ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29th OCTOBER 2010

SEPTEMBER 2010 QUARTERLY REPORT

*The Directors of Aguia Resources Limited ("**Aguia**" or "**Company**") are pleased to present its September 2010 quarterly report.*

Highlights:

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

- *Discovery of high grade phosphate in surface rock chips with grades of 23.1% and 18.6% P_2O_5 at the Breccia Target located 3 kilometres to the west of Capacete*
- *Discovery of the Block 5 Target , where surface sampling results returned up to 13.01% P_2O_5.*
- *Scout mapping of Blocks 5, 6 and 10 identified similar rocks as found at the Capacete Target to the east, with very promising thicknesses and strike lengths in excess of 50 kilometres.*
- *These new discoveries highlight the area's potential to host a near surface phosphate deposit and will be drill tested in December quarter.*
- *First bulk sample (16kg) taken from Capacete Target returned excellent mineralogical results and grade of 18.2% P_2O_5. Results indicate Capacete target amenable to beneficiation which has significant advantages for downstream development of beneficiated phosphate rock and fertiliser production.*
- *Completed a 1,000 metre (16 holes) diamond drilling program at the Capacete and Breccia Target with results pending.*
- *Reconnaissance ground checking over large 300,000 hectare groundholding continues with the Company expecting results progressively over the coming months.*

*The Lucena Phosphate Project ("**LPP**") has an initial exploration target of 40 to 50 million tonnes at an average grade of 10% to 14% P_2O_5 based on a compilation of historical drilling by CPRM[1].*

- *Desktop studies 80% complete and a decision on drilling to target a resource calculated in accordance with JORC code expected December quarter.*

Significantly strengthened the management team through the appointment of Industry Phosphate Experts Mr John Sinden and Mr Allan Pickett

- *John Sinden is a Senior Partner of JSA Ltda, Brazil and is a world-renowned consultant engineer with more than 45 years in the field of phosphate processing and in particular a leading phosphate rock to acid specialist.*
- *Allan Pickett previously worked for British Sulphur Consultants, the fertilizer and chemical division of CRU International Ltd., from 1996, leading the division as Group Manager from 2003 to 2010. His primary area of expertise is in phosphates, including industrial phosphates and phosphorus-based products as well as fertilizers.*

Going Forward

The Company has commenced extensive exploration and other activities which are expected to generate substantial news flow over the coming 6 to 12 months. These activities include:

- *Ongoing diamond drilling programs at Mata da Corda are planned for a number of targets in the next quarter where surface sampling has identified high grade phosphate in rock chips. These include Capacete, Breccia, Block 5 and Block 1.*
- *Continued rock-chip sampling and initial drilling results from the prospective Mata da Corda Regional landholding.*
- *At the Lucena Project, a desktop review of historical drilling is 80% complete with a decision on final drilling programs to delineate a resource calculated in accordance with JORC code.*
- *Other opportunities within the phosphate sector in South America are under review.*

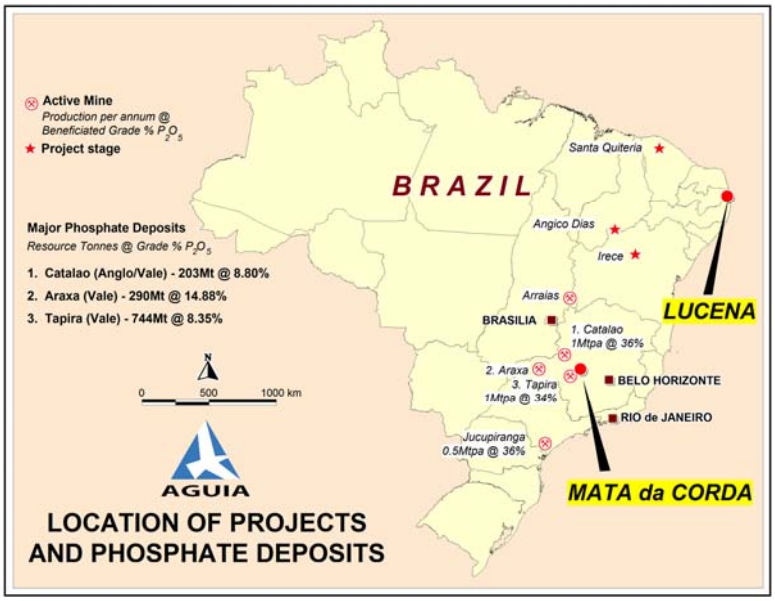

Figure 1: Location of the MCPP and LPP in Brazil relative to major phosphate mines

