26 November 2012

## STAGE 2 DRILLING RETURNS FURTHER EXCELLENT PHOSPHATE RESULTS TRÊS ESTRADAS PHOSPHATE PROJECT BRAZIL

**Highlights**

- **Additional assay results from the recently completed Stage 2 drilling program continue to return significant phosphate mineralisation**
- **Stage 2 drilling program included a 21 hole diamond drilling program totalling 4,016 metres and 105 reverse circulation ("RC") drill holes totalling 2,151 metres**
- **This announcement presents the results of an additional 54 RC holes, assay results include (all intervals are from surface and within the current resource estimate)**

  **30.0 metres @ 13.6% $P_2O_5$**
  - **Includes 16.0 metres @ 16.9% $P_2O_5$**

  **23.0 metres @ 12.9% $P_2O_5$**
  - **Includes 18.0 metres @ 14.2% $P_2O_5$**

  **28.0 metres @ 14.3% $P_2O_5$**
  - **Includes 6.0 metres @ 24.3% $P_2O_5$**

  **30.0 metres @ 11.5% $P_2O_5$**
  - **Includes 14.0 metres @ 14.1% $P_2O_5$**
- **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 capital expenditure and development of the project**
- **Brazilian carbonatite-hosted mines operated by Vale and Copebrás have in-situ ore grades ranging from 5.5% $P_2O_5$ to 11.1% $P_2O_5$ which concentrate to between 33% and 38% $P_2O_5$**
- **The Company has commissioned leading independent global consulting company SRK Consulting to prepare an upgrade to the initial JORC compliant resource by the first quarter of calendar 2013**

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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 releases to the ASX on 1st and 7th November the Company is pleased to report assays from an additional 54 RC holes. Assays are still pending for a further 7 diamond 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 and based on Figure 3 Drilling Location Plan.

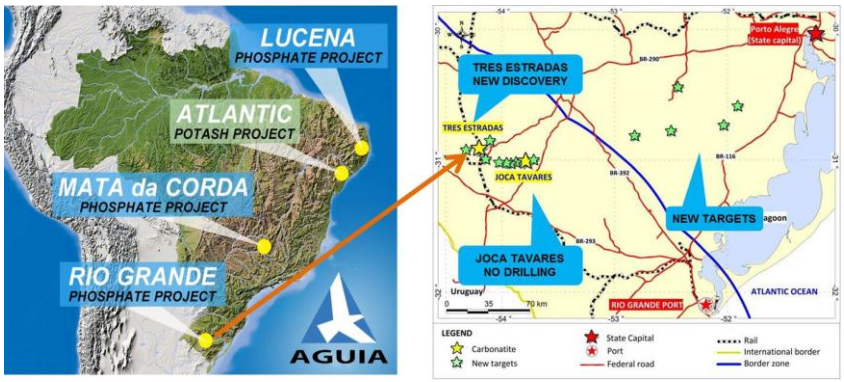
"We continue to receive excellent high grade results from surface to depths in excess of 30 metres within the oxide zone. Not only has the oxide zone already reported concentrate grades up to 36% $P_2O_5$ from initial beneficiation test work results but it is easily accessible as can been seen in Figures 2 and 3 providing low stripping and mining costs. We look forward to completing the compilation of results and SRK commencing their resource calculation upgrade to be reported in early 2013. The Company is now looking at the viability of an early start up, mining the oxide zone to provide cash flow to fund ongoing capital expenditure and development of the project," commented Aguia Resources Managing Director Simon Taylor.

The aims of the Stage 2 drilling programmes are to expand the initial JORC compliant inferred resource of 21Mt grading 4.6% $P_2O_5$ which includes 1.8Mt grading 10.9% $P_2O_5$ (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. The initial inferred resource was estimated using a conceptual pit shell and a 3.0% $P_2O_5$ cut-off grade, and was 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 broad area that is open at 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 Brazilian carbonatite hosted producing mines (Refer Table 1).

