


**ASX ANNOUNCEMENT**
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# AVANCO TO ACQUIRE ADVANCED GOLD PROJECT

**The Company is pleased to announce that it has entered into an agreement with TSX-listed Jaguar Mining Inc. (Jaguar) to earn up to 100% of the Gurupi Gold Project[1] (Gurupi) located in northern Brazil.**

## HIGHLIGHTS

- **Gurupi is an advanced stage gold project covering approximately 137,000ha with previous drilling amounting to more than 800 holes for ~130,000 metres**
- **A Foreign Resource Estimate (under CIM Code and Canadian NI 43-101 reporting standards[2]) totalling 88.5Mt at 1.14g/t gold for 3.14 million contained ounces[3] has been reported for two shallow gold deposits[4]**
- **Further drill-ready exploration targets have been identified**
- **The Company aims to apply its prior familiarity with the Project and proven in-country expertise to re-evaluate, license and develop the Project**
- **Gurupi has the potential to significantly increase the Company's current gold production**
- **The Project is favourably located proximal to existing infrastructure, including power, water and skilled labour**
- **Earn-in agreement provides for a low entry cost, through staged expenditure prior to the commencement of construction**
- **A Scoping Study re-assessing the project's scale and economics via a range of development scenarios has been initiated**
- **Gurupi represents a unique opportunity for the Company to gain access to a high profile project in the north of Brazil by capitalising on its regulatory and technical strengths**
- **The Project complements Avanco's strategy of enhancing shareholder value through new discoveries, acquisitions and partnerships**
- **Updates on the Company's strategy for Gurupi will be released in coming months**

## KEY TERMS OF TRANSACTION[5]

The principal terms of the transaction upon satisfactory completion of certain conditions precedent are summarised as follows:

a. The agreement provides Avanco with the right to earn 20% of Jaguar's 100% interest in the Gurupi Gold Project ("Project") within 12 months (There may be an extension as the Gurupi earn-in transaction obliges Avanco to perfect regulatory and access related issues within 24 months) of the signing date by paying to Jaguar an aggregate cash fee of US$1.7 million plus an additional fee of US$500,000 in cash or shares in Avanco and by expending US$300,000 to perfect title and establish access.

b. Avanco will earn an additional 31% interest in the Project upon publication of results relating to completion of a reserve estimate reported in accordance with the JORC Code in excess of 500,000 ounces gold, and will earn a further 29% interest upon demonstration of adequate funding coupled with the start of construction of a process plant with capacity in excess of 50,000 ounces per year.

c. In the event that Avanco cannot demonstrate adequate funding for the Project, Jaguar will have a one-time right to buy back a 31% interest in Gurupi and therefore control of the Project by paying to Avanco the reasonable costs and expenses incurred in the preparation of the reserve report and associated feasibility studies.

d. Avanco will have the option to acquire the remaining 20% interest in the Project by paying a fee equal to the greater of US$6.25 million or the sum of US$12.50 per ounce of gold as per the reserve study.

e. Jaguar will retain a Net Smelter Royalty ("NSR") upon reaching commercial production at the Project. The NSR will be 1% on the first 500,000 ounces of gold or gold ounce equivalent produced; 2% on production from 500,001 to 1,500,000 ounces; and 1% on production exceeding 1,500,000 ounces[6].

f. Avanco retains the right to withdraw from the transaction with 60 days' notice.

g. The project's name will be changed to "CentroGold"

## CORPORATE

Management believes that Gurupi provides a reasonably priced entry over an exciting and prospective, advanced-stage gold project. The transaction is structured as a staged earn-in to ensure there is no material impact on the Company's cash reserves or current development plans for Pedra Branca.

Gurupi comes as a result of direct leverage from the Company's transformation to producer status and as a result of management's familiarity with the Project. This acquisition broadens the Company's exposure to gold and once in production, provides for a more balanced revenue distribution between copper and gold.

**Tony Polglase**
Managing Director

## FOREIGN RESOURCE ESTIMATE

The following table contains the most recently published Foreign Resource Estimate for the Gurupi Project, prepared by independent consulting group TechnoMine Services LLC as part of an Independent Feasibility Study on the Gurupi Project. The Technical Report has been prepared under the standards of Canada's National Instrument (NI) 43-101. This is a publicly available document and can be accessed from Jaguar's public filings on the SEDAR website.

| Gurupi Project: Foreign Resource Estimate. January 2011 | | | | | |
|---|---|---|---|---|---|
| **DEPOSIT** | **Au Cut-Off Grade** | **Category** | **Million Tonnes** | **Au (g/t)** | **Contained Gold** |
| **Cipoeira** | 0.33 g/t | Indicated | 49.20 | 1.17 | 1,855,000 |
| | | Inferred | 6.70 | 1.11 | 240,000 |
| | | **Total** | **55.90** | **1.16** | **2,095,000** |
| **Chega Tudo** | 0.31 g/t | Indicated | 20.70 | 1.00 | 663,000 |
| | | Inferred | 11.90 | 0.98 | 377,000 |
| | | **Total** | **32.60** | **0.99** | **1,040,000** |
| **TOTAL** | | **Total** | **88.50** | **1.10** | **3,135,000** |

Pursuant to ASX Listing Rule 5.12.9, Avanco provides the following additional information:

i. The resource estimate included in this announcement has not been reported in accordance with the JORC Code 2012, and is a "Foreign Estimate" for the purpose of the ASX Listing Rules.

