ASX ANNOUNCEMENT **18 December 2015**
ASX Code: BDR

CONTINUED EXPLORATION SUCCESS AT TUCANO MINE

Urucum Underground

FD1421	**4.4 m @ 7.31 g/t**
FD1422	**14.6 m @ 5.92 g/t (including 6.2 m @ 11.85 g/t)**

Neo Lode

F01639	**27 m @ 2.53 g/t**
F01640	**15 m @ 4.93 g/t (including 7 m@ 9.48 g/t)**
F01643	**13 m @ 3.59 g/t**
	12 m @ 2.48 g/t
F01622	**17 m @ 3.51 g/t (including 4 m @ 12.94 g/t)**

Gold Nose

FVD75	**5 m @ 5.67 g/t (including 2 m @ 13.5 g/t)**
FVD78	**3 m @ 4.43 g/t**

Beadell Resources Limited ("**Beadell**" or "the **Company**") is pleased to announce the receipt of several significant new drill results from various areas at its Tucano mine in Brazil.

The new results include infill drilling at the Urucum underground resource and confirm continuity of high gold grades predicted by the block model at Central Lode 1. Further confirmatory drilling is ongoing to continue increasing confidence in grade distribution throughout the three identified underground lodes at Urucum.

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Follow-up drilling at Tap AB1 extended mineralization along strike at the previously identified Neo Lode 80 metres east of the pit (News Release: 12 August 2015). These results confirm the identification of a new structure parallel to the banded iron formation unit (BIF) which hosts the majority of mineralization discovered to date at Tucano. Drilling will continue in 2016 to step out with the aim of delivering a new resource adjacent to the existing reserves at Tap AB1.

At Gold Nose, which is 1 kilometre southeast of Duckhead, first pass diamond drilling has intersected shallow oxide mineralisation in a similar geological setting as Duckhead.

