EMERGING BRAZILIAN PHOSPHATE AND POTASH DEVELOPER

AGUIA Resources Limited

ASX Code: AGR
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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.
Aguia Resources: Building a new Latin American fertilizer company

Utilize world-class discoveries to build a new fertilizer company in Brazil, producing phosphate and potash fertilizers for the Brazilian and neighbouring markets, and securing a 10% stake in both sectors.
THE PROJECTS
World-class Assets

■ BUILDING PHOSPHATE AND POTASH ASSETS

➤ Phosphate Projects – Near Term Focus
✓ Rio Grande, new discovery, Flag ship Project
  ✓ Initial 21M t JORC Inferred resource
  ✓ Drilling commenced to increase resource size
  ✓ Beneficiation concentrate up to 34% $P_2O_5$
  ✓ Scope for large, long life, low cost resources
✓ Lucena, drilling results up to 23.3% $P_2O_5$
✓ Mata da Corda: JV with Vincenza

➤ Atlantic Potash Project – World class basin
✓ Adjacent to Brazil’s only operating potash mine
✓ Drilling program under review for 2013

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

■ LOW SOVEREIGN RISK, SUPPORTIVE GOVT. FOR FERTILIZER PRODUCTION

BRAZIL: AN AGRICULTURAL POWERHOUSE, AND A GREAT LOCATION FOR PROJECTS
✓ Excellent infrastructure
✓ Primary fertiliser markets
✓ Heavily reliant on imports
BRAZIL – THE OPPORTUNITY Import Dependent Market

- Third largest global agricultural exporter
- 4th largest consumer of fertilizer but only 4% of global fertilizer production.
- In 2011, accounted for 9.3% (3.6Mt) of world’s phosphate ($\text{P}_2\text{O}_5$) and 13.4% (7.7Mt) of world’s potash (KCl) consumption and growing.
- World’s fastest growing major fertiliser market – but import dependent. Government targeting self sufficiency within 10 years
- Good mining code; tax incentives for new projects

BRAZIL: A SUPERIOR GLOBAL LOCATION FOR NEW PHOSPHATE AND POTASH PROJECTS
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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Shares</td>
<td>106.2M</td>
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<tr>
<td>Market Cap @$0.17/Share</td>
<td>$18.1M</td>
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<tr>
<td>Unlisted Options</td>
<td>8.3M</td>
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<tr>
<td>Cash (June 2012)</td>
<td>$5.1M</td>
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<table>
<thead>
<tr>
<th>Shares Type</th>
<th>Number</th>
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<tr>
<td>Phosphate Performance Shares*</td>
<td>40.0M</td>
</tr>
<tr>
<td>Potash Performance Shares**</td>
<td>80.0M</td>
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*Conversion milestones: 30Mt, 70Mt @10% P₂O₅ JORC. Lucena + Mata da Corda
**Conversion milestones: proof concept 100Mt, 200Mt @10% KCl JORC

Top 5 Shareholders

1. Potash Atlantico Corp     18.82%
2. Bond Street Custodians Ltd 6.02%
3. Nefco Nominees Pty Ltd 5.25%
4. HSBC Custody Nominees 4.88%
5. Arredo Pty Ltd 3.76%

Top 20 Shareholders 59.59%
Key parameters:
- Location
- Infrastructure
- Mineralogy = beneficiation
- Markets

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

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

- **Lucena**: Desktop resource definition – drill planning

- **Mata da Corda**: JV with Vincenza
## BRAZIL - PHOSPHATE CARBONATITE MINES

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

Average Grade Brazilian Carbonatite Deposits is 7.8% $P_2O_5$

<table>
<thead>
<tr>
<th>Company</th>
<th>Mine</th>
<th>Reserve (Mt)</th>
<th>Grade $P_2O_5$ (%)</th>
<th>Concentrate Grade $P_2O_5$ (%)</th>
<th>Prod. Capacity (ktpa)</th>
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</thead>
<tbody>
<tr>
<td>Yara</td>
<td>Siilinjärvi, Finland</td>
<td>470</td>
<td>4.5</td>
<td>36</td>
<td>850</td>
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</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.
RIO GRANDE DO SUL PROJECTS
NEW PHOSPHATE PROVINCE

- **Três Estradas (TE)** – new discovery
  - JORC Inferred resource on 1.2km of total target size of 2.6km

- **Joca Tavares (JT)** – under evaluation
  - rock chips up to 11% $P_2O_5$

- 8 additional targets around TE/JT

- 5 further targets in Rio Grande do Sul
- Drilling spaced over 1 kilometre on 200 metre line spacing.

