



## DRILL RESULTS ON CANINDÉ GRAPHITE PROJECT, BRAZIL

Paradigm Metals Limited ("Paradigm" or "the Company") is pleased to announce the assay results from the recently completed NQ diamond core drilling programme at the Pedra Preta target on the Canindé Graphite Project ("the Project") located in Ceara State, Brazil.

The assay results confirm the continuation of mineralisation from near surface and open along strike and at depth. The Company views these results as forming a solid foundation from which the Company intends to complete further test and development work.

In commenting on the results, the Company's Managing Director Mr Anthony Reilly stated *"The Company is extremely encouraged by these initial drilling results which confirm the presence of shallow high grade graphite layers and wide zones associated with disseminated graphite. The mineralisation is open at depth and along strike with potential for geophysics and further drilling to define a commercial scale resource."*

### HIGHLIGHTS:

The Company is pleased to report that all drill holes encountered graphite mineralisation throughout the length of the holes with zones of varying width and commercial grade and highlights include:

- **Hole-01** As previously announced 2nd March 2015 the first drill hole reported an intersection of **13.69 metres grading 18.38% Cg from 3.09 metres.**
- **Hole-01** 9.73 metres grading 1.03% Cg from 18.02 metres, including **5.23 metres grading 1.44% Cg from 20.35 metres.**
- **Hole-01** 2.07 metres grading 4.06% Cg from 31.88 metres.
- **Hole-01** 3.03 metres grading 1.53% Cg from 63.40 metres, including **1.50 metres grading 2.48% Cg from 63.40 metres.**
- **Hole-02** 6.50 metres grading 4.80% Cg from 0.00 metres, including **2.89 metres grading 9.73% Cg from 0.00 metres.**
- **Hole-02** 24.21 metres grading 1.76% Cg from 15.50 metres, including **7.50 metres grading 3.08% Cg from 15.50 metres.**

- **Hole-02** 5.34 metres grading 2.94% Cg from 41.00 metres.
- **Hole-05** 11.0 metres grading 1.72% Cg from 14.05 metres, including **4.07 metres at 2.89% from 18.50 metres**.
- **Hole-06** 2.04 metres grading 3.04% Cg from 14.92 metres, including **1.02 metres at 4.06% Cg**.

Pedra Preta is one of twelve (12) graphite targets identified within the 15,614 hectare mineral property in which Paradigm has an agreement to acquire up to 80% of the project.

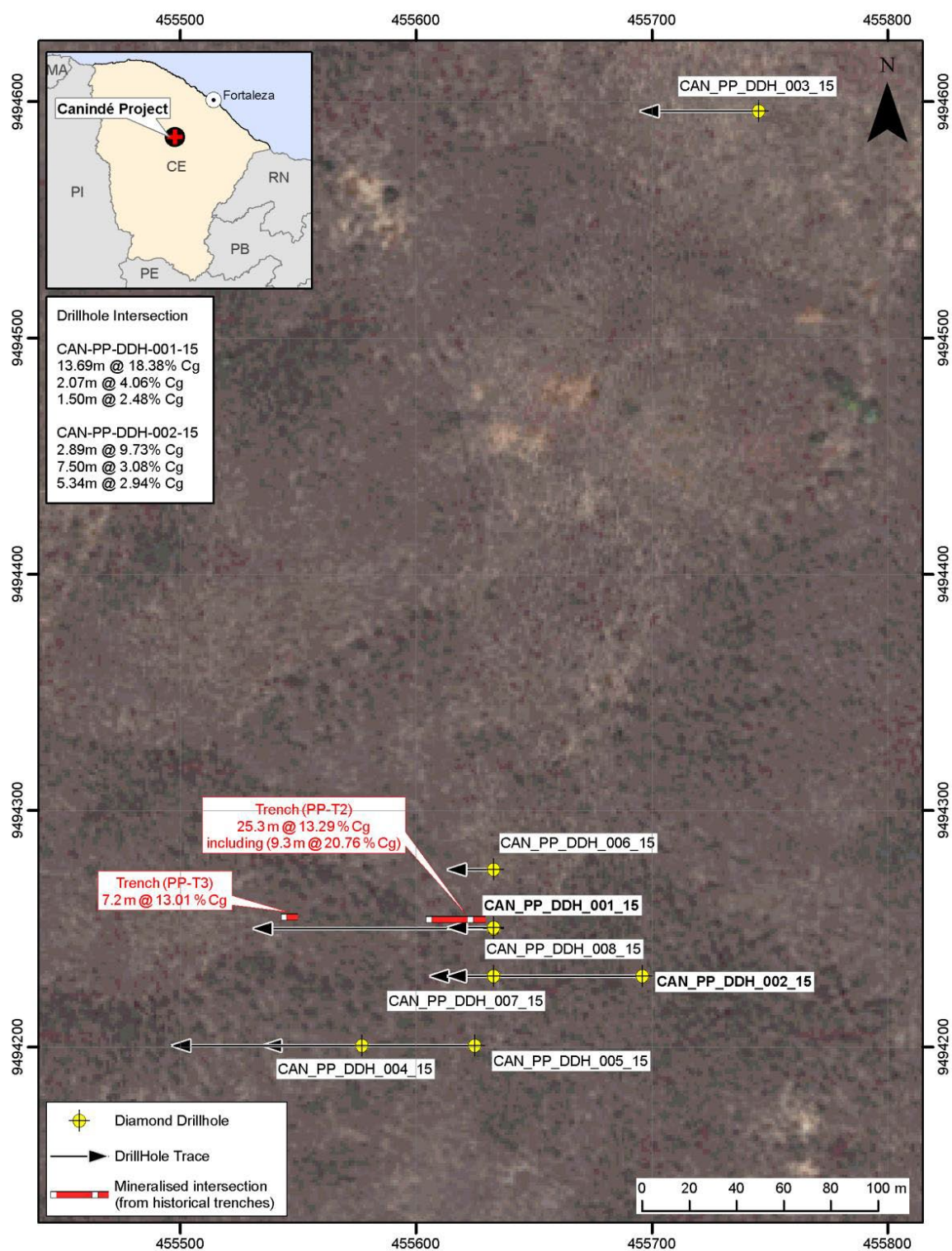
This initial drilling programme consisted of eight (8) short holes to depths between 20 metres and 102 metres (see Table 1).