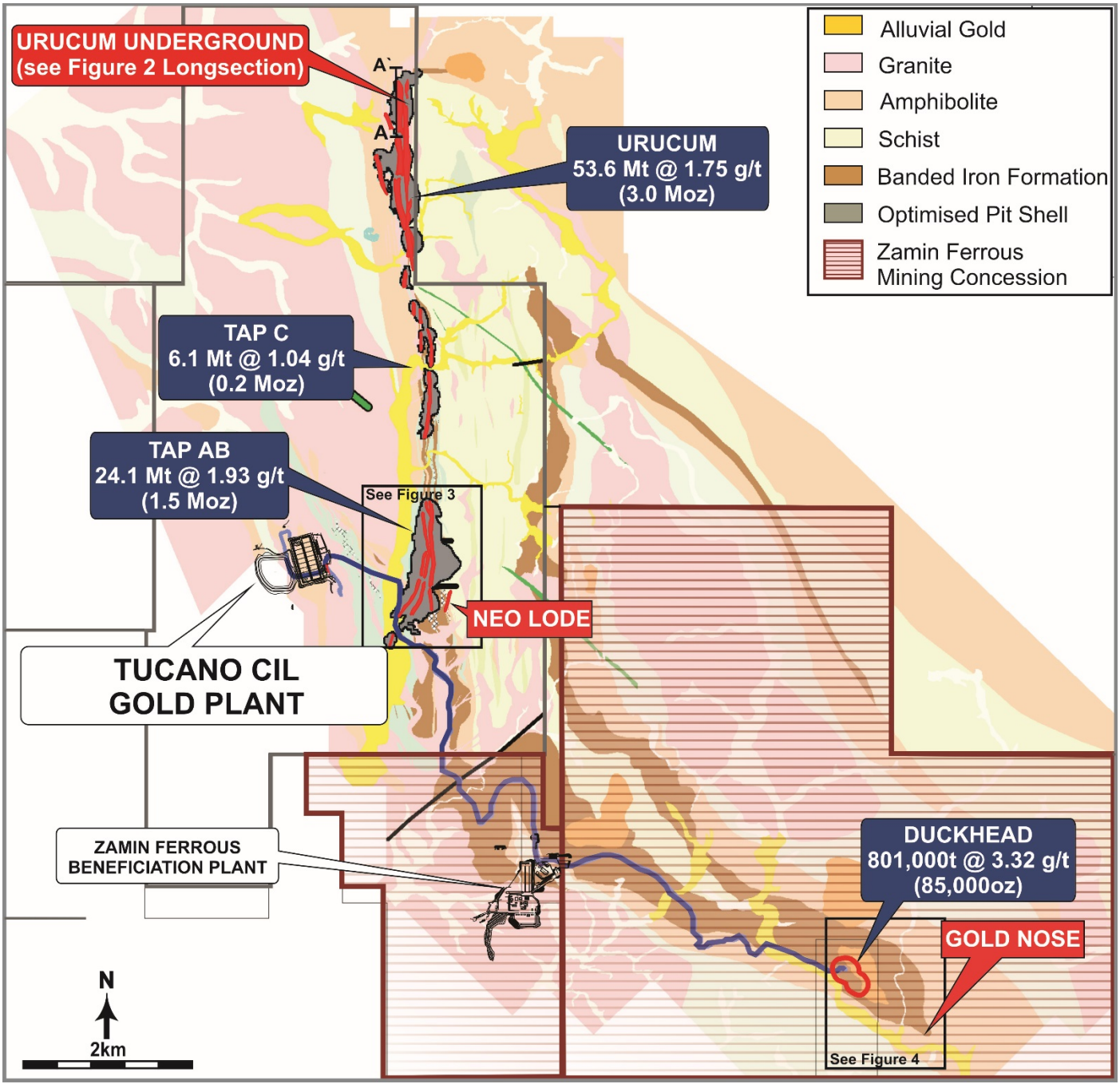

Figure 1. Tucano Mine Location Plan

Urucum Underground – infill drilling confirms continuity of the high grade Central Lode 1 shoot

An infill diamond drilling program continues at Urucum Underground targeting the main high grade Central Lode 1 target. The drilling program was designed to test both the structural interpretation and grade continuity of the sub-parallel lode shoot positions by infilling the existing resource model.

Results from the first 2 holes drilled in this program have confirmed location and continuity of the lode positions which correlate very closely to modelled locations (Figure 2, Table 1). The tenor of the grades intersected in the new results also closely match grade predicted by the resource model. This further increases confidence in the Urucum Underground model.

The Central Lode 1 ore shoot, in particular, is emerging as a genuine high grade lode with almost every hole drilled into the lode having visible gold in the diamond core.

