



22 September 2015

Aguia Advances Project Development with Commencement of 7,000 Metre Diamond Drilling Program Joca Tavares and Cerro Preto

- **Aggressive drilling program with five rigs being mobilized to Joca Tavares and Cerro Preto**
- **Drilling at both projects to occur concurrently**
- **4,500 metre delineation drilling at the Joca Tavares carbonatite will outline additional oxide and fresh mineralisation to supplement the Três Estradas mining plan**
- **2,500 metre scout drilling program underway at Cerro Preto Target to explore high-grade sediment hosted**
- **Drilling program to take approximately 4 months with first results expected before the end of the year**
- **Golder & Associates begins Environmental Impact Assessment of Rio Grande Projects**
- **Aguia fully funded for next 24 months**

Brazilian fertiliser project developer Aguia Resources Limited (ASX: AGR) ("Aguia" or "Company") is pleased to announce the commencement of an extensive five-rig, 7,000 metre drilling campaign at the Joca Tavares Target and at the sedimentary Cerro Preto Target in Rio Grande do Sul, Brazil (see Figure 1), as well as the initiation of Environmental Impact Assessment work across the Rio Grande portfolio.

Joca Tavares drilling program

Three rigs will complete 4,500 metres of drilling over the carbonatite-hosted Joca Tavares mineralisation. The program will combine shallow vertical drilling to outline the oxide mineralisation from surface to a depth of 50 metres, and also inclined holes to investigate the fresh carbonatite at depth (see Figure 2).

Drilling will commence at Joca Tavares which is located approximately 35 kilometres from the JORC-compliant 70.1 Mt Três Estradas project (comprising 15.2 Mt indicated and 54.9 Mt inferred resource). Definition drilling aims to add material oxide and fresh carbonatite material to the existing mine plan for Três Estradas.

Agua recently released a Preliminary Economic Assessment for Três Estradas completed by SRK, showing an NPV of US\$ 273 million and IRR of 25%. Additional feed from the Joca Tavares satellite deposit is expected to add significant oxide and fresh rock into the mine plan, which will further enhance both the NPV and the IRR.

Cerro Preto drilling program

Concurrently, two rigs have commenced a 2,500-metre scout drilling program at Agua's 100%-owned sedimentary Cerro Preto target, covering an initial 5 km of the strike-length (see Figure 3).

Drilling will be undertaken on a portion of the over 30 km strike length of phosphatic sedimentary horizons which has striking similarities to the Western Phosphate Belt of Idaho. As previously announced, results of initial mapping and scouting of Cerro Preto have returned up to 10.30% P_2O_5 over 17.5 meters and 8.61% P_2O_5 over 10 metres in open trenches.

Cerro Preto represents a significant value creation opportunity for Agua, and as previously stated, the company believes it could be a phosphate project of significant scale.

Environmental Impact works commence

Agua is also pleased to confirm that it has engaged Golder and Associates to complete and deliver an Environmental Impact Assessment for the Rio Grande Projects. This work is now well underway with completion expected within 10 to 12 months.

Management commentary

Justin Reid, Chairman and Managing Director of Agua commented: "With the recent completion of a AUD\$9.5 million placement to existing shareholders and new global resource focused institutional fund managers, Agua has rapidly deployed these funds towards aggressive exploration and project development activities in order to unlock further shareholder value.

"We now have the financial flexibility to undertake both exploration and development works across the entire portfolio. The vast majority of funds raised have been committed to exploration and project development and we are fully funded in this regard for almost two years. Furthermore, the weakening Brazilian Real gives us additional purchasing power as most of Agua's input costs are in the local currency while end product is priced in US dollars."

The drilling program will take approximately 4 months and the company expects to report first results before year end. Agua will continue to update shareholders on other corporate and operational developments as they arise.

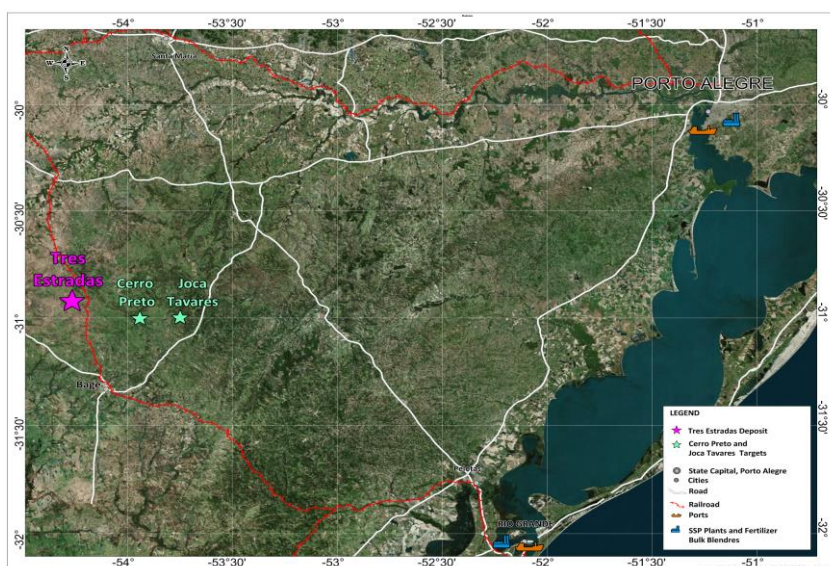


Figure 1: Location of Agua's Phosphate Projects in Rio Grande

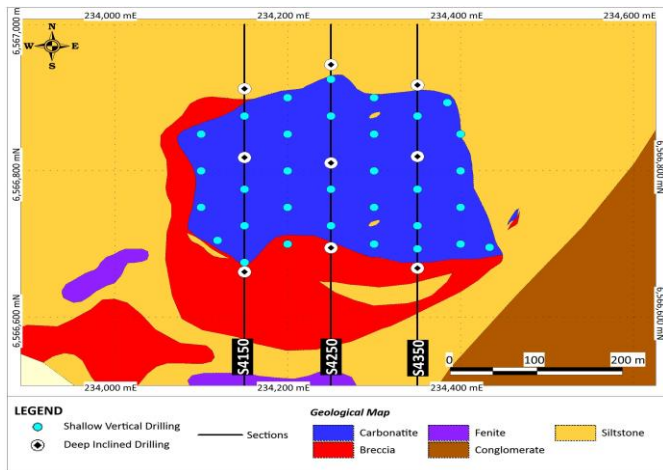


Figure 2: Drilling program at the Joca Tavares Carbonatite



Figure 3: Drilling program at the sedimentary Cerro Preto Target

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About Agua:

Agua 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. Agua 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.

The information is extracted from the reports entitled:

- 19 August 2015: *Positive Preliminary Economic Assessment Demonstrates Robust Economics for Três Estradas*
- July 28, 2015: *Agua Extends Strike Length of Cerro Preto Phosphate Discovery by 2.5km*
- June 25, 2015: *Strike Length of Agua's Cerro Preto Phosphate Extends over 10km*
- April 27, 2015: *Agua Significantly Increases Três Estradas Phosphate Resource by 130% to 70.1 Million Tonnes*
- January 23, 2015: *Further positive exploration results from Cerro Preto, Rio Grande Project, Brazil.*
- January 9, 2015: *Agua provides drill program update for the Três Estradas Project, Brazil.*
- October 8, 2014: *Agua discovers new high grade phosphate mineralization at Rio Grande Project, Brazil.*

which are available to view on www.aguiaresources.com.au. 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.

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.