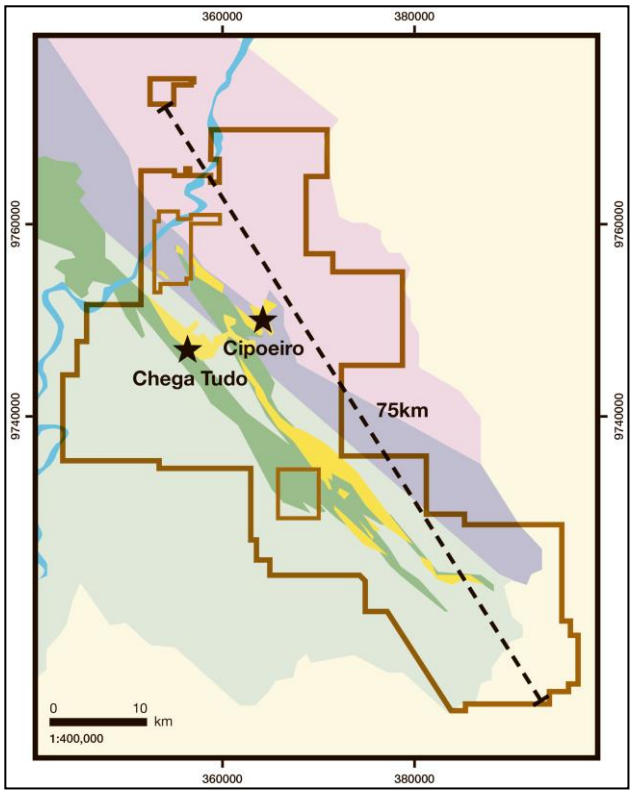
ii. A Competent Person (under ASX Listing Rules) has not yet done sufficient work to classify the Foreign Estimate as a Mineral Resource in accordance with the JORC Code 2012.

iii. It is uncertain that following evaluation of this Foreign Estimate, it will be able to be reported in accordance with the JORC Code 2012.

The following Table and Sections are provided to ensure compliance with the JORC Code (2012 Edition) and ASX Listing Rule 5.12, for the reporting of a Foreign Estimate. The Table has been populated by Avanco's Competent Person with information gathered from the most recent (foreign) feasibility study document, which contains this (most recent) Foreign Resource Estimate, from information received by the Competent Person from the project owners (vendors), and from information gathered on the Competent Person's site visit.

| **ASX Listing Rule 5.12** | |
|---|---|
| 5.12.1 | The Foreign Estimate was sourced from a NI 43-101 reported Feasibility Study published by Jaguar on the SEDAR website in January 2011. This is a publicly available document |
| 5.12.2 | The Foreign Estimate uses the same categories of resource classification as defined in the JORC Code 2012 |
| 5.12.3 | Avanco considers this Foreign Estimate to be material to the Company |
| 5.12.4 | The Company considers the reporting of the Foreign Estimate to be reliable, as it has been reported under the CIM Code, which like the JORC Code is a National Reporting Organisation and member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO). JORC Table 1 (Sections 1, 2 and 3) are appended to this report and populated based on the report referred to in 5.12.1 |
| 5.12.5 | See JORC Table 1 (Sections 1, 2 and 3) appended, which have been populated based on the report referred to in 5.12.1 by the Company's Competent Person and to the extent known |
| 5.12.6 | The Foreign Estimate and information provided, are the most recent available |
| 5.12.7 | A QA/QC focused work programme followed by resource modelling by the Company's Resource Consultants, would be required to convert the Foreign Estimate to be compliant with the JORC Code 2012 |
| 5.12.8 | As detailed under "Key Terms of Transaction", the Company intends to produce firstly a Mineral Resource estimate and then Ore Reserve estimate as part of the earn-in. The Company will initially concentrate on selected areas, targeting better grades. This work will be funded from existing cash reserves. |
| 5.12.9 | A Cautionary Statement is proximal to the Foreign Estimate table shown |
| 5.12.10 | The Competent Person's statement is appended later in this document |


## PROJECT BACKGROUND




The Gurupi Project is located 500km northwest by paved highway from São Luis, the capital of Maranhão State, and 350km southeast from Belém, the capital of Pará State. The Project is also favourably located approximately 600km northeast of the Company's Carajas assets.

The main Cipoeiro and Chega Tudo gold deposits are 8km apart and situated approximately 40km from Cento Novo, the nearest substantial town, with a population estimated at 15,000.

Gurupi is one of several large gold projects in the region including Tucano, Aurizona, Volta Grande and Tocantinzinho. It represents a unique opportunity for Avanco to gain access to a high profile project by capitalising on its permitting and technical strengths.

Gold was discovered in the Project area in the 17$^{th}$ century by colonial settlers. During

the early 1900s and again in the mid-1980s, intermittent small-scale production took place. Gold was exploited from oxidized and weathered material, including alluvium, saprolite, and saprolite-hosted quartz veins, mostly from small pits.

Throughout 1994 to 2000, various exploration programmes were completed, including geological mapping, geochemical sampling, ground/airborne geophysics, diamond core drilling, RC drilling, core re-logging, metallurgical testwork, geological modelling and resource estimation.

In 2003, Kinross acquired Gurupi completing infill and definition drilling at the Chega Tudo and Cipoeiro deposits, and also metallurgical testwork, bulk/solids density determinations, updated resource estimates and a feasibility study.

Jaguar acquired the property in 2009 and subsequently released a Feasibility Study by TechnoMine Services in January 2011, which can be found with Jaguar's public filings on the SEDAR website

## Geology

The Project area lies within an elongate northwest–southeast trending shear zone developed along the boundary between the Lower Proterozoic Gurupi greenstone belt and the southwestern margin of the Archaean São Luis craton.

The São Luis Craton comprises suites of calc-alkaline granitoids that intrude older greenschist to lower-amphibolite facies metavolcano–sedimentary rocks.

