Aguia Resources Limited

ABN 94 128 256 888

Annual Report - 30 June 2016

Directors	Paul Pint - Executive Chairman Justin Reid - Managing Director Brian Moller - Non-Executive Director Alec Pismiris - Non-Executive Director David Gower - Non-Executive 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	Hopgood Ganim
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 2016 annual report for Aguia Resources Limited ("Aguia" or "Company").

This time last year we were riding on a wave of positive momentum at our Três Estradas project having achieved a 130% increase in the JORC compliant Indicated and Inferred resource to 70.1 Mt (comprising 15.2 Mt Indicated and 54.9 MT Inferred) with an average grade of 4.20% P_2O_5, the release of a Preliminary Economic Assessment by SRK Consulting (Canada) Inc. that confirmed the technical and economic viability of the asset and a successful closing on a $9.5 million private placement which provided the funding needed to engage in further exploration, development and analysis to continue to advance the project towards production.

This year, our primary focus has been on taking the solid foundation laid last year and further enhancing the quality of the asset and development plans to ensure that as we move towards production we are building a Company that will be a profitable enterprise for decades to come. Major milestones achieved during the year include:

- An increase to the Três Estradas JORC compliant resource to 74.7 million tonnes with an average grade of 4.13% P_2O_5, comprising 745,000 tonnes of Measured resource grading 4.42% P_2O_5, 15.07 million tonnes of Indicated resource grading 4.75% P_2O_5 and 58.89 million tonnes of Inferred resource grading 3.97% P_2O_5.
- Defining a JORC compliant resource of 2.75 million tonnes grading 4.37% P_2O_5 from the nearby Joca Tavares carbonatite, which includes 915,000 tonnes of measured resource grading 3.98% P_2O_5, 1.5 million tonnes of indicated resource grading 4.31% P_2O_5 and 329,000 tonnes of inferred resource grading 5.74% P_2O_5.
- New phosphate recoveries defined at Eriez Flotation Division of 84% for fresh carbonatite and 80% for oxide using column flotation, resulted in a substantial increase in the economic value of the mineralized rock. This is a major improvement on last year's results that used conventional mechanical flotation cells.
- Metallurgical test work that successfully produced a premium quality calcite by-product at a high recovery rate. There are numerous end markets for a high quality calcite concentrate in Brazil including field application of aglime, cement production and animal nutrition.
- A simplification to the production process to produce phosrock rather than SSP which will substantially reduce the CAPEX required for construction in the future.
- A doubling of the Company's exploration land bank as options were signed on two properties with promising characteristics adjacent to Três Estradas.

Our team is now focused on the upcoming submission of the Environmental Impact Assessment which has been carefully compiled by Golder & Associates, a highly respected environmental consulting firm. The approval of the EIA will result in the granting of the Pre-License, considered a major milestone in the development of Brazilian mining projects.

This year's priority will be the Bankable Feasibility Study, a key feature of which will be additional drilling and analysis to convert Inferred Resources to Indicated. We are confident that the results we have achieved this year have set the stage for a compelling project that will continue to be derisked as we approach the construction phase.

I would like to thank our management and staff for their hard work and dedication over the past year which has substantially added to the value of the Company, 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.

Paul Pint
Chairman

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 2016.

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
David Gower
Brian Moller
Alec Pismiris
Paul Pint (appointed 12 January 2016)
Fernando Tallarico (resigned 12 January 2016)

Principal activities
The principal activities of the group during the year were the continued exploration and development of resource projects, predominately phosphate 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 $5,873,212 (30 June 2015: $10,744,829).

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 6 July 2016, the Company announced that the AGRAU Class C performance share (refer to Note 13) expired as it failed to meet the milestone that would have triggered a conversion to ordinary shares.

As disclosed in Note 11 in the financial statements, the Company has fully repaid the remaining balance on the related party loan of $213,949 on 29 July 2016. The Company has also terminated the line of credit with Forbes Emprendimentos Ltda on 9 August 2016.

As disclosed in Note 19 in the financial statements, subsequent to the year end, Potassio do Atlantico Ltda (PAL) and Prest Perfuracoes Limitada (Prest) have reached an agreement to dismiss the claim involving the alleged breach of a contract for drilling services. PAL has agreed to pay R$1,000,000.00 (one million Reais) in three instalments: (i) R$500,000.00 on September 30, 2016; (ii) R$250,000.00 on November 15, 2016; (iii) R$250,000.00 on December 15, 2016. Agreement was formally executed by the parties on 13th of September 2016 and already ratified by a judge.

No other matter or circumstance has arisen since 30 June 2016 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:	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:	Kombat Copper Inc (listed on TSX) and Sulliden Mining Capital Inc (listed on TSX), EuroSun Mining Inc. (listed on TSX).
Former directorships (last 3 years):	Copper One Inc. (February 2013 – December 2015, listed on TSX), Coastal Gold Corp. (April 2013 – January 2016, listed on TSX), Shahuindo Gold Limited (May 2013 – May 2014, listed on TSX)
Special responsibilities:	None
Interests in shares:	None
Interests in options:	2,850,000

Name:	Dr Fernando Tallarico (resigned 12 January 2016)
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 (as at date of resignation)
Interests in options:	1,500,000 (as at date of resignation)

Name:	Mr David Gower
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. 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:	Emerita Resources Corp, Alamos Gold Inc, Apogee Silver Ltd (all TSX listed)
Former directorships (last 3 years):	Coastal Gold Corp. (February 2007 – July 2015)
Special responsibilities:	None
Interests in shares:	6,296,167
Interests in options:	600,000

Name:	Mr Paul Pint (appointed 12 January 2016)
Title:	Executive Chairman
Qualifications:	B.Comm, CPA, CA
Experience and expertise:	Mr. Pint, CPA, CA, is a capital markets professional with over 20 years of experience. Mr. Pint began his capital markets career on the institutional equity team at a large Canadian financial institution. Over his career, he has held a number of senior positions at various financial institutions and boutique investment banks in Canada. Mr. Pint is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Toronto.
Other current directorships:	Copper One Inc. (TSX listed)
Former directorships (last 3 years):	None
Interests in shares:	None
Interests in options:	1,000,000 (subject to shareholders' approval at AGM)

Name:	Mr Brian Moller
Title:	Non-Executive Director
Qualifications:	LLB Hons
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 over 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, Dark Horse Resources Ltd. (formerly 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:	350,000
Interests in options:	600,000

Name:	Mr Alec Pismiris
Title:	Non-Executive Director
Qualifications:	B. Comm, MAICD, IGIA
Experience and expertise:	Mr Pismiris is currently a Director – Corporate Finance with Somers and 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 30 years' experience in the securities, finance and mining industries.
Other current directorships:	Agrimin Limited, HotCopper Holdings Limited, Mount Magnet South Limited and Pelican Resources Limited
Former directorships (last 3 years):	Papillon Resources Limited (May 2006 – October 2014), Cardinal Resources Limited (2010 – 2015)
Special responsibilities:	None
Interests in shares:	209,822
Interests in options:	600,000

'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') and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board		Audit and risk committee	Audit and risk committee
	Attended	Held	Attended	Held
Justin Reid	6	6	-	-
David Gower	5	6	2	2
Brian Moller	5	6	2	2
Alec Pismiris	6	6	2	2
Paul Pint *	3	3	-	-
Fernando Tallarico **	3	3	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Appointed 12 January 2016
** Resigned 12 January 2016

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 director and executive director remuneration is 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;
- short-term performance incentives;
- share-based payments; and
- other remuneration.

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

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

Short-term incentives ('STI') payments are granted to executives based on specific targets being achieved and include bonus payments. Executives may be entitled to an annual cash bonus upon achieving various key performance indicators (“KPI’s”), as set by the Board. 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 Additional information 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. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. 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 2015 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 2015. 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
- David Gower
- Brian Moller
- Alec Pismiris
- Paul Pint (appointed 12 January 2016)
- Fernando Tallarico (resigned 12 January 2016)

And the following persons:

- Andrew Bursill - Company Secretary
- Catherine Stretch - Chief Commercial Officer

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2016	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
David Gower	-	-	-	-	-	16,692	16,692
Brian Moller	40,000	-	-	-	-	16,692	56,692
Alec Pismiris	40,000	-	-	-	-	16,692	56,692
Executive Directors:							
Paul Pint *	100,000	-	-	-	-	47,690	147,690
Justin Reid	320,870	200,000	-	-	-	71,535	592,405
Fernando Tallarico **	219,706	74,000	-	-	-	23,845	317,551
Other Key Management Personnel:							
Catherine Stretch	126,800	50,000	-	-	-	19,077	195,877
	847,376	324,000	-	-	-	212,223	1,383,599

* Appointed 12 January 2016
** Resigned 12 January 2016

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 were $177,937 (2015: $74,645).

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. Payments made to HopgoodGanim during the year were $1,140 (2015: $47,379).

Andrew Bursill, company secretary is also an associate of Franks & Associates Pty Ltd who provides accounting and company secretary services to the Company. Payments made to Franks & Associates Pty Ltd during the year were $82,650 (2015: $132,645).

Refer to note 20 for related party transactions.

