25 May 2017

SOUTHEAST DISCOVERY ZONE AT TRÊS ESTRADAS DELIVERS SIGNIFICANT INTERSECTION

Highlights:

- **Drilling along the newly discovered southeast zone with a strike-length of at least 700 metres continues to exhibit mineralisation with thicknesses and grades analogous to the main body of the Três Estrada deposit:**
  - **Hole TED-17-128 returned 78.25 meters grading 4.12% P_2O_5**

- **Drilling of the strike extension to date has not cut off the mineralization. The strike length of the extension remains open past 700 metres to the northeast and the company is currently performing shallow reverse circulation holes to test this extension for oxidized mineralization**

- **Infill drill program continues to return excellent results that confirm the homogeneous nature of mineralisation and continuity laterally and at depth:**
  - **Hole TED-17-129 returned 9.00 meters grading 3.65% P_2O_5**

- **13,775 meters of infill drilling has been completed and the program is anticipated to be wrapped up next week**

- **New Reserve Report to be published incorporating results from new mineralised zones – results likely to have a positive impact on Três Estradas mine model**

- **AGR to provide further updates on exploration, project development and corporate initiatives shortly**

Brazilian fertiliser developer Aguia Resources Limited (ASX: AGR) ("Aguia" or "Company" - http://www.commodity-tv.net/c/search_adv/?v=297517) is pleased to update shareholders on the ongoing infill drilling program at its flagship Três Estradas Phosphate Project in southern Brazil. The program continues to return positive results that demonstrate the homogeneous and continuous nature of the deposit.

One diamond rig and one reverse circulation rig continue to operate at site. To date, a total of 13,775 metres have been drilled, which includes 9,495 metres of diamond drilling and 4,280 metres of reverse circulation drilling.

As announced on 16 February 2017, the Company has identified a new shallow zone of mineralisation along the southeast border of the proposed Três Estradas pit shell. Drilling has proven continuity of this zone **for at least 700 metres of strike with the NE extension remaining fully open.** Geological modelling of the results along this zone indicate that the folded structure is plunging to the southwest, thus the northeast extension that remains open should reach the surface and potentially develop oxidized high-grade material. This northeast extension is currently being tested with an additional 500 meters of reverse circulation drilling targeting potential near surface oxidized material.

Infill drilling along these 700 metres of strike continues with the objective of producing a measured and indicated category resource from surface to a depth of only 100 metres. The technical team's strategy has been to target shallow mineralisation that can be added to the current resource. It is expected that the inclusion will not only improve the overall strip ratio of the proposed operation, but ultimately reduce mining costs. Results of this zone continue to indicate that thicknesses and grades are in accordance with the bulk of the deposit as reflected in hole TED-17-128 returning 78.25 metres grading 4.12% P_2O_5.

Technical Director Dr. Fernando Tallarico commented, "As we approach the completion of this very significant drilling program, we couldn't be more pleased as the results clearly prove the steadiness of the deposits morphology and grades. Holes like TED-17-128 that returned 78.25 metres of near-surface mineralisation indicate that this new southeast zone could substantially improve our strip ratio."

Managing Director Justin Reid added, "The impact of our new Southeast zone discovery, coupled with the incredibly successful infill program, will be incorporated into an updated reserve statement very shortly. RC drilling of the surface oxide manifestation of the new discovery may also have an impact on our ultimate mine model as we complete our trade-off studies and BFS. We look forward to updating the market on meaningful corporate developments very shortly that also add considerable value to Três Estradas."

Aguia also advises that it continues to move forward with its application for a dual listing on the TSXV with the majority of documentation now submitted for review by the regulators. The Company will continue to provide updates as to anticipated timing of the Canadian listing as information becomes available.