- Initial oxide results from surface include:
  - 27.00 metres @ 17.75% $P_2O_5$
    includes 12.30 metres @ 24.60% $P_2O_5$
  - 34.00 metres @ 10.91% $P_2O_5$
    includes 18.85 metres @ 15.58% $P_2O_5$

- Excellent Mineralogy – results show more than 98% of $P_2O_5$ is present as apatite.

- Optimised beneficiation test work Sept. quarter.

- Expand 21M t JORC resource by year end
TRES ESTRADAS
JORC INFERRED RESOURCE

- Initial JORC compliant inferred resource of 21Mt @ 4.6% P$_2$O$_5$\(^1\) including higher grade oxide zone from surface of 1.8Mt @ 10.9% P$_2$O$_5$

Table 1: Mineral Resources Statement*, Très Estradas Phosphate Project, Brazil, SRK Consulting, June 12, 2012

<table>
<thead>
<tr>
<th>Lithotype</th>
<th>Tonnage (T x 1000)</th>
<th>P$_2$O$_5$ %</th>
<th>CaO %</th>
<th>MgO %</th>
<th>Fe$_2$O$_3$ %</th>
<th>SiO$_2$ %</th>
<th>Al$_2$O$_3$ %</th>
<th>RCP†</th>
<th>P$_2$O$_5$AP‡</th>
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<tbody>
<tr>
<td>Saprolite</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAMM (amphibolite)</td>
<td>320</td>
<td>4.55</td>
<td>11.15</td>
<td>7.76</td>
<td>15.96</td>
<td>39.57</td>
<td>8.57</td>
<td>2.59</td>
<td>4.55</td>
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<tr>
<td>SCBT carbonatite</td>
<td>1,430</td>
<td>12.33</td>
<td>18.2</td>
<td>3.73</td>
<td>19.18</td>
<td>28.51</td>
<td>5.50</td>
<td>1.62</td>
<td>12.08</td>
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<tr>
<td>Total Inferred Saprolite</td>
<td>1,750</td>
<td>10.9</td>
<td>16.91</td>
<td>4.47</td>
<td>18.59</td>
<td>30.53</td>
<td>6.07</td>
<td>1.80</td>
<td>10.70</td>
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<tr>
<td>Weathered</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WCBT (carbonatite)</td>
<td>1,270</td>
<td>4.31</td>
<td>37.21</td>
<td>5.95</td>
<td>8.37</td>
<td>11.14</td>
<td>1.74</td>
<td>8.96</td>
<td>4.31</td>
</tr>
<tr>
<td>Total Inferred Weathered</td>
<td>1,270</td>
<td>4.31</td>
<td>37.21</td>
<td>5.95</td>
<td>8.37</td>
<td>11.14</td>
<td>1.74</td>
<td>8.96</td>
<td>4.31</td>
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<tr>
<td>Fresh Rock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MCBT (carbonatite)</td>
<td>18,306</td>
<td>4.05</td>
<td>35.76</td>
<td>7.38</td>
<td>7.95</td>
<td>10.21</td>
<td>1.73</td>
<td>8.97</td>
<td>4.05</td>
</tr>
<tr>
<td>Total Inferred Fresh Rock</td>
<td>18,306</td>
<td>4.05</td>
<td>35.76</td>
<td>7.38</td>
<td>7.95</td>
<td>10.21</td>
<td>1.73</td>
<td>8.97</td>
<td>4.05</td>
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<tr>
<td>Total – Inferred Resources</td>
<td>21,330</td>
<td>4.63</td>
<td>34.3</td>
<td>7.05</td>
<td>8.85</td>
<td>11.94</td>
<td>2.09</td>
<td>8.38</td>
<td>4.61</td>
</tr>
</tbody>
</table>

* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. The mineral resources are reported within a conceptual pit shell at a cut-off grade of 3.00 percent of P$_2$O$_5$ for saprolite, weathered and fresh rock mineralization. Optimization parameters include selling price of US$170.00 per tonne of concentrate at 32 percent of P$_2$O$_5$, a metallurgical recovery of 70 percent of P$_2$O$_5$, 95 percent for mining recovery and 5 percent dilution and pit slopes of 38 and 60 degrees.

