Aguia Resources Limited

ABN 94 128 256 888

Annual Report - 30 June 2017

Directors	Paul Pint - Executive Chairman Justin Reid - Managing Director Brian Moller - Non-Executive Director Alec Pismiris - Non-Executive Director David Gower - Non-Executive Director Diane Lai - Non-Executive Director
Company secretary	Andrew Bursill
Registered office	Suite 2 Level 10 70 Phillip Street Sydney NSW 2000 Tel. +61 2 9299 9690 Fax. +61 2 9251 7455
Principal place of business	Rua Antonio de Albuquerque n°156, 1504 Bairro Savassi – Belo Horizonte / MG – Brazil CEP: 30112-010
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Tel. +61 2 8280 7111 Fax. +61 2 9287 0303
Auditor	Ernst & Young
Solicitors	HopgoodGanim
Bankers	National Australia Bank
Stock exchange listing	Aguia Resources Limited is dual-listed since July 2017, trading on both the Australian Securities Exchange (ASX code: AGR) and on the TSX Venture Exchange (TSXV: AGRL)
Website	www.aguiaresources.com.au

CHAIRMAN'S REPORT

Dear Shareholders,

On behalf of the Board of Directors it is our pleasure to present the 2017 Annual Financial statements for Aguia Resources Limited ("Aguia" or "Company").

After two tumultuous years of recession and political upheaval, Brazil's economic growth is finally moving back into positive territory in 2017 with upward momentum expected to continue in 2018. BOVESPA, the country's key stock market is up 23% year to date, interest rates have been falling and commodity exports like iron ore and soya beans are benefiting from strengthening commodity prices.

The agriculture sector has been the saviour of the Brazilian economy this year, growing more than 10% and contributing an additional US$10 billion to the country's GDP. Agriculture is now the country's most productive economic sector and according to a recent report by the USDA and the Brazilian Ministry of Agriculture, Brazil is the world leader in agriculture productivity, followed by China, Chile, Japan, Argentina, Indonesia, United States and Mexico. Interestingly, this growth has been achieved primarily by increases in production yields on existing land rather than bringing more land into production. While farm acreage increased by 4% in 2016/2017, overall productivity increased by 22.8% - the equivalent to producing another 723 kilos of grain per hectare.

A number of factors have helped drive growth in the agriculture sector and provided the underlying foundation to continue this long-term trend:

1. Agriculture commodities are priced in US dollars which has helped Brazilian farmers weather the recent economic downturn as they are able to lock in their sales in US dollars, resulting in a trade surplus for the sector of US$75 billion;

2. The Brazilian agricultural sector continues to focus on implementing modern technology and increasing rates of fertilizer application to drive increases in productivity. Record harvests this year mean that record levels of nutrients have been removed from the soil and need to be replaced. Last year phosphate shipments to Brazil increased by 9% and the same growth is expected this year;

3. An investment of US$4.6 billion into transportation and logistics infrastructure, such as ports and railways, to decrease the bottlenecks that have impeded delivery of goods from the Brazilian heartland to global markets.

These agronomic and economic domestic demand drivers coupled with global trends of population growth, changing consumption patterns and scarcity of arable land to grow crops continue to underline Aguia's investment thesis and the importance of becoming a major domestic producer of phosphate in an agriculture superpower. Brazil continues to rely on imports for at least 50% of its phosphate supply and the farm rich south of Brazil where Aguia is located is 100% reliant on phosphate imports. Aguia's opportunity lies in producing a quality phosrock with a logistics competitive advantage to displace imports to southern Brazil.

This year at Aguia we have been focused on expanding our technical understanding of the deposit and refining our development plans for Três Estradas. We undertook a major infill drilling campaign from December 2016 to April 2017, and not only were we able to achieve a high level of conversion of our resource from Inferred to Measured and Indicated categories, we also identified a new limb within the deposit which has the potential to not only improve the overall strip ratio of the proposed operation but also ultimately reduce mining costs. The successful outcome of this drilling campaign was a substantial increase to the mineral resource which was announced in September. The new total Measured and Indicated resource at Três Estradas is 83 million tonnes grading 4.1% P_2O_5, using a cut-off grade of 3% P_2O_5 and an additional 21.8 million tonnes grading 3.7% in the Inferred category.

Our technical team, led by Dr. Fernando Tallarico, has been engaged in developing the Bankable Feasibility Study which will incorporate the new mineral resource. A key component of this work has been a series of trade-off studies to optimize the development plans for Três Estradas. The improvements they have identified include a reduction in the target run of mine to cap phosrock production at 300ktpy, a phased construction which will focus on mining the high-grade oxide ore at surface during the initial years of operation, a reduction of OPEX through a change of fuel source, and a revision of the site footprint which will substantially reduce the water reservoir, tailings dam and waste piles.

As a future corporate citizen and employer in Lavras do Sul, we have launched a community outreach campaign and opened a local office to keep our neighbours up to date on our plans and provide forums for learning and exchange of ideas. We have been warmly welcomed by the municipal and state governments and were very proud to be named a priority project by the state of Rio Grande do Sul earlier this year.

This year we also took a major step forward in our growth as a public company by becoming dual listed on the TSX Venture Exchange ("TSXV") in Toronto. The TSX/TSXV is a robust market with liquidity and access to capital, particularly for the mining sector with participation from over 200 Canadian institutional mining investors and over 500 International institutional mining investors. The TSX/TSXV is the #1 public market for mining companies globally with 1,318 public listings and coverage by almost 300 mining analysts. In 2016, the TSX/TSV accounted for 57% of all equity capital raised in the mining sector, making it the top source of investment for mining companies globally. Aguia's shares began trading on the TSXV on July 6th, 2017 under the ticker symbol "AGRL".

Concurrent with our TSXV listing we completed a $10.5 million private placement in Canada and Australia and welcomed a number of new institutional funds to our shareholder base. With a strong treasury to support us through the rest of this year and into 2018, we will continue to focus on finalizing the Bankable Feasibility Study which will be a major derisking milestone in the development of Três Estradas.

I would like to thank our management and staff for their hard work and dedication over the past year which has substantially added to the value of the Company, to our shareholders for their continued enthusiasm and support and to the people and government of Rio Grande do Sul for welcoming us to their community.

Best regards,

Paul Pint
Chairman

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Aguia Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2017.

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

Justin Reid
David Gower
Brian Moller
Alec Pismiris
Paul Pint
Diane Lai (appointed 7 July 2017)

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

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

Review of operations
The loss for the group after providing for income tax amounted to $4,065,149 (30 June 2016: $5,873,212).

A full review of operations is presented below in the Review of Operations section following the Directors Report.

Significant changes in the state of affairs
On 19 April 2017, the Company completed its consolidation of shares at a ratio of 5 to 1.

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

Matters subsequent to the end of the financial year
On 3 July 2017, the Company issued 8,275,000 ordinary shares at $0.40 per share and unlisted share purchase warrants exercisable at C$0.65 per share with an expiry date 3 years from date of issue.

On 6 July 2017, the Company received confirmation from the TSX Venture Exchange (the "TSXV") that the conditions for listing the Company's ordinary shares for trading on the TSXV (the "Listing") have been satisfied. The TSXV has issued its final Exchange Bulletin on 5 July 2017 confirming the Listing of the Company's ordinary shares. The Company's ordinary shares commenced trading on the TSXV on 6 July 2017 under the ticker symbol "AGRL."

On 7 July 2017, the Company appointed Diane Lai as a Non-Executive Director.

On 7 July 2017, Company completed the final tranche of its previously announced brokered private placement offering. The private placement was closed in three tranches between 30 June and 7 July 2017, and consisted of the sale of an aggregate of 26,360,835 units of the Company at a price of $0.40 per unit for gross proceeds of C$10,544,334. Each unit is comprised of one ordinary share of the Company and one-half of one share purchase warrant. Each whole warrant is exercisable at a price of C$0.65 per ordinary share of the Company until 30 June 2020.

On 26 July 2017, the Company repurchased a Net Smelter Royalty ("NSR") for cancellation. The NSR was granted to Sulliden Mining Capital Inc. ("SMC") on November 3, 2014, at which time SMC invested AUD 2,000,000 in exchange for 40 million ordinary shares and a 1% NSR in respect of the future production at Aguia's Três Estradas phosphate project. Under the original terms of the NSR agreement, Aguia had the option to buy back the NSR for cancellation in exchange for USD$1,000,000 up until 3 November 2017.

On 28 July 2017, the Company issued 150,000 unlisted options to employees and consultants for nil cash consideration. Each option is exercisable at a price of $0.54 and expires on 28 July 2022.

On September 19, 2017, the Company issued an updated Mineral Resource Statement for Três Estradas based on the results of the infill drilling campaign: total Measured and Indicated resource of 83 million tonnes grading 4.1% P_2O_5, using a cut-off grade of 3% P_2O_5 and an additional 21.8 million tonnes grading 3.7% P_2O_5 in the Inferred category.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

Information on directors

Name:	Justin Reid
Title:	Managing Director
Qualifications:	M.Sc, MBA
Experience and expertise:	Mr Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the mineral resource space. Mr Reid currently holds the position of President and Chief Executive officer of Sulliden Mining Capital, Aguia's largest shareholder. Over his career he has raised in excess of C$4BB in mining investment, driven multiple acquisitions, relaunched and structured various mining ventures and led the development, financing and eventual sale of Sulliden Gold to Rio Alto Mining.
Other current directorships:	Trigon Metals Inc (formerly Kombat Copper Inc) (TSX-V: TM) and Sulliden Mining Capital Inc (TSX: SMC), Euro Sun Mining Inc. (TSX: ESM), , Deep Yellow Limited (ASX: DYL)
Former directorships (last 3 years):	Copper One Inc. (February 2013 – December 2015, listed on TSX), Coastal Gold Corp. (April 2013 – January 2016, listed on TSX)
Special responsibilities:	None
Interests in shares:	72,000
Interests in options:	570,000

Name:	Mr David Gower
Title:	Non-Executive Director
Qualifications:	M.Sc, P. Geo
Experience and expertise:	Mr Gower has over 25 years' experience in the minerals industry including senior positions with Falconbridge Limited and Noranda Inc. He was previously a senior executive of several Forbes & Manhattan group companies. Mr Gower has a strong record of exploration and project development in Brazil including the Araguaia nickel deposits, Autazes potash discoveries, acquisition of the Irati Energia oil shales. He is a member of the Association of Professional Geoscientists of Ontario and of the Canadian Institute of Mining. Mr Gower was appointed a director of the Company on 30 November 2012.
Other current directorships:	Emerita Resources Corp (TSX-V: EMO), Alamos Gold Inc (TSX: AGI), Apogee Opportunities Inc (TSX-V: APE)
Former directorships (last 3 years):	Coastal Gold Corp. (February 2007 – July 2015)
Special responsibilities:	Chair of the Compensation Committee, member of the Audit & Risk Committee
Interests in shares:	252,034
Interests in options:	70,000

Name:	Mr Paul Pint
Title:	Executive Chairman
Qualifications:	B.Comm, CPA, CA
Experience and expertise:	Mr. Pint, CPA, CA, is a capital markets professional with over 20 years of experience. Mr. Pint began his capital markets career on the institutional equity team at a large Canadian financial institution. Over his career, he has held a number of senior positions at various financial institutions and boutique investment banks in Canada. Mr. Pint is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Toronto.
Other current directorships:	Copper One Inc.(TSX-V: CUO) , Sulliden Mining Capital Inc (TSX: SMC)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	70,000
Interests in options:	200,000

Name:	Mr Brian Moller
Title:	Non-Executive Director
Qualifications:	LLB Hons
Experience and expertise:	Mr Moller has been a partner at the legal firm, HopgoodGanim for 30 years and leads the Corporate Advisory and Governance practice. Mr Moller holds an LLB Hons from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association. 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. Mr Moller acts for many publicly listed companies in Australia and regularly advises boards of directors on corporate governance and related issues.
Other current directorships:	Non-executive director of DGR Global Ltd (ASX: DGR), Dark Horse Resources Ltd (ASX: DHR), Lithium Consolidated Mineral Exploration Limited (ASX: LI3) and Non-executive chairman of AusTin Mining Limited (ASX: ANW), Platina Resources Ltd (ASX: PGM), and the AIM-listed SolGold plc.
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee, member of the Compensation Committee
Interests in shares:	120,000
Interests in options:	70,000

