



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 25 NOVEMBER 2014

AMENDED PHOSPHATE MARKET AND COMPANY UPDATE

Agua Resources Limited (the **Company**) refers to its announcement titled 'Phosphate Market and Company Update' which was released to the ASX on 20 November 2014 (the **Announcement**).

The Announcement contained a streamlined competent persons statement, whereas it should have contained a full competent persons statement.

The attached amended version of the Announcement includes a full competent persons statement on the final page.

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20 November 2014

PHOSPHATE MARKET AND COMPANY UPDATE

Agua Update: A\$2 Million in Funding Secured; Drill Program Commenced for Resource Expansion

Agua has secured a A\$2 million placement with Sulliden Mining Capital Inc., comprising of 40,000,000 shares at A\$0.05 (31.58% premium to the last traded price prior to the announcement). In addition to the shares being used under the placement, Sulliden has been granted: 1) the irrevocable right to appoint one person to the Board of Directors of Agua whilst they maintain an interest of at least 10% of the issued and outstanding common shares of Agua; 2) a royalty equal to 1% of the net smelter returns (NSR) in respect of the Rio Grande project and all properties contiguous to that project (Agua has the right to buy back the royalty for US\$1 million at any time for up to three years from the date of issue of the 40,000,000 shares); and 3) the right to participate in any future equity financings in order to maintain its proportionate equity interest.

Funding will be used for a comprehensive drill program to validate the resource at Três Estradas South, which is already underway. The program will include approximately 3,000m of diamond and 1,000m of RC drilling. RC drilling is expected to take one month to complete, with diamond drilling expected to be completed in three months.

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% P2O₅¹, which includes indicated resources of 9.9 million MT @ 5.03% P2O₅ and inferred resources of 20.6 million MT @ 3.94% P2O₅. An exploration target of between 13 and 27 million MT, grading between 3.56 and 4.84% P2O₅ 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.

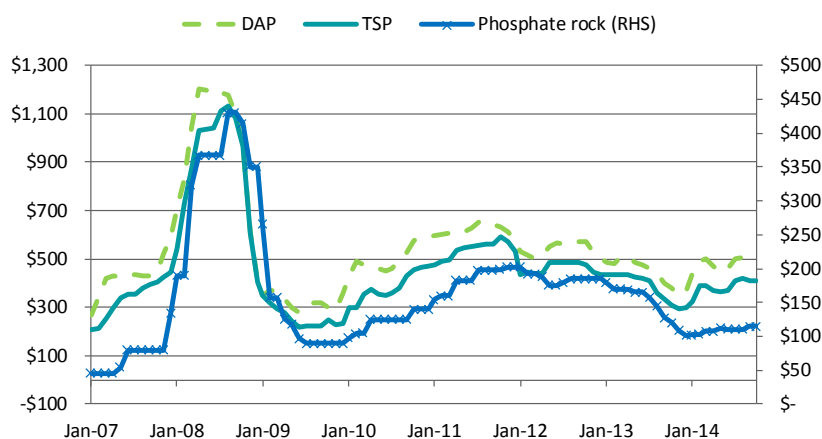
The company has also initiated a new round of bench scale test work to optimize the flotation circuit, with testing to be carried out by SGS Lakefield Canada. These results will also be incorporated into the PEA.

¹ SRK Consulting: Cut-off of 3.0% P2O₅, as announced in March 2014 Quarterly Report

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). Joca Tavares is a carbonite-hosted apatite mineralization and it is planned to drill it later as part of the overall exploration program in that region.

