



ASX: AGR

29 July 2016

## JUNE 2016 QUARTERLY ACTIVITIES REPORT

Aguia Resources Limited (ASX: **AGR**) (“Aguia” or “Company”) is pleased to report on its activities for the June 2016 Quarter:

### Operational Highlights:

- Column flotation test work conducted by Eriez returned exceptional results for both fresh and oxidized carbonatites from the Três Estradas deposit
- Fresh rock column flotation circuit produced a final concentrate grading 30.25% P<sub>2</sub>O<sub>5</sub> yielding a total circuit recovery of 84.6%
- Column test work performed on the oxide ore provided a concentrate grading 31.1% P<sub>2</sub>O<sub>5</sub> with a recovery of 80.1%
- Metallurgical studies confirm a high quality calcite by-product suitable for aglime can be produced from the Três Estradas deposit
- From the rougher tailings of the phosphate flotation, a calcite concentrate grading 48.55% CaO was produced with a CaO recovery of 83.1%
- Calcite adds a secondary revenue stream to Três Estradas deposit once in production
- Updated Três Estradas pit-constrained resource of 74.7 million tonnes grading 4.13% P<sub>2</sub>O<sub>5</sub>
- New option agreement secures two claims totalling 3,553 hectares adjacent to the Três Estradas deposit.
- First grab samples of this new carbonatite returned up to 6.37% P<sub>2</sub>O<sub>5</sub>.

### Corporate Highlights:

- Company has a strong cash balance and is well funded to execute on its plans for the year

During the June Quarter, Aguia continued to focus on advancing the development of its Três Estradas phosphate asset located in the state of Rio Grande do Sul in Southern Brazil (Figure 1). In particular, advances during the quarter included new column flotation test results for Três Estradas, metallurgical test work confirming presence of high quality calcite byproduct, a new option on nearby claims and the finalisation of a PEA optimisation study by Millcreek Mining Group which reinforced earlier results pointing to significant upside potential to be unlocked from the Três Estradas asset and lays the groundwork for the Bankable Feasibility Study.

