



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 7th JULY 2011

OPTION AGREEMENT TO ACQUIRE TWO PHOSPHATE PROJECTS IN SOUTHEAST BRAZIL

Potash and phosphate exploration and development company Aguia Resources Limited (“**Aguia**” or “**Company**”) is pleased to announce that the Company has signed an Option Agreement (“**Agreement**”) to acquire two potentially large-scale phosphate projects (“**Projects**”) located in the state of Rio Grande do Sul in SE Brazil.

Highlights:

- Aguia have an exclusive option to acquire 100% of the Tres Estradas (“TE”) and Joca Tavares (“JT”) carbonatite style phosphate projects from Companhia Brasileira do Cobre (“CBC”).
- The projects show early stage signs similar to the carbonatite style hosted phosphate deposits mined by Vale within Brazil, examples include the Araxa (Reserve: 88.7 Mt @ 11.12% P₂O₅) and Cajati (Reserve: 85.1 Mt @ 5.45% P₂O₅) operations.
- Surface rock chip sampling has returned high grade phosphate mineralisation including 31.70%, 25.80% and 22.90% P₂O₅ at TE and 11.40% P₂O₅ at JT.
- At TE three historical diamond drill holes intersected carbonatite host rocks and returned wide zones of low grade phosphate mineralisation within the primary zone. The top 15 metres of each hole was not sampled and potential exits for higher grade shallow oxidised zones as indicated by grab surface rock samples.
- The TE project has a drill ready target zone extending for over one kilometre with thicknesses up to 100 metres.
- Brazil imports 49 per cent of its phosphate needs and both projects are located near excellent infrastructure including roads, water, power and potential domestic primary customers and major fertiliser blenders.

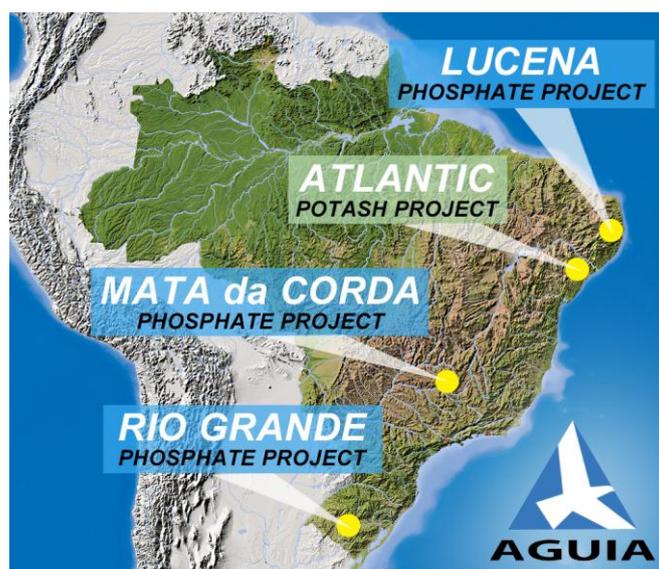


Figure 1: Location of Aguia Projects and the Rio Grande Project in south eastern Brazil

The commercial terms of the Agreement allow Aguia the option to acquire 100 per cent of the projects through:

- Minimum commitment of a 600 metre diamond drilling program within 24 months.
- Has the right to conduct exploration on the projects for a term of up to 36 months ("Option Term").
- Aguia can elect to acquire the Projects through the issue of 5,000,000 fully paid ordinary shares at any time up to 120 days after the expiry of the Option Term.
- In addition CBC retains the first right of refusal to purchase, at market prices and conditions, any future calcium carbonate production as a sub product from phosphate production.
- The projects being acquired are located within the Brazilian border control zone (150 kilometres from the international border) restricting foreign ownership of the tenements to 49%. Should the option be exercised to acquire the tenements at the conclusion of the exploration program, the Company will be required to enter into a joint venture with a Brazilian owned company to develop the tenements. This arrangement is not expected to materially alter the Company's potential economic return on the funds invested as part of the exploration program.

"The defined nature of the carbonatite targets will allow Aguia to test the TE target quickly through drilling within the next few months," said Mr Simon Taylor, Managing Director of Aguia Resources. "We see enough encouragement from initial surface sampling and historical drilling to warrant a drilling program to test the TE target over a length of one kilometre."

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

An exploration program to prepare the TE project for drilling has commenced and further announcements will be made once drilling begins.

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About Aguia

Aguia is focused on the exploration and development of phosphate and potash projects in Brazil. Brazil is Latin America's biggest economy and is heavily reliant on imports of up to 50 per cent of its phosphate and 90 per cent 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.

