ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29th APRIL 2011

MARCH 2011 QUARTERLY REPORT

*The Directors of Aguia Resources Limited ("**Aguia**" or "**Company**") are pleased to present its March 2011 quarterly report.*

Highlights:

At the Lucena Phosphate Project ("LPP") the Company commenced a diamond drilling program.

- *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.*

The Company continued to receive encouraging exploration results from the Mata da Corda Phosphate Project ("MCPP"), these included:

- *First pass sampling on Block 9 returned channel sample assays up to 14.05% P_2O_5 and intervals including 4.90 metres @ 6.72% P_2O_5 (from surface) and 2 metres @ 10.46% P_2O_5 (from surface).*

- *Rock chip sampling continued and returned values up to 28.7% P_2O_5 from Block1, 26.20% P_2O_5 from Block 8 and 29.2% P_2O_5 from Block 9.*

*The Company entered into a conditional agreement to acquire a potentially large-scale potash project ("**Project**") located in NE Brazil.*

The Project compliments the Company's Brazilian phosphate projects enabling Aguia to capitalise on the increasing demand for fertilisers as it aims to be a developer in the Brazilian fertiliser sector.

- *Aguia to acquire Potassio do Atlantico Ltda, a private mineral exploration company with a primary focus on potash exploration and development in the Sergipe Basin, Brazil.*
- *Adjacent to Brazil's only operating potash mine, Vale's Taquari-Vassouras underground mine. Brazil currently imports around 90% of its potash needs.*
- *Initial land position of approximately 179,000 hectares (1,790km^2) in the attractive carnallite potash bearing Sergipe-Alagoas basin.*
- *Vale is developing a 1.2m tpa carnallite solution mining project, has built a functioning pilot plant which has proved solution mining of carnallite in the Sergipe basin is commercially feasible and acquired environmental permitting.*
- *Project supported by data from 300 petroleum bore holes that have reported a number of potash occurrences, and 32,000 km of existing 2D seismic data.*
- *Proximity to existing infrastructure including power, gas, road and port facilities.*
- *An experienced in-country technical team headed by Mr Paulo Souza, an experienced mining engineer who was involved in developing Vale's carnallite project and pilot plant.*
- *Initial exploration will focus on the discovery and delineation of a Mineral Resource estimate that can be reported in accordance with the JORC Code.*

*The acquisition of the Project will occur by Aguia acquiring 100% of Potassio do Atlantico Ltda ("**PALTDA**"). PALTDA is a 100% owned subsidiary of Potash Atlantico Corp (**"PAC**"), a private Canadian company, associated with the Forbes & Manhattan Group.*

The commercial terms of the acquisition, which is subject to approval by Aguia shareholders, include the issue of 20 million ordinary shares at settlement and 1.5 million options, with further ordinary shares to be issued upon achievement of milestones involving independent delineation, classification and reporting of mineral resources in accordance with the JORC Code and/or NI 43-101 guidelines. The full details of the terms of the transaction are provided in the ASX announcement lodged on January 25th, 2011.

In addition, Aguia has a 5 year exclusivity period with PAC, whereby if PAC, or an associate or related corporation of PAC, obtains an interest in a potash project or right to obtain an interest in a potash project that is wholly or partially within Sergipe or Alagoas State, NE Brazil, such interest must be offered to Aguia at the cost incurred by the party acquiring the interest.

