



18 July 2016

AGUIA ADVANCES TRÊS ESTRADAS PROJECT AND COMMENCES PROJECT FINANCE DISCUSSIONS

- **Project analysis by Millcreek Mining Group reaffirms potential to unlock significant value from Três Estradas phosphate deposit**
- **Advancing towards commencement of Bankable Feasibility Study**
- **Drilling program of Inferred Mineral Resource in order to convert to Measured & Indicated Resource**
- **Upcoming filing of Environmental Impact Assessment – a major project development milestone**
- **Early stage exploration work on recently optioned properties is continuing**
- **Discussions underway to advance project financing including potential off take agreements and debt funding**

Brazilian fertiliser developer Agua Resources Limited (ASX: AGR) (“Agua” or “Company”) is pleased to update shareholders on the ongoing and planned works program at its flagship Três Estradas phosphate project in Southern Brazil.

Based on the recent resource update and optimisation of Três Estradas by Millcreek Mining Group, Agua confirms its intention to advance the project to commencement of the Bankable Feasibility Study after additional project development and exploration works are completed in the near term.

Agua plans to undertake an infill drill program to convert the current Inferred Mineral Resource to Measured and Indicated Mineral Resources to be used as the basis for economic and production forecasts in the Bankable Feasibility Study. To date, the conversion of Inferred Resource to Indicated Resource has been high, which reflects the continuity of the carbonatite deposit.

Agua will continue to analyse the mining and processing plan to identify further optimisations that will have the potential to further reduce costs. The company will also be examining logistics options to deliver phosrock to the SSP producers at the port.

Next month, Agua plans to submit its Environmental Impact Assessment (EIA) to the government. The EIA has been compiled by Golder & Associates over the last few months and its submission is a major milestone in the Company’s development plans.

While the Três Estradas deposit remains the main focus, the Company will also continue exploration activities at the surrounding Terra Santa and Santa Clara projects, two recently optioned adjacent properties that demonstrate similar geological characteristics as Três Estradas.

Aguia is also pleased to confirm that discussions are continuing with the regional government which has indicated its support for the project and is providing valuable assistance to the team in Brazil.

The Company is pleased to advise that discussions are well underway with a number of potential off take partners and debt providers that have expressed an interest in the Três Estradas project. This represents a major vote of confidence for the Company and Agüia looks forward to updating shareholders in this regard.

Management commentary

Aguia's Managing Director Justin Reid commented, "Our technical team's work over the past year on optimising the plan and processes at Três Estradas have reinforced our view that this deposit has major upside potential. We have an active project development works schedule underway and we are aggressively moving forward with the development of the deposit to further de-risk and delineate the project's economic value.

"Discussions with potential off take partners and debt financing providers are at an early stage but they illustrate the growing interest in the project and the realisation that Agüia will be the only local phosphate miner in Southern Brazil, a region that is entirely dependent on imports."

NOTE:

- *For details on the updated JORC Resource for Três Estradas, refer to announcement of 12 July 2016, "Optimised PEA Unlocks Significant New Value"*
- *For details on calcite metallurgical results, refer to announcement of 5 July 2016, "Metallurgical Tests Confirm High Quality Calcite By-Product from Três Estradas Phosphate Project".*
- *For details on the phosphate metallurgical results, refer to announcement of 6 June 2016, "Aguia Reports Positive New Column Flotation Results at its Flagship Três Estradas Phosphate Project".*
- *For details on the 2015 PEA, refer to announcement of 19 August 2015, "Positive Preliminary Economic Assessment Demonstrates Robust Economics for Três Estradas"*

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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.

Forward Looking Statements:

This news release contains forward looking statements, which relate to future events or future performance, including, but not limited to, the completion of the size of the Placement, receipt of regulatory approvals and timing thereof, the Company's business strategies and plans for the use of such Placement proceeds, capital expenditure programs and estimates relating to timing and costs, and reflect management's current expectations and assumptions, including, but not limited to the timing and receipt of necessary regulatory approvals and completion of the Placement and stability of general economic and financial market conditions. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", and similar expressions is intended to identify forward looking statements. Such forward looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties, including imprecision in estimate capital expenditures and operating expenses, stock market volatility, general economic and business conditions, risks associated with liquidity and capital resource requirements, that may cause future results to differ materially from those expected and the forward looking statements included in this news release should not be unduly relied upon. These forward looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

JORC Code Competent Person Statements:

The information in this report that relates to an Independent Technical Report that was prepared by Millcreek Mining Group and entitled "*Preliminary Economic Assessment of the Três Estradas Phosphate Project*". This document is dated July 7, 2016 and has been reviewed by and signed-off by Mr. Steven B. Kerr, P.G., C.P.G., Principal Consultant (Geology), Mr. Douglas R. Moore, Principal Consultant (Mining) and Mr. Alister D. Horn, Principal Consultant (Mining), all of whom are full-time employees of Millcreek Mining Group which was retained by Aguia Resources Limited to prepare the conceptual mining study and by Mr. Paul Hampton, Senior Associate, KSN Mineral Process Associates, LLC acting as a consultant to Millcreek Mining Group. Mr. Kerr supervised the exploration and geologic review as well as the resource estimation components of the study and is a member of the American Institute of Professional Geologists (C.P.G.-10352). Mr. Moore and Mr. Horn supervised the mine planning and are Qualified Professional members of good standing in the Mining and Metallurgical Society of America (MMSAQP-01370 and MMSAQP-01369). Mr. Hampton supervised the metallurgical testing and mineral processing components of the study and is a Qualified Professional member in good standing of the Mining and Metallurgical Society of America (MMSAQP-01394). Mr. Moore also supervised the economic components of the study and assisted Mr. Hampton. Messrs Kerr, Moore, Horn and Hampton have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken in this study 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 ("JORC Code")'. Messrs Kerr, Moore, Horn and Hampton consent to the inclusion in this report of the matters based on the Millcreek study in the form and context in which it appears.

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.