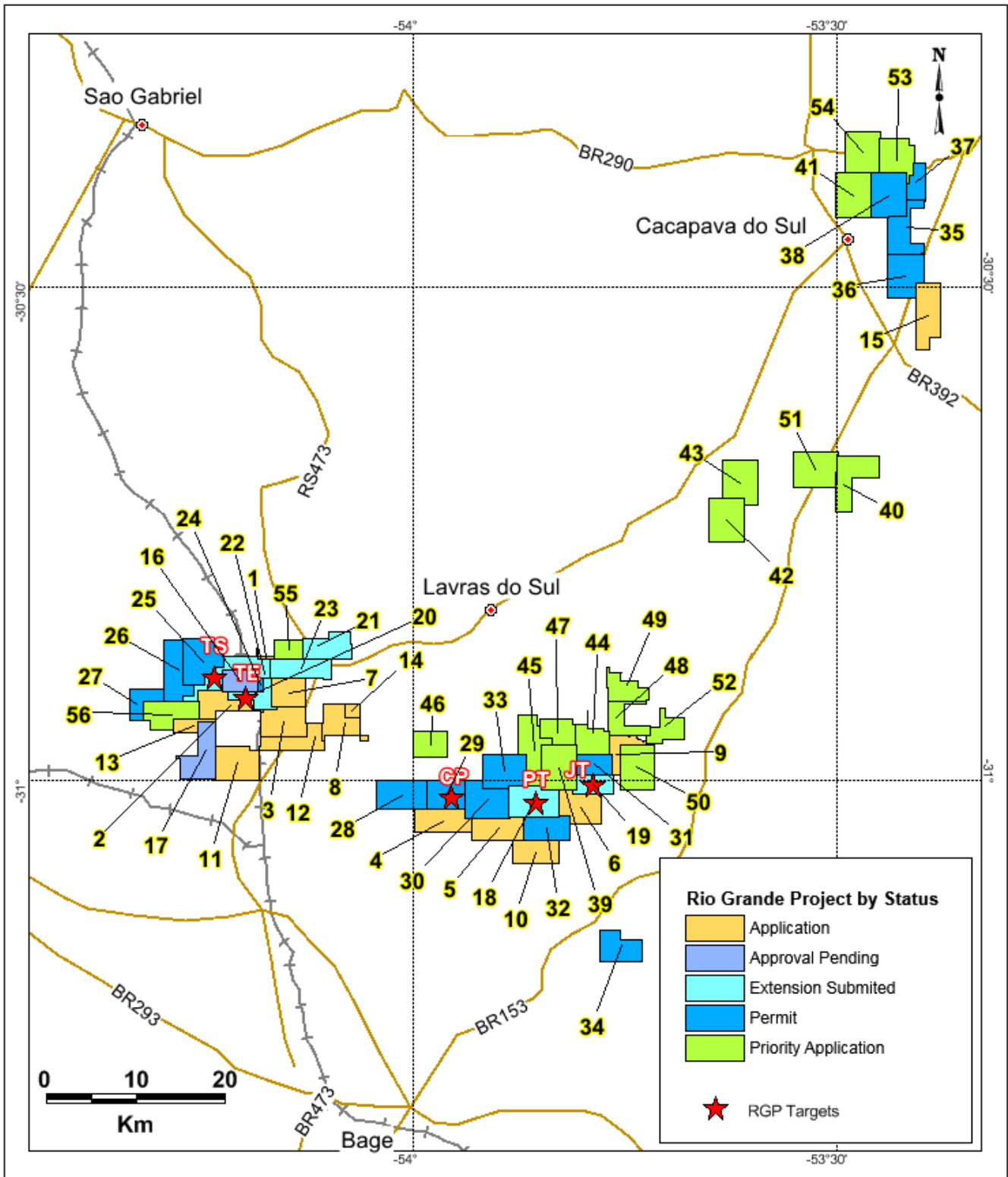


Figure 1: Rio Grande Tenement Map – Refer to Tenement Register for License Details

### New Column Flotation Results

Agua 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 is 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% P<sub>2</sub>O<sub>5</sub> with a P<sub>2</sub>O<sub>5</sub> 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 (see AGR ASX release 19 August 2015).

### **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<sup>1</sup>.

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.

### **Resource Increase**

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<sub>2</sub>O<sub>5</sub>, comprising 745,000 tonnes of measured resource grading 4.42% P<sub>2</sub>O<sub>5</sub>, 15.07 million tonnes of indicated resource grading 4.75% P<sub>2</sub>O<sub>5</sub> and 58.89 million tonnes of inferred resource grading 3.97% P<sub>2</sub>O<sub>5</sub>.

The proposed project will also include a resource of 2.75 million tonnes grading 4.37% P<sub>2</sub>O<sub>5</sub> from the nearby Joca Tavares carbonatite, which includes 915,000 tonnes of measured resource grading 3.98% P<sub>2</sub>O<sub>5</sub>, 1.5 million tonnes of indicated resource grading 4.31% P<sub>2</sub>O<sub>5</sub> and 329,000 tonnes of inferred resource grading 5.74% P<sub>2</sub>O<sub>5</sub>.

### **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<sub>2</sub>O<sub>5</sub> concentrate. The tailings of the phosphate rougher flotation will then be subject to magnetic separation and mica floatation 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.

### **Option Signed on Nearby Property**

An 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<sub>2</sub>O<sub>5</sub> 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.

### **Lucena Phosphate Project**

The Lucena Phosphate Project, comprised of 48 tenements and applications for 345,5km<sup>2</sup>, contains an initial JORC compliant Inferred Mineral Resource of 55Mt grading 6.42% P<sub>2</sub>O<sub>5</sub> in the state of Paraíba 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. There was no activity during the June Quarter.

### **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 6<sup>th</sup>, 2016. There was no activity during the quarter.

### **Balance Sheet Strength**

As at June 30, 2016, Aguia had a cash position of AUD 2.9 million, which is sufficient funding to support planned activities into 2017.

### **Plans for the June Quarter**

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 August, 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.

<sup>1</sup>2004 Brazilian Fertilizer Legal Code:

PN (neutralizing power) = (CaO% \* 1.78) + (MgO% \* 2.48).

