EMERGING BRAZILIAN PHOSPHATE AND POTASH DEVELOPER
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Some of the statements contained in this release are forward-looking statements. 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.

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**Competent Persons Statement**

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 Ontario. Dr Tallarico is a full-time employee of Aquia 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.
COMPANY OVERVIEW

■ BUSINESS MODEL = Explore, Develop and sell into Brazilian Domestic Market

■ BRAZIL IS AN AGRICULTURAL POWERHOUSE
  ✔ Excellent infrastructure
  ✔ Primary fertiliser markets
  ✔ Heavily reliant on imports

■ Phosphate Projects – Near Term Focus
  ✔ Rio Grande, new discovery
    ✔ JORC/NI43-101 Resource June Qtr12
    ✔ Beneficiation test work results June Qtr12
    ✔ Potential for large, long life, low cost resources
  ✔ Lucena, drilling results up to 23.3% P$_2$O$_5$

■ Atlantic Potash Project – World class basin
  ✔ Adjacent to Brazil’s only operating potash mine

■ STRONG BOARD, INDUSTRY FERTILISER EXPERTS, TECH TEAM BASED IN BRAZIL

■ LOW SOVEREIGN RISK, SUPPORTIVE GOVT. FOR FERTILIZER PRODUCTION
4th largest consumer of fertilizer but only 4% of global fertilizer production.

In 2011, accounted for 9.3% (3.6Mt) of world’s phosphate ($P_2O_5$) and 13.4% (7.7Mt) of world’s potash (KCl) consumption and growing.

Agricultural Exports >$94 billion per annum, 24% increase in 2011

48% of new & available arable land in the world is in the Cerrado (~90 million ha)
THE TEAM & CAPITAL STRUCTURE

Directors

Graham Ascough - Non-Executive Chairman
— Over 21 years management and exploration experience evaluating resource projects globally, including Falconbridge and on-ground experience in Brazil.

Simon Taylor - Managing Director & CEO
— Geologist and founding Director of Aguia with 20 years exploration, development and operational experience in the resources sector.
— Corporate experience as a resource analyst with a major focus on the phosphate sector.

Dr. Fernando Tallarico - Technical Director
— 19 years experience in Brazil in exploration and project generation for Noranda, Falconbridge and BHP Diamond South America.

Allan Pickett - Non-Executive Director
— Highly regarded Fertilizer Professional with 14 years experience with British Sulphur Consultants, the fertilizer and chemical division of CRU International Ltd.

Potash & Phosphate Experts

Alfredo Nunes - Exploration Manager - Phosphate
— 20 years exploration and resources evaluation in Brazil and globally, including 13 years with Brazilian major Vale in various commodities, from exploration to mine production.

John Sinden - Phosphate Processing Engineer
— Renowned consultant engineer with more than 45 years in the field of phosphate processing, leading phosphate rock to acid specialist.

Paulo Souza - General Manager - Potash
— Key engineer involved in the design and development of Vale’s Carnallite Project and Pilot Plant and an experienced Mining Engineer with 26 years in mine planning and operation, with Vale, Rio Tinto and others.

Capital Structure

Ordinary Shares 105.7M
Market Cap @$0.25/Share $26.4M
Unlisted Options 8.7M
Cash (April 2012) $7.2M

Top 5 Shareholders
1. Potash Atlantico Corp 18.91%
2. Officium Emerging Resources 5.90%
3. Nefco Nominees Pty Ltd 5.69%
4. Arredo Pty Ltd 3.78%

Top 20 Shareholders 57.58%
PHOSPHATE PROJECTS
RIGHT LOCATION, RIGHT MARKET

Key parameters
✔ Location
✔ Infrastructure
✔ Mineralogy = beneficiation
✔ Markets

Initial resource targets\(^1\) of 20-60Mt

Targets to sustain 10-20 year life, producing initial 500 ktpa of concentrated rock