Name:	Mr Alec Pismiris
Title:	Non-Executive Director
Qualifications:	B. Comm, MAICD, IGIA
Experience and expertise:	Mr Pismiris is currently a director and company secretary for several ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and is an associate of the Governance Institute of Australia. He has over 30 years' experience in the securities, finance and mining industries.
Other current directorships:	Agrimin Limited (ASX: AMN), HotCopper Holdings Limited (ASX: HOT), and Pelican Resources Limited (ASX: PEL)
Former directorships (last 3 years):	Papillon Resources Limited (May 2006 – October 2014), Cardinal Resources Limited (November 2010 – November 2015), and Impression Healthcare Limited (August 2013 – March 2017)
Special responsibilities:	Member of the Audit & Risk Committee, member of the Compensation Committee
Interests in shares:	91,966
Interests in options:	70,000

Name:	Diane Lai (appointed 6 July 2017)
Title:	Non-Executive Director
Qualifications:	MBA
Experience and expertise:	Diane Lai has over 22 years of global experience in business development, management and acquisitions. She formerly worked at Vodafone in the United Kingdom and Entrata Communications in California, before returning to Canada where she was instrumental in the acquisition of FloNetwork to DoubleClick and Platform Computing to IBM. Diane's entrepreneurial nature led to the launch of a successful organic skin care company in 2010. She formerly held Board positions at Windmill Line Co-Operative, Cloverdale Inc. in Bermuda, and currently holds board positions with the Flato Markham Theatre and Sulliden Mining Capital Inc. Diane graduated from the University of Waterloo and holds an MBA from the Kellogg School of Management at Northwestern University.
Other current directorships:	Sulliden Mining Capital Inc. (TSX: SMC)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None

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

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

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

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

Mr Bursill was appointed as company secretary on 28 September 2010. In addition, Mr Bursill is a director and company secretary of Argonaut Resources NL, and company secretary of Austral Gold Limited, Argonaut Resources Limited, Austex Oil Limited, Bod Australia Limited, Elk Petroleum Limited, ShareRoot Limited, Lake Resources NL, zipMoney Limited and several other unlisted and private companies.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Full Board		Audit and risk committee	Audit and risk committee
	Attended	Held	Attended	Held
Justin Reid	5	5	-	-
David Gower	4	5	2	2
Brian Moller	5	5	2	2
Alec Pismiris	4	5	2	2
Paul Pint	4	5	-	-

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

Remuneration report (audited)

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

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

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The consolidated entity's remuneration policy for its key management personnel ("KMP") has been developed by the Board taking into account the size of the consolidated entity, the size of the management team for the consolidated entity, the nature and stage of development of the consolidated entity's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

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

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

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

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

Executive remuneration

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

The executive remuneration and reward framework has four components:

- base pay;
- short-term performance incentives;
- share-based payments; and
- other remuneration.

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

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

Short-term incentives ('STI') payments are granted to executives based on specific targets being achieved and include bonus payments. Executives may be entitled to an annual discretionary cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. KPIs in FY2017 included, but were not limited to:

- Overall market capitalization and share price performance relative to peer groups;
- Completion of drilling and resource estimate at Joca Tavares
- Expansion of institutional ownership
- Budget control to achieve technical objectives for the year
- Maintenance strong balance sheet
- Further metallurgical testing and submission of EIA

The Board has focused the consolidated entity's efforts on finding and completing new business opportunities. The Board considers that the prospects of the consolidated entity and resulting impact on shareholder wealth are largely linked to the success of this approach, rather than by referring to current or prior year earnings. Accordingly, the Board may pay a bonus to executive KMP's based on the success in generating suitable new business opportunities. A further bonus may also be paid upon the successful completion of a new business acquisition.

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

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

Other than service-based vesting conditions, options may be subject to vesting based on development milestones. The consolidated entity does not currently have a policy regarding executives entering into arrangements to limit their exposure to incentive options granted as part of their remuneration package.

Consolidated entity performance and link to remuneration

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

Voting and comments made at the company's 2016 Annual General Meeting ('AGM')
The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 30 June 2016. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

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

The key management personnel of the group consisted of the following directors of Aguia Resources Limited:
- Justin Reid
- David Gower
- Brian Moller
- Alec Pismiris
- Paul Pint

And the following persons:
- Andrew Bursill - Company Secretary
- Catherine Stretch - Chief Commercial Officer
- Fernando Tallarico - Technical Director
- Ryan Ptolemy - Chief Financial Officer (appointed 1 April 2017)

Changes since the end of the reporting period:
On 6 July 2017, Ms Diane Lai joined as Non-Executive Director.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2017	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
David Gower	-	-	-	-	-	-	-
Brian Moller	40,000	-	-	-	-	-	40,000
Alec Pismiris	40,001	-	-	-	-	-	40,001
Executive Directors:							
Paul Pint	199,999	125,000	-	-	-	-	324,999
Justin Reid	349,004	175,000	-	-	-	-	524,004
Other Key Management Personnel:							
Catherine Stretch	152,997	50,000	-	-	-	15,400	218,397
Fernando Tallarico	254,303	52,900	-	-	-	21,560	328,763
Ryan Ptolemy *	4,466	-	-	-	-	5,114	9,580
Andrew Bursill	-	-	-	-	-	4,620	4,620
	1,040,770	402,900	-	-	-	46,694	1,490,364

* Appointed 1 April 2017

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

David Gower is not paid salary or fees but previously held shares in HFX Consultoria Empresarial Ltda, a Brazilian company which provides consultancy services to the consolidated entity (David Gower ceased to be a shareholder of HFX in 2016). Payments made to HFX Consultoria Empresarial Ltda in 2016 was $177,937. Services were provided on an arm’s length basis on normal commercial terms.

Fees and salaries for each director and key management personnel is paid through the following entities:
- o Justin Reid - EJ3 Consulting Inc
- o Catherine Stretch - Castara Management Inc
- o Paul Pint - Tarkus Consulting Inc
- o Alec Pismiris - Lexcon Services Pty Ltd
- o Fernando Tallarico - Metalica Consultoria e Serviços de Geologia
- o Ryan Ptolemy - 1809276 Ontario Inc

In addition to director fees disclosed in the table above, Brian Moller is a partner of HopgoodGanim law firm, who provides legal services to the company. The contract between the company and HopgoodGanim is based on normal commercial terms. Payments made to HopgoodGanim during the year were $27,013 (2016: $1,140).

Andrew Bursill, company secretary is also an associate of Franks & Associates Pty Ltd who provides accounting and company secretary services to the Company. The contract between the Company and Franks & Associates is based on normal commercial terms. Payments made to Franks & Associates Pty Ltd during the year were $98,904 (2016: $82,650).

Refer to note 21 for related party transactions.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2016	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
David Gower	-	-	-	-	-	16,692	16,692
Brian Moller	40,000	-	-	-	-	16,692	56,692
Alec Pismiris	40,000	-	-	-	-	16,692	56,692
Executive Directors:							
Paul Pint *	100,000	-	-	-	-	47,690	147,690
Justin Reid	320,870	200,000	-	-	-	71,535	592,405
Fernando Tallarico **	219,706	74,000	-	-	-	23,845	317,551
Other Key Management Personnel:							
Catherine Stretch	126,800	50,000	-	-	-	19,077	195,877
Andrew Bursill	-	-	-	-	-	14,308	14,308
	847,376	324,000	-	-	-	226,531	1,397,907

* Appointed 12 January 2016
** Resigned as Director 12 January 2016 - continues as Technical Director (KMP)

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

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2017	2016	2017	2016	2017	2016
Non-Executive Directors:						
David Gower	-	-	-	-	-	100%
Brian Moller	100%	71%	-	-	-	29%
Alec Pismiris	100%	71%	-	-	-	29%
Executive Directors:						
Justin Reid	67%	54%	33%	34%	-	12%
Paul Pint	62%	68%	38%	-	-	32%
Fernando Tallarico *	-	69%	-	23%	-	8%
Other Key Management Personnel:						
Catherine Stretch	70%	64%	23%	26%	7%	10%
Fernando Tallarico	77%	-	16%	-	7%	-
Ryan Ptolemy **	47%	-	-	-	53%	-
Andrew Bursill	-	-	-	-	100%	100%

* Resigned as Director 12 January 2016 - continues as Technical Director (KMP)
** Appointed 1 April 2017

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

Name:	Paul Pint
Title:	Executive Chairman
Agreement commenced:	12 January 2016
Term of agreement:	3 months' notice to company and 6 months' notice by company.
Details:	Annual remuneration of $200,000. Bonus as recommended and approved by the Board based on achievement of annual milestones. Mr Pint is also entitled to share based payment options subject to shareholders approval.

Name:	Justin Reid
Title:	Managing Director
Agreement commenced:	1 April 2015
Term of agreement:	3 months' notice to company and 6 months' notice by company.
Details:	Annual remuneration of $350,000. Bonus as recommended and approved by the Board based on achievement of annual milestones. Mr Reid is also entitled to share based payment options subject to shareholder approval.

Name:	Catherine Stretch
Title:	Chief Commercial Officer
Agreement commenced:	1 April 2015
Term of agreement:	3 months' notice to company and 6 months' notice by company.
Details:	Annual remuneration of $160,000. Bonus as recommended and approved by the Board based on achievement of annual milestones. Ms Stretch is also entitled to share based payment options subject to Board approval.

Name:	Fernando Tallarico
Title:	Technical Director
Agreement commenced:	1 April 2010
Term of agreement:	3 months' notice to company and 6 months' notice by company.
Details:	Annual remuneration of $280,000. Bonus as recommended and approved by the Board based on achievement of annual milestones. Mr. Tallarico is also entitled to share based payment options subject to Board approval.

Name:	Ryan Ptolemy
Title:	Chief Financial Officer
Agreement commenced:	1 April 2017
Term of agreement:	Month-to-month notice by the Company
Details:	Base fee of CAD$1,500 per month, subject to annual review. Entitlement to a cash bonus and/or options upon meeting KPIs prescribed by the Board

Non-executive director arrangements

Non-executive directors may receive a board fee. The total fees for the non-executive director is currently limited to $200,000 per annum. All non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2017.

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

Grant date	Vesting date and exercisable date	Expiry date	Exercise price *	Fair value per option at grant date
26/06/2015	26/06/2015	26/06/2018	$0.840	$0.058
27/11/2015	27/11/2015	27/11/2018	$1.100	$0.048
12/01/2016	07/12/2016	07/12/2019	$0.625	$0.048
19/12/2016	19/12/2016	16/12/2019	$0.600	$0.154
02/06/2017	02/06/2017	02/06/2020	$0.640	$0.205

* Exercise price has been updated for post consolidation of shares.

The options granted vest immediately and there are no vesting conditions attached to any of these options. Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2017 are set out below:

Name	Number of options granted during the year 2017	Number of options granted during the year 2016	Number of options vested during the year 2017	Number of options vested during the year 2016
David Gower	-	70,000	-	70,000
Fernando Tallarico	140,000	100,000	140,000	100,000
Brian Moller	-	70,000	-	70,000
Alec Pismiris	-	70,000	-	70,000
Justin Reid	-	300,000	-	300,000
Paul Pint **	200,000	-	200,000	-
Catherine Stretch	100,000	80,000	100,000	80,000
Andrew Bursill	30,000	60,000	30,000	60,000
Ryan Ptolemy	25,000	-	25,000	-

* Note above options have been adjusted to reflect the post consolidation of shares.

** Note that while Paul Pint's issue of options was formally approved at the 2016 AGM, the share-based payments relating to these options had been recognised in the 30 June 2016 financial statements.

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2017 are set out below.