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About Aguia

Aguia is focused on the exploration and development of phosphate rock projects in Brazil which as a country imports approximately 50% of its phosphate requirements annually. Aguia is well positioned to capitalize on the growing demand for phosphorous-based fertilisers in the expanding agriculture sector in Brazil and controls a large land position of about 400,000 hectares, located close to existing infrastructure. The Company is committed to its existing projects whilst continuing to pursue other opportunities within the phosphate sector.

[1] *The statement referring to the potential quantity and grade of the target is based on the results of historical exploration activities undertaken by CPRM during the 1960's to 1980's, including 47 drill holes of which 22 drill holes within the project and immediate surrounds returned mineralisation. 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.*

Brazilian Phosphate Projects

Mata da Corda Phosphate Project

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 fertilizer blenders (Figure 2).

The MCPP covers approximately 300,000 hectares and is central to the agricultural and industrialized heartland of the southeast region of Brazil in the state of Minas Gerais (English Translation = General Mining State) some 250km to the west of Belo Horizonte.

Aguia identified the property through a review of historical phosphate occurrences reported by CPRM in the late 1960's and early 1970's. After an initial analysis of these occurrences, the geology and its distribution, Aguia staked the MCPP in August 2008. This triggered a staking rush in the area with Amazon Mining Ltd (late August 2008) and Vale (September 2008) staking to the north, south and west.

