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

AGUIA'S TRES ESTRADAS PHOSPHATE PROJECT RECOGNIZED AS STRATEGIC BY BRAZIL'S FEDERAL GOVERNMENT

Sydney, Australia, - Agua Resources Limited (ASX: AGR) ('**Agua**' or the '**Company**') is pleased to report that the Três Estradas Phosphate Project ('**TEPP**') has been recognised as being of strategic importance by the Federal Government of Brazil.

On 24 March 2021, the Federal Government of Brazil issued Decree No. 10,657 (the '**Decree**') that created the Strategic Minerals Policy (the '**Policy**') which has the objective of increasing the national production of strategic minerals. This is considered to be a top priority by the Government. The Policy recognises that strategic minerals projects often face challenges in the environmental licensing process and that those challenges may be more efficiently resolved with an institutional coordination by the Federal Government. In this way, the Policy aims to select projects for the country's development and promote articulation between government agencies in order to join efforts for the implementation and as results expand the national production of strategic minerals on an environmentally sustainable basis.

Agua submitted an application for the TEPP to the Inter-ministerial Committee and was recently informed that the project has been accepted by the program and recognized as a strategic minerals project by the Federal Government of Brazil. Agua's TEPP was accepted in the very first lot of projects that were reviewed and recognized as strategic by the Committee with the others being two iron ore projects and one copper project, all owned by world-class Brazilian mining companies. The rationale for selecting the TEPP was based on the fact that phosphate is regarded as being critical for Brazil's agricultural sector; Rio Grande do Sul state, being one of the three largest agribusiness producers in Brazil, imports 100% of its phosphate from overseas, and there are very few phosphate projects in Brazil that have the size of resource or the scale of the TEPP when it reaches operation.

The Decree also created an Inter-ministerial Committee that will judge the merit of the applicants and then if accepted, help to advance permitting. The Federal Government considers the following to be strategic minerals:

- (a) Minerals that Brazil is heavily dependent on imports, e.g., **phosphate**, potash, and sulphur.
- (b) High-tech critical minerals, e.g., rare earth elements, nickel, cobalt, **copper**, and lithium.
- (c) Minerals that Brazil is a world-class producer or exporter of, e.g., iron ore, niobium, and gold.

Management Commentary

Managing Director Dr. Fernando Tallarico said: *"This is a major development for Agua and an outstanding vote of confidence from the Federal Government. It also validates the importance of our TEPP not only to the Rio Grande do Sul economy but also to Brazil. We are very proud to see both phosphate and copper in the list of strategic minerals to the country – both core to our portfolio."*

We had our first meeting with the Inter-ministerial Committee last week and we are very impressed with the highly experienced team that we met, their level of engagement, their understanding of the project, and our near-term opportunities and challenges. We are looking forward to being able to

announce further developments to shareholders with respect to today's announcement and other areas of progress."

**AUTHORISED FOR ISSUE TO ASX BY FERNANDO TALLARICO, MANAGING
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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.

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