28th October 2013

SEPTEMBER 2013 QUARTERLY REPORT

Aguia Resources Limited (ASX**: AGR**) ("Aguia" or "Company") is pleased to present its September 2013 quarterly activities report.

Milestones

During the September 2013 quarter, Aguia achieved a number of significant milestones including:

- Excellent ongoing high grade phosphate auger drilling results from the Joca Tavares prospect with intersections of up to **9.0 metres grading 11.5% P_2O_5** from surface
- Excellent initial high grade phosphate auger drilling results from the Três Estradas South prospect, with intersections of up to **16.0 metres grading 14.4% P_2O_5** from surface
- Completed placements totalling 35.8 million new ordinary shares **to raise $1.79 million** and successful completion of an oversubscribed Share Purchase Plan, which raised an additional **$600,000** through the issue of 12 million new ordinary shares.

Summary

Phosphate

The granting of the Joca Tavares and Três Estradas South tenements last quarter will allow the Company to potentially further expand the JORC compliant mineral resource[1] of 28.5M tonnes at 4.3% P_2O_5[2].

During the quarter the Company commenced an initial auger drilling programme at Três Estradas South and carried out further auger drilling at Joca Tavares.

This initial auger drilling at Três Estradas South has returned excellent results, including:

- **16.0 metres grading 14.4% P_2O_5 from surface (hole ended in mineralisation)**
  - **Includes 6.0 metres @ 20.1% P_2O_5**
- **15.0 metres grading 13.0% P_2O_5 from surface (hole ended in mineralisation)**
  - **Includes 2.0 metres @ 21.4% P_2O_5**
- **15.0 metres grading 10.4% P_2O_5 from surface (hole ended in mineralisation)**
- **10.0 metres grading 12.6% P_2O_5 from surface (hole ended in mineralisation)**
  - **Includes 6.0 metres @ 15.2% P_2O_5**

[1] See Aguia Resources Ltd, ASX release of 28th February 2013.
[2] SRK Consulting: Cut-off of 3.0% P_2O_5.

The ongoing auger drilling at Joca Tavares also returned excellent results, including:

- **9.0 metres grading 11.5% P_2O_5 from surface (hole ended in mineralisation)**
- **3.8 metres grading 13.7% P_2O_5 from surface (hole ended in mineralisation)**
- **3.5 metres grading 12.1% P_2O_5 from surface (hole ended in mineralisation)**
- **2.0 metres grading 12.8% P_2O_5 from surface (hole ended in mineralisation)**

The Company has also carried out reconnaissance work over a number of other targets within the Rio Grande Project area that comprises of an extensive land package of over 860 square kilometres.

Potash

At the Atlantic potash project, adjacent to Brazil's only operating potash mine (within the Sergipe Basin), the Company is continuing a review of the project for planning purposes.

Corporate

During the quarter the Company raised a total of $2,396,500 before costs through the issuing of new ordinary shares.

This included a placement of 33,760,000 ordinary shares raising $1,688,000 before costs. The Placement was well supported by a number of new and existing sophisticated and professional investors. Subsequent to this a further 2,170,000 ordinary shares were placed raising $108,500.

The Company also undertook a Share Purchase Plan to shareholders. This was oversubscribed, and raised $600,000 through the issue of 12,000,000 new ordinary shares.

The funds raised will be used to supplement the Company's existing working capital and to further advance the Rio Grande phosphate projects in southern Brazil.

Near Term Focus

The Company will continue its efforts to commercialise its flagship Rio Grande phosphate project through resource expansion, scoping of the high grade oxide zone and further phosphate beneficiation optimisation test work.

The Três Estradas resource remains open to the southwest within the adjacent tenement that contains an additional 1.4 kilometres of outcropping carbonatite host rocks and there is significant potential to upgrade the size of the resource through further drilling.

The Joca Tavares project is located 41 kilometres east-south-east from the Três Estradas project and work by the Company has outlined carbonatite and carbonatite breccia over an area of 1350m x 400m with excellent first pass auger drilling results.

At the end of the quarter continued programs of shallow auger drilling were underway at Três Estradas South.

For further information, please contact:

Simon Taylor
Managing Director

T +61 2 9247 3203
E staylor@aguiaresources.com.au

About Aguia

Aguia is focused on the exploration and development of 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 three 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.