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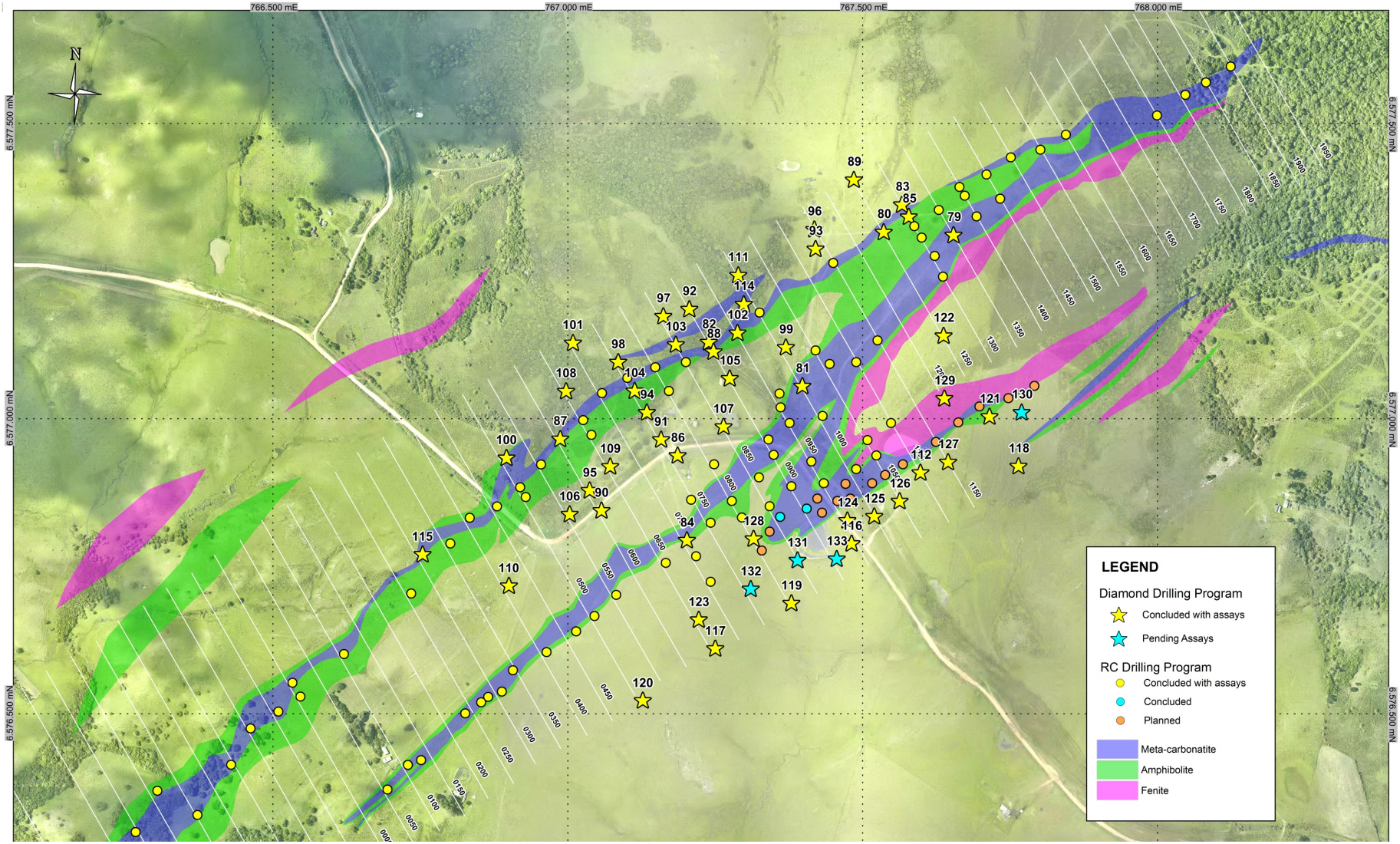
About Aguia:

Aguia Resources Limited, ("Aguia") is an ASX 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.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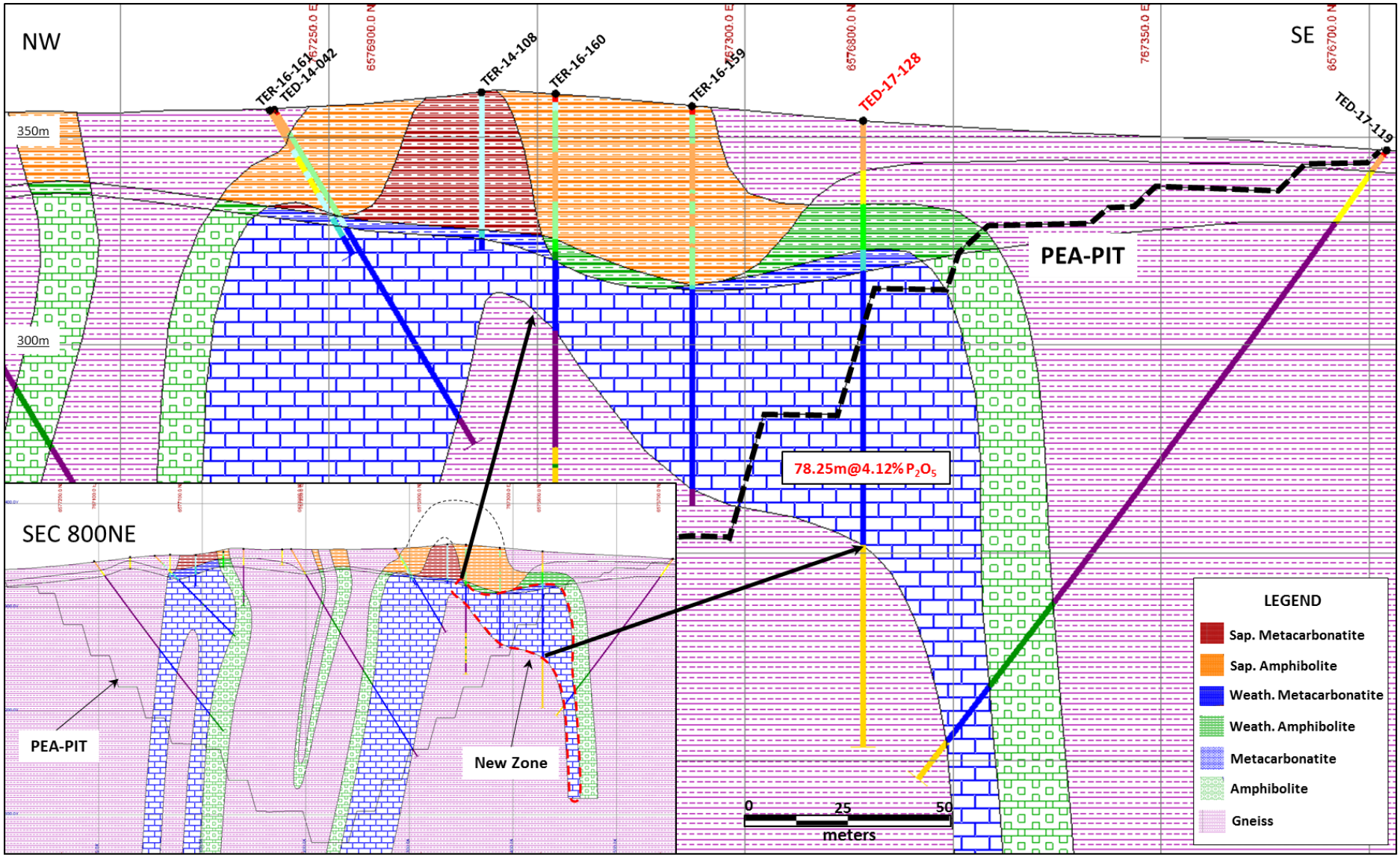

Figure 2: Drilling section 800NE of the Três Estradas Deposit, showing the new southeast zone and one of the highlighted drill results of TED-17-128, which returned recently and confirmed the model of the new zone. Note that the bulk of the new carbonatite drilled in this section is beyond the previous PEA pit model.