The operating carbonatite mines in Brazil 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. 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**

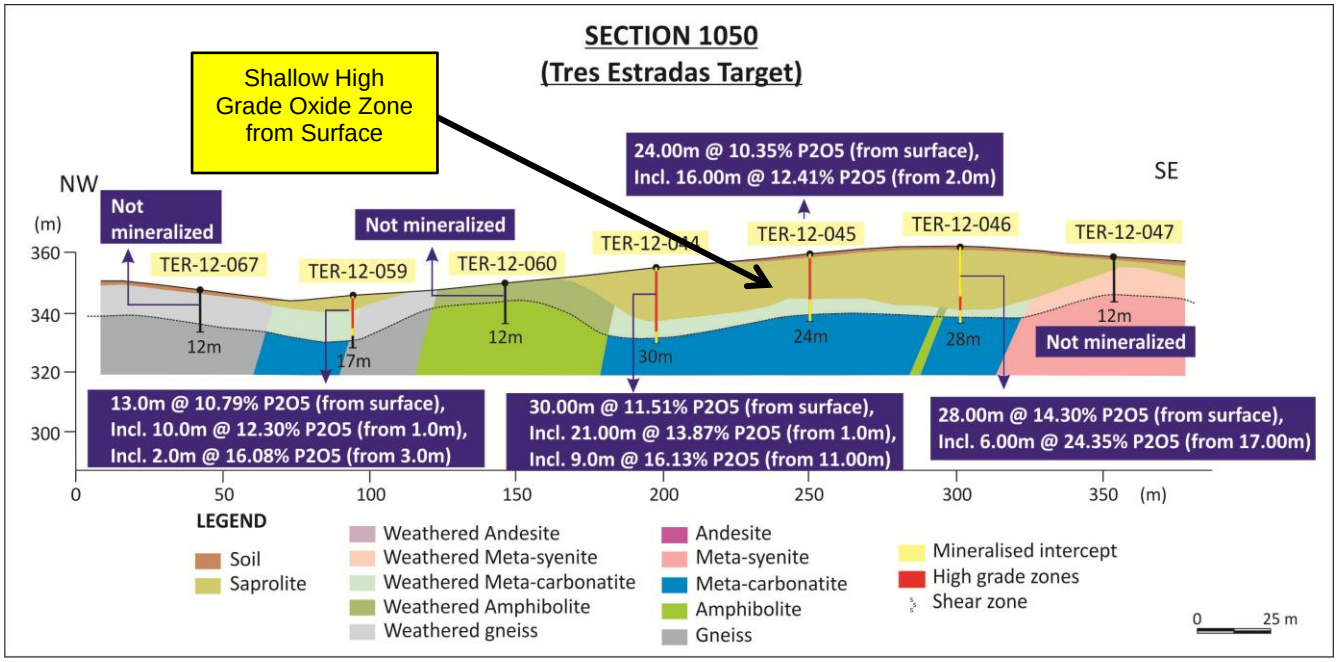



