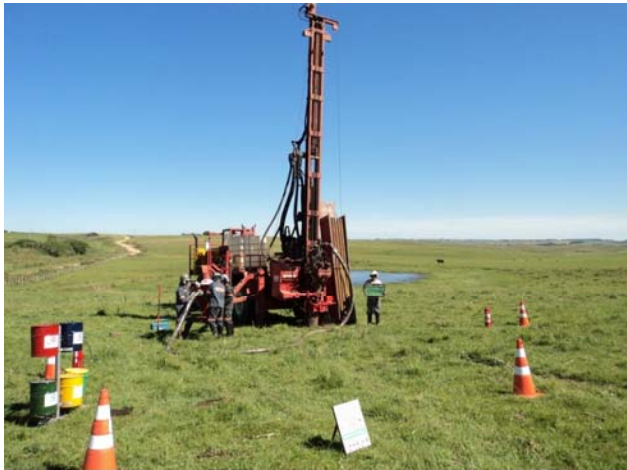


24 December 2014

## PHOSPHATE MARKET AND COMPANY UPDATE

### Agua Update: Drill Program Underway

Agua's recent funding (A\$2 million with Sulliden Mining Capital Inc. in November) is being used for a comprehensive drill program to validate the resource at Três Estradas South, which is well underway. Drilling to date includes 1,012.6 meters of diamond drilling (2 rigs, 3,000 m total planned) and 585 meters of reverse circulation drilling (1 rig, 1,000 m planned).



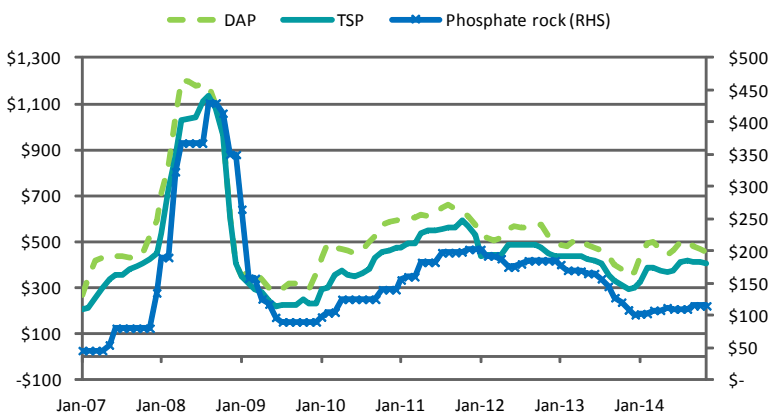
Três Estradas South forms the south-west strike extension of the current Três Estradas in-pit resource of 30.5 million MT grading 4.3% P<sub>2</sub>O<sub>5</sub><sup>1</sup>, which includes indicated resources of 9.9 million MT @ 5.03% P<sub>2</sub>O<sub>5</sub> and inferred resources of 20.6 million MT @ 3.94% P<sub>2</sub>O<sub>5</sub>. An exploration target of between 13 and 27 million MT, grading between 3.56 and 4.84% P<sub>2</sub>O<sub>5</sub> has been defined for the Três Estradas South tenement. This assumes a strike extension of between 0.5 and 1.0km to the SW from the existing Três Estradas resource. The reader is cautioned that the potential quantity and grade estimates are conceptual in nature; that there has been insufficient exploration to define a mineral resource; and that it is uncertain if further exploration will result in the determination of a mineral resource. Once this work is completed, it is expected that an update of the conceptual mining study (from September 2014) will be prepared and the preliminary economic assessment (PEA) will be published.

The company has also initiated a new round of bench scale test work to optimize the flotation circuit, with testing to be carried out by SGS Lakefield Canada. These results will also be incorporated into the PEA.

In addition, Joca Tavares is located 41 km south-east-south from the Três Estradas project with Aguiá carrying out the only systematic work since its discovery by CPRM (the Brazilian Geological Survey).

### **Phosphate Rock Prices Hold Steady; Ag Commodity Prices Start to Recover**

**Phosphate Rock and Fertilizer Prices (\$/mt)**

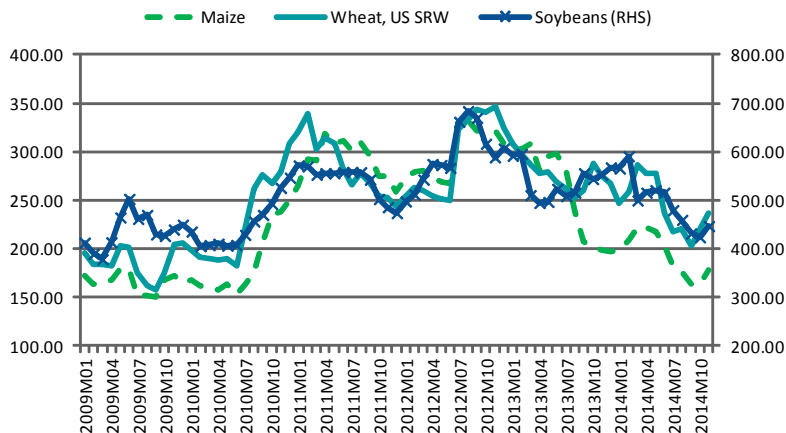


Source: Worldbank

Phosphate rock prices held steady in November at US\$115/t while DAP and TSP prices fell -3% and -1% m/m, respectively. Phosphate rock, DAP and TSP prices are now up 14%, 22% and 36% YTD. Recent data from Mosaic indicates phosphate rock prices continue to remain steady in December (MOS reports a price of US\$120/t) while DAP and MAP prices are flat to up in early December.