† CaO/ P$_2$O$_5$ Ratio
‡ P$_2$O$_5$ contained in apatite
\(^1\) SRK Consulting: cut-off grade of 3.0% P$_2$O$_5$
TRES ESTRADAS CONCEPTUAL PIT MODEL

Key:

Percent $P_2O_5$

- 0.0 – 3.0 %
- 3.0 – 5.0 %
- 5.0 – 10.0 %
- > 10.0 %
Initial metallurgical recoveries up to 83.4% and concentrate grades up to 33.9% P$_2$O$_5$

Results indicate the potential to produce a commercial concentrate using standard methods and reagents available in the market

Further optimisation test work has commenced with results expected 3$^{rd}$ quarter 2012

<table>
<thead>
<tr>
<th>Sample Number &amp; Description</th>
<th>Head Grade</th>
<th>Metallurgical Flotation Results</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>P$_2$O$_5$</td>
<td>Recovery</td>
</tr>
<tr>
<td>EB-01, Oxidised Carbonatite</td>
<td>16.2%</td>
<td>83.4%</td>
</tr>
<tr>
<td>EB-02, Fresh Carbonatite</td>
<td>4.2%</td>
<td>75.5%</td>
</tr>
<tr>
<td>EB-03, Oxidised Amphibolite</td>
<td>3.8%</td>
<td>61.9%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Deposit</th>
<th>Location</th>
<th>Tonnage (Mt)</th>
<th>Head Grade</th>
<th>Recovery</th>
<th>Concentration Grade</th>
<th>Stage</th>
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</thead>
<tbody>
<tr>
<td>Siilinjärvi (Yara)</td>
<td>Finland</td>
<td>465</td>
<td>4%</td>
<td>84%</td>
<td>35%</td>
<td>Production</td>
</tr>
<tr>
<td>Cajati (Vale)</td>
<td>Brazil</td>
<td>100</td>
<td>5%</td>
<td>78%</td>
<td>36%</td>
<td>Production</td>
</tr>
<tr>
<td>Três Estradas (Aguia)</td>
<td>Brazil</td>
<td>21$^2$</td>
<td>4.6%</td>
<td>76%</td>
<td>28%$^3$</td>
<td>Exploration / Development</td>
</tr>
</tbody>
</table>

1 JSA Consultoria e Assessoria Técnica, Company data  
2 Inferred resource calculated from 40% of potential target length and to 100 metres depth  
3 Based on preliminary beneficiation test work, optimisation test work underway
Application lodged over southern extension for potential total 2.6 kilometre strike length.

Significant potential to expand resource with additional drilling below 100 metres and along the carbonatite zone which extends for an additional length of 1,400 metres.

**NEW APPLICATION**

**INFERRED RESOURCE EXTENDS OVER 1.2 km**

**UNTESTED EXTENSION 1.4 km “no drilling” TOTAL POTENTIAL 2.6 km**
PHOSPHATE DEMAND IN BRAZIL AND OUTLOOK

Phosphate Demand by State in Brazil, 2010 ('000 tonnes P\(_2\)O\(_5\))

- Average forecast demand for P\(_2\)O\(_5\) 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\(_2\)O\(_5\) or around 30% of Brazilian consumption, with no phosphate mines in this region.

Phosphate Rock Usage in Brazil

Data Sources: ANDA, IFA

Brazil Total P\(_2\)O\(_5\) Imports

DAP
MAP
TSP
SSP
Acid
Rock
KEY PHOSPHATE MARKETS FOR RIO GRANDE

- **Phase 1**: Build mine and SSP production.

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

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

- **Expectation is that the Rio Grande mine will provide rock for new capacity** serving southern Brazil, northern Argentina, Paraguay, and Uruguay

- **Phase 2**: Depending on ultimate resource size, plan for either increased SSP or MAP / TSP production.
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
Most imported rock to Brazil is from North Africa with typical logistics costs of between $40 - $50/t

- The Bayovar mine in Peru (Vale) has higher logistics costs, but low mining costs

*Sustained logistics advantage for local producers of > $35/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>
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</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>474</td>
<td>15</td>
<td>20</td>
<td>10</td>
<td>45</td>
</tr>
<tr>
<td>Israel</td>
<td>56</td>
<td>12</td>
<td>30</td>
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</tr>
<tr>
<td>Morocco</td>
<td>532</td>
<td>11</td>
<td>19</td>
<td>10</td>
<td>40</td>
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<tr>
<td>Peru</td>
<td>188</td>
<td>8</td>
<td>37</td>
<td>10</td>
<td>55</td>
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<td>Togo</td>
<td>56</td>
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<td>20</td>
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<td>38</td>
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<tr>
<td>Tunisia</td>
<td>111</td>
<td>13</td>
<td>22</td>
<td>10</td>
<td>45</td>
</tr>
</tbody>
</table>