Near term focus next 6-12 months
✔ Rio Grande Carbonatite Projects

Rio Grande similar in style to major producing phosphate mines in Brazil – carbonatite hosted

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1. This is a conceptual resource estimate and will need exploration drilling to confirm potential size, the estimate is based on a suitable size to enable commercial project economics. The potential tonnage range and average grade is conceptual in nature and insufficient work has been completed to report a Mineral Resource in accordance with the JORC Code (2004). It is uncertain if further exploration work will result in the determination of a Mineral Resource.
## BRAZIL - PHOSPHATE CARBONATITE MINES

<table>
<thead>
<tr>
<th>Company</th>
<th>Project</th>
<th>Reserve (Mt)</th>
<th>Grade $P_2O_5$ (%)</th>
<th>Concentrate Grade $P_2O_5$ (%)</th>
<th>Prod. Capacity (ktpa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vale</td>
<td>Tapira</td>
<td>1,309</td>
<td>7.69</td>
<td>35.5</td>
<td>2,030</td>
</tr>
<tr>
<td>Copebrás/ Anglo</td>
<td>Ouvidor</td>
<td>257</td>
<td>7.63</td>
<td>38</td>
<td>1,300</td>
</tr>
<tr>
<td>Vale</td>
<td>Araxá</td>
<td>89</td>
<td>11.12</td>
<td>35/33</td>
<td>910</td>
</tr>
<tr>
<td>Vale</td>
<td>Catalao</td>
<td>224</td>
<td>8.96</td>
<td>36/34</td>
<td>1,209</td>
</tr>
<tr>
<td>Vale</td>
<td>Cajati</td>
<td>85</td>
<td>5.45</td>
<td>36</td>
<td>528</td>
</tr>
</tbody>
</table>

**Average Grade Brazilian Carbonatite Deposits is 7.8% $P_2O_5$**

<table>
<thead>
<tr>
<th>Company</th>
<th>Project</th>
<th>Reserve (Mt)</th>
<th>Grade $P_2O_5$ (%)</th>
<th>Concentrate Grade $P_2O_5$ (%)</th>
<th>Prod. Capacity (ktpa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yara</td>
<td>Siilinjarvi- Finland</td>
<td>470</td>
<td>4.5</td>
<td>36</td>
<td>850</td>
</tr>
</tbody>
</table>

**Sources:**
- (B) > Reserve and Grades: DNPM 2006 Mineral Annuary
- (C) > Concentration / Production: ANDA Annuary 2008
- (D) > Major phosphate rock producer by Bete, Inc for Cargill Fertilizer, Inc 1988. Values updated to 2010 including exchange variation and inflation.
## Igneous vs. Sedimentary Host Rocks
### Key Considerations

<table>
<thead>
<tr>
<th></th>
<th>Igneous Rock</th>
<th>Sedimentary Rock</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grade of Rock</strong></td>
<td>★★★ 4-15% P₂O₅</td>
<td>★★★★ 10-30% P₂O₅</td>
</tr>
<tr>
<td><strong>Beneficiation</strong></td>
<td>Higher recovery % more than 85% (and can be &gt; 90%)</td>
<td>Lower recovery % between 75 to 85%</td>
</tr>
<tr>
<td><strong>Concentrate grade</strong></td>
<td>★★★ 35-41% P₂O₅</td>
<td>★ Average grade of 29% P₂O₅ But can reach 35% P₂O₅</td>
</tr>
<tr>
<td><strong>Concentrate Quality</strong></td>
<td>Contain very little or no contaminant</td>
<td>★ Frequently contains contaminants (heavy metals, uranium, ...)</td>
</tr>
<tr>
<td><strong>Pricing</strong></td>
<td>★★★ Premium for high grade, low contaminants</td>
<td>★ Benchmark products, no premiums</td>
</tr>
</tbody>
</table>
THE PROJECTS

- Early stage signs similar to carbonatite style phosphate deposits mined by Vale in Brazil

- Two projects under evaluation:
  - Três Estradas – new discovery
  - Joca Tavares – rock chips to 11% P$_2$O$_5$,

- 8 additional targets - 30,186 hectares
Drilling is spaced over 1 kilometre and up to 200 metres across strike, open in all directions.

