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

COVID-19 UPDATE FOR RIO GRANDE DO SUL STATE, BRAZIL

Installation License (LI) on track to be granted Q1 2021 with all project development work advancing

Sydney, Australia, - Aguia Resources Limited ABN 94 128 256 888 (ASX:AGR) (“**Aguia**” or “**the Company**”) provides this update to shareholders on the impact of the COVID-19 pandemic in the State of Rio Grande do Sul (RS), Brazil, where Aguia is developing its Três Estradas Phosphate Project.

The COVID-19 pandemic in RS State is well controlled. The State Government has total responsibility for managing the situation; it is not bound by Brazilian Federal Government. The RS State Government acted quickly and decisively in mid-March to implement strict quarantine measures and closed its borders with neighbouring Uruguay and Argentina. The state has a population of around 11.3 million people, and as at 1 June 2020, there have been 9,496 COVID-19 cases reported with 7,103 recoveries, but regrettably 232 fatalities.

RS State has mapped the distribution of cases across the state and developed a risk matrix for each municipality based on several factors, including the number of intensive care units, availability of resources, along with other public health factors and also economic criteria.

Each municipality of RS State was then classified according to a colour code reflecting their COVID-19 risk: Yellow – low risk; Orange – medium risk; Red – high risk, and Black – extremely high risk. **As per the map below, all municipalities in the state are classified as either ‘low’ or ‘medium’ risk.** There are no municipalities that are ‘high’ or ‘extremely high’ risk.

When the state entered quarantine, Aguia suspended all field activities and our employees have been working from home. Last week, the RS State Governor announced an easing of the quarantine rules with shopping centres, restaurants and other businesses reopening provided some precautions are taken.

Further information is available at: <https://coronavirus.rs.gov.br/inicial>

Management Commentary

Managing Director Dr. Fernando Tallarico said: “During this period, Aguia’s team have adapted well to the State’s mandatory quarantine regulations and continued to advance development of Três Estradas. During

quarantine, the Governor’s office and all other state offices were operational. We have proactively engaged with the State Environmental Agency via videoconference where we were able to collectively review several topics related to the all-important permitting process for our planned Direct Application Natural Fertilizer processing plant. We continue to work towards the issuing of the Installation License (LI) without delay and we are still expecting that it will be granted in Q1 2021.”

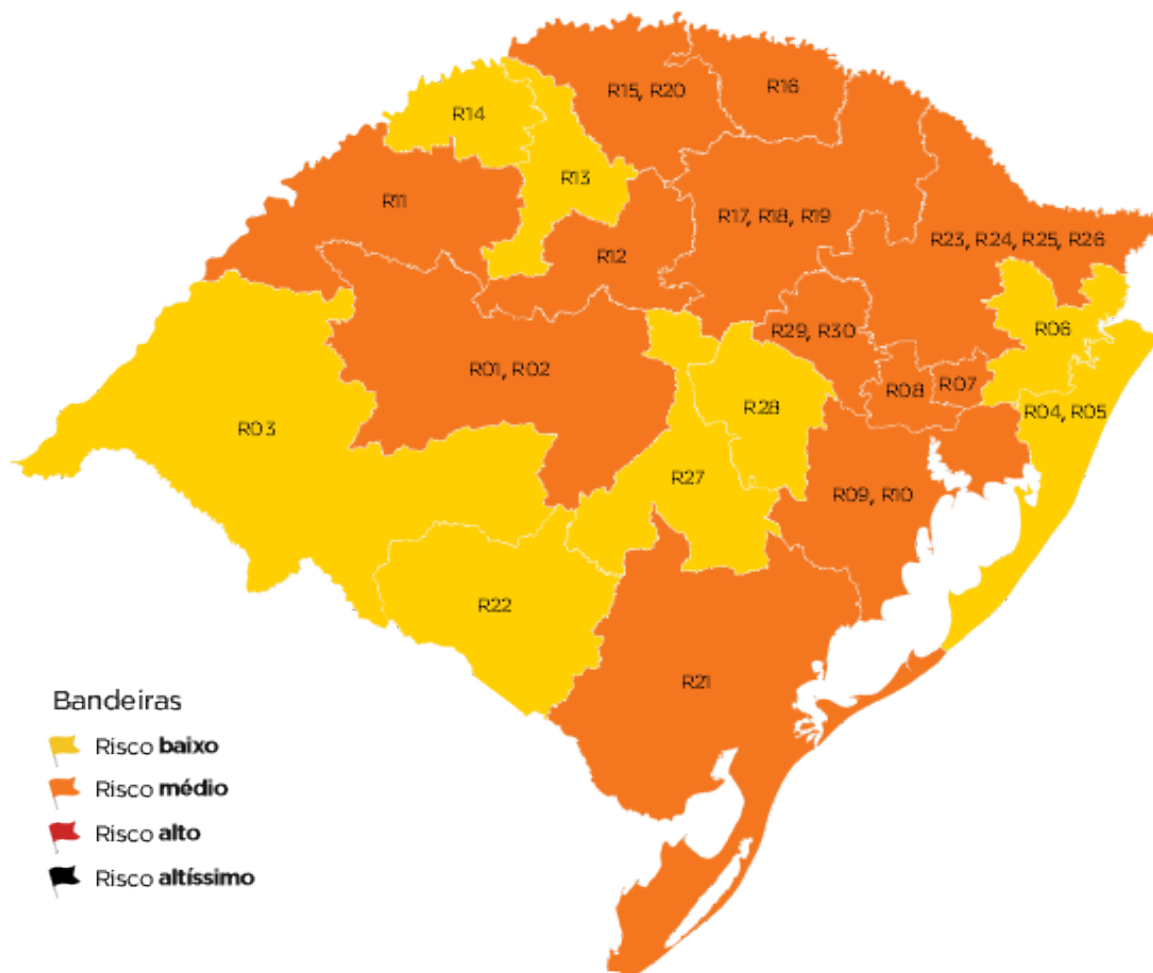


Figure 1: RS State COVID-19 risk map showing all municipalities as low risk (yellow) or medium risk (orange)

Authorised for issue to ASX by Dr Fernando Tallarico, Managing Director of Agua 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.