

AGUIA

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ASX Market Announcements
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

AGRONOMIC TESTING ON RICE CROPS DELIVERS SUPERIOR RESULTS AND FURTHER ADVANCES TEPP

Highlights

- The application of Aguia's branded phosphate products, Pampafos® and Lavrato®, to rice crops returned excellent productivity levels.
- Rice productivity results using Pampafos® in a dosage of 50 kg/ha of P₂O₅, surpassed the productivity achieved using conventional Triple Superphosphate (TSP) in the same dosage.
- Results are very significant as tests were carried out on a large farming property in Rio Grande do Sul, the largest rice-growing region in Brazil producing ~8.5 mt annually.
- Productivity results demonstrate the high potential for the application of Pampafos® and Lavrato® in rice fields with the potential to replace conventional and chemically processed phosphate fertilisers.
- Aguia continues to advance the Três Estradas Phosphate Project forward with multiple work streams continuing.

Sydney, Australia, - Aguia Resources Limited ABN 94 128 256 888 (ASX: AGR) ('**Aguia**' or the '**Company**') is pleased to report more exceptional results from agronomic tests on rice crops using Direct Application Natural Fertiliser ('**DANF**') products from the Três Estradas Phosphate Project ('**TEPP**') deposit.

These most recent results from the Associação dos Usuários do Perimetro de Irrigação do Arroio Duro ('**AUD**') agronomic station confirm the high performance of Aguia's two natural phosphate fertiliser products, Pampafos® and Lavrato®. Tests were carried out under supervision on a farmer's property, over a larger area and in a different region to the previous rice tests. They are significant in that they ratify the results of the rice tests previously conducted at the Integrar agronomical station in Capivari do Sul, RS. The exceptional performance of our natural phosphate on rice crops in the State of Rio Grande do Sul is very relevant as the State is the biggest rice producer in Brazil with around 1 million hectares of fields and an annual production of around 8.5 million tonnes.

Management Commentary

Managing Director Dr. Fernando Tallarico said: "These agronomic results are extraordinary and again demonstrate that both Pampafos® and Lavrato® are highly efficient natural phosphate sources

that will be in high demand in Brazil's largest rice growing region. The efficiency of our fertilisers becomes particularly evident in the tests where there was a total replacement of phosphate from conventional sources, which are chemically treated.

Pampafos® and Lavrato® are natural products free from chemical processing. We will continue to perform a variety of agronomic tests across the State of Rio Grande do Sul, which will be key for the marketing of our products. Soybean is another crop that is extensively produced across the State of Rio Grande do Sul, and further results will be announced upon completion of tests on this crop.

We continue to push the TEPP forward with a number of work streams continuing. This reflects our confidence in the project's future and our ability to bring it into production. We look forward to providing further updates soon on this and the status of proceedings brought by the FPP which we look forward to comprehensively addressing.”

Background

As part of the development of Aguia's natural phosphate fertilisers, Pampafos® and Lavrato®, agronomic efficiency tests were conducted on the rice crop at AUD agronomic station located at Camaquã - RS. AUD is a grower's association which brings together more than 400 rice producers, with an average rice production of 7 t/ha over an area of approximately 40,000 ha.

The tests were conducted under the supervision of Integrar Gestão e Inovação Agropecuária ('Integrar'), a renowned independent agronomic consulting firm located in RS, that was retained by Aguia to plan and supervise the program.

The rice was seeded in a flat soil area, with similar conditions to the previous tests on rice conducted at Integrar's Capivari do Sul – RS agronomic station, but with a distinct fertilisation history. Previous trials were performed with the application of distinct dosages of Pampafos® and Lavrato® against conventional sources of phosphate for comparison purposes, including conventional phosphate fertilisers¹ such as Super-simple Phosphate (SSP), Triple Superphosphate (TSP), Monoammonium Phosphate (MAP), and Natural Phosphate from Morocco (NP).

The test at AUD consisted of seven distinct agronomic treatments designed to compare the performance of the natural phosphate from the TEPP deposit to the conventional phosphate fertiliser, TSP. The products were applied in two distinct dosages as listed in Table 01 below.

The nutrient sources were applied by launching in the field and then incorporated into the soil. The experimental units were equivalent to 4m x 20m plots, side by side, with four repetitions, totalling an area of 2,240m².

Table 01 – Summary of treatments on rice in the field.