About Forbes & Manhattan Inc.

Forbes & Manhattan Inc. ("**F&M**") is a private merchant bank based in Toronto, Canada with offices and operations internationally. F&M uses its team and capital to incubate, finance and manage public and private companies in the junior resource sector. F&M has an extremely successful track record of identifying high quality assets in the mining, resource, fertiliser and energy sectors and advancing them from discovery through to production. There are currently over 25 companies in the F&M group, with a combined market capitalisation of approximately \$2 billion. F&M's goal is to unlock value by developing resource assets within a 3 to 5 year time horizon.

Rio Grande Projects

The TE and JT Carbonatite Projects are located 325 km and 377 km, respectively from the city of Porto Alegre, the capital of the State of Rio Grande do Sul, the southernmost Brazilian state towards the border with Uruguay.

The region is well developed being well serviced by roads, power, port and services. The two carbonatites were discovered by the Brazilian Geological survey ("CPRM") and are now held by Companhia Brasileira do Cobre ("CBC") via one exploration permit (TE) and one application permit (JT) over the carbonatite pipes.

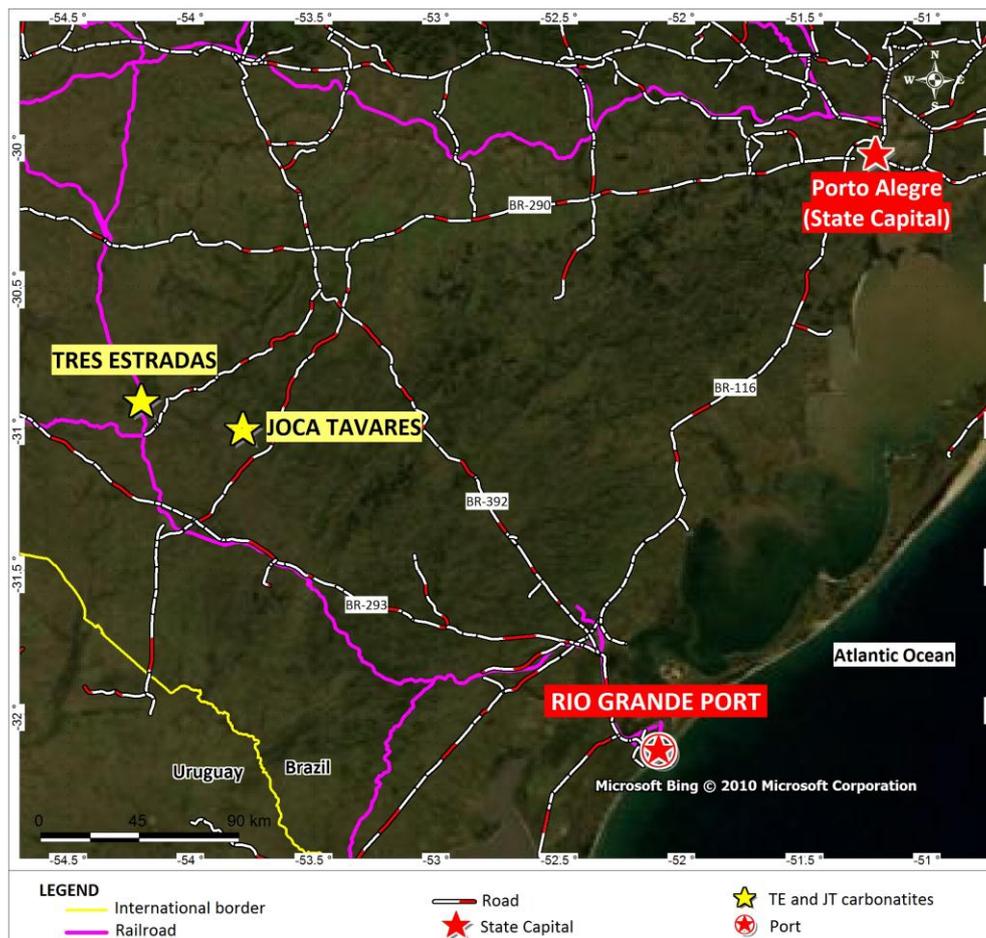


Figure 2: Location of the Projects in Rio Grande do Sul State, SE Brazil

Tres Estradas

The TE project was historically explored for gold in a Joint Venture between CBC and Santa Elina. Three diamond drill holes that were targeting gold, intersected broad zones of carbonatites with associated phosphate mineralisation. Drill hole FD3E-03 returned 80 metres @ 3.41% P₂O₅ (from 16metres) including 17 metres @ 4.94% P₂O₅ (from 56metres) and drill hole FD3E-01 returned 96 metres @ 2.56% P₂O₅ (from 39metres) including 35 metres @ 3.45% P₂O₅ (from 68metres).

