



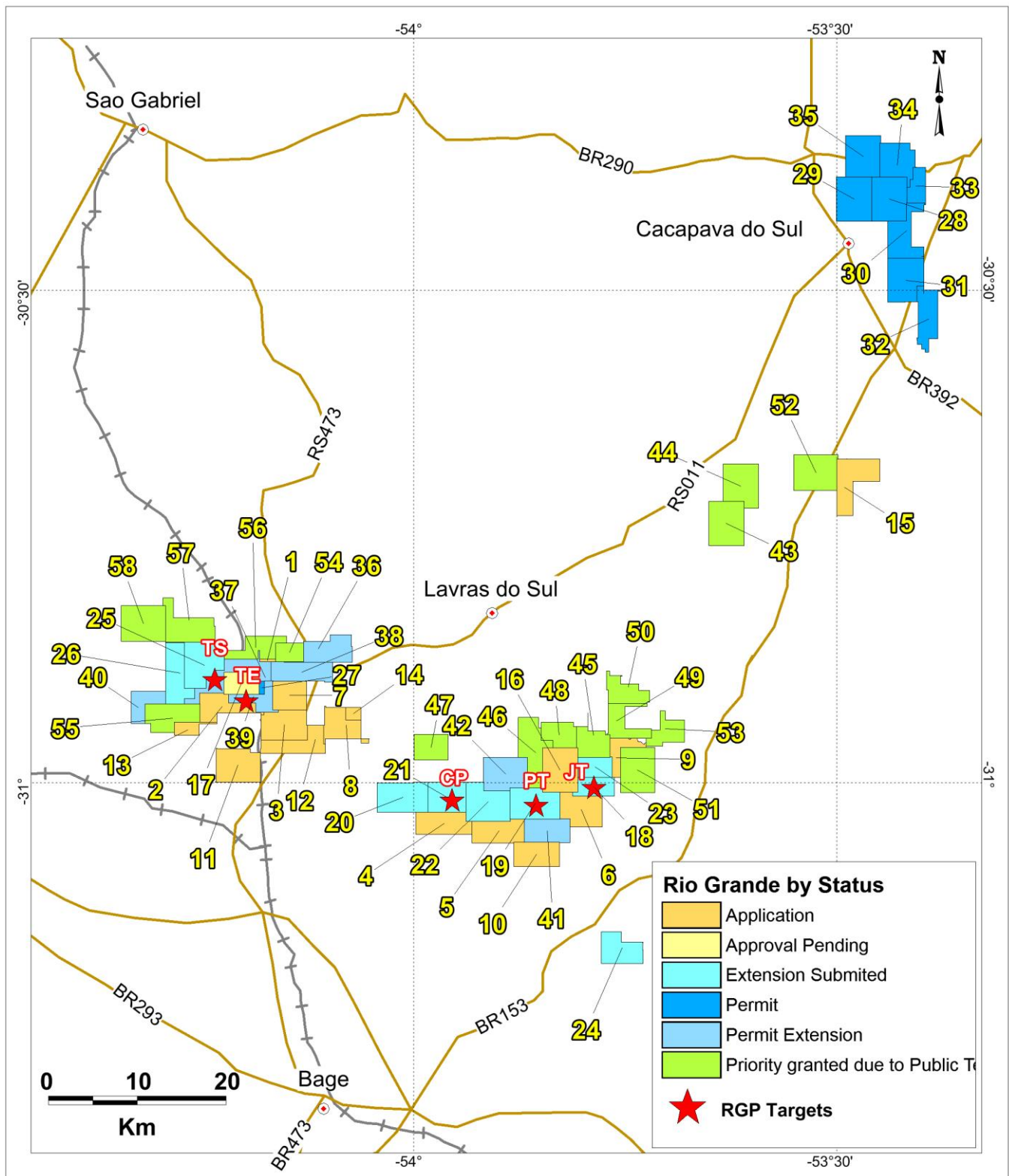
31 October 2017

## SEPTEMBER 2017 QUARTERLY ACTIVITIES REPORT

Agua Resources Limited (ASX: **AGR**) (TSXV: AGRL) (“Agua” or “Company”) is pleased to report on its activities for the September 2017 Quarter:

- **Total Measured and Indicated resource of 83 million tonnes grading 4.1%  $P_2O_5$ , using a cut-off grade of 3%  $P_2O_5$  and an additional 21.8 million tonnes grading 3.7% in the inferred category.**
- **The Measured and Indicated resources could support five years of production mining oxidized material and an additional 15 years mining fresh rock at a production rate of 300 thousand tonnes per year of phosphate concentrate.**
- **Engineering trade-off studies and test work results indicate a significant reduction in CAPEX and OPEX for flagship Três Estradas phosphate project**
- **Revision to mine site design results in substantial reduction to tailings dam, water reservoir and waste piles**
- **The multi-month pilot plant program conducted by Eriez Flotation Division (Pennsylvania, USA) returned excellent recoveries and concentrate grades for both fresh and oxidized carbonatites from the Três Estradas deposit**
- **Agua completed private placement for C\$10.5 million and commenced trading on the TSXV**
- **Agua repurchased for cancellation a 1% NSR in respect of the future production at Agua’s Três Estradas phosphate project**

During the September 2017 Quarter (the “Quarter”), Agua continued to focus on advancing the development of its Três Estradas phosphate asset located in the state of Rio Grande do Sul in Southern Brazil (Figure 1). The Company reported the results of trade-off studies and test work being conducted as part of the Bankable Feasibility Study that indicate a significant reduction in projected CAPEX and OPEX for Três Estradas and completed a pilot plant program that returned excellent recoveries and concentrate grades for both fresh and oxidized carbonatites. The most important milestone during the Quarter was the announcement of a new JORC/43-101 Mineral Resource Statement that substantially increased the Measured and Indicated categories based on the infill drilling conducted earlier in the year. The Company completed a private placement for C\$10.5 million and completed a listing on the TSX Venture Exchange in Canada.



