CEO/CFO declarations

The Board has received a written assurance from the CEO and the CFO for each financial reporting period that in their opinion, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

4.3 External Auditors present at the Annual Meeting

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is considered annually and applications for tender for external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. The audit engagement partner is rotated periodically, as required by the Corporations Act.

A representative from the external auditor attends each annual general meeting to answer any questions concerning the audit of the Group and the contents of the auditor's report.

Principle 5. Make Timely and Balanced Disclosure

5.1 Market Disclosure Policy

The Market Disclosure Policy requires executive management to determine when a market release is required to comply with the ASX Listing Rule continuous disclosure requirements. The Policy sets out details of accountability for the preparation and approval of ASX releases, and is available on the Company's website.

Principle 6. Respect the Rights of Shareholders

6.1 Website Information

The Company discloses information about itself, ASX announcements, its Corporate Governance Statement and all its Corporate Governance Policies on the Company's website.

6.2 Investor Relations

The Group places considerable importance on effective communications with shareholders.

The Group communicates with shareholders and other stakeholders in an open, regular and timely manner, so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. The following communications are posted on the Company's website:

- ASX Quarterly Cash Flow Reports;
- Half Yearly Report;
- presentations at the Annual General Meeting/General Meetings;
- Annual Report; and
- other announcements lodged with ASX.

6.3 Participation at Shareholder Meetings

The Board encourages full participation of shareholders at the Annual General Meeting. Shareholders who are unable to attend general meetings are encouraged to lodge proxy appointments in advance of the meeting.

6.4 Electronic Communications

Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website, and may electronically lodge proxy instructions for items of business to be considered at general meetings.

Principle 7. Recognise and Manage Risk

7.1 Risk Committee

Recommendation 7.1 is that the Board should establish a committee to oversee risk. The Audit and Risk Management Committee, which has a remit including risk oversight and management responsibilities had its first meeting on 17 July 2014. Section 4.1 details the structure of the Committee and the Charter is available on the Company's website.

The Committee documents the Group's risk profile in a risk management matrix, which is reviewed by the Board on a regular basis. The risk management matrix identifies strategic and operational areas of risk for the Group and records any remedial action the Group has taken in the management of those risks.

7.2 Risk Management Review

Recommendation 7.2 is that the Board or a Committee should review the risk management framework at least annually. During the year, ongoing monitoring, mitigating and reporting on material risks by senior executives, the Audit and Risk Committee and the Board took place in accordance with the processes disclosed.

The Board has established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards. The identification and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Group's approach to creating long-term shareholder value.

Management is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control system.

Key elements of the Group's internal control systems include:

- the Code of Conduct, which sets out an ethical and legal framework for all employees in the conduct of the Group's business; and

- financial and reporting systems to provide timely, relevant and reliable information to management and the Board.

The CEO and the CFO have reported and declared in writing to the Board that the Group's management of its material business risks is effective, as required by Recommendation 7.2.

During the year and up to the date of this statement, management reported either directly, or via the Audit and Risk Management Committee, to the Board on the Group's key risks and the effectiveness of the Company's management of those risks.

7.3 Internal Audit Function

Under the Charter of the Audit and Risk Committee, the Committee reviews whether an internal audit function is required. Where there is an internal audit function, the Committee reviews its objectivity and performance. The Charter also states that the Committee will ensure the development of risk management policies, and define and periodically review risk management practices.

The Audit and Risk Committee and the Board, have determined not to have an internal audit function due to the size of the Company.

The Company's external auditors are under a half year review and full year audit as required under the Corporations Act 2001. The Audit and Risk Committee have regular meetings and contact with the external auditors during the year and for the review and audits.

7.4 Material Exposure to Risk

Recommendation 7.4 is that the Board should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if so, how it manages those risks. The Group believes that the following operational risks are inherent in the industry in which the Group operates, having regard to the Group's circumstances (including financial resources, prospects and size):

- fluctuations in commodity prices and exchange rates;
- accuracy of mineral reserve and resource estimates;
- reliance on licenses, permits and approvals from governmental authorities;
- ability to obtain additional financing;
- acquisition of new business opportunities; and
- changed operating, market or regulatory environments.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by the Group, and are not necessarily an exhaustive list.

Principle 8. Remunerate Fairly and Responsibly

8.1 Remuneration Committee

Recommendation 8.1 is that the Board should establish a remuneration committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for directors and executives of the Company.