RE (reactivity):

Zero for grain-size of +2mm.

20% for grain-size between -2mm and +0.84mm.

60% for grain-size between -0.84% and +0.30mm.

100% for grain-size of -0.30mm.

PRNT (total neutralizing reactivity power) = (PN \* RE) / 100

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### **About Agüia:**

Agüia is a fertiliser company focused on the exploration and development of phosphate and potash projects in Brazil to supply the Brazilian agriculture sector. Brazil is Latin America's biggest economy and is heavily reliant on imports of up to 50 per cent of its phosphate and 90 per cent of its potash needs. Agüia is well positioned to capitalise on the growing demand for phosphorus and potash based fertilisers in the expanding agriculture sector in Brazil and controls three large projects, located close to existing infrastructure. The Company is committed to its existing projects whilst continuing to pursue other opportunities within the fertiliser sector.

### **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<sub>2</sub>O<sub>5</sub>, comprising 745,000 tonnes of measured resource grading 4.42% P<sub>2</sub>O<sub>5</sub>, 15.07 million tonnes of indicated resource grading 4.75% P<sub>2</sub>O<sub>5</sub> and 58.89 million tonnes of inferred resource grading 3.97% P<sub>2</sub>O<sub>5</sub>*

*The Lucena Phosphate Project has a current JORC compliant inferred mineral resource of 55.1Mt grading 6.42% P<sub>2</sub>O<sub>5</sub>*

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

- 18 July 2016: *Agüia 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: *Agüia Signs Option Agreement on Property Adjacent to Três Estradas and Secures New Carbonatite Occurrence*
- 6 June 2016: *Agüia Reports Positive New Column Flotation Results at its Flagship Três Estradas Phosphate Project*
- December 10, 2015: *Agüia 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.

