



8 November 2017

AGUIA RAMPS UP EXPLORATION OF TARGETS SURROUNDING TRÊS ESTRADAS

Highlights:

- **Agua is evaluating exploration targets adjacent to Três Estradas that exhibit similar geophysical signatures**
- **Santa Clara target, only 4km from Três Estradas has outcropping carbonatite that has returned up to 6.38% P₂O₅ in rock grab samples**
- **Porteira has returned assays of up to 14.57% P₂O₅ and Santa Ines 16.32% P₂O₅**
- **Historical data for the Mato Grande carbonatite has reported up to 8.38% P₂O₅ in carbonatite samples**
- **Exploration targets have the potential to significantly add to Três Estradas' already long project life**

SYDNEY, AUSTRALIA, November 8th, 2017 - Brazilian fertiliser developer Agua Resources Limited (ASX:AGR, TSXV:AGRL) ("Agua" or the "Company") is pleased to update shareholders on its regional exploration activities on properties in close proximity to its flagship Três Estradas project site in Rio Grande do Sul, Brazil.

With the updated resource delineation drilling of the Três Estradas Mineral Resource now complete (see release September 20th, 2017), Agua has resumed exploration of neighbouring properties. The aim is to identify additional oxidized carbonatite sources that could ultimately contribute to the Três Estradas Project. Based on regional mapping and airborne geophysical data, Agua has identified a number of exploration targets surrounding the Três Estradas and Joca Tavares carbonatites (Figure 1).

