



08 June 2016

AGUIA SIGNS OPTION AGREEMENT ON PROPERTY ADJACENT TO TRÊS ESTRADAS AND SECURES NEW CARBONATITE OCCURRENCE

- **New option agreement secures two claims totalling 3,553 hectares adjacent to the Três Estradas deposit.**
- **Tenements include a 2-km-long airborne geophysical anomaly that has the same pattern as Três Estradas.**
- **Initial scouting along this anomaly identified 400 metres of outcropping carbonatite along strike.**
- **First grab samples of this new carbonatite returned up to 6.37% P₂O₅.**

Brazilian fertiliser developer Agua Resources Limited (ASX: AGR) (“Agua” or “Company”) is pleased to announce the signing of a new option agreement to secure new and highly prospective ground adjacent to its flagship Três Estradas phosphate project. Agua has named the new property Santa Clara. This new agreement secures two exploration permits totalling 3,553 hectares.

The 36-month option contemplates a 60-day due diligence period. On completion of satisfactory due diligence, a USD 10,000 payment is to be made within 5 business days and a second payment of USD 20,000 to be made at the later of: (i) on the first anniversary of the first payment; or (ii) within 30 days, counted from the release of any previous liability identified in due diligence. To exercise the option and acquire a 100% interest in Santa Clara, Agua shall complete a final payment of USD 50,000 to the vendors and pay them a 2% royalty on any production from the Santa Clara property capped at USD 10 million, which is subject to a buyback of USD 5 million that can be exercised at any time and payable in five USD 1 million monthly instalments.

Technical Director Fernando Tallarico commented, “There are several similarities between the new Santa Clara carbonatite occurrence and Três Estradas as both intrusions share the same geophysical signature and the results from the first scouting are particularly encouraging as we were able to map outcropping carbonatite grading up to 6.37% P₂O₅ along a strike-length of about 400 meters. Further mapping, sampling and subsequent drilling will be required to test the merit of the target, but it has the potential to add value to the Três Estradas projects since it is located only 4.5 km to the northwest, adjacent to the planned mine site infrastructure.”

Justin Reid, Chairman and Managing Director of Agua commented, “Signing this agreement on the Santa Clara area is in line with our ongoing strategy to consolidate phosphate development opportunities in Rio Grande do Sul around our flagship asset at Três Estradas. We look forward to

exploring the potential of this new area and evaluating its potential to add value to the overall asset base.”

