

13 November 2014

## DIAMOND AND REVERSE CIRCULATION DRILLING TO COMMENCE ON RIO GRANDE PHOSPHATE PROJECT, BRAZIL

**Sydney, Australia, 13 November 2014: Aguia Resources Limited (ASX: AGR) (Company)** is pleased to announce that the Company has commenced diamond and reverse circulation (“RC”) drilling at the Três Estradas South tenement located within the Rio Grande Phosphate Project in southern Brazil (Figures 1 and 2).

The program will include approximately 3,000m of diamond and 1,000m of RC drilling, and is designed to expand the existing Três Estradas resource, located within the Três Estradas tenement immediately to the north. RC drilling is expected to take one month to complete, with diamond drilling expected to be completed in three months. Results will be announced as they are received throughout the program.

Três Estradas South forms the south-west strike extension of the current Três Estrada in-pit resource of 30.5M tonnes grading 4.3% P<sub>2</sub>O<sub>5</sub><sup>1</sup>, which includes indicated resources of 9.9M tonnes @ 5.03% P<sub>2</sub>O<sub>5</sub> and inferred resources of 20.6M tonnes @ 3.94% P<sub>2</sub>O<sub>5</sub>. An exploration target of between 13 and 27 million tonnes, grading at between 3.56 and 4.84% P<sub>2</sub>O<sub>5</sub> has been defined for the Três Estradas South tenement. This assumes a strike extension of between 0.5 and 1.0km to the SW from the existing Três Estradas resource.

The reader is cautioned that the quantities and grade estimates for the exploration target should not be misconstrued with a Mineral Resource Statement. Furthermore, the reader is cautioned that the potential quantity and grade estimates are conceptual in nature; that there has been insufficient exploration to define a mineral resource; and that it is uncertain if further exploration will result in the determination of a mineral resource.

The Company has also initiated a new round of bench scale testwork to optimize the flotation circuit, with testing to be carried out at SGS Lakefield Canada. Results of this testwork, as well as the updated mineral resource will be incorporated into a Preliminary Economic Assessment (“PEA”) for the project. The current Conceptual Mining Study (news release dated September 16, 2014) will be updated to provide the basis for the capital and operating cost estimates for the PEA.

In addition, Joca Tavares (Figure 3) is located 41 kilometres east-south-east from the Três Estradas project with Aguia carrying out the only systematic work since its discovery by the Companhia de Pesquisa de Recursos Minerais (“CPRM”, the Brazilian Geological Survey). Joca Tavares, like Três Estradas, is carbonatite-hosted apatite mineralisation and it is planned to drill it later as part of the overall exploration program in that region.

The Três Estradas South and Joca Tavares tenements were granted in May 2013, and work to date has included geochemical sampling, geological mapping, ground magnetic surveying and auger drilling. As announced previously results of the auger drilling have been very encouraging, returning grades and lengths in oxide drilling at both Três Estrada South and Joca Tavares that are similar to those initially identified at Três Estradas. The mineralised auger drill holes were drilled to refusal, ending in mineralisation at both locations.

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<sup>1</sup> SRK Consulting: Cut-off of 3.0% P<sub>2</sub>O<sub>5</sub>, as announced in March 2014 Quarterly Report

Dr. Fernando Tallerico, Agua's Technical Director said "We are looking forward to the results of this drilling campaign and we believe that there is excellent potential to significantly increase the resource base of the Rio Grande Project. Work to date over Três Estradas South gives strong indications that the results of this programme will compare favourably to those from Três Estradas".

Managing Director Mr Prakash Hariharan added, "Positive results from this work should feed into a robust PEA based on the initial engineering work that we have done in relation to the Três Estrada deposit, which is located in an area of high phosphate demand, but entirely dependent upon external supply. The upcoming work, in addition to the recently announced Cerro Preto phosphorite discovery has the potential to significantly expand the already strong base formed by the Três Estradas resource. We will be providing updates on the drill program accordingly".