**Figure 3: Três Estradas Cross Section Showing Results of Shallow RC Drilling in Oxide Material**

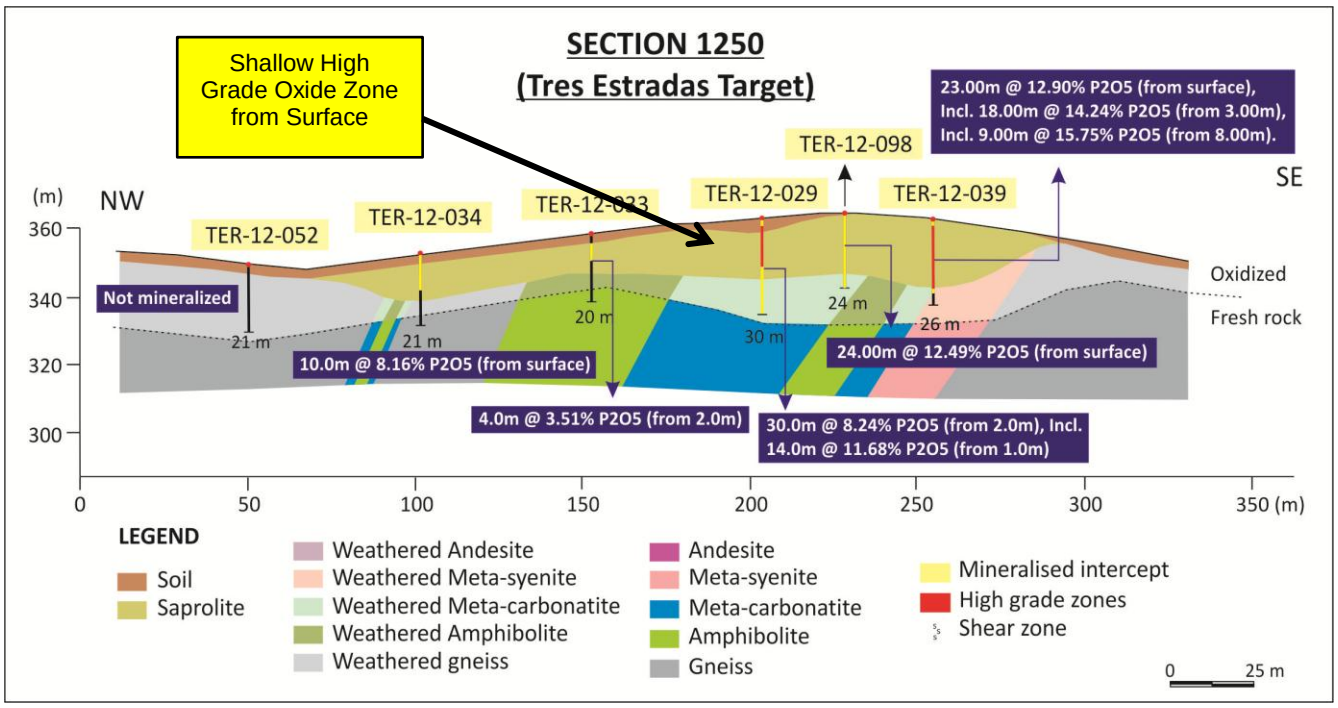
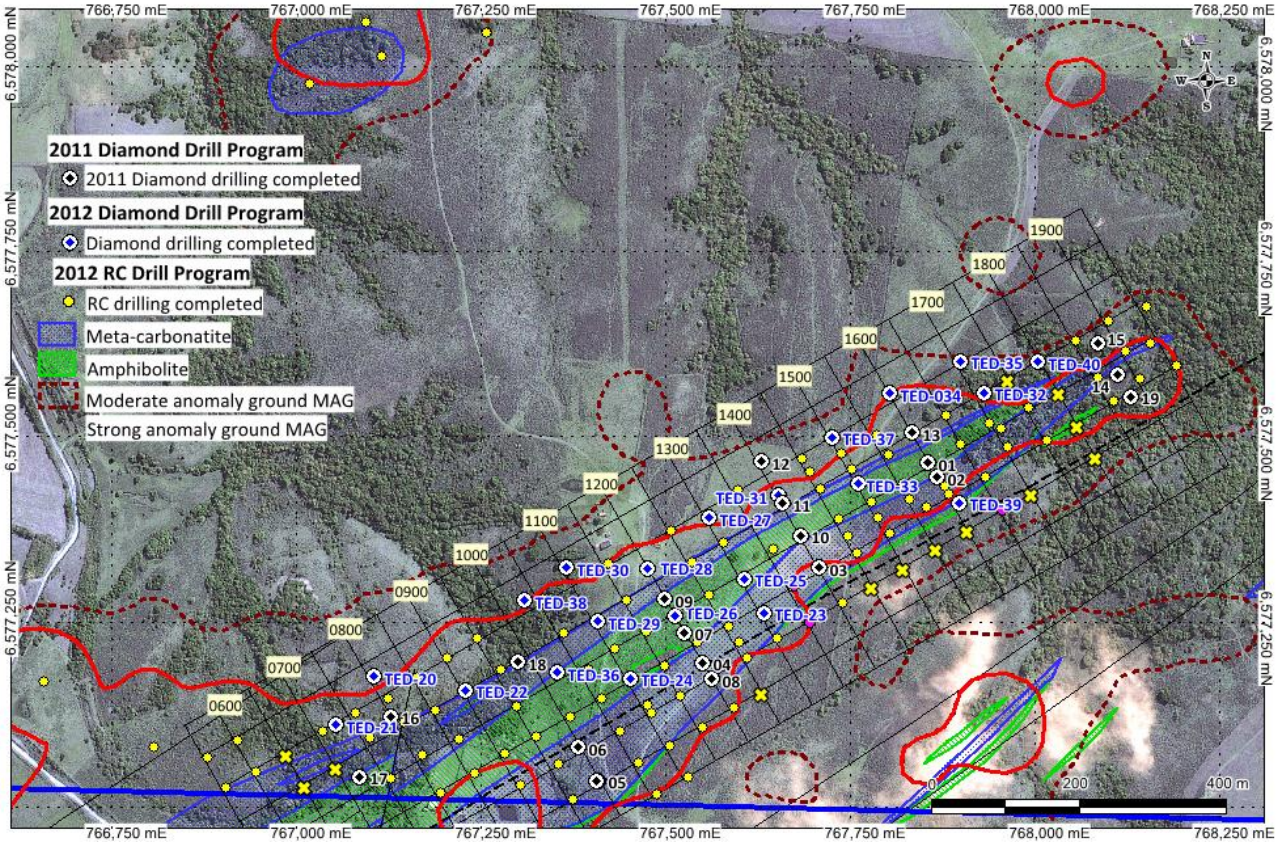


