

30 October 2023

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

QUARTERLY ACTIVITIES REPORT 30 SEPTEMBER 2023

Highlights

- **Key Board and Management changes, including the appointment of Mr Warwick Grigor as Non-Executive Chairman**
- **Successful completion of share placement to raise A\$500,000, along with a Non-Renounceable Entitlement Offer to raise up to an additional A\$1.6m**
- **Post quarter-end, a reanalysis of historic drill results at Tres Estradas to assess their potential for REE mineralisation returned highly encouraging results, with additional exploration now planned for Q4 CY2023**
- **Pending the outcome of legal hearings regarding its phosphate operations, the Company has prioritised further sampling of historic drill results for the other five carbonatite structures at Tres Estradas to test what REE mineralisation may be contained therein.**

Sydney, Australia: Aguia Resources Limited ABN 94 128 256 888 (ASX:AGR) ('Aguia' or the 'Company') is pleased to report on its activities for the September 2023 Quarter (the 'Quarter').

Aguia has two projects in development phase, an Organic Phosphate Project and a Metallic Copper Project, both located in close proximity to each other in the Southernmost Brazilian State of Rio Grande do Sul ('RS' or 'the State').

During the quarter, Aguia implemented a strategic restructure which included key changes to the Board and Management team. These initiatives were led by the appointment of Mr Warwick Grigor as Chairman of the Company and Interim Managing Director. Following these changes, Aguia successfully completed a private placement to raise A\$500,000 and has placed a near-term operational focus on the reassessment of historic drill results at its phosphate project to test for rare earths mineralisation, along with the ongoing development of its flagship copper asset portfolio.

Board and Management Changes

Along with Mr Grigor's appointment, during the quarter Aguia also confirmed the appointment of Benjamin Jarvis as a Non-Executive Director and Ms Christina McGrath transitioned to an Executive Director role. The Company accepted the resignation of Managing Director, Dr. Fernando Tallarico, who will remain with the Company for a 3-month notice period to assist with any transitional matters.

Mr Grigor brings a wealth of experience in Australian equity capital markets and the resources sector globally, following a successful +40-year career specialising in the investment and gold mining sectors. Near-term, his stated remit is to oversee ongoing REE exploration activities within Aguia's existing asset portfolio, along with the development of its flagship copper and phosphate projects in the Rio Grande Belt. Mr Grigor will also oversee the appointment of suitably qualified Managing Director at the appropriate time.

Corporate Overview

Capital Raising

On 27th September 2023 Aguia announced that it had closed a private placement raising approximately A\$500,000 before costs via the issue of 34,482,758 fully paid Ordinary Shares to sophisticated and institutional investors at \$0.0145 per share, being a 15% discount to the volume weighted average price ('VWAP') of the previous 10 trading days of the Company's shares.

The issue of 34,482,758 Ordinary Shares was undertaken using Aguia's existing placement capacity pursuant to Listing Rule 7.1 and 7.1A. These Ordinary Shares were issued on Tuesday 3 October 2023.

In addition, on the 27 September 2023 the Board announced a proposed Non-Renounceable Entitlement Offer to existing shareholders on a 1 to 4 basis to raise up to \$1.6m. For every four (4) shares held, shareholders will be entitled to subscribe for one (1) new share at \$0.0140. The closing date for the offer will be Monday 6 November 2023.

The Company announced that monies raised from the placement and entitlement offer will be used to fund existing working capital commitments and to assess new and existing exploration and project development activities.

These activities were led by a reassessment of historical exploration for rare earths mineralisation, associated with two of the five carbonatites that were primarily assessed for phosphate mineralisation at the Company's 100%-owned Tres Estradas Phosphate Project.

Aguia considers that its phosphate and copper projects continue to hold considerable value, and ongoing development work for both projects remain a core priority of the business.

Strategically, the rationale for this reassessment was driven by the Board's view of changing market dynamics and the current outlook for rare earths demand, in line with the established use-case of critical minerals as part of the clean energy transition.

Activities Post Quarter-End

Post quarter-end, Aguia announced the results from its review of diamond drill holes in connection with a 2011 drill campaign of the Tres Estradas carbonatite structure, with a particular focus on rare earth elements (REE) in line with its updated strategic focus. The results confirmed a total of 19 diamond drill holes have REE assays, including 113 samples of oxidised carbonatite (sapolite) and 431 samples of fresh, unweathered carbonatite. Individual results were highlighted by an oxidised carbonatite sample grading 2.16% or TREO 21,618 ppm.

The Tres Estradas carbonatite structure is one of six carbonatites – the others being Santa Clara, Joca Tavares, Porteira, Mato Grande and Passo Feio – that belong to Aguia, covering an exploration area of 141 km². Following the highly encouraging results at Tres Estradas, the

Company is now preparing an extensive round of REE exploration and analysis at the other five carbonatite structures.

Non-Executive Chairman, Warwick Grigor, commented: *“The September quarter saw Aguia secure much-needed capital and strengthen the composition of its Board. The potential existence of REE elements within Aguia’s fully-owned asset portfolio is a key attribute that attracted me to the Chairman’s role, and the reassessment of historic drill results – which confirmed the existence of rare earths mineralisation -- has further strengthened my belief that the Company now has a unique REE development opportunity in front of it. Concurrently, the Board remains of the view that there is significant value to unlock from the group’s existing phosphate and copper assets. As Chairman, my role will be to ensure disciplined execution in this regard and I look forward to providing more updates in the months ahead as Aguia carries out its REE exploration program and broader asset development strategy.”*

Expenditure and Cash Balance

Operating expenditure during the Quarter totalled A\$317,000, which included A\$153,000 for exploration and evaluation activities.

Table 1: Quarterly cash outflows from operating activities

| Q1 FY2023 | Q2 FY2023 | Q3 FY2023 | Q4 FY2023 | Q1 FY2024 |
|--------------|--------------|------------|------------|------------|
| A\$1,409,000 | A\$1,189,000 | A\$820,000 | A\$894,000 | A\$317,000 |

During the Quarter, A\$66,000 in payments were made to related parties of the Company. These payments were to Directors of the Company in the form of Director’s fees and salary payments. At the end of the Quarter, the Company had a cash balance of A\$588,000.

AUTHORISED FOR ISSUE TO ASX BY THE BOARD OF AGUIA RESOURCES LIMITED

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About Aguia:

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 pursuing other opportunities within the sector.