

AGUIA

31 May 2021

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

AGUIA SIGNIFICANTLY EXPANDS ITS COPPER LEASES IN THE RIO GRANDE COPPER BELT

Sydney, Australia: Aguia Resources Limited (ASX: AGR) ('**Aguia**' or the '**Company**') is pleased to announce the successful staking of additional strategic land positions within the Rio Grande Copper Belt in Rio Grande do Sul (RS), the southernmost state of Brazil. These new claims total ~28,343 hectares and cover numerous historical copper occurrences which are within proximity to the Company's existing copper exploration targets. Aguia's total land position in the highly prospective belt is now over 130,000 hectares (Figure 2).

Managing Director Dr. Fernando Tallarico commented: *"Expanding our copper leases in RS is an ongoing focus for our team as we continue to identify and secure the most prospective targets across the Rio Grande Copper Belt. With over 130,000 hectares of leases, we have a very dominant position in the region which gives us a major strategic advantage. Whilst our immediate focus is bringing the Tres Estradas Phosphate Project into production, and this is progressing well, unlocking the value of our copper assets is also a priority for the Board."*

Regional Background

The State of Rio Grande do Sul is host to one of the first copper mines in Brazil, the Camaqua Mine, from where 30 million tons of copper ore were mined. In addition to this historical mine, the Brazilian Geological Survey (CPRM) has reported as many as 110 copper occurrences in the Rio Grande Belt. Most of these occurrences have not yet been subjected to systematic modern exploration programs.

This geological environment is also the host of many base metal and gold projects, such as the Caçapava Project owned by Nexa Resources in a joint venture with IamGold, with mineral resources of 26Mt @ 1.05% zinc and 1.95% lead, and the Amarillo Gold project located on the outskirts of the city of Lavras do Sul, containing a resource of 523,000 ounces of gold. Currently, other copper, gold, and base metals exploration projects are progressing within the belt. The proximity and relationship of these projects to Aguia's strategic land position can be seen in Figure 2.

Aguia's Copper Assets

The most advanced copper project in the Aguia's portfolio is the Andrade Copper Project. The Company recently announced an upgrade in the mineral resources at Andrade, with an Indicated Resource of 18Mt grading 0.41% copper and a further 4Mt of Inferred Resource grading 0.53% copper. An initial scoping study of the deposit that was completed and released on 9 March 2021 demonstrated positive economic results. This study investigated the production of metallic copper (copper cathode) to be shipped to the Port of Rio Grande, located 260km to the southeast of the project site. The results of this initial economic assessment are compelling. The full announcement can be viewed on Aguia's website: <https://aguiaresources.com.au/asx-announcements/andrade-copper-updated-resource-estimate-scoping-study/>

In addition to Andrade, Aguia is also progressing work on seven other copper exploration targets that have been subjected to systematic geological mapping, rock and soil geochemistry, trenching and channel sampling, and ground geophysics. Among these regional targets, Carlota is the most advanced target as it has a copper and gold-in-soils anomaly that is underlined by a shallow ground geophysics anomaly and is ready to be drill tested. Details of Aguia's copper exploration targets are provided in Table 1 below.