<sup>1</sup> SRK Consulting: Cut-off of 3.0% P<sub>2</sub>O<sub>5</sub>, as announced in March 2014 Quarterly Report

### Corn, Wheat and Soybean Prices (US\$/mt)



Source: Worldbank

winter weather/crop concerns in the US and Russia.

Agriculture commodity prices have started to rebound after hitting recent lows in October. Soybean, corn and wheat prices were up +5%, +10% and +7% m/m in November and have continued to rise in early December. Soybean prices have benefited from stronger exports/foreign demand, corn prices are rebounding due to slightly lower yields and wheat prices have increased due to

However, agricultural commodity prices remain at recent historical lows. Agriculture commodity prices (soybeans, corn and wheat) were down ~15% y/y (YTD November) indicating softer farmer demand in 2014/15. As an additional reference, we have summarized the last four years of average US farm prices (US\$/bu) for corn, soybeans and wheat as per the December USDA WASDE report in the table below, which illustrates the price declines from the 2012 peak.

### December WASDE Average US Farm Price (US\$/bu)

Crop Year	Corn					Soybeans					Wheat				
	Low	High	Average	Y/Y % Change	% Chg 2011/12	Low	High	Average	Y/Y % Change	% Chg 2011/12	Low	High	Average	Y/Y % Change	% Chg 2011/12
2011/12	5.90	6.90	6.40			10.70	12.70	11.70			7.05	7.55	7.30		
2012/13	6.80	8.00	7.40	16%	16%	13.55	15.55	14.55	24%	24%	7.70	8.30	8.00	10%	10%
2013/14	4.05	4.75	4.40	-41%	-31%	11.50	13.50	12.50	-14%	7%	6.65	7.15	6.90	-14%	-5%
2014/15	3.20	3.80	3.50	-20%	-48%	9.00	11.00	10.00	-20%	-21%	5.80	6.20	6.00	-13%	-19%

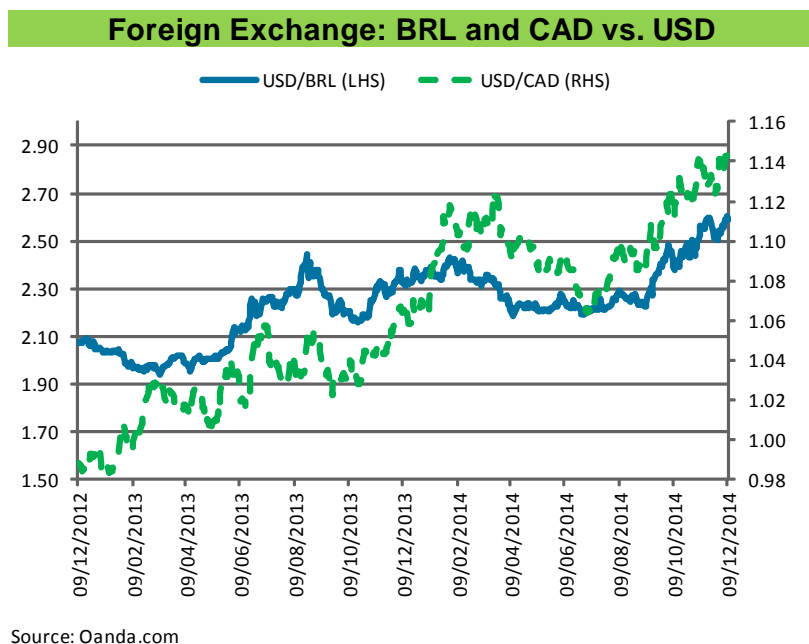
Source: USDA

Lower agricultural commodity prices create a headwind for nutrient demand, primarily due to lower farm profits. However, Mosaic continues to forecast phosphate fertilizer demand of 64-65 million tonnes DAP/MAP/TSP in 2014 and 64.5-66.5 million tonnes in 2015.

## Foreign Exchange: BRL and CAD Continue to Weaken vs. USD

The CAD and BRL weakened -0.9% and -3.7% m/m, respectively, in November versus the USD. Given the recent fall in oil prices, it is expected that the Canadian dollar will weaken further. A stronger USD versus the currency of importing countries generally results in decreased demand for agricultural commodities. Fertilizer producers with operations outside the US, however, stand to benefit from a stronger USD notably if their domestic currency has depreciated. Fertilizer nutrient producers such as PotashCorp (POT-N) and Agrium

(AGU-N) should benefit from selling product in USD and operating in Canada this year. Local Brazilian producers are in a similar situation with the depreciating Real. Lower natural gas costs will also help the nitrogen producers.



## Market Action

Stock prices of global fertilizer producers (notably those in North America) started to pull back after the November rally, which was primarily driven by the news of brine inflow/ shut down at Uralkali's Solikamsk-2 mine. The global fertilizer producer group is down 3.9% m/m on average. YTD, the producers are generally up (CF and Yara up 15.7% and 26.6% YTD due to lower gas costs and POT, K+S and AGU have benefited from a recent recovery in potash prices) although Uralkali is down 53.5% YTD as it faces the potential closure of a potash mine.

Junior fertilizer explorers and developers have for the most part experienced another month of decline. In phosphate, MBAC is down -85.4% YTD and -17.6% m/m (dealing with working capital issues) and Sunkar Resources de-listed from the AIM in August.

In the broader agriculture market there has been some M&A (ADM completed SCI acquisition, Deere purchased Auteq in Brazil, JBS purchased Primo Smallgoods, and CNH Industrial purchased Miller-St. Nazianz). Deere announced weak guidance for 2015 but the stock price has held up.

Agriculture ETFs showing the strongest performance have been short commodities, notably corn, wheat, soybean and sugar (i.e. AGA). Top performers have high exposure to coffee (CAFE, JO).