Initial results from surface include:

- **27.00 metres @ 17.75% P₂O₅**
  Includes. **12.30 metres @ 24.60% P₂O₅**

- **34.00 metres @ 10.91% P₂O₅**
  Includes. **18.85 metres @ 15.58% P₂O₅**

- **40.35 metres @ 8.90% P₂O₅**
  Includes. **19.97 metres @ 13.52% P₂O₅**

Excellent Mineralogy – results show more than 98% of P₂O₅ is present as apatite.

Beneficiation test work commenced.

Targeting a JORC/NI 43-101 resource June Q12.
TRES ESTRADAS - DRILL SECTION

SECTION 1000
(Tres Estradas Target)

LEGEND
- Soil
- Saprolite
- Weathered Meta-syenite
- Weathered Meta-carbonatite
- Weathered Amphibolite
- Weathered gneiss
- Meta-syenite
- Meta-carbonatite
- Amphibolite
- Gneiss
- Mineralised intercept
- High grade zones

High Grade Oxide Zone
Primary Zone

- 59.55m @ 4.03% P2O5 (from 3.55m), Incl. 5.0m @ 6.27% P2O5 (from 3.55m) - LAB
- 69.70m (45°)
- 92.60m @ 4.83% P2O5 (from 5.00m), Incl. 5.00m @ 8.30% P2O5 (from 5.00m), Incl. 7.65m @ 5.57% P2O5 (from 60.25m), Incl. 10m @ 5.29% P2O5 (from 78m) LAB
- 40.35m @ 8.9% P2O5 (from surface) Incl. 19.7m @ 13.52% P2O5 (from 1.3m) Incl. 12.4m @ 16.37% P2O5 (from 8.6m) LAB
- 43.25m (60°)
Application lodged over southern extension for potential 2.4 kilometre strike length.
PHOSPHATE DEMAND IN BRAZIL BY STATE, 2010

Average forecast demand for $P_2O_5$ is growing at 4% p.a.

This takes rock demand from 6.3Mt to 10.7Mt by 2020.

The three southern States consume ~1.0 mt $P_2O_5$ or around 30% of Brazilian consumption, with no phosphate mines in this region.

1 = Data Source: ANDA, 2010 consumption data

Base Data: ANDA
KEY PHOSPHATE MARKETS

- SSP production will be the key initial end-use market for Aguia phosphate rock.

- Current capacity for SSP in southern Brazil, Uruguay and Argentina is 2.79M t, which requires 1.79M t rock.

- More processing capacity is being considered by current producers and distributors of fertilizer in Brazil – plans for > 600 kt.

- Depending on resource size, MAP production could be considered at a future date.

SSP Capacity in Brazil, Uruguay and Argentina
Total Capacity = 9.0 M t

Target Zone Capacity
2.79M t SSP
EXCELLENT INFRASTRUCTURE ACCESS TO MARKETS

- Well developed local infrastructure with good road, rail, power, port and services
- Railway within the project that goes north and south to SSP plants in Brazil and southwest to Argentina and Uruguay.
- Franchise owner is América Latina Logística.

Railway runs through the project
COST ADVANTAGE FOR DOMESTIC PRODUCERS

Suppliers of Phosphate Rock to Brazil

- Most imported rock to Brazil is from North Africa with typical logistics costs of between $30 - $40/t
- The Bayovar mine in Peru (Vale) has higher logistics costs, but low mining costs

Sustained logistics advantage for local producers of > $30/t

Estimated Logistics Costs of Rock Suppliers to Brazil (US$/t)