The Gurupi greenstone belt may represent a portion of a fold belt that surrounds the Craton and once constituted its foreland. It comprises north-northwest to south-southeast trending volcano-sedimentary and metasedimentary sequences that are tectonically intercalated with amphibolite facies gneisses and are intruded by different generations of granitoids.

### Cipoeiro Deposit

The Cipoeira gold deposit consists of two distinct zones, the higher grade Blanket Zone and the Contact Zone, separated by a central fault which strikes at approximately 100°. The geometry of the Cipoeiro deposit is well suited to open pit mining, with a low strip ratio envisaged.

Two main litho-types are recognized at Cipoeiro, a tonalite and an arkosic fine-grained arenite with thin quartz pebble conglomerate layers.

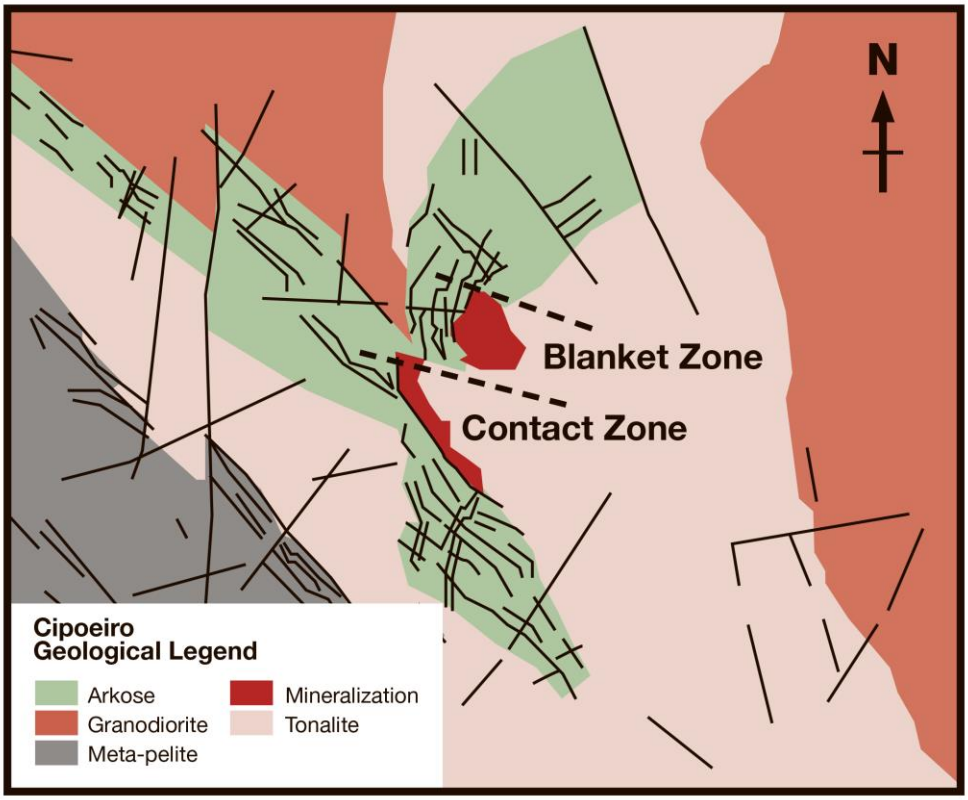
The arkosic unit is correlated with the bounding arkose at the adjoining Chega Tudo deposit. Primary mineralisation is hosted in the coarse grain tonalitic intrusive.

The tonalite is saprolitic, weathered to depths of 5 to 30m. Based on geophysical data and drill intercepts, the tonalite is very large, elongated in a north-westerly direction and extending for several tens of kilometres, and may be as much as 4km wide

Alteration is typically hydrothermal, consisting of quartz-sericite-pyrite. Silica flooding and replacement of the tonalite is more intense and more widespread than seen in the metavolcanics at Chega Tudo.

Gold mineralisation is closely associated with pyrite concentration and quartz–sericite alteration, and confined to ductile–brittle shear zones within the tonalite adjacent to its contact with the metasediments.

It is believed that with further drilling and definition, Cipoeira has the potential to fit Avanco's criteria of "high-grade, low-cost" development opportunities.




**Cipoeiro – Blanket and Contact Zones**

### Chega Tudo Deposit

The Chega Tudo gold deposit occurs within the central core of the 120km long Tentugal shear zone, with the Project's tenement package covering ~75km of this shear zone. The geometry of the Chega Tudo deposits is also well suited to open pit mining, with a low strip ratio envisaged.

Mineralisation at Chega Tudo is hosted by a foliated dacite metavolcanic, which is primarily composed of quartz, sericite and plagioclase. Where mineralized, pyrite reaches 1% or more in abundance. This dacite unit reaches up to 100m in thickness and can be followed for about 2km along strike. Outside of the Chega Tudo deposit, this unit appears to thin out or be absent within the Tentugal shear.

Like Cipoeiro, alteration is hydrothermal and here is recognisable in two main zones: quartz-sericite-pyrite and chlorite-carbonate-epidote. Mineralisation is found solely within the zones of quartz-sericite-pyrite alteration, whereas chlorite-carbonate-epidote alteration extends throughout the Tentugal shear.

The gold mineralization at Chega Tudo is closely related to the concentration of pyrite. Sericite and quartz replacement forms a broader more diffuse halo beyond the limits of potentially economic gold mineralisation, while pyrite occurs as thin stringers and disseminations along the foliation planes and to a lesser degree with quartz as thin veinlets conformable to a locally cross-cutting foliation. Pyrite contents range from zero to more than 5%, and typically averages about 1% to 2% associated with the gold mineralisation.