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

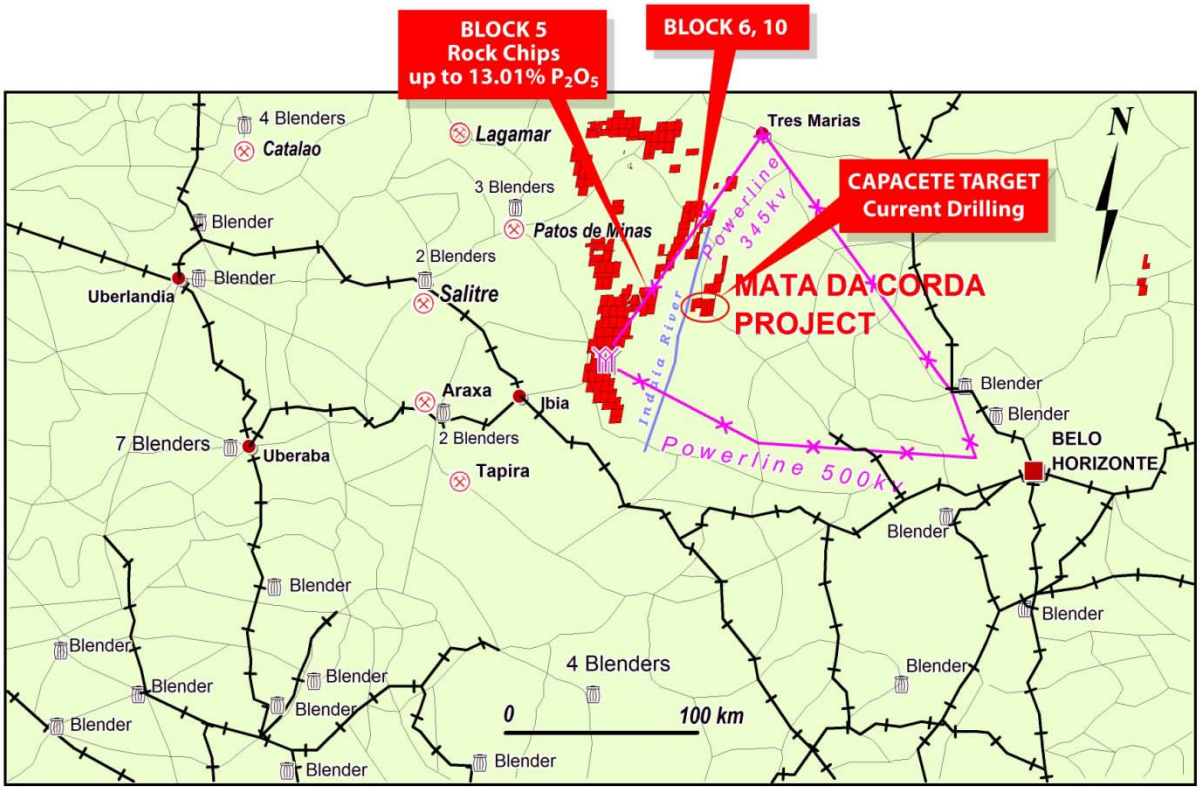

Figure 2: Location of the Mata da Corda Project relative to operating phosphate mines, major fertilizer bulk blenders and infrastructure including roads, railways, power and water.

Exploration Results

Rock Chip Sampling

Rock chip sampling discovered the Breccia and Block 5 Targets that will be drill tested in the December quarter.

Breccia Target - Rock chip sampling has returned encouraging results from a new zone located some 3 kilometres to the west of the recently discovered Capacete Target. High-grade phosphate returned from surface including **best grades of 23.1% and 18.6% P_2O_5**.

At the newly discovered west zone the phosphate mineralization is related to breccias that are hosted by Neoproterozoic phyllites of the Serra da Saudade Formation. These breccias contain fragments of the host phyllite set in a whitish fine-grained matrix.

Block 5 Target - Scout mapping and sampling on the Regional Block 5 identified Capacete epiclastics outcropping along potential thicknesses in excess of 12 metres. ***Refer Figure 4-Photo.***

