



ABN 94 128 256 888

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## NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at Suite 4, Level 9, 341 George Street, Sydney, New South Wales on 11 March 2013 at 10:30 AM (AEDT).**

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*This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (02) 9299 9690.***

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## AGUIA RESOURCES LIMITED

ABN 94 128 256 888

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### NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Aguia Resources Limited (“**Aguia**” or “**Company**”) will be held at Suite 4, Level 9 341 George Street, Sydney, New South Wales on 11 March 2013 at 10:30 am (AEDT) (“**Meeting**”).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 9 March 2013 at 7:00 pm (AEDT).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 6 of the Explanatory Memorandum.

### AGENDA

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#### 1. **Resolution 1 – Approval of issue of shares to Lara Exploration Ltd**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue and allotment of 4,000,000 shares to Lara Exploration Ltd as part of the Lara Option Agreement, within three months from the date of this Meeting, with the shares to be subject to voluntary escrow, and otherwise on the terms and conditions outlined in the Explanatory Memorandum accompanying the Notice.”*

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## 2. Resolution 2 – Ratification of prior issues of securities

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholder’s ratify and approve the allotment and issue of 15,906,250 ordinary shares, for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

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Dated 7 February 2013

**BY ORDER OF THE BOARD**



**ANDREW BURSILL**  
Company Secretary

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# AGUIA RESOURCES LIMITED

ABN 94 128 256 888

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Suite 4, Level 9, 341 George Street, Sydney, New South Wales on 11 March 2013 at 10:30am (AEDT).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Background to applicable Listing Rules
Section 4:	Resolution 1 – Approval of issue of shares to Lara Exploration Ltd
Section 4:	Resolution 2 – Ratification of prior issues of securities
Section 6:	Definitions

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### 2. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

The Company must receive your duly completed Proxy Form by no later than 10:30am (AEDT) on 9 March 2013.

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### **3. Background to applicable Listing Rules**

#### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1, known as the "15% rule", limits the capacity of a company to issue securities without the approval of its shareholders. In broad terms, that Listing Rule provides that a company may not, in a twelve (12) month period, issue securities equal to more than fifteen per cent. (15%) of the total number of ordinary securities on issue at the beginning of the twelve (12) month period, unless the issue is first approved by shareholders or otherwise it comes within one of the exceptions to Listing Rule 7.1, as set out in Listing Rule 7.2.

#### **ASX Listing Rule 7.4**

ASX Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with approval for the purpose of Listing Rule 7.1, if that issue did not otherwise breach Listing Rule 7.1 when made, at and after such time as the holders of the entity's ordinary securities subsequently approve that issue.

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### **4. Resolution 1 – Approval of issue of Shares pursuant to Acquisition of Rio Grande Projects**

As announced on 23 January 2012, the Company signed a Letter of Intent ("LOI" or "Agreement") with Lara Exploration Ltd ("Lara") over Lara's Potash Projects ('LPP') located adjacent and adjoining to Aguia's Atlantic Potash Project in the Sergipe Basin Brazil.

The properties cover an area of 21,483 hectares, border the northern edge of Vale's project area that hosts the only operating Brazilian potash mine and adjoin portions of Aguia's large landholding of about 68,700 hectares in the highly prospective Sergipe Basin.

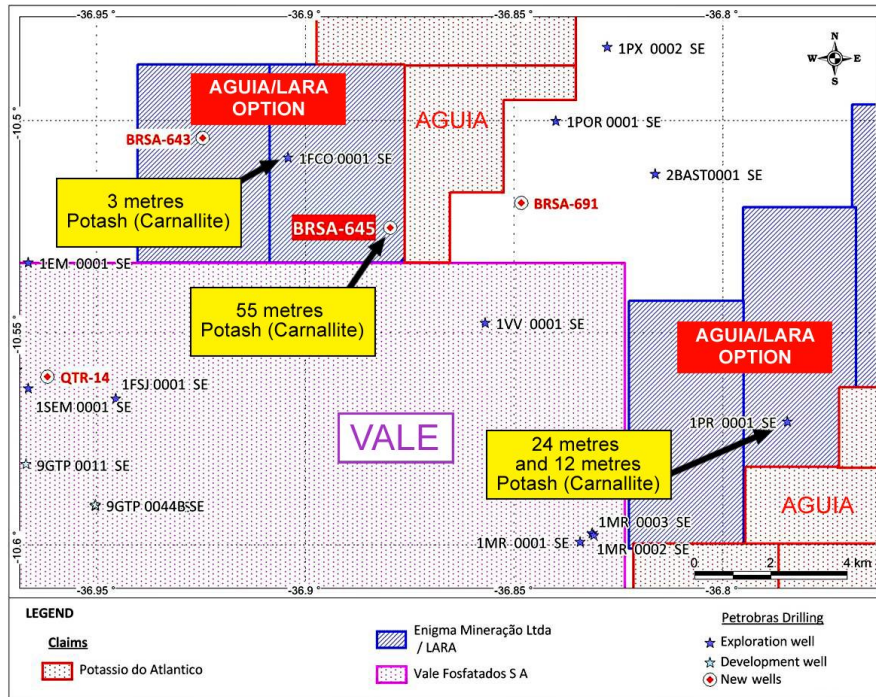
The LPP hosts significant historical potash intersections interpreted from oil and gas wells drilled by Petrobras. These include:

