Cancana Cancana Resources Corp. JV Provides Exploration Update for Brazil Manganese Project

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VANCOUVER, May 12, 2016 - Cancana Resources Corp. (TSX VENTURE:CNY) (the "Company" or "Cancana") and its joint venture partner Ferrometals BV, together Brazil Manganese Corporation ("BMC"), provided an update on exploration activities. Highlights include:

- 188 drill holes have been completed to date, totalling over 10,000m. Results during the quarter included:
  - 4.6m @ 22% Mn from 28.8m (Vitalino Prospect)
  - 9.65m @ 19.3% Mn from 46.55m, including:
  - 1.1m @ 53.5% Mn from 49.05m (Ademir-Vitoria Prospect)
- 7.15m @ 19.3% Mn from 48.4m (Eduardo Mendes Prospect)
- A third drill rig arrived on site in May and a fourth is being negotiated. Drilling will focus on an infill and extensional programs.
- A multi-commodity team has been formed to assess and explore for other metals on the license package.

Anthony Julien, President & CEO of Cancana stated, "Significant progress continues to be made and with a fourth drill rig being negotiated the project continues to accelerate. The current exploration team has been expanded to focus on multiple activities from quarter two, with infill drilling, reconnaissance drilling and multi-commodity exploration all planned."

EXPLORATION OVERVIEW

Exploration mapping, trenching and drilling programs continued through wet season over the first quarter of 2016 following a short post-Christmas closure in January. Targets are being progressively evaluated and activities are being supported by a community relations (CSR) team, established to facilitate exploration agreements and maintain close relationships and with local landholders. Support for BMC's activities has generally been positive, and the team is continuing to gain access to various areas.

The mapping and trenching activities have expanded the database of known manganese occurrences in the district. New areas are being scheduled for both pre-production activities (for short-term colluvial mining), and for deeper primary vein exploration. Over 5,000m of exploration trenching and 10,000m of drilling have been completed to date. Valuable information has also been gathered where mining activities have exposed profiles through some of the newly identified vein systems.

The exploration program has continued with broad reconnaissance traverses to confirm the position of vein systems associated with the dispersed colluvial manganese fields. BMC is currently engaged in discussions with its drilling contractors to increase the number of drill rigs so a greater emphasis can be placed on infill programs in the second and third Quarter.

MAPPING AND TRENCHING ACTIVITIES

The map below illustrates the distribution of mapping manganese occurrences compared to the original database at the commencement of activities. The distribution of new occurrences highlights the importance of E- to ENE-trending structural controls on the mineralization. NW and NE trending mineralised structures have also recently been identified, and an ongoing objective of the program will be to assess the potential for increased vein concentrations at the intersections of different mineralised trends.

Trenching activities are of prime importance in parallel with the mapping as the vein systems can often be

concealed by the soil and laterite profile. Three trenching crews are currently engaged with the mapping and pre-production teams to delineate the distribution of manganese colluvium in the cover sequence and the position of underlying veins.

To view Figure 1, please visit the following link: http://www.marketwire.com/library/20160511-800cny1.jpg

To view Figure 2, please visit the following link: http://www.marketwire.com/library/20160511-800cny1a.jpg

In addition to regional mapping, more detailed surveys are being conducted where extraction activities have provided exposure of the vein profiles. In some areas, such as Dnei-Zenilda, the individual veins form more tabular bodies which have been extracted over a strike length of ~180m to date. In other areas such as Jaburi 2, multiple veins are present, not all of which project to the surface due to their tapering geometry. This indicates some areas will require tailored drilling programs to ensure the full package of veins is located and characterised.

Cuttings into the vein profile have been made at the Adesvaldo and Lucas prospects. The current plants are restricted in having no effective crushing facilities to liberate manganese minerals from the hard breccia material of these areas. The planned pilot plant will provide greater flexibility in processing such material (see September 15, 2015 news release). The vein positions in these areas are being surveyed with a differential GPS survey instrument. Mapped positions will be integrated with drilling information to assist with structural modelling.