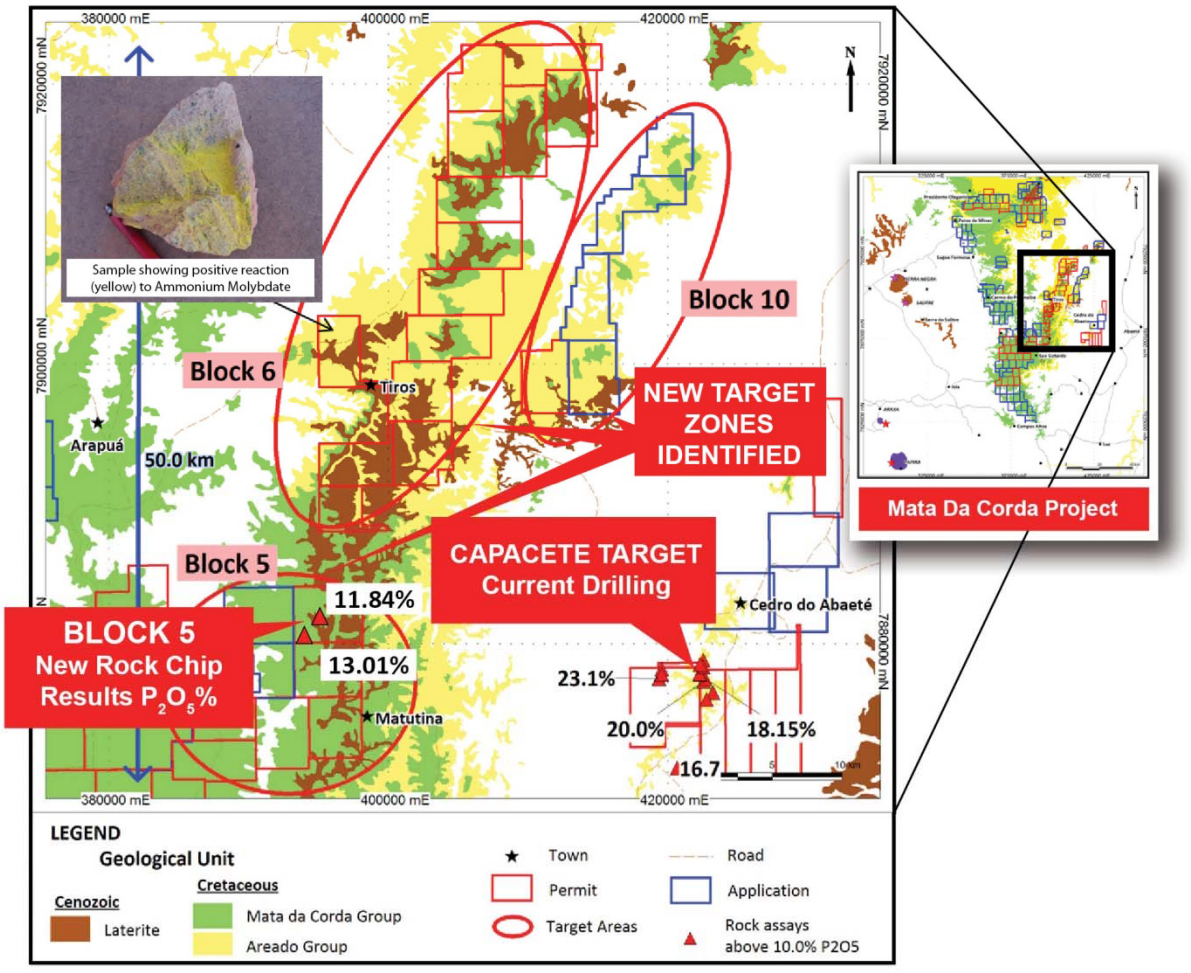

Figure 3: Showing Block 5 target zone on the left hand side with promising strikelengths in excess of 50 kilometres extending into Blocks 6 and 10.

Rock chip sampling results returned best grades of **11.84% and 13.01% P_2O_5.** Importantly the host rock and associated phosphate mineralization is similar in style to the Capacete Target to the east where the Company is currently drilling.

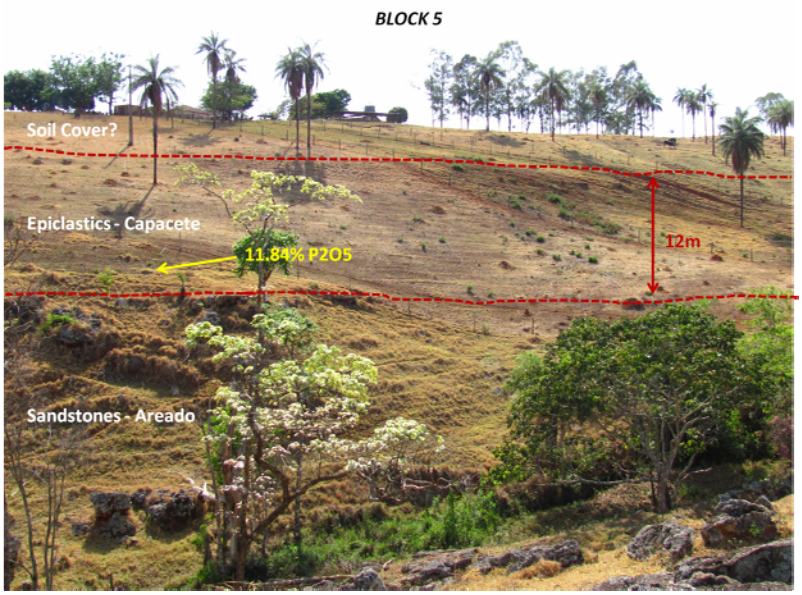

Figure 4: Showing new sample result from Block 5 and interpreted vertical section.

