AGUIA

13 May 2013

Dear Shareholder

Re: General Meeting of Members of Aguia Resources Limited ("Aguia") to be held on 31 May 2013

Please find attached a statement received from E.I.M. Capital Managers ("E.I.M") in relation to the Resolutions to be considered by the Shareholders at the Company's General Meeting to be held on 31 May 2013 (the "Meeting").

Notwithstanding the views presented by E.I.M. in their statement, Messrs Hariharan, Taylor and Ascough, the non-associated Directors of Aguia, wish to re-iterate their view that the volume of the PAC Performance Rights are viewed by the wider market as being potentially heavily dilutive, representing approximately 32% of the fully diluted capital of the Company. As such, the PAC Performance Rights are a potential barrier for investment in the Company and, in the non-associated Directors' opinion, inhibit the value of the Company's phosphate assets being fully reflected.

This view has been formed in consultation with both current and prospective shareholders of Aguia, market analysts and brokers that have indicated an interest in investing in Aguia. The initial performance hurdle requires a single intersection which, if achieved, would result in the conversion of 20,000,000 PAC Performance Rights to common shares.

Furthermore, as explained in the Notice of Meeting, should there be a change in control of Aguia (such as a takeover of the Company), the PAC Performance Rights will automatically convert to ordinary shares. This conversion is effectively capped at 11.1% of the ordinary shares of Aguia as at the date of change of control. Any PAC Performance Rights not converted as a result of the cap would remain on issue as PAC Performance Rights in accordance with their original conditions.

By way of example, if a change of control event were to occur today, Aguia would be required to issue approximately 14 million ordinary shares to the PAC Performance Rights holders, who would also still hold approximately 66 million PAC Performance Rights.

For these reasons and those outlined in the Notice of Meeting, the issue of 10 million ordinary shares and 15 million options for the early termination of 80,000,000 PAC Performance Rights, in accordance with the proposed Resolutions, compares very favourably to the current scenario should a performance hurdle be met or a change in control event occur.

With this in mind, the non-associated Directors of Aguia continue to recommend that Shareholders vote in favour of the Resolutions at the Meeting as termination of the PAC Performance Rights will provide Shareholders and the broader capital markets with a better clarity over the Company's capital structure and will put the Company in a better position, from a capital management perspective, for any future capital raisings. This increased clarity, along with the continued success at the Rio Grande Phosphate Projects, positions the Company well to pursue its goal of becoming a major fertiliser developer in Brazil which is heavily reliant on imports of up to 50 per cent of its phosphate needs.

It should be noted that Messrs Gower, Pickett and Tallarico have refrained from making a recommendation in relation to Resolutions, or the statement received from E.I.M. as they are holders of PAC Performance Rights.

If you have any questions in relation to this matter, please feel free to call either myself, Simon Taylor, or the Company Secretary, Andrew Bursill.

Yours sincerely

Graham Ascough
Chairman

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Aguia Resources Limited
General Meeting of Shareholders
31 May 2013
Statement by E.I.M. Capital Managers on Resolutions 1-3

E.I.M. Capital Managers opposes Resolutions 1-3 relating to the early termination of Potash Atlantico Corp (PAC) performance rights and the offer of a compensating issue of new shares and options.

E.I.M. Capital Managers manages the Emerging Resources Company Shares Fund, an ASIC registered unit trust (ARSN 118 630 541) open to retail and wholesale investors under the terms of an investment agreement with Fundhost Limited, the responsible entity of the Fund. At 7 May 2013, the Emerging Resources Company Share Fund was entitled to 6.4 million Aguia Resources shares.

1. The PAC Assets Failed to Deliver Expected Value

The intent of the performance rights was to reward the PAC vendors only in the event that the assets purchased by Aguia Resources fulfilled certain expectations. This has not occurred and, consequently, the PAC vendors should not receive any benefit.

