

AGUIA RESOURCES LIMITED

# Annual Financial Report

FY  
23



**AGUIA**

ASX:AGR

ABN 94 128 256 888

30 June 2023

## CORPORATE PROFILE

### DIRECTORS

Warwick Grigor - Non-Executive Chairman  
(Appointed 19 September 2023)

Christina McGrath - Executive Chair  
(Resigned 19 September 2023)

Executive Director (Appointed 19  
September 2023)

Acting Managing Director (appointed 6  
September 2023)

Fernando Tallarico - Managing Director  
(Resigned 6 September 2023)

Martin McConnell - Non-Executive Director

Ben Jarvis - Non-Executive Director  
(appointed 6 September 2023)

### COMPANY SECRETARY

Rebecca Wardrop (Appointed 12 October  
2022)

Alan Nascimento (Appointed 12 October  
2022, Resigned 25 August 2023)

Nicholas Donlon (Resigned 12 October 2022)

### REGISTERED OFFICE

Level 12  
680 George Street  
Sydney NSW 2000  
Tel. +61 2 8280 7355

### PRINCIPAL PLACE OF BUSINESS

Rua Dr. Vale, 555, Sala 406,  
Porto Alegre, RS, Brazil, 90560-010  
Tel. +55 51 3519 5166

### AUDITORS

Ernst & Young

### BANKERS

National Australia Bank

### STOCK EXCHANGE LISTING

Agua Resources Limited is listed on the  
Australian Securities Exchange (ASX code:  
AGR).

Effective 1 July 2020, the number of  
Agua Resources Limited securities owned  
either directly or indirectly by residents of  
Canada does not exceed 10% of securities  
on issue in the Company on a fully diluted  
basis. As such, Agua Resources Limited  
qualifies as a "Designated Foreign Issuer" as  
defined in the Canadian National  
Instrument 71-102.

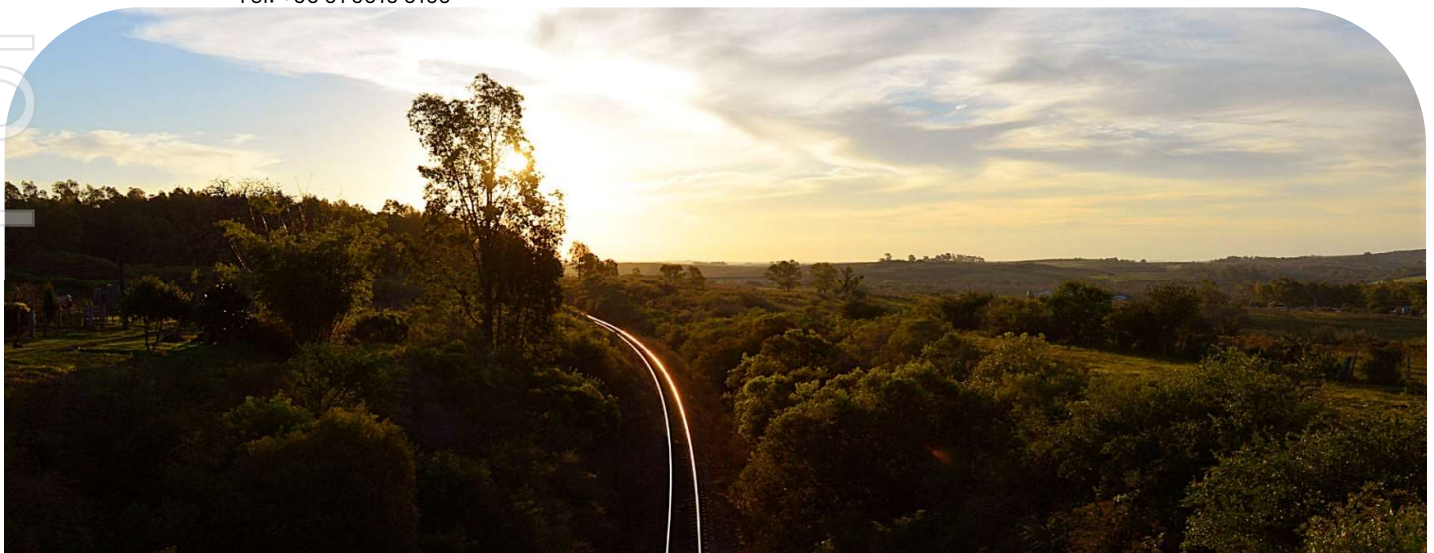
Agua remains subject to all regulatory  
requirements of the Australian Securities  
Exchange (ASX) and the Australian  
Securities and Investment Commission  
(ASIC).

### WEBSITE

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

### CORPORATE GOVERNANCE STATEMENT

<http://aguiaresources.com.au/about/corporate-governance/>





## CONTENTS

- 3 Sustainability
- 5 Director's Report
- 17 Remuneration Report
- 32 Financial Statements
- 62 Auditor's Report

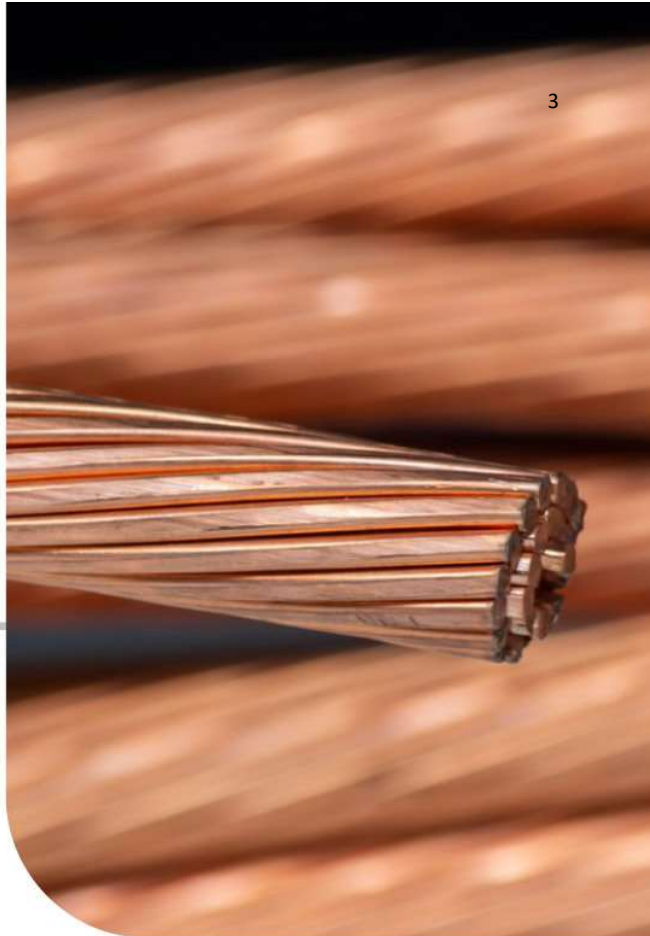
For personal use only

## Responsible investment

Aguia is committed to the development of environmentally friendly solutions in the processing of mineral resources.

### Copper Project

Aguia's strategy is to develop a green copper project. The company is experimenting sorting and bioleaching solutions to process the copper ore. It is intended to be clean and straightforward processing.



### Phosphate Project

Our Phosphate project has adopted a Net-Zero Strategy. Besides producing an organic product (at a low OPEX), the processing plant is in the process of being certified as net-zero carbon, energy and water.

The certification process is being done with EDGE, a green building certification system developed by the International Finance Corporation, part of the World Bank.





## 2030 Agenda for Sustainable Development

In 2015, the United Nations (UN) created the 2030 Agenda for Sustainable Development, also called the 2030 Agenda, which includes a set of Sustainable Development Goals (SDGs) for 2015-2030. In addition, in 2016, the Mining Mapping for Sustainable Development Goals was published, a document that maps the relationship between mining and the SDGs using examples of good practices in the industry, as well as studies and resources that can contribute to the success of the projects. SDGs, in case they are replicated and expanded by the sector.

Agua, which bases its actions on caring for the environment and promoting the well-being of the communities in which it operates and is always attentive to trends and good market practices, created an action strategy aligned with the SDGs and the Mining Mapping.

Among the actions implemented by the company is creating environmentally friendly projects with energy self-sufficiency, zero water consumption and zero carbon.

AGUIA SUPPORTS LOCAL INITIATIVES FOR EDUCATION, HEALTH, THE ENVIRONMENT AND ECONOMIC AND SOCIAL DEVELOPMENT.



Another initiative developed by Agua, which is already underway, is the Nossa Terra Project, which supports social promotion initiatives designed in Lavras do Sul/RS, headquarters of the Três Estradas Phosphate Project.

The Phosphate Project already meets 10 of the 17 Sustainable Development Goals<sup>1</sup> (SDGs) proposed by the United Nations. Agua committed to fulfilling the remaining 7 goals in the near future.

Among the SDGs prioritised by Agua in its projects are 1, 3, 6, 7, 8, 9, 12, 13, 14 and 15.

<sup>1</sup> The assessment was prepared by Eccoah, a Brazilian company specialised in sustainable constructions, energy efficiency and renewable energy, which Agua hired to assist in developing environmentally friendly solutions.





For personal use only

## DIRECTOR'S REPORT



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Aguiá 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 2023.

## DIRECTORS

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

### **WARWICK GRIGOR**

Non-Executive Chairman (appointed 19 September 2023)

### **CHRISTINA McGRATH**

Executive Chair (resigned 19 September 2023)

Executive Director (appointed 19 September 2023)

Acting Managing Director (appointed 6 September 2023)

### **FERNANDO TALLARICO**

Managing Director (resigned 6 September 2023)

### **MARTIN McCONNELL**

Non-Executive Director

### **BEN JARVIS**

Non-Executive Director (appointed 6 September 2023)

## PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year were the continued exploration and development of resource projects, predominately phosphate and copper.

## DIVIDENDS

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

## OPERATING & FINANCIAL REVIEW

### OVERVIEW OF THE COMPANY

Aguiá Resources Limited ('Aguiá') is an exploration and development company focused on Brazilian phosphate and copper projects. Aguiá is listed on the Australian Securities Exchange ('ASX') under the symbol AGR and has offices in Sydney, Australia and Porto Alegre, Brazil. The Company currently controls over 1,834 km<sup>2</sup> of land in the Brazilian states of Rio Grande do Sul, Paraíba and Minas Gerais containing phosphate and copper mineralisation through exploration permits it has acquired from the Brazilian National Mining Agency ('ANM'). The Company seeks to develop its holdings of phosphate and copper deposits into viable mining operations.

### PHOSPHATE PROJECT

Aguiá was pleased to inform its shareholders of an updated Bankable Feasibility Study (BFS) relating to the organic Phosphate Project (Project) located in Lavras do Sul, southernmost Brazil. The Project continues to deliver excellent economics for our shareholders. The results of the updated BFS are listed in the table which follows on the next page;

The Project is based on the production of an organic phosphate fertiliser by the mining of only the saprolite from the Phosphate Deposit (the Deposit). This option is attractive due to the high natural P<sub>2</sub>O<sub>5</sub> grade in the oxidised ore (saprolite) (8.8% P<sub>2</sub>O<sub>5</sub> on average) at the

Project Highlights		
Outcomes	Post-Tax NPV @ 10% Discount Rate	A\$ 110.8 million
	Internal Rate of Return (IRR)	54.7%
	EBITDA (average for years 1 to 18)	A\$ 22.1 million
	Pay-back	2.9 years
Inputs	Production Rate (average) <sup>1</sup>	316,000 tonnes/year of product after 3 years of ramp-up
	Life of Mine (LOM)	18 years
	Capital Expenditure (CAPEX)	
	Year 0	A\$ 15.9 million
	Year 1	A\$ 2.9 million
	Year 2	A\$ 3.7 million
	Year 3	A\$ 3.7 million
	Total	A\$ 26.2 million
	Operating Expenditure (OPEX)	
	Mining, processing and G&A	A\$ 19.55/t product
	Marketing and Sales	A\$ 7.20/t product
	Package	A\$ 8.57/t product
	Total	A\$ 35.32/t product
	Production Rate (average) <sup>1</sup>	316,000 tonnes/year of product after 3 years of ramp-up
	Strip Ratio (average for LOM)	0.46:1.00 (tonnes waste to tonnes ore)
	Run of Mine (ROM) @ 8% moisture	5.46 million tonnes

<sup>1</sup> @8% moisture

The project is environmentally friendly, and the buildings are in the process of certification as net-zero constructions with EDGE, a green building certification system developed by the International Finance Corporation, part of the World Bank.

Currently, the Rio Grande do Sul market is 100% dependent on imported phosphate. After the ramp-up period, the annual production of 316,000 tonnes of organic phosphate fertiliser will equal approximately 10% of the existing demand for this nutrient in a 300 km radius of the mine site.

The previous Economic Model for our Project was announced to the market on 17 December 2020.

The project has continued to advance its engineering and permitting. On 2 November 2022, the Construction Licence was issued by FEPAM, the State Environmental Authority. The impact of both COVID and the European war has had on global supply chains over these past 2 years is well understood. These events, coupled with an increased local demand for phosphate, have caused a substantial but ultimately positive

change in the cost structure of the Project, which is detailed as follows:

1. Firstly, there is and continues to be upward pressure on the price of fertilisers locally due to growing demand in the State of Rio Grande do Sul. To put it simply, more land is continuing to go into cropping, resulting in increased demand for phosphate. Agricultural production in the State is now 40% of its GDP and over 70% of its exports. The European war which continues to impact phosphate prices in Brazil and has made both governments and farmers acutely aware of the need to secure a locally produced source of phosphate. There is currently no phosphate produced in the State or in neighbouring Uruguay, Northern Argentina or Paraguay, which are all substantial agricultural areas.
2. Secondly, disruptions to global supply chains resulted in a substantial upward movement in the cost of both steel and diesel. Concrete prices were



also affected. Labour costs have also increased. The overall impact has been cost increases in both the capital cost (CAPEX) and the operational costs (OPEX) of the Project. Although there are some indications that costs might be returning to more normal levels, it is expected to take some time if, in fact, it eventuates. Nevertheless, the overall Project economics are excellent.

