

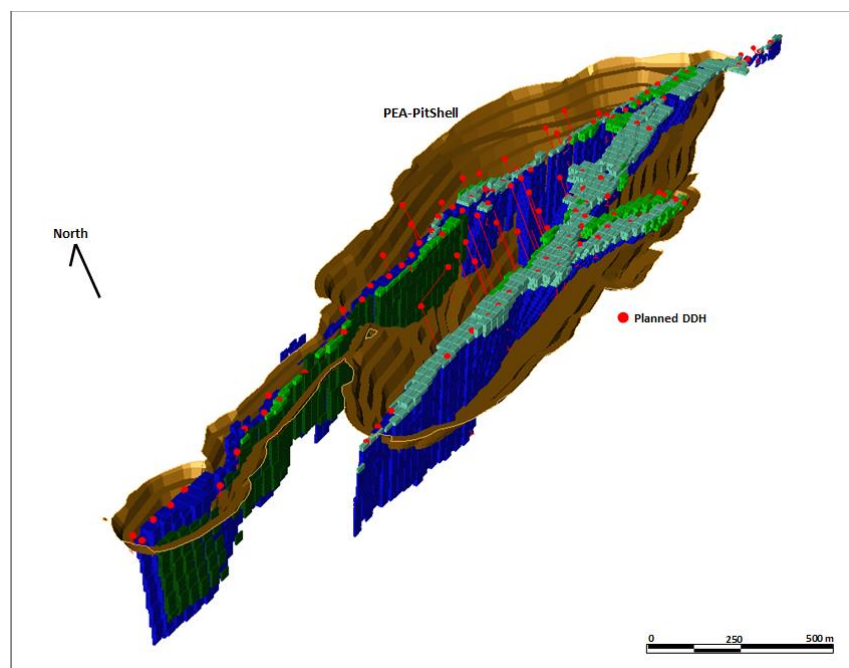


2 November 2016

AGUIA COMMENCES INFILL DRILLING PROGRAM AT ITS FLAGSHIP TRÊS ESTRADAS PHOSPHATE PROJECT

- **Four rigs deployed to undertake infill drilling program – results form a key component of BFS**
- **6,000 metres of Diamond drilling and 3,500 metres of reverse circulation drilling**
- **Drilling will substantially increase the amount of Measured and Indicated resource at Três Estradas – will deliver a significant value uplift**
- **Drill program will also test priority exploration targets adjacent to Três Estradas**
- **AGR fully funded through to BFS completion – BFS advancing well**

Brazilian fertiliser developer Aguia Resources Limited (ASX: AGR) (“Aguia” or “Company”) is pleased to announce the commencement of an extensive infill drilling program at its flagship Três Estradas Phosphate Project in southern Brazil in support of completing the bankable feasibility study (“BFS”).



3D model of the Três Estradas resource showing the PEA Pit Shell and programmed drill holes.

The objective of the drilling program is to convert the current pit-constrained resource of 70.4 million tonnes with an average grade of 4.13% P₂O₅ comprising 58.89 million tonnes of inferred resource grading 3.97% P₂O₅, 15.07 million tonnes of indicated resource grading 4.75% P₂O₅ and 745,000 tonnes of measured resource grading 4.42% P₂O₅ (see ASX announcement of 12 July 2016) to Measured and Indicated categories.

The program will include 6,000 metres of diamond drilling that will be strategically sited to upgrade the inferred resources, and another 3,500 metres of reverse circulation drilling to be collared along a 50 by 50 metre grid. Three diamond rigs and one reverse circulation rig will be employed in this campaign. Converting the resource to Measured or Indicated categories greatly de-risks the project and is necessary for developing BFS level production plans and economic models.

The drill program will also allow provide sufficient material to be shipped to Eriez Flotation Division in Pennsylvania, where a pilot plant test will be performed in order to finalize the design of a commercial scale plant for the site.

It is anticipated that the drilling program will be completed during the first quarter of 2017. Other project development activities required to complete the BFS are ongoing and advancing well, and the Company will update shareholders on all progress.

Management commentary

Technical Director Fernando Tallarico commented, "The Três Estradas project has reached a pivotal stage as we now advance the BFS. This infill drilling program is an important part of the BFS process as we will substantially increase the amount of Measured and Indicated resource within the economic pit that was defined in the recent PEA.

"The higher confidence level of the resource will provide for more precision in the mine design and costing, and importantly, it should increase the value of the project."

Justin Reid, Managing Director of Aguia commented, "With four drill rigs turning, we will be providing regular updates to the market as to our progress. We will also drill test certain priority exploration targets adjacent to Três Estradas to identify future optimal development opportunities. Três Estradas is advancing very well and we are confident that this drill program will deliver significant growth and add to Três Estradas' value.

"I would also like to take this opportunity to welcome the 15 new institutions to our shareholder register and thank our existing supportive shareholders who participated in the recent AUD\$8.5 million private placement. Our oversubscribed financing has put us in a position to move forward aggressively on all fronts including permitting, social, environmental and engineering."

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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.

JORC Code Competent Person Statements:

The information in this report that relates to 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 Aguia Resources Limited. Dr Tallarico has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Dr Tallarico consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.