## Tenure

The Project comprises approximately 30 licenses covering an area of ~137,000ha. Of this area, approximately 80,000ha (or 58%) is covered by granted tenure. Both the Cipoeiro and Chega Tudo

deposits are at an advanced stage of regulatory status with clean DNPM title on Mining Lease Applications. Both Applications are pending the prerequisite issue of a valid Environmental License. Although the Environmental License had been previously issued, it was subsequently suspended by another regulatory authority. This action is attributed to an apparent oversight in the legal provisions of certain surface rights. Such irregularities are not uncommon in the region.

The Gurupi earn-in transaction obliges Avanco to perfect regulatory and access related issues within 24 months. This commitment complements Avanco's proven track record of resolving similar situations in northern Brazil.

### Mining

Both gold deposits are shallow and amenable to open pit mining. The saprolitic cover is largely free-dig, with conventional drill and blast required to extract the underlying transition/fresh rock. Management believes that the project presents few technical challenges for establishing an open pit operation.

### Metallurgy

Laboratory-scale testwork has been conducted on representative ore samples from Cipoeiro and Chega Tudo. Results indicate that both deposits are "free-milling" and non-refractory. Gravity recoveries reported were up to 15% with leach recoveries reported between 89% and 97%. This implies that a conventional plant design employing traditional CIL-CIP processing is applicable.

Beneficiation of ores before leaching has also been examined and management believe the inclusion of flotation and/or gravity pre-concentration is worthy of further investigation, with the aim of optimising plant size (capex) and reagent consumption (opex).

### Infrastructure

Good infrastructure is a feature of Gurupi and will substantially reduce development expenditure. Access to high tension power is approximately 40km from the Project with abundant water resources ~15km to the west. The terrain surrounding the deposits comprises mainly agricultural pasture and presents no environmental or construction challenges.

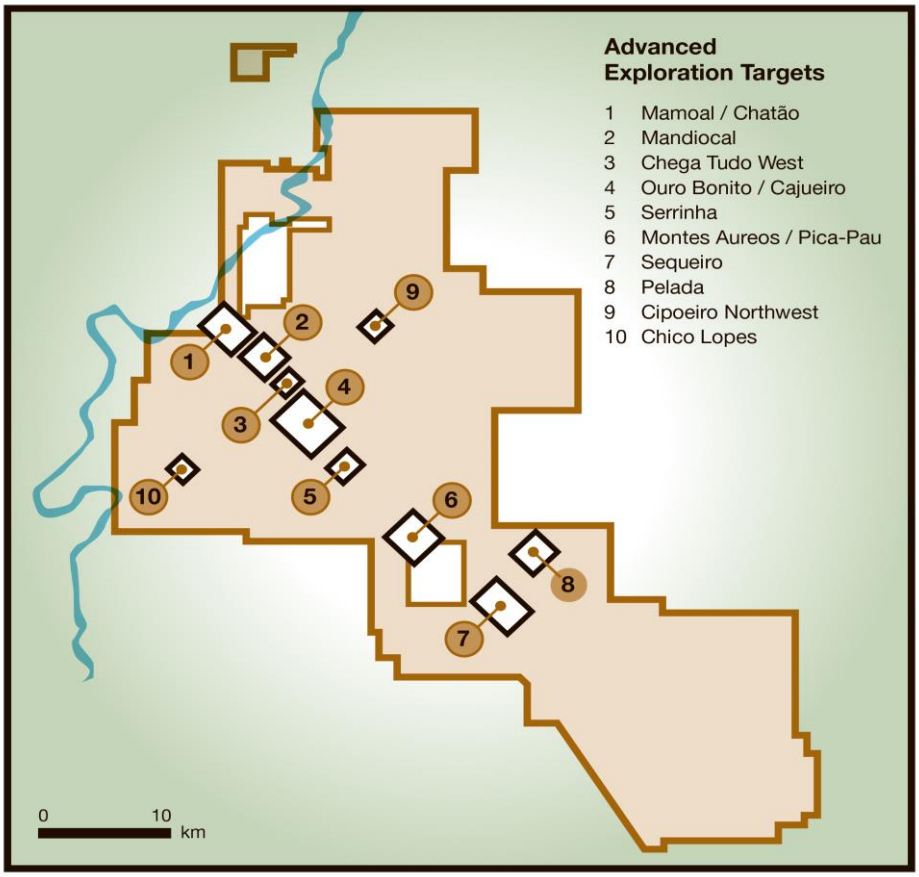
### Near-term Opportunities

The Cipoeira gold deposit consists of two distinct zones. The Blanket Zone presents immediate potential for a low capex, fast start-up development. The proximal Contact Zone, while not as immediately compelling as the Blanket Zone, has clear potential to provide growth and expansion beyond the Blanket Zone.

Furthermore, the Contact Zone hosts high grade "shoots" within the broader mineralised envelope that could be the focus of selective mining.

The total Gurupi tenement package amounts to ~137,000ha in area and is largely contiguous along a mineralised trend extending over 75km. Within the package, there are a large number of drill-ready targets based on previous soil sampling, previous drilling, and favourable geology/alteration.

It is managements opinion that significant potential exists in the regional exploration portfolio, adding further upside to the Project, and the prospect for long term growth. A review of the vast Project database is ongoing to prioritise targets for further drill testing.