To view Figure 3, please visit the following link: http://www.marketwire.com/library/20160511-800cny2a.jpg

To view Figure 4, please visit the following link: http://www.marketwire.com/library/20160511-800cny2b.jpg

To view Figure 5, please visit the following link: http://www.marketwire.com/library/20160511-800cny2c.jpg

DRILLING PROGRAM

188 drill holes have now been completed around the project area, with key corridors having undergone reconnaissance testing illustrated below. Drilling has generally continued at broad spacings of 300-500 meters along the strike of structural corridors as they are defined. Some local infill has been conducted and BMC will shortly be commencing more detailed testing in several prospects, including the Eduardo Mendes-Ademir-Vitalino corridor, the Antonio Gomes area, and on the Lavra corridor (Adesvaldo and the Dnei-Zenilda-Laudir area). Other prospects will be progressively added.

To view Figure 6, please visit the following link: http://www.marketwire.com/library/20160511-800cny3.jpg

Commentary on some of the prospects tested since the last report period are outlined below:

Eduardo Mendes -- Ademir -- Vitalino Corridor

This corridor forms a prominent ENE trending structure in the NE of the licence block. The structure has been prospected over a strike length of 14km to date. Several new zones of manganese colluvium and associated veining have now been detected on which drilling and pre-production activities are focussing. Historically ~20000t of manganese colluvium were recovered from the Eduardo Mendes prospect to the east and ~10000t from Vitalino to the west. Colluvial preproduction programs are currently testing the central Ademir area as a source of material for the 2016 production year. An application has been lodged for an extraction permit (Guia de Utilização) over this target. Preproduction activities will continue along extensions of the corridor where new domains of colluvial manganese dispersion have been located.

The broad trenching and drilling activities indicate that a number of sub-parallel structures are present. The infill drilling program will involve closer-spaced drilling initially on spacing of 100m to test the resource

potential of the area. The ultimate drill spacing will be reviewed based on continuity observed in the drilling and supplementary trenching.

Drill results are tabulated in the diagrams below (with new results appended in the Intersection Table). Results of interest in the program to date from the various prospects along the trend include:

- DDH_VT_005: 4.6m @ 22% Mn from 28.8m (Vitalino Prospect)
- DDH_ADV_002: 9.65m @ 19.3% Mn from 46.55m, including
    - 1.1m @ 53.5% Mn from 49.05m (Ademir-Vitoria Prospect)
- DDH_ADE_002: 4.45m @ 23.85% Mn from 17.5m, including
    - 1.4m @ 45.5% Mn from 17.5m (Ademir-California Prospect)
- DDH_EM_0012: 7.15m @ 19.3% Mn from 48.4m (Eduardo Mendes Prospect)

As previously observed, the grade of the vein intersections correlates closely to the degree of silicate breccia associated with the mineralization. These breccia zones are an expected component of the hydrothermal systems. BMC will be conducting metallurgical testwork programs to study optimal processing scenarios for the breccia material, particularly using bulk samples from vein profiles exposed in mining operations.

To view Figure 7, please visit the following link: http://www.marketwire.com/library/20160511-800cny4a.jpg

To view Figure 8, please visit the following link: http://www.marketwire.com/library/20160511-800cny5.jpg

To view Figure 9, please visit the following link: http://www.marketwire.com/library/20160511-800cny6.jpg

Antonio Gomes Corridor

Field evaluation in the Antonio Gomes areas has identified a series of NE-trending structures associated with dispersed colluvium. These structures converge towards the main E-W structure outlined by the initial phase of drilling. An infill and extensional drill program is scheduled to commence in this area in the second quarter centered initially around the central section where multiple veins were encountered. The drill program will also test the resource potential of the NE-trending vein sets, for areas of vein thickening where the structures converge.

