

THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

## **AGUIA RESOURCES LIMITED**

(ACN 128 256 888)

# **BIDDER'S STATEMENT**

**in relation to a Takeover Offer by Aguia Resources Limited to  
acquire ALL of your shares in**

## **ANDEAN MINING LIMITED**

(ACN 625 466 006)

**Consideration offered is:**

**Three (3) Aguia Shares for every one (1) Andean Share you own. Aguia Shares offered and issued under the Takeover Offer are to be voluntarily escrowed for the Escrow Period.**

The Takeover Offer is dated 21 February 2024 and will close at 5.00pm (Sydney time) on 8 April 2024, unless extended or withdrawn.

The Non-Conflicted Andean Directors indicated in the Bid Implementation Agreement that they unanimously recommend that Andean Shareholders accept the Takeover Offer in the absence of a Superior Proposal and in the absence of the Independent Expert not concluding that the Takeover Offer is not fair and not reasonable. The Non-Conflicted Andean Directors have indicated that they will accept the Takeover Offer in respect of their own holdings, in the absence of a Superior Proposal and in the absence of the Independent Expert not concluding that the Takeover Offer is not fair and not reasonable.

## **IMPORTANT INFORMATION**

### **Bidder's Statement**

This Bidder's Statement, dated 20 February 2024, is issued by Aguia Resources Limited (ACN 128 256 888) under Part 6.5 of the Corporations Act in relation to an off-market offer by Aguia to acquire all Andean Shares (including all Rights attaching to them) and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 20 February 2024. ASIC takes no responsibility for the contents of this Bidder's Statement.

The Directors of Andean have consented to Aguia despatching this Bidder's Statement to Andean Shareholders less than 14 days after this Bidder's Statement has been provided to Andean in accordance with Section 633 of the Corporations Act.

### **Investment Risks**

There are a number of risks that may have a material impact on the value of the Takeover Offer, the future performance of the Merged Group and the value of Aguia Shares. These are described in Section 0 of this Bidder's Statement.

### **Foreign Jurisdictions**

The distribution of this document and the making of the Takeover Offer may be restricted by the laws of foreign jurisdictions. Persons who come into possession of this Bidder's Statement should observe any such restrictions.

The Takeover Offer is not being made, directly or indirectly, in any country or to any person where it would be unlawful. This Bidder's Statement does not constitute an offer of securities in any jurisdiction in which it would be unlawful.

No action has been taken to register or qualify the Aguia Shares to permit a public offer of these securities outside Australia and New Zealand.

This Bidder's Statement has been prepared having regard to Australian disclosure requirements. These disclosure requirements may differ from other countries.

This Bidder's Statement is not a New Zealand prospectus or an investment statement and has

not been registered, filed with, or approved by any New Zealand regulatory authority under or in accordance with the *Financial Markets Conduct Act 2013 (New Zealand)* (or any other relevant New Zealand law). This Bidder's Statement may not contain all the information that a prospectus or investment statement under the New Zealand law is required to contain. The only members of the public in New Zealand to whom Aguia Shares are being offered to under the Takeover Offer are Andean Shareholders. The Takeover Offer is being made in New Zealand in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Aguia may extend the Takeover Offer to Andean Shareholders who are outside Australia and New Zealand, subject to those Andean Shareholders (if any) satisfying Aguia that the Takeover Offer is able to be made to those Andean Shareholders without the need for any formal registration of this Bidder's Statement and in accordance with the laws applicable in the jurisdiction where that Andean Shareholder is based.

### **Nominee for Ineligible Andean Shareholders**

Aguia proposes appointing Kemosabe Capital Pty Ltd [ABN 40 101 865 598] [AFSL 289009] as its nominee under Section 615 of the Corporations Act to seek to sell the Aguia Shares of the Ineligible Andean Shareholders and to distribute the proceeds of any sale to those holders in proportion to their shareholding in Aguia (following the issue of Aguia Shares under the Takeover Offer in respect of their Andean Shares) net of expenses.

Aguia has sought approval from ASIC for the appointment of Kemosabe Capital Pty Ltd as nominee of Ineligible Andean Shareholders in accordance with Section 619 of the Corporations Act. A response has not been received from ASIC at the date of this Bidder's Statement.

### **Disclosure Regarding Forward Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on Aguia's current expectations and predictions about future events including Aguia's intentions (which include those set out in Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Aguia, Andean



and the Merged Group to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 0.

You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. The forward-looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

### **Value of Agua Shares**

The implied value of the Takeover Offer will vary with the market price of Agua Shares. Further information on the implied value of the Takeover Offer is contained in Section 2.1.

Before accepting the Takeover Offer, Andean Shareholders should obtain current quotes for Agua Shares from their stockbroker or other financial adviser.

In addition, all references to the implied value of the Takeover Offer are subject to the effects of rounding.

### **Investment Advice**

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Andean Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Takeover Offer.

### **Privacy**

Agua has collected your information from the registers of Andean for the purposes of making the Takeover Offer and administering your acceptance over Your Andean Shares. Agua and its share registry may use your personal information in the course of making and implementing the Takeover Offer. Agua and its share registry may also disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC and ASX. By submitting an Acceptance Form, you authorise Agua to disclose any personal information contained in your Acceptance Form or collected from the register of Andean to Agua, Andean, its share registry and their related bodies corporate and external service providers

(Collecting Parties) where necessary, for any purpose in connection with the Takeover Offer, including processing your acceptance of the Offer and complying with applicable law, the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any government authority. Any disclosure of your personal information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If you would like details of, or would like to update, information about you held by Agua, please contact Agua at the address set out in the Corporate Directory.

### **Defined Terms**

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 11.

### **Internet Sites**

Agua and Andean each maintain internet sites. The URL location for Agua is [www.aguiaresources.com.au](http://www.aguiaresources.com.au) and for Andean is [www.andeanmining.com.au](http://www.andeanmining.com.au). Information in or otherwise accessible through these internet sites are not part of this Bidder's Statement. All references to these sites in this Bidder's Statement are for information purposes only.

### **Estimates and Assumptions**

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by Agua's management. Management estimates reflect and are based on views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

### **Effect of Rounding**

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

## **Currencies**

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Aguia or Andean in respect of which different exchange rates may have been, or may be, used.

## **Disclosures under the JORC Code**

In accordance with Listing Rule 5.23.2, Aguia confirms in this Bidder's Statement (being a subsequent public report for the purposes of the JORC Code) that it is not aware of any new information or data that materially affects the information included in any previous market announcements and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in any prior market announcement(s) continue to apply and have not materially changed.

Details for the purposes of Listing Rule 5.23.1 are included in the proximate Section where the relevant information is contained in this Bidder's Statement.

## **Maps and diagrams**

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Bidder's Statement.

## **Queries**

You should contact your legal, financial or professional advisor if you are unsure about how to deal with this Bidder's Statement.

If you have any enquires about the Takeover Offer, please contact Aguia's Company Secretary

on +61 2 8280 7355 or your professional financial advisor.

## KEY DATES

Execution of Bid Implementation Agreement	21 December 2023
Announcement of Takeover Offer	22 December 2023
Lodgement of Bidder's Statement with ASIC	20 February 2024
Bidder's Statement sent to Andean Shareholders and the Takeover Offer opens	21 February 2024
Lodgement of Target's Statement with ASIC	8 March 2024
Takeover Offer closes (unless otherwise extended or withdrawn)	8 April 2024
Completion of merger and issue of Shares	11 April 2024

## CORPORATE DIRECTORY

### Agua Resources Limited

Level 12, 680 George Street  
Sydney NSW 2000  
Phone: +61 2 8280 7355  
Facsimile: +61 2 9287 0350

### Website

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

**ASX Code:** AGR

### Directors

Warwick Grigor – Non-Executive Chairman  
Christina McGrath – Executive Director and acting  
Managing Director  
Ben Jarvis – Non-Executive Director

### Proposed Director

William Howe – proposed Managing Director

### Company Secretary

Ross Pearson

### Share Registry \*

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

### Solicitors to Agua

QR Lawyers Pty Ltd  
Level 6, 400 Collins Street  
Melbourne VIC 3000

### Auditor \*

Hall Chadwick (NSW)  
Level 40  
2-26 Park Street  
Sydney NSW 2000

*\* has not been involved in the preparation of this Bidder's Statement and has not consented to this Bidder's Statement – named for information purposes only.*

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## 1. INVESTMENT OVERVIEW

The information in this Section is intended to provide an overview of Agua, the Takeover Offer that Agua is making for Your Andean Shares and the risks you should consider.

**The information in this Section 1 is not intended to be comprehensive and should be read in conjunction with the detailed information contained in this Bidder's Statement.**

You should read this Bidder's Statement in its entirety and the separate Target's Statement before deciding how to deal with Your Andean Shares. The detailed terms of the Takeover Offer are set out in Annexure A.

The information in this Section 1 is set out by way of response to a series of questions. Agua believes this is the most informative way to provide the information. Each answer has, where appropriate, cross-references to other questions in this Investment Overview and other parts of this Bidder's Statement, including the Annexures, which contain more information that you might find useful or relevant.

**Part A** of this Investment Overview deals with the Takeover Offer. **Part B** deals with Agua, its business and assets and Agua securities. **Part C** deals with risks relating to the Takeover Offer and the Merged Group. **Part D** deals with other relevant questions.

If you have any questions about the Takeover Offer, please contact Agua's Company Secretary on +61 2 8280 7355, or your professional financial advisor.

### PART A – OVERVIEW OF THE TAKEOVER OFFER

No.	Question	Answer	Further information
1.	<b>What is Agua offering to buy?</b>	Agua is offering to buy all Andean Shares (including all rights attaching to them) on the terms set out in this Bidder's Statement.  You may only accept the Takeover Offer in respect of all (and not some) of Your Andean Shares.	Annexure A contains the full terms of the Takeover Offer and the Conditions.
2.	<b>What will you receive if you accept the Takeover Offer?</b>	If you accept the Takeover Offer, subject to satisfaction of the Conditions of the Takeover Offer, you will receive <b>three (3) Agua Shares for every one (1) Andean Share</b> held by you that is acquired by Agua pursuant to the Takeover Offer.  Each Agua Share issued as Offer Consideration under the Takeover Offer is to be voluntarily escrowed for six (6) months from issue.	Annexure A contains full terms of the Takeover Offer and the Conditions.
3.	<b>What is the value of the Takeover Offer?</b>	The implied value of Andean Shares as at the date of this Bidder's Statement is \$0.048 per Andean Share (representing the Offer Consideration based on the implied price of Agua Shares of \$0.016 (1.6 cents) multiplied by three).  The value of the Takeover Offer may change as a consequence of changes in the market price of Agua Shares.	Sections 2.1 and 3.8 of this Bidder's Statement provides further information in respect of the implied value of the Takeover Offer.

4.	<b>How long will the Takeover Offer remain open?</b>	The Takeover Offer opens 21 February 2024. The Directors of Andean have consented to Aguia despatching this Bidder's Statement to Andean Shareholders less than 14 days after this Bidder's Statement has been provided to Andean in accordance with Section 633 of the Corporations Act. Unless withdrawn or extended in accordance with the Corporations Act, the Takeover Offer is scheduled to close at 5:00 pm (Sydney Time) on 8 April 2024, subject to extension.	
5.	<b>Can the Offer Period be extended?</b>	The Offer Period can be extended at Aguia's election, up to a maximum period of 12 months after the opening date of the Offer Period. Andean Shareholders will be provided with written notice of any extension, and the extension will be announced by Aguia as a release to ASX.	Section 1.2 of Annexure A of this Bidder's Statement contains more information as to the Offer Period.
6.	<b>What choices do I have as an Andean shareholder?</b>	As an Andean Shareholder, you have the following choices in respect of your Andean Shares:  (a) accept the Takeover Offer and sell all of your Andean Shares to Aguia in accordance with the terms of the Takeover Offer;  (b) sell all or some of your Andean Shares outside of the Takeover Offer, but as Andean Shares are not listed on any securities exchange this may be difficult for you to do; or  (c) do nothing.	
7.	<b>How do I accept the Takeover Offer?</b>	To accept the Takeover Offer, you should follow the instructions set out in this Bidder's Statement and in the enclosed Acceptance Form. By signing and returning the Acceptance Form, you will also be deemed to have agreed to the voluntary escrow of the Offer Consideration issued to you under the Takeover Offer for the Escrow Period.	See your Acceptance Form <b>enclosed</b> with this Bidder's Statement and Section 1.4 of Annexure A for further information.
8.	<b>Can I accept the Takeover Offer for part of my holding?</b>	No, you must accept the Takeover Offer for all of Your Andean Shares.	Sections 1.4 and 1.6(i) of Annexure A of this Bidder's Statement.
9.	<b>If I accept the Takeover Offer can I withdraw my acceptance?</b>	You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Takeover Offer, Aguia	Section 1.6 of Annexure A of this Bidder's Statement contains more information as to the

		varies the Takeover Offer in a way that postpones for more than 1 month the time that Aguia has to meet its obligations under the Takeover Offer (for example, if Aguia extends the Offer Period for more than 1 month while the Takeover Offer remains subject to any of the Conditions).	limited circumstances in which you may be able to revoke or withdraw your acceptance. See also Section 1.12 of Annexure A.
10.	<b>What happens if I do not accept the Takeover Offer?</b>	<p>Subject to the explanation below, you will remain a shareholder of Andean and will not receive the Offer Consideration.</p> <p>If you do not accept the Takeover Offer and Aguia acquires a Relevant Interest in at least 90% of all Andean Shares and the other conditions of the Takeover Offer are satisfied or waived, Aguia intends to proceed to compulsorily acquire the outstanding Andean Shares. You will be invited to claim the Offer Consideration. Therefore, accepting the Takeover Offer will result in you receiving your Offer Consideration sooner if you accept the Takeover Offer, rather than having your Andean Shares compulsorily acquired.</p> <p>If the Takeover Offer becomes or is declared unconditional but Aguia does not become entitled to compulsorily acquire Your Andean Shares under the Corporations Act, unless you sell Your Andean Shares, you will remain a shareholder in Andean.</p> <p>In these circumstances and, depending on the number of Andean Shares acquired by Aguia, you may be a minority Andean Shareholder in what will be a less liquid stock as Andean will not be listed on the ASX.</p>	Section 6 of this Bidder's Statement provides more information regarding Aguia's intentions in the event that it does and does not acquire a Relevant Interest in at least 90% of the Andean Shares.
11.	<b>What happens if Aguia improves the Offer Consideration?</b>	If Aguia improves the Offer Consideration, all the Andean Shareholders who accept the Takeover Offer (whether or not they have accepted the Takeover Offer before or after such improvement) will be entitled to the benefit of the improved Offer Consideration, should the Takeover Offer become or be declared unconditional.	This is a requirement of, and governed by, the Corporations Act.
12.	<b>Are there conditions to the Takeover Offer?</b>	The Takeover Offer is subject to the Conditions set out in Section 1.8 of Annexure A. These Conditions include, amongst other matters, Aguia acquiring a Relevant Interest in at least 90% of the aggregate of all the Andean Shares on issue by the end of the Offer Period (thereby becoming entitled to	Section 1.8(a) of Annexure A to this Bidder's Statement sets out the Conditions in full.

		compulsorily acquire all of the outstanding Andean Shares under Part 6A.1 of the Corporations Act). Further details of the Conditions are set out in Section 1.8 of Annexure A.	
13.	<b>What if the Conditions are not satisfied or waived?</b>	If the Takeover Offer closes and the Conditions are not satisfied or waived, the Takeover Offer will lapse, and your acceptance will be void. In other words, you will continue to hold Your Andean Shares (unless you otherwise sell them). Aguia will announce whether the Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act and the Listing Rules.	Annexure A to this Bidder's Statement sets out further information.
14.	<b>Will my new Aguia Shares be listed on ASX?</b>	Within 7 days of the date of this Bidder's Statement, Aguia will apply to ASX for Official Quotation of the new Aguia Shares to be issued as Offer Consideration. Quotation of the new Aguia Shares depends on ASX exercising its discretion to admit those Aguia Shares to quotation on ASX.	Section 1.11 of Annexure A of this Bidder's Statement sets out further information.
15.	<b>Will my Aguia Shares be restricted from trading?</b>	Aguia Shares issued as Offer Consideration are to be subject to voluntary disposal restrictions (escrow) for the Escrow Period.	Section 2.2 and 9.7 of this Bidder's Statement contains more information in relation to the trading restrictions applicable to Aguia Shares.

#### PART B – OVERVIEW OF AGUIA

No.	Question	Answer	Further information
1.	<b>Who is Aguia?</b>	Aguia is an exploration company with well advanced and 100% owned organic phosphate and copper projects located in Brazil, being the Tres Entradas Phosphate Project and the Andrade Copper Project. Further details of the projects of Aguia are set out in detail in Section 3.2.	Sections 3, 6, 8 and 9 of this Bidder's Statement contain more information about Aguia's assets, financial position, details of Aguia securities currently on issue and the risks that may apply to an investment in Aguia.
	<b>What rights and liabilities will attach to my new Aguia Shares?</b>	The new Aguia Shares issued under the Takeover Offer will be issued fully paid and will from the time of issue rank equally with existing Aguia Shares.	Sections 3.18 and <b>Error! Reference source not found.</b> of this Bidder's Statement contain more information about the rights and



			liabilities attaching to Agua Shares
2.	<b>Who are the Agua Directors and Proposed Directors and what experience do they have?</b>	<p>The Directors of Agua are:</p> <p>(a) Mr Warwick Grigor – Non-Executive Chairman;</p> <p>(b) Ms Christina McGrath –Executive Director and acting Managing Director; and</p> <p>(c) Mr Ben Jarvis – Non- Executive Director.</p> <p>Upon successful completion of the Takeover Offer, Mr William Howe will join the Agua board as the Managing Director.</p>	Sections 3.4 to 3.10 of this Bidder’s Statement contain further information in relation to the expertise of the Agua Directors and the Proposed Director.
3.	<b>Do the Agua Directors or Proposed Directors have any securities in, or potential conflicts of interest in relation to, Andean?</b>	<p>Mr Warwick Grigor, the Non-Executive Chairman of Agua, is also a director of Andean and holds a Relevant Interest in approximately 13% of Andean Shares.</p> <p>As announced by Agua on 22 December 2023, Warwick Grigor has recused himself from being involved in the assessment of the Takeover Offer on behalf of Andean or the recommendation of the Takeover Offer by Andean.</p> <p>Except for Warwick Grigor as described above, the other Agua Directors do not, at the date of this Bidder’s Statement, hold any securities in, or have any potential conflicts of interests in relation to, Andean.</p> <p>William Howe, at the date of this Bidder’s Statement, has a Relevant Interest in approximately 15% of Andean Shares.</p>	Section 3.10 of this Bidder’s Statement contains further information in relation to the shareholdings of the Agua Directors in Andean.
4.	<b>Do the Agua Directors or Proposed Director have any interest in Agua securities?</b>	The interest in Agua securities as at the date of this Bidder’s Statement of the existing Directors and the Proposed Director of Agua are set out in Section 3.10.	Sections 3.10 of this Bidder’s Statement contains further information in relation to the shareholdings of the Agua Directors in Agua and Andean.

#### PART C – OVERVIEW OF RISKS

No.	Question	Answer	Further information
1.	<b>Are there risks if I accept the Takeover Offer?</b>	<p>Yes, if you accept the Takeover Offer, and the Takeover Offer becomes unconditional, you will be issued new Agua Shares and Agua will acquire Andean. There are risks in holding Agua Shares.</p> <p>The Takeover Offer, the financial and operational performance of the Merged Group, and the value and trading prices of Agua Shares will be influenced by a range of</p>	See Section 8 of this Bidder’s Statement which contains full details in respect of each of the risks.