Treatment	Product	Dosage per hectare
T1	Control	No source of P ₂ O ₅
T2	Lavrato®	50 kg P ₂ O ₅

¹ “Conventional phosphate fertilisers” refers to products commonly used as a source of phosphate to crops in Brazil, such as Super-simple Phosphate (SSP) with 20% P₂O₅ + 16%Ca + 10%S), Triple Superphosphate (TSP) with 46% P₂O₅ + 10%Ca, Monoammonium Phosphate (MAP) with 52% P₂O₅ + 9%N, and Natural Phosphate from Morocco (NP) with 20% P₂O₅.

T3	Pampafos®	50 kg P ₂ O ₅
T4	TSP	50 kg P ₂ O ₅
T5	Lavrato®	100 kg P ₂ O ₅
T6	Pampafos®	100 kg P ₂ O ₅
T7	TSP	100 kg P ₂ O ₅

In addition to the phosphate sources, a dosage of 120 kg/ha of K₂O and 220 kg/ha of N were applied to all treatments.

The rice seeding was undertaken in early November 2020 and the crop harvested in late March 2021.

Rice Productivity

Treatment T7, where 100 kg/ha of P₂O₅ was applied through TSP, returned the highest rice productivity of all treatments with 14.9 t/ha, followed by treatment T6 with the application of 100 kg/ha of P₂O₅ through Lavrato®, resulting in a productivity of 13.6 t/ha.

Comparing treatments T5 and T6 with T7, a dosage of 100 kg/ha of P₂O₅, the yields returned using Pampafos® and Lavrato® reached 87% and 91%, respectively, of the yield returned using the conventional fertiliser, TSP, in the same dosage.

Treatment T2, Pampafos® in a P₂O₅ dosage of 50 kg/ha returned a productivity of 13.2 t/ha, which surpassed the of the productivity of 12.8 t/ha that was achieved using the conventional fertiliser, TSP, in the same dosage (T4). Treatment T3 of Lavrato® in a 50 kg/ha dosage resulted in a yield of 93% when compared to the productivity achieved with Pampafos (T2), and 97% when compared to TSP (Treatment T4).

The rice productivity returned from each treatment in Table 1 above is presented in Figure 01 below.

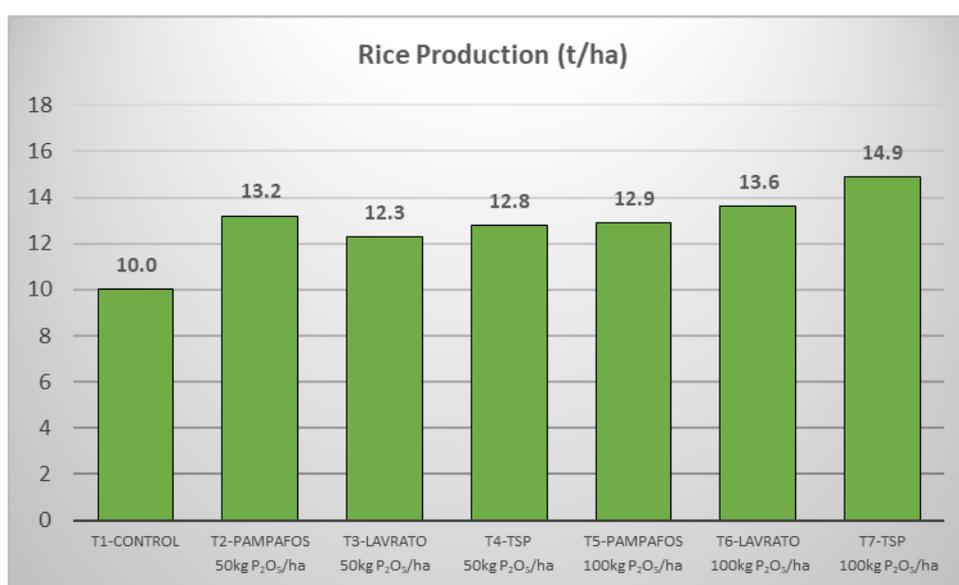


Figure 01 – Rice production resulting from each treatment. 2020/2021 summer harvest at AUD agronomic station at Camaquã, RS, Brazil.

The relative rice yields illustrating these results is presented in Figure 02.