Phosphate Projects

Rio Grande Projects

Aguia has a large landholding in the area that includes an exclusive option to acquire 100 per cent of the Três Estradas and Joca Tavares carbonatite style phosphate projects from Companhia Brasileira do Cobre ("CBC") and an additional 13 projects that it has acquired in its own right.

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 over 1 million tonnes P_2O_5[3] 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.

Brazil is heavily reliant on imports for approximately 50 per cent of its phosphate needs.

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

The Três Estradas project represents a significant new phosphate discovery with characteristics similar to existing producers in Brazil. Importantly, 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 from 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**	**28.5**[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

[3] = Data Source: ANDA, 2012 consumption data.

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 Três Estradas beneficiates to a commercial grade.

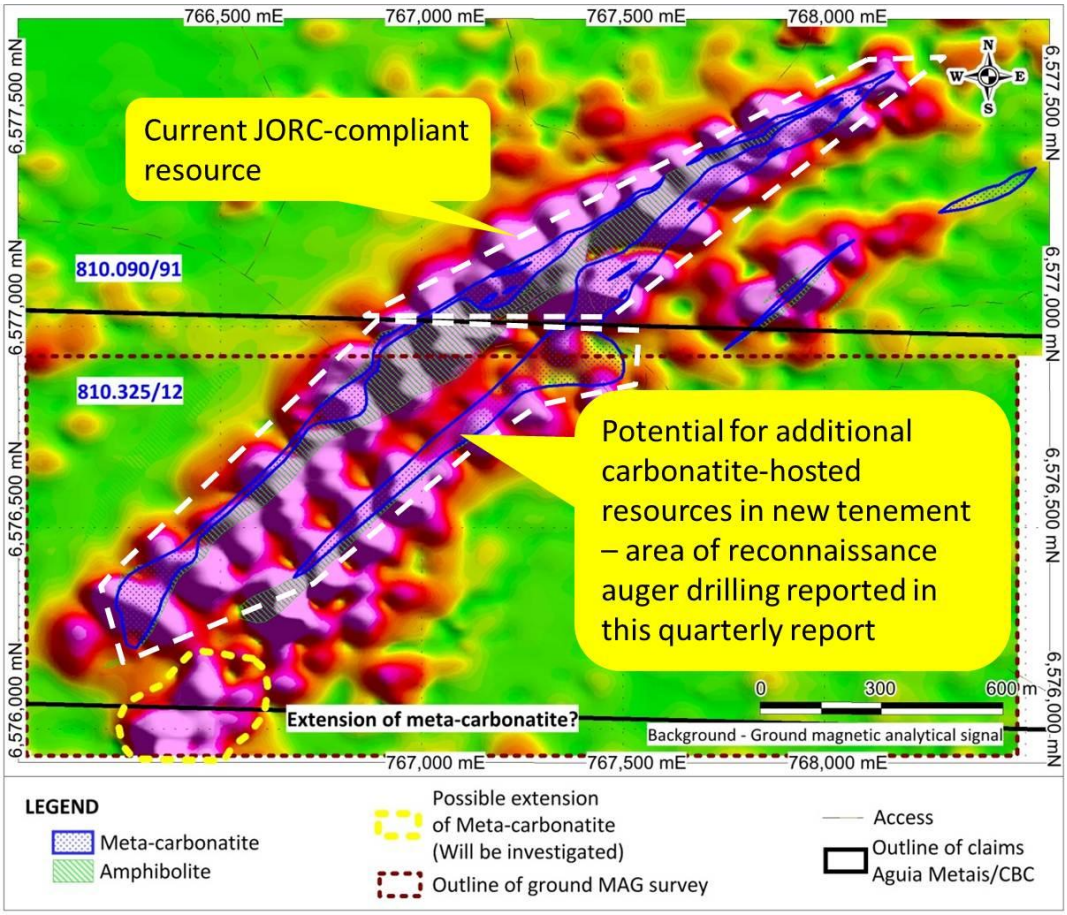
Três Estradas Project

Following the granting of the Três Estradas South tenement at the Três Estradas phosphate project the Company has now commenced auger drilling to help plan future resource definition drilling programmes to expand the current JORC-compliant resource. This follows on from recently completed soil and rock sampling, geological mapping and a ground magnetics survey over the extent of the carbonatite.

As seen in Figure 2 below, the current resource remains open to the southwest within the new tenement that contains an additional 1.4 kilometres of outcropping carbonatite host rocks with significant potential to upgrade the size of the resource. When considered with the positive results of the initial metallurgical test work, which is comparable to other producing Brazilian mines, the Company believes that the project has the potential to develop into a robust operation.