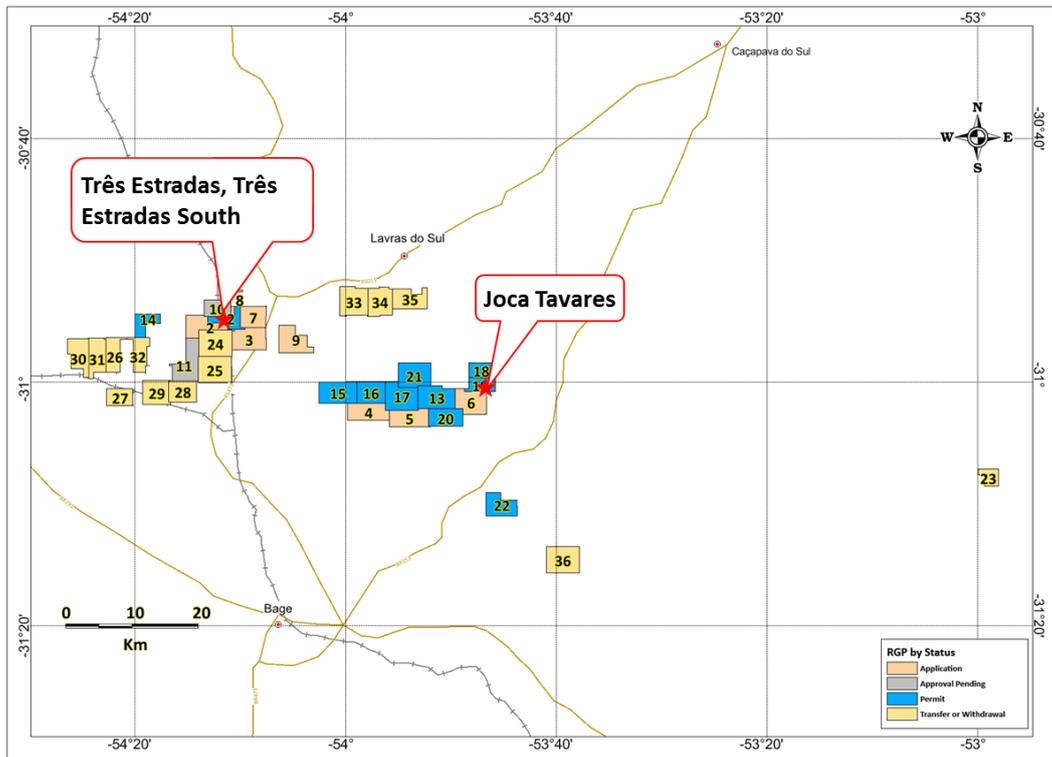


Figure 1 – Regional location map showing the Três Estradas and Joca Tavares carbonatites.