55 metres of potash (carnallite) from Well 1-BRSA-645

24 metres and 12 metres of potash (carnallite) from Well 1-PR-1-SE

3 metres of potash (carnallite) from Well 1-FCO-1-SE

The consolidation of Aguia and Lara's projects and the location of the historical wells are shown in Figure 1.



**Figure 1: Location of Lara projects, historical oil and gas exploration wells and significant historic potash intersections**

## Commercial Terms

The commercial terms of the LOI between Aguiá and Lara over Lara's wholly owned Sergipe Property (the "**Property**") are as follows.

Aguiá has the exclusive option to acquire 100% of the Property within a 24 month period through the acquisition of Enigma BVI, a wholly owned subsidiary of Lara and holder of the Property.

The transaction consists of:

- (a) the grant by Lara to Aguiá of an option (the "**Option**") to acquire the Property by way of the acquisition of an initial 75% interest in Enigma BVI (the "**First Option**") and, if the First Option is exercised, the remaining 25% interest (the "**Second Option**"); and
- (b) the formation by Lara and Aguiá, upon on the exercise of the First Option but not the Second Option, of a joint venture (the "**Joint Venture**") for the further exploration and, if warranted, development of the Property.

The principle terms of the Option require Aguiá to:

- Issue Lara 4 million shares on signing (escrowed to 21 December 2013)
- Minimum work commitment of \$1.5 million including at least one drill hole to test known potash horizons within the property (to a depth targeting the Ibura Member). Such exploration shall be a firm commitment and not optional unless Aguiá pays to Lara the sum of \$1,500,000.
- Aguiá may issue Lara a further 6 million shares on or before the first anniversary to exercise the First Option (75% interest in Enigma BVI).

- If Agua exercises the First Option, it may issue a further 5 million shares to Lara on or before the second anniversary to exercise the Second Option (100% interest in Enigma BVI).
- If Agua exercises the First Option but elects not to, or fails to, exercise the Second Option, Agua and Lara shall enter into a Joint Venture and which point both Party's will contribute or dilute. Should one of the Party's interests be diluted to less than 10% then that Party's interest shall revert to a 1% royalty.

On 12 June 2012 the Company announced that it had re-negotiated an extension to the minimum work commitment such that the 12 month period is effective from the date of the renewal of certain exploration licences that comprise the Sergipe Potash Project. On 15 January 2013 the Company announced that it had received notification that the exploration licences that comprise the Lara Option Potash Project have been renewed.

As a result of the extension of the exploration licences, under the Letter of Intent the Company is now required to issue and allot 4,000,000 ordinary shares to and in favour Lara Exploration Ltd as part of the Option agreement.

### **Escrow Arrangements**

The Shares issued to Lara will be placed under a voluntary escrow restriction until 21 December 2013.

The effect of the above classification will be that Lara will not be permitted to deal with the securities until 21 December 2013.

### **ASX Listing Rule 7.3**

In accordance with the provisions of Listing Rule 7.3, the Company advises as follows:

- The Shares are proposed to be issue to Lara Exploration Ltd;
- The maximum number of shares that is proposed to be issued is 4,000,000 ordinary shares;
- The shares will be issued on an ordinary fully paid basis and the date by which the Company will issue and allot the Shares is intended to be 11 March 2013, and in any event will be no later than three (3) months after the date of the Meeting;
- The shares will be issued as consideration under the Option agreement;
- The rights attaching to those Shares will be identical in all respect with the rights attached to Shares currently on issue; and
- No funds will be raised from the issue of the Shares.

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 1 by:

- Lara Exploration Limited and person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of that person(s).

However, the Company will not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 1**

The Board recommends Shareholders vote in favour of Resolution 1 as the potash project further compliments the Company's Brazilian phosphate and potash projects enabling the Company to capitalise on the increasing demand for fertilisers as it aims to be a developer in the Brazilian fertiliser sector.