	<p>risks. Many of these risks are beyond the control of Aguia’s Board and management.</p> <p>Section 8 of this Bidder’s Statement provides a detailed explanation of these risks. Specifically it deals with:</p> <p>(a) risks relating to the Takeover Offer; and</p> <p>(b) risks that relate to Aguia and Andean as the Merged Group.</p> <p>Some of the key risks which may affect Andean Shareholders include:</p> <p>(a) a potential decrease in the value of Aguia Shares after successful completion of the Takeover Offer;</p> <p>(b) liquidity and taxation risks;</p> <p>(c) requirements for future capital;</p> <p>(d) tenement risks;</p> <p>(e) investments in emerging markets;</p> <p>(f) governmental and regulatory risk;</p> <p>(g) litigation risks;</p> <p>(h) climate risks;</p> <p>(i) exploration and development risk;</p> <p>(j) volatility of commodity risks; and</p> <p>(k) environmental risks.</p> <p>Further details of the risks are set out in Section 8.</p>	
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**PART D – OTHER RELEVANT QUESTIONS**

No.	Question	Answer	Further information
1.	<b>When will you receive your Offer Consideration?</b>	<p>If you accept the Takeover Offer, Aguia will issue you Aguia Shares as the Offer Consideration for your Andean Shares on or before the earlier of:</p> <p>(a) one month after you have validly accepted the Takeover Offer or the contract resulting from its acceptance has become unconditional (whichever is later); and</p> <p>(b) 21 days after the end of the Offer Period provided the Takeover Offer has become unconditional,</p> <p>provided that you have provided all documents required for acceptance of the Offer with your acceptance.</p>	Section 1.7 of Annexure A of this Bidder’s Statement contains more information as to when your new Aguia Shares will be issued to you.
2.	<b>Will I need to pay any transaction costs if I accept the Takeover Offer?</b>	You will not incur any brokerage fees or be obliged to pay stamp duty or GST in connection with your acceptance of the Takeover Offer.	Section 1.14 of Annexure A of this Bidder’s Statement contains more information in respect

			of an Andean Shareholder's costs incurred by accepting the Takeover Offer. See also the instructions on the Acceptance Form <b>enclosed</b> with this Bidder's Statement.
<b>3.</b>	<b>What are the tax implications of accepting the Takeover Offer?</b>	A general summary of the Australian tax consequences for Andean Shareholders who accept the Takeover Offer is set out in Section 7. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. Andean Shareholders should seek their own taxation advice in relation to the Takeover Offer.	Section 7 of this Bidder's Statement sets out further information.

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## 2. WHY YOU SHOULD ACCEPT THE OFFER

Aguia believes you should ACCEPT the Takeover Offer for the following reasons:

- The value attributed to your Andean Shares is attractive having regard to the Offer Consideration.
- Andean shareholders will gain access to the benefits of being listed on the ASX.
- The Non-Conflicted Andean Directors recommend the Takeover Offer, subject to no Superior Proposal and subject to the Independent Expert not concluding that the Takeover Offer is not fair and not reasonable.
- Aguia has a well-advanced phosphate project (including a Measured and Indicated JORC resource, inferred JORC resources and 11 identified copper targets) and the capacity to further develop its extensive phosphate tenements in Southern Brazil.
- Aguia's copper and phosphate portfolios will bring diversification to Andean in terms of its mix of commodities and contribute towards the Merged Group becoming a mid-size combined company with strong prospects.

The above is only a headline summary of some of the reasons why you should accept the Takeover Offer. Each of the reasons is explained below.

If you wish to accept this Takeover Offer, you must return the signed Acceptance Form by 5:00 pm (Sydney Time) on 8 April 2024 (unless the Takeover Offer is extended).

### 2.1 You will receive attractive value for Your Andean Shares

Under the Takeover Offer you will receive three (3) Aguia Shares for every one (1) Andean Share you hold, which values Your Andean Shares at:

- \$0.048 each, based on a price of \$0.016 per Aguia Share (being the implied value per Aguia Share pursuant to the Takeover Offer);
- \$0.0447 each, based on the 30-day VWAP for Aguia Shares (calculated by reference to the prior 30 days on which trades of Aguia Shares were made on ASX) to and including 19 February 2024 of \$0.0149; and
- \$0.042 each, based on the closing price for Aguia Shares on 19 February 2024 (being the trading day prior to the date of this Bidder's Statement) of \$0.014; and
- \$0.027 each, based on the closing price for Aguia Shares on 21 December 2023 of \$0.009, the last trading day for Aguia Shares on the ASX prior to the date of the announcement of the Takeover Offer.

The implied value of the Takeover Offer will change as a consequence of changes in the market price of Aguia Shares from time to time. The following table may assist Andean Shareholders to determine the implied value of the Takeover Offer at different Aguia Share price levels. The table is not an indication of prices at which Aguia Shares may trade – Aguia Shares may trade within this range or at higher or lower levels. The prices in the table are the same pre and post the Consolidation of the Aguia shares.

Price of one Aguia Share (\$)	Implied offer price for an Andean Share (\$)
\$0.06	\$0.18
\$0.05	\$0.15
\$0.04	\$0.12

\$0.03	\$0.09
\$0.02	\$0.06
\$0.01	\$0.03

Agua has adopted a value of \$0.016 per Agua Share on the basis of the completion of the Takeover Offer. Assuming Agua Shares have an implied value of \$0.016 each, this equates to a total consideration of \$7,259,846 for the acquisition of Andean.

## **2.2 You will gain ASX share trading liquidity**

Since Agua is ASX listed and Agua is offering to issue Agua Shares as consideration for Your Andean Shares, you will, if you accept the Takeover Offer, gain the ability to trade the Agua Shares that you receive as Offer Consideration on ASX should the Takeover Offer be successful (subject to any trading restrictions that may apply to your Agua Shares, including the voluntary escrow to be imposed on the Offer Consideration as described below).

Voluntary disposal restrictions (escrow) for six (6) months from issue are to be imposed on the Agua Shares that form the Offer Consideration. By accepting the Takeover Offer, you will be accepting to the imposition of these voluntary disposal restrictions on the Agua Shares that you receive as Offer Consideration under the Takeover Offer.

The Non-Conflicted Andean Directors have advised Agua that gaining share trading liquidity on ASX has been a key objective of Andean for several years and this Takeover Offer provides you the opportunity to realise this objective and associated benefits.

## **2.3 The Non-Conflicted Andean Directors recommend that you accept the Takeover Offer**

The Non-Conflicted Andean Directors, in the absence of a Superior Proposal and subject to the Independent Expert not concluding that the Takeover Offer is not fair and not reasonable, indicated in the Bid Implementation Agreement that they unanimously recommend that Andean Shareholders accept the Takeover Offer.

The Non-Conflicted Andean Directors also indicated, as described in the Bid Implementation Agreement, that they intend, in the absence of a Superior Proposal and in the absence of the Independent Expert not concluding that the Takeover Offer is not fair and not reasonable, to accept and/or procure the acceptance of the Takeover Offer in respect to all of the Andean Shares that they control.

## **2.4 Agua has well advanced exploration and development activities**

Agua has multiple 100% owned exploration projects located in south Brazil, being the Tres Estradas Phosphate Project (Bankable Feasibility Study and Measured & Indicated JORC resource) and the Andrade Copper Project (Scoping Study and Measured & Indicated JORC resource). These projects are well progressed and Agua will continue exploration activities on both projects.

Andean Shareholders who accept the Takeover Offer and receive the Offer Consideration will have the benefit of being part of the Merged Group that includes the existing Agua projects.

Further details of the Agua projects are set out in Section 3.

## **2.5 Portfolio diversification and combination benefits**

As noted above, Andean Shareholders who accept the Takeover Offer and receive the Offer Consideration will have the benefit of being part of the Merged Group that includes the existing Agua projects. The projects of Andean and Agua are geographically proximate which will allow the Merged Group to leverage capabilities across each portfolio. The Merged Group will complete

activities on the existing Aguia projects and the existing Andean projects, diversifying the range of projects and potential opportunities to create value for the shareholders of the Merged Group.

The combination of Aguia and Andean will increase the management capabilities of each of those entities and result for benefits to Aguia Shareholders (access to the Andean projects) and the Andean Shareholders (access to the Aguia projects) and share liquidity as described in Section 2.2).

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### **3. PROFILE OF AGUIA RESOURCES LIMITED**

#### **3.1 Overview of Aguia Corporate Information**

Aguia was registered as a public company in Western Australia as Newport Mining Limited on 31 October 2007 under the Corporations Act. Aguia was admitted to the official list of the ASX on 8 January 2008 under the name Newport Mining Limited.

Aguia changed its name to Aguia Resources Limited on 6 October 2010.

Aguia has seven (7) wholly owned subsidiaries at the date of this Bidder's Statement, being: Aguia Mining Pty Ltd; Aguia Phosphate Pty Ltd; Aguia Potash Pty Ltd; Aguia Copper Pty Ltd; Potassio do Atlantico Ltda; Aguia Metals Ltda; Aguia Rio Grande Mineracao Ltda.

Aguia also holds a 49% interest in Aguia Fertilizantes S.A. The Aguia corporate group is considered to control Aguia 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% of the shares, exercisable at any time at the discretion of the parent entity for nominal consideration. The Aguia group has entitlement to 100% of returns.

#### **3.2 Overview of Aguia's Activities**

This Section contains a summary of Aguia's activities. Further information can be found on Aguia's website, [www.aguiaresources.com.au](http://www.aguiaresources.com.au). Details of the prior announcements of Aguia including relevant details for the purposes of Listing Rule 5.23.1 are set out at the conclusion of this Section 3.2. Cross-references where applicable are included throughout this Section 3.2.

Aguia is an exploration company with phosphate and copper projects in Brazil:

- Tres Estradas Phosphate Project has a combined Measured and Indicated JORC resource of 83.21Mt @ 4.11% P<sub>2</sub>O<sub>5</sub> (3.62Mt @ 4.01% P<sub>2</sub>O<sub>5</sub> measured and 4.7Mt @ 4.18% P<sub>2</sub>O<sub>5</sub> indicated) with an inferred JORC resource of 21.8Mt @ 3.67% P<sub>2</sub>O<sub>5</sub><sup>1</sup>. Aguia has completed a Bankable Feasibility Study (BFS) with respect to the Tres Estradas Project, resulting in a CAPEX of \$26.2 million post-tax NPV of \$110.8M<sup>2</sup>. Aguia has recently been exploring the potential of the licences for rare earth and niobium exploration.
- Andrade Copper Project has a combined measured and indicated JORC copper resource of 22.6Mt @ 0.43% Cu and 2.11 g/t Ag (1.8Mt @ 0.72% Cu and 3.8 g/t Ag measured and 20.8Mt @ 0.40% Cu and 1.96 g/t Ag indicated), with an inferred JORC resource of 3.0Mt @ 0.43% and 1.85 g/t Ag<sup>3</sup>.

To complement the existing Aguia projects, Aguia has proposed to acquire Andean with its portfolio of gold, copper, and silver assets in Colombia across three projects. Further details with respect to the Andean projects are set out in Section 4.

Agua's 'Tres Estradas Phosphate Project' and 'Andrade Copper Project' are roughly ~60km from each other, in the state of Rio Grande Do Sul.



### TRES ESTRADAS PHOSPHATE PROJECT:

#### Highlights:

- Sizeable resource of 83.2Mt @ 4.11% P<sub>2</sub>O<sub>5</sub> with favourable economics such as a CAPEX of \$26M and NPV of \$110.8M based on a Proved and Probable Reserve of 5.02Mt @8.8% P<sub>2</sub>O<sub>5</sub>.<sup>2</sup>
  - Strong rare earth elements (REE) potential, with results including:
    - 24.7 metres grading 1.27% TREO (12,700 ppm TREO from 10 metres<sup>4</sup>; and
    - 18.65 metres grading 0.75% TREO (7,500 ppm TRO from 6 metres)<sup>4</sup>; and
    - Best individual sample result of 2.16% TREO (21,618ppm)<sup>4</sup>.
- Niobium was also detected during the sampling<sup>4</sup>.

Agua obtained the Tres Estradas project in 2011. The phosphate deposit consists of an elongated carbonatite intrusion, with a surface expression of 2.5km along strike with a width of ~300m<sup>1</sup>.

#### *Feasibility Studies and Metrics*

Agua's Organic Phosphate Project holds a combined measured and indicated JORC resource of 83.21Mt @ 4.11% P<sub>2</sub>O<sub>5</sub> (3.62Mt @ 4.01% P<sub>2</sub>O<sub>5</sub> measured and 4.7Mt @ 4.18% P<sub>2</sub>O<sub>5</sub> indicated) and Inferred JORC Resource of 21.8Mt @ 3.67% P<sub>2</sub>O<sub>5</sub>. The BFS completed on the project indicated a life of mine of 18 years, CAPEX of \$26M and NPV of \$110.8M, the BFS indicated that, based on parameters of the BFS, the project would produce 306,000 tonnes of Pampafos, Agua's natural phosphate fertiliser annually.

These values from the current BFS are derived from 1 deposit only. There are a further 5 carbonatites at the project, thus, there is the potential to expand on proposed operations (however no expansion plan is in place at the date of this Bidder's Statement).



### *Rare Earths and Niobium Potential*

On the 9<sup>th</sup> of October 2023, Aguia also announced the completion of a diamond drilling program which proved the presence of rare earth elements with assays returning 24.7m @ 1.27% TREO (12,700ppm TREO) from 10m and 18.6m @ 0.75% TREO (7,500ppm) from 6m.<sup>4</sup> Note that these results are based on only 1 of 6 known carbonatites at the project stretched over a total of 141km<sup>2</sup>. This suggests there is potential room for delineating a rare earth resource if these grades are found to be consistent or improved upon in further drill campaigns.

Niobium was also detected with a range between 1000ppm-1400ppm Nb<sub>2</sub>O<sub>5</sub>. Aguia saw maximum values of up to 4.09% Nb<sub>2</sub>O<sub>5</sub><sup>4</sup>. These results are comparable with explorers like WA1 Resources Limited (ASX:WA1) and Aguia considers that the early results are encouraging.

### **ANDRADE COPPER PROJECT:**

The Andrade Copper Project spans 1,550km<sup>2</sup>, consisting of the Andrade Copper Deposit which includes a Measured and Indicated Copper Resource of 22.6Mt @ 0.43% Cu and 2.11 g/t Ag (1.8Mt @ 0.72% Cu and 3.8 g/t Ag measured and 20.8Mt @ 0.40% Cu and 1.96 g/t Ag), and an Inferred Resource of 3.0Mt @ 0.43% and 1.85 g/t Ag. The Rio Grande Copper Belt has a similar geology to the Botswanan 'Kalahari Copper Belt', which hosts Sandfire's (ASX: SFR) Motheo Copper Mine.

### ***Competent Person Statements***

The below details are included for the purposes of Listing Rule 5.23 for the purposes of exploration results and estimates of mineral resources included in this Section 3.2:

1. The original report was "83 Million Tonnes of Measured and Indicated Resource Estimated at Tres Estradas Phosphate Deposit" which was issued with the consent of the Competent Person, Mr Steven B Kerr. The report was released to the ASX on 20 September 2017 and can be found at [www2.asx.com.au](http://www2.asx.com.au), search code "AGR" or at [www.aguiaresources.com.au/investors/asx-announcements/](http://www.aguiaresources.com.au/investors/asx-announcements/). Aguia is not aware of any new information or data that materially effects the information included in the relevant market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the Competent Persons' findings are presented have not been materially modified.
2. The original report was "Updated BFS of Phosphate Project Confirms Robust Economics" which was issued with the consent of the Competent Persons, Dr Fernando Tallarico, Mr Guilherme Gomides Ferreira, Mr Bernardo H C Viana and Mr Profirio Calabeiro Rodriguez. The report was released to the ASX on 21 March 2023 and can be found at [www2.asx.com.au](http://www2.asx.com.au), search code "AGR" or at [www.aguiaresources.com.au/investors/asx-announcements/](http://www.aguiaresources.com.au/investors/asx-announcements/). Aguia is not aware of any new information or data that materially effects the information included in the relevant market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the Competent Persons' findings are presented have not been materially modified.
3. The original report was "Aguia Green Copper – Updated Resource Statement" which was issued with the consent of the Competent Person, Dr Fernando Tallarico. The report was released to the ASX on 9 February 2023 and can be found at

www2.asx.com.au, search code “AGR” or at www.aguiaresources.com.au/investors/asx-announcements/. Aguia is not aware of any new information or data that materially effects the information included in the relevant market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the Competent Persons’ findings are presented have not been materially modified.

4. The original report was “Review of Rare Earth Elements in Rio Grande Carbonatites Confirms Strong Grades” which was issued with the consent of the Competent Person, Dr Fernando Tallarico. The report was released to the ASX on 9 October 2023 and can be found at www2.asx.com.au, search code “AGR” or at www.aguiaresources.com.au/investors/asx-announcements/. Aguia is not aware of any new information or data that materially effects the information included in the relevant market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the Competent Persons’ findings are presented have not been materially modified.

### **3.3 Directors and key personnel of Aguia**

A brief summary of the Aguia Board and key personnel, as at the date of this Bidder’s Statement, is set out below. Further information is set out in the Aguia 2023 Annual Report released to ASX on 24 October 2023.

#### ***Mr Warwick Grigor – Non-Executive Chairman***

Warwick brings more than 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. Warwick is a graduate of the Australian National University, having completed degrees in law and economics.

#### ***Ms Christina McGrath –Executive Director and acting Managing Director***

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.

#### ***Mr Ben Jarvis – Non- Executive Director***

Ben 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 Yerbas Buenas magnetite and aggregate materials project near to La Serena.

Ben 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.

### 3.4 Proposed Director

Under the Bid Implementation Agreement, Aguia and Andean agreed that William Howe would be appointed as the Managing Director of Aguia upon successful completion of the Takeover Offer. A brief summary of the qualifications and experience of William Howe is set out below:

#### *Mr William Howe – proposed Managing Director*

William has over 40 years' experience in the mining industry. He was a founding director of Straits Resources Limited and has spent most of his career in mine development, operations management and corporate management in Southern and West Africa, Southeast Asia, Australia and South America. William was Managing Director of Hampton Mining Pty Ltd from 2003 to 2010 and Metminco Ltd from 2010 to 2018 where he led the team that discovered the Los Calatos copper-molybdenum porphyry system in southern Peru and the Mollacas copper porphyry in Region IV, Chile. William has 4 years of direct operating experience in Colombia.

### 3.5 Fees and Benefits of Directors and Proposed Director

The annual remuneration (inclusive of superannuation) of the Aguia Directors for the last two financial years ended 30 June 2022 and 2023 and the remuneration (inclusive of superannuation) paid to date to the Aguia Directors in the current financial year ending 30 June 2024 and the proposed annual remuneration (including superannuation) to be paid by Aguia to the Proposed Director for the current financial year ending 30 June 2024 are as follows:

	2022 Financial Year	2023 Financial Year	2024 Financial Year (to date)
<b>Existing Directors</b>			
Warwick Grigor	N/A	N/A	\$13,519
Christina McGrath	\$397,276	\$194,878	\$15,685
Ben Jarvis	N/A	N/A	\$15,070
<b>Proposed Director</b>			
	2022 Financial Year	2023 Financial Year	2024 Financial Year (proposed)
William Howe	N/A	N/A	\$200,000

Directors, companies associated with the Directors or their Associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of Aguia and other miscellaneous expenses.

### 3.6 Senior Management

Mr Ross Pearson is the Company Secretary of Aguia and is proposed to continue in this role following completion of the Takeover Offer. A biography for Ross is set out below:

Ross is an accomplished executive who brings over four decades of experience as a senior finance and corporate executive from a career spanning resources, technology and professional services.

Ross' experience traverses a wide range of finance and corporate practice and he is a Fellow of CPA Australia.