Name	Grant date	Expiry date	Number of options granted	Value of options granted $	Value of options vested $	Percentage vested %
Fernando Tallarico	19/12/2016	16/12/2019	140,000	21,560	21,560	100
Catherine Stretch	19/12/2016	16/12/2019	100,000	15,400	15,400	100
Andrew Bursill	19/12/2016	16/12/2019	30,000	4,620	4,620	100
Ryan Ptolemy	02/06/2017	02/06/2020	25,000	5,114	5,114	100

* The above number of options has been adjusted to reflect the post consolidation of shares

Additional information

The earnings of the group for the five years to 30 June 2017 are summarised below:

	2017 $	2016 $	2015 $	2014 $	2013 $
Loss after income tax	(4,065,149)	(5,873,212)	(10,744,829)	(14,398,716)	(2,381,655)

The factors that are considered to affect total shareholders return ('TSR') are summarised below. None of these factors directly influence KMP remuneration:

	2017	2016	2015	2014	2013
Share price at financial year end ($)	0.42	0.60	0.80	0.20	0.30
Basic earnings per share (cents per share)	(4.87)	(8.25)	(21.60)	(37.85)	(10.05)

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Received as part of remuneration	Additions	Adjusted for consolidation	Balance at the end of the year
Ordinary shares					
David Gower *	1,260,167	-	-	(1,008,134)	252,033
Justin Reid	-	-	360,000	(288,000)	72,000
Fernando Tallarico	685,713	-	-	(548,570)	137,143
Brian Moller	350,000	-	50,000	(280,000)	120,000
Alec Pismiris	209,822	-	50,000	(167,856)	91,966
Catherine Stretch	18,293	-	-	(14,634)	3,659
Paul Pint	-	-	350,000	(280,000)	70,000
Andrew Bursill	50,000	-	-	(40,000)	10,000
Ryan Ptolemy **	602	-	-	-	602
	2,574,597	-	810,000	(2,627,194)	757,403

* Note that David Gower's ordinary shares held previously included indirect holdings from his interest in HFX Consultoria Empresarial Ltda (HFX). As David ceased to be a shareholder of HFX, the shares held by HFX has been removed from his holdings above.

** Balance commence from date of appointment

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

	Balance at the start of the year	Granted	Exercised	Expired/ Forfeited/ Other ***	Balance at the end of the year
Options over ordinary shares					
David Gower *	350,000	-	-	(330,000)	20,000
Fernando Tallarico	1,000,000	700,000	-	(1,460,000)	240,000
Brian Moller	600,000	-	(50,000)	(480,000)	70,000
Alec Pismiris	600,000	-	(50,000)	(480,000)	70,000
Justin Reid	2,850,000	-	-	(2,280,000)	570,000
Catherine Stretch	1,050,000	500,000	-	(1,240,000)	310,000
Paul Pint **	1,000,000	-	-	(800,000)	200,000
Andrew Bursill	300,000	150,000	-	(360,000)	90,000
Ryan Ptolemy	-	25,000	-	-	25,000
	7,750,000	1,375,000	(100,000)	(7,430,000)	1,595,000

* Note that David Gower's options over ordinary shares held previously included indirect holdings from his interest in HFX Consultoria Empresarial Ltda (HFX). As David ceased to be a shareholder of HFX, the options held by HFX has been removed from his holdings above.

** Note that the options approved at the 2016 AGM for Paul Pint was previously recognised in the 2016 Annual Report on the basis that the options were granted on his appointment and therefore excluded in 2017.

*** Other reflects the consolidation of the options as a result of the share consolidation approved by shareholders at an EGM held on 4 April 2017.

This concludes the remuneration report, which has been audited.

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

Grant date	Expiry date	Exercise price	Number under option
26 June 2015	26 June 2018	$0.840	400,000
30 September 2015	30 September 2018	$1.300	560,000
27 November 2015	27 November 2018	$1.100	614,000
7 December 2016	7 December 2019	$0.625	260,000
16 December 2016	16 December 2019	$0.600	810,000
2 June 2017	2 June 2020	$0.640	120,000
30 June 2017 - 7 July 2017 *	30 June 2020	C$0.650	13,180,418
27 July 2017	28 July 2020	$0.540	150,000
			16,094,418

* Exercise price is in Canadian dollars

All of above options are unlisted. No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate. The options do not carry any voting and dividend rights.

Shares issued on the exercise of options
The following ordinary shares of Aguia Resources Limited were issued during the year ended 30 June 2017 and up to the date of this report on the exercise of options granted:

Date options granted	Date options exercised	Exercise price	Number of shares issued
7 July 2014	30 April 2017	$0.420	471,695

* Note exercise price reflects the share price post-consolidation of shares.

Indemnity and insurance of officers
The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During the financial year, the consolidated entity paid a premium of $14,281 in respect of directors and officers liability insurance.

Indemnity and insurance of auditor
To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young during or since the financial year.

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

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

Officers of the company who are former partners of Ernst & Young
There are no officers of the company who are former partners of Ernst & Young.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

Justin Reid
Managing Director

28 September 2017
Sydney

Ernst & Young
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Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Auditor's Independence Declaration to the Directors of Aguia Resources Limited

As lead auditor for the audit of Aguia Resources Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aguia Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ryan Fisk
Partner
28 September 2017

REVIEW OF OPERATIONS

Over the past year, Aguia has continued to focus on advancing the development of its flagship Rio Grande phosphate assets and in particular advancing the Três Estradas phosphate deposit located in the state of Rio Grande do Sul in Southern Brazil (Figure 1).

Southern Brazil is a major farming region which currently imports 100% of its phosrock requirements. There are currently no phosphate mines in the region and none scheduled to be built in the foreseeable future other than Aguia's planned development of Três Estradas. Aguia's landholding in Rio Grande do Sul currently totals about 80,850 hectares. Três Estradas has well-developed infrastructure with access to excellent roads, rail, power, port and utilities.

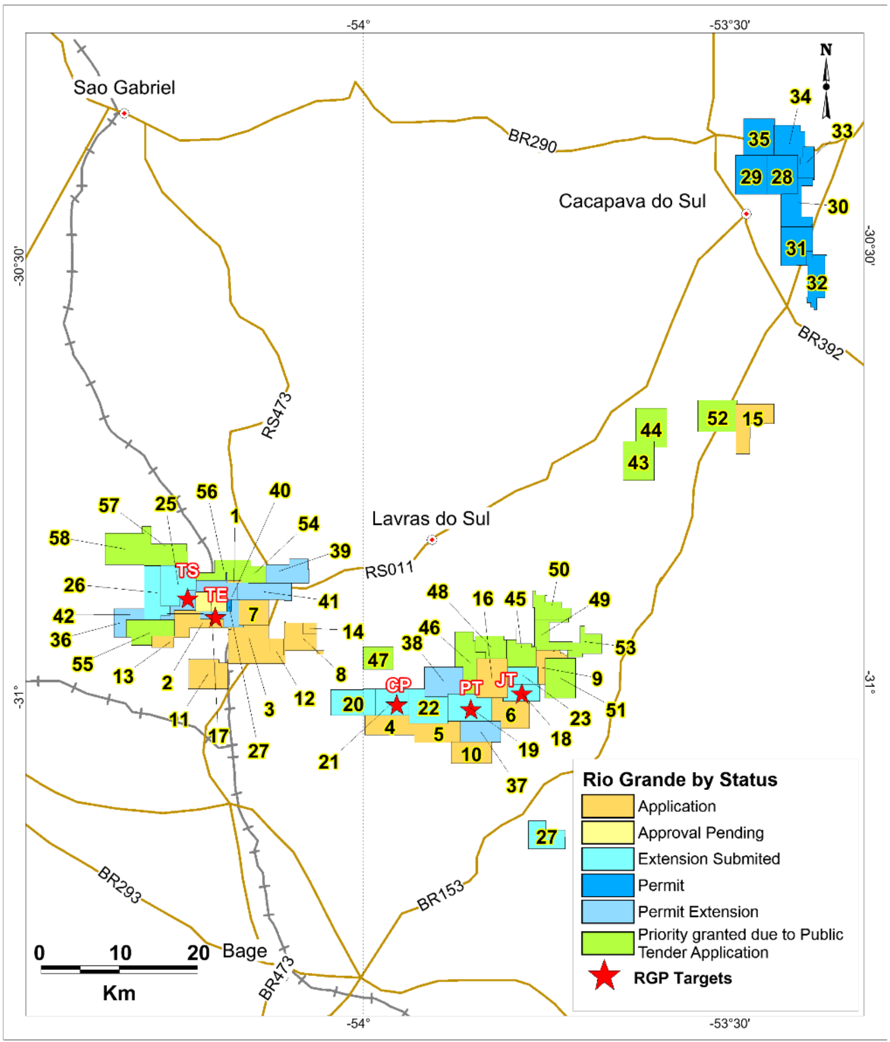

Figure 1: Rio Grande Tenement Map and Key Prospects

TRÊS ESTRADAS DEPOSIT

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

Infill Drilling at Três Estradas

The infill drilling that took place between December 2016 and April 2017 returned grades and thicknesses predicted in Aguia's model for Três Estradas with the goal of converting Inferred Resources to the Measured and Indicated categories. The program demonstrated that the mineralised carbonatite is very consistent and continuous both along strike and at depth and that certain parts of the deposit were thicker than predicted in the previous resource model.

More than 14,000 metres were drilled, which included 9,708 metres of diamond drilling and 4,496 metres of reverse circulation drilling.

Discovery of New Carbonatite Zone

In February 2017, drilling along the southeast sector of Três Estradas found a new carbonatite zone between sections 700NE and 1,200NE. This new and shallow mineralised zone was intercepted in the first 100 metres from surface and is open at depth. The newly identified shallow mineralisation has expanded the interpretation of Aguia's model for Três Estradas and suggests a structural connection by folding to the previously known carbonatite zones.

As a result, the drill program was expanded to map the extension and thickness of this new carbonatite zone. The potential impact of this new zone could be significant to the overall project as it has the potential to add shallow carbonatite tonnes to the model and potentially positively influence the pit design, decrease the strip ratio, and ultimately reduce mining costs. Drilling has identified continuity of this zone for at least 700 metres of strike with the NE extension remaining fully open. Aguia made the decision to cease drilling at the 700-metre strike extension mark to focus on infill drilling.