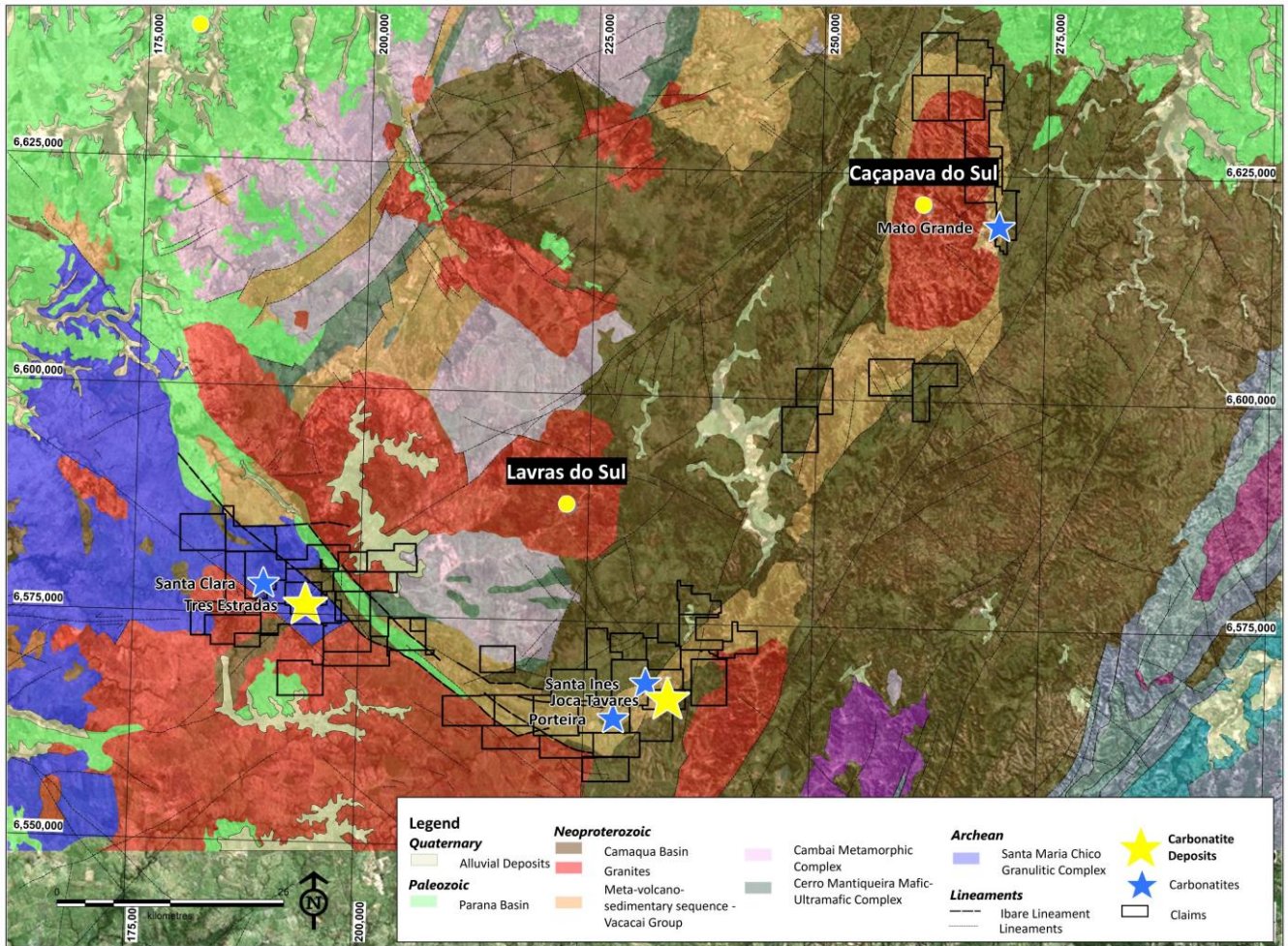


Figure 1. Regional geological map of the Rio Grande project, highlighting the Três Estradas and Joca Tavares carbonatites and the exploration targets that the Company is currently exploring: Santa Clara, Mato Grande, Porteira and Santa Inês.

Santa Clara is a priority target for Agua as it is located only 4 km from Três Estradas, thus having the potential to add oxidized material to the Três Estradas operation with minimal transport cost. The target was identified using airborne magnetic and radiometric signatures that closely resemble Três Estradas (Figure 2). Initial scouting along this NE-trending, 2.2 km long and 900 m wide target has identified outcropping, mineralized carbonatite that has returned up to 6.38% P_2O_5 in rock grab samples. Further sampling and mapping are planned followed by drilling.