**Documented Exploration Targets**

## ABOUT AVANCO

- Avanco (ASX: AVB) is an emerging mid-tier copper and gold company situated in the mining friendly world class Carajas Mineral Province in northern Brazil
- Avanco either owns, or holds the rights to 100% of the second largest area of mineral tenure in the Carajas region behind Vale SA
- The Company is well positioned to potentially operate a number of high grade, low cost copper-gold mines in the region establishing Avanco as a profitable long life producer
- Management has been successful in financing the development of the Antas Copper Mine via an equity capital raising placing Avanco in a strong position, i.e. fully funded into production whilst remaining debt and covenant free
- The Antas Mine was built on time, under budget with an exceptional commissioning and ramp performance during Q2 2016
- Commercial production was declared in July 2016 for 12,000tpa of copper in concentrate and 7,000ozpa of gold by-product credits.
- Management believe the Antas plant output can possibly be increased to 17,000tpa of copper by 2018 as a result of additional ore supply from Pedra Branca and/or new near mine discoveries
- Avanco has engaged MACA, an Australian mining contractor group for the Antas open pit
- Antas is producing a desirable, clean copper concentrate and the Company has executed a three-year offtake contract
- Development of the nearby Pedra Branca East and Pedra Branca West projects have the potential to increase Avanco's production to ~50,000tpa of copper with gold credits
- Study of an initial, smaller scale operation at Pedra Branca East is at an advanced stage as a pre-cursor to full scale development with construction of access commenced
- The Company is supported by institutional shareholders: Blackrock World Mining Trust, Appian Natural Resources Fund, Greenstone Resources and Glencore
- Avanco is managed by highly experienced international and Brazilian mining professionals, most of whom are Portuguese speaking and reside in Brazil
- Whilst near term priorities are focused on life-of-mine growth, Brazil offers significant opportunities to enhance shareholder value through new discoveries, acquisitions or partnerships with neighbouring majors and other companies to increase exposure to copper and gold assets

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***Competent Persons Statement***

*The information in this report that relates to ASX Listing Rules 5.12.2 through to 5.12.7, Exploration Targets, Exploration Results and Mineral Resources is an accurate representation of the available data and is based on information compiled by Mr Simon Mottram who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Mottram is an Executive Director of Avanco Resources Limited; in which he is also a shareholder. Mr Mottram 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 (CP) as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mottram consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

1. Subject to the normal approval process of the TSX
2. Canadian Institute of Mining, Metallurgy and Petroleum (CIM), used for reporting of mineral resources/reserves on the TSX. The CIM Code is a National Reporting Organisation (a recognised code) and member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) with JORC and a number of other foreign codes
3. This is the most recent foreign resource estimate published for Gurupi, and is contained within an independent Technical Report (Feasibility Study) on the Gurupi Project, reported under the standards of Canada's National Instrument (NI) 43-101. This is a publicly available document and can be accessed from the SEDAR website for public company filings
4. Gold mineralisation within the Gurupi project is considered to be typical of mesothermal vein-style, or orogenic-style gold deposits
5. Subject to typical conditions precedent for a transaction of this nature
6. Ounces of gold or gold equivalent, should other metals be produced from the project

