

26 October 2021

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

## MEMORANDUM OF UNDERSTANDING SIGNED FOR SALES OF PAMPAFOS FROM THE TRÊS ESTRADAS PHOSPHATE PROJECT

**Sydney, Australia**, - Aguia Resources Limited (ASX: AGR) (**'Aguia'** or the **'Company'**) is pleased to announce that it has signed a non-binding Memorandum of Understanding (**'MOU'**) for the sale of 30,000 tonnes per annum of our Pampafos® natural phosphate fertiliser from the Três Estradas Phosphate Project (**'TEPP'**).

The MOU is with Tuch Soluções Comerciais Ltda. (**'Tuch'**), a key distributor of fertiliser and agriproducts in the southern region of Brazil. Tuch has an extensive customer portfolio with approximately 500 producers covering 50,000 hectares of ground over some of the most productive agricultural regions in Southern Brazil, including three bordering states of Rio Grande do Sul (**'RS'**).

Tuch are a progressive agronomical organisation with a keen interest in sustainable agriculture and the sourcing of organic products for their clients. Tuch approached Aguia because, having heard of our outstanding agricultural testing results they recognised a unique business opportunity as they already have clients who pay to transport natural fertiliser from some 1,500 kilometres north of farming lands in RS due to it not being available locally.

Tuch believe there is capacity to increase sales of natural fertiliser to their existing client base and beyond because of the promising testing results and because natural fertiliser has not been available locally.

With estimated target sales of 30,000 tonnes per annum, this MOU potentially represents well over half of our projected first year of TEPP sales which were estimated in the BFS to be 50,000 tonnes. It is a very promising start to our TEPP marketing campaign which will continue to gain traction as our agricultural testing results become better known throughout the community of growers in RS State and beyond.

### **Management Commentary**

**Managing Director Dr. Fernando Tallarico said:** *"The signing of this MOU before the construction of the TEPP operation is a strong indication of the acceptance of the commercial potential of Pampafos® amongst agronomists here in Brazil. Tuch is a well-known and established fertiliser and agribusiness distributor in the region with strong distribution networks."*

*Together with our commitment of building a more efficient and sustainable project, we are also working to market Pampafos® in order to fast track the TEPP into being a very profitable project."*

## **Overview**

- The agreement is for an initial supply of 30,000 tonnes of Pampafos<sup>®</sup> per annum.
- The MOU is a non-binding agreement signed between Aguia and Tuch.
- The sale price of Pampafos<sup>®</sup> from Aguia to Tuch, agreed between the two parties is A\$74.00 per tonne FOB for the product in bulk.
- Tuch intends to distribute Pampafos<sup>®</sup> to customers located in the vicinity of 19 cities across RS State.
- The MOU does not provide an exclusive right to Tuch to sell the product in the region.
- The duration of the agreement is for 24 months with the expectation that it will become a binding agreement.
- Aguia will be able to commence the delivery of Pampafos<sup>®</sup> once all the environmental permits are approved and upon the granting of the product registration by the Brazilian Ministry of Agriculture, Livestock and Supply ('MAPA').

## **Background**

Aguia is developing a natural fertiliser product from its TEPP deposit which is situated in RS State in Southern Brazil. The product, with the Registered Brand of Pampafos<sup>®</sup> grading about 10% P<sub>2</sub>O<sub>5</sub> will be produced from the saprolite ore at the TEPP. Pampafos<sup>®</sup> is a natural product free from chemical processing.

As part of the development of Pampafos<sup>®</sup> a series of agronomic efficiency tests are being conducted across RS State. In the tests conducted so far, Pampafos<sup>®</sup> has been demonstrated to be highly effective on RS State's two major crops, soybean, and rice.

The TEPP is a pre-operational project, currently in the environmental licensing stage. In January 2021 the Company requested the Installation License ('LI') from the the Rio Grande do Sul State Environmental Agency ('FEPAM'). The LI request is currently under evaluation by the FEPAM technical team.

The LI is the only major outstanding permit required to commence project construction. Once the Company receives the LI from FEPAM, earthworks, civil works and installation of the processing unit can begin.

**AUTHORISED FOR ISSUE TO ASX BY FERNANDO TALLARICO, MANAGING  
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**AGUIA**

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**About Aguia:**

Aguia Resources Limited, ("Aguia") 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. Aguia has an established and highly experienced in-country team based in Porto Alegre, the capital of Rio Grande do Sul. Aguia 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.