### 3.7 Aguia securities

As at the date of this Bidder's Statement, Aguia has:

- (a) 579,486,196 Aguia Shares on issue; and
- (b) an aggregate of 27,000,000 unlisted options to acquire Aguia Shares.

Refer to Section 0 for details in respect of securities to be issued by Aguia in connection with the Takeover Offer and the issued capital of Aguia following completion of the Takeover offer.

### 3.8 Trading of Aguia Shares

Set out below is a table showing relevant trading prices of Aguia Shares on ASX:

Comparative trading period	Price of AGR Shares
Highest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.023
Lowest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.008
Closing trading price on the last trading day before the date Aguia announced the Takeover Offer	\$0.009
Closing sale price of Aguia Shares on ASX on 19 February 2024 (being the trading day prior to the date of this Bidder's Statement)	\$0.014
30-day VWAP of Aguia Shares to 19 February 2024 (calculated by reference to the prior 30 days on which trades of Aguia Shares were made on ASX)	\$0.0149

### 3.9 Shareholders of Aguia

As at 19 February 2024 (being the date before the date of lodgement of this Bidder's Statement), the top 20 Shareholders of Aguia were:

	Aguia Shareholder	Number of Aguia Shares	% of Aguia issued share capital <sup>1</sup>
1	RMH FAMILY NOMINEE PTY LTD	16,347,879	2.85%
2	SILVERBACK TRAILERS PTY LTD	15,222,222	2.65%
3	AYERS CAPITAL PTY LTD	13,527,248	2.36%
4	TDD GROUP PTY LTD	13,191,504	2.30%
5	ST EVAL PTY LTD	13,000,000	2.27%
6	COOPSTER PTY LIMITED	12,595,625	2.20%
7	CITICORP NOMINEES PTY LIMITED	11,129,317	1.94%
8	TEMPEST DAWN PTY LIMITED	8,544,779	1.49%

9	CLUTTERBUCK SF PTY LTD	7,641,993	1.33%
10	FOWLMERE PTY LTD	7,500,000	1.31%
11	MR GEOFFREY KEITH ROBINSON & MRS BRONWEN ROBINSON	7,453,902	1.30%
12	WJF SUPER PTY LTD	7,308,480	1.27%
13	MR DAVID SHEARWOOD & MR HARRY SHEARWOOD	6,932,219	1.21%
14	DIAMED SUPER PTY LTD	6,918,925	1.21%
15	SERLETT PTY LTD	6,389,162	1.11%
16	ATATURK INVESTMENTS PTY LTD	6,238,073	1.09%
17	JANNAH ENTERPRISES PTY LTD	6,234,000	1.09%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,160,828	1.07%
19	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	5,630,536	0.98%
20	CHILLI SF PTY LTD	5,195,000	0.91%
	<b>TOTAL AGUIA SHARES HELD BY TOP 20</b>	<b>183,161,692</b>	<b>31.94%</b>

*\* All percentages are subject to rounding*

### 3.10 Directors and Proposed Director Interests

The direct and indirect interests in Aguia Shares of the existing Directors of Aguia and the Proposed Director at the date of this Bidder's Statement are set out in the table below:

Name	Number	%
Warwick Grigor	Nil	Nil
Christina McGrath	6,371,506	1.10%
Benjamin Jarvis	600,000	0.10%
William Howe	Nil	Nil
<b>Total</b>	<b>6,971,506</b>	<b>1.20%</b>

*Notes to table:*

- (a) All percentages are subject to rounding.*
- (b) Christina McGrath also holds an interest in 3,000,000 unlisted options.*
- (c) Assumes no convertible securities are converted into Aguia Shares.*

Assuming all of the proposed Andean Share issues referred to in Section 4.6 are made prior to the completion of the Takeover Offer, Warwick Grigor will hold an indirect interest in an aggregate of 19,454,738 Andean Shares and William Howe will hold a direct and indirect interest in an aggregate of 22,341,233 Andean Shares. Assuming that the Andean Share issues referred to in Section 4.6 are made prior to completion of the Takeover Offer and the Takeover Offer is taken up in full, Warwick Grigor will obtain an interest in 58,364,214 Aguia Shares and William Howe will obtain an interest in 67,023,699 Aguia Shares.

Each of Warwick Grigor and William Howe have indicated to Aguia that they support the Takeover Offer and will take up the Takeover Offer and apply for Aguia Shares in respect of the Andean Shares in which they have an interest in full.

Having regard to the above, the maximum anticipated direct and indirect interests in Aguia Shares of the existing Directors of Aguia and the Proposed Director following completion of the Takeover Offer and assuming the Takeover Offer is taken up in full is set out in the table below:

Name	Current Number	Current %	Number after Takeover Offer	% after Takeover Offer
Warwick Grigor	Nil	Nil	58,364,214	5.65%
Christina McGrath	6,371,506	1.10%	6,371,506	0.62%
Benjamin Jarvis	600,000	0.10%	600,000	0.06%
William Howe	Nil	Nil	67,023,699	6.49%
<b>Total</b>	<b>6,971,506</b>	<b>1.20%</b>	<b>132,359,419</b>	<b>12.82%</b>

Notes to table:

- (a) All percentages are subject to rounding.
- (b) Assumes that the Takeover Offer is taken up in full. The figures in the above table will vary if the Takeover Offer is not taken up in full.
- (c) Christina McGrath also holds an interest in 3,000,000 unlisted options.
- (d) Assumes no convertible securities are converted into Aguia Shares.

### 3.11 Effect on Substantial Shareholders

Aguia does not currently have substantial (5%+) shareholders. Based on information provided to Aguia by Andean, the table below summarises the expected substantial shareholders of Aguia on completion of the Takeover Offer, being those holders who are anticipated to have a relevant interest in 5% or more of the issued Aguia Shares following completion of the Takeover Offer and assuming all of the proposed Andean Share issues referred to in Section 4.6 are made prior to the completion of the Takeover Offer:

Substantial Holder	%
William Howe (via direct and indirect holdings)	6.49%
Warwick Grigor (via indirect holdings)	5.65%

Notes to table:

- (a) All percentages are subject to rounding.
- (b) It is assumed that the Takeover Offer is accepted for 100% of Andean Shares.
- (c) It is assumed that no existing or proposed Aguia convertible securities are converted into Aguia Shares.

### 3.12 Changes to Capital

The anticipated maximum effect of the Takeover Offer on the capital of Aguia (including following the Andean Share issues described in Section 4.6) is set out below, assuming no Aguia Shares are issued other than as contemplated by this Bidder's Statement:

	Number	%
Aguia Shares at the date of this Bidder's Statement	579,486,196	56.09%
Aguia Shares under the Takeover Offer (maximum)	453,740,376	43.91%
<b>Total Aguia Shares after the Takeover Offer</b>	<b>1,033,226,572</b>	<b>100%</b>

Notes to table:

- (a) All percentages are subject to rounding.  
 (b) It is assumed that all of the proposed Andean Share issues referred to in Section 4.6 are made prior to the completion of the Takeover Offer.  
 (c) It is assumed that the Takeover Offer is accepted for 100% of Andean Shares.  
 (d) It is assumed that no existing or proposed Aguia convertible securities are converted into Aguia Shares.

### 3.13 Financial Performance

#### (a) Basis of Presentation of Historical Financial Information

The historical financial information in section 3.14 relates to Aguia on a stand-alone basis and accordingly does not reflect any impact of the Takeover Offer. It is a summary only and the full financial statements of Aguia for the financial periods described below, which includes the notes to the financial accounts, are available in Aguia's annual reports for the years ended 30 June 2021, 30 June 2022 and 30 June 2023.

Copies of these annual reports are available at [www.aguiaresources.com.au](http://www.aguiaresources.com.au) and also the ASX website.

#### (b) Historical Financial Information of Aguia

The historical consolidated statements of financial position of Aguia are set out below and have been extracted from the audited consolidated statement of financial position as at 30 June 2021, 30 June 2022 and 30 June 2023.

Details of material events of Aguia that occurred subsequent to 30 June 2023 are set out in the Merged Group pro forma statement of financial position in section 5.10.

### 3.14 Aguia Consolidated Statement of Financial Position

	30 June 2023	30 June 2022	30 June 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	437,806	3,726,304	4,298,379
Trade and other receivables	81,591	40,546	53,045
Prepayments	85,656	46,833	33,906
<i>Total current assets</i>	605,053	3,813,683	4,385,330
<b>Non-current assets</b>			
Property, plant and equipment	2,157,484	1,845,705	1,682,277
Exploration and evaluation	31,571,757	26,723,226	24,137,332
<i>Total non-current assets</i>	33,729,241	28,568,931	25,819,609
<i>Total assets</i>	34,334,294	32,382,614	30,204,939
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	256,854	730,755	1,484,601
Advances of future capital increases	-	-	591,383
<i>Total current liabilities</i>	256,854	730,755	2,075,984
<i>Total liabilities</i>	256,854	730,755	2,075,984
<b>Net assets</b>	<b>34,077,440</b>	<b>31,651,859</b>	<b>28,128,955</b>
<b>Equity</b>			
<b>CONTRIBUTED CAPITAL</b>	123,307,543	121,858,851	118,101,048
Reserves	(5,353,950)	(8,567,673)	(10,188,952)
Accumulated losses	(83,876,153)	(81,639,319)	(79,783,141)
<b>Total equity</b>	<b>34,077,440</b>	<b>31,651,859</b>	<b>28,128,955</b>

### **3.15 Corporate Governance**

The Aguia Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations (fourth edition).

Details on Aguia's corporate governance procedures, policies and practices can be obtained from Aguia's website [www.aguiaresources.com.au/corporate/corporate-governance/](http://www.aguiaresources.com.au/corporate/corporate-governance/).

### **3.16 Non-Conflicted Andean Directors Recommendation**

The Non-Conflicted Andean Directors have welcomed the Takeover Offer and indicated in the Bid Implementation Agreement that, in the absence of a Superior Proposal and in the absence of the Independent Expert not concluding that the Takeover Offer is not fair and not reasonable, they intend to accept and/or procure the acceptance of the Offer in respect of all of the Andean Shares that they control and will unanimously recommend that Andean Shareholders accept the Takeover Offer.

### **3.17 Conditions to the Takeover Offer**

The Conditions to the Takeover Offer are set out in Section 1.8(a) of Annexure A to this Bidder's Statement. In respect of the Conditions, Aguia's intentions as at the date of this Bidder's Statement are as follows:

- (a) it does not intend to waive the Minimum Acceptance Condition; and
- (b) it has not formed an opinion as to whether it will waive the remainder of the Conditions.

Aguia reserves the right to waive the Conditions (or any of them) and to waive such other requirements in connection with the Offer that are able to be waived by Aguia (including without limitation the imposition of voluntary disposal restrictions (escrow)).

### **3.18 Rights and Liabilities of Aguia Shares**

The Aguia Shares offered to Andean Shareholders under the Takeover Offer are fully paid ordinary shares in the capital of Aguia, and from the date of their issue will rank equally with all then existing Aguia Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to Aguia Shares are governed by the Aguia Constitution, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

Under Section 140(1) of the Corporations Act, the Aguia Constitution has effect as a contract between Aguia and each member and between a member of Aguia and each other member. Accordingly, if you accept the Takeover Offer, you will have agreed to accept the Aguia Shares to which you are entitled pursuant to your acceptance of the Takeover Offer, and as a result, will become liable to comply with the Aguia Constitution.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Aguia Shares. Full details of the rights and liabilities attaching to the Aguia Shares are contained in the Aguia Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law.

Details of the rights and liabilities attaching to Aguia Shares are set out in the Constitution, a copy of which is available for inspection at Aguia's registered office during normal business hours.



(a) *Voting Rights*

Subject to the Aguia Constitution and any rights or restrictions at the time being attached to a class of shares, at a general meeting of Aguia every Aguia Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Aguia Share held by the Aguia Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

(b) *Dividends*

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, Aguia may pay dividends as the Directors resolve. The Directors may determine the method and time for payment of the dividend.

(c) *Winding up*

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of Aguia the liquidator may, with the sanction of a special resolution, divide among the members whole or any part of the property of Aguia.

(d) *Transfer of Shares*

Generally, Aguia Shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, the ASX Settlement Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Aguia Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules, or under the Aguia Constitution.

(e) *Further increases in Capital*

Subject to the Corporations Act, and the ASX Listing Rules, and any rights attached to a class of shares, Aguia (under the control of the Directors) may allot and issue shares and grant options over shares, on any terms, at any time and for any consideration, as the Directors resolve.

(f) *Variation of Rights*

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the terms of issue of shares in a particular class, Aguia may vary or cancel rights attached to shares in that class by either special resolution passed at a general meeting of the holders of the shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(g) *Meetings and Notices*

Aguia Shareholders are entitled to receive notice of, and to attend and vote at, general meetings of Aguia and to receive notices, accounts and other documents required to be furnished to Aguia Shareholders under the Aguia Constitution, the Corporations Act and the ASX Listing Rules.

### **3.19 Dividend History**

Aguia has not previously and does not currently pay dividends.

### **3.20 Further Information**

Due to the fact that Aguia is offering Aguia Shares as consideration for the acquisition of Andean Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Aguia Shares under Sections 710 to 713 of the Corporations Act.

Aguia is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Aguia is subject to the ASX Listing Rules which require continuous disclosure of any information Aguia has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Aguia's announcements as released to ASX are available at [www2.asx.com.au](http://www2.asx.com.au), search code "AGR" and also at [www.aguiaresources.com.au/investors/asx-announcements/](http://www.aguiaresources.com.au/investors/asx-announcements/).

Aguia is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Aguia may be obtained from ASIC.

On request to Aguia and free of charge, Andean Shareholders may obtain a copy of:

- (a) the annual financial report of Aguia for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);
- (b) any half-year financial report lodged with ASIC by Aguia after the lodgement of the annual financial report referred to at (a) above and before lodgement of this Bidder's Statement with ASIC; and
- (c) any continuous disclosure notice given to ASX by Aguia since the lodgement with ASIC of the 2023 annual report for Aguia referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements that Aguia has lodged with ASX since release of the 2023 Annual Report of Aguia to ASX is set out in Annexure B to this Bidder's Statement.

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## 4. PROFILE OF ANDEAN MINING LIMITED

### 4.1 Disclaimer

This overview of Andean and all financial information concerning Andean contained in this Bidder's Statement has been prepared by Agua using information provided to Agua by Andean, as well as publicly available information.

The information in this Bidder's Statement concerning Andean **has not** been independently verified. Agua does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Andean is not considered to be comprehensive.

Andean Shareholders **should not** rely on the information contained in the Bidder's Statement as a true and correct summary of Andean or any of Andean's business activities. The Agua Board recommends that Andean Shareholders refer to the Target's Statement for information on Andean and its business operations.

### 4.2 Overview of Andean

Andean was incorporated as an Australian proprietary company named Andean Mining Corporation Pty Ltd on 9 April 2018 under the Corporations Act.

On 25 February 2021, Andean converted to (and remains to be) a public company limited by shares and was renamed Andean Mining Limited.

### 4.3 Corporate Structure

The corporate structure of Andean comprises:

- Andean Mining Limited (Andean) as the ultimate holding company.
- Minera La Fortuna S.A.S. (holder of the Atocha and Santa Barbara concession), Corporacion Minera de Colombia S.A.S (holder of El Dovio and Alejandria mining applications), BGS Ingenieria S.A.S., Sociedad Minera Malabar S.A.S. (contract on mining concession IEV6061 covering Santa Barbara north while transfer is being completed) and Consultores Andean S.A.S. (consultant entity) as wholly owned subsidiaries of Andean. Each of these entities is incorporated in Colombia.

### 4.4 Andean Board of Directors

As at the date of this Bidder's Statement, the directors of Andean are:

- (a) Mr Warwick Grigor – Chairman;
- (b) Mr William Howe – Managing Director;
- (c) Mr James Green – Non-Executive Director; and
- (d) Mr Paul Ingram – Non-Executive Director.

William Howe will become the Managing Director of the Merged Group on successful completion of the Takeover Offer. Further details of the Proposed Director are set out in section **Error! Reference source not found.**

## 4.5 Overview of Andean's Activities and Projects

Where exploration results are described below, those exploration results were previously announced by Agüa to ASX and accordingly the following information is provided in respect of those exploration results for the purposes of Listing Rule 5.23.2:

*The original report was "Proposed Takeover Offer for High-Grade Gold Focused Mining and Exploration Company, Andean Mining" which was issued with the consent of the Competent Person, Raul Sanabria. The report was released to the ASX on 23 December 2023 and can be found at [www2.asx.com.au](http://www2.asx.com.au), search code "AGR" or at [www.aguiareources.com.au/investors/asx-announcements/](http://www.aguiareources.com.au/investors/asx-announcements/). Agüa is not aware of any new information or data that materially effects the information included in the relevant market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the Competent Persons' findings are presented have not been materially modified.*

### **SANTA BARBARA PROJECT**

The Santa Barbara project is located in the Department of Bolívar, 450km south of Cartegena the Department capital. The project is located at an elevation of 500mamsl.

The principal exploration target is mesothermal vein-type gold deposits similar to the Segovia and Buritica style mineralisation with high base metal contents related to porphyry intrusives. Segovia has produced over 5Moz Au to date and been in operation for more than 150 years. The mineralised veins at Santa Barbara follow parallel NE-SW trends typically, and they are localized along splays off the main fault zones, along Riedel shears and bends, tension gashes within the main fault zones, or at points where the main fault zone is intersected by oblique angled faults.

The Santa Barbara veins are comprised mainly of variable amounts of pyrite, sphalerite, galena, chalcopyrite and gold in a gangue of quartz and carbonate.

Mining of a 500-ton bulk sample was completed in September 2021 from the Santa Barbara vein 1 adit and returned a mill head gold grade of >24 g/t. Underground development of approximately 200m has been completed on the Santa Barbara veins.

In order to operate in Colombia, Andean must have an approved PTO (Technical Operating Contract), Environmental Impact Assessment (EIA) and Social Licence. Concession contract 0439C1 now has an approved PTO and Social Licence issued by the relevant government authorities for the operation of a 50tpd mine and processing plant while the EIA has been submitted and is awaiting approval. No impediments to the approval of the EIA are anticipated.

Andean are awaiting the assignment of 126.4395 hectares of the larger Concession Contract IEV-16061 to Minera La Fortuna S.A.S. Application for the transfer of the 126.4395 hectares has been submitted to the relevant authorities, however, operations located on Concession Contract IEV-16061 that are located on the area to be assigned can continue under an existing PTO, EIA and Social Licence covering the entirety of the contact.

### **ATOCHA PROJECT**

The Atocha project is located in the Municipality of Falan, in the Department of Tolima, Colombia, some 190 km west of the capital, Bogotá. The property elevation ranges from 700 to 1,100 metres and is accessible by a paved road from Mariquita and by a network of rural unpaved roads.

The project area is located within the historic colonial Santa Ana-Frías-Mariquita Silver District, which is the highest-grade primary silver district in Colombia, and has seen no previous colonial or modern exploration on it.

This geologic setting translates into favourable regional structures throughout the property (the “Atocha Corridor”), resulting in clusters of very high vein densities with a vast number of high-grade, primarily silver (and gold) showings exposed at surface within the property area. There are +30 km cumulative strike length of silver-gold bearing veins identified from surface exposures.

The La Ye vein zone demonstrated the existence of a major structural deformation corridor with a wide, associated multiple vein system. The primary vein system at La Ye is comprised of at least 6 major veins and several smaller associated parallel veins covering a strike length in excess of 500m and is open in all directions.

Diamond drilling at La Ye consisted of 1,700m in 13 drillholes covering 300m of strike length, with the vein system open to the Southwest and at depth. Further detail of results are set out in the release made by Agüa to ASX on 22 December 2023.

