14th October 2013

DRILLING AT TRES ESTRADAS SOUTH CONTINUES TO DELIVER HIGH GRADE PHOSPHATE GRADES FROM NEAR SURFACE

Summary

- **Auger drilling at Três Estradas South along strike from the existing JORC-compliant resource continues to return excellent phosphate intersections, including:**
    - **10.0 metres grading 10.6% P_2O_5 from surface (hole ended in mineralisation)**
    - **16.0 metres grading 8.5% P_2O_5 from 2.0m (hole ended in mineralisation)**
        - **Includes 8.0 metres grading 10.3% P_2O_5**
    - **12.0 metres grading 9.8% P_2O_5 from 2.0m (hole ended in mineralisation)**
        - **Includes 5.0 metres grading 11.1% P_2O_5**
    - **7.9 metres grading 12.0% P_2O_5 from 5.0m (hole ended in mineralisation)**
- **These results further confirm that mineralised carbonatite host rocks extend for approximately 1,400 metres southwest from the existing JORC-compliant Três Estradas resource.**
- **Três Estradas shows similarities to the carbonatite style hosted phosphate deposits mined by Vale within Brazil, including the Cajati (Reserve: 85.1 Mt @ 5.45% P_2O_5) operations.**
- **The Company holds an extensive land position in the region and believes Rio Grande do Sul has the potential to host a major new phosphate province in close proximity to infrastructure, primary agriculture customers and fertiliser blenders.**

Aguia Resources Limited (ASX: **AGR**) ("Aguia" or "Company") is pleased to announce that the Company has received further excellent results from auger drilling testing the southern extension to the Três Estradas project located in the state of Rio Grande do Sul in southern Brazil.

The Company has completed detailed programs of mapping, rock, soil and auger drill sampling to delineate the dimensions of the Três Estradas carbonatite for follow up programs of drill testing. Mineralised carbonatite host rocks have now been delineated extending for a further 1,400 metres totalling a 2.5 km strike-extension of mineralized carbonatite. (Figure 1).

To date 145 shallow scout auger drillholes on 100 metre spaced lines have been completed. (Figure 2). These have been logged and samples from a selection of holes that have successfully intersected carbonatite host rock and zones of adjacent amphibolite have been submitted for assay.

This release reports the results from an additional 31 holes with assays returning significant intersections from near surface and grades in line with the Três Estradas JORC compliant resource (Table 2).

This drilling covers a significant length of strike of carbonatite, and will help in planning upcoming resource definition drilling programmes. Together with the recent Joca Tavares discovery management believe the projects located in Rio Grande do Sul have the potential to form a solid basis for future project development opportunities including a potential early start up and cash flow.

Figure 1: Três Estradas – Ground Magnetics Image, Interpreted Outline of Carbonatite, Outline of Current JORC-Compliant Resource and Outline of Interpreted Potential for Additional Resources