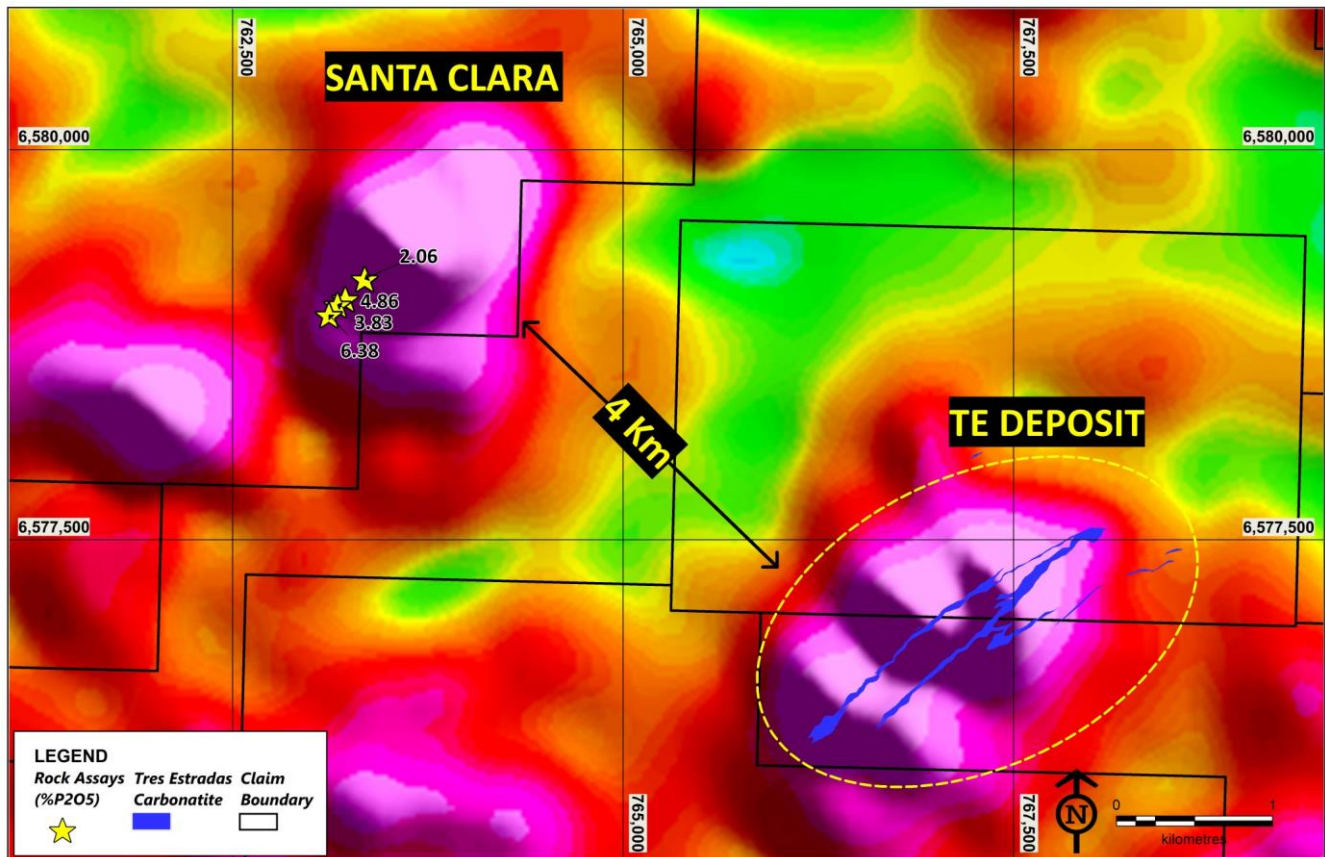


Figure 2. Airborne magnetics of the Santa Clara target highlighting rock samples grading up to 6.38% P_2O_5 . This target sits 4 km northwest from Três Estradas.

Porteira and Santa Ines are adjacent to the Joca Tavares carbonatite and were identified using airborne geophysics (Figure 3). Both targets are associated with discrete magnetic anomalies, and ground follow up analysis has identified a series of breccias, carbonatites and altered host sedimentary rocks that returned assays of up to 14.57% P_2O_5 in Porteira and 16.32% in Santa Ines. The Porteira target is approximately 2 km long by 600 m wide, and Santa Ines is approximately 3.8 km long by 800 m wide. Further prospecting, rock and soil sampling followed by auger and RC drilling is planned.