Phosphate Rock Prices Continue to Rise While Ag Commodity Prices Near Recent Historical Lows

Phosphate Rock and Fertilizer Prices (\$/mt)

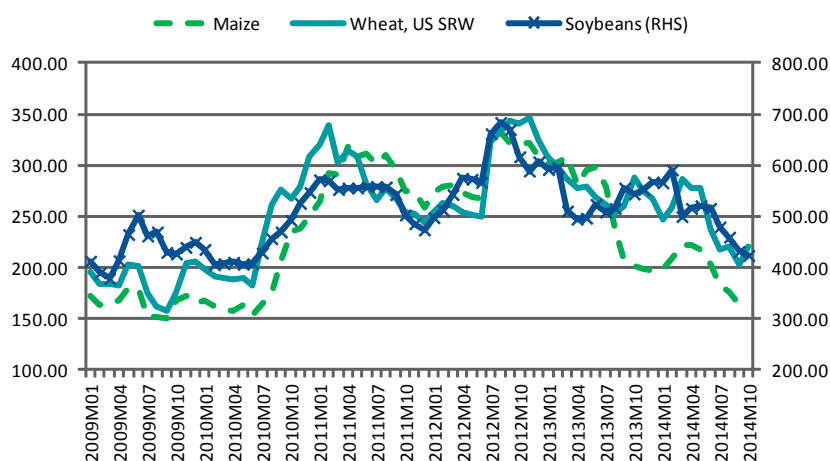


Source: Worldbank

Phosphate rock and TSP prices were flat m/m in October while DAP prices softened 3%. Phosphate rock, DAP and TSP prices are now up 14%, 26% and 37% YTD. As indicated in our previous updates, prices rebounded in H1 14 off 3-year record lows in November 2013 and due to strong global demand (in a lean distribution system), plant outages (some planned, some not), harsh

weather in North America and Morocco, and higher sulphur prices, notably in China. The price of phosphate rock has increased in November (to US\$120/t as per Mosaic) and DAP prices continue to decline despite high ammonia and sulphur input prices.

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



Source: Worldbank

Agriculture commodity prices are nearing recent historical lows (near ~2009/2010 level) after declining since 2012. Record high prices in 2012 were supported by low global inventories, the US drought and bad weather in other regions of the world. A record harvest in 2013 sent average annual corn and soybean prices down ~20% from the peak. Recent data indicates another record harvest

is expected in 2014, which is sending crop prices even lower as global inventories grow. At this point, agriculture commodity prices (soybeans, corn and wheat) are down ~22% y/y (October) 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 November USDA WASDE report in the table below.

November WASDE Average 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	6.20	7.20	6.70			11.60	13.60	12.60		0%	7.05	7.75	7.40		
2012/13	6.95	8.25	7.60	13%	13%	13.90	15.90	14.90	18%	18%	7.75	8.45	8.10	9%	9%
2013/14	4.10	4.90	4.50	-41%	-33%	11.15	13.15	12.15	-18%	-4%	6.70	7.30	7.00	-14%	-5%
2014/15	3.20	3.80	3.50	-22%	-48%	9.00	11.00	10.00	-18%	-21%	5.65	6.15	5.90	-16%	-20%

Source: USDA

Despite lower commodity prices, global phosphate fertilizer demand is still expected to remain relatively strong overall (64-65 million tonnes DAP/MAP/TSP in 2014 and 64.5-66.5 million tonnes in 2015 as per Mosaic). That being said, adjustments are expected be made on the farm this year, including lower land rent, crop mix adjustments (including less corn due to high NH₃ prices) and less big ticket equipment purchases/discretionary spend.

Foreign exchange also has an impact on the agricultural sector and the recent appreciation of the USD will have a mixed impact on the subsectors. With respect to farmers, US exports comprise a significant portion of the export market for corn (40-60%), wheat (20-50%) and soybeans (30%) and the commodities are priced in USD. 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 (CAD has depreciated 6% versus USD over the past year). Local Brazilian producers are in a similar situation with the Real depreciating 13% versus the USD over the past 6 months. Lower natural gas costs will also help the nitrogen producers.

Market Action

Stock prices of global fertilizer producers started to rebound at the end of October and are up 8.3% m/m. Recently, North American potash producers have benefited from the news of brine inflow/ shut down at Uralkali's Solikamsk-2 mine. Consequently, Uralkali (URKA-LN) is down ~21%.