To view Figure 10, please visit the following link: http://www.marketwire.com/library/20160511-800cny7.jpg

Next Steps

BMC currently has two Geotechreserves do Brasil drill rigs on site, with one drill rig dedicated to infill work. BMC also has smaller drill rig from Energold Perfurações Ltda on site. BMC is in discussions with Energold to extend the current contract and to add a fourth drill rig. The smaller drill rigs allow access to steeper terrain and densely forested areas.

The infill program in nominated prospects has commenced in parallel with regional exploration continuing on new vein trends. All belts tested to date have shown the presence of manganese oxide mineralisation, and further drilling and trenching will continue to test for the potential for thickened vein zones at structurally favourable sites.

In addition to the manganese program, the newly formed multi-commodity team will assess the potential for other metals on the licence package - initial geochemical programs have commenced and updates on activities will be released shortly.

Intersection Tables

Hole_Id	East	North	Dip	Azimuth	Depth	Intersection
DDH_VT_001	744283	8727924	-50	340	31.60	5.2m @ 15.4% Mn from 9m
DDH_VT_002	744292	8727906	-50	340	46.00	1.8m @ 24.2% Mn from 30.4m
DDH_VT_003	743813	8727854	-50	160	50.15	2.5m @ 21.3% Mn from 19m
DDH_VT_004	743805	8727878	-50	160	70.25	Trace mineralization
DDH_VT_005	744178	8728073	-50	160	44.00	4.6m @ 22% Mn from 28.8m
DDH_VT_006	744176	8728082	-50	160	68.10	0.9m @ 16.2% Mn from 53.6m
DDH_VT_007	744297	8727882	-50	340	77.00	7.7m @ 12.2% Mn from 55.3m
DDH_ADV_001	745150	8728303	-50	160	29.00	4.15m @ 23.2% Mn from 11.15m
DDH_ADV_002	745141	8728322	-50	160	65.40	1.67m @ 20.8% Mn from 10.1m 9.65m @ 19.3% Mn 46.55m
DDH_ADV_003	745133	8728339	-50	160	101.20	3.3m @ 23% Mn from 85.4m 0.25m @ 52.5% Mn from 89.5m
