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ASX Market Announcements
Level 6, Exchange Centre
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AGRONOMIC TESTS ON WHEAT USING PAMPAFOS® EXCEEDS PRODUCTIVITY OF CHEMICAL FERTILISERS

Sydney, Australia, - Agua Resources Limited ABN 94 128 256 888 (ASX: AGR) ('**Agua**' or the '**Company**') is pleased to report more excellent results from agronomic tests on wheat crops using the Direct Application Natural Fertiliser ('**DANF**'), Pampafos® from the Três Estradas Phosphate Project ('**TEPP**') deposit.

Agronomic tests using the DANF, Pampafos®, applied to a wheat crop, were carried out on a private property located in Tupaciretã, RS, one of the most productive regions in the state of Rio Grande do Sul ('**RS**'). The good performance of natural phosphate sources on wheat crops in RS is very relevant as the State has approximately 736,000 hectares of wheat fields cultivated annually.

Although all of our previous testing has come close to that of chemical fertilisers, this is the first agronomical test where the productivity of all treatments with Pampafos® has exceeded that of the chemical fertilizers, in this case, Triple Superphosphate ('**TSP**'). In previous tests on corn and rice crops, the productivity using Pampafos® also returned excellent results. This is critical as rice, wheat and corn are the three most consumed grains worldwide (see Table 01 which summarises our previous test results).

Highlights

- The application of Agua's branded natural phosphate fertiliser product, Pampafos®, to wheat crops, returned very good productivity levels.
- Wheat productivity results using Pampafos® in a dosage of 50 kg/ha of P₂O₅ and 200 kg/ha of P₂O₅ surpassed the productivity achieved using conventional Triple Superphosphate ('**TSP**') in a dosage of 92 kg/ha of P₂O₅.
- Productivity results demonstrate the high potential for the application of Pampafos® in wheat fields with the potential to replace conventional and chemically processed phosphate fertilisers.
- Agua's natural phosphate fertiliser products, Pampafos® and Lavrato® have now been tested on the following Brazilian crops; soybean, rice, corn (maize), oats and wheat, with all tests returning excellent results.
- Domestic interest in Agua's Direct Application Natural Phosphate continues to grow with more offtake agreements anticipated.
- Agua is well-placed to capitalise on the growing demand for organic fertilisers as consumers increasingly embrace clean-label food items.

Agua is experiencing growing levels of inquiry from large commercial farming operations in Brazil and other international markets that are seeking access to natural fertiliser products with Pampafos® and Lavrato® both highly regarded following the publishing of agronomic test results. Further offtake agreements are expected to be secured as commercial farming operations seek to lock in long-term supply agreements.

Demand, in part, is being driven by consumers increasingly seeking out foods that have been produced by more environmentally friendly methods and with less chemicals. This is reinforced by the increasing global demand for organic fertilisers with a recent research report which forecasts that the organic fertiliser market is expect to reach over US\$22 billion in value in the next six years, up from almost US\$10 billion in value in 2021.¹

Management Commentary

Managing Director Dr. Fernando Tallarico said: *“The results of agronomic efficiency tests continue to demonstrate that the use of our sustainable and natural fertiliser, Pampafos®, is highly effective. These new results on wheat are of great importance given it is one of the most important winter crops in RS state and the region is the second largest producer of wheat in Brazil.*

“Agua is strategically located in one of the most productive agricultural belts in the world and has consecutively achieved good agronomic results on important summer crops, such as soybean and rice, as well as on winter crops such as wheat, oat and ryegrass. We look forward to announcing further results with the ongoing agronomic testing program with our DANF products from the TEPP. With growing demand for natural fertilisers and increasing interest from large domestic farms seeking long-term offtake agreements, we are ideally positioned with a product that will be highly sought after once we are in production.”

Background

Agua’s DANF phosphate products, Pampafos®² and Lavrato®³ have now been tested on the following Brazilian crops; soybean, rice, corn (maize), oats and now wheat, with all tests returning excellent results. Table 01 below summarises the main results so far reported.

Table 01 – Summary of agronomic tests results.

Crop	Highlight	ASX Announcement Date
Soybean	Pampafos® applied to soybean crop resulted in a yield of 98% of the yield reached by using TSP in the same P ₂ O ₅ dosage.	16 June 2020
Corn (Maize)	Green mass and grain productivity of treatment with Lavrato® in a dosage of 100 kg/ha surpassed the productivity reached using conventional phosphate fertilisers	9 July 2020
Rice	Pampafos® and Lavrato® returned yields of up to 99.8% of those achieved using conventional fertilisers	11 May 2021
Rice	Rice productivity results using Pampafos® in a dosage of 50 kg/ha of P ₂ O ₅ surpassed the productivity achieved using TSP in the same dosage	8 September 2021
Oat	Oat productivity results using Pampafos® in a dosage of 100 kg/ha of P ₂ O ₅ reached 92% of the productivity achieved using TSP in the same dosage	22 December 2021

¹ <https://www.globenewswire.com/news-release/2022/01/28/2374927/0/en/Organic-Fertilizers-Market-to-Reach-Over-22-13-Billion-by-2028-Exclusive-Report-by-Vantage-Market-Research.html>

² Pampafos® is the Registered Brand for Natural Phosphate Fertilizer grading about 10% P₂O₅ which will be produced from the saprolite of the carbonatite ore (CBTSAP). CBTSAP represents more than 80% of the resource of TEPP Phase 1.