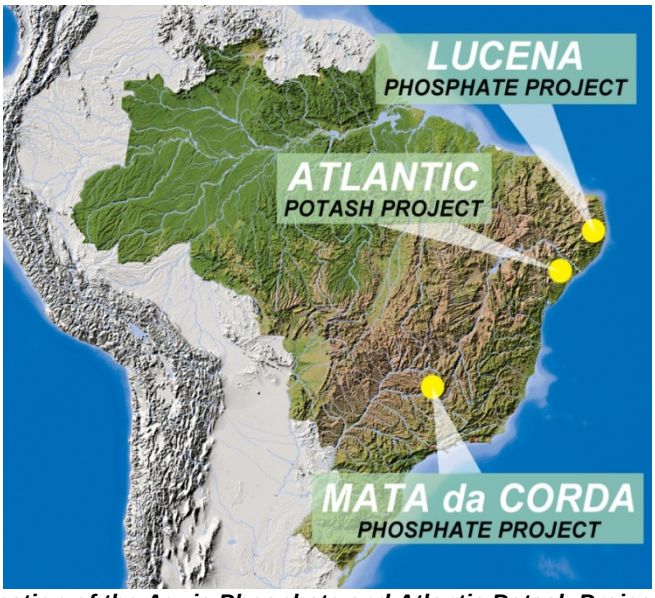

Figure 1: Location of the Aguia Phosphate and Atlantic Potash Project in NE Brazil

A General Meeting of Shareholders will be announced shortly to approve the acquisition of the Projects.

Going Forward

Over the next 6-12 months the Company will continue to focus on its current projects and other opportunities within Brazil. These activities include:

- *On completion of Potassio do Atlantico Ltda acquisition begin drill testing on Area 1 as soon as possible.*
- *At the Lucena Project, drilling has commenced and results will be reported once assays have been received.*
- *Continued exploration at Mata da Corda, including mapping and sampling to identify areas for further drill testing.*
- *The Company continues to identify and evaluate further growth opportunities within the phosphate and fertiliser sector in South America.*

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Brazilian Phosphate Projects

Lucena Project

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 mineralisation to enable the rapid development of a start-up project based on the fact that Brazil is heavily reliant on imports of up to 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 fertiliser blenders and transportation hubs including the Cabedelo port facilities which can be accessed via paved roads.