Drilling Program

A diamond drilling program totaling approximately 1,000metres in 16 holes targeted the Capacete and Breccia Target areas. Drilling targeted a combination of the best soil, rock chip and shallow auger sampling results. Rock chip sampling has returned some outstanding results with high-grade phosphate returned from surface including best grades of 20.0% and 18.15% P_2O_5.

Results of soil sampling, mapping and shallow auger holes (nine) have delineated an open ended phosphate-in-soil anomaly extending for over 2.7 kilometres that is up to 300 metres wide. For soil results and proposed drill holes refer Figure 3.

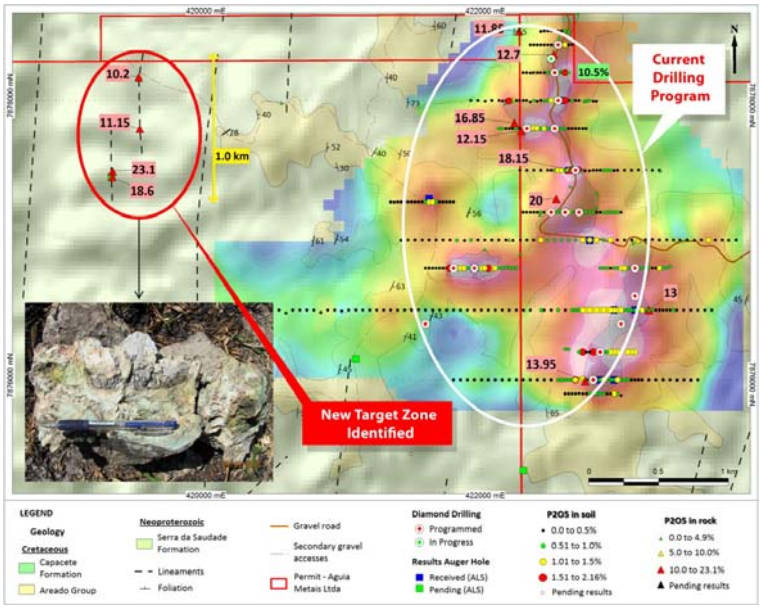

Figure 5: Showing new target zone on the left hand side and the Capacete Target on the right highlighting soils, rock chips and drill holes.

Wide spaced scout geochemical auger holes intersected phosphate mineralisation up to 10.5% P_2O_5 from soft oxidized/leached material but were unable to penetrate fresher and silicified material to the target depth.

The phosphate–in-soil anomaly is hosted by topographical ridge top highs. Mineralisation exists close to the surface and is conducive to low strip ratio mining.

The phosphate mineralization is associated with epiclastic rocks of the Capacete Formation that bear elevated Fe_2O_3, TiO_2 and rare earth elements suggesting a carbonatite source. Interestingly the three largest phosphate mines in Brazil are located within 100 to 150 kilometres to the west and southwest and are all hosted by carbonatites. Initial results are encouraging with respect to CaO/ P_2O_5 ratios suggesting that apatite is the dominant phosphate source.

Results of the diamond drilling are pending.

Results of Mineralogical Study

One 16 kg bulk sample of the Capacete Formation was collected and submitted to University of Sao Paulo to evaluate the chemical and mineralogical characteristics of the sample.

The sample is basically composed of CaO, P_2O_5, and SiO2 whose grades are 24.3%, 18.2% and 22.1% respectively with a CaO/ P_2O_5 ratio of 1.34 as shown in Table 1 below.

Oxides	P_2O_5	CaO	SiO_2	Al_2O_3	Fe_2O_3	TiO_2	K_2O	MgO	BaO	Na_2O	La_2O_3	CeO_2	Nd_2O_3	Pr_2O_3	Nb_2O_5	Cao/P_2O_5
	18.2	24.3	22.1	5.64	8.77	7.67	4.31	2.33	0.38	0.20	0.10	0.15	-0.10	-0.10	-0.10	1.34

Table 1. Whole rock assay from mineralogical test work report (values are %).

The sample was submitted to a combination of crushing, sieving, flotation and magnetic separation.

Mineralogical Composition

The resultant samples were then submitted to chemical and mineralogical analysis with the estimated mineralogical composition defined as shown in Table 2.