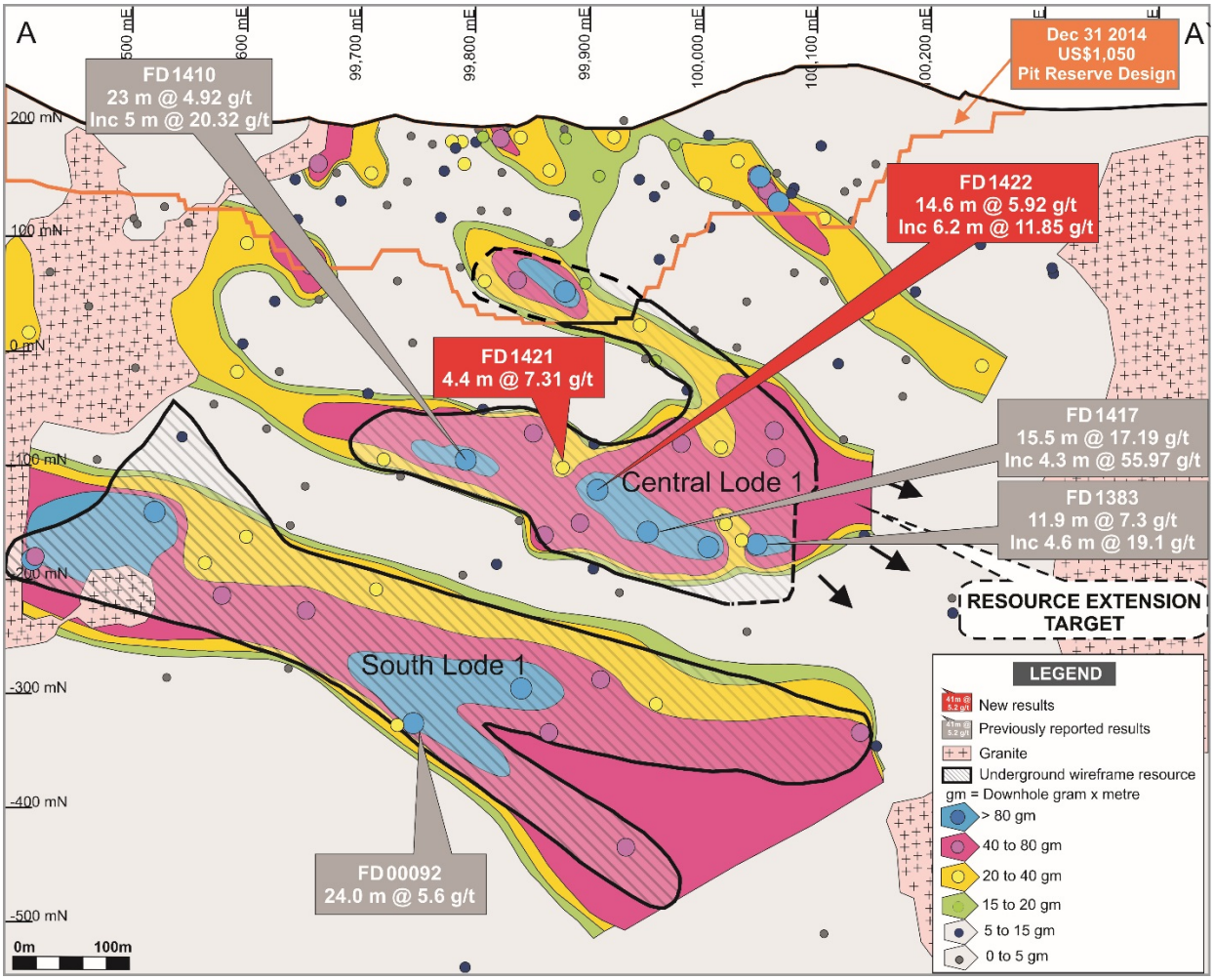

Figure 2. Urucum Lode 1 Longsection showing new diamond drill results

The drill results from Urucum Underground continue to demonstrate favourable geometries and grade for future underground development, which is the subject of the current Urucum Underground prefeasibility study.

This study is being conducted by AMC Consultants in Melbourne. Following the recent changes in senior management (News Release: 10 November 2015), a number of prefeasibility study scope amendments have been made. These included consideration of a number of additional potential development scenarios, including a comparison of both owner operator and mining contractor alternatives across a variety of development scales. The results of the prefeasibility study are expected to be reported in Q1 2016.

Neo Lode – Discovery of a new oxide lode confirmed with results up to 17 m @ 3.51 g/t

Additional reverse circulation (RC) results have been received from the Neo Lode discovery adjacent to the Tap AB1 open pit (Figure 3, Table 3). The drilling has confirmed the presence of the steeply east dipping mineralised structure 80 metres east of the main BIF contact that hosts the majority of the currently identified 5 million ounce Tucano resource inventory. The discovery of gold developed in a shear zone hosted by clastic schist is a newly identified mineralized structure and opens up a new target trend that has almost no previous drilling. Currently, mineralisation has been intercepted over a strike length of 170 metres and the Neo Lode remains open in all directions.

Drilling at Neo Lode also targeted the main mineralized BIF contact at Tap AB1. This contact zone hosts the high grade Trough lode at Tap AB2 along strike 250 metres to the north. Previous drilling targeting the Tap AB1 hill contact zone encountered deep weathering along the contact with significant oxide gold results. The area remains under-drilled at shallow depths and further drilling will be planned for 2016.