Details of the Group's remuneration policy are set out in the remuneration report.

8.2 Remuneration Disclosure for Non-Executive and Executive Directors

The remuneration of non-executive directors is determined by the Board as a whole having regard to the level of fees paid to non-executive directors by other companies of similar size in the industry. Due to the size of the Company, the structure of both executive and non-executive directors' remuneration includes a long-term incentive component, linked to the performance of the Group.

The non-executive directors receive no retirement benefits, other than statutory superannuation contributions. Any increase in the maximum total remuneration of the non-executive directors of the Company, which is set at $200,000 is subject to the approval of shareholders. Further information on directors' and executives' remuneration is set out in the directors' report under the heading Remuneration Report in the Directors' Report in each year's Annual Report.

Any directors or Aguia personnel participating in equity-based remuneration schemes are prohibited from entering into transactions in associated products which limit the economic risk of their unvested entitlements.

Contents

General information

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

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

Registered office	Principal place of business
Suite 4 Level 9 341 George Street, Sydney NSW 2000	Rua Antonio de Albuquerque n°156 1504 Bairro Savassi – Belo Horizonte / MG – Brazil CEP: 30112-010

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 September 2015.

Aguia Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue	4	40,189	63,561
Other income	5	-	238,105
Expenses			
Employee benefits expense	6	(123,384)	(439,033)
Share based payments		(134,373)	(51,191)
Depreciation and amortisation expense		(37,896)	(62,353)
Impairment of exploration assets	11	(8,669,608)	(12,201,533)
Corporate costs		(700,626)	(385,291)
Exploration costs	6	(124,226)	(446,739)
Business development costs		(124,406)	(181,166)
Legal and professional		(220,659)	(229,145)
Other expenses		(649,840)	(703,931)
Loss before income tax expense		(10,744,829)	(14,398,716)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Aguia Resources Limited		(10,744,829)	(14,398,716)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,823,581)	(148,501)
Other comprehensive income for the year, net of tax		(1,823,581)	(148,501)
Total comprehensive income for the year attributable to the owners of Aguia Resources Limited		(12,568,410)	(14,547,217)
		Cents	**Cents**
Basic earnings per share	27	(4.32)	(7.57)
Diluted earnings per share	27	(4.32)	(7.57)

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

Aguia Resources Limited
Statement of financial position
As at 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Assets			
Current assets			
Cash and cash equivalents	8	709,834	525,468
Trade and other receivables	9	121,651	382,882
Other		5,365	20,365
Total current assets		836,850	928,715
Non-current assets			
Property, plant and equipment	10	71,158	125,749
Exploration and evaluation	11	21,039,712	26,557,221
Total non-current assets		21,110,870	26,682,970
Total assets		21,947,720	27,611,685
Liabilities			
Current liabilities			
Trade and other payables	12	488,352	419,214
Borrowings	13	1,000,000	-
Other	14	450,819	177,720
Total current liabilities		1,939,171	596,934
Total liabilities		1,939,171	596,934
Net assets		20,008,549	27,014,751
Equity			
Issued capital	15	72,912,689	67,534,539
Reserves	16	(1,971,174)	(331,651)
Accumulated losses		(50,932,966)	(40,188,137)
Total equity		20,008,549	27,014,751

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

Aguia Resources Limited
Statement of changes in equity
For the year ended 30 June 2015

Consolidated	Ordinary shares $	Performance shares $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2013	63,276,258	276,593	(234,341)	(25,789,421)	37,529,089
Loss after income tax expense for the year	-	-	-	(14,398,716)	(14,398,716)
Other comprehensive income for the year, net of tax	-	-	(148,501)	-	(148,501)
Total comprehensive income for the year	-	-	(148,501)	(14,398,716)	(14,547,217)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 15)	4,016,881	(35,193)	-	-	3,981,688
Share-based payments	-	-	51,191	-	51,191
Balance at 30 June 2014	67,293,139	241,400	(331,651)	(40,188,137)	27,014,751

Consolidated	Ordinary shares $	Performance shares $	Reserves $	Accumulated reserves $	Total equity $
Balance at 1 July 2014	67,293,139	241,400	(331,651)	(40,188,137)	27,014,751
Loss after income tax expense for the year	-	-	-	(10,744,829)	(10,744,829)
Other comprehensive income for the year, net of tax	-	-	(1,823,581)	-	(1,823,581)
Total comprehensive income for the year	-	-	(1,823,581)	(10,744,829)	(12,568,410)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 15)	5,378,150	-	-	-	5,378,150
Share-based payments (note 28)	-	-	134,373	-	134,373
Capital contribution	-	-	49,685	-	49,685
Balance at 30 June 2015	72,671,289	241,400	(1,971,174)	(50,932,966)	20,008,549