As a consequence, Aguia commissioned a thorough review of the Project's economics which included an independent review of all of the Project sourcing contracts. The updated Bankable Feasibility Study (BFS) was conducted by independent consulting

firm GE21 Consultoria Mineral Ltda ('GE21') in Brazil and is compliant with JORC (2012) for the Mineral Resources and Reserves of the TEPP Deposit. The current study is focused mainly on updating the CAPEX and OPEX estimates, the market studies, and the economic analysis. The remainder of the Project's structure, including pit optimisation and design, mine scheduling, project infrastructure, and metallurgical tests, are based on a Mineral Resource of 5.02Mt at 8.8% P205 which represents the oxidised ore portion of the Deposit (mineral resource estimation prepared by Milcreek Mining Group, released on 13 March 2018).



## AGRONOMICAL TRIALS

From late 2019, Aguia has been undertaking Direct Application Natural Fertiliser 'DANF' agronomic tests with Pampafos® conducted by independent agronomists. There is now a growing interest in Aguia's Pampafos® product amongst farmers in RS. Aguia has responded to this

interest by expanding the agronomic trials across the state and installing field trials in key locations with high productivity and consequently high demand for phosphate. The broad reach of our testing regime across the state means that many more farmers will be able to visit and see firsthand the efficiency of our product. Table 01 is a summary of the results so far reported.

Table 1. Summary of agronomic tests results

CROP	HIGHLIGHT	ANNOUNCEMENT DATE
Soybean	Pampafos® (CBTSAP) applied to soybean crop resulted in a yield of 98% of that achieved using TSP in the same P <sub>2</sub> O <sub>5</sub> dosage.	16 June 2020
Corn (Maize)	Green mass and grain productivity from treatment with a dosage of 100 kg/ha surpassed the productivity achieved using conventional phosphate fertilisers.	9 July 2020
Rice	Pampafos® returned yields of up to 99.8% of those achieved using conventional fertilisers	11 May 2021
Rice	Rice productivity results using Pampafos® in a dosage of 50 kg/ha of P <sub>2</sub> O <sub>5</sub> surpassed the productivity achieved using conventional TSP in the same dosage.	8 September 2021
Oat	Oat productivity results using Pampafos® in a dosage of 100kg/ha of P <sub>2</sub> O <sub>5</sub> achieved 92% of the yield achieved using conventional TSP in the same dosage.	22 December 2021
Wheat	Wheat productivity results using Pampafos® in a dosage of 50 and 200 kg/ha of P <sub>2</sub> O <sub>5</sub> surpassed the productivity achieved using conventional TSP in a dosage of 90 kg/ha of P <sub>2</sub> O <sub>5</sub> .	3 February 2022
Corn	Corn productivity results using Pampafos® in a dosage of 125kg/ha of P <sub>2</sub> O <sub>5</sub> surpassed the productivity achieved using conventional Triple Superphosphate (TSP) in the same dosage at Pelotas Agronomic Station.	1 June 2022
Pasture	Pampafos® resulted in improved pasture production levels to 45% in fields that have never been treated by chemical fertilisers, which is 18% higher than the productivity of conventional TSP fertiliser.	11 November 2022





### Agronomic Trials on Pasture

This was the first time the Company has tested Pampafos on Brazilian native pastures. The Pampafos marketing has been ordinarily been focused on cropping, where fertilisers are essential for production. However, cattle growers rarely use the locally available chemical fertilisers in the region due to the high cost. The outstanding test results on native pastures, which were reported to the market on 11 November 2022 open up a potentially vast new market for our Phosphate Project.

Highlights of test results on Pasture:

- The test results show that the spreading of P205 through Pampafos® fertiliser on native pastures, which have never been treated with chemical fertilisers, resulted in improved forage grass production levels of 41% when compared to the Control group where no fertiliser was applied.
- There is an area of 90,000 sq kilometres of native grassland in RS under cattle grazing, with much of it near our Phosphate Fertiliser Project. In RS, cattle growers already produce grass-fed organic beef. By applying Pampafos®, they can increase their forage grass production significantly and still make grass-fed organic beef.
- The proximity of vast tracts of cattle country to our mine site makes transportation relatively cheap.
- Increased forage grass production is directly proportional to increased cattle weight and, consequently, higher beef production.
- The results also demonstrated that production levels for Pampafos were again higher, and in this case 14% higher, than where conventional TSP fertiliser was used under the same testing conditions.

### Agronomical Trials on Wheat

In our previous tests, the performance of Pampafos® was close to that of the chemical fertilisers. In this trial, however, the productivity of all treatments using Pampafos® was either equal to or exceeded that of the chemical fertiliser, Single Super Phosphate ('SSP'). Furthermore, previous agronomical testing on corn and rice crops using Pampafos® has also produced excellent results. This is critical as rice, wheat, and corn are the three most widely consumed grains worldwide. (Refer to Table 01 above, which summarises our previous test results.)

Highlights of test results on Wheat:

- The wheat results using Pampafos® in a dosage of 200 kg/ha of P205 and 100 kg/ha of P205 exceeded the productivity achieved using conventional SSP in a dosage of 80 kg/ha of P205.
- The wheat results using Pampafos® 200 kg/ha of P205 were 18% higher than conventional SSP fertiliser applied under the same testing conditions.
- These results demonstrate the high productivity potential for the application of Pampafos® in wheat fields.



**FIGURE 1. PLANNED TIMELINE OF ACTIVITIES TO RECEIVE NET ZERO CERTIFICATION**

## NET ZERO CERTIFICATION

Agua had commenced the process to have the TEPP independently certified as being a self-sufficient project using net-zero Energy, Water and Carbon (0-0-0) by an internationally recognised agency. The process can be broken down into five steps, as illustrated by Figure 01.

The Project has been defined (Step 1). The Company has submitted the details of the TEPP processing unit to the certifying agency to register the Project for international certification (Step 2). Agua has chosen to pursue Edge Certification, a globally accepted certifier created by the International Finance Corporation ('IFC').

Following this initial registration and after inspection by the certifier, the Project can then be classified as a "Certified Project" (Step 3). Agua is currently at Step 3, waiting for the project to be certified.

Sixty days following the commencement of production at the TEPP, Agua will then apply for organic product registration of Pampafos® with an independent and globally accredited agency (Step 4). This phase confirms that no chemicals are added to Pampafos® during production.

Final certification as a 0-0-0 project is granted one year after the commencement of operations following satisfactory testing and inspections (Step 5).



## COPPER PROJECT

### BACKGROUND

On 28 February 2019, Aguiá signed an option agreement to acquire the Copper Project claims from a Brazilian private company.

On 19 March 2019, the first JORC-compliant Mineral Resource Statement for our Copper Deposit was released. The Mineral Resource Statement was based on the results of 38 historical diamond drill holes drilled by Referencial Geologia between 2009 and 2010 that were compiled and integrated into the database. Additionally, an extensive geological and geophysical database was developed for the Copper Project as a result of extensive exploration campaigns that included a surface mapping program, the reprocessing of a historical airborne geophysical data package, stream sediment sampling, ground geophysical survey (Induced Polarization and Magnetometry), a petrographic study, and mapping and resampling of 18 historical trenches.

The Project's drilling database includes detailed logging and geochemistry from 48 diamond drill holes totalling 8,985.89 metres, 23 historical trenches that were re-sampled totalling 1,645.61 metres, and 10,074 assay records.

### DRILLING ACTIVITIES

During the year the Company completed the entire infill drilling program, comprising 25 drill holes totalling 2,646 meters.

The geological modelling led to a sizable Measured & Indicated Mineral Resources of 22.6 Mt at 0.43% Copper and 2.11 g/t Ag and Inferred Mineral Resources totalizing 3.0Mt at 0.43% Cu and 1.85 g/t Ag.

The Updated Resource Statement is a significant milestone in Aguiá's Andrade copper story because it:

- Means that no further high-cost drilling at

the Andrade deposit will be required;

- Provides additional certainty in relation to the copper resource;
- Permits us to proceed to the next stage the Pre-Feasibility Study (PFS), which will provide increasing economic confidence in the project; and
- Allows the start of the Environmental Impact Assessment (EIA) which leads to permitting.

In short, Aguiá has an economically viable copper project, which was demonstrated in the Scoping Study announced to the market on 9 March 2021. The exploration phase for this current project we call Andrade is over, but it is just the beginning of Aguiá's copper potential. Aguiá has another 10 satellite targets close by, along with 1,500 sq km of copper tenements in the Rio Grande Copper Belt, where studies show unique geological similarities that suggest it once joined the famed African Kalahari Copper Belt that hosts many copper deposits and has been mined for decades.

### TECHNICAL INFORMATION

The Resource Statement update was conducted by independent consulting firm GE21 Consultoria Mineral Ltda ('GE21') in Brazil. The main objective of this drilling campaign was to convert the previously reported Indicated & Inferred Resources (9 of March 2021 announcement) to the Measured & Indicated Resource category. The drilling campaign was successful in converting the previous 22 Mt Indicated & Inferred Resources to Measured & Indicated Mineral Resources of 22.6 Mt at 0.43% Copper and 2.11 g/t Ag and Inferred Mineral Resources totalizing 3.0Mt at 0.43% Cu and 1.85 g/t Ag (see Table1).

Mineral Resource Table - Andrade Deposit						
Effective date 31/12/2023						
Class	Domain	Mass Kt	Average Value		Metal Content	
			OK_Cu %	OK_Ag G/t	OK_Cu T	OK_Ag Kt. Oz
MEASURED	HG OX	0.13	1.38	12.21	1.73	0.05
	HG SULF	624	1.42	5.10	8 830	102
	LG OX	158	0.37	3.74	578	19
	LG SULF	1 031	0.35	3.02	3 633	100
	<b>Total</b>	<b>1 813</b>	<b>0.72</b>	<b>3.80</b>	<b>13 043</b>	<b>221</b>
INDICATED	HG SULF	526	1.54	8.10	8 109	137
	LG OX	900	0.38	2.34	3 418	68
	LG SULF	19 341	0.37	1.78	71 569	1 105
	<b>Total</b>	<b>20 766</b>	<b>0.40</b>	<b>1.96</b>	<b>83 096</b>	<b>1 310</b>
MEA+IND	HG OX	0.13	1.38	12.21	1.73	0.05
	HG SULF	1 150	1.47	6.47	16 939	239
	LG OX	1 058	0.38	2.55	3 996	87
	LG SULF	20 372	0.37	1.84	75 202	1 206
	<b>Total</b>	<b>22 580</b>	<b>0.43</b>	<b>2.11</b>	<b>96 138</b>	<b>1 532</b>
INFERRED	HG SULF	173	1.60	7.71	2 765	43
	LG OX	282	0.33	1.13	937	10
	LG SULF	2 548	0.36	1.53	9 110	126
	<b>Total</b>	<b>3 003</b>	<b>0.43</b>	<b>1.85</b>	<b>12 812</b>	<b>179</b>

## Notes:

1. Definitions were followed for Mineral Resources. Mineral Resources also conform to JORC (2012) Code.
2. Mineral Resources are stated within a resource pit shell optimized above a cut-off grade of 0.17% Cu.
3. Average bulk densities of 2.68 t/m<sup>3</sup> for high-grade domains and 2.60 t/m<sup>3</sup> for low-grade and waste domains were applied.
4. Mining loss of 0% and mining dilution of 0% factors have been applied to the reported figures.
5. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
6. Totals may not sum due to rounding.
7. Bernardo H. C. Viana BSc. (Geo) MAIG, a geologist and full-time director and owner of GE21, is the CP responsible by the Andrade Copper Resources estimate.

Table 1 - Mineral Resource Table

This updated Measured and Indicated Resource offers a range of cutoffs that can potentially be applied to the upcoming research modelling (see Table 2, on the next page).

## Background - Mineral Resource Estimate

GE21, an independent Brazilian consulting firm, conducted the mineral resource estimate. GE21 using new drill hole data, a new geological interpretation, and a new geostatistical approach, re-estimated the resource, updating the Mineral Resource classification based on variographic study and a new diamond drilling campaign. The block model supported the resource estimate. And the information carried in the block model includes:

- Rock type for mineralized and waste material.
- The mineralisation and waste density.
- Interpolated copper (%) and silver (ppm) via Ordinary Kriging.

- Interpolated copper (%) and silver (ppm) via Nearest Neighbour Method (NN Check).
- Mineral Resource Classification.
- Oxidation Model.

The resource estimate for the Andrade deposit was reported considering open pit and underground mineral resources at a cut-off grade of 0.17% Cu. No mineral reserves have been estimated for the Project at this time.

The updated mineral resource estimate consists of a Measured & Indicated Resource 22.6 Mt at 0.43% Cu grade and 2.11 g/t Ag containing 96,138 t of copper and 1,532 koz of silver and Inferred Mineral Resources totalizing 3.0Mt at 0.43% Cu and 1.85 g/t Ag containing 12,812 t of copper and 179 koz of silver. The JORC (2012) Code standards were used for Mineral Resource classification.