DDH_ADV_004	745532	8728356	-50	340	25.40	0.1m @ 30.1% Mn from 12.1m 0.45m @ 24.9% Mn from 14.8m
DDH_ADV_005	745544	8728338	-50	340	69.90	0.2m @ 22.8% Mn from 0.6m 0.4m @ 27.3% Mn from 12.5m 0.4m @ 14% Mn from 37.4m
DDH_ADV_006	746165	8728512	-50	350	16.40	2.09m @ 14.6% Mn from 4.41m
DDH_ADV_007	746161	8728529	-50	360	48.10	Trace mineralization
DDH_ADV_008	746159	8728526	-50	180	33.50	Trace mineralization
DDH_ADV_009	744751	8728385	-50	180	25.20	4.5m @ 10.5% Mn from 8.9m
DDH_EM_006	755076	8731971	-60	150	91.6	12.45m @ 9.8% Mn from 7.3m 2.45m @ 18.72%Mn from 68.05m 3.35m @ 8.2% Mn from 75.55m 6.55m @ 8.04% Mn from 81.35m
DDH_EM_007	754631	8731621	-50	330	60.00	*0.45m @ 15.7% Mn from 19.9m*
DDH_EM_008	754360	8731733	-50	300	55.10	*Trace mineralization*
DDH_EM_009	754209	8731417	-50	170	50.00	*Trace mineralization*
DDH_EM_010	755387	8732158	-50	140	64.80	*0.95m @ 11.7% Mn from 19.75m* *0.1m @ 58% Mn from 24.3m* *0.4m @ 43.5% Mn from 26.5m* *0.6m @ 51.7% Mn from 27.65m* *0.1m @ 49.7% Mn from 30.4m* *0.1m @ 41.8% Mn from 34.45m* *0.7m @ 14.2% Mn from 38.4m*
DDH_EM_011	755370	8732177	-50	140	92.00	*1.85m @ 33.9% Mn from 68.3m* *0.2m @ 24% Mn from 72.55m* *0.1m @ 24.3% Mn from 75.35m* *0.15m @ 34.6% Mn from 77.45m* *1.3m @ 27.2% Mn from 81.8m*
DDH_EM_012	755374	8732079	-50	150	80.00	*7.15m @ 19.3% Mn from 48.4m* *0.2m @ 15.7% Mn from 57m* *0.55m @ 15.3% Mn from 59m* *1.15m @ 15.2% Mn from 61.6m* *2.15m @ 23.9% Mn from 65m*
DDH_EM_013	755517	8732217	-50	300	56.00	*0.45m @ 37.6% Mn from 19.7m* *2.5m @ 14.2% Mn from 22.1m* *0.2m @ 20.8% Mn from 28m*
DDH_EM_014	755604	8732153	-50	160	77.00	*0.35m @ 18.2% Mn from 2.2m*
DDH_EM_015	755471	8732243	-50	120	68.00	*Barren*
DDH_EM_016	755836	8732315	-50	160	40.5	*0.25m @ 24.7% Mn from 15.75m* *0.4m @ 22.4% Mn from 25.05m* *0.1m @ 40.2% Mn from 26.5m*
DDH_EM_017	755832	8732320	-50	160	60	*0.3m @ 45.6% Mn from 40.2m*