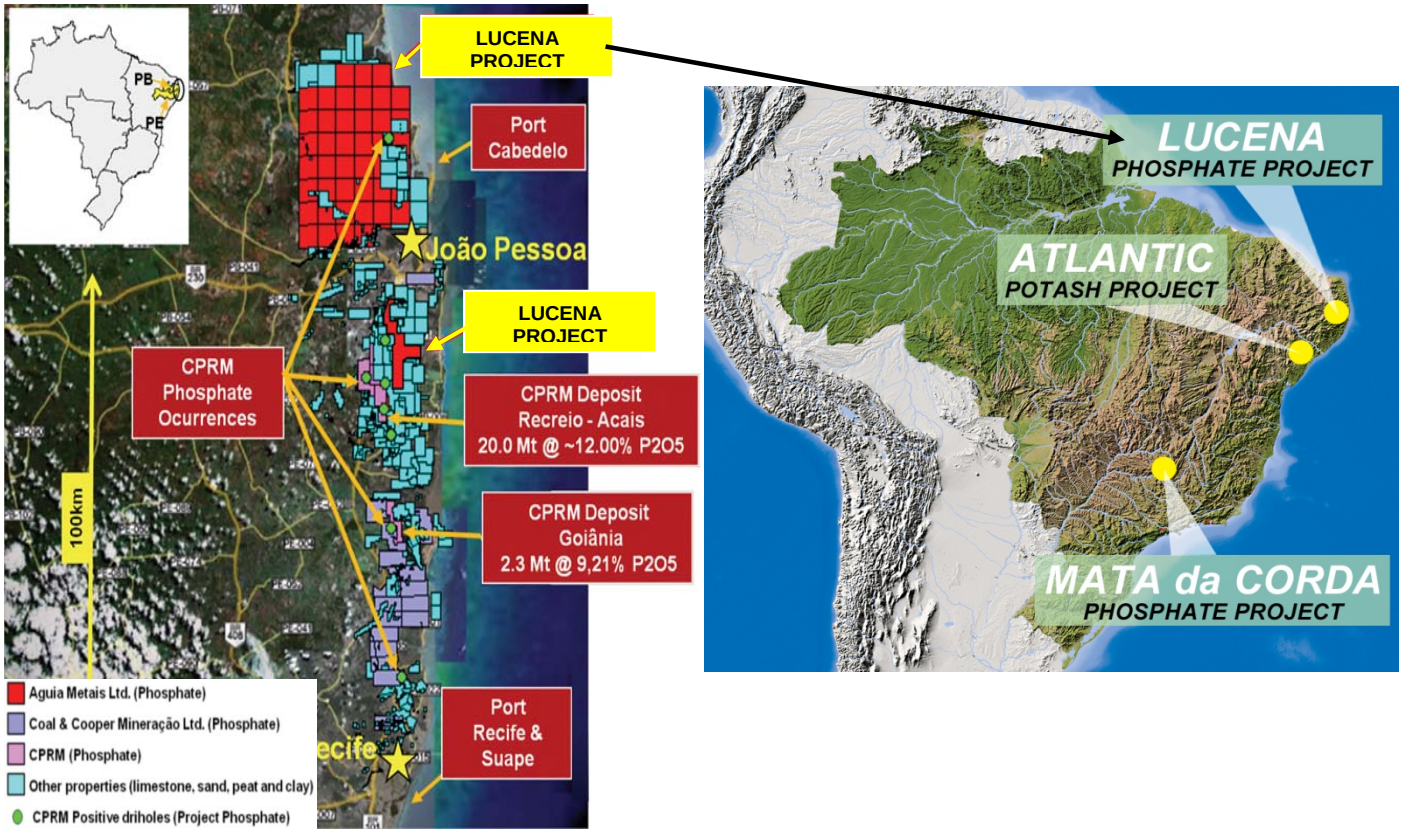

Figure 2: LPP location map showing existing phosphate deposits and Project location

CPRM discovered shallow phosphate mineralisation up to 22% P_2O_5 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.

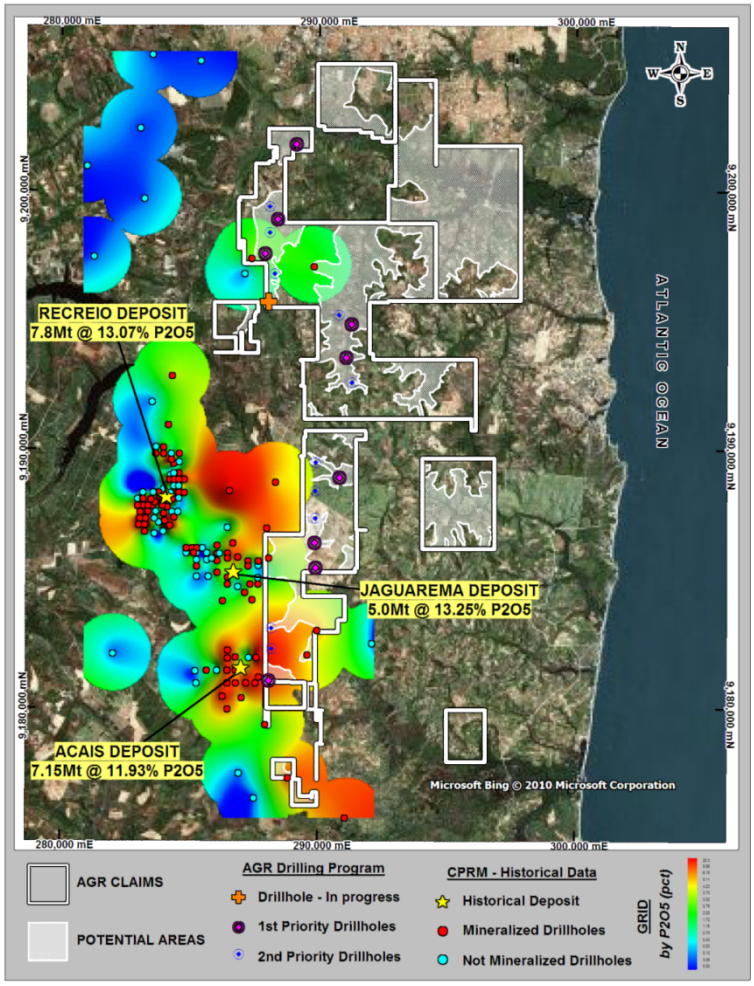

Figure 3: Lucena South showing known deposits and planned drill holes

The mineralisation 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_5 $[(F,O)|(PO_4,CO_3)_3]$ - that represents a "fibrous apatite and fluorapatite".