Fraction (mm)	% Retained	Apatite	Secondary phosphate	Quartz	Magnetite	Feldspar	Anatase	Clay minerals	Others
+0.037	65.6	38	2	2	20	11	6	17	3
-0.037	34.4	42	2	2	11	17	6	17	2
Total	100.0	40	2	2	17	13	6	17	2

***Table 2. Mineralogical Composition (wt%) (from mineralogical test work report)*.**

The mineralogy of sample FCM-CM-01 includes 40% of apatite (*$Ca_5(PO_4)_3(OH,F,Cl)$*), 17% of iron oxides (mostly magnetite and minor hematite), 17% of clay minerals (mainly muscovite/sericite), 13% of potassic feldspar and 6% of anatase and 2% secondary phosphate (crandallite group). Other minerals (pyroxene/amphibole, zircon and goethite) are responsible for 2% of sample weight.

Around 97% of total contained P_2O_5 present in the sample is estimated to be fractionated in the mineral apatite. These results indicate the Capacete target is amenable to beneficiation which has significant advantages for downstream development of beneficiated phosphate rock and fertiliser production.

The initial results are very encouraging and justify continued exploration on the projects. Future sampling and studies will work to identify the exact grain-size fraction where the P_2O_5 is concentrated.

Lucena Phosphate Project

The LPP covers 73,361 hectares (733km^2) all located within a 50km radius around the city of João Pessoa, capital of the Paraiba state in north eastern Brazil.

The project is split into the Lucena North and Lucena South areas.

The Property was identified based on historical phosphate occurrences reported by the CPRM (Brazilian Geological Survey). After initial analysis of the occurrences, geology and distribution the available areas were staked along the northern sector of the Paraiba Belt within the same geological setting that hosts several phosphate deposits discovered by CPRM. No systematic exploration work has been conducted since the historical government program.

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 65km of paved roads.

Previous Exploration

The LPP area was first investigated by the CPRM in the late seventies to early eighties were several intercepts containing P_2O_5 were defined during the drilling exploration program. This program also identified the Recreio - Acais Deposit located further south (25km) from the Project area and Goiania deposit located 50km northward from Olinda.

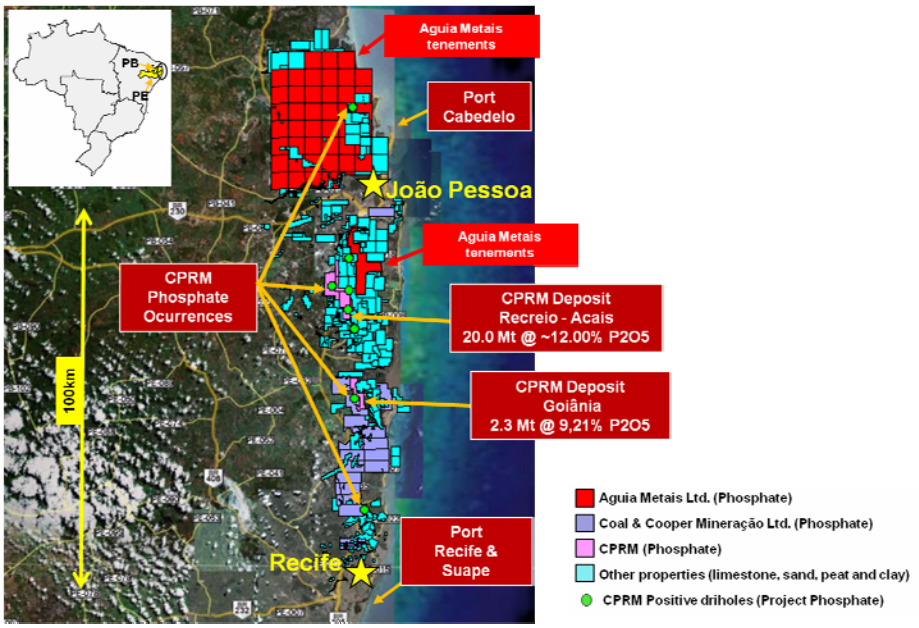

Figure 7: LPP location map showing existing phosphate deposits nearby.