	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

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:

Name	Fixed remuneration 2016	Fixed remuneration 2015	At risk - STI 2016	At risk - STI 2015	At risk - LTI 2016	At risk - LTI 2015
Non-Executive Directors:						
David Gower	-	-	-	-	100%	-
Allan Pickett **	-	100%	-	-	-	-
Brian Moller	71%	100%	-	-	29%	-
Alec Pismiris	71%	100%	-	-	29%	-
Executive Directors:						
Justin Reid *	54%	36%	34%	-	12%	64%
Fernando Tallarico	69%	100%	23%	-	8%	-
Prakash Hariharan ***	-	100%	-	-	-	-
Paul Pint ****	68%	-	-	-	32%	-
Other Key Management Personnel:						
Catherine Stretch *	64%	40%	26%	-	10%	60%

* Appointed 7 April 2015
** Resigned 21 November 2014
*** Resigned 7 April 2015
**** Appointed 12 January 2016

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

Name:	Justin Reid
Title:	Managing Director
Agreement commenced:	April 1, 2015
Details:	Annual salary of $350,000. Entitlement to a discretionary cash bonus and contract may be terminated by providing 3 months' notice to the Company and 6 months' notice by the Company. Mr Reid is also entitled to share based payment options subject to shareholder approval.

Name:	Catherine Stretch
Title:	Chief Commercial Officer
Agreement commenced:	April 1, 2015
Term of agreement:	3 months' notice to the Company and 6 months' notice by the Company.
Details:	Annual fees of $132,000. Entitlement to a cash bonus and/or options upon meeting KPIs prescribed by the Board.

Name:	Paul Pint
Title:	Executive Chairman
Agreement commenced:	12 January 2016
Term of agreement:	3 months' notice to the Company and 6 months' notice by the Company.
Details:	Annual remuneration of $200,000 and 1,000,000 options to be approved by shareholders at the next Annual General Meeting. Bonus as recommended by the Board and approved by shareholders based on achievement of annual milestones.

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 2016.

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
27/11/2015	27/11/2015	27/11/2018	$0.220	$0.048
12/01/2016	Subject to approval from shareholders *	3 years from date of issue	$0.000*	$0.048

* Vesting date and exercise price is determined based on 140% above the 5 days VWAP prior to the date of issue.

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Name	Number of options granted during the year 2016	Number of options granted during the year 2015	Number of options vested during the year 2016	Number of options vested during the year 2015
David Gower	350,000	-	350,000	-
Fernando Tallarico *	500,000	-	500,000	-
Brian Moller	350,000	-	350,000	-
Alec Pismiris	350,000	-	350,000	-
Justin Reid	1,500,000	1,350,000	1,500,000	1,350,000
Paul Pint **	1,000,000	-	1,000,000	-
Catherine Stretch	400,000	-	400,000	-

* Resigned on 12 January 2016
** Appointed on 12 January 2016. Options are subject to shareholders' approval in the AGM.

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
				$	$	%
David Gower	27/11/2015	27/11/2018	350,000	16,692	16,692	100
Brian Moller	27/11/2015	27/11/2018	350,000	16,692	16,692	100
Alec Pismiris	27/11/2015	27/11/2018	350,000	16,692	16,692	100
Justin Reid	27/11/2015	27/11/2018	1,500,000	71,535	71,535	100
Fernando Tallarico *	27/11/2015	27/11/2018	500,000	23,845	23,845	100
Catherine Stretch	27/11/2015	27/11/2018	400,000	19,077	19,077	100
Paul Pint *	12/01/2016	3 years from issue date	1,000,000	47,690	47,690	100

* Appointed 12 January 2016. The options are subject to shareholders’ approval at the AGM.

Additional information
The earnings of the group for the five years to 30 June 2016 are summarised below:

	2012 $	2013 $	2014 $	2015 $	2016 $
Loss after income tax	(18,259,646)	(2,381,655)	(14,398,716)	(10,744,829)	(5,873,212)

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

	2012	2013	2014	2015	2016
Share price at financial year end ($)	0.15	0.06	0.04	0.16	0.12
Basic earnings per share (cents per share)	(17.92)	(2.01)	(7.57)	(4.32)	(1.64)

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
Fernando Tallarico *	685,713	-	-	(685,713)	-
Brian Moller	-	-	350,000	-	350,000
Alec Pismiris	209,822	-	-	-	209,822
Catherine Stretch (appointed 7 April 2015)	18,293	-	-	-	18,293
Paul Pint **	-	-	-	-	-
	7,209,995	-	350,000	(685,713)	6,874,282

* Resigned 12 January 2016
** Appointed 12 January 2016

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	250,000	350,000	-	-	600,000
Fernando Tallarico *	1,000,000	500,000	-	(1,500,000)	-
Brian Moller	250,000	350,000	-	-	600,000
Alec Pismiris	250,000	350,000	-	-	600,000
Andrew Bursill	640,000	-	-	-	640,000
Justin Reid	1,350,000	1,500,000	-	-	2,850,000
Catherine Stretch	650,000	400,000	-	-	1,050,000
Paul Pint **	-	1,000,000	-	-	1,000,000
	4,390,000	4,450,000	-	(1,500,000)	7,340,000

* Resigned 12 January 2016. Other represents holdings held at date of resignation.
** Appointed 12 January 2016. Options granted is subject to shareholders’ approval at the AGM

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
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	1,300,000
26/06/2015	26/06/2018	$0.168	2,000,000
30/09/2015	30/09/2018	$0.260	2,800,000
27/11/2015	27/11/2018	$0.220	3,070,000
			13,800,000

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
The following ordinary shares of Aguia Resources Limited were issued during the year ended 30 June 2016 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
07/07/2014	$0.084	150,000

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

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 immediately after the review of operations report.

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
Managing Director

30 September 2016
Sydney

REVIEW OF OPERATIONS

Over the past year, Aguia has continued to focus on advancing the development of its flagship Rio Grande phosphate assets and in particular advancing the Três Estradas carbonatite hosted deposits 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 78,150 hectares, having more than doubled in the past year. Três Estradas is the most advanced of Aguia's holdings in the region which has access to well developed infrastructure with excellent roads, rail, power, port and utilities.

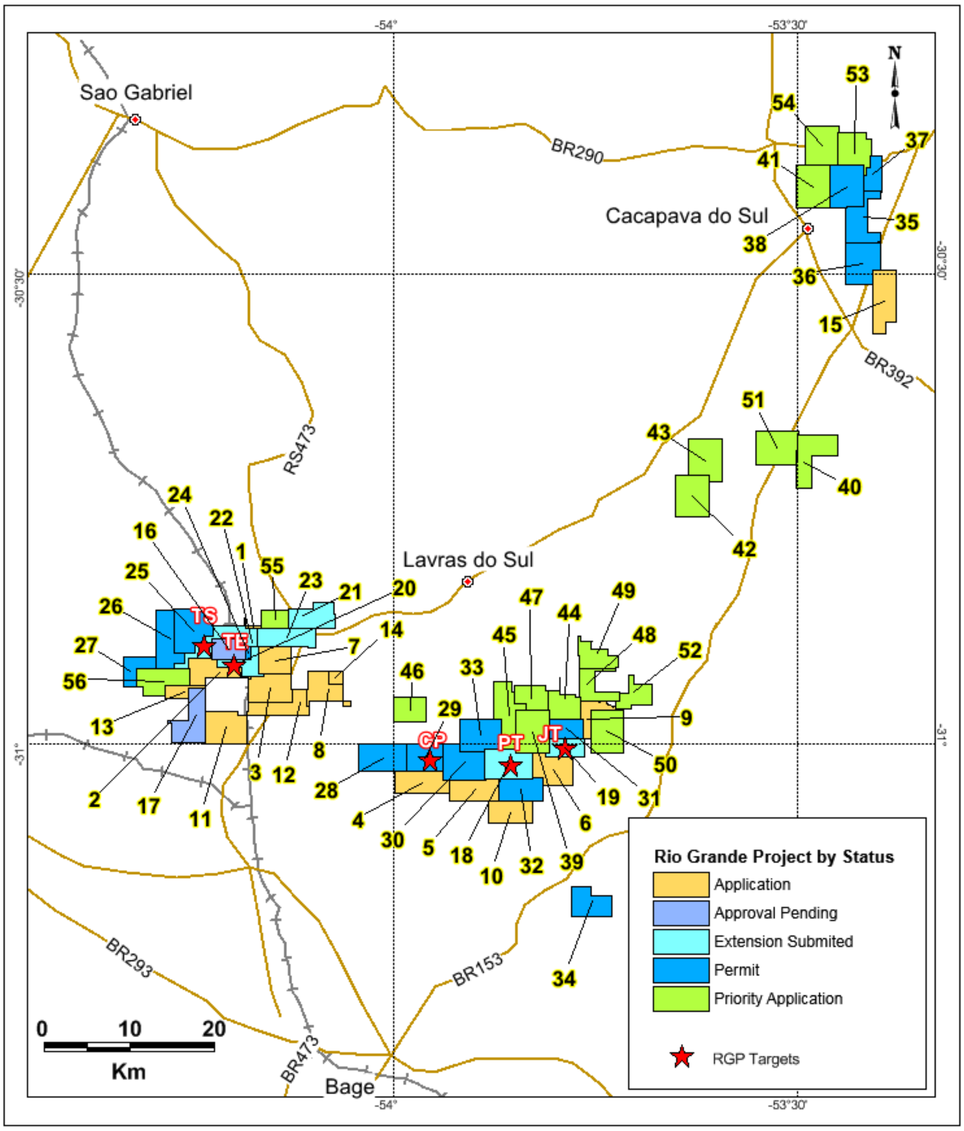

Figure 1: Rio Grande Tenement Map and Key Prospects

TRÊS ESTRADAS DEPOSIT

The Três Estradas project represents a significant new phosphate development 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.

