



17 March 2016

Aguia Commences Exploration on Terra Santa Claims Adjacent to Três Estradas

- Program includes detailed soil geochemistry followed by ground geophysics in a zone where up to 11.57% P₂O₅ returned from grab rock samples at surface 2.5 km northwest of flagship Três Estradas deposit
- Results of the recent infill drilling at Três Estradas now being compiled by Utah-based Millcreek for updated JORC resource statement for release this quarter
- Environmental Survey progressing to plan with Terms of Reference expected early Q2
- Metallurgical test work program continues in Pennsylvania
- All project development initiatives progressing to schedule and AGR well funded

Brazilian fertiliser developer Aguia Resources Limited (ASX: AGR) ("Aguia" or "Company") is pleased to announce that it has commenced a preliminary exploration program along the recently optioned Terra Santa claims immediately adjacent to the 70 Mt JORC compliant Três Estradas deposit (currently comprising 15.2 Mt Indicated and 59.2 Mt Inferred with an average grade of 4.20% P₂O₅). The Terra Santa claims were secured in December 2015 when Aguia signed an option agreement with Mineração Terra Santa S.A. ("Terra Santa").

According to Aguia's Technical Director Dr. Fernando Tallarico, "Terra Santa is considered highly prospective and since it is located only 2.5km northwest of the Três Estradas deposit it has excellent potential to positively impact the project if further resources are discovered."

The exploration program will include soil sampling along a 200 x 25m sampling grid, which will cover an airborne radiometric anomaly analogous to those at Três Estradas and where grab rock samples previously returned up to 11.57% P₂O₅. Contingent upon results of this sampling, Aguia may infill the geochemical grid with 100m-spaced lines and proceed with ground geophysics and drilling.

Ongoing Project Development Initiatives

As previously announced, Millcreek Mining Group is evaluating data compiled from the recent infill drilling campaign at Três Estradas and it is expected they will be issuing an updated JORC compliant resource model for Três Estradas to be used in the upcoming Bankable Feasibility Study (BFS). The

objective of this analysis is to convert Inferred resources to Indicated resources within the 70 Mt JORC resource defined at Três Estradas in April 2015 (currently comprising 15.2 Mt Indicated and 59.2 Mt Inferred with an average grade of 4.20% P₂O₅).

Metallurgical test work to optimise metallurgical recoveries using column floatation tests continues at Eriez Flotation Division in Pennsylvania.

Golder continues to move forward on the Environmental Impact Assessment baseline studies and it is anticipated that the Environmental Agency will be issuing Aguia with Terms of Reference for the EIA submission. Aguia intends to file the EIA in Q3, which will represent a major milestone in obtaining the Preliminary License.

Management Commentary

Aguia's Managing Director Justin Reid commented, "The Board is very pleased with the consistent, methodical progress that our very talented team in Brazil is making across all of our projects in the Rio Grande Do Sul region.

We are encouraged by the prospects at Terra Santa and believe it warrants early-stage exploration investment. This is occurring concurrently with our fully funded project development initiatives at Três Estradas which are progressing to plan.

Our next milestone is to release an updated JORC resource for Três Estradas which will include resources from the drilling program at Joca Tavares.

Aguia's team is focused on developing a quality, low-cost, and strategically important phosphate asset in Rio Grande Do Sul. We continue to unlock value and de-risk this asset with every milestone. Aguia is also evaluating other strategic opportunities in Southern Brazil and methods to create meaningful value for our shareholders with whom we are completely aligned."

