



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 4<sup>th</sup> APRIL 2011

## DRILLING COMMENCES AT LUCENA PHOSPHATE PROJECT

The Board of Aguia Resources Limited (“**Aguia**” or “**Company**”) is pleased to announce that drilling has commenced at the Lucena Phosphate Project (“**LPP**”) located in the state of Paraiba in north eastern, Brazil.

Aguia holds approximately 75,000 hectares along the northern sector of the Paraiba basin within the same geological setting where the Brazilian Geological Survey (“**CPRM**”) discovered several phosphate deposits in the 1970’s.

The Company has contracted Rede Engenharia e Sondagens S.A. to complete a 20 diamond drill hole program totalling 1,000 metres at Lucena South. Drilling will test the Gramame Formation located to the east of the known phosphate deposits.

The drilling program will focus on testing for significant widths and thicknesses of phosphate mineralization to enable the rapid development of a start-up project based on the fact that Brazil imports 50% of its phosphate needs and the project is located near potential domestic primary customers and major fertiliser blenders.

The property hosts excellent logistic and infrastructure including roads, water, railways, energy and is located near fertilizer blenders and transportation hubs including the Cabedelo port facilities which can be accessed via paved roads.

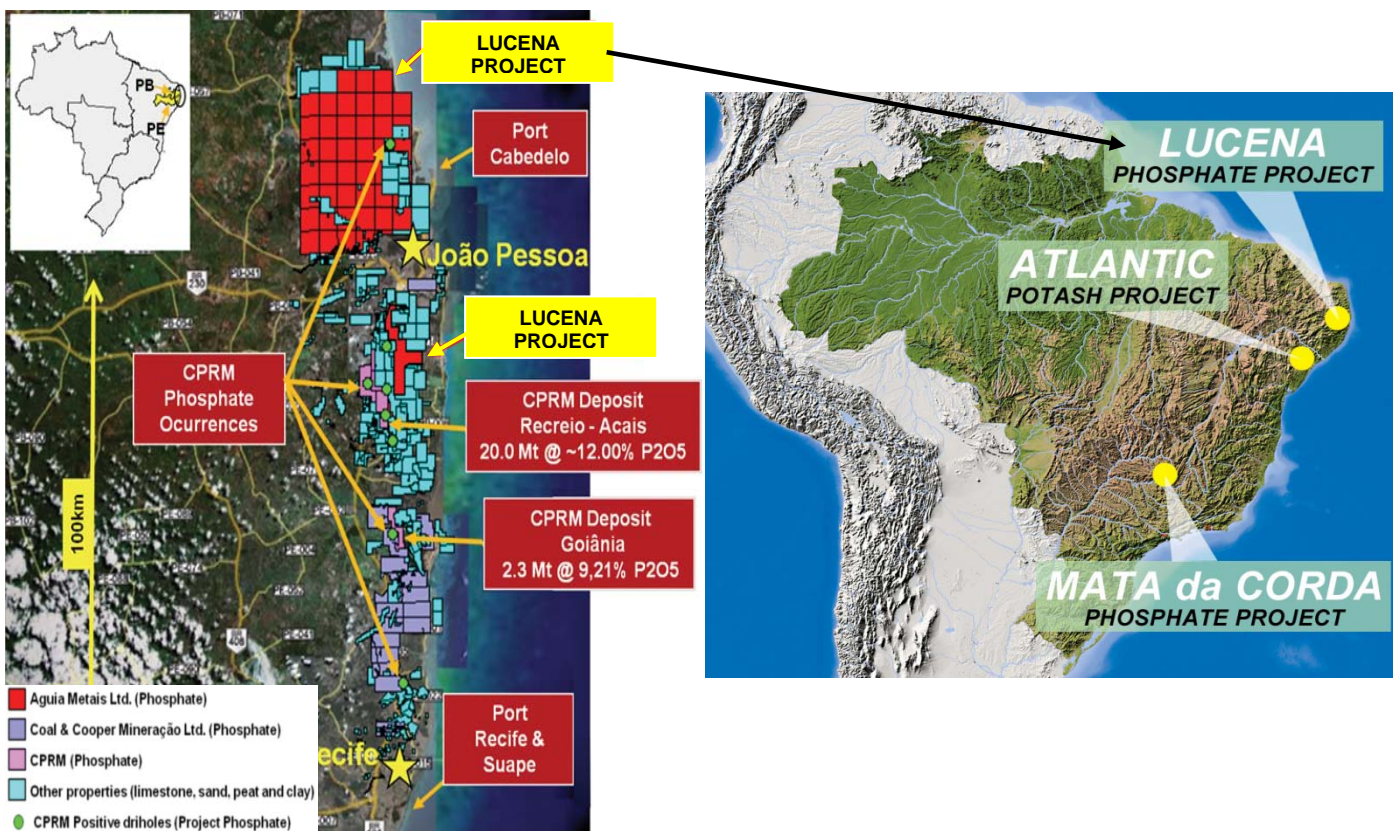
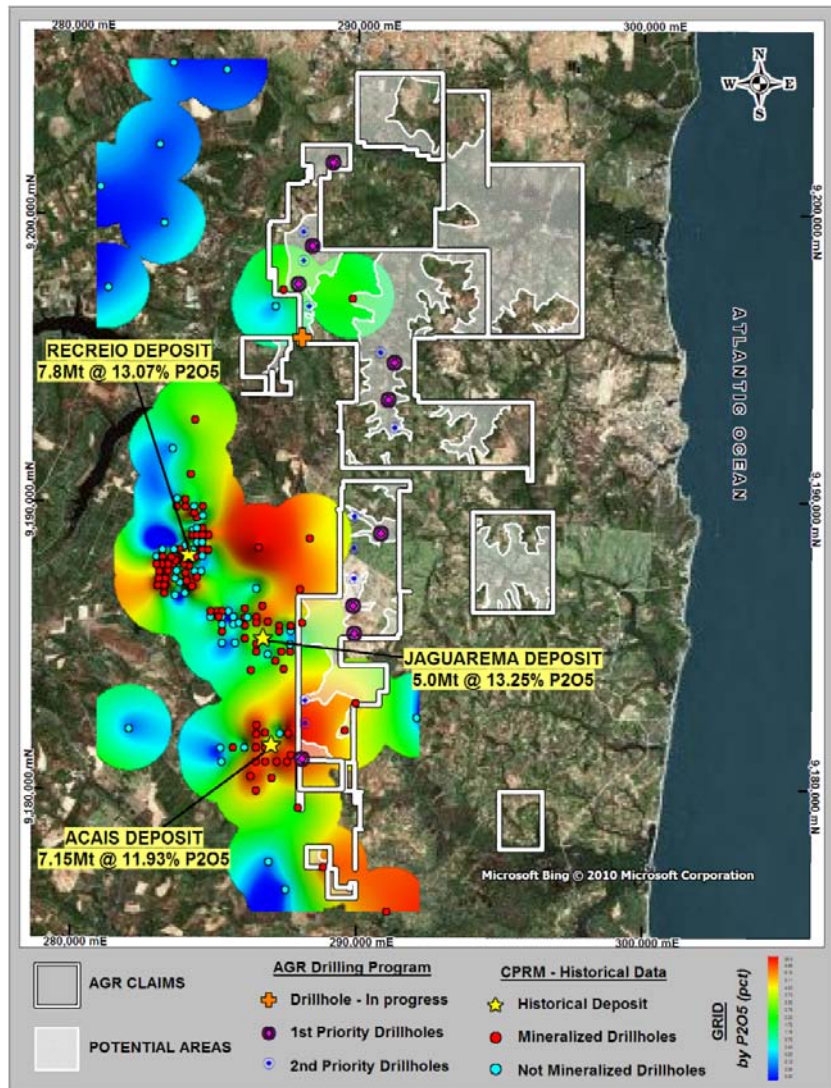


