



29 November 2019

AGUIA RESOURCES LIMITED

ASX Market Announcements
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

CHAIR'S ADDRESS – ANNUAL GENERAL MEETING

I would like to commence this address by thanking our many loyal shareholders for their long standing support.

As I am sure you are aware there have been a number of changes to the composition of the Aguia Board this year. One of the Board's key objectives was to reduce corporate overheads. As a result of the Review undertaken on our appointment we have made significant changes to the corporate cost structure. We closed the Canadian office and delisted from the TSX. Legacy and transitional costs have been taken care of over the September and current quarters. We anticipate ongoing reductions to corporate overheads. The company's Australian statutory compliance requirements are met by outsourced professional advisors. There is also an urgent imperative to upgrade our website and improve our investor relations efforts. The plans are in place and work has already commenced. We do not intend to maintain an office in Sydney.

The company's Brazilian operations have been managed by Dr Fernando Tallarico for the past 10 years. We were delighted when he accepted the position of Managing Director. It was a logical step and a natural fit. With his vast experience as an exploration and economic geologist he continues to provide stability and a steady hand to both the copper exploration efforts and the pre-production of phosphate assets. Fernando has a strong team, many of whom have remained with him at Aguia since he joined, and, as geologists are genuinely enthusiastic by success of their work to date.

With respect to Governance we have reviewed key policies and are in the process of replacing them in order to comply with recent changes to ASX Corporate Governance Guidelines, as appropriate. The Board has established an Audit and Risk Committee and appointed Jonathan Guinness as Chairman. Jonathan is an independent Non-executive Director.

Phosphate pre-production

Aguia has owned phosphate reserves in Brazil in excess of 100mt for some years now and I'm sure you are aware that we recently obtained the first approval in the permitting process for phosphate production. We are pleased to be able to report that we have now moved from phosphate exploration to the pre-production phase with our Tres Estrada asset.

We have already indicated to the market that we are in the process of completing the engineering analysis necessary to move from the BFS project to a Direct Application Natural Fertiliser (DANF) project. Why? Because it's a relatively simple straight forward project with significantly lower capital and operating costs and a much higher projected margin than the previous development plan. We

expect to report the outcome of our engineering analysis and independent review to the market in January.

The DANF product is essentially a natural phosphate product. It is not chemically altered in any way. We expect to apply for organic product certification and to obtain it by the proposed start of phosphate production in the first quarter of 2021.

Our phosphate asset is located in Rio Grande do Sul– a state approximately the size of France in the southernmost part of Brazil with a population of approximately 10 million. There are no competitors in the natural phosphate space. The chemical analysis of our natural phosphate indicates that it is a high quality source of phosphate nutrients and is highly soluble. It also contains both calcium and magnesium.

In terms of its effectiveness we believe that it can compete successfully with the chemically treated phosphate product imported into the local market from Morocco. Our initial analysis indicates that it will also be cheaper than imported product. This makes it very attractive to Brazilian farmers who like farmers the world over operate with tight margins. It also potentially provides the farmers with the opportunity to sell organic products at a premium, not only locally, but also into the markets of North America and Europe. In addition there is the potential to maintain a loyal customer base because once farmers switch to organic farming they rarely go back. We believe the financial metrics will be compelling for them. It is important to note that Agua owns all of the known natural phosphate reserves in Rio Grande Du Sol.

We are also undertaking agricultural trials with an accredited agency in order demonstrate the reliability of the natural phosphate product in time for the proposed commencement of production 1st quarter 2021.

In addition, we have hired a General Manager of Phosphate who has operationalised a natural fertiliser product successfully in other markets in central Brazil. Subject to the outcome of independent analysis we intend to hire an agronomist at the earliest opportunity to analyse the marketing opportunities for the product to agricultural co-operatives and/or directly to corporate and individual farmers within a 300 kilometre radius of the plant. Opportunities exist to sell into Uruguay, Paraguay and Argentina. The plant will be situated near Lavros a town located in farmland about a 4 hour drive from the capital.

Linking the Phosphate and Copper Strategies

Cash flow from phosphate production can clearly be directed towards copper drilling. It can also provide dividend payments whilst drilling continues over our extensive copper tenements.