## ~ Fertilizer Stock Price Performance ~

Company	Ticker	Currency	S/O mln	22-Dec-14 Price	Market Cap (mln)	Historical Prices		% Change	
						01-Jan-14	mid Nov 2014	YTD	m/m
						<b>Global Fertilizer Producers</b>			
PotashCorp	POT-N	USD	829.8	35.60	29,540.9	32.87	36.19	8.3%	-1.6%
Agrium	AGU-N	USD	143.7	95.46	13,717.6	91.39	102.41	4.5%	-6.8%
Mosaic Company	MOS-N	USD	371.3	46.10	17,116.9	46.28	47.67	-0.4%	-3.3%
CF Industries	CF-N	USD	49.7	270.47	13,442.4	233.69	273.48	15.7%	-1.1%
Sociedad Quimica y Minera	SQM-N	USD	265.6	23.48	6,236.3	25.36	26.40	-7.4%	-11.1%
Yara International	YAR-NO	NOK	276.2	327.70	90,510.7	258.90	307.50	26.6%	6.6%
Uralkali	URKA-LN	USD	587.2	12.18	7,152.1	26.22	13.50	-53.5%	-9.8%
<b>Average</b>								<b>-0.9%</b>	<b>-3.9%</b>
<b>Phosphate</b>									
<b>Producers</b>									
Mosaic Company	MOS-N	USD	371.3	46.1	17,116.9	46.28	47.67	-0.4%	-3.3%
Jordan Phosphate Mines	JOPH-JO	JOD	75.0	6.13	459.8	6.72	6.25	-8.8%	-1.9%
Phosagro	PHOR-LI	USD	388.5	9.9	3,846.2	12.11	10.75	-18.2%	-7.9%
<b>Average</b>								<b>-9.1%</b>	<b>-4.4%</b>
<b>Junior Explorer and Developers</b>									
MBAC Fertilizer Corp.	MBC-T	CAD	181.6	0.07	12.7	0.48	0.09	-85.4%	-17.6%
GB Minerals	GBL-V	CAD	212.8	0.04	8.5	0.09	0.07	-55.6%	-42.9%
Stonegate Agricom	ST-T	CAD	194.2	0.04	6.8	0.18	0.06	-80.6%	-36.4%
Arianne Phosphate	DAN-V	CAD	92.9	0.80	74.3	1.15	0.72	-30.4%	11.1%
Legend International Hldgs	LGD-AU	AUD	444.1	0.26	113.2	0.34	0.25	-25.0%	2.0%
Celamin Holdings	CNL-AU	AUD	235.7	0.01	2.1	0.04	0.02	-77.5%	-60.9%
Minbos Resources Limited	MNB-AU	AUD	944.1	0.00	2.8	0.00	0.00	-25.0%	0.0%
Minemakers Limited	MAK-AU	AUD	247.5	0.07	16.6	0.10	0.07	-33.0%	-9.5%
Great Quest	GQ-V	CAD	48.9	0.70	34.2	1.40	1.02	-50.0%	-31.4%
Phoscan Chemical	FOS-T	CAD	156.8	0.29	44.7	0.31	0.29	-8.1%	0.0%
Rum Jungle Resources	RUM-AU	AUD	385.5	0.06	21.2	0.11	0.07	-50.0%	-21.4%
Agua Resources Limited	AGR-AU	AUD	253.9	0.04	8.9	0.06	0.04	-41.7%	-7.9%
DuSolo Fertilizer	DSF-V	CAD	104.5	0.30	30.8	0.21	0.27	40.5%	9.3%
Chatham Rock Phosphate	CRP-NZ	NZD	158.8	0.19	30.2	0.25	0.14	-24.0%	40.7%
Focus Ventures	FCV-V	CAD	76.9	0.18	13.8	0.31	0.20	-41.9%	-7.7%
Strata Minerals	SMP-V	CAD	21.4	0.06	1.2	0.12	0.06	-54.2%	0.0%
<b>Average</b>								<b>-40.1%</b>	<b>-10.8%</b>
<b>Potash</b>									
<b>Producers</b>									
PotashCorp	POT-N	USD	829.8	35.60	29,540.9	32.87	36.19	8.3%	-1.6%
Mosaic Company	MOS-N	USD	371.3	46.10	17,116.9	46.28	47.67	-0.4%	-3.3%
Sociedad Quimica y Minera	SQM-N	USD	265.6	23.48	6,236.3	25.36	26.40	-7.4%	-11.1%
Uralkali	URKA-LN	USD	587.2	12.18	7,152.1	26.22	13.50	-53.5%	-9.8%
K+S	SDF-GR	EUR	191.4	23.195	4,439.5	22.38	22.60	3.6%	2.6%
Isreal Chemicals Ltd	ICL-TA	ILS	1271.3	2868.00	36,460.9	2842.00	2780.00	0.9%	3.2%
Intrepid Potash	IPI-N	USD	75.5	13.81	1,043.1	15.50	15.24	-10.9%	-9.4%
<b>Average</b>								<b>-8.5%</b>	<b>-4.2%</b>
<b>Junior Explorer and Developers</b>									
Allana Potash	AAA-T	CAD	325.2	0.32	104.1	0.39	0.28	-17.9%	14.3%
Encanto Potash	EPO-T	CAD	306.3	0.05	15.3	0.14	0.08	-64.3%	-37.5%
Karnalyte Resources	KRN-T	CAD	27.5	0.79	21.7	1.80	0.87	-56.1%	-9.2%
Western Potash	WPX-T	CAD	226.8	0.23	51.0	0.30	0.28	-25.0%	-19.6%
Elemental Minerals	ELM-AU	AUD	315.7	0.21	66.3	0.33	0.25	-36.4%	-16.0%
Passport Potash	PPI-V	CAD	109.5	0.01	1.1	0.04	0.03	-75.0%	-66.7%
Prospect Global Resources	PGRX-O	USD	5.0	0.11	0.5	1.89	0.23	-94.2%	-52.2%
South Boulder Mines	STB-AU	AUD	139.0	0.19	26.4	0.21	0.19	-9.5%	0.0%
Verde Potash	NPK-T	CAD	37.6	0.47	17.5	0.47	0.54	-1.1%	-13.9%
IC Potash	ICP-T	CAD	172.8	0.24	41.5	0.27	0.24	-11.1%	0.0%
Sirius Minerals	SXX-LN	GBP	1896.0	10.24	194.2	14.00	12.00	-26.8%	-14.6%
EPM Mining Ventures	EPK-V	CAD	114.7	0.21	23.5	0.23	0.31	-10.9%	-33.9%
Potash Ridge	PRK-T	CAD	86.8	0.17	14.8	0.21	0.14	-19.0%	21.4%
<b>Average</b>								<b>-34.4%</b>	<b>-17.5%</b>

