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FURTHER EXCELLENT PHOSPHATE DRILLING RESULTS FROM SURFACE TRÊS ESTRADAS PHOSPHATE PROJECT BRAZIL

Highlights:

- Results of Stage 2 drilling program continue to return significant phosphate mineralisation with excellent grades from surface.
- Results from shallow reverse circulation drilling include (all intervals are from surface and within the current resource estimate):
 - 30.0 metres @ 11.5% P₂O₅**
 - Includes 21.0 metres @ 13.9% P₂O₅
 - Includes 9.0 metres @ 16.1% P₂O₅
 - 30.0 metres @ 9.50% P₂O₅**
 - Includes 7.0 metres @ 15.81% P₂O₅
 - Includes 3.0 metres @ 23.2% P₂O₅
 - 13.0 metres @ 10.8% P₂O₅**
 - Includes 10.0 metres @ 12.3% P₂O₅
 - Includes 2.0 metres @ 16.1% P₂O₅
- Results further emphasise the opportunity to initiate early start up by mining and processing of high grade oxide zone that extends from surface. An early start up would provide cash flow to fund ongoing capex and development of the project
- Brazilian carbonatite-hosted mines operated by Vale and Copebrás have in-situ ore grades ranging from 5.5% P₂O₅ to 11.1% P₂O₅ which concentrate to between 33% and 38% P₂O₅
- The Company will continue to release additional results to the market progressively including an upgrade to the initial JORC compliant resource by the first quarter of calendar 2013

Emerging fertiliser development company Aguia Resources Limited (ASX: **AGR**) (“**Aguia**” or “**Company**”) is pleased to announce that the Company has received further encouraging drilling results from the Três Estradas Phosphate (“TE”) project located in the state of Rio Grande do Sul in southern Brazil.

Further to the Company’s release to the ASX on 1st November the Company is pleased to report assays from an additional 15 RC holes. Assays are still pending for a further 7 diamond and 54 RC holes. In October the Company completed a 21 hole diamond drilling program totalling 4,016 metres and 105 reverse circulation (“RC”) drill holes totalling 2,151 metres.

A list of significant assays is reported in Table 2 – Reverse Circulation Drilling Results based on Figure 3 Drilling Location Plan.

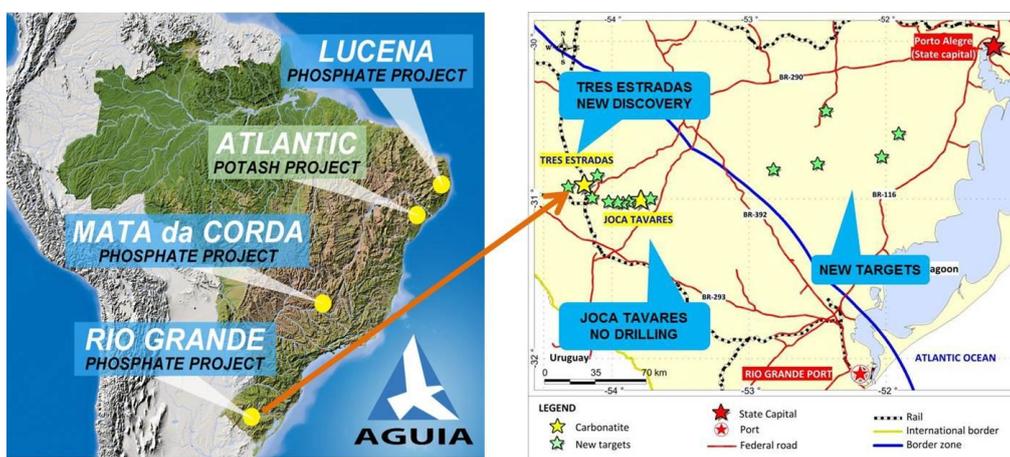
“These results have further confirmed the high grade nature of the oxide zone that extends from surface to depths in excess of 30 metres. The shallow nature of the oxide zone combined with initial beneficiation test work results that have produced concentrate grades up to 36% P₂O₅ represents an excellent opportunity to initiate early start up by mining and processing of the high grade oxide zone. As can be seen in Figure 2 the oxide zone is easily accessible sitting on a ridge top that provides low stripping and mining costs. An early start up would provide cash flow to fund ongoing capex and development of the project.” commented Agua Resources Managing Director Simon Taylor.