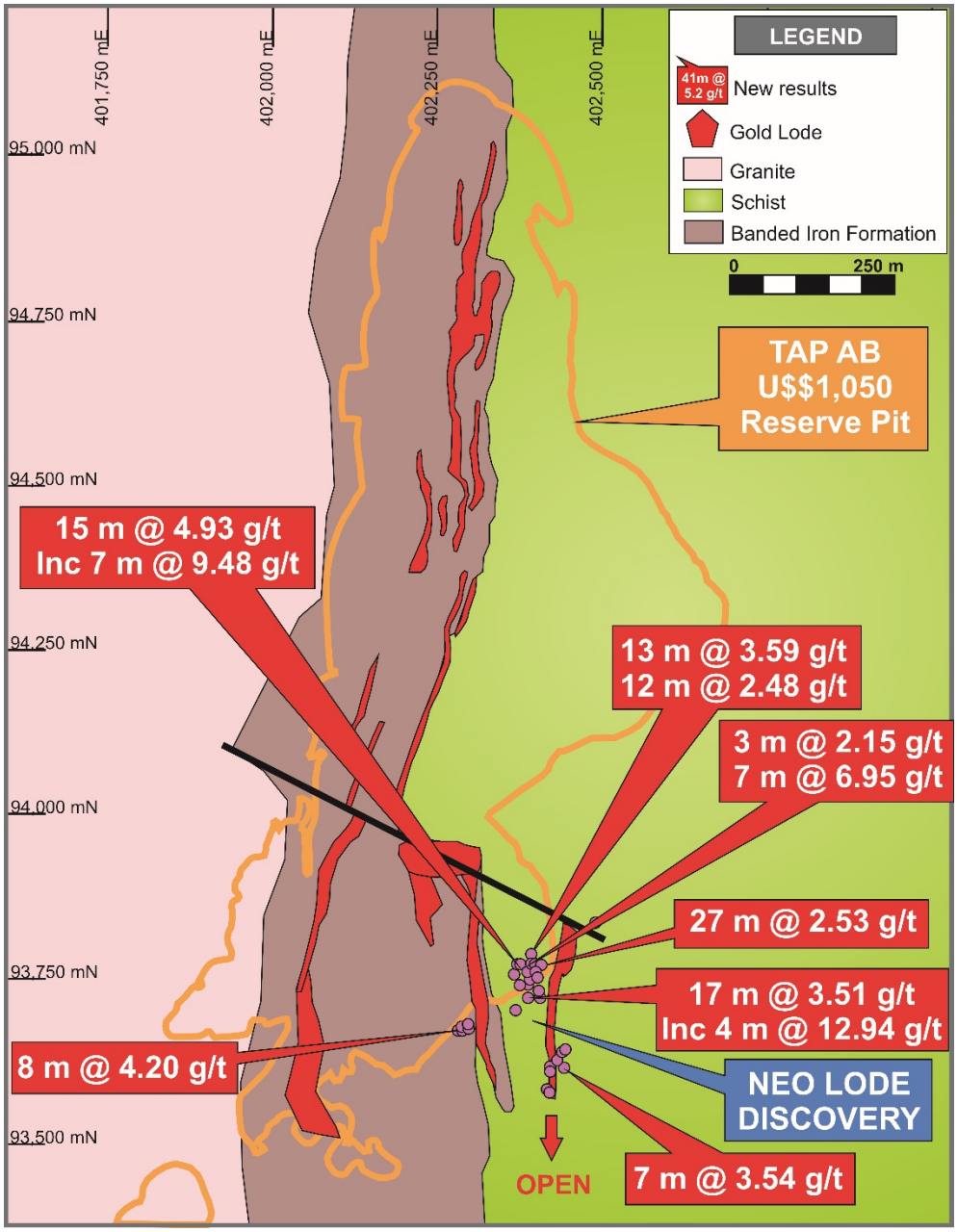

Figure 3. Tap AB plan showing location of new Neo Lode drill results

Gold Nose – Shallow diamond drilling intersects up to 5 m @ 5.67 g/t (inc 2 m @ 13.5 g/t)

A first pass diamond drilling program at Gold Nose, located 1 km southeast of the Duckhead open pit, has intersected shallow oxide gold mineralization controlled by a gently west dipping structure in a similar geological setting to Duckhead (Figure 4, Table 2).

The initial phase of diamond drilling was completed to gain an early understanding of the controls and geometry of this gold mineralisation. Follow up RC drilling will commence early in the new year to define the full extent of the mineralized zone. Gold Nose is a shear-zone controlled lode style deposit hosted in deeply developed saprolite with oxide gold mineralization occurring in a fault zone separating BIF and quartz-muscovite schist. Similarities are apparent to the high grade Duckhead gold deposit 1 km to the northwest.

