16 January 2018

AUGER DRILLING AT MATO GRANDE CARBONATITE RETURNS HIGHLY ENCOURAGING ASSAY RESULTS

Highlights:

- **Auger results define area of mineralised intrusion for future reverse circulation drilling program**
- **35 auger holes completed with 28 encountering phosphate mineralisation**
- **Initial results indicate oxidized zone is mineralised from surface**
- **Individual auger samples grading up to 11.71% P_2O_5**
- **MGT-029 a significant interval with 9 metres from surface grading 7.37% P_2O_5 and ending in mineralisation**
- **Mato Grande's geology is similar to Três Estradas and could add considerable scale to Aguia's Rio Grande do Sul asset base**

SYDNEY, AUSTRALIA, January 16, 2018 - Brazilian fertiliser developer Aguia Resources Limited (ASX:AGR, TSXV:AGRL) ("Aguia" or the "Company") provides an update on regional exploration activities at the Mato Grande carbonatite target, located 80 km northeast from its flagship Três Estradas project site in Rio Grande do Sul, Brazil (see Figure 1).

Aguia has been conducting an auger drilling program over the Mato Grande carbonatite to expand upon historical data that indicated up to 8.38% P_2O_5 in fresh carbonatite samples. The Mato Grande carbonatite is a 700m long by 200m wide intrusion in a structural setting similar to the mineralised carbonatite at the Três Estradas phosphate deposit.

Results from 35 auger holes, totaling 110 assays, have been received and the results are very encouraging. The objective of this auger program is twofold: outline the extent of the carbonatite body and test for oxidised phosphate mineralisation at surface. While approximately 25 holes (42% of the planned program) still need to be completed and sampled, the initial data is positive as it includes individual auger samples grading up to 11.71% P_2O_5 and significant intercepts such as MGT-029 with 9 metres from surface grading 7.37% P_2O_5 and ending in mineralisation.

Of the 35 auger holes, 28 holes encountered phosphate mineralisation and 25 of these have ended in mineralisation at depths up to 9 metres, which is the extent of the auger drilling. The auger program will provide very specific targeting to undertake an efficient reverse circulation drilling program that will precisely define the depth of the oxidised zone on top of the Mato Grande carbonatite and provide an initial resource estimate (see Figure 2).