Source: Yahoo, Bloomberg, Marketwatch, Reuters



## ~ Agriculture Sector Stock Price Performance ~

Company	Ticker	Currency	S/O mln	22-Dec-14 Price	Market Cap (mln)	Historical Prices		% Change	
						01-Jan-14	mid Nov 2014	YTD	m/m
						<b>Farm Equipment Manufacturers and Distributors</b>			
<b>Farm Equipment Manufacturers</b>									
Deere & Co.	DE-N	USD	358.4	90.24	32,343.8	90.26	87.52	0.0%	3.1%
Caterpillar	CAT-N	USD	605.4	92.32	55,890.5	89.87	101.34	2.7%	-8.9%
CNH Global	CNHI-N	USD	1354.2	8.18	11,077.3	11.13	8.01	-26.5%	2.1%
Terex	TEX-N	USD	108.4	27.43	2,973.4	41.11	28.18	-33.3%	-2.7%
AGCO Corporation	AGCO-N	USD	91.0	45.00	4,094.1	57.69	44.18	-22.0%	1.9%
Art's Way Manufacturing	ARTW-O	USD	4.1	5.00	20.3	6.14	5.46	-18.6%	-8.4%
Lindsay Corporation	LNN-N	USD	12.2	84.50	1,030.9	82.52	84.56	2.4%	-0.1%
Ag Growth	AFN-T	CAD	13.4	55.59	744.9	43.87	50.72	26.7%	9.6%
<b>Average</b>								<b>-8.6%</b>	<b>-0.4%</b>
<b>Farm Equipment Distributors</b>									
Finning	FTT-N	USD	172.4	24.72	4,261.0	26.99	27.83	-8.4%	-11.2%
Toromont	TIH-N	USD	77.1	28.13	2,168.0	26.27	28.11	7.1%	0.1%
Titan Machinery	TITN-N	USD	21.4	13.71	293.5	17.47	13.82	-21.5%	-0.8%
Cervus	CVL-T	CAD	15.4	19.68	302.1	24.24	18.20	-18.8%	8.1%
Rocky Mountain	RME-T	CAD	19.3	9.05	174.9	12.83	10.70	-29.5%	-15.4%
<b>Average</b>								<b>-14.2%</b>	<b>-3.8%</b>
<b>Farmland Owners/Growers</b>									
Adecoagro SA	AGRO-N	USD	122.4	7.98	976.8	7.87	9.17	1.4%	-13.0%
BrasilAgro	AGRO3-SA	BRL	58.4	8.51	497.2	9.45	7.28	-9.9%	16.9%
Vanguardia Agro SA	VAGR3-SA	BRL	387.4	0.99	383.5	3.43	1.22	-71.1%	-18.9%
SLC Agricola SA	SLCE3-SA	BRL	98.9	14.10	1,394.5	20.4	15.48	-30.9%	-8.9%
<b>Average</b>								<b>-27.6%</b>	<b>-6.0%</b>
<b>Seeds, Crops and Processors</b>									
<b>Seed &amp; Genetics</b>									
Monsanto	MON-N	USD	484.1	122.04	59,075.9	116.31	118.97	4.9%	2.6%
Syngenta	SYT-N	USD	464.7	65.05	30,230.7	78.55	64.91	-17.2%	0.2%
<b>Average</b>								<b>-6.1%</b>	<b>1.4%</b>
<b>Crop Protection</b>									
The Dow Chemical Company	DOW-N	USD	1178.6	45.77	53,942.7	43.87	51.37	4.3%	-10.9%
E.I du Pont de Nemours & Co	DD-N	USD	906.0	74.14	67,167.1	63.71	70.8	16.4%	4.7%
FMC Corporation	FMC-N	USD	133.3	56.51	7,531.1	74.53	56.62	-24.2%	-0.2%
<b>Average</b>								<b>-1.2%</b>	<b>-2.1%</b>
<b>Processors (Primary and Secondary)</b>									
Bunge	BG-N	USD	145.2	92.14	13,378.7	81.92	88.58	12.5%	4.0%
Archer Daniels Midland	ADM-N	USD	643.8	52.72	33,940.6	42.99	51.35	22.6%	2.7%
Andersons	ANDE-O	USD	28.9	53.81	1,555.1	58.01	54.45	-7.2%	-1.2%
Ingredion	INGR-N	USD	71.9	85.53	6,146.2	68.18	80.34	25.4%	6.5%
AGT Food and Ingredients	AGT-T	CAD	23.1	27.36	630.9	16.37	28.19	67.1%	-2.9%
Ridley	RCL-T	CAD	12.8	29.99	383.6	15.19	25.98	97.4%	15.4%
Legumex Walker	LWP-T	CAD	16.3	2.29	37.3	4.80	3.04	-52.3%	-24.7%
<b>Average</b>								<b>23.7%</b>	<b>0.0%</b>
<b>Sugar &amp; Ethanol Producers</b>									
Pacific Ethanol	PEIX-O	USD	24.5	10.91	267.1	5.23	13.65	108.6%	-20.1%
Green Plains	GPPE-O	USD	37.6	24.73	930.1	19.02	33.35	30.0%	-25.8%
Rogers Sugar	RSI-T	CAD	94.0	4.65	437.2	5.43	4.84	-14.4%	-3.9%
Cosan SA	CSAN3-SA	BRL	407.2	27.75	11,300.1	35.18	29.94	-21.1%	-7.3%
Tereos Internacional SA	TERI3-SA	BRL	807.7	1.44	1,163.1	2.49	1.90	-42.2%	-24.2%
Sao Martinho	SMTO3-SA	BRL	113.0	34.75	3,926.8	28.70	37.65	21.1%	-7.7%
<b>Average</b>								<b>13.7%</b>	<b>-14.8%</b>
<b>Animal Protein Producers</b>									
High Liner Foods	HLF-T	CAD	30.7	22.99	705.6	22.84	22.73	0.7%	1.1%
Tyson	TSN-N	USD	305.7	40.99	12,529.8	33.17	40.66	23.6%	0.8%
Pilgrims	PPC-N	USD	259.0	34.03	8,814.8	15.95	30.39	113.4%	12.0%
Maple Leaf Foods	MFI-T	CAD	141.4	19.13	2,705.4	16.68	19.35	14.7%	-1.1%
Brasil Foods SA	BRFS3-SA	BRL	872.5	63.59	55,480.4	48.83	65.09	30.2%	-2.3%
Minerva SA	BEEF3-SA	BRL	178.0	9.50	1,691.0	11.50	11.20	-17.4%	-15.2%
JBS SA	JBSS3-SA	BRL	2943.6	11.16	32,851.0	8.77	11.06	27.3%	0.9%
Marfrig Alimentos SA	MRFG3-SA	BRL	520.7	5.84	3,041.1	4.00	5.68	46.0%	2.8%
<b>Average</b>								<b>29.8%</b>	<b>-0.1%</b>

