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ASX Market Announcements
Level 6, Exchange Centre
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ADVANCING BRAZILIAN PHOSPHATE AND COPPER PROJECTS

- **Conducting due diligence on an existing processing plant as a lower cost alternative for earlier start-up of the Brazilian phosphate operation**
- **Drill program planned at Mato Grande carbonatite to enable JORC resource calculation**
- **Brazilian operations and technical team considerably strengthened**
- **Technical team reviewing copper portfolio to define primary drill targets**
- **Confirmation of Government support for development of the phosphate assets**

Agua Resources Limited (ASX: AGR) ('**Agua**' or the '**Company**') is pleased to provide this update on the development of its 100%-owned phosphate projects located in the State of Rio Grande do Sul, in southernmost Brazil. Recently appointed Country Manager Tim Hosking and Chairman Warwick Grigor have undertaken a review of the projects which included a recent site visit to assess opportunities to fast-track development of the key phosphate projects.

Possibility of Alternative Phosphate Treatment Facility

On 21 March 2023, Agua released an updated Bankable Feasibility Study ('BFS') on the Tres Estrades Phosphate Project ('TEPP') that confirmed the robust economics with a 54.7% IRR and an average EBITDA of \$22.1m for the 18 year mine life. This assumed a capital expenditure of \$26.2m over a three year ramp-up period. The Company has identified an existing treatment plant that could be purchased and repurposed to process phosphate ore at a significantly lower capital cost than what has been estimated in the earlier BFS. The treatment plant is located within trucking distance of the Tres Estrades deposit and nearer to the Mato Grande project. It would enable a much shorter time frame and significantly less CAPEX to achieve production than what was previously estimated.

Due diligence is currently being undertaken to determine the suitability of the processing facility taking into consideration the modifications to the process circuit and the associated costs and possible liabilities. To this end, Agua has received a preliminary report from Brisbane-based Harrier Project Management following a site visit on 15-19 March, stating that the facility appears to be adequate for the repurposing for phosphate production. The Company awaits a detailed report with recommendations and costings.

Commencement of Drilling Program at Mato Grande

Previous shallow exploration drilling at the Mato Grande Carbonatite has confirmed the presence of oxidised phosphate-rich mineralisation not dissimilar to that found at Tres Estrades. Agua has awarded a drilling contract to complete the drill-out of this deposit with a view to being able to calculate

a maiden JORC resource to be completed within the next three months given much of the mineralisation is near surface. The ability to prove up Mato Grande in a short time frame has a number of positive outcomes, most importantly, providing another source of feed aside from Tres Estrades for the proposed processing plant.

Aguia has continued to maintain an active dialogue with FEPAM, Rio Grande de Sul's Environmental Regulator. The Government representatives confirmed the strong support for the development of Aguia's phosphate projects according to the terms of the Installation Licence that has already been granted.

Local Brazilian team considerably strengthened

Now that the Company has a clear path to an earlier, lower capital cost development of its phosphate deposits, the Company has considerably strengthened its team of employees and experienced contractors following Tim Hosking's appointment as Country Manager. This reflects Aguia's strong commitment to both its phosphate and its copper exploration assets, which are also 100%-owned.

Aguia is pleased to have secured the services of **Mr Sergio Guedes**, a highly respected and experienced dual nationality Brazilian & Australian geologist with over 37 years' experience working with Vale, MMG and Rio Tinto. Sergio is familiar with the geology of Rio Grande do Sul having worked there previously with Rio Tinto. **Cinthia Costantin**, a senior and highly regarded Brazilian geologist with international experience in green field exploration and brown field mining projects, has joined the team and technical manager **Ray Forgearini** who is currently studying mining engineering and involved with all exploration activities of Aguia since 2012 when he started working as an intern.

Aguia has been fortunate to have been able to retain the services of **Mr. Diego Boeira**, an experienced civil engineer at leading specialist engineering consulting firm Golder. Diego has been involved with Aguia Projects since 2016 and was instrumental in the issuing of the environmental and development licenses. **Ms Thuani Maschmann** continues a Business Manager who have previously worked with Aguia and are familiar with the company's operations and processes. She has more than 10 years of experience working in the financial sector and will be Aguia's financial controller there.

Strengthened technical team undertaking review of copper assets to define primary targets

With added geological and technical skills, Aguia's team is now undertaking a full review of the Company's highly prospective copper leases to define priority targets. As reported in early April, Aguia holds a portfolio of 100%-owned licences covering ~149,000 hectares that are prospective for copper mineralisation in the Caçapava do Sul area and accompanying data sets that also hold historical exploration results. These will be firstly reviewed to determine the scope of the work program and any meaningful data analysis will be provided to shareholders in the interim.

Comments

Non-Executive Director Warwick Grigor said: *"I was very pleased with the enthusiasm expressed for the phosphate projects from a range of stakeholders in Brazil including local communities, potential buyers, Government representatives and our team. Following the recent site visit, I came away with strong optimism that Aguia has a potentially very profitable phosphate operation in the making if we are successful in securing this new plant. The alternative ore sources will provide flexibility in production schedules and may lead to more than one production centre in due course. We are confident that we will be able to demonstrate that the Company has a long life operation that will generate impressive cash flows at minimal capital cost. That will set in train an extended growth curve with expansions likely to be funded out of internal cash flow. As well, we have an extensive copper portfolio*

with some most encouraging targets. Our strengthened team is hard at work analysing these now and we look forward to reporting a fuller update. It is time for shareholders to renew their enthusiasm.”

Brazil Country Manager Tim Hosking added: *“Aguia is making great progress in Brazil and since my appointment, it has been encouraging to see the commitment from the team and the desire for new experienced personnel to join our ranks. It reflects favourably on the quality of our asset base. Our immediate priority is to advance negotiations on this proposed processing plant and commence drilling at Mato Grande to establish another phosphate deposit there. Our geological team are also assessing our extensive copper leases where there is considerable unlocked value.”*

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

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About Aguia:

Aguia Resources Limited (“Aguia”) is an ASX-listed 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. Aguia is committed to advancing its existing projects into production whilst pursuing other opportunities within the sector.