



15 July 2016

## **CLARIFICATION AND WITHDRAWAL OF ANNOUNCEMENTS**

Agua Resources Limited (ASX: AGR) (“Agua” or “Company”) refers to the results of each of the Preliminary Economic Assessments for the Três Estradas Phosphate Project (the “Project”) announced to the ASX on 19 August 2015 and 12 July 2016 respectively (the “PEAs”).

The purpose of the PEAs was to assess the potential viability of and optimal development options for a phosphate mining and processing operation located in Rio Grande do Sul state in southern Brazil. Each of the PEAs were undertaken by experienced third-party independent geological and engineering consultants. The first PEA was undertaken by SRK Consulting and the second PEA by Millcreek Mining Group. Each PEA presented economic and production forecasts for future project development.

Investors are advised that the results of the PEAs do not establish the economic viability or definite value of the Project. Investors should note that for the Company to establish economic viability of its Project, the Company will need to establish sufficient Measured and Indicated Mineral Resources to support its development plan. Owing to this fact, some of the economic assumptions used in the PEAs may never be realised.

In discussions with the Company subsequent to the release of the Announcement on 12 July 2016, ASX have expressed concern that certain statements made in that Announcement and the Announcement on 19 August 2015, indicate or amount to the reporting of a production target or forecast that is too reliant on a high proportion of Inferred Mineral Resources and are therefore not made in accordance with the ASX Listing Rules. The Company wishes to clarify that this was not its intention and, in an effort to avoid any potential confusion or further conjecture, it has decided to withdraw both Announcements. Further the Company cautions investors against using any statements made in either Announcement which indicate or amount to the reporting of a production target or forecast financial information, as a basis for making any investment decisions about shares in the Company.

The primary purpose of completing the PEAs was to confirm that further investment in the Project is merited and to identify specific critical path items that need to be addressed to advance the Project towards a future development decision. The Company believes the work done by Millcreek in the PEA dated 12 July 2016, and by SRK Consulting in the PEA dated 19 August 2015 has demonstrated that further work is merited and it will be used as a basis to further advance its evaluation and development of the Project. This is expected to include an infill drilling program designed to increase the proportion of Measured and Indicated Resources relative to Inferred Resources in support of a definitive feasibility study.

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**About Aguia:**

*Aguia 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. Aguia 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.*