³ Lavrato® is the Registered Brand for Natural Phosphate Fertilizer grading about 5% P₂O₅ which will be produced from the saprolite of the amphibolite ore (AMPSAP). AMPSAP represents about 17% of the TEPP Phase 1 resource.

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In addition to the positive performance of Aguia's DANF phosphate products in the agronomic efficiency tests applied to a range of key crops, growers will also have ongoing environmental benefits of improved soil quality. There is also a potential cost reduction when compared to conventional chemical phosphate fertilisers. In the current market, the grower can potentially reduce the cost of phosphate application in the range of 10% to 30% by using natural phosphate instead of a conventional phosphate fertiliser.

Agronomic Tests on Wheat

Following the development of Aguia's natural phosphate fertilisers, Pampafos® and Lavrato®, agronomic efficiency tests were conducted on the wheat crop on a commercial farm located at Tupaciretã, RS.

The tests were conducted in partnership with Rural Sul Pesquisa e Consultoria Ltda, an agronomic consulting company with a focus on the northeast region of RS state, some of the most productive land in the state. The tests were overseen by Integrar Gestão e Inovação Agropecuária ('**Integrar**'), a renowned independent agronomic consulting firm located in RS, that was retained by Aguia to plan and supervise the program.

The wheat was seeded (in a latosol area, as distinct from the previous testing areas where flat soil was used) during the winter season in early July 2021. The nutrient sources were applied by launching in the field. The test consisted of three treatments positioned side by side comprising a total area of 3.6 hectares with approximately 1.2 hectares for each treatment. In treatments T1 and T2, distinct dosages of P₂O₅ with Pampafos® were applied. Treatment T3 followed the usual farm management, with the application of the conventional phosphate fertiliser Triple Super Phosphate ('**TSP**'). Table 02 shows the distinct dosages and products used in each treatment.

Table 02 – Summary of treatments on wheat in the field.

Treatment	Product	Dosage per hectare
T1	Pampafos®	200 kg P ₂ O ₅
T2	Pampafos®	50 kg P ₂ O ₅
T3	TSP	92 kg P ₂ O ₅

The wheat was harvested in mid-December 2021.

Wheat Grain Production

Wheat grain production was determined by harvesting each treatment area separately and weighing the grain to calculate the yield in kilograms per hectare (kg/ha).

Treatment T1, where 200 kg/ha of P₂O₅ was applied through the application Pampafos®, returned the highest yield of all treatments with 3,166 kg/ha, followed by treatment T2 with the application of 50 kg/ha of P₂O₅ through Pampafos®, resulting in a yield of 3,133 kg/ha.

Both treatments T1 and T2 using Pampafos surpassed the treatment with the conventional phosphate fertilizer (T3), where 92 kg/ha of P₂O₅ was applied through the application of TSP and resulted in a yield of 3,093 kg/ha.

These results are positive and demonstrate that the natural phosphate from TEPP, Pampafos®, was effective in providing the macronutrient, phosphorus, to the plants. There is a high similarity between treatments with the application of Pampafos® and the conventional fertiliser, TSP.

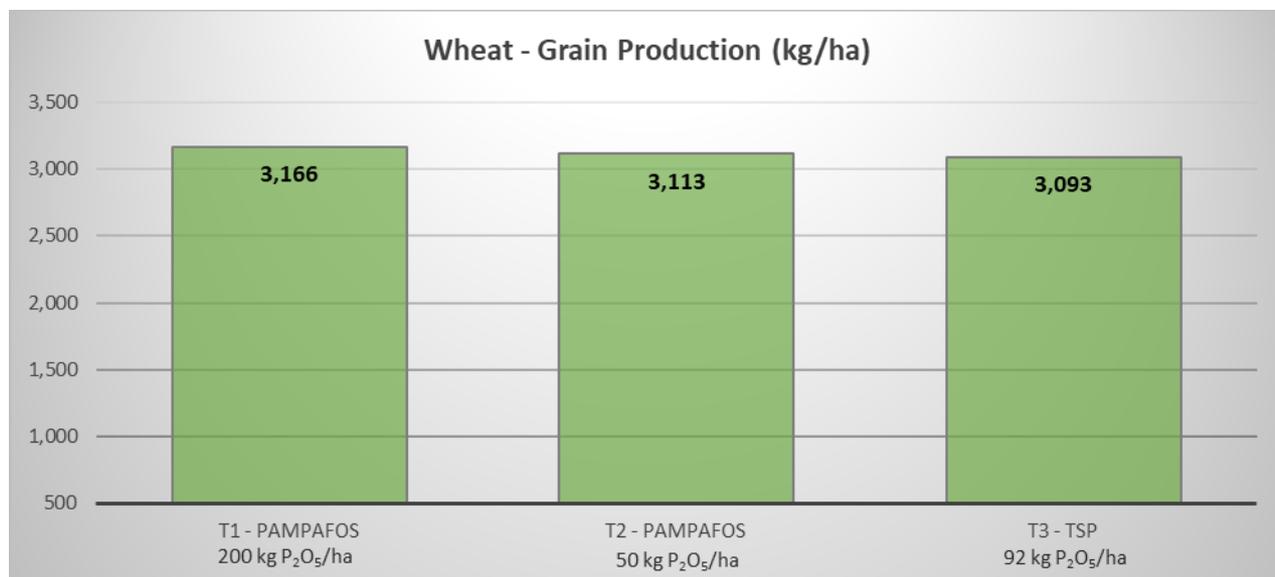


Figure 01 – Wheat grain production resulting from each treatment. 2021 winter harvest at Tupanciretã, RS, Brazil.

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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 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

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'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.