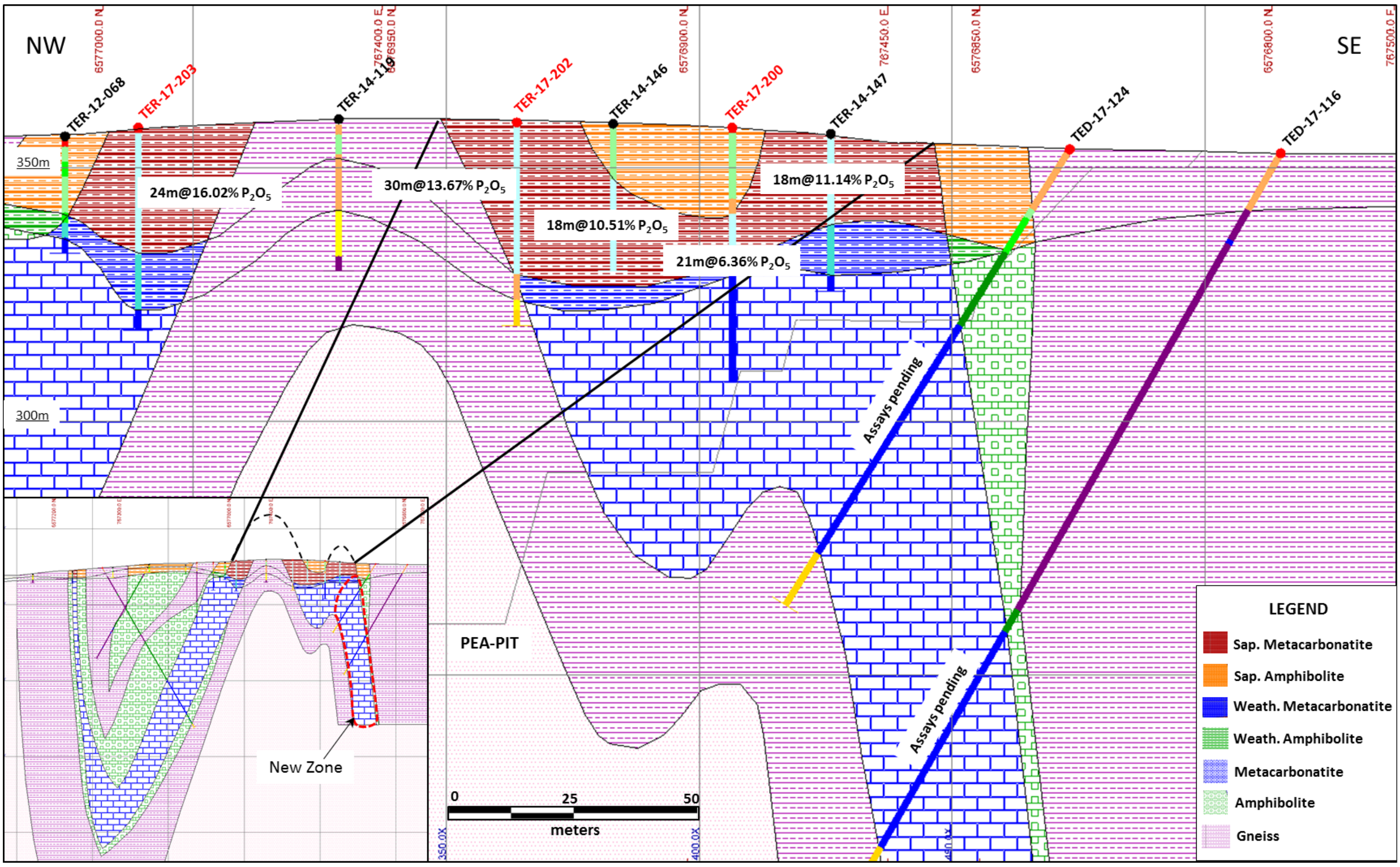

Figure 2: Drilling section 950NE of the Três Estradas Deposit, showing the recently discovered new mineralisation zone as outlined in red in the inset picture.

New Mineral Resource Statement

The highly successful infill drilling campaign and discovery of the new limb resulted in a substantial upgrade to Aguia's Mineral Resource Statement subsequent to year end. The new Mineral Resource is estimated at total Measured and Indicated resource of 83 million tonnes grading 4.1% P_2O_5, using a cut-off grade of 3% P_2O_5 and an additional 21.8 million tonnes grading 3.7% in the inferred category. This included:

- Measured and Indicated resource of oxidized material occurring at surface of 5.3 million tonnes grading 8.8% P_2O_5, using a cut-off grade of 3% P_2O_5.
- Measured and Indicated resource of fresh rock located immediately under the oxidized material of 77.9 million tonnes grading 3.8% P_2O_5, using a cut-off grade of 3% P_2O_5.

The Measured and Indicated resources could support five years of production mining oxidized material and an additional 15 years mining fresh rock at a production rate of 300 thousand tonnes per year of phosphate concentrate.

With a 41% larger resource, the Company has the option to select a higher cut-off grade as feedstock for the planned operation, which subject to completion of the ongoing Bankable Feasibility Study ("BFS"), is anticipated to have an annual output of 300,000 tpy of phosphate concentrate.

Table 1: Mineral Resource Statement*, Três Estradas Phosphate Project, Rio Grande do Sul, Brazil September 19, 2017

		Tonnage (Tx1,000)	P_2O_5%	CaO%	MgO%	Fe_2O_3%	SiO_2%	Al_2O_3%
Oxidized	Measured	851	9.95	17.72	5.69	18.53	29.19	4.84
	Indicated	4,487	8.60	15.55	5.01	18.01	32.84	6.22
	Total Measured & Indicated	5,338	8.81	15.90	5.12	18.09	32.26	6.00
	Inferred	45	5.41	20.17	5.61	12.17	29.81	6.80
Fresh Rock	Measured	35,345	3.87	33.97	8.06	8.16	11.68	1.98
	Indicated	42,527	3.72	33.43	7.66	8.19	13.60	2.60
	Total Measured & Indicated	77,872	3.78	33.67	7.84	8.18	12.73	2.31
	Inferred	21,800	3.66	33.65	8.06	7.94	12.94	2.36
Grand Total Measured & Indicated		83,210	4.11	32.53	7.67	8.81	13.98	2.55
Grand Total Inferred		21,845	3.67	33.62	8.06	7.95	12.98	2.36

* Mineral Resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect relative accuracy of the estimates. The mineral resources are reported within a conceptual pit shell using a cut-off grade of 3.0% for all mineralized domains. Optimization parameters include a mining recovery of 100%, 0% dilution, process recovery of 87% P_2O_5 for saprolites and 80% P_2O_5 recovery for fresh rock, concentrate grade of 35.0% for saprolite and 32.0% for fresh rock, pit slopes of 34° for saprolite/51° & 55° for fresh rock, selling price of US$215 for P_2O_5 concentrate and exchange rate of 3.2 R$ to US$.

Table 2: Change in Mineral Resource Statement from June 24, 2016 to September 19, 2017

	Mineral Resource June 24, 2016	Mineral Resource September 19, 2017	Total Change	% Change
	Tonnage (T x 1000)			
Measured	745	36,196	+35,451	+4758%
Indicated	15,070	47,014	+31,944	+212%
Inferred	58,891	21,845	-37,046	-63%

Engineering Trade-Off Studies

In June 2017, Aguia published results of optimised engineering trade-off studies that were undertaken on the Três Estradas Project as part of the work to prepare the Bankable Feasibility Study. Aguia has engaged a highly experienced team of 11 consultants and engineering companies to prepare the BFS of the Três Estradas Phosphate Project.

This team of contractors and consultants are working together under Aguia's coordination and are delivering significant improvements for the detailed engineering of the project. To date these have included:

- Reducing the target run of mine (ROM) from 4.5 mtpy to 3.0 mtpy and capping the phosrock production at 300ktpy. This may contribute to maximising the project value for shareholders while providing a seamless integration into the southern Brazil phosphate market.
- Phasing the construction of the plant by mining the high-grade ore during the initial years of operation and scaling production at the commencement of operations to initially focus on the oxide feed. This may result in reductions to processing infrastructure including tailings impoundment, water dams, waste rock storage and, and the overall site footprint. It is anticipated that phased production may allow for internal cash flow to pay for the remaining CAPEX required to upsize the operation when it transitions from mining the oxide ore to phase two of development and production from fresh rock carbonatite sources.
- Reducing OPEX through a cheaper source of energy. The trade-off study confirmed thermal coal produced in the area is the best energy solution for drying the phosrock, instead of diesel as contemplated in the PEA. Long term supply of coal is readily available in the region.

Environmental Impact Assessment

In the fourth quarter of 2016, Aguia completed the Environmental Impact Assessment (EIA) for the Três Estradas Phosphate Project. This extensive study was compiled in a final report that was filed and presented to the Rio Grande State Environmental Agency FEPAM. Approval of the EIA is expected in the first half of 2018 will result in the awarding of the Preliminary License ("LP").

The Preliminary License is considered the major milestone in the development of a mining project in Brazil and represents a substantial de-risking in the path to construction and production. This is the phase of permitting where all of the technical data relating to the environmental impact assessment is presented and the community consultations are completed to provide the social license to proceed to installation and operating permits.

As a result of trade-off studies Aguia conducted which support a phased project approach, the proposed mine site was completely revised, supported by systematic geotechnical drilling and modeling by Walm. Recirculation of process water, and other engineering improvements allow for the water reservoir to be reduced 74%, the tailings dam to be reduced 56% and the waste piles to be reduced 38%. This significant reduction of the project footprint triggered a requirement for a revision and update to the EIA, which was submitted to FEPAM.

Aguia Named a Priority Project by the State

In March 2017, the Três Estradas Phosphate project was named a priority project of the *Sala do Investidor* of the Secretary of Economic Development of the Rio Grande do Sul State.

The objective of the *Sala do Investidor* is to put management of projects considered a State priority directly in contact with the senior levels of Government, including the Secretary of Mining and Energy, the Secretary of Treasury and Taxation, Fepam the State Environmental Agency and CEEE the State Electrical Power Company, among others. The *Sala do Investidor* coordinates the various stages of the project where government action or regulation is required, including not only interaction with State Secretaries and Agencies, but also identifying financing options via Banrisul the local development bank and coordinating with the Municipal Government. Each priority project has a Manager that is responsible for monitoring the stages of the project and providing guidance on taxation and fiscal incentives, financing options, environmental permitting, logistics and infrastructure.

LUCENA PHOSPHATE PROJECT

The Lucena Phosphate Project, comprised of 48 tenements and applications for 345.5km^2, contains an initial JORC compliant Inferred Mineral Resource of 55Mt grading 6.42% P_2O_5 in the state of Paraiba in north eastern Brazil. A feature of the Lucena tenement is outcropping limestone, which is a potential commercialisation opportunity given the presence of a number of cement plants in the region.

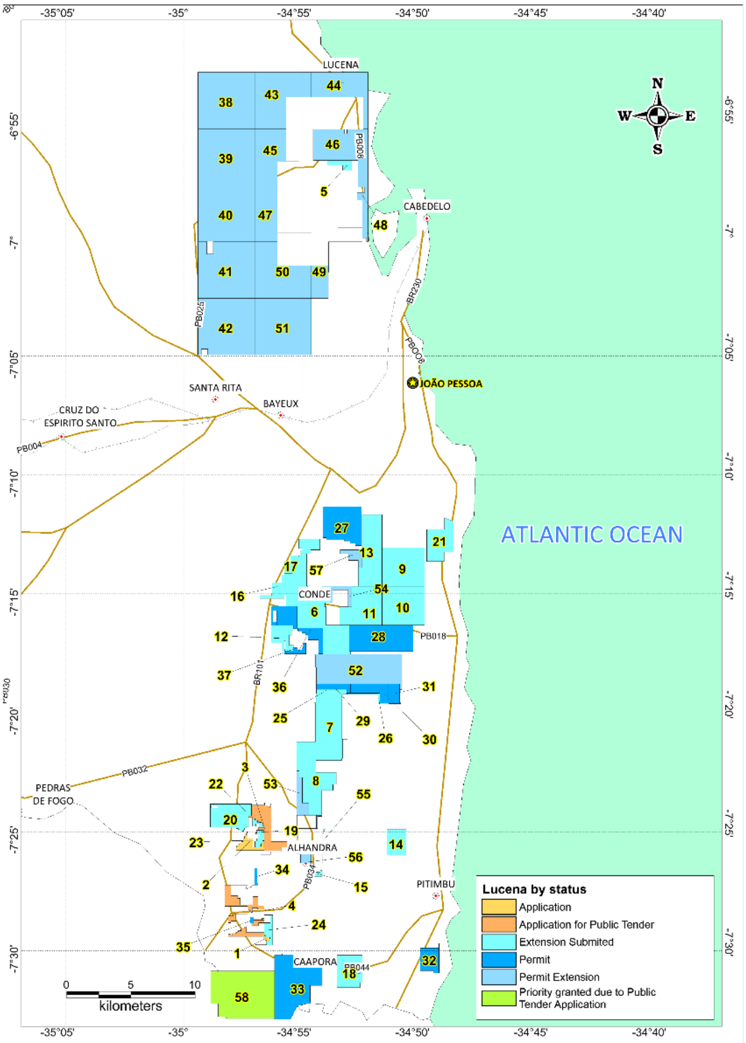

Figure 3: Lucena Tenement Map and Key Prospects

CORPORATE ACTIVITIES UPDATE

In March 2017, Aguia announced that it had commenced the application process to become a listed issuer on the TSX Venture Exchange ("TSXV") in Canada. To prepare for a TSXV listing, the Company held an Extraordinary General Meeting ("EGM") on 4 April 2017, at which Aguia shareholders voted overwhelmingly in favour of resolutions that better positioned the Company for the TSXV listing.