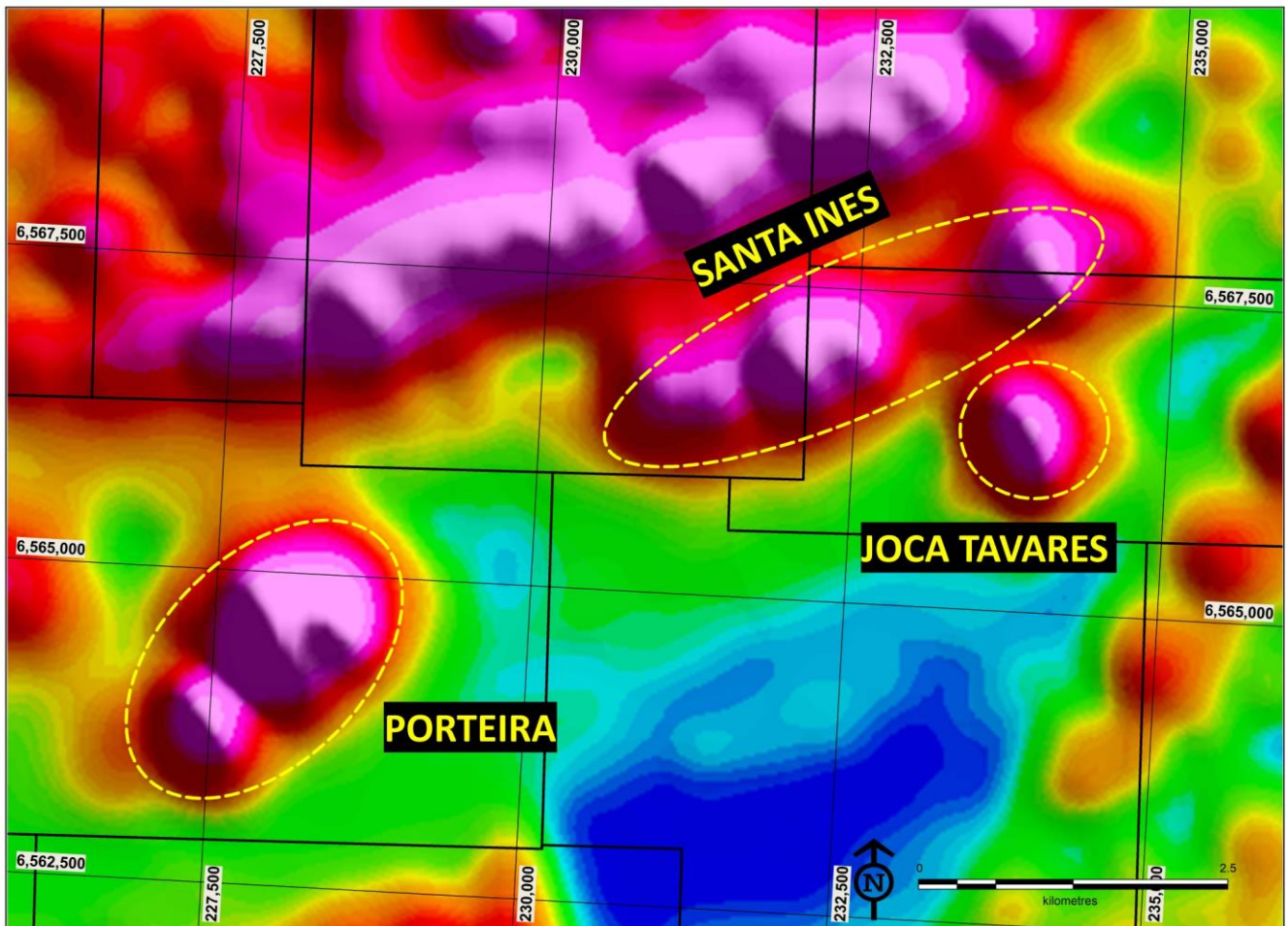


Figure 3. Airborne magnetics of the Santa Ines and Porteira targets, which are adjacent to the Joca Tavares carbonatite.

Mato Grande (see Figure 1) is a 700 m long by 200 m wide carbonatite target located northeast of Três Estradas and close to the city of Caçapava. The Company is currently completing an auger drilling program along this carbonatite and assay results are pending. Historical data on this carbonatite have reported up to 8.38% P₂O₅ in carbonatite samples.

Commentary

Technical Director Fernando Tallarico commented: “With the successful completion of the drilling program at Três Estradas in support of the ongoing bankable feasibility study, we are now resuming the regional exploration program in Rio Grande. Santa Clara is the priority target due to its proximity to Três Estradas and its compelling geology. All of these targets have the potential to contribute additional high grade oxidized material which could extend the initial phase of the Tres Estradas project.”

Managing Director Justin Reid added: “The results from drilling at Três Estradas were better than anticipated and resulted in a very high rate of conversion of Inferred Resources to Measured and Indicated. While our engineering team focuses on optimizing the mine plan for Três Estradas, we are sending our geologists back into the field to look for expansion opportunities on the surrounding properties. We are very excited about the carbonatite outcroppings encountered which lead us to believe that there is more phosrock to be found that could all feed into Três Estradas and add value to the project for many years to come.