The aims of the Stage 2 drilling programmes are to expand the initial JORC compliant inferred resource (21Mt @ 4.6% P₂O₅ including 1.8Mt @ 10.9% P₂O₅ – high grade oxide) as reported in the Company’s announcement to the ASX dated 15 June 2012, through diamond drilling targeting mineralisation below 100 metres depth and to test, define and upgrade the JORC compliant resource category of the higher grade oxide zone that extends from surface. This was reported in a conceptual pit shell with a 3.0% P₂O₅ cut-off grade, and based on limited drilling to a vertical depth of 100 metres.

The results highlight the prospective nature of the TE Project returning wide zones of phosphate mineralisation at good grades from the surface over a wide area that is open to depth and to the south west. Phosphate mineralisation occurs in both the near surface weathered carbonatite and in the deeper primary zone as is typical of producing carbonatite hosted mines in Brazil (Refer Table 1).

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. Initial test work demonstrates that the ore from TE beneficiates to a commercial grade.

Figure 1: Location of Rio Grande Phosphate Projects, SE Brazil



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APPENDIX

Figure 2: Três Estradas Cross Section showing results of shallow RC drilling in oxide material and deeper diamond drilling results

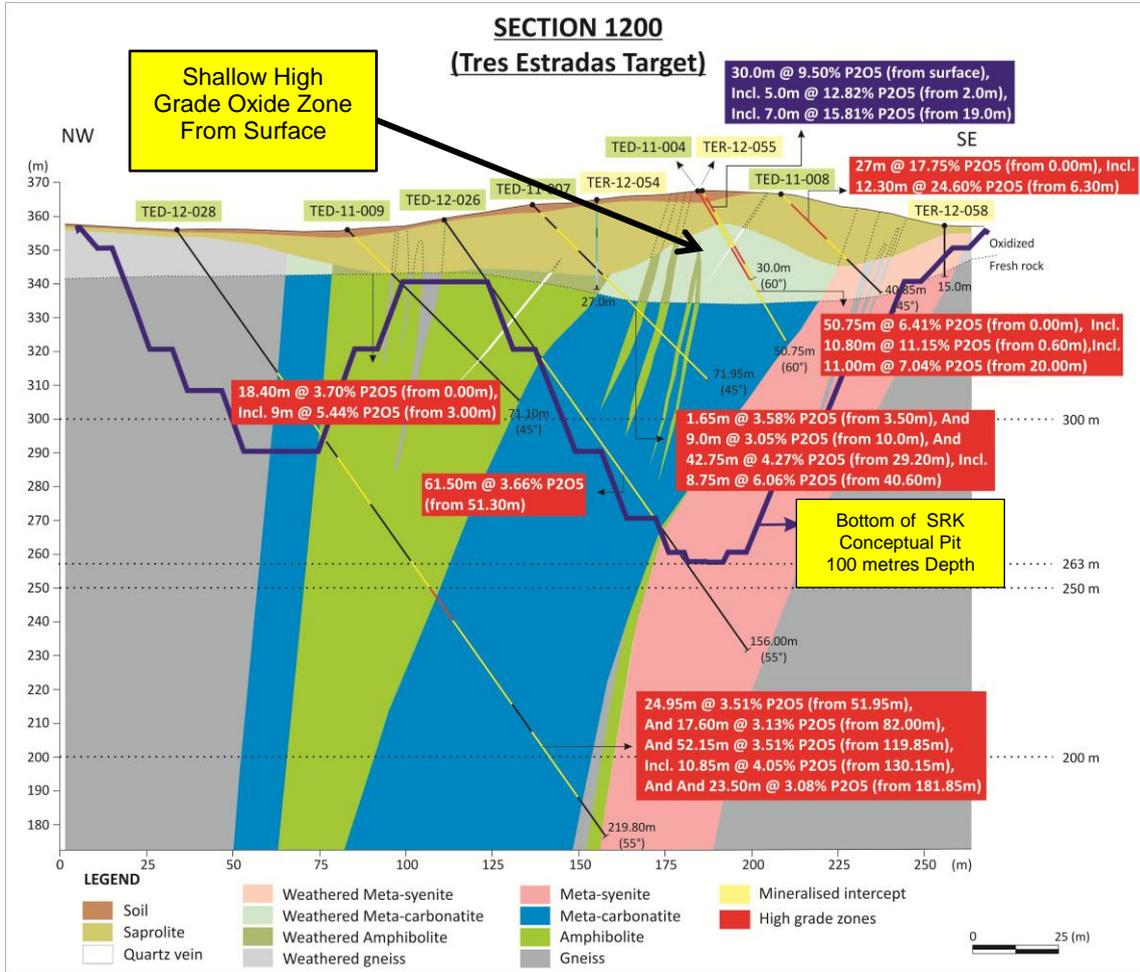
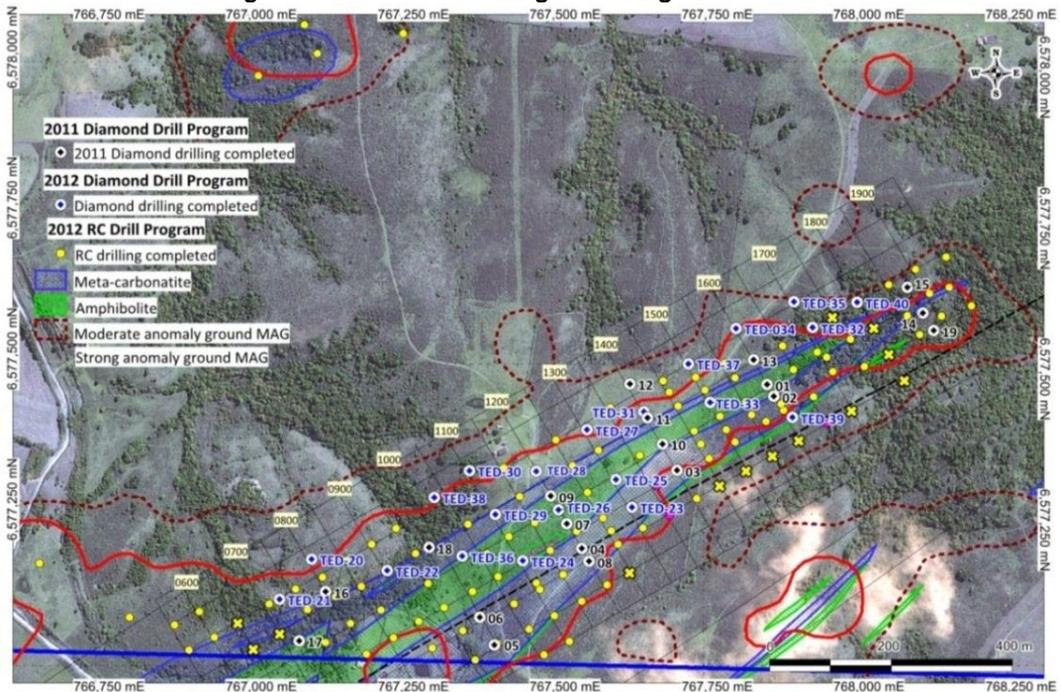


Figure 3: Três Estradas Stage 2 Drilling Location Plan



Rio Grande Phosphate Projects

Aguia has an exclusive option to acquire 100% of the Três Estradas (“TE”) and Joca Tavares (“JT”) carbonatite style phosphate projects from Companhia Brasileira do Cobre (“CBC”).

The projects are located in the state of Rio Grande do Sul, the southernmost Brazilian state adjacent to the border with Uruguay. The region has well developed infrastructure with excellent roads, rail, power, port and services.

The three southern states of Rio Grande do Sul, Santa Catarina and Paraná currently consume around 1.1 million tonnes P_2O_5 ¹ or around 28.5% of Brazilian consumption, however there are currently no active phosphate mines in the region.

The TE, JT and other Aguia projects will be logistically advantaged to supply into this region, compared with phosphate mined in Minas Gerais, Goias and imports.

The TE project represents a significant new phosphate discovery with characteristics similar to existing producers in Brazil. Importantly, first stage drilling has shown that the grade and mineralogy is similar to that of other open-cut operating mines globally including Yara’s Siilinjärvi mine in Finland and Vale’s Cajati mine in Brazil, both of which produce a high quality phosphate concentrate within carbonatite host rocks.