**Figure 1: Rio Grande Tenement Map – Refer to Tenement Register for License Details**

### Mine site revision

As a result of trade-off studies completed earlier in the year, Aguiá will proceed with a phased project approach mining the high-grade oxide ore in the initial years of production. As a result, the mine site design was completely revised, supported by systematic geotechnical drilling and modeling by Walm. Recirculation of process water, and other engineering improvements allow for the water reservoir to be reduced 74%, the tailings dam to be reduced 56% and the waste piles to be reduced 38%. This significant reduction of the project footprint triggered a requirement for a revision and update to the EIA, which was submitted and well received by FEPAM, the State environmental agency. The reduction of the footprint will contribute to substantial capital savings during construction.

## Update to the Mineral Resource Statement

The updated Mineral Resource Statement (the “Mineral Resource Statement”) released during the Quarter was based on the results of an extensive drilling campaign carried out by Aguia between December 2016 and June 2017. During this period, Aguia completed 61 core holes (9,708m) and 90 reverse circulation holes (4,496m). The primary goal of this drilling campaign was to increase the geologic assurance and classification of the inferred resources identified in the 2016 resource statement related to the Tres Estradas project. The drilling campaign was successful in converting most Inferred Resources in the 2016 resource estimate to Measured and Indicated categories as well as discovering and delineating additions to the Tres Estradas deposit, including a new extension to the deposit.

The entire dataset was subject to independent revision and auditing by Millcreek Mining Group who signed off on the new resource statement for the project. The resource estimate meets the criteria required to be compliant with both JORC and NI 43-101 standards.

The Mineral Resource Statement now includes 83 million tonnes grading 4.1% P<sub>2</sub>O<sub>5</sub> of Measured and Indicated resources. Thus, 79% of the current resource model now falls in the Measured & Indicated category, whereas the previous model comprised only 21% of Measured and Indicated resources.

In addition to a high rate of conversion of Inferred Resources to Measured and Indicated resources, the Mineral Resource Statement also identified a new shallow zone of mineralization within the existing borders of the Tres Estradas pit shell.

**Table 1: Mineral Resource Statement\*, Três Estradas Phosphate Project, Rio Grande do Sul, Brazil  
September 19, 2017**

|   |                                       | <b>Tonnage<br/>(Tx1,000)</b> | <b>P<sub>2</sub>O<sub>5</sub>%</b> | <b>CaO%</b> | <b>MgO%</b> | <b>Fe<sub>2</sub>O<sub>3</sub>%</b> | <b>SiO<sub>2</sub>%</b> | <b>Al<sub>2</sub>O<sub>3</sub>%</b> |
|---|---------------------------------------|------------------------------|------------------------------------|-------------|-------------|-------------------------------------|-------------------------|-------------------------------------|
| Oxidized                                    | Measured                              | 851                          | 9.95                               | 17.72       | 5.69        | 18.53                               | 29.19                   | 4.84                                |
|   | Indicated                             | 4,487                        | 8.60                               | 15.55       | 5.01        | 18.01                               | 32.84                   | 6.22                                |
|   | <b>Total Measured &amp; Indicated</b> | 5,338                        | 8.81                               | 15.90       | 5.12        | 18.09                               | 32.26                   | 6.00                                |
|   | Inferred                              | 45                           | 5.41                               | 20.17       | 5.61        | 12.17                               | 29.81                   | 6.80                                |
| Fresh<br>Rock                               | Measured                              | 35,345                       | 3.87                               | 33.97       | 8.06        | 8.16                                | 11.68                   | 1.98                                |
|   | Indicated                             | 42,527                       | 3.72                               | 33.43       | 7.66        | 8.19                                | 13.60                   | 2.60                                |
|   | <b>Total Measured &amp; Indicated</b> | 77,872                       | 3.78                               | 33.67       | 7.84        | 8.18                                | 12.73                   | 2.31                                |
|   | Inferred                              | 21,800                       | 3.66                               | 33.65       | 8.06        | 7.94                                | 12.94                   | 2.36                                |
| <b>Grand Total Measured &amp; Indicated</b> |                                       | 83,210                       | 4.11                               | 32.53       | 7.67        | 8.81                                | 13.98                   | 2.55                                |
| Grand Total Inferred                        |                                       | 21,845                       | 3.67                               | 33.62       | 8.06        | 7.95                                | 12.98                   | 2.36                                |

\* Mineral Resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect relative accuracy of the estimates. The mineral resources are reported within a conceptual pit shell using a cut-off grade of 3.0% for all mineralized domains. Optimization parameters include a mining recovery of 100%, 0% dilution, process recovery of 87% P<sub>2</sub>O<sub>5</sub> for saprolites and 80% P<sub>2</sub>O<sub>5</sub> recovery for fresh rock, concentrate grade of 35.0% for saprolite and 32.0% for fresh rock, pit slopes of 34° for saprolite/51° & 55° for fresh rock, selling price of US\$215 for P<sub>2</sub>O<sub>5</sub> concentrate and exchange rate of 3.2 R\$ to US\$.

The key changes between the Mineral Resource Statement and the previous estimate presented in 2016 include:

- The previous estimate in 2016 identified 15.07 million tonnes (MT) of Measured plus Indicated resources at a P<sub>2</sub>O<sub>5</sub> grade of 4.75% using a 3.0% cut-off. The new estimate identifies 83.2MT of Measured plus Indicated resources at a 4.11% P<sub>2</sub>O<sub>5</sub> grade using a 3.0% cut-off. Inferred Resources have decreased from 58.9MT to 21.8MT in the Mineral Resource Statement.
- Tighter estimation parameters have been implemented in the Mineral Resource Statement.
- Rock density values have been incorporated into the block model versus the usage of average density values for each of the mineralized domains.