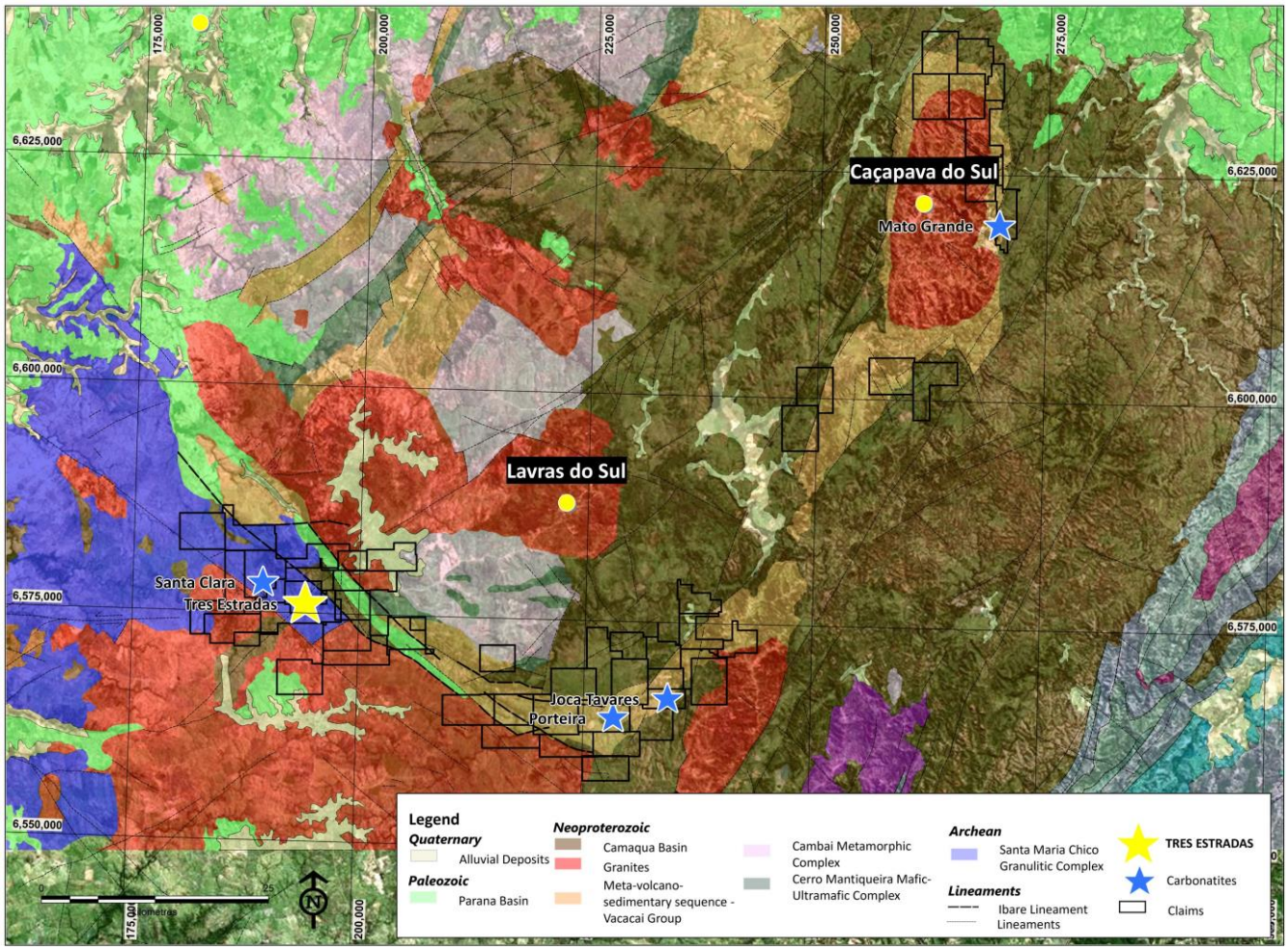

Figure 1. Regional geological map of the Rio Grande project, highlighting the Três Estradas and Joca Tavares carbonatites and the exploration targets that the Company is currently exploring: Santa Clara, Mato Grande, Porteira and Santa Ines.

Commentary

Technical Director Fernando Tallarico commented: "The initial exploration of the Mato Grande Carbonatite has been a success. We are now able to outline the surface extent of the mineralised intrusion and have demonstrated that there is an extensive phosphate-rich oxidized zone at surface. With the data collected from this auger program we will be able to design a very precise reverse circulation program to delineate this oxidised zone and drill deeper to determine how far the phosphate mineralisation extends."

Managing Director Justin Reid added: "In 2017, our exploration program focused on an infill drilling campaign at Três Estradas with the objective of converting the mineral resource from the Inferred category to Measured and Indicated categories. Those successful results are now being incorporated into the final Bankable Feasibility Study which we expect to finish later in Q1 2018.

"Another key objective has been for Aguia to identify nearby promising targets that could eventually provide additional resources to feed into the overall Três Estradas project, and add considerable scale to our asset base in Rio Grande do Sul. Santa Clara, Porteira and Santa Ines are other nearby properties we are also exploring. The potential for additional scale is most encouraging."

Aguia will report on further project development, exploration and corporate developments progressively throughout the quarter.