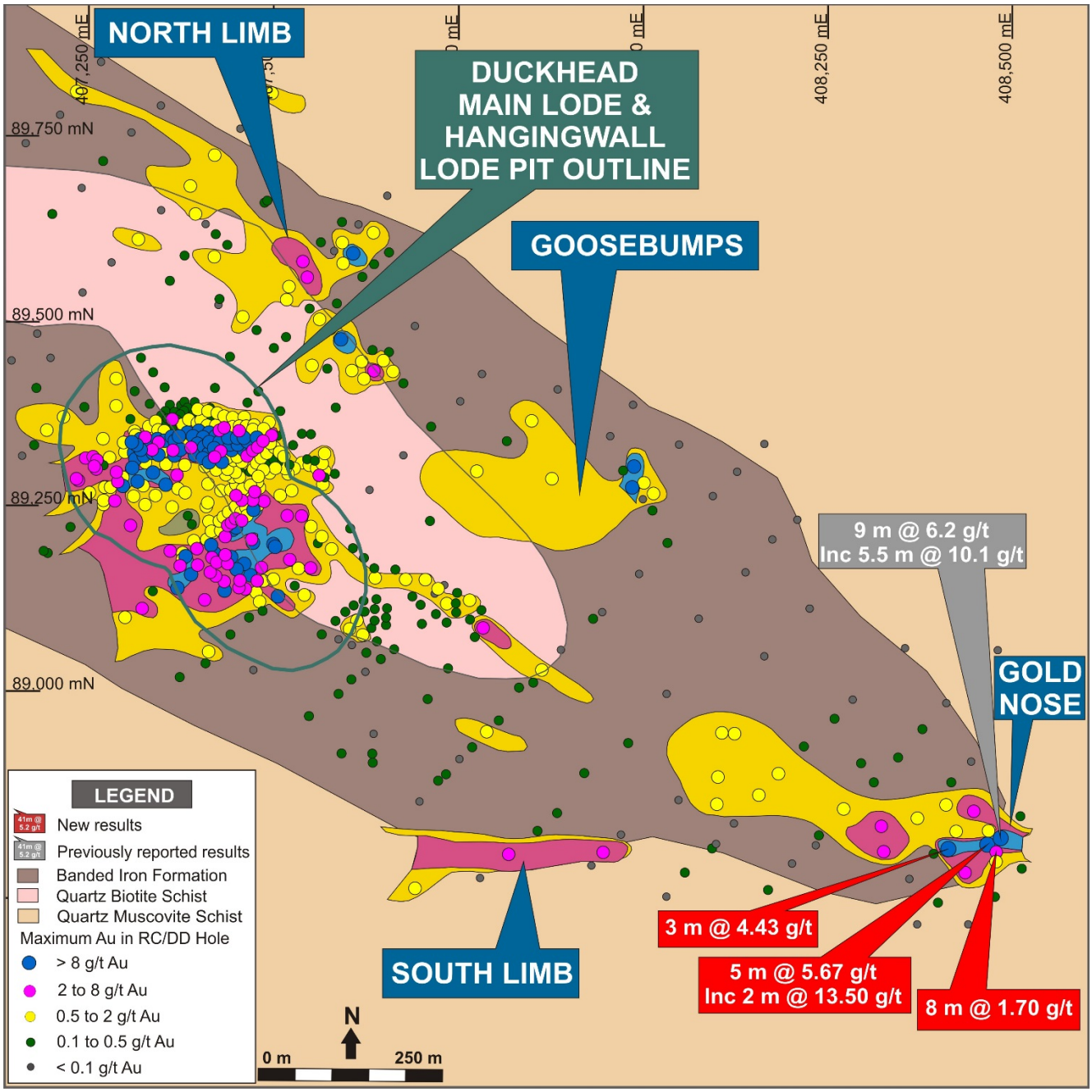

Figure 4. Gold Nose and Duckhead plan showing location of new drill results.

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Competent Persons Statement

The information in this report relating to Exploration Results and Mineral Resources and Ore Reserves is based on information compiled by Mr Robert Watkins who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration 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'. Mr Watkins is a full time employee of Beadell Resources Limited. Mr Watkins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears**.**

Table 1

Urucum Underground Diamond Drill Results

Target	Hole	North	East	RL	Dip	Az	From (m)	To (m)	Width (m)	Gold (g/t)
Urucum	FD1418	99588	402099	184	-66.1	300.4	218 259 270 298.8	226.4 262 276.8 204	8.4 3 6.8 5.2	1.98 0.56 0.56 2.63
Urucum	FD1419	99680	402157	191	-52.2	278.3	221 243 282 291	223 248 284 292.93	2 5 2 1.93	0.81 0.96 0.96 4.28
Urucum	FD1421	99866	402097	196	-70.1	278.2	212.79 232 246.63 252 326.31	214 240 248.63 260.3 331	**1.21** 8 2 8.3 **4.41**	**11.68** 0.88 1.69 0.60 **7.31**
Urucum	FD1422	99865	402097	196	-67.7	299.0	214 232 274 336.4 Incl 338.8	219 250.33 279 351 345	5 **18.33** 5 **14.61** **6.2**	0.69 **2.17** 0.71 **5.92** **11.85**

All intercepts are reported as downhole intervals using a 0.5 g/t gold lower cut off and no greater than 2 m internal dilution.

Table 2

Gold Nose Diamond Drill Results

Target	Hole	North	East	RL	Dip	Az	From (m)	To (m)	Width (m)	Gold (g/t)
Gold Nose	FVD74	88781	408470	231	-60	46	14	22	**8**	**1.70**
Gold Nose	FVD75	88780	408467	230	-50	25	17 Inc 18	22 20	**5** **2**	**5.67** **13.50**
Gold Nose	FVD76	88782	408468	231	-50	0	19	21	2	0.82
Gold Nose	FVD78	88785	408413	239	-50	79	36	39	**3**	**4.43**

All intercepts are reported as downhole intervals using a 0.5 g/t gold lower cut off and no greater than 2 m internal dilution.