- The 2016 mineral resource statement included resources for the Joca Tavares deposit. There has been no additional work done at Joca Tavares and resources from that deposit are not included in this Mineral Resource Statement.

**Table 2: Change in Mineral Resource Statement from June 24, 2016 to September 19, 2017**

|           | Mineral Resource<br>June 24,<br>2016 | Mineral Resource<br>September<br>19, 2017 | Total Change | % Change |
|-----------|--------------------------------------|---|--------------|----------|
|           | Tonnage (T x 1000)                   |   |              |          |
| Measured  | 745                                  | 36,196                                    | +35,451      | +4758%   |
| Indicated | 15,070                               | 47,014                                    | +31,944      | +212%    |
| Inferred  | 58,891                               | 21,845                                    | -37,046      | -63%     |

### Completion of Pilot Plant Testing

The pilot plant program was conducted at the Eriez Flotation Division (“EFD”), a world leader in advanced flotation technology and a wholly owned subsidiary of Eriez Manufacturing Co.

After this extensive pilot-scale program, recoveries and grades were forecasted accounting for scaling from pilot plant to industrial scale production. An overall process recovery of 87% producing concentrate grading 35%  $P_2O_5$  is forecasted for the processing of the oxidized (saprolite) ore, and a process recovery of 80% with a concentrate grading 32%  $P_2O_5$  is forecasted for the fresh carbonatite. These results improve on the previous bench-scale flotation tests performed at Eriez and announced on June 6, 2016, and now demonstrate that Três Estradas has a metallurgical performance very similar to other operating carbonatite mines in the world such as Vale’s Cajati mine in Brazil and Yara’s Siilinjärvi mine in Finland.

|                   | 2016     |                  | 2017     |                  |
|-------------------|----------|------------------|----------|------------------|
|                   | Recovery | $P_2O_5$ Grading | Recovery | $P_2O_5$ Grading |
| Oxide             | 80%      | 31%              | 87%      | 35%              |
| Fresh Carbonatite | 84       | 30.2%            | 80%      | 32%              |

Table 3: Comparison of metallurgical results from bench scale tests conducted in 2016 versus pilot plant results conducted in 2017

The completion of the pilot plant program marks a key milestone in the preparation of the Bankable Feasibility Study (BFS) for Três Estradas. It allows the engineering team to define the parameters for operation on an industrial production scale, design the flotation circuit and appropriately scale the equipment. These important conclusions on recoveries also illustrate the tailings that will be produced to finalize the size of the tailings dam and refines the water requirements and equipment needs.

### Ongoing Test Work in Support of BFS

After the end of the Quarter, Agüia announced the positive results of ongoing test work programs being undertaken for the BFS. These recent results have delivered the information necessary to define the process flow diagrams, mass and energy balance, and most importantly, allow the Agüia engineering team to finalize the trade-off studies. The most significant results include:

- Confirmation of the optimal run of mine (ROM) rate at 3Mtpy with production of phosphate concentrate capped at 300ktpy.
- Validation of the phased approach to mine the higher grade oxidized ore in the initial years of the operation at a scale of approximately 1.4 Mtpy of ROM, with a process recovery of 87%, producing 300ktpy of phosphate concentrate grading 35%  $P_2O_5$ .

- Optimization of the crushing and grinding circuit for the initial phase of mining and processing the high-grade oxidized ore. The comminution test work at Metso shows that the oxidized ore is relatively soft (bond work index of approximately 5 kWh/t) and as such can be processed with an optimized sizer instead of the jaw crusher that was envisioned in the Preliminary Economic Assessment (“PEA”) (see announcement of July 12, 2016). This circuit improvement is expected to result in capital and operational cost savings in the oxide crushing circuit.
- Comminution test work at Metso also allowed the design of an optimized milling circuit for the oxide phase, which will employ only one rod mill for grinding with a capacity of 1.4Mtpy. This approach is anticipated to significantly reduce the capital and operating costs of the milling circuit compared to the 4.5Mtpy capacity SAG mill that was planned in the PEA.
- The recent results of the commercial scale pilot plant program developed at Eriez allowed the optimization of the flotation circuit in the oxide phase which will require only four columns, two roughers and two cleaners (see announcement of October 5, 2017). This will result in further capital and operational cost savings.
- Filtration test work developed at Pocock demonstrated that press-filtering of the phosphate concentrate prior to drying will allow a significant reduction of the size of the drying unit. This represents further savings on the drying operational costs that will also be significantly reduced by using locally sourced thermal coal instead of diesel as contemplated in the PEA.
- A market study has demonstrated that no further processing is required to produce commercial aglime from the tailings of the phosphate flotation circuit to meet local consumption requirements. This simplification of the circuit will result in further capital and operational cost savings while providing an ongoing secondary revenue stream from production.
- Filtration tests of the aglime conducted at Pocock demonstrate that press-filtering alone should dewater the Aglime to achieve commercial specifications. This simplification will introduce significant capex and opex savings, particularly when compared to the 1Mtpy capacity dryer that was contemplated in the PEA.

Finally, the entire data set that was produced in this extensive program will support the engineering team in the equipment design and general arrangements of the processing units. In the coming weeks, Aguia’s engineering team will be working on the mine plan parameters in parallel with defining the processing plant and infrastructure requirements.

### **Lucena Phosphate Project**

The Lucena Phosphate Project, comprised of 45 tenements and applications for 268.1km<sup>2</sup>, contains an initial JORC compliant Inferred Mineral Resource of 55Mt grading 6.42% P<sub>2</sub>O<sub>5</sub> in the state of Paraiba in north eastern Brazil. A feature of the Lucena tenement is outcropping limestone, which is a potential commercialisation opportunity given the presence of a number of cement plants in the region. There was no activity during the Quarter.