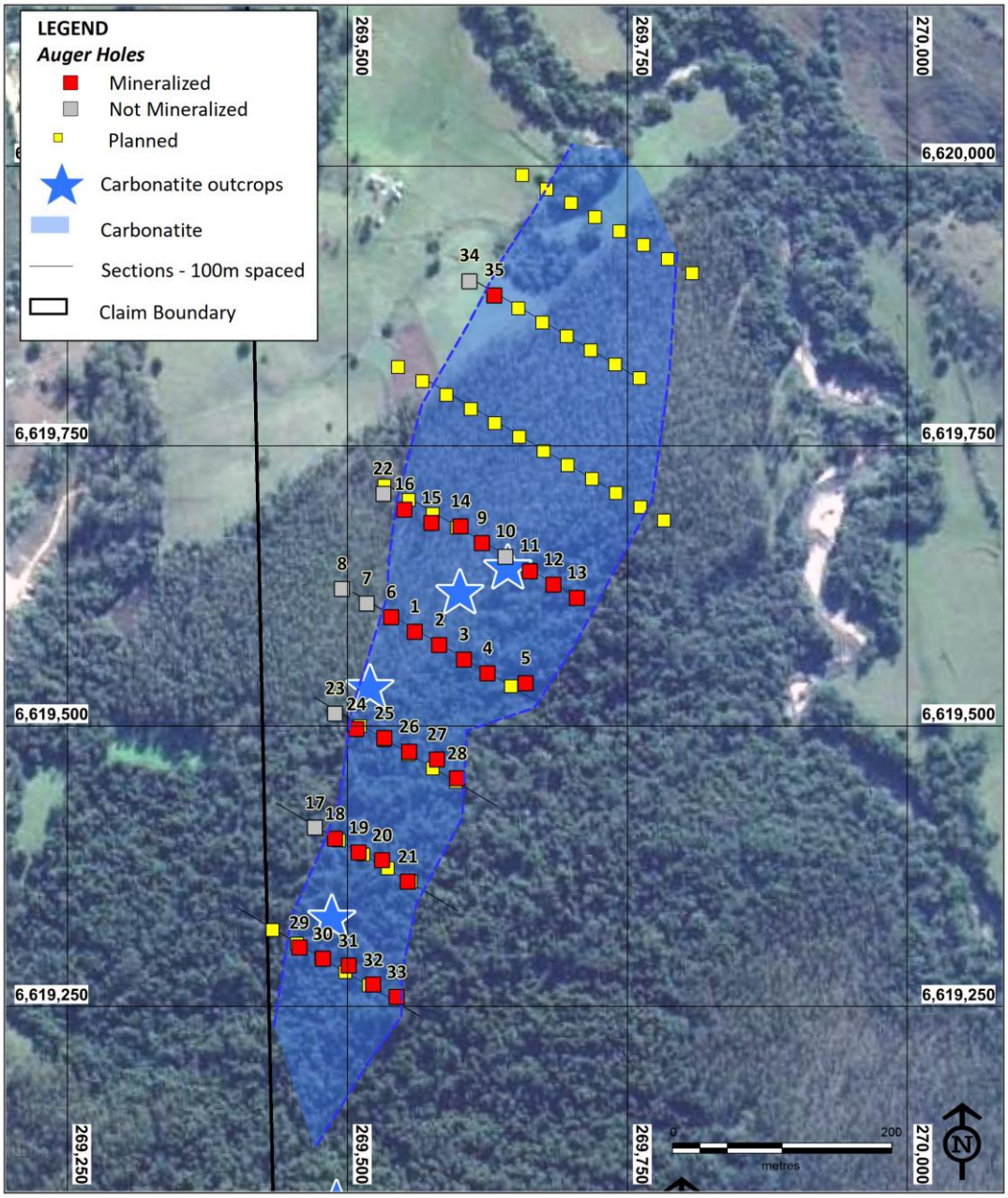

Figure 2. Satellite Image of the Mato Grande Carbonatite highlighting the auger drilling program that is currently in progress with results outlining the intrusion.

Table 1. Auger drilling results from the Mato Grande Carbonatite.