Shareholders voted in favour of a resolution to consolidate the outstanding shares, making the Company's capital structure and share price more appropriate for the TSXV. Under the approved consolidation, every 5 existing Aguia shares were consolidated into 1 Aguia share and by the same token the value of each new share was multiplied 5X its pre-consolidation price. The same consolidation was applied to any options outstanding at the time. Trading on a consolidated basis took effect on April 20th, 2017.

Between June 30 and July 7, 2017, Aguia completed a brokered private placement offering consisting of the sale of an aggregate of 26,360,835 units of the Company at a price of $0.40 per unit for gross proceeds of $10,544,334. Each unit was comprised of one ordinary share of the Company and one-half of one share purchase warrant. Each whole warrant is exercisable at a price of C$0.65 per ordinary share of the Company until June 30, 2020.

Having satisfied the conditions for listing the Company's ordinary shares on the TSXV, Aguia's shares began trading on the TSXV on July 6th, 2017 under the ticker symbol "**AGRL**."

General information

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

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

Registered office	Principal place of business
Suite 2 Level 10 70 Phillip Street, Sydney NSW 2000	Rua Antonio de Albuquerque n°156 1504 Bairro Savassi – Belo Horizonte / MG – Brazil CEP: 30112-010

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 September 2017.

Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the company's website: http://aguiaresources.com.au

	Note	Consolidated 2017 $	2016 $
Other income	4	215,326	58,858
Expenses			
Employee benefits expense	5	(355,765)	(196,579)
Share based payments		(161,694)	(327,631)
Depreciation and amortisation expense		(17,531)	(19,264)
Impairment of exploration assets	9	-	(3,194,182)
Corporate expenses		(1,433,106)	(1,130,931)
Exploration costs	5	(412,877)	(126)
Business development costs		(633,780)	(561,785)
Legal and professional		(381,703)	(146,636)
Administrative expense		(884,019)	(322,080)
Finance costs		-	(32,856)
Loss before income tax expense		(4,065,149)	(5,873,212)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Aguia Resources Limited		(4,065,149)	(5,873,212)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,076,625)	598,018
Other comprehensive income for the year, net of tax		(1,076,625)	598,018
Total comprehensive income / (loss) for the year attributable to the owners of Aguia Resources Limited		(5,141,774)	(5,275,194)
		Cents	**Cents**
Basic earnings per share	26	(4.87)	(8.25)
Diluted earnings per share	26	(4.87)	(8.25)

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

Aguia Resources Limited
Statement of financial position
As at 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Assets			
Current assets			
Cash and cash equivalents	7	6,731,733	2,900,765
Trade and other receivables	8	136,307	166,375
Total current assets		6,868,040	3,067,140
Non-current assets			
Property, plant and equipment		57,479	51,870
Exploration and evaluation	9	27,242,357	21,738,665
Total non-current assets		27,299,836	21,790,535
Total assets		34,167,876	24,857,675
Liabilities			
Current liabilities			
Trade and other payables	10	1,354,235	567,375
Borrowings	11	-	213,949
Derivative financial instruments	12	1,522,117	-
Total current liabilities		2,876,352	781,324
Total liabilities		2,876,352	781,324
Net assets		31,291,524	24,076,351
Equity			
Issued capital	13	93,849,407	81,895,554
Reserves	14	(1,927,956)	(1,013,025)
Accumulated losses		(60,629,927)	(56,806,178)
Total equity		31,291,524	24,076,351

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

Aguia Resources Limited
Statement of changes in equity
For the year ended 30 June 2017

Consolidated	**Ordinary shares $**	**Performance shares $**	**Reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2015	72,671,289	241,400	(1,971,174)	(50,932,966)	20,008,549
Loss after income tax expense for the year	-	-	-	(5,873,212)	(5,873,212)
Other comprehensive income/(loss) for the year, net of tax	-	-	598,018	-	598,018
Total comprehensive income/(loss) for the year	-	-	598,018	(5,873,212)	(5,275,194)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 13)	8,982,865	-	-	-	8,982,865
Share-based payments (note 27)	-	-	327,631	-	327,631
Capital contribution	-	-	32,500	-	32,500
Balance at 30 June 2016	81,654,154	241,400	(1,013,025)	(56,806,178)	24,076,351

Consolidated	**Ordinary shares $**	**Performance shares $**	**Reserves $**	**Accumulated reserves $**	**Total equity $**
Balance at 1 July 2016	81,654,154	241,400	(1,013,025)	(56,806,178)	24,076,351
Loss after income tax expense for the year	-	-	-	(4,065,149)	(4,065,149)
Other comprehensive income/(loss)for the year, net of tax	-	-	(1,076,625)	-	(1,076,625)
Total comprehensive income/(loss) for the year	-	-	(1,076,625)	(4,065,149)	(5,141,774)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 13)	12,195,253	-	-	-	12,195,253
Share-based payments (note 27)	-	-	161,694	-	161,694
Lapse of performance shares	-	(241,400)	-	241,400	-
Balance at 30 June 2017	93,849,407	-	(1,927,956)	(60,629,927)	31,291,524

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

Aguia Resources Limited
Statement of cash flows
For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Cash flows from operating activities			
Receipt from Vicenza option payment		187,405	-
Payments to suppliers and employees		(3,978,172)	(2,404,590)
Interest received		27,921	58,858
Net cash used in operating activities	25	(3,762,846)	(2,345,732)
Cash flows from investing activities			
Payments for exploration and evaluation		(6,623,985)	(3,656,621)
Net cash used in investing activities		(6,623,985)	(3,656,621)
Cash flows from financing activities			
Proceeds from issue of capital	13	14,928,447	9,543,009
Share issue transaction costs		(485,895)	(560,144)
Repayment / Proceeds from borrowings		(213,949)	(786,051)
Net cash from financing activities		14,228,603	8,196,814
Net increase in cash and cash equivalents		3,841,772	2,194,461
Cash and cash equivalents at the beginning of the financial year		2,900,765	709,834
Effects of exchange rate changes on cash and cash equivalents		(10,804)	(3,530)
Cash and cash equivalents at the end of the financial year	7	6,731,733	2,900,765

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

Note 1. Significant accounting policies

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

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

Historical cost convention
The financial statements have been prepared under the historical cost convention except for derivative financial instruments that have been measured at fair value (refer to note 12).

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

Going concern
The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated entity has incurred net losses after tax of $4,065,149 (2016: $5,873,212) and net cash outflows from operating and investing activities of $10,386,831 (2016: $5,952,668) for the year ended 30 June 2017.

The directors have prepared a cash flow forecasts indicating that the consolidated entity will be able to fund its minimum committed exploration expenditures, and other principal activities and working capital requirements through to 30 September 2018 without the need to carry additional capital raising. This forecast includes the capital raising completed on 7 July 2017 in which Company completed the final tranche raising total gross proceeds of C$10,544,334 from 30 June 2017 to 7 July 2017.

Based on the cash flow forecasts and current (28 September 2017) cash position, the directors are confident that the consolidated entity will be able to continue as a going concern.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 22.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Aguia Resources Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Aguia Resources Limited and its subsidiaries together are referred to in these financial statements as the 'group' or 'consolidated entity'.

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

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

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

Plant and equipment	3-5 years

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

Finance costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

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

Note 1. Significant accounting policies (continued)

Earnings per share

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

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

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

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

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

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

New standards, interpretations and amendments adopted by the Group
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2016, except for the adoption of the following new standards and interpretations effective as of 1 July 2016:

- AASB 14 Regulatory Deferral Accounts
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle – AASB 5, AASB 7, AASB 119 and AASB 134
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception

The adoption of these amendments did not have any material impact on the financial position or performance of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2017. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

Note 1. Significant accounting policies (continued)

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This standard applies to annual reporting periods beginning on or after 1 January 2017. The Group is in the process of determining the potential impact of the amendments on the Group’s financial report.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
This standard amends AASB 2 Share-based Payments, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for the:
- Effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments
- Share-based payment transactions with a net settlement feature for withholding tax obligations
- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

This standard applies to annual reporting periods beginning on or after 1 January 2018. The Group is in the process of determining the potential impact of the amendments on the Group’s financial report.

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

AASB / IFRS 15 Revenue from Contracts with Customers
AASB / IFRS 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The Group is in the process of determining the potential impact of the new standard on the Group’s financial report. This standard applies to annual reporting periods beginning on or after 1 January 2018. There is currently no revenue stream from operations within the Group, therefore it is expected that there will be no material impact of the above standard to the Group. This will be reassessed should the company begin deriving revenue from operations.

Note 1. Significant accounting policies (continued)

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

Note 2. Critical accounting judgements, estimates and assumptions

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

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

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

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment being mining and exploration in Brazil. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM comprises mainly direct exploration expenditure in assessing performance and allocation of resources and as such no segment result or segment revenues are disclosed. All the company's non-current assets (including exploration assets) are held in Brazil.

The information reported to the CODM is on a monthly basis.

Note 4. Other income

	Consolidated	
	2017 $	2016 $
Interest	27,921	58,858
Vicenza option payment *	187,405	-
Other income	215,326	58,858

* The Mata da Corda tenements were subject to an Option Agreement between Aguia and Vicenza Mineração e Participações S.A. (“Vicenza”) under which all of the Mata da Corda tenements had previously been transferred to Vicenza. The Option Agreement was terminated during the second quarter and Vicenza made a final payment to Aguia of $187,405.

Note 5. Expenses

	Consolidated	
	2017 $	2016 $
Loss before income tax includes the following specific expenses:		
Exploration costs		
Exploration expenses	412,877	126
Employee benefit expense		
Wages and salaries	355,765	196,579

Note 6. Income tax benefit

	Consolidated 2017 $	Consolidated 2016 $
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax expense	(4,065,149)	(5,873,212)
Tax at the statutory tax rate of 27.5% (2016: 30%)	(1,117,916)	(1,761,964)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenditure not allowable for income tax purposes	48,508	1,056,544
	(1,069,408)	(705,420)
Current year tax losses not recognised	1,069,408	705,420
Income tax benefit	-	-

	Consolidated 2017 $	Consolidated 2016 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	12,288,800	8,385,343
Potential tax benefit @ 27.5% (2016: 30%)	3,379,420	2,515,603

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

Note 7. Current assets - Cash and cash equivalents

	Consolidated 2017 $	Consolidated 2016 $
Cash at bank	6,731,733	2,900,765

Note 8. Current assets - Trade and other receivables

	Consolidated 2017 $	Consolidated 2016 $
Other receivables	112,455	113,043
Prepayments	23,852	53,332
	136,307	166,375

Note 9. Non-current assets - exploration and evaluation

	Consolidated 2017 $	Consolidated 2016 $
Brazilian Phosphate project - at cost	39,902,994	34,399,302
Less: Impairment	(12,660,637)	(12,660,637)
	27,242,357	21,738,665

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

Consolidated	Exploration & evaluation $	Total $
Balance at 1 July 2015	21,039,712	21,039,712
Expenditure during the year	3,291,563	3,291,563
Exchange differences	601,572	601,572
Impairment of assets	(3,194,182)	(3,194,182)
Balance at 30 June 2016	21,738,665	21,738,665
Additions	6,593,029	6,593,029
Exchange differences	(1,089,337)	(1,089,337)
Balance at 30 June 2017	27,242,357	27,242,357

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

During the year ended 30 June 2016, Management carried out an in-depth analysis and determined that these properties were not worth pursuing further and the Company terminated its option to acquire all of the outstanding securities of Enigma BVI. As a result a full impairment has been recognised on this project.

Note 10. Current liabilities - Trade and other payables

	Consolidated 2017 $	Consolidated 2016 $
Trade payables	247,662	299,757
Accrued expenses	994,078	206,656
Other payables	112,495	60,962
	1,354,235	567,375

Refer to note 16 for further information on financial instruments.

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

Note 11. Current liabilities - Borrowings

	Consolidated 2017 $	Consolidated 2016 $
Related party loan	-	213,949

Refer to note 16 for further information on financial instruments.