It is also important to note that this exploration focus does not change our development timeline for Três Estradas which is on track as our main priority.”

Table 1. Regional exploration results on rock sampling.

TARGET	Sample_ID	UTM_E	UTM_N	Sample Type	Lithology	P2O5%	CaO%	Al2O3%	Fe2O3%	MgO%	SiO2%	CaO/P2O5
Santa Clara	55897	763116	6578942	Rock	Weathered Carbonatite	6,38	9,11	8,91	12,10	2,36	40,90	1,43
Santa Clara	55894	763221	6579044	Rock	Carbonatite	4,86	47,10	0,42	4,82	2,74	3,17	9,70
Santa Clara	55895	763171	6579008	Rock	Carbonatite	3,83	48,80	0,52	3,70	2,57	2,79	12,75
TARGET	Sample_ID	UTM_E	UTM_N	Sample Type	Litho	P2O5%	CaO%	Al2O3%	Fe2O3%	MgO%	SiO2%	CaO/P2O5
Porteira	62658	228612	6564885	Rock	Weathered Carbonatite	14,57	28,20	4,52	10,30	4,91	21,60	1,94
Porteira	62536	228303	6564574	Rock	Weathered Carbonatite	11,00	14,05	2,74	15,11	0,85	47,70	1,28
Porteira	62660	227937	6564946	Rock	Lithic Sandstone	10,03	10,20	5,90	18,80	<0.1	46,80	1,02
Porteira	62550	228559	6564782	Rock	Carbonatite	7,28	7,23	4,04	13,20	0,29	57,10	0,99
Porteira	62554	228847	6565560	Rock	Lithic Sandstone	6,74	6,50	3,69	20,20	0,18	54,10	0,97
Porteira	62657	228592	6564830	Rock	Carbonatite	6,56	7,37	4,87	9,90	0,33	62,50	1,12
Porteira	62534	228584	6564813	Rock	Carbonatite	6,50	26,10	2,01	7,02	6,32	28,80	4,02
Porteira	62553	228815	6565640	Rock	Lithic Sandstone	5,44	5,35	4,99	12,10	<0.1	67,20	0,98
Porteira	56598	227382	6564476	Rock	Lithic Sandstone	5,44	5,71	4,81	10,10	0,21	68,10	1,05
Porteira	62549	228324	6564556	Rock	Lithic Sandstone	5,20	6,50	0,54	10,90	<0.1	74,10	1,25
TARGET	Sample_ID	UTM_E	UTM_N	Sample Type	Litho	P2O5%	CaO%	Al2O3%	Fe2O3%	MgO%	SiO2%	CaO/P2O5
Santa Ines	62694	232237	6566898	Rock	Siltstone	20,534	21,9	8,2	16,3	0,48	23,6	1,07
Santa Ines	62204	231648	6566541	Rock	Siltstone	20,198	26,7	6,78	4,93	0,55	35,5	1,32
Santa Ines	62203	231633	6566547	Rock	Siltstone	16,324	20,5	7,56	10,9	0,61	37,9	1,26
Santa Ines	74547	234252	6567697	Rock	Siltstone	15,51	20,6	8,48	10,8	1,4	36,3	1,33
Santa Ines	82980	231006	6566546	Rock	Carbonatite	13,985	20,1	3,41	32,6	3,22	16,3	1,44
Santa Ines	82984	230940	6566536	Rock	Carbonatite	13,664	18,1	5,72	28,8	4,29	19	1,32
Santa Ines	74576	233392	6567390	Rock	Siltstone	13,59	18,1	8,38	15,3	2,04	37,8	1,33
Santa Ines	62189	231638	6566885	Rock	Sandstone	13,511	17,5	3,06	8,17	0,32	53	1,30
Santa Ines	62170	232002	6567150	Rock	Sandstone	13,278	16,4	4,24	6,48	0,3	54,7	1,24
Santa Ines	62843	232240	6566890	Rock	Siltstone	13,248	14	5,65	23,1	0,41	34	1,06
Santa Ines	62213	231210	6566463	Rock	Siltstone	13,096	16,7	10,5	9,95	1,27	43	1,28
Santa Ines	62190	231595	6566846	Rock	Sandstone	13,037	15,3	3,36	9,7	0,18	53,4	1,17
Santa Ines	62703	232474	6567096	Rock	Carbonatite	12,874	15,4	3,85	32,1	0,8	22,1	1,20
Santa Ines	62712	233090	6567594	Rock	Sandstone	12,289	3,63	4,31	20,7	<0,1	50,4	0,30
Santa Ines	74556	233677	6567282	Rock	Siltstone	12,067	16,3	7,67	15,9	1,97	39,4	1,35
Santa Ines	62711	232622	6567259	Rock	Carbonatite	11,99	14,6	3,44	26,9	0,95	30,8	1,22
Santa Ines	74542	234627	6567938	Rock	Siltstone	11,072	12,3	4,61	23,3	0,35	41	1,11
Santa Ines	62193	231512	6566826	Rock	Sandstone	10,918	13	4,99	8,4	0,41	57,1	1,19
Santa Ines	82966	231253	6566686	Rock	Carbonatite	10,623	32,4	0,99	3,46	6,95	18,7	3,05
Santa Ines	82975	231380	6566751	Rock	Sandstone	10,424	13,4	4,05	9	0,29	57,7	1,29
Santa Ines	74559	233624	6567373	Rock	Siltstone	10,258	12,2	7,09	34,6	1,38	24,7	1,19
Santa Ines	74562	233865	6567398	Rock	Siltstone	10	12,3	11,5	16	1,79	40,8	1,23
TARGET	Sample_ID*	Drillhole#	Depth	Sample Type	Litho	P2O5%	CaO%	Al2O3%	Fe2O3%	MgO%	SiO2%	CaO/P2O5
Mato	TA2	2	234,70	Core	Carbonatite	2,68	33,00	0,13	2,40	17,50	0,71	12,31