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 suggested 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 included environmental base-line studies, infill drilling, additional metallurgical testing, optimization, and completion of a feasibility study this year.

Infill Drilling at Três Estradas

In late 2015, Aguia conducted an infill drilling program at Três Estradas (Figure 2). The purpose of the program is to convert Inferred resource to Indicated resource from the current level of 70.1 Mt (comprised of 15.2 Mt Indicated & 54.9 Mt Inferred) grading 4.20% P_2O_5. Assay results from 18 holes were returned showing encouraging results including:

- TED-15-061 returned 69.0m @ 4.93% P_2O_5 (from surface), incl. 13.42m @ 10.41% P_2O_5 (from surface);
- TED-15-067 returned 61.30m @ 5.82% P_2O_5 (from 16.0m) including16.0m @ 10.39% P2O5 (from 17.0m);
- TED-15-070 returned 51.90m @ 6.83% P_2O_5 (from 1.85m), 10.65m @ 3.55% P_2O_5 (from 59.6m) and 4.41m @ 3.34% P_2O_5 (from 74.45m).

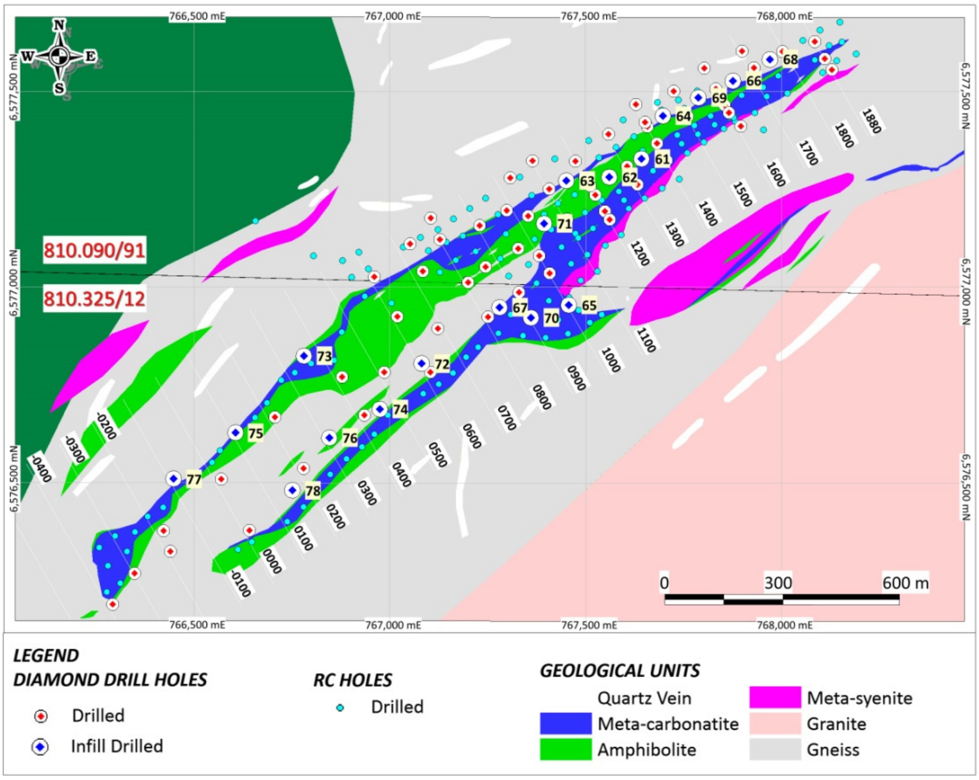

Figure 2: Infill Drilling program at Três Estradas

The infill drilling program at Três Estradas allowed for the collection ~500 kg of samples that were shipped to Eriez Flotation Division in Pennsylvania for column flotation test work. The purpose of the test work was to optimise treatment of fines in the metallurgical process which will have a material positive impact on the quality of the end product.

Environmental Impact Assessment Baseline Studies Commence

In September 2015, Aguia announced it had engaged Golder and Associates to complete and deliver an Environmental Impact Assessment for Três Estradas. It is anticipated that the EIA will be submitted in October 2016.

PEA Optimisation Study

In early 2016, Aguia commissioned Millcreek Mining Group to undertake an optimisation study of the previously announced Preliminary Economic Assessment at Três Estradas to incorporate new information and analysis that had been collected since that time.

A report by Millcreek Mining Group to optimise the Três Estradas project resulted in an increase in the JORC Compliant Resource. The audited pit-constrained resource is now estimated to be 74.7 million tonnes with an average grade of 4.13% P_2O_5, comprising 745,000 tonnes of measured resource grading 4.42% P_2O_5, 15.07 million tonnes of indicated resource grading 4.75% P_2O_5 and 58.89 million tonnes of inferred resource grading 3.97% P_2O_5.

The proposed project will also include a resource of 2.75 million tonnes grading 4.37% P_2O_5 from the nearby Joca Tavares carbonatite, which includes 915,000 tonnes of measured resource grading 3.98% P_2O_5, 1.5 million tonnes of indicated resource grading 4.31% P_2O_5 and 329,000 tonnes of inferred resource grading 5.74% P_2O_5.

Full details of the optimisation study are available on the Company's website at www.aguiaresources.com.au

New Column Flotation Results
Aguia engaged Eriez Flotation Division of Pennsylvania, a world leader in advanced flotation technology, to determine phosphate recovery and concentrate grades of the Três Estradas fresh and oxidised ore. Several stages of column flotation were performed on the fresh rock ore and it was determined that a rougher-cleaner-cleaner-scavenger circuit configuration would yield the optimal apatite flotation performance. Using this column flotation circuit, a final concentrate grading 30.25% P_2O_5 was produced at a total P_2O_5 circuit recovery of 84.6%. This was a major improvement on previous results using conventional mechanical flotation cells that returned 65% recovery with a concentrate grading 28% P_2O_5 performed at SGS Lakefield in Canada.

Column flotation test work performed on the oxide ore demonstrated that a rougher column flotation stage alone is capable of producing a concentrate grading 31.1% P2O5 with a P_2O_5 recovery of 80.1%. This recovery is similar to that obtained last year using conventional mechanical Denver Cells for the oxide ore. However, this process proves that the oxide ore can be processed in the same column arrangement as the fresh rock by changing only the reagents which positively impacts the capital costs and the material handling for the plant.

Both fresh and oxide ore were simply crushed and ground and then processed through the flotation columns. There was no desliming or magnetic separation which ensured no phosphate losses occurred prior to column flotation. This was a major process improvement over previous test work which required a specific circuit to process the fines of the oxidized ores.

Confirmation of High Quality Calcite By-Product
Eriez was also tasked with developing a processing sequence to produce a commercial quality calcite concentrate by-product from the fresh rock rougher column tailings of the phosphate flotation. A combination of bench-scale flotation and magnetic separation were employed. The recommended circuit used a sequence of low- and mid-intensity magnetic separation (LIMS and MIMS, respectively) for removal of the magnetic fraction, followed by mica floatation of the rougher phosphate tailings.

The resulting concentrate was 48.55% CaO, with a recovery of 83.1% from the rougher phosphate tailings. The overall chemical composition of the calcite concentrate is exceptional with low levels of magnesium, iron, aluminium and silica, which results in an end product with high neutralizing capacity. Also the extremely fine-grainsize distribution of the Três Estradas calcite, 100% -212 microns (0.212 mm), translates into 100% reactivity. The combination of these parameters results in an outstanding total neutralizing reactivity power (PNRT) of +95% as per Brazilian Fertilizer Legislation.

Calcite has numerous end market uses in Brazil including field application to reduce soil acidity (a widespread practice in Brazil), animal nutrition, cement production and is used in thermoelectric plants to reduce sulphur emissions. The production of a high quality calcite from the deposit will represent a secondary revenue stream from Três Estradas once in production.

Mining and Processing Improvements
Millcreek's report also incorporated improvements to the processing facility compared to those previously considered. The processing plant will include a primary crusher, SAG mill and a sequence of rougher-cleaner-cleaner-scavenger column flotation to produce a 30 to 31% P_2O_5 concentrate. The tailings of the phosphate rougher flotation will then be subject to magnetic separation and mica flotation to produce a high-quality calcite concentrate. The plant capacity will be 4.5 Mt annually or 13,700 tonnes per day (90% availability, 328 days).

The introduction of column floatation was a definitive positive factor that supported the redesign to a more efficient and higher performing mill circuit. Demonstrating that the production of calcite is viable and that this by-product is of exceptionally high quality will create a secondary stream of revenue once in production. The decision to produce phosrock only instead of the more capital intense SSP production previously considered will result in project versatility and lower capital cost to construct.

CERRO PRETO DEPOSIT

The Cerro Preto discovery consists of 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.