The first 15 metres of these holes were never sampled and have the potential to host higher grade oxide ore as indicated by grab surface rock samples collected by Aguaia that have returned assays up to 31.70%, 25.80% and 22.90% P₂O₅.

Exploration programs of surface sampling and drilling will test the TE target over a strike length of one kilometre and widths up to greater than 100 metres.

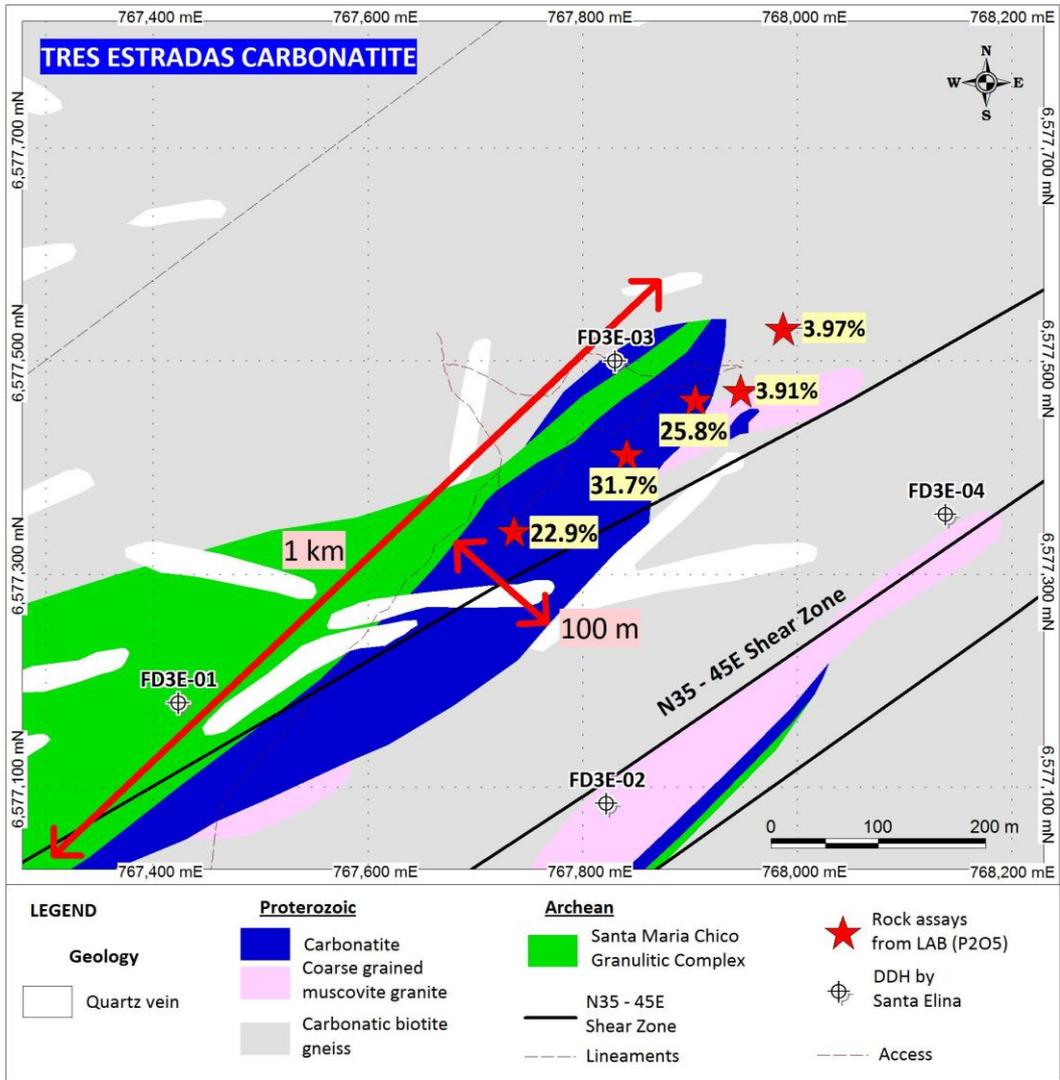


Figure 3: TE Project, Geology and Surface sampling results

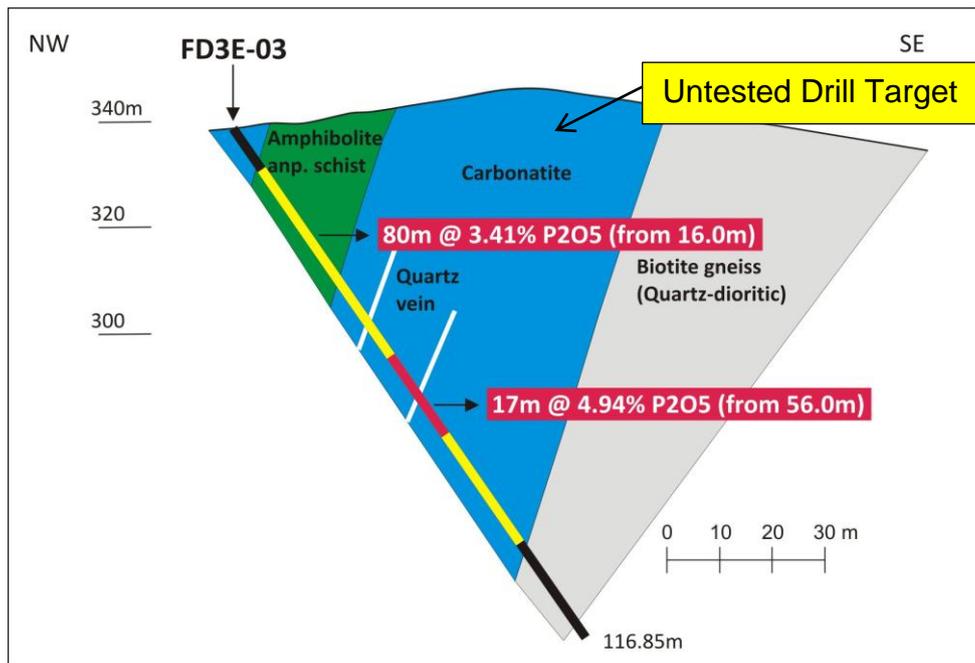


Figure 4: Cross Section showing Drill hole FD3E-03 and untested shallow oxide zone.

Joca Tavares

The JT project (under application) is located some 41 kilometres ESE from the TE project. No systematic exploration has been conducted since its discovery by the CPRM.

Encouraging results from surface rock grab samples collected by Aguia have returned assays up to 11.40% P₂O₅.

The dimensions of the target zone will be investigated by Aguia, including mapping, rock chip sampling and programs of drilling once the application has been granted.

Carbonatite Associated Phosphate Deposits – Brazil

The largest phosphate mines in Brazil are all associated with carbonatites as can be seen in Table 1 below. Typically these deposits including Tapira, Cajati and Araxa have a higher grade oxide zone sitting above lower grade primary ore.