### ADDITIONAL COPPER TARGET IDENTIFIED

During the year, The Company announced to the market that the recent copper exploration activity undertaken in the Rio Grande Copper Belt, where a new highly prospective target, "Cota", was identified 35 km from our current Copper Project (Andrade):

Initial rock scout sampling undertaken by Aguiá were analysed at the ALS Laboratory and returned results up to 3.72% Copper for the Cota target.

This brings Aguiá's portfolio in the Rio Grande Copper Belt to 11 copper targets and one copper deposit, which is the Andrade Copper Project. The initial geological reconnaissance and rock sampling were undertaken on tenements that Aguiá acquired in late 2020, bringing the number of targets identified from this acquisition to four. Cota is located 15 km from the previously identified Seival and Lagoa Parada targets.



## LEGAL UPDATE

Our Phosphate Project environmental permitting is under discussion in the Tres Estradas Public Civil Action 'PCA' sponsored by the Brazilian Federal Public Prosecutor's Office (FPP0). Although we had at first a favourable decision, which had been appealed and granted, there is still an injunction request pending of decision that could prevent the Company from starting construction until the court decides. Nevertheless, both the federal prosecutor currently representing the FPP0 in the PCA and the federal trial court judge in charge of the case responded positively to Aguiá's attempt to negotiate with all parties involved to resolve the matters under dispute as soon as possible.

A number of meetings were held during the year to move the settlement negotiations forward between all parties.

Aguiá filed a motion on September 8 2023 informing the court that the settlement negotiations failed, the case records were sent to the judge's office and we may expect a decision at some point. As anticipated, the trial court could (a) decide the injunction request pending, (b) indicate further evidence to be produced/ask the parties to request further evidence, or (c) render a decision on the merits. There is no timeline for the court to issue any type of decision.

Prior to correspondence between the ASX and Aguiá on 5 April 2023, Aguiá would provide frequent updates to the market in relation to the ongoing Tres Estradas Public Civil Action ('PCA' or 'legal proceedings'). However, it was brought to Aguiá's attention, that these announcements could be characterised by way of incomplete negotiation. It is therefore appropriate to provide general updates on the PCA in the quarterly activities report and annual reports.





## CORPORATE

On 22 February 2023, Aguia announced the completion of a Private Placement raising approximately \$1.5 million. The funds were raised via the issue of approximately 50,940,000 fully paid Ordinary Shares to sophisticated and institutional investors at a price of A\$0.045 per share.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

## MATTERS SUBSEQUENT TO 30 JUNE 2023

On 25 August 2023 Alan Nascimento resigned as Company Secretary and Chief Financial Officer.

On 6 September 2023 Dr Fernando Tallarico resigned as Managing Director. Ms Christina McGrath was appointed Acting Managing Director on the resignation of Dr Tallarico.

On 6 September 2023 Mr Benjamin Jarvis was appointed Non-Executive Director.

On 19 September 2023, Mr Warwick Grigor was appointed Non-Executive Chair. Ms Christina McGrath remains an Executive Director upon the appointment of Chairman, Mr Warwick Grigor.

On 27 September 2023 Aguia announced the successful completion of a private placement for the issue of 34,482,759 shares for \$500,000. In addition, the Board was pleased to announce a proposed Entitlement Offer to existing shareholders on a 1 to 4 basis

to raise up to \$1.6m. For every four (4) shares held, shareholders will be entitled to subscribe for one (1) new share at \$0.0145. The closing date for this offer will be on or around 25 October 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## LIKELY DEVELOPMENTS & 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 consolidated entity, has been included in the review of operations report.

## ENVIRONMENTAL REGULATION

The consolidated entity'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 consolidated entity during the financial year.

# REMUNERATION REPORT





## Information on Directors

### Warwick Grigor

#### TITLE

Non-Executive Chair (appointed 19 September 2023)

#### EXPERIENCE AND EXPERTISE

Mr Grigor brings +40-years of experience in Australian equity capital markets and the resources sector globally. In 1991, he and Andrew Forrest established Far East Capital Ltd, an ASIC licenced specialist investment bank. In 2008, Warwick sponsored a successful new stockbroking company named BGF Equities and took on the role of Executive Chairman. After three years, Canaccord Genuity acquired 50% of BGF. Four years later Warwick retired from broking to resume operatorship of Far East Capital.

More recently he has aligned himself with high-net-worth investors. A particular focus of recent years has been the interaction between technology, materials and mining. Mr Grigor is a graduate of the Australian National University, having completed degrees in law and economics.

#### OTHER CURRENT DIRECTORSHIPS

Nagambie Resources Ltd. (ASX:NAG)  
West Wits Mining (ASX:WWI)  
First Graphene Resources (ASX:FGR)

#### FORMER DIRECTORSHIPS (LAST 3 YEARS)

None

#### INTERESTS

Shares: None  
Options: None

### Christina McGrath

#### TITLE

Executive Chair (resigned 19 September 2023) Executive Director (appointed 19 September 2023) Acting Managing Director (appointed 6 September 2023)

#### QUALIFICATIONS

Bachelor of Jurisprudence - Monash University and Bachelor of Laws - Monash University

#### EXPERIENCE AND EXPERTISE

Christina has over 30 years' experience as a commercial lawyer and her specialities include Corporate Governance, Board and Audit Committee Advisory, and Corporations Law. She has held many senior executive management positions - including Company Secretary - in the retail and resources sectors. Christina worked at KPMG Australia for ten years as a senior corporate advisor and was instrumental in developing KPMG's approach to Corporate Governance globally. In addition, she held a senior advisory position at KPMG's headquarters in New York for several years.

#### FORMER & OTHER CURRENT DIRECTORSHIPS

None

#### INTERESTS<sup>2</sup>

Shares: 6,371,506  
Options: 3,000,000

<sup>2</sup> Christina McGrath holds her interest in shares and options indirectly through Houtskar Pty Ltd <Footie Super Fund A/C> (Houtskar). Ms McGrath controls Houtskar and is a joint beneficiary of the fund.

## Fernando Tallarico

### TITLE

Managing Director (resigned 6 September 2023)

### QUALIFICATIONS

Bachelor of Science - University of Brasilia, Master of Science (Economic Geology) - University of Brasilia and PhD in Economic Geology and P.Geo. - University of Campinas

### EXPERIENCE AND EXPERTISE

Fernando has over 25 years' experience in minerals exploration in South America with Vale, Falconbridge/Noranda, BHP Billion and junior companies of the fertilizer sector. Experienced with grassroots discoveries. He has been instrumental in putting together Aguiá's portfolio of assets.

### OTHER CURRENT DIRECTORSHIPS

None

### FORMER DIRECTORSHIPS (LAST 3 YEARS)

None

### INTERESTS

Shares: 4,137,143

Options: 9,000,000

## Ben Jarvis

### TITLE

Non-Executive Director

### EXPERIENCE AND EXPERTISE

Mr Jarvis is an experienced company director in the small resources sector, most notably with companies that have operations in South America. Since 2011, he has been a Non-Executive Director of South-American focused Austral Gold Limited (ASX: AGD; TSX-V: AGLD), a precious metals mining and exploration company with an extensive portfolio of assets in Chile and Argentina. He is also the Non-Executive Chairman of Chilean-focused Freehill Mining Limited (ASX: FHS) which operates the 100%-owned Yervas Buenas magnetite and aggregate materials project in near to La Serena.

Mr Jarvis is the managing director of Six Degrees Investor Relations, an investor relations and advisory firm he founded in 2006 with offices in Sydney and Perth

### OTHER CURRENT DIRECTORSHIPS

Austral Gold Limited (ASX: AGD; TSX-V: AGLD)

QX Resources Limited (ASX: QXR)

Freehill Mining Limited (ASX: FHS)

### FORMER DIRECTORSHIPS (LAST 3 YEARS)

None

### INTERESTS

Shares: None

Options: None

For personal use only



## Information on Directors

(continued)

### Martin McConnell

#### TITLE

Non-Executive Director

#### QUALIFICATIONS

Bachelor of Business – University of Technology Sydney and Senior Executive Program – London Business School

#### EXPERIENCE AND EXPERTISE

Martin has over 30 years of experience in banking, insurance and advisory, having held management positions with several domestic and international banks. Martin was previously a Director with Grant Samuel, advising in the real estate and finance sectors. Martin is currently the Chief Executive Officer of the APRA licenced insurance company, Assetinsure Pty Ltd. Martin was instrumental in establishing the credit risk insurance business at Assetinsure which supports banks on a global basis through participation in project finance and other institutional loans, in sectors such as mining, oil and gas, real estate, healthcare, renewables, shipping and aviation.

#### OTHER CURRENT DIRECTORSHIPS

None

#### FORMER DIRECTORSHIPS (LAST 3 YEARS)

None

#### INTERESTS<sup>3</sup>

Shares: 571,944

Options: 3,000,000

## Company Secretary

**Alan Nascimento** (appointed 12 October 2022, resigned 25 August 2023)

#### QUALIFICATIONS

Bachelor of Accounting (Hons.) – University of Caxias do Sul

Master of Science in Accounting & Finance – Unisinos Business School

Chartered Accountant, CertIFR (ACCA)

#### EXPERIENCE AND EXPERTISE

Mr. Alan Nascimento is a Brazilian Chartered Accountant based in Porto Alegre. He joined Aguiá in December 2019 and has acted as General Manager of Finance & Administration since April 2020.

Alan is an experienced Financial Controller, certified in International Financial Reporting (CertIFR) by the ACCA (Association of Chartered Certified Accountants). Alan holds a Bachelor of Accounting (Hons.), an MSc in Accounting and Finance and is currently progressing with his PhD studies in International Economics. He is an affiliate of the Governance Institute of Australia and IBGC – the Brazilian Institute of Corporate Governance. Mr Nascimento is also a certified Supervisory Board member of the IBGC.

<sup>3</sup> Martin McConnell holds his interest in shares and options indirectly through Allambie Pty Ltd <McConnell S/F A/C> and Allambie Pty Ltd <McConnell Family A/C>.

Mr McConnell controls Allambie Pty Ltd and is a joint beneficiary of the fund and trust.

## Company Secretary

(continued)

**Rebecca Wardrop** (appointed 12 October 2022)

### QUALIFICATIONS

Chartered Accountant and holds a Bachelor of Commerce with majors in Accounting and Marketing from The University of Western Australia

### EXPERIENCE AND EXPERTISE

Rebecca resides in Sydney, NSW. She joined the Company in May 2020 and assists the Board with accounting, auditing, and finance matters.

Rebecca is an experienced Chartered Accountant with substantial experience in the information technology, manufacturing, and service industries. She has international experience with Deloitte, having worked in Sydney, New York, and the United Kingdom.

**Nicholas Donlon** (resigned 12 October 2022)

### QUALIFICATIONS

Bachelor of Agricultural Economics, Juris Doctor

### EXPERIENCE AND EXPERTISE

Nicholas holds a Bachelor of Agricultural Economics (majoring in Agricultural Economics and Finance) and a Juris Doctor. He is a Certified Financial Planner, an

accredited SMSF Specialist Adviser and is admitted as a Solicitor of the Supreme Court of New South Wales. Nicholas has been involved with Aguia for a number of years. Prior to his appointment as Company Secretary, he was assisting Aguia with investor relations and has worked closely with the team in both Sydney and Brazil.

## Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director are presented in Meeting's attendance Table.

### Meeting's attendance

	ATTENDED	HELD
Christina McGrath	8	8
Fernando Tallarico	7	8
Martin McConnell	8	8



## Remuneration Report (Audited)

**This opens the remuneration report, which has been audited**

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, 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 DIRECTOR 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 \$400,000 per annum. Director's fees paid to non-executive directors accrue on a daily basis. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the consolidated entity and non-executive directors may in limited circumstances receive incentive options in order to secure their services.

### EXECUTIVE REMUNERATION

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

The executive remuneration and reward framework has four components:

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

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

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

Short-term incentives ('STI') payments are granted to executives based on specific targets being achieved and include bonus payments. Executives may be entitled to an annual cash bonus upon achieving various

key performance indicators ("KPI's"), as set by the Board. KPIs may include:

- Permitting Approvals;
- Metallurgical testing Andrade;
- Budget control;
- Marketing initiatives.

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.

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.

#### **VOTING AND COMMENTS MADE AT THE COMPANY'S 2022 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 2022. There were approximately 15 members present at the AGM on 30 November 2022. Four shareholders provided feedback about the remuneration of KMP of the company.