In June 2011, shareholders approved a proposal that would permit conversion of performance rights into ordinary shares following "the completion of one drill hole returning an intersection of ten percent (10%) KCl mineralisation of a continuous thickness in excess of 10 metres". Other, more stringent, conditions included the delineation of a JORC compliant resource.

On 27 March 2012, after drilling a second hole, the company announced that "no signs of potash mineralisation were returned from the hole". Further drilling ceased only after evidence that the PAC assets would fail the tests required for conversion of the performance rights.

2. The PAC Vendors Have Already Received Adequate Compensation

The vendors of the PAC assets received compensation close to the upper end of what an independent expert considered fair and reasonable in a report for shareholders in 2011.

The independent expert assessed the value of the assets as being within a range of $4.67 million to $18.02 million. The expert assessed the value of the consideration to be paid by the company as falling within the range of $16.14 million to $17.62 million, very close to the upper end of the asset valuation range.

Against this background, shareholders should consider the PAC vendors to have been fully and adequately compensated for the asset transfer and not entitled to a further benefit.

3. Market Uncertainty Would Not Be Removed
Implementation of the proposal would leave investors no clearer about the number of shares on issue after June 2015 while any additional shares would definitely be dilutive because they would no longer be linked to the development potential of the potash asset.

The proposal contained in the resolutions removes a largely illusory overhang (because there is little or no chance that the performance benchmarks are going to be reached) with a more certain overhang once 10 million consideration shares come out of escrow and in the event that 15 million options are exercised between now and June 2015. Directors risk another bout of pressure to do something to remove a share overhang due to the escrow shares at a later date because of the market uncertainty they will create.

4. Capital Raising Capacity Would Not Be Improved
Current market conditions limit the extent to which any action taken by the company will have a beneficial effect on the company's share price or capital raising ability.

Any judgments about the level or direction of the Aguia Resources share price need to take into account market conditions. ASX listed resources stocks are entering their third consecutive year of negative investment returns. Since the beginning of 2011, the small resources share price index has fallen by over 65%. It would be erroneous to attribute any similar weakness in the Aguia Resources share price to the existence of the performance rights.

Moreover, there is apparently no commitment on the part of any party to invest in Aguia Resources in the event that the performance rights are terminated.

5. Shareholders Have Already Suffered A Loss From The Failure Of The PAC Assets
The Aguia Resources share price fell 46.2% (and by 44.3 percentage points more than the small resources share price index) over the five weeks immediately after the company announced the results of its failed potash drilling program in March 2012.

The share price fell a further 31% (and by 17 percentage points more than the small resources share price index) in the remaining trading days in April 2013 after the company announced that it intended to retrospectively adjust the terms for the PAC asset vendors.

As well as originally paying a full price for the assets, existing shareholders have suffered subsequent losses directly related to the failure of the PAC acquisition to meet expectations. Shareholders should not be asked to pay once again for a deal originally structured explicitly to afford shareholders some protection from the possibility of the PAC assets failing to work out as planned.

Nor should one group of investors (i.e. the holders of performance rights) be singled out as worthy of special consideration while asking other shareholders (i.e. those who had invested in ordinary shares) to carry an additional and previously unanticipated financial burden.

6. Directors Have Failed to Show a Value Proposition

Existing shareholders have not been given any basis for inferring a net benefit to the company from the adoption of Resolutions 1-3.

Shareholders are being asked to accept non-specific, vague and second hand representations on behalf of undisclosed individuals or groups about the performance rights being a possible barrier to investment in the company despite the low likelihood of the performance rights ever being converted into ordinary shares, as evidenced by the drilling results.

Directors have failed to offer any analysis to back their conclusion that the performance rights "inhibit the value of the Company's phosphate assets being fully reflected in the Company's share price". In particular, they have failed to show that the state of the Aguia Resources share price is due to the existence of the performance rights and not to general market weakness and the consequence of the PAC assets failing to deliver their anticipated value.

John A Robertson
Director
E.I.M. Capital Managers