## **EL DOVIO PROJECT**

Andean acquired 100% ownership of the high-grade El Dovio VMS project in Colombia from Newrange Gold Corp of Canada. El Dovio hosts a high-grade copper, gold, silver and zinc Volcanogenic Massive Sulphide (VMS) system located in the Municipality of El Dovio, Department of Valle del Cauca, Colombia.

The El Dovio Project is comprised of approximately 1,298.82ha. It is a gold-rich polymetallic system that also contains significant copper, zinc and silver mineralization. The Sabana Blanca Zone, the principal known mineralized zone on the property at this time, is hosted in brecciated and altered marine volcanic and intrusive rocks and remains open to expansion in all directions.

Mineralisation appears to be structurally controlled, with high-grade polymetallic mineralisation comprised of multi-phased colloform banded crystalline quartz containing zones of enriched zinc mineralisation and strongly deformed zones hosting semi-massive to massive chalcopyrite in metamorphosed mafic volcanic rocks of the Cañasgordas Group.

Mineralisation at El Dovio occurs in four major zones, the Sabana Blanca, Granizales, Platanilla and Brazo 1 Zones.

The main target at Sabana Blanca is a high-grade gold-bearing zone manifested as a dense quartz vein system structurally controlled and oriented WNW-ESE and hosted in greenschist metamorphic grade mafic metavolcanics rocks. A total of 23 diamond drill holes were completed on the property between the years 2013 and 2014, by previous operator Newrange Gold Corp. (Newrange).

As a separate event, sphalerite mineralization selectively overprints the quartz vein system zones, starting from the edges of the quartz veins, rimming brecciated vein fragments, and selectively replacing zones of pyrite and pyrrhotite.

Lastly, semi-massive to massive copper (chalcopyrite) mineralization occurs in very deformed areas (shear zones), intersecting the previous gold veined system and sphalerite mineralization, producing replacement of the sphalerite and obliterating previous vein textures, always in a very silicified dark matrix (metasediments).

The three gold, zinc and copper events of mineralisation are well isolated in time and respond to three different mineralising events overlapping in time as a result of reactivation of the system. The style of gold mineralisation is akin to classic lode gold orogenic type, whereas the zinc and copper mineralization seem to be remobilizations favoured by late deformation.

Newrange conducted metallurgical testwork on a bulk composite sample taken from the Sabana Blanca adit. McClelland Laboratories, Inc. of Reno, Nevada supervised and conducted the tests using conventional milling and froth flotation techniques and recorded recoveries for gold, copper, silver and zinc of 96.4%, 97.8%, 91.1% 96.8% respectively into a bulk concentrate.

Andean conducted further testwork on a sample from the Sabana Blanca adit using Resource Development Inc based in Denver, Colorado, USA. This testwork included Bond's Ball Mill Work Index (15.55 kWh/st – considered hard), Bond Abrasion Index (0.798 – considered abrasive), Crusher Index (12.2 kWh/st – considered medium hardness) and rougher flotation testing.

The rougher flotation testing was specifically designed to produce separate copper and zinc concentrates so as to determine where the gold and silver reported in the concentrates.

Recoveries for all metals into separate copper and zinc concentrates were approximately 95% (which was in line with the Newrange testwork) with 93.6% of the gold and 86% of the silver reporting into the copper concentrate.

#### **4.6 Andean Capital Structure**

As at the date of this Bidder's Statement, 117,356,123 Andean Shares are on issue. Aguia has been advised that Andean intends to issue up to a further 33,890,669 Andean Shares prior to completion of the Takeover Offer. These Andean Shares are proposed (subject to various shareholder approvals) to be issued to third parties which include directors of Andean and the assignor of mining concession IEV-16061.

Having regard to the above anticipated Andean Share issues, Andean's anticipated capital structure as at the date of close of the Takeover Offer is anticipated to comprise an aggregate of up to 151,246,792 Andean Shares. There are no convertible securities on issue in Andean or any other rights granted for the acquisition of Andean Shares. Aguia does not have a current relevant interest in Andean Shares at the date of this Bidder's Statement.

Assuming the Andean Share issues described above are completed and the Takeover Offer is taken up in full, Aguia anticipates issuing up to an aggregate maximum of 453,740,376 Aguia Shares under the Takeover Offer to acquire 100% of the issued capital of Andean.

#### **4.7 Andean tenements**

**Atocha Project:** The Falan project is composed of a mining concession contract identified by the number HFL-151C1, currently in the exploration stage, signed on December 17, 2021, for the exploration and exploitation of gold and its concentrates. This concession covers an area of 2,586 hectares, located in the municipality of Guayabal, department of Tolima, and was registered in the RMN on March 14, 2022. Concession Contract HFL-151C1 has a duration of 30 years, until April 19, 2040.

**Santa Barbara Project:** The Santa Barbara project consists of two mining concession contracts identified by the numbers 0439C1 and IEV-16061, located in the municipalities of San Martín de Loba, Barranco de Loba, and Rioviejo, in the Bolivar department.

Concession contract 0439C1 covers an area of 214.335 hectares and was registered on June 30, 2023 and has a duration of 30 years until October 29, 2036. Concession contract IEV-16061 was registered on February 24, 2012 and has a duration of 30 years until March 23, 2041.

The sole titleholder of concession contract IEV-16061 is Luis Angel Consuegra Tavera. On May 11, 2023, a request for the assignment of areas of the IEV-16061 concession contract to Minera La Fortuna covering an area of 126.4395 hectares was submitted to the Mining Authority. Approval is pending.

El Dovio Project: The El Dovio project consists of two mining concession contracts identified by the numbers IEH-08441 and IEH-08401, located in the municipality of El Dovio, in the Department of Valle Del Cauca.

Concession contract IEH-08401 was registered on February 23, 2010 and has a duration of 30 years until August 23, 2041. Concession contract IEH-08441 was registered on January 13, 2012 and has a duration of 30 years until September 18, 2043.

Alejandria Project: The Alejandria project consists of a mining concession contract application number 507844, submitted on May 26, 2023 and covers an area of 2,046 hectares, located in the municipality of San Rafael, department of Antioquia, for the exploration and exploitation of gold and its concentrates. As of the date of this report, the concession contract application remains under evaluation by the Mining Authority. No concession contract fees are payable.

#### 4.8 Andean Financial Information

The historical consolidated statements of financial position of Andean are set out in section 4.9 and have been extracted by Andean from the audited consolidated statement of financial position as at 31 December 2021 and 31 December 2022 and the reviewed consolidated statement of financial position for the half year ended 30 June 2023 and then provided to Agua.

Details of material events of Andean that occurred subsequent to 30 June 2023 are set out in the Merged Group pro forma statement of financial position in section 5.10.

#### 4.9 Consolidated Statement of Financial Position of Andean Group

	As at 30 June <b>2023</b>	As at 31 December <b>2022</b>	As at 31 December <b>2021</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	711,535	9,791	13,958
Trade and other receivables	45,561	14,147	74,813
Other current assets	1,522	0	0
<i>Total current assets</i>	<u>758,618</u>	<u>23,938</u>	<u>88,771</u>
<b>Non-current assets</b>			
Property, plant and equipment	73,834	62,534	70,873
Exploration and evaluation	2,075,493	1,974,690	1,991,297
Intangible assets	1,023	1,291	2,289
<i>Total non-current assets</i>	<u>2,150,350</u>	<u>2,038,515</u>	<u>2,064,459</u>
<i>Total assets</i>	<u>2,908,968</u>	<u>2,062,453</u>	<u>2,153,230</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	989,034	530,027	992,916
Advances of future capital increases	781,775	2,797,500	2,510,000
<i>Total current liabilities</i>	<u>1,770,809</u>	<u>3,327,527</u>	<u>3,502,916</u>
<b>Non-current liabilities</b>			
<i>Deferred tax liabilities</i>	<u>18,608</u>	<u>15,676</u>	<u>16,414</u>
<i>Total non-current liabilities</i>	<u>18,608</u>	<u>15,676</u>	<u>16,414</u>
<i>Total liabilities</i>	<u>1,789,417</u>	<u>3,343,203</u>	<u>3,519,330</u>
<b>Net assets</b>	<b><u>1,119,551</u></b>	<b><u>(1,280,750)</u></b>	<b><u>(1,366,100)</u></b>
<b>Equity</b>			
<b>CONTRIBUTED CAPITAL</b>	5,315,829	2,784,629	1,871,516

Reserves	(27,462)	(68,107)	(62,426)
Accumulated losses	(4,168,816)	(3,997,272)	(3,175,190)
<b>Total equity</b>	<b>1,119,551</b>	<b>(1,280,750)</b>	<b>(1,366,100)</b>

#### 4.10 Further information on Andean

Andean maintains a website, [www.andeanmining.com.au](http://www.andeanmining.com.au), which contains further information about Andean and its operations.

Andean is an unlisted public company is subject to regular financial reporting obligations under the Corporations Act. Andean is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Andean may be obtained from, or inspected at, an ASIC office.

Further information about Andean will be contained in the Target's Statement.



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## 5. MERGED GROUP

### 5.1 Approach

This Section 5 provides an overview of Aguia and its subsidiaries following the acquisition by Aguia of all, or a portion of the Andean Shares on issue (**Merged Group**), in the scenarios following the Takeover Offer and the effect of the Takeover Offer on Aguia and Andean.

### 5.2 Disclaimer Regarding Andean and the Merged Group Information

In preparing the information relating to Andean and the Merged Group contained in this Bidder's Statement, Aguia has relied on publicly available information relating to Andean and this has not been independently verified by Aguia or its Directors. Risks may exist in relation to Andean (which may affect the Merged Group) of which Aguia is unaware. If any material risks are known to the directors of Andean, they must be disclosed in the Target's Statement to be issued by Andean.

Accordingly, subject to any applicable laws, Aguia makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

Andean Shareholders **should not** rely on the information contained in the Bidder's Statement as a true and correct summary of Andean or any of Andean's business activities.

The Aguia Board recommends that Andean Shareholders refer to the Target's Statement for information on Andean and its business operations.

### 5.3 Profile of the Merged Group

If the Takeover Offer is successful, Andean Shareholders who accepted the Takeover Offer will each receive three (3) Aguia Shares for every one (1) Andean Share and thereupon, become economic owners of the Merged Group.

### 5.4 Effect of Completion of the Takeover Offer

Andean has a strong in-country management team with extensive operational experience in underground mines. The new management team of the Merged Group will be comprised of the current Directors of Aguia and William Howe (incoming Managing Director). A biography for each of these individuals is set out in Sections 3.3 and 3.4. Raul Sanabria, the in-country geologist of Andean, will also join the management team of the Merged Group. A biography for Raul is set out below:

Raul is Andean's in-country geologist with over a decade of experience in Colombia and a long-time association of the Santa Barbara and Atocha regions. Raul was both vendor and employee of the projects with the previous operator Baroyeca Gold and Silver Inc. (TSX: BGS).

#### Activities in Brazil

In the short term Aguia is in the process of reestablishing its management team in Brazil. Tim Hosking a highly experienced executive with extensive experience in Brazil and Latin America has now been appointed Country Manager. Further efficiency measures are being made to ensure that Aguia has more flexible and adaptive approach to management.

Aguia's strategy is to progress its portfolio of assets including: phosphate, rare earths and copper assets in Brazil.

- **Phosphate:** Aguia expects to be able to drill the additional phosphate tenements later this year subject to capital in order to preserve its strong position in Brazilian phosphate and it

will continue to rigorously defend its flagship Tres Estrada phosphate project which has been delayed due to litigation (refer to Section 8.3(j)).

- **Rare Earths:** Aguia's phosphate samples were tested successfully for rare earths approximately 10 years ago. Given the greatly increased value of these minerals. Aguia announced in October 2023 that a review of rare earth elements in the carbonatites confirmed strong grades. The potential for a rare earths co-product will be assessed.
- **Copper:** Aguia is currently seeking a joint venture partner to farm out the future development of the copper assets.

### **Proposed Activities in Colombia**

Where exploration results in respect of activities in Colombia are described below, those exploration results were previously announced by Aguia to ASX and accordingly the following information is provided in respect of those exploration results for the purposes of Listing Rule 5.23.2:

*The original report was "Proposed Takeover Offer for High-Grade Gold Focused Mining and Exploration Company, Andean Mining" which was issued with the consent of the Competent Person, Raul Sanabria. The report was released to the ASX on 23 December 2023 and can be found at [www2.asx.com.au](http://www2.asx.com.au), search code "AGR" or at [www.aguiaresources.com.au/investors/asx-announcements/](http://www.aguiaresources.com.au/investors/asx-announcements/). Aguia is not aware of any new information or data that materially effects the information included in the relevant market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the Competent Persons' findings are presented have not been materially modified.*

The following provides a detailed description of all Andean's projects together with the next steps required to advance the projects. On completion of the merger Aguia's top priority will be to recommission the Santa Barbara underground mine and upgrade the existing processing plant to operate at 50tpd. Further details of each of the projects are set out below.

Aguia will acquire three high grade gold, silver and copper projects through the Andean takeover as follows:

- **Santa Barbara Gold Project:** presents a near-term gold-mining opportunity, offering an extremely high grade, low-cost restart operation with strong exploration upside.
- **El Dovio Project:** a high grade, copper and gold Volcanogenic Massive Sulphide (VMS) system.
- **Atocha Project:** a high grade, epithermal gold and silver project with drill hole intercepts up to 2,233 g/t AgEq over 0.80m.

The activities or next steps to be undertaken on each of the 3 projects on completion of the takeover are set out below in the context of the work done to date on each project.

#### Santa Barbara Project:

The Santa Barbara Project aims to recommence production in late 2024 at a rate of 50 tpd (tonnes per day).

### *Project History:*

The Santa Barbara Project covers an area of approximately 320 hectares. Early exploration was completed by Canadian listed Baroyeca Gold & Silver Inc. (CVE: BGS). The company processed a total of 500 tonnes of ore from development completed on the Santa Barbara No. 1 vein, via a 30tpd (tonne per day) pilot processing facility constructed on-site. With an average head grade of 24 g/t Au and 56 g/t Ag processing recoveries of approximately 90% was achieved. Andean purchased the project in July 2023 for C\$0.615m.

### *Jurisdiction and Tenure:*

The project is located in the Department of Bolivar, 450km south of Cartegena the Department capital. The project is located at an elevation of 500mamsl. The property consists of approximately 320 hectares situated on the northern tip of the Serranía de San Lucas, considered one of the richest gold belts in Colombia, next to the Pueblito Mejia and Norosí Special Reserve Areas of Mining (ARE) with numerous active small-scale miners demonstrating the high potential of the area.

The expanded project has been granted a PTO (PROGRAMA DE TRABAJOS Y OBRAS) and the Social Licence to Operate, however, the EIS and is yet to be granted. A PTO is an Operations Technical Work Plan. This includes a minimum of defining the area of exploration, providing topographic and cartographic images of the area, marine and/or bathymetric logistics, location and methods of calculation for estimating reserves, chemical substances used in the process, mining plan and technical guides used to justify the duration of production. The social licence assesses the proposed plan and its impact on local communities.

EIS/EIA licences are focused on environmental impacts and cover a key set of criteria including area of influence, surface and ground water concession, wastewater discharge method, tailings, air emissions, solid waste management as well as a forest use permit.

Whilst this process is underway, Andean are still able to perform exploratory mining and the plant is still deemed operationally ready to begin upgrading, producing, and stockpiling material.

### *Metallurgy:*

Treatment of a 500-tonne bulk sample through the 30tpd on-site pilot plant delivered gold recoveries of approximately 90% at over 98% purity. The average weighted head grade of the bulk sample was > 24 g/t Au.

### *Development of Santa Barbara:*

During the development stage the Merged Group will require a minimum of 6 development headings to reach the desired output of 50 tpd. There are currently 3 development headings in ore. Once stoping operations commence the Merged Entity plans to further potentially lift capacity to 250 tpd for potential annual gold production of 50,000 oz/a. US-based Hanlon Engineering is advising Andean on recommissioning the mine.

### *The Gold Process:*

The gold at Santa Barbara is known as 'free-milling ore', which is recovered through crushing, grinding and cyanidation. After mining the ore, crushing, and grinding processes are designed to expose as much surface area as possible. This will allow for better leaching and recovery of the gold. The material is then leached with sodium cyanide through a

specialised cyanidation process called 'Agitation Cyanidation Leaching'. This process is better suited towards breaking down materials of a finer particle size, providing several key advantages over other methods resulting in larger processing capacity, speed and higher rates of gold extraction.

#### *Site Facilities:*

Santa Barbara is well-equipped with on-site quarters for over 15 people. The site has an outdoor smelting facility, compliant explosives magazine and one 110kva generator powering the processing plant and a 75 kva unit powering the underground mine. An expansion to power capacity will be required to increase production to 50 tonnes per day and whilst grid power is ~1km away, further work will be required to extend the capacity.

Santa Barbara currently has a 2 tonnes per hour 2-stage crushing circuit. The company is planning to install a larger crushing circuit capable of up to 10 tonnes per hour and will reconfigure the feed system for larger and more continuous volumes.

The two existing ball mills operating in series have a capacity of 80 tonnes per hour, with product output of 80% passing <75 microns. To increase grinding efficiency lifters will be installed into the mills which may require upgrading of the existing mill motors.

The site contains 3 cyanide agitator tanks and 1 precipitation tank, with residence time averaging 33 hours, delivering tailings of up to 1.5 g/t. The agitator and precipitation tankage capacity will be doubled to allow for longer residence time, increased throughput and potentially higher recovery of gold.

#### Next Steps:

- Final approval of EIS
- Recommence mining operations and upgrade the processing plant to 50tpd.
- Commence diamond drilling to delineate mineralisation and develop a mineral resource base.

#### El Dovia Project

The El Dovia licences cover an area of 1,299 Ha. The El Dovia Project contains a polymetallic system with assayed results indicating gold, copper, zinc and silver are developed within a VMS-style system, which are typically high-grade and multi-metal systems found in clusters.

Results from metallurgical testwork undertaken by Andean returned approximately 95% recovery of all metals into separate copper and zinc concentrates. Importantly 93.6% of the gold and 86% of the silver reported into the copper concentrate.

#### Next Steps:

- Continuation of drilling to delineate mineral resources.

#### Atocha Project:

The Atocha project is located within the Department of Tolima, Municipality of Falan, some 190 km west of the capital, Bogota. The property elevation ranges from 700 to 1,100 metres. The Atocha project covers an area of 2,586ha. Andean bought 100% of the Atocha Project for C\$0.35M cash and 3 million shares (\$0.15M) in July 2023.

Rock chip sampling completed at various outcrops in Q2-2021 returned average grades of 182 g/t Ag. Baroyeca Gold & Silver Inc. (TSXV: BSG), the previous operator, completed 13 drill holes with intersections at high grades (as shown below). This includes 2,233 g/t AgEq over 0.80m.

Historical drilling by Baroyeca returned more than 25 intercepts @ >200g/t AgEq with a weighted average grade of 570 g/t AgEq and an average intercept width of 0.50m. Rock chip samples at the project returned gold values up to 14.65 g/t Au (refer table in Section 4.5 for further details). Clusters of high vein densities resulted in over 30km of cumulative gold-silver vein strike identified at surface. Baroyeca discovered the “La Ye” vein system which is comprised of 6 major veins over a strike length >500m and is open in all directions.

Next Steps:

- Continuation of diamond drilling to establish a JORC resource.

## **5.6 Effect of the Takeover Offer on Agüia’s Capital Structure**

The effect of the Takeover Offer on Agüia’s capital structure is set out in section 0.