#### **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) 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.

### **Details of Remuneration**

#### **AMOUNTS OF REMUNERATION**

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

During the 30 June 2023 Financial year, the key management personnel of the consolidated entity consisted of the following directors of Aguiá Resources Limited:

- Christina McGrath - Executive Chair (Resigned 19 September 2023)  
Executive Director (Appointed 19 September 2023)  
Acting Managing Director (appointed 6 September 2023)
- Fernando Tallarico - Managing Director (resigned 6 September 2023);
- Martin McConnell - Non-Executive Director;



## 2023 Remuneration

	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	TOTAL
	CASH SALARY	CONSULTING FEES	SUPERANNUATION	EQUITY-SETTLED	
Non-Executive Directors					
Martin McConnell	47,500	-	4,988	42,940	95,428
Executive Directors					
Christina McGrath	137,500	-	14,438	42,940	194,878
Fernando Tallarico (resigned 6 September 2023) <sup>4</sup>	344,000	-	-	261,687	605,087
	529,000	-	19,426	347,567	895,393

## 2022 Remuneration

2022 Remuneration					
	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	TOTAL
	CASH SALARY	CONSULTING FEES	SUPERANNUATION	EQUITY-SETTLED	
<b>Non-Executive Directors</b>					
Martin McConnell	45,000	-	4,500	38,854	88,354
David Carland <sup>5</sup> (Resigned 15 July 2022)	45,000	-	4,500	17,042	66,542
<b>Executive Directors</b>					
Christina McGrath (appointed 7 January 2022)	225,838	-	32,584	138,854	397,276
Fernando Tallarico <sup>4</sup>	240,000	-	-	298,066	538,066
	555,838	-	41,584	492,816	1,090,238

<sup>4</sup> Fees and salaries for Fernando Tallarico personnel are paid through the private entity Cosenza Consultoria me Mineração Ltda

<sup>5</sup> On 15 July 2022 Non-Executive Director, David Carland resigned from the Board of Directors. In accordance with the terms of all options issued, it was agreed by the Board, that David Carland would continue to hold these options issued to him, subsequent to his resignation.

For personal use only

## Performance Remuneration

The proportion of remuneration linked to performance and the fixed proportion are presented in the Proportion between fixed and performance Remuneration Table.

### Proportion between fixed and performance Remuneration

	FIXED REMUNERATION		AT RISK - STI		AT RISK - LTI	
	2023	2022	2023	2022	2023	2022
Christina McGrath	76%	65%	-	-	24%	35%
Fernando Tallarico (resigned 6 September 2023)	55%	45%	-	-	45%	55%
Martin McConnell	52%	56%	-	-	48%	44%
David Carland (resigned 15 July 2022)	N/a	74%	-	-	N/a	26%

### Service Agreements

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

appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

### MANAGING DIRECTOR

Name: Fernando Tallarico

Agreement commenced: 16 October 2019.

Term of agreement: 3 months' notice to company and 6 months' notice by the company.

Details: Annual remuneration of A\$ 396,000<sup>6</sup>. Bonus as recommended and approved by the Board based on achievement of annual milestones. Mr. Tallarico is also entitled to share based payment option subject to Board approval.

### Share-based Compensation

#### ISSUE OF SHARES

As approved by Shareholders at the AGM on 30 November 2022, 2,000,000 ordinary shares at \$0.05 were granted to Fernando Tallarico in lieu of cash payment for time served to the Company. These have been accounted for as unissued capital as at 30 June 2023.

### NON-EXECUTIVE DIRECTORS

Non-executive directors may receive a board fee. The total fee pool for non-executive director is currently limited to \$400,000 per annum. All non-executive directors enter into a service agreement with the company in the form of a letter of

#### OPTIONS ISSUED TO KEY MANAGEMENT

#### PERSONNEL

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 detailed in the table which follows.

<sup>6</sup> New Base Annual REM was effective from 1 November 2023, From 1 July – 31 October, Base REM was \$240,000/annum.

## Terms and Conditions of Options

Director	NUMBER OF OPTIONS GRANTED	GRANT DATE	VESTING DATE AND EXERCISABLE DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE PER OPTION AT GRANT DATE
Fernando Tallarico	4,000,000	20/12/20	[a]	20/11/25	\$0.10	\$0.0189
Christina McGrath	1,500,000	20/12/20	[a]	20/11/25	\$0.10	\$0.0189
Martin McConnell	1,500,000	20/12/20	[a]	20/11/25	\$0.10	\$0.0189
Fernando Tallarico	5,000,000	30/11/21	[a]	30/11/26	\$0.10	\$0.0329
Christina McGrath	1,500,000	30/11/21	[a]	30/11/26	\$0.10	\$0.0329
Martin McConnell	1,500,000	30/11/21	[a]	30/11/26	\$0.10	\$0.0329

[a] The unlisted options will vest on the completion of the construction and subsequent opening of the TEPP mine. The options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested (but not yet exercised) by directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

DIRECTOR	NUMBER OF OPTIONS GRANTED DURING THE YEAR		NUMBER OF OPTIONS VESTED DURING THE YEAR	
	2023	2022	2023	2022
Fernando Tallarico (resigned 6 September 2023)	-	5,000,000	-	-
Christina McGrath	-	1,500,000	-	-
Martin McConnell	-	1,500,000	-	-
	-	8,000,000	-	-

## Additional Information

The factors that are considered to affect total shareholders return ('TSR') are summarised at the Share Price and Basic Earnings Table.

The earnings of the consolidated entity for the five years to 30 June 2023 are summarised in Consolidated Earnings Table.

## Share Price and Basic Earnings

	2023	2022	2021	2020	2019
Share price at financial year end	0.028	0.07	0.076 <sup>7</sup>	0.042	0.12
Basic earnings per share (cents per share)	(0.54)	(0.50)	(3.37)	(1.37)	(2.27)

## Consolidated Earnings

	2023	2022	2021	2020	2019
Loss after income tax	(2,236,834)	(1,856,176)	(10,841,976)	(2,725,792)	(3,342,455)

<sup>7</sup> The company was in a trading halt on the 30 June 2021, the share price at the end of the financial year has been taken as the share price on 29 June 2021.



## 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 consolidated entity, including their personally related parties, is set out in the Ordinary Shares Held by KMP Table.

#### Ordinary Shares Held by KMP

	OPENING BALANCE	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS & OTHER	CLOSING BALANCE YE
Christina McGrath	6,371,506	-	-	-	6,371,506
Fernando Tallarico (resigned 6 September 2023)	4,137,143	2,000,000 <sup>8</sup>	-	-	6,137,143
Martin McConnell	571,944	-	-	-	571,944
	11,080,593	-	-	-	13,080,593

### Option Holding

The number of options over all ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set in the Options Held by KMP Table.

#### Options Over Ordinary Shares Held by KMP

	OPENING BALANCE	GRANTED	EXERCISED	EXPIRED/ FORFEITED & OTHER	VESTED AND EXERCISABLE	CLOSING BALANCE YE
Christina McGrath	5,669,506	-	-	(2,669,506)	-	3,000,000
Fernando Tallarico (resigned 6 September 2023)	9,000,000	-	-	-	-	9,000,000
Martin McConnell	3,117,627	-	-	(117,627)	-	3,000,000
	17,787,133	-	-	(2,787,133)	-	15,000,000

**This concludes the remuneration report, which has been audited**

<sup>8</sup> This balance represents shares to be issued to Fernando Tallarico as approved at the 2022 AGM in lieu of cash payment for time served to the Company

## Shares Under Option

Unissued ordinary shares of Aguia Resources Limited under option at the date of this report are presented in the Shares Under Option Table.

ISSUE DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
20 November 2020*	20 November 2025	\$0.100	7,000,000
2 July 2021*	20 November 2025	\$0.100	1,500,000
30 November 2021*	30 November 2026	\$0.100	9,500,000
24 April 2022*	30 November 2026	\$0.100	9,000,000
			27,000,000

\* Unlisted options, 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 unlisted options do not carry any voting and dividend rights.

## Shares Issued on the Exercise of Options

There were no ordinary shares of Aguia Resources Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

## Indemnity and Insurance of Officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Indemnity and Insurance of Auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, 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.

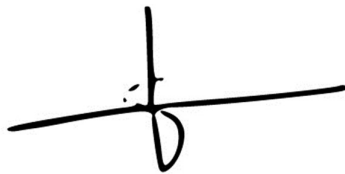
## Auditor

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



**Warwick Grigor**  
**Non-Executive Chairman**

Sydney, 29 September 2023





**Building a better  
working world**

Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com.au

## **Auditor's independence declaration to the directors of Agua Resources Limited**

As lead auditor for the audit of the financial report of Agua Resources Limited for the financial year ended 30 June 2023, 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;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

A stylized, handwritten-style signature of the Ernst &amp; Young firm.

Ernst & Young

A handwritten signature of Siobhan Hughes.

Siobhan Hughes  
Partner  
29 September 2023

For personal use only

# FINANCIAL STATEMENTS



## General information

The financial statements cover Aguia Resources Limited as a consolidated entity consisting of Aguia Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in AUD, which is the parent company, 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 located as below.

### REGISTERED OFFICE

Level 12, 680 George Street  
Sydney NSW 2000

### PRINCIPAL PLACE OF BUSINESS

Rua Dr. Vale, 555, Sala 406,  
Porto Alegre, RS, Brazil, 90560-010

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 29 September 2023.



## Statement of Consolidated Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2023

	NOTE	2023	2022
<b>Revenue</b>			
Interest revenue calculated using the effective interest method		60,323	155,210
<b>Total Revenue</b>		60,323	155,210
<b>Expenses</b>			
Employee benefits expense		(72,520)	(62,499)
Share based payments	9 & 21	(518,279)	(546,230)
Depreciation and amortisation expense		(8,886)	(8,307)
Corporate expenses		(779,731)	(750,222)
Business development costs		(439,759)	(247,922)
Legal and professional		(141,452)	(136,663)
Administrative expense		(336,530)	(259,543)
<b>Total Expenses</b>		(2,297,157)	(2,011,386)
<b>Loss before income tax expense</b>		(2,236,834)	(1,856,176)
Income tax expense	4	-	-
<b>Loss after income tax expense for the year</b>		(2,236,834)	(1,856,176)
<b>Attributable to:</b>			
Equity holders of Aguia Resources Ltd		(2,236,834)	(1,856,176)
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	9	2,853,849	1,345,049
<b>Total other comprehensive income/(loss) for the year</b>		2,853,849	1,345,049
<b>Total Comprehensive income/(loss) for the year</b>		617,013	(511,127)
<b>Earnings per share (cents)</b>			
Basic	20	(0.54)	(0.50)
Diluted	20	(0.54)	(0.50)

The above financial statements should be read in conjunction with the accompanying notes

## Statement of Consolidated Financial Position

As at 30 June 2023

	NOTE	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		437,806	3,726,304
Trade and other receivables		81,591	40,546
Prepayments		85,656	46,833
<i>Total current assets</i>		605,053	3,813,683
<b>Non-current assets</b>			
Property, plant and equipment	5	2,157,484	1,845,705
Exploration and evaluation	6	31,571,757	26,723,226
<i>Total non-current assets</i>		33,729,241	28,568,931
<b>Total assets</b>		<b>34,334,294</b>	<b>32,382,614</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7&11	256,854	730,755
<i>Total current liabilities</i>		256,854	730,755
<b>Total liabilities</b>		<b>256,854</b>	<b>730,755</b>
<b>Net assets</b>		<b>34,077,440</b>	<b>31,651,859</b>
<b>EQUITY</b>			
Equity			
<b>CONTRIBUTED CAPITAL</b>	8	123,307,543	121,858,851
Reserves	9	(5,353,950)	(8,567,673)
Accumulated losses		(83,876,153)	(81,639,319)
<b>Total equity</b>		<b>34,077,440</b>	<b>31,651,859</b>

The above financial statements should be read in conjunction with the accompanying notes

## Statement of Consolidated Changes in Equity

For year ended 30 June 2023

	ORDINARY SHARES	RESERVES (NOTE 9)	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 1 July 2021	118,101,048	(10,188,952)	(79,783,143)	28,128,955
Loss after income tax expense for the year	-	-	(1,856,176)	(1,856,176)
Other comprehensive income/(loss) for the year, net of tax	-	1,345,049	-	1,345,049
Total comprehensive income/(loss) for the year	-	1,345,049	(1,856,176)	(511,127)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	3,757,803	-	-	3,757,803
Share-based payments (note 9 and note 21)	-	276,230	-	276,230
Balance at 30 June 2022	121,858,851	(8,567,673)	(81,639,319)	31,651,859

	ORDINARY SHARES	RESERVES (NOTE 9)	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 1 July 2022	121,858,851	(8,567,673)	(81,639,319)	31,651,859
Loss after income tax expense for the year	-	-	(2,236,834)	(2,236,834)
Other comprehensive income/(loss) for the year, net of tax	-	2,853,849	-	2,853,849
Total comprehensive income/(loss) for the year	-	2,853,849	(2,236,834)	617,015
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	1,390,285	-	-	1,390,285
Share-based payments (note 9 and note 21)	58,407	359,874	-	418,281
Balance at 30 June 2023	123,307,543	(5,353,950)	(83,876,153)	34,077,440

The above financial statements should be read in conjunction with the accompanying notes

## Statement of Consolidated Cash Flows

For year ended 30 June 2023

	NOTE	2023	2022
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(2,143,488)	(1,490,575)
Interest received		60,323	155,210
<i>Net cash used in operating activities</i>	19	(2,083,165)	(1,335,366)
<b>Cash flows from investing activities</b>			
Purchase of land		-	(795,198)
Purchase of fixed assets	5	(285,126)	-
Payments for exploration and evaluation		(2,320,055)	(1,434,674)
<i>Net cash used in investing activities</i>		(2,605,181)	(2,229,872)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		1,480,285	3,047,255
Share issue transaction costs		(90,000)	(151,313)
<i>Net cash from financing activities</i>		1,390,285	2,895,942
Cash and cash equivalents at the beginning of the financial year		3,726,304	4,298,379
Increase/(Decrease) of exchange rate changes on cash and cash equivalents		9,563	97,220
<i>Net decrease in cash and cash equivalents</i>		(3,298,061)	(669,295)
Cash and cash equivalents at the end of the financial year		437,806	3,726,304

The above financial statements should be read in conjunction with the accompanying notes



## Notes to the Consolidated Financial Statements

### Note 1. Significant accounting policies

The consolidated financial statements of the Company have been prepared in accordance with Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board (AASB) and Corporations Act 2001, as appropriate for a for-profit entity. The principal accounting policies adopted in the preparation of the general-purpose financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### NEW OR IMPENDING CHANGES TO ACCOUNTING STANDARDS AND INTERPRETATIONS

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

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

Issued but not yet effective:

#### Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1

Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

These amendments are effective for annual periods beginning on or after 1 January 2024. They are not expected to have a significant impact on the Group's consolidated financial statements.