## AGUIA RESOURCES LIMITED LICENSES

### RIO GRANDE PROJECT

| ID | Claim Number (DNPM) | Submittal Date | Explorati on 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 Submitted | TERRA SANTA Option       |
| 22 | 810.732/05          | 11/14/2005     | 8275                        | 8/28/2016   | 1,520.62  | Extension Submitted | TERRA SANTA Option       |
| 23 | 810.733/05          | 11/14/2005     | 8276                        | 8/28/2016   | 1,505.94  | Extension Submitted | TERRA SANTA Option       |
| 18 | 810.702/11          | 6/27/2011      | 5,433                       | 10/9/2015   | 1,885.25  | Extension Submitted | Falcon Petróleo S.A.     |
| 19 | 810.996/10          | 10/4/2010      | 4,099                       | 4/29/2016   | 896.23    | Extension Submitted | CBC Option               |
| 20 | 810.325/12          | 2/16/2012      | 4,101                       | 4/29/2016   | 990.95    | Extension Submitted | 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               | Água Fertilizantes S.A. |
| 30           | 810.798/12      | 6/1/2012   | 4,675  | 6/9/2017  | 1,894.95         | Permit               | Água Fertilizantes S.A. |
| 31           | 810.799/12      | 6/1/2012   | 4,676  | 6/9/2017  | 866.72           | Permit               | Água Fertilizantes S.A. |
| 32           | 811.663/12      | 12/10/2012 | 4,677  | 6/9/2017  | 1,381.76         | Permit               | Água Fertilizantes S.A. |
| 33           | 811.671/12      | 12/10/2012 | 4,678  | 6/9/2017  | 1,802.85         | Permit               | Água Fertilizantes S.A. |
| 34           | 811.700/12      | 12/17/2012 | 4,679  | 6/9/2017  | 1,394.87         | Permit               | Água Fertilizantes S.A. |
| 35           | 811.277/15      | 9/2/2015   | 5,125  | 5/27/2019 | 1,560.01         | Permit               | Água Fertilizantes S.A. |
| 36           | 811.278/15      | 9/2/2015   | 1,464  | 2/23/2019 | 1,872.97         | Permit               | Água Fertilizantes S.A. |
| 37           | 811.294/15      | 9/4/2015   | 14,856 | 12/8/2018 | 731.77           | Permit               | Água Fertilizantes S.A. |
| 38           | 811.549/15      | 8/5/2015   | 14,857 | 12/8/2018 | 1,969.47         | Permit               | Água Fertilizantes S.A. |
| 39           | 810.634/07      | 8/5/2015   |        |           | 2,000.00         | Priority Application | Água Fertilizantes S.A. |
| 40           | 810.767/05      | 8/6/2015   |        |           | 1,936.86         | Priority Application | Água Fertilizantes S.A. |
| 41           | 811.530/15      | 8/5/2015   |        |           | 2,000.00         | Priority Application | Água Fertilizantes S.A. |
| 42           | 811.572/15      | 8/5/2015   |        |           | 1,999.99         | Priority Application | Água Fertilizantes S.A. |
| 43           | 811.573/15      | 8/5/2015   |        |           | 1,807.68         | Priority Application | Água Fertilizantes S.A. |
| 44           | 811.586/15      | 8/5/2015   |        |           | 1,147.91         | Priority Application | Água Fertilizantes S.A. |
| 45           | 811.625/15      | 8/5/2015   |        |           | 1,835.91         | Priority Application | Água Fertilizantes S.A. |
| 46           | 811.640/15      | 8/5/2015   |        |           | 1,112.46         | Priority Application | Água Fertilizantes S.A. |
| 47           | 811.639/15      | 8/6/2015   |        |           | 1,034.21         | Priority Application | Água Fertilizantes S.A. |
| 48           | 811.588/15      | 8/6/2015   |        |           | 1,114.16         | Priority Application | Água Fertilizantes S.A. |
| 49           | 811.589/15      | 8/6/2015   |        |           | 1,119.44         | Priority Application | Água Fertilizantes S.A. |
| 50           | 811.583/15      | 8/6/2015   |        |           | 1,981.95         | Priority Application | Água Fertilizantes S.A. |
| 51           | 811.596/15      | 8/6/2015   |        |           | 1,945.63         | Priority Application | Água Fertilizantes S.A. |
| 52           | 811.508/15      | 8/6/2015   |        |           | 985.65           | Priority Application | Água Fertilizantes S.A. |
| 53           | 810.441/16<br>* | 8/5/2015   |        |           | 1,522.08         | Priority Application | Água Fertilizantes S.A. |
| 54           | 810.442/16<br>* | 8/5/2015   |        |           | 1,826.52         | Priority Application | Água Fertilizantes S.A. |
| 55           | 810.443/16<br>* | 7/24/2015  |        |           | 671.35           | Priority Application | Água Fertilizantes S.A. |
| 56           | 810.444/16<br>* | 7/24/2015  |        |           | 1,574.39         | Priority Application | Água Fertilizantes S.A. |
| <b>TOTAL</b> |                 |            |        |           | <b>78,151.76</b> |                      |                         |

\*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 |
| <b>TOTAL</b>        |                |                            |             | <b>3,553.85</b> |        |                  |