Stock price activity has been mixed of late in the phosphate sector. Stock prices of the "P-centric" producers – Mosaic (MOS), Phosagro (PHOR), and Jordan Phosphate Mines (JOPH) – are +15%, -4%, and +2%, respectively m/m. Stock prices of junior mining companies have been mixed as well. While over half of the junior phosphate companies saw their stock prices fall again m/m, the average price of the group is down only 1.9% m/m. The group is down 34% y/y YTD.

Phosphate Stock Price Performance

			Prices			% Change	
				mid Oct	mid Nov		
Company	Ticker	Currency	01-Jan-14	2014	2014	YTD	m/m
Global Fertilizer Producers							
PotashCorp	POT-N	USD	32.87	32.23	36.19	10.1%	12.3%
Agrium	AGU-N	USD	91.39	83.97	102.41	12.1%	22.0%
Mosaic Company	MOS-N	USD	46.28	41.55	47.67	3.0%	14.7%
CF Industries	CF-N	USD	233.69	254.27	273.48	17.0%	7.6%
Sociedad Quimica y Minera	SQM-N	USD	25.36	22.60	26.40	4.1%	16.8%
Yara International	YAR-NO	NOK	258.90	297.00	307.50	18.8%	3.5%
Uralkali	URKA-LN	USD	26.22	17.03	13.50	-48.5%	-20.7%
Isreal Chemicals Ltd	ICL-TA	ILS	2842.00	2539.00	2780.00	-2.2%	9.5%
Intrepid Potash	IPI-N	USD	15.50	14.01	15.24	-1.7%	8.8%
Average						1.4%	8.3%
Phosphate Producers							
Mosaic Company	MOS-N	USD	46.28	41.55	47.67	3.0%	14.7%
Jordan Phosphate Mines	JOPH-JO	JOD	6.72	6.15	6.25	-7.0%	1.6%
Phosagro	PHOR-LI	USD	12.11	11.15	10.75	-11.2%	-3.6%
Average						-5.1%	4.3%
Junior Explorer and Developers							
MBAC Fertilizer Corp.	MBC-T	CAD	0.48	0.08	0.09	-82.3%	13.3%
GB Minerals	GBL-V	CAD	0.09	0.08	0.07	-22.2%	-6.7%
Stonegate Agricom	ST-T	CAD	0.18	0.08	0.06	-69.4%	-26.7%
Arianne Phosphate	DAN-V	CAD	1.15	0.91	0.72	-37.4%	-20.9%
Legend International Hldgs	LGD-AU	AUD	0.34	0.25	0.25	-26.5%	2.0%
Celamin Holdings	CNL-AU	AUD	0.04	0.02	0.02	-42.5%	9.5%
Minbos Resources Limited	MNB-AU	AUD	0.00	0.00	0.00	-25.0%	0.0%
Minemakers Limited	MAK-AU	AUD	0.10	0.08	0.07	-26.0%	-2.6%
Great Quest	GQ-V	CAD	1.40	0.96	1.02	-27.1%	6.3%
Phoscan Chemical	FOS-T	CAD	0.31	0.29	0.29	-8.1%	-1.7%
Rum Jungle Resources	RUM-AU	AUD	0.11	0.09	0.07	-36.4%	-18.6%
Agua Resources Limited	AGR-AU	AUD	0.06	0.04	0.04	-36.7%	-2.6%
DuSolo Fertilizer	DSF-V	CAD	0.21	0.33	0.27	28.6%	-18.2%
Chatham Rock Phosphate	CRP-NZ	NZD	0.25	0.12	0.14	-46.0%	17.4%
Focus Ventures	FCV-V	CAD	0.31	0.24	0.20	-37.1%	-18.8%
Strata Minerals	SMP-V	CAD	0.12	0.04	0.06	-54.2%	37.5%
Average						-34.3%	-1.9%