Geology and Mineralisation

LPP is located within the Pernambuco-Paraiba basin consisting of Cretaceous-Paleocene sediments (sandstones, limestone) covered by the Pleistocene Barreiras Group (sandstone). The basin averages 25km in width and has a maximum thickness of 400 metres. Structurally the sediments are horizontal with slight dip to the east (4 to 25m per km).

The mineralization is typical of sedimentary phosphorite deposits associated with upwelling zones and low sedimentation rate . In such zones when cold water meets warmer waters the precipitation of phosphate can occur. 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”.

This style of mineralization accounts for 85% of the world production, examples of which include the Benguerir mine in Morocco and the Aurora mine in North Carolina USA.

From the 47 holes drilled, 22 drill holes within the project area and immediate surrounds intercepted significant phosphate (P_2O_5) mineralisation. 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_2O_5.

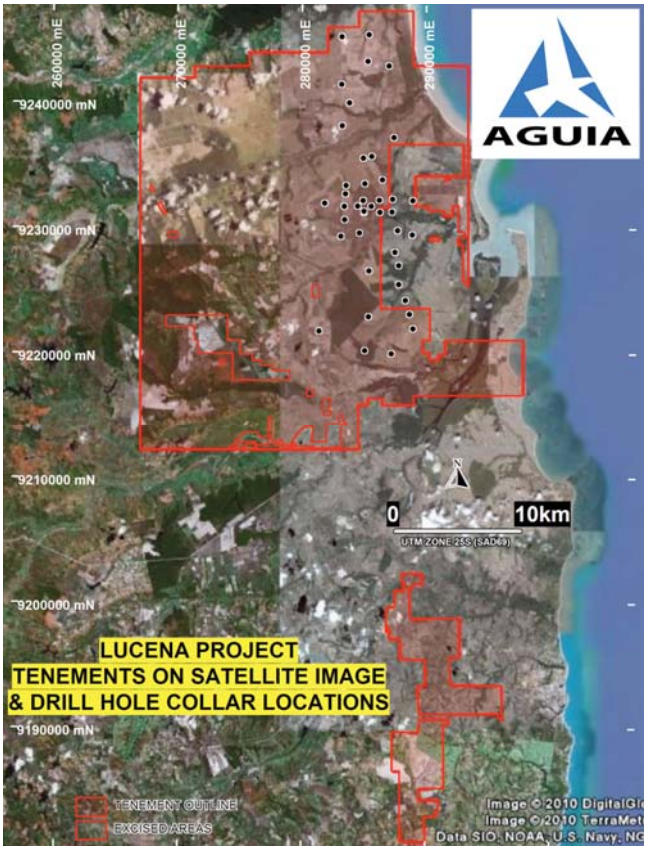

Figure 8: LPP tenements and historical drilling

Exploration Programs

Desktop studies of all historical exploration results is 80% complete and a decision on drilling metres and holes will be made in the December quarter. Further exploration will involve confirmatory mapping, rock chip sampling, trenching and drilling. At Lucena negotiations to obtain landholder access to carry out drilling activities has commenced.

With continued positive results infill drilling will proceed with an aim of proving up a Mineral Resource at both Lucena North and Lucena South projects calculated in accordance with the JORC code.

Pathfinder Project

ELs 3216, 3280 and 3281 (Newport earning up to 80%, PlatSearch (ASX: PTS) 80%, Bohoun 20%)

The Pathfinder Project covers an extensive area of over 2,310 square kilometres. Geologically the Project is located at the southern end of the Fowler Domain on the western side of the Gawler Craton in a similar setting to the Thompson Nickel Belt in Canada, which contains some of the world's largest nickel deposits.

The Project is prospective for nickel sulphides, iron oxide associated copper gold mineralisation and heavy mineral sands.

No field work was completed during the quarter.