### **Mata da Corda Phosphate Project**

There was no activity during the Quarter.

### **Corporate Developments**

During the previous quarter, Aguia announced that it had commenced the application process to become a listed issuer on the TSX Venture Exchange (“TSXV”) in Canada.

Between June 30 and July 6, 2017, Aguia completed a brokered private placement offering consisting of the sale of an aggregate of 26,360,835 units of the Company at a price of \$0.40 per unit for gross

proceeds of \$10,544,334. Each unit was comprised of one ordinary share of the Company and one-half of one share purchase warrant. Each whole warrant is exercisable at a price of \$0.65 per ordinary share of the Company until June 30, 2020.

Having satisfied the conditions for listing the Company's ordinary shares on the TSXV, Agüia's shares began trading on the TSXV on July 6<sup>th</sup>, 2017 under the ticker symbol "**AGRL**."

During the Quarter, Agüia announced that it had repurchased for cancellation a 1% Net Smelter Royalty in respect of the future production at Agüia's Três Estradas phosphate project after determining that the buyback would ultimately be beneficial to shareholders.

#### **Plans for the December Quarter**

With the new Mineral Resource Statement in hand and important test work milestones achieved during the Quarter, Agüia will be focused on finalizing the BFS with a completion target date on or about March 2018.

With the TSXV listing now complete, Agüia's management will be focused on expanding its investor base and increasing its profile in North America and Europe through retail roadshows, investment conferences and meetings with institutional investors.

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#### **About Agüia:**

*Agüia Resources Limited, ("Agüia") is an ASX and TSXV listed company whose primary focus is on the exploration and development of phosphate projects in Brazil. Agüia has an established and highly experienced in-country team based in Belo Horizonte, Brazil with corporate offices in Sydney, Australia. Agüia's key projects are located in Rio Grande do Sul, a prime farming area which is 100% dependent on phosphate imports. The Rio Grande phosphate deposits exhibit high quality and low cost production characteristics, and are ideally located with proximity to road, rail, and port infrastructure. Agüia's experienced management team has a proven track record of advancing high quality mining assets to production in Brazil.*

#### **Qualified Person**

*The technical information in this press release has been reviewed and approved by Dr Fernando Tallarico, who is a member of the Association of Professional Geoscientists of Ontario, Technical*

**Caution regarding forward-looking information:**

This press release contains "forward looking information" within the meaning of applicable Canadian 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, 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 laws.

**JORC Code Competent Person Statements**

*The Três Estradas Phosphate Project has a current 43-101/JORC compliant measured and indicated mineral resource comprising 83.210 million tonnes grading 4.11% P<sub>2</sub>O<sub>5</sub> and 21.845 million tonnes of inferred resource grading 3.67% P<sub>2</sub>O<sub>5</sub>.*

*The Lucena Phosphate Project has a current JORC compliant inferred mineral resource of 55.1Mt grading 6.42% P<sub>2</sub>O<sub>5</sub>.*

*Information in this report is extracted from the following reports, which are available for viewing on the Company's website:*

- *18 October 2017: Test Results Indicate CAPEX and OPEX Reductions for Três Estradas Bankable Feasibility Study*
- *4 October 2017: Três Estradas Pilot Plant Confirms Excellent Recoveries and Concentrate Grades for Industrial Scale*
- *20 September 2017: 83 Million Tonnes of Measured and Indicated Resource Estimated at Três Estradas Phosphate Deposit*
- *1 August 2017: Progress Update on Três Estradas Phosphate Update*
- *26 July 2017: Aguiá Announces Buyback of Royalty for Três Estradas*
- *5 July 2017: Aguiá Announces TSXV Approval and Listing*

*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 listed above 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 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 Aguia Resources Limited. Dr Tallarico has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code")'. Dr Tallarico consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*



