9 December 2015

Aguia Signs Option to Expand Phosphate Land Position in Southern Brazil

- **Option secured over highly prospective phosphate tenement of approx 4,500 HA immediately adjacent to Três Estradas deposit**
- **Expands Aguia's exploration footprint at Três Estradas by ~30%**
- **Aguia has conducted initial due diligence and some sampling of project area**
- **Encouraging phosphate grades from initial sampling – grades up to 12.42% P_2O_5**
- **Modest option payments with future royalty payable upon production**

Brazilian fertiliser developer Aguia Resources Limited **(ASX: AGR) ("Aguia" or "Company")** is pleased to announce that it has signed an Option Agreement with Mineração Terra Santa S.A. ("Terra Santa"), to secure 4,502 hectares of prospective ground immediately adjacent to the Company's JORC compliant Três Estradas 70.1 Mt deposit (see map Figure 1).

On 26 November, Aguia entered into an Option Agreement ("Agreement") with Terra Santa, for exploration permits located in Lavras do Sul, in the State of Rio Grande do Sul, Brazil. The agreement gives the Company the option to purchase 100% of 3 (three) Mineral claims, with a view to conducting mineral exploration work over the next 36 months.

The cash payments for the option total USD $30,000 (Thirty Thousand US Dollars) as follows:

- USD $10,000 converted in Brazilian Real, payable by January 26th, 2016 covering the initial 12 months of the Agreement; and
- USD $20,000 converted in Brazilian Real, payable by January 26th, 2017 or 30 (thirty) days after the publication of all exploration permits renewals, whichever occurs latest, covering the remaining months of the Agreement.

After evaluating the mineral exploration results, if Aguia decides to exercise the purchase option, it shall pay Terra Santa a fixed amount of USD $50,000 converted in Brazilian Real, within 30 (thirty) business days of submitting the purchase option notice plus royalties of 2% of the net returns of sales from mineral production arising from the eventual exploitation of the Terra Santa mineral rights.

The total value of royalties payable under the Agreement is capped at USD $10 million. Aguia has the right to buy out the royalty for a fixed price of UDS $5 million at any time, by providing Terra Santa with written notice. The price for the royalties shall be paid in 5 (five) equal and successive

instalments, with the first instalment due 30 days after the delivery of the notice and subsequent instalments payable each month thereafter.

The agreement covers three claims in the area surrounding the Três Estradas deposit which currently has a JORC Compliant Mineral Resource of 70.1 Mt (15.2 Mt Indicated & 54.9 Mt Inferred) grading 4.20% P_2O_5. Initial due diligence and field reconnaissance along the Terra Santa claims has identified amphibolite and carbonatite samples grading up to 12.42 P_2O_5 distributed along a 500 m trend (see Table 1 – Initial Assays). These mineralised samples occur approximately 2.5 km northwest of the Três Estradas deposit, and have the potential to contribute additional phosphate resource to the planned mine site.

Chairman and Managing Director Justin Reid commented: “Given the value-adding we have achieved through exploration and development initiatives at Três Estradas and now Joca Tavares, we are confident that this newly acquired project has the potential to add to our growing phosphate inventory and with work could show accretion to our expanding economic model. Our technical team is very encouraged by the results from our due diligence and initial exploration work, and they believe the project area is highly prospective.

“While exploration and development works are ongoing at all of Aguia’s projects, and we are very encouraged by results and progress, we are committed to expanding our portfolio of phosphate assets in Southern Brazil where we have established an excellent reputation with local government. The government here is committed to developing local phosphate deposits to satisfy growing local demand for fertiliser. Reducing reliance on imports is a key priority.

“We look forward to updating shareholders on some near-term project development initiatives for Três Estradas and assay results from our current seven-rig drilling program. We are confident we can continue to deliver significant near-term value from our current works program.”