<table>
<thead>
<tr>
<th></th>
<th>Volume 2010 (kt)</th>
<th>Plant to Port</th>
<th>Ocean Freight</th>
<th>Brazil Port Handling</th>
<th>Total Logistics</th>
</tr>
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<tbody>
<tr>
<td>Algeria</td>
<td>474</td>
<td>3</td>
<td>20</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td>Israel</td>
<td>56</td>
<td>5</td>
<td>30</td>
<td>10</td>
<td>35</td>
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<tr>
<td>Morocco</td>
<td>532</td>
<td>3</td>
<td>19</td>
<td>10</td>
<td>32</td>
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<tr>
<td>Peru</td>
<td>188</td>
<td>3</td>
<td>37</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>Togo</td>
<td>56</td>
<td>5</td>
<td>20</td>
<td>10</td>
<td>35</td>
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<tr>
<td>Tunisia</td>
<td>111</td>
<td>4</td>
<td>22</td>
<td>10</td>
<td>36</td>
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</table>

= Rio Grande do Sul Phosphate Projects
### PROVISIONAL TIMELINE FOR PHOSPHATE PROJECTS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Q1</td>
<td></td>
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</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Très Estradas

**Resource**
- Initial JORC Resource
- Beneficiation Results
- Drilling southern section
- Infill drilling
- Final JORC Resource

**Studies**
- Scoping Study
- Pre feasibility Study
- Feasibility Study

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Q2</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Others

- Initial Drilling at JT
- Sampling 6 other sites
- Determine future drilling

... then mine construction
## PEER COMPARISON: PHOSPHATE

<table>
<thead>
<tr>
<th>Company</th>
<th>Code</th>
<th>Location</th>
<th>Market Cap Diluted (A$M)*</th>
<th>Status</th>
<th>Global Resource (mt)</th>
<th>Phosphate Grade P₂O₅ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBAC Fertiliser Corp</td>
<td>MBC:TSX</td>
<td>Brazil</td>
<td>$314</td>
<td>Developer</td>
<td>192</td>
<td>7.22</td>
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<tr>
<td>Stonegate Agricom Ltd</td>
<td>ST:TSX</td>
<td>Peru</td>
<td>$97</td>
<td>Developer</td>
<td>446</td>
<td>10.51</td>
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<tr>
<td>Arianne Resources</td>
<td>DAN:TSX</td>
<td>Canada</td>
<td>$94</td>
<td>Developer</td>
<td>462</td>
<td>6.25</td>
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<tr>
<td>Minemakers</td>
<td>MAK:ASX</td>
<td>Australia/ Namibia</td>
<td>$59</td>
<td>Explorer</td>
<td>2,330</td>
<td>13.90</td>
</tr>
<tr>
<td>Rio Verde</td>
<td>RVD:TSX</td>
<td>Brazil</td>
<td>$35</td>
<td>Explorer</td>
<td>2</td>
<td>19.00</td>
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<tr>
<td><strong>Aguia Resources</strong></td>
<td>AGR:ASX</td>
<td>Brazil</td>
<td>$30</td>
<td>Explorer</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Legend International</td>
<td>LGTI:OTC</td>
<td>Australia</td>
<td>$26</td>
<td>Developer</td>
<td>516</td>
<td>15.10</td>
</tr>
<tr>
<td>Minbos</td>
<td>MNB:ASX</td>
<td>Angola</td>
<td>$25</td>
<td>Explorer</td>
<td>350</td>
<td>12.24</td>
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<tr>
<td>Phosphate Australia</td>
<td>POZ:ASX</td>
<td>Australia</td>
<td>$12</td>
<td>Developer</td>
<td>56</td>
<td>16.00</td>
</tr>
</tbody>
</table>

**Source:** Figures – Public Company Announcements
ATLANTIC POTASH PROJECT HIGHLIGHTS

ATLANTIC POTASH PROJECT

- Adjacent to Brazil’s only operating potash mine
- Taquari-Vassouras Mine (Vale) produces <10% of country’s consumption, with reserves in place until 2019.
- Concurrently Vale is developing its Carnallita Potash Project for 1.2Mt solution-mined KCl from carnallite
  - Solution mine pilot plant operational since 2009
  - Environmental licenses in place
  - Extended 30-year land lease agreed with Petrobrás in 2012
  - Start-up scheduled for 2015
EXCEPTIONAL DISCOVERY POTENTIAL