Table 1 – Aguia's Rio Grande Copper Belt Exploration Targets

Target	Description	Exploration Results
Andrade-Primavera Trend	Primavera is located 3.8km to the south of the Andrade deposit, and is Aguia's second most important target. Four additional geophysical targets, yet unnamed, have been identified along the Andrade-Primavera trend.	Sampling of historical trenches in 2019 returned 52 metres grading 1.03% copper and 6.2g/t silver; and 11 metres grading 1.16% copper and 25.16g/t silver.
Carlota	Carlota is the third most important target because of the combined copper and gold-in-soils anomalies at surface that are underlined by a shallow plunging geophysical anomaly. The target also includes some outstanding gold grades in grab rock samples, one of which contains visible gold.	A gold-in-soils anomaly measuring over 500 metres in length with rock chip samples of up to 1.63% copper and 48 g/t gold, and 0.16% copper and 13.4g/t gold taken. Eight channels were sampled in 1 metre intervals totalling 170 samples that returned up to 29.8g/t gold.
Canhada	The Canhada Target is related to an expressive air-borne geophysical anomaly where numerous copper showings were identified at survey. Further follow-up ground geophysics highlighted multiple anomalies that merit drill testing.	The target has historical rock samples with copper assays over 4%. The air-borne geophysical anomaly is 27km ² in size (measuring about 9km by 3km). Airborne geophysics shows the target as a magnetic low, potentially associated with hydrothermal alteration of magnetite to hematite. The copper minerals occur in veins crosscutting highly fractured volcanic rock and are often weathered to malachite from the original primary copper minerals.
Passo Feio	Passo Feio is located approximately 16km to the southeast of Andrade. The target is associated with a 16km ² low-magnetic airborne geophysical anomaly interpreted to be related to the hydrothermal oxidation of magnetite to hematite.	Sampling has returned 1.55% and 2.10% copper in different rock types. Grab samples of sandstone outcrops have returned up to 2.30% copper. Six trenches have been opened (within the coarse conglomerate layer) to follow-up on rock sample results.
Seival	Located approximately 25km southwest of Andrade, the target is interpreted to be associated with the same structural corridor (a major fault zone) that controlled the Andrade and Primavera trend.	Initial rock sampling returned 2.30% copper in volcanic rock.
Lagoa Parada	The Lagoa Parada target is located 10km southeast of the city of Lavras. Airborne geophysics show a very discrete bullseye circular magnetic anomaly with a radius of 3km and copper showing occurring along the border of this anomaly as disseminations in the matrix of the sandstone and filling fractures.	Initial reconnaissance and geological mapping returned a rock assay of up to 4.22% copper and over-limited silver (>100g/t silver).

<p>Big Ranch</p>	<p>Big Ranch is located approximately 18km northwest of Andrade, immediately north of the Caçapava Granite target area. The target consists of several copper-in-soils anomalies associated with a strong IP chargeability anomaly in the northern portion of the target.</p>	<p>Ten dipole-dipole radial lines were surveyed along the target and guided the first pass exploration drilling that was completed in late 2018. Drilling was used to map the different alteration zones and to test the bulk of the ring-shaped IP chargeability anomaly that was revealed to be primarily associated with iron sulphide minerals (such as pyrite). Minor copper and zinc sulphides were intercepted through drilling but so far in very narrow zones.</p>
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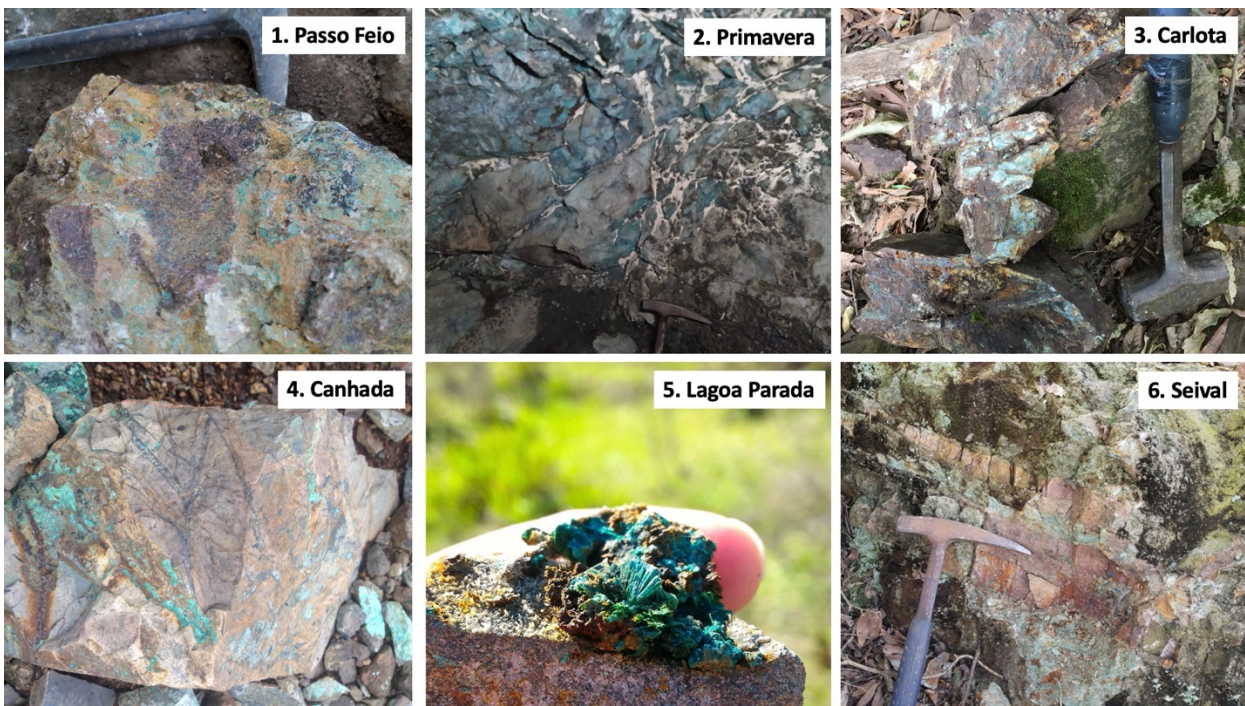


