TECHNICAL REPORT

RIO NOVO GOLD PROJECT

and

RESOURCE ESTIMATE on the JAU PROSPECT

Tapajós Region, Para State

Northern Brazil

(Latitude 6° 42' 20" S, Longitude 56° 4' 15" W)

Prepared for: **BRAZIL RESOURCES INC.**
Suite 320, 1111 West Hastings St..
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Prepared by: **Jim Cuttle, B.Sc., P.Geo.**
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and

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Vancouver, B.C. CANADA

Date: November 22, 2013

Effective Date of Report: November 22, 2013

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CERTIFICATE AND SIGNATURE - Jim Cuttle, P.Geo.

I, Jim Cuttle, of the Municipality of Whistler, British Columbia, Canada, do certify that;

- I am a consulting geologist with a home office at 86 Cloudburst Road, Black Tusk Village, Whistler, British Columbia, Canada. V0N-1B1.
- I am a graduate of the University of New Brunswick (1980) with a Bachelor of Science Degree in Geology.
- I have practiced my geological profession continuously for over thirty three years in the capacity of exploration and consulting geologist. My work has included project generation, mineral property assessment, project management and data compilation for various public and private mineral exploration companies in Canada and Internationally. I specialize in precious and base metal exploration and have experience in different types of structurally hosted gold mineralization similar to the Jau prospect at Rio Novo.
- I am a registered member in good standing of The Association of Professional Engineers and Geoscientists of the Province of British Columbia (19313) and have been since July 1992.
- I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of education, experience, and affiliation with a professional organization I meet the requirements of a "qualified person" as defined in National Instrument 43-101.
- I am responsible for all parts of this report titled "**TECHNICAL REPORT, RIO NOVO GOLD PROJECT and RESOURCE ESTIMATE on the JAU PROSPECT, TAPAJÓS AREA, PARA STATE, NORTHERN BRAZIL**", compiled and written for Brazil Resources Inc., and dated effective November 22, 2013, including the solid models in Section 14 but excluding the remainder of Section 14 on "Mineral Resource Estimate."
- I certify that I have read National Instrument 43-101 and this Technical Report on the Rio Novo Gold Property has been prepared in compliance with this National Instrument.
- I am independent of the issuer as described in Section 1.5 of NI 43 -101.
- This Technical Report on the Rio Novo claim is based on the author's data research and site visit to the property on October 6, 2011. No new material information has been collected since the date of the site visit.
- As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
- I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public.

Dated this 22nd day of November, 2013

"Signed" Jim F. Cuttle

Jim F. Cuttle, B.Sc., P.Geo

CERTIFICATE AND SIGNATURE, Gary H Giroux, P.Eng., MASc.

I, G.H. Giroux, of 982 Broadview Drive, North Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geological engineer with an office at #1215 - 675 West Hastings Street, Vancouver, British Columbia.

2) I am a graduate of the University of British Columbia in 1970 with a B.A. Sc. and in 1984 with a M.A. Sc., both in Geological Engineering.

3) I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.

4) I have practiced my profession continuously since 1970. I have had over 35 years' experience calculating mineral resources. I have previously completed resource estimations on a wide variety of gold deposits, including Brewery Creek, Kisladag and Red Mountain.

5) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of education, experience, independence and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in National Instrument 43-101.

6) This report titled "**TECHNICAL REPORT, RIO NOVO GOLD PROJECT and RESOURCE ESTIMATE on the JAU PROSPECT, TAPAJÓS AREA, PARA STATE, NORTHERN BRAZIL**" dated effective November 22, 2013, is based on a study of the data and literature available on the Rio Novo Property. I am responsible for the Mineral Resource Estimate Section 14. I have not visited the property.

7) I have not previously worked on this property.

8) As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

9) I am independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101.

10) I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated this 22nd day of November, 2013

"Signed" G. H. Giroux

_____

G. H. Giroux, P.Eng., MASc.

1. SUMMARY

This independent technical report was prepared for Brazil Resources Inc. (BRI) at the request of Steve Swatton, CEO and President of BRI. The report covers a property that was acquired by BRI as a result of their recent acquisition of Brazilian Gold Corporation (BGC). It documents the previous exploration results including a mineral resource estimate for the Jau prospect on the Rio Novo mineral claim in Northern Brazil.

This report was prepared by Jim Cuttle, P. Geo. and Gary Giroux of Giroux Consultants Ltd. both independent qualified professionals.

The Rio Novo claim is located in the Amazon Basin of northern Brazil, centered on latitude 6°42'20"S and longitude 56°04'15"W. Road access to the project area is by highway BR-163 starting from Santarem and heading south 230 kilometres along the east side of the Tapajós river to Itaituba then continuing south 240 kilometres to the town of Moreas de Almeida. The property is located approximately 65 kilometres southwest of the company's advanced-stage São Jorge project and is accessed by the Trans-Garimpeiro Highway. The Highway provides access to the western boundary of the property by traveling southwest from the town of Moreas de Almeida for 72 kilometres. From the western boundary of the property, river boat and foot trails provide access to the central and eastern areas of the property.