## **5.7 Corporate Structure of the Merged Group**

If the Takeover Offer is successful and Agüia acquires all Andean Shares on issue, the corporate structure of the Merged Group will be as described below:

- Agüia as the ultimate holding company of the Merged Group.
- Andean as a wholly owned subsidiary of Agüia.
- The following seven corporate entities will remain wholly owned subsidiaries being of Agüia: Agüia Mining Pty Ltd; Agüia Phosphate Pty Ltd; Agüia Potash Pty Ltd; Agüia Copper Pty Ltd; Potassio do Atlantico Ltda; Agüia Metals Ltda; Agüia Rio Grande Mineracao Ltda.
- Agüia will continue to hold a direct 49% interest in Agüia Fertilizantes S.A. The Merged Group is considered to control Agüia 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% of the shares, exercisable at any time at the discretion of the parent entity for nominal consideration. The group has entitlement to 100% of returns and accordingly there is no NCI.
- Corporacion Minera de Colombia S.A.S, Consultores Andean S.A.S., Minera La Fortuna S.A.S., BGS Ingeniería S.A.S., and Sociedad Minera Malabar S.A.S. will remain wholly owned subsidiaries of Andean (and accordingly part of the Merged Group).

## **5.8 Basis for preparation of the unaudited pro forma consolidated statement of financial position**

The unaudited pro forma consolidated statement of financial position has been prepared in connection with the proposed acquisition of Andean by Agüia (**Proposed Transaction**). The unaudited pro forma consolidated statement of financial position has been prepared for illustrative purposes only and gives effect to the Proposed Transaction.

The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been achieved if the transaction had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or the financial position of the consolidated entities for any future period or as of any future date. The unaudited pro forma consolidated statement of financial position does not reflect any special

items such as integration costs or operating synergies that may be incurred or achieved as a result of the acquisition.

The pro forma adjustments and allocations of the purchase price for the proposed acquisition of Andean is based on a preliminary determination that the Proposed Transaction represents a reverse acquisition whereby Andean is the acquirer and Aguia is the acquiree for financial accounting and reporting purposes. The acquisition accounting will be completed after the transaction is complete.

The unaudited pro forma consolidated statement of financial position has been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (**IFRS**).

In preparing the pro forma consolidated statement of financial position no alignment has been made between the accounting policies of Andean and Aguia.

## 5.9 Acquisition of Andean by Aguia

As announced to the market on 22 December 2023, Aguia entered into a Bid Implementation Agreement with Andean with a view to acquiring 100% of the share capital of Andean by way of a takeover bid.

Under the Takeover Offer, accepting Andean Shareholders will receive three (3) Aguia Shares for every one (1) Andean Share, implying a theoretical value of \$0.048 per Andean Share.

Aguia has assumed for the purposes of this Bidder's Statement that an aggregate of 453,740,376 Aguia Shares will be issued to Andean Shareholders, based on the terms of the Takeover Offer that three (3) Aguia Shares will be issued for every one (1) Andean Share and the potential Andean Share issues described in Section 4.6 are completed by Andean. The purchase consideration for the proposed reverse acquisition of Andean will be measured as the fair value of the notional number of shares Andean would have to issue if Andean was to provide Aguia's shareholders with the same ownership interest they will hold as a result of the Takeover Offer.

The acquisition of Andean, if completed, will be accounted for as a reverse asset acquisition with Andean as the accounting acquirer of Aguia.

## 5.10 Pro Forma Consolidated Statement of Financial Position for the Merged Group

A pro forma statement of financial position on the basis of the financial position of Aguia (refer section 3.14) and Andean (refer section 4.9) as at 30 June 2023 is set out below:

	Aguia	Andean	Andean adjustments (Note 1)	Rights Issue (Note 2)	Aguia Expenditure post 30 June 2023 (Note 3)	Rights Issue Shortfall (Note 4)	Transaction adjustments	Pro forma combined
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and cash equivalents	437,806	711,535	(584,796)	503,000	(464,000)	963,325	(186,000)	1,380,870
Trade and other receivables	81,591	45,561	11,120					138,272
Other current assets	85,656	1,522						87,178
<i>Total current assets</i>	605,053	758,618	(573,676)	503,000	(464,000)	963,325	(186,000)	1,606,320
<b>Non-current assets</b>								
Property, plant and equipment	2,157,484	73,834						2,231,318

Exploration and evaluation	31,571,757	2,075,493	1,370,981		282,000		4,453,779	39,754,010
Intangible assets	-	1,023						1,023
<b>Total non-current assets</b>	<b>33,729,241</b>	<b>2,150,350</b>	<b>1,370,981</b>	<b>-</b>	<b>282,000</b>	<b>-</b>	<b>4,453,779</b>	<b>41,986,351</b>
<b>Total assets</b>	<b>34,334,294</b>	<b>2,908,968</b>	<b>797,305</b>	<b>503,000</b>	<b>(182,000)</b>	<b>963,325</b>	<b>4,267,779</b>	<b>43,592,671</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Trade and other payables	256,854	989,034	(107,436)				165,000	1,303,452
Advances of future capital increases	-	781,775	(781,775)					-
<b>Total current liabilities</b>	<b>256,854</b>	<b>1,770,809</b>	<b>(889,211)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,000</b>	<b>1,303,452</b>
<b>Non-current liabilities</b>								
Deferred tax liabilities	-	18,608						18,608
<b>Total non-current liabilities</b>	<b>-</b>	<b>18,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,608</b>
<b>Total liabilities</b>	<b>256,854</b>	<b>1,789,417</b>	<b>(889,211)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,000</b>	<b>1,322,060</b>
<b>Net assets</b>	<b>34,077,440</b>	<b>1,119,551</b>	<b>1,686,516</b>	<b>503,000</b>	<b>(182,000)</b>	<b>963,325</b>	<b>4,102,779</b>	<b>42,270,611</b>
<b>Equity</b>								
<b>CONTRIBUTED CAPITAL</b>	<b>123,307,543</b>	<b>5,315,829</b>	<b>3,925,874</b>	<b>503,000</b>		<b>963,325</b>	<b>(1,981,857)</b>	<b>132,033,714</b>
Reserves	(5,353,950)	(27,462)					27,462	(5,353,950)
Accumulated losses	(83,876,153)	(4,168,816)	(2,239,358)		(182,000)		6,057,174	(84,409,153)
<b>Total equity</b>	<b>34,077,440</b>	<b>1,119,551</b>	<b>1,686,516</b>	<b>503,000</b>	<b>(182,000)</b>	<b>963,325</b>	<b>4,102,779</b>	<b>42,270,611</b>

The pro forma consolidated statement of financial position incorporates the following subsequent events and pro forma assumptions:

- (1) The pro forma adjustments to the Andean:
  - (i) Conversion of \$289,036 convertible notes in July and October 2023 at maturity plus interest;
  - (ii) Issue of 42,270,000 shares at \$0.05 (5 cents) per share for cash consideration, less capital raising costs;
  - (iii) Issue of 20,000,000 shares in lieu of cash for accrued director and secretary fees at a deemed price of \$0.05 (5 cents) per share;
  - (iv) Issue of 10,000,000 shares to consultant in lieu of cash fees at a deemed issue price of \$0.05 (5 cents) per share (to occur after the date of this Bidder's Statement);
  - (v) Issue of 496,082 shares as reimbursement of expenses for funding insurance requirements at a deemed issue price of \$0.05 (5 cents) per share;
  - (vi) Issue of 12,394,587 shares to settle loans plus accrued interest at a deemed issue price of \$0.05 (5 cents) per share;

- (vii) Issue of 1,000,000 shares and payment of \$180,647 upon transfer of Northern Licence at Santa Barbara to Andean; and
- (viii) \$1,200,000 of expenses to fund project management and maintenance.
- (2) Completion by Aguia of the entitlement offer to eligible shareholders. Refer to announcements on 4 October 2023 and 18 December 2023 for details of the issue.
- (3) Comprises expenditure on existing Aguia projects and working capital after 30 June 2023.
- (4) Placement of shortfall of the rights issue the subject of Note 2. Refer announcements on 25 January 2024 and 29 January 2024.

#### **5.11 Outlook for the Merged Group**

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Aguia, Andean or the Merged Group.

Aguia has given careful consideration as to whether there is a reasonable basis to produce reliable and meaningful forecast financial information for the Merged Group. However, the Aguia Directors have concluded that as at the date of this Bidder's Statement, it would be misleading to provide forecast financial information for the Merged Group.



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## **6. INTENTIONS OF AGUIA**

### **6.1 Disclosure Regarding Forward-Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on Aguia's current expectations and predictions about future events including Aguia's intentions (which include those set out in this Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Aguia, Andean and the Merged Group to differ materially from the expectations and predictions, express or implied, in such forward-looking statements. These factors include, among other things, those risks identified in this Bidder's Statement (including those set out in Section 8).

None of Aguia, its officers, the persons named in this Bidder's Statement with their consent or the persons involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward-looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and opinions as at the date of this Bidder's Statement.

### **6.2 Aguia's Intentions Regarding Andean**

#### **(a) Overview**

Please refer to Section 5.4 which details the Andean projects and the next steps forming the present intentions of Aguia. The immediate priority however is to produce gold at Santa Barbara. On completion of the Takeover Offer and subject to available capacity and meeting compliance requirements (refer section 4.5), Aguia intends to commence the engineering works at the Santa Barbara project necessary to upgrade the capacity of the existing pilot processing plant from 30 tonnes per day to 50 tons per day. Subject to available capital, it is estimated that these works will be completed in 6 months at a cost of approximately A\$1.5m. Subject to final stage permitting, it is intended that Santa Barbara will then go into continuous operation towards the later part of 2024.

The current intentions of Aguia may change in light of material facts and circumstances at the relevant time.

#### **(b) Intentions Upon Acquisition of 90% or More of Andean**

If as a result of the Takeover Offer, Aguia becomes entitled to compulsorily acquire outstanding Andean Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those Andean Shares.

Aguia then intends to undertake the steps outlined in 6.2(a) above.

Aguia reserves its right to declare the Takeover Offer free from the Minimum Acceptance Condition (or any other Condition) to the Takeover Offer.

#### **(c) Intentions if Aguia does not Acquire Effective Control of Andean (50% or less)**

Aguia reserves its right to declare the Takeover Offer free from the Minimum Acceptance Condition (or any other Condition) to the Takeover Offer. However, Aguia has not decided at this stage whether it will free the Takeover Offer from the 90% minimum acceptance Condition (or any other Condition).

If Aguia does declare the Takeover Offer unconditional, Aguia presently intends, subject to the Corporations Act and the ASX Listing Rules, to implement, as far as possible given its position as a non-controlling shareholder of Andean, the objectives and goals outlined in 6.2(a) above.

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## 7. AUSTRALIAN TAX CONSIDERATIONS

The following is a general description of the Australian income tax (including CGT), stamp duty and GST consequences for Andean Shareholders who either accept the Offer and dispose of their Andean Shares to Aguia, or whose Andean Shares are compulsorily acquired.

This section deals only with Andean Shareholders who are individuals, companies (other than life insurance companies), trusts and complying superannuation funds.

The comments set out below are relevant only to those Andean Shareholders who hold their Andean Shares on capital account for Australian income tax purposes.

The comments are not applicable to all Andean Shareholders and, in particular, do not apply to Andean Shareholders who:

- (a) hold their Andean Shares for the purpose of speculation or pursuant to a business of dealing in securities (e.g. as revenue assets or as trading stock);
- (b) acquired their Andean Shares pursuant to an employee share, option or rights plan;
- (c) are subject to the taxation of financial arrangement rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Andean Shares;
- (d) are non-residents of Australia who hold their Andean Shares in carrying on a business through a permanent establishment in Australia;
- (e) are partnerships or are partners of such partnerships;
- (f) are under a legal disability;
- (g) are exempt from Australian income tax;
- (h) ceased to be, or became, Australian residents while holding their Andean Shares; are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in respect of their Andean Shares.

Andean Shareholders who are tax residents of a country other than Australia (whether or not they are also Australian tax residents or are temporary tax residents of Australia) should take into account the tax consequences under the laws of their country of tax residence, as well as under Australian tax law, of acceptance of the Offer.

The following description is based upon the Australian tax law and administrative practice of the Australian tax authorities in effect at the date of this Bidder's Statement, but the descriptions are general in nature and are not intended to be an authoritative or complete statement of the tax laws applicable to the particular circumstances of an Andean Shareholder and do not constitute tax advice. Andean Shareholders should seek independent professional tax advice in relation to their own particular individual circumstances.

### 7.1 Australian tax resident Andean Shareholders

This section 7.1 applies to Andean Shareholders who are residents of Australia for Australian income tax purposes.

#### (a) Andean Shareholders who accept the Offer

If the Offer becomes unconditional, acceptance of the Offer will result in the disposal by Andean Shareholders of their Andean Shares by way of transfer to Aguia. This change of

ownership of Andean Shares will constitute a 'CGT event' for Australian income tax purposes.

The date of disposal for CGT purposes should be the date the contract to dispose of the Andean Shares is formed, being the date of acceptance of the Offer.

(b) **Compulsory acquisition**

If an Andean Shareholder does not dispose of their Andean Shares under the Offer and their Andean Shares are compulsorily acquired, those Andean Shareholders will also be treated as having disposed of their Andean Shares for CGT purposes.

In the case of compulsory acquisition, the date of disposal for CGT purposes will be the date when Aguia becomes the beneficial owner of the Andean Shares.

(c) **CGT**

- (i) Calculation of capital gain or capital loss – where scrip for scrip rollover relief is not chosen or does not apply.

Andean Shareholders will make a capital gain to the extent that the capital proceeds from the disposal of their Andean Shares to Aguia are greater than the cost base (as calculated for tax purposes) of their Andean Shares disposed.

Andean Shareholders will make a capital loss to the extent that the capital proceeds are less than the reduced cost base of those Andean Shares disposed.

- (ii) CGT Cost base and Reduced Cost base

The cost base for an Andean Shareholder's Andean Shares will generally include the original acquisition cost (i.e. the purchase price paid for the Andean Shares) and any incidental costs of acquisition and disposal.

The reduced cost base of the Andean Shares is usually determined in a similar but not identical manner, although some differences in the calculation of reduced cost base do exist depending on an Andean Shareholder's individual circumstances.

- (iii) Capital proceeds

The capital proceeds for the disposal of the Andean Shares will equal the market value of 3 (three) Aguia Shares received per one Andean Share (**Share Consideration**), determined as at the time of the CGT event.

- (iv) CGT Discount

Individuals, complying superannuation entities or other trusts that have held, or are taken to have held, their Andean Shares for at least 12 months at the time of the disposal of their Andean Shares to Aguia *may* be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Andean Shares by 50%, in the case of individuals and trustees, or by 33<sup>1/3</sup>% for complying superannuation entities. For trusts, the ultimate availability of the CGT discount will depend on the beneficiary's particular circumstances to whom the gain is distributed.

The CGT discount is not available to Andean Shareholders that are companies.

- (v) Net capital gains or losses

Capital gains (prior to applying the CGT discount) of a taxpayer in a year of income are aggregated and offset against any available capital losses from the current income year or brought forward from prior income years to calculate whether there is a net capital gain or net capital loss. Any resulting net capital gain (after applying the CGT discount) is included in the taxpayer's assessable income and is therefore potentially subject to income tax at the taxpayer's marginal tax rate.

Capital losses are not able to be deducted against other income for income tax purposes but may be carried forward to offset against future capital gains (subject to the satisfaction of the loss recoupment tests for certain taxpayers). Andean Shareholders should seek their own independent tax advice in relation to the availability of capital losses that have been carried forward from prior income years.

(vi) CGT – Scrip for scrip rollover relief

Andean Shareholders who make a capital gain from the disposal of their Andean Shares may be eligible to choose CGT scrip for scrip roll-over relief (provided certain conditions are met). Broadly, CGT scrip for scrip roll-over relief enables Andean Shareholders to disregard the capital gain they make from the disposal of their Andean Shares under the Offer.

For CGT scrip for scrip roll-over relief to be available, Andean must become the owner of at least 80% of the shares in Andean, the Andean Shareholder must make a capital gain upon disposal of their Andean Shares and have acquired their Andean Shares on or after 20 September 1985. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.

Andean Shareholders do not need to inform the Australian Taxation Office or document their choice to claim CGT scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

The Bidder will not make a choice under subsection 124-795(4) of the Tax Act to deny scrip for scrip roll-over relief (where it would otherwise be available).

If the Bidder does not obtain 80% or more of the Andean Shares under the Offer, no Andean Shareholder who disposes their Andean Shares under the Offer will be eligible for CGT scrip for scrip roll-over relief and the general CGT consequences outlined above at section 7.1(c)(v) will apply.

(d) **Consequence of choosing scrip for scrip roll-over relief or if scrip for scrip roll-over is not available or is not chosen**

A subsequent disposal of Andean Shares received by an Andean Shareholder, pursuant to the Offer, will generally result in Australian CGT implications as described above. The tax implications will differ depending upon whether or not, and the extent to which, scrip for scrip rollover relief was claimed in relation to the disposal of Andean Shares pursuant to this Offer.

(i) Where scrip for scrip rollover was not chosen or not available

If a Andean Shareholder does not qualify for CGT scrip for scrip roll-over relief, the Andean Shareholder chooses not to obtain CGT scrip-for-scrip roll-over relief or the Andean Shareholder is an Unmarketable Parcel Shareholder whose Andean Shares are sold in accordance with section 13.7 of the Bidder's Statement, the general CGT treatment outlined at section 7.1(c) will apply.

- (ii) Where scrip for scrip rollover was available

If an Andean Shareholder is eligible for and chooses to obtain CGT scrip-for-scrip roll-over relief, the capital gain arising on the disposal of their Andean Shares under the Offer should be disregarded.

The first element of the cost base for their Agua Shares is then determined by attributing, on a reasonable basis, the existing cost base of the Andean Shares exchanged under the Offer. The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT Discount, the acquisition date of the Agua Shares is taken to be the date when the Andean Shareholder originally acquired their Andean Shares.

## 7.2 Non-tax resident Andean Shareholders

The disposal of Andean Shares by Andean Shareholders that are not residents of Australia for Australian income tax purposes (that is, non-tax residents) will generally only result in Australian CGT implications if their Andean Shares would constitute 'taxable Australian property' (**TAP**). Andean Shares would constitute TAP if they constitute 'indirect Australian real property interests' under the ITAA 1997. It does not apply to non-tax resident Andean Shareholders who have held their Andean Shares through a permanent establishment in Australia.

The Andean Shares will constitute 'indirect Australian real property interests' if:

- (a) the Andean Shareholder together with its associates (as defined under Australian tax law) hold 10% or more of the issued shares in Andean at the time of the disposal or for at least 12 months during the 24 months preceding the disposal of their Andean Shares (referred to as a **Non-portfolio Interest Test**); and
- (b) more than 50% of the aggregated market value of Andean's assets is attributable directly or indirectly to 'taxable Australian real property' as defined in the ITAA 1997 to include Australian land, leases of land, mining, quarrying or prospecting rights and property affixed to land at the time of the disposal when compared to the aggregated market value of Andean's assets which are not taxable Australian real property (the **TARP Test**).

Based on Agua's review of available information, Agua understands that Andean may not satisfy the TARP Test. If this is correct at the time of the CGT event, then no non-tax resident Andean Shareholder should be subject to CGT on the disposal of their Andean Shares to Agua.

However, if the TARP Test is satisfied at the time of the CGT event, any non-tax resident Andean Shareholders who also satisfy the Non-portfolio Interest Test may be subject to CGT on the disposal of their Andean Shares to Agua.

Non-tax resident Andean Shareholders who may satisfy the Non-portfolio Interest Test should obtain independent professional advice as to the tax implications of a disposal of their Andean Shares.

## 7.3 Stamp Duty

If you accept the Offer you will not be required to pay any stamp duty on the disposal of Your Andean Shares under the Offer.

## 7.4 GST

Holders of Andean Shares should not be liable to pay any GST in respect of the disposal of those Andean Shares or upon acquisition of the Agua Shares.

Andean Shareholders may be charged GST on costs (such as advisor fees relating to their participation in the Offer) that relate to the Offer. Andean Shareholders that are registered for GST should consider whether they are entitled to claim input tax credits for any GST payable.