Figure 1 – Rock samples collected from Agüia’s copper targets detailed in the above table. All green material in the samples are secondary copper minerals, mostly malachite. Assays of each sample are as follows:

- 1. Passo Feio – Sample from trench interval that returned 14m @ 0.76% Copper and 11.31 g/t Silver.¹**
- 2. Primavera – Sample from trench interval that returned 52m @ 1.03% Copper and 6.20 g/t Silver.²**
- 3. Carlota – Sample from channel interval that returned 12m @ 0.4% Copper 3.64 g/t Gold.³**
- 4. Canhada – Grab sample that returned 4.34% Copper.⁴**
- 5. Lagoa Parada – Grab sample that returned 4.22% Copper and over-limited Silver (>100 g/t).⁵**
- 6. Seival – Grab sample that returned 2.30% Copper.⁶**

¹ Announced 13 November 2019: <https://bit.ly/2RXYI2T>

² Announced 28 June 2019: <https://aguiaresources.com.au/asx-announcements/operational-update/>

³ Announced 18 September 2019: <https://aguiaresources.com.au/asx-announcements/aguia-exploration-update-and-rock-sample-results-from-copper-targets/>

⁴ Announced 28 June 2019: <https://aguiaresources.com.au/asx-announcements/operational-update/>

⁵ Announced 22 January 2021: <https://aguiaresources.com.au/asx-announcements/copper-exploration-new-permits-and-scoping-study-update-pdf/>

⁶ Announced 18 September 2019: <https://aguiaresources.com.au/asx-announcements/aguia-exploration-update-and-rock-sample-results-from-copper-targets/>

Copper Land Position

The significant and strategic increase in Agüa's land holding in the Rio Grande Copper Belt is designed to cover additional copper occurrences, resulting in an additional 15 new exploration tenements covering 28,343.80 hectares. These new areas will be subject to geological mapping and initial scouting to select future targets.