**Table 1 - Caninde Drillind Programme**

HOLE	AZIMUTH	DIP	DEPTH (m)	UTM-ZONE	EASTING	NORTHING	ELEVATION (m)
CAN_PP_DDH_001_15	270	60	102.51	24M	455633	9494250	380.45
CAN_PP_DDH_002_15	270	60	90.55	24M	455696	9494230	406.00
CAN_PP_DDH_03_015	270	60	50.91	24M	455746	9494596	382.50
CAN_PP_DDH_04_015	270	60	81.03	24M	455577	9494201	381.60
CAN_PP_DDH_05_015	270	60	90.55	24M	455625	9494201	384.70
CAN_PP_DDH_006_15	270	60	20.10	24M	455633	9494275	379.45
CAN_PP_DDH_007_15	270	60	20.20	24M	455633	9494230	380.95
CAN_PP_DDH_008_15	270	60	20.05	24M	455633	9494251	380.45
			<b>TOTAL 475.90</b>				

These results do not include drill hole CAN-PP-DDH-08-15 which was drilled as a twin hole of CAN-PP-DDH-01-15 with the objective to provide enough material for future metallurgic testwork. Samples from this test hole have been submitted to SGS Geosol in Belo Horizonte for metallurgical and industrial testing to determine flake size and distribution. Results are expected in June 2015.

Figure 1 – Plan View with Drill Holes and Main Intersection



## SUMMARY OF RESULTS

### Drill hole CAN-PP-DDH-01-15

As previously announced, the first drill hole reported a high grade intersection of **13.69 metres grading 18.38% Cg** from a massive graphite horizon close to the surface level.

The remaining downhole extension of this hole was mineralised throughout the length of the hole with several wide zones associated with disseminated graphite hosted on a biotite leucogneiss host rock, as indicated below:

- 9.73 metres grading 1.03% Cg from 18.02 metres, including **5.23 metres grading 1.44% Cg from 20.35 metres.**
- **2.07 metres grading 4.06% Cg from 31.88 metres.**
- 13.65 metres grading 0.58% Cg from 37.15 metres, including 6.05 metres grading 0.64% Cg from 40.25 metres.
- 1.80 metres grading 1.57% Cg from 55.50 metres.
- 3.03 metres grading 1.53% Cg from 63.40 metres, including 1.50 metres grading 2.48% Cg from 63.40 metres.
- 4.50 metres grading 0.62% Cg from 71.01 metres.
- And 7.54 metres grading 0.49% Cg from 92.22 metres.

### Drill hole CAN-PP-DDH-02-15

Similar to the first drill hole also intersected high grade mineralisation near to the surface associated with a massive graphite layer and several other mineralised intervals associated with disseminated graphite zones.

- 6.50 metres grading 4.80% Cg from 0.00 metres, including **2.89 metres grading 9.73% Cg from 0.00 metres (massive graphite layer).**
- 24.21 metres grading 1.76% Cg from 15.50 metres, including **7.50 metres grading 3.08% Cg from 15.50 metres.**
- 7.50 metres grading 1.52% Cg from 24.50 metres.
- 6.21 metres grading 1.00% Cg from 33.50 metres.
- **5.34 metres grading 2.94% Cg from 41.00 metres.**
- 6.98 metres grading 0.55% Cg from 47.47 metres.
- 10.03 metres grading 1.28% Cg from 64.34 metres, including **4.38 metres grading 2.14% Cg from 68.00 metres.**



**Drill holes CAN-PP-DDH-03-15 AND CAN-PP-DDH-04-15**

Both these holes encountered graphite mineralisation, however, as these holes are down dip from the other holes it appears that they were not of sufficient depth to adequately test the target. This result is consistent with the Company's expectations.

**Drill hole CAD-PP-DDH-05-15** intersected several zones of medium grade disseminated graphite, including

- 11.0 metres grading 1.72% Cg from 14.05 metres, **including 4.07 metres at 2.89% from 18.50 metres.**

**Drill hole CAD-PP-DDH-06-15** intersected a zone of medium grade graphite mineralisation at the end of the hole including

- 2.04 metres grading 3.04% Cg from 14.92 metres **including 1.02 metres at 4.06% Cg.**

**Drill hole CAD-PP-DDH-07-15** intersected mineralisation throughout the core to end of hole at 20.20 metres.

*Please refer to the table in appendix 1 for all assay results.*

**FUTURE EXPLORATION**

The Company advises that it has completed petrophysics on core samples from the drilling programme with the aim of planning a ground geophysics survey. This survey will assist in defining extensions to the graphite mineralisation intersected in drilling, drill pad excavations and in trenches. This geophysical survey is planned to commence in the coming weeks which will guide future drilling decisions at Pedra Preta.

Based on the success of the drilling programme at Pedra Preta, the Company has decided to undertake further detailed mapping and sampling to identify new targets within the Caninde Graphite project area. This work is commencing during May 2015.

The Company is very pleased to announce that mineralisation remains open at depth and along strike.

**THE BRAZILIAN GRAPHITE MARKET**

The results of the current drilling indicate that the Company has a potential product which is consistent with that presently available in the Brazilian domestic market. It is the Company's aim to define a commercial high value flake graphite deposit which can be marketed directly to domestic Brazilian manufacturers and off-takers.

Brazil is the second largest producer of flake graphite in the world. It produces approximately 70,000tpa and the local market is dominated by Nacional de Grafite who has the capacity to produce approximately 60,000tpa from three mines in Minas Gerais. Nacional de Grafite's major production is from the Pedra Azul mine at 6.5% to 7.0% Cg and from Salto da Divisa at 4.5% to 5.0% Cg.

There is an established and rapidly developing end user market for flake graphite in Brazil which includes world leading manufacturers for aircraft Embraer SA, and refractory products Magnesita Refratários S.A.

The Company has recently commenced a detailed review of the domestic end user market to confirm demand for flake graphite and identify potential off-take and industry partners.

The Company looks forward to updating investors on further developments as they come to hand.

**Anthony Reilly**  
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#### *Competent Persons Statement*

*The technical information in this release is based on compiled and reviewed data by Mr. Paulo Brito. Mr. Brito is a consulting geologist for Paradigm Metals Limited and is a Member of AusIMM-The Minerals Institute, as well as, a Member of Australian Institute of Geoscientists. Mr. Brito has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is 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". Mr. Brito consents to the inclusion in the report of the matters based on their information in the form and context in which it appears. Mr. Brito accepts responsibility for the accuracy of the statements disclosed in this release.*

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## APPENDIX 1 - ASSAY RESULTS