Table 1 – Assay Results of the Drilling Campaign

(*Holes identifications initiated with TED are diamond holes and those initiated with TER are reverse circulation holes)

TED-17-128	24.00	102.25	78.25	4.12	28.83	9.83	8.37	15.89	3.08
TED-17-129	84.65	93.65	9.00	3.65	37.08	6.73	6.39	11.44	2.17

Hole_ID	UTM_E	UTM_N	Elevation (m)	Length (m)	Status of coordinate	Datum	Azimuth	Dip
TED-17-128	767315	6576798	360	150.65	GPS	SAD-69 Z21S	0.00	-90.00
TED-17-129	767638	6577036	352	129.75	GPS	SAD-69 Z21S	150.00	-55.00

JORC Code, 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.*	• Work is being carried out using RC and diamond drilling, with samples being analysed by laboratory analyses suitable for the carbonatite mineralisation being targeted • Drill hole locations are detailed in a table in the text of this release, and shown graphically on a plan
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Hole locations are picked up using hand-held GPS. Sampling is 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.*	• Mineralisation is generally visual • RC samples are collected and assayed at 1m intervals, with a representative 2kg sample of all intervals being collected for XRF assay at the laboratory. • Half core diamond drill samples in mineralized material are generally collected at 1m intervals and sent to the laboratory for assay; however lengths will vary to generally between 0.5 and 1.5m to honour geological boundaries where required. • In all cases drilling samples are sent to SGS laboratories in Belo Horizonte 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, which is considered suitable for the type of mineralisation
Drilling	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic,*	• Reverse Circulation – Drilling utilized a face sampling Hard Formation Bit with Tungsten

Criteria	JORC Code explanation	Commentary
techniques	*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).*	buttons and a diameter of 5 ½ inches. No downhole surveys were completed. • Core Drilling - Drilling utilized HQ equipment for weathered material and NQ for fresh rock. Downhole surveys are performed on 3-metre intervals using a Maxibore down-hole tool. No core orientation has been carried out.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• RC – recoveries are monitored by samples weight. The minimum recovery is 85%. • Core Drilling - Recovery by sample and by drill run was recorded; core recovery generally exceeds 97%
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Diamond Drilling - Due to the coherent nature of the fresh rock and homogenous nature of the mineralisation sample recovery is not an issue. In the saprolite recovery is maximised using short drill runs and best drilling practices. • RC – Dry samples are collected through a cyclone and riffle splitter ensuring homogenisation and representative sampling. Wet samples are dried, and then homogenised and sampled by hand.
	• *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.*	• Mineralisation is homogenous throughout the mineralized intervals, with no relationship between sample recovery and grade on any type of drilling.
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.*	• RC – logging is to a detail considered suitable for inclusion in resource estimations • Diamond – logging is considered suitable for inclusion in resource estimations, metallurgical studies and preliminary mining studies. The lack of orientated core and geotechnical logging prior to cutting precludes the use in detailed mining studies
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• RC logging includes lithology and weathering • Diamond logging includes rock type, alteration, structure and qualitative magnetism. No core orientation has been carried out, with structural measurements being limited to alpha angles only. All core is photographed dry before being cut
	• *The total length and percentage of the relevant intersections logged*	• 100% of the relevant intersections of all drilling are logged
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Solid core is sawn in half, with half being sent for assay and half being retained for reference. Friable core is split down the center line using a spatula or similar tool, with half being retained and half sent for assay.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• RC- One metre samples are collected from the cyclone, with moist samples being split using a plastic liner and metal cross-blade device, and dry samples being split through a riffle splitter.