Company	Project	Status	Type	Reserve (Mt)	Av. Grade P ₂ O ₅ (%)	Conc. Grade P ₂ O ₅ (%)	Prod. Capacity (ktpy)
				(A) (B)		(C)	(D)
Vale	Tapira	Operating	Carbonatite	1,309.2	7.69	35.5	2,030
Copebrás/ Anglo	Ouvidor	Operating	Carbonatite	256.7	7.63	38.0	1,300
Vale	Araxá	Operating	Carbonatite	88.7	11.12	35/ 33	910
Vale	Catalao	Operating	Carbonatite	223.6	8.96	36/ 34	1,209
Vale	Cajati	Operating	Carbonatite	85.1	5.45	36.0	528
Vale	Patos	Operating	Metasediments	304.6	12.36	24.0	150
Vale	Salitre	Development	Carbonatite	852.0*	10.74	-	1,600 forecast
Vale	Anitápolis	Development	Carbonatite	54.0*	9.01	-	300 forecast

Table 1: Major Phosphate Deposits Brazil

*denotes resource figures

Sources:

(A) > Resource and Grades: Salitre – DNPM 1975 / Anitápolis: DOU 1980 (DOU = Official Diary of Brazil)

(B) > Reserve and Grades: DNPM 2006 Mineral Annuary

(C) > Concentration, Beneficiation/ Production: ANDA Annuary 2008

(D) > Major phosphate rock producer by Bete, Inc for Cargill Fertilizer, Inc 1988.

The operating mines are highly profitable due to their excellent mineralogy enabling the ores to be beneficiated to a suitable concentrate grade (>32% P₂O₅) and their close proximity to markets including fertiliser blenders and end users.

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.