1 Range of handling and demurrage at Brazilian ports can be from $9/t to > $50/t
PROVISIONAL TIMELINE FOR PHOSPHATE PROJECTS

Três Estradas

- Complete initial JORC Resource
- Complete first beneficiation test work

2012
- Sampling
- Initial Drilling

2013
- Drilling northern section (TE)
- Expanded JORC mineral resource

2014
- Infill drilling
- M.I & I resource statement
- Scoping study
- Begin prefeasibility study
- Feasibility Study
- Resource statement

2015
- Complete Drilling
- Scoping study
- Construction

Projected Market Cap. $
# Peers 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>$288</td>
<td>Developer</td>
<td>220</td>
<td>7.30</td>
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<tr>
<td>Stonegate Agricom Ltd</td>
<td>ST:TSX</td>
<td>Peru</td>
<td>$83</td>
<td>Developer</td>
<td>446</td>
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<tr>
<td>Arianne Resources</td>
<td>DAN:TSX</td>
<td>Canada</td>
<td>$72</td>
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<td>MAK:ASX</td>
<td>Australia/Namibia</td>
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<td><strong>Aguiia Resources</strong></td>
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<td>Legend International</td>
<td>LGTI:OTC</td>
<td>Australia</td>
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<td>Developer</td>
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<td>Phosphate Australia</td>
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<td>Australia</td>
<td>$10</td>
<td>Developer</td>
<td>56</td>
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</table>

Source: Figures – Public Company Announcements
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 is well covered with public 2D seismic data (2D lines- 32,000 km)
- Locations for further drilling under review

Taquari-Vassouras Mine - Vale
Underground / Room and Pillar
700,000t KCl pa
Associated to Bull’s-eyes Gravity Low

Lara Option Potash Project

MINERALIZED WELL - 66 Wells
HALITE WELLS - 14 Wells

Legend
- ATLANTIC POTASH AREA
- LARA OPTION AREA
- MINERALIZED WELLS
- HALITE WELLS
- WITHOUT INFORMATION
- DRY WELLS

AGUIA Potash Projects

- Sergipe Potash Basin
- Potash associated with Low Gravity Regions
- PAC controls 44 permits ~68,700 ha

VALE IS DEVELOPING A SOLUTION MINING OPERATION ON ADJACENT PROPERTY

- Alagoas Potash Basin
- Unexplored Basin
- Low Gravity Region
- Similar to Taquari Mine
- Atlantic controls 62 permits ~109,500 ha
LARA OPTION – HISTORICAL POTASH INTERSECTIONS

- Exceptional discovery potential based on results of historical intersections
- Lara Option - adjacent ground ~ 21,000 hectares
ENQUIRIES:

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

ASX Code: AGR
**The Option:** Aguia has an option to acquire the Rio Grande Projects TE and JT 100% for 5 million shares.

**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>
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<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 Unida S.A.</td>
<td>Corumba</td>
<td>Iron Ore</td>
</tr>
</tbody>
</table>
APPENDIX 2: LUCENA SOUTH PROJECT
DRILLING TARGETS RESOURCE POTENTIAL

- CPRM discovered shallow phosphate mineralisation up to 22% P₂O₅ in several deposits to the west
- Phosphate mineralisation is hosted by a limestone unit (Gramame Formation) that extends through project towards the east.
- 2,000 metre first pass Diamond Drilling completed
- Initial drilling results include up to 23.25% P₂O₅
- Further resource desktop work and drill planning underway
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
## APPENDIX 4: 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>Grade of Rock Mined</td>
<td>Typically 4-15% $P_2O_5$</td>
<td>Typically 10-30% $P_2O_5$</td>
</tr>
<tr>
<td>Beneficiation</td>
<td>Higher recovery: typically 80% - 85% (and can be &gt; 90%)</td>
<td>Lower recovery: Typically 70% to 80%</td>
</tr>
<tr>
<td>Concentrate grade</td>
<td>35 – 41% $P_2O_5$</td>
<td>Current declining average grade of 29% $P_2O_5$, but can reach 35%</td>
</tr>
<tr>
<td>Concentrate Quality</td>
<td>Contain very little or no contaminant</td>
<td>Frequently contains contaminants (heavy metals, uranium, ...)</td>
</tr>
<tr>
<td>Pricing</td>
<td>Premium for high grade, low contaminants</td>
<td>Benchmark products, no premiums</td>
</tr>
</tbody>
</table>