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

Aguia Resources Limited
Statement of cash flows
For the year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,393,624)	(1,765,218)
Interest received		40,189	46,953
Other revenue		-	16,608
Net cash used in operating activities	26	(1,353,435)	(1,701,657)
Cash flows from investing activities			
Payments for exploration and evaluation		(3,074,186)	(2,089,826)
Payments for Lara option		-	(116,144)
Proceeds from disposal of property, plant and equipment		-	800
Net cash used in investing activities		(3,074,186)	(2,205,170)
Cash flows from financing activities			
Proceeds from issue of shares	15	3,805,745	3,979,551
Proceeds from borrowings		1,000,000	-
Share issue transaction costs		(187,595)	(237,863)
Net cash from financing activities		4,618,150	3,741,688
Net increase/(decrease) in cash and cash equivalents		190,529	(165,139)
Cash and cash equivalents at the beginning of the financial year		525,468	696,245
Effects of exchange rate changes on cash and cash equivalents		(6,163)	(5,638)
Cash and cash equivalents at the end of the financial year	8	709,834	525,468

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
The group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders
The group has applied 2013-7 from 1 July 2014. The amendments remove the specific requirements in relation to consolidation from AASB 1038 Life Insurance Contracts thereby leaving AASB 10 as the only standard containing consolidation requirements for life insurers.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part B)
The group has applied Part B of 2013-9 from 1 July 2014, which amends particular Australian Accounting Standards to delete references to AASB 1031 Materiality as part of the AASB's aim to eventually withdraw AASB 1031.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
The group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

AASB 1031- Materiality
The revised standard is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments were effective from 1 July 2014.

Note 1. Significant accounting policies (continued)

Net current asset deficiency
As at 30 June 2015 the consolidated entity has net current liabilities of $1,102,321 (2014: net current assets of $331,781).

In August 2015, the company completed a $9.5 million capital raising through the placement of 55.88 million new fully paid ordinary shares to institutional and sophisticated investors at $0.17 per share, providing the company with sufficient funding to achieve its stated objectives over the next 12 months. The company intends to use the proceeds from the placement for ongoing project development and exploration work, including environmental baseline studies and a bankable feasibility study at its flagship Tres Estradas project, drill programs at targeted areas and for general working capital purposes.

Based on the consolidated entity's cashflow forecast and the entity having achieved the funding referred to above, the directors are confident that the company and the consolidated entity can pay their debts as and when they fall due.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Aguia Resources Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Aguia Resources Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

Other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

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

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

Plant and equipment	3-5 years

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs are expensed in the period in which they are incurred.

Employee benefits

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

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

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

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

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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

Note 1. Significant accounting policies (continued)

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

Earnings per share

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

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2015. The group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets
The group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment, being mining and exploration in Brazil. The operating segment is based on the internal reports that are reviewed and used by the executive management team (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. Segment information is reported on at least a monthly basis.

The information reported to the CODM comprises mainly segment assets and direct exploration expenditure in assessing performance and allocation of resources and as such no segment result or segment revenues are separately disclosed. Segment information is reported on at least a monthly basis.

Financial information reported in note 11 and elsewhere in this financial report is representative of the nature and financial effects of the business activities in which the company engages and the economic environment in which it operates.

The mining and exploration operations of the consolidated entity are predominately in Brazil. Reportable segments are based on aggregating geographical segments subject to risks and returns of their particular economic environment and based on the nature of their regulatory environment. Geographical segments are aggregated where the segments are considered to have similar economic characteristics and also similar with respect to the type of product and service.

Corporate office activities
Corporate office activities comprise non-segmental revenues and expenses and are therefore not allocated to operating segments.

Note 4. Revenue

	Consolidated 2015 $	Consolidated 2014 $
Interest	40,189	46,953
Other revenue - rent	-	16,608
Revenue	40,189	63,561

Note 5. Other income

	Consolidated 2015 $	Consolidated 2014 $
Option money receivable from farm-out arrangement	-	238,105

Management has recognised an impairment loss of $237,327 (R$500,000) given the receivable accrued in the prior year which represented the last instalment with respect to the option agreement over the Mata da Corda phosphate project arising from the arrangement with Vicenza Mineracao e Participacoes S.A. ("Vicenza") is not recoverable. Refer to note 9 below for further details.