Hole_Id	Sample_ID	From_m	To_m	Interval_m	Cg (%)	Intersection
CAN-PP-DDH-001-15	CAN000001	0.00	1.05	1.05	0.90	
CAN-PP-DDH-001-15	CAN000002	1.05	2.50	1.45	0.50	
CAN-PP-DDH-001-15	CAN000003	2.50	3.09	0.59	0.61	
CAN-PP-DDH-001-15	CAN000004	3.09	3.85	0.76	21.50	13.63m @ 18.38% Cg (incl. 0.58m @ 31.49% Cg)
CAN-PP-DDH-001-15	CAN000006	3.85	4.77	0.92	11.51	
CAN-PP-DDH-001-15	CAN000007	4.77	5.35	0.58	31.49	
CAN-PP-DDH-001-15	CAN000008	5.35	6.38	1.03	27.30	
CAN-PP-DDH-001-15	CAN000010	6.38	6.98	0.60	28.65	
CAN-PP-DDH-001-15	CAN000011	6.98	8.46	1.48	0.55	
CAN-PP-DDH-001-15	CAN000012	8.46	9.85	1.39	24.03	
CAN-PP-DDH-001-15	CAN000013	9.85	11.35	1.50	17.76	
CAN-PP-DDH-001-15	CAN000014	11.35	12.85	1.50	25.24	
CAN-PP-DDH-001-15	CAN000016	12.85	14.35	1.50	24.96	
CAN-PP-DDH-001-15	CAN000017	14.35	15.19	0.84	13.77	
CAN-PP-DDH-001-15	CAN000018	15.19	16.25	1.06	3.06	
CAN-PP-DDH-001-15	CAN000019	16.25	16.78	0.53	19.14	
CAN-PP-DDH-001-15	CAN000020	16.78	17.54	0.76	1.54	
CAN-PP-DDH-001-15	CAN000021	17.54	18.02	0.48	0.26	
CAN-PP-DDH-001-15	CAN000022	18.02	18.85	0.83	0.62	
CAN-PP-DDH-001-15	CAN000023	18.85	20.35	1.50	0.45	
CAN-PP-DDH-001-15	CAN000024	20.35	21.85	1.50	1.23	5.23m @ 1.44% Cg (incl. 0.68m @ 4.87% Cg)
CAN-PP-DDH-001-15	CAN000026	21.85	23.35	1.50	1.00	
CAN-PP-DDH-001-15	CAN000027	23.35	24.90	1.55	0.56	
CAN-PP-DDH-001-15	CAN000028	24.90	25.58	0.68	4.87	
CAN-PP-DDH-001-15	CAN000029	25.58	26.86	1.28	0.65	
CAN-PP-DDH-001-15	CAN000031	26.86	27.75	0.89	0.56	
CAN-PP-DDH-001-15	CAN000032	27.75	29.25	1.50	0.36	
CAN-PP-DDH-001-15	CAN000033	29.25	30.85	1.60	0.03	
CAN-PP-DDH-001-15	CAN000034	30.85	31.88	1.03	0.03	
CAN-PP-DDH-001-15	CAN000036	31.88	32.16	0.28	9.43	2.07m @ 4.06% Cg (incl. 0.28m @ 9.43% Cg)
CAN-PP-DDH-001-15	CAN000037	32.16	33.95	1.79	3.22	
CAN-PP-DDH-001-15	CAN000038	33.95	35.55	1.60	0.06	
CAN-PP-DDH-001-15	CAN000039	35.55	37.15	1.60	0.03	
CAN-PP-DDH-001-15	CAN000040	37.15	38.75	1.60	0.50	
CAN-PP-DDH-001-15	CAN000041	38.75	40.25	1.50	0.57	
CAN-PP-DDH-001-15	CAN000042	40.25	41.65	1.40	0.71	
CAN-PP-DDH-001-15	CAN000043	41.65	43.20	1.55	0.44	
CAN-PP-DDH-001-15	CAN000045	43.20	44.75	1.55	0.64	
CAN-PP-DDH-001-15	CAN000046	44.75	46.30	1.55	0.78	
CAN-PP-DDH-001-15	CAN000047	46.30	47.85	1.55	0.41	
CAN-PP-DDH-001-15	CAN000048	47.85	49.30	1.45	0.47	
CAN-PP-DDH-001-15	CAN000050	49.30	50.80	1.50	0.70	
CAN-PP-DDH-001-15	CAN000051	50.80	52.05	1.25	0.24	
CAN-PP-DDH-001-15	CAN000052	52.05	54.05	2.00	0.11	
CAN-PP-DDH-001-15	CAN000053	54.05	55.50	1.45	0.27	
CAN-PP-DDH-001-15	CAN000054	55.50	57.30	1.80	1.57	1.80m @ 1.57% Cg
CAN-PP-DDH-001-15	CAN000056	57.30	59.30	2.00	0.31	
CAN-PP-DDH-001-15	CAN000057	59.30	60.35	1.05	0.21	
CAN-PP-DDH-001-15	CAN000058	60.35	61.92	1.57	0.21	
CAN-PP-DDH-001-15	CAN000059	61.92	63.40	1.48	0.41	
CAN-PP-DDH-001-15	CAN000060	63.40	64.90	1.50	2.48	1.50m @ 2.48% Cg
CAN-PP-DDH-001-15	CAN000061	64.90	66.43	1.53	0.60	
CAN-PP-DDH-001-15	CAN000062	66.43	67.85	1.42	0.43	
CAN-PP-DDH-001-15	CAN000063	67.85	69.46	1.61	0.29	
CAN-PP-DDH-001-15	CAN000064	69.46	71.01	1.55	0.28	
CAN-PP-DDH-001-15	CAN000065	71.01	72.51	1.50	0.82	
CAN-PP-DDH-001-15	CAN000067	72.51	74.13	1.62	0.54	
CAN-PP-DDH-001-15	CAN000068	74.13	75.51	1.38	0.48	
CAN-PP-DDH-001-15	CAN000069	75.51	76.80	1.29	0.03	
CAN-PP-DDH-001-15	CAN000070	76.80	78.56	1.76	0.39	
CAN-PP-DDH-001-15	CAN000071	78.56	79.78	1.22	0.39	
CAN-PP-DDH-001-15	CAN000073	79.78	81.61	1.83	0.40	

