



28 October 2016

ASX Market Announcements  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000  
ASX: AGR

### **NOTICE OF ANNUAL GENERAL MEETING & PROXY FORM**

**Agua Resources Limited** advises that the following documents will be dispatched to Shareholders today, being Friday 28 October 2016:

- 2016 Notice of Annual General Meeting
- Proxy Form
- Annual Report (to those shareholders who have elected to receive it in hardcopy)

*\*The Notice of Annual General Meeting and a sample Proxy Form are attached on the following pages.*

For further information, please contact Andrew Bursill on +612 9299 9690.



Andrew Bursill  
Company Secretary  
Agua Resources Limited



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## **AGUIA RESOURCES LIMITED**

ABN 94 128 256 888

## **NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11.00am (AEDT)

**DATE:** Tuesday, 29 November 2016

**PLACE:** History House  
Auditorium  
133 Macquarie Street  
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, using the contact details on page 27.

28 October 2016

Dear Shareholder

**Annual General Meeting**

On behalf of the Board, I am pleased to invite you to attend the Annual General Meeting of Aguia Resources Limited. This will be held at 11.00am (AEDT) on Tuesday 29 November 2016 at:

History House  
Auditorium  
133 Macquarie Street  
Sydney NSW 2000

Enclosed are the following documents:

- Notice of Meeting and Explanatory Statement;
- Proxy Form for the Annual General Meeting; and
- Annual Report for the year ended 30 June 2016, for those Shareholders who have requested a printed copy.

If you are unable to attend the Meeting, I encourage you to appoint a proxy, by following the instructions on page 3 of the Notice of Meeting. You may also provide questions or comments in advance of the Meeting, by contacting the Company Secretary, using the details set out on page 27 of the Notice.

**Important Notice – 2016 Annual Report**

Shareholders are reminded that the Annual Report is only mailed to those Shareholders who have elected to receive it in hard copy. The 2016 Annual Report can be viewed on the Company's website at <http://www.aguiaresources.com.au/>

We look forward to seeing you at the Annual General Meeting.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'P. Pint', with a horizontal line extending to the right.

Paul Pint  
Executive Chairman

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## CONTENTS PAGE

|   |          |
|---|----------|
| Notice of Annual General Meeting (setting out the proposed Resolutions) | 5        |
| Explanatory Statement (explaining the proposed Resolutions)             | 9        |
| Proxy Form  | Separate |

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## YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

## VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out on page 5.

## APPOINTING A PROXY

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A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder of Aguia.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes on a poll. Fractions will be disregarded.

To appoint a proxy online, go to [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and click the 'Investor & Employee Login' button. You will need your HIN (holder identification number) or SRN (Shareholder Reference Number) to log in.

Alternatively, you can appoint a proxy by completing and signing the enclosed proxy form and sending the form to:

- (a) By Post: Aguia Resources Limited, c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia; or
- (b) By Fax: Link Market Services at (+61 2) 9287 0309.

All enquiries to: (+61) 1300 554 474

The deadline for receipt of proxy appointments is 11:00am (AEDT) on 27 November 2016, being not later than 48 hours before the commencement of the Meeting.

***Any Proxy appointments received later than this time will not be valid for the Meeting.***

## **POWER OF ATTORNEY**

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If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already been provided to the Share Registry.

## **CORPORATE REPRESENTATIVES**

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If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

An appointment of corporate representative form may be obtained from Link Market Services by calling: (+61) 1300 554 474 or online at:  
<http://www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html>.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting (**AGM**) of Shareholders of Aguia Resources Limited will be held at the History House, Auditorium, 133 Macquarie Street, Sydney, NSW, 2000, at 11.00am (AEDT) on Tuesday, 29 November 2016. Registration will open at 10.30am (AEDT).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

The Directors have determined under Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 7.00pm (AEDT) on 27 November 2016.

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## AGENDA

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### ADOPTION OF ANNUAL REPORT

To receive and consider the Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2016.