#### 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 Group has incurred net losses after tax of 2,236,834 (2022: \$1,856,176) and net cash outflows from operating and investing activities of \$4,688,346 (2022: \$3,585,100) for the year ended 30 June 2023. Cash on hand at 30 June 2023 is \$437,806 (2022: 3,726,304). Subsequent to year end on 27 September 2023 the Group announced the successful completion of a private placement for the issue of 34,482,759 shares for \$500,000. In addition, the Board was pleased to announce a proposed Entitlement Offer to existing

shareholders on a 1 to 4 basis to raise up to \$1.6m. For every four (4) shares held, shareholders will be entitled to subscribe for one (1) new share at \$0.0145.

The Group has not generated significant revenues from operations. Based on the cash flow forecasts and the current cash on hand, the Group will need to access additional funding in order to progress its projects and continue as a going concern.

As outlined in Note 6 below, the Group's Phosphate Project is currently subject to a Public Civil Action ("PCA") in respect of its environmental permitting. At the date of this report, an injunction request brought on by the Brazilian Federal Public Prosecutor's Office (FPP0) remains ongoing and as a consequence, the Group has decided not to start construction until these legal proceedings have been resolved. The ongoing PCA affects the Group's ability to pursue development of the Phosphate Project and realise the asset's carrying amount in the ordinary course of business.

Notwithstanding the above, the directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to pay its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The Directors, in their consideration have prepared cash flow forecast scenarios to October 2024 and given the current cash position of the Company, one or a combination of the factors below will be required in order for the Group to continue as a going concern for the coming 12 months:

- Completion of the capital raise announced on 27 September 2023 and

Proposed Entitlement offer to existing shareholders to raise \$1.6m.

- An additional capital raising as required to fund the exploration, evaluation and expansionary capital requirements of the Group's Copper and Phosphate projects (pending the successful resolution of the PCA) The Group has a history of being able to raise funds in the capital markets when required.
- The Group has the capacity to manage its activities in the short term to minimise its funding requirements. An overhead reduction exercise was undertaken in FY23 which the Group will continue to implement.

In the event the Group is unsuccessful in raising additional capital when required or it does not receive a favourable resolution the PCA or resolution of the PCA results in extended delays in the development of the Group's Phosphate Project, there is a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Specifically, unfavourable resolution of the PCA may also be an impairment indicator for the Group's Phosphate Project which may require an adjustment the project's carrying amount.

The financial report does not include any adjustments relating to the recoverability and classification of the

asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

#### PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 16.

#### 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 2023 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 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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

Where the consolidated entity 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 consolidated entity 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 Board. The Board 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 the parent company, Aguia Resources Limited's functional and presentation currency.

For personal use only

**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**

The consolidated entity recognises revenue as follows:

**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. Other revenue in the prior period relates to grants from the Australian Government under the cash boosting scheme (Refer to Note 22). Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

**INCOME TAX**

The income tax expense or benefit for the period is the tax payable (or benefit, in the form of, future tax losses to be offset against future taxable profits) 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.

Members of the tax consolidated group and the tax sharing arrangement Aguiá Resources Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2013. Aguiá Resources Limited is the head entity of the tax consolidated group.

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 consolidated entity'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 consolidated entity'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.

Deferred tax assets and liabilities are always classified as non-current.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, 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 allowance for expected credit losses.

**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**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Freehold Land is stated at cost. 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.
- Freehold land: not depreciated.

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

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

the item disposed of is transferred directly to retained profits.

**EXPLORATION AND EVALUATION ASSETS**

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

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

The demonstration of the technical feasibility and commercial viability is the point at which management determines that it will develop the project and is subject to a significant degree of judgement and assessment of all

relevant factors. This typically includes, but is not limited to, the completion of an economic feasibility study, the establishment of mineral reserves and the ability to obtain the relevant construction and operating permits for the project.

#### **TRADE AND OTHER PAYABLES**

These amounts represent liabilities for goods and services provided to the consolidated entity 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.

#### **EMPLOYEE BENEFITS**

##### **Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

##### **Defined contribution superannuation expense**

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

##### **Share-based payments**

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options/warrants over shares, which 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

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 consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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

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 consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity 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.

#### **CONTRIBUTED CAPITAL**

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

#### **EARNINGS PER SHARE**

##### **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the owners of Aguiá 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

For personal use only



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.

#### **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.

##### **SHARE-BASED PAYMENT TRANSACTIONS**

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions used in the valuation models relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

##### **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 judgements 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. This includes consideration of the status of ongoing legal matters and how they may impact the ability of the Group to develop the asset and therefore recover the carrying value of the asset.

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 Maker ('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 is reported to the CODM every two months.

For personal use only

## Note 4. Consolidated Income Tax Expense

	2023	2022
<b>Numerical reconciliation of income tax expense and tax at the statutory rate</b>		
Loss before income tax expense	(2,236,832)	(1,856,176)
Tax at the statutory tax rate of 25% (2022: 25%)	(559,208)	(464,044)
<b>Tax effect amounts which are not deductible/(taxable) in calculating taxable income</b>		
Expenditure not allowable for income tax purposes	129,570	136,558
Differences arising from losses in Brazil at a tax rate of 15%	272,206	43,443
Current year tax (loss) not recognised	(157,433)	(284,043)
Income tax expense	-	-

The potential tax benefit for tax losses presented below 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.

	2023	2022
<b>Tax losses not recognised</b>		
Unused tax losses for which no deferred tax asset has been recognised	23,447,075	22,817,345
Potential tax benefit @ 25% (2022: 25%)	5,861,769	5,704,336

**TAX CONSOLIDATION**

Members of the tax consolidated group and the tax sharing arrangement Aguiá Resources Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2013. Aguiá Resources Limited is the head entity of the tax consolidated group.

## Note 5. Property, Plant and Equipment

	FREEHOLD LAND	OTHER EQUIPMENT	TOTAL
<b>Cost or valuation</b>			
<b>At 30 June 2021</b>	1,613,690	141,137	1,754,827
Additions	63,107	15,355	78,462
FX Differences	89,500	7,688	97,187
<b>At 30 June 2022</b>	1,766,297	164,180	1,930,476
Additions	235,098	50,028	285,126
FX Differences	52,913	4,918	57,831
<b>At 30 June 2023</b>	2,054,309	219,126	2,273,435
<b>Depreciation</b>			
<b>At 30 June 2021</b>	-	72,551	72,551
Depreciation - P&L	-	8,307	8,307
FX Differences	-	3,914	3,914
<b>At 30 June 2022</b>	-	84,773	84,773
Depreciation - P&L	-	8,886	8,886
Depreciation - E&E	-	19,671	19,671
FX Differences	-	2,621	2,621
<b>At 30 June 2023</b>	-	115,951	115,951
<b>Net Book Value</b>			
At 30 June 2022	1,766,297	79,408	1,845,705
At 30 June 2023	2,054,309	103,175	2,157,484

## Note 6. Consolidated Non-current Assets - Exploration and Evaluation

	2023	2022
Brazilian Phosphate project - at cost	47,968,946	44,688,807
Less: Cumulative Impairment	(21,852,634)	(21,852,634)
	26,116,312	22,836,173
Brazilian Copper project - at cost	5,455,445	3,887,053
	5,455,445	3,887,053
	31,571,757	26,723,226

## RECONCILIATIONS

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

	EXPLORATION & EVALUATION	TOTAL
<b>Balance at 1 July 2021</b>	24,137,332	24,137,332
Additions	1,436,774	1,436,774
Exchange differences	1,149,120	1,149,120
<b>Balance at 30 June 2022</b>	26,723,226	26,723,226
Balance at 1 July 2022	26,723,226	26,723,226
Additions	2,211,560	2,211,560
Exchange differences	2,636,971	2,636,971
<b>Balance at 30 June 2023</b>	31,571,757	31,571,757

The carrying value of our Phosphate Project is stated at cost. In November 2022 the Installation Licence (LI) was issued by FEPAM. Due to the existing Public Civil Action around the Project permitting, AguiA has decided not to start construction, until the legal proceedings regarding the environmental permitting which is currently under discussion in the Tres Estradas Public Civil Action 'PCA' sponsored by the Brazilian Federal Public Prosecutor's Office (FPPQ). Although AguiA had at first a favourable decision, which had been



appealed and granted, there is still an injunction request pending of decision that could prevent the Company from starting construction until the court decides. Nevertheless, both the federal prosecutor currently representing the FPPD in the PCA and the federal trial court judge in charge of the case responded positively to Aguiá's attempt to negotiate with all parties involved to resolve the matters under dispute as soon as possible.

A number of meetings were held during the year to move the settlement negotiations forward between all parties however a settlement was unable to be reached. The matter is now with the federal trial court judge with a number of possible outcomes. Whilst the Group remains positive about a favourable decision the judge's verdict, the next steps that Aguiá will need to take in order to progress the project is not currently known.

This matter does not impact the underlying mining concessions or LI and therefore the Group will continue to pursue this matter until the dispute is resolved. Once evidence that all required environmental programs have been implemented, the Operation License (LO) may then be issued and the project can progress, in line with the plans outlined in the Updated Bankable Feasible Study published in March 2023.

## Note 7. Consolidate Current Liabilities - Trade and Other Payables

	2023	2022
Trade payables	14,173	137,926
Accrued expenses	17,761	507,186
Advances of Future Capital Increases <sup>9</sup>	120,016	-
Other payables	104,904	85,643
	256,854	730,755

Trade Payables are settled within 30 -90 days and are non-interest bearing.

## Note 8. Equity - Contributed Capital

	NUMBER OF SHARES		AUD	
	2023	2022	2023	2022
Ordinary shares - fully paid	433,854,253	399,897,089	123,307,544	121,858,852

### 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.

<sup>9</sup> This balance represents the obligation to issue \$100k worth of shares to Fernando Tallarico as approved by shareholders of the Company at the AGM on 30 November 2022, in relation to time served to the Company, plus \$20k in deferred consideration/issuance of shares as committed by directors as part of the Private Placement in February 2023. Prior to issuing these shares, shareholder approval is required.

## MOVEMENTS IN ORDINARY SHARE CAPITAL

DETAILS	DATE	SHARES	ISSUE PRICE	AUD
<b>Opening Balance 1 July 2021</b>	1 Jul 2021	327,121,517		118,101,048
Shares issued – Placement	6 Jul 2021	6,570,923	\$0.09	591,383
Shares issued – to supplier in lieu of cash payment	30 Jul 2021	250,000	\$0.08	20,000
Shares issued – Placement	22 Nov 2021	50,940,000	\$0.05	2,547,000
Shares issued – Share Purchase Plan	24 Dec 2021	10,014,649	\$0.05	500,733
Shares issued – to Christina McGrath as approved at the 2021 AGM in lieu of cash payment	24 Apr 2022	2,000,000	\$0.05	100,000
Shares issued – to Fernando Tallarico as approved at the 2021 AGM in lieu of cash payment	24 Apr 2022	3,000,000	\$0.05	150,000
Share issue costs				(151,313)
Closing Balance 30 June 2022	30 Jun 2022	399,897,089		121,858,852
<b>Opening Balance 1 July 2022</b>	1 Jul 2022	399,897,089		121,858,852
Shares issued – to supplier in lieu of cash payment	9 August 2022	1,061,945	\$0.055	58,407
Shares Issued – Placement	24 February 2023	32,895,219	\$0.045	1,480,285
Share issue costs				(90,000)
Closing Balance 30 June 2023		433,854,253		123,307,544

## CAPITAL RISK MANAGEMENT

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the consolidated entity may issue new shares or sell assets.

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

As at 30 June 2023, the consolidated entity is not subject to financing arrangements covenants.

## Note 9. Consolidated Equity – Reserves

	2023	2022
Foreign currency reserve	(11,432,946)	(14,286,795)
Share-based payments reserve	5,996,811	5,636,937
Capital contribution reserve	82,185	82,185
	(5,353,950)	(8,567,673)

### MOVEMENTS IN RESERVES

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

	CAPITAL CONTRIBUTION	SHARE-BASED PAYMENTS	FOREIGN CURRENCY	TOTAL
Balance at 1 July 2021	82,185	5,360,707	(15,631,844)	(10,188,952)
Foreign currency translation	-	-	1,345,049	1,345,049
Share-based payments	-	276,230	-	276,230
Balance at 30 June 2022	82,185	5,636,937	(14,286,795)	8,567,673
Balance at 1 July 2022	82,185	5,636,937	(14,286,795)	(8,567,673)
Foreign currency translation	-	-	2,853,849	2,853,849
Share-based payments	-	359,874	-	359,874
Balance at 30 June 2023	82,185	5,996,811	(11,432,946)	(5,353,950)

### 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 Emprerimentos Ltd, a company associated with three of its current/former directors. The consolidated entity ceased to borrow from this counterparty in 2017.

### 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.

### 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 was also used to recognise gains and losses on hedges of the net investments in foreign operation

## Note 10. Equity – Dividends

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

## Note 11. Financial Instruments

### FINANCIAL RISK MANAGEMENT OBJECTIVES

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity'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 consolidated entity does not enter into derivative transactions to mitigate the financial risks. In addition, the consolidated entity's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the consolidated entity's operations change, the directors will review this policy periodically going forward.