Note 6. Expenses

	Consolidated 2015 $	Consolidated 2014 $
Loss before income tax includes the following specific expenses:		
Exploration costs		
Exploration expenses	124,226	446,739
Employee benefit expense		
Wages and salaries	123,384	421,726
Defined contribution superannuation expense	-	17,307
Total employee benefit expense	123,384	439,033

Note 7. Income tax expense

	Consolidated 2015 $	Consolidated 2014 $
Income tax expense		
Current tax	(362,078)	(383,068)
Deferred tax - origination and reversal of temporary differences	6,554	(40,934)
Unutilised tax losses not recognised	355,524	424,002
Aggregate income tax expense	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(10,744,829)	(14,398,716)
Tax at the statutory tax rate of 30%	(3,223,449)	(4,319,615)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenditure not allowable for income tax purposes	2,867,925	3,936,547
	(355,524)	(383,068)
Current year tax losses not recognised	355,524	383,068
Income tax expense	-	-

	Consolidated 2015 $	Consolidated 2014 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	6,033,943	4,848,862
Potential tax benefit @ 30%	1,810,183	1,454,659

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

Tax consolidation
A decision to form a tax consolidated group has not yet been made. This position will be reviewed annually.

Note 8. Current assets - cash and cash equivalents

	Consolidated 2015 $	Consolidated 2014 $
Cash at bank	709,834	525,468

Note 9. Current assets - trade and other receivables

	Consolidated 2015 $	Consolidated 2014 $
Other receivables	121,651	382,882

Management has recognised an impairment loss of $237,327 (R$500,000) given the receivable accrued in the prior year which represented the last instalment with respect to the option agreement over the Mata da Corda phosphate project arising from the arrangement with Vicenza Mineracao e Participacoes S.A. ("Vicenza") is not recoverable.

Note 10. Non-current assets - property, plant and equipment

	Consolidated 2015 $	Consolidated 2014 $
Plant and equipment - at cost	262,251	304,551
Less: Accumulated depreciation	(191,093)	(178,802)
	71,158	125,749

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

Consolidated	Leasehold improvements $	Plant & equipment $	Total $
Balance at 1 July 2013	77,381	185,273	262,654
Write off of assets	(64,319)	(10,233)	(74,552)
Depreciation expense	(13,062)	(49,291)	(62,353)
Balance at 30 June 2014	-	125,749	125,749
Additions	-	1,056	1,056
Exchange differences	-	(17,751)	(17,751)
Depreciation expense	-	(37,896)	(37,896)
Balance at 30 June 2015	-	71,158	71,158

Note 11. Non-current assets - exploration and evaluation

	Consolidated 2015 $	Consolidated 2014 $
Brazilian Phosphate project - at cost	30,538,821	29,532,406
Less: Impairment	(12,660,637)	(6,182,393)
	17,878,184	23,350,013
Brazilian Potash project - at cost	27,689,563	25,543,879
Less: Impairment	(24,528,035)	(22,336,671)
	3,161,528	3,207,208
	21,039,712	26,557,221

Note 11. Non-current assets - exploration and evaluation (continued)

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

Consolidated	Exploration & evaluation $	Total $
Balance at 1 July 2013	36,704,572	36,704,572
Expenditure during the year	2,054,182	2,054,182
Impairment of assets	(12,201,533)	(12,201,533)
Balance at 30 June 2014	26,557,221	26,557,221
Expenditure during the year	5,186,110	5,186,110
Exchange differences	(2,034,011)	(2,034,011)
Impairment of assets	(8,669,608)	(8,669,608)
Balance at 30 June 2015	21,039,712	21,039,712

During the year, the company wrote off projects costs relating to Mata da Corda phosphate project and Sergipe potash project, resulting in impairment of $6,478,244 and $2,191,364 respectively.

The Mata da Corda phosphate project is held in a joint venture with Vicenza who is the operator and has an option to acquire 100% of the project according to the renegotiation made on 15 October 2014. Due to Vicenza's inability to comply with permit obligations, the project has been written off.

The company also relinquished permits relating to the Sergipe potash project, given it has not budgeted nor planned any substantive expenditure on further exploration and evaluation of mineral resources in this specific area. Consequently, all project costs were fully impaired.