Table 3
Neo Lode / Tap AB1 BIF contact

Target	Hole	North	East	RL	Dip	Az	From (m)	To (m)	Width (m)	Gold (g/t)
BIF contact	F1614	93674	402297	242	-50	90	6 30	9 38	3 **8**	1.48 **4.20**
Neo Lode	F1640	93750	402398	236	-55	90	52 59 71	55 66 77	3 **7** 6	2.15 **6.95** 0.84
Neo Lode	F1649	93770	402404	236	-50	90	48	52	4	2.93
Neo Lode	F1624	93720	402386	240	-60	90	87	90	3	2.20
Neo Lode	F1647	93772	402390	236	-55	80	109	112	3	0.7
Neo Lode	F1646	93772	402390	236	-60	90	97	107	**10**	**1.61**
Neo Lode	F1636	93740	402374	236	-55	91	114	116	2	1.36
Neo Lode	F1644	93760	402384	236	-60	90	106 122	114 128	**8** **6**	**2.34** **1.74**
Neo Lode	F1643	93760	402396	236	-60	90	74 90	87 102	**13** **12**	**3.59** **2.48**
Neo Lode	F1639	93750	402392	236	-59	86	63 74 87 Boh	69 79 114	6 5 **27**	0.62 1.01 **2.53**
BIF contact	F1645	93770	402371	236	-50	270	61 81 Inc 84 96	67 96 91 100	6 **15** **7** **4**	0.90 **4.93** **9.48** **3.96**
Neo Lode	F1623	93720	402402	241	-55	145	30 40	36 42	**6** 2	**2.50** 1.90
Neo Lode	F1616	93670	402281	241	-60	90	16 24 64	18 27 70	2 3 **6**	0.75 0.83 **3.22**
Neo Lode	F1633	93730	402401	241	-55	90	33 46	35 52	2 6	2.49 1.02
Neo Lode	F1615	93674	402286	241	-60	90	16 53	20 57	4 4	1.67 0.67
Neo Lode	F1622	93720	402403	241	-55	125	23 Inc 23	40 27	**17** **4**	**3.51** **12.94**
Neo Lode	F1617	93680	402296	242	-60	90	8 38	11 48	3 10	1.09 1.01
Neo Lode	F1621	93700	402368	241	-50	90	77	82	5	1.80
Neo Lode	F1635	93740	402386	235	-55	90	73 82	76 92	3 10	0.54 1.17
Neo Lode	F1618	93670	402284	241	-60	90	16 61	18 70	2 9	0.81 1.98
Neo Lode	F1664	93784	402139	216	-60	93	121	126	**5**	**2.38**
Neo Lode	F1667	93754	402364	217	-54	97	128	131	**3**	**8.09**
Neo Lode	F1656	93615	402439	279	-60	270	69	76	**7**	**3.54**

All intercepts are reported as downhole intervals using a 0.5 g/t gold lower cut off and no greater than 2 m internal dilution.

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 (e.g. 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.*	For RC drilling the entire 1m RC samples were obtained and split by an adjustable cone splitter attached to the base of the cyclone (1.5kg – 6.0kg) and were utilised for both lithology logging and assaying. For diamond core, half core is measured, logged and then cut, crushed and pulverised at the Tucano site sample preparation laboratory.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples are split into single meter intervals. Certified standards were inserted every 25th sample and to assess the accuracy and methodology of the external laboratories. Field duplicates were inserted every 20th sample to assess the repeatability and variability of the gold mineralisation. Laboratory duplicates were also completed approximately every 20th sample to assess the precision of the laboratory as well as the repeatability and variability of the gold mineralisation. A blank standard was inserted at the start of every batch. Results of the QAQC sampling were assessed on a batch by batch basis and were considered acceptable.
	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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.	1m RC samples were obtained by an adjustable cone splitter attached to the base of the cyclone (1.5kg – 6.0kg) and were utilised for both lithology logging and assaying. At the mine exploration sample preparation facility, core samples are dried at 105C, crushed to -8mm then to -2mm and split to 0.9-1kg before being pulverised to 1mm. This sample is quartered cut to between 200-400g before being pulverised to 95% passing 105µm. The final pulp is quartered again to achieve a sample of 100 - 200g and is sent to SGS laboratories in Belo Horizonte for fire assay. At the mine exploration sample preparation facility, the RC 1m samples are dried at 140C, crushed to -2mm (if aggregated) and riffle split to 1kg. The 1 kg sample is then pulverised to 1mm and quarter cut to between 200 and 400g. This sample is then pulverised to 95% passing 105µm and quarter cut to a 100-200g sample to send to SGS. Any duplicates samples of the same interval are also sent to ACME laboratories for analysis.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	A 5.5'' diameter face sampling hammer was used for RC drilling. For diamond drilling NQ size core is produced.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC recovery was visually assessed, with recovery being excellent except in some wet intervals at the water table. The majority of mineralised intersection results received occurred above the water table. All core is orientated and measured for recovery
	Measures taken to maximise sample	RC samples were visually checked for recovery, moisture

