



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 13th DECEMBER 2010

HIGH GRADE SURFACE SAMPLING RESULTS INCLUDING 25.7% AND 28.4% P₂O₅ RETURNED FROM BLOCK 1, MATA DA CORDA PHOSPHATE PROJECT, BRAZIL

Highlights:

- **Reconnaissance rock chip sampling from Block 1 has returned best results to date from the Mata da Corda Phosphate Project (“MCP”).**
- **34 surface rock chip samples from Block 1 have returned high grades of up to 25.7% and 28.4% P₂O₅ and delineated a mineralised trend now extending for over 1 kilometre and up to 500 metres wide.**
- **Significantly the new results appear to be related to a potential carbonatite source.**
- **85% of phosphate rock production in Brazil is related to carbonatite hosted mineralisation, including the large Vale owned mines Araxa and Tapira located some 150 kilometres to the south west of Block 1.**
- **The early stage identification of surface mineralisation in Block 1 upgrades the area’s potential to host a near surface phosphate deposit.**
- **Drilling at Block 5 and the Capacete target to the east has been completed with assays pending.**

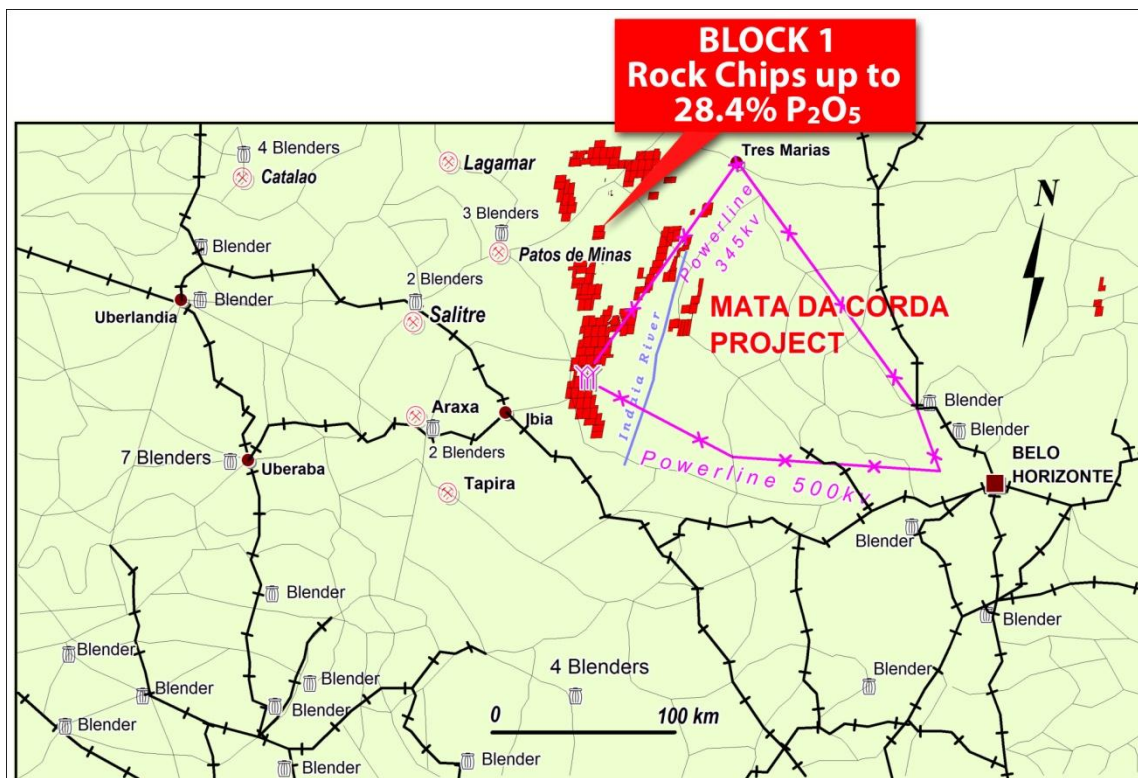


Figure 1: Location of the Mata da Corda Project relative to operating phosphate mines, major fertilizer bulk blenders, infrastructure and location of new sample results from Block 1.

The Board of *Agua Resources Limited* (“**Agua**” or “**Company**”) is pleased to announce further encouraging reconnaissance rock chip sampling results from its regional land holding at the *Mata da Corda Phosphate Project* (“**MCP**”) located in the state of *Minas Gerais, Brazil*.

The new results from *Block 1* highlight the prospective nature of the *MCP* and significantly have identified another target style of phosphate mineralisation in the project area.