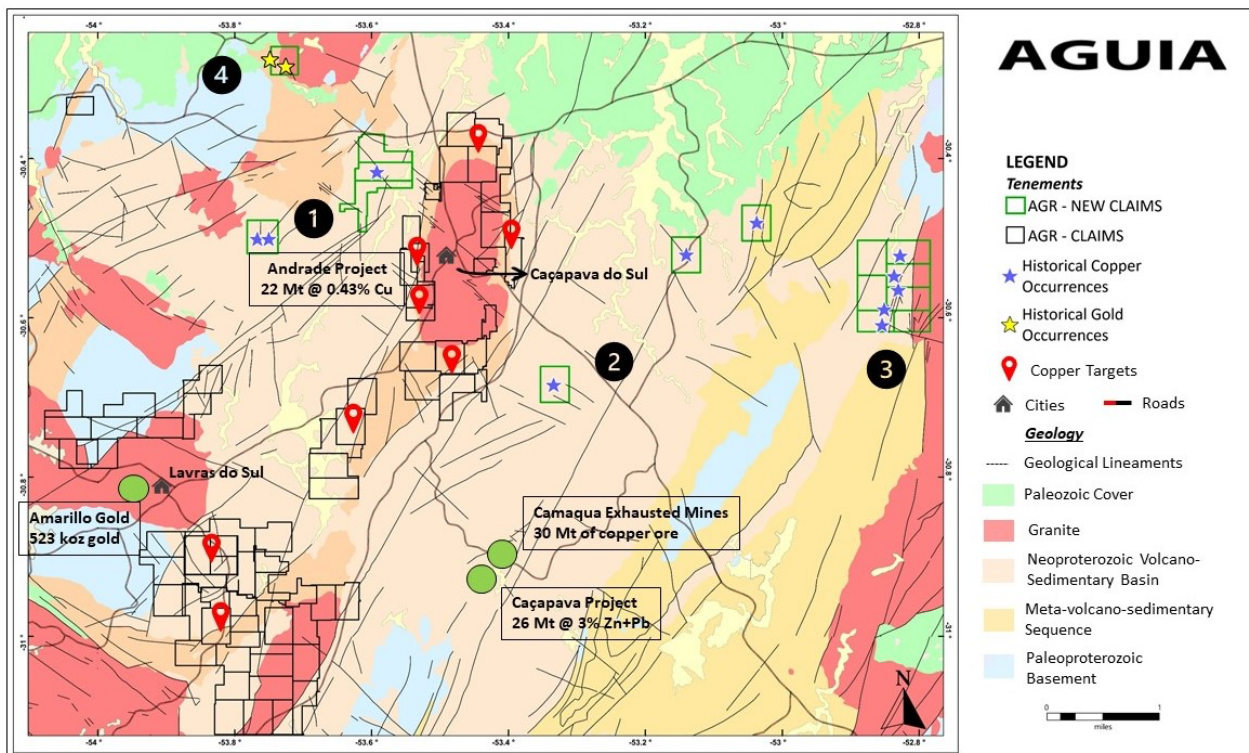


Figure 2 – Geological map of the Rio Grande Copper Belt highlighting the new tenements that have been staked by Agüa and the copper occurrences they are covering. Numbers within black circles are:

1. Four highly prospective tenements covering three copper occurrences along a NE-SW trending structure.
2. Three tenements covering three copper occurrences within the same major structure that hosted the exhausted Camaqua Copper mine to the southwest.
3. Five historical copper occurrences spread along a 12km north-south fault system adjacent to the western edge of a Neoproterozoic Granite – a very similar setting to the highly prospective Andrade-Primavera corridor.
4. Historical gold occurrences located in a region where historical copper and gold exploration took place. These occurrences bear a geological and structural framework that is similar to the Lavras gold mineralization.

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

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About Agua:

Agua Resources Limited, ("Agua") is an ASX listed multi-commodity company (AGR:ASX) with pre-production phosphate and metallic copper projects located in Rio Grande do Sul, the southernmost state of Brazil. Agua has an established and highly experienced in-country team based in Porto Alegre, the capital of Rio Grande do Sul. Agua's first project, the Três Estradas Phosphate Project is expected to be in production by Q4 2021. Agua is committed to advancing its existing projects into production whilst continuing to pursue other opportunities within the sector.

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 law.