The main mineralised interval is located at the bottom of the Gramame Formation (limestone) near the top of the Itamaraca Formation (sandstone). The depth of the mineralisation 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_2O_5.

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

Mata da Corda Phosphate Project ('MCPP')

The MCPP is located within 150km of the three largest phosphate mines in Brazil; Araxá – Vale (290Mt @ 14.88% P_2O_5), Tapira – Vale (744Mt @ 8.35% P_2O_5) and Catalão – Anglo/Vale (203Mt @ 8.80% P_2O_5). These three mines account for 95% of the phosphate rock production in Brazil. Within this existing transportation corridor there are 32 major bulk fertiliser blenders (Figure 4).

The MCPP is well located with excellent logistics. It is close to infrastructure (roads, water, railway and energy), potential primary (agriculture) customers, fertiliser blenders and is on the main transportation route for the expanding agricultural districts of Mato Grasso Brazil.

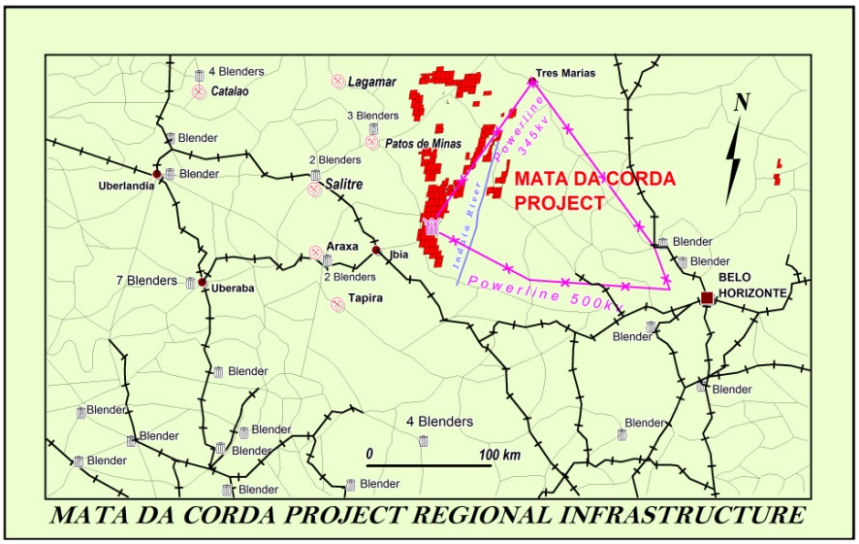

Figure 4: Location of the Mata da Corda Project relative to operating phosphate mines, major fertiliser bulk blenders and infrastructure including roads, railways, power and water

Regional mapping and reconnaissance work, including rock chip sampling, trenching and scout drilling continued during the quarter on Blocks 1, 7, 8 and 9.

Results

Rock chip assays returned values up to 28.7% P_2O_5 from Block1, 26.20% P_2O_5 from Block 8 and 29.2% P_2O_5 from Block 9. *Refer Figure 5 for Block 1 assays*.

At Block1 mineralisation is hosted within hydrothermally altered volcanics as well as phosphate–rich multi phase vein, breccia and stockwork systems. Significantly the new results appear to be related to a potential carbonatite-related source. The large Vale-owned phosphate mines Araxá and Tapira located some 150 kilometres to the south west of Block 1 are also hosted by carbonatites.