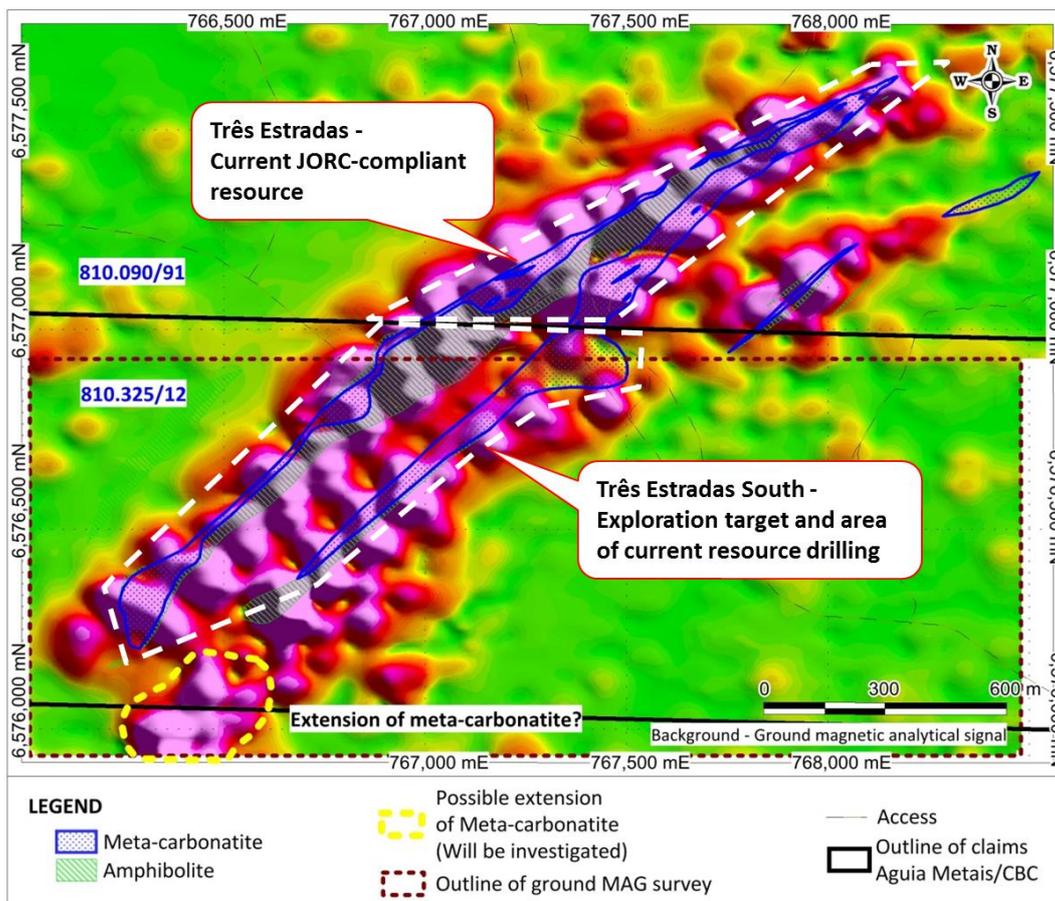
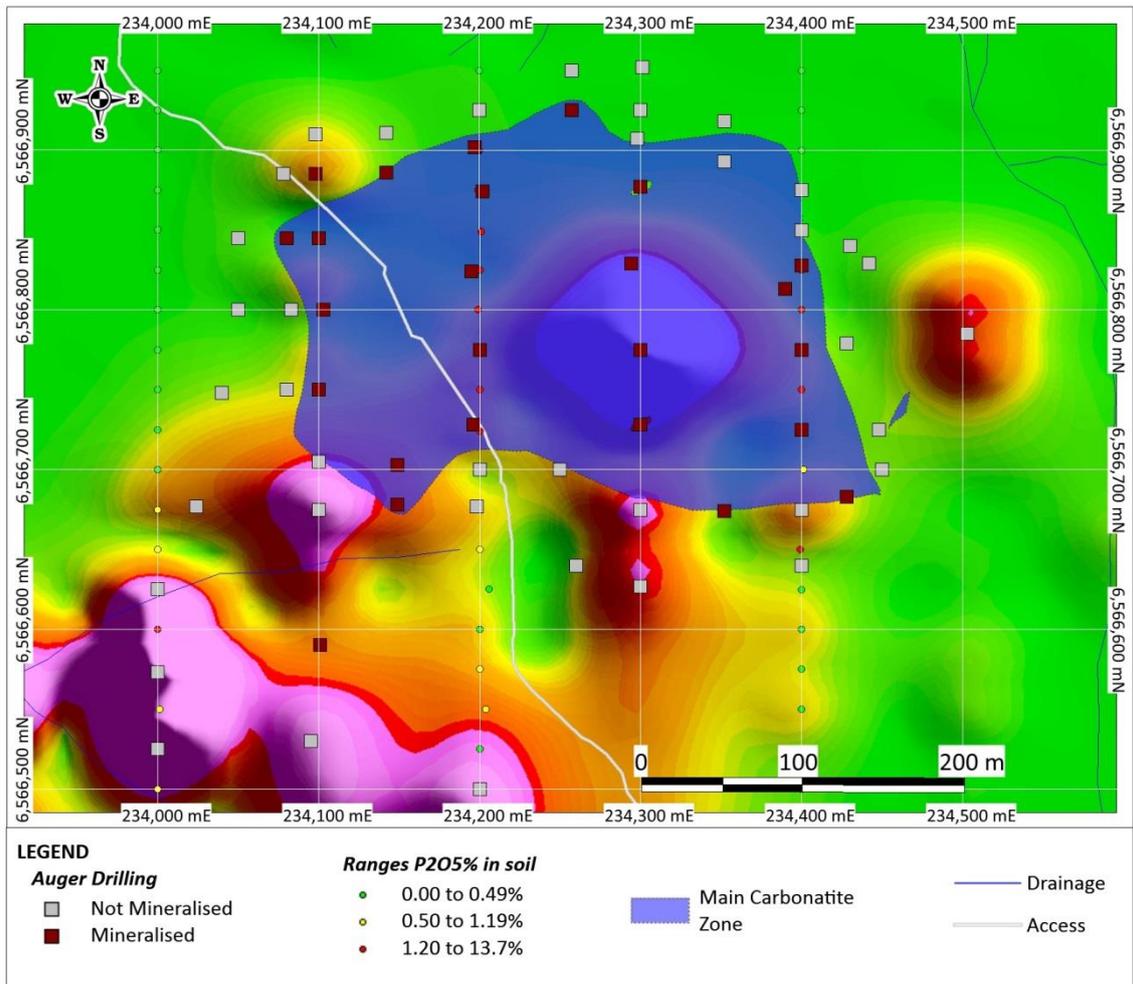


Figure 2 – Map showing Três Estradas and Três Estradas South geology and resource outlines on a ground magnetics image



**Figure 3** – Map showing Joca Tavares auger drilling and interpreted carbonatite on a ground magnetics image

**JORC Code Competent Person Statements**

The information in this report is extracted from the following reports, which are available for viewing on the Company’s website:

- June 2013 (released July 31, 2013), September 2013 (released 31 October 2013), December 2013 (released 31 January 2014), March 2014 (released April 30 2013) Quarterly Reports and Appendix 5B’s
- Mining Study – Três Estradas Phosphate Deposit – September 16, 2014

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

– ENDS –

**For further information, please contact:**

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**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.