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

UPDATE ON ENVIRONMENTAL PERMITTING FOR THE TRÊS ESTRADAS PHOSPHATE PROJECT

Sydney, Australia, - Aguia Resources Limited ABN 94 128 256 888 (ASX:AGR) (**'Aguia'** or the **'Company'**) is pleased to provide an update on the environmental permitting for its Três Estradas Phosphate Project (**'TEPP'**) located in the State of Rio Grande do Sul (**'RS'**) in Southern Brazil.

Environmental permitting is a key requirement for the granting of the Installation License (**'LI'**) which is the major permit required to commence the project's construction.

With the decision to produce a Direct Application Natural Fertilizer in the project's Phase 1 as announced on 12 February 2020 ([click here to read the announcement](#)), which delivers a ~77% reduction in the environmental footprint of the project compared to the initial design, Aguia was able to substantially reduce, and in some cases eliminate, potential environmental risks. Thus, the simplifications to the project correlate with a reduced timeframe in the LI permitting process.

In order to satisfy the requirements for LI granting, the company recently engaged Golder Associates, a world-renowned environmental services company, to conduct the major work on the mandatory environmental programs and to elaborate the Basic Environmental Plan (**'PBA'**). The environmental programs include the following main lines of activities: (1) General environmental management and environmental risk management, (2) Safety, (3) Environment and health and (4) Environmental monitoring. The PBA outlines compensatory measures and hazard control plans.

Aguia is advancing the preparation of the detailed engineering plans for Phase 1 of the TEPP, which includes detailed executive projects with construction plans and descriptive memorials, in accordance with the LI requirements. Aguia expects to file all requirements with the State Environmental Agency (**'FEPAM'**) by early Q4 2020.

In addition, the company is progressing with the preparation of the Economic Assessment Plan (**'PAE'**) that is expected to be filed with the Brazilian Mining Agency (**'ANM'**) by the end of Q3 2020. PAE approval is mandatory for the issuing of the LI.

Agua reminds shareholders that some milestones, which depend on approval from government agencies such as ANM, FEPAM and others, are uncertain as management does not have any control over the governmental institutions and can neither anticipate with certainty, the timing or the outcome of their decisions. Notwithstanding, dialogue with government continues to be regular, engaging, and indeed positive.

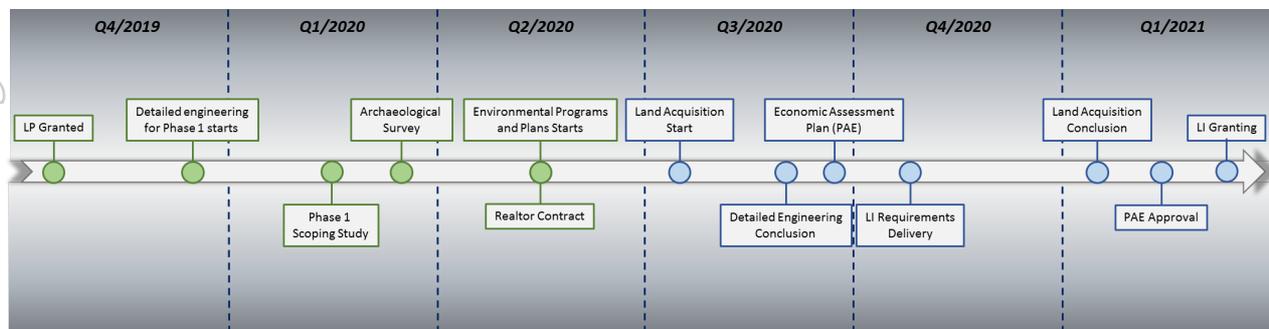


Figure 1 – Planned timeline of activities for the granting of the LI.

Management Commentary

Managing Director Dr. Fernando Tallarico said:

“Following delivery of all the mandatory programs and plans to FEPAM, we expect to receive the LI by early 2021 and commence construction of the Três Estradas Phosphate Project shortly thereafter.”

“Our team is well engaged to complete all tasks to fulfill the regulatory requirements and has deep experience in managing and executing such programs and requirements. The granting of the LI is the major milestone on which we are now focused, as it will allow us to commence the construction of our phosphate mine and processing plant and move the Company forward into cash flow.”

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 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.