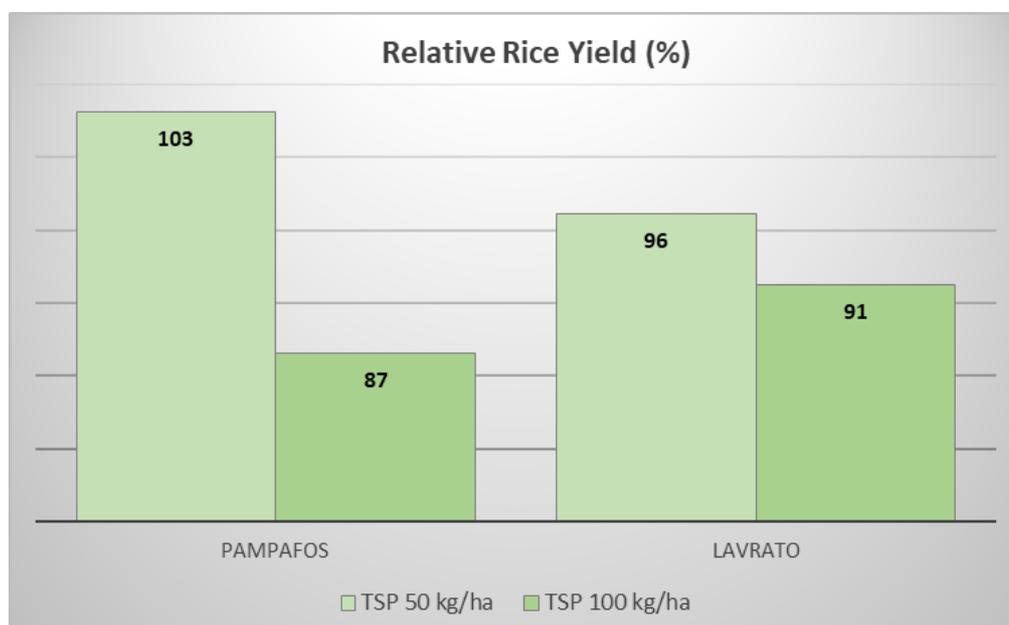


Figure 02 – Relative rice yields for production results. 2020/2021 summer harvest at AUD agronomic station at Camaquã, RS, Brazil.

These results reaffirm the previous results from agronomic tests on rice crops at Integrar’s agronomic station in Capivari do Sul, RS, that were published on 11 May 2021:

(<https://aguiaresources.com.au/asx-announcements/further-exceptional-agronomic-test-results-from-tepp-on-rice/>), which demonstrated the high absorption by the plants of P_2O_5 from Pampafos® and Lavrato®. The results from the tests on rice crop production at the AUD agronomic station are very positive for both Pampafos® and Lavrato®. There is a high similarity between treatments with the application of Pampafos® or Lavrato®, and the conventional fertiliser, TSP.

Next Steps

As previously reported, Agua is developing two Direct Application Natural Fertiliser (DANF) products from its TEPP deposit which is situated in the State of Rio Grande do Sul (RS) in Southern Brazil. The products, with the Registered Brands of Pampafos® and Lavrato®, grading about 10% P_2O_5 and 5% P_2O_5 , respectively, will be produced from the saprolite ore at the TEPP.

RS State is an agricultural powerhouse where agriculture is the main economic activity with a wide and diversified production of commodities for both domestic supply as well as export to international markets. In 2018, RS agricultural exports were sent to 175 countries including within the European Union.

Rice and soybean are the two major crops produced extensively in RS and cover a planted area of around 7 million hectares. They generate a high demand for phosphate fertilisers. Around 80% of all fertiliser used in RS is applied to soybean and rice crops, which are distributed in the surrounding regions as well as in close proximity to Agua’s TEPP.

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Since 2019, Agua has been progressing a program of agronomic tests using both Pampafos® and Lavrato®, which have been planned and conducted by independent consultants, Integrar, at their test field in Capivari do Sul, RS. In the tests conducted so far, Pampafos® and Lavrato® have been demonstrated to be highly effective on RS's two major crops, soybean, and rice.

Looking to the potential market in RS, Agua is expanding the program of agronomic trials across the state (Figure 03 below). The plan is to install field trials in key locations across RS, targeting regions with high productivity, and therefore with high phosphate demand, and to settle demonstrative tests with influential producers.