**Figure 4: Três Estradas Stage 2 Drilling Location Plan**




## 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.

Data source: ANDA 2011 statistical summary

## 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 (ktpa) |
|---|---|---|---|---|---|---|
| | | | (A) (B) | | (C) | (D) |
| Vale | Tapira | Carbonatite | 1,309 | **7.7** | **36** | 2,030 |
| Copebrás/ Anglo | Ouvidor | Carbonatite | 257 | **7.6** | **38** | 1,300 |
| Vale | Araxá | Carbonatite | 89 | **11.1** | **35 / 33** | 910 |
| Vale | Catalao | Carbonatite | 224 | **9.0** | **36 / 34** | 1,209 |
| Vale | Cajati | Carbonatite | 85 | **5.5** | **36** | 528 |
| **Average Grade Brazilian Carbonatite Deposits is 7.8% $P_2O_5$** | | | | | | |
| Yara | Siilinjarvi, 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 ("RC") Drilling Results – Significant Assays**

| HOLE_ID | UTM_E | UTM_N | AZIMUTH | DIP | DEPTH (m) | FROM (m) | TO (m) | WIDTH (m) | GRADE ($P_2O_5$%) |
|---|---|---|---|---|---|---|---|---|---|
| TER-12-038 | 767518.91 | 6577150.5 | - | 90 | 32 | 0 | 32 | **32** | **9.98** |
| | | | | | Includes | 1 | 22 | **21** | **12.63** |
| | | | | | Includes | 7 | 14 | **7** | **16.21** |
| | | | | | Includes | 16 | 20 | **4** | **15.46** |
| TER-12-039 | 767609.54 | 6577200.9 | - | 90 | 27 | 0 | 23 | **23** | **12.9** |
| | | | | | Includes | 3 | 21 | **18** | **14.24** |
| | | | | | Includes | 8 | 17 | **9** | **15.75** |
| TER-12-045 | 767438.29 | 6577102.3 | - | 90 | 24 | 0 | 24 | **24** | **10.35** |
| | | | | | Includes | 2 | 18 | **16** | **12.41** |
| TER-12-046 | 767462.82 | 6577060 | - | 90 | 28 | 0 | 28 | **28** | **14.3** |
| | | | | | Includes | 17 | 23 | **6** | **24.35** |
| TER-12-049 | 767549.71 | 6577106.5 | - | 90 | 15 | Not mineralised – sterilisation hole | | | |
| TER-12-050 | 767683.32 | 6577471.5 | - | 90 | 17 | Not mineralised – sterilisation hole | | | |
| TER-12-051 | 767596.29 | 6577427.5 | - | 90 | 15 | Not mineralised – sterilisation hole | | | |
| TER-12-052 | 767507.42 | 6577374.1 | - | 90 | 21 | Not mineralised – sterilisation hole | | | |
| TER-12-053 | 767420.92 | 6577328.1 | - | 90 | 15 | Not mineralised – sterilisation hole | | | |
| TER-12-054 | 767541.27 | 6577222.1 | - | 90 | 27 | 0 | 27 | 27 | **6.46** |