## Agua Resources Limited Licenses

### RIO GRANDE PROJECT

| ID | Claim Number (DNPM) | Submittal Date | Exploration License Number | Expiry date | Area (ha) | Status              | Name                    |
|----|---------------------|----------------|----------------------------|-------------|-----------|---------------------|-------------------------|
| 1  | 810.304/14          | 28/03/2014     |                            |             | 51,68     | Application         | Água Fertilizantes S.A. |
| 2  | 810.346/14          | 08/04/2014     |                            |             | 1.275,66  | Application         | IAMGOLD Option          |
| 3  | 810.347/14          | 08/04/2014     |                            |             | 1.702,56  | Application         | IAMGOLD Option          |
| 4  | 810.446/14          | 24/04/2014     |                            |             | 1.528,46  | Application         | Água Fertilizantes S.A. |
| 5  | 810.447/14          | 24/04/2014     |                            |             | 1.495,07  | Application         | Água Fertilizantes S.A. |
| 6  | 810.448/14          | 24/04/2014     |                            |             | 1.605,12  | Application         | Água Fertilizantes S.A. |
| 7  | 810.649/14          | 04/06/2014     |                            |             | 1.240,36  | Application         | IAMGOLD Option          |
| 8  | 811.144/14          | 15/09/2014     |                            |             | 1.286,15  | Application         | Água Fertilizantes S.A. |
| 9  | 811.363/14          | 03/11/2014     |                            |             | 699,35    | Application         | Água Fertilizantes S.A. |
| 10 | 810.453/15          | 20/04/2015     |                            |             | 1.399,23  | Application         | Água Fertilizantes S.A. |
| 11 | 810.515/15          | 06/05/2015     |                            |             | 1.845,58  | Application         | Água Fertilizantes S.A. |
| 12 | 810.516/15          | 06/05/2015     |                            |             | 1.412,79  | Application         | Água Fertilizantes S.A. |
| 13 | 810.524/15          | 06/05/2015     |                            |             | 454,74    | Application         | Água Fertilizantes S.A. |
| 14 | 810.582/15          | 21/05/2015     |                            |             | 239,33    | Application         | Água Fertilizantes S.A. |
| 15 | 810.911/16          | 16/08/2016     |                            |             | 1.936,15  | Application         | Água Fertilizantes S.A. |
| 16 | 810.912/16          | 16/08/2016     |                            |             | 1.999,99  | Application         | Água Fertilizantes S.A. |
| 17 | 810.090/91          | 20/05/1991     | 2.947                      | 16/08/2012  | 1.000,00  | Approval Pending    | CBC Option              |
| 18 | 810.996/10          | 04/10/2010     | 4.099                      | 29/04/2016  | 896,23    | Extension Submitted | Água Fertilizantes S.A. |
| 19 | 810.702/11          | 27/06/2011     | 5.433                      | 09/10/2015  | 1.885,25  | Extension Submitted | Falcon Petróleo S.A.    |
| 20 | 810.796/12          | 01/06/2012     | 4.673                      | 09/06/2017  | 1.887,18  | Extension Submitted | Água Fertilizantes S.A. |
| 21 | 810.797/12          | 01/06/2012     | 4.674                      | 09/06/2017  | 1.438,99  | Extension Submitted | Água Fertilizantes S.A. |
| 22 | 810.798/12          | 01/06/2012     | 4.675                      | 09/06/2017  | 1.894,95  | Extension Submitted | Água Fertilizantes S.A. |
| 23 | 810.799/12          | 01/06/2012     | 4.676                      | 09/06/2017  | 866,72    | Extension Submitted | Água Fertilizantes S.A. |
| 24 | 811.700/12          | 17/12/2012     | 4.679                      | 09/06/2017  | 1.394,87  | Extension Submitted | Água Fertilizantes S.A. |
| 25 | 811.188/11          | 05/10/2011     | 6.382                      | 21/07/2017  | 1.922,15  | Extension Submitted | V P Meneguzzo Option    |
| 26 | 811.189/11          | 05/10/2011     | 6.383                      | 21/07/2017  | 1.631,70  | Extension Submitted | V P Meneguzzo Option    |
| 27 | 810.988/11          | 23/08/2011     | 2.232                      | 15/04/2018  | 84,39     | Permit              | Falcon Petróleo S.A.    |
| 28 | 811.549/15          | 05/08/2015     | 14.857                     | 08/12/2018  | 1.969,47  | Permit              | Água Fertilizantes S.A. |
| 29 | 811.530/15          | 05/08/2015     | 11.584                     | 26/10/2019  | 2.000,00  | Permit              | Água Fertilizantes S.A. |
| 30 | 811.277/15          | 02/09/2015     | 5.125                      | 27/05/2019  | 1.560,01  | Permit              | Água Fertilizantes S.A. |
| 31 | 811.278/15          | 02/09/2015     | 1.464                      | 23/02/2019  | 1.872,97  | Permit              | Água Fertilizantes S.A. |
| 32 | 811.279/15          | 02/09/2015     | 10.888                     | 06/10/2019  | 1.406,77  | Permit              | Água Fertilizantes S.A. |
| 33 | 811.294/15          | 04/09/2015     | 14.856                     | 08/12/2018  | 731,77    | Permit              | Água Fertilizantes S.A. |
| 34 | 810.441/16          | 12/05/2016     | 8.771                      | 01/09/2019  | 1.521,51  | Permit              | Água Fertilizantes S.A. |
| 35 | 810.442/16          | 12/05/2016     | 8.772                      | 01/09/2019  | 1.825,73  | Permit              | Água Fertilizantes S.A. |
| 36 | 810.730/05          | 14/11/2005     | 8274                       | 27/12/2019  | 1.476,43  | Permit Extension    | Terra Santa Option      |
| 37 | 810.732/05          | 14/11/2005     | 8275                       | 27/12/2019  | 1.520,62  | Permit Extension    | Terra Santa Option      |
| 38 | 810.733/05          | 14/11/2005     | 8276                       | 27/12/2019  | 1.505,94  | Permit Extension    | Terra Santa Option      |
| 39 | 810.325/12          | 16/02/2012     | 4.101                      | 03/05/2020  | 990,95    | Permit Extension    | CBC Option              |
| 40 | 810.793/12          | 01/06/2012     | 4.672                      | 09/06/2017  | 894,63    | Permit Extension    | Água Fertilizantes S.A. |
| 41 | 811.663/12          | 10/12/2012     | 4.677                      | 09/06/2017  | 1.381,76  | Permit Extension    | Água Fertilizantes S.A. |

|              |            |            |       |            |                  |   |                         |
|--------------|------------|------------|-------|------------|------------------|---|-------------------------|
| 42           | 811.671/12 | 10/12/2012 | 4.678 | 09/06/2017 | 1.802,85         | Permit Extension                                  | Água Fertilizantes S.A. |
| 43           | 811.572/15 | 05/08/2015 |       |            | 1.999,99         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 44           | 811.573/15 | 05/08/2015 |       |            | 1.807,68         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 45           | 811.586/15 | 05/08/2015 |       |            | 1.147,91         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 46           | 811.625/15 | 05/08/2015 |       |            | 1.835,91         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 47           | 811.640/15 | 05/08/2015 |       |            | 1.112,46         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 48           | 811.639/15 | 06/08/2015 |       |            | 1.034,21         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 49           | 811.588/15 | 06/08/2015 |       |            | 1.114,16         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 50           | 811.589/15 | 06/08/2015 |       |            | 1.119,44         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 51           | 811.583/15 | 06/08/2015 |       |            | 1.981,95         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 52           | 811.596/15 | 06/08/2015 |       |            | 1.945,63         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 53           | 811.508/15 | 06/08/2015 |       |            | 985,65           | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 54           | 810.443/16 | 12/05/2016 |       |            | 671,35           | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 55           | 810.444/16 | 12/05/2016 |       |            | 1.574,39         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 56           | 810.223/17 | 19/01/2017 |       |            | 1.221,49         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 57           | 810.224/17 | 19/01/2017 |       |            | 1.764,88         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| 58           | 810.225/17 | 19/01/2017 |       |            | 1.999,46         | Priority granted due to Public Tender Application | Água Fertilizantes S.A. |
| <b>TOTAL</b> |            |            |       |            | <b>80.852,62</b> |   |                         |