As announced previously the Company completed an upgrade to the JORC compliant resource to 28.5Mt @ 4.3% P_2O_5 (including 9.6Mt @ 4.96% P_2O_5 indicated and 18.9Mt @ 3.88% P_2O_5 inferred resources), a 34% increase on tonnage from the maiden resource. This includes a JORC-compliant higher grade oxide zone from surface of 1.65Mt @ 10.5% P_2O_5, (including 1.28Mt @ 10.74% P_2O_5 indicated and 0.37Mt @ 9.79% P_2O_5 inferred resources). This upgrade was prepared by leading independent global consulting company SRK and is reported within a conceptual pit shell at a cut-off grade of 3.0**%** P_2O_5 and extends to 200m below surface.

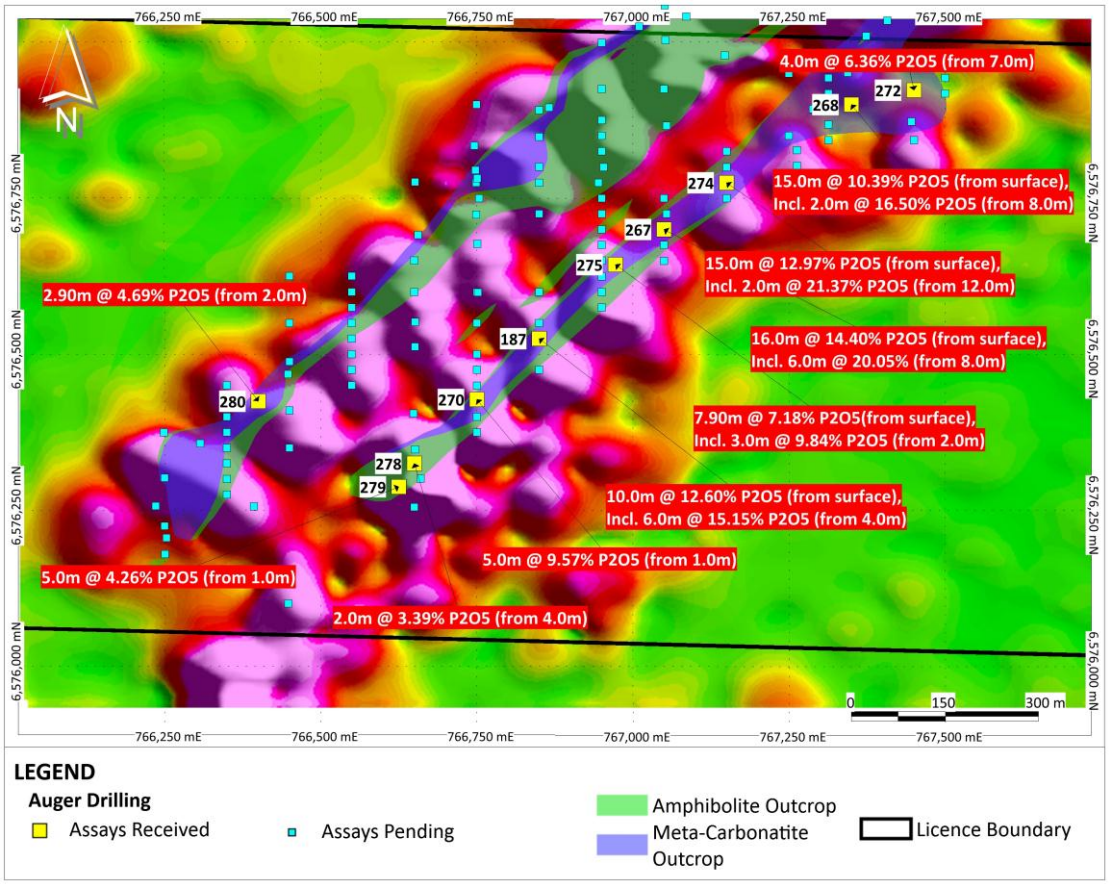
Figure 2: Três Estradas Project In-Pit Resource Outline and Untested Extension Zones



The Company has drilled shallow auger drill holes to refusal to better define the carbonatite zones with results of this work to be used to plan upcoming reverse circulation drilling to test the oxide potential of the southern extension.