DDH_CF_001	753139	8728292	-50	360	82.20	*0.45m @ 22.8% Mn from 16.45m* *0.25m @ 19.3% Mn from 27.15m*
DDH_CF_002	752814	8728309	-50	360	80.70	*0.2m @ 13.6% Mn from 31.3m*
DDH_CF_003	752781	8728348	-60	360	50.00	*0.1m @ 58% Mn from 3.65m* *0.35m @ 16.3% Mn from 19.4m* *1m @ 14.5% Mn from 27.5m*
DDH_CF_004	754238	8728396	-50	360	65.20	*0.7m @ 34.3% Mn from 9m* *0.95m @ 20% Mn from 34.7m*
DDH_CF_005	753950	8728342	-45	360	82.50	*Trace Mineralization*
DDH_CF_006	754238	8728383	-50	360	73.90	*0.1m @ 30.8% Mn from 23.6m*
DDH_CF_007	753142	8728273	-50	330	77.80	*Trace Mineralization*
DDH_CF_008	752779	8728353	-50	360	32.00	*0.35m @ 42% Mn from 10.3m*
DDH_LC_003	749323	8714174	-50	210	40.90	*1.15m @ 18.1% Mn from 12.1m*
DDH_LC_004	749336	8714197	-50	210	54.80	*0.65m @ 32% Mn from 41.45m*
DDH_LC_005	749438	8714137	-56	215	59.00	*0.1m @ 16.3% Mn from 31.75m*
DDH_LC_006	749420	8714117	-50	215	25.20	*0.33m @ 10.7% Mn from 13.67m*
DDH_LC_007	749651	8713969	-60	210	41.00	*0.3m @ 11.1% Mn from 17.7m*
DDH_LC_008	749659	8713978	-60	210	12.30	*Abandoned*
DDH_AV_001	740140	8721807	-50	360	67.10	*0.2m @ 14.6% Mn from 47.5m*
DDH_AV_002	740140	8721819	-50	360	56.00	*4.43m @ 16.2% Mn from 30.74m*
DDH_AV_003	740141	8721832	-50	360	44.00	*2.5m @ 9.2% Mn from 21.9m*
DDH_JM_001	742966	8721773	-50	360	41.00	*Trace mineralization*
DDH_JM_002	742913	8721779	-50	360	39.00	*Trace mineralization*
DDH_ED_001	749001	8720345	-50	140	42.75	*2.75m @ 13.5% Mn from 29.25m*
DDH_ED_002	749001	8720357	-50	140	95.35	*Trace mineralization*
DDH_ZN_001	748624	8720243	-50	360	55.30	*1.8m @ 17.4% Mn from 15.2m* *0.25m @ 18.9% Mn from 23.85m*
DDH_ZN_002	748626	8720223	-5	360	68.10	*1.82m @ 14.6% Mn from 26.36m*
DDH_ADM_001	749632	8720419	-50	150	35.50	*Trace mineralization*
DDH_EDS_001	749979	8720533	-50	150	44.00	*Trace mineralization*
DDH_AMA_001	748290	8720247	-50	360	38.10	*Trace mineralization*
DDH_AMA_002	748141	8720256	-50	350	33.00	*0.5m @ 10.40% Mn from 9.3m*
DDH_AMA_003	748146	8720246	-50	350	35.00	*0.2m @ 10.7% Mn from 14.65m* *0.45m @ 11.0% Mn from 16.75m*
DDH_SC_001	745661	8718234	-50	320	37.27	*1.4m @ 22.1% Mn from 18.85m* *0.2m @ 16.1% Mn from 24.65m*
DDH_FP_001	748217	8724228	-50	360	30.30	*Trace mineralization*
DDH_FP_002	748217	8724215	-55	360	62.00	*0.8m @ 15.6% Mn from 61.35m*
DDH_NZ_001	740804	8721835	-50	10	36.20	*0.52m @ 29.8% Mn from 14.55m*
DDH_NZ_002	740804	8721817	-50	10	60.40	*0.3m @ 20.3% Mn from 44.35m* *0.6m @ 15.3% Mn from 45.35m* *0.2m @ 19.2% Mn from 47.25m*
DDH_NZ_003	741125	8721880	-50	180	54.35	*1.9m @ 19.3% Mn from 19.35m* *0.3m @ 20.2% Mn from 48.55m*
DDH_NZ_004	741117	8721891	-50	180	68.00	*0.15m @ 14.9% Mn from 60.6m*
DDH_MR_001	775163	8722628	-50	160	30.00	*0.27m @ 41.3% Mn from 0.83m* *0.2m @ 15.2% Mn from 27.9m*
DDH_MR_002	775157	8722649	-55	160	51.70	*1m @ 27.6% Mn from 0m* *0.8m @ 28% Mn from 12.8m*
DDH_MR_003	775682	8722692	-50	160	33.30	*Trace Mineralization*
DDH_MR_004	775682	8722692	-70	160	45.00	*Trace Mineralization*
DDH_MR_005	769653	8721617	-50	310	46.9	*1.1m @ 19.1% Mn from 21.2m* *0.3m @ 17.2% Mn from 42.3m*
DDH_MR_006	769661	8721611	-50	310	69.20	*2.6m @ 23.4% Mn from 35.45m*

