



3 June 2019

TAKEOVERS PANEL MAKES DECLARATION OF UNACCEPTABLE CIRCUMSTANCES AGAINST REQUISITIONING SHAREHOLDERS

Sydney, AUSTRALIA, June 3, 2019 - Agua Resources Limited (ASX: AGR, TSXV: AGRL) ("Agua" "the Company") advises that the Australian Government Takeovers Panel (the "Panel") has made a Declaration of Unacceptable Circumstances in relation to the actions of certain Agua shareholders regarding circumstances arising out of the recent requisition of two shareholder meetings.

Two Extraordinary General Meetings have been scheduled to address two separate meeting requisitions ("Requisition Notices") under section 249D of the Corporations Act from three Shareholders who purport to directly own approximately 5.3% of the Company's Shares: Kemosabe Capital Pty Ltd., Henderson International Pty Ltd. and Messrs David and Harry Shearwood (the "Requisitioning Shareholders"). At the meetings, Agua shareholders will be asked to consider resolutions to remove four of the current directors of the Company (Diane Lai, Brian Moller, Paul Pint and Alec Pismiris) and appoint four new directors (David Shearwood, Christine McGrath, Jonathon Guinness and Martin McConnell). The meetings are scheduled to take place on June 11, 2019 and June 17, 2019.

Agua's Board of Directors believed that circumstances surrounding the receipt of the Requisition Notices from the Requisitioning Shareholders meant that, amongst other things, certain Agua shareholders had failed to disclose the full details and associations of the parties involved with the Requisition Notices. The failure to disclose such details and associations may have given rise to a contravention of the Corporations Act and the Board of Directors considered that, in order to ensure trading of Agua's shares and the exercise of voting rights took place in an informed market, it was in the best interests of Agua's shareholders to make an application to the Takeovers Panel to review the circumstances. On Friday, May 31, 2019, the Panel made a Declaration of Unacceptable Circumstances. On examination of structural links and correspondence, the Panel found that certain persons were associated for the purpose of controlling or influencing the composition of the Agua Board. This included associations amongst some of the following:

- Richard McGrath (founder of Kemosabe Capital Pty Ltd.);
- David Shearwood (until recently, listed as a representative of Kemosabe on the Kemosabe website);
- Peter Curtis (CFO of Lowvix Pty Ltd., a company controlled by David Shearwood);
- Christine McGrath (sister of Richard McGrath);

- David Buckland (an associate of Richard McGrath, David Shearwood and Peter Curtis); and,
- Henderson International Pty Limited,

collectively the “Associated Shareholders”.

The Panel has found that the Associated Shareholders failed to lodge a substantial holder notice disclosing their voting powers and associations (a requirement of the Corporations Act). As such, Aguia shareholders were not made aware that these persons were associates for the purpose of controlling or influencing the composition of the Aguia board ahead of the requisitioned meetings.

The Panel has made orders requiring disclosure by way of a substantial shareholder notice and has accepted an undertaking from Kemosabe that it will write to all of its clients that hold Aguia shares in relation to the requisitioned meetings. The letter from Kemosabe to its clients is required to state the background to Kemosabe’s requisitions and reasons behind the requisitions, that despite any recommendations that Kemosabe might make with regard to the resolutions to be considered at the meetings all voting decisions are ultimately up to the client and that the Panel has required Kemosabe and the other Associated Shareholders to lodge a substantial shareholder notice disclosing these associations.

In November 2017, Aguia entered into a marketing arrangement with Kemosabe to promote Aguia’s stock and extend Aguia’s reach to its existing and prospective Australian investor base in exchange for which Aguia paid Kemosabe a monthly fee. Messrs McGrath and Shearwood have spent an extensive amount of time with Aguia management and travelled to site in Brazil. They have advised Kemosabe clients to participate in Aguia’s private placements as recently as March of this year and to buy Aguia shares on the ASX. Kemosabe was paid commission for the clients’ participation in various Aguia placements. In total, Kemosabe has billed Aguia A\$195,846 in commissions and A\$155,000 in monthly marketing fees.

Aguia’s Executive Chairman Paul Pint commented, “We are satisfied with the decisions of the Panel and agree that it is of utmost importance to all Aguia shareholders to understand the associations between the Requisitioners and certain other shareholders. It is regrettable that this group of shareholders has failed to make the appropriate disclosure prior to this declaration of unacceptable circumstances by the Panel.”

“I was just in Sydney in early April along with our Technical Director Fernando Tallarico. We had the opportunity to meet with numerous Kemosabe clients to provide an update on Aguia’s successes so far this year and we were encouraged by the enthusiastic reception we received. We also spent a great deal of time one-on-one with Messrs McGrath and Shearwood and had the opportunity to speak with Bruce Henderson by phone. None of these individuals mentioned their concerns at that time and in fact seemed to have a very positive outlook about Aguia. We were completely shocked to receive the meeting requisitions seeking to replace the majority of the current Board shortly thereafter. We strongly encourage shareholders to vote against the resolutions that have been proposed by the Requisitioning Shareholders.”

Votes for both meetings can be lodged at www.linkmarketservices.com.au for ASX shareholders and at www.voteproxyonline.com for TSX Venture shareholders.

We greatly appreciate the support of our shareholders during this challenging period and look forward to getting past the current uncertainty to continue building value for shareholders through the advancement of Três Estradas and Rio Grande Copper.

If you have any questions or require assistance lodging your votes, please don't hesitate to contact us at: myagua@aguiaresources.com.au

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Agua Resources Limited, ("Agua") is an ASX and TSX Venture listed company whose primary focus is on the exploration and development of mineral resource projects in Brazil. Agua has an established and highly experienced in-country team based in Belo Horizonte, Brazil with corporate offices in Sydney, Australia. Agua'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. Agua's experienced management team has a proven track record of advancing high quality mining assets to production in Brazil.

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 Três Estradas and Rio Grande Copper, 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 mining claims.

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.aguiaresources.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

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