The next steps will include tests on distinct soil-types and crops and varying the doses of Pampafos® and Lavrato® that are applied. These tests are crucial to determine the product's performance and how efficiently the phosphate is delivered to the soil and then to the crop. The development of these tests is imperative to understanding the product's performance, to guide the product positioning in the market, and to support the future sales.

Agua has signed a contract extension with Integrar to continue the current tests at Capivari do Sul Agronomic Station for another 24 months. This will include further tests on ryegrass (winter 2021), soybean (summer 2021/2022), wheat (winter 2022) and rice (summer 2022/2023).

Other ongoing agronomic trials are being conducted with the Federal University of Rio Grande do Sul ('UFRGS') and the Federal University of Pelotas ('UFPEL'), both located in RS.

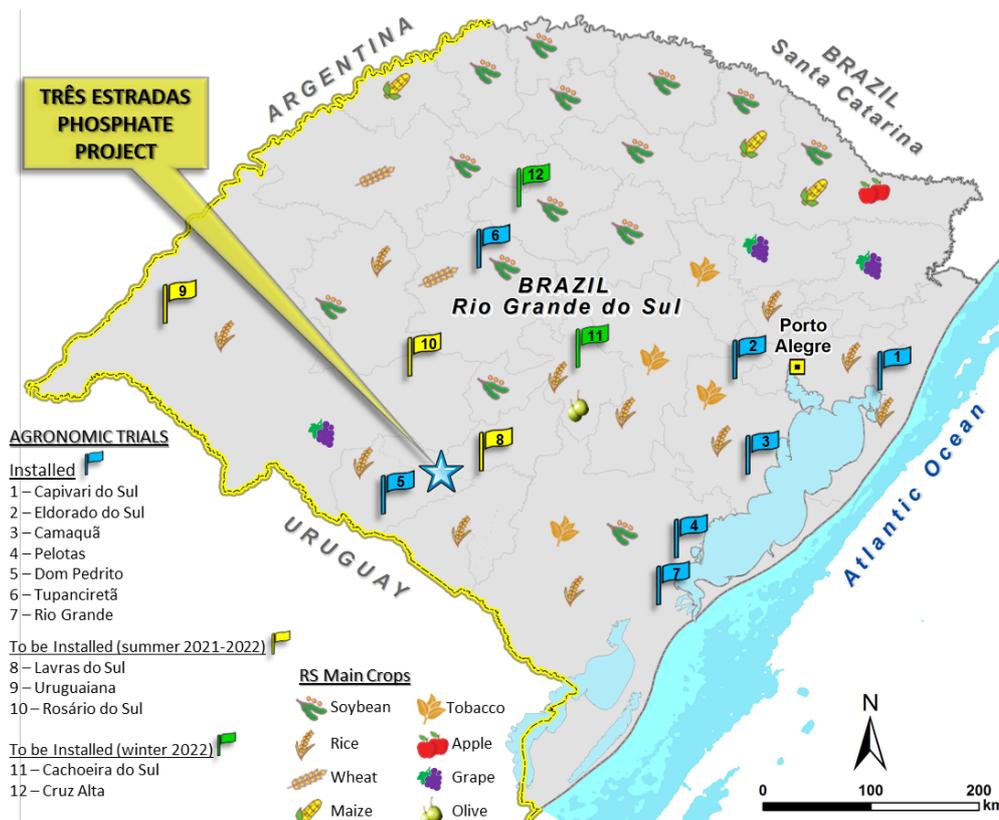


Figure 03 – Location of Agua's ongoing Agronomic Tests relative to the distribution of the main crops in the State of Rio Grande do Sul.

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About Agua:

Agua Resources Limited, ("Agua") is an ASX listed multi-commodity company (AGR:ASX) with pre-production phosphate and metallic copper projects located in Rio Grande do Sul, the southernmost state of Brazil. Agua has an established and highly experienced in-country team based in Porto Alegre, the capital of Rio Grande do Sul. Agua is committed to advancing its existing projects into production whilst continuing to pursue other opportunities within the sector.

Caution regarding forward-looking information:

This press release contains "forward looking information" within the meaning of applicable Australian securities legislation. Forward looking information includes, without limitation, statements regarding the next steps for the project, timetable for development, production forecast, mineral resource estimate, exploration program, permit approvals, timetable and budget, property prospectivity, and the future financial or operating performance of the Company. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including, but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of current exploration activities; other risks of the mining industry and the risks described in the Company's public disclosure. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities law.