Criteria	JORC Code explanation	Commentary
		Saturated samples are dried before homogenization. Two representative samples of between 500g and 2kg are collected, with one for assay and a second for reference. • For all sampling and drilling, samples are dried and crushed, and then milled to 75% passing 80 mesh using LM mills at the laboratory.
	• *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.*	• Industry standard procedures are employed, including ensuring non-core samples are adequately homogenized before assay and archive samples are collected
	• *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.*	• No field duplicate samples or second half sampling was done. The target mineralization is largely homogeneous.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample sizes are considered appropriate to the grain size of the material being assayed
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 and analysis was completed at SGS's Belo Horizonte laboratory in Brazil using standard crushing and pulverization techniques. • The prepared pulps are analysed by a lithium borate fusion XRF spectroscopy for major oxide elements (P2O5, Al2O3, CaO, Fe2O3, K2O, MgO, MnO2, SiO2, TiO2, Na2O and LOI (Method code XRF79C and PHY01E). • In specific cases, samples were also analysed for a suite of 31 elements using an aqua regia digestion and inductively coupled plasma - mass spectrometry (Method code ME-MS81). • The preparation and analytical procedures are appropriate for the type of mineralization sampled and are reliable to deliver the total content of the analysed compounds.
	• *make and model, reading times, calibrations factors applied and their derivation, etc.*	• Where utilised, hand held XRF is a Delta Analyser CS-4000 by Innov-X Systems
	• *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.*	• Aguia has prepared two certified phosphate reference materials (standards) from material collected from the Tres Estradas deposit – these comprise a mid and high grade standard and are considered appropriate to the mineralisation being drilled

Criteria	JORC Code explanation	Commentary
		• This is in addition to fine and coarse blank standards prepared from barren quartz veins. • One each of the above company supplied standards is included in each batch of 48 samples, in addition to a pulp duplicate. • One batch of 48 samples is sent monthly for umpire laboratory testing. • Umpire testing is performed at At ALS Chemex in Lima, Peru, where they are analyzed for a suiten of elements using method code XRF12pt/XRF24) • Additionally, Aguia relies on the analytical quality control measured implemented by the ISO accredited laboratory used.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• The AGR procedures consists an internal double check and, when required an independent verification during the independent audit process.
	• *The use of twinned holes.*	• Given this is the initial programme at TE South no twin holes have been drilled
	• *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 downhole sample sheets. All original logging sheets and digital data are stored. Digital data is regularly backed up. • Data is yet to be externally audited; external audits of previous drilling has confirmed the veracity of work carried out
	• *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.*	• All borehole collars were surveyed according to the local UTM coordinate system (South American Datum 1969 – SAD69, Zone 21S), using differential GPS equipment before drilling started, and once drilling had been completed.
	• *Specification of the grid system used.*	• SAD 1969 UTM system, Zons 21S
	• *Quality and adequacy of topographic control.*	• A topographic survey of the project area was completed using differential GPS technology. • The survey consisting of lines spaced 25 metres apart, and control lines spaced 100 metres apart. • The topographic survey generated contour lines at 1-metre intervals in the meta-carbonatite area. Contour lines at 5-metre intervals were obtained for the remaining area using shuttle radar topography mission (SRTM) and orthorectified Geoeye images with 0.5 metre resolution.
Data spacing	• *Data spacing for reporting of Exploration Results.*	• RC Drilling – RC holes, all vertical, at Tres Estrada South are being drilled on 50m spaced lines, with