	recovery and ensure representative nature of the samples.	and contamination. The drilling contractor utilised a cyclone and cone splitter to provide uniform sample size. The cone splitter was cleaned at the end of every rod and the cyclone cleaned at the completion of every hole.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential	Sample recoveries for RC holes were high within the mineralised zones. No significant bias is expected.
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.*	Lithology, alteration, veining, mineralisation and weathering were logged from the RC chips and stored in Datashed. Chips from selected holes were also placed in chip trays and stored in a designated building at site for future reference. All Urucum core was orientated and geotechnically logged and recorded.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	All logging is qualitative except for density and recovery. All core photography has been completed shortly after being received at the core yard and always prior to cutting.
	The total length and percentage of the relevant intersections logged.	All drill holes are logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Core holes and half core sampled from cut core.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	The RC drilling utilised a cyclone and cone splitter to produce samples in the 1kg to 6kg range. Once collected the sample is dried, crushed to -2mm and split at the site sample preparation lab down to approximately 1kg prior to pulverisation.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The 1 kg sample is then pulverised to 1mm and quarter cut to between 200 and 400g. This sample is then pulverised to 95% passing 105µm and quarter cut to a 100-200g sample to send to SGS or to the mine chemical lab for analysis.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Certified standards and blanks were inserted every 25th sample to assess the accuracy and methodology of the external laboratory (SGS), and field duplicates were inserted every 20th sample to assess the repeatability and variability of the gold mineralisation. At Tucano field duplicates were taken for diamond core but not for RC. Laboratory duplicates (sample preparation split) were completed every 20th sample to assess the precision of the laboratory as well as the repeatability and variability of the gold mineralisation. Duplicate samples were also sent to a different lab (ACME Laboratories) for analysis.
	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.	Filed duplicate samples are collected every 20th samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes (1kg to 6kg) are considered to be a sufficient size to accurately represent the gold mineralisation based on the mineralisation style, the width and continuity of the intersections, the sampling methodology. Field duplicates of diamond core have routinely been collected to ensure monitoring of the sub-sampling quality. Acceptable precision and accuracy is noted in the field duplicates albeit the precision is marginally acceptable and consistent with a course gold deposit.

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.*	All resource or exploration holes (prefix FD or F) gold assaying completed by external certified laboratories (SGS in Belo Horizonte and ACME laboratories) and using a 30g charge for fire assay analysis with an AAS finish. This technique is industry standard for gold and considered appropriate. All grade control hole (prefix GCRC) gold assaying completed at the non-certified Tucano mine site chemical laboratory using similar fire assay analysis. Selected Screen fire analysis was performed on selected intervals where coarse gold was observed.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Geophysical tools not used.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Certified Reference Material (CRM or standards) were inserted every 25th sample to assess the assaying accuracy of the external laboratories. Field duplicates were inserted every 20th sample to assess the repeatability from the field and variability of the gold mineralisation. Laboratory duplicates were also completed approximately every 20th sample to assess the precision of assaying. Evaluation of both the Beadell submitted standards, and the internal laboratory quality control data, indicates assaying to be accurate and without significant drift for significant time periods. Excluding obvious errors, the vast majority of the CRM assaying report shows an overall mean bias of less than 5% with no consistent positive or negative bias noted. Duplicate assaying show high levels of correlation (linear correlation >0.96) and no apparent bias between the duplicate pairs. Field duplicate sample show marginally acceptable levels of correlation (0.89 for the SGS data set, 0.96 for the Ultratrace and MinAnalytical data set but 0.61 for the KalAssay data set) and no relative bias. Each analysis batch (approx. 150 samples) is checked to ensure that the standards fall within the accepted levels of standard deviation. Where any standard exceeds 3 standard deviations or where more than one standard falls between 2 and 3 standard deviations, the entire batch is resubmitted for analysis.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The high grade intersections of core and RC have been observed by various visiting geological consultants (e.g. Cube consulting).
	The use of twinned holes.	At Urucum underground diamond twin holes have been drilled previously showing what is considered to be normal variations in Orogenic gold mineralisation.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All geological logging information is entered directly into Logchief and synchronised with the Datashed database. Other field data (e.g. sampling sheets, downhole surveys etc.) are entered into excel spreadsheets formatted for Datashed importation. Lab assay reports are directly imported into Datashed along with all QAQC data and metadata. Data importation is done by Maxwell Geoservices staff under contract by Beadell Resources. All data loading procedures have been documented by Maxwell Geoservices.
	Discuss any adjustment to assay data.	Data below the detection limit is defined with a negative value, e.g. <0.01 = -0.01.

