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 Companies Announcements Office
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Initial JORC Resource Estimate for the West Pilbara Iron Ore Project totals 265.9 Mt

Aquila Resources Limited ("Aquila") is pleased to announce the results of the initial JORC resource estimate for the Australian Premium Iron Joint Venture ("API"), in which the Company has a fifty percent interest, in relation to its West Pilbara Iron Ore Project located in the Pilbara region of Western Australia.

Golder Associates Pty Ltd was commissioned to complete the in-situ resource estimates.

The West Pilbara Iron Ore Project, located approximately 50 kilometres southwest of Pannawonica in the Pilbara region of Western Australia, has been the major focus of the Company's exploration program since its commencement in 2005. An extensive reverse circulation drilling program completed in 2006 evaluated five Channel Iron Deposits ("CID"), resulting in resource estimates being finalised for the Catho Well, Cardo Bore East, Upper Cane, Jewel and Cochrane CID, which all form part of the West Pilbara Iron Ore Project.

The Catho Well deposit is located in the Mt Stuart Joint Venture area (API 70%, Cullen Resources Limited 30%) whilst the Cardo Bore East, Upper Cane, Jewel and Cochrane deposits are located within the Red Hill Joint Venture (API earning 80%, Red Hill Iron Limited 20%).

The Indicated and Inferred resource for the pisolitic CID of the West Pilbara Iron Ore Project totals 203.0 Mt at 57.44% Fe.

Channel Iron Deposits – West Pilbara Iron Ore Project resource statement (JORC compliant).

Catho Well Deposit (cut-off grade >54% Fe, no Al₂O₃ cut-off applied)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	47.7	55.45	6.68	3.02	0.038	0.016	0.079	0.170	10.26
Inferred	20.3	55.23	7.15	3.24	0.037	0.016	0.071	0.161	9.83
Total	68.0	55.38	6.82	3.09	0.038	0.016	0.077	0.167	10.13

Cardo Bore East Deposit (cut-off grades >54% Fe and <4.0% Al₂O₃)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	30.6	59.32	4.60	3.43	0.076	0.016	0.065	0.109	6.59
Inferred	4.8	58.98	4.85	3.46	0.072	0.017	0.055	0.119	6.68
Total	35.4	59.27	4.63	3.44	0.075	0.016	0.064	0.110	6.60

Upper Cane Deposit (cut-off grade >54% Fe, no Al₂O₃ cut-off applied)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	27.8	58.74	4.97	2.88	0.082	0.020	0.024	0.043	7.55
Inferred	31.5	58.76	5.02	2.98	0.075	0.019	0.021	0.050	7.50
Total	59.3	58.75	5.00	2.93	0.078	0.019	0.022	0.047	7.52

Jewel Deposit (cut-off grades >54% Fe and <4.4% Al₂O₃)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	14.4	56.87	5.78	3.52	0.057	0.026	0.023	0.057	8.95
Inferred	5.3	56.80	6.05	3.62	0.066	0.025	0.027	0.056	8.59
Total	19.7	56.85	5.85	3.55	0.059	0.026	0.024	0.057	8.85

Cochrane Deposit (cut-off grades >54% Fe and <4.2% Al₂O₃)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	20.7	57.90	5.05	3.59	0.079	0.020	0.012	0.115	7.91
Inferred									
Total	20.7	57.90	5.05	3.59	0.079	0.020	0.012	0.115	7.91

Total - Channel Iron Deposits

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	141.2	57.44	5.56	3.22	0.063	0.018	0.050	0.112	8.45
Inferred	61.9	57.45	5.79	3.16	0.062	0.018	0.041	0.092	8.30
Total	203.0	57.44	5.63	3.20	0.062	0.018	0.047	0.106	8.41

The resources have similar iron grades to the pisolitic ores mined at Robe River and Yandicoogina, whilst the average alumina (Al₂O₃) grade is at the upper end of the preferred range, noting that there may be the opportunity to beneficiate or blend this resource with lower alumina ores similar to the Upper Cane resource in order to manage potential product specifications.

Hardey Project

The Hardey Bedded Iron Deposit ("BID") is located approximately 50km west northwest of the township of Paraburdoo in the Pilbara and approximately 130km from the Catho Well deposit.

The Hardey project was identified as potentially hosting a significant BID following a mapping and sampling program completed in early 2006. Reverse circulation drilling has been completed on the major mineralized zones hosted within the Dales Gorge Member of the Brockman Formation and the Nammuldi Member of the Marra Mamba Formation. The mineralised zones are hosted within the eastern fold closure of the Hardey Syncline. The hematite/hematite-geothite mineralisation in the Dales Gorge Member is up to 150m thick at the fold axis and typically 30-40m thick on the southern and northern limbs. A major zone of Marra Mamba mineralisation located on the southern limb of the syncline is a tabular zone approximately 30m thick with a strike extent of 900 metres.

The Indicated and Inferred resource for the Hardey BID is 62.9 Mt at 61.33% Fe.

Hardey Bedded Iron Deposit resource statement (JORC compliant).

Hardey Deposit (cut-off grade >58% Fe)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	19.8	61.24	3.66	2.66	0.128	0.011	0.063	0.069	5.69
Inferred	43.1	61.38	3.82	2.44	0.123	0.010	0.061	0.088	5.56
Total	62.9	61.33	3.77	2.51	0.125	0.010	0.062	0.082	5.60

Formation/ Domain	Resource Classification	Tonnage (Mt)	Average Grade							
			Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Brockman	Indicated	15.5	61.58	3.34	2.71	0.146	0.006	0.071	0.060	5.49
	Inferred	36.8	61.63	3.68	2.45	0.133	0.009	0.065	0.069	5.36
	Sub Total	52.3	61.62	3.58	2.52	0.137	0.008	0.067	0.066	5.40
Marra Mamba	Indicated	4.4	60.01	4.76	2.50	0.065	0.025	0.037	0.101	6.39
	Inferred	6.2	59.87	4.66	2.43	0.066	0.018	0.037	0.201	6.74
	Sub Total	10.6	59.93	4.70	2.45	0.066	0.021	0.037	0.160	6.59
TOTAL		62.9	61.33	3.77	2.51	0.125	0.010	0.062	0.082	5.60

The Brockman type ore of the Dales Gorge Member has high levels of phosphorus, whereas the Marra Mamba ore is low in phosphorus at 0.066% and can be utilised as a blend to the Brockman ore.

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For further information regarding this announcement, please contact Tony Poli.

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The information in this announcement that relates to Mineral Resources is based on information compiled by Mr Stuart H Tuckey, Dr Sia Khosrowshahi and Mr Jani Kalla who are members of the Australian Institute of Mining and Metallurgy. Mr Tuckey is full-time employee of Australian Premium Iron. Dr Khosrowshahi and Mr Kalla are employees of Golder Associates Pty Ltd. Messrs Tuckey, Khosrowshahi and Kalla have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey, Dr Khosrowshahi and Mr Kalla consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