## TABLE 1 – Section 1: Sampling Techniques and Data

| 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 downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* | • Drilling consists of ~70% diamond drilling, and ~30% reverse circulation ("RC"), for a total 706 holes (95,495m) used in the 2011 foreign resource estimations.<br>• Diamond drill core is typically continuously sampled at one-meter intervals from the collar to the end of hole. Where required by changes in lithology, mineralization, or alteration, core samples may be shorter or longer than the typical 1 m; samples in the database have a minimum core length of 20 cm, and a maximum core length of 2 m.<br>• RC cuttings were continuously sampled at one-meter intervals from the collar to the end of each drill hole.<br>• It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work. |
| | • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | • Drill collars surveys were performed using digital GPS and Total Station instruments.<br>• Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features.<br>• Half diamond core was collected and placed in marked plastic sacks, and shipped to the assay laboratory<br>• RC cuttings were transported back to the field sample preparation facility where they were dried and split by cone-and-quartering methods. RC samples were collected and placed in marked plastic bags which were placed in sacks and then shipped to the assay laboratory.<br>• It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • *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.* | • Drill samples were crushed to minus 10 mesh; then a 2-kg split was pulverized to a nominal 90% passing 150 mesh using a ring pulveriser. An assay split of 250 g was collected from the pulp for a 50g fire assay digestion, and atomic absorption (AA) determination for gold. Results greater than 10.0 g/t Au were re-assayed with a gravity finish.<br>• Samples from 1996–2000 were dispatched to Nomos Análises Minerais Ltda in Belo Horizonte, Brazil. Samples generated between 2003 and 2008 were prepared and analysed by Lakefield–Geosol Laboratories (an independent ISO-certified laboratory) in Belo Horizonte. Check sampling has been undertaken by ALS Chemex, Bondar Clegg and Cone Laboratories. Bondar Clegg was an independent, ISO-certified laboratory group that was acquired by ALS Chemex in 2001. Cone Laboratories certification at the time of analysis is unknown.<br>• It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work. |
| ***Drilling techniques*** | • *Drill type (eg 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).* | • Diamond core diameters were consistently HQ (63.5 mm) diameter core from surface through the saprolite to bedrock. At depths of about 1 to 3m into bedrock the holes were reduced to NQ (47.6 mm) diameter to the final hole depth. RC was drilled using 3.5-inch (88.9 mm) rods with a nominal 4.5-inch (114.3 mm) diameter hole. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.* | • Fresh rock (tonalite and dacite) recoveries generally exceeded 95%. In near-surface, saprolitic material recovery is more variable although the overall recovery consistently exceeded 85% to 90%. |
| | • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | • Detailed measurements of core recovery have been routinely recorded on geological logs for diamond drilling. |
| | • *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.* | • There is no documented sample bias or potential for sample bias. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***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.* | • Drill samples were logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Logging and sampling has been carried out to "industry norms" to a level sufficient to support historic feasibility studies and the Foreign Resource Estimate. |
| | • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | • Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Diamond core was photographed wet for fresh rock, and dry for oxidised core. |
| | • *The total length and percentage of the relevant intersections logged.* | • All drill holes are logged in full from start to finish of the hole. |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.* | • Where sampled, core is cut in half onsite using an industry standard core saw, to produce two identical halves. |
| | • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | • RC cuttings were transported back to the field sample preparation facility where they were dried and split by cone-and-quartering methods. |
| | • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | • Sample preparation is according to industry standard, including oven drying, coarse crush, and pulverisation too nominal 90% passing 150 mesh or better. |
| | • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | • To support previous feasibility-level studies in 2004, all existing (QA/QC) data to that point in time was examined. An independent review was performed on analysis of blank sample results and the reproducibility of individual sample assays (AMEC 2005, see Jaguar's public filings on the SEDAR website). Results of this work indicated that repeatability and correlation was good, and that the sample preparation process was free of contamination.<br>• QA/QC check programmes in this pre-2004 work also included:<br>○ Assay of ¼ -split core versus original ½-split core<br>○ Metallic screen assays after original 50-g fire-AA assays<br>○ Duplicate pulps from single sample with multiple assays<br>○ Metallurgical drill sample composite assays compared against weighted average original assays<br>○ Second laboratory check assays (ALS Chemex, Bondar Clegg and Cone) |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | ○ Sieve examination of pulp size distribution.<br>• Results from the check programs indicated no appreciable coarse gold component to the deposits<br>• Later work post 2004 included four (4) to six (6) gold standards in each assay batch (70-180 samples per batch), in addition to the programme of blanks<br>• A later technical review compared the historical results of 800 standards and blanks submitted to date. Of these only 36 returned values outside the acceptable limit, but all were within the acceptable limits of the assaying techniques (Pincock, Allen and Holt 2009, see Jaguar's public filings on the SEDAR website)<br>• It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work. |
| | • *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.* | • Duplicates samples of both RC samples and ¼ core duplicates against ½ core original samples have been used throughout historical work. |
| | • *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Sample sizes are considered to be appropriate and correctly represent the style and type of mineralisation. |
| ***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.* | • Drill samples were crushed to minus 10 mesh; then a 2-kg split was pulverized to a nominal 90% passing 150 mesh using a ring pulveriser. An assay split of 250 g was collected from the pulp for a 50g fire assay digestion, and atomic absorption (AA) determination for gold. Results greater than 10.0 g/t Au were re-assayed with a gravity finish. The analysis is considered total and appropriate. |
| | • *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.* | • None were used. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • *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.* | • As noted above under: "*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*"<br>• Future work by Avanco will use an industry standard QAQC programme involving Certified Reference Au Materials "standards" (with Au grades ranging from low too high), blank samples, duplicates and umpire Laboratory check sampling. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.* | • Results greater than 10.0 g/t Au were re-assayed with a gravity finish.<br>• Assay results (with focus on high grade intersections) have been re-assayed and validated in several phases of independent reviews (2004 and 2009, unpublished) on historic work, carried out when the property has changed hands. |
| | • *The use of twinned holes.* | • Twin holes have been used in all phases of historical resource work and ensuing foreign studies. Further twin hole drilling has also been used in several phases of independent reviews (2004 and 2009, unpublished) on historic work carried out when the property has changed hands over the years.<br>• It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work. |
| | • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | • Entry of information into databases utilized a variety of techniques and procedures over the years, and included checking of the integrity of the data entered. Geological data from early drill programs were entered into spreadsheets in a single pass. Assays were received electronically or by disc from the laboratories and imported directly into the database. Drill hole collar and down-hole survey data were manually entered into the database and checked manually. Data has been verified prior to Geological Modelling and Mineral Resource estimation by means of in-built program triggers within software. Documentation is generally available for all historic work.<br>• Furthermore, databases and raw data have been checked and successively tested/validated in several phases of independent reviews (2004 and 2009, unpublished) on historic work carried out when the property has changed |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | hands over the years.<br>• It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work. |
| | • *Discuss any adjustment to assay data.* | • Avanco's CP is not aware of any adjustments or calibrations to assay data. |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* | • Drill collars surveys were performed using digital GPS and Total Station instruments.<br>• Down hole surveys of core holes have been performed using Ezy-shot and Tropari instruments. |
| | • *Specification of the grid system used.* | • SIRGAS2000 Zone 23 South. |
| | • *Quality and adequacy of topographic control.* | • Regional Topographic control, Digital Terrain Models using Total Station survey, and LIDAR surveys have been used. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.* | • Drilling at the Chega Tudo deposit is based on sections which are 25m to 80m apart, with drill holes on a 30m to 60m spacing on each section.<br>• Drilling at the Cipoeiro deposit is based on sections which are 50m to 100m apart, with drill holes on a typically 50m spacing on each. |
| | • *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.* | • Sufficient continuity in both geology and mineralisation has been established in historic work, to support the Foreign Resource Estimate, and its classification under the Canadian CIM code, and NI43-101 compliance. |
| | • *Whether sample compositing has been applied.* | • Avanco's CP is not aware of any historical compositing for assay sampling. |
| ***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.* | • Drilling has been angled to the to achieve the most representative intersections through the orebodies. |
| | • *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.* | • There is no indication that any sample bias has been introduced. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sample security*** | • *The measures taken to ensure sample security.* | • Available documentation indicates that samples were kept at the drill rig until the end of each shift, then delivered to the logging facility where they are accessible only by project staff. During shipment of samples to laboratories in Belo Horizonte the sample sacks were taped and typically accessible only to a limited number of transportation personnel. Chain of custody procedures consisted of filling out sample submittal forms that were sent to the laboratory with sample shipments, to ensure that all samples were received by the laboratory. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • All historic reports have been made available to Avanco, including unpublished independent reviews as noted above in previous.<br>• It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work. |