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## **5. Resolution 2 – Ratification of prior issues of securities**

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of its ordinary issued capital in any twelve (12) month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where holders of ordinary securities approve the previous issue of securities made without approval under ASX Listing Rule 7.1 and provided that the previous issue of securities did not breach ASX Listing Rule 7.1 those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

On 13 November 2012, the Company announced a share placement of 15.9 million ordinary fully paid shares to sophisticated and professional investors to raise \$2.545 million.

Shareholder approval of the issues of securities set out below is now sought pursuant to ASX Listing Rule 7.4 to re-instate the Company's capacity to issue up to 15% of its ordinary issued capital, if required, in the next twelve (12) months without limiting the Company's ability to also issue up to a further 15% of its equity capital in the next twelve (12) months.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders:

- (a) The total number of securities issued was 15,906,250 Ordinary Shares each issued at \$0.16 per Ordinary Share;
- (b) The Ordinary Shares allotted and issued rank equally with and are on the same terms as the existing Ordinary Shares on issue;
- (c) The table below notes the recipient of the Ordinary Shares:



Issue & Allotment Date	Name	No. of Ordinary Shares
19/11/2012	ROYTOC & CO	1,093,750
19/11/2012	NBCN INC	937,500
19/11/2012	RBC DOMINION SECURITIES INC	1,093,750
19/11/2012	ABERDEEN INTERNATIONAL INC	1,250,000
19/11/2012	NEFCO NOMINEES PTY LTD	5,250,000
19/11/2012	MARTIN STEPHEN FRENCH	1,250,000
19/11/2012	TAYCOL NOMINEES PTY LTD	3,231,250
19/11/2012	CITICORP NOMINEES PTY LIMITED	587,500
19/11/2012	HSBC AUSTRALIA LIMITED	278,125
19/11/2012	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	384,375
19/11/2012	FRONTIER ASIA FUND	400,000
19/11/2012	DISKDEW PTY LTD	150,000
	<b>TOTAL ORDINARY SHARES</b>	<b>15,906,250</b>

- (d) The abovementioned allottee's were not related parties of the Company; and
- (e) The purpose of the issue was to raise funds to advance the Tres Estradas phosphate project including ongoing exploration activities, expanding the initial JORC compliant inferred resource and follow up beneficiation test work.

### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by:

- Participants in the issue described in table 5(c) of Resolution 2; and
- An associate of that person(s).

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Directors' Recommendation and Reasons for Recommendation in relation to Resolution 2

The Directors recommends shareholders vote in favour of Resolution 2 as it allows the Company to ratify the above issue of securities and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next twelve (12) months without limiting the Company's ability to also issue up to a further 15% of its equity capital in the next twelve (12) months. Subject to the noted exclusions, the Directors' intend to vote all their Shares in favour of Resolution 2.

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## 6. Definitions

In this Explanatory Memorandum and Notice:

**Aguia and Company** means Aguia Resources Limited ACN 128 256 888.

**Associate** has the meaning ascribed to that term in Section 12(2) of the Corporations Act.

**ASX** means ASX Limited ACN 009 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors.

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

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

**Director** means a director of the Company.

**AEDT** means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**JORC** means the Joint Ore Reserves Committee

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

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in this Notice.

**Securities** has the meaning given to that term in Listing Rule 19.

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

**Shareholder** means a shareholder of the Company.

In this Notice, words importing the singular include the plural and vice versa.



**Agua Resources Limited**  
 ABN 94 128 256 888

**LODGE YOUR VOTE**



**ONLINE**

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



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



**By fax:** +61 2 9287 0309



**All enquiries to:** Telephone: 1300 554 474 Overseas: +61 1300 554 474



**X99999999999**

**SHAREHOLDER VOTING FORM**

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

**STEP 1**

**APPOINT A PROXY**

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

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the General Meeting of the Company to be held at **10:30am on Monday, 11 March 2013, in Suite 4, Level 9, 341 George Street, Sydney, NSW** and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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

**STEP 2**

**VOTING DIRECTIONS**

**Resolution 1**

Approval of issue of shares to Lara Exploration Ltd

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Resolution 2**

Ratification of prior issues of securities

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

**STEP 3**

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

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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

**AGR PRX301**



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

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

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

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

### Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

### Signing Instructions

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

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

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

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

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

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Saturday, 9 March 2013**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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



**ONLINE**

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

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



**by mail:**

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



**by fax:**

+61 2 9287 0309



**by hand:**

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

If you would like to attend and vote at the General Meeting, please bring this form with you.  
This will assist in registering your attendance.