Either way we think two assets are better than one and we have the skills in Brazil to manage both commodities. The recent appointment of our General Manager of Phosphate brings great strength to the project as he has direct and recent experience in operationalising and marketing a very similar and successful project in central Brazil.

Copper

In the past few years we have managed to amass 1300 sq km of copper tenements in the vicinity of these phosphate assets using low cost exploration techniques. The region is known as the Rio Grande Copper belt – which measures about 100 kilometres by 60.

We have good infrastructure as there is a town of 35,000 people nearby.

The famous but now defunct Camaqua copper mine is also located in this region which indicates the resource rich terrain we are exploring in. Nexa, the exploration branch of the second largest Brazilian mining group after Vale, is now undertaking exploration in this area. There was a gold rush there in the 19th century but the area remained dormant to geological exploration until in the last few years when our now Managing Director, Dr Fernando Tallarico began to quietly fossick around there - largely unnoticed.

Since that time we have identified 7 copper satellites in the region using low cost means as we have slowly built our copper asset base. Andrade is the primary target but we have not had the cash to drill

it. They say that drilling is the truth in mining. Our strategy is to successfully drill Andrade. We have a detailed drilling plan in place ready to drill Andrade subject to capital raising.

Andrade is a JORC Resource with an inferred 10.8 Mt of copper and an average grade of 0.567% copper. We are confident that it will be significantly increased in the first half of 2020.

The Board is hopeful of raising funds over the short to medium term to put the company on a solid financial foundation in order to unlock the value of our considerable assets.

Our key objectives over the next two quarters are to successfully drill Andrade and to fund phosphate pre-production.

I wish to thank you all most sincerely for your continuing support of the company.

It gives me great pleasure to now introduce our Managing Director Dr Fernando Tallarico.

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This document includes information, statements, beliefs and opinions which are forward-looking, and which reflect current estimates, expectations and projections about future events. Statements containing the words "believe", "expect", "intend", "should", "seek", "anticipate", "will", "positioned", "project", "risk", "plan", "may", "estimate" or, in each case, their negative and words of similar meaning are intended to identify forward-looking information. By its nature, forward-looking information involves a number of known and unknown risks, uncertainties and assumptions concerning, among other things, the Company's anticipated business strategies, anticipated trends in the Company's business, that could cause actual results or events to differ materially from those expressed or implied by the forward-looking information. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. In addition, even if the outcome and financial effects of the plans and events described herein are consistent with the forward-looking information contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. There may be factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking information contained in this document is based on the Company's current estimates, expectations and projections, which the Company believes are reasonable as of the current date. The Company can give no assurance that these estimates, expectations and projections will prove to have been correct. You should not place undue reliance on forward-looking information, which is based on the information available as of the date of this document. Forward-looking information contained in this document is made of the date of this document and, expect as require by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances. Although the company believes that its expectations reflected in the forward-looking statements are reasonable, such statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or mining which may be beyond the control of the Company which could cause actual results or trends to differ materially and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward-looking statements include but not limited to price fluctuations, exploration results, reserve and resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, dependence on key personnel, share price volatility, approvals and cost estimates, the potential that the Company's projects may experience technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by the Company or disclosed in the Company's published material. The Company makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

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The Mineral Resource estimate was prepared in accordance with the standards set out in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)'. The JORC Code is the accepted reporting standard for the Australian Stock Exchange Limited ("ASX"). The information in this report 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.

The scientific and technical information contained in this presentation pertaining to the Mineral Resource estimate on the Andrade copper deposit has been reviewed and approved by Mr. John Makin, MAIG, a Senior Geologist at Roscoe Postle Associates Inc. Mr. Makin qualifies as a Competent Person as defined in the JORC Code and a Qualified Person as defined by NI 43-101. He is independent of the Company at the time of this report. The results of the Mineral Resource Statement were described in greater detail in the NI43-101 compliant technical report subsequently filed on SEDAR in accordance with applicable securities laws.

For more information in relation to Agua Resources, please contact Stephen Ross, Director at sross@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.