BRI through its subsidiary Mineração Regent Brazil Ltda. (Regent) owns 100 percent of the Rio Novo claim, subject to a signed option agreement between Regent and Jarbas Salviano Duarte Junior on February 11, 2010 and subsequent amendment on December 16, 2011. The Rio Novo claim covers 6,134.78 hectares.

Geologically, the Rio Novo claim is located in the Tapajós Mineral Province (TMP) in the south central portion of the larger Brazilian (and Guyana) Achaean to Proterozoic shield. This shield stretches from the western parts of Bolivia through the northern portions of Brazil and on to Guyana and Venezuela. The TMP is part of the Tapajós-Parima 'terrain' or province, one of six such provinces that make up the Brazilian Precambrian shield.

Cuttle travelled to the Rio Novo claim on October 6th, 2011 in order to examine and verify specifics of BGC's core drilling program and general geological activities. Giroux Consultants Ltd. was retained to produce a resource estimate on the Jau prospect on the Rio Novo claim. The authors are satisfied that no new material scientific or technical information has been collected on the Rio Novo claim since the last site visit.

The claim covers a number of garimpeiro workings including the Jau gold target and the Pirarra alluvial diggings. Little is known of the local geology within the current claim boundaries at Rio Novo. This is primarily due to very poor access to many parts of the claim area. The Jau prospect is located in the western part of the Rio Novo claim and is underlain by granites and felsic volcanics as indentified in core from recent drilling. The Jau target consists of quartz sulphide stock work mineralization that is exposed in a garimpeiro pit that has subsequently been filled with water and tailings from alluvial mining. Little work has been recorded on the Pirarra area.

BGC completed 20 diamond core holes at the Jau prospect for a total of 5,922.84 metres of drilling. The

program was successful in discovering a new zone of gold mineralization, measuring close to 800 metres long, approximately 50 metres wide and extending to depths of 280 metres. Intersections vary from thick, low grade intervals of 1.35 grams per tonne gold over 74.0 metres (Hole JAD-003-11) to thinner, high grade intervals such as 8.12 grams per tonne gold over 8.0 metres (Hole JAD-005-11).

Using a 0.3 gram per tonne cut-off, Gary Giroux of Giroux Consultants Ltd. estimates a total inferred resource at the Jau prospect to be 19,440,000 million tonnes averaging 0.81 grams per tonne gold or 503,000 ounces of gold. The interpolation method used was ordinary kriging.

The mineralized body at Jau remains open to the west and may continue under the Rio Novo river and beyond the western limits of claim 850.561/05. The proposed work campaign described in this report during Year 1 includes 8 core holes (1600 metres) of infill drill testing at Jau with an anticipated cost of $Can 875,000.

2. INTRODUCTION AND TERMS OF REFERENCE

This independent technical report was commissioned by BRI. BRI acquired the property through the recent acquisition of BGC. The report was prepared by Jim Cuttle, P. Geo. (Qualified Person) and Gary Giroux, P. Eng. (Qualified Person) of Giroux Consultants Ltd., at the request of Steve Swatton, CEO of Brazil Resources Inc. The purpose of this report is to describe the recent acquisition of the Rio Novo property by BRI from Brazilian Gold Corporation (BGC) and document the previous exploration results and mineral resource estimate for the Jau prospect at the company's Rio Novo project in Northern Brazil.

BRI is a publicly listed company on the Toronto Venture Exchange with its head office in Vancouver, B.C. Canada.

Cuttle completed a property visit to the Rio Novo project area on October 6, 2011. The main purpose of the field visit was to inspect the core drilling program, review the geological interpretation, identify the quality control – quality assurance procedures, collect an up-to-date database and obtain a general understanding of geological controls for gold mineralization. The authors are satisfied no new material information has been collected since the last site visit.

The authors of this report have relied on information and data provided by BRI and BGC, including geological information and legal opinions gathered from independent experts. The authors used digital data provided by BRI to produce all maps, estimates and figures in this report. These data are referenced using UTM Sad 69 (Zone 21) or Sad 69 Longitude / Latitude projections. All units of measurement are metric.

This report is based on information believed to be accurate at the time of completion and complies with Canadian National Instrument 43-101 and the December 11, 2005 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards and definitions for Mineral Resource Estimates. It may be used to support and maintain future public financings.

In preparing this report, the authors would like to acknowledge the open and enthusiastic assistance of Steve Swatton, CEO for Brazil Resources Inc.

3. RELIANCE ON OTHER EXPERTS

The authors of this report have relied on information, opinions and/or reviews concerning the Rio Novo Project from several sources, including the following experts who may not be Qualified Persons (QPs).. Reliance applies to sections 4.2, 7.1, 9, 11.2.