The Company secured a line of credit facility of $1,000,000 on commercially attractive terms with Forbes Emprendimentos Ltda, a company associated with three of its current/former directors, Prakash Hariharan, David Gower and Fernando Tallarico. Interest is charged at 1% p.a. The loan was fully drawn down as at 31 December 2014. The debt was due on 31 December 2015 and the Company repaid $786,051 in the financial year 2016 with the remaining balance of $213,949 being paid on 29 July 2016.

Note 12. Current liabilities - derivative financial instruments

	Consolidated 2017 $	Consolidated 2016 $
Warrants	1,522,117	-

Refer to note 16 for further information on financial instruments.

Refer to note 17 for further information on fair value measurement.

As at 30 June 2017, a total of 7,512,917 options with the expiry date of 30 June 2020 were issued in the two tranches in relation to capital raising where the cash was received before 30 June 2017. This represents the 1 for 2 ratio for warrants based on the issued 15,025,835 shares. The exercise price for these options are denominated in Canadian dollars. As the warrants are denominated in foreign currency the value of these warrants is recorded as a derivative financial liability.

Using the Black-Scholes model, these warrants have a fair value of A$0.2026 each for a total value of $1,522,117 as at 30 June 2017.

Note 13. Equity - Issued capital

	Consolidated 2017 Shares	Consolidated 2016 Shares	Consolidated 2017 $	Consolidated 2016 $
Ordinary shares - fully paid	105,863,326	366,828,270	93,849,407	81,654,154
AGRAU PAC performance shares	-	1,547,431	-	241,400
	105,863,326	368,375,701	93,849,407	81,895,554

Note 13. Equity - Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2015	310,094,865		72,671,289
Share issue	8 September 2015	55,900,564	$0.170	9,503,096
Share issue	8 September 2015	682,841	$0.040	27,313
Options exercised	6 October 2015	150,000	$0.084	12,600
Transaction costs		-	$0.000	(560,144)
Balance	30 June 2016	366,828,270		81,654,154
Share issued	25 November 2016	85,000,000	$0.100	8,500,000
Consolidation of shares	19 April 2017	(361,462,474)	$0.000	-
Options exercised	5 May 2017	471,695	$0.420	198,112
Shares issued	30 June 2017	11,750,835	$0.400	4,700,335
Shares issued (completed on 3 July 2017)	30 June 2017	3,275,000	$0.400	1,310,000
Derivative financial liability - warrant (see Note 12)	30 June 2017	-	$0.000	(1,522,117)
Share issue costs		-	$0.000	(991,077)
Balance	30 June 2017	105,863,326		93,849,407

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

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

On 19 April 2017, the Company completed its consolidation of shares at a ratio of 5 to 1.

In June 2017, the Company issued warrants together with its ordinary shares as part of its share placement. As these warrants are exercisable in Canadian dollars which is not the entity's functional currency, this give rises to derivative financial liability - see Note 12 for further details.

Performance shares- PAC
80,000,000 AGRAU (Class A, Class B, and Class C) performance shares ("PAC performance shares") were issued as part of the consideration of the assets of Potassio do Atlantico Ltda on 6 July 2011 and were escrowed until 6 July 2012. As at 30 June 2016, the Company only had PAC Class C remaining. These performance shares were unquoted and do not entitle the holder to participate in dividends or to the right to vote. Upon achieving set milestones prior to their expiry date, each performance share will generally convert into one ordinary share. If the milestones are not met, the company will, as soon as reasonably practical and in any event no later than 90 days after the expiry date, convert the total number of performance shares on issue into one ordinary share.

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

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

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

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

Note 13. Equity - Issued capital (continued)

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

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

The consolidated entity is not subject to financing arrangements covenants.

Note 14. Equity - Reserves

	Consolidated 2017 $	Consolidated 2016 $
Foreign currency reserve	(5,869,370)	(4,792,745)
Share-based payments reserve	3,859,229	3,697,535
Capital contribution reserve	82,185	82,185
	(1,927,956)	(1,013,025)

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

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

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

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

Consolidated	Capital contribution $	Share-based payments $	Foreign currency $	Total $
Balance at 1 July 2015	49,685	3,369,904	(5,390,763)	(1,971,174)
Foreign currency translation	-	-	598,018	598,018
Share-based payments	-	327,631	-	327,631
Capital contribution	32,500	-	-	32,500
Balance at 30 June 2016	82,185	3,697,535	(4,792,745)	(1,013,025)
Foreign currency translation	-	-	(1,076,625)	(1,076,625)
Share-based payments	-	161,694	-	161,694
Balance at 30 June 2017	82,185	3,859,229	(5,869,370)	(1,927,956)

Note 15. Equity - Dividends

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

Note 16. Financial instruments

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

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

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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

The entity does not carry in its books any foreign currency other than is functional currency and therefore the risk associated with foreign currency risk is deemed to be minimal.

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

Interest rate risk
The group's main interest rate risk arises from short-term deposits with a floating interest rate. As at the reporting date, the group did not have any significant funds on deposit therefore interest rate risk is minimal.

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

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

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

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

Note 16. Financial instruments (continued)

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

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	247,662	-	-	-	247,662
Other payables	-	112,495	-	-	-	112,495
Accruals	-	994,078	-	-	-	994,078
Total non-derivatives		1,354,235	-	-	-	1,354,235

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	299,757	-	-	-	299,757
Other payables	-	60,962	-	-	-	60,962
Accruals	-	206,656	-	-	-	206,656
Interest-bearing - fixed rate						
Related party loan	1.00%	213,949	-	-	-	213,949
Total non-derivatives		781,324	-	-	-	781,324

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

Note 17. Fair value measurement

Fair value hierarchy
The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative financial liability	-	1,522,117	-	1,522,117
Total liabilities	-	1,522,117	-	1,522,117

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 17. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2
Derivative financial instruments have been valued using the Black Scholes model. This valuation technique maximises the use of observable market data where it is available (including quoted market rates) and relies as little as possible on entity specific estimates.

Note 18. Key management personnel disclosures

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

	Consolidated	
	2017 $	2016 $
Short-term employee benefits	1,443,670	1,171,376
Share-based payments	46,694	226,531
	1,490,364	1,397,907

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company, and its network firms:

	Consolidated	
	2017 $	2016 $
Audit services - Ernst & Young (2016: Deloitte Touche Tohmatsu)		
Audit or review of the financial statements	64,000	39,000
Audit services - network firms - Ernst & Young Brazil (2016: Deloitte Touche Tohmatsu Brazil)		
Audit or review of the financial statements	40,666	35,336

Note 20. Contingent liabilities

The consolidated entity's Brazilian subsidiary, Potassio do Atlantico Ltda, has reached a settlement on legal action involving the alleged breach of a contract for drilling services with Prest Perfuracoes Limitada undertaken in the first half of 2012 on some of Potassion do Atlantico Ltda's potash assets. The provider of drilling services was seeking damages of approximately $2.15 million for this alleged breach. On 13 September 2016, the Company reached a settlement over the legal dispute. Under the settlement the Company paid the other party a total of A$407,080 (R$1 million) in three instalments between 30 September to 15 December 2016. This is recognised in the exploration expenditure expensed in the statement of comprehensive income. This dispute is now concluded and there are no further payments owing.

Note 21. Related party transactions

Parent entity
Aguia Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 23.

Key management personnel
Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the directors' report.

Note 21. Related party transactions (continued)

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

	Consolidated	
	2017	**2016**
	$	**$**
Payment for goods and services:		
Payment for consulting services from HFX Consultoria Empresarial Ltda of which Mr David Gower was a shareholder (note that Mr David Gower no longer a shareholder in 2017).	-	177,937
Payment for legal services from HopgoodGanim of which Mr Brian Moller is a partner.	27,013	1,140
Payment for accounting and company secretary services from Franks & Associates Pty Ltd of which Mr Andrew Bursill is an associate.	98,904	82,650

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2017	**2016**
	$	**$**
Current payables:		
Payable to key management personnel for fees and remuneration	43,000	-

Loans to/from related parties
Refer to note 11.

Terms and conditions
As disclosed in Note 11, the company secured a line of credit facility of $1,000,000 on commercially attractive terms with Forbes Emprendimentos Ltda, a company associated with three of its current/former directors, Prakash Hariharan, David Gower and Fernando Tallarico. Interest is charged at 1% per annum. The balance owing on the loan at 30 June 2017 was $nil (2016: $213,949).

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

Note 22. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2017	**2016**
	$	**$**
Loss after income tax	(6,513,092)	(5,516,435)
Total comprehensive income	(6,513,092)	(5,516,435)

Note 22. Parent entity information (continued)

Statement of financial position

	Parent 2017 $	Parent 2016 $
Total current assets	6,516,212	2,566,143
Total assets	33,758,569	25,401,473
Total current liabilities	2,547,554	208,644
Total liabilities	2,547,554	208,644
Equity		
Issued capital	93,849,407	81,895,554
Share-based payments reserve	3,859,229	3,649,845
Capital contribution reserve	82,185	82,185
Accumulated losses	(66,579,806)	(60,434,755)
Total equity	31,211,015	25,192,829

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2016.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017 and 30 June 2016.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 23. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2017 %	Ownership interest 2016 %
Aguia Mining Pty Ltd	Australia	100.00%	100.00%
Aguia Phosphates Pty Ltd	Australia	100.00%	100.00%
Aguia Potash Pty Ltd	Australia	100.00%	100.00%
Aguia Metais Ltda	Brazil	100.00%	100.00%
Potassio do Atlantico Ltda	Brazil	100.00%	100.00%
Aguia Rio Grande Mineracao Ltda	Brazil	100.00%	100.00%
Aguia Fertilizantes S.A.*	Brazil	49.00%	49.00%

* Controlled by the parent entity through the entity's board of directors.

Note 24. Events after the reporting period

On 3 July 2017, the Company issued 8,275,000 ordinary shares at $0.40 per share and unlisted share purchase warrants exercisable at C$0.65 per share with an expiry date 3 years from date of issue.

On 6 July 2017, the Company received confirmation from the TSX Venture Exchange (the "TSXV") that the conditions for listing the Company's ordinary shares for trading on the TSXV (the "Listing") have been satisfied. The TSXV has issued its final Exchange Bulletin on 5 July 2017 confirming the Listing of the Company's ordinary shares. The Company's ordinary shares commenced trading on the TSXV on 6 July 2017 under the ticker symbol "AGRL."

On 7 July 2017, the Company appointed Diane Lai as a Non-Executive Director.

On 7 July 2017, Company completed the final tranche of its previously announced brokered private placement offering. The private placement was closed in three tranches between 30 June and 7 July 2017, and consisted of the sale of an aggregate of 26,360,835 units of the Company at a price of $0.40 per unit for gross proceeds of C$10,544,334. Each unit is comprised of one ordinary share of the Company and one-half of one share purchase warrant. Each whole warrant is exercisable at a price of C$0.65 per ordinary share of the Company until 30 June 2020.

On 26 July 2017, the Company repurchased a Net Smelter Royalty ("NSR") for cancellation. The NSR was granted to Sulliden Mining Capital Inc. ("SMC") on November 3, 2014, at which time SMC invested AUD 2,000,000 in exchange for 40 million ordinary shares and a 1% NSR in respect of the future production at Aguia's Três Estradas phosphate project. Under the original terms of the NSR agreement, Aguia had the option to buy back the NSR for cancellation in exchange for USD$1,000,000 up until 3 November 2017.

On 28 July 2017, the Company issued 150,000 unlisted options to employees and consultants for nil cash consideration. Each option is exercisable at a price of $0.54 and expires on 28 July 2022.