Hole_ID	From (m)	To (m)	Length (m)	P_2O_5%	CaO%	MgO%	Fe_2O_3%	SiO_2%	Al_2O_3%	Stopped in mineralization
MGT-17-001	0,00	3,90	3,90	4,18	20,23	7,45	13,45	26,03	6,94	✔
MGT-17-002	0,00	2,30	2,30	2,98	10,33	6,30	16,73	35,64	10,56	✔
MGT-17-003	0,00	2,35	2,35	4,60	15,93	4,36	13,83	30,66	10,51	✔
MGT-17-004	0,00	2,35	2,35	4,90	21,10	6,90	16,01	26,61	5,39	✔
MGT-17-005	0,00	1,85	1,85	7,90	17,26	5,67	17,66	28,76	7,63	✔
MGT-17-006	0,00	1,00	1,00	4,83	9,03	5,57	16,80	36,60	11,60	
MGT-17-007	Not mineralized									
MGT-17-008	Not mineralized									
MGT-17-009	0,00	5,00	5,00	5,79	14,27	7,03	16,60	32,32	9,67	✔
MGT-17-010	Not mineralized									
MGT-17-011	0,00	1,20	1,2	4,80	7,64	4,95	23,23	34,50	10,17	✔
MGT-17-012	0,00	2,95	2,95	4,14	24,87	6,51	13,80	23,45	5,10	✔
MGT-17-013	0,00	1,00	1,00	5,43	14,40	4,38	17,80	30,70	9,22	✔
MGT-17-014	0,00	4,00	4,00	4,94	9,49	7,72	16,72	36,47	10,83	✔
MGT-17-015	0,00	4,65	4,65	6,11	11,07	7,38	16,72	34,68	9,93	✔
MGT-17-016	0,00	1,00	1,00	4,79	8,38	3,09	17,50	38,00	11,80	
MGT-17-017	Not mineralized									
MGT-17-018	0,00	8,00	8,00	4,81	14,47	8,41	13,75	35,14	8,27	✔
MGT-17-019	0,00	3,00	3	4,43	26,90	4,99	11,60	20,87	5,90	✔
MGT-17-020	0,00	1,40	1,40	6,07	13,90	6,55	17,24	30,90	7,78	✔
MGT-17-021	0,00	5,40	5,40	7,54	13,22	5,76	16,41	36,85	7,63	✔
MGT-17-022	Not mineralized									
MGT-17-023	Not mineralized									
MGT-17-024	0,00	5,00	5,00	3,60	33,72	5,27	8,04	17,98	4,57	✔
MGT-17-025	0,00	2,35	2,35	5,88	13,50	8,10	16,19	31,48	8,50	✔
MGT-17-026	0,00	3,00	3,00	5,25	8,55	7,94	15,97	38,37	10,62	✔
MGT-17-027	0,00	2,00	2,00	6,34	18,40	4,85	17,30	28,80	7,56	✔
MGT-17-028	0,00	1,80	1,80	5,18	26,99	5,42	12,88	21,82	5,00	✔
MGT-17-029	0,00	9,00	9,00	7,37	12,36	8,27	15,87	34,64	9,27	✔
MGT-17-030	0,00	4,00	4,00	5,36	27,13	5,92	11,24	20,79	5,99	✔
MGT-17-031	0,00	3,70	3,70	4,83	21,50	5,14	13,14	27,87	8,22	✔
MGT-17-032	0,00	7,00	7,00	4,06	8,94	7,32	16,52	39,23	10,86	
MGT-17-033	0,00	1,85	1,85	3,32	10,20	6,77	15,00	36,69	11,83	✔
MGT-17-034	Not mineralized									
MGT-17-035	4,00	5,00	1,00	8,75	13,00	4,38	12,80	41,60	11,10	✔

Table 2. Collar information from the auger drilling program at the Mato Grande Carbonatite.

Hole_ID	UTM_E	UTM_N	Elevation (m)	Length (m)	Status of coordinate	Datum	Azimuth	Dip
MGT-17-001	269560	6619585	169	3,90	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-002	269582	6619573	174	2,30	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-003	269604	6619560	173	2,35	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-004	269625	6619548	170	2,35	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-005	269659	6619539	160	1,85	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-006	269539	6619598	164	7,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-007	269517	6619610	163	3,90	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-008	269495	6619623	169	5,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-009	269620	6619664	164	5,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-010	269641	6619652	181	3,95	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-011	269663	6619639	170	1,20	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-012	269684	6619627	164	2,95	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-013	269705	6619615	146	1,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-014	269601	6619679	180	4,40	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-015	269575	6619682	174	4,65	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-016	269551	6619694	170	3,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-017	269471	6619410	169	4,40	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-018	269489	6619400	174	8,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-019	269510	6619388	179	3,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-020	269531	6619381	182	1,40	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-021	269554	6619362	184	5,40	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-022	269532	6619708	176	2,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-023	269489	6619512	165	3,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-024	269508	6619498	168	5,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-025	269533	6619490	172	2,35	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-026	269555	6619478	177	3,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-027	269580	6619471	178	2,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-028	269598	6619454	174	1,80	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-029	269457	6619303	184	9,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-030	269478	6619293	185	3,70	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-031	269501	6619287	189	4,00	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-032	269523	6619270	192	8,70	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-033	269544	6619259	191	1,85	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-034	269609	6619898	131	3,35	GPS	SAD-69 Z22S	0,00	-90,00
MGT-17-035	269631	6619885	131	6,00	GPS	SAD-69 Z22S	0,00	-90,00