Expenditure during the year include non-cash items related to the issuance of 11 million shares to Lara Exploration Limited and Lara Alliance (BVI) Ltd, valued at $1,760,000 (2014: 4 million shares valued at $240,000) as disclosed in note 15.

Note 12. Current liabilities - trade and other payables

	Consolidated	
	2015 $	**2014 $**
Trade payables	205,709	260,734
Other payables	282,643	158,480
	488,352	419,214

Refer to note 18 for further information on financial instruments.

Trade payables are settled in 30-90 day terms and are non-interest bearing.

Note 13. Current liabilities - borrowings

	Consolidated 2015 $	2014 $
Related party loan	1,000,000	-

Refer to note 18 for further information on financial instruments.

The company secured a line of credit facility of $1,000,000 on commercially attractive terms with Forbes Emprendimentos Ltda, a company associated with three of its current/former directors, Prakash Hariharan, David Gower and Fernando Tallarico. Interest is charged at 1% p.a. The loan is fully drawn down as at 31 December 2014. The debt was due and not repaid on 30 June 2015. Repayment may be in cash or subject to shareholder approval, converted to ordinary shares at a conversion price of $0.04 per share. An extension of the facility to 31 December 2015 has been successfully negotiated.

Note 14. Current liabilities - other

	Consolidated 2015 $	2014 $
Accrued expenses	450,819	177,720

Note 15. Equity - issued capital

	Consolidated			
	2015 Shares	2014 Shares	2015 $	2014 $
Ordinary shares - fully paid	310,094,865	213,949,788	72,671,289	67,293,139
AGRAU PAC performance shares	1,547,431	4,126,482	241,400	241,400
	311,642,296	218,076,270	72,912,689	67,534,539

80,000,000 AGRAU (Class A, Class B, and Class C) performance shares ("PAC performance shares") were issued as part of the consideration of the assets of Potassio do Atlantico Ltda on 6 July 2011 and were escrowed until 6 July 2012.

A general meeting was held on 31 May 2013 to approve the change of the termination date of the PAC performance shares which effectively resulted in the early termination of those rights. In exchange, the company issued 1 share (consideration share) and 1.5 options (consideration options) to each holder who accepted the offer for each 8 performance shares held, resulting is 4,728,085 PAC performance being issued. Subsequently, shares were converted or lapsed as shown below. The remaining 1,547,431 shares relate to Class C performance shares.

Note 15. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2013	135,560,413		63,276,258
Share issue - placement	9 July 2013	31,710,000	$0.050	1,585,500
Share issue - share purchase plan	19 August 2013	12,000,000	$0.050	600,000
Share issue - placement	19 August 2013	2,170,000	$0.050	108,500
Share issue - placement	1 October 2013	2,050,000	$0.050	102,500
Share issue - consideration for early termination of PAC	9 December 2013	75,200	$0.000	35,193
Share issue - placement	10 February 2014	21,484,175	$0.060	1,289,051
Share issue	14 March 2014	900,000	$0.060	54,000
Share issue - amendment to Lara Option Agreement for Atlantic Potash Project	31 March 2014	4,000,000	$0.060	240,000
Share issue	3 June 2014	4,000,000	$0.060	240,000
Transaction costs		-	$0.000	(237,863)
Balance	30 June 2014	213,949,788		67,293,139
Share issue - placement	13 November 2014	40,000,000	$0.050	2,000,000
Share issue - rights issue	5 February 2015	4,247,574	$0.040	169,845
Share issue - shortfall placement	9 April 2015	21,147,503	$0.040	845,900
Share issue - shortfall placement	29 April 2015	19,750,000	$0.040	790,000
Share issue - amendment to Lara Option Agreement for Atlantic Potash Project	30 June 2015	11,000,000	$0.160	1,760,000
Transaction costs		-	$0.000	(187,595)
Balance	30 June 2015	310,094,865		72,671,289

Movements in performance share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2013	4,728,085		276,593
Early termination of PAC performance shares	9 December 2013	(601,603)	$0.000	(35,193)
Balance	30 June 2014	4,126,482		241,400
Lapse of PAC performance shares	6 July 2014	(2,579,051)	$0.000	-
Balance	30 June 2015	1,547,431		241,400

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

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

Performance shares- PAC
The remaining PAC performance shares are to remain unquoted and do not entitle the holder to participate in dividends or to the right to vote. Upon achieving set milestones prior to their expiry date, each performance share will generally convert into one ordinary share. If the milestones are not met, the company will, as soon as reasonably practical and in any event no later than 90 days after the expiry date, convert the total number of performance shares on issue into one ordinary share.