| HOLE_ID | UTM_E | UTM_N | AZIMUTH | DIP | DEPTH (m) | FROM (m) | TO (m) | WIDTH (m) | GRADE ($P_2O_5$%) |
|---|---|---|---|---|---|---|---|---|---|
| TER-12-056 | 767703.79 | 6577321.4 | 150 | 60 | 30 | 0 | 30 | **30** | **10.48** |
| | | | | | Includes | 0 | 21 | **21** | **12.93** |
| | | | | | Includes | 9 | 17 | **8** | **14.33** |
| TER-12-057 | 767411.53 | 6577036.3 | 150 | 60 | 30 | 0 | 30 | 30 | **13.56** |
| | | | | | Includes | 10 | 26 | 26 | **16.88** |
| TER-12-058 | 767591.15 | 6577133.8 | - | 90 | 15 | 0 | 1 | 1 | **7.08** |
| TER-12-062 | 767353.96 | 6577058 | - | 90 | 12 | Not mineralised – sterilisation hole | | | |
| TER-12-063 | 767323.34 | 6577095.8 | - | 90 | 10 | Not mineralised – sterilisation hole | | | |
| TER-12-065 | 767276.01 | 6577185.4 | - | 90 | 15 | 2 | 14 | **14** | **5.25** |
| | | | | | Includes | 4 | 10 | **6** | **7.43** |
| TER-12-066 | 767244.27 | 6577227.3 | - | 90 | 11 | 0 | 1 | **1** | **3.55** |
| TER-12-067 | 767332.28 | 6577281.2 | - | 90 | 12 | Not mineralised – sterilisation hole | | | |
| TER-12-069 | 767303.5 | 6577028.6 | - | 90 | 19 | 0 | 1 | **1** | **5.2** |
| TER-12-070 | 767281.82 | 6577072.8 | - | 90 | 18 | Not mineralised – sterilisation hole | | | |
| TER-12-071 | 767239.89 | 6577045.7 | - | 90 | 18 | Not mineralised – sterilisation hole | | | |
| TER-12-072 | 767219.39 | 6577091.5 | - | 90 | 17 | Not mineralised – sterilisation hole | | | |
| TER-12-074 | 767127.76 | 6577038 | - | 90 | 15 | 0 | 15 | **15** | **2.98** |
| | | | | | Includes | 8 | 15 | **7** | **3.51** |
| TER-12-075 | 767144.2 | 6577114.4 | - | 90 | 24 | 18 | 24 | **6** | **3.94** |
| TER-12-076 | 767162.24 | 6577174.6 | - | 90 | 18 | Not mineralised – sterilisation hole | | | |
| TER-12-077 | 767204.27 | 6577200.7 | - | 90 | 15 | Not mineralised – sterilisation hole | | | |
| TER-12-078 | 767187.1 | 6577131.1 | - | 90 | 21 | 0 | 21 | **21** | **5.29** |
| | | | | | Includes | 12 | 16 | **4** | **8.87** |
| TER-12-080 | 767098.21 | 6577092.9 | - | 90 | 14 | Not mineralised – sterilisation hole | | | |
| TER-12-081 | 767078.61 | 6577126.7 | - | 90 | 12 | Not mineralised – sterilisation hole | | | |
| TER-12-082 | 767034.96 | 6577102.4 | - | 90 | 12 | Not mineralised – sterilisation hole | | | |
| TER-12-083 | 767195.04 | 6577018.8 | - | 90 | 15 | Not mineralised – sterilisation hole | | | |
| TER-12-084 | 766944.98 | 6577046.9 | - | 90 | 12 | Not mineralised – sterilisation hole | | | |
| TER-12-085 | 766903.05 | 6577025.6 | - | 90 | 15 | Not mineralised – sterilisation hole | | | |
| TER-12-086 | 766879.08 | 6577067.3 | - | 90 | 12 | Not mineralised – sterilisation hole | | | |
| TER-12-087 | 766920.59 | 6577088.9 | - | 90 | 12 | Not mineralised – sterilisation hole | | | |
| TER-12-088 | 767852.34 | 6577404.6 | - | 90 | 12 | Not mineralised – sterilisation hole | | | |
| TER-12-089 | 767877.57 | 6577433.4 | - | 90 | 27 | 0 | 27 | **27** | **2.82** |
| | | | | | Includes | 17 | 24 | **7** | **3.65** |
| TER-12-090 | 767828.84 | 6577415.1 | - | 90 | 25 | 0 | 25 | **25** | **11.83** |
| | | | | | Includes | 0 | 17 | **17** | **15.36** |
| | | | | | Includes | 2 | 11 | **9** | **17.14** |
| TER-12-091 | 767784.34 | 6577501.8 | - | 90 | 14 | Not mineralised – sterilisation hole | | | |
| TER-12-092 | 767937.28 | 6577519.4 | 150 | 60 | 17 | 0 | 16 | **16** | **7.17** |
| | | | | | Includes | 0 | 8 | **8** | **9.37** |