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## 8. RISK FACTORS

### 8.1 Overview

The risk factors included below in respect of the business of Aguia and, following successful completion of the Takeover Offer, the Merged Group have been prepared by Aguia and incorporates information provided to Aguia by Andean, as well as publicly available information relating to Andean. The information concerning Andean in the risk factors **has not** been independently verified. Aguia does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Andean is not considered to be comprehensive.

The business activities of Aguia and, following completion of the Takeover Offer, the Merged Group are subject to various risks that may impact on future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Aguia and the Merged Group and cannot be mitigated.

The Takeover Offer is subject to specific risks for Andean Shareholders. In addition, if the Takeover Offer becomes unconditional, Andean Shareholders who accept the Takeover Offer will become Aguia Shareholders. In those circumstances, Andean Shareholders will be exposed to risks relating the Merged Group, including risks associated with an investment in each of Aguia and Andean which will, following completion of the Takeover Offer, form part of the Merged Group.

An overview of risk factors are described below. These risk factors are not intended to be an exhaustive list of the risk factors relating to the Takeover Offer or to which the Merged Group will be exposed.

Andean Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offer. This Section 8 has been prepared without taking into account individual financial objectives, financial situation and particular needs.

An investment in the Merged Group carries no guarantee with respect to the payment of dividends, return of capital or price at which Aguia Shares will trade. An investment by Andean Shareholders in Aguia by accepting the Takeover Offer should be considered speculative.

### 8.2 Takeover Offer Specific Risks

(a) *Value of Aguia Shares as consideration*

Andean Shareholders are being offered specific quantities of Aguia Shares as consideration under the Offer, being three (3) Aguia Shares for every one (1) Andean Share. As a result, the value of the consideration will fluctuate depending upon the market value of Aguia Shares as traded in ASX at any given time. The market price of Aguia Shares is subject to varied and unpredictable influences on the market for equities in general and with respect to resource stocks in particular. Accordingly, the market value of Aguia Shares at the time an Andean Shareholder receives the Aguia Shares in respect of acceptance of the Offer may vary significantly from the market value of Aguia Shares on the date of acceptance by an Andean Shareholder of the Offer.

(b) *Sale of Aguia Shares*

If the Offer is successfully completed, Aguia will issue a significant number of new Aguia Shares as consideration for the acquisition of Andean Shares. Some holders of Aguia Shares may not intend to continue to hold their Aguia Shares through to completion of the Offer and may seek to sell those Aguia Shares on ASX. There is a risk that this may adversely impact on the price of and demand for Aguia Shares, which could further impact the take up of the Offer by Andean Shareholders noting the consideration comprises Aguia Shares.

(c) *Liquidity risk*

The Agüa Shares to be issued under the Takeover Offer are to be subject to voluntary disposal restrictions (escrow) for the Escrow Period. Except for in specific circumstances as described in Section 9.7, Andean Shareholders who accept the Takeover Offer will not be able to dispose of the Agüa Shares they receive during the voluntary escrow period.

Following the voluntary escrow period, no assurance can be given that there will be, or will continue to be, an active market for Agüa Shares and Andean Shareholders may not be able to dispose of Agüa Shares they receive under the Offer after the voluntary escrow period lapses.

(d) *Taxation consequences*

Acceptance by an Andean Shareholder of the Offer may have taxation consequences, including as a result of the issue of Agüa Shares under the Offer. Andean Shareholders should seek their own professional advice before accepting the Offer or otherwise investing in Agüa.

### **8.3 Merged Group Specific Risks**

(a) *Access to Financing*

Each of Agüa and Andean are, and accordingly the Merged Group will be, at the exploration stage in respect of the projects and no revenue is expected to be generated from the exploration activities conducted on the projects. It is expected that the Merged Group will be required to raise further capital in short term to fund exploration and development works described in Section 5.4 and to fund future exploration works including drilling programs at the projects. There can be no assurance that sufficient debt or equity financing will be available on commercially acceptable terms (or at all) to meet the capital requirements of the Merged Group. Any equity financing will be dilutive to the equity interests of the shareholders of the Merged Group. An inability to access sufficient capital for operations could have a material adverse effect on the Merged Group and its financial condition, operations and/or prospects. In particular, failure to obtain such financing on a timely basis could cause the Merged Group to forfeit its interest in its tenements, miss desirable business opportunities, or to reduce or terminate its operations in respect of one or more of the projects.

(b) *Tenement risks*

The mining and exploration activities of the Merged Group are dependent upon the maintenance (including renewal) of the tenements forming the projects of the Merged Group. Maintenance of these tenements is dependent on, amongst other matters, the ability of the Merged Group to meet conditions imposed by relevant authorities, including without limitation on a periodic basis. There is no guarantee that any renewal of one or more of the tenements will be given as a matter of course and there is no assurance that new conditions will not be imposed or that the Merged Group will be able to meet the conditions of maintenance and/or renewal of one or more of the tenements on commercially viable terms, or at all.

(c) *Access risks*

The Merged Group may be required to obtain access and other approval or authorisations from regulatory and/or other entities or other interested parties to access and complete activities on the projects as and when such activities are proposed to be carried out. Such approvals or authorisations may be complex and require the input of third parties. The Merged Group may be required to negotiate access rights with, and/or pay compensation to landowners, local authorities, and others who may have an interest in the area covered by a mining tenement.

In addition, any future changes to legislation and regulation may impose obligations or restrictions on the Merged Group which cannot be predicted. The Merged Group cannot guarantee that any or all requisite access rights, approvals and authorisations will be obtained or,



if obtained, will be able to be maintained on commercially acceptable terms (or at all). A failure to obtain a required regulatory approval or authorisation may mean that the Merged Group may be restricted from exploration, development and mining activities.

If the Merged Group is unable to resolve access issues on economic terms, its business, results or operations and financial condition of the Merged Group could be adversely impacted.

*(d) Results of studies*

Subject to the results of exploration and evaluation programs to be undertaken, the Merged Group intends to undertake a number of studies in respect to the projects, which may include scoping, prefeasibility and feasibility studies. There can be no guarantee that any of the studies will confirm the economic viability of the projects or the results of other studies undertaken by the Merged Group. Even if a study confirms the economic viability of the projects, there can be no guarantee that the projects will be successfully financed and brought into production as assumed or within the estimated parameters in the feasibility study once production commences. Further, the ability of the Merged Group to complete a study may be dependent on the Merged Group's ability to raise further funds to complete the study, if required.

*(e) Assignment risks*

One of the licences in respect of the Santa Barbara Project (mining concession IEV-16061) is still in the process of being assigned from the original owners to the Andean corporate group. An operation contract on the mining concession is held by Sociedad Minera Malabar S.A.S., a wholly owned subsidiary of Andean.

Currently, the assignment process is ongoing with correspondence having been received from the department requesting correction of filings from 2022. Andean understands that such corrections are in time and, based on information provided by Andean, understands there are no substantial impediments for the transfer to be completed. No guarantee can however be given that the transfer will be able to be made on commercially reasonable terms or at all.

Although the transfer of the licence has not been approved and completed as of the date of this Bidder's Statement, Andean has an irrevocable power of attorney that confers the right to act on behalf of the owners of the licence.

Accordingly, the Merged Group is effectively the beneficial owner of the licence and contractually empowered to complete exploration and development activities.

*(f) Local community*

The Merged Group's policy will be to actively consider, sponsor (through community projects) and work with the local Colombian and Brazilian communities. Positive relationships with local populations cannot be guaranteed. Such relationships are important and can affect the ability of the Merged Group to secure, amongst other things, surface rights, access, infrastructural support and the necessary labour required to develop and operate a mine.

*(g) Risks associated with investing in emerging economies*

The projects are located in Brazil and Colombia, each of which is considered to be an emerging economy. As the Merged Group operates in emerging economies these economies are vulnerable to market downturns and economic slowdowns elsewhere in the world and are subject to rapid change. Investing in an emerging market involves greater risk than investing in more developed markets.

Investing in an emerging economy has significant legal, regulatory, economic and political risks. Global financial or economic crises in any large emerging market have historically tended to adversely affect prices in equity markets of most or all emerging market countries.

Financial problems or an increase in perceived risks associated with investing in emerging economies could dampen foreign investment in Colombia and/or Brazil and adversely affect the Colombian and/or Brazilian economies, which in turn could adversely affect the Merged Group. During such times, businesses that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn.

*(h) Expropriation and Nationalism risks*

As the projects are located in emerging markets the projects are subject to political, economic and other uncertainties, including the risk of expropriation and nationalisation. Compensation may be payable in the event of an expropriation or nationalisation of assets, however, there is no assurance that such protections would be enforced and the amount of any such compensation may be lower than the price for which the expropriated asset could be sold in a free-market sale or the value of the asset as part of an ongoing business.

*(i) Governmental and regulatory risk*

Each of Brazil and Colombia recently elected new Presidents. As is common upon a change of leadership, there is potential that the policy priorities of the incoming administration will differ from that of the prior administration which may lead to variations to applicable laws and regulations across multiple industries, which may include mining exploration and development.

The Merged Group is monitoring the policy developments in both Brazil and Colombia to determine if the Merged Group will be required to amend its proposed plans. In the event that additional regulatory hurdles or requirements are imposed that impact upon the Merged Group and its planned activities for the projects (or any of them), the Merged Group may need to amend its plans and identify if it is able to comply with such additional regulatory hurdles or requirements on commercially reasonable terms, or at all.

There can be no guarantee that political, regulatory and economic conditions will remain stable or that there will be no changes to those conditions that adversely affect the Merged Group and its operations and financial condition. The likelihood of such changes (if any) is not currently able to be determined by the Merged Group.

*(j) Litigation*

On the 8<sup>th</sup> of July 2021, Agua announced a public civil action suit against the Tres Estradas project on the grounds of technical discrepancies in the Environmental Impact Assessment (EIA). Agua remains confident that the work carried out on the EIA was done with the utmost competence by a number of highly regarded experts in their fields. The matter is ongoing.

In addition, Agua is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, Agua may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on operations, financial performance and financial position.

*(k) Legal regime*

There can be no assurance that joint ventures, licences, licence applications, tenements or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be certain.

*(l) Reliance on key personnel*

The responsibility of overseeing the day-to-day operations and the strategic management of the Merged Group depends substantially on its senior management and its key personnel. There can

be no assurance given that there will be no detrimental impact on the Merged Group if one or more of these employees cease their employment.

#### **8.4 Industry Specific Risks**

##### *(a) Climate risk*

There are a number of climate-related factors that may affect the operations of the Merged Group. As at the date of this Bidder's Statement, the climate change risks most attributable to the Merged Group include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Merged Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Merged Group and its profitability; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Merged Group, including events such as increased severity of weather patterns and incidences of extreme weather events and longer-term physical risks such as shifting climate patterns.

While the Merged Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Merged Group will not be impacted by these factors.

##### *(b) Exploration and Development Risks*

Few mineral properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in the definition of a mineral resource.

In addition, substantial expenditures are required to establish mineral reserves and mineral resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralised deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors, including the cost of operations, variations in the grade of minerals mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The long-term success of the Merged Group depends on its ability to explore, develop and commercially produce minerals from its mineral properties and to locate and acquire additional properties worthy of exploration and development for minerals.

Operations are subject to all of the hazards and risks normally encountered in the exploration and development of minerals. Although precautions to minimise risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Merged Group.

Changes to legislation and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Merged Group and cause increases in capital expenditures or production costs or reduction in levels of

production at any future producing properties or require abandonment or delays in the development of new mining properties.

*(c) Permits and licenses*

The activities of the Merged Group will be subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Merged Group. Further, the mining licenses and permits issued in respect of the Merged Group's mineral properties may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Merged Group's investments in its mineral properties may decline.

*(d) Title risks*

The acquisition of title to resource properties or interests therein is a very detailed and time-consuming process. The Merged Group's mineral properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

*(e) Operational and technical*

The operations of the Merged Group may be subject to a number of issues which may include, amongst others:

- technical difficulties associated with the actual development and commercial extraction of the minerals;
- failure of the minerals extracted to achieve projected grades;
- increased competition within the industry for access to skilled personnel, equipment, contractors and/or consultants and raw materials in order to carry out the Merged Group's activities; and
- access to a viable transport solution to get product to market including access to infrastructure (where the Merged Group is successful in progressing to mineral production).

*(f) Volatility of commodity prices*

The market price of any commodity is volatile and is affected by numerous factors that will be beyond the Merged Group's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in commodity prices could render less economic, or uneconomic, some or all extraction and/or exploration activities to be undertaken by the Merged Group.

*(g) Environmental risks*

Mining and exploration has become subject to increasing environmental responsibility and liability. The potential for liability in respect of environmental impact is an 'ever present risk. Consistent with this, the Merged Group may be required, in some cases, to undertake baseline environmental studies prior to certain exploration or mining activities, so that the environmental impact can be monitored and, as far as possible, minimised. The discovery of any endangered

species of fauna and flora may impact upon the ability of the Merged Group to freely explore or develop its permits.

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions, alongside local country and state-based laws and regulations. Compliance with environmental legislation can require significant expenditures and a breach may result in the imposition of fines and penalties.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

(h) *Force Majeure*

Events may occur within or outside Australia or Colombia that could impact upon the global, Australian, Colombian, Brazilian and other local economies and the operations of the Merged Group. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, water contamination, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the ability of the Merged Group to conduct business.

The Merged Group has only a limited ability to insure against some of these risks.

Colombia is also seismically active and prone to frequent earthquakes and occasional landslides. Such event may result in damage to, and operational delays to, the Merged Group's operations.

(i) *Mineral Resource estimates*

Until a deposit is actually mined and processed, the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, base metal prices. In addition, there can be no assurance that metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

Mineral resources that are not mineral reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty on mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

Fluctuations in base metal prices and precious metal prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Merged Group's results of operations and financial condition.

(i) *Bribery and corruption*

The operations of Agua and Andean are subject to various anti-corruption laws and regulations which prohibit a company and its employees or intermediaries from bribing or making improper payments to government officials or other persons to obtain or retain business or gain some other business advantage. The Merged Group will maintain anti-bribery policies, anti-corruption training programs, codes of conduct, procedures and other safeguards designed to prevent the occurrence of fraud, bribery and corruption. Instances of fraud, bribery and corruption, and

violations of laws and regulations could have a material adverse effect on the Merged Group's reputation, business, results of operations, financial condition and the price of Agua Shares.

## 8.5 General Investment Risks

### (a) *Pandemic*

Operations may be adversely affected in the short to medium term by the economic uncertainty caused by a pandemic. No guarantee can be given that governmental or industry measures taken in response to a potential future pandemic (if any) will not adversely impact the operations and are likely to be beyond the control of the Merged Group.

### (b) *Unforeseen expenses*

The Merged Group is not aware of any expenses that may need to be incurred that has not been taken into account. However, if such unforeseen expenses were subsequently incurred, the expenditure proposals of the Merged Group may be adversely affected.

### (c) *Economic*

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Merged Group's development and production activities, as well as on its ability to fund those activities.

For example, the Merged Group's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment and personnel. Equipment and personnel are not always readily available and the market for mining equipment and personnel experiences fluctuations in supply and demand. If the Merged Group is unable to source appropriate equipment and personnel economically or at all then this would have a material adverse effect on the Merged Group's financial or trading position.

### (d) *Exchange rate risks*

Substantially all of the business and operations of the Merged Group are, or will be, conducted in currencies other than Australian dollars. In addition, all or most of the supplies and inputs into the projects are priced in currencies other than Australian dollars. As a result, fluctuations in such foreign currencies against the Australian dollar could have a material adverse effect on the Merged Group's financial results which will be denominated and reported in Australian dollars.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Merged Group will be taken into account in Australian currency, exposing the Merged Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

To the extent that the Merged Group fails to adequately manage these risks, its financial results may be negatively impacted.

### (e) *Dividends*

Any future determination as to the payment of dividends by the Merged Group will be at the discretion of the Directors and will depend on the financial condition of the Merged Group, future capital requirements and general business and other factors considered relevant by the Directors. The Merged Group can give no assurance in relation to the payment of dividends or franking credits attaching to dividends.

(f) *Sovereign Risk*

Agua's key operations are located in Brazil, and Andean's key operations are located in Colombia. In addition to the Colombia and Brazil specific risks noted above, the Merged Group is subject to possible sovereign risks associated with operating in South America including, without limitation, regional political and economic instability, changes in the terms of legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Merged Group and the market price of Agua Shares.

(g) *Insurance risks*

The Merged Group, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, the Merged Group may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Merged Group.

(h) *Cyber Security and IT*

The Merged Group relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. The Merged Group's core technologies and other systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error. These events may cause one or more of the Merged Group's core systems to become unavailable. Any interruptions to these operations would impact the Merged Group's ability to operate and could result in business interruption and loss of revenue and could therefore adversely affect the Merged Group's operating and financial performance.

(i) *Accounting standards*

Australian Accounting Standards are set by the AASB and are outside the control of Agua and Andean and their Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect future measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables and lease obligations. There is also a risk that interpretation of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables, may differ. Changes to the Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the reported financial performance and position of Andean and/or Agua.

(j) *Investment speculative*

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Merged Group or by investors in the Merged Group. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Merged Group and the value of Agua's securities.

## **8.6 Other risks**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Merged Group. The above risk factors, and other risk factors not specifically referred to above, may materially affect the future financial performance of the Merged Group and the value of the Agua Shares. Other risk factors include those normally found in conducting business, including strikes,

lockouts, loss of service of operational personnel and other matters that may interfere with the Merged Group's business or operations.



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## **9. ADDITIONAL INFORMATION**

### **9.1 Aguia's Interest in Andean Shares**

As at the date of this Bidder's Statement:

- (a) Aguia has no voting power in Andean; and
- (b) Aguia has no Relevant Interest in Andean Shares.

Immediately before the Takeover Offer is sent:

- (a) Aguia has no voting power in Andean; and
- (b) Aguia has no Relevant Interest in Andean Shares.

### **9.2 Acquisition of Andean Shares by Aguia and its Associates**

#### **(a) Previous 4 months**

Neither Aguia nor any Associate of Aguia has provided, or agreed to provide, consideration for Andean Shares under any purchase or agreement during the period beginning 4 months before the date of this Bidder's Statement ending on the day immediately before the date of this Bidder's Statement.

#### **(b) Period before Takeover Offer**

Neither Aguia nor any Associate of Aguia will provide, or agree to provide, consideration for Andean Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Takeover Offer.

### **9.3 No Escalation Agreements**

Neither Aguia nor any Associate of Aguia has entered into any escalation agreement that is prohibited by Section 622 of the Corporations Act.

### **9.4 Collateral Benefits**

#### **(a) Previous 4 months**

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither Aguia nor any Associate of Aguia gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (i) accept the Takeover Offer; or
- (ii) dispose of their Andean Shares,

and which is not offered to all holders of Andean Shares under the Takeover Offer.

#### **(b) Period before Takeover Offer**

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Takeover Offer, neither Aguia nor any Associate of Aguia will give, or offer to give or agree to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (i) accept the Takeover Offer; or
- (ii) dispose of their Andean Shares,

and which is not offered to all holders of Andean Shares under the Takeover Offer.

## 9.5 Disclosure of Information

Due to the fact that Aguia is offering Aguia Shares as consideration for the acquisition of Andean Shares under the Takeover Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Aguia Shares under Sections 710 to 713 of the Corporations Act.

As a company whose shares are quoted on ASX, Aguia is subject to regular disclosure requirements. In particular, Aguia is required to disclose information concerning its finances, activities and performance. This disclosure is available on Aguia's website as well as on the ASX website (ASX Code: Aguia).

Please see Section 3.20 for further information. Section 0 also contains further details in relation to Aguia's corporate governance policies.