## LUCENA PROJECT

| ID | Claim Number (DNPM) | Submittal Date | Exploration License Number | Expiry date | Area (ha) | Status                        | Name             |
|----|---------------------|----------------|----------------------------|-------------|-----------|-------------------------------|------------------|
| 1  | 846.084/17          | 06/06/2017     |                            |             | 135,82    | Application                   | Água Metais Ltda |
| 2  | 846.155/17          | 21/09/2017     |                            |             | 1.721,07  | Application                   | Água Metais Ltda |
| 3  | 846.156/17          | 21/09/2017     |                            |             | 1.718,39  | Application                   | Água Metais Ltda |
| 4  | 846.501/08          | 04/07/2016     |                            |             | 451,23    | Application for Public Tender | Água Metais Ltda |

|       |            |            |        |            |           |   |                   |
|-------|------------|------------|--------|------------|-----------|---|-------------------|
| 5     | 302.256/15 | 29/08/2016 |        |            | 364,95    | Application for Public Tender                     | Águia Metais Ltda |
| 6     | 846.036/09 | 17/03/2009 | 8.643  | 17/08/2012 | 98,00     | Extension Submitted                               | Águia Metais Ltda |
| 7     | 846.105/09 | 23/06/2009 | 10.128 | 31/08/2012 | 1.772,99  | Extension Submitted                               | Águia Metais Ltda |
| 8     | 846.107/09 | 23/06/2009 | 10.127 | 31/08/2012 | 1.146,40  | Extension Submitted                               | Águia Metais Ltda |
| 9     | 846.575/11 | 19/10/2011 | 19.301 | 21/11/2014 | 953,33    | Extension Submitted                               | Águia Metais Ltda |
| 10    | 846.578/11 | 19/10/2011 | 19.302 | 21/11/2014 | 989,89    | Extension Submitted                               | Águia Metais Ltda |
| 11    | 846.579/11 | 19/10/2011 | 19.303 | 21/11/2014 | 989,99    | Extension Submitted                               | Águia Metais Ltda |
| 12    | 846.580/11 | 19/10/2011 | 19.304 | 21/11/2014 | 841,60    | Extension Submitted                               | Águia Metais Ltda |
| 13    | 846.582/11 | 19/10/2011 | 19.305 | 21/11/2014 | 251,96    | Extension Submitted                               | Águia Metais Ltda |
| 14    | 846.583/11 | 19/10/2011 | 19.306 | 21/11/2014 | 908,10    | Extension Submitted                               | Águia Metais Ltda |
| 15    | 846.585/11 | 19/10/2011 | 19.307 | 21/11/2014 | 300,00    | Extension Submitted                               | Águia Metais Ltda |
| 16    | 846.586/11 | 19/10/2011 | 19.308 | 21/11/2014 | 40,49     | Extension Submitted                               | Águia Metais Ltda |
| 17    | 846.587/11 | 19/10/2011 | 19.309 | 21/11/2014 | 142,71    | Extension Submitted                               | Águia Metais Ltda |
| 18    | 846.588/11 | 19/10/2011 | 19.310 | 21/11/2014 | 64,81     | Extension Submitted                               | Águia Metais Ltda |
| 19    | 846.343/12 | 16/07/2012 | 1.782  | 04/03/2016 | 472,35    | Extension Submitted                               | Águia Metais Ltda |
| 20    | 846.345/12 | 16/07/2012 | 1.783  | 04/03/2016 | 15,93     | Extension Submitted                               | Águia Metais Ltda |
| 21    | 846.346/12 | 16/07/2012 | 1.784  | 04/03/2016 | 560,06    | Extension Submitted                               | Águia Metais Ltda |
| 22    | 846.347/12 | 16/07/2012 | 1.785  | 04/03/2016 | 511,67    | Extension Submitted                               | Águia Metais Ltda |
| 23    | 846.150/13 | 25/04/2013 | 1.977  | 12/03/2016 | 31,19     | Extension Submitted                               | Águia Metais Ltda |
| 24    | 846.151/13 | 25/04/2013 | 1.978  | 12/03/2016 | 49,85     | Extension Submitted                               | Águia Metais Ltda |
| 25    | 846.152/13 | 25/04/2013 | 1.979  | 12/03/2016 | 105,45    | Extension Submitted                               | Águia Metais Ltda |
| 26    | 846.153/13 | 25/04/2013 | 1.980  | 12/03/2016 | 8,21      | Extension Submitted                               | Águia Metais Ltda |
| 27    | 846.154/13 | 25/04/2013 | 5.648  | 13/06/2016 | 31,68     | Extension Submitted                               | Águia Metais Ltda |
| 28    | 846.309/14 | 10/11/2014 | 11.153 | 02/10/2018 | 800,22    | Permit  | Águia Metais Ltda |
| 29    | 846.132/15 | 13/07/2015 | 9.614  | 15/09/2018 | 999,88    | Permit  | Águia Metais Ltda |
| 30    | 846.133/15 | 13/07/2015 | 9.615  | 15/09/2018 | 119,39    | Permit  | Águia Metais Ltda |
| 31    | 846.134/15 | 13/07/2015 | 9.616  | 15/09/2018 | 265,71    | Permit  | Águia Metais Ltda |
| 32    | 846.135/15 | 13/07/2015 | 9.617  | 15/09/2018 | 131,58    | Permit  | Águia Metais Ltda |
| 33    | 846.012/16 | 04/02/2016 | 5.048  | 24/05/2019 | 263,24    | Permit  | Águia Metais Ltda |
| 34    | 846.013/16 | 04/02/2016 | 11.810 | 26/10/2019 | 1.454,58  | Permit  | Águia Metais Ltda |
| 35    | 846.160/16 | 29/07/2016 | 694    | 31/01/2020 | 26,24     | Permit  | Águia Metais Ltda |
| 36    | 846.161/16 | 29/07/2016 | 695    | 31/01/2020 | 13,58     | Permit  | Águia Metais Ltda |
| 37    | 846.162/16 | 29/07/2016 | 7.436  | 28/09/2020 | 14,55     | Permit  | Águia Metais Ltda |
| 38    | 846.236/16 | 29/08/2016 | 13.781 | 05/01/2020 | 443,18    | Permit  | Águia Metais Ltda |
| 39    | 846.237/16 | 29/08/2016 | 13.782 | 05/01/2020 | 66,41     | Permit  | Águia Metais Ltda |
| 40    | 846.460/08 | 28/10/2008 | 4.554  | 06/11/2017 | 1.927,28  | Permit Extension                                  | Águia Metais Ltda |
| 41    | 846.474/08 | 28/10/2008 | 2.086  | 06/11/2017 | 946,28    | Permit Extension                                  | Águia Metais Ltda |
| 42    | 846.475/08 | 28/10/2008 | 4.575  | 27/10/2017 | 1.169,81  | Permit Extension                                  | Águia Metais Ltda |
| 43    | 846.106/09 | 23/06/2009 | 11.566 | 06/11/2017 | 1.538,93  | Permit Extension                                  | Águia Metais Ltda |
| 44    | 846.108/09 | 25/06/2009 | 8.859  | 29/10/2017 | 188,17    | Permit Extension                                  | Águia Metais Ltda |
| 45    | 840.282/14 | 29/08/2016 |        |            | 1.763,77  | Priority granted due to Public Tender Application | Águia Metais Ltda |
| TOTAL |            |            |        |            | 26.810,92 |   |                   |

