



17 October 2019

AGUIA AWARDED KEY DEVELOPMENT PERMIT FOR TRÊS ESTRADES PHOSPHATE PROJECT

ENVIRONMENTAL IMPACT ASSESSMENT APPROVED

Sydney, Australia, 17 October 2019 - Aguia Resources Limited ABN 94 128 256 888 (**ASX:AGR**) (**Aguia** or the **Company**) is pleased to announce the granting of the Preliminary License (“**LP**”) for the development of the Três Estrades Phosphate Project in southern Brazil. The LP has been granted after approval of the Environmental Impact Assessment (“**EIA**”) by the Rio Grande do Sul State Environmental Agency (“**FEPAM**”).

The granting of the LP is a key milestone in the mine permitting and development process for the Três Estrades Phosphate Project. The LP is only granted after approval of the EIA by FEPAM and is considered the most challenging mine permit milestone to obtain. FEPAM have been extremely diligent in their review of the technical aspects of the EIA and, in particular, the Aguia community consultation program. It is only through strong support of the project from key stakeholders, including local government and members of the community in the Lavras do Sul region that environmental approval and granting of the LP was achieved.

The LP is considered a major milestone in the development of any mining project in Brazil and represents a substantial de-risking in the path to construction and production. This is the phase of permitting where all of the technical data relating to the environmental impact assessment is presented and the community consultations are completed to provide the social license to proceed to installation and operating permits.

The next phase of development will be obtaining the Installation Permit or “**LI**”. The LI provides the necessary authorisation to initiate construction and start developing the mine site. The LI is granted by fulfillment of the LP conditions, approval of the mine development plan (“**PAE**”) by the National Mining Agency and it demonstrates economic feasibility and approval of an environmental control plan called the Basic Environmental Plan (“**PBA**”). The PBA outlines compensatory measures and pollution control plans, which have been defined in the LP.

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, Aguia will be finalizing the design and plans for the project site, negotiating offtake and sales contracts and, sourcing capital so construction can commence immediately after the LI is granted.

The LI is expected to take up to 12 months to be granted after which construction can commence. Aguia has already commenced the LI process by investigating various mine and processing site options, including investigating different flow sheet scenarios. This will potentially allow a significant reduction in start-up capital, a simpler flow sheet and a faster route to the commencement of production and ultimately cash flow.

By submitting the LI to the National Mining Agency, in accordance with the approved PAE, the company shall obtain the Mining Concession from the Mining and Energy Ministry. The final step shall be the grant of the Operating License (“**LO**”). The LO requires the inspection of the constructed mine

and processing plant to ensure compliance with all Brazilian mining codes, and is granted once all aspects of the approved project design are implemented in accordance with the previously granted LP and LI. Once the LO is granted the Company can commence mining and processing of phosphate from Três Estradas.

After the achievement of such a significant milestone in the development of the Três Estradas Phosphate Project, the Company looks forward to providing further updates as the LI process continues.

Quote by Managing Director – Mr Fernando Tallarico

“I am extremely pleased that on my first day as Managing Director I can report to the Agua Resources shareholders the most significant milestone to date in the development of the Três Estradas Phosphate Project and the Company as a whole. We are very much looking forward to working with the community of Lavras do Sul and government representatives in developing a project that benefits all stakeholders. The granting of the LP allows us to immediately implement all the programs and requirements we have presented in our EIA so we can progress towards granting of our LI in the next 12 months and commence construction”.

Quote by Chairman – Ms. Christina McGrath

“The granting of the LP Permit is a significant and exciting milestone for the Company. No doubt our shareholders who have supported the Company during the EIA and application period will be pleased to know they now have line of sight on the Três Estradas Phosphate Project.”

For more information in relation to Agua Resources, please contact Christina McGrath, Chair at cmcgrath@aguiaresources.com.au or visit's Agua's website at www.aguiaresources.com.au.

About Agua:

Agua Resources Limited, (“Agua”) is an ASX 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 Rio Grande State, Southern Brazil. 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 Australian securities legislation. Forward-looking information includes, without limitation, statements regarding the results of the Mineral Resource Statement, 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 Phosphate Project and Rio Grande Copper 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”. The material factors and assumptions underlying the forward-looking information of the Mineral Resource Statement results have been outlined above and will be detailed in the associated technical report.

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 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 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.