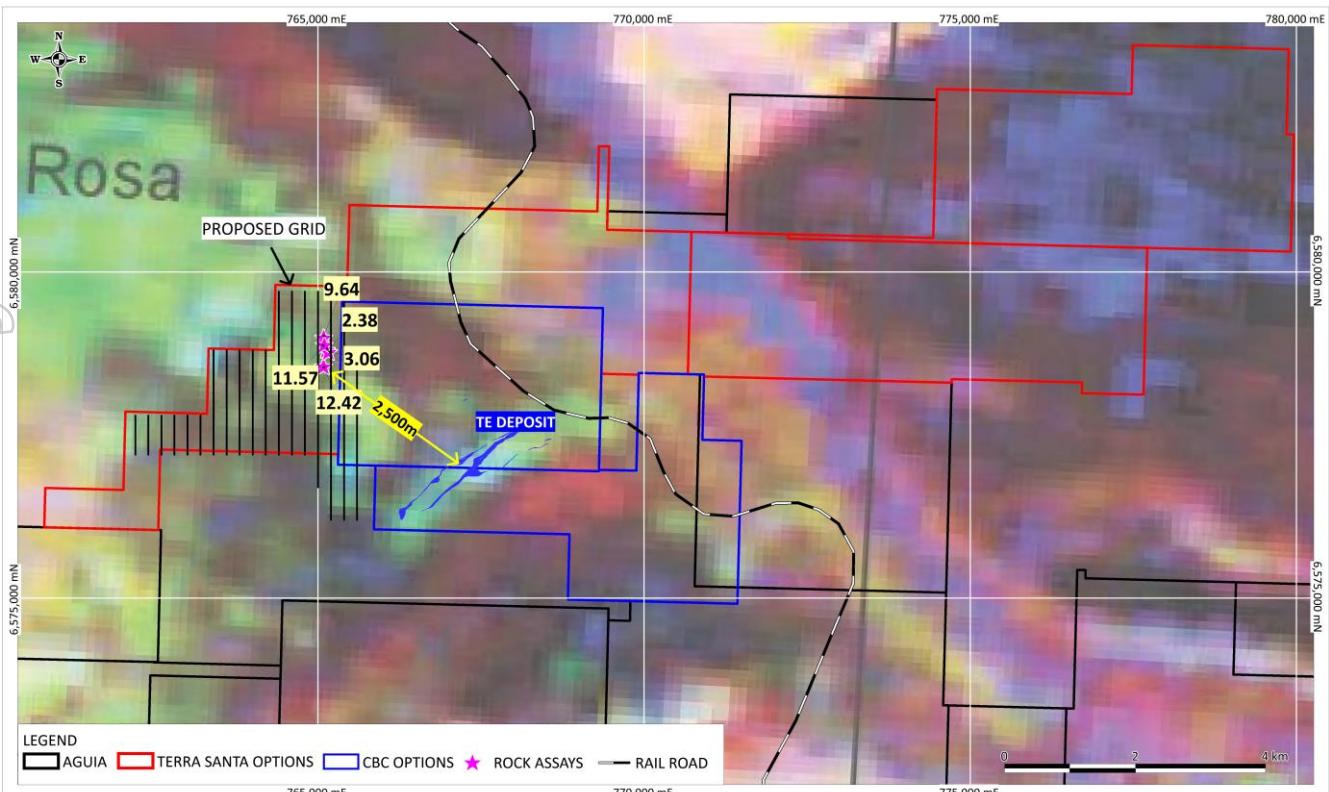


Figure 1 –Exploration program along tenements of the Terra Santa option agreement. Background is ternary image of airborne radiometric data.

NOTE:

- For details on the Três Estradas Resource, refer to announcement of 27 April 2015, “Aguia significantly increases Três Estradas phosphate resource by 130% to 70.1 million tonnes”.
- For details on the Terra Santa Option Agreement please refer to announcement on 9 December 2015.

Information in this announcement is extracted from the following report, which is available for viewing on the Company's website:

- 9 December 2015: *Aguia Signs Option to Expand Phosphate Land Position in Rio Grande*

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 listed above 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.

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About Aguia:

Aguia is a fertiliser company focused on the exploration and development of phosphate and potash projects in Brazil to supply the Brazilian agriculture sector. 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.

Forward Looking Statements:

This news release contains forward looking statements, which relate to future events or future performance, including, but not limited to, the completion of the size of the Placement, receipt of regulatory approvals and timing thereof, the Company's business strategies and plans for the use of such Placement proceeds, capital expenditure programs and estimates relating to timing and costs, and reflect management's current expectations and assumptions, including, but not limited to the timing and receipt of necessary regulatory approvals and completion of the Placement and stability of general economic and financial market conditions. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", and similar expressions is intended to identify forward looking statements. Such forward looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties, including imprecision in estimate capital expenditures and operating expenses, stock market volatility, general economic and business conditions, risks associated with liquidity and capital resource requirements, that may cause future results to differ materially from those expected and the forward looking statements included in this news release should not be unduly relied upon. These forward looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.