Results of the shallow auger drilling to date are shown in Figure 3 and Table 2.

Figure 3: Três Estradas South – Location of auger holes and significant intercepts extending 1.4 kilometres southwest of the current JORC-Compliant Resource



Joca Tavares

The Joca Tavares project is located 41 kilometres east-south-east from the Três Estradas project (Figure 1). No systematic exploration has been conducted since its discovery by the Companhia de Pesquisa de Recursos Minerais (“CPRM”, the Brazilian Geological Survey).

The tenement covering the carbonatite was granted during the previous quarter and the Company has now completed detailed programs of ground magnetic surveys, mapping, rock and soil sampling, with ongoing auger drill sampling to delineate the dimensions of the Joca Tavares carbonatite for follow up programs of reverse circulation drill testing (Figures 4 and 5).

To date 41 shallow auger drillholes on four 100 metre spaced lines have been completed. Assays have been received from 26 of these holes with 19 returning significant intersections of phosphate mineralisation from surface at similar grades to Três Estradas and Três Estradas South (Figure 5, Table 2).

Joca Tavares has not been previously drill tested and these early results indicate phosphate bearing carbonatite host rock is present over an extensive area. All the holes were drilled to refusal and mineralisation is open at depth.

Figure 4: Ground magnetic image of Joca Tavares, interpreted outline of carbonatite, soil and rock chip assay results

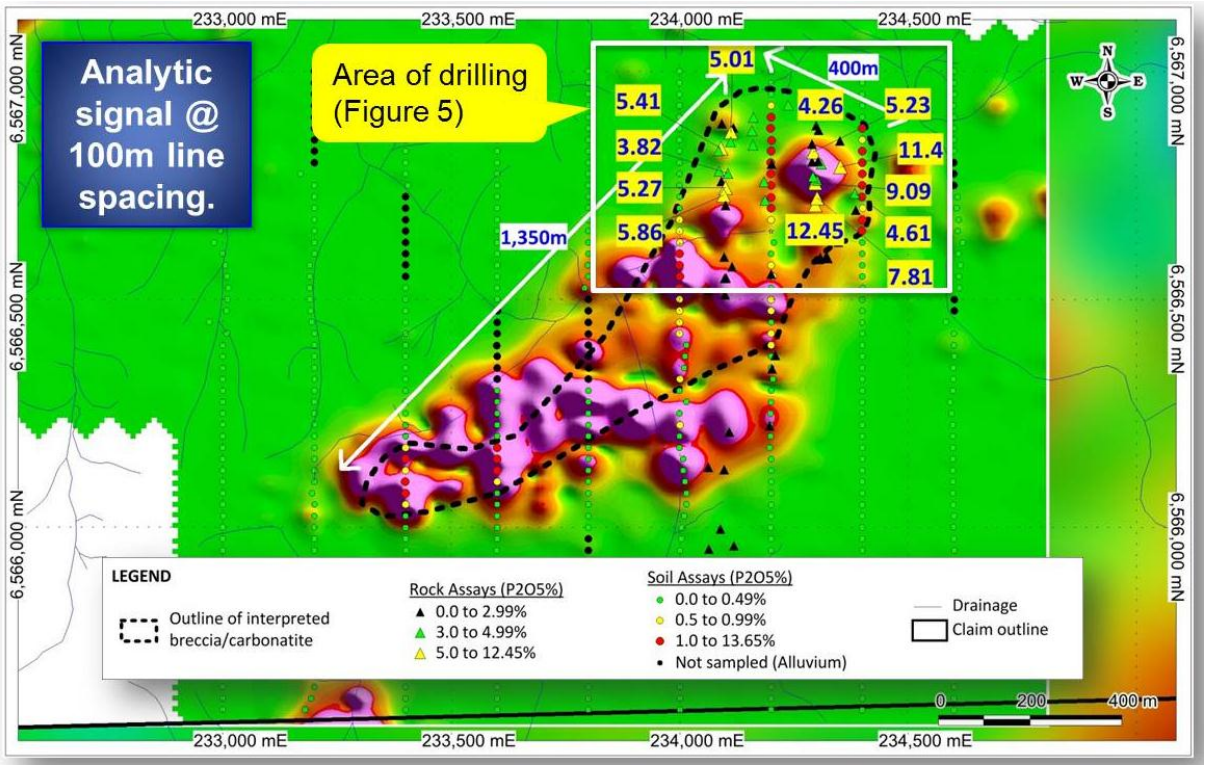


Figure 5: Joca Tavares - Ground magnetic image, location of auger drilling and phosphate assay results

