

8 July 2021

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

UPDATE ON LEGAL PROCEEDINGS & WEBINAR

Sydney, Australia: Aguia Resources Limited (ASX: AGR) ('**Aguia**' or the '**Company**') wishes to provide shareholders with further information following the announcement on 2 July 2021.¹

A Federal Public Prosecutor (FPP) has brought the proceedings on three grounds. All three grounds relate to requirements of the Environmental Impact Assessment (EIA) for the Três Estradas Phosphate Project (TEPP):

1. The Traditional Community of family ranchers present on the land affected by the TEPP was not consulted and did not provide prior, free and informed consent.
2. In addition to the public hearing held in Lavras do Sul, a second public hearing should have been held to encompass those people in the Municipality of Dom Pedrito and in the Torquato Servero district, locations that will be affected by environmental impacts of the TEPP.
3. Technical discrepancies in the EIA that was presented to the Rio Grande do Sul State Environmental Agency (FEPAM).

As stated on 2 July 2021, Aguia is confident that the work carried out on the EIA, which was approved by FEPAM (a government environmental protection agency and co-defendant in these proceedings) prior to the granting of the Preliminary Licence (LP), was done so with upmost competence by a number of highly regarded experts in their fields, and as announced on 17 October 2019, FEPAM was extremely diligent in their review of the technical aspects of the EIA, and, in particular, the Aguia community consultation program.²

Upon being aware of the filing of the case, Aguia's legal team was heard by the trial court judge in view of the FPP's request for an injunction relief to be granted to suspend the LP without hearing from the defendants, Aguia and FEPAM. Following this, and on the same day, the trial court judge denied the FPP's injunction relief request.

The trial judge has advised that once served, Aguia will have 15 business days to file a defence. Whilst Aguia has not yet been served, Aguia's technical team and legal advisers in Brazil, who worked alongside the Company during the LP process, have commenced work on its defence. FEPAM have retained their own legal counsel and Aguia's legal team will work in close consultation with them. At all times, Aguia maintains a willingness to proactively engage with the FPP to resolve this matter and settle these issues.

Webinar

In order to provide shareholders with further information on the grounds, legal process, continuing company activities, and to provide an opportunity for questions, Aguia Chair, Ms Christina McGrath,

¹<https://aguiaresources.com.au/asx-announcements/company-update-legal-proceedings/>

²<https://aguiaresources.com.au/asx-announcements/aguia-awarded-key-development-permit-for-tres-estradas-phosphate-project/>

and Managing Director, Dr Fernando Tallarico, will be hosting a webinar on Tuesday 13 July 2021 at 10.30am AEST. Attendees can register for the webinar using the below link:

<https://attendee.gotowebinar.com/register/7692889650554788112>

Managing Director Dr. Fernando Tallarico commented: *“As we have stated, Aguia is confident in the quality of the submission to secure the LP and the same team in Brazil that facilitated this submission are still with the Company today, which only reinforces our confidence. The webinar next week provides us with the forum to address shareholder queries and to provide further information and greater certainty on the legal process, likely time frames, and our plans to add value while this process takes its course. I would also add that we have every confidence in the Brazilian legal system and there are similar cases that demonstrate that this will be a thorough and transparent process run through the Court system.”*

**AUTHORISED FOR ISSUE TO ASX BY FERNANDO TALLARICO, MANAGING
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About Aguia:

Aguia Resources Limited, (“Aguia”) 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. Aguia has an established and highly experienced in-country team based in Porto Alegre, the capital of Rio Grande do Sul. Aguia’s first project, the Três Estradas Phosphate Project is expected to be in production by Q1 2022. Aguia is committed to advancing its existing projects into production whilst continuing to pursue other opportunities within the sector.