**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 Submitted | Águia Metais Ltda |
| 3  | 846.105/09          | 6/23/2009      | 10,128                     | 8/31/2012   | 1,772.99  | Extension Submitted | Águia Metais Ltda |
| 4  | 846.107/09          | 6/23/2009      | 10,127                     | 8/31/2012   | 1,146.40  | Extension Submitted | Águia Metais Ltda |
| 5  | 846.575/11          | 10/19/2011     | 19,301                     | 11/21/2014  | 953.33    | Extension Submitted | Águia Metais Ltda |
| 6  | 846.578/11          | 10/19/2011     | 19,302                     | 11/21/2014  | 989.89    | Extension Submitted | Águia Metais Ltda |
| 7  | 846.579/11          | 10/19/2011     | 19,303                     | 11/21/2014  | 989.99    | Extension Submitted | Águia Metais Ltda |
| 8  | 846.580/11          | 10/19/2011     | 19,304                     | 11/21/2014  | 841.60    | Extension Submitted | Águia Metais Ltda |
| 9  | 846.582/11          | 10/19/2011     | 19,305                     | 11/21/2014  | 251.96    | Extension Submitted | Águia Metais Ltda |
| 10 | 846.583/11          | 10/19/2011     | 19,306                     | 11/21/2014  | 908.10    | Extension Submitted | Águia Metais Ltda |
| 11 | 846.585/11          | 10/19/2011     | 19,307                     | 11/21/2014  | 300.00    | Extension Submitted | Águia Metais Ltda |
| 12 | 846.586/11          | 10/19/2011     | 19,308                     | 11/21/2014  | 40.49     | Extension Submitted | Águia Metais Ltda |
| 13 | 846.587/11          | 10/19/2011     | 19,309                     | 11/21/2014  | 142.71    | Extension Submitted | Águia Metais Ltda |
| 14 | 846.588/11          | 10/19/2011     | 19,310                     | 11/21/2014  | 64.81     | Extension Submitted | Águia Metais Ltda |
| 15 | 846.343/12          | 7/16/2012      | 1,782                      | 3/4/2016    | 472.35    | Extension Submitted | Águia Metais Ltda |
| 16 | 846.345/12          | 7/16/2012      | 1,783                      | 3/4/2016    | 15.93     | Extension Submitted | Águia Metais Ltda |
| 17 | 846.346/12          | 7/16/2012      | 1,784                      | 3/4/2016    | 714.48    | Extension Submitted | Águia Metais Ltda |
| 18 | 846.347/12          | 7/16/2012      | 1,785                      | 3/4/2016    | 511.67    | Extension Submitted | Águia Metais Ltda |
| 19 | 846.150/13          | 4/25/2013      | 1,977                      | 3/12/2016   | 31.19     | Extension Submitted | Águia Metais Ltda |
| 20 | 846.151/13          | 4/25/2013      | 1,978                      | 3/12/2016   | 49.85     | Extension Submitted | Águia Metais Ltda |
| 21 | 846.152/13          | 4/25/2013      | 1,979                      | 3/12/2016   | 105.45    | Extension Submitted | Águia Metais Ltda |
| 22 | 846.153/13          | 4/25/2013      | 1,980                      | 3/12/2016   | 8.21      | Extension           | Águia Metais      |

|              |            |            |        |            |                  | Submitted           | Ltda              |
|--------------|------------|------------|--------|------------|------------------|---------------------|-------------------|
| 23           | 846.154/13 | 4/25/2013  | 5,648  | 6/13/2016  | 31.68            | Extension Submitted | 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 |
| <b>TOTAL</b> |            |            |        |            | <b>36,267.01</b> |                     |                   |

**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 |
| <b>TOTAL</b> |                     |                |                            |             | <b>9,248.43</b> |                           |                   |

**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 |
| <b>TOTAL</b> |                     |                |                            |             | <b>1,408.55</b> |                      |                   |

TENEMENTS DISPOSED OF DURING QUARTER - NIL

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

**AGUIA RESOURCES LIMITED**

ABN

**94 128 256 888**

Quarter ended ("current quarter")

**30 June 2016**

#### Consolidated statement of cash flows

| Cash flows related to operating activities   | Current quarter<br>\$A '000 | Year to date<br>(12 months)<br>\$A '000 |
|--|-----------------------------|---|
| 1.1 Receipts from product sales and related debtors  |                             |   |
| 1.2 Payments for (a) exploration & evaluation<br>(b) development<br>(c) production<br>(d) administration | (1,262)<br><br><br>(477)    | (4,078)<br><br><br>(1,810)              |
| 1.3 Dividends received   |                             |   |
| 1.4 Interest and other items of a similar nature received  | 10                          | 58                                      |
| 1.5 Interest and other costs of finance paid   |                             |   |
| 1.6 Income taxes paid  |                             |   |
| 1.7 Other (provide details if material)<br>Business Development  | -                           | (695)                                   |
| <b>Net Operating Cash Flows</b>  | <b>(1,729)</b>              | <b>(6,525)</b>                          |
| <b>Cash flows related to investing activities</b>  |                             |   |
| 1.8 Payment for purchases of: (a) prospects<br>(b) equity investments<br>(c) other fixed assets          |                             |   |
| 1.9 Proceeds from sale of: (a) prospects<br>(b) equity investments<br>(c) other fixed assets             |                             |   |
| 1.10 Loans to other entities   |                             |   |
| 1.11 Loans repaid by other entities  |                             |   |
| 1.12 Other (Capital rising cost)   |                             |   |
| <b>Net investing cash flows</b>  |                             |   |
| 1.13 Total operating and investing cash flows<br>(carried forward)                                       | (1,729)                     | (6,525)                                 |