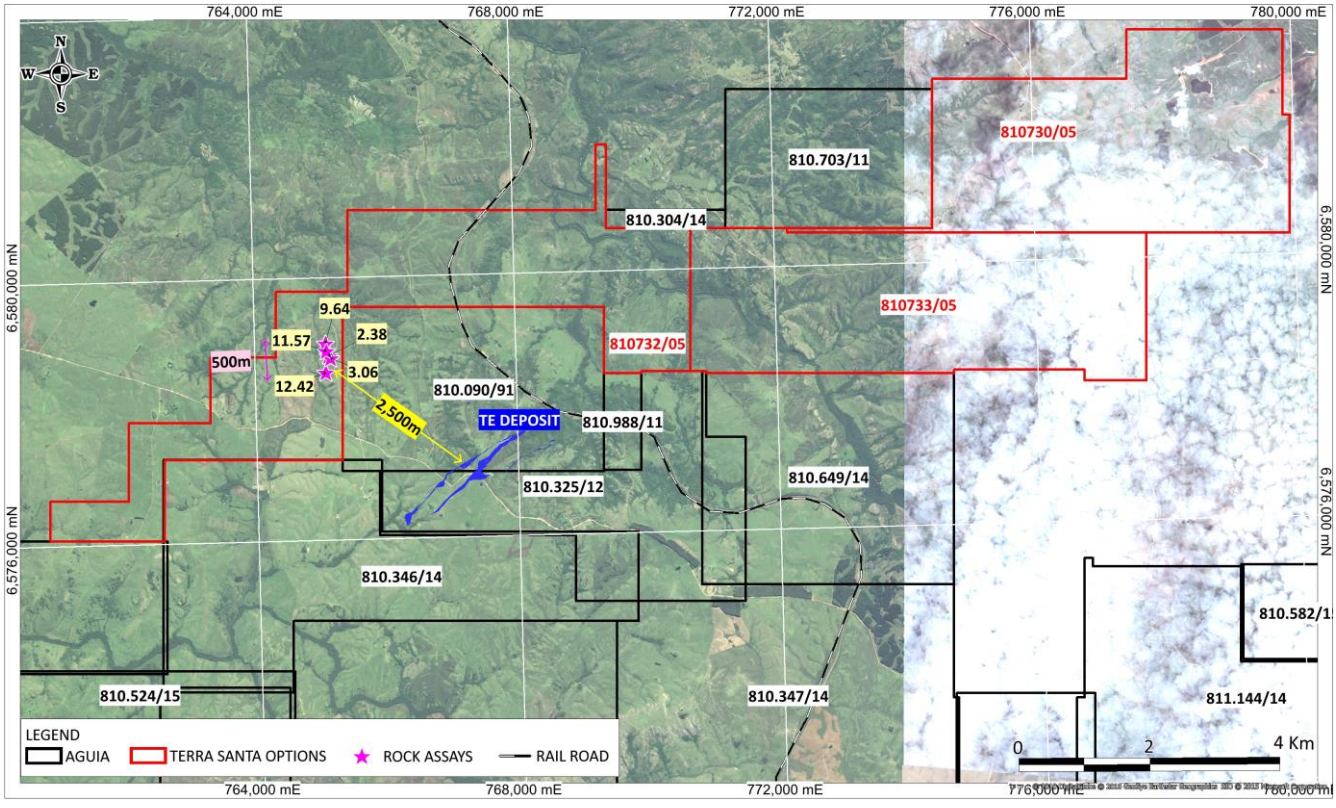

Figure 1 – Map of the Três Estradas Deposit (TE) highlighting the tenements of the Terra Santa Agreement relative to other claims hold by Aguia

Sample #	UTM_E	UTM_N	Elevation(m)	Datum	Zone	CaO/P2O5	Al2O3%	CaO%	Fe2O3%	K2O%	MgO%	MnO2%	Na2O%	P2O5%	SiO2%	TiO2%	LOI%	Total%
74992	765083	6578560	297	SAD-69	21S	2.14	6.83	26.6	7.82	0.03	8.2	0.15	0.18	**12.418**	33.9	0.75	1.6	98.47
74993	765086	6579001	279	SAD-69	21S	2.49	6.18	24	9	0.04	9.36	0.16	0.18	**9.644**	38.2	0.7	1.44	98.85
74994	765129	6578813	299	SAD-69	21S	6.17	11.4	14.7	12.4	0.35	7.28	0.22	1.08	2.381	48.3	0.81	1.66	100.5
74995	765159	6578778	303	SAD-69	21S	4.44	9.17	13.6	8.59	0.13	5.83	0.22	0.73	3.064	55.7	0.24	1.45	98.7
74996	765095	6578889	289	SAD-69	21S	2.19	7.13	25.3	8.16	0.05	7.8	0.16	0.17	**11.569**	35.5	0.59	1.76	98.15

Table 1 – Terra Santa Assays

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".*

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.