In late 2015, two rigs commenced a scout drilling program at the Cerro Preto target, covering an initial 5 km of the strike-length. Results of initial mapping and scouting of Cerro Preto had returned up to 10.30% P_2O_5 over 17.5 meters and 8.61% P_2O_5 over 10 metres in open trenches.

The initial phase of the drilling program planned at Cerro Preto was slower than anticipated due to un-seasonably heavy rains in late 2015. Two drills mobilized at Cerro Preto intersected the targeted horizon; however initial results were lower than expected. Drilling activity was hampered by weather induced delays so Aguia's management made the prompt decision to divert the two rigs from Cerro Preto to Três Estradas which has easier access and logistics and where management felt immediate gains could be achieved through infill drilling. Drilling at Cerro Preto will be revisited once conditions improve and high potential targets over the 30 km of potential strike are further refined through the analysis of a recently completed geophysical program.

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.

EXPANSION OF PHOSPHATE LAND POSITION AT RIO GRANDE

On November 26th 2015, Aguia entered into an Option Agreement with Mineração Terra Santa S.A., for exploration permits located in Lavras do Sul, in the State of Rio Grande do Sul, Brazil. The agreement gives the Company the option to purchase 100% of 3 (three) Mineral claims, with a view to conducting mineral exploration work over the next 36 months.

The agreement covers three claims in the area surrounding the Três Estradas deposit. Initial due diligence and field reconnaissance along the Terra Santa claims identified amphibolite and carbonatite samples grading up to 12.42 P_2O_5 distributed along a 500 m trend. These mineralised samples occur approximately 2.5 km northwest of the Três Estradas deposit, and have the potential to contribute additional phosphate resource to the planned mine site.

In March 2016, Aguia commenced a preliminary exploration program along the Terra Santa claims which are immediately adjacent to the Três Estradas deposit. The exploration program will include soil sampling along a 200 x 25m sampling grid, which will cover an airborne radiometric anomaly analogous to those at Três Estradas and where grab rock samples previously returned up to 11.57% P_2O_5. Contingent upon results of this sampling, Aguia may infill the geochemical grid with 100m-spaced lines and proceed with ground geophysics and drilling.

Another option agreement was signed during the June quarter to secure new and highly prospective ground adjacent to its flagship Três Estradas phosphate project. Aguia has named the new property Santa Clara. This new agreement secures two exploration permits totalling 3,553 hectares.

There are several similarities between the new Santa Clara carbonatite occurrence and Três Estradas as both intrusions share the same geophysical signature. The first scouting mapped outcropping carbonatite grading up to 6.37% P_2O_5 along a strike-length of about 400 meters. Further mapping, sampling and subsequent drilling will be required to test the merit of the target, but it has the potential to add value to the Três Estradas projects since it is located only 4.5 km to the northwest, adjacent to the planned mine site infrastructure.

Border Control Zone

Some of the Rio Grande tenements are located within the Brazilian border control zone (150 kilometres from the international border) restricting foreign ownership of the tenements to 49%. The Company is 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

The Mata da Corda tenements are subject to an Option Agreement between Aguia and Vicenza Mineração e Participações S.A. ("Vicenza") which expires on December 6th, 2016. Due to Vicenza's inability to comply with permit obligations, the project has been written off.

ATLANTIC POTASH PROJECT

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.

PAL and Prest have reached an agreement to dismiss the claim. PAL has agreed to pay R$1,000,000.00 (one million Reais) in three instalments: (i) R$500,000.00 on September 30, 2016; (ii) R$250,000.00 on November 15, 2016; (iii) R$250,000.00 on December 15, 2016. Agreement was formally executed by the parties on 13th of September 2016 and already ratified by a judge.

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.

On September 30, 2015, the Company made a final payment of US$150,000 to Lara Exploration Ltd. in accordance with the terms of an agreement entered into May 31st, 2012 and amended on March 17th, 2014 and again on June 3rd, 2015. The agreement gave Aguia the right to acquire title to Lara Exploration's Sergipe properties, but after in-depth analysis, management determined these properties were not worth pursuing further. On October 7, 2015, the Company terminated its option to acquire all of the outstanding securities of Enigma BVI, the entity which held the tenements related to the Atlantic Potash Project. Aguia has no further obligations to Lara Exploration Ltd. and will not be engaging in further exploration of these tenements. As a result, a full impairment has been recognised on this project.

CORPORATE ACTIVITIES UPDATE

Following on the positive response to the PEA results published on August 19th, 2015, Aguia launched a private placement, successfully raising A$9.5 million through the Placement of 55.88 million new Fully Paid Ordinary Shares to institutional and sophisticated investors at $0.17 per share.

Since then, Aguia's strategic investor, Sulliden Mining Capital Limited, maintained its support of the Company through ongoing share purchases on the ASX. Aguia also welcomed a new strategic investor in the August private placement, Vanguard Precious Metals & Mining Fund, who filed a Form 604 in September indicating it had acquired 6.417% of Aguia's outstanding shares.

During the year Aguia's technical team held promising discussions with regional authorities regarding the possibility of fast-tracking the environmental permitting process given the strategic nature of Aguia's phosphate assets in Southern Brazil. Discussions are also ongoing and well advanced around potential tax incentives and improved infrastructure access, two factors which could add considerable value to Aguia's Rio Grande asset base.

On January 12, 2016, Aguia announced that Mr. Paul Pint had joined its Board of Directors and replaced Justin Reid as Aguia's Executive Chairman. Justin Reid continues to hold the position as Aguia's Managing Director and direct the operation of the Company on a day to day basis. Fernando Tallarico, Aguia's Technical Director, stepped down from his position on the Board of Directors, allowing him to focus all of his efforts on the technical advancement of the Rio Grande assets.

Paul Pint, CPA, CA, is a capital markets professional with over 20 years of experience. Mr. Pint began his capital markets career on the institutional equity team at a large Canadian financial institution. Over his career, he has held a number of senior positions at various financial institutions and boutique investment banks in Canada. Mr. Pint is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Toronto.

ACTIVITY OUTLOOK FOR THE COMING YEAR

Based on the recent resource update and optimisation of its flagship Três Estradas phosphate deposit by Millcreek Mining Group, Aguia intends to move forward to commencing the Bankable Feasibility Study for Três Estradas. Millcreek's report on Três Estradas confirmed that further development is warranted to unlock the potential value of the deposit.

Aguia's drill program will focus on converting the current Inferred Mineral Resource to Measured and Indicated Mineral Resources to be used as the basis of economic and production forecasts in the Bankable Feasibility Study. To date, the conversion of Inferred Resource to Indicated Resource has been very high, which reflects the continuity of the carbonatite deposit.

Aguia will continue to analyse the mining and processing plan to identify further optimisations that will have the potential to reduce costs. Aguia will also be examining logistics options to deliver phosrock to the SSP producers at the port.

In October, Aguia plans to submit its Environmental Impact Assessment to the government. The EIA has been compiled by Golder & Associates over the last few months. Its submission is a major milestone in the Company's development plans.

While the Três Estradas deposit remains the main focus, the Company will also continue initial exploration on Terra Santa and Santa Clara, the two recently optioned adjacent properties that demonstrate similar geological properties.

JORC Code Competent Person Statements

The Três Estradas Phosphate Project has a current JORC compliant inferred and indicated mineral resource of 74.7 million tonnes with an average grade of 4.13% P_2O_5, comprising 745,000 tonnes of measured resource grading 4.42% P_2O_5, 15.07 million tonnes of indicated resource grading 4.75% P_2O_5 and 58.89 million tonnes of inferred resource grading 3.97% 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 report is extracted from the following reports, which are available for viewing on the Company's website:

- *18 July 2016: Aguia Provides Update on Path Ahead*
- *12 July 2016: Optimised PEA Unlocks Significant New Value*
- *5 July 2016: Metallurgical Tests Confirm High Quality Calcite By-Product from Três Estradas Phosphate Project*
- *8 June 2016: Aguia Signs Option Agreement on Property Adjacent to Três Estradas and Secures New Carbonatite Occurrence*
- *6 June 2016: Aguia Reports Positive New Column Flotation Results at its Flagship Três Estradas Phosphate Project*
- *December 10, 2015: Aguia Signs Option to Expand Phosphate Land Position in Southern Brazil*
- *August 19, 2015: Positive Preliminary Economic Assessment*
- *11 May 2015: Aguia Reports 80% Phosphate Recovery from Oxidized Carbonatite and 65% from Fresh Carbonatite at Flagship Três Estradas Phosphate Project*
- *April, 27, 2015: Aguia Significantly Increases Três Estradas Phosphate Resource by 130% to 70.1 Million Tonnes*

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.

Forward Looking Statements:

This news release contains forward looking statements, which relate to future events or future performance, including, but not limited to, the completion of the size of the Placement, receipt of regulatory approvals and timing thereof, the Company's business strategies and plans for the use of such Placement proceeds, capital expenditure programs and estimates relating to timing and costs, and reflect management's current expectations and assumptions, including, but not limited to the timing and receipt of necessary regulatory approvals and completion of the Placement and stability of general economic and financial market conditions. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", and similar expressions is intended to identify forward looking statements. Such forward looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties, including imprecision in estimate capital expenditures and operating expenses, stock market volatility, general economic and business conditions, risks associated with liquidity and capital resource requirements, that may cause future results to differ materially from those expected and the forward looking statements included in this news release should not be unduly relied upon. These forward looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

JORC Code Competent Person Statements:

The information in this report that relates to 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 Aguia Resources Limited. Dr Tallarico has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Dr Tallarico consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Aguia Resources Limited
Suite 4, Level 9
341 George Street
Sydney, NSW, 2000

30 September 2016

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 2016, 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

M. Gover

Mark Gover
Partner
Chartered Accountants

Corporate governance statement

The Corporate Governance Statement is available on the Company’s website at http://www.aguiaresources.com.au

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 30 September 2016.