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

|      |  |         |         |
|------|--|---------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,729) | (6,525) |
|      | <b>Cash flows related to financing activities</b>          |         |         |
| 1.14 | Proceeds from issues of shares, options, etc.              |         | 9,493   |
| 1.15 | Proceeds from sale of forfeited shares                     |         |         |
| 1.16 | Proceeds from borrowings                                   | 160     | (214)   |
| 1.17 | Repayment of borrowings                                    |         |         |
| 1.18 | Dividends paid   |         |         |
| 1.19 | Other  |         |         |
|      | Capital Raising Cost                                       | (22)    | (560)   |
|      | <b>Net financing cash flows</b>                            | 138     | 8,719   |
|      | <b>Net increase (decrease) in cash held</b>                | (1,591) | 2,194   |
| 1.20 | Cash at beginning of quarter/year to date                  | 4,461   | 710     |
| 1.21 | Exchange rate adjustments to item 1.20                     | 31      | (3)     |
| 1.22 | <b>Cash at end of quarter</b>                              | 2,901   | 2,901   |

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

|      | Current quarter<br>\$A'000                                       |     |
|------|--|-----|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 268 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   |     |

1.25 Explanation necessary for an understanding of the transactions

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | 214                         | 214                    |
| 3.2 Credit standby arrangements |                             |                        |

### Estimated cash outflows for next quarter

|                                | \$A'000      |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 550          |
| 4.2 Development                |              |
| 4.3 Production                 |              |
| 4.4 Administration             | 450          |
| <b>Total</b>                   | <b>1,000</b> |

### Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 2,901                      | 4,461                       |
| 5.2 Deposits at call  |                            |                             |
| 5.3 Bank overdraft  |                            |                             |
| 5.4 Other (provide details)   |                            |                             |
| <b>Total: cash at end of quarter (item 1.22)</b>  | <b>2,901</b>               | <b>4,461</b>                |

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

|     | Tenement reference and location   | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed |                               |                                  |                            |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased           |                               |                                  |                            |

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

|     |  | Number not quoted                                     | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|-----|--|---|---------------|---|--|
| 7.1 | <b>Preference securities</b><br>(description)  | Class C Potash Performance Shares (Expiry 06/07/2016) | 1,547,431     |   |  |
| 7.2 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |   |               |   |  |
| 7.3 | <b>+Ordinary securities</b>  | Ordinary Shares                                       | 366,828,270   |   |  |
| 7.4 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              |   |               |   |  |
| 7.5 | <b>+Convertible debt securities</b><br>(description)   | N/A   |               |   |  |

+ See chapter 19 for defined terms.

**Appendix 5B**

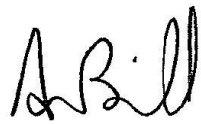
**Mining exploration entity and oil and gas exploration entity quarterly report**

|      |   |                                   |            |  |                                  |
|------|---|-----------------------------------|------------|--|----------------------------------|
| 7.6  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted | N/A                               |            |  |                                  |
| 7.7  | <b>Options</b><br><i>(description and conversion factor)</i>  | Various Options &<br>Expiry dates | 13,800,000 |  | <i>Exercise Price</i><br>Various |
| 7.8  | Issued during quarter   |                                   |            |  |                                  |
| 7.9  | Exercised during quarter  |                                   |            |  |                                  |
| 7.10 | Expired during quarter  |                                   |            |  |                                  |
| 7.11 | <b>Debentures</b><br><i>(totals only)</i>   | N/A                               |            |  |                                  |
| 7.12 | <b>Unsecured notes</b><br><i>(totals only)</i>  | N/A                               |            |  |                                  |

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 29 July 2016

Print name: Andrew Bursill

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

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+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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