## TABLE 1 – Section 2: Exploration Results

| *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.* | • MCT Mineraçao Ltda is wholly owned Brazilian subsidiary of Jaguar Mining Inc. (TSX listed), who own the rights to 100% of the Gurupi JV package. Exiting royalties over the tenements consist of a 0.7% NSR royalty (Rio Tinto - Kinross) over 6 licenses, of which one covers the Cipoeiro deposit, and a 1% NSR royalty (Franco Nevada. Ex-Newmont royalty) over the remaining licenses, one of which covers the Chega Tudo deposit. Additionally, a 1% and 0.5% NSR Royalty to the government and landowner become payable (the latter 0.5% can be negotiated by the Company). There are a small number of illegal artisanal miners working localised pockets of oxide material. They will be relocated at the appropriate time, and are not considered a significant impediment. |
| | • *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.* | • The Gurupi project currently contains ~30 licenses covering an area of ~137,000Ha. Of this area approximately 80,000Ha (or 58%) is covered by granted tenure. |

| *Criteria* | JORC Code explanation | Commentary |
|---|---|---|
| | | • MCT Mineraçao Ltda is wholly owned Brazilian subsidiary of Jaguar Mining Inc. (TSX listed), who own the rights to 100% of the tenements in Gurupi JV package. Both the Cipoeiro and Chega Tudo deposits are on Mining Lease Applications. Both applications are currently pending the prerequisite issue of an Environmental License. An Environmental License has been issued previously, and subsequently suspended by another regulatory body due to an oversight in the legal provisions of certain surface rights. Avanco aims to correct the regulatory/legal exceptions and the Company supports this claim by reference to its proven track record of resolving permitting issues in northern Brazil. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • The Company's CP has determined that the quality and integrity of historical work is adequate for inclusion, consideration and interpretation with any new work completed by Avanco. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | • Mesothermal vein-style, or orogenic-style gold deposits. |
| ***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:*<br>*a. easting and northing of the drill hole collar*<br>*b. elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>*c. dip and azimuth of the hole*<br>*d. down hole length and interception depth*<br>*e. hole length.* | • Not relevant to the reporting of a Foreign Mineral Resource Estimate. |
| | • *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.* | • Not relevant to the reporting of a Foreign Mineral Resource Estimate. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***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.* | • Not relevant to the reporting of a Foreign Mineral Resource Estimate. |
| | • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* | • Not relevant to the reporting of a Foreign Mineral Resource Estimate. |
| | • *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • No assumptions are included in this report, because Metal Equivalents have not been used. |
| ***Relationship between mineralisation widths and intercept lengths*** | • *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.* | • Mineralisation at Cipoeiro exists in two parts:<br>  ○ The Blanket zone, where mineralisation is tabular at a low dip angle of approximately 20-30 degrees<br>  ○ The Contact zone, where mineralisation resides broadly in a wide sub-vertical corridor<br>• Mineralisation at Chega Tudo also resides broadly in a wide sub-vertical corridor. |
| | • *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').* | • Not relevant to the reporting of a Foreign Mineral Resource Estimate. |
| ***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.* | • Not relevant to the reporting of a Foreign Mineral Resource Estimate. |
| ***Balanced*** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades* | • Not relevant to the reporting of a Foreign Mineral Resource Estimate. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***reporting*** | *and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported) including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • Material relevant to the first time reporting of a Foreign Resource Estimate, as defined in ASX listing rule 5.12, has been included in this report. |
| ***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).* | • Work by Avanco will initially target the conversion of part/all of the Foreign Resource Estimate to JORC Reported Mineral Resource estimates. Further work will focus on JORC compliant studies, for example: Scoping, and/or Pre-Feasibility, and/or Feasibility |
| | • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Not relevant to the reporting of a Foreign Mineral Resource Estimate.<br>• A presentation will be released to the market to give investors an overview of the whole project and its opportunities. |