Shareholders will be asked to consider, and if thought fit, to pass, with or without amendment, the Resolutions below, which will be proposed as Ordinary Resolutions:

**1. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT**

*“To adopt the Aguia Remuneration Report for the year ended 30 June 2016.”*

**2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PAUL PINT**

*“That Mr Paul Pint be re-elected as a Director of the Company.”*

**3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR BRIAN MOLLER**

*“That Mr Brian Moller be re-elected as a Director of the Company.”*

**4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR ALEC PISMIRIS**

*“That Mr Alec Pismiris be re-elected as a Director of the Company.”*

**5. RESOLUTION 5 – GRANT OF OPTIONS TO MR PAUL PINT**

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

**6. RESOLUTION 6 – GRANT OF OPTIONS TO HFX CONSULTARIA EMPRESARIAL LTDA (“HFX”)**

*“That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 300,000 options to HFX or their nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

**7. RESOLUTION 7 – APPOINTMENT OF AUDITOR**

*“That, subject to the resignation of Deloitte Touche Tohmatsu as auditor of the Company, Ernst & Young, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company effective from the later to occur of the resignation of Deloitte Touche Tohmatsu and the date of the Meeting.”*

Shareholders will be asked to consider, and if thought fit, to pass the Resolution below, which will be proposed as a Special Resolution:

**8. RESOLUTION 8 – APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES**

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital in the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

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DATED: 28 October 2016

BY ORDER OF THE BOARD



Andrew Bursill  
Company Secretary  
AGUIA RESOURCES LIMITED

## Voting Exclusion Statement

For the definitions of Key Management Personnel (**KMP**) and Closely Related Parties, please refer to the Glossary on page 28.

The Corporations Act restricts members of the KMP of the Company and their Closely Related Parties from voting in relation to remuneration related Resolutions (such as Resolution 1).

In addition, separate voting restrictions apply in respect of Resolutions 5, 6 and 8 under the ASX Listing Rules.

**What this means for Shareholders:** If you intend to appoint a member of the KMP (other than the Chairman of the Meeting) as your proxy, please ensure that you direct them on how to vote on Resolution 1. If you do not do so, your proxy will not be able to vote on your behalf on Resolution 1.

If you intend to appoint the Chairman of the Meeting as your proxy, you are encouraged to direct him how to vote by marking a box for Resolution 1 (for example if you wish to vote for, or against, or to abstain from voting). If you appoint the Chairman as your proxy without directing him how to vote, the proxy form authorises him to vote as he decides on Resolution 1 (even though that Resolution is connected with the remuneration of KMP). The Chairman of the Meeting intends to vote in favour of all Resolutions (where permissible).

The Company will disregard votes cast on Resolutions 1, 5, 6 and 8 by the persons detailed in the table below.

| Resolution                                      | Voting Exclusions  |
|---|--|
| Resolution 1 – Adoption of Remuneration Report  | <p>A vote must not be cast in any capacity by:</p> <ul style="list-style-type: none"><li>- A current or former member of the KMP whose remuneration details are included in the remuneration report for the year ended 30 June 2016, and</li><li>- Any Closely Related Parties of such member of the KMP.</li></ul> <p>In addition, no votes may be cast as a proxy by any other person who has become a member of the KMP by the time of the AGM, or their Closely Related Parties.</p> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 1 if:</p> <ul style="list-style-type: none"><li>- The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or</li><li>- The vote is cast by the Chairman of the Meeting and the proxy form authorises him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).</li></ul> |
| Resolution 5 – Grant of Options to Mr Paul Pint | <p>A vote must not be cast by:</p> <ul style="list-style-type: none"><li>- Paul Pint, who participated in the issue; and</li><li>- Any associates of Paul Pint.</li></ul> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 5 if:</p> <ul style="list-style-type: none"><li>- The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or</li><li>- The vote is cast by the Chairman of the Meeting, in accordance with a direction on the proxy form, to vote as the proxy decides.</li></ul>  |
| Resolution 6 – Grant of Options to HFX          | <p>A vote must not be cast by:</p> <ul style="list-style-type: none"><li>- HFX, who participated in the issue; and</li><li>- Any associates of HFX.</li></ul>  |



|   |   |
|---|---|
|   | <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 6 if:</p> <ul style="list-style-type: none"> <li>- The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or</li> <li>- The vote is cast by the Chairman of the Meeting, in accordance with a direction on the proxy form, to vote as the proxy decides.</li> </ul>  |
| <p>Resolution 8 – Approval of 10% Capacity to Issue Equity Securities</p> | <p>A vote must not be cast by:</p> <ul style="list-style-type: none"> <li>- Persons who may participate in the proposed issue of the securities, and any persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; and</li> <li>- Any associates of those persons.</li> </ul> <p>However, the company need not disregard a vote cast as proxy for a person who is entitled to vote on resolution 8 if:</p> <ul style="list-style-type: none"> <li>- The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the resolution; or</li> <li>- The vote is cast by the chairman of the meeting, in accordance with a direction on the proxy form, to vote as the proxy decides.</li> </ul> |

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held on 29 November 2016 at 11.00am (AEDT).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. ANNUAL REPORT

The business of the Meeting will include receipt and consideration of the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2016, which are included in Aguia's Annual Report.