Figure 1: LPP location map showing existing phosphate deposits and Project location.



**Figure 2: Lucena South showing known deposits and planned drill holes.**

CPRM discovered shallow phosphate mineralisation up to 22% P<sub>2</sub>O<sub>5</sub> in several deposits of the basin, including the Recreio, Acais and Jaguarema deposits (see Figure 2) located to the west of the Lucena South Project. Phosphate mineralisation is hosted by a limestone unit (Gramame Formation) that extends through the project towards the east. Desktop modelling outlines large areas for shallow drill testing that will be tested by an initial wide spaced 20 hole drill program.

The mineralization is typical of sedimentary phosphorite deposits associated with upwelling zones with low sedimentation rate and can be associated with zones where cold water meets warmer waters allowing the precipitation of phosphate. Phosphorite is a variety of sedimentary rock composed by 10% of phosphate, usually francolite Ca<sub>5</sub>[(F,O)(PO<sub>4</sub>,CO<sub>3</sub>)<sub>3</sub>] - that represents a “fibrous apatite and fluorapatite”.

The main mineralized interval is located at the bottom of the Gramame Formation (limestone) near the top of the Itamaraca Formation (sandstone). The depth of the mineralization varies from 15 to 94 meters depth with thickness in the range of 0.5 to 7.0 metres. The grades found vary from 3.1% to 21.85% P<sub>2</sub>O<sub>5</sub>.

Drilling results will be released to the market at the completion of the program and when assays are received.

## **About Aguia**

*Aguia is focused on the exploration and development of phosphate rock and potash projects in Brazil. Brazil is Latin America's biggest economy and is heavily reliant on imports of up to 50% of its phosphate and 90% of its potash needs. Aguia is well positioned to capitalize on the growing demand for phosphorous and potash based fertilisers in the expanding agriculture sector in Brazil and controls three large projects, located close to existing infrastructure. The Company is committed to its existing projects whilst continuing to pursue other opportunities within the fertiliser sector.*

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*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.*