Note 15. Equity - issued capital (continued)

AGRAU Class A performance share milestone means completion of one drill hole returning an intersection of 10% KCI mineralisation of a continuous thickness in excess of 10 metres at the Potassio do Atlantico potash project.

AGRAU Class B performance share milestone means completion of an independent JORC compliant combined mineral resource estimate including all categories of resources as defined by the JORC guidelines of not less than 100 Mt with a grade of not less than 10% KCI at the Potassio do Atlantico potash project.

AGRAU Class C performance share milestone means completion of an independent JORC compliant combined mineral resource estimate including all categories of resources as defined by the JORC guidelines of not less than 200 Mt with a grade of not less than 10% KCI at the Potassio do Atlantico potash project.

Upon successful conversion and from allotment date, each share will rank equally with and confer rights identical with all the other ordinary shares and application will be made by the company to ASX for official quotation. Class A and B PAC performance shares did not achieve set milestones and expired on 5 July 2014.

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

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

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

The consolidated entity is not subject to financing arrangements covenants.

The capital risk management policy remains unchanged from the 30 June 2014 Annual Report.

Note 16. Equity - reserves

	Consolidated	
	2015 $	2014 $
Foreign currency reserve	(5,390,763)	(3,567,182)
Share-based payments reserve	3,369,904	3,235,531
Capital contribution reserve	49,685	-
	(1,971,174)	(331,651)

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

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

Capital contribution reserve
This reserve records the capital contribution arising from unrecognised interest due to non-arm's length interest rate at 1% on the $1 million loan with Forbes Emprendimentos Ltda, a company associated with three of its current/former directors.

Note 16. Equity - reserves (continued)

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

Consolidated	Capital contribution $	Share-based payments $	Foreign currency $	Total $
Balance at 1 July 2013	-	3,184,340	(3,418,681)	(234,341)
Foreign currency translation	-	-	(148,501)	(148,501)
Share-based payments	-	51,191	-	51,191
Balance at 30 June 2014	-	3,235,531	(3,567,182)	(331,651)
Foreign currency translation	-	-	(1,823,581)	(1,823,581)
Share-based payments	-	134,373	-	134,373
Capital contribution	49,685	-	-	49,685
Balance at 30 June 2015	49,685	3,369,904	(5,390,763)	(1,971,174)

Note 17. Equity - dividends

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

Note 18. Financial instruments

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

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

Market risk

Foreign currency risk
The group undertakes certain transactions denominated in foreign currency that are exposed to foreign currency risk through foreign exchange rate fluctuations. The group currently does not engage in any hedging or derivative transactions to manage foreign currency risk.

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

The group’s exposure to foreign currency risk throughout the current and prior year primarily arose from controlled entities of the company whose functional currency is the Brazilian Real. Foreign currency risk arises on translation of the net assets of these controlled entities to Australian dollars. In the group accounts, the foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve.

Price risk
The group is not exposed to any significant price risk.

Note 18. Financial instruments (continued)

Interest rate risk
The group's main interest rate risk arises from short-term deposits with a floating interest rate. As at the reporting date, the group did not have funds on deposits,hence, was not exposed to interest rate risk.

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

There are no significant concentrations of credit risk within the group.

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

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

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

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	205,709	-	-	-	205,709
Other payables	-%	282,643	-	-	-	282,643
Related party loan	1.00%	1,007,050	-	-	-	1,007,050
Total non-derivatives		1,495,402	-	-	-	1,495,402

Consolidated - 2014	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	260,734	-	-	-	260,734
Other payables	-%	336,200	-	-	-	336,200
Total non-derivatives		596,934	-	-	-	596,934

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

Fair value of financial instruments
The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 19. Key management personnel disclosures

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

	Consolidated	
	2015 $	2014 $
Short-term employee benefits	606,766	867,809
Post-employment benefits	-	10,599
Share-based payments	116,000	51,191
	722,766	929,599

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the company, its network firms and unrelated firms:

	Consolidated	
	2015 $	2014 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	39,000	38,500
Other services - Deloitte Touche Tohmatsu		
Preparation of the tax return	-	5,250
	39,000	43,750
Audit services - network firms		
Audit or review of the financial statements	36,078	48,998
Other services - unrelated firms		
Preparation of the tax return	4,000	-

Note 21. Contingent liabilities

The consolidated entity's Brazilian subsidiary, Potassio do Atlantico Ltda, is in the process of defending a legal action involving the alleged breach of a contract for drilling services with Prest Perfuracoes Limitada undertaken in the first half of 2012 on some of Potassion do Atlantico Ltda's potash assets. The provider of drilling services is seeking damages of approximately BRL 6.6 million for this alleged breach. Although the outcome of this matter is currently not determinable, the directors believe, based on legal advice, that the action can be successfully defended. This position is unchanged at 30 June 2015.