In accordance with the Corporations Act 2001, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Annual Report, and on the management of Aguia.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the auditor's report;
- Accounting policies adopted by the company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### Written questions for the Auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report to the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, that is by Tuesday 22 November 2016.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the Annual Report. The Remuneration Report details the Company's remuneration arrangements for the Directors and senior management of the Company.

S250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and not binding on the Company or its Directors.

However, under the Corporations Act, if at least 25% of the votes cast on Resolution 4 are against the adoption of the Remuneration Report then:

- If comments are made on the Remuneration Report at the Meeting, Aguia's 2016 Remuneration Report will be required to include an explanation of the Board's proposed action response or, if no action is proposed, the Board's reasons for this; and
- If, at next year's AGM, at least 25% of the votes cast on the resolution for adoption of the 2017 Remuneration Report are against it, Aguia will be required to put to Shareholders a resolution proposing that an Extraordinary General Meeting (**EGM**) be called to consider

the election of Directors (**Spill Resolution**). If the Spill Resolution is passed (i.e. More than 50% of the votes cast are in favour of it), all of the Directors (other than the Managing Director) will cease to hold office at the subsequent EGM, unless re-elected at that Meeting.

Last year, a resolution was passed to adopt the 2015 Remuneration Report, with in excess of 75% of votes cast in favour of the resolution on a show of hands (noting that in excess of 75% of proxies lodged were also in favour of the resolution).

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Remuneration Report.

**Board Recommendation:** *The Remuneration Report forms part of the Directors' Report, which was approved in accordance with a unanimous resolution of the Board. Each Non-Executive Director recommends that Shareholders vote in favour of adopting the Remuneration Report.*

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### 3. RE-ELECTION OF DIRECTORS

Clause 6.3(a) of the Constitution and ASX Listing Rule 14.4 provide that the Managing Director is exempt from standing for re-election. In accordance with these provisions the Company's Managing Director, Mr Justin Reid, is not seeking re-election.

Clause 6.3(b) of the Constitution requires that a Director must retire at the third annual general meeting following their appointment or last re-election by Shareholders.

Clause 6.3(c) provides that if the Company has three or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each annual general meeting.

Directors who retire under clauses 6.3(b) or 6.3(c) are eligible for re-election.

Clause 6.3(j) of the Constitution requires that a Director who was appointed as a Director by the other Directors must retire at the next annual general meeting of the Company and is eligible for re-election.

#### **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PAUL PINT**

Mr Pint retires as a Director and now seeks re-election in accordance with clause 6.3(j) of the Constitution.

#### **Brief Curriculum Vitae of Mr Paul Pint**

Executive Director & Chairman

#### ***Experience and expertise***

Mr Pint joined the Board of Aguia on 12 January 2016

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.

#### ***Current Directorships of other listed companies***

Copper One Inc. (TSX listed)

#### ***Former Directorships of other listed companies in the last three years***

None

**Additional corporate governance disclosures**

As Mr Pint is an Executive Director, he is not considered to be Independent.

**Special responsibilities**

None

**Board Recommendation:** *The Directors (with Mr Pint abstaining) unanimously recommend the re-election of Mr Pint.*

**RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR BRIAN MOLLER**

Mr Moller retires as a Director and now seeks re-election in accordance with clause 6.3(c) of the Constitution.

**Brief Curriculum Vitae of Mr Brian Moller**

Non-Executive Director

**Experience and expertise**

Mr Moller joined the Board of Aguia on 18 December 2013

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, HoggoodGanim for 30 years and leads the Corporate Advisory and Governance practice. Mr Moller acts for many publicly listed companies in Australia and regularly advises Boards of Directors on corporate governance and related issues.

**Current Directorships of other listed companies**

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 of other listed companies in the last three years**

None

**Additional corporate governance disclosures**

The Board considers Mr Moller to be an Independent Director.

**Special responsibilities**

None

**Board Recommendation:** *The Directors (with Mr Moller abstaining) unanimously recommend the re-election of Mr Moller.*

**RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR ALEC PISMIRIS**

Mr Pismiris retires as a Director and now seeks re-election in accordance with clause 6.3(c) of the Constitution.

**Brief Curriculum Vitae of Mr Alec Pismiris**

Non-Executive Director

**Experience and expertise**

Mr Pismiris joined the Board of Aguia on 26 March 2014.

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.