## 9.6 Interests and Benefits Relating to the Takeover Offer

### (a) Interests

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (i) director or proposed director of Aguia;
- (ii) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (iii) promoter of Aguia; or
- (iv) broker or underwriter in relation to the issue of Aguia Shares pursuant to the Takeover Offer or financial services licensee named in this Bidder's Statement as being involved in the issue of Aguia Shares,

(together, the **Interested Persons**) has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (v) the formation or promotion of Aguia;
- (vi) any property acquired or proposed to be acquired by Aguia in connection with its formation or promotion or in connection with the offer of Aguia Shares under the Takeover Offer; or
- (vii) the offer of Aguia Shares under the Takeover Offer.

### (b) Disclosure of Fees and Benefits Received by Certain Persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (i) to a Director or Proposed Director of Aguia to induce them to become, or to qualify as, a director of Aguia; or

(ii) for services provided by a Director or Proposed Director of Aguia in connection with the formation or promotion of Aguia or the offer of Aguia Shares under the Takeover Offer.

(c) **Expenses of the Takeover Offer**

The total amount of cash that Aguia may become obliged to pay to satisfy all expenses incurred by Aguia and relating to the Takeover Offer will be provided from Aguia's existing cash balances.

Aguia estimates it will incur fees for services provided in connection with the Takeover Offer, including for legal, taxation, financial advisers, share register and ASX and other professional fees, in the amount of approximately \$180,000.

**9.7 Terms of voluntary disposal restrictions (escrow)**

The Aguia Shares to be issued pursuant to the Takeover Offer are to be subject to voluntary disposal restrictions (escrow) for the Escrow Period. By accepting the Takeover Offer, Andean Shareholders agree to the imposition of voluntary escrow on the Aguia Shares that they receive as Offer Consideration under the Takeover Offer.

A summary of the material terms of the voluntary escrow to be imposed on the Aguia Shares issued as Offer Consideration is set out below:

- The voluntary escrow applies to all Aguia Shares issued as Offer Consideration pursuant to the Takeover Offer (**Restricted Shares** in this Section 9.7).
- The voluntary escrow applies from issue of the Restricted Shares and ceases 6 months from issue (being the Escrow Period).
- The voluntary escrow automatically terminates at the end of the Escrow Period.
- The voluntary escrow does not restrict the exercise of voting rights arising in respect of the Restricted Shares.
- In the case of a takeover bid (including a proportional takeover bid) of the Merged Group:
  - Each holder of Restricted Shares can accept into the takeover bid where the holders of at least half of the bid class of securities that are not subject to escrow have accepted into the bid; and
  - The Restricted Shares must be returned to escrow if the bid does not become unconditional.
- The Restricted Shares may be transferred or cancelled as part of a merger by way of a compromise or arrangement under Part 5.1.
- No security interest may be created in some or all of the Restricted Shares by the holder during the Escrow Period.
- The holder of Restricted Shares is not able to transfer the holder's interest in some or all of the Restricted Shares during the Escrow Period.

Aguia has applied to ASIC for a declaration under section 655A(1)(b) of the Corporations Act to modify section 609 of the Corporations Act to enable Aguia to disregard a relevant interest arising from the voluntary escrow of the Restricted Shares for the purposes of the takeover provisions of the Corporations Act. A response has not been received from ASIC at the date of this Bidder's

Statement. Aguia will provide an update on the status of the application to ASIC as and when a response to the application is received from ASIC.

#### **9.8 Material Litigation**

Other than as set out in Section 8.3(h), Aguia is not aware of any instituted or threatened litigation, or other legal proceedings in relation to Aguia.

#### **9.9 Notice to Foreign Shareholders**

This Bidder's Statement does not constitute an offer of securities in any jurisdiction where it would be unlawful. The Takeover Offer is not being made in any country outside Australia and New Zealand except to the extent permitted below. Accordingly, Ineligible Andean Shareholders are not able to participate in the Takeover Offer. The Aguia Shares that would otherwise be issued to Ineligible Andean Shareholders under the Takeover Offer if they had been eligible to participate are to be dealt with in accordance with Section 9.10.

Aguia may extend the Takeover Offer to Andean Shareholders who are outside Australia and New Zealand, subject to those Andean Shareholders (if any) satisfying Aguia that the Takeover Offer is able to be made to those Andean Shareholders without the need for any formal registration of this Bidder's Statement and in accordance with the laws applicable in the jurisdiction where that Andean Shareholder is based.

#### **9.10 Nominee**

Aguia proposes appointing Kemosabe Capital Pty Ltd [ABN 40 101 865 598] [AFSL 289009] as is nominee under Section 615 of the Corporations Act to seek to sell the Aguia Shares of the Ineligible Andean Shareholders and to distribute the proceeds of any sale to those holders in proportion to their shareholding in Aguia (following the issue of Aguia Shares under the Takeover Offer in respect of their Andean Shares) net of expenses.

Aguia has sought approval from ASIC for the appointment of Kemosabe Capital Pty Ltd as nominee of Ineligible Andean Shareholders in accordance with Section 619 of the Corporations Act. A response has not been received from ASIC at the date of this Bidder's Statement. Aguia will provide an update on the status of the application to ASIC as and when a response to the application is received from ASIC.

#### **9.11 Status of Conditions**

The conditions of the Takeover Offer are set out in Section 1.8(a) of Annexure A (**Conditions**). Aguia will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, Aguia is not aware of any events which would result in a breach or inability to satisfy the Conditions.

Aguia will give a notice of the status of the Conditions in accordance with the Corporations Act on 1 April 2024 (subject to extension if the Offer Period is extended).

#### **9.12 Consents**

Each of the parties referred to in this Section 9.12:

- (a) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section 9.12; and

(b) has not caused or authorised the issue of this Bidder's Statement.

QR Lawyers Pty Ltd has consented to being named in this Bidder's Statement in the capacity as noted below and has not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the announcement platform of ASX ([www2.asx.com.au](http://www2.asx.com.au), search code "AGR") or at [www.aguiaresources.com.au/investors/asx-announcements/](http://www.aguiaresources.com.au/investors/asx-announcements/).

Under the ASIC Corporations (Takeover Bids) Instrument 2023/683, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement.

If you would like to receive a copy of any of these reports or statements free of charge, please contact Aguia's Company Secretary on +61 2 8280 7355.

In addition, as permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Bidder's Statement contains ASX share price trading information sourced from ASX without its consent.

### **9.13 Other Material Information**

There is no other information material to the making of a decision by a holder of Andean Shares whether or not to accept the Takeover Offer being information that is known to Aguia and which has not previously been disclosed to Andean Shareholders other than as is contained elsewhere in this Bidder's Statement.

### **9.14 Expiry Date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

### **9.15 Date for Determining Holders**

For the purposes of Section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

### **9.16 ASIC Modifications and Exemptions, ASX Waivers**

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including Aguia, in relation to the operation of Chapter 6 of the Corporations Act. Aguia may rely on this "Class Order" relief.

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**10. DIRECTORS AUTHORISATION**

This Bidder's Statement is dated 20 February 2024 and was approved pursuant to a unanimous resolution passed by circular resolution of the directors of Aguia, with all Directors voting in favour including for the purposes of satisfying Section 637(1)(a)(ii) of the Corporations Act.



**Signed for and on behalf of  
Aguia Resources Limited  
Christina McGrath  
Executive Director and acting Managing Director**

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## 11. DEFINITIONS AND INTERPRETATION

### 11.1 Definitions

In this Bidder's Statement (including its annexures), unless the context otherwise requires:

**Acceptance Form** means the form of acceptance for the Offer accompanying this Bidder's Statement or alternatively any acceptance form sent to an Andean Shareholder by Aguia's share registry in relation to the Offer, as the context requires.

**Aguia** means Aguia Resources Limited (ACN 128 256 888).

**Aguia Constitution** means the constitution of Aguia including as amended from time to time.

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

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

**Andean** means Andean Mining Limited (ACN 625 466 006).

**Andean Group** means Andean and its Subsidiaries.

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

**Andean Shareholders** means all persons who hold Andean Shares.

**Announcement Date** means 22 December 2023, being the date the Offer was announced on ASX.

**Associate** has the meaning given in Chapter 6 of the Corporations Act.

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

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange (as the context requires).

**ASX Settlement Corporation** means ASX Settlement Pty Ltd (ACN 008 504 532).

**ASX Settlement Operating Rules** means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESSE subregisters.

**ASX Listing Rules** means the official listing rules of ASX, as amended from time to time.

**Bid Implementation Agreement** means the agreement between Aguia and Andean dated 22 December 2023 pursuant to which Aguia agreed to make the Takeover Offer.

**Bid Period** has the meaning given to that term in the Corporations Act.

**Bidder's Statement** means this document including the Annexures.

**Aguia Board** means the board of directors of Aguia.

**Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Sydney, New South Wales, Australia.

**CGT** means capital gains tax as defined in the *Income Tax Assessment Act 1997* (Cth).

**CHESSE** means Clearing House Electronic Subregister System as defined in Rule 2.3.1 of the ASX Settlement Operating Rules.

**Competing Proposal** means any expression of interest, proposal, offer or transaction notified to Andean which, if completed substantially in accordance with its terms, would mean a person (other than Aguia or its Related Bodies Corporate) would:

- (a) Directly or indirectly, acquire an interest or Relevant Interest in or become a holder of:
  - (i) 20% or more of all Andean Shares; or
  - (ii) All or a substantial part of the business conducted by the Andean Group;
- (b) acquire control of Andean, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise directly or indirectly acquire or merge with Andean or acquire an economic interest in the whole or a substantial part of Andean or its business (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

**Conditions** means the conditions to the Takeover Offer set out in Section 1.8(a) of Annexure A.

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

**Aguia Director** means a director of Aguia as at the date of this Bidder's Statement.

**Encumbrance** means any mortgage, fixed or floating charge, pledge, lien, option, right to acquire a security or to restrain someone from acquiring a security (including under a right of pre-emption or right of first refusal), assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind (including a "security interest" as defined under the *Personal Property Securities Act 2009* (Cth)), and any agreement to create any of the foregoing or allow any of the foregoing to exist.

**Escrow Period** means the period commencing on the date of issue of the Aguia Shares forming the Offer Consideration and ceasing on the date that is six (6) months after that issue date.

**Independent Expert** means the independent expert to be engaged by Andean to prepare the Independent Expert's Report.

**Independent Expert's Report** means an independent expert's report prepared by the Independent Expert in accordance with applicable law for inclusion in the Target's Statement on whether the Takeover Offer is fair and reasonable to Andean Shareholders.

**Ineligible Andean Shareholder** means an Andean Shareholder who has a registered address outside of Australia or New Zealand who does not satisfy Aguia that the Takeover Offer is able to be made to them without the need for any formal registration of this Bidder's Statement and in accordance with the laws applicable in the jurisdiction where that Andean Shareholder is based, and is accordingly not eligible to participate in the Offer.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

**Merged Group** means Aguia and its subsidiaries after successful completion of the Takeover Offer, including without limitation Andean.

**Minimum Acceptance Condition** means the condition to the Takeover Offer set out in Section 1.8(a)(i) of Annexure A.

**Non-Conflicted Andean Directors** means each of the Andean Directors other than a Director of Andean who considers, acting reasonably (including after having taken legal advice) and in good



faith, that he or she should not provide or continue to maintain the recommendation because he or she has an interest in the Offer that as a matter of law or as a result of that interest being so materially different from Andean Shareholders which would properly preclude or render it inappropriate for him or her to provide the recommendation.

**Offer** means the off market takeover offer by Aguia to acquire all Andean Shares (including all Rights attaching to them) in consideration for three (3) Aguia Shares for every one (1) Andean Shares and **Takeover Offer** shall have a corresponding meaning.

**Offer Consideration** means three (3) Aguia Share for every one (1) Andean Share.

**Offer Period** means the period during which the Takeover Offer is open for acceptance.

**Proposed Director** means the nominee of Andean to be appointed to the Aguia Board pursuant to the terms of the Bid Implementation Agreement as Managing Director, being William Howe.

**Record Date** means the date set by Aguia under Section 633(2) of the Corporations Act, being 5:00pm (Sydney Time) on 20 February 2024.

**Regulatory Authority** includes:

- (a) ASX and ASIC;
- (b) A government or governmental, semi-governmental or judicial entity or authority including the Takeovers Panel;
- (c) A minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) Any regulatory organisation established under statute.

**Related Bodies Corporate** has the meaning given to it in the Corporations Act.

**Relevant Interest** has the meaning given to it in the Corporations Act.

**Rights** means, in respect of Your Andean Shares, all accreditations, benefits and rights attaching to or arising from Your Andean Shares directly or indirectly at or after the date of the Takeover Offer (being 21 February 2024) (including, but not limited to, all dividends and distributions and all rights to receive dividends and distributions and to receive or subscribe for shares, stock units, notes, options or other securities declared, paid, or issued by Andean).

**Subsidiary** means a subsidiary within the meaning given to that term in Section 9 of the Corporations Act.

**Superior Proposal** means, in respect of a party, a written bona fide Competing Proposal which the board of directors of that party, acting in good faith after receiving written advice from its external advisers, determines is:

- (a) reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal; and
- (b) would if completed substantially on its terms, be more favourable to Andean Shareholders as a whole than the Takeover Offer, taking into account all terms and conditions of the Competing Proposal and of the Takeover Offer.

**Sydney Time** means the time in Sydney, New South Wales, Australia.

**Target's Statement** means the target's statement to be issued by Andean in respect of the Takeover Bid under Section 638 of the Corporations Act.

**Tenements** means the Andean interests in the following mining properties:

- (a) El Dovio: 2 x licences IEH-08441 (1145.763ha) and IEH-08401 (150.852ha); and
- (b) Santa Barbara: 1 x licence 0-439CI (214ha); (1 x licence awaiting transfer IEV-16061(110.86013ha); and
- (c) Atocha: 1 x licence HFL-151 (214.0687ha).

**VWAP** means, in respect of a class of shares, the volume weighted average price of that class of shares on the ASX during a prescribed number of trading days.

**Your Shares or Your Andean Shares** means, in respect of an Andean Shareholder, all of the Andean Shares:

- (a) on issue as at the Record Date or that are issued after the Record Date and before the end of the Offer Period, whether by way of conversion of, or the exercise of a right attaching to, any securities that existed as at the Record Date or otherwise; and
  - (b) to which you are able to give good title at the time you accept this Offer,
- including all Rights attaching to all such Andean Shares.

## 11.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to dates and times are references to dates and times in Sydney, New South Wales, Australia, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a Section is to a section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) reference to \$ is to a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;

- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Takeover Offer is made; and
- (o) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation.

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## ANNEXURE A – TERMS OF TAKEOVER OFFER

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### 1.1 General Terms

- (a) Aguia offers to acquire all of Your Shares (including all Rights attached to them) on the following terms and conditions set out in this Takeover Offer.
- (b) The Offer Consideration being offered by Aguia for the acquisition of all of Your Andean Shares is three (3) Aguia Shares for every one (1) Andean Share, subject to the terms and conditions set out in this Takeover Offer.
- (c) If you become entitled to a fraction of a Aguia Share under the Takeover Offer, the number of Aguia Shares will be rounded down to the nearest whole Aguia Share.
- (d) The Aguia Shares to be issued pursuant to this Takeover Offer will be fully paid and, from their date of issue, rank equally in all respects with existing Aguia Shares currently on issue.
- (e) The rights and obligations of the Aguia Shares to be issued under the Takeover Offer are summarised in Sections 3.18 and **Error! Reference source not found.** of the Bidder's Statement respectively.

### 1.2 Offer Period

- (a) Unless withdrawn, this Takeover Offer will remain open for acceptance during the period commencing on the date of this Takeover Offer and ending at 5:00 pm (Sydney Time) on the later of:
  - (i) 8 April 2024; or
  - (ii) any date to which the Offer Period is extended, in accordance with the Corporations Act.
- (b) Aguia reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
  - (i) the Takeover Offer is varied to improve the consideration offered; or
  - (ii) Aguia's voting power in Andean increases to more than 50%,then the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with Section 624(2) of the Corporations Act.

### 1.3 Who May Accept

- (a) An Offer on the terms and conditions set out in this Annexure A and bearing the same date is being made to each person registered as a holder of Andean Shares on Andean's register of members at 5:00pm (Sydney Time) on the Record Date.
- (b) The Offer applies in respect of all Andean Shares:
  - (i) on issue as at the Record Date; or
  - (ii) that are issued after the Record Date and before the end of the Offer Period, as a result of conversion of, or the exercise of a right attaching to, any securities that existed as at the Record Date.

- (c) The Offer also extends to each person who becomes registered as the holder of Andean Shares during the Offer Period.
- (d) A person who:
- (i) is able, during the Offer Period, to give good title to a parcel of Andean Shares; and
  - (ii) has not already accepted this Takeover Offer in relation to those Andean Shares,
- may accept as if an offer from Agua on terms identical with this Takeover Offer had been made to that person in relation to those Andean Shares.
- (e) If, at the time the Takeover Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of Your Andean Shares, then a corresponding offer on the same terms and conditions as this Takeover Offer will be deemed to have been made to that other person in respect of those Andean Shares.
- (f) If at any time during the Offer Period you are registered as the holder of one or more parcels of Andean Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Takeover Offer has been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Takeover Offer for each distinct parcel, you must comply with the procedure in Section 653B(3) of the Corporations Act and provide Agua with a notice stating the following:
- (i) either that the parcel is held in your own right or, if the parcel is held for a beneficiary, the name and address of each beneficiary;
  - (ii) if the parcel is held in your own right, the date of the transaction through which you acquired a legal interest in the parcel; and
  - (iii) if the parcel is held for one or more beneficiaries, the date on which each beneficiary acquired a beneficial interest in that parcel (or, if unknown, the date that the beneficiary is reasonably believed to have acquired a beneficial interest in that parcel).
- If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call Agua's Company Secretary on +61 2 8280 7355 to request those additional copies.
- (g) This Takeover Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). The Offer is not registered in New Zealand but is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.
- (h) Agua may extend the Takeover Offer to Andean Shareholders who are outside Australia and New Zealand, subject to those Andean Shareholders (if any) satisfying Agua that the Takeover Offer is able to be made to those Andean Shareholders without the need for any formal registration of this Bidder's Statement and in accordance with the laws applicable in the jurisdiction where that Andean Shareholder is based.
- (i) It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Takeover Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

- (j) If Your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting this Takeover Offer.

#### **1.4 How to Accept this Takeover Offer**

- (a) You may only accept this Takeover Offer in respect of all (and not a lesser number) of Your Andean Shares. For example, if you have 10,000 Andean Shares and you wish to accept the Takeover Offer, you may only accept this Takeover Offer in respect of all the 10,000 Andean Shares that you hold.
- (b) You may accept this Takeover Offer at any time during the Offer Period.
- (c) To accept this Takeover Offer for Andean Shares held in your name, you must:
  - (i) complete and sign the Acceptance Form in accordance with the terms of this Takeover Offer and the instructions on the Acceptance Form; and
  - (ii) ensure that the Acceptance Form is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (d) Acceptance Form and other documents
  - (i) The Acceptance Form forms part of the Takeover Offer. The requirements on the Acceptance Form must be observed in accepting the Takeover Offer.
  - (ii) For your acceptance of this Offer to be valid, you must ensure that your Acceptance Form is posted or delivered in sufficient time for it to be received by Aguia at the address shown on the Acceptance Form before the end of the Offer Period.
  - (iii) The postage and transmission of the Acceptance Form is at your own risk.
  - (iv) When accepting the Takeover Offer, you must also forward for inspection:
    - (A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
    - (B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Andean Shareholder, the relevant grant of probate or letters of administration.