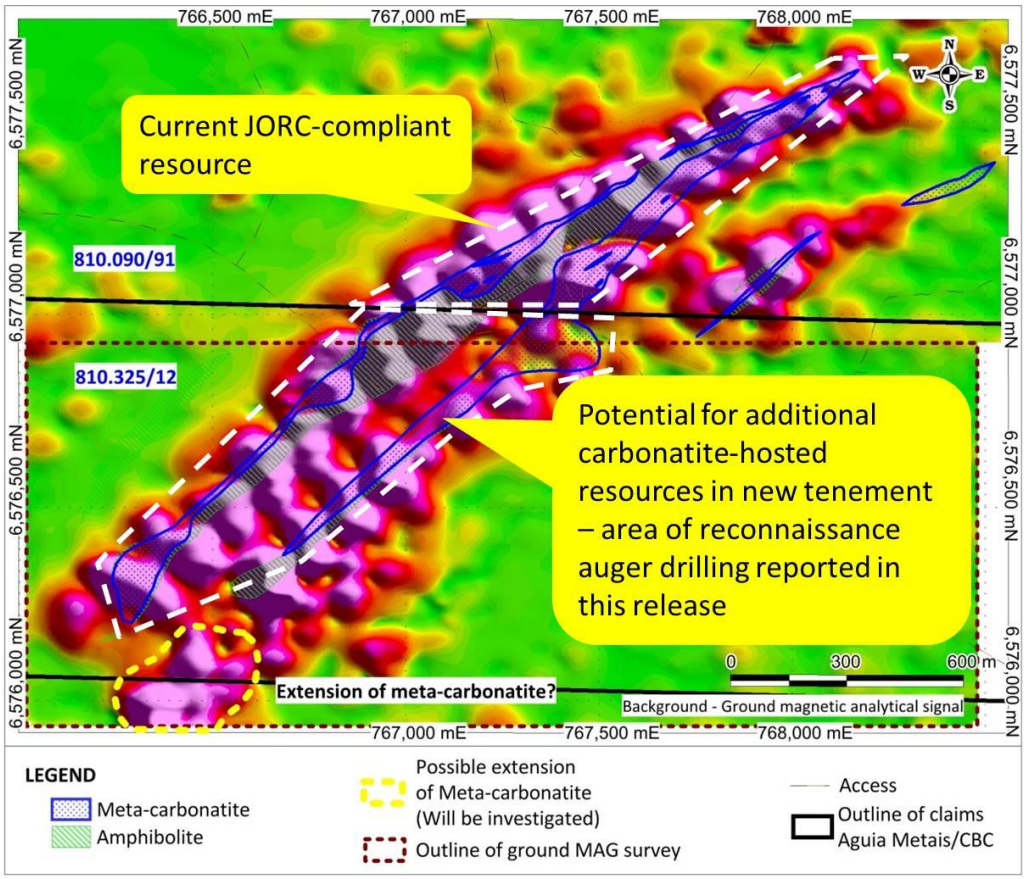
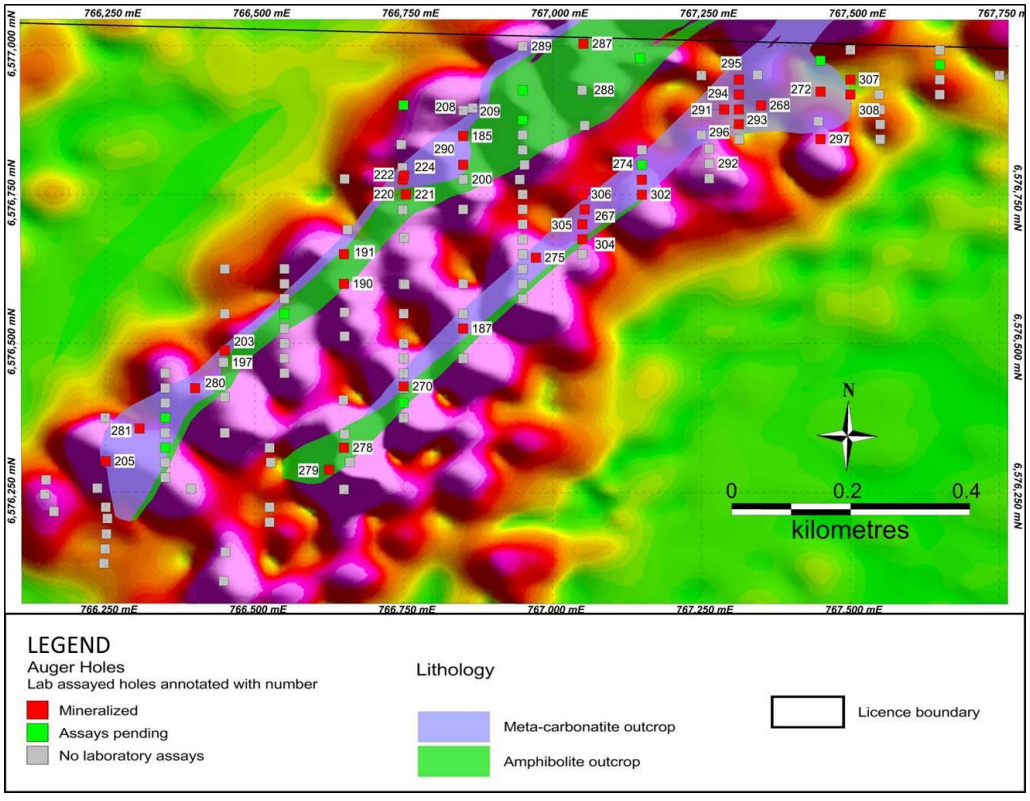


Figure 2: Três Estradas South – Location of auger holes and significant intercepts extending 1.4 kilometres southwest of the current JORC-Compliant Resource



Both the Três Estradas and Joca Tavares projects represent significant new phosphate discoveries with characteristics similar to existing producers in Brazil. Importantly, the grade and mineralogy is similar to that of other operating mines globally including Yara's Siilinjärvi mine in Finland and Vale's Cajati mine in Brazil, both of which produce a high quality concentrate from phosphate within carbonatite host rocks.