**Current Directorships of other listed companies**

Agrimin Limited, HotCopper Holdings Limited, Mount Magnet South Limited and Pelican Resources Limited

**Former Directorships of other listed companies in the last three years**

Papillon Resources Limited (May 2006 – October 2014), Cardinal Resources Limited (2010 – 2015)

**Additional corporate governance disclosures**

The Board considers Mr Pismiris to be an Independent Director.

**Special responsibilities**

None

**Board Recommendation:** *The Directors (with Mr Pismiris abstaining) unanimously recommend the re-election of Mr Pismiris.*

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**4. RESOLUTION 5 & 6 - GRANT OF OPTIONS**

It is proposed that a total grant of 1,300,000 options is made to Mr Paul Pint and a related party, HFX Consultaria Empresarial Ltda (“HFX”). The options will have an expiry date 3 years from their date of issue, with the exercise price at 140% of the five day VWAP ending on the ASX business day immediately before the date of issue (**Options**).

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

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

A ‘related party’ for the purposes of the Corporations Act includes:

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

Accordingly Mr Paul Pint and HFX (as Mr David Gower, a Non-Executive Director, is a related party of HFX) are “related parties” to the Company.

Shareholder approval is sought for the grant of 1,300,000 Options to Mr Paul Pint and HFX, or their nominees. These Options are proposed to be issued as additional compensation for assistance with the Company’s recent success.

Mr Paul Pint and HFX each have a material personal interest in the outcome of their relevant Resolution as it is proposed that Options be granted to them (or to their nominee).

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

- (a) The Options will be issued to Mr Paul Pint and HFX, or their nominees;
- (b) The maximum number of Options that will be issued to each individual is detailed below:

| Resolution | Name of Holder or Nominee | Number of Options |
|------------|---------------------------|-------------------|
| 5          | Paul Pint                 | 1,000,000         |
| 6          | HFX                       | 300,000           |
|            | <b>Total</b>              | <b>1,300,000</b>  |

- (c) The Company proposes to issue the Options immediately following the Meeting, but in any case no later than one month after the date of the Meeting;
- (d) Mr Paul Pint and Mr David Gower are Directors of the Company and Mr David Gower is a shareholder of HFX;
- (e) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses; and
- (f) Other material terms and conditions of the Options are set out at Annexure 1.

## Chapter 2E of the Corporations Act Disclosures

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

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

The proposed Resolutions 5 and 6 if passed will confer financial benefits to the Directors. Therefore the Company seeks to obtain shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act, and for this reason, and for all other purposes, the following information is provided to Shareholders:

- (a) The related parties to whom Resolutions 5 and 6 would permit the financial benefit to be given to is Mr Paul Pint and Mr David Gower as a related party of HFX;
- (b) The nature of the proposed financial benefit to be given is 1,300,000 Options with an expiry date 3 years from their date of issue, with the exercise price at 140% of the five day VWAP ending on the ASX business day immediately before the date of issue of the Options;
- (c) The Options, the subject of Resolutions 5 and 6, will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used for working capital and other operational expenses;
- (d) As Resolutions 5 and 6 relate to Directors' remuneration, the Directors have refrained from making a recommendation in relation to these resolutions; and
- (e) Directors have the following interests and other remuneration:

| Director (including associated entities) | 2016 Financial Year Remuneration **** | Proposed 2017 Financial Year Remuneration ***** |
|--|---------------------------------------|---|
| Paul Pint*                               | 147,690                               | 128,980   |
| David Gower***                           | 16,692                                | 6,309   |
| Justin Reid                              | 592,405                               | 350,000   |
| Brian Moller                             | 57,692                                | 40,000  |
| Alec Pismiris                            | 56,692                                | 40,000  |
| Fernando Tallarico**                     | 317,551                               | 208,566   |
| <b>Total</b>                             | <b>1,187,722</b>                      | <b>773,855</b>                                  |

\* Appointed on 12 January 2016

\*\* Resigned on 12 January 2016

\*\*\* In addition to above, David Gower is a shareholder of HFX Consultoria Empresarial Ltda, a Brazilian company which provided consultancy services of \$74,645 to Aguiar in 2016 and is expected to be paid a similar amount in 2017.

\*\*\*\*\* Including the accrued value of the options proposed to be granted under Resolutions 5 and 6.

\*\*\*\*\* Including the value of the options in excess of the amount accrued in the year ending 30 June 2016 proposed to be granted under Resolutions 5 and 6.