- Geophysics - Fugro (Brazil) LASA-GeoMag S/A of Rio de Janeiro, Brazil, 2011. Collected and reported on airborne magnetic and radiometric data covering claim 850.561/05. A separate report by the same company details an induced polarization (IP) resistivity and chargeability field survey data for the Jau prospect at Rio Novo.
- Analytical - Sample preparation at Acme Labs in Itaituba, Brazil, including assays by Acme Labs in Santiago, Chile and Vancouver, Canada. 2010 to 2012. Includes analysis for majority of drill core and soil samples.
- CRPM (Brazilian Geological Survey). Public digital geological data on a regional scale covering and surround the Rio Novo property.
- Legal - Due Diligence Report. Acquisition of Brazilian Gold Corp. PinheiroNeto Advogados, Rio de Janeiro, Brazil. Provided Due Diligence of Brazilian Gold for Brazil Resources, including title to the Rio Novo mineral claims, dated September 25, 2013. Excerpts of Rio Novo title opinion are included in Appendix V.

Jim Cuttle is responsible for all parts of this Technical Report, excluding Section 14 on “Mineral Resource Estimate” which was completed by Gary Giroux of Giroux Consultants Ltd., Vancouver, B.C., Canada.

4. PROPERTY LOCATION and DESCRIPTION

4.1 Property Location

The Rio Novo area is centered in the Amazon Basin of northern Brazil at latitude 6°42'20"S and longitude 56°04'15"W (UTM SAD69, 602400E, 9259400N). The property is located in the municipality of Novo Progresso, approximately 1,060 kilometres west-southwest of Belem, the capital of Pará State. Belem is located at the mouth of the Amazon River.

The claim can be found on topographic map sheet (Vila Riozinho-#194; 1:250,000) directly east of the Rio Novo River and approximately 72 kilometres southwest of the town of Moreas de Almeida and 90 kilometres northwest of Novo Progresso (population, 60,000). Novo Progresso is located on highway BR163, which connects the city of Cuiaba in Mato Grosso State to the south with the port city of Santarem on the Amazon River in Pará State to the north.

The property is located approximately 65 kilometres southwest of the company's advanced-stage São Jorge project and is accessed by the Trans-Garimpeiro Highway. The highway provides access to the western boundary of the project area by traveling southwest from the town of Moreas de Almeida a distance of 72 kilometres. From the western boundary of the property, river boat and trails provide access the central and eastern areas of the property.

Figure 1 Property Location (source - modified after Brazil Government map, 2011)

4.2 Title Status, Royalties and Agreements

BRI through its subsidiary Mineração Regent Brazil Ltda. (Regent) owns 100 percent of the Rio Novo claim, subject to a signed option agreement between Regent and Jarbas Salviano Duarte Junior on February 11, 2010 that was subsequently amended on December 16, 2011 (Table 1). Work described in this report was completed solely on the Rio Novo claim 850.561/2005.

Table 1 Concession Details

Concession No.	Phase	Holder	Area (ha)	Expiry	Status
850.561/2005	Licence Extension requested	Mineração Regent Brazil	6,134.78	July 12, 2013.	Licence Extension requested

Terms of the Jarbas Duarte Junior agreement call for the following staged payments (Table 2) including a 1.3% net smelter royalty (NSR) and US$0.5 to US$1.0 per ounce bonus depending on the total reserve ounces (NI 43-101 compliant) defined in the deposit as

a) US$ 0.50 per measured ounce up to 1,000,000 ounces.
b) US$ 0.75 per measured ounce from 1,000,000 ounces to 2,000,000 ounces.
c) US$ 1.00 per measured ounce above 2,000,000 ounces.

The agreement includes the right to repurchase 0.65% NSR (or 50% of the 1.3%NSR) for US$ 1.5 million.

Table 2 Cash payment schedule - Jarbas Duarte Junior option agreement

Item	Date	Brazil Real	Can $ (rates Nov 19, 2013)	Status
On signing	February 11, 2010	$50,000	$23,066	Complete
2	90 days after signing	$300,000	$138,400	Complete
3	January 18, 2012	$250,000	$115,333	Complete
4	December 17, 2012	$200,000	$92,267	Complete
5	December 17, 2013	$650,000	$299,867	Due
6	December 17, 2014	$1,000,000	$461,335	Due
7	December 17, 2015	$1,500,000	$692,002	Due

The Exploration License entitles a holder to explore for minerals in the area of the License, but not to conduct commercial mining. The Rio Novo mineral claim is not located on private land and the title holder does not need to arrange or agree with the landowners to secure surface access to the property.

4.3 Environmental Liabilities and Permitting

Several small and localized areas of ground disturbance, primarily from previous garimpeiro activities, occur within the Rio Novo project area. These small areas are commonly restricted to creeks, river flood plains and include shallow water filled diggings and open pits where alluvial and lateritic materials have been processed by gravity methods (sluice box) for their gold content. The author did see minor garimpeiro activity during his property visit, located principally along the Rio Novo river in the western portion of the claim.

BGC applied for an Environmental License for Exploration with the Secretaria de Estado de Meio Ambiente (SEMA/PA) of Pará, however no formal reply has been received to date. It is the opinion of the authors that exploration concession 850.561/2005 at Rio Novo is under application for extension but remains active for exploration.

No environment liabilities or other significant factors or risks that may affect access, title or the right or ability to perform work on the Boa Vista property were identified by the authors. The Rio Novo property is sufficiently large to accommodate personnel camps, maintenance buildings, processing plants, waste disposal, and mine tailings.

Figure 2 Detail Location Map (modified after BGC files and Brazilian Government digital data, 2012)