Rocks of igneous origin overprinted by hydrothermal alteration and veining have returned high grade phosphate grades. Exploration to date has concentrated on the sedimentary *Capacete* package of rocks to the east. *Agua* has now identified two target styles to further test in its aim to delineate a near surface phosphate deposit.

Block 1 is located some 150 kilometres to the north east of the large *Vale* owned carbonatite hosted phosphate mines *Araxa* and *Tapira*. Refer *Figure 1*.

Exploration Results

Regional mapping and sampling continues on *Block 1*. A total of 34 surface rock chip samples were collected with assays now received.

Rock chip sampling results returned grades of up to **28.4%** and **25.7%** P_2O_5 at the western end of an open ended 1 kilometre by 0.5 kilometre trend of surface phosphate mineralization. Refer *Figure 2 – Location of rock chip results*.

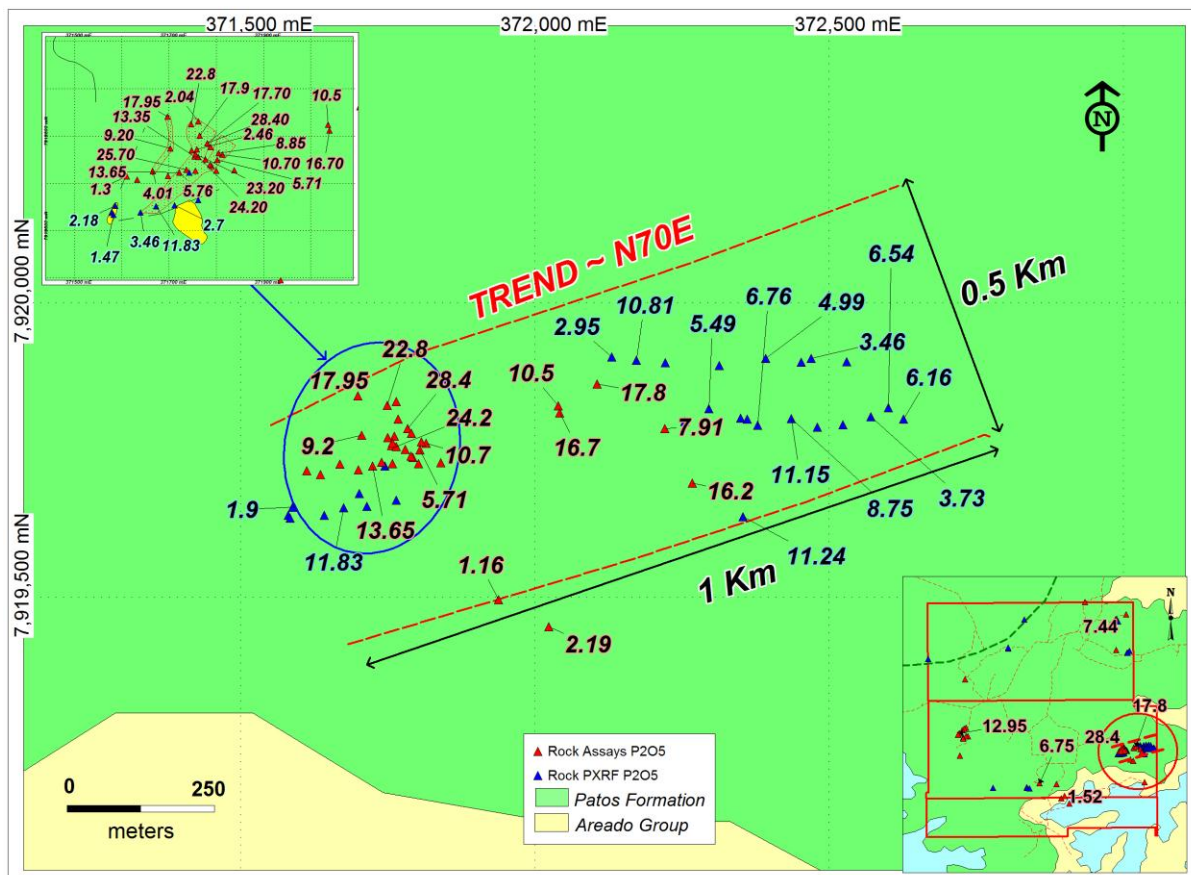


Figure 2: Location of rock chip results from Block 1. Red triangles denote location of laboratory assay results, blue triangles denotes location of portable hand held XRF results with samples send for confirmation assay at the laboratory.