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

#### Interest rate risk

The consolidated entity's main interest rate risk arises from short-term deposits with a floating interest rate.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. 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 consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

There are no significant concentrations of credit risk within the consolidated entity.



Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year. The exposure to sensitivities on credit risk is not material.

### Liquidity risk

Liquidity risk is the risk that the consolidated entity 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 consolidated entity will always have sufficient liquidity to meet its liabilities when due. Vigilant liquidity risk management requires the consolidated entity 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 consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

### Remaining contractual maturities

The following tables detail the consolidated entity'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 2023	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS A\$	BETWEEN 1 AND 2 YEARS A\$	BETWEEN 2 AND 5 YEARS A\$	OVER 5 YEARS A\$	TOTAL A\$
<b>NON-DERIVATIVES</b>						
<b>Non-interest bearing</b>						
Trade payables	-	14,173	-	-	-	14,173
Other payables	-	104,904	-	-	-	104,904
Accruals	-	17,761	-	-	-	17,761
Total non-derivatives	-	136,838	-	-	-	136,838

CONSOLIDATED 2022	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS A\$	BETWEEN 1 AND 2 YEARS A\$	BETWEEN 2 AND 5 YEARS A\$	OVER 5 YEARS A\$	TOTAL A\$
<b>NON-DERIVATIVES</b>						
<b>Non-interest bearing</b>						
Trade payables	-	137,926	-	-	-	137,926
Other payables	-	507,186	-	-	-	507,186
Accruals	-	85,643	-	-	-	85,643
Total non-derivatives	-	730,755	-	-	-	730,755

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

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

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.

For personal use only

## Note 12. Key Management Personnel Disclosures

### COMPENSATION

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below.

	2023	2022
Short-term employee benefits	529,000	555,838
Superannuation	19,426	41,584
Share-based payments	347,567	492,816
	895,393	1,090,238

## Note 13. 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:

	2023	2022
<b>Audit services - Ernst &amp; Young</b>		
Audit or review of the financial statements	75,500	54,100
<b>Audit services - network firms - Ernst &amp; Young Brazil</b>		
Audit or review of the financial statements	17,500	17,500

## Note 14. Contingent Liabilities

The consolidated entity does not have any contingent liabilities as at 30 June 2023.

## Note 15. Related Party Transactions

### PARENT ENTITY

Agua Resources Limited is the parent entity.

### SUBSIDIARIES

Interests in subsidiaries are set out in note 17.

### KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in note 12 and the remuneration report included in the directors' report.

### TRANSACTIONS WITH RELATED PARTIES

THE FOLLOWING TRANSACTIONS OCCURRED WITH RELATED PARTIES.	2023	2022
<b>Payment for goods and services:</b>		
Payment to Brooke McConnell, daughter of NED Mr Martin McConnell, for services to the Company	880	217

## Note 16. Parent Entity Information

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

### STATEMENT OF PARENT COMPANY PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For year ended 30 June 2023

	2023	2022
Gain/(Loss) after income tax	(1,186,271)	(18,260,177)
Gain/(Loss) Total comprehensive loss	(1,186,271)	(18,260,177)

### STATEMENT OF PARENT COMPANY FINANCIAL POSITION

For year ended 30 June 2023

	2023	2022
Total current assets	425,438	1,920,926
Total assets	32,910,045	31,746,998
Total current liabilities	146,777	95,139
Total liabilities	146,777	95,139
<b>Equity</b>		
Contributed capital	123,679,818	122,231,126
Foreign Currency Translation Reserve	489,116	-
Share-based payments reserve	5,865,936	5,506,064
Capital contribution reserve	82,185	82,185
Accumulated losses	(97,353,787)	(96,167,516)
Total equity	32,763,268	31,651,859

### 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 2023 and 30 June 2022.

### CONTINGENT LIABILITIES

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

### CAPITAL COMMITMENTS – PROPERTY, PLANT AND EQUIPMENT

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

### SIGNIFICANT ACCOUNTING POLICIES

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

- Investments in subsidiaries 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 17. 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	
		2023	2022
Agua Mining Pty Ltd	Australia	100.00%	100.00%
Agua Phosphate Pty Ltd	Australia	100.00%	100.00%
Agua Potash Pty Ltd	Australia	100.00%	100.00%
Agua Copper Pty Ltd	Australia	100.00%	100.00%
Agua Metais Ltda	Brazil	100.00%	100.00%
Potassio do Atlantico Ltda	Brazil	100.00%	100.00%
Agua Rio Grande Mineracao Ltda	Brazil	100.00%	100.00%
Agua Fertilizantes S.A. <sup>10</sup>	Brazil	49.00%	49.00%

## Note 18. Events After the Reporting Period

On 25 August 2023 Alan Nascimento resigned as Company Secretary and Chief Financial Officer.

On 6 September 2023 Dr Fernando Tallarico resigned as Managing Director. Ms Christina McGrath was appointed Acting Managing Director on the resignation of Dr Tallarico.

On 6 September 2023 Mr Benjamin Jarvis was appointed Non-Executive Director.

On 19 September 2023, Mr Warwick Grigor was appointed Non-Executive Chair. Ms Christina McGrath remains an Executive Director upon the appointment of Chairman, Mr Warwick Grigor.

On 27 September 2023 Agua announced the successful completion of a private placement for the issue of 34,482,759 shares for \$500,000. In addition, the Board was pleased to announce a proposed Entitlement Offer to existing shareholders on a 1 to 4 basis to raise up to \$1.6m. For every four (4) shares held, shareholders will be entitled to subscribe for one (1) new share at \$0.0145. The closing date for this offer will be on or around 25 October 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

<sup>10</sup> The Group considers that it controls Agua Fertilizantes S.A. even though it owns less than 50% of the voting rights. This is because the parent entity holds a call option over the remaining 51% shares, exercisable at any time at the Group's full discretion at nominal consideration. The Group has current entitlement to 100% of returns and accordingly there is no NCI.

## Note 19. Reconciliation Of Consolidated Loss After Income Tax to Net Cash Used In Operating Activities

	2023	2022
Loss after income tax expense for the year	(2,236,832)	(1,856,176)
<b>Adjustments for:</b>		
Depreciation and amortisation	8,886	8,307
Write off of property, plant and equipment	-	-
Share-based payments	518,279	546,230
<b>Change in operating assets and liabilities:</b>		
Increase/(decrease) in trade and other receivables	41,045	(10,997)
Increase/(decrease) in trade and other payables	184,492	(22,729)
Net cash used in operating activities	(1,853,114)	(1,335,365)

## Note 20. Consolidated Earnings per Share

	2023	2022
Loss after income tax attributable to the owners of Agui Resources Limited	(2,236,832)	(1,856,176)
<b>Number of shares</b>		
Weighted average number of ordinary shares used in calculating basic earnings per share	411,195,691	369,193,431
Weighted average number of ordinary shares used in calculating diluted earnings per share	411,195,691	369,193,431
<b>Basic Earnings (Cents)</b>		
Basic	(0.54)	(0.50)
Diluted	(0.54)	(0.50)

## Note 21. Share Based Payments

A share option plan has been established by the consolidated entity, whereby the consolidated entity 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 consolidated entity. Whereby they were not granted under the share option plan, they have been approved by shareholders at the respective Annual General Meeting. 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.

On 20 November 2020, the Company issued 7,000,000 unlisted share options, with an exercise price of 10 cents and expiration date of 20 November 2025 to the directors of the Company.

On 2 July 2021, the Company issued 1,500,000 unlisted share options, with an exercise price of 10 cents and expiration date of 20 November 2025 to Non-Executive Director, David Carland.

On 30 November 2021, the Company issued 9,500,000 unlisted share options, with an exercise price of 10 cents and expiration date of 30 November 2026 to the directors of the Company.



On 24 April 2022, the Company issued 9,000,000 unlisted share options, with a deemed grant date of 15 April 2022, with an exercise price of 10 cents and expiration date of 30 November 2026 to the Management team of the Company.

The options will vest, depending on the satisfaction of KPI's related to the construction and subsequent opening of the TEPP Mine.

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

### 2023 OPTIONS GRANTED

No options were granted during the year ended 30 June 2023.

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
20/11/2020	20/11/2025	\$0.100	7,000,000	-	-	-	7,000,000
02/07/2021	20/11/2025	\$0.100	-	1,500,000	-	-	1,500,000
30/11/2021	30/11/2026	\$0.100	-	9,500,000	-	-	9,500,000
15/04/2022	30/11/2026	\$0.100	-	9,000,000	-	-	9,000,000
			7,000,000	20,000,000	-	-	27,000,000

With respect to the options, a total of \$359,872 (2022: \$276,270) has been recognised in the profit or loss as share-based payments for the 12-month period ended 30 June 2023.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.08 years (2022: 2.01 years).

The weighted average exercise price of options outstanding at the end of the financial year was \$0.10 (2022: \$0.15).

The inputs used to determine the fair value at the grant date, using the Black- Scholes valuation model have been summarised in the table below.

GRANT DATE	EXPIRY DATE	NUMBER OF OPTIONS	SHARE PRICE AT GRANT DATE	EXERCISE PRICE	EXPECTED VOLATILITY	DIVIDEND YIELD	RISK-FREE INTEREST RATE	FAIR VALUE AT GRANT DATE
29/11/19 <sup>11</sup>	31/10/24	5,000,000	\$0.0160	\$0.23	106.49%	-	0.7400%	\$0.1155
20/12/20 <sup>12</sup>	20/11/25	2,000,000	\$0.0800	\$0.10	103.55%	-	0.1401%	\$0.0500
02/07/21	20/11/25	1,500,000	\$0.0600	\$0.10	103.55%	-	0.7000%	\$0.0400
30/11/21	30/11/26	9,500,000	\$0.0500	\$0.10	103.55%	-	1.3000%	\$0.0329
15/04/22	30/11/26	9,000,000	\$0.0600	\$0.10	103.55%	-	2.8000%	\$0.0400

<sup>11</sup> Treated as a modification for accounting purposes as disclosed in the 30 June 2021 Annual Financial Report.

<sup>12</sup> Treated as a modification for accounting purposes as disclosed in the 30 June 2021 Annual Financial Report.

The table below summarised the Share Based Payment Expense recorded in the profit and loss statement during the timeframe 1 July 2022 to 30 June 2023

DETAILS	DATE	SHARES	ISSUE PRICE	AUD
Shares issued – to supplier in lieu of cash payment	9-Aug-22	1,061,945	\$0.06	58,407
Shares yet to be issued & accrued – to Fernando Tallarico as approved at the 2022 AGM in lieu of cash payment	30-Nov-22	2,000,000	\$0.05	100,000
Share Based Payment Expense Relating to Employee Share Options – KMP				276,230
Share Based Payment Expense Relating to Employee Share Options – All Other Employees				83,642
<b>Total Share Based Payment Expense</b>				<b>518,279</b>

## Note 22. Commitments

The consolidated entity does not have any significant commitments as at 30 June 2023 other than those already been disclosed in the financial statements.

## Directors' declaration

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 consolidated entity's financial position as at 30 June 2023 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



**Christina McGrath**  
**Executive Director & Acting Managing Director**

29 September 2023





**Building a better  
working world**

Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com.au

## **Independent auditor's report to the members of Agua Resources Limited**

### **Opinion**

We have audited the financial report of Agua Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 2023 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 (including Independence Standards)* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Agua Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### **Material Uncertainty Related to Going Concern**

We draw attention to Notes 1 and 6 of the financial report which describes the principal conditions that raise doubts about the Group's ability to continue as a going concern and the status of the Group's ongoing Public Civil Action in respect of the environmental permitting process for its Phosphate Project. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **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. This matter was 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 this matter. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the 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 this matter. 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 matter below, provide the basis for our audit opinion on the accompanying financial report.

## Carrying Value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
<p>At 30 June 2023, the Group's exploration assets totalled \$31.6 million which represents 92% of its total. As disclosed in note 6, \$26.1 million relates to the Group's Phosphate Project, and \$5.5 million relates to the Group's Copper Project.</p> <p>Exploration assets are initially recognised at cost and any additional expenditure is capitalised to the exploration assets in accordance with the Group's accounting policy as outlined in Note 1.</p> <p>At each reporting date the Directors assess the Group's exploration assets for indicators of impairment in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. This assessment involves judgement, including whether; the rights to tenure for the areas of interest are current; the Group's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest.</p> <p>At 30 June 2023, the Group's impairment indicator assessment also considered the Group's on-going Public Civil Action in respect of the environmental permitting process for its Phosphate Project.</p> <p>We have therefore considered this a Key Audit Matter due to the value of exploration assets relative to total assets and the judgement involved in the assessment of indicators of impairment.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>▶ Assessing whether the methodology used and outcomes reached by the Group to identify indicators of impairment met the requirements of Australian Accounting Standards.</li> <li>▶ Understanding the current exploration program and any associated risks through discussions with management.</li> <li>▶ Assessing the legal proceedings brought by the Federal Public Prosecutor against the Group and the potential impact it has on the Group's Phosphate Project. This has included discussions with the Group's external legal advisors to understand possible and likely outcomes.</li> <li>▶ Assessing the Group's right to explore in the relevant exploration area, which included obtaining supporting documentation such as license agreements and extension or renewal application documents.</li> <li>▶ With involvement of our valuation specialists, comparing the carrying amount of E&amp;E assets expressed as an amount per resource tonne, to resource multiples from comparable market transactions.</li> <li>▶ Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant areas of interest, which included an assessment of the Group's cash flow forecast models and discussions with management as to the intentions and strategy of the Group.</li> <li>▶ Assessing whether any other exploration and evaluation data exists, including the Group's Bankable Feasibility Study in respect of the Phosphate Project, to indicate that the carrying value of capitalised exploration and evaluation is unlikely to be recovered through development or sale.</li> <li>▶ Agreeing a sample of costs capitalised for the period to supporting documentation and assessing whether these costs meet the requirements of Australian Accounting Standards and the Group's accounting policy.</li> <li>▶ Assessing the adequacy of the related disclosures in the Notes to the financial report.</li> </ul>



## 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 Company's 2023 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In 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 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, actions taken to eliminate threats or safeguards applied.