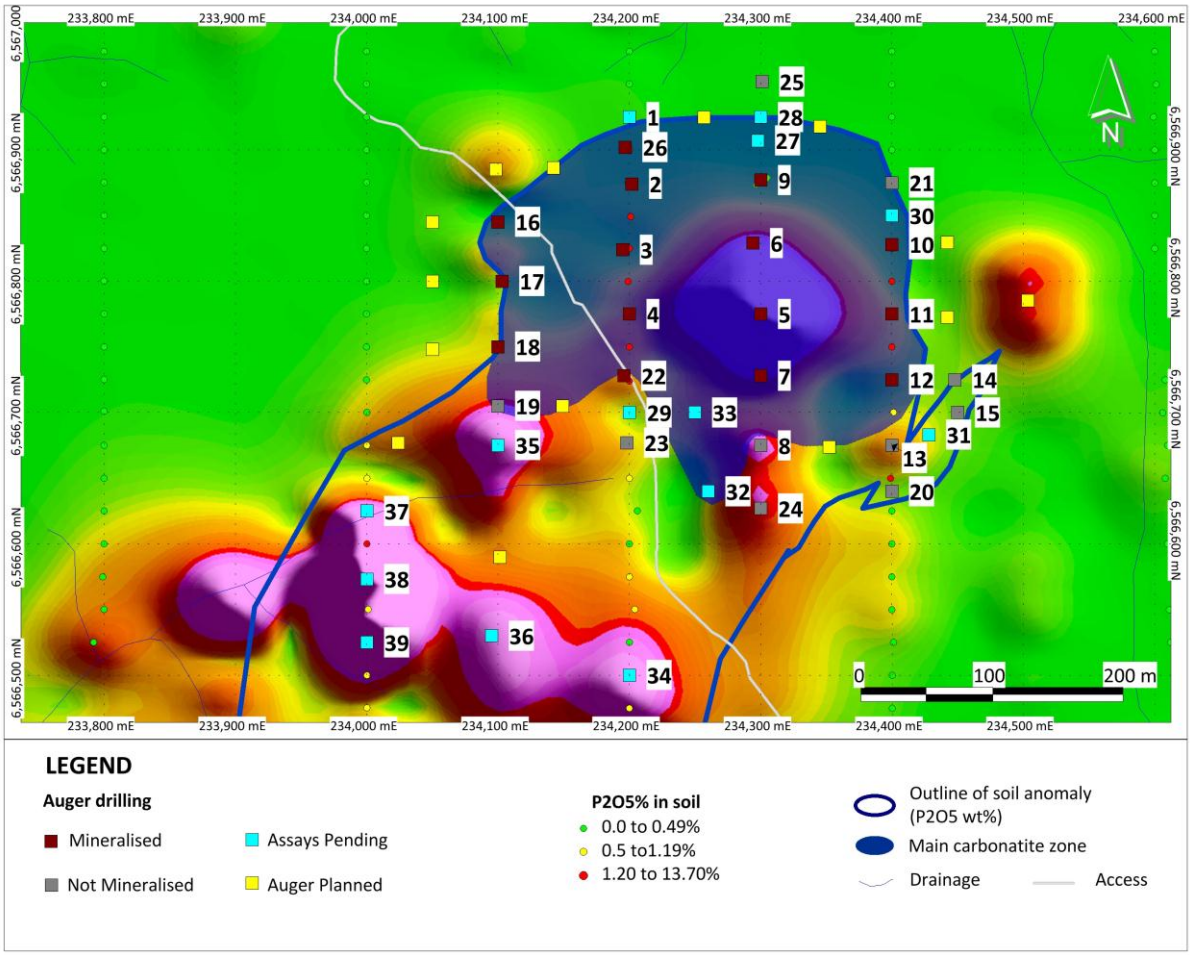


Figure 6: Photos of phosphate bearing carbonatite outcropping at surface – drilling target

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%. 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 company called Aguia Fertilizers 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.

Lucena Phosphate Project ("LPP")

The Lucena Phosphate Project contains an initial JORC compliant Inferred Mineral Resource of 55Mt grading 6.42% P_2O_5 in the state of Paraiba in north eastern Brazil.