Some of the projects 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. Accordingly Aguia has set up a corporation, in which Aguia Resources owns 49%, and Brazilian interests 51%, and which incorporates shareholder agreements channelling all economic benefits back to Aguia Resources. This arrangement is not expected to materially alter the Company’s potential economic return on the funds invested as part of the exploration program.

Carbonatite Hosted Phosphate Mines

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 Araxá have a higher grade oxide zone sitting above lower grade primary ore

The operating mines are highly profitable due to their excellent mineralogy enabling the ores to be beneficiated to a suitable concentrate grade (>32% P_2O_5) and their close proximity to markets including fertiliser blenders and end users.

Table 1: Major Producing Phosphate Deposits in Brazil

Company	Mine	Type	Reserve (Mt)	Grade P_2O_5 (%)	Concentrate Grade P_2O_5 (%)	Prod. Capacity (ktpy)
			(A) (B)		(C)	(D)
Vale	Tapira	Carbonatite	1,309	7.69	35.5	2,030
Copebrás/ Anglo	Ouvidor	Carbonatite	257	7.63	38.0	1,300
Vale	Araxá	Carbonatite	89	11.12	35/33	910
Vale	Catalao	Carbonatite	224	8.96	36/34	1,209
Vale	Cajati	Carbonatite	85	5.45	36.0	528
Average Grade Brazilian Carbonatite Deposits is 7.8% P_2O_5						
Yara	Siilinjärvi, Finland	Carbonatite	470	4.5	36	850

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

Table 2: Reverse Circulation Drilling Results – Significant Assays

HOLE_ID	UTM_E	UTM_N	AZIMUTH	DIP	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE (P ₂ O ₅ %)
TER-12-036	767447.05	6577279.93	-	90	19	7	11	4	4.15
TER-12-037	767498.05	6577190.56	-	90	26	0	13	13	4.13
TER-12-38 to TER-12-39							Results Pending		
TER-12-040	767577.15	6577357.03	-	90	15	0	1	1	8.16
TER-12-041	767577.15	6577357.03	-	90	15	Not Mineralised			
TER-12-043	767504.58	6577082.69	-	90	25	0	25	25	7.70
					Includes	16	24	8	10.02
TER-12-044	767412.08	6577147.21	-	90	30	0	30	30	11.51
					Includes	1	22	21	13.87
					Includes	11	20	9	16.13
TER-12-45 to TER-12-46							Results Pending		
TER-12-047	767487.07	6577017.43	-	90	12	0	1	1	7.05
TER-12-048	767529.36	6577040.08	-	90	15	Not Mineralised – sterilisation hole			
TER-12-49 to TER-12-54							Results Pending		
TER-12-055	767547.89	6577191.41	150	60	30	0	30	30	9.50
					Includes	2	7	5	12.82
					Includes	19	26	7	15.81
					Includes	23	26	3	23.20
TER-12-56 to TER-12-58							Results Pending		
TER-12-059	767362.01	6577234.42	-	90	17	0	13	13	10.79
					Includes	1	11	10	12.30
					Includes	3	5	2	16.08
TER-12-060	767394.05	6577185.55	-	90	12	Not Mineralised – sterilisation hole			
TER-12-061	767369.56	6577122.37	-	90	15	Not Mineralised – sterilisation hole			
TER-12-62 to 63							Results Pending		
TER-12-064	767296.62	6577135.75	-	90	13	Not Mineralised – sterilisation hole			
TER-12-65 to TER-12-67							Results Pending		
TER-12-068	767374.23	6577009.66	-	90	23	2	23	21	6.23
					Includes	2	14	12	7.72
					Includes	9	13	4	9.95
TER-12-69 to TER-12-72							Results Pending		
TER-12-073	767168.98	6577069.34	-	90	15	14	15	1	3.76

About Agua

Agua is an emerging fertiliser development company focusing on 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. Agua is well positioned to capitalise on the growing demand for phosphorus and potash based fertilisers in the expanding agriculture sector in Brazil and controls four 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.

JORC Code Competent Person Statements

The Três Estradas Phosphate Project has a current JORC compliant inferred mineral resource of 21.33Mt @ 4.63% P₂O₅ (total initial contained phosphate of 0.99Mt P₂O₅). 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 Agua 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.