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

UPDATE ON THE INSTALLATION LICENSE (LI) FOR TRÊS ESTRADAS PHOSPHATE PROJECT

Sydney, Australia, - Aguia Resources Limited ABN 94 128 256 888 (ASX:AGR) (**Aguia** or the **Company**) is pleased to update shareholders on the permitting program for the Três Estradas Phosphate Project.

Following the granting of the Preliminary License (LP) on 17 October 2019 ([click here to read the announcement](#)), Aguia immediately commenced the next stage of permitting which is the granting of the Installation License (LI). The LI is the permit that authorizes the construction of the project according to detailed plans and specifications, including the programs and control measures detailed in the LP.

The LI is the only major outstanding permit required to commence construction. Once the Company receives the LI from Rio Grande do Sul State Environmental Agency (FEPAM), earthworks, civil works and installation of the processing unit can begin. The Operation License (LO) is granted once FEPAM confirms that the site installation was completed strictly within the guidelines detailed in the LI.

Next Steps in the Environmental Permitting

To complete all the requirements for the granting of the LI, Aguia's team is actively progressing four key initiatives which are also shown in the timeline below (Figure 1):

- 1. Environmental Plans and Programs:** Work continued on the archaeological survey during March 2020. As well, a number of well-respected consultants specializing in environmental permitting have been short-listed to implement the mandatory environmental programs and prepare environmental plans for the LI. This includes general environmental management and environmental risk management programs, safety protocols, the environment and health program, environmental monitoring, the environmental audit and compensation plan, and the construction and mine closure plan. These are scheduled for filing in **Q4 2020**.
- 2. Engineering:** Preparation of the detailed engineering plans for Phase 1 of the Phosphate Project is advancing. These include detailed construction plans and descriptive memorials in accordance with the LP conditions. This work is mandatory for the granting of the LI and should be presented to FEPAM in **Q3 2020**. This application will be made following the optimization and design, mine scheduling and processing plant designs presented in the Scoping Study, that was prepared by GE21

Consultoria Mineral Ltda (GE21). See ASX release of 12 February 2020 ([click here to read the announcement](#)).

3. **National Mining Agency:** Under Brazilian Mining Law, an Economic Assessment Plan (PAE) must be filed with the Brazilian Mining Agency (ANM) as part of the Mining Permitting Application process. The PAE should demonstrate both the economic viability of the project as well as the Company’s financial capacity to implement it. The PAE approval from ANM is mandatory for the issuing of the LI. The completion of the PAE is dependent on the approval of Final Exploration Report (RFP) for the mineral covering the Três Estradas Phosphate Project (TEPP). Agua expects to receive RFP approval in **Q3 2020**, file the PAE with ANM in **Q4 2020** and receive ANM approval **Q1 2021**.
4. **Land Acquisition:** Proof of ownership or possession of the land properties that cover the mine site is required for the granting of the LI. Agua must present all the supporting documentation of land negotiations for the area planned for the project, together with the mapping of all areas already acquired or leased for a time equal to or greater than the expected duration of the project. The acquired or leased properties must be characterized in accordance with the requirements described in the land acquisition program of the Environmental Impact Assessment (EIA).

Agua has already completed a detailed evaluation of all properties covering the project and the report includes a valuation of all properties in the project area completed by Vaz de Melo Consultoria Ltda, a well-regarded independent property valuer in the Brazilian mining sector. Agua intends to hire a specialized land acquisition realtor to mediate the negotiations with the landowners. All the preparation activities and purchase agreements are planned to be completed by **Q4 2020**, with the final payment and acquisition of the properties expected to take place in **Q1 2021**.

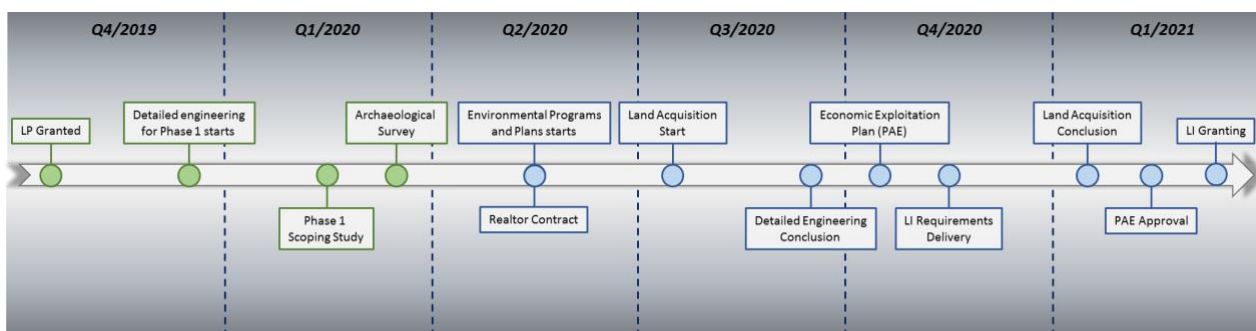


Figure 1 – Planned timeline of activities for the granting of the LI.

Approvals from ANM and FEPAM

The company understands and makes it clear to all shareholders that some milestones presented in the timeline above depend on approval from government agencies such as ANM and/or FEPAM which could influence the timing of key milestones. As well, the Company has not fully assessed delays caused by the COVID-19 pandemic.

Management Commentary

Managing Director Dr. Fernando Tallarico said: “By delivering all the mandatory programs and plans to the Rio Grande do Sul Environmental Agency during the course of 2020 we expect to be granted the LI in the first quarter of 2021 so that we can commence construction at that time. We are making excellent progress, support from the local community and relevant local authorities has been most encouraging with all wanting to see Agua emerge as a strong, local phosphate producer that contributes to the growth and development of our agribusiness sector.

AUTHORISED FOR ISSUE TO ASX BY FERNANDO TALLARICO, MANAGING DIRECTOR OF AGUIA RESOURCES LIMITED

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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 including copper and phosphate. Agua has an established and highly experienced in-country team based in Rio Grande State, Southern Brazil. Agua has multiple copper targets. Agua is also in the pre-production stage of a low-cost natural phosphate fertiliser project which is expected to be operational in early 2022.

JORC Code Competent Person Statements:

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.

Caution regarding 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 next steps for the project, timetable for development, production forecast, mineral resource estimate, exploration program, permit approvals, timetable and budget, property prospectivity, and the future financial or operating performance of the Company. 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, but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of current exploration activities; other risks of the mining industry and the risks described in the Company's public disclosure. 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. There can be no assurance that such

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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 does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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