



14 January 2019

AGUIA ENTERS FINAL PHASE OF TRÊS ESTRADAS ENVIRONMENTAL PERMITTING

Highlights:

- **Public consultation for the Três Estradas Phosphate Project set to take place in late March**
- **The public consultation open to members of the local community marks the final milestone in obtaining the environmental permit**
- **All queries from the State Environmental Agency have been addressed and final documentation submitted**
- **Agua's team continues outreach work in the local community in preparation for the meeting**

Toronto, CANADA, January 14, 2019 - Agua Resources Limited (ASX: AGR, TSXV:AGRL) ("Agua" or the "Company") is pleased to report that it has received notice of the date for the community consultation meeting to be held for the Três Estradas Phosphate Project from the State Environmental Agency of Rio Grande do Sul ("FEPAM"). FEPAM has advised that the community consultation meeting will be held in Lavras do Sul on March 20, 2019.

Community consultation is the key final deliverable in the environmental permitting process for mining projects in Brazil. The event allows members of the community to attend a public forum about the Três Estradas Phosphate Project at which any stakeholders can provide input, ask questions and voice their opinions. Agua's team in Lavras do Sul has undertaken an active community outreach program over many months in anticipation of this event. Activities have included education seminars, booths at agricultural fairs, workshops and other events. The response from the local community and government has been very positive to date.

Following the public consultation event, Agua will have completed all requirements to obtain the environmental permit (called the "Preliminary License" or "LP" in Brazil) and expects that the permit will be issued shortly thereafter. This will be a major milestone for the Company. The next phase of development will be obtaining the Installation Permit or "LI". The LI requires implementation of the programs and requirements prescribed in the LP to ensure Três Estradas has a minimal impact on the environment and social wellbeing of the community. During this time, Agua will be finalizing the design and plans for the project site, negotiating offtake contracts and sourcing debt for construction. The LI is expected to take up to 12 months to obtain after which construction can commence.

Commentary

Technical Director Fernando Tallarico commented: "We are looking forward to the upcoming public consultation and our team on the ground has been hard at work to establish Agua as a neighbor in good standing in the community of Lavras do Sul. We have received a very warm welcome. Agua will provide training and jobs

for the members of the local community, the municipality will benefit from additional tax revenue and the local economy will receive a boost through the emergence of new businesses that will service Três Estradas. It is also very important for us to be a good steward of the environment and the extensive work we have done on the EIA, combined with interaction with FEPAM, local communities and government during this process will help ensure that Três Estradas is addressing the interests and concerns of all stakeholders.”

Managing Director Justin Reid added: “This is a major milestone for Aguia and we have been working towards it for almost a year and a half. During this time, we have been able to substantially reduce the environmental footprint of the site and improve upon the design and process. As we move into the next phase of permitting we will continue to identify further optimizations. Aguia’s management is very proud of the positive relationship that has been fostered in recent months with the local community and government representatives. We will look forward to reporting back to shareholders on the outcome of the community consultations at the end of the first quarter.”

“The completion of the environmental permitting process moves Aguia closer to its goal of becoming the sole source of domestically produced phosphate in agriculture rich Southern Brazil. Aguia’s future production will have the potential to displace phosrock imports to the region. Currently, Southern Brazil relies on imports of phosrock from Morocco and Peru which are thousands of kilometres away from the fertilizer blenders in Porto Alegre, while Três Estradas is located just over 300 kilometres away with road and rail access already in place. We believe 2019 will be an exciting time for Aguia and our shareholders as we move closer to production at Três Estradas.”

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About Aguia:

Agua Resources Limited, (“Aguia”) is an ASX and TSX Venture listed company whose primary focus is on the exploration and development of mineral resource projects in Brazil. Aguia has an established and highly experienced in-country team based in Belo Horizonte, Brazil with corporate offices in Sydney, Australia. Aguia’s key projects are located in Rio Grande do Sul, a prime farming area which is 100% dependent on phosphate imports. The Rio Grande phosphate deposits exhibit high quality and low cost production characteristics, and are ideally located with proximity to road, rail, and port infrastructure. Aguia’s experienced management team has a proven track record of advancing high quality mining assets to production in Brazil.

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.

Qualified Person

The technical information in this press release has been reviewed and approved by Dr. Fernando Tallarico, who is a member of the Association of Professional Geoscientists of Ontario, Technical Director for Aguia and a Qualified Person as defined by National Instrument 43-101. Dr. Tallarico consents to the inclusion of his name in this release.

Cautionary Statement on Forward Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation. Forward-looking information includes, without limitation, statements regarding the timing and impact of the scheduled consultation and the likelihood of successfully obtaining the preliminary license and/or the Installation license on the timeline predicted or at all, results of exploration activities , soil and assay results, plans for future drilling and exploration programs, the mineral resource estimates, production targets, the anticipated timetable, permitting, forecast financial information, bankable feasibility study and ability to finance the project, and the prospectivity and potential of the Três Estradas project.

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 risks inherent in the mining industry and risks described in the public disclosure of the Company which is available under the profile of the Company on SEDAR at www.sedar.com, on the ASX website at www.asx.com.au and on the Company's website at www.aguiarsouces.com.au. These risks should be considered carefully.

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. Persons reading this news release are cautioned that such statements are only predictions and 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 disclaims any intent or obligation to update or revise any forward looking statements whether as a result of new information, estimates, options, future events, results or otherwise and does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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