



4 June 2019

REQUISITIONING SHAREHOLDERS REJECT RESOLUTION PROPOSAL FROM AGUIA

- Requisitioning Shareholders holding approximately 5.3% of Agua's shares reject proposal that includes:
 - Two seats on the Board of Directors (representing 33% of total Board seats)
 - Appointment of independent Chairman
 - 6-month transition to new Managing Director
 - Strengthening of Australian presence
 - Pathway to unlock value of copper assets for existing Agua shareholders
- Agua has made four proposals to the Requisitioning Shareholders – all have been refused
- Agua has notified the Requisitioning Shareholders that if they proceed with the meeting and all the resolutions for the appointment and removal of directors are passed, the entire senior management team (including the team in Brazil) and remaining Directors currently intend to resign on the day following the last Shareholder meeting
- Agua advises that it may take 1-2 years to obtain Brazilian military approval to transfer current claims to Brazilian appointees of the Requisitioning Shareholders, during which time no exploration or drilling will be permitted on the Três Estradas Phosphate Project or Rio Grande Copper claims
- Agua encourages shareholders to vote **AGAINST** resolutions 1 to 4 for the shareholder meeting to be held June 11, 2019 and **AGAINST** resolutions 1 to 5 for the shareholder meeting to be held June 17, 2019

Sydney, AUSTRALIA, June 4, 2019 - Agua Resources Limited (ASX: AGR, TSXV: AGRL) ("Agua" "the Company") advises that a proposal that it put forward to the Requisitioning Shareholders who seek to replace and reconstitute Agua's Board of Directors has been rejected. Two Extraordinary General Meetings have been scheduled to address meeting requisitions under section 249D of the Corporations Act from three Shareholders who purport to directly own approximately 5.3% of the Company's Shares. The Requisitioning Shareholders

are Kemosabe Capital Pty Ltd., Henderson International Pty Ltd. and Messrs David and Harry Shearwood. This is Aguia's fourth proposal to the Requisitioning Shareholders.

Although Aguia has not received any direct communication from the Requisitioning Shareholders that explains the reasons for their recent actions, Aguia has offered a proposal that it believes is in the best interests of **ALL** shareholders and strengthens corporate governance. The proposal put forward to the Requisitioning Shareholders and certain other Aguia Shareholders is as follows:

- Right to appoint two individuals to the Board of Directors while two current Directors will step down (Australian independent director Alec Pismiris and Executive Chairman Paul Pint). This will provide the Requisitioning Shareholders and certain other Aguia Shareholders who collectively hold just over 12% of the outstanding shares with 33% of the Board seats;
- Appointment of Independent Director David Gower to the role of Chairman. Mr. Gower is a geologist with over 25 years' experience in the minerals industry including senior positions with Falconbridge Limited and Noranda Inc (now Xstrata). He has extensive experience in Brazil. He is a member of the Association of Professional Geoscientists of Ontario and is responsible for assembling Aguia's Brazilian technical team who he has known for 25 years;
- Managing Director Justin Reid will work with the Board over the next 6 months to identify and recruit a suitable replacement who has the necessary qualifications, relationships and experience to oversee the advancement of a Brazilian mining project.
- Aguia will hire a full time, independent Australian-based representative dedicated to providing marketing, investor relations, communication and capital raising expertise focused specifically on Aguia's Australian shareholder base.
- While copper exploration and development continue, the Board will consider appropriate options to unlock the value of the copper assets and deliver it into the hands of existing shareholders, with any proposal to shareholders deferred for at least 6 months. Any decision to spin out the copper assets will be subject to shareholder approval.

Aguia's Board and management has notified the Requisitioning Shareholders that if they proceed with the meeting and all the resolutions for the appointment and removal of directors are passed, the entire senior management team (including the team in Brazil) and remaining Directors currently intend to resign on the day following the last Shareholder meeting. Aguia has advised the Requisitioning Shareholders that this could result in significant consequences for the Company, particularly with respect to the operations in Brazil which includes the finalization of the Três Estradas environmental permitting, ability to engage in ongoing exploration of the copper assets, title and maintenance of the mining claims and relationships with stakeholders in the State of Rio Grande do Sul.