Source: Yahoo, Bloomberg, Marketwatch, Reuters

## ~ Agriculture ETF Price Performance ~

Fund	Ticker	Currency	22-Dec-14 Price	Historical Prices		% Change	
				01-Jan-14	mid Nov 2014	YTD	m/m
				IQ Global Agribusiness Small Cap ETF	CROP	USD	25.58
Market Vectors Agribusiness ETF	MOO	USD	53.07	53.74	54.69	-1.2%	-3.0%
PowerShares DB Agriculture	DBA	USD	25.30	24.17	25.87	4.7%	-2.2%
PowerShares DB Agriculture Double Long ETN	DAG	USD	5.43	7.13	5.86	-23.8%	-7.3%
PowerShares DB Agriculture Double Short ETN	AGA	USD	22.43	14.39	23.50	55.9%	-4.6%
PowerShares DB Agriculture Long ETN	AGF	USD	14.28	12.64	13.87	12.9%	2.9%
PowerShares DB Agriculture Short ETN	ADZ	USD	29.00	23.55	29.20	23.1%	-0.7%
PowerShares DB Commodity Double Long ETN	DYY	USD	4.07	6.90	5.56	-41.0%	-26.8%
PowerShares DB Commodity Double Short ETN	DEE	USD	52.92	27.90	42.17	89.7%	25.5%
PowerShares DB Commodity Long ETN	DPU	USD	12.27	12.65	13.17	-3.0%	-6.8%
PowerShares DB Commodity Short ETN	DDP	USD	39.96	20.90	36.62	91.2%	9.1%
PowerShares Global Agriculture	PAGG	USD	29.27	29.73	29.58	-1.5%	-1.0%
Teucrium Corn	CORN	USD	27.50	30.53	26.61	-9.9%	3.3%
UBS E-TRACS CMCI Agriculture TR ETN	UAG	USD	22.57	24.60	22.57	-8.3%	0.0%
UBS E-TRACS CMCI Food TR ETN	FUD	USD	23.04	23.84	23.32	-3.4%	-1.2%
UBS E-TRACS CMCI Livestock TR ETN	UBC	USD	23.11	19.53	25.41	18.3%	-9.1%
ELEMENTS MLCX Biofuels Index TR ETN	FUE	USD	8.57	9.64	8.88	-11.1%	-3.5%
ELEMENTS MLCX Grains Index TR ETN	GRU	USD	5.46	5.72	5.14	-4.5%	6.2%
ELEMENTS Rogers Intl Commodity Agri ETN	RJA	USD	7.53	7.89	7.39	-4.6%	1.9%
iPath DJ-UBS Agriculture TR Sub-Idx ETN	JJA	USD	43.07	46.01	42.99	-6.4%	0.2%
iPath DJ-UBS Cocoa TR Sub-Idx ETN	NIB	USD	38.76	34.89	36.50	11.1%	6.2%
iPath DJ-UBS Coffee TR Sub-Idx ETN	JO	USD	31.39	22.01	36.26	42.6%	-13.4%
iPath DJ-UBS Cotton TR Sub-Idx ETN	BAL	USD	42.51	53.10	40.62	-19.9%	4.7%
iPath DJ-UBS Grains TR Sub-Idx ETN	JJG	USD	40.16	42.70	38.26	-5.9%	5.0%
iPath DJ-UBS Livestock TR Sub-Idx ETN	COW	USD	29.70	27.45	32.72	8.2%	-9.2%
iPath DJ-UBS Softs TR Sub-Idx ETN	JJS	USD	39.44	43.30	42.84	-8.9%	-7.9%
iPath DJ-UBS Sugar TR Sub-Idx ETN	SGG	USD	37.71	54.69	40.78	-31.0%	-7.5%
iPath Pure Beta Agriculture ETN	DIRT	USD	38.92	41.61	39.08	-6.5%	-0.4%
iPath Pure Beta Cocoa ETN	CHOC	USD	43.41	38.79	40.72	11.9%	6.6%
iPath Pure Beta Coffee ETN	CAFE	USD	20.87	14.76	23.76	41.4%	-12.2%
iPath Pure Beta Cotton ETN	CTNN	USD	26.91	32.52	26.78	-17.3%	0.5%
iPath Pure Beta Grains ETN	WEET	USD	41.55	44.06	40.98	-5.7%	1.4%
iPath Pure Beta Livestock ETN	LSTK	USD	54.22	42.75	56.05	26.8%	-3.3%
iPath Pure Beta Softs ETN	GRWN	USD	28.18	26.93	28.15	4.6%	0.1%
iPath Pure Beta Sugar ETN	SGAR	USD	27.34	34.38	29.56	-20.5%	-7.5%
iShares Global Agriculture Index ETF	COW.TO	CAD	31.73	26.95	30.55	17.7%	3.9%
<b>Average</b>						<b>6.1%</b>	<b>-1.5%</b>