Note 22. Related party transactions

Parent entity
Aguia Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 24.

Key management personnel
Disclosures relating to key management personnel are set out in note 19 and the remuneration report in the directors' report.

Note 22. Related party transactions (continued)

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

	Consolidated	
	2015 **$**	**2014** **$**
Payment for goods and services:		
Payment for consulting services from HFX Consultoria Empresarial Ltda of which Mr David Gower is a shareholder.	74,645	170,805
Payment for legal services from HopgoodGanim of which Mr Brian Moller is a partner.	47,379	2,351
Payment for accounting and company secretary services from Franks & Associates Pty Ltd of which Mr Andrew Bursill is a principal.	132,645	142,979

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
Refer to note 13.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 23. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2015 **$**	**2014** **$**
Loss after income tax	(10,017,935)	(13,835,656)
Total comprehensive income	(10,017,935)	(13,835,656)

Note 23. Parent entity information (continued)

Statement of financial position

	Parent 2015 $	Parent 2014 $
Total current assets	545,324	378,235
Total assets	21,912,467	26,075,630
Total current liabilities	498,510	205,945
Total liabilities	498,510	205,945
Equity		
Issued capital	72,912,689	67,534,539
Share-based payments reserve	3,369,903	3,235,531
Capital contribution reserve	49,685	-
Accumulated losses	(54,918,320)	(44,900,385)
Total equity	21,413,957	25,869,685

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2015 and 30 June 2014.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 24. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
Aguia Mining Pty Ltd	Australia	100.00%	100.00%
Aguia Phosphates Pty Ltd	Australia	100.00%	100.00%
Aguia Potash Pty Ltd	Australia	100.00%	100.00%
Aguia Metais Ltda	Brazil	100.00%	100.00%
Potassio do Atlantico Ltda	Brazil	100.00%	100.00%
Aguia Rio Grande Mineracao Ltda *	Brazil	100.00%	100.00%
Aguia Fertilizantes S.A. **	Brazil	49.00%	49.00%

* Incorporated 23 May 2012
** Incorporated 24 February 2012 and controlled by the parent entity through the entity's board of directors.

Note 25. Events after the reporting period

On 26 August 2015, the company announced that it has completed a $9.5 million capital raising through the placement of 55.88 million new fully paid ordinary shares to institutional and sophisticated investors at $0.17 per share. The company intends to use the proceeds from the placement for ongoing project development and exploration work, including environmental baseline studies and a bankable feasibility study at its flagship Tres Estradas project, drill programs at targeted areas and for general working capital purposes.

On 28 September 2015, the company announced that the remuneration of its Executive Chairman and Managing Director, Mr Justin Reid has been reviewed with immediate effect. The material terms of the contract for Mr Reid are: salary of A$350,000 per annum, granting of 1,500,000 3-year options priced at 40% above share price on date of approval subject to shareholder approval, and a bonus of up to A$250,000 in cash cash subject to achievement of KPIs as announced to ASX on 28 September 2015.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 26. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2015 $	2014 $
Loss after income tax expense for the year	(10,744,829)	(14,398,716)
Adjustments for:		
Depreciation and amortisation	37,896	62,353
Write off of property, plant and equipment	-	74,552
Share-based payments	134,373	51,191
Exploration costs	124,226	446,739
Proceeds from sale of property, plant and equipment	-	(800)
Impairment of exploration assets	8,669,608	12,201,533
Reversal of Vicenza option receivable	237,327	-
Interest charge on capital contributed through line of credit facility	49,685	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	15,001	36,471
Increase/(decrease) in trade and other payables	123,278	(174,980)
Net cash used in operating activities	(1,353,435)	(1,701,657)

During the current year, the group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

Share issue proceeds of $1,760,000, from the issuance of 11 million shares to Lara, were received in the form of exploration and evaluation assets, as disclosed in Note 11 and in Note 15.