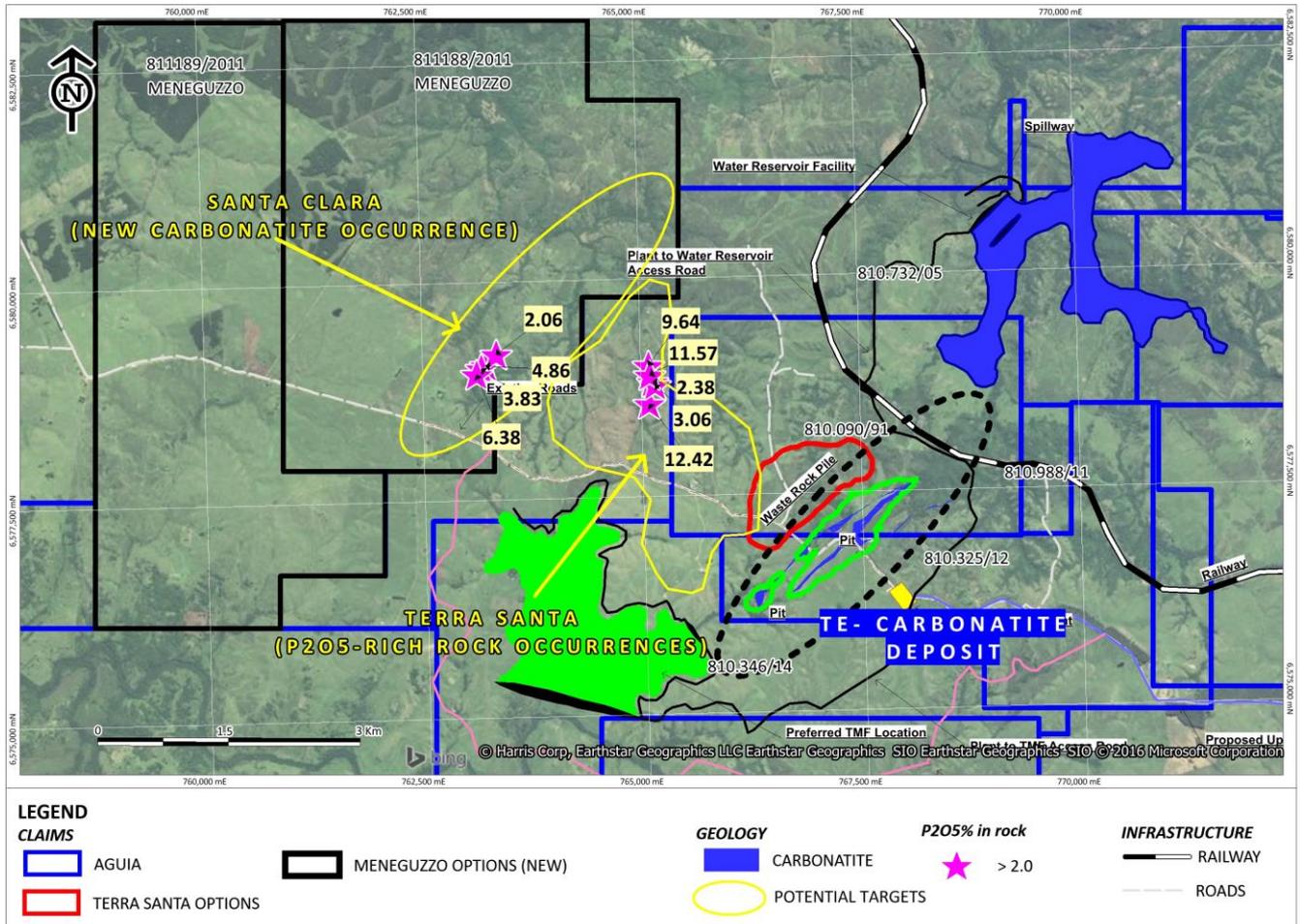


Figure 1. Map showing Três Estradas carbonatite, the Terra Santa option acquired in December 2015 and the new Santa Clara occurrence 4.5 km to the northwest.

The information in this announcement 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.

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About Agua:

Agua is a fertiliser company focused on the exploration and development of phosphate and potash projects in Brazil to supply the Brazilian agriculture sector. Brazil is Latin America's biggest economy and is heavily reliant on imports of up to 50 per cent of its phosphate and 90 per cent of its potash needs. Agua is well positioned to capitalise on the growing demand for phosphorus and potash based fertilisers in the expanding agriculture sector in Brazil and controls three large projects, located close to existing infrastructure. The Company is committed to its existing projects whilst continuing to pursue other opportunities within the fertiliser sector.

Forward Looking Statements:

This news release contains forward looking statements, which relate to future events or future performance, including, but not limited to, the completion of the size of the Placement, receipt of regulatory approvals and timing thereof, the Company's business strategies and plans for the use of such Placement proceeds, capital expenditure programs and estimates relating to timing and costs, and reflect management's current expectations and assumptions, including, but not limited to the timing and receipt of necessary regulatory approvals and completion of the Placement and stability of general economic and financial market conditions. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", and similar expressions is intended to identify forward looking statements. Such forward looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties, including imprecision in estimate capital expenditures and operating expenses, stock market volatility, general economic and business conditions, risks associated with liquidity and capital resource requirements, that may cause future results to differ materially from those expected and the forward looking statements included in this news release should not be unduly relied upon. These forward looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

JORC Code Competent Person Statements:

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