Source: Yahoo, Bloomberg, Marketwatch, Reuters

## ~Fertilizer News~

Date	Company	Ticker	Category	Details
Nov-13	Agrium	AGU	Producer	Issued \$500-million aggregate principal amount of 5.25% debentures due January 15, 2045
Nov-13	Ariane	DAN	Jr. Phosphate	Q3 14 results: \$4mln cash +\$3.3mln working capital
Nov-13	K+S	SDF	Producer	Q3 14 results: increased 2014 forecast profit by 12% due to nutrient price recovery
Nov-14	Karnalyte	KRN	Jr. Potash	Stephen Goodman appointed new President and CEO
Nov-17	Potash Ridge	PRK	Jr. Potash	Announced results of economic impact analysis of Blawn Mountain Project on local counties and state of Utah
Nov-18	Uralkali	URKA	Producer	Workers evacuated because of inflow of brine in Solikamsk-2 mine
Nov-21	Strata Minerals	SMP	Jr. Phosphate	Announced high grade surface deposit at Diamond Mountain, Utah
Nov-22	Pacific Potash	PP	Jr. Potash	Announced MOU with Northern International Group for strategic investment of \$15mln
Nov-24	DuSolo	DSF	Jr. Phosphate	Bomfim operational update -> started pre-production of DANF and started drilling campaign aimed at increasing existing resources, as well as announced plans to double capacity of DANF facility
Nov-25	Uralkali	URKA	Producer	Announced potential plans to back fill part of flooded mine
Nov-26	Strata Minerals	SMP	Jr. Phosphate	Announced withdrawal from Cardabia JV in Western Australia
Nov-26	IC Potash	ICP	Jr. Potash	US\$10 mln investment by Cartesian Capital
Dec-03	CF Industries	CF	Producer	Resumed production at Woodward, OK nitrogen site (shut down in Oct)
Dec-12	Phoscan	FOS	Jr. Phosphate	Q3 14 results: working capital of \$55.7mln, Mike Thome appointed new CFO
Dec-16	ICL	ICL	Producer	Announced \$452 mln investment in China (15% stake in Yunnan Yuntiahua + 50/50 JV that will own and operate Yunnan's Haikou Mine Branch Co.
Dec-17	DuSolo	DSF	Jr. Phosphate	Purchased 100% of DANF facility (currently under lease) plus 3 hammer mills
Dec-17	Mosaic	MOS	Producer	Closed ADM acquisition of fertilizer business in Brazil and Paraguay
Dec-18	Uralkali	URKA	Producer	Increased 2014 production guidance by 4% despite issues with Solikamsk-2 mine. If mine is lost, production in 2015 could reduce to 10 million tonnes and there could be a \$1 billion write down
Dec-18	Great Quest	GQ	Jr. Phosphate	Released results of engineering study of planned pilot plant project, which is expected to generate profits
Dec-22	ICL	ICL	Producer	Closed acquisition of Fosbrasil (announced Dec 2013, former JV with Vale and Prayon SA)
Dec-22	Agrium	AGU	Producer	Mayo Schmidt will resign from board of directors to take CEO role at Louis Dreyfus Commodities

## ~Agriculture News~

Date	Company	Ticker	Category	Details
Nov-20	Archer Daniels Midland	ADM	Processor	Completed Specialty Commodities Inc (SCI) acquisition
Nov-21	Archer Daniels Midland	ADM	Processor	Sued Syngenta (SYT) over genetically engineered corn it was selling to China
Nov-21	JBS	JBSS3	Protein	Buys Australia's Primo Smallgoods for \$1.25bln
Nov-26	BRF	BRFS3	Protein	Rules out purchase of Kuwait Food Co.
Nov-26	Deere	DE	Equip Manuf	Q3 14 results: Guidance lowered significantly -> equipment sales -21% in Q1 and -15% y/y in 2015
Dec-01	CNH Industrial	CNHI	Equip Manuf	Completed the acquisition of precision spraying equipment manufacturer Miller-St. Nazianz
Dec-03	Ag Growth	AFN	Equip Manuf	Announced exercise in full of over-allotment option in connection with public offering of subscription receipts and convertible debentures (\$103.5mln)
Dec-03	Archer Daniels Midland	ADM	Processor	Investor day
Dec-04	Deere	DE	Equip Manuf	Buys Brazil-based Auteq Telematica in sugar cane market
Dec-10	Cervus	CVL	Equip Dist	Acquisition of Deer-County Equipment
Dec-17	Syngenta	SYT	Seeds	Syngenta drops lawsuit against Bunge over biotech Viptera corn
Dec-18	Deere	DE	Equip Manuf	Plans to sell its crop insurance business, subject to regulatory approval, to Farmers Mutual Hail Insurance Company of Iowa (FMH)

Source: Reuters, Bloomberg, Yahoo

### **Brazil Phosphate Shipments and Imports Remain Strong**

Data from ANDA and Mosaic indicates phosphate shipments in Brazil were down 13% m/m and down 1% y/y in October (561,000MT). YTD, P2O5 shipments are up 5% y/y to 4.1 million MT. This is not a surprise after September's all-time record and October was not far off a record despite the decline.