Mineralisation is hosted within hydrothermally altered volcanics as well as phosphate-rich multi phase vein, breccia and stockwork systems of potential carbonatite host rocks. Initial results are highly encouraging with respect to $\text{CaO}/\text{P}_2\text{O}_5$ ratios suggesting that apatite is the dominant phosphate source. **Refer Table 1 Rock Chip Results.**



Phosphate-rich hydrothermally altered volcanic



Phosphate-rich vein

MATA DA CORDA - BLOCK 1 - SIGNIFICANT ROCK ASSAYS								
Sample	Geological Unity	Location	P₂O₅%	CaO%	Al₂O₃%	Fe₂O₃%	TiO₂%	CaO%/P₂O₅%
2201	Patos Formation	Block 01	10.70	11.60	9.72	22.20	9.35	1.08
2202	Patos Formation	Block 01	8.85	8.31	9.83	23.50	8.63	0.94
2204	Patos Formation	Block 01	17.70	24.00	5.84	14.60	5.58	1.36
2205	Patos Formation	Block 01	28.40	39.90	5.88	1.34	0.39	1.40
2209	Patos Formation	Block 01	24.20	33.00	4.25	12.15	4.68	1.36
2210	Patos Formation	Block 01	23.30	31.30	5.14	10.00	3.79	1.34
2212	Patos Formation	Block 01	25.70	29.50	8.01	9.44	3.76	1.15
2213	Patos Formation	Block 01	13.65	11.85	10.15	18.40	6.28	0.87
2214	Patos Formation	Block 01	5.76	0.34	15.10	21.10	8.23	0.06
2217	Patos Formation	Block 01	17.95	16.95	9.64	16.75	4.60	0.94
2218	Patos Formation	Block 01	22.80	28.10	6.01	12.15	4.23	1.23
2220	Patos Formation	Block 01	17.90	22.90	6.30	15.00	6.17	1.28
2221	Patos Formation	Block 01	9.20	10.20	7.94	20.40	6.79	1.11
2223	Patos Formation	Block 01	5.71	5.49	11.85	23.90	9.67	0.96
2235	Patos Formation	Block 01	10.50	0.99	17.30	20.90	8.85	0.09
2236	Patos Formation	Block 01	16.70	0.99	21.50	16.40	6.85	0.06
2237	Patos Formation	Block 01	17.80	15.55	10.50	16.45	6.32	0.87
2238	Patos Formation	Block 01	7.91	5.92	10.40	19.25	6.34	0.75
2239	Patos Formation	Block 01	16.20	5.41	16.90	18.40	5.83	0.33

Table 1 – Rock chip sample results, using a lower cut off of 5% P₂O₅.

Enquires: **Simon Taylor – Managing Director**

Telephone: +61 2 9210 1332

Aaron Wolfe – Vice President, Corporate Development, Forbes & Manhattan

Telephone: +1 416 309 2696

About the Mata da Corda Phosphate Project

The MCPP is located within 150km of the three largest phosphate mines in Brazil; Araxá – Vale (290Mt @ 14.88% P₂O₅), Tapira – Vale (744Mt @ 8.35% P₂O₅) and Catalão – Anglo/Vale (203Mt @ 8.80% P₂O₅). 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 1).

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.

Agua 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, Agua 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 within the Cerrado Crop Belt.

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.

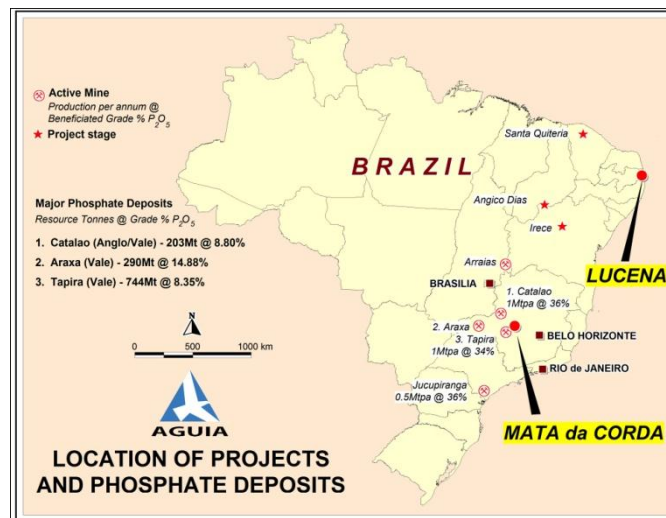


Figure 3: Location of the MCPP and LPP in Brazil

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.