Geological Unit	Location	P2O5 %	CaO %	Al2O3 %	Fe2O3 %	TiO2 %	CaO / P2O5	RE_2O_3 %
Patos Formation	Block 01	21.50	28.70	4.07	16.20	6.88	1.33	0.20
Patos Formation	Block 01	25.10	34.10	3.54	10.95	4.18	1.36	0.19
Patos Formation	Block 01	23.80	31.20	5.36	10.55	4.46	1.31	0.27
Patos Formation	Block 01	20.30	24.90	5.65	14.80	5.66	1.23	0.13
Patos Formation	Block 01	24.20	0.70	25.10	13.00	4.36	0.03	0.39
Patos Formation	Block 01	20.10	27.80	5.81	11.35	3.64	1.38	0.11
Patos Formation	Block 01	21.00	28.40	4.32	11.15	3.86	1.35	0.11
Patos Formation	Block 01	28.70	0.48	30.80	5.55	1.88	0.02	0.11
Patos Formation	Block 01	20.00	28.00	4.40	13.80	4.44	1.40	0.09
Patos Formation	Block 09	20.10	21.40	6.80	16.50	6.24	1.06	
Patos Formation	Block 09	21.10	22.90	6.67	14.60	4.80	1.09	
Patos Formation	Block 09	21.80	28.30	5.62	12.60	4.84	1.30	
Patos Formation	Block 01	22.70	30.10	4.60	12.45	4.27	1.33	
Patos Formation	Block 01	26.50	30.20	6.77	11.70	4.35	1.14	
Patos Formation	Block 08	21.50	0.21	20.00	17.00	5.87	0.01	
Patos Formation	Block 08	26.20	0.28	24.60	10.80	3.29	0.01	
Patos Formation	Block 09	29.20	0.07	31.80	6.75	2.53	0.00	

Table 1.Rock chip results

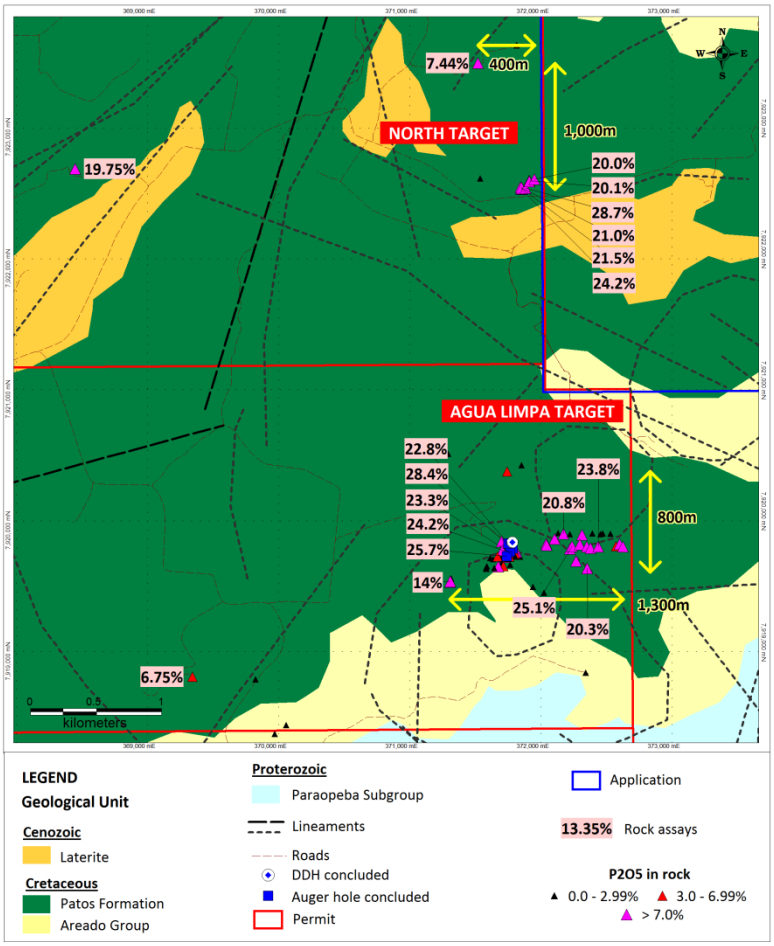

Figure 5:Showing regional sample results from Block 1

One diamond drill hole was completed on Block 1, MCD-10-024 and intersected a broad low grade zone of phosphate mineralisation that included 32 metres @ 3.29% P_2O_5 (from 19 metres).