DDH_MR_007	769609	8721652	-55	130	90.4	*1.35m @ 18.6% Mn from 57.45m* *1.85m @ 16.5% Mn from 61.8m*
DDH_MR_008A	776925	8722743	-55	180	23.60	*0.2m @ 31.9% Mn from 9.3m* *0.55m @ 32.7% Mn from 15.75*
DDH_MR_009	776018	8722750	-60	180	45.15	*1m @ 20.8% Mn from 25.2m*
DDH_ARO_001	747686	8720299	-50	260	48.00	*1.75m @ 20.3% Mn from 0.45m*
DDH_ARO_002A	747686	8720272	-50	350	63.00	*Trace mineralization*
DDH_NB_001	767981	8720246	-50	120	35.00	*Trace mineralization*
DDH_FT_001	762316	8722599	-50	10	46.70	*Trace mineralization*
DDH_FT_002	762318	8722582	-50	10	70.00	*0.55m @ 26.2% Mn from 27.75m*
DDH_ADR_001	747168	8720335	-50	350	21.00	*0.35m @ 38.4% Mn from 9.95m*
DDH_ADR_002	747171	8720319	-50	350	45.00	*Trace mineralization*
DDH_GL_001	749233	8719592	-50	180	28.00	*Trace mineralization*
DDH_GL_002	749235	8719601	-55	180	55.00	*Trace mineralization*
DDH_IN_001	748234	8719433	-50	360	32.00	*0.4m @ 15.8% Mn from 4.8m* *0.4m @ 19.2% Mn from 15.15m*
DDH_IN_002	748233	8719426	-55	360	52.6	*Trace mineralization*
DDH_SO_001	746834	8719489	-50	360	22.00	*0.3m @ 22.5% Mn from 12.05m*
DDH_SO_002	746835	8719474	-50	360	42.20	*Trace mineralization*
DDH_DP_001	746593	8720351	-50	180	43.00	*Trace mineralization*
DDH_DP_002	746591	8720357	-50	180	59.00	*1.3m @ 17% Mn from 5.3m* *3.6m @ 15.9% Mn from 11m* *1.7m @ 16.9% Mn from 18.5m*
DDH_EVE_001	746260	8720204	-50	180	25.00	*Trace mineralization*
DDH_EVE_002	746251	8720231	-50	180	65.00	*Trace mineralization*
DDH_EDE_001	744753	8722041	-50	180	45.00	*Trace mineralization*
DDH_EDE_002	744753	8722054	-50	180	65.00	*Trace mineralization*
DDH_AG_004	747316	8725248	-45	120	24.00	*0.12m @ 30.3% Mn from 0.88m* *0.1m @ 37.9% Mn from 5.15m* *0.1m @ 36.3% Mn from 13.1m* *0.1m @ 16.9% Mn from 14.3m*
DDH_AG_005	747310	8725269	-50	120	51.00	*0.1m @ 19% Mn from 11.8m* *1m @ 14.2% Mn from 23.3 m* *0.2m @ 17.2% Mn from 28.4m* *0.5m @ 12.1% Mn from 29.8m* *0.3m @ 32.4% Mn from 30.9m* *0.5m @ 16.2% Mn from 32m*
DDH_AG_006	745070	8723497	-50	360	38.30	*0.1m @ 14% Mn from 15.75m* *0.25m @ 12.6% Mn from 21.0m*
DDH_AG_007	745070	8723487	-55	360	45.30	*0.08m @ 58% Mn from 8.68m* *0.7m @ 19.5% Mn from 37.1m* *0.45m @ 16.5% Mn from 38.15m*
DDH_AG_008	747836	8725398	-50	180	27.00	*Trace mineralization*
DDH_AG_009	747827	8725408	-50	180	55.50	*0.8m @ 16.7% Mn from 34.8m*
DDH_AG_010	746210	8723613	-50	340	40.50	*0.6m @ 22.4% Mn from 15.47m* *0.5m @ 27.3% Mn from 18.5m*
DDH_AG_011	746223	8723618	-50	340	45.00	*2.6m @ 19.4% Mn from 27m*
DDH_AG_012	746216	8723580	-50	340	64.50	*0.95m @ 41.9% Mn from 16.5m* *2.65m @ 23.5% Mn from 41m*
DDH_AG_013	746989	8724983	-50	360	57.00	*0.85m @ 10.4% Mn from 49.5m*
DDH_AG_014	745493	8723533	-50	350	35.00	*0.85m @ 23.9% Mn from 7.6m* *0.2m @ 28.5% Mn from 10.5m*
DDH_AG_015	745486	8723515	-50	350	60.00	*0.2m @ 48.8% Mn from 29.4m*