Corporate

Appointment of Industry Phosphate Experts

The Management Team has also been strengthened following the appointment of Mr John Sinden and Mr Allan Pickett as consultants to the Company.

Phosphate Processing Engineer – Mr John Sinden

John Sinden is a Senior Partner of JSA Ltda, Brazil and is a world-renowned consultant engineer with more than 45 years in the field of phosphate processing and in particular a leading phosphate rock to acid specialist.

John has lived in Brazil for over 31 years after spending his early working life with Fisons, a former UK fertiliser company which was very active in phosphate technology and development. In Brazil he initially worked for local fertiliser manufacturers for 13 years.

Since 1992 he has been working as an independent consultant for a vast array of companies worldwide including projects in Argentina; Brazil; Canada; USA; South Africa; Jordan; Uruguay; Morocco; Mexico; Egypt; Lithuania; Turkey and others. His expertise includes early stage identification of process options for phosphate rock projects, superphosphates, granulation, and animal feed phosphates production.

Phosphate and Fertiliser Professional – Mr Allan Pickett

Allan Pickett previously worked for British Sulphur Consultants, the fertilizer and chemical division of CRU International Ltd., from 1996, leading the division as Group Manager from 2003 to 2010. CRU International Ltd. is the UK-based independent business analysis and consultancy group focused on the mining, metals, power, fertilizer and chemical sectors.

Allan's consulting efforts included a wide array of projects ranging from detailed strategic advice, independent bankable documents for project feasibility, merger and acquisition advisory, and market analysis and cost work. In his 14 years with British Sulphur Consultants he has worked on projects related to all the primary fertilizer nutrients as well as sulphur and sulphuric acid. His primary area of expertise is in phosphates, including industrial phosphates and phosphorus-based products as well as fertilizers.

Norwest Claim

As previously advised, the Singapore High Court ("**Court**") found in favour of the Company and dismissed the claim made by Norwest Holding Pte Ltd ("**Norwest**"). Norwest subsequently appealed this decision. The appeal process is now progressing, with both parties lodging submissions with the appeals court in July. The appeal is expected to be heard by the appeals court in late November early December 2010. The Company will make further announcements to the market as the appeal progresses.

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 Newport Mining 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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

AGUIA RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
94 128 256 888	**30 SEPTEMBER 2010**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(481)	(481)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(324)	(324)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	49	49
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- Litigation costs	(105)	(105)
	- Business development	(45)	(45)
	Net Operating Cash Flows	(906)	(906)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	(81)	(81)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)		
	- Cash acquired on acquisition of subsidiary	-	-
	Net investing cash flows	(81)	(81)
1.13	Total operating and investing cash flows (carried forward)	(987)	(987)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(987)	(987)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(597)	(597)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	- Capital raising expenses	(16)	(16)
	Net financing cash flows	(613)	(613)
	Net increase (decrease) in cash held	(1,600)	(1,600)
1.20	Cash at beginning of quarter/year to date	4,950	4,950
1.21	Exchange rate adjustments to item 1.20	(29)	(29)
1.22	**Cash at end of quarter**	3,321	3,321

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	107
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting fees, directors' fees, superannuation, company secretarial services and provision of a fully serviced office.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	1,000
4.2	Development	-
4.3	Production	-
4.4	Administration	300
	Total	**1,300**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	575	793
5.2	Deposits at call	2,746	4,157
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	3,321	4,950

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Not applicable			
6.2	Interests in mining tenements acquired or increased	Not applicable			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	40,000,000	-	N/A	N/A
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	52,750,001	52,750,001	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		1,600,000	-	$0.25	31 December 2011
		1,200,000	-	$0.35	31 December 2011
		3,000,000	-	$0.25	31 January 2012
		1,000,000	-	$0.25	31 January 2012
		500,000	-	$0.15	30 June 2012
		500,000	-	$0.20	30 June 2013
		1,000,000	-	$0.30	31 December 2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: ..... Date: 29 October 2010
(~~Director~~/Company secretary)

Print name: ANDREW BURSILL

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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