## MATA DA CORDA & LAGAMAR PROJECT

| #            | Claim Number (DNPM) | Submittal Date | Exploration License Number | Expiry date | Area (ha)       | Status                        | Name              |
|--------------|---------------------|----------------|----------------------------|-------------|-----------------|-------------------------------|-------------------|
| 1            | 831.783/07          | 08/11/2010     |                            |             | 2.000,00        | Application for Public Tender | Águia Metais Ltda |
| 2            | 831.785/07          | 08/11/2010     |                            |             | 2.000,00        | Application for Public Tender | Águia Metais Ltda |
| 3            | 831.790/07          | 08/11/2010     |                            |             | 2.000,00        | Application for Public Tender | Águia Metais Ltda |
| 4            | 300.653/12          | 01/11/2012     |                            |             | 71,91           | Application for Public Tender | Águia Metais Ltda |
| 5            | 300.654/12          | 01/11/2012     |                            |             | 201,09          | Application for Public Tender | Águia Metais Ltda |
| 6            | 831.798/13          | 14/02/2014     |                            |             | 1.775,56        | Application for Public Tender | Águia Metais Ltda |
| 7            | 832.349/16          | 19/10/2016     | 12516                      | 29/11/2019  | 1.199,89        | Permit                        | Águia Metais Ltda |
| <b>TOTAL</b> |                     |                |                            |             | <b>9.248,45</b> |                               |                   |

| ID           | Claim Number (DNPM) | Submittal Date | Exploration License Number | Expiry date | Area (ha)       | Status  | Name              |
|--------------|---------------------|----------------|----------------------------|-------------|-----------------|---|-------------------|
| 1            | 831.880/13          | 7/1/2015       |                            |             | 1,408.55        | Priority granted due to Public Tender Application | Águia Metais Ltda |
| <b>TOTAL</b> |                     |                |                            |             | <b>1,408.55</b> |   |                   |

## NEW TENEMENTS ACQUIRED DURING THE SEPTEMBER QUARTER

| Claim Number (DNPM) | Submittal Date | Exploration License Number | Expiry date | Area (ha)       | Status      | Name              |
|---------------------|----------------|----------------------------|-------------|-----------------|-------------|-------------------|
| 846.155/17          | 21/09/2017     |                            |             | 1.721,07        | Application | Águia Metais Ltda |
| 846.156/17          | 21/09/2017     |                            |             | 1.718,39        | Application | Águia Metais Ltda |
| <b>TOTAL</b>        |                |                            |             | <b>3.439,46</b> |             |                   |