If the Options, the subject of Resolutions 5 and 6 are approved, the following will be the effect of their holdings in the Company:

| <b>Directors</b> (including associated entities) | <b>Current Share &amp; Option Holding</b> | <b>Current % of Total Share &amp; Option Capital</b> | <b>Share &amp; Option Capital Upon Exercise*</b> | <b>% of Total Share &amp; Option Capital Upon Exercise</b> |
|--|---|--|--|--|
| Paul Pint  | 0   | 0.00%  | 1,000,000  | 0.27%  |
| David Gower                                      | 6,896,167                                 | 1.85%  | 7,196,167  | 1.92%  |
| Justin Reid                                      | 2,850,000                                 | 0.76%  | 2,850,000  | 0.76%  |
| Brian Moller                                     | 950,000                                   | 0.25%  | 950,000  | 0.25%  |
| Alec Pismiris                                    | 809,822                                   | 0.22%  | 809,822  | 0.22%  |
| All Other Holders                                | 362,122,281                               | 96.92%   | 362,122,281                                      | 96.58%   |
| <b>Total</b>                                     | <b>373,628,270</b>                        | <b>100.00%</b>                                       | <b>374,928,270</b>                               | <b>100.00%</b>   |

\*This figure includes the Options proposed to be granted to the Directors under Resolutions 5 and 6.

Assuming: (1) The 4,950,000 listed options at \$0.0840 and expiring on 30 April 2017 are exercised; (2) The 2,000,000 listed options at \$0.168 and expiring on 26 June 2018 are exercised; (3) The 3,070,000 unlisted options exercisable at \$0.22 each, expiring on 29 November 2018 are exercised and (4) that none of the following current unlisted options on issue are exercised per below:

- i. 630,000 unlisted options exercisable at \$0.25 each, expiring on 30 November 2016; and
- ii. 2,800,000 unlisted options exercisable at \$0.26 each, expiring on 30 September 2018.

(f) Valuation

The Options that are the subject of Resolutions 5 and 6 are not proposed to be quoted on the ASX and as such have no easily identifiable market value. Each Option grants the holder a right to subscribe for one Share upon exercise of each Option and payment of the exercise price described above. Accordingly, the Options may have a present value at the date of their grant.

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

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

The period outstanding before the expiry date of the options;

- The exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- The proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. Whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- The value of the shares into which the options may be converted; and



- Whether or not the options are listed (i.e. readily capable of being liquidated) and so on.

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

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

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

- Exercise price of the Options, being 140% of the share price on the day that shareholder approval is received for the issue of the Options;
- Market price of Shares of 9.0 cents, being the closing price of Shares on the ASX on 19 September 2016 valuation as a proxy for the market price at the future date of issue, being the date of the General Meeting to approve the issue;
- Options vesting on the date of issue, assumed to be 29 November 2016;
- Expiry Date of 29 November 2019;
- Volatility measure of 175%;
- Risk-free interest rate of 3 year Australian Government bond of 1.94%; and
- Dividend yield of 0.00%.

Based on the valuation, the Company has adopted an indicative value for the Options of 12.6 cents each, based on the assessed fair value of the Options as calculated in that report.

The total assessed valuation of the Options that are the subject of Resolutions 5 & 6 is 7.667 cents per option of a total of \$99,671. It is noted that SIS has valued the Options to be in a range of values between 7.001 cents and 8.141 cents per Option, based on volatilities ranging from 150% to 200%.

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

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

(i) Opportunity Costs

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

(ii) Trading History of the Shares

As at 15 September 2016, the closing price of Shares on ASX was \$0.09 cents. Set out below is the trading history of the closing price of Shares over the past 6 months and 12 months period:



|             | Market Price 6 months prior to<br>19 September 2016 * | Market Prices 12 months prior to<br>19 September 2016 ** |
|-------------|---|--|
| <b>High</b> | 14.5 cents<br>(high within the 6 months)              | 21.5 cents<br>(high within the 12 months)                |
| <b>Low</b>  | 8.5 cents<br>(low within the 6 months)                | 8.5 cents<br>(low within the 12 months)                  |

\*From 19 March 2016 – 19 September 2016

\*\*From 19 September 2015 – 19 September 2016

(iii) Taxation Consequences

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

AASB 2 “Share Based Payments” requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management’s assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

(iv) Dilutionary Effect

The dilutionary effect on the Company and its shareholders is summarised in the table on page 19.

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**5. RESOLUTION 7 – APPOINTMENT OF AUDITOR**

The Company’s current auditors are Deloitte Touche Tohmatsu. The Board of Directors have reviewed the current role of the auditor and decided to change the auditors to Ernst & Young as the Company’s auditors based on their expertise and to reduce costs associated with the audit. The Board believes that the appointment of Ernst & Young is in the best interests of the Company and its shareholders. The current auditor has applied to ASIC to resign as auditor.