Source: Yahoo, Bloomberg, Marketwatch, Reuters

News flow from the phosphate juniors has been steady but relatively light this month. In terms of engineering studies and operations, Focus (FCV-V) and Strata (SMP-V) filed NI 43 101 technical reports for resources and Arianne (DAN-V) announced a 13% increase to its M+I resource at the main Paul Zone. DuSolo (DSF-V) acquired the remainder of its mining permits and started initial production of its DAPR product. MBAC (MBC-T) announced its Q3 2014 results and indicated that its Itafos facility continues to ramp up; however, commercial production has been pushed into the new year. There have been a number of management changes to note: 1) Mark Ashcroft, President and CEO of Stonegate (ST-T) has resigned, 2) Celamin Holdings (CNL-AU) hired Nic Clift as CEO and Martin Broome as Chairman, and 3) Minbos Resources (MNB-AU) hired Stef Weber as CFO and Secretary. Lastly, there were a few items related to financing: 1) Arianne (DAN-V) closed the 2nd tranche of its \$8 million private placement, of which the Quebec government invested \$2 million, 2) Chatham Rock

Phosphate (CRP-NZ) raised NZ\$0.9 million for the Marine Consent application process (although needs NZ\$1 million more), and 3) Great Quest (GQ-V) announced that it signed an MOU with Mali-based SADA group for the establishment of a partnership to construct the initial Malian production facility. SADA is expected to contribute 33% (recall, SADA is expected to purchase 95% of the DAPR product).

There has been notable activity in the broader agriculture sector – specifically grain storage and downstream food processing. On October 22, AGT Food and Ingredients Inc. (AGT-T, formerly known as Alliance Grain Traders) announced a bought deal equity financing of \$80 million, which closed November 12. Proceeds are to be used to pay down debt and further expand the food ingredients and packaged food business (it was recently announced that the third line at the Minot, North Dakota facility will start construction in Q1 15). On November 11, Ag Growth International Inc. (AFN-T) announced the intention to acquire the grain storage business (Westeel) of Vicwest Inc. (VIC-T). The acquisition provides AFN access to complementary markets, a broader product line and increased scale. AFN concurrently announced a \$90 million bought deal financing (\$45 million 5.25% extendible convertible unsecured subordinated debt and \$45 million equity/subscription receipts). Vicwest's building products business is to be acquired by Kingspan.

Brazil Phosphate Shipments and Imports Up in September – Bucking Historical Trends

Data from ANDA and Mosaic indicates phosphate shipments in Brazil were up 10% m/m and up 12% y/y in September (643,000MT). YTD, P2O5 shipments are up 6% y/y to 3.6 million MT. However, indication is that October shipments have slowed. The first estimate of planting for 2014/15 has been released (CONAB), which indicates smaller corn crops y/y but an increase in soybean area (production of 92.4 million tonnes, up from 86.1 million tonnes last year).

Production of phosphate fertilizer (MAP and TSP) in Brazil improved again in September. Production of MAP/TSP was up 16% m/m (176,000MT) but down 3% y/y YTD to 1.5 million MT. Production of SSP was up 1% m/m (457,000MT) but down 9% y/y YTD to 3.5 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 surged 36% m/m and 86% y/y in September (634,000MT). YTD, DAP/MAP/TSP imports are up 11% y/y. Typically imports peak in June before trending lower but this has not been the case in 2014. SSP imports are down significantly YTD (September) this year at 444,000MT versus 809,000MT last year (-45%). However, SSP imports were up 29% m/m and 59% y/y to 59,000MT (September).