Table 1: Comparative Phosphate (P_2O_5) Deposits Within Carbonitite Hosted Rocks[1]

Name of Deposit	Location	Tonnage (Mt)	Head Grade	Recovery	Concentration Grade	Stage
Siilinjärvi (Yara)	Finland	465	4.0%	84%	35%	Production
Cajati (Vale)	Brazil	100	5.5%	78%	36%	Production
Três Estradas (Aguia)	**Brazil**	**29**[2]	**4.3%**	**65-83%**	**31-36%**[3]	**Exploration / Development**

Notes

1. JSA Consultoria e Assessoria Técnica, Company data
2. JORC-compliant resource calculated from 40% of potential target length and to 100 metres depth. This includes 9.6Mt @ 4.96% P_2O_5 indicated and 18.9Mt @ 3.88% P_2O_5 inferred resources.
3. Based on preliminary beneficiation test work, optimisation test work underway

Figure 3: Location of Rio Grande Phosphate Projects and Vale Cajati Phosphate Mine, SE Brazil

The three southern States of Rio Grande do Sul, Santa Catarina and Paraná currently consume over 1 million tonnes P_2O_5[1] or almost 30% of Brazilian consumption, however there are currently no producing phosphate mines in the region.

The Três Estradas, Joca Tavares and other Aguia projects will be logistically advantaged to supply the region compared with phosphate mined in Minas Gerais and Goias and imports.

Next Steps

Finalisation and further assays from the auger drilling program will be used in designing a delineation drilling program to significantly expand the current resource. Through successful programs of resource expansion and further beneficiation test work the Company will then embark on a Scoping Study.

– ENDS –

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[1] = Data Source: ANDA, 2011 consumption data.

Table 2: Três Estradas South Auger Assay Results.

HOLE_ID	UTM_E	UTM_N	RL (m)	Lithology	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE (P_2O_5%)
TET-13-185	766850	6576848	357	Meta-carbonatite	2.65	0.00	2.65	**2.65**	**7.08**
TET-13-187*	766850	6576525	362	Meta-Carbonatite	10.00	0.00	10.00	**10.00**	**12.60**
					Includes	4.00	10.00	**6.00**	**15.15**
TET-13-190	766650	6576600	345	Amphibolite	7.00	2.00	5.00	**3.00**	**3.40**
TET-13-191	766650	6576650	345	Amphibolite	3.00	1.00	3.00	**2.00**	**4.37**
TET-13-197	766448	6576468	332	Amphibolite	2.50	Not Mineralised			
TET-13-200	766850	6576775	361	Amphibolite	2.00	Not Mineralised			
TET-13-203	766450	6576488	331	Meta-carbonatite	2.60	0.00	2.60	**2.60**	**5.73**
TET-13-205	766250	6576302	325	Meta-carbonatite	0.50	0.00	0.50	**0.50**	**3.75**
TET-13-208	766850	6576891	351	Amphibolite	1.70	Not Mineralised			
TET-13-209	766866	6576895	357	Amphibolite	2.00	Not Mineralised			
TET-13-220	766749	6576724	346	Amphibolite	3.00	Not Mineralised			
TET-13-221	766754	6576750	348	Amphibolite	2.00	0.00	2.00	**2.00**	**3.44**
TET-13-222	766749	6576775	352	Meta-carbonatite	1.00	0.00	1.00	**1.00**	**6.02**
TET-13-224	766751	6576782	355	Meta-carbonatite	1.70	0.00	1.70	**1.70**	**3.54**
TET-13-267*	767050	6576700	374	Meta-Carbonatite	16.00	0.00	16.00	**16.00**	**14.40**
					Includes	8.00	14.00	**6.00**	**20.05**
TET-13-268*	767350	6576900	362	Meta-Carbonatite	15.00	0.00	15.00	**15.00**	**10.39**
					Includes	8.00	10.00	**2.00**	**16.50**
TET-13-270*	766750	6576428	358	Meta-Carbonatite	6.00	1.00	6.00	**5.00**	**9.57**
TET-13-272*	767450	6576923	361	Meta-Carbonatite	11.00	7.00	11.00	**4.00**	**6.36**
TET-13-274*	767150	6576775	374	Meta-Carbonatite	15.00	0.00	15.00	**15.00**	**12.97**
					Includes	12.00	14.00	**2.00**	**21.37**
TET-13-275*	766972	6576644	364	Meta-Carbonatite	7.90	0.00	7.90	**7.90**	**7.18**
					Includes	2.00	5.00	**3.00**	**9.84**
TET-13-278*	766650	6576325	344	Amphibolite	6.00	4.00	6.00	**2.00**	**3.39**
TET-13-279*	766625	6576288	346	Amphibolite	6.00	1.00	6.00	**5.00**	**4.26**
TET-13-280*	766400	6576425	326	Meta-Carbonatite	4.90	2.00	4.90	**2.90**	**4.69**
TET-13-281	766307	6576357	334	Meta-Carbonatite	2.50	0.00	2.50	**2.50**	**4.59**
TET-13-287	767052	6577003	356	Meta-Carbonatite	6.00	1.00	6.00	**5.00**	**4.74**
TET-13-288	767050	6576925	363	Amphibolite	5.00	Not Mineralised			
TET-13-289	766950	6576999	345	Gneiss	8.00	Not Mineralised			
TET-13-290	766850	6576800	361	Meta-Carbonatite	4.00	1.00	4.00	**3.00**	**3.75**
TET-13-291	767288	6576893	374	Meta-carbonatite	12.95	5.00	12.95	**7.95**	**12.00**
TET-13-292	767263	6576802	364	Gneiss	12.00	Not Mineralised			
TET-13-293	767313	6576893	371	Amphibolite	14.50	4.00	10.00	**6.00**	**5.66**
					And	13.00	14.00	**1.00**	**3.17**

