

AGUIA

3 November 2021

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

AGUIA ENTERS INTO AN AGREEMENT WITH FARM TRADE AUSTRALIA FOR TESTING OF PAMPAFOS IN AUSTRALIAN CONDITIONS

Sydney, Australia, - Aguia Resources Limited (ASX: AGR) ('**Aguia**' or the '**Company**') is pleased to announce that it has entered into a strategic alliance with Farm Trade Australia ('**FTA**') to undertake testing of **Pampafos**[®] natural phosphate fertiliser from the Três Estradas Phosphate Project ('**TEPP**') in Australia.

This strategic alliance has the potential to create an international market for **Pampafos**[®] and open the supply of a natural phosphate fertiliser to Australian growers.

The agreement provides for the immediate supply of limited quantities of **Pampafos**[®] to FTA for testing and research purposes. The shipment has now arrived in Australia.

The price of agricultural fertiliser in Australia has doubled since last season and future shortages of fertiliser in Australia are anticipated. **Pampafos**[®] has the potential to offer a cost-effective alternative, and an environmentally sustainable solution, for the phosphorus needs of Australian farmers.

Aguia is in a position where it can progressively expand its phosphate production capability quite easily and significantly and without a large capital investment. Aguia also possesses vast phosphate assets which can become available if increased sales warrant it.

About Farm Trade Australia

FTA was founded by David Matthews whose family are long established grain growers in the Wimmera district of Victoria, Australia. David is well known in Australian agricultural circles as a very successful agribusiness entrepreneur and community leader.

David is also a business innovator. He was founding Chair of the Rupanyup / Minyip Community Bank, the first Community Bank in Australia. It was the beginning of what is now a national network of 325 community owned bank branches which collectively manage in excess of A\$43 billion of customer holdings. He is a Non-Executive Director of the Bendigo and Adelaide Bank Group, Chair of Rural Bank's Agribusiness Advisory Committee and founding chair and current member of the Community Bank National Council. He is also a Non-Executive Director of Australian Grain Technologies, Australia's largest plant breeding company.

In the 1980's David was an early adopter of the concept of growing pulses to naturally improve the nitrogen content of soils in the Victorian grain belt. Today it is often referred to as 'growing your own nitrogen', and is a universally accepted farming practice across most grain production regions of Australia.

In the 1990's David established the Wimmera Grain Company, a pulse processing and export business which exports around 80,000mt of pulses per annum from the Rupanyup plant in Victoria.

David has an interest in sustainable agriculture and is particularly interested in the research on **Pampafos**[®] which indicates an increased presence of phosphate in soils over time as opposed to chemical fertilisers which need to be applied more constantly because the phosphate in the soil becomes depleted. In addition, **Pampafos**[®] does not destroy microbial life, on the contrary, it enhances it.

Farm Trade Australia was created out of a desire to improve commercial outcomes for farmers which will have positive flow on effects for rural communities and we are delighted to be able to work together to create a viable export business for **Pampafos**[®] and potentially provide Australian farmers with more choice.

Management Commentary

Managing Director Dr. Fernando Tallarico said: *"We are excited to announce this agreement with Farm Trade Australia, whilst we are certain that there is sufficient capacity within Brazil for our anticipated production of Pampafos[®] the opportunity to test our product in other markets is a sign of the growing commercial potential for Pampafos[®] and opening up other markets where there are future expected supply shortages, particularly Australia, where a significant portion of our share register is based, will assist us to fast track the TEPP into being a very profitable project."*

Background

Agua is developing a natural fertiliser product from its TEPP deposit which is situated in RS State in Southern Brazil. The product, with the Registered Brand of **Pampafos**[®] grading about 10% P₂O₅ will be produced from the saprolite ore at the TEPP. **Pampafos**[®] is a natural product free from chemical processing.

As part of the development of **Pampafos**[®] a series of agronomic efficiency tests are being conducted across Rio Grande do Sul ('RS') state. In the tests conducted so far, **Pampafos**[®] has been demonstrated to be highly effective on RS State's two major crops, soybean, and rice.

The TEPP is a pre-operational project, currently in the environmental licensing stage. In January 2021 the Company requested the Installation License ('LI') from the Rio Grande do Sul State Environmental Agency ('FEPAM'). The LI request is currently under evaluation by the FEPAM technical team.

The LI is the only major outstanding permit required to commence project construction. Once the Company receives the LI from FEPAM, earthworks, civil works and installation of the processing unit can begin.

**AUTHORISED FOR ISSUE TO ASX BY FERNANDO TALLARICO, MANAGING
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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 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.

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