In particular, Aguia has advised the Requisitioning Shareholders that access to the mining concessions is controlled by two members of Aguia's Brazilian team. As a result of the resignation of those two team members a transfer of claims to new representatives of the Requisitioning Shareholders will require approval from the Brazilian military which typically

takes 1-2 years. During this period, Aguia's current Brazilian representatives will still be subject to liability for any activities on the concessions and as such will not be able to permit any access for exploration or drilling until military approval has been received.

In Aguia's view, the proposed resolution provided the Requisitioning Shareholders (and certain other Aguia Shareholders) with Board representation significantly beyond their direct shareholdings, improves corporate governance by appointing an independent Chairman, creates a clear path to appointing a new Managing Director, increases the Company's presence in Australia and provides a framework to ensure the value of the copper assets is placed in the hands of existing Aguia shareholders. It is unfortunate that the offer has been rejected.

The Board strongly encourages shareholders to lodge their votes AGAINST the resolutions proposed by the Requisitioning Shareholders.

At the first meeting to be held on June 11, 2019, Aguia shareholders are asked to vote on the appointment of 4 individuals to the Company's Board of Directors: Martin McConnell (a client of Kemosabe), Jonathan Edward Guinness, Christine Mary McGrath (sister of Kemosabe's founder) and David Kit Shearwood. Aguia has not received any information on the qualifications of these individuals nor an explanation as to why the Requisitioning Shareholders seek to appoint them to the Board. As such, Aguia recommends you vote **against** these resolutions.

At the second meeting to be held on June 17, 2019, Aguia shareholders will be asked to vote on the removal of 4 individuals who are currently Directors of the Company: Brian Moller, Diane Lai, Alec Pismiris and Executive Chairman Paul Pint. Aguia has not received any explanation from the Requisitioning Shareholders as to why they seek the removal of these Directors and in fact all four were re-elected to the Board at the most recent AGM held only six months ago. As such Aguia recommends you vote **against** these resolutions.

Votes for both meetings can be lodged at www.linkmarketservices.com.au for ASX shareholders and at www.voteproxyonline.com for TSX Venture shareholders.

We greatly appreciate the support of our shareholders during this challenging period and look forward to getting past the current uncertainty to continue building value for shareholders through the advancement of Três Estradas and Rio Grande Copper.

If you have any questions or require assistance lodging your votes, please don't hesitate to contact us at: myaguia@aguiaresources.com.au

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About Aguia:

Aguia Resources Limited, ("Aguia") is an ASX and TSX Venture listed company whose primary focus is on the exploration and development of mineral resource projects in Brazil. Aguia has an established and highly experienced in-country team based in Belo Horizonte, Brazil with corporate offices in Sydney, Australia. Aguia's key projects are located in Rio Grande do Sul, a prime farming area which is 100% dependent on phosphate imports. The Rio Grande phosphate deposits exhibit high quality and low cost production characteristics, and are ideally located with proximity to road, rail, and port infrastructure. Aguia's experienced management team has a proven track record of advancing high quality mining assets to production in Brazil.

Cautionary Statement on Forward Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation. Forward-looking information includes, without limitation, statements regarding Três Estradas and Rio Grande Copper, the mineral resource estimates, production targets, the anticipated timetable, permitting, forecast financial information, bankable feasibility study and ability to finance the project, and the prospectivity and potential of the mining claims.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks inherent in the mining industry and risks described in the public disclosure of the Company which is available under the profile of the Company on SEDAR at www.sedar.com, on the ASX website at www.asx.com.au and on the Company's website at www.aguiaresouces.com.au. These risks should be considered carefully.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Persons reading this news release are cautioned that such statements are only predictions and there can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company disclaims any intent or obligation to update or revise any forward looking statements whether as a result of new information, estimates, options, future events, results or otherwise and does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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