Igneous Phosphate Rock in Rio Grande do Sul, Brazil
A Significant New Discovery in a Key Global Market
Phosphates 2013, Monte Carlo
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Competent Persons Statement

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 Ontario. Dr Tallarico is a full-time employee of Aquia 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.
The fertilizer sector has not always been a target for explorers

- **Little junior activity or incentives prior to 2006**
  - 1987 – 2006: Money made selling companies
  - Average phosphate rock price <US$50/t fob
  - Average DAP gross margins of ~US$11/t
  - Almost no funding for Juniors

- **After 2006 significant sector interest**
  - < 5 juniors in 2006 to ~25 today
  - < $50M Market Cap in 2006 to ~$1.0B today

### Segmentation by Exchange of Companies Developing Phosphate Resources

<table>
<thead>
<tr>
<th>Exchange</th>
<th># Companies</th>
<th>Market Cap ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSX / TSX-V</td>
<td>12</td>
<td>759</td>
</tr>
<tr>
<td>ASX</td>
<td>10</td>
<td>180</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
<td><strong>1,017</strong></td>
</tr>
</tbody>
</table>
The Americas, Africa, and Australia dominate the exchange-listed projects.....
Juniors play a pivotal role in new discoveries....

**JUNIORS PROVIDE FOCUS:**

- Able to focus on exploration and project development
- Able to move swiftly – no competing corporate distractions
- Able to raise money – provide investors with targeted investments with sizable potential returns
The Process

Raise Capital

Prove the resource
- Drilling licences
- NI 43-101 or JORC Report

Environmental Permitting
- EIA Report
- Preliminary / Full Installation licences

Complete Studies
- Final NI 43-101 or JORC
- Pre-feasibility
- Full Feasibility
- Detailed Engineering

Construction

Commissioning & Start-up

TIME
What are investors looking for?

- **Project**
  - Location
  - Resource

- **Structure**
  - Public vs. Private
  - Exchange

- **Management**
  - Industry knowledge
  - Technical expertise
  - Public markets experience

Taken together = Value
Aguia Resources: An Introduction

- ASX listed company (ASX: AGR)
- Focused on building a fertilizer production company in Brazil
- Currently have four projects in Brazil:
  - 3 phosphate projects
    - Rio Grande (Rio Grande do Sul)
    - Lucena (Paraiba)
    - Mata da Corda (Minas Gerais)
  - 1 potash project
    - Adjacent to Brazil’s only operating potash mine in Sergipe Basin
    - Historic Drill Results throughout Basin
  - Near term focus on phosphate with the new discovery at Rio Grande as our flagship project
- Excellent technical team based in Brazil
- Low sovereign risk, supportive Government
Why focus on Brazil? – Three main reasons

- 4th largest global phosphate market
- Import dependent: ~ 55% of Brazil’s phosphate (as P$_2$O$_5$) is imported.
- Growth rate of ~4% p.a. – above the global average

Largest Phosphate Markets (% of World Total)

<table>
<thead>
<tr>
<th>#</th>
<th>Country</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>China</td>
<td>38.8</td>
</tr>
<tr>
<td>#2</td>
<td>India</td>
<td>22.0</td>
</tr>
<tr>
<td>#3</td>
<td>USA</td>
<td>14.0</td>
</tr>
<tr>
<td>#4</td>
<td>Brazil</td>
<td>7.0</td>
</tr>
<tr>
<td>#5</td>
<td>Australia</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Data: IFA

Phosphate Import Dependency, 2012

- Production: 45%
- Imports: 55%

Data: ANDA, Vale

Implications of 4% Growth for Phosphate in Brazil

- M tonnes P$_2$O$_5$

Concept: CRU; Data: ANDA, Oxidos

~ 3.0M tonne P$_2$O$_5$ capacity deficit by 2020
Aguia has been first mover in region
Large landholding over 860 km²
Large resource base potential
New discovery Três Estradas - Nov 2011
First JORC compliant resource statement June 2012, revised February 2013
Numerous untested targets ready for drill testing

- Joca Tavares & Porteira

Similar in style to current Brazilian phosphate mines – carbonatite hosted
Três Estradas – the terrain

Três Estradas is in rolling open countryside, mostly scrub, with some light grazing.
Três Estradas: JORC Indicated and Inferred Resource

Total JORC compliant Indicated and Inferred resource of 29Mt @ 4.3% $\text{P}_2\text{O}_5$\(^1\) including higher grade oxide zone from surface of 1.6Mt @ 10.5% $\text{P}_2\text{O}_5$\(^2\)

- Mineral Resource only covers 45% or 1.2 km of the more than 2.6 km of total mineralised strike
- 78% of higher grade oxide resource in Indicated category
- Significant potential to expand

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\(^1\) SRK Consulting: cut-off grade of 3.0% $\text{P}_2\text{O}_5$

\(^2\) See ASX Release of 28\(^{th}\) February 2013
Cross section at Três Estradas: Section 1200

**From Surface**
- Shallow oxide zone to 30m

**Base rocks:**
- Carbonatite (blue in diagram)
- Amphibolite (green in diagram)

Both meta-carbonatite and oxide beneficiate to produce high-quality concentrated phosphate rock

**Note 1:** See ASX Releases of 23 Feb 2012 and 7 Nov 2012 for full data
Drilling completed at Três Estradas for the current indicated and inferred resource\(^1\)

1 See ASX Release of 28th February 2013
What does it look like?

Oxidised Carbonatite at Surface to ~ 30m

Sample of weathered Carbonatite with values up to 32% P₂O₅

Sample of Fresh Carbonatite

Fresh Carbonatite from -30m
Initial metallurgical recoveries up to 83.4% and concentrate grades up to 36.0% P₂O₅