The Directors propose that Ernst & Young, which are based in Sydney, be appointed as the Company’s auditor effective from the Meeting.

Mr Andrew Bursill, being a member of the Company, has nominated that Ernst & Young be appointed as auditor. In accordance with section 328B(3) of the Corporations Act, a copy of the notice of nomination is included at the end of this Explanatory Statement.

If Resolution 7 is passed, the appointment of Ernst & Young as the Company’s auditor will take effect at the close of this General Meeting.

**Board Recommendation:** *The Directors unanimously recommend that Shareholders vote in favour of Resolution 7. This will enable the audit of the Company to be conducted in a more efficient manner with an auditor that is physically located in the same city as the Company.*

## 6. RESOLUTION 8 - APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES

### ASX Listing Rule 7.1

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

### ASX Listing Rule 7.1A

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

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

### Shareholder Approval

Shareholder approval is now sought in accordance with ASX Listing Rule 7.1A to give the Company the ability to issue equity securities under the 10% limit. Resolution 8 must be passed as a Special Resolution, meaning that at least 75 per cent of the votes cast at the AGM must be in favour of Resolution 8.

### Current Securities on Issue

As at the date of this Notice, the Company has the following classes and numbers of equity securities on issue:

| Security Class   | Number on Issue    |
|--|--------------------|
| Ordinary Shares  | 366,828,270        |
| Unlisted Options, exercise price \$0.25, expiry date 30/11/2016  | 630,000            |
| Unlisted Options, exercise price \$0.084, expiry date 30/04/2017 | 4,800,000          |
| Unlisted Options, exercise price \$0.168, expiry date 26/06/2018 | 2,000,000          |
| Unlisted Options, exercise price \$0.26, expiry date 30/09/2018  | 2,800,000          |
| Unlisted Options, exercise price \$0.022, expiry date 27/11/2018 | 3,070,000          |
| <b>Total</b>   | <b>380,128,270</b> |

### Duration of Approval of 10% Limit

Shareholder approval of the 10% limit under ASX Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) The date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) The date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking),

(the **period of approval**).

## Formula for Calculation of 10% Limit

The exact number of equity securities to be issued under the 10% limit will be determined in accordance with the following formula, which is prescribed in ASX Listing Rule 7.1A.2:

Eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the period of approval, a number of equity securities calculated in accordance with the following formula:

### **(A x D) – E**

**A** Is the number of shares on issue 12 months before the date of issue or agreement:

- Plus the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- Plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- Plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 or ASX Listing Rule 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% limit without shareholder approval;
- Less the number of fully paid ordinary shares cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% limit.

**D** Is 10%

**E** Is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

ASX Listing Rule 7.3A requires the following information to be provided to Shareholders:

### **(a) Minimum Price**

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of the Company's equity securities in the same class, calculated over the 15 Trading Days immediately before:

- (i) The date on which the price at which the equity securities are to be issued is agreed; or
- (ii) If the equity securities are not issued within five trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

### **(b) Risk of Voting Dilution**

If Resolution 8 is approved by Shareholders and the Company issues equity securities under the 10% limit, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) The market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Meeting; and
- (ii) The equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date or the equity securities are issued as part of the consideration for the acquisition of a new asset;

which may have an effect on the amount of funds raised by the issue of the equity securities.

The below table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A', calculated in accordance with the formula in ASX Listing Rule 7.1A(2), as at the date of this Notice.

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company currently has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

| Variable 'A' in<br>ASX Listing Rule<br>7.1A.2           |                        | Dilution                                  |                       |   |
|---|------------------------|---|-----------------------|---|
|   |                        | \$0.045<br>50% decrease in<br>Issue Price | \$0.09<br>Issue Price | \$0.18<br>100% increase in<br>Issue Price |
| Current Variable<br>'A'<br>366,828,270                  | 10% Voting<br>Dilution | 36,682,827 shares                         | 36,682,827 shares     | 36,682,827 shares                         |
|   | Funds Raised \$        | 1,650,727                                 | 3,301,454             | 6,602,909                                 |
| 50% increase in<br>current variable 'A'<br>550,242,405  | 10% Voting<br>Dilution | 55,024,241 shares                         | 55,024,241 shares     | 55,024,241 1shares                        |
|   | Funds Raised \$        | 2,476,091                                 | 4,952,182             | 9,904,63                                  |
| 100% increase in<br>current variable 'A'<br>733,656,540 | 10% Voting<br>Dilution | 73,365,654 shares                         | 73,365,654 shares     | 73,365,654 shares                         |
|   | Funds Raised \$        | 3,301,454                                 | 6,602,909             | 13,205,818                                |

The above table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of equity securities available under the 10% limit.
- (ii) No Options are exercised into Shares before the date of the issue of equity securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% limit, based on that Shareholder's holding at the date of the Meeting;
- (v) The table shows only the effect of issue of equity securities under ASX Listing Rule 7.1A, not under the 15% limit under ASX Listing Rule 7.1;
- (vi) The issue of equity securities under the 10% limit consists only of Shares.
- (vii) The issue price is \$0.09 being the closing market price of the Shares on the ASX on 15 September 2016.