Intersections are quoted with down-hole widths, intersections are not true width.

On behalf of the Board of Directors of

Cancana Resources Corp.

Anthony Julien, President, CEO and Director

QUALIFIED PERSON

The technical information about the Company's mining activities has been prepared under the supervision of and verified by Dr. Adrian McArthur (B.Sc. Hons, PhD. FAusIMM), a consultant to Brazil Manganese Corporation, who is a "qualified person" within the meaning of National Instrument 43-101.

ABOUT CANCANA

Cancana Resources Corp. is focused on exploring and developing the BMC manganese project in Brazil with its joint venture partner Ferrometals BV. The JV is employing a two-pronged strategy at BMC, where the primary objective is to advance the project to an initial resource and onward to feasibility, while also expanding current small-scale production to support those exploration activities. Further information can be found at cancanacorp.com, and bmcorporation.com.br.

ABOUT FERROMETALS

Ferrometals BV is part of a privately held metals group, focusing on acquisition, exploration, development and mining activities. Further information can be found at ferrometals.net.

FORWARD-LOOKING STATEMENTS

Some statements in this news release contain forward-looking information or forward-looking statements for the purposes of applicable securities laws. These statements include, among others, statements with respect to the Company's plans for exploration and development of BMC's properties and potential mineralization. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such risk factors include, among others, failure to obtain regulatory approvals, failure to complete anticipated transactions, the timing and success of future exploration and development activities, exploration and development risks, title matters, inability to obtain any required third party consents, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices and one-time events. In making the forward-looking statements, the Company has applied several material assumptions including, but not limited to, the assumptions that: (1) the proposed exploration and development of mineral projects will proceed as planned; (2) market fundamentals will result in sustained metals and minerals prices and (3) any additional financing needed will be available on reasonable terms. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.

The Company cautions that it has not completed any feasibility studies on any of BMC's mineral properties, and no mineral reserve estimate has been established. Because the Company production decision, related to BMC, is not based upon a feasibility study of mineral reserves, the economic and technical viability of the property has not been established.

Notes

HQ-diameter drill core has been obtained from surface to end-of hole using a track-mounted Boartlongyear LF90D drill rig operated by drilling contractor Geotechreserves do Brasil and a man-portable EGD SII rig operated by Energold.

Collar positions are recorded by hand-held GPS (accuracy typically +/- 5m). The reported grid system is South America 1969, Zone 20S. Collar positions are marked with a cement plug for later survey pick up for any areas that progress to resource drilling. Down hole-deviation is measured by a Refelx Gyro survey tool.

Recovery is recorded against individual core runs whilst drilling, and any areas of core loss that can be specifically identified are recorded. Recovery is generally good to excellent. Some core loss may be incurred where the mineralized intervals are softer and friable. Overall recovery averages >90% for the reported intersections. Holes undergo geological and basic geotechnical logging, and are photographed prior to sampling. Samples are collected as half-HQ core where the core is competent. When occasionally broken, half the sample is hand-picked in the most representative way possible. Sampling is conducted to geological boundaries.

Samples are submitted to an accredited SGS Laboratory in Belo Horizonte, Brazil. Samples are dried, crushed to 3 mm, homogenised, then a split is pulverised to produce a pulp of 250 - 300 g with 95% passing 150 mesh. Submissions include certified references to monitor laboratory performance, which have returned results within the expected laboratory analytical error margins. Laboratory protocols include blanks, duplicates and repeats. Major oxides in mineralised zones are analysed by lithium-borate fusion - XRF techniques, with minor elements monitored via a multi-acid digest and ICP-OES analysis. Zones of wall rock alteration with trace mineralization are monitored analysed by multi-acid digest and ICP-OES analysis.

Until dispatch, samples are stored in BMC's supervised stockpile yard or exploration office. Individual bags are fitted with a tamper-proof bar-coded seal. The samples are couriered to the assay laboratory using a commercial contractor (Eucatur). Samples are weighed prior to dispatch and material received by the laboratory is reconciled with dispatch records. Pulps and rejects are returned to BMC. A subset is selected for periodic round-robin test work.

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