| HOLE_ID | UTM_E | UTM_N | AZIMUTH | DIP | DEPTH (m) | FROM (m) | TO (m) | WIDTH (m) | GRADE ($P_2O_5$%) |
|---|---|---|---|---|---|---|---|---|---|
| TER-12-093 | 767962.21 | 6577487.2 | - | 90 | 13 | 0 | 1 | **1** | **3.53** |
| TER-12-094 | 767787.03 | 6577390.5 | - | 90 | 25 | 0 | 25 | **25** | **5.26** |
| | | | | | Includes | 3 | 7 | **4** | **8.4** |
| | | | | | Includes | 9 | 12 | **3** | **7.03** |
| TER-12-095 | 767737.01 | 6577477.9 | - | 90 | 15 | Not mineralised – sterilisation hole | | | |
| TER-12-096 | 767693.93 | 6577452.9 | - | 90 | 16 | Not mineralised – sterilisation hole | | | |
| TER-12-097 | 767745.17 | 6577366.7 | - | 90 | 21 | 0 | 6 | **6** | **4.34** |
| | | | | | Includes | 0 | 2 | **2** | **6.71** |
| | | | | | And | 13 | 14 | **1** | **3.15** |
| | | | | | And | 18 | 19 | **1** | **3.24** |
| TER-12-098 | 767598.05 | 6577222.6 | - | 90 | 24 | 0 | 24 | **24** | **12.49** |
| | | | | | Includes | 1 | 9 | **8** | **15.91** |
| | | | | | Includes | 12 | 19 | **7** | **15.14** |
| TER-12-099 | 767474.42 | 6577137.4 | 150 | 60 | 30 | 0 | 30 | **30** | **11.48** |
| | | | | | Includes | 4 | 18 | **14** | **14.05** |
| TER-12-100 | 766805.64 | 6577080 | - | 90 | 50 | 0 | 2 | **2** | **5.59** |
| TER-12-101 | 766657 | 6577169.5 | - | 90 | 50 | Not mineralised – sterilisation hole | | | |
| TER-12-102 | 767114.23 | 6578014.3 | - | 90 | 50 | Not mineralised – sterilisation hole | | | |
| TER-12-103 | 767017.08 | 6577977.4 | - | 90 | 50 | Not mineralised – sterilisation hole | | | |
| TER-12-104 | 767092.97 | 6578061.3 | - | 90 | 50 | Not mineralised – sterilisation hole | | | |
| TER-12-105 | 767255.75 | 6578047.4 | 150 | 60 | 50 | 7 | 11 | **4** | **3.65** |

## About Aguia

Aguia 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. Aguia 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% $P_2O_5$ (total initial contained phosphate of 0.99Mt $P_2O_5$).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.