On September 19, 2017, the Company issued an updated Mineral Resource Statement for Três Estradas based on the results of the infill drilling campaign: total Measured and Indicated resource of 83 million tonnes grading 4.1% P_2O_5, using a cut-off grade of 3% P_2O_5 and an additional 21.8 million tonnes grading 3.7% P_2O_5 in the Inferred category.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 25. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2017 $	2016 $
Loss after income tax expense for the year	(4,065,149)	(5,873,212)
Adjustments for:		
Depreciation and amortisation	17,531	19,264
Share-based payments	161,694	327,631
Exploration costs	-	126
Impairment of exploration assets	-	3,194,182
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	29,479	(47,967)
Increase in trade and other payables	93,599	34,244
Net cash used in operating activities	(3,762,846)	(2,345,732)

Note 26. Earnings per share

	Consolidated 2017 $	Consolidated 2016* $
Loss after income tax attributable to the owners of Aguia Resources Limited	(4,065,149)	(5,873,212)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	83,542,044	71,193,229
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,542,044	71,193,229
	Cents	**Cents**
Basic earnings per share	(4.87)	(8.25)
Diluted earnings per share	(4.87)	(8.25)

*2016 earnings per share has been restated to reflect the consolidation of share at a ratio of 5:1 that was completed on 19 April 2017.

Note 27. Share-based payments

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

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

2017

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/11/2012	30/09/2016	$0.250	500,000	-	-	(500,000)	-
30/11/2012	30/11/2016	$0.500	630,000	-	-	(630,000)	-
03/06/2014	30/04/2017	$0.080	3,500,000	-	(471,695)	(3,028,305)	-
07/07/2014	30/04/2017	$0.080	1,450,000	-	-	(1,450,000)	-
26/06/2015	26/06/2018	$0.840	2,000,000	-	-	(1,600,000)	400,000
30/09/2015	30/09/2018	$1.300	2,800,000	-	-	(2,240,000)	560,000
27/11/2015	27/11/2018	$1.100	3,070,000	-	-	(2,456,000)	614,000
07/12/2016	07/12/2019	$0.625	-	1,300,000	-	(1,040,000)	260,000
19/12/2016	16/12/2019	$0.600	-	4,050,000	-	(3,240,000)	810,000
02/06/2017	02/06/2020	$0.640	-	120,000	-	-	120,000
			13,950,000	5,470,000	(471,695)	(16,184,305)	2,764,000

* Other reflects the consolidation of the options as a result of the share consolidation approved by shareholders at an EGM held on 4 April 2017. The closing balance of option's exercise price has been updated for post consolidation.

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

Note 27. Share-based payments (continued)

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ Forfeited/ Other	Balance at the end of the year
28/10/2011	28/10/2015	$0.750	150,000	-	-	(150,000)	-
30/11/2012	30/09/2016	$0.250	500,000	-	-	-	500,000
30/11/2012	30/11/2016	$0.500	630,000	-	-	-	630,000
03/06/2014	30/04/2017	$0.080	3,500,000	-	-	-	3,500,000
07/07/2014	30/04/2017	$0.080	1,450,000	-	-	-	1,450,000
26/06/2015	26/06/2018	$0.168	2,000,000	-	-	-	2,000,000
30/09/2015	30/09/2018	$0.260	-	2,800,000	-	-	2,800,000
27/11/2015	27/11/2018	$0.220	-	3,070,000	-	-	3,070,000
			8,230,000	5,870,000	-	(150,000)	13,950,000

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

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.86 years (2016: 1.59 years).

The weighted average exercise price of options outstanding at the end of the financial year was $0.86 (2016: $0.85 (post consolidation), $0.17 (pre-consolidation)).

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
07/12/2016	07/12/2019	$0.450	$0.625	75.00%	-	1.75%	$0.186
19/12/2016	16/12/2019	$0.395	$0.600	75.00%	-	1.75%	$0.154
02/06/2017	02/06/2020	$0.450	$0.640	80.00%	-	1.82%	$0.205

There are no vesting conditions on these options. Total expense recognised in relation to the above is $161,694 (2016: $327,631).

Note 28. Commitments

The group does not have any significant commitments as at 30 June 2017 and 30 June 2016 other than those already been disclosed in the financial statements.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Justin Reid
Managing Director

28 September 2017
Sydney

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aguia Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors Declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of exploration & evaluation assets

Why significant	How our audit addressed the key audit matter
The carrying value of exploration and evaluation assets can be subjective based on the Group's ability and intention, to continue to explore the asset. The carrying value may also be impacted by the results of exploration work indicating that the mineral reserves and resources may not be commercially viable for extraction. Accordingly, the recoverability of exploration and evaluation assets is a key audit matter. Refer to Note 9 – Exploration and evaluation assets to the financial statements for the amounts held on the sheet by the Group as at 30 June 2017 and related disclosure.	We evaluated the Group's assessment of the carrying value of exploration and evaluation assets. Our procedures included the following: ‣ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements. ‣ Agreed a sample of costs capitalised for the period to supporting documentation and considered whether these costs meet the requirements of Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources* and the Company's accounting policy. ‣ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included an assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group.

2. Going concern

Why significant	How our audit addressed the key audit matter
Due to being an exploration company and having no ongoing revenue stream, the ability for the Group to raise additional funds from other sources, such as selling assets or raising funds from capital markets, is important for the going concern assumption and, as such, is a significant aspect of our audit. This assessment is largely based on the expectations of and the estimates of future cash flows made by the Group. We consider that the conclusion on whether the Group represents a going concern is a key audit matter.	We assessed the Group's going concern model, including: ‣ the liquidity position at year end and the projected cash flows; ‣ the accuracy of exploration and evaluation expenditure commitments; ‣ the anticipated uses of funding; with particular reference to the raising of $14.5m through share placements during the year ended 30 June 2017 and $4.8m in the period subsequent to this date; and ‣ projected administration overhead costs.

The Group's financial statements were prepared on a going concern basis. Refer to Note 1 to the financial statements for the basis of preparation and the Directors' Report for the Group's assessment of going concern	We assessed the consistency of the assumptions included within the going concern model with the statements related to future plans and commitments contained within the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2017 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 14 of the Directors Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Aguia Resources Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
28 September 2017

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Independent auditors' report to the Shareholders of Aguia Resources Limited

We have audited the accompanying consolidated financial statements of Aguia Resources Limited, which comprise the statement of financial position as at 30 June, 2017 and the statements of profit of loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aguia Resources Limited as at 30 June, 2017, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The consolidated financial statements of Aguia Resources Limited for the year ended 30 June, 2016, were audited by another auditor who expressed an unmodified opinion on those statements on 30 September, 2016.

Ernst & Young

Chartered Accountants
Sydney, Australia
September 28, 2017

Aguia Resources Limited
Shareholder information
30 June 2017

The shareholder information set out below was applicable as at 14 September 2017.

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

No. of Holders:	Ordinary Shares	Unlisted Options Exercise price $0.84, Expiry 26/06/2018	Unlisted Options Exercise price $1.30, Expiry 30/09/2018	Unlisted Options Exercise price $1.10, Expiry 27/11/2018	Unlisted Options Exercise price $0.60, Expiry 07/12/2019	Unlisted Options Exercise price $0.64, Expiry 02/06/2020
1 to 1,000	134	-	-	-	-	-
1,001 to 5,000	369	-	-	1	-	-
5,001 to 10,000	139	-	6	-	-	-
10,001 to 100,000	312	-	9	4	1	4
100,001 and over	170	2	-	1	1	-
Total	**1,124**	**2**	**15**	**6**	**2**	**4**
Holding less than a marketable parcel	197	-	-	-	-	-

No. of Holders:	Unlisted Options Exercise price C$0.65, Expiry 30/06/2020	Unlisted Options Exercise price $0.54, Expiry 28/07/2020
1 to 1,000	-	-
1,001 to 5,000	-	-
5,001 to 10,000	-	-
10,001 to 100,000	14	-
100,001 and over	13	1
Total	**27**	**1**
Holding less than a marketable parcel	-	-

Equity security holders

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

	Ordinary shares	
	Number held	**% of total shares issued**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,043,097	9.76
J P MORGAN NOMINEES AUSTRALIA LIMITED	8,496,295	9.17
CANADIAN CONTROL A/C	6,335,000	6.84
CITICORP NOMINEES PTY LIMITED	6,128,751	6.62
PERSHING AUSTRALIA NOMINEES PTY LTD	3,192,367	3.45
BNP PARIBAS NOMINEES PTY LTD	2,224,175	2.40
ONE DESIGN & SKIFF SAILS PTY LIMITED	1,402,522	1.51
BART PROPERTIES PTY LTD	1,175,000	1.27
TASTE LIVING PTY LTD	1,051,324	1.13
MR NICHOLAS JAMES REDPATH	1,027,425	1.11
ARREDO PTY LTD	1,000,000	1.08
MR DAVID KIT SHEARWOOD	945,000	1.02
FGDG SUPER PTY LTD	914,200	0.99
BALFAR PTY LTD	908,628	0.98
TDD GROUP PTY LTD	904,290	0.98
LINOR PTY LTD	895,294	0.97
ROUSSEL CORP PTY LTD	888,628	0.96
RYAN SUPERANNUATION NOMINEES PTY LTD	790,890	0.85
CS FOURTH PTY LIMITED	748,405	0.81
JETAN PTY LTD	616,000	0.66
	48,687,291	52.56

Unquoted equity securities

	Number on issue	**Number of holders**
$0.84 unquoted options expiring 26/06/2018	400,000	2
$1.30 unquoted options expiring 30/09/2018	560,000	15
$1.10 unquoted options expiring 27/11/2018	614,000	6
$0.625 unquoted options expiring 07/12/2019	260,000	1
$0.60 unquoted options expiring 16/12/2019	810,000	1
$0.64 unquoted options expiring 02/06/2020	120,000	4
C$0.65 unquoted options expiring 30/06/2020	13,180,418	38
$0.54 unquoted options expiring 28/07/2020	150,000	3

Holders of 20% or more of unquoted equity securities:

Name	**Class**	**Number held**
Ms Catherine Anne Stretch	$0.84 unquoted options expiring 26/06/2018	130,000
Justin Reid	$0.84 unquoted options expiring 26/06/2018	270,000
Justin Reid	$1.10 unquoted options expiring 27/11/2018	300,000
Paul Pint	$0.625 unquoted options expiring 07/12/2019	200,000
HFX Consultaria Empresarial Ltda	$0.625 unquoted options expiring 07/12/2019	60,000
Neil Said	$0.64 unquoted options expiring 02/06/2020	50,000
Spyros Karellas	$0.64 unquoted options expiring 02/06/2020	25,000
Ryan Ptolemy	$0.64 unquoted options expiring 02/06/2020	25,000
Neil Said	$0.54 unquoted options expiring 28/07/2020	50,000
Spyros Karellas	$0.54 unquoted options expiring 28/07/2020	75,000

Substantial holders

Substantial holders in the company are set out below.

Name	Ordinary Shares held
Sulliden Mining Capital Inc	15,494,876
Vanguard Precious Metals & Mining Fund (managed by M&G Group Limited, a wholly owned subsidiary of Prudential Plc)	7,705,882

**As notified to the ASX.*

Voting rights

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

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

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

On-market buy back

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

Listing Rule 3.13.1 and 14.3

Further to Listing Rule 3.13.1 and Listing Rule 14.3, the Annual General Meeting of Aguia Resources Limited is scheduled on the 28 November 2017.

ASX Waiver

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

The waiver is subject to certain conditions, including that the Company must give a summary of Sulliden’s Top-Up Right (the extent necessary to permit Sulliden to maintain, by way of a right to participate in any issue of shares or to subscribe for shares, its percentage interest in the issued capital of the Company) in each annual report. Therefore, as at 23 September 2015, Sulliden held 59,135,241 ordinary shares in the Company which represented 16.13% of the issued capital at that date.