- Large land holding, ~ 200,000 hectares
- Historical exploration data obtained from Brazilian Geological Survey
- Petroleum exploration and production data – more than 300 wells analyzed
- Seismic data – basin well covered with public 2D seismic (2D lines - 32,000 km)
- Further Drilling under review

Potash Performance shares on definition of resources at Atlantic Potash Project - Conversion milestones: proof concept 100Mt, 200Mt @10% KCl JORC.
ENQUIRIES:

SIMON TAYLOR – Managing Director & CEO
Telephone: +61 2 9210 1332
staylor@aguiaresources.com.au
www.aguiiaresources.com.au

ASX Code: AGR
The **Issue**: An historical throw-back to defence issues that concerned the former military government (1964 – ’85) is that legally any mine located within 150km of the Brazilian border has to be majority owned by Brazilians. Recent governments have pushed back on the law: it was 300km, and there are moves to reduce it from 150km to 50km. **TE and JT are within the 150km zone but outside the 50km zone.**

The **Solution**: Should the option be exercised to acquire the tenements100% for 5m shares, the Company will be required to enter into a joint venture with a Brazilian owned company to develop the tenements. Accordingly we are in the process of setting up **Aguia Fertilizers**, in which Aguia Resources will own 49%, and Brazilian interests 51%, and with shareholder agreements which channel all economic benefits back to Aguia resources.

**Precedents Exist.** There are currently 5 producing mines in the border zone with foreign ownership using similar strategies and a further 7 companies (including Aguia) in the exploration phase.

### Explorer
- Anglo Gold
- Yamana Gold
- Lara Exploration
- Magellan Minerals
- Amarillo Gold Corp.
- Iam Gold
- Aguia Resources Ltd.

### Current Producing Mines in the Border Zone

<table>
<thead>
<tr>
<th>Producer</th>
<th>Brazilian Entity</th>
<th>Mine Name</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aura Minerals</td>
<td>Mineração Apoena</td>
<td>São Vincente</td>
<td>Gold</td>
</tr>
<tr>
<td>Aura Minerals</td>
<td>Mineração Apoena</td>
<td>São Francisco</td>
<td>Gold</td>
</tr>
<tr>
<td>Anglo American</td>
<td>Anglo Ferrous Amapá Mineração</td>
<td>Mine 66</td>
<td>Iron Ore</td>
</tr>
<tr>
<td>Eldorado Gold</td>
<td>Unamgen Mineração e Metalurgia</td>
<td>Vila Nova</td>
<td>Iron Ore</td>
</tr>
<tr>
<td>Rio Tinto</td>
<td>Mineração Corumbaense Reunida S.A.</td>
<td>Corumba</td>
<td>Iron Ore</td>
</tr>
</tbody>
</table>
CPRM discovered shallow phosphate mineralisation up to 22% $P_2O_5$ in several deposits to the west.

Phosphate mineralisation is hosted by a limestone unit (Gramame Formation) that extends through project towards the east.

Desktop modelling outlines large areas for shallow drill testing.

2,000 metre first pass Diamond Drilling completed.

Initial drilling results include up to 23.25% $P_2O_5$.

Note: Phosphate performance shares to be issued on JORC Resource at Lucena or Mata da Corda Projects.
Located within 100km of the three largest phosphate mines in Brazil and near 32 major bulk blenders

Option to Vicenza to acquire 70% of the MCPP over a three year period through a combination of:

- cash totalling R$1 million (A$0.56 million);
- a minimum exploration spend of R$7 million (A$3.9 million) and a minimum of at least 10,000 metres of drilling

Excellent infrastructure, roads, power, water on main transportation route for expanding agricultural districts of Mato Grasso Brazil