



1 August 2017

PROGRESS UPDATE ON THE TRÊS ESTRADAS BANKABLE FEASIBILITY STUDY

Highlights:

- **14,000 metre infill drilling program now complete**
- **Updated mineral resource incorporating new drill results targeted for release at end of August**
- **Pilot Plant testing has produced phosphate concentrates grading up to 34% P₂O₅**
- **Comminution test work at Metso underway to test the optimization of the oxide circuit with further CAPEX savings expected**
- **Revised layout of mine site significantly reduces project footprint including smaller water reservoir, tailings dam and waste piles**
- **Revision to mine plan well received by State environmental agency**
- **BFS just over 50% complete and permitting progressing well**

SYDNEY, AUSTRALIA August 1, 2017 – Brazilian fertilizer developer Agua Resources Limited (ASX: AGR, TSXV:AGRL) (“Agua” or the “Company” - <https://www.youtube.com/watch?v=pboHnYq8g98&t=29s>) is pleased to update shareholders on the recent progress of the Bankable Feasibility Study (BFS) for the Três Estradas Phosphate Project in southern Brazil. The BFS is currently just over 50% completed with most of the Definition Phase work completed including: drilling, sampling, metallurgical test work and tradeoff studies.

14,000 metre infill drilling program complete

The drilling program, which was originally planned for 9,000 metres, was increased to more than 14,000 metres, including 61 diamond drill holes (9,708 metres), and another 90 reverse circulation holes, (4,496 metres) due to increasing deposit size. The main objective of the program was to infill and convert Inferred Resource to Measured and Indicated Resources in support of the BFS. A new mineralised zone was discovered along the southeast portion of the deposit which will likely lead to a positive revision of the final mine plan. This new zone, extends over 700 metres along strike and adds shallow mineralization to the deposit, from surface to a depth of 100 metres. This would improve mining costs and reduce the strip ratio. A final audited mineral resource model is expected by the end

of August, with the new mining schedule to be delivered shortly thereafter. The program also included hydrogeological testing and geotechnical drilling as well as significant sampling to support the test work programs that followed.

Pilot Plant test results

The Pilot Plant testing of a column flotation circuit at Eriez in Pennsylvania is nearing completion, having produced phosphate concentrates grading up to 34% P₂O₅. Aguia's technical team is very pleased with these initial results and considers this an excellent outcome. Comminution testing is underway at Metso to optimize the oxide process circuit, including the possibility of greatly simplifying the circuit which could reduce Capex. Final results of this work will be announced to the market upon completion.

Mine site revision

Following up on the previously announced phased project approach (see press release issued June 13, 2017), the mine site has been completely revised, supported by systematic geotechnical drilling and modeling by Walm. Recirculation of process water, and other engineering improvements allow for the water reservoir to be reduced 74%, the tailings dam to be reduced 56% and the waste piles to be reduced 38%. This significant reduction of the project footprint triggers a requirement for a revision and update to the EIA, which has been submitted and was very well received by FEPAM, the State environmental agency. The reduction of the footprint will contribute to substantial capital savings during construction.

Management commentary

Technical Director Dr. Fernando Tallarico commented "We are very satisfied with the progress of the BFS. The expanded drilling program resulted in a slight revision to the schedule, however given the delay was due to the important discovery of the new zone of high grade oxide mineralisation, the result is an even more robust project. The engineering trade-off studies will likely result in important capital savings during construction and a much smaller site footprint is better for the local environment and will have a positive impact on operating costs."

Managing Director Justin Reid added, "Following an intensive planning session with our technical team in Brazil, it is evident that considerable value has been added to Três Estradas and the team are to again be commended for their efforts. The project is shaping up as one that is important for Brazil's agribusiness sector.

In just 24 months, we have taken a 24M tonne inferred resource with no engineering or financial framework to BFS and permitting stage. We are now just over halfway through our feasibility, permitting is proceeding well, we are well capitalised and have a clear pathway forward. The project is developing efficiently and we will update shareholders with some significant results and key developments over the coming months that have the potential to add significant value to Três Estradas.

I am also pleased to see trading begin on the TSXV. We welcome a number of new shareholders to our register all of whom participated in our recent, oversubscribed equity offering, and we expect new investor interest to intensify in September upon release of our updated mineral resource, and after North American summer holidays."

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About Aguia:

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

Other Information

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release and has in no way passed upon the merits of the Transaction and has neither approved nor disapproved of the contents of this press release.

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This press release contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such 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: (i) volatile stock price; (ii) the general global markets and economic conditions; (iii) the possibility of write-downs and impairments; (iv) the risk associated with exploration, development and operations of mineral deposits; (v) the risk associated with establishing title to mineral properties and assets; (vi) the risks associated with entering into joint ventures; (vii) fluctuations in commodity prices; (viii) the risks associated with uninsurable risks arising during the course of exploration, development and production; (ix) competition faced by the resulting issuer in securing experienced personnel and financing; (x) access to adequate infrastructure to support mining, processing, development and exploration activities; (xi) the risks associated with changes in the mining regulatory regime governing the resulting issuer; (xii) the risks associated with the various environmental regulations the resulting issuer is subject to; (xiii) risks related to regulatory and permitting delays; (xiv) risks related to potential conflicts of interest; (xv) the reliance on key personnel; (xvi) liquidity risks; (xvii) the risk of potential dilution through the issue of resulting issuer common shares; (xviii) the resulting issuer does not anticipate declaring dividends in the near term; (xix) the risk of litigation; and (xx) risk management.

Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, no material adverse change in metal prices, exploration and development plans proceeding in accordance with plans and such plans achieving their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although the Company have attempted to identify important factors that could cause

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