Production of phosphate fertilizer (MAP and TSP) in Brazil improved again in October. Production of MAP/TSP was up 10% m/m (193,000MT) but down 3% y/y YTD to 1.7 million MT. Production of SSP was down 8% m/m (419,000MT) and down 8% y/y YTD to 3.9 million MT. Reduced production y/y is primarily due to beneficiation issues at a number of Brazilian mines and changes in demand, which are discussed below.



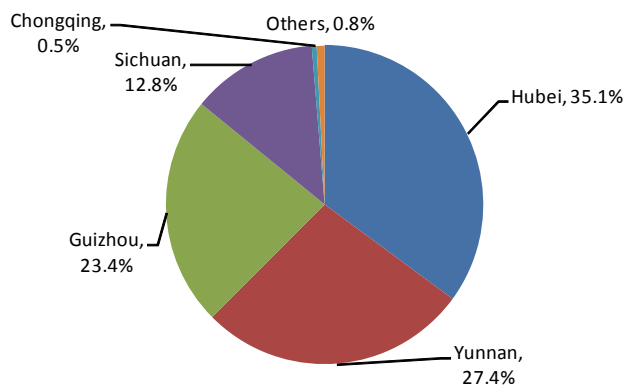
Imports of DAP/MAP/TSP decreased 31% m/m but increased 95% y/y in September (441,000MT). YTD, DAP/MAP/TSP imports are up 16% y/y primarily due to poor performance at Vale and Anglo American, the two major producers. Typically imports peak in June before trending lower but this has not been the case in 2014. SSP imports are down significantly YTD (October) this year at 539,000MT versus 828,000MT last year (-35%). However, SSP imports were up 62% m/m and 401% y/y to 95,000MT (September). November import interest was slow and due to high inventory levels, a rebound in import demand is not expected until 2015.

Fertilizer demand in Brazil has been impacted this year by the draught in the main growing areas, which has notably impacted coffee prices as well as the amount of fertilizer applied. Imported DAP/MAP/TSP require a 8-12 week lead time while SSP production (primarily local) can be left to the last moment, which has resulted in lower demand this year. Furthermore, there has been a change away from SSP application in the Cerrado region (to MAP and/or TSP + gypsum), which has also contributed to an overall reduction in SSP demand and production. Lastly, internal logistics costs (road, 600-1800km) have been significantly high in Brazil this year (~US\$90+/t) versus Argentina (~US\$20/t), which has dampened SSP imports on the east coast.

**Monthly Phosphate Focus: China is a Major Producer but Focused on the Downstream**

China is currently the largest producer of phosphate rock in the world at ~77 million tpa. There are 5 major phosphate formations in China (accounting for ~75% of total reserve), located in Hubei, Guizhou, Hunan, Sichuan and Yunnan provinces.

**H1 2011 Main Phosphate Ore Production Areas in China**



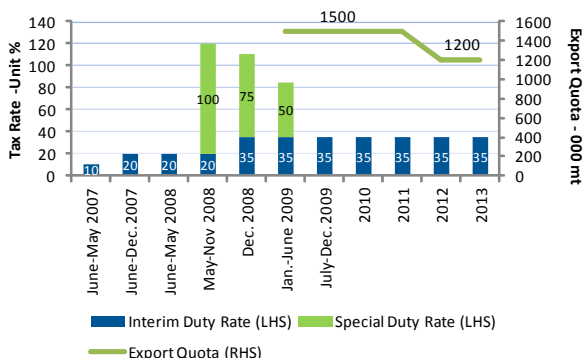
Source: CCM International

Phosphate rock production in China has grown significantly (~3x) over the past 20 years although growth is expected to slow. The 12th 5-year plan (2011-2015) indicated phosphate rock production of 75 mln tpa by 2015, which is slightly below where production is today. As with other resources in China, the government is focused on rationalizing the number of players (M&A), building the downstream/value added operations (notably for export), and focusing on environmental issues. In 2012, China's phosphate production was further concentrated in four provinces y/y (79% vs. 74% in 2011). The Chinese government is focused on making the top 10 phosphate producers represent 50% of output, shifting 1.5 mln tpa of thermal process capacity to wet process and raising the utilization rate of low grade phosphate ore for fertilizer use.

We therefore expect most of the phosphate rock capacity growth in China to service the growing downstream industry, as is the case with other major phosphate producers, notably OCP. We believe this is evidenced by the reduced exports and proportionately low and declining export quota. Phosphate rock exports have declined from ~5 mln tonnes in 2001 to ~0.5 mln tonnes in 2012. In

2010 and 2011 MOFCOM set quota at 1.5 mln tonnes (primarily to South Korea and Japan) and for 2015 it has been reduced to 1 mln tonnes. Note in the charts below that Chinese exports have been below quota.

