

2 July 2021

ASX Market Announcements
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

COMPANY UPDATE – LEGAL PROCEEDINGS

Sydney, Australia: Aguia Resources Limited (ASX: AGR) ('**Aguia**' or the '**Company**') wishes to inform the market that on 29 June 2021 (after market close in Australia), a Federal Public Prosecutor in Southern Brazil filed a public civil action before the 1st Federal Trial Court of the City of Bagé, State of Rio Grande do Sul, seeking an emergency injunction to put a stay on the Preliminary Licence (LP) for the Três Estradas Phosphate Project (TEPP) granted on 15 October 2019, and to not proceed with the granting of the Installation Licence (LI) for the TEPP. Aguia and the Rio Grande do Sul State Environmental Agency (FEPAM) were named as co-defendants in the matter.

The presiding judge ruled against the granting of an emergency injunction without first hearing the defendants. It is anticipated that both Aguia and FEPAM will be summoned to respond. The defendants will have 30 business days counted as of attachment of the service papers to the case records to file their defences.

Aguia is confident that the work carried out on the Environmental Impact Assessment (EIA), which was approved by FEPAM prior to the granting of the LP, was done so with upmost competence by a number of highly regarded experts in their fields, and that as announced on 17 October 2019, FEPAM was extremely diligent in their review of the technical aspects of the EIA, and, in particular, the Aguia community consultation program.¹

Aguia continues to receive strong support for the TEPP from key stakeholders, including local and state government, and the community in the Lavras do Sul region. The A\$3.75 million loan from the Development Bank of Southern Brazil (BRDE) that was announced on 8 June 2021,² whilst conditional on the issuing of the LI, is not impacted.

Aguia has retained its legal advisers in Brazil who worked with the Company throughout the LP process. Aguia is positioned and prepared to defend these matters vigorously but maintains a willingness to achieve a settlement in the interests of expediting the process. The Company will work to engage in open discussions with the Public Prosecutor.

Managing Director Dr. Fernando Tallarico commented: "Whilst these proceedings will create some delays with the construction phase of the TEPP, together with FEPAM, we are confident in the quality of the technical work undertaken during the EIA permitting process, our position, and indeed, in the Brazilian legal system. There is considerable support for the TEPP in Rio Grande do Sul state. We will continue to work diligently to resolve this matter and will keep shareholders updated on developments."

AUTHORISED FOR ISSUE TO ASX BY THE BOARD OF AGUIA RESOURCES LIMITED

¹<https://aguiaresources.com.au/asx-announcements/aguia-awarded-key-development-permit-for-tres-estrades-phosphate-project/>

² <https://aguiaresources.com.au/asx-announcements/aguia-secures-a3-75m-loan-to-fund-tepp-capex/>

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About Agua:

Agua Resources Limited, ("Agua") is an ASX listed multi-commodity company (AGR:ASX) with pre-production phosphate and metallic copper projects located in Rio Grande do Sul, the southernmost state of Brazil. Agua has an established and highly experienced in-country team based in Porto Alegre, the capital of Rio Grande do Sul. Agua's first project, the Três Estradas Phosphate Project is expected to be in production by Q1 2022. Agua is committed to advancing its existing projects into production whilst continuing to pursue other opportunities within the sector.

JORC Code Competent Person Statements:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr. Fernando Tallarico, who is a member of the Association of Professional Geoscientists of Ontario. Dr. Tallarico is a full-time employee of the company. Dr. Tallarico has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr. Tallarico consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Caution regarding forward-looking information:

This press release contains "forward looking information" within the meaning of applicable Australian securities legislation. Forward looking information includes, without limitation, statements regarding the next steps for the project, timetable for development, production forecast, mineral resource estimate, exploration program, permit approvals, timetable and budget, property prospectivity, and the future financial or operating performance of the Company. 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, but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of current exploration activities; other risks of the mining industry and the risks described in the Company's public disclosure. 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. 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 does not undertake to update any forward-looking information, except in accordance with applicable securities law.