**(c) Period of Approval**

The Company will only issue and allot the equity securities during the period of approval. The approval under Resolution 8 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

**(d) Purpose of Issue under 10% Limit**

The Company may seek to issue the equity securities for the following purposes:

- (i) Non-cash consideration for the acquisition of assets such as mineral exploration tenements, or a business or company holding mineral exploration tenements. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
- (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities.

**(e) Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% limit. The identity of the allottees of equity securities will be determined on a case by case basis, having regard to the factors including but not limited to the following:

- (i) The purpose of the issue;
- (ii) The alternative methods for raising funds that are available to the company at the time, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) The effect of the issue of the equity securities on the control of the company;
- (iv) The circumstances of the company, including the financial position and solvency of the company; and
- (v) Advice from corporate, financial and broking advisers (if available).

The allottees under the 10% limit have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

**(f) Voting Exclusion Statement**

A voting exclusion applies to this item of business, as set out in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder to participate in the issue of the equity securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

**(g) Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at the Company's Annual General Meeting on 27 November 2015.

During the 12 months since the last Annual General Meeting (**preceding 12 month period**):

- (i) The Company has issued in aggregate the following equity securities:
  - 3,070,000 Unlisted Options
- (ii) Those equity securities issues during the preceding 12 month period represent, on a fully diluted basis, 0.803% of the total number of equity securities that were issued on the first day of the preceding 12 month period.

Further details of the equity issued during the preceding 12 month period are set out in Annexure 2.

**Board Recommendation:** *The Directors unanimously recommend that Shareholders vote in favour of approving the 10% limit. This will enable the Company to have the flexibility to issue further equity securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a 12 month period without seeking further Shareholder approval.*

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**AGUIA RESOURCES LIMITED**

ABN 94 128 256 888

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**OPTIONS – TERMS AND CONDITIONS**

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**1. Entitlement**

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

**2. Exercise Price and Expiry Date**

- (a) The Exercise Price of the Options is 140% of the five day VWAP ending on the ASX business day immediately before the date of issue of the Options.
- (b) The Expiry Date of the Options is the earlier to occur of three (3) years after their date of issue and 30 days after a Change in Control Event.

**3. Exercise Period and Vesting Date**

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



- (2) transferred to a third party; and
- (B) the Court, by order, approves the proposed scheme of arrangement.

#### 4. **Notice of Exercise**

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

#### 5. **Shares issued on exercise**

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

#### 6. **Quotation of Shares on exercise**

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

#### 7. **Timing of issue of Shares**

Within fifteen Business Days after the later to occur of:

- (a) Receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company (each an Exercised Option) where the Company is not in possession of any excluded information (as defined in section 708A(7) of the Corporations Act) (Excluded Information); and
- (b) The date upon which the Company ceases to be in possession of Excluded Information in respect to the Company following the receipt of the Notice of Exercise and payment of the Exercise Price for each Exercised Option being exercised by the Company,
- (c) The Company will:
  - (i) Issue the Shares pursuant to the exercise of the Exercised Options;
  - (ii) Give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
  - (iii) Apply for official quotation on ASX of Shares issued pursuant to the exercise of the Exercised Options.

#### 8. **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders of Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the holders of the Options will be afforded the minimum period of notice prescribed under the Listing Rules prior to and inclusive of the books closing date (to determine entitlements to the issue) in order to give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

#### 9. **Pro-rata Issues**

If there is a pro rata issue (except a bonus issue), then at the time of the pro rata issue (except a bonus issue), the exercise price of an Option may be reduced according to the following formula:

$$O^n = O - E \frac{[P - (S + D)]}{N + 1}$$

N + 1

Where:



- O<sup>n</sup> = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying securities into which one Option is exercisable;
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-right date or the ex-entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Otherwise the exercise price of the Option shall remain unchanged.