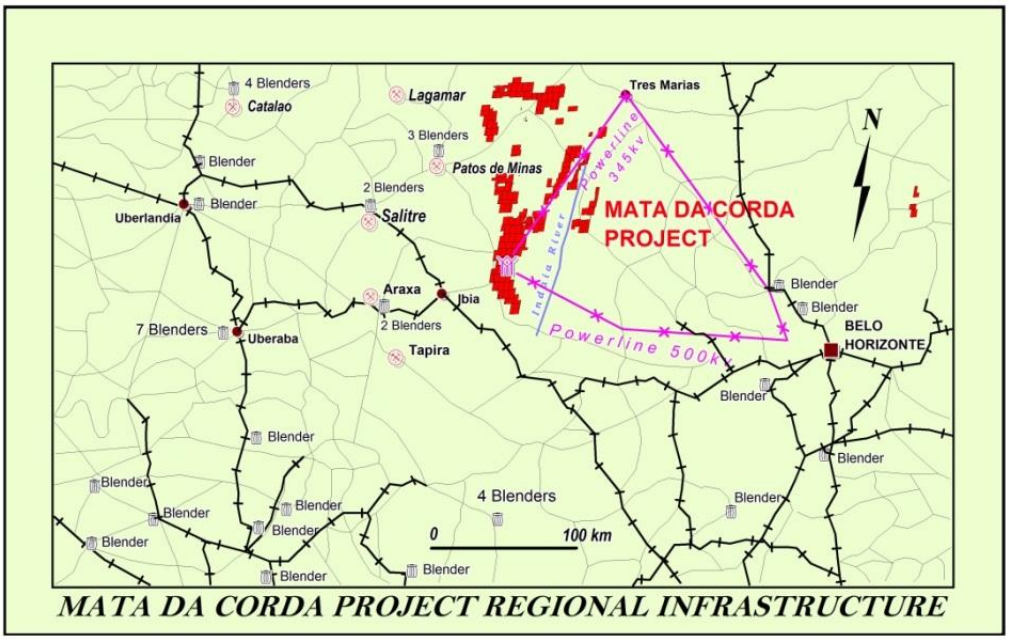
This resource was based on drilling carried out from August 2011 to October 2012 in which Aguia completed 49 core drill holes in two separate drilling campaigns, 40 of which were used to estimate the JORC compliant mineral resource. The details of the resource estimate can be found in the SRK memo in the Company's announcement lodged with ASX on 8 April 2013.

Mata da Corda Phosphate Project ("MCPP")

MCPP is held in a joint venture with Vincenza Mineração e Participações S.A. ("Vincenza") who is the operator and has an option to acquire 70% of the project.

The MCPP is located within 150 kilometres of the four largest phosphate mines in Brazil; Vale's Araxá (290Mt resource @ 14.9% P_2O_5), Tapira mines (744Mt @ 8.4% P_2O_5), Catalão mines (224Mt @ 8.96% P_2O_5) and Anglo American's Catalão mine (257Mt @ 7.43% P_2O_5). These four mines account for 84% of the installed capacity for phosphate rock production in Brazil and over 90% of current proven reserves. Within this existing transportation corridor there are 32 major bulk fertiliser blenders (Figure 8).

Figure 7: Location of the Mata da Corda Project Relative to Operating Phosphate Mines, Major Fertiliser Bulk Blenders and Infrastructure including Roads, Railways, Power and Water



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

Potash Projects

Atlantic Potash Project

During the quarter the Company has continued to review data from historic work to aid in planning future activities on the project.

Proceedings (as announced previously) against Aguia's subsidiary Potassio do Atlantico Ltda (PAL) taken out by Prest Performance Services Limitada ("Prest") on 20th June 2013 regarding an alleged breach of a drilling contract are still yet to be heard before the courts.

As noted in the Company's previous announcement, the Company believes that PAL has acted appropriately at all times and is not in breach of the contract and both PAL and the Company will vigorously defend the action. The Company will update the market when further information comes to hand.

Corporate

New Share Issues

On the 3rd July 2013 the Company completed a placement of 33,760,000 new ordinary shares raising $1,688,000 before costs. The Placement was well supported by a number of new and existing sophisticated and professional investors. Following this, the Company also placed a further 2,170,000 ordinary shares, raising $108,500 before costs.