**Chinese Phosrock Tax and Export Quota; China Phosrock Exports**



Source: PHOSCN



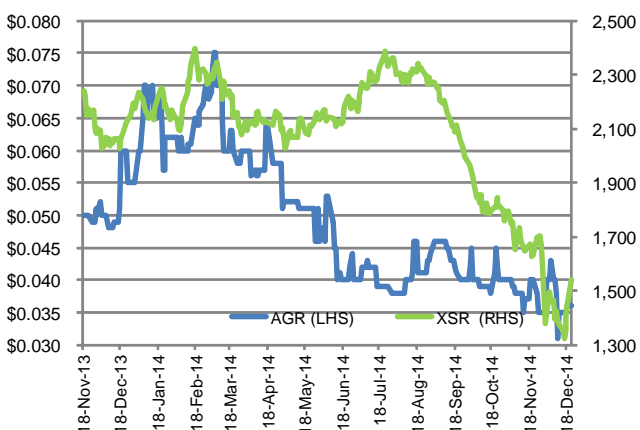
Source: PHOSCN, PhosAgro

In contrast, China has increased its DAP exports, primarily driven by recent changes to the export policy, which included lower taxes and a longer export window in the low season. In 2014, export taxes were decreased significantly – down to 0% (+\$8/MT export fee) in the low season (May 16-Oct 15) (was 5%) and down to 15% (+\$8/MT export fee) in the high season (Oct 16-May15) (was 75%). YTD October, China DAP exports were 3.5 million tonnes versus 2.9 million tonnes in 2013 (+20% y/y). China is a major producer of DAP (18-46-0) and “DAP light” (16-44/45-0).

Of note, Brazil is a major importer of MAP. YTD August, Brazil imported 2.1 million tonnes of MAP versus 0.5 million tonnes of DAP (1.7 million tonnes versus 0.6 million tonnes, respectively, in 2013).

## About Agua

### Agua (AGR-AU) Stock Price Performance



### Capital Structure

Ticker - ASX	AGR
Shares Outstanding (Dec 18 2014)	253.9M
Market Cap at A\$0.036/share	A\$9.1M
Cash Balance (Dec 2014)	~A\$1.6M
Unlisted Options (average price A\$0.27)	22.0M
Performance Shares (expire July 2016)	1.5M

Source: FT.com, AGR

Agua is currently focused on the flagship Rio Grande phosphate deposits in Rio Grande Do Sul (RS) state in south Brazil. The area is an established farming area (wheat, rice, soybean, corn, dry beans and lesser quantities of sugar cane and coffee) and currently imports 100% of its phosphate needs (~500,000tpa P<sub>2</sub>O<sub>5</sub>) as there are no existing mines operating in the area. The Rio Grande project is a collection of four new phosphate discoveries – Três Estradas (Nov 2011), Joca Tavares (June 2013), the Porteira target and the Cerro Preto target. The current focus is Três Estradas (TE), which has a 10MT indicated and 21MT inferred JORC resource (5.03% and 3.94% P<sub>2</sub>O<sub>5</sub>, respectively) with only 45% of the mapped strike length drilled to date. Joca Tavares

(JT) is the second discovery approximately 40 km to the south. The site has excellent infrastructure (TE is less than 1km from all railway links to the Rio Grande port – one of only two ports in Brazil with an acid terminal).

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This document has been prepared as a summary only, and does not contain all information about the Company's assets and liabilities, financial position and performance, profits and losses, prospects and the rights and liabilities attaching to the Company's securities. This document should be read in conjunction with any public announcements and reports (including financial reports and disclosure documents) released by Aguiá Resources Limited. The securities issued by the Company are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future. Further details on risk factors associated with the Company's operations and its securities are contained in the Company's prospectuses and other relevant announcements to the Australian Securities Exchange.

Some of the statements contained in this release are forward-looking statements. These forward-looking statements reflect various assumptions by or on behalf of the Company. Forward looking statements include but are not limited to, statements concerning estimates of tonnages, expected costs, statements relating to the continued advancement of the Company's projects and other statements which are not historical facts. When used in this document, and on other published information of the Company, the words such as "aim", "could", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements.

Although the company believes that its expectations reflected in the forward-looking statements are reasonable, such statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or mining which may be beyond the control of the Company which could cause actual results or trends to differ materially and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward-looking statements include but not limited to price fluctuations, exploration results, reserve and resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, dependence on key personnel, share price volatility, approvals and cost estimates, the potential that the Company's projects may experience technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by the Company or disclosed in the Company's published material. The Company makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

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**Competent Persons Statement**

The information is extracted from the report entitled Diamond and Reverse Circulation Drilling released on 13 November 2014, Quarterly Report and Appendix 5B released on 31 Oct 2014, Aguiá Secures \$2m Placement released on 20 Oct 2014, the Tres Estradas Phosphate Project released on 29 May 2014, the Mining Study – Tres Estradas Phosphate Deposit released on 16 September 2014, the New High Grade Phosphate Mineralization released on 8 October 2014 and the Funding Update released on 25 September 2014, which are available to view on [www.aguiaresources.com.au](http://www.aguiaresources.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

As previously announced in the March 2014 Quarterly Report to the ASX, the Trés Estradas Phosphate Project has a current JORC compliant inferred and indicated mineral resource of 30.5 @ 4.24% P2O5 (total initial contained phosphate of 1.23Mt P2O5). This includes indicated resources of 9.9Mt @ 5.03% P2O5 and inferred resources of 20.6Mt @ 3.93% P2O5. The Company has also identified (and as also announced in the March 2014 Quarterly Report to the ASX) an exploration target of between 13 and 27 million tonnes, grading at between 3.56 and 4.84% P2O5 for the Trés Estradas South tenement. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. The information in this report that relates to Exploration Targets is based on information compiled by Dr Fernando Tallerico, a Competent Person, who is a Member of the Association of Professional Geoscientists Ontario, a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time.