	Note	Consolidated 2016 $	Consolidated 2015 $
Revenue	4	58,858	40,189
Expenses			
Employee benefits expense	5	(196,579)	(123,384)
Share based payments		(327,631)	(134,373)
Depreciation and amortisation expense		(19,264)	(37,896)
Impairment of exploration assets	9	(3,194,182)	(8,669,608)
Corporate costs		(1,130,931)	(700,626)
Exploration costs	5	(126)	(124,226)
Business development costs		(561,785)	(124,406)
Legal and professional		(146,636)	(220,659)
Other expenses		(322,080)	(598,377)
Finance costs	5	(32,856)	(51,463)
Loss before income tax expense		(5,873,212)	(10,744,829)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Aguia Resources Limited		(5,873,212)	(10,744,829)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		598,018	(1,823,581)
Other comprehensive income for the year, net of tax		598,018	(1,823,581)
Total comprehensive income for the year attributable to the owners of Aguia Resources Limited		(5,275,194)	(12,568,410)
		Cents	**Cents**
Basic earnings per share	25	(1.65)	(4.32)
Diluted earnings per share	25	(1.65)	(4.32)

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

	Note	Consolidated 2016 $	Consolidated 2015 $
Assets			
Current assets			
Cash and cash equivalents	7	2,900,765	709,834
Trade and other receivables	8	113,043	121,651
Other		53,332	5,365
Total current assets		3,067,140	836,850
Non-current assets			
Property, plant and equipment		51,870	71,158
Exploration and evaluation	9	21,738,665	21,039,712
Total non-current assets		21,790,535	21,110,870
Total assets		24,857,675	21,947,720
Liabilities			
Current liabilities			
Trade and other payables	10	360,719	488,352
Borrowings	11	213,949	1,000,000
Other	12	206,656	450,819
Total current liabilities		781,324	1,939,171
Total liabilities		781,324	1,939,171
Net assets		24,076,351	20,008,549
Equity			
Issued capital	13	81,895,554	72,912,689
Reserves	14	(1,013,025)	(1,971,174)
Accumulated losses		(56,806,178)	(50,932,966)
Total equity		24,076,351	20,008,549

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

Consolidated	Ordinary shares $	Performance shares $	Reserves $	Accumulated losses $	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					
- Foreign exchange differences on translation of subsidiaries	-	-	(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 13)	5,378,150	-	-	-	5,378,150
Share-based payments (note 26)	-	-	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

Consolidated	Ordinary shares $	Performance shares $	Reserves $	Accumulated reserves $	Total equity $
Balance at 1 July 2015	72,671,289	241,400	(1,971,174)	(50,932,966)	20,008,549
Loss after income tax expense for the year	-	-	-	(5,873,212)	(5,873,212)
Other comprehensive income for the year, net of tax					
- Foreign exchange differences on translation of subsidiaries	-	-	598,018	-	598,018
Total comprehensive income for the year	-	-	598,018	(5,873,212)	(5,275,194)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 13)	8,982,865	-	-	-	8,982,865
Share-based payments (note 26)	-	-	327,631	-	327,631
Capital contribution	-	-	32,500	-	32,500
Balance at 30 June 2016	81,654,154	241,400	(1,013,025)	(56,806,178)	24,076,351

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

	Note	Consolidated 2016 $	2015 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,404,590)	(1,393,624)
Interest received		58,858	40,189
Net cash used in operating activities	24	(2,345,732)	(1,353,435)
Cash flows from investing activities			
Payments for exploration and evaluation		(3,656,621)	(3,074,186)
Net cash used in investing activities		(3,656,621)	(3,074,186)
Cash flows from financing activities			
Proceeds from issue of shares	13	9,543,009	3,805,745
Repayment / Proceeds from borrowings		(786,051)	1,000,000
Share issue transaction costs		(560,144)	(187,595)
Net cash from financing activities		8,196,814	4,618,150
Net increase in cash and cash equivalents		2,194,461	190,529
Cash and cash equivalents at the beginning of the financial year		709,834	525,468
Effects of exchange rate changes on cash and cash equivalents		(3,530)	(6,163)
Cash and cash equivalents at the end of the financial year	7	2,900,765	709,834

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.

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.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated entity has incurred net losses after tax of $5,873,212 (2015: $10,744,829) and net cash outflows from operating and investing activities of $6,002,353 (2015: $4,427,621) for the year ended 30 June 2016.

The directors have prepared cash flow forecasts which indicate that the current cash resources will not be sufficient to fund planned exploration expenditure, other principal activities and working capital requirements without the raising of additional capital.

The Company will be required to raise additional capital of at least $2,450,000 by 31 December 2016 to fund its minimum committed exploration expenditures, other principal activities and working capital requirements through to 30 September 2017. The Company continues to review various other capital raising opportunities.

Based on the consolidated entity's cash-flow forecasts the directors are confident that the Company and the consolidated entity will be able to continue as going concerns. In particular, the directors are confident in the Company's ability to raise the capital mentioned above as they have a successful track record as demonstrated by the capital raisings successfully completed in the financial year 2016 ($9.5 million) and 2015 ($3.8 million). The directors are also confident they will be able to manage discretionary spending to ensure that cash is available to meet debts as and when they fall due.

Should the Company be unable to raise the funding referred to above, there is a material uncertainty whether the Company and the consolidated entity will be able to continue as going concerns and therefore, whether they will be able to realise their assets and discharge their liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company and the consolidated entity not continue as going concerns.

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 21.

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 2016 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'.

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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.

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

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

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

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

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.

Note 1. Significant accounting policies (continued)

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

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

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

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

Trade and other payables
These amounts represent liabilities for goods and services provided to the 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
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss 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.

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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 2016. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The group will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations
These amendments are applicable to annual reporting periods beginning on or after 1 January 2016. AASB 2014-3 amends AASB 11 Joint Arrangements and requires an acquisition of an interest in a joint operation, being an activity that constitutes a business, to be accounted for and presented using AASB 3 (and other relevant accounting standards) business combination principles and disclosures. The adoption of these amendments from 1 January 2016 will not have a material impact on the group.

AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation
These amendments are applicable to annual reporting periods beginning on or after 1 January 2016. AASB 2014-4 amends AASB 116 and AASB 138 to clarify that depreciation and amortisation should be based on the expected pattern of consumption of an asset, that the use of revenue based methods to calculate depreciation is not appropriate, and that there is a rebuttable presumption that revenue is an inappropriate basis for measuring the consumption of the economic benefit embodied in an intangible asset. The adoption of these amendments from 1 January 2016 will not have a material impact on the group.

Note 1. Significant accounting policies (continued)

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group due to its recent release.

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.

Refer to Note 9 for further details on the impairment recognised in the current year.

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 9 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	
	2016 $	2015 $
Interest	58,858	40,189

Note 5. Expenses

	Consolidated	
	2016 $	2015 $
Loss before income tax includes the following specific expenses:		
Exploration costs		
Exploration expenses	126	124,226
Employee benefit expense		
Wages and salaries	196,579	123,384
Finance costs		
Interest expense	32,856	51,463

Note 6. Income tax expense

	Consolidated 2016 $	Consolidated 2015 $
Income tax expense		
Current tax	(705,420)	(362,078)
Deferred tax - origination and reversal of temporary differences	-	6,554
Unutilised tax losses not recognised	705,420	355,524
Aggregate income tax expense	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(5,873,212)	(10,744,829)
Tax at the statutory tax rate of 30%	(1,761,964)	(3,223,449)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenditure not allowable for income tax purposes	1,056,544	2,867,925
	(705,420)	(355,524)
Current year tax losses not recognised	705,420	355,524
Income tax expense	-	-

	Consolidated 2016 $	Consolidated 2015 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	8,385,343	6,033,943
Potential tax benefit @ 30%	2,515,603	1,810,183

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.

Note 7. Current assets - Cash and cash equivalents

	Consolidated 2016 $	Consolidated 2015 $
Cash at bank	2,900,765	709,834

Note 8. Current assets - Trade and other receivables

	Consolidated 2016 $	Consolidated 2015 $
Other receivables	113,043	121,651

In 2015, Management has recognised an impairment loss of $237,327 (R$500,000) 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") which is not recoverable.