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 17 to 28 of the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of Agua Resources Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.



### Responsibilities

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

A stylized, handwritten signature of Ernst &amp; Young in black ink.

Ernst & Young

A handwritten signature of Siobhan Hughes in black ink.

Siobhan Hughes  
Partner  
Sydney  
29 September 2023

## Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at close of business 22 September 2023.

## Distribution of equity securities

Analysis of number of equity security holders by size of holding.

### LISTED OPTIONS EXERCISE

There are no listed options available at 30 June 2023.

### UNLISTED OPTIONS EXERCISE

NUMBER OF HOLDERS	ORDINARY SHARES	PRICE \$0.10	PRICE \$0.10
		EXPIRY 20/11/2025	EXPIRY 30/11/2026
1 to 1,000	153	-	-
1,001 to 5,000	196	-	-
5,001 to 10,000	101	-	-
10,001 to 100,000	485	-	13
100,001 and over	431	4	1
	1,366	4	14
Holding less than a marketable parcel	643	-	-

## Distribution of equity securities

### TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

#### Ordinary Shares

The names of the twenty largest security holders of quoted fully paid ordinary shares are listed below.

SHAREHOLDER	NUMBER HELD	% OF TOTAL SHARES ISSUED
RMH FAMILY NOMINEE PTY LTD	17,247,879	4.03
SILVERBACK TRAILERS PTY LTD	15,222,222	3.56
ST EVAL PTY LTD	13,000,000	3.04
CITICORP NOMINEES PTY LIMITED	9,540,327	2.23
TDD GROUP PTY LTD	9,053,573	2.12
CLUTTERBUCK SF PTY LTD	7,641,993	1.79
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,440,253	1.74
MR DAVID SHEARWOOD & MR HARRY SHEARWOOD	6,932,219	1.62
FOWLMERE PTY LTD	6,000,000	1.40
MR GEOFFREY KEITH ROBINSON & MRS BRONWEN ROBINSON	5,963,121	1.39
DAVID COUPER & ASSOCIATES PTY LTD	5,500,000	1.29
ATATURK INVESTMENTS PTY LTD	5,238,073	1.22
MR STUART DONALD EDDY & MRS SUSANNE MAREE EDDY	5,000,000	1.17
GEARD FAMILY PTY LTD	4,922,657	1.15
DIAMED SUPER PTY LTD	4,776,067	1.12
CANADIAN CONTROL A/C	4,674,027	1.09
HOUTSKAR PTY LTD	4,371,506	1.02
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,214,506	0.99
COOPSTER PTY LIMITED	4,200,000	0.98
CHILLI SF PTY LTD	4,156,000	0.97
	145,094,423	33.91

## Unquoted equity securities

	NUMBER ON ISSUE	NUMBER OF HOLDERS
\$0.10 options expiring 20/11/2025	8,500,000	4
\$0.10 options expiring 30/11/2026	18,500,000	14

## Holders of +20% of Unquoted Securities

The following persons hold 20% or more of unquoted equity securities:

NAME	CLASS	NUMBER HELD
Dr Fernando Tallarico	\$0.10 unquoted options expiring 20/11/2025	4,000,000
Cosenza Consultoria Em Mineracao Ltda <sup>13</sup>	\$0.16 unquoted options expiring 30/11/2026	5,000,000

## SUBSTANTIAL HOLDERS

There are no substantial holders in the company.

## 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

The options do not carry any voting rights unless otherwise stated.

There are no other classes of equity securities.

## ON-MARKET BUY BACK

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

<sup>13</sup> Cosenza Consultoria em Mineracao Ltda is a company controlled and directed by Fernando Tallarico

## Mineral Resource Statement

On 9 March 2021 Aguia announced an updated Resource Estimate for its Andrade Copper Project.

There has been no change to the below information regarding the Lucena Phosphate Project or the Três Estradas Phosphate Project since the previous reporting period.

Information in this report that relates to Phosphate and Copper Resources is based on and accurately reflects reports prepared by the Competent Person named beside the respective information. All Competent Persons who have prepared reports are independent of Aguia Resources Limited.

Named Competent Persons consent to the inclusion of material in the form and context in which it appears.

All Competent Persons named are Members of the Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and have the relevant experience in relation to the mineralisation being reported on by them to qualify as Competent Persons as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition).

### PHOSPHATE RESOURCES – 30 JUNE 2021

PROJECT	MEASURED RESOURCE (A)(Mt)	INDICATED RESOURCE (B)(Mt)	MEASURED + INDICATED (A + B)(Mt)	INFERRED RESOURCE (C)(Mt)	COMPE- TENT PERSON	REPORT DATE
Lucena Phosphate Project Pariba, Brazil	0.0	0.0	0.0	55.0 at 6.42% P <sub>2</sub> O <sub>5</sub>	1	8 April 2013
Três Estradas Phosphate Project Rio Grande do Sul, Brazil	36.2	47.0	83.2 at 4.11% P <sub>2</sub> O <sub>5</sub>	21.8 at 3.67% P <sub>2</sub> O <sub>5</sub>	2	20 September 2017
Total Phosphate Resources	36.2	47.0	83.2	76.8		

1. Ms. Camilla Passos, Dr. Oy Leuangthong and Dr. Jean-Francois Couture (SRK Consulting (Canada) Inc)

2. Mr. Steven Kerr (Millcreek Mining Group)

### COPPER RESOURCES – 30 JUNE 2021

PROJECT	MEASURED RESOURCE (A)(Mt)	INDICATED RESOURCE (B)(Mt)	MEASURED + INDICATED (A + B)(Mt)	INFERRED RESOURCE (C)(Mt)	COMPE- TENT PERSON	REPORT DATE
Andrade Copper Project	0.0	18.0	18.0 at 0.41% Cu & 1.87g/t Ag	4.0 at 0.53% Cu & 2.06 g/t Ag	3	9 March 2021
Total Copper Resources	0.0	18.0	18.0	4.0		

3. Mr. Bernado Horta Cerqueira Viana (GE21 Consultoria Mineral)

For personal use only



## Tenement Listing

Agua Resources Limited Permits (Tenements or Licenses)

### Rio Grande Phosphate Project

#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
1	810.766/2021	5/20/1991	2308	20/03/2023	20/03/2026	1,299.78	Application	Água Fertilizantes S.A.	100%
2	810.090/91	5/20/1991	2,947	8/16/2010	8/16/2012	1,000.00	Application for Concession	Água Fertilizantes S.A.	100%
3	810.325/12	2/16/2012	4,101	05/03/2017	05/03/2020	990.95	Application for Concession	Água Fertilizantes S.A. (CBC Option)	100%
4	810.702/11	6/27/2011	5,433	10/09/2012		1,885.25	Extension Submitted	Falcon Petróleo S.A.	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
5	810.988/11	8/23/2011	2,232	4/15/2015		84.39	Extension Submitted	Falcon Petróleo S.A.	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
6	811.189/11	10/05/2011	6,383	7/21/2014	11/08/2025	1,631.70	Extension Submitted	Água Fertilizantes S.A. (Valmor Pedro Meneguzzo Option)	100%
7	810.448/14	4/24/2014	848	2/14/2018	1/10/2024	1,605.12	Permit Extension	Água Fertilizantes S.A.	100%
8	810.996/10	10/04/2010	4,099	01/04/2018		896.23	Final Report Approved	Água Fertilizantes S.A. (CBC Option)	100%
9	811.188/11	10/05/2011	6,382	7/17/2019	28/01/2024	1,922.15	Extension Submitted	Valmor Pedro Meneguzzo (Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
10	810.732/05	11/14/2005	8275	12/27/2016	30/09/2024	1,520.62	Extension Submitted	Mineração Fazenda Terra Santa (Mineração Terra Santa Option)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
11	810.346/14	04/08/2014	6,825	11/03/2017	30/09/2024	1,275.66	Extension Submitted	Água Fertilizantes S.A. (IAMGOLD Option)	100%
Total						14,111.85			

## Rio Grande Copper Project

#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
1	810081/2019	12/03/2019	3825	19/06/2019	31/12/2023	656.83	Permit	Águia Fertilizantes S.A.	100%
2	810125/2021	01/03/2021	3327	11/05/2021	1/10/2024	669.58	Permit	Águia Fertilizantes S.A.	100%
3	810126/2018	01/03/2018	5157	07/12/2020	30/09/2024	936.38	Permit	Águia Fertilizantes S.A.	100%
4	810126/2021	01/03/2021	2104	13/03/2023	13/03/2026	1985.79	Permit	Águia Fertilizantes S.A.	100%
5	810127/2018	01/03/2018	7905	16/10/2018	29/04/2023	537.17	Permit	Águia Fertilizantes S.A.	100%
6	810127/2021	01/03/2021	3328	11/05/2021	1/10/2024	1794.08	Permit	Águia Fertilizantes S.A.	100%
7	810129/2021	01/03/2021	2105	13/03/2023	13/03/2026	1974.88	Permit	Águia Fertilizantes S.A.	100%
8	810130/2021	01/03/2021	2106	13/03/2023	13/03/2026	1903.49	Permit	Águia Fertilizantes S.A.	100%
9	810131/2021	01/03/2021	2107	13/03/2023	13/03/2026	1998.25	Permit	Águia Fertilizantes S.A.	100%
10	810132/2021	01/03/2021	2431	16/04/2021	1/10/2024	1990.42	Permit	Águia Fertilizantes S.A.	100%
11	810133/2021	01/03/2021	3329	11/05/2021	1/10/2024	1934	Permit	Águia Fertilizantes S.A.	100%
12	810134/2018	05/03/2018	5158	07/12/2020	30/09/2024	1083.87	Permit	Águia Fertilizantes S.A.	100%
13	810134/2021	01/03/2021	2432	16/04/2021	1/10/2024	1984.63	Permit	Águia Fertilizantes S.A.	100%
14	810135/2018	05/03/2018	5159	07/12/2020	30/09/2024	1970.04	Permit	Águia Fertilizantes S.A.	100%
15	810135/2021	01/03/2021	3330	11/05/2021	1/10/2024	1995.05	Permit	Águia Fertilizantes S.A.	100%
16	810136/2018	05/03/2018	5160	07/12/2020	30/09/2024	1971.27	Permit	Águia Fertilizantes S.A.	100%
17	810136/2021	01/03/2021	3331	11/05/2021	1/10/2024	1484.66	Permit	Águia Fertilizantes S.A.	100%
18	810137/2018	05/03/2018	5161	07/12/2020	30/09/2024	1921.48	Permit	Águia Fertilizantes S.A.	100%
19	810137/2021	01/03/2021	3332	11/05/2021	1/10/2024	1992.99	Permit	Águia Fertilizantes S.A.	100%
20	810138/2018	05/03/2018	5162	07/12/2020	30/09/2024	1832.25	Permit	Águia Fertilizantes S.A.	100%
21	810138/2021	01/03/2021	3333	11/05/2021	1/10/2024	1992.4	Permit	Águia Fertilizantes S.A.	100%
22	810139/2018	05/03/2018	5163	07/12/2020	30/09/2024	1656.77	Permit	Águia Fertilizantes S.A.	100%
23	810140/2018	05/03/2018	5164	07/12/2020	30/09/2024	1634.74	Permit	Águia Fertilizantes S.A.	100%
24	810140/2021	01/03/2021	3334	11/05/2021	1/10/2024	1971.06	Permit	Águia Fertilizantes S.A.	100%
25	810141/2018	05/03/2018	5165	07/12/2020	30/09/2024	1126.67	Permit	Águia Fertilizantes S.A.	100%
26	810141/2021	01/03/2021	3335	11/05/2021	1/10/2024	1469.6	Permit	Águia Fertilizantes S.A.	100%
27	810142/2018	05/03/2018	5166	07/12/2020	30/09/2024	1189.46	Permit	Águia Fertilizantes S.A.	100%
28	810143/2018	06/03/2018	5167	07/12/2020	30/09/2024	1095.42	Permit	Águia Fertilizantes S.A.	100%
29	810144/2018	06/03/2018	5168	07/12/2020	30/09/2024	1986.44	Permit	Águia Fertilizantes S.A.	100%
30	810145/2018	06/03/2018	5169	07/12/2020	30/09/2024	1745.06	Permit	Águia Fertilizantes S.A.	100%