Aguia Resources Limited
Schedule of tenements

LUCENA PROJECT

ID	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
1	846.162/16	29/07/2016			14.55	Application	Águia Metais Ltda
2	846.084/17	6/06/2017			135.82	Application	Águia Metais Ltda
3	846.501/08	4/07/2016			451.23	Application for Public Tender	Águia Metais Ltda
4	302.256/15	29/08/2016			364.95	Application for Public Tender	Águia Metais Ltda
5	846.036/09	17/03/2009	8,643	17/08/2012	98.00	Extension Submited	Águia Metais Ltda
6	846.105/09	23/06/2009	10,128	31/08/2012	1,772.99	Extension Submited	Águia Metais Ltda
7	846.107/09	23/06/2009	10,127	31/08/2012	1,146.40	Extension Submited	Águia Metais Ltda
8	846.575/11	19/10/2011	19,301	21/11/2014	953.33	Extension Submited	Águia Metais Ltda
9	846.578/11	19/10/2011	19,302	21/11/2014	989.89	Extension Submited	Águia Metais Ltda
10	846.579/11	19/10/2011	19,303	21/11/2014	989.99	Extension Submited	Águia Metais Ltda
11	846.580/11	19/10/2011	19,304	21/11/2014	841.60	Extension Submited	Águia Metais Ltda
12	846.582/11	19/10/2011	19,305	21/11/2014	251.96	Extension Submited	Águia Metais Ltda
13	846.583/11	19/10/2011	19,306	21/11/2014	908.10	Extension Submited	Águia Metais Ltda
14	846.585/11	19/10/2011	19,307	21/11/2014	300.00	Extension Submited	Águia Metais Ltda
15	846.586/11	19/10/2011	19,308	21/11/2014	40.49	Extension Submited	Águia Metais Ltda
16	846.587/11	19/10/2011	19,309	21/11/2014	142.71	Extension Submited	Águia Metais Ltda
17	846.588/11	19/10/2011	19,310	21/11/2014	64.81	Extension Submited	Águia Metais Ltda
18	846.343/12	16/07/2012	1,782	4/03/2016	472.35	Extension Submited	Águia Metais Ltda
19	846.345/12	16/07/2012	1,783	4/03/2016	15.93	Extension Submited	Águia Metais Ltda
20	846.346/12	16/07/2012	1,784	4/03/2016	560.06	Extension Submited	Águia Metais Ltda
21	846.347/12	16/07/2012	1,785	4/03/2016	511.67	Extension Submited	Águia Metais Ltda
22	846.150/13	25/04/2013	1,977	12/03/2016	31.19	Extension Submited	Águia Metais Ltda
23	846.151/13	25/04/2013	1,978	12/03/2016	49.85	Extension Submited	Águia Metais Ltda
24	846.152/13	25/04/2013	1,979	12/03/2016	105.45	Extension Submited	Águia Metais Ltda
25	846.153/13	25/04/2013	1,980	12/03/2016	8.21	Extension Submited	Águia Metais Ltda
26	846.154/13	25/04/2013	5,648	13/06/2016	31.68	Extension Submited	Águia Metais Ltda
27	846.309/14	10/11/2014	11,153	2/10/2018	800.22	Permit	Águia Metais Ltda
28	846.132/15	13/07/2015	9,614	15/09/2018	999.88	Permit	Águia Metais Ltda
29	846.133/15	13/07/2015	9,615	15/09/2018	119.39	Permit	Águia Metais Ltda
30	846.134/15	13/07/2015	9,616	15/09/2018	265.71	Permit	Águia Metais Ltda
31	846.135/15	13/07/2015	9,617	15/09/2018	131.58	Permit	Águia Metais Ltda
32	846.012/16	4/02/2016	5,048	24/05/2019	263.24	Permit	Águia Metais Ltda
33	846.013/16	4/02/2016	11,810	26/10/2019	1,454.58	Permit	Águia Metais Ltda
34	846.160/16	29/07/2016	694	31/01/2020	26.24	Permit	Águia Metais Ltda
35	846.161/16	29/07/2016	695	31/01/2020	13.58	Permit	Águia Metais Ltda
36	846.236/16	29/08/2016	13,781	5/01/2020	443.18	Permit	Águia Metais Ltda
37	846.237/16	29/08/2016	13,782	5/01/2020	66.41	Permit	Águia Metais Ltda
38	846.458/08	28/10/2008	4,556	27/10/2017	1,927.43	Permit Extension	Águia Metais Ltda
39	846.460/08	28/10/2008	4,554	6/11/2017	1,927.28	Permit Extension	Águia Metais Ltda

Aguia Resources Limited
Schedule of tenements

ID	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
40	846.462/08	28/10/2008	4,552	6/11/2017	1,924.15	Permit Extension	Águia Metais Ltda
41	846.464/08	28/10/2008	4,539	27/10/2017	1,879.92	Permit Extension	Águia Metais Ltda
42	846.466/08	28/10/2008	4,561	6/11/2017	1,904.78	Permit Extension	Águia Metais Ltda
43	846.472/08	28/10/2008	4,300	6/11/2017	1,441.26	Permit Extension	Águia Metais Ltda
44	846.473/08	28/10/2008	4,572	27/10/2017	933.10	Permit Extension	Águia Metais Ltda
45	846.474/08	28/10/2008	2,086	6/11/2017	946.28	Permit Extension	Águia Metais Ltda
46	846.475/08	28/10/2008	4,575	27/10/2017	1,169.81	Permit Extension	Águia Metais Ltda
47	846.476/08	28/10/2008	2,085	31/10/2017	768.51	Permit Extension	Águia Metais Ltda
48	846.477/08	28/10/2008	4,574	29/10/2017	203.87	Permit Extension	Águia Metais Ltda
49	846.478/08	28/10/2008	4,573	27/10/2017	339.09	Permit Extension	Águia Metais Ltda
50	846.479/08	28/10/2008	4,560	6/11/2017	1,438.88	Permit Extension	Águia Metais Ltda
51	846.480/08	28/10/2008	4,559	6/11/2017	1,926.80	Permit Extension	Águia Metais Ltda
52	846.106/09	23/06/2009	11,566	6/11/2017	1,538.93	Permit Extension	Águia Metais Ltda
53	846.108/09	25/06/2009	8,859	29/10/2017	188.17	Permit Extension	Águia Metais Ltda
54	846.289/09	15/12/2009	6,571	6/11/2017	134.50	Permit Extension	Águia Metais Ltda
55	846.020/10	8/02/2010	8,161	31/10/2017	27.97	Permit Extension	Águia Metais Ltda
56	846.117/10	27/05/2010	10,623	6/11/2017	70.64	Permit Extension	Águia Metais Ltda
57	846.182/11	26/04/2011	10,938	6/11/2017	120.12	Permit Extension	Águia Metais Ltda
58	840.282/14	29/08/2016			1,763.77	Priority granted due to Public Tender Application	Águia Metais Ltda
	TOTAL				**38,412.48**		

RIO GRANDE PROJECT

ID	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
1	810.304/14	28/03/2014			51.68	Application	Águia Fertilizantes S.A.
2	810.346/14	8/04/2014			1,275.66	Application	IAMGOLD Option
3	810.347/14	8/04/2014			1,702.56	Application	IAMGOLD Option
4	810.446/14	24/04/2014			1,528.46	Application	Águia Fertilizantes S.A.
5	810.447/14	24/04/2014			1,495.07	Application	Águia Fertilizantes S.A.
6	810.448/14	24/04/2014			1,605.12	Application	Águia Fertilizantes S.A.
7	810.649/14	4/06/2014			1,240.36	Application	IAMGOLD Option
8	811.144/14	15/09/2014			1,286.15	Application	Águia Fertilizantes S.A.
9	811.363/14	3/11/2014			699.35	Application	Águia Fertilizantes S.A.
10	810.453/15	20/04/2015			1,399.23	Application	Águia Fertilizantes S.A.
11	810.515/15	6/05/2015			1,845.58	Application	Águia Fertilizantes S.A.
12	810.516/15	6/05/2015			1,412.79	Application	Águia Fertilizantes S.A.
13	810.524/15	6/05/2015			454.74	Application	Águia Fertilizantes S.A.
14	810.582/15	21/05/2015			239.33	Application	Águia Fertilizantes S.A.
15	810.911/16	16/08/2016			1,936.15	Application	Águia Fertilizantes S.A.
16	810.912/16	16/08/2016			1,999.99	Application	Águia Fertilizantes S.A.
17	810.090/91	20/05/1991	2,947	16/08/2012	1,000.00	Approval Pending	CBC Option
18	810.996/10	4/10/2010	4,099	29/04/2016	896.23	Extension Submited	Águia Fertilizantes S.A.
19	810.702/11	27/06/2011	5,433	9/10/2015	1,885.25	Extension Submited	Falcon Petróleo S.A.
20	810.796/12	1/06/2012	4,673	9/06/2017	1,887.18	Extension Submited	Águia Fertilizantes S.A.
21	810.797/12	1/06/2012	4,674	9/06/2017	1,438.99	Extension Submited	Águia Fertilizantes S.A.
22	810.798/12	1/06/2012	4,675	9/06/2017	1,894.95	Extension Submited	Águia Fertilizantes S.A.
23	810.799/12	1/06/2012	4,676	9/06/2017	866.72	Extension Submited	Águia Fertilizantes S.A.
24	811.700/12	17/12/2012	4,679	9/06/2017	1,394.87	Extension Submited	Águia Fertilizantes S.A.
25	811.188/11	5/10/2011	6,382	21/07/2017	1,922.15	Extension Submited	Meneguzzo Option
26	811.189/11	5/10/2011	6,383	21/07/2017	1,631.70	Extension Submited	Meneguzzo Option
27	810.988/11	23/08/2011	2,232	15/04/2018	84.39	Permit	Falcon Petróleo S.A.
28	811.549/15	5/08/2015	14,857	8/12/2018	1,969.47	Permit	Águia Fertilizantes S.A.
29	811.530/15	5/08/2015	11,584	26/10/2019	2,000.00	Permit	Águia Fertilizantes S.A.
30	811.277/15	2/09/2015	5,125	27/05/2019	1,560.01	Permit	Águia Fertilizantes S.A.
31	811.278/15	2/09/2015	1,464	23/02/2019	1,872.97	Permit	Águia Fertilizantes S.A.
32	811.279/15	2/09/2015	10,888	6/10/2019	1,406.77	Permit	Águia Fertilizantes S.A.
33	811.294/15	4/09/2015	14,856	8/12/2018	731.77	Permit	Águia Fertilizantes S.A.
34	810.441/16	12/05/2016	8,771	1/09/2019	1,521.51	Permit	Águia Fertilizantes S.A.
35	810.442/16	12/05/2016	8,772	1/09/2019	1,825.73	Permit	Águia Fertilizantes S.A.
36	810.793/12	1/06/2012	4,672	9/06/2017	894.63	Permit Extension	Águia Fertilizantes S.A.
37	811.663/12	10/12/2012	4,677	9/06/2017	1,381.76	Permit Extension	Águia Fertilizantes S.A.
38	811.671/12	10/12/2012	4,678	9/06/2017	1,802.85	Permit Extension	Águia Fertilizantes S.A.
39	810.730/05	14/11/2005	8274	27/12/2019	1,476.43	Permit Extension	Terra Santa Option
40	810.732/05	14/11/2005	8275	27/12/2019	1,520.62	Permit Extension	Terra Santa Option
41	810.733/05	14/11/2005	8276	27/12/2019	1,505.94	Permit Extension	Terra Santa Option
42	810.325/12	16/02/2012	4,101	3/05/2020	990.95	Permit Extension	CBC Option

Aguia Resources Limited
Schedule of tenements

ID	Claim Number (DNPM)	Submittal Date	Exploration License Number	Expiry date	Area (ha)	Status	Name
43	811.572/15	5/08/2015			1,999.99	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
44	811.573/15	5/08/2015			1,807.68	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
45	811.586/15	5/08/2015			1,147.91	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
46	811.625/15	5/08/2015			1,835.91	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
47	811.640/15	5/08/2015			1,112.46	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
48	811.639/15	6/08/2015			1,034.21	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
49	811.588/15	6/08/2015			1,114.16	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
50	811.589/15	6/08/2015			1,119.44	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
51	811.583/15	6/08/2015			1,981.95	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
52	811.596/15	6/08/2015			1,945.63	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
53	811.508/15	6/08/2015			985.65	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
54	810.443/16	12/05/2016			671.35	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
55	810.444/16	12/05/2016			1,574.39	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
56	810.223/17	19/01/2017			1,221.49	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
57	810.224/17	19/01/2017			1,764.88	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
58	810.225/17	19/01/2017			1,999.46	Priority granted due to Public Tender Application	Águia Fertilizantes S.A.
	TOTAL				**80,852.62**		