Note 9. Non-current assets - exploration and evaluation

	Consolidated 2016 $	Consolidated 2015 $
Brazilian Phosphate project - at cost	34,399,302	30,538,821
Less: Impairment	(12,660,637)	(12,660,637)
	21,738,665	17,878,184
Brazilian Potash project - at cost	22,336,671	27,689,563
Less: Impairment	(22,336,671)	(24,528,035)
	-	3,161,528
	21,738,665	21,039,712

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 $
Balance at 1 July 2014	26,557,221
Expenditure during the year	5,186,110
Exchange differences	(2,034,011)
Impairment of assets	(8,669,608)
Balance at 30 June 2015	21,039,712
Expenditure during the year	3,291,563
Exchange differences	601,572
Impairment of assets	(3,194,182)
Balance at 30 June 2016	21,738,665

Note 9. Non-current assets - exploration and evaluation (continued)

Impairment - 2016
In prior years, Aguia Resources Limited ("Aguia"), the parent company of Potássio do Atlântico Ltda. signed an Option Agreement with Lara Exploration Ltda ("Lara"), a third party which has its common shares trade on TSX Venture Exchange (Canada), for an exclusive option to acquire up to 100% of the mineral rights within a 24 month period, through the acquisition of Enigma BVI, a wholly owned subsidiary of Lara and holder of the mineral rights, located adjacent to Aguia' s Atlantic Potash Project in the Sergipe Basin Brazil.

During the year, Management has carried out an in-depth analysis and determined that these properties were not worth pursuing further and the Company terminated its option to acquire all of the outstanding securities of Enigma BVI. As a result a full impairment has been recognised on this project.

Impairment - 2015
In 2015, the Company wrote off 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.

Note 10. Current liabilities - Trade and other payables

	Consolidated	
	2016	**2015**
	$	**$**
Trade payables	299,757	205,709
Other payables	60,962	282,643
	360,719	488,352

Refer to note 16 for further information on financial instruments.

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

Note 11. Current liabilities - Borrowings

	Consolidated	
	2016	**2015**
	$	**$**
Related party loan	213,949	1,000,000

Refer to note 16 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 was fully drawn down as at 31 December 2014. The debt was due on 31 December 2015 and the Company repaid $786,051 during the year, with the remaining balance of $213,949 being paid in 29 July 2016.

Note 12. Current liabilities - Other

	Consolidated 2016 $	Consolidated 2015 $
Accrued expenses	206,656	450,819

Note 13. Equity - Issued capital

	Consolidated 2016 Shares	2015 Shares	2016 $	2015 $
Ordinary shares - fully paid	366,828,270	310,094,865	81,654,154	72,671,289
AGRAU PAC performance shares	1,547,431	1,547,431	241,400	241,400
	368,375,701	311,642,296	81,895,554	72,912,689

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.

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 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
Share issue	8 September 2015	55,900,564	$0.170	9,503,096
Share issue	8 September 2015	682,841	$0.040	27,313
Options exercised	6 October 2015	150,000	$0.084	12,600
Transaction costs		-	$0.000	(560,144)
Balance	30 June 2016	366,828,270		81,654,154

Note 13. Equity - Issued capital (continued)

Movements in performance share capital

Details	Date	Shares	Issue price	$
Balance	1 July 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
Balance	30 June 2016	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.

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% KCl at the Potassio do Atlantico potash project.

On 6 July 2016, the Company announced that the AGRAU Class C performance share expired as it failed to meet the milestone that would have triggered a conversion to common shares.

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

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

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

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

The consolidated entity is not subject to financing arrangements covenants.

The capital risk management policy remains unchanged from the 30 June 2015 Annual Report.

Note 14. Equity - Reserves

	Consolidated 2016 $	Consolidated 2015 $
Foreign currency reserve	(4,792,745)	(5,390,763)
Share-based payments reserve	3,697,535	3,369,904
Capital contribution reserve	82,185	49,685
	(1,013,025)	(1,971,174)

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.

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 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)
Foreign currency translation	-	-	598,018	598,018
Share-based payments	-	327,631	-	327,631
Capital contribution	32,500	-	-	32,500
Balance at 30 June 2016	82,185	3,697,535	(4,792,745)	(1,013,025)

Note 15. Equity - Dividends

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

Note 16. 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.

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.

Note 16. Financial instruments (continued)

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 - 2016	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	-	299,757	-	-	-	299,757
Other payables	-	60,962	-	-	-	60,962
Interest-bearing - fixed rate						
Related party loan	1.00%	213,949	-	-	-	213,949
Total non-derivatives		574,668	-	-	-	574,668

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
Interest-bearing - fixed rate						
Related party loan	1.00%	1,007,050	-	-	-	1,007,050
Total non-derivatives		1,495,402	-	-	-	1,495,402

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 17. 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 2016 $	Consolidated 2015 $
Short-term employee benefits	1,171,376	606,766
Share-based payments	212,223	116,000
	1,383,599	722,766

Note 18. 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, and its network firms:

	Consolidated	
	2016	**2015**
	$	**$**
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	39,000	39,000
Audit services - network firms		
Audit or review of the financial statements	35,336	36,078

Note 19. 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 (AUD$2.7 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. Refer to Note 23 for the new agreement entered post the year-end.

Note 20. Related party transactions

Parent entity
Aguia Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 22.

Key management personnel
Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

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

	Consolidated	
	2016	**2015**
	$	**$**
Payment for goods and services:		
Payment for consulting services from HFX Consultoria Empresarial Ltda of which Mr David Gower is a shareholder.	177,937	74,645
Payment for legal services from HopgoodGanim of which Mr Brian Moller is a partner.	1,140	47,379
Payment for accounting and company secretary services from Franks & Associates Pty Ltd of which Mr Andrew Bursill is a principal.	82,650	132,645

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 11.

Note 20. Related party transactions (continued)

Terms and conditions
As disclosed in Note 11, 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% per annum. The balance owing on the loan at 30 June 2016 was $213,949 (2015: $1,000,000) which was subsequently fully repaid on 29 July 2016.

Other than this related party loan, all other transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2016 **$**	**2015** **$**
Loss after income tax	(5,516,435)	(10,017,935)
Total comprehensive income	(5,516,435)	(10,017,935)

Statement of financial position

	Parent	
	2016 **$**	**2015** **$**
Total current assets	2,566,143	545,324
Total assets	25,401,473	21,912,467
Total current liabilities	208,644	498,510
Total liabilities	208,644	498,510
Equity		
Issued capital	81,895,554	72,912,689
Share-based payments reserve	3,649,845	3,369,903
Capital contribution reserve	82,185	49,685
Accumulated losses	(60,434,755)	(54,918,320)
Total equity	25,192,829	21,413,957

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 2016 and 30 June 2015.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2016 and 30 June 2015.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2016 and 30 June 2015.

Note 21. Parent entity information (continued)

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 22. 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 2016 %	Ownership interest 2015 %
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 23. Events after the reporting period

On 6 July 2016, the Company announced that the AGRAU Class C performance share (refer to Note 13) expired as it failed to meet the milestone that would have triggered a conversion to common shares.

As disclosed in Note 11, the Company has fully repaid the remaining balance on the related party loan of $213,949 on 29 July 2016. The Company has also terminated the line of credit with Forbes Emprendimentos Ltda on 9 August 2016.

As disclosed in Note 19, subsequent to the year end, Potassio do Atlantico Ltda (PAL) and Prest Perfuracoes Limitada (Prest) have reached an agreement to dismiss the claim involving the alleged breach of a contract for drilling services. PAL has agreed to pay R$1,000,000.00 (one million Reais) in three instalments: (i) R$500,000.00 on September 30, 2016; (ii) R$250,000.00 on November 15, 2016; (iii) R$250,000.00 on December 15, 2016. Agreement was formally executed by the parties on 13th of September 2016 and already ratified by a judge.

No other matter or circumstance has arisen since 30 June 2016 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 24. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2016 $	2015 $
Loss after income tax expense for the year	(5,873,212)	(10,744,829)
Adjustments for:		
Depreciation and amortisation	19,264	37,896
Share-based payments	327,631	134,373
Exploration costs	126	124,226
Impairment of exploration assets	3,194,182	8,669,608
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/(increase) in trade and other receivables	(47,967)	15,001
Increase in trade and other payables	34,244	123,278
Net cash used in operating activities	(2,345,732)	(1,353,435)

Note 25. Earnings per share

	Consolidated 2016 $	2015 $
Loss after income tax attributable to the owners of Aguia Resources Limited	(5,873,212)	(10,744,829)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	356,121,153	248,838,811
Weighted average number of ordinary shares used in calculating diluted earnings per share	356,121,153	248,838,811
	Cents	**Cents**
Basic earnings per share	(1.65)	(4.32)
Diluted earnings per share	(1.65)	(4.32)

Note 26. 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.

Note 26. Share-based payments (continued)

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

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/10/2011	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	$0.500	630,000	-	-	-	630,000
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
30/09/2015	30/09/2018	$0.260	-	2,800,000	-	-	2,800,000
27/11/2015	27/11/2018	$0.220	-	3,070,000	-	-	3,070,000
			8,230,000	5,870,000	-	(150,000)	13,950,000

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

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 were 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 1.59 years (2015: 2.02 years).

The weighted average exercise price of options outstanding at the end of the financial year was $0.17 (2015: $0.14).

Note 27. Commitments

The group does not have any significant commitments as at 30 June 2016 and 30 June 2015 other than those already been disclosed in the financial statements.

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 2016 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
Managing Director

30 September 2016
Sydney

Deloitte.

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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 Limited, which comprises the statement of financial position as at 30 June 2016, 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 23 to 48.

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 entity'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 entity'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.