#### **1.5 Validity of Acceptances**

- (a) Subject to the remainder of this Section 1.5 of this Annexure A, your acceptance of the Takeover Offer will not be valid unless it is made in accordance with the procedures set out in Section 1.4 of this Annexure A.
- (b) Aguia may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of Your Andean Shares even if a requirement for acceptance has not been complied with.
- (c) Aguia may at any time in its sole discretion:
  - (i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with and without further communication to you; and

- (ii) where you have satisfied the requirements for acceptance in respect of only some of Your Andean Shares, treat the acceptance as a valid acceptance in respect of all of Your Andean Shares.
- (d) In respect of any part of an acceptance treated by it as valid, Aguia will provide you with the relevant Offer Consideration in accordance with Section 1.7 of this Annexure A, and the exercise of Aguia's rights under this Section 1.5 of this Annexure A will be conclusive and only evidenced by its so doing. Subject to the requirements of the Corporations Act, the payment of consideration in accordance with the Takeover Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Aguia.
- (e) This Section is not a condition of this Takeover Offer.

## **1.6 The Effect of Acceptance**

- (a) Once you have accepted this Takeover Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Takeover Offer or otherwise dispose of Your Shares, except as follows:
  - (i) if, by the time specified in Section 1.6(b) of this Annexure A, the conditions in Section 1.8(a) of this Annexure A have not all been fulfilled or waived (in which case the Takeover Offer will lapse and any contract resulting from an acceptance of the Offer will be void); or
  - (ii) if the Takeover Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when Aguia has to meet its obligations under the Takeover Offer, and, at the time, the Takeover Offer is subject to one or more of the conditions in Section 1.8(a) of this Annexure A, you may be able to withdraw your acceptance in accordance with Section 650E of the Corporations Act.
- (b) The relevant time for the purposes of Section 1.6(a) is:
  - (i) in the case of the Condition referred to in Section 1.8(a)(iii) (but only to the extent the Conditions is the same as the conditions set out in Section 652C(1) or (2) of the Corporations Act), the third Business Day after the end of the Offer Period; and
  - (ii) in any other case, the end of the Offer Period.
- (c) By following the procedures described in Section 1.4 of this Annexure A, you will be deemed to have:
  - (i) accepted this Takeover Offer (and any variation to it) in respect of all of Your Andean Shares, regardless of the number of Andean Shares specified in the Acceptance Form;
  - (ii) agreed to the terms of the Takeover Offer and, subject to the conditions contained in Section 1.8(a) of this Annexure A being fulfilled or waived, agreed to transfer to Aguia all of Your Andean Shares (including all of the Rights attached to those Andean Shares);
  - (iii) authorised Aguia to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary;

- (A) to make the Acceptance Form an effective acceptance of this Takeover Offer; and/or
  - (B) to enable registration of the transfer to Aguia of Your Andean Shares;
- (iv) irrevocably authorised and directed Andean to pay to Aguia or to account to Aguia for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Takeover Offer in respect of Your Andean Shares (subject to Aguia accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Takeover Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
- (v) represented and warranted to Aguia that:
- (A) Aguia will acquire good title to and beneficial ownership of all of Your Andean Shares free from all Encumbrances (whether legal or equitable) and other third party interests of any kind;
  - (B) you have paid Andean all amounts which are due in respect of Your Andean Shares;
  - (C) all of Your Andean Shares are fully paid; and
  - (D) you have full power and capacity to accept the Takeover Offer and to sell and transfer the legal and beneficial ownership of Your Andean Shares (including all Rights attached to them) to Aguia;
- (vi) agreed to accept the Aguia Shares to which you become entitled by accepting this Takeover Offer subject to the Aguia Constitution and the terms of issue of the Aguia Shares and to have authorised Aguia to place your name on its register of shareholders as the holder of the Aguia Shares issued to you under the Takeover Offer;
- (vii) represented and warranted to Aguia that the making by Aguia to you, and your acceptance, of this Takeover Offer is lawful under any foreign law which applies to you, to the making of this Takeover Offer, and to your acceptance of this Takeover Offer;
- (viii) with effect from the later of acceptance of the Takeover Offer and the date that any contract resulting from that acceptance becomes or is declared unconditional, appointed (and agreed not to revoke that appointment) Aguia and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning Your Andean Shares or in exercise of any right or power derived from the holding of Your Andean Shares including, without limitation:
- (A) attend and vote in respect of Your Andean Shares at any and all meetings of the members of Andean;
  - (B) requisition or join with other holders of Andean Shares in requisitioning and/or convening a meeting of the members of Andean;



- (C) demand a poll for any vote to be taken at any meeting of the members of Andean;
- (D) propose or second any resolutions to be considered at any, and all meetings of Andean Shareholders;
- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of Agua as a proxy in respect of all or any of Your Andean Shares and a transfer form for Your Andean Shares), proxies, consents, agreements and resolutions relating to Your Andean Shares;
- (F) request Andean to register in the name of Agua (or its nominee) all of Your Andean Shares; and
- (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of Agua as the beneficial owner and intended registered holder of Your Andean Shares and to have further agreed to do all such acts, matters and things that Agua may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the constitution of Andean) if requested by Agua. This appointment is irrevocable and terminates upon the earlier of registration of a transfer to Agua of Your Andean Shares, withdrawal of your acceptance of the Offer in accordance with section 650E of the Corporations Act and withdrawal of this Takeover Offer by Agua in accordance with section 652A of the Corporations Act;

- (ix) with effect from the later of acceptance of the Takeover Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, agreed not to vote in person at any general meeting of Andean or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Agua and the directors, secretaries and other officers of Agua by Section 1.6(c)(viii) of this Annexure A;
  - (x) irrevocably authorised Agua to notify Andean on your behalf that your place of address for the purposes of serving notices in respect of Your Andean Shares is the address specified by Agua in the notification;
  - (xi) represented and warranted to Agua that, unless you have notified Agua in accordance with Section 1.3(f) of this Annexure A, Your Andean Shares do not consist of one or more separate parcels of Andean Shares; and
  - (xii) agreed, subject to the conditions of this Takeover Offer in Section 1.8(a) of this Annexure A being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Agua may consider necessary or desirable to transfer and convey Your Andean Shares (including all Rights attaching to them) to Agua.
- (d) The representations, warranties, undertakings and authorities referred to in this Section 1.6 of this Annexure A will (unless otherwise stated) remain in force after you receive the consideration for Your Andean Shares and after Agua becomes the register as the holder of Your Andean Shares.

## 1.7 Payment of Consideration

- (a) Subject to the terms of this Takeover Offer and the Corporations Act, Aguia will provide the Offer Consideration for Your Shares on or before the earlier of:
  - (i) one month after the date of your acceptance or, if this Takeover Offer is subject to a Condition when you accept this Takeover Offer, within one month after this Takeover Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled under the Takeover Offer, regardless of any delay in providing the consideration or any extension of the Takeover Offer.
- (c) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
  - (i) if that document is given with or at the same time as your acceptance, Aguia will provide the consideration in accordance with Section 1.7(a) of this Annexure A;
  - (ii) if that document is given after acceptance and before the end of the Offer Period while this Takeover Offer is subject to a Condition, Aguia will provide the consideration by the end of whichever of the following periods ends earlier:
    - (A) within one month after this Takeover Offer becomes unconditional; or
    - (B) 21 days after the end of the Offer Period;
  - (iii) if that document is given after acceptance and before the end of the Offer Period while this Takeover Offer is not subject to a Condition, Aguia will provide the consideration due to you on or before the earlier of:
    - (A) one month after that document is given to Aguia; and
    - (B) 21 days after the end of the Offer Period; and
  - (iv) if that document is given after acceptance and after the end of the Offer Period, and the Takeover Offer is not subject to a Condition, Aguia will provide the consideration within 21 days after that document is given to Aguia. However, if at the time the document is given, the Takeover Offer is still subject to a Condition that relates only to the happening of an event of circumstances referred to in Section 652C(1) or (2) of the Corporations Act, Aguia will provide the consideration for you within 21 days after the Takeover Offer becomes unconditional.
- (d) Subject to Section 1.8 of this Annexure A, the obligation of Aguia to allot and issue any Aguia Shares to which you are entitled as a result of your acceptance of this Takeover Offer will be satisfied by:
  - (i) entering your name on the register of members of Aguia; and
  - (ii) dispatching or procuring the dispatch to you by pre-paid post to your last recorded address on Andean's register of members (or as stated in your Acceptance Form, if different), a confirmation of the issue of Aguia Shares in your name. If Your Shares are held in a joint name, an uncertificated holding

statement will be issued in the name of the first person that appears on Andean's register of members and forwarded to your last recorded address on Andean's register of members (or as stated in your Acceptance Form, if different).

- (e) If, at the time you accept the Takeover Offer, any of the following:
- (i) Banking (Foreign Exchange) Regulations 1959 (Cth);
  - (ii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
  - (iii) Charter of the United Nations (Sanctions – Al-Qaida and the Taliban) Regulations 2008 (Cth);
  - (iv) Charter of the United Nations (Sanctions - Iraq) Regulations 2008 (Cth); or
  - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for Your Shares, or would make it unlawful for Aguia to provide any consideration to you for Your Shares, you will not be entitled to receive any consideration for Your Shares until all requisite authorities, clearances or approvals have been received by Aguia.

## 1.8 Conditions of this Takeover Offer

- (a) The Takeover Offer and any contract that results from acceptance of the Takeover Offer is subject to the fulfilment of the following conditions:
- (i) **Minimum Acceptance:** At or before the end of the Offer Period, Aguia has a Relevant Interest in the number of Andean Shares that represents at least 90% of the aggregate of all the Andean Shares on issue.
  - (ii) **No regulatory action:** Between the Announcement Date and the end of the Offer Period (each inclusive):
    - (A) there is not in effect any preliminary or final decision, order or ruling issued by any Regulatory Authority;
    - (B) no application is made to any Regulatory Authority (other than by Aguia or any Associate of Aguia); and
    - (C) no action or investigation is announced, commenced, or threatened by any Regulatory Authority,

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibit or impedes, or threatens to restrain, prohibit or impede, or materially impact on, the making of the Offer and the completion of any transaction completed by the Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of Aguia's intentions expressed in the Bidder's Statement) or which requires the divestiture by Aguia of any Andean shares or any material assets of the Andean Group.

(iii) **Tenements:** During the Offer Period there not being any change which has or could reasonably be expected to have a material adverse effect on the status of any of the Tenements.

(iv) **Capital Expenditure:** Between the date of the bid implementation agreement and the end of the Offer Period (each inclusive), Andean does not incur or commit to incur an amount of capital expenditure in excess of \$50,000 in aggregate other than capital expenditure that is incurred in the day-to-day operating activities of the business of Andean conducted materially in the same manner before the date of the bid implementation agreement.

(v) **Acquisitions and disposals:** Between the date of the bid implementation agreement and the end of the Offer Period (each inclusive), Andean does not acquire or dispose of, or enter into or announce any agreement for the acquisition or disposal of, any asset or business, or enter into any corporate transaction, which would or would be likely to involve a material change in:

(A) the manner in which Andean conducts its business;

(B) the nature (including balance sheet classification), extent or value of the assets of Andean (provided that such change shall be considered material if it is of a value of more than \$50,000); or

(C) the nature (including balance sheet classification), extent or value of the liabilities of Andean (provided that such change shall be considered material if it is of a value of more than \$50,000),

including, without limitation, any transaction which would or (subject to one or more conditions) may involve:

(D) Andean acquiring or agreeing to acquire any interest in any tenements or disposing, or agreeing to dispose of any interest in any of its tenements (including, without limitation entering into a joint venture agreement with any third party in relation to the exploration or development of any tenements, but excluding any surrender or relinquishment of a tenement or part thereof in accordance with Applicable Law, provided it has first consulted with Aguia prior to the surrender or relinquishment);

(E) Andean acquiring, or agreeing to acquire, or disposing, or agreeing to dispose, of one or more companies, businesses or assets for an amount in aggregate greater than \$50,000,

other than to the extent directly resulting from any actions taken (or omitted to be taken) following a written request from Aguia or with Aguia's prior written consent.

(b) Each condition in Section 1.8(a) of this Annexure A (each, a **Condition**) is a separate, several and distinct condition and is for the benefit of Aguia alone and may only be relied upon by Aguia.

(c) All the Conditions are conditions subsequent. The non-fulfilment of any Condition does not prevent a contract to sell Your Shares from arising upon your acceptance of the Offer in accordance with these terms. But, if a Condition is not satisfied by the end of the Offer Period or waived by the end of the relevant time specified in Section 1.6(b), the contract formed upon your acceptance of the Offer will thereupon be automatically void.

## **1.9 Freeing the Takeover Offer of Conditions**

- (a) Subject to paragraph **Error! Reference source not found.** below, Aguia may free this Takeover Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 1.8(a) of this Annexure A by giving notice to Andean declaring the Takeover Offer to be free from the relevant conditions specified in accordance with Section 650F of the Corporations Act. This notice may be given not less than 7 days before the end of the Offer Period.
- (b) If, at the end of the Offer Period, any of the conditions in Section 1.8(a) of this Annexure A has not been fulfilled and Aguia has not declared the Takeover Offer (or it has not become) free from the relevant condition, all contracts resulting from the acceptance of the Takeover Offer will be automatically void.
- (c) Subject to the provisions of the Corporations Act, Aguia alone will be entitled to the benefit of the conditions in Section 1.8(a) of this Annexure A and any breach or non-fulfilment thereof may be relied upon only by Aguia.

## **1.10 Notice of Status of Conditions**

The date for giving the notice required by Section 630(1) of the Corporations Act is 1 April 2024, subject to extension in accordance with 630(2) if the Offer Period is extended.

## **1.11 Quotation**

- (a) An application will be made within 7 days after the start of the Bid Period to ASX for the granting of quotation of the Aguia Shares to be issued in accordance with the Takeover Offer. However, quotation is not granted automatically on application.
- (b) Pursuant to the Corporations Act, this Takeover Offer and any contract that results from you acceptance of it is subject to conditions that:
  - (i) application for permission to quotation is made within 7 days after the start of the Bid Period; and
  - (ii) permission for quotation by ASX (as the circumstances require) of the Aguia Shares to be issued pursuant to the Takeover Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Takeover Offer will be automatically void.

## **1.12 Withdrawal of Offer**

- (a) Aguia may withdraw this Takeover Offer at any time before you accept it, but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, Aguia will give notice of the withdrawal to ASX and to Andean and comply with any other conditions imposed by ASIC.
- (b) Subject to any conditions imposed by ASIC in its consent, if Aguia withdraws the Offer, the Offer, to the extent not previously accepted, automatically becomes incapable of acceptance and any contract resulting from acceptance of the Offer before the withdrawal will be automatically void.

## **1.13 Variation**

Aguia may vary this Takeover Offer in accordance the Corporations Act.

**1.14 Duty or Other Costs**

- (a) All costs and expenses of the preparation, dispatch and circulation of this Takeover Offer and any duty payable in respect of the transfers will be paid by Agüia.
- (b) As long as Your Andean Shares are registered in your name and you deliver them directly to Agüia, you will not incur any brokerage in connection with your acceptance of this Takeover Offer.

**1.15 Governing Law**

This Takeover Offer and any contract that results from your acceptance of this Takeover Offer is governed by the laws in force in New South Wales, Australia.

**1.16 Date of Offer**

This Takeover Offer is dated 21 February 2024.

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## ANNEXURE B – AGUIA’S ASX ANNOUNCEMENTS

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Agua has lodged the following announcements with ASX since the release of its 2023 Annual Report to ASX:

Date	Headline
14 February 2024	Appointment of Brazil Country Manager
9 February 2024	Notification regarding unquoted securities – AGR
6 February 2024	Placement
6 February 2024	Application for quotation of securities – AGR
5 February 2024	Proposed issue of securities - AGR
1 February 2024	Proposed issue of securities – AGR
30 January 2024	Quarterly Appendix 5B Cash Flow Report
30 January 2024	Quarterly Activities Report
29 January 2024	Cleansing Notice
29 January 2024	Application for quotation of securities – AGR
25 January 2024	Successful placement of shortfall shares
15 January 2024	Details of Auditor Appointment/Resignation
22 December 2023	Proposed Takeover for Andean Mining Limited - Re-release
22 December 2023	Proposed Takeover for Andean Mining Limited
19 December 2023	Final Directors Interest Notice
18 December 2023	Application for quotation of securities - AGR
12 December 2023	Addendum to September 2023 Quarterly Activities Report
29 November 2023	Extension of Non-Renounceable Entitlement Offer
29 November 2023	Update - Proposed issue of securities - AGR
27 November 2023	Results of Meeting
27 November 2023	Chair's Address to Shareholders
15 November 2023	Extension of Non-Renounceable Entitlement Offer
15 November 2023	Update - Proposed issue of securities - AGR
10 November 2023	Company Secretary Appointment/Resignation
31 October 2023	Extension of Non-Renounceable Entitlement Offer
31 October 2023	Update - Proposed issue of securities - AGR
30 October 2023	Quarterly Appendix 5B Cash Flow Report
30 October 2023	Quarterly Activities Report
26 October 2023	Proxy Form for Notice of General Meeting
26 October 2023	Notice of Annual General Meeting
25 October 2023	Change of Director's Interest Notice
25 October 2023	Extension Of Closing Date Non-Renounceable Entitlement Offer
25 October 2023	Update - Proposed issue of securities - AGR
24 October 2023	Annual Report to Shareholders

**Need help?**

**Contact** Agua Resources Limited  
Offer Information Line  
**Phone** 1800 992 793 (from within Australia)  
**Phone** +61 1800 992 793 (from outside Australia)

**A Your name**

SAMPLE NAME 1  
SAMPLE NAME 2  
<SAMPLE A/C>  
SAMPLE ADDRESS 1  
SAMPLE ADDRESS 2

**Your holding**

**IID:** 12345678910  
**Securityholder Reference Number:** I12345678910  
**Andean Shares held as at Register Date** 99,999,999

If your holding has changed between record date and time of acceptance, then write your current holding here. Your acceptance will be granted over your updated holding.

**This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.**

**Transfer and Acceptance Form – Issuer Sponsored Subregister**

This is a personalised form for the sole use of the holder and holding recorded above.

**B You must give your instructions to accept the Offer**

If you correctly sign and return this form you will be deemed to have accepted the Offer in respect of **ALL** of your Andean Shares. Your form must be received by the Closing Date. By signing and returning this form, you agree to be bound by the terms of the Bidder's Statement that this form accompanies including the terms of the Takeover Offer.

**Offer Consideration** – Three (3) Agua Shares for every one (1) Andean Share you own. Agua Shares offered and issued under the Takeover Offer are to be voluntarily escrowed for the Escrow Period (being 6 months from issue).

**C Contact details**

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

**D You must sign this form for your instructions in this Acceptance Form to be executed**

I/We, the person(s) named above, accept the Offer in respect of all my/our Andean Shares and hereby agree to transfer to Agua Resources Limited all my/our Andean Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

  
Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

  
Secretary/Director (delete one)

Shareholder 3 (Individual)

  
Director

**Please refer overleaf for further important instructions**

REGISTRY USE ONLY



SRN



Holding

AMLT TKO001





## Further Important Instructions

Your Andean Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Bidder's Statement dated 20 February 2024 which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

### Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Andean Registry.
- **Please note** your consideration will be issued in the names as they appear on the Andean register.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
  - **Joint Shareholders:** If your Andean Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
  - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
  - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
  - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

**Personal Information Collection Notification Statement:** Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

### Lodgement instructions

- Mail completed Acceptance Form(s) and any other documents required by the above instructions to:

**Mailing Address**

Link Market Services Limited  
Andean Takeover  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

- A reply paid envelope is enclosed for use within Australia.

**Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (Sydney time) on the last day of the Offer Period.**

**If you have any questions about the terms of the Offer or how to accept, please call the Agua Resources Limited Offer Information Line on the following numbers:**

**within Australia: 1800 992 793**  
**outside Australia: +61 1800 992 793**