## TENEMENTS DISPOSED OFF DURING THE SEPTEMBER QUARTER

| Claim Number (DNPM) | Submittal Date | Exploration License Number | Expiry date | Area (ha)        | Status           | Name              |
|---------------------|----------------|----------------------------|-------------|------------------|------------------|-------------------|
| 846.458/08          | 28/10/2008     | 4.556                      | 27/10/2017  | 1.927,43         | Permit Extension | Águia Metais Ltda |
| 846.462/08          | 28/10/2008     | 4.552                      | 06/11/2017  | 1.924,15         | Permit Extension | Águia Metais Ltda |
| 846.464/08          | 28/10/2008     | 4.539                      | 27/10/2017  | 1.879,92         | Permit Extension | Águia Metais Ltda |
| 846.466/08          | 28/10/2008     | 4.561                      | 06/11/2017  | 1.904,78         | Permit Extension | Águia Metais Ltda |
| 846.472/08          | 28/10/2008     | 4.300                      | 06/11/2017  | 1.441,26         | Permit Extension | Águia Metais Ltda |
| 846.473/08          | 28/10/2008     | 4.572                      | 27/10/2017  | 933,10           | Permit Extension | Águia Metais Ltda |
| 846.476/08          | 28/10/2008     | 2.085                      | 31/10/2017  | 768,51           | Permit Extension | Águia Metais Ltda |
| 846.477/08          | 28/10/2008     | 4.574                      | 29/10/2017  | 203,87           | Permit Extension | Águia Metais Ltda |
| 846.478/08          | 28/10/2008     | 4.573                      | 27/10/2017  | 339,09           | Permit Extension | Águia Metais Ltda |
| 846.479/08          | 28/10/2008     | 4.560                      | 06/11/2017  | 1.438,88         | Permit Extension | Águia Metais Ltda |
| 846.480/08          | 28/10/2008     | 4.559                      | 06/11/2017  | 1.926,80         | Permit Extension | Águia Metais Ltda |
| <b>TOTAL</b>        |                |                            |             | <b>14.687,79</b> |                  |                   |

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

**AGUIA RESOURCES LIMITED**

### ABN

**94 128 256 888**

### Quarter ended ("current quarter")

**30 SEP 2017**

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               |                            |                                       |
| 1.2 Payments for  |                            |                                       |
| (a) exploration & evaluation                              | (2,582)                    | (2,582)                               |
| (b) development   |                            |                                       |
| (c) production  |                            |                                       |
| (d) staff costs   | (328)                      | (328)                                 |
| (e) administration and corporate costs                    | (467)                      | (467)                                 |
| 1.3 Dividends received (see note 3)                       |                            |                                       |
| 1.4 Interest received                                     | 13                         | 13                                    |
| 1.5 Interest and other costs of finance paid              |                            |                                       |
| 1.6 Income taxes paid                                     |                            |                                       |
| 1.7 Research and development refunds                      |                            |                                       |
| 1.8 Other (Business development)                          | (128)                      | (128)                                 |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(3,492)</b>             | <b>(3,492)</b>                        |

|  |  |  |
|--|--|--|
| <b>2. Cash flows from investing activities</b> |  |  |
| 2.1 Payments to acquire:                       |  |  |
| (a) property, plant and equipment              |  |  |
| (b) tenements (see item 10)                    |  |  |
| (c) investments                                |  |  |
| (d) other non-current assets                   |  |  |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2                                  | Proceeds from the disposal of:                        |                            |                                       |
|                                      | (a) property, plant and equipment                     |                            |                                       |
|                                      | (b) tenements (see item 10)                           |                            |                                       |
|                                      | (c) investments                                       |                            |                                       |
|                                      | (d) other non-current assets                          |                            |                                       |
| 2.3                                  | Cash flows from loans to other entities               |                            |                                       |
| 2.4                                  | Dividends received (see note 3)                       |                            |                                       |
| 2.5                                  | Other (provide details if material)                   |                            |                                       |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> |                            |                                       |

|             |   |              |              |
|-------------|---|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |              |              |
| 3.1         | Proceeds from issues of shares  | 4,365        | 4,365        |
| 3.2         | Proceeds from issue of convertible notes                                    |              |              |
| 3.3         | Proceeds from exercise of share options                                     |              |              |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | (755)        | (755)        |
| 3.5         | Proceeds from borrowings  |              |              |
| 3.6         | Repayment of borrowings   |              |              |
| 3.7         | Transaction costs related to loans and borrowings                           |              |              |
| 3.8         | Dividends paid  |              |              |
| 3.9         | Other (provide details if material)   |              |              |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>3,610</b> | <b>3,610</b> |

|            |  |              |              |
|------------|--|--------------|--------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1        | Cash and cash equivalents at beginning of period                             | 6,732        | 6,732        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (3,492)      | (3,492)      |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              |              |              |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | 3,610        | 3,610        |
| 4.5        | Effect of movement in exchange rates on cash held                            | (13)         | (13)         |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>6,837</b> | <b>6,837</b> |

| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances  | 6,837                              | 6,732                               |
| 5.2 Call deposits  | -                                  | -                                   |
| 5.3 Bank overdrafts  | -                                  | -                                   |
| 5.4 Other (provide details)  | -                                  | -                                   |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>6,837</b>                       | <b>6,732</b>                        |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| 188                                |
| -                                  |

Remuneration and fees paid to Directors and their associates.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| -                                  |
| -                                  |



## Mining exploration entity and oil and gas exploration entity quarterly report

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

| Total facility amount<br>at quarter end<br>\$A'000 | Amount drawn at<br>quarter end<br>\$A'000 |
|--|---|
| -  | -   |
| -  | -   |
| -  | -   |

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

|  |
|--|
|  |
|--|

**9. Estimated cash outflows for next quarter****\$A'000**

9.1 Exploration and evaluation

2,330

9.2 Development

9.3 Production

9.4 Staff costs

340

9.5 Administration and corporate costs

200

9.6 Other (provide details if material)

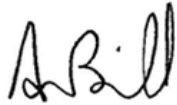
**9.7 Total estimated cash outflows**

**2,870**

| 10.  | Changes in tenements<br>(items 2.1(b) and 2.2(b) above)                               | Tenement<br>reference<br>and<br>location | Nature of interest | Interest at<br>beginning<br>of quarter | Interest<br>at end of<br>quarter |
|------|---|--|--------------------|--|----------------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced |  |                    |  |                                  |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased           |  |                    |  |                                  |

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
**Company Secretary**

Date: **31 OCTOBER 2017**

Print name: **ANDREW BURSILL**

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.