Criteria	JORC Code explanation	Commentary
and distribution		spacing along drill lines determined by carbonatite outcrop • Diamond Drilling - Diamond holes (inclined) at Tres Estradas are being drilled on 100m spaced lines, with spacing along drill lines determined by carbonatite outcrop
	• *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.*	• The data spacing and distribution is considered suitable for the style of mineralisation being tested, and will be suitable for use in Mineral Resource and Reserve estimations
	• *Whether sample compositing has been applied.*	• For the purposes of reporting of results 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.*	• The bulk nature of the mineralisation indicates that sampling bias will not be introduced by changing drilling direction
	• *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.*	• Given the bulk and homogenous nature of the mineralisation it is considered that there is no sampling bias
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 and late 2014 indicated that techniques utilised by Aguia were in line with generally accepted industry best practices. The 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.*	• Tres Estradas Permit 810.090/91, irrevocable right to 100% under an exercised option agreement with Companhia Brasiliera de Cobre (CBC). On July 1, 2011, CBC and Aguia Metais Ltda., a subsidiary of Aguia in Brazil, executed an option agreement providing the irrevocable purchase option of these mineral rights by Aguia Metais (or its affiliate or subsidiaries). On May 30, 2012 Aguia Metais exercised the purchase option concerning these mineral rights by means of its affiliate Aguia Fertilizantes S/A (Aguia Fertilizantes). On July 10, 2012, CBC and Aguia Fertilizantes executed an irrevocable agreement providing the assignment of these mineral rights to Aguia Fertilizantes. On July 20, 2012 CBC filed a request before the DNPM

Criteria	JORC Code explanation	Commentary
		applying for the transfer of these mineral rights to Aguia Fertilizantes. The 2nd two-year term expired on August 16, 2012, with the Final Exploration Report now under review by the Government, approval of which will allow the Company a further year (from the date of approval) to submit an Economic Exploitation Plan. • Tres Estradas South Permit 810.325/12, irrevocable right to 100% under an exercised option agreement with Companhia Brasiliera de Cobre. Granted April 29, 2013, initial 3 year term expiry April 29, 2016. The partial report with time extension request was filed February 23, 2016.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Tres Estradas and Tres Estrada South Discoveries of phosphate rich rocks at TE were made by a joint exploration programme between Companhia Brasileiraa do Cobre and Santa Elina in 2007/2008 during a gold exploration programme. This involved an integrated geochemical/ geological/geophysical and drilling programme. The gold results were disappointing, causing Santa Elina to withdraw from the JV, however +6% phosphate values were noted in assaying of soils and drill core.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Tres Estradas and Tres Estradas South The mineralisation is a carbonatite hosted phosphate deposit, with apatite as the phosphate bearing mineral. The NE-SW trending carbonatite is probably Mid-Proterozoic in age, and has been affected by Neo-Proterozoic shearing and metamorphism. It is hosted in the Santa Maria Chico Granulite Complex, within the Taquarembo Domain of the Achaean to Proterozoic Sul-rio-grandense Shield.
Drill hole 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.*	• Drillhole information is listed in the appropriate tables in this document, and presented in maps and sections

Criteria	JORC Code explanation	Commentary
	• *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.*	
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.*	• Drill intersections are length weighted. A nominal 3% P_2O5 lower cutoff is used, and there is no upper cut applied to intersections.
	• *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 stated.*	• Not applicable
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• RC drilling is targetting the flat lying upper oxide mineralisation – these holes may be terminated in mineralisation once fresh rock has been intersected • Diamond drilling is targetted to intersect the full width of the interpreted steeply dipping carbonatite bodies
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• RC drilling is generally perpendicular to the flat-lying oxide blanket, and oxide intersection widths will reflect the true thickness of the oxide layer. • Diamond holes are drilled at an acute angle to the steeply to vertically dipping carbonatite bodies, hence downhole widths will be greater than true widths. For drillholes drilled at -60°, true mineralisation widths will generally be in the order of 40-60% of downhole intersection lengths – this is shown in more detail on included cross sections.
	• *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').*	• Down hole lengths are reported • Relationships between true lengths and true thickness are shown in cross sections
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 and sections 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 from all drillholes have been reported

Criteria	JORC Code explanation	Commentary
	Results.	
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 and interpretation is used as a base for included drill hole plans and sections
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 to this release – this does not include mineral resource estimations

Section 4: Estimation and Reporting of Ore Reserves

Not applicable to this release

Section 5: Estimation and Reporting of Diamonds and Other Gemstones

Not applicable to this release