For further information, please contact:
Justin Reid, Managing Director
E: jreid@aguiaresources.com.au
T: +1 416-216-5446

Spyros Karellas, Investor Relations North America
E: spyros@pinnaclecapitalmarkets.ca
T: +1 416-433-5696

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448
Follow Aguia on Twitter: @ Aguia_Resources

About Aguia:

Aguia Resources Limited, ("Aguia") is an ASX and TSXV listed company whose primary focus is on the exploration and development of phosphate projects in Brazil. Aguia has an established and highly experienced in-country team based in Belo Horizonte, Brazil with corporate offices in Sydney, Australia. Aguia's key projects are located in Rio Grande do Sul, a prime farming area which is 100% dependent on phosphate imports. The Rio Grande phosphate deposits exhibit high quality and low cost production characteristics, and are ideally located with proximity to road, rail, and port infrastructure. Aguia's experienced management team has a proven track record of advancing high quality mining assets to production in Brazil.

The information in this announcement that relates to Exploration Targets, 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 the company. Dr Tallarico has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Tallarico consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Cautionary Statement on Forward Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation. Forward-looking information includes, without limitation, statements regarding the results of exploration activities at the Mato Grande carbonatite target, the results of the Auger drilling program, plans for future drilling and exploration programs, the mineral resource estimates, production targets, the anticipated timetable, permitting, forecast financial information, bankable feasibility study and ability to finance the project, and the prospectivity and potential of the Tres Estradas and Mato Grande projects.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks inherent in the mining industry and risks described in the public disclosure of the Company which is available under the profile of the Company on SEDAR at www.sedar.com, on the ASX website at www.asx.com.au and on the Company's website at www.aguiaresouces.com.au. These risks should be considered carefully.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Persons reading this news release are cautioned that such statements are only predictions and there can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company disclaims any intent or obligation to update or revise any forward looking statements whether as a result of new information, estimates, options, future events, results or otherwise and does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

MATO GRANDE CARBONATITE - JORC Table 1

Section 1: Sampling Techniques and Data

Sampling Techniques	Auger - Drilling was completed up to a depth of 9 meters within the saprolite unit.
	Auger - Borehole collars were surveyed, according to the local UTM coordinate system (SAD 69, Zone 22S), using a handheld GPS receiver before drilling started. No downhole surveys were performed. N.B. Auger data was not used for resource estimation purposes.
	Auger - 1 meter samples collected, 2 kilograms of material collected for each field sample. Samples were taken at 1-meter intervals. These samples were analyzed for phosphorus, calcium and aluminium content with a portable x-ray fluorescence (XRF) analyzer. If any sample yielded greater than 1.31 % phosphorus (3% P_2O_5), all samples from that auger borehole were shipped to the laboratory for assaying.

Drilling Techniques	Auger - tipper scarifier motorized augers were used to drill the auger boreholes.
	Not applicable.
	Not applicable.
Drill Sample Recovery	Auger - Auger recovery was not monitored.
	Not applicable.
	Not applicable.
Logging	Not applicable.
	Not applicable.
	All of the relevant intersections were logged.
Sub-Sampling Techniques and Sample Preparation	Not applicable.
	Auger - One meter auger samples were placed on a plastic sheet, large pieces were broken down manually. The sample was then homogenized by shaking the sheet with a rolling motion.
	The sample preparation techniques meet industry standards and are considered appropriate for the mineralization being investigated.
	Industry standard procedures are employed, including ensuring non-core samples are adequately homogenized before. Archive samples are collected.
	No field duplicate samples or second half sampling was done. The target mineralization is quite homogeneous.
	Auger sample sizes are adequate for the target mineralization sampled.