The Company also raised $600,000 through the issue of 12,000,000 ordinary shares in an oversubscribed Share Purchase Plan to shareholders

The funds raised, of $2,390,000 before costs, will be used to supplement the Company's existing working capital and to further advance the Rio Grande phosphate projects in southern Brazil.

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 Lucena Phosphate Project has a current JORC compliant inferred mineral resource of 55.1Mt grading 6.42% P_2O_5

The information in this report relating to exploration results, mineral resources or ore reserves is based on information provided to Mr Mark Gordon by Aguia Resources Limited. Mr Gordon is an independent consultant geologist and is a member of the Australian Institute of Mining and Metallurgy (CPGeo) and Australian Institute of Geoscientists. Mr Gordon has the relevant qualifications and 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). Mr Gordon consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.

Appendix

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-13-187	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-13-267	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**

- 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.

Table 3: Joca Tavares Auger Sampling Results

HOLE_ID	UTM_E	UTM_N	RL (m)	Lithology	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE (P_2O_5%)
JTT-13-001	234200	6566925	257	Metasiltstone	4.50		Not Mineralised		
JTT-13-002	234202	6566874	261	Carbonatite	6.40	0.00	6.40	**6.40**	**8.21**
					Includes	4.00	6.40	**2.40**	**12.62**
JTT-13-003	234195	6566824	275	Carbonatite	14.70	0.00	14.70	**14.70**	**10.82**
					Includes	4.00	14.70	**10.70**	**12.73**
					Includes	11.00	14.70	**3.70**	**14.20**
JTT-13-004	234200	6566775	262	Carbonatite	5.50	0.00	5.50	**5.50**	**7.70**
					Includes	2.00	5.50	**3.50**	**9.92**
JTT-13-005	234300	6566775	259	Carbonatite	3.50	0.00	3.50	**3.50**	**12.08**
JTT-13-006	234294	6566829	244	Carbonatite	2.00	0.00	2.00	**2.00**	**12.75**
JTT-13-007	234300	6566728	262	Metasiltstone/ Carbonatite	2.80	0.00	2.80	**2.80**	**8.76**
JTT-13-008	234300	6566675	253	Breccia	3.50		Not Mineralised		
JTT-13-009	234300	6566877	245	Metasiltstone w/ carb soil	10.00	0.00	2.00	**2.00**	**4.28**
JTT-13-010	234400	6566828	237	Metasiltstone w/ carb soil	4.50	0.00	2.00	**2.00**	**6.12**
JTT-13-011	234400	6566775	240	Metasiltstone w/ carb soil	6.00	0.00	1.00	**1.00**	**3.42**
JTT-13-012	234400	6566725	244	Carbonatite	3.40	0.00	3.40	**3.40**	**4.83**
JTT-13-013	234400	6566675	241	Breccia	2.60		Not Mineralised		
JTT-13-014	234448	6566725	239	Metasiltstone	3.20		Not Mineralised		
JTT-13-015	234450	6566700	233	Metasiltstone	4.00		Not Mineralised		
JTT-13-016	234100	6566845	262	Carbonatite	9.00	0.00	9.00	**9.00**	**11.53**
JTT-13-017	234103	6566800	265	Carbonatite	2.80	0.00	2.80	**2.80**	**7.48**
JTT-13-018	234100	6566750	259	Carbonatite	4.60	0.00	4.60	**4.60**	**8.15**
JTT-13-019	234100	6566705	250	Metasiltstone	6.00		Not Mineralised		
JTT-13-020	234400	6566640	240	Breccia	4.00		Not Mineralised		
JTT-13-021	234400	6566875	259	Metasiltstone	5.00		Not Mineralised		
JTT-13-022	234196	6566728	250	Carbonatite/ breccia	6.00	5.00	6.00	**1.00**	**5.16**
JTT-13-023	234198	6566677	246	Breccia	4.60		Not Mineralised		
JTT-13-024	234300	6566627	247	Metasiltstone	3.00		Not Mineralised		
JTT-13-025	234301	6566952	247	Metasiltstone	8.00		Not Mineralised		
JTT-13-026	234197	6566902	260	Carbonatite	3.80	0.00	3.80	**3.80**	**13.71**

- All holes are vertical, and drilled with a powered hand-held 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 laboratories.
- Intersections are calculated using length-weighted assay values generally at 3% and 10% downhole cutoffs.
- Results from holes JTT-13-001 to JTT-13-004 previously released to the market on June 21, 2013.