Results indicate the potential to produce a commercial concentrate using standard methods and reagents available in the market

Further optimisation test work to commence 1st half 2013

<table>
<thead>
<tr>
<th>Sample Number &amp; Description</th>
<th>Head Grade</th>
<th>Metallurgical Flotation Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P₂O₅</td>
<td>Recovery</td>
</tr>
<tr>
<td>EB-01, Oxidised Carbonatite</td>
<td>16.2%</td>
<td>83.4%</td>
</tr>
<tr>
<td>EB-02, Fresh Carbonatite</td>
<td>4.2%</td>
<td>65.0%</td>
</tr>
<tr>
<td>EB-01&amp;3, Oxidised Blend Carbonatite &amp; Amphibolite</td>
<td>14.2%</td>
<td>79.9%</td>
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</table>

<table>
<thead>
<tr>
<th>Name of Deposit</th>
<th>Location</th>
<th>Tonnage (Mt)</th>
<th>Head Grade</th>
<th>Recovery</th>
<th>Concentration Grade</th>
<th>Stage</th>
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</thead>
<tbody>
<tr>
<td>Siilinjärvi (Yara)²</td>
<td>Finland</td>
<td>465</td>
<td>3.5 - 4%</td>
<td>84%</td>
<td>35%</td>
<td>Production</td>
</tr>
<tr>
<td>Cajati (Vale)²</td>
<td>Brazil</td>
<td>100</td>
<td>5%</td>
<td>78%</td>
<td>36%</td>
<td>Production</td>
</tr>
<tr>
<td>Três Estradas (Aguia)</td>
<td>Brazil</td>
<td>29³</td>
<td>4.3%</td>
<td>65-83%</td>
<td>31-36%⁴</td>
<td>Exploration / Development</td>
</tr>
</tbody>
</table>

¹ See ASX Release of 3rd October 2012 ² JSA Consultoria e Assessoria Técnica, Company data ³ Inferred resource calculated from 40% of potential target length and to 100 metres depth ⁴ Based on preliminary beneficiation test work, optimisation test work underway ⁵ No magnetic separation conducted on samples
Excellent infrastructure access to markets

- Excellent infrastructure with good road, rail, power, port and services
- Railway within the project that goes north and south to Brazil and southwest to Argentina and Uruguay.
- Franchise owner is América Latina Logística.

Railway runs through the project
Significant logistical cost advantage to local producers of rock over imports

Estimated Logistics Costs of Rock Suppliers to Brazil (US$/t)

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Volume 2011 (kt)</th>
<th>Plant to Port</th>
<th>Ocean Freight</th>
<th>Brazil Port Handling $/t</th>
<th>Total Logistics $/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>213</td>
<td>15</td>
<td>20</td>
<td>24</td>
<td>59</td>
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<tr>
<td>Israel</td>
<td>113</td>
<td>12</td>
<td>30</td>
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<tr>
<td>Morocco</td>
<td>607</td>
<td>11</td>
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<td>Peru</td>
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<tr>
<td>Togo</td>
<td>42</td>
<td>8</td>
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<td>24</td>
<td>52</td>
</tr>
<tr>
<td>Tunisia</td>
<td>29</td>
<td>13</td>
<td>22</td>
<td>25</td>
<td>60</td>
</tr>
</tbody>
</table>

1 Includes Port Handling, AFMM (Brazilian Freight Tax @25% of freight and handling, and demurrage (at $0.50/t/day, estimated at $10/t)
Rio Grande do Sul: Large exploration upside

Potential for a world-class carbonatite province: more discoveries
There is evidence that the Três Estradas carbonatite extends......

Evidence suggests the carbonatite extends over 12km....

..with Siilinjärvi as a comparison
Porteira target: Portable x-ray fluorescence (PXRF) and magnetic imaging
Três Estradas Development options

**Phase 1: Near Term** - Mine high grade oxide for cash flow to fund on-going development and Capex
- 2-3 years
  - The Process – Internal Scoping commenced
    - Mine rock, beneficiate by flotation
    - Sell rock concentrate

**Phase 2: Longer Term** – Large resource to sustain 25 year mine life - Single Super Phosphate ("SSP") production.
- 4 years
  - The Process – Internal scoping commenced
    - Mine rock, beneficiate by flotation
    - Use rock concentrate to produce and sell SSP

**Phase 3: Depending on ultimate resource size, plan for either increased SSP or MAP / TSP production**
- 5+ years
Lucena Project: Drilling Targets Resource Potential

- CPRM discovered shallow phosphate mineralisation up to 22% P$_2$O$_5$ in several deposits to the west.

- Phosphate mineralisation is hosted by a limestone unit (Gramame Formation) that extends through project towards the east.

- Initial drilling results include up to 23% P$_2$O$_5$.

- Second stage drilling program completed comprising 21 shallow diamond holes testing 3 priority drilling targets.

- Independent JORC resource assessment underway by SRK with results due early 2nd Qtr 2013.
Summary

- Proven carbonatite-hosted apatite in Rio Grande do Sul
- Initial 29M tonnes indicated and inferred resource at Três Estradas based on northern section only
- Expectation that the resource at Três Estradas will expand significantly when southern section is drilled
- Surface rock chip sampling at elsewhere (e.g. Porteira) has also shown typical oxidised phosphate-containing carbonatites
- At least 10 more potential sites to explore
- Long term potential to produce 300–500,000 t/y P₂O₅

Rio Grande do Sul: A new phosphate province for Brazil
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