Opinion

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 2016 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.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of $5,873,212 and incurred net cash outflows from operating and investing activities of $6,002,353 during the year ended 30 June 2016. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the ability of the company and consolidated entity to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 12 of the directors' report for the year ended 30 June 2016. 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 2016, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

M. Gover

Mark Gover
Partner
Chartered Accountants
Perth, 30 September 2016

The shareholder information set out below was applicable as at 15 September 2016.

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

	Number of holders of ordinary shares	Number of holders of $0.25 unquoted options expiring 30/09/2016	Number of holders of $0.26 unquoted options expiring 30/09/2018
1 to 1,000	47	-	-
1,001 to 5,000	112	-	-
5,001 to 10,000	110	-	-
10,001 to 100,000	431	-	7
100,001 and over	332	1	8
	1,032	1	15
Holding less than a marketable parcel of ordinary shares	167		

	Number of holders of $0.25 unquoted options expiring 30/11/2016	Number of holders of $0.084 unquoted options expiring 30/04/2017	Number of holders of $0.1680 unquoted options expiring 26/06/2018	Number of holders of $0.22 unquoted options expiring 27/11/2018
1 to 1,000	-	-	-	-
1,001 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 100,000	8	7	-	1
100,001 and over	2	10	2	5
	10	17	2	6

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
CITICORP NOMINEES PTY LIMITED	83,924,630	22.88
J P MORGAN NOMINEES AUSTRALIA LIMITED	25,082,277	6.84
NEFCO NOMINEES PTY LTD	15,278,402	4.17
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,727,036	2.38
NATIONAL NOMINEES LIMITED	6,945,250	1.89
ONE DESIGN & SKIFF SAILS PTY LIMITED	5,012,607	1.37
ARREDO PTY LTD	5,000,000	1.36
MR NICHOLAS JAMES REDPATH	4,887,121	1.33
FGDG SUPER PTY LTD	4,571,000	1.25
LINOR PTY LTD	4,476,470	1.22
ROUSSEL CORP PTY LTD	4,443,137	1.21
BALFAR PTY LTD	4,193,137	1.14
BART PROPERTIES PTY LTD	4,100,000	1.12
FORBES & MANHATTAN (BARBADOS) INC	2,883,806	0.79
LOBSTER CAVE SUPER PTY LTD	2,815,000	0.77
DUNROOTIN PTY LTD	2,510,000	0.68
LIEN PTY LTD	2,427,000	0.66
MR CHRISTOPHER BAYLISS & MRS LYNDA BAYLISS	2,413,135	0.66
UBS NOMINEES PTY LTD	2,323,354	0.63
MR PAUL SINCLAIR & MRS SANDRA JUDITH SINCLAIR	2,309,117	0.63
	194,322,479	52.97

Unquoted equity securities

	Number on issue	Number of holders
$0.25 unquoted options expiring 30/09/2016	500,000	1
$0.25 unquoted options expiring 30/11/2016	630,000	10
$0.084 unquoted options expiring 30/04/2017	4,800,000	17
$0.168 unquoted options expiring 26/06/2018	2,000,000	2
$0.26 unquoted options expiring 30/09/2018	2,800,000	15
$0.22 unquoted options expiring 27/11/2018	3,070,000	6

Holders of 20% or more of unquoted equity securities:

Name	Class	Number held
Fernando Tallarico	$0.25 unquoted options expiring 30/09/2016	500,000
Alfredo Nunes	$0.25 unquoted options expiring 30/11/2016	150,000
Jacob Fanton	$0.25 unquoted options expiring 30/11/2016	150,000
Prakash Hariharan	$0.084 unquoted options expiring 30/04/2017	2,000,000
Ms Catherine Anne Stretch	$0.168 unquoted options expiring 26/06/2018	650,000
Justin Reid	$0.168 unquoted options expiring 26/06/2018	1,350,000
Justin Reid	$0.22 unquoted options expiring 27/11/2018	1,500,000

Substantial holders

Substantial holders in the Company are set out below.

Name	Ordinary Shares held
Sulliden Mining Capital Inc	68,663,192
Prudential Plc, M&G Group Ltd, M&G Limited, M&G Investment Management Limited, Chase Nominees Limited (in the name Chase Nominees Limited)	23,529,412

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

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

Options and performance shares
The options and performance shares do not carry any voting rights.

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

Listing Rule 3.13.1 and 14.3
Further to Listing Rule 3.13.1 and Listing Rule 14.3, the Annual General Meeting of Aguia Resources Limited is scheduled On the 29 November 2016.

ASX Waiver
On 25 November 2014 the Company was granted a waiver from the ASX which allows it to be exempt from listing rule 6.18 and 10.1 ("waiver") in relation to the subscription agreement entered into between the Company and Sulliden Mining Corporation Inc ("Sulliden").

The waiver is subject to certain conditions, including that the Company must give a summary of Sulliden's Top-Up Right (the extent necessary to permit Sulliden to maintain, by way of a right to participate in any issue of shares or to subscribe for shares, its percentage interest in the issued capital of the Company) in each annual report. Therefore, as at 15 September 2016, Sulliden held 68,663,192 ordinary shares in the Company which represented 18.72% of the issued capital at that date.

Aguia Resources Limited Licenses

RIO GRANDE PROJECT

ID	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
1	810.304/14	3/28/2014			51.68	Application	Águia Fertilizantes S.A.
2	810.346/14	4/8/2014			1,275.66	Application	IAMGOLD Option
3	810.347/14	4/8/2014			1,702.56	Application	IAMGOLD Option
4	810.446/14	4/24/2014			1,528.46	Application	Águia Fertilizantes S.A.
5	810.447/14	4/24/2014			1,495.07	Application	Águia Fertilizantes S.A.
6	810.448/14	4/24/2014			1,605.12	Application	Águia Fertilizantes S.A.
7	810.649/14	6/4/2014			1,240.36	Application	IAMGOLD Option
8	811.144/14	9/15/2014			1,286.15	Application	Águia Fertilizantes S.A.
9	811.363/14	11/3/2014			699.35	Application	Águia Fertilizantes S.A.
10	810.453/15	4/20/2015			1,399.23	Application	Águia Fertilizantes S.A.
11	810.515/15	5/6/2015			1,845.58	Application	Águia Fertilizantes S.A.
12	810.516/15	5/6/2015			1,412.79	Application	Águia Fertilizantes S.A.
13	810.524/15	5/6/2015			454.74	Application	Águia Fertilizantes S.A.
14	810.582/15	5/21/2015			239.33	Application	Águia Fertilizantes S.A.
15	811.279/15	9/2/2015			1,873.30	Application	Águia Fertilizantes S.A.
16	810.090/91	5/20/1991	2,947	8/16/2012	1,000.00	Approval Pending	CBC Option
17	810.344/04	6/3/2004	5,470	8/16/2013	1,816.36	Approval Pending	IAMGOLD Option
21	810.730/05	11/14/2005	8274	8/28/2016	1,476.43	Extension Submited	TERRA SANTA Option
22	810.732/05	11/14/2005	8275	8/28/2016	1,520.62	Extension Submited	TERRA SANTA Option
23	810.733/05	11/14/2005	8276	8/28/2016	1,505.94	Extension Submited	TERRA SANTA Option
18	810.702/11	6/27/2011	5,433	10/9/2015	1,885.25	Extension Submited	Falcon Petróleo S.A.
19	810.996/10	10/4/2010	4,099	4/29/2016	896.23	Extension Submited	CBC Option
20	810.325/12	2/16/2012	4,101	4/29/2016	990.95	Extension Submited	CBC Option
24	810.988/11	8/23/2011	2,232	4/15/2018	84.39	Permit	Falcon Petróleo S.A.
25	811.188/11	10/5/2011	6,382	7/21/2017	1,922.15	Permit	MENEGUZZO Option
26	811.189/11	10/5/2011	6,383	7/21/2017	1,631.70	Permit	MENEGUZZO Option
27	810.793/12	6/1/2012	4,672	6/9/2017	894.63	Permit	Águia Fertilizantes S.A.
28	810.796/12	6/1/2012	4,673	6/9/2017	1,887.18	Permit	Águia Fertilizantes S.A.
29	810.797/12	6/1/2012	4,674	6/9/2017	1,438.99	Permit	Águia Fertilizantes S.A.
30	810.798/12	6/1/2012	4,675	6/9/2017	1,894.95	Permit	Águia Fertilizantes S.A.
31	810.799/12	6/1/2012	4,676	6/9/2017	866.72	Permit	Águia Fertilizantes S.A.
32	811.663/12	12/10/2012	4,677	6/9/2017	1,381.76	Permit	Águia Fertilizantes S.A.
33	811.671/12	12/10/2012	4,678	6/9/2017	1,802.85	Permit	Águia Fertilizantes S.A.
34	811.700/12	12/17/2012	4,679	6/9/2017	1,394.87	Permit	Águia Fertilizantes S.A.
35	811.277/15	9/2/2015	5,125	5/27/2019	1,560.01	Permit	Águia Fertilizantes S.A.
36	811.278/15	9/2/2015	1,464	2/23/2019	1,872.97	Permit	Águia Fertilizantes S.A.
37	811.294/15	9/4/2015	14,856	12/8/2018	731.77	Permit	Águia Fertilizantes S.A.
38	811.549/15	8/5/2015	14,857	12/8/2018	1,969.47	Permit	Águia Fertilizantes S.A.
39	810.634/07	8/5/2015			2,000.00	Priority Application	Águia Fertilizantes S.A.