HOLE_ID	UTM_E	UTM_N	RL (m)	Lithology	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE (P_2O_5%)
TET-13-294	767313	6576918	372	Meta-Carbonatite	18.00	2.00	18.00	**16.00**	**8.48**
					Includes	9.00	17.00	**8.00**	**10.33**
TET-13-295	767313	6576943	368	Meta-Carbonatite	14.00	2.00	14.00	**12.00**	**9.77**
					Includes	5.00	10.00	**5.00**	**11.14**
					Includes	12.00	14.00	**2.00**	**12.50**
TET-13-296	767313	6576868	369	Amphibolite	12.80	7.00	8.00	**1.00**	**3.01**
TET-13-297	767450	6576843	363	Amphibolite	8.00	7.00	8.00	**1.00**	**3.63**
TET-13-302	767150	6576750	364	Amphibolite	5.50	2.00	3.00	**1.00**	**3.06**
TET-13-304	767050	6576675	368	Amphibolite	4.50	1.00	4.00	**3.00**	**3.09**
TET-13-305	767054	6576725	371	Amphibolite	15.00	5.00	15.00	**10.00**	**4.58**
					Includes	5.00	9.00	**4.00**	**6.16**
TET-13-306	767050	6576750	372	Gneiss	9.00		Not Mineralised		
TET-13-307	767050	6576943	361	Meta-Carbonatite	7.00	1.00	5.00	**4.00**	**7.90**
TET-13-308	767500	6576918	362	Meta-Carbonatite	10.00	0.00	10.00	**10.00**	**10.60**

- All holes are vertical, and drilled by hand-held powered auger to refusal
- Holes are sampled at 1m intervals, with bottom samples shorter where the hole depth is not a full metre value.
- Samples are assayed by lithium tetraborate fusion XRF using method XRF79C_10 at SGS Geosol Laboratories.
- Intersections are calculated using length-weighted assay values generally at 3.0% and 10% downhole cutoffs.
- * - Results released previously on August 23, 2013

JORC Code Competent Person Statements

The Três Estradas Phosphate Project has a current JORC compliant inferred and indicated mineral resource of 28.49Mt @ 4.25% P_2O_5 (total initial contained phosphate of 1.21Mt P_2O_5). This includes indicated resources of 9.59Mt @ 4.96% P_2O_5 and inferred resources of 18.90Mt @ 3.88% 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.