The average grade of producing mines in the area is 9.0% P_2O_5 and are profitable due to their close proximity to markets and favourable mineralogy enabling beneficiation to a saleable product.

MATA DA CORDA – DRILLING RESULTS	
BLOCK 1	
Hole_Number	**Metres @ % *P2O5***
MCD-10-024	32m @3.29% (from 19.0m)
	Incl. 8.90m @ 4.03% P_2O_5 (from 29m)

Table 2. Summary of drilling results Mata da Corda Project

Hole_ID	UTM_N	UTM_E	Azimuth	Dip	Depth (m)
MCD-10-024	7919837	371783	150	50	120.20

Table 3. Drill hole locations Mata da Corda Project

First pass sampling on Block 9 returned channel sample assays up to 14.05% P_2O_5 and intervals including 4.90metres @6.72% P_2O_5 (from surface) and 2 metres @ 10.46% P_2O_5.(from surface). *Refer Figure 6.*

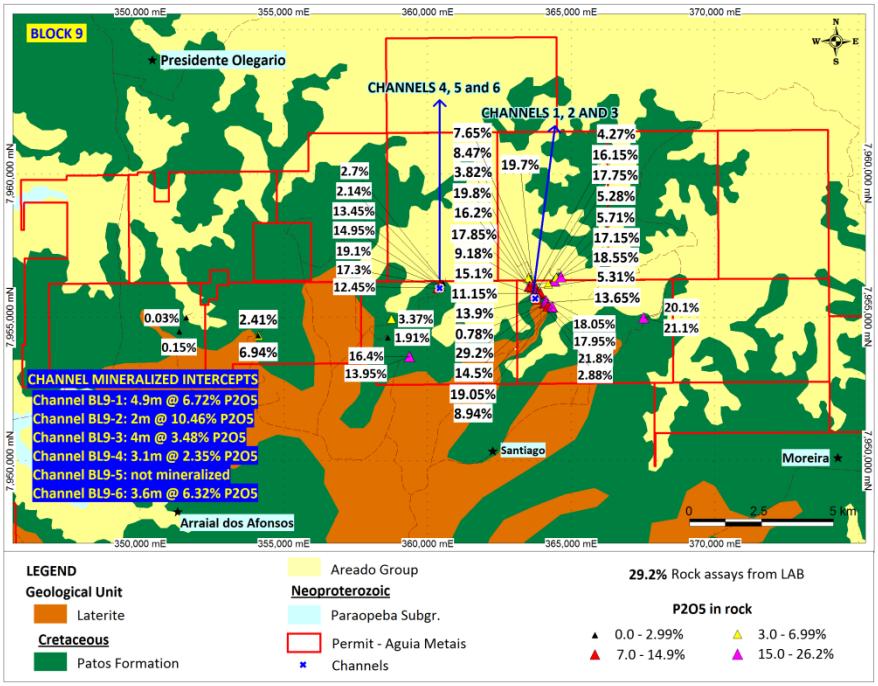

Figure 6:Showing regional sample results from Block 9

Brazilian Potash Projects

The Atlantic Potash Project is located in the northeastern portion of Brazil in the State of Sergipe. The Project sits to the west and northeast of the city of Aracaju, the capital of Sergipe State with a population of 570,000 inhabitants and a large scale harbor.

PAC has a 100% interest in 107 exploration claims totaling approximately 179,000 hectares (1,790km^2) consisting of five property areas in the Sergipe-Alagoas basin.