For further information, please contact:

Justin Reid, Executive Chairman and Managing Director
E: jreid@aguiaresources.com.au
T: +1 416-216-5446

Catherine Stretch, Chief Commercial Officer
E: cstretch@aguiaresources.com.au
T: +1 416-309-2695

Dr. Fernando Tallarico Technical Director
E: ftallarico@forbesmanhattan.com.br
T: +55-31-3505-5200

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448

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.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• 98 rock samples were collected within the permits 810.732/2005 area. These samples were analyzed for phosphorus, calcium, and aluminum content with a portable X-Ray Fluorescence (XRF) analyzer. If any sample yielded greater than 3 % phosphorus (7% P2O5), they were stored for assaying. Among the samples greater than 7% P2O5, 5 samples were selected and shipped to the laboratory for assaying. Samples were sent to the SGS laboratory in Vespiano, Brazil for preparation and assaying.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• The grab samples location were surveyed according to the local UTM coordinate system (SAD 69, Zone 21S) using a handheld GPS receiver. Sampling was carried out using comprehensive Aguia protocols and QAQC procedures as per industry best practice
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Each sample is analysed on site using a hand held XRF instrument with three readings taken and averaged. • The samples are sent to SGS laboratories and analysed using method XRF79C_10 – Lithium tetra borate fusion. Elements assayed for include SiO_2, Al_2O_3, Fe_2O_3, CaO, MgO, TiO_2, P_2O_5, Na_2O, K_2O, MnO and LOI.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Not applicable
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Not applicable
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Grab samples are not considered suitable for inclusion in resource estimations.

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Grab samples logging includes lithology and local description.
	• *The total length and percentage of the relevant intersections logged*	• Not applicable
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Not applicable
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Not applicable
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• The sample preparation techniques are industry standard and are considered appropriate for the mineralisation being investigated.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Not applicable
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Not applicable
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• 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 Vespaziano, 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.
	• *make and model, reading times, calibrations factors applied and their derivation, etc.*	• Hand held XRF is an Olympus Innov-X
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument*	• There is a calibration plate supplied by INOVV-X-Systems for the calibration of the Portable X Ray Fluorescence equipment.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Two control samples were inserted in each batch of samples, one in grab samples batch. • Aguia used certified phosphate reference materials (standards) sourced from ITAK – Instituto de Tecnologia August Kakulé at João Monlevade – MG – Brazil (ITAK-910 and ITAK-911). • Additionally, Aguia relied on the analytical quality control measured implemented by the

Criteria	JORC Code explanation	Commentary
		ISO accredited laboratory used.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• The results of the Terra Santa Target are very initial and have not been subject to external verification. However, independent consulting firm SRK has made three site visits to Rio Grande and has extensively verified all Aguia protocols including QAQC.
	• *The use of twinned holes.*	• Auger – Not applicable
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Data is manually entered onto logging sheets on site by Aguia geologists. This data is then entered into a digital database consisting of Excel workbooks. Assay data from the laboratory is merged into the sample sheets. All original logging sheets and digital data are stored. Digital data is regularly backed up.
	• *Discuss any adjustment to assay data.*	• There is no adjustment to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Channels were surveyed according to the local UTM coordinate system (South American Datum 1969 – SAD69, Zone 22S), using hand held GPS equipment.
	• *Specification of the grid system used.*	• SAD 1969 UTM system, Zone 22S
	• *Quality and adequacy of topographic control.*	• No topographic survey has been completed over the prospect area.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Randomly spaced rock samples were collected from within the DNPM 810.732/2005 area.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• Not applicable – the data will not be used in resource calculations.
	• *Whether sample compositing has been applied.*	• No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Not applicable – the very initial stage doesn't allows the structure definition.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by Aguia. Samples are stored on site. Assay samples are sent by freight express to the relevant laboratories.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Tres Estradas – Audit by SRK Consulting in early 2013 indicated that techniques were in line with generally accepted industry best practices. The

Criteria	JORC Code explanation	Commentary
		same audit found no issues with the data.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Terra Santa DNPM 810.732/2005 irrevocable right to 100% under an exercised option agreement with Mineração Terra Santa Indústria, Comércio e Serviços Ltda. Granted August 28, 2013, initial 3 year term expiry August 28, 2016.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There is no reference to our knowledge of any previous exploration by other parties in the Terra Santa Target.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Terra Santa Target is located within the Archean Santa Maria Chico Granulite Complex, within the Taquarembo Domain of the Achaean to Proterozoic Sul-rio-grandense Shield.

Drill hole/Trench Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Grab sampling data includes x, y, z coordinates, local description and lithology.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Not applicable
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Not applicable
	• *The assumptions used for any reporting of metal equivalent values should be clearly*	• Not applicable

Criteria	JORC Code explanation	Commentary
	stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• Not applicable
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• Not applicable
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to maps in release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All rock chips samples for the Terra Santa areas have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Geological mapping has been included as base maps to the geochemical data.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• As presented in the text of this report.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• As presented in the text of this report.

Section 3 Estimation and Reporting of Mineral Resources

Not applicable