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: Single Superphosphate (SSP)

Single Superphosphate (SSP) fertilizer was invented in the 1840's with the addition of sulphuric acid to naturally occurring phosphate (historically bones dug up from old battlefields in Europe). The process has not changed significantly over the years – typically ground phosphate rock is reacted with sulphuric acid to create a semi solid that is cooled. The material is stored for several weeks for additional curing. The hardened material is then milled and screened/granulated. Typically it takes 0.71t of phosphate rock (63% BPL) and 0.37t of H₂SO₄ (100%) to create 1t of SSP (20% P₂O₅). The SSP production process is more basic and less costly than other phosphate fertilizers. Furthermore, SSP can be stored for relatively long periods of time (up to 6 months) without taking up moisture from the air.

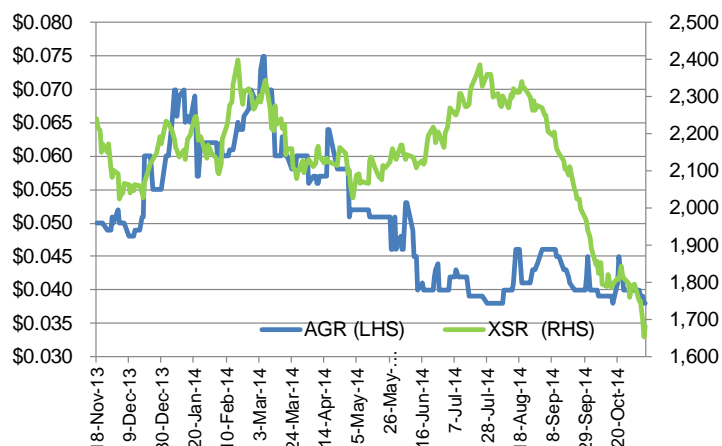
The P₂O₅ content of SSP is at the lower end of the phosphate fertilizer scale at 12-20% P₂O₅ versus TSP (46%), DAP (46%) and MAP (52%). However, SSP is highly water soluble and naturally richer in Ca (18-20%) and S (11-12%) than other phosphate fertilizers, which is beneficial for certain soil types. Over time, fertilizers richer in phosphate (DAP, MAP, TSP) have replaced the use of SSP (which now represents ~15% of phosphate fertilizer application) although there are still a number of countries and regions that depend on its application.

World SSP production in 2012 was 31.4 million tonnes (product), of which 63% was produced in Asia (primarily China, 3-4 million tonnes in India), 19% in South America (primarily Brazil), 8% in Africa/West Asia, 5% in Australia/New Zealand, 5% in Europe and 0.4% in Eastern Europe/Central Asia. For the most part, SSP is used in developing countries as it can easily be produced on a small scale to meet regional needs and there are no issues with physogypsum by-product disposal. The global average P₂O₅ content for SSP is ~16% with Australia/New Zealand producing the highest grade (~20.4%) and Eastern Europe producing the lowest grade (~13.8%). The average SSP P₂O₅ grade in South America is 18%.

Brazil is a significant producer of SSP due to the regional nature of its agricultural business and sulphur-deficient/highly acidic soil. In 2013, ANDA reported that 5.8 million tonnes of SSP were consumed in Brazil, of which 4.9 million tonnes were produced domestically (capacity is estimated at ~7.5 million tonnes, ~66% utilization). Key producers include Vale, Galvani, Anglo American, Timac Agro and Yara. In Rio Grande Do Sul province (where Aguia's Rio Grande deposit is located), SSP capacity is estimated at 1.2 million tonnes, all of which is currently supplied by imported phosphate rock (which carries additional sea freight logistic costs of ~US\$50/t versus captive phosphate rock supply).

About Agua

Agua (AGR-AU) Stock Price Performance



Capital Structure

Ticker - ASX	AGR
Shares Outstanding (Nov 15 2014)	253.9M
Market Cap at A\$0.038/share	A\$9.6M
Cash Balance (Sept 30 2014)	A\$0.7M
Unlisted Options (average price A\$0.27)	22.0M
Performance Shares (expire July 2016)	1.5M

Source: FT.com, AGR

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).

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 P2O5) 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% P2O5, respectively) with only 45% of the

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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, Agua 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.aguiareresources.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 Três 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 Três 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 Tallero, 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.