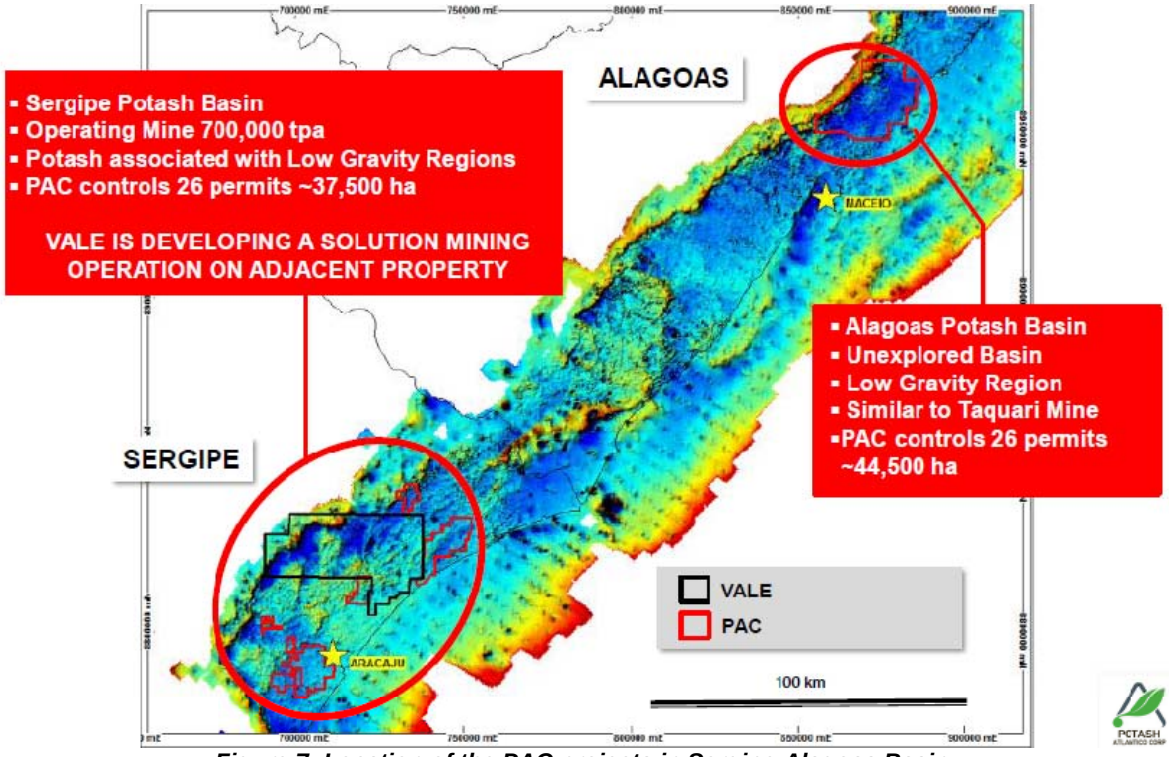

Figure 7: Location of the PAC projects in Sergipe-Alagoas Basin

The Project is well located with excellent infrastructure (roads, water,energy). Fertiliser blenders are located in the project area providing local demand for potash, and the location has ready access to the prime Cerrado agricultural belt. The area has considerable oil exploration infrastructure, with several companies having offices and warehouses in Aracaju

including Halliburton and Schlumberger Limited. The harbor is located 15 km North of Aracaju and is used for the transport of oil, potash and heavy equipment.

Geology and Mineralisation

The Muribeca Formation within the Sergipe Basin hosts an important evaporate sequence, salt and potash deposits including significant sylvinite and carnallitite deposits. The potash salts occur in isolated sub-basins, of which the most well known is the Taquari-Vassouras basin. These potash layers can occur in several levels within the Ibura Member. Whilst the sylvinite always occurs as one single layer, the carnallitite can be present as one thick carnallitite layer as well as carnallitite and rock salt layering.