Grande													
Mato													
Grande	TA3	2	235,10	Core	Carbonatite	5,58	34,70	0,15	3,33	14,50	2,01	6,22	
Mato													
Grande	TA9	4	45,00	Core	Carbonatite	2,00	31,80	0,23	2,64	17,15	0,79	15,90	
Mato													
Grande	TA19	5	52,35	Core	Carbonatite	4,71	41,50	0,27	2,55	9,59	1,88	8,81	
Mato													
Grande	TA20	5	54,25	Core	Carbonatite	8,38	36,90	0,61	3,32	10,70	6,71	4,40	
Mato													
Grande	TA1	2	199,80	Core	Amphibolite	2,72	47,90	1,26	4,02	2,38	4,45	17,61	
Mato													
Grande	TA5	2	237,20	Core	Amphibolite	5,31	46,90	0,15	2,30	5,50	1,44	8,83	
Mato													
Grande	TA8	2	239,40	Core	Amphibolite	3,17	38,70	3,16	6,07	5,80	9,26	12,21	
Mato													
Grande	TA9-10	4	45,05	Core	Amphibolite	4,46	50,30	0,26	2,70	2,40	0,83	11,28	
Mato													
Grande	TA11-12	4	45,30	Core	Amphibolite	1,67	52,40	0,18	0,53	1,90	0,77	31,38	

*Cerva-Alves *et al.* Integrated Field, mineralogical and Geochemical characteristics of Caçapava do Sul alvikite and berfosite intrusions. A new Ediacaran carbonatite complex in southernmost Brazil. *Ore Geology Reviews*, 2017.

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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 phosphate projects in Brazil. Agua has an established and highly experienced in-country team based in Belo Horizonte, Brazil with corporate offices in Sydney, Australia. 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.