40	810.767/05	8/6/2015			1,936.86	Priority Application	Águia Fertilizantes S.A.
41	811.530/15	8/5/2015			2,000.00	Priority Application	Águia Fertilizantes S.A.
42	811.572/15	8/5/2015			1,999.99	Priority Application	Águia Fertilizantes S.A.
43	811.573/15	8/5/2015			1,807.68	Priority Application	Águia Fertilizantes S.A.
44	811.586/15	8/5/2015			1,147.91	Priority Application	Águia Fertilizantes S.A.
45	811.625/15	8/5/2015			1,835.91	Priority Application	Águia Fertilizantes S.A.
46	811.640/15	8/5/2015			1,112.46	Priority Application	Águia Fertilizantes S.A.
47	811.639/15	8/6/2015			1,034.21	Priority Application	Águia Fertilizantes S.A.
48	811.588/15	8/6/2015			1,114.16	Priority Application	Águia Fertilizantes S.A.
49	811.589/15	8/6/2015			1,119.44	Priority Application	Águia Fertilizantes S.A.
50	811.583/15	8/6/2015			1,981.95	Priority Application	Águia Fertilizantes S.A.
51	811.596/15	8/6/2015			1,945.63	Priority Application	Águia Fertilizantes S.A.
52	811.508/15	8/6/2015			985.65	Priority Application	Águia Fertilizantes S.A.
53	810.441/16*	8/5/2015			1,522.08	Priority Application	Águia Fertilizantes S.A.
54	810.442/16*	8/5/2015			1,826.52	Priority Application	Águia Fertilizantes S.A.
55	810.443/16*	7/24/2015			671.35	Priority Application	Águia Fertilizantes S.A.
56	810.444/16*	7/24/2015			1,574.39	Priority Application	Águia Fertilizantes S.A.
	TOTAL				**78,151.76**		

*Process numbers changed after the application priority stated

NEW TENEMENTS ACQUIRED DURING THE JUNE QUARTER

Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
811.188/11	10/5/2011	6,382	7/21/2017	1,922.15	Permit	MENEGUZZO Option
811.189/11	10/5/2011	6,383	7/21/2017	1,631.70	Permit	MENEGUZZO Option
TOTAL				**3,553.85**		

LUCENA PROJECT

ID	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
1	846.013/16	2/4/2016			1,454.58	Application	Águia Metais Ltda
2	846.036/09	3/17/2009	8,643	8/17/2012	98.00	Extension Submited	Águia Metais Ltda
3	846.105/09	6/23/2009	10,128	8/31/2012	1,772.99	Extension Submited	Águia Metais Ltda
4	846.107/09	6/23/2009	10,127	8/31/2012	1,146.40	Extension Submited	Águia Metais Ltda
5	846.575/11	10/19/2011	19,301	11/21/2014	953.33	Extension Submited	Águia Metais Ltda
6	846.578/11	10/19/2011	19,302	11/21/2014	989.89	Extension Submited	Águia Metais Ltda
7	846.579/11	10/19/2011	19,303	11/21/2014	989.99	Extension Submited	Águia Metais Ltda
8	846.580/11	10/19/2011	19,304	11/21/2014	841.60	Extension Submited	Águia Metais Ltda
9	846.582/11	10/19/2011	19,305	11/21/2014	251.96	Extension Submited	Águia Metais Ltda

10	846.583/11	10/19/2011	19,306	11/21/2014	908.10	Extension Submited	Águia Metais Ltda
11	846.585/11	10/19/2011	19,307	11/21/2014	300.00	Extension Submited	Águia Metais Ltda
12	846.586/11	10/19/2011	19,308	11/21/2014	40.49	Extension Submited	Águia Metais Ltda
13	846.587/11	10/19/2011	19,309	11/21/2014	142.71	Extension Submited	Águia Metais Ltda
14	846.588/11	10/19/2011	19,310	11/21/2014	64.81	Extension Submited	Águia Metais Ltda
15	846.343/12	7/16/2012	1,782	3/4/2016	472.35	Extension Submited	Águia Metais Ltda
16	846.345/12	7/16/2012	1,783	3/4/2016	15.93	Extension Submited	Águia Metais Ltda
17	846.346/12	7/16/2012	1,784	3/4/2016	714.48	Extension Submited	Águia Metais Ltda
18	846.347/12	7/16/2012	1,785	3/4/2016	511.67	Extension Submited	Águia Metais Ltda
19	846.150/13	4/25/2013	1,977	3/12/2016	31.19	Extension Submited	Águia Metais Ltda
20	846.151/13	4/25/2013	1,978	3/12/2016	49.85	Extension Submited	Águia Metais Ltda
21	846.152/13	4/25/2013	1,979	3/12/2016	105.45	Extension Submited	Águia Metais Ltda
22	846.153/13	4/25/2013	1,980	3/12/2016	8.21	Extension Submited	Águia Metais Ltda
23	846.154/13	4/25/2013	5,648	6/13/2016	31.68	Extension Submited	Águia Metais Ltda
24	846.584/11	10/19/2011	5,662	6/13/2017	979.84	Permit	Águia Metais Ltda
25	846.132/15	6/25/2014	9,614	9/15/2018	999.88	Permit	Águia Metais Ltda
26	846.133/15	9/17/2014	9,615	9/15/2018	119.39	Permit	Águia Metais Ltda
27	846.134/15	9/17/2014	9,616	9/15/2018	265.71	Permit	Águia Metais Ltda
28	846.135/15	9/17/2014	9,617	9/15/2018	131.58	Permit	Águia Metais Ltda
29	846.309/14	7/23/2010	11,153	10/2/2018	800.22	Permit	Águia Metais Ltda
30	846.012/16	2/4/2016	5,048	5/24/2019	263.24	Permit	Águia Metais Ltda
31	846.458/08	10/28/2008	4,556	10/27/2017	1,927.43	Permit Extension	Águia Metais Ltda
32	846.460/08	10/28/2008	4,554	11/6/2017	1,927.28	Permit Extension	Águia Metais Ltda
33	846.462/08	10/28/2008	4,552	11/6/2017	1,924.15	Permit Extension	Águia Metais Ltda
34	846.464/08	10/28/2008	4,539	10/27/2017	1,879.92	Permit Extension	Águia Metais Ltda
35	846.466/08	10/28/2008	4,561	11/6/2017	1,904.78	Permit Extension	Águia Metais Ltda
36	846.472/08	10/28/2008	4,300	11/6/2017	1,441.26	Permit Extension	Águia Metais Ltda
37	846.473/08	10/28/2008	4,572	10/27/2017	933.10	Permit Extension	Águia Metais Ltda
38	846.474/08	10/28/2008	2,086	11/6/2017	946.28	Permit Extension	Águia Metais Ltda
39	846.475/08	10/28/2008	4,575	10/27/2017	1,169.81	Permit Extension	Águia Metais Ltda
40	846.476/08	10/28/2008	2,085	10/31/2017	768.51	Permit Extension	Águia Metais Ltda
41	846.477/08	10/28/2008	4,574	10/29/2017	203.87	Permit Extension	Águia Metais Ltda
42	846.478/08	10/28/2008	4,573	10/27/2017	339.09	Permit Extension	Águia Metais Ltda
43	846.479/08	10/28/2008	4,560	11/6/2017	1,438.88	Permit Extension	Águia Metais Ltda
44	846.480/08	10/28/2008	4,559	11/6/2017	1,926.80	Permit Extension	Águia Metais Ltda
45	846.106/09	6/23/2009	11,566	11/6/2017	1,538.93	Permit Extension	Águia Metais Ltda
46	846.108/09	6/25/2009	8,859	10/29/2017	188.17	Permit Extension	Águia Metais Ltda
47	846.289/09	12/15/2009	6,571	11/6/2017	134.50	Permit Extension	Águia Metais Ltda
48	846.020/10	2/8/2010	8,161	10/31/2017	27.97	Permit Extension	Águia Metais Ltda
49	846.117/10	5/27/2010	10,623	11/6/2017	70.64	Permit Extension	Águia Metais Ltda
50	846.182/11	4/26/2011	10,938	11/6/2017	120.12	Permit Extension	Águia Metais Ltda
	TOTAL				**36,267.01**		

MATA DA CORDA PROJECT

ID	Claim Number (DNPM	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
1	831.783/07	11/8/2010			2,000.00	Application Public Tender	Águia Metais Ltda
2	831.785/07	11/8/2010			2,000.00	Application Public Tender	Águia Metais Ltda
3	831.790/07	11/8/2010			2,000.00	Application Public Tender	Águia Metais Ltda
4	300.653/12	11/1/2012			71.91	Application Public Tender	Águia Metais Ltda
5	300.654/12	11/1/2012			201.09	Application Public Tender	Águia Metais Ltda
6	831.798/13	2/14/2014			1,775.56	Application Public Tender	Águia Metais Ltda
7	833.530/07	1/14/2013			1,199.87	Priority Application	Águia Metais Ltda
	TOTAL				**9,248.43**		

LAGAMAR PROJECT

ID	Claim Number (DNPM	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
1	831.880/13	7/1/2015			1,408.55	Priority Application	Águia Metais Ltda
	TOTAL				**1,408.55**		