#### **10. Adjustment for bonus issues of Shares**

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

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

#### **11. Adjustment organisation**

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

#### **12. Quotation of Options**

- (a) No application for official quotation of the Options will be made by the Company; and
- (b) The Company shall apply for the listing of the resultant shares of the Company issued upon exercise of any Option.

#### **7. Options Transferable**

The Options are transferable provided that the transfer of Options complies with section 707(3) of the Corporations Act.

#### **8. Lodgment Instructions**

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

**ANNEXURE 2 - PARTICULARS OF ISSUES OF EQUITY SECURITIES IN PRECEDING 12 MONTH PERIOD**

| Date             | Class of equity securities issued                                       | Allottees of equity securities issued or basis of allotment | Issue Price per equity security | Discount to market price (if any) | Total cash consideration raised | Amount of cash consideration spent, what it was spent on and proposed application of balance of funds raised | Particulars of any non-cash consideration raised and its current value   | No. of Ordinary Shares Issued | No. of Options Issued |
|------------------|---|---|---------------------------------|-----------------------------------|---------------------------------|--|--|-------------------------------|-----------------------|
| 27 November 2015 | Unlisted Options at \$0.22 exercise price; 27 November 2018 expiry date | Unlisted Options issued to Directors and Employees          | \$0.00                          | N/A                               | Nil                             | N/A  | Options were issued as 'additional compensation for assistance with the Company's recent success' and were approved by shareholders at the AGM held on 25 November 2015. | N/A                           | 3,070,000             |

To: Company Secretary

**Agua Resources Limited**  
Suite 4, Level 9  
341 George Street  
Sydney NSW 2000  
Australia

13 October 2016

Dear Sir/ Madam

**Subject: Nomination of Auditor**

In accordance with the provisions of section 328B of the Corporations Act 2001 (Cth),

I, Andrew Bursill, being a member of Agua Resources Limited, hereby nominate Ernst & Young for appointment as Auditor of the Company.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'A. Bursill', written in a cursive style.

Andrew Bursill

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**9. ENQUIRIES**

Shareholders may contact the Company Secretary if they have any queries in respect of the matters set out in these documents.

Andrew Bursill  
**Company Secretary**

Agua Resources Limited  
c/- Franks & Associates Pty Limited  
GPO Box 4325  
Sydney, NSW 2001

Tel: (+61 2) 9299 9690  
Fax: (+61 2) 9299 9629  
Email: [abursill@fa.com.au](mailto:abursill@fa.com.au)

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## 10. GLOSSARY

**AEDT** means Australian Eastern Daylight Time, Sydney, New South Wales.

**Agua Group** means Agua and its controlled entities.

**Annual General Meeting, AGM or Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691).

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

**Board** means the Board of Directors of the Company as constituted from time to time.

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

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

**Company or Agua** means Agua Resources Limited (ABN 98 128 256 888).

**Constitution** means the Constitution of the Company.

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

**Directors** mean the Directors of the Company.

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

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

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

**Option** means an option, if exercised in accordance with its terms, to acquire one Share in the Company.

**Ordinary Resolution** means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

**Share Registry** means Link Market Services

**Special Resolution** means a resolution passed by at least 75 per cent of the votes at a general meeting of Shareholders.

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

**VWAP** means the volume weighted average price of trading in Shares on the ASX market and the Chi-X market over a specified period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

## **Interpretation**

In these Documents, unless the context requires otherwise:

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



**LODGE YOUR VOTE**

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

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

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

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

**PROXY FORM**

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

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)**

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Tuesday, 29 November 2016 at the History House, Auditorium, 133 Macquarie Street, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

**VOTING DIRECTIONS**

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

**Resolutions**

|   | For                      | Against                  | Abstain*                 |   | For                      | Against                  | Abstain*                 |
|---|--------------------------|--------------------------|--------------------------|---|--------------------------|--------------------------|--------------------------|
| <b>1</b> Adoption of the Remuneration Report        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>5</b> Grant of Options to Mr Paul Pint                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>2</b> Re-election of Director – Mr Paul Pint     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>6</b> Grant of Options to HFX Consultaria Empresarial Ltda (“HFX”) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>3</b> Re-election of Director – Mr Brian Moller  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>7</b> Appointment of Auditor                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>4</b> Re-election of Director – Mr Alec Pismiris | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>8</b> Approval of 10% Capacity to Issue Equity Securities          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)  Joint Shareholder 2 (Individual)  Joint Shareholder 3 (Individual)   
Sole Director and Sole Company Secretary  Director/Company Secretary (Delete one)  Director

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



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

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

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Sunday, 27 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

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

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



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

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



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

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