



29 November 2016

DEFINITION DRILLING PROGRAM FOR AGUIA'S TRÊS ESTRADAS PHOSPHATE PROJECT BFS PROGRESSING WELL

Highlights:

- **Five drills operating at Três Estradas with 1,300 metres of 9,500 metre program of drilling completed**
- **Bulk samples for final plant design to be sent to Eriez Flotation Division for pilot plant testing mid-December**
- **Reception at local community public hearings for EIA has been resoundingly positive**

Brazilian fertiliser developer Agua Resources Limited (ASX: AGR) ("Agua" or "Company") is pleased to report that the definition drilling program at its flagship Três Estradas Phosphate Project in southern Brazil is progressing to schedule.

Definition Drilling Update

Four diamond rigs and one reverse circulation rig are operating at site and have completed about 1,300 metres, or 15% of the planned 9,500 metre program.





The objective of the drilling program will be to convert the current Inferred Resource to Measured and Indicated to support the detailed mine design for the bankable feasibility study (BFS). The current pit-constrained resource is estimated to be 74.7 million tonnes with an average grade of 4.13% P_2O_5 , comprising 745,000 tonnes of measured resource grading 4.42% P_2O_5 , 15.07 million tonnes of indicated resource grading 4.75% P_2O_5 and 58.89 million tonnes of inferred resource grading 3.97% P_2O_5 (news release July 12, 2016). Logging and sampling of the core is progressing and

samples are being sent to SGS assay lab facilities for analysis with assay results expected in Q1 2017.

Preparation of the bulk samples for the upcoming Pilot Plant program are progressing well and samples are expected to be sent to Eriez facilities in Pennsylvania by mid-December.

EIA Community Consultation Progress

The Environmental Impact Assessment was recently filed with the regional authority (news release October 11, 2016). A key requirement of the permitting process in conjunction with the Environmental Impact Assessment is completion of public hearings. Agüia has held four public hearings with the local community of Lavras do Sul where the Três Estradas Phosphate Project is located. The purpose of these meetings is to share Agüia's development plans with the local community, listen to feedback and ensure that any concerns are being addressed. Agüia intends to be a long term member and contributor to the local community and this is an important process that will provide a basis for a lasting relationship.



Photos: Public hearings in Lavras do Sul with the local community.

Management commentary

Technical Director Fernando Tallarico commented, "We are satisfied with the current progress of the drilling program and confident it will be completed successfully on time and within budget. The support of the local community is very encouraging and reflects the continuous effort of the Company to communicate our plans and explain the project."

Justin Reid, Managing Director of Aguiá added, "The infill drilling program is another major step in de-risking the project. We have been seeing a conversion rate of almost 99% from Inferred to Indicated which tells us that the resource is as robust as we originally expected. These results will be a fundamental component of the BFS and will help us to further refine the plans to bring this asset into production quickly and efficiently."

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About Aguiá:

Aguiá is a fertiliser company focused on the exploration and development of phosphate and potash projects in Brazil to supply the Brazilian agriculture sector. Brazil is Latin America's biggest economy and is heavily reliant on imports of up to 50 per cent of its phosphate and 90 per cent of its potash needs. Aguiá is well positioned to capitalise on the growing demand for phosphorus and potash based fertilisers in the expanding agriculture sector in Brazil and controls three large projects, located close to existing infrastructure. The Company is committed to its existing projects whilst continuing to pursue other opportunities within the fertiliser sector.

JORC Code Competent Person Statements:

The information in this report that relates to 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 Aguiá Resources Limited. Dr Tallarico has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Dr Tallarico consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.