The information in this announcement 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.

RIO GRANDE REGIONAL EXPLORATION - JORC Table 1

Section 1: Sampling Techniques and Data

Sampling Techniques	Rock samples, from outcropping rock, were collected. Geological mapping and grab sampling was performed over the carbonatite bodies along airborne geophysical anomalies.
	76 rock samples were collected within the DNPM 810.702/2011 area, 31 rock samples were collected within the DNPM 810.799/2012 area. 140 rock samples were collected within the DNPM 810.996/2010 area and 4 samples were collected within DNPM 811.188/2011 area. These samples were sent to the SGS Laboratory in Vespasiano, Brazil for preparation and assaying.
	Sample location are picked up using hand-held GPS, according to the local UTM coordinate system (SAD 69, Zone 21S and SAD 69, Zone 22S). Sampling was carried out using comprehensive Agua protocols and QAQC procedures as per industry best practice.
	Rock samples were sent to SGS laboratories and analysed using method XRF79C_10 – Lithium tetra borate fusion. Elements assayed for include SiO ₂ , Al ₂ O ₃ , Fe ₂ O ₃ , CaO, MgO, TiO ₂ , P ₂ O ₅ , Na ₂ O, K ₂ O, MnO and LOI

Drilling Techniques	Not applicable.
	Not applicable.
	Not applicable.
Drill Sample Recovery	Not applicable.
	Not applicable.
	Not applicable.
Logging	Not applicable.
	Not applicable.
	Not applicable.
Sub-Sampling Techniques and Sample Preparation	Not applicable.
	Not applicable.
	Not applicable.
	Not applicable.
	Not applicable.
	Not applicable.

Section 1: Sampling Techniques and Data

Quality of Assay Data and Laboratory tests	The XRF method used is industry standard and considered appropriate for the analysis of apatite-hosted phosphate mineralisation.
	Sample preparation was completed at SGS Vespasiano's laboratory in Brazil using standard crushing and pulverization techniques; sample analysis was carried out by SGS at the same facility in Vespasiano, MG, Brazil.
	The prepared pulps were fused with lithium metaborate and analyzed by XRF spectroscopy for major oxide elements (P ₂ O ₅ , Al ₂ O ₃ , CaO, Fe ₂ O ₃ , K ₂ O, MgO, MnO ₂ , SiO ₂ , and TiO ₂ . Method code XRF79C and PHY01E).
	The preparation and analytical procedures are appropriate for the type of mineralization sampled and are reliable to deliver the total content of the analyzed compounds.

	<u>Not applicable.</u>
Quality of Assay Data and Laboratory Tests	<i>Not applicable.</i>
Verification of Sampling and Assaying	<i>Not applicable.</i>
	<i>Not applicable.</i>
	<i>Not applicable.</i>
	<i>Not applicable.</i>
Location of Data Points	Rock samples were surveyed according to the local UTM coordinate system (South American Datum 1969 – SAD69, Zone 22S and Zone 21S), using hand held GPS equipment.
	UTM system (Zone 21S), South American Datum 1969 and UTM system (Zone 22S), South American Datum 1969
	<i>Not applicable.</i>
Data Spacing and Distribution	Randomly spaced rock samples were collected from within the DNPM 810.796/2012 and DNPM 810.797/2012 areas.
	<i>Not applicable.</i>
	<i>Not applicable.</i>
Orientation of Data in Relation to Geologic Structure	The sampling patterns used did not introduce an apparent sampling bias.
	The sampling patterns used did not introduce an apparent sampling bias.
Sample Security	Chain of custody of all sample material was maintained by Aguia. Samples were stored in a secured facility in Lavras do Sul until dispatch to the preparation laboratory by commercial carrier.
Audits or Reviews	Millcreek audited the project in early 2016 and again in August 2017, and concluded that exploration work completed by Aguia used procedures consistent with generally accepted industry best practices. The audit found no issues with the project data.