Note 27. Earnings per share

	Consolidated 2015 $	Consolidated 2014 $
Loss after income tax attributable to the owners of Aguia Resources Limited	(10,744,829)	(14,398,716)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	248,838,811	190,086,879
Weighted average number of ordinary shares used in calculating diluted earnings per share	248,838,811	190,086,879

	Cents	Cents
Basic earnings per share	(4.32)	(7.57)
Diluted earnings per share	(4.32)	(7.57)

Note 28. Share-based payments

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

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

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
06/12/2010	30/11/2014	$0.700	250,000	-	-	(250,000)	-
01/07/2011	31/12/2014	$0.500	250,000	-	-	(250,000)	-
06/07/2011	31/12/2014	$0.500	1,338,187	-	-	(1,338,187)	-
28/10/2011	28/10/2015	$0.750	150,000	-	-	-	150,000
30/11/2012	30/09/2016	$0.250	500,000	-	-	-	500,000
30/11/2012	30/11/2016	$0.250	630,000	-	-	-	630,000
05/06/2013	31/05/2015	$0.300	14,113,521	-	-	(14,113,521)	-
03/06/2014	30/04/2017	$0.080	3,500,000	-	-	-	3,500,000
07/07/2014	30/04/2017	$0.080	-	1,450,000	-	-	1,450,000
26/06/2015	26/06/2018	$0.168	-	2,000,000	-	-	2,000,000
			20,731,708	3,450,000	-	(15,951,708)	8,230,000

All options are exercisable at the end of the financial year.

Note 28. Share-based payments (continued)

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
23/06/2010	30/06/2013	$0.200	-	-	-	-	-
23/06/2010	31/12/2013	$0.300	1,000,000	-	-	(1,000,000)	-
07/10/2010	30/09/2012	$0.400	-	-	-	-	-
07/10/2010	30/09/2013	$0.500	500,000	-	-	(500,000)	-
07/10/2010	31/03/2014	$0.600	500,000	-	-	(500,000)	-
19/11/2010	30/09/2013	$0.500	575,000	-	-	(575,000)	-
19/11/2010	31/03/2014	$0.600	150,000	-	-	(150,000)	-
06/12/2010	30/11/2013	$0.600	250,000	-	-	(250,000)	-
06/12/2010	30/11/2014	$0.700	250,000	-	-	-	250,000
01/07/2011	31/12/2014	$0.500	250,000	-	-	-	250,000
06/07/2011	31/12/2014	$0.500	1,500,000	-	-	(161,813)	1,338,187
06/07/2011	31/12/2013	$1.070	1,280,000	-	-	(1,280,000)	-
28/10/2011	28/10/2015	$0.750	150,000	-	-	-	150,000
30/11/2012	30/09/2016	$0.250	500,000	-	-	-	500,000
30/11/2012	30/11/2016	$0.250	630,000	-	-	-	630,000
05/06/2013	31/05/2015	$0.300	14,113,521	-	-	-	14,113,521
03/06/2014	30/04/2017	$0.080	-	3,500,000	-	-	3,500,000
			21,648,521	3,500,000	-	(4,416,813)	20,731,708

Options granted on 05/06/2013 with expiry date 31/05/2015 and exercise price of $0.30 were part of consideration for early termination of PAC performance rights.

All options werer exercisable at the end of the financial year.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.02 years (2014: 1.28 years).

The weighted average exercise price of options outstanding at the end of the financial year was $0.14 (2014: $0.28).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
07/07/2014	30/04/2017	$0.040	$0.084	73.53%	-%	2.67%	$0.013
26/06/2015	26/06/2018	$0.120	$0.168	110.00%	-%	1.94%	$0.058

Expected volatility was calculated using an option volatility calculator after taking into account trend in the share price over the past 6 months and sensitivity to ASX announcements regarding the company's exploration projects.

Aguia Resources Limited
Directors' declaration
30 June 2015

In the directors' opinion:

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

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

- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the directors

Justin Reid
Executive Chairman & Managing Director

28 September 2015
Sydney

Deloitte.

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

Report on the Financial Report

We have audited the accompanying financial report of Aguia Resources, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 32 to 59.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Aguia Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

In our opinion:

(a) the financial report of Aguia Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 14 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Aguia Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

T Hynes
Partner
Chartered Accountants
Sydney, 28 September 2015