#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
31	810146/2018	06/03/2018	5170	07/12/2020	30/09/2024	1647.84	Permit	Águia Fertilizantes S.A.	100%
32	810147/2018	06/03/2018	5171	07/12/2020	30/09/2024	1486.79	Permit	Águia Fertilizantes S.A.	100%
33	810148/2018	06/03/2018	5172	07/12/2020	30/09/2024	1879.32	Permit	Águia Fertilizantes S.A.	100%
34	810149/2018	06/03/2018	5173	07/12/2020	30/09/2024	872.5	Permit	Águia Fertilizantes S.A.	100%
35	810150/2018	06/03/2018	5174	07/12/2020	30/09/2024	1854.55	Permit	Águia Fertilizantes S.A.	100%
36	810151/2018	06/03/2018	5175	07/12/2020	30/09/2024	977.39	Permit	Águia Fertilizantes S.A.	100%
37	810152/2018	06/03/2018	5176	07/12/2020	30/09/2024	1341.15	Permit	Águia Fertilizantes S.A.	100%
38	810153/2018	06/03/2018	5288	31/12/2020	30/09/2024	1683.3	Permit	Águia Fertilizantes S.A.	100%
39	810154/2018	06/03/2018	5289	31/12/2020	30/09/2024	1610.1	Permit	Águia Fertilizantes S.A.	100%
40	810155/2018	06/03/2018	5290	31/12/2020	30/09/2024	1986.76	Permit	Águia Fertilizantes S.A.	100%
41	810156/2018	06/03/2018	4161	19/10/2020	30/09/2024	1939.23	Permit	Águia Fertilizantes S.A.	100%
42	810157/2018	06/03/2018	5291	31/12/2020	30/09/2024	1961.94	Permit	Águia Fertilizantes S.A.	100%
43	810187/2018	16/03/2018	6072	31/08/2021	1/10/2024	730.26	Permit	Águia Fertilizantes S.A.	100%
44	810215/2010	11/03/2010	6261	28/08/2015	28/01/2024	714.97	Permit Extension	Referencial Geologia Mineração e Meio Ambiente Ltda (Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
45	810275/2021	28/04/2021	4453	28/06/2021	1/10/2024	38.25	Permit	Águia Fertilizantes S.A.	100%
46	810345/2009	19/05/2009	6247	28/08/2015	28/01/2024	115.91	Permit Extension	Referencial Geologia Mineração e Meio Ambiente Ltda (Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
47	810385/2011	05/05/2011	659	14/03/2019	25/09/2023	1791.05	Permit	Referencial Geologia Mineração e Meio Ambiente Ltda (Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
48	810386/2011	05/05/2011	660	14/03/2019	25/09/2023	1997.18	Permit	Referencial Geologia Mineração e Meio Ambiente Ltda (Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
49	810439/2021	15/06/2021	5289	27/07/2021	1/10/2024	1566.84	Permit	Águia Fertilizantes S.A.	100%
50	810440/2021	15/06/2021	5290	27/07/2021	1/10/2024	1021.96	Permit	Águia Fertilizantes S.A.	100%
51	810441/2016	12/05/2016	8771	01/09/2016	17/10/2025	1521.51	Permit Extension	Águia Fertilizantes S.A.	100%
52	810441/2021	15/06/2021	2108	13/03/2023	13/03/2026	1748.45	Permit	Águia Fertilizantes S.A.	100%
53	810442/2016	12/05/2016	8772	01/09/2016	12/09/2025	1825.73	Permit Extension	Águia Fertilizantes S.A.	100%

#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
54	810442/2021	15/06/2021	2109	13/03/2023	13/03/2026	990.94	Permit	Águia Fertilizantes S.A.	100%
55	810520/2011	25/05/2011	661	14/03/2019	25/09/2023	1365.94	Permit	Referencial Geologia Mineração e Meio Ambiente Ltda (Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
56	810715/2022	04/10/2022	-	-	-	1743.06	Application	Águia Fertilizantes S.A.	100%
57	810749/2019	29/11/2019	6073	31/08/2021	1/10/2024	1691.16	Permit	Águia Fertilizantes S.A.	100%
58	810750/2019	29/11/2019	6074	31/08/2021	1/10/2024	1757.99	Permit	Águia Fertilizantes S.A.	100%
59	810751/2019	29/11/2019	6075	31/08/2021	1/10/2024	1772.12	Permit	Águia Fertilizantes S.A.	100%
60	810752/2019	29/11/2019	6076	31/08/2021	1/10/2024	1846.31	Permit	Águia Fertilizantes S.A.	100%
61	810753/2019	29/11/2019	6077	31/08/2021	1/10/2024	1621.89	Permit	Águia Fertilizantes S.A.	100%
62	810754/2019	29/11/2019	6078	31/08/2021	1/10/2024	1775.59	Permit	Águia Fertilizantes S.A.	100%
63	810755/2019	29/11/2019	6079	31/08/2021	1/10/2024	920.43	Permit	Águia Fertilizantes S.A.	100%
64	810756/2019	29/11/2019	6080	31/08/2021	1/10/2024	1013.12	Permit	Águia Fertilizantes S.A.	100%
65	810757/2019	29/11/2019	6081	31/08/2021	1/10/2024	1815.09	Permit	Águia Fertilizantes S.A.	100%
66	810758/2019	29/11/2019	6082	31/08/2021	1/10/2024	1691.11	Permit	Águia Fertilizantes S.A.	100%
67	810762/2021	27/08/2021	2307	20/03/2023	20/03/2026	1300.04	Permit	Águia Fertilizantes S.A.	100%
68	810764/2021	27/08/2021	2748	27/03/2023	27/03/2026	1977.99	Permit	Águia Fertilizantes S.A.	100%
69	810768/2021	27/08/2021	2110	13/03/2023	13/03/2026	1760.76	Permit	Águia Fertilizantes S.A.	100%
70	810770/2021	27/08/2021	2749	27/03/2023	27/03/2026	1678.35	Permit	Águia Fertilizantes S.A.	100%
71	810772/2021	27/08/2021	2111	13/03/2023	13/03/2026	1745.1	Permit	Águia Fertilizantes S.A.	100%
72	810773/2021	27/08/2021	2112	13/03/2023	13/03/2026	1914.45	Permit	Águia Fertilizantes S.A.	100%
73	810775/2021	27/08/2021	2113	13/03/2023	13/03/2026	1679.89	Permit	Águia Fertilizantes S.A.	100%
74	810776/2021	27/08/2021	2114	13/03/2023	13/03/2026	1820.03	Permit	Águia Fertilizantes S.A.	100%
75	810777/2021	27/08/2021	8298	20/10/2021	20/10/2024	1893.07	Permit	Águia Fertilizantes S.A.	100%
76	810778/2021	27/08/2021	8299	20/10/2021	20/10/2024	1823.3	Permit	Águia Fertilizantes S.A.	100%
77	810779/2021	27/08/2021	2309	20/03/2023	20/03/2026	1080.69	Permit	Águia Fertilizantes S.A.	100%
78	810780/2021	27/08/2021	-	-	-	1631.28	Application Permit	Águia Fertilizantes S.A.	100%
79	810799/2012	01/06/2012	4676	09/06/2014	4/02/2024	866.72	Extension	Águia Fertilizantes S.A.	100%
80	810808/2008	01/09/2008	6331	28/08/2015	28/01/2024	279.03	Permit Extension	Referencial Geologia Mineração e Meio Ambiente Ltda (Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Aguia
81	810911/2016	16/08/2016	4159	19/10/2020	30/09/2024	1936.15	Permit	Águia Fertilizantes S.A.	100%

#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
82	810912/2016	16/08/2016	1973	29/04/2019	10/11/2023	1999.99	Permit	Águia Fertilizantes S.A.	100%
83	811045/2021	04/11/2021	2310	20/03/2023	20/03/2026	192.02	Permit	Águia Fertilizantes S.A.	100%
84	811091/2017	06/12/2017	454	07/02/2018	01/10/2024	473.62	Permit Extension	Águia Fertilizantes S.A.	100%
85	811092/2017	06/12/2017	4160	19/10/2020	30/09/2024	1015.46	Permit	Águia Fertilizantes S.A.	100%
86	811217/2021	10/12/2021	-	-	-	1022.68	Application	Águia Fertilizantes S.A.	100%
87	811219/2021	10/12/2021	1009	08/02/2022	8/02/2025	837.31	Permit	Águia Fertilizantes S.A.	100%
88	811277/2015	02/09/2015	5125	27/05/2016	04/02/2024	1560.01	Permit Extension	Águia Fertilizantes S.A.	100%
89	811278/2015	02/09/2015	1464	23/02/2016	28/01/2024	1872.97	Permit Extension	Águia Fertilizantes S.A.	100%
90	811279/2015	02/09/2015	10888	06/10/2016	18/08/2024	1406.77	Permit Extension	Águia Fertilizantes S.A.	100%
91	811294/2015	04/09/2015	14856	08/12/2015	06/10/2023	731.77	Permit Extension	Águia Fertilizantes S.A.	100%
92	811363/2014	03/11/2014	851	14/02/2018	01/10/2024	699.35	Permit Extension	Águia Fertilizantes S.A.	100%
93	811508/2015	23/10/2015	856	14/02/2018	01/10/2024	985.65	Permit Extension	Águia Fertilizantes S.A.	100%
94	811530/2015	29/10/2015	11584	26/10/2016	30/08/2025	2000	Permit Extension	Águia Fertilizantes S.A.	100%
95	811549/2015	05/11/2015	14857	08/12/2015	06/10/2023	1969.47	Permit Extension	Águia Fertilizantes S.A.	100%
96	811572/2015	06/11/2015	857	14/02/2018	01/10/2024	1999.99	Permit Extension	Águia Fertilizantes S.A.	100%
97	811573/2015	06/11/2015	858	14/02/2018	01/10/2024	1807.68	Permit Extension	Águia Fertilizantes S.A.	100%
98	811583/2015	10/11/2015	859	14/02/2018	01/10/2024	1981.95	Permit Extension	Águia Fertilizantes S.A.	100%
99	811586/2015	10/11/2015	860	14/02/2018	01/10/2024	1147.91	Permit Extension	Águia Fertilizantes S.A.	100%
100	811588/2015	10/11/2015	861	14/02/2018	01/10/2024	1114.16	Permit Extension	Águia Fertilizantes S.A.	100%

#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
101	811589/2015	10/11/2015	862	14/02/2018	01/10/2024	1119.44	Permit Extension	Água Fertilizantes S.A.	100%
102	811596/2015	11/11/2015	863	14/02/2018	01/10/2024	1945.63	Permit Extension	Água Fertilizantes S.A.	100%
103	811625/2015	17/11/2015	4157	19/10/2020	30/09/2024	1835.91	Permit	Água Fertilizantes S.A.	100%
104	811639/2015	19/11/2015	864	14/02/2018	01/10/2024	1034.21	Permit Extension	Água Fertilizantes S.A.	100%
105	810636/2007	31/08/2007	5604	20/04/2015	-	1046.54	Application for Concession	Referencial Geologia Mineração e Meio Ambiente Ltda (Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
106	810.647/08	23/07/2008	11604	7/10/2015	-	1971.49	Final Report Approved	Referencial Geologia Mineração e Meio Ambiente Ltda (Option Agreement)	Covered by underlining option agreement to acquire 100% interest. Permits currently being transferred to Agua
Total						157,961.29			

### Lucena Project

#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
1	846.105/09	6/23/2009	10,128	9/1/2009		1,772.99	Approval Pending	Água Metais Ltda	100%
2	846.106/09	6/23/2009	11,566	11/6/2014		1,538.93	Approval Pending	Água Metais Ltda	100%
3	846.107/09	6/23/2009	10,127	9/1/2009		1,146.40	Approval Pending	Água Metais Ltda	100%
4	846.108/09	6/25/2009	8,859	10/29/2014		188.17	Approval Pending	Água Metais Ltda	100%



#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
5	846.575/11	10/19/2011	19,301	11/22/2011		953.33	Approval Pending	Águia Metais Ltda	100%
6	846.153/13	4/25/2013	1,980	3/12/2014		8.21	Approval Pending	Águia Metais Ltda	100%
7	846.154/13	4/25/2013	5,648	6/13/2014		31.68	Approval Pending	Águia Metais Ltda	100%
8	846.132/15	7/13/2015	9,614	9/15/2015		999.88	Approval Pending	Águia Metais Ltda	100%
9	846.133/15	7/13/2015	9,615	9/15/2015		119.39	Approval Pending	Águia Metais Ltda	100%
10	846.134/15	7/13/2015	9,616	9/15/2015		265.71	Approval Pending	Águia Metais Ltda	100%
11	846.135/15	7/13/2015	9,617	9/15/2015		131.58	Approval Pending	Águia Metais Ltda	100%
12	846.236/16	8/29/2016	13,781	1/5/2017		443.18	Approval Pending	Águia Metais Ltda	100%
13	846.237/16	8/29/2016	13,782	1/5/2017		66.41	Extension Submitted	Águia Metais Ltda	100%
14	846.582/11	10/19/2011	19,305	11/22/2011	26/04/2024	251.96	Permit Extension	Águia Metais Ltda	100%
15	846.587/11	10/19/2011	19,309	11/22/2011	26/04/2024	142.71	Permit Extension	Águia Metais Ltda	100%
16	846.588/11	10/19/2011	19,310	11/22/2011	26/04/2024	64.81	Permit Extension	Águia Metais Ltda	100%
Total						8.125,34			

**Mata Da Corda & Lagamar Project**

#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
1	831.798/13	2/14/2014				1,775.56	Application for Public Tender	Agua Metais Ltda	100%
Total						1,775.56			

**Santa Catarina**

#	Claim Number (ANM)	Submittal Date	Exploration License Number	Issuing Date	Expiry Date	Area (ha)	Status	Name	% AGR ownership
1	815.625/08	1/25/2012				998.27	Application for Public Tender	Agua Metais Ltda	100%
2	815.625/08	1/25/2012				998.27	Application for Public Tender	Agua Metais Ltda	100%
Total						1,994.16			