Section 2: Reporting of Exploration Results

Mineral Tenement and Land Tenure Status	<p>Porteira exploration permit DNPM 810.702/2011, 100% owned by Aguia Fertilizantes S.A. Initial 3 year term expiry October 09, 2015. Titleholder has presented a Partial Exploration Report and has submitted a request for renewal of the exploration for another three years.</p> <p>Santa Ines, exploration permits DNPM 810.799/2012 and DNPM 810.996/2010 owned by Aguia Fertilizantes S.A. Initial 3 year term expiry April 29, 2016 and June 09, 2017, respectively. Titleholder has presented a Partial Exploration Report and has submitted a request for renewal of the exploration for another three years.</p> <p>Santa Clara, exploration permit DNPM 811.188/2011, irrevocable right to 100% under an exercised option agreement with Valmor Pedro Meneguzzo. Initial 3 year term expiry July 21, 2017. Titleholder has presented a Partial Exploration Report and has submitted a request for renewal of the exploration for another three years.</p> <p>Mato Grande exploration permit DNPM 810.279/2015, 100% owned by Aguia Fertilizantes S.A. Granted October 06, 2016, initial 3 years term expiry October 04, 2019.</p>
Exploration Done by Other Parties	<p>Mato Grande carbonatite was discovered by Mining Ventures and its subsidiaries in 2013. Phosphate rich rocks at Mato Grande (x-Mining Ventures Picada dos Tocos target) were discovered during a copper exploration program. Exploration activities comprised an integrated geochemical/geological/ geophysical and drilling program. The drilling program intersects carbonatite with phosphatic mineralisation. The exploration permit was lost by the Mining Ventures and Aguia Fertilizantes S.A. requested an exploration permit.</p> <p>Exploration activity by Aguia Fertilizantes S.A. comprised an integrated bibliography data about the carbonatite.</p>
Geology	<p>The Santa Clara target is a carbonatite complex containing apatite as the phosphate bearing mineral in meta-carbonatite and the complex which is structurally controlled strikes to the northeast. Rocks in the area have been affected by Neo-Proterozoic shearing and metamorphism. The carbonatite and its host rocks are part of the Santa Maria Chico Granulite Complex, within the Taquarembó Domain of the Achaean to Proterozoic Sul-riograndense Shield.</p> <p>Santa Ines, Porteira and Mato Grande targets are carbonatite complexes containing apatite as the phosphate bearing mineral. These intrusions are hosted by meta-volcano-sedimentary sequence within the Sao Gabriel Domain of the Neoproterozoic.</p>
Drill Hole Information	<i>Not applicable.</i>

Data Aggregation Methods	Not applicable.
	Not applicable.
	Not applicable.
Relationship Between Mineralization Widths and Intercept Lengths	Not applicable.
	Not applicable.
	Not applicable.
Diagrams	Not applicable.
Balanced Reporting	Not applicable.
Other Substantive Exploration Data	Agua made use of an airborne magnetic geophysical survey completed by CPRM to aid in exploration targeting.
Further Work	As presented in the text of this announcement.

Section 3: Estimation and Reporting of Mineral Resources

Not Applicable

Section 4: Estimation and Reporting of Ore Reserves

There are no Ore Reserves to report at this time

Section 5: Estimation and Reporting of Diamonds and Other Gemstones

Not Applicable

Cautionary Statement on Forward Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation. Forward-looking information includes, without limitation, statements regarding the exploration and targets of the exploration program, the progress of the BFS, the metallurgical results, production targets, the anticipated timetable, permitting, forecast financial information, ability to finance the project, and the prospectivity and potential of the Tres Estradas project and surrounding assets.

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 under the profile of the Company on SEDAR at www.sedar.com, on the ASX website at www.asx.com.au and on the Company's website at www.aguiarsouces.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.

NEITHER THE AUSTRALIAN STOCK EXCHANGE, TSX VENTURE EXCHANGE NOR THEIR REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE

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