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.*	Beadell drill hole collar locations were picked up by site-based authorized surveyors using Total Station Leica 407, calibrated to a base station (expected accuracy of 20mm). Downhole surveying was measured by the drilling contractors using a Reflex Gyro Downhole Survey Instrument for RC holes. Shallow RC holes were picked up at the collar and 2 points on the rod string using Total Station. Grade control RC holes less than ~50m depth are not down hole surveyed.
	Specification of the grid system used.	The grid system is SAD 69 Zone 22N.
	Quality and adequacy of topographic control.	Beadell Brasil Ltda Survey Staff generated a digital terrain model (DTM) from Total Station surface pickups of the Tucano deposit.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The maximum nominal drill hole spacing is 5m (E) by 10m (N) for the Tucano RC holes to a nominal 50m x 50m spacing for diamond drilling at Urucum Underground.
	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 sufficient to demonstrate spatial and grade continuity of the mineralised domains to support the definition of Inferred, Indicated and Measured Mineral resources under the 2012 JORC code.
	Whether sample compositing has been applied.	No sample compositing has been applied in the field within the mineralised zones.
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 majority of drilling is orientated east-west at Tucano with a ~60 degree dip, which is roughly perpendicular to the strike of the mineralisation.
	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.	Sectional interpretation of 5m spaced holes on 10m spaced lines shows a very uniform mineralised zone both along strike and down dip. The drill orientation is as close to normal to this body as possible and therefore the drill hole to mineralisation is not considered to have introduced a sampling bias.
Sample security	*The measures taken to ensure sample security.*	Samples are securely sealed and stored onsite, until delivery to Macapa via the company contracted Taxi driver, who then also delivers the samples directly to TAM airlines cargo dispatch facility for delivery to Belo Horizonte. Sample submission forms are sent with the samples as well as emailed to the laboratory, and are used to keep track of the sample batches.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	A site visits was completed in 2012 (Cube Consulting) to review sampling procedures and grade control practices. This visit concluded the sampling to be at an industry standard, and of sufficient quality to carry out a Mineral Resource Estimation. A similar audit was completed in 2015.

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 Tucano deposits reside in tenement 851.676/1992, centrally located within the northern state of Amapa, Brazil. The current registered holder of the tenements is Beadell Brasil Ltda. The Gold Nose results are located in original concession 852.730/93. Gold Nose is located in a third party controlled iron ore mining concession. Beadell owns 100% of the gold rights to this tenement which is governed by the Duckhead Gold Rights Agreement.
	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.	Existing mining concession owned 100% by Beadell Resources Ltd for the Tucano deposits. Gold Nose is located in a third party owned iron ore mining concession with access governed by third party approvals under the guise of the Duckhead Gold Rights Agreement.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Beadell Brasil Ltda acknowledges the previous operator MPBA for the initial discovery of gold at Tucano.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Tucano deposits are structurally controlled orogenic lode type gold deposit hosted within a Banded Iron Formation unit in contact with a Clastic quartz biotite schist. The Lodes are characterised by shear parallel disseminated pyrite and pyrrhotite mineral assemblages and generally exhibit a strong oxidation profile in the regolith without any secondary dispersion other than colluvial deposits. The Neo Lode is a new style of gold mineralisation hosted solely in the clastic unit east of the main BIF sequence. The Gold Nose deposit is structurally controlled orogenic lode type gold deposit hosted adjacent to a Banded Iron Formation unit in contact with amphibolite.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	See Table 1
	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 (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	In the reporting of exploration results, un-cut grades are reported. The lower cut-off limit is considered to be 0.5g/t for the reporting of drill hole intercepts with no more than 2 m downhole internal dilution. Intercepts are determined using a weighted average over the length of the intercept.
	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.	In the instance where aggregate intercepts include shorter lengths of higher grade material, the total interval is stated first followed by the word "including", then a listing of the contained shorter high grade intercepts.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents are used at Tucano.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	The drilling was designed to intersect the mineralisation at an angle that is roughly perpendicular to the overall strike. The mineralised intervals are generally much wider than the minimum sample interval of 1m. At Urucum the true width is approximately 40% of the reported downhole interval although this varies between each hole. At Neo Lode the true width is approximately 30% of the reported downhole interval although this varies between each hole. At Goosebumps the down hole interval approximates the true width interval.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	All drill intersections are stated as down hole lengths because 3D envelope modelling of the new drill intercepts has not yet been completed and is required to accurately record a true width for each drill hole intersection.
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.*	See diagrams in main body of the announcement.
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 the significant results greater than 0.5 g/t gold over at least 2m downhole have been reported in Table 1 and Table 2.
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.*	The Tucano results are from an active mining area where open pit mining is in progress. Reconciliation has been verified by mill metallurgical balance based on models using the same drilling method for results.

Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The Tucano lodes remain open at depth and along strike in most cases and contain numerous outlying intersections that will require follow up drilling. Several diagrams have been included to highlight this aspect.