Section 1: Sampling Techniques and Data

Quality of Assay Data and Laboratory tests	The XRF method used is industry standard and considered appropriate for the analysis of apatite-hosted phosphate mineralisation. Sample preparation was completed at SGS Vespasiano's laboratory in Brazil using standard crushing and pulverization techniques; sample analysis was carried out by SGS at the same facility in Vespasiano, MG, Brazil. The prepared pulps were fused with lithium metaborate and analyzed by XRF spectroscopy for major oxide elements (P_2O_5, Al_2O_3, CaO, Fe_2O_3, K_2O, MgO, MnO_2, SiO_2, and TiO_2. Method code XRF79C and PHY01E). The preparation and analytical procedures are appropriate for the type of mineralization sampled and are reliable to deliver the total content of the analyzed compounds.
	Not applicable.
Quality of Assay Data and Laboratory Tests	Aguia used two certified standard reference materials (standards), supplied by the Instituto de Tecnologia Austust Kekulé (ITAK). ITAK 911 is a high grade standard, while ITAK 910 is a mid-grade standard. The standards were prepared by ITAK for Aguia from mineralized material sourced from Aguia's Três Estradas project. The standards were certified using a

	standard round-robin testing protocol. The control samples are considered appropriate to the grade and style of mineralization being tested.
Verification of Sampling and Assaying	*Not applicable.*
	Not applicable.
	Not applicable.
	Not applicable.
Location of Data Points	Auger boreholes were surveyed according to the local UTM coordinate system (South American Datum 1969 – SAD69, Zone 22S), using hand held GPS equipment.
	UTM system (Zone 22S), South American Datum 1969
	Not applicable.
Data Spacing and Distribution	Auger drilling has a spacing of 100 X 25 meters
	Not applicable.
	Not applicable.
Orientation of Data in Relation to Geologic Structure	The sampling patterns used did not introduce an apparent sampling bias.
	The sampling patterns used did not introduce an apparent sampling bias.
Sample Security	Chain of custody of all sample material was maintained by Aguia. Samples were stored in a secured facility in Lavras do Sul until dispatch to the preparation laboratory by commercial carrier.
Audits or Reviews	Millcreek audited the project in early 2016 and again in August, 2017 and concluded that exploration work completed by Aguia used procedures consistent with generally accepted industry best practices. The audit found no issues with the project data.

Section 2: Reporting of Exploration Results

Mineral Tenement and Land Tenure Status	Mato Grande exploration permit DNPM 810.279/2015, 100% owned by Aguia Fertilizantes S.A. Granted October 06, 2016, initial 3 years term expiry October 04, 2019.
Exploration Done by Other Parties	Mato Grande carbonatite was discovered by Mining Ventures and its subsidiaries in 2013. Phosphate rich rocks at Mato Grande (ex-Mining Ventures Picada dos Tocos target) were discovered during a copper exploration program. Exploration activities comprised an integrated geochemical/geological/ geophysical and drilling program. The drilling program intersected carbonatite with phosphate mineralisation. The exploration permit was lost by the Mining Ventures and Aguia Fertilizantes S.A. subsequently staked and was granted an exploration permit.
Geology	The Mato Grande target is a carbonatite intrusion containing apatite as the phosphate bearing mineral. The carbonatite is emplaced in meta-volcano-sedimentary rocks of the Neoproterozoic Sao Gabriel Domain. The intrusion is about 700 meter long by 200 meters wide and is structurally controlled by NNE-trending faults. The rock displays a very penetrative foliation.
Drill Hole Information	*Not applicable.*
Data Aggregation Methods	Not applicable.
	Not applicable.
	Not applicable.
Relationship Between Mineralization Widths and Intercept Lengths	Not applicable.
	Not applicable.
	Not applicable.
Diagrams	Not applicable.
Balanced Reporting	Not applicable.
Other Substantive Exploration Data	Aguia made use of an airborne magnetic geophysical survey completed by CPRM to aid in exploration targeting.
Further Work	As presented in the text of this report.

Section 3: Estimation and Reporting of Mineral Resources

Not Applicable

Section 4: Estimation and Reporting of Ore Reserves

There are no Ore Reserves to report at this time

Section 5: Estimation and Reporting of Diamonds and Other Gemstones

Not Applicable