CAN-PP-DDH-001-15	CAN000074	81.61	82.71	1.10	0.40		
CAN-PP-DDH-001-15	CAN000075	82.71	84.71	2.00	0.28		
CAN-PP-DDH-001-15	CAN000076	84.71	86.22	1.51	0.27		
CAN-PP-DDH-001-15	CAN000077	86.22	87.81	1.59	0.52		
CAN-PP-DDH-001-15	CAN000079	87.81	89.25	1.44	0.07		
CAN-PP-DDH-001-15	CAN000080	89.25	90.91	1.66	0.27		
CAN-PP-DDH-001-15	CAN000081	90.91	92.22	1.31	0.15		
CAN-PP-DDH-001-15	CAN000082	92.22	93.91	1.69	0.58		
CAN-PP-DDH-001-15	CAN000083	93.91	95.23	1.32	0.30		
CAN-PP-DDH-001-15	CAN000084	95.23	96.96	1.73	0.45		
CAN-PP-DDH-001-15	CAN000085	96.96	97.90	0.94	0.47		
CAN-PP-DDH-001-15	CAN000087	97.90	99.76	1.86	0.57		
CAN-PP-DDH-001-15	CAN000088	99.76	100.45	0.69	0.03		
CAN-PP-DDH-001-15	CAN000089	100.45	102.51	2.06	0.14		
End of Hole							
CAN-PP-DDH-002-15	CAN000090	0.00	1.35	1.35	4.77		2.89m @ 9.73% Cg (incl. 1.54m @ 14.08% Cg)
CAN-PP-DDH-002-15	CAN000091	1.35	2.00	0.65	13.40		
CAN-PP-DDH-002-15	CAN000093	2.00	2.89	0.89	14.58		
CAN-PP-DDH-002-15	CAN000094	2.89	3.96	1.07	0.91		
CAN-PP-DDH-002-15	CAN000095	3.96	4.87	0.91	0.68		
CAN-PP-DDH-002-15	CAN000097	4.87	5.43	0.56	0.12		
CAN-PP-DDH-002-15	CAN000098	5.43	6.50	1.07	1.32		1.07m @ 1.32% Cg
CAN-PP-DDH-002-15	CAN000099	6.50	7.09	0.59	0.10		
CAN-PP-DDH-002-15	CAN000100	7.09	8.12	1.03	0.58		
CAN-PP-DDH-002-15	CAN000101	8.12	8.82	0.70	0.15		
CAN-PP-DDH-002-15	CAN000102	8.82	9.50	0.68	0.03		
CAN-PP-DDH-002-15	CAN000103	9.50	11.00	1.50	0.27		
CAN-PP-DDH-002-15	CAN000104	11.00	12.50	1.50	0.31		
CAN-PP-DDH-002-15	CAN000106	12.50	14.00	1.50	0.39		
CAN-PP-DDH-002-15	CAN000107	14.00	15.50	1.50	0.52		
CAN-PP-DDH-002-15	CAN000108	15.50	17.00	1.50	1.77		19.50m @ 1.97% Cg (incl. 1.00m @ 10.77% Cg)
CAN-PP-DDH-002-15	CAN000109	17.00	17.84	0.84	1.30		
CAN-PP-DDH-002-15	CAN000110	17.84	18.84	1.00	10.77		
CAN-PP-DDH-002-15	CAN000112	18.84	20.00	1.16	2.31		
CAN-PP-DDH-002-15	CAN000113	20.00	21.50	1.50	1.10		
CAN-PP-DDH-002-15	CAN000114	21.50	23.00	1.50	2.85		
CAN-PP-DDH-002-15	CAN000115	23.00	24.50	1.50	0.61		
CAN-PP-DDH-002-15	CAN000116	24.50	26.00	1.50	1.13		
CAN-PP-DDH-002-15	CAN000118	26.00	27.50	1.50	0.65		
CAN-PP-DDH-002-15	CAN000119	27.50	29.00	1.50	1.94		
CAN-PP-DDH-002-15	CAN000120	29.00	30.50	1.50	1.74		1.71m @ 1.24% Cg
CAN-PP-DDH-002-15	CAN000121	30.50	32.00	1.50	2.15		
CAN-PP-DDH-002-15	CAN000122	32.00	33.50	1.50	0.66		
CAN-PP-DDH-002-15	CAN000123	33.50	35.00	1.50	1.38		
CAN-PP-DDH-002-15	CAN000124	35.00	36.50	1.50	0.60		
CAN-PP-DDH-002-15	CAN000126	36.50	38.00	1.50	0.78		
CAN-PP-DDH-002-15	CAN000127	38.00	39.71	1.71	1.24		1.35m @ 6.81% Cg
CAN-PP-DDH-002-15	CAN000128	39.71	40.40	0.69	0.16		
CAN-PP-DDH-002-15	CAN000129	40.40	41.00	0.60	0.38		
CAN-PP-DDH-002-15	CAN000131	41.00	42.35	1.35	6.81		1.14m @ 4.14% Cg
CAN-PP-DDH-002-15	CAN000132	42.35	43.01	0.66	0.49		
CAN-PP-DDH-002-15	CAN000133	43.01	43.49	0.48	0.95		
CAN-PP-DDH-002-15	CAN000134	43.49	44.43	0.94	0.31		
CAN-PP-DDH-002-15	CAN000135	44.43	45.20	0.77	0.94		
CAN-PP-DDH-002-15	CAN000137	45.20	46.34	1.14	4.14		
CAN-PP-DDH-002-15	CAN000138	46.34	47.47	1.13	0.03		
CAN-PP-DDH-002-15	CAN000139	47.47	48.30	0.83	0.67		
CAN-PP-DDH-002-15	CAN000140	48.30	49.80	1.50	0.56		
CAN-PP-DDH-002-15	CAN000141	49.80	51.36	1.56	0.54		
CAN-PP-DDH-002-15	CAN000142	51.36	52.85	1.49	0.37		
CAN-PP-DDH-002-15	CAN000143	52.85	54.45	1.60	0.66		
CAN-PP-DDH-002-15	CAN000145	54.45	56.00	1.55	0.43		
CAN-PP-DDH-002-15	CAN000146	56.00	57.40	1.40	0.42		



CAN-PP-DDH-002-15	CAN000147	57.40	58.86	1.46	0.37
CAN-PP-DDH-002-15	CAN000148	58.86	60.09	1.23	0.32
CAN-PP-DDH-002-15	CAN000150	60.09	61.84	1.75	0.13
CAN-PP-DDH-002-15	CAN000151	61.84	62.84	1.00	0.03
CAN-PP-DDH-002-15	CAN000152	62.84	64.34	1.50	0.33
CAN-PP-DDH-002-15	CAN000153	64.34	65.60	1.26	0.60
CAN-PP-DDH-002-15	CAN000155	65.60	67.14	1.54	0.49
CAN-PP-DDH-002-15	CAN000156	67.14	68.00	0.86	0.54
CAN-PP-DDH-002-15	CAN000157	68.00	69.28	1.28	1.07
CAN-PP-DDH-002-15	CAN000158	69.28	70.40	1.12	3.02
CAN-PP-DDH-002-15	CAN000159	70.40	71.65	1.25	1.78
CAN-PP-DDH-002-15	CAN000160	71.65	72.38	0.73	3.26
CAN-PP-DDH-002-15	CAN000161	72.38	74.37	1.99	0.77
CAN-PP-DDH-002-15	CAN000162	74.37	75.52	1.15	0.18
CAN-PP-DDH-002-15	CAN000163	75.52	76.60	1.08	0.21
CAN-PP-DDH-002-15	CAN000164	76.60	78.10	1.50	0.45
CAN-PP-DDH-002-15	CAN000166	78.10	79.60	1.50	0.48
CAN-PP-DDH-002-15	CAN000167	79.60	81.27	1.67	0.55
CAN-PP-DDH-002-15	CAN000168	81.27	82.80	1.53	0.83
CAN-PP-DDH-002-15	CAN000169	82.80	84.35	1.55	0.48
CAN-PP-DDH-002-15	CAN000171	84.35	86.00	1.65	0.66
CAN-PP-DDH-002-15	CAN000172	86.00	87.55	1.55	0.74
CAN-PP-DDH-002-15	CAN000173	87.55	89.20	1.65	0.60
CAN-PP-DDH-002-15	CAN000174	89.20	90.55	1.35	0.67

End of Hole

CAN-PP-DDH-003-15	CAN000332	0.00	0.90	0.90	0.33
CAN-PP-DDH-003-15	CAN000334	0.90	1.60	0.70	0.57
CAN-PP-DDH-003-15	CAN000335	1.60	2.40	0.80	0.43
CAN-PP-DDH-003-15	CAN000336	2.40	3.40	1.00	0.41
CAN-PP-DDH-003-15	CAN000337	3.40	4.90	1.50	0.89
CAN-PP-DDH-003-15	CAN000338	4.90	6.45	1.55	0.64
CAN-PP-DDH-003-15	CAN000339	6.45	7.95	1.50	0.50
CAN-PP-DDH-003-15	CAN000340	7.95	9.45	1.50	0.55
CAN-PP-DDH-003-15	CAN000341	9.45	10.95	1.50	2.04
CAN-PP-DDH-003-15	CAN000342	10.95	12.45	1.50	<0,05
CAN-PP-DDH-003-15	CAN000343	12.45	13.95	1.50	0.17
CAN-PP-DDH-003-15	CAN000344	13.95	15.45	1.50	1.06
CAN-PP-DDH-003-15	CAN000346	15.45	16.80	1.35	0.17
CAN-PP-DDH-003-15	CAN000347	16.80	18.10	1.30	1.88
CAN-PP-DDH-003-15	CAN000348	18.10	19.00	0.90	1.04
CAN-PP-DDH-003-15	CAN000349	19.00	20.30	1.30	0.92
CAN-PP-DDH-003-15	CAN000351	20.30	21.00	0.70	0.49
CAN-PP-DDH-003-15	CAN000352	21.00	21.80	0.80	0.25
CAN-PP-DDH-003-15	CAN000353	21.80	23.30	1.50	1.10
CAN-PP-DDH-003-15	CAN000354	23.30	24.04	0.74	1.00
CAN-PP-DDH-003-15	CAN000356	24.04	25.49	1.45	0.32
CAN-PP-DDH-003-15	CAN000357	25.49	26.05	0.56	0.18
CAN-PP-DDH-003-15	CAN000358	26.05	27.65	1.60	0.62
CAN-PP-DDH-003-15	CAN000359	27.65	28.48	0.83	0.85
CAN-PP-DDH-003-15	CAN000360	28.48	29.25	0.77	1.26
CAN-PP-DDH-003-15	CAN000361	29.25	30.04	0.79	0.45
CAN-PP-DDH-003-15	CAN000362	30.04	31.59	1.55	1.26
CAN-PP-DDH-003-15	CAN000364	31.59	32.45	0.86	0.50
CAN-PP-DDH-003-15	CAN000365	32.45	33.65	1.20	0.68
CAN-PP-DDH-003-15	CAN000366	33.65	35.61	1.96	0.67
CAN-PP-DDH-003-15	CAN000367	35.61	37.12	1.51	0.45
CAN-PP-DDH-003-15	CAN000368	37.12	38.63	1.51	0.94
CAN-PP-DDH-003-15	CAN000370	38.63	40.38	1.75	0.71
CAN-PP-DDH-003-15	CAN000371	40.38	41.70	1.32	0.43
CAN-PP-DDH-003-15	CAN000372	41.70	42.70	1.00	0.45
CAN-PP-DDH-003-15	CAN000373	42.70	43.74	1.04	0.31
CAN-PP-DDH-003-15	CAN000374	43.74	44.76	1.02	1.46
CAN-PP-DDH-003-15	CAN000376	44.76	45.77	1.01	0.46

4.38M @ 2.14% Cg

1.50m % 2.04% Cg

5.05m @ 1.03% Cg

2.24m @ 1.07% Cg

0.77m @ 1.26% Cg

1.55m @ 1.26% Cg

1.02m @ 1.46% Cg

CAN-PP-DDH-003-15	CAN000377	45.77	47.08	1.31	0.06		
CAN-PP-DDH-003-15	CAN000378	47.08	47.95	0.87	0.96		
CAN-PP-DDH-003-15	CAN000379	47.95	49.09	1.14	1.21		1.14m @ 1.21% Cg
CAN-PP-DDH-003-15	CAN000380	49.09	50.91	1.82	0.65		
End of Hole							
CAN-PP-DDH-004-15	CAN000175	0.00	0.70	0.70	0.86		
CAN-PP-DDH-004-15	CAN000176	0.70	1.35	0.65	0.83		
CAN-PP-DDH-004-15	CAN000178	1.35	2.35	1.00	0.83		
CAN-PP-DDH-004-15	CAN000179	2.35	3.26	0.91	0.48		
CAN-PP-DDH-004-15	CAN000180	3.26	4.70	1.44	0.89		
CAN-PP-DDH-004-15	CAN000181	4.70	6.20	1.50	0.60		
CAN-PP-DDH-004-15	CAN000182	6.20	7.06	0.86	0.11		
CAN-PP-DDH-004-15	CAN000183	7.06	7.90	0.84	0.89		
CAN-PP-DDH-004-15	CAN000184	7.90	9.20	1.30	0.55		
CAN-PP-DDH-004-15	CAN000186	9.20	10.20	1.00	0.29		
CAN-PP-DDH-004-15	CAN000187	10.20	11.80	1.60	0.37		
CAN-PP-DDH-004-15	CAN000188	11.80	13.61	1.81	0.39		
CAN-PP-DDH-004-15	CAN000189	13.61	14.91	1.30	0.22		
CAN-PP-DDH-004-15	CAN000190	14.91	15.94	1.03	0.23		
CAN-PP-DDH-004-15	CAN000192	15.94	16.86	0.92	0.90		
CAN-PP-DDH-004-15	CAN000193	16.86	18.11	1.25	1.08		2.75m @ 1.10% Cg
CAN-PP-DDH-004-15	CAN000194	18.11	19.61	1.50	1.12		
CAN-PP-DDH-004-15	CAN000195	19.61	21.16	1.55	0.75		
CAN-PP-DDH-004-15	CAN000196	21.16	22.66	1.50	0.78		
CAN-PP-DDH-004-15	CAN000198	22.66	24.16	1.50	0.59		
CAN-PP-DDH-004-15	CAN000199	24.16	25.76	1.60	0.64		
CAN-PP-DDH-004-15	CAN000200	25.76	27.26	1.50	0.64		
CAN-PP-DDH-004-15	CAN000201	27.26	28.76	1.50	0.68		
CAN-PP-DDH-004-15	CAN000202	28.76	29.80	1.04	0.37		
CAN-PP-DDH-004-15	CAN000203	29.80	30.44	0.64	1.70		3.51m @ 1.20% Cg
CAN-PP-DDH-004-15	CAN000204	30.44	31.81	1.37	0.31		
CAN-PP-DDH-004-15	CAN000206	31.81	33.31	1.50	1.81		
CAN-PP-DDH-004-15	CAN000207	33.31	34.81	1.50	0.75		
CAN-PP-DDH-004-15	CAN000208	34.81	36.31	1.50	0.34		
CAN-PP-DDH-004-15	CAN000209	36.31	37.81	1.50	0.57		
CAN-PP-DDH-004-15	CAN000210	37.81	39.31	1.50	0.36		
CAN-PP-DDH-004-15	CAN000212	39.31	40.81	1.50	0.51		
CAN-PP-DDH-004-15	CAN000213	40.81	42.31	1.50	0.29		
CAN-PP-DDH-004-15	CAN000214	42.31	43.81	1.50	0.38		
CAN-PP-DDH-004-15	CAN000215	43.81	45.16	1.35	0.35		
CAN-PP-DDH-004-15	CAN000216	45.16	46.30	1.14	0.16		
CAN-PP-DDH-004-15	CAN000218	46.30	47.04	0.74	0.78		
CAN-PP-DDH-004-15	CAN000219	47.04	48.04	1.00	0.16		
CAN-PP-DDH-004-15	CAN000220	48.04	49.03	0.99	0.49		
CAN-PP-DDH-004-15	CAN000221	49.03	49.86	0.83	0.14		
CAN-PP-DDH-004-15	CAN000222	49.86	51.36	1.50	0.25		
CAN-PP-DDH-004-15	CAN000224	51.36	52.86	1.50	0.29		
CAN-PP-DDH-004-15	CAN000225	52.86	53.91	1.05	0.54		
CAN-PP-DDH-004-15	CAN000226	53.91	55.08	1.17	0.39		
CAN-PP-DDH-004-15	CAN000227	55.08	56.40	1.32	0.37		
CAN-PP-DDH-004-15	CAN000229	56.40	57.38	0.98	0.37		
CAN-PP-DDH-004-15	CAN000230	57.38	58.98	1.60	0.47		
CAN-PP-DDH-004-15	CAN000231	58.98	60.58	1.60	0.27		
CAN-PP-DDH-004-15	CAN000232	60.58	62.13	1.55	0.44		
CAN-PP-DDH-004-15	CAN000233	62.13	63.58	1.45	0.29		
CAN-PP-DDH-004-15	CAN000234	63.58	64.20	0.62	0.12		
CAN-PP-DDH-004-15	CAN000236	64.20	65.73	1.53	0.43		
CAN-PP-DDH-004-15	CAN000237	65.73	66.97	1.24	0.43		
CAN-PP-DDH-004-15	CAN000238	66.97	68.45	1.48	0.18		
CAN-PP-DDH-004-15	CAN000239	68.45	69.59	1.14	0.27		
CAN-PP-DDH-004-15	CAN000240	69.59	70.88	1.29	0.06		
CAN-PP-DDH-004-15	CAN000241	70.88	72.18	1.30	0.09		
CAN-PP-DDH-004-15	CAN000242	72.18	72.79	0.61	0.65		

CAN-PP-DDH-004-15	CAN000243	72.79	73.88	1.09	0.09
CAN-PP-DDH-004-15	CAN000244	73.88	74.93	1.05	0.26
CAN-PP-DDH-004-15	CAN000245	74.93	76.59	1.66	0.36
CAN-PP-DDH-004-15	CAN000246	76.59	77.93	1.34	0.39
CAN-PP-DDH-004-15	CAN000248	77.93	78.89	0.96	0.27
CAN-PP-DDH-004-15	CAN000249	78.89	79.86	0.97	0.39
CAN-PP-DDH-004-15	CAN000250	79.86	81.03	1.17	0.26

End of Hole

CAN-PP-DDH-005-15	CAN000251	0.00	0.70	0.70	0.40
CAN-PP-DDH-005-15	CAN000252	0.70	1.60	0.90	0.67
CAN-PP-DDH-005-15	CAN000254	1.60	2.40	0.80	0.76
CAN-PP-DDH-005-15	CAN000255	2.40	3.50	1.10	0.48
CAN-PP-DDH-005-15	CAN000256	3.50	5.00	1.50	0.72
CAN-PP-DDH-005-15	CAN000257	5.00	6.10	1.10	0.43
CAN-PP-DDH-005-15	CAN000258	6.10	7.70	1.60	0.38
CAN-PP-DDH-005-15	CAN000260	7.70	9.30	1.60	0.56
CAN-PP-DDH-005-15	CAN000261	9.30	11.00	1.70	0.37
CAN-PP-DDH-005-15	CAN000262	11.00	12.55	1.55	0.57
CAN-PP-DDH-005-15	CAN000263	12.55	14.05	1.50	1.40
CAN-PP-DDH-005-15	CAN000264	14.05	15.50	1.45	0.77
CAN-PP-DDH-005-15	CAN000265	15.50	17.00	1.50	1.23
CAN-PP-DDH-005-15	CAN000266	17.00	18.50	1.50	2.64
CAN-PP-DDH-005-15	CAN000268	18.50	20.00	1.50	3.38
CAN-PP-DDH-005-15	CAN000269	20.00	21.07	1.07	2.55
CAN-PP-DDH-005-15	CAN000270	21.07	22.71	1.64	0.76
CAN-PP-DDH-005-15	CAN000271	22.71	23.55	0.84	1.03
CAN-PP-DDH-005-15	CAN000272	23.55	24.35	0.80	0.06
CAN-PP-DDH-005-15	CAN000274	24.35	25.85	1.50	0.06
CAN-PP-DDH-005-15	CAN000275	25.85	26.95	1.10	<0,05
CAN-PP-DDH-005-15	CAN000276	26.95	27.50	0.55	<0,05
CAN-PP-DDH-005-15	CAN000278	27.50	28.65	1.15	0.21
CAN-PP-DDH-005-15	CAN000279	28.65	30.25	1.60	0.61
CAN-PP-DDH-005-15	CAN000280	30.25	31.12	0.87	0.77
CAN-PP-DDH-005-15	CAN000281	31.12	32.50	1.38	0.54
CAN-PP-DDH-005-15	CAN000282	32.50	33.25	0.75	0.27
CAN-PP-DDH-005-15	CAN000283	33.25	34.85	1.60	0.88
CAN-PP-DDH-005-15	CAN000285	34.85	36.25	1.40	1.31
CAN-PP-DDH-005-15	CAN000286	36.25	37.75	1.50	0.79
CAN-PP-DDH-005-15	CAN000287	37.75	39.25	1.50	0.87
CAN-PP-DDH-005-15	CAN000288	39.25	40.75	1.50	0.61
CAN-PP-DDH-005-15	CAN000289	40.75	42.25	1.50	0.50
CAN-PP-DDH-005-15	CAN000290	42.25	43.75	1.50	0.76
CAN-PP-DDH-005-15	CAN000292	43.75	45.25	1.50	0.29
CAN-PP-DDH-005-15	CAN000293	45.25	46.33	1.08	0.66
CAN-PP-DDH-005-15	CAN000294	46.33	47.40	1.07	0.76
CAN-PP-DDH-005-15	CAN000295	47.40	48.25	0.85	0.82
CAN-PP-DDH-005-15	CAN000296	48.25	49.75	1.50	0.97
CAN-PP-DDH-005-15	CAN000298	49.75	51.25	1.50	0.58
CAN-PP-DDH-005-15	CAN000299	51.25	52.75	1.50	0.50
CAN-PP-DDH-005-15	CAN000300	52.75	54.25	1.50	0.63
CAN-PP-DDH-005-15	CAN000301	54.25	55.25	1.00	0.26
CAN-PP-DDH-005-15	CAN000302	55.25	56.60	1.35	0.34
CAN-PP-DDH-005-15	CAN000303	56.60	58.15	1.55	0.74
CAN-PP-DDH-005-15	CAN000304	58.15	59.30	1.15	1.33
CAN-PP-DDH-005-15	CAN000306	59.30	60.05	0.75	0.27
CAN-PP-DDH-005-15	CAN000307	60.05	61.55	1.50	0.30
CAN-PP-DDH-005-15	CAN000308	61.55	63.05	1.50	0.33
CAN-PP-DDH-005-15	CAN000310	63.05	64.55	1.50	0.46
CAN-PP-DDH-005-15	CAN000311	64.55	65.95	1.40	0.33
CAN-PP-DDH-005-15	CAN000312	65.95	67.08	1.13	0.10
CAN-PP-DDH-005-15	CAN000313	67.08	68.15	1.07	0.64
CAN-PP-DDH-005-15	CAN000314	68.15	69.38	1.23	0.22
CAN-PP-DDH-005-15	CAN000315	69.38	71.05	1.67	<0,05

11.0m @ 1.72% Cg  
(incl. 4.07m @ 2.89% Cg)

1.40m @ 1.31% Cg

1.15m @ 1.33% Cg



## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Sampling at the Canindé project is by diamond drill core. The intervals were defined based on a geological log, assuming sampling lengths between 0.5m up to 2.0metres.</li> <li>The drill hole collars are located by handheld GPS. At the end of the drilling program, the company intends to survey all the drill hole collars with a Differential GPS. Drill core was logged by lithology, weathering, mineralogy and structure. Sampling was carried out under Paradigm protocols and QAQC procedures as per industry best practice. Certified standards and blanks were inserted into the sampling sequence at a nominal rate of 1 standard in every 20 samples and 1 duplicate in every 20 samples. Results from the QAQC sampling were considered acceptable.</li> <li>All samples are dried, crushed, homogenized, riffle split and pulverized (total prep) to produce a sub sample for analysis.</li> <li>Samples were prepared and analysed by SGS-Geosol laboratory, in Brazil. Samples were analysed for graphitic carbon (Cg) by infrared detection - LECO.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, 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).</li> </ul>	<ul style="list-style-type: none"> <li>Drilling to date has been a combination of HQ and NQ-diameter diamond drilling. 8 drill holes completed and the program is terminated. A total of 475.90 metres have been drilled.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond core recoveries are logged and recorded in the database. Overall recoveries are consistently &gt;90% in oxide and &gt;95% in fresh rock. Drill sample recoveries are recorded as an average for each metre and recorded in the database. Current recoveries are excellent and there are no known sample recovery problems, with the exception of the 2-3 metres of top soil profile.</li> <li>Diamond core is reconstructed into continuous runs on an angle iron cradle for recovery measurement and core orientation. Depths are checked against those marked on the core blocks, and against the drilling company's records.</li> <li>Based on the actual sample recoveries existing on company's database, there is no known sample bias or potential for sample bias.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Logging samples records lithology, mineralogy, mineralisation, structural, weathering, colour and other features of the samples. Rock quality design, core recoveries, bulk density and sampling information are recorded. Core is photographed in dry form. The information was input into the company's database.</li> <li>Logging of core records lithology, mineralogy, mineralisation, grain size, texture, weathering, oxidation, colour and other features of the samples. Drill samples for each hole were photographed either within core trays.</li> <li>All drill holes are logged in full from start to finish of the hole.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> </ul>	<ul style="list-style-type: none"> <li>Core holes and half core sampled from cut core with a core saw.</li> <li>Only core samples are being reported.</li> <li>Preparation of samples was performed at SGS-Geosol laboratory. Samples were dried (105°C), crushed to 80% passing 3 millimetres, homogenized, riffle split (primary split) and pulverized to 95% passing of 150 mesh.</li> <li>Paradigm quality control procedures included submission into the sampling sequence certified reference material, field duplicates and</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>check assaying of 1 in every 20 samples, or 1 per batch. Blanks are inserted at a nominal rate of 1 in every 20 or 1 per batch. Laboratory quality control procedures include the submission of blanks, duplicates and standard reference material. Typically, for every 25 to 30 samples, a pulp duplicate, reagent blank and an aliquot of certified reference material is inserted into the sample stream. All QC results are reported within the final assay report.</p> <ul style="list-style-type: none"> <li>The existing results of the duplicates show an acceptable level of repeatability</li> <li>Sample size is deemed appropriate relative with the grain size based on industry standards of similar mineral styles and sampling methods.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Graphitic carbon grades were determined by infrared detection using a LECO method. Samples were analysed by SGS-Geosol laboratory in Brazil.</li> <li>No geophysical tools have been applied.</li> <li>Paradigm QAQC procedures include the insertion of duplicates, blanks and commercial standards samples. Results are generally satisfactory demonstrating acceptable levels of accuracy and precision. Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, and splits as per laboratory procedures.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Several company staff based within Brazil or off shore review and verify significant intersections from diamond core drilling either physically on site or from photographs of the intersections.</li> <li>One twinned hole (CAN-PP-DDH-008-15) have being drilled with the objective to provide enough material of the mineralized interception obtained on hole CAN-PP-DDH-001-15. The twinned hole just cover the upper 20 metres interval of hole CAN-PP-DDH-001-15.</li> <li>Diamond core logging takes place at the company's core yard. Graphical logs are used to record the geological information. Grade control samples are not lithologically logged. Data entry personnel enter the graphic logs into standard Excel templates generated from the company SQL database. The Excel templates contain validation routines to ensure standard codes are enforced. All graphical logs are scanned and email to head office for digital capture.</li> <li>No adjustments were made to any assay information, except for "lower than detection limit" values that are stored within</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Drill holes mentioned on this announcement were located with using a hand held GPS.</li> <li>Geological stations were located with using a hand held GPS.</li> <li>The unit used on both activities was a Garmin 62sc model and the accuracy of the locations is considered sufficient, based on the actual stage of the exploration program.</li> <li>Universal Transverse Mercator, SAD69 zone 24 south hemisphere.</li> <li>Digital Terrain Model (DTM) was used along the mapping phase at Pedra Preta target. Each geological station and drilling section were surveyed by a hand held GPS and the elevation values from the GPS survey were used as a topographic control, providing a reasonable quality control and adequate for the actual stage of exploration.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>The actual drilling program is exploration in nature and the data spacing is very broad to test the presence of mineralized horizons at depth.</li> <li>The data spacing and distribution is sufficient to demonstrate spatial and grade continuity of the mineralized horizon however, much more drilling will be necessary to support the definition of Inferred/Indicated Mineral Resources and to identify Measured Ore Reserves.</li> <li>Samples were not composited.</li> </ul>
<b>Orientation of data in relation to</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> </ul>	<ul style="list-style-type: none"> <li>Geology and mineralisation at Caninde project (Pedra Preta target) is gently (30-40°) dipping to east. Thus the drill holes are angled to the west, in order to achieve intersections at the most optimal angle possible.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>geological structure</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The company does not believe that any sample bias has been introduced which could have a material effect a future resource model, particularly given the strong correlation between mineralisation and potential lithologies.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>All core samples are received intact and in their entirety in their core trays at the Company's core yard. All sampling and work on the samples is carried out within the confines of this facility. Samples are delivered by Paradigm to the laboratory. Paradigm has protocols and procedures for tracking the progress of the samples through the laboratory, ensuring accurate validation and authentication of results issued by the laboratory in relation to the samples that were submitted.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>The property has not enough exploration data that supports an audits or reviews.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary																																																						
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• The Caninde Project comprises 17 exploration licenses already granted covering a total area of 15,614 hectares.</li><li>• The mineral property are registered under the following processes; 801.063/2010, 801.064/2010, 800.011/2011, 800.012/2011, 800.013/2011, 800.014/2011, 800.015/2011, 800.016/2011, 800.017/2011, 800.018/2011, 800.019/2011, 800.662/2011, 800.663/2011, 800.018/2012, 800.019/2012, 800.294/2012 and 800.295/2012.</li><li>• The company is not aware of any impediment to obtain a license to operate in the area.</li></ul>																																																						
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"><li>• Acknowledgment and appraisal of exploration by other parties.</li></ul>	<ul style="list-style-type: none"><li>• Significant exploration works were conducted by other parties on the project area and can be resumed to regional mapping, rock grab and chip sampling, soil sampling, shallow pits and trenching. No drilling has being conducted. All the analysis available are historical in nature but were produced by an ISO-accredited laboratory.</li></ul>																																																						
<b>Geology</b>	<ul style="list-style-type: none"><li>• Deposit type, geological setting and style of mineralisation.</li></ul>	<ul style="list-style-type: none"><li>• Graphite mineralization in Paleoproterozoic high metamorphic terrain. Stratabound graphite-rich beds and massive graphite discordant lenses/veins.</li></ul>																																																						
<b>Drill hole Information</b>	<ul style="list-style-type: none"><li>• 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:<ul style="list-style-type: none"><li>○ easting and northing of the drill hole collar</li><li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li><li>○ dip and azimuth of the hole</li><li>○ down hole length and interception depth</li><li>○ hole length.</li></ul></li><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• Drill holes collar location details are presented on the table below. All the drill holes (total 8) reported on this announcement were drilled 270° azimuth and -60° dip. A total of 475.90 metres have been drilled.</li></ul> <table><tr><th>HOLE_ID</th><th>UTMZONE</th><th>EASTING</th><th>NORTHING</th><th>ELEVATION</th><th>DEPTH (m)</th></tr><tr><td>CAN-PP-DDH-001-15</td><td>24M</td><td>455633.00</td><td>9494250.00</td><td>380.45</td><td>102.51</td></tr><tr><td>CAN-PP-DDH-002-15</td><td>24M</td><td>455696.00</td><td>9494230.00</td><td>406.00</td><td>90.55</td></tr><tr><td>CAN-PP-DDH-003-15</td><td>24M</td><td>455745.50</td><td>9494596.00</td><td>382.50</td><td>50.91</td></tr><tr><td>CAN-PP-DDH-004-15</td><td>24M</td><td>455577.00</td><td>9494200.50</td><td>381.60</td><td>81.03</td></tr><tr><td>CAN-PP-DDH-005-15</td><td>24M</td><td>455625.00</td><td>9494200.50</td><td>384.70</td><td>90.55</td></tr><tr><td>CAN-PP-DDH-006-15</td><td>24M</td><td>455633.00</td><td>9494275.00</td><td>379.45</td><td>20.10</td></tr><tr><td>CAN-PP-DDH-007-15</td><td>24M</td><td>455633.00</td><td>9494230.00</td><td>380.95</td><td>20.20</td></tr><tr><td>CAN-PP-DDH-008-15</td><td>24M</td><td>455633.00</td><td>9494250.60</td><td>380.45</td><td>20.05</td></tr></table>	HOLE_ID	UTMZONE	EASTING	NORTHING	ELEVATION	DEPTH (m)	CAN-PP-DDH-001-15	24M	455633.00	9494250.00	380.45	102.51	CAN-PP-DDH-002-15	24M	455696.00	9494230.00	406.00	90.55	CAN-PP-DDH-003-15	24M	455745.50	9494596.00	382.50	50.91	CAN-PP-DDH-004-15	24M	455577.00	9494200.50	381.60	81.03	CAN-PP-DDH-005-15	24M	455625.00	9494200.50	384.70	90.55	CAN-PP-DDH-006-15	24M	455633.00	9494275.00	379.45	20.10	CAN-PP-DDH-007-15	24M	455633.00	9494230.00	380.95	20.20	CAN-PP-DDH-008-15	24M	455633.00	9494250.60	380.45	20.05
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<b>Data aggregation methods</b>	<ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li><li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li></ul>	<ul style="list-style-type: none"><li>• Drill intercepts are reported as down hole lengths and do not represent true thickness of the mineralization.</li><li>• Drill intercept mentioned on this report was announced and detailed illustrated on a previous announcement (March 2, 2015).</li><li>• No assumptions are included in this report, because Metal Equivalents have not been used.</li></ul>																																																						
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"><li>• These relationships are particularly important in the reporting of Exploration Results.</li><li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li><li>• 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</li></ul>	<ul style="list-style-type: none"><li>• The geometry of the mineralization is not clearly defined at the current level of exploration.</li><li>• Thickness reported on the drill hole intercept refers to down hole length. True width is not known at the current stage.</li></ul>																																																						

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	width not known').	
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to figure(s) and table(s) contained within the announcement body.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All the assays received to date on drill hole CAN-PP-DDH-001-15 were reported on a previous announcement (March 2, 2015), totalling 17 assays. The graphite grades ranged from 0.50% Cg up to a maximum of 31.49% Cg.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>There is no other material data to be reported.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a metallurgical test work;</li> <li>Trenching;</li> <li>Induced polarization or EM-loop survey;</li> </ul>