## TABLE 1 – Section 3: Estimation and Reporting of Mineral Resources

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Database integrity*** | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | • Data received from Jaguar is maintained by a database professional.<br>• Databases used for the production of the Foreign Mineral Resource Estimate have been checked/validated by database professionals. |
| ***Site visits*** | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* | • Avanco's CP has performed a site visit to the project over a number of days. The field facilities, core yard and core storage facilities were inspected as |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • *If no site visits have been undertaken indicate why this is the case.* | well as the sampling and data recording procedures on site.<br>• After the site visit it was the view of the Company's CP that facilities and procedures on site are of adequate quality to assure the reliability of historical work, in particularly the latest phases of work performed to generate the most up to date (2011) Foreign Resource Estimate, which is the subject of this table. |
| ***Geological interpretation*** | • *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | • Avanco's CP is satisfied that the geological model used in the Foreign Resource Estimate is robust and appropriate for this style of mineralisation, and correlates with the observations in the field visit, and in historic core viewed on site.<br>• The data used includes drill results, and geological/alteration/structural interpretations. Avanco's CP is not aware that any assumptions have been made.<br>• Avanco's CP considers the mineralised boundaries to be robust, and that alternative interpretations do not have the potential to impact significantly on the Foreign Resource Estimate.<br>• Geology, alteration and structure have been used to guide the model.<br>• Continuity along strike and at depth of grade (mineralisation) and geology is controlled by alteration and structure. |
| ***Dimensions*** | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | • The Cipoeiro Foreign Resource Estimate is made up of two discrete zones, which together are drilled and modelled over an area of approximately 1.6km in strike and up to 500m across the breadth of the orebody, and drilled to a depth of approximately 220m, where it is still open at depth.<br>• The Chega Tudo Foreign Resource Estimate is drilled and modelled over an area of approximately 2.4km in strike and up to 380m across the breadth of the orebody, and drilled to an average depth of approximately 200m, where it is still open at depth |
| ***Estimation and*** | • *The nature and appropriateness of the estimation technique(s)* | • The Foreign Resource Estimate utilises Ordinary Krigging methodology, |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***modelling techniques*** | *applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* | which Avanco's CP considers appropriate for the style of mineralisation and data population. The Geological 3D Model adopted a 0.25 g/t of gold cut-off envelope inside hydrothermal alteration zones. A high grade top-cut of 22g/t Au in the sulphide zone, 5g/t Au for the transition zone, and 6g/t in oxide was used at Chega Tudo. A top-cut of 30g/t Au was used for all zones at Cipoeiro. |
| | • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* | • A number of previous (older) historical Foreign Resource Estimates have been completed by various previous owners since discovery. These reports were available to the authors of the current estimate and were also made available to Avanco's CP. |
| | • *The assumptions made regarding recovery of by-products.* | • There are no by products |
| | • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* | • No known deleterious elements |
| | • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* | • At Cipoeiro the block size used in modelling was 5m x 5m x 5m (X,Y,Z). At Chega Tudo the block size used in modelling was 5m x 10m x 5m (X,Y,Z). Searches were ellipsoidal (50m x 100m x 15m at Cipoeiro, and 35m x 150m x 30m at Chega Tudo) |
| | • *Any assumptions behind modelling of selective mining units.* | • Avanco's CP is not aware of any assumptions behind modelling of selective mining units. |
| | • *Any assumptions about correlation between variables.* | • Avanco's CP is not aware of any assumptions about correlation between variables. |
| | • *Description of how the geological interpretation was used to control the resource estimates.* | • Both alteration and structural controls were used in the interpretation of lodes within the resource model. |
| | • *Discussion of basis for using or not using grade cutting or capping.* | • See above. Top-cuts were used in the modelling. |
| | • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | • Standard model validation has been completed using numerical methods (histogram and swath plots), and validated visually against the input raw drill hole data, composites and blocks. |

| Criteria | JORC Code explanation | Commentary |
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| ***Moisture*** | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnages are estimated on a dry basis. |
| ***Cut-off parameters*** | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • The Foreign Resource Estimate has been reported above a cut-off grade of 0.33g/t Au for Cipoeiro, and 0.31g/t Au for Chega Tudo. Avanco's CP considers this reasonable when considering a medium to large scale open pit style operation. Top-cuts were defined following probability curves and the spatial locations of outliers. |
| ***Mining factors or assumptions*** | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | • Open pit mining was considered as the appropriate method for future studies, and Avanco's CP believes that there is a likely prospect of economic extraction.<br>• Detailed mining assumptions such as dilution and minimum mining widths will be included in any optimisation, detailed mine planning and Life of Mine plan completed in any future JORC compliant Ore Reserve estimation by Avanco. |
| ***Metallurgical factors or assumptions*** | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | • Metallurgical amenability was based on comprehensive metallurgical test work, completed on the Gurupi project as part of the Foreign Feasibility study containing the most recent Foreign Resource Estimate[3], which has been reviewed by Avanco's CP. Extensive metallurgical testwork has also been completed in older studies completed previously, which have also been made available to Avanco's CP.<br>• Work includes preliminary, detailed and final metallurgical test work, and covers several alternative approaches, including bulk cyanidation, froth flotation, and heap leaching. |
| ***Environmental factors or assumptions*** | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields* | • Metallurgical testwork included production of tailings and tailings analysis for each of the alternative processing techniques considered.<br>• Based on acid-base accounting and net acid generating testwork conducted, acid generation from waste and is not expected to be a problem. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | |
| ***Bulk density*** | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • The project has density measurement data for more than 900 samples. Samples cover all possible mineralisation types, rocks types and weathering variants. Data has been collected from predominantly from half diamond drill core, and analysis work performed by the same accredited independent assay laboratory that completed the sample assays (discussed above), using the water-immersion technique. |
| ***Classification*** | • *The basis for the classification of the Mineral Resources into varying confidence categories.*<br>• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*<br>• *Whether the result appropriately reflects the Competent Person's view of the deposit.* | • The mineral resource contained within this report is a classified as a Foreign Resource Estimate, and has been quoted in accordance with ASX listing rule 5.12<br>• Avanco's CP believes that all relevant have been taken into account<br>• Avanco's CP believes the results appropriately reflects his view of the deposit after review.<br>• Avanco's CP believes that it is the intension of the Company in time, to convert the Foreign Resource Estimate to JORC (2012) compliance, as and when the project progresses in line with the Transaction details listed on page 2 of this document. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | |
| ***Audits or reviews*** | • *The results of any audits or reviews of Mineral Resource estimates.* | • The Foreign Resource Estimate that is the subject of this report and all associated works have been reviewed by Avanco's CP.<br>• It is the view of Avanco's CP that this work and the subsequent results are of adequate quality and that the Foreign Resource Estimate is robust. |
| ***Discussion of relative accuracy / confidence*** | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br>• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • The mineral resource contained within this report is a classified as a Foreign Resource Estimate, and has been quoted in accordance with ASX listing rule 5.12<br>• It is the view of Avanco's CP that this work and Foreign Resource Estimate represents a robust global estimate of the in-situ mineralisation at the Gurupi project.<br>• Avanco's CP recommends that future work concentrate firstly on the conversion of the Foreign Resource Estimates to the JORC (2012) reporting code, and that subsequent work uses optimised pit shells as a guide to creating drilling programmes that maximise the conversion from lower classification Mineral Resources (Inferred to Indicated) to higher classification Mineral Resources (Indicated to Measured). Consideration of mining dilution is also warranted, as some internal waste will be difficult to exclude during mining at either of the Cipoeiro or Chega Tudo deposits. |