Previous Exploration/Development

Potash mineralisation was discovered in the Sergipe-Alagoas Basin by Petromisa (Petrobras) during oil and gas exploration in the 1950's and 60's. In Sergipe, sylvinite deposits occur in the regions of Taquari-Vassouras and Santa Rosa de Lima. The discovery of sylvinite mineralisation resulted in the commencement of mining at the Taquari-Vassouras underground mine in 1985, first by Petrosima and later transferred to VALE in 1991.

In Sergipe there are also important deposits of carnallite-rock. In anticipation of the sylvinite deposit becoming exhausted in 2019, VALE has been working on a project to develop its much bigger reserves of carnallite surrounding the underground sylvinite operation. A pilot plant was commissioned in 2008 to test the solution mining of carnallite, with the aim of establishing capacity for 1.2mtpa KCl by 2015.

PAC Studies/Assessment Completed

The Project was identified as potentially attractive to PAC because of the potash occurrences reported in the historical petroleum wells. PAC has completed a detailed assessment of approximately 300 drill holes and over 32,000 km of existing 2D seismic data. Of the historical holes 24 are located within the properties and 61 are located within 3 kilometres of the property.

After an initial analysis of these occurrences and extensive seismic data PAC commenced staking five project areas (Areas 1-5) in 2008.

In the second half of 2010 an Independent Technical report according to the Canadian National Instrument NI 43-101 standard was compiled by ERCOSPLAN Ingenieurgesellschaft Geotechnik und BergbaumbH (ERCOSPLAN), a German consulting and engineering company with more than 50 years experience in the potash and salt industry.

The report summarised the findings of the detailed work completed by PAC and recommended that further exploration comprising of drilling, assaying, seismic surveys, geophysical drill hole investigation and laboratory testwork (geochemical, rockmechnical and dissolution tests) is fully justified on the properties.

The most advanced project is Area 1 as shown in Figure 8 below.

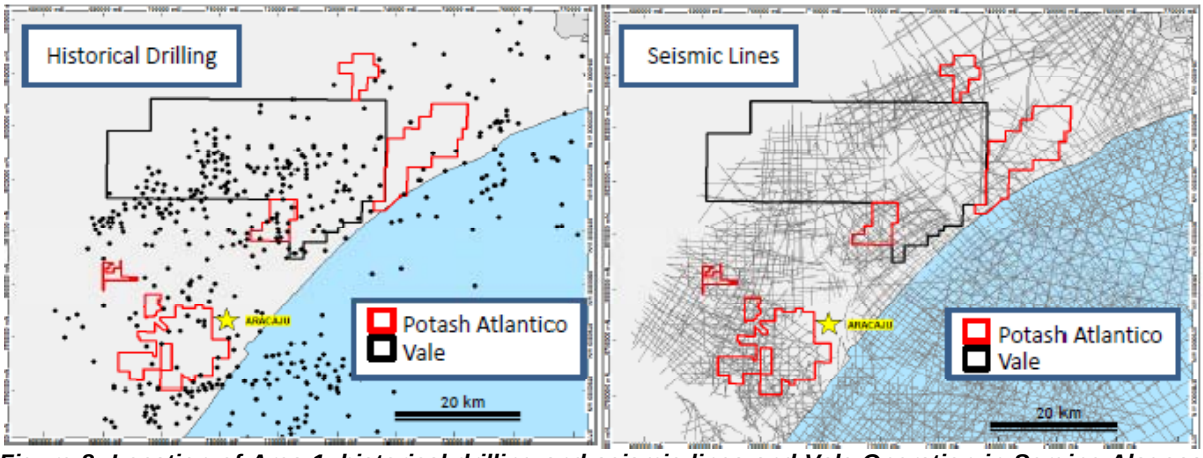

Figure 8: Location of Area 1, historical drilling and seismic lines and Vale Operation in Sergipe-Alagoas Basin

Exploration Programs

Aguia will carry out a large exploration program primarily targeting Area 1 to compile an initial Mineral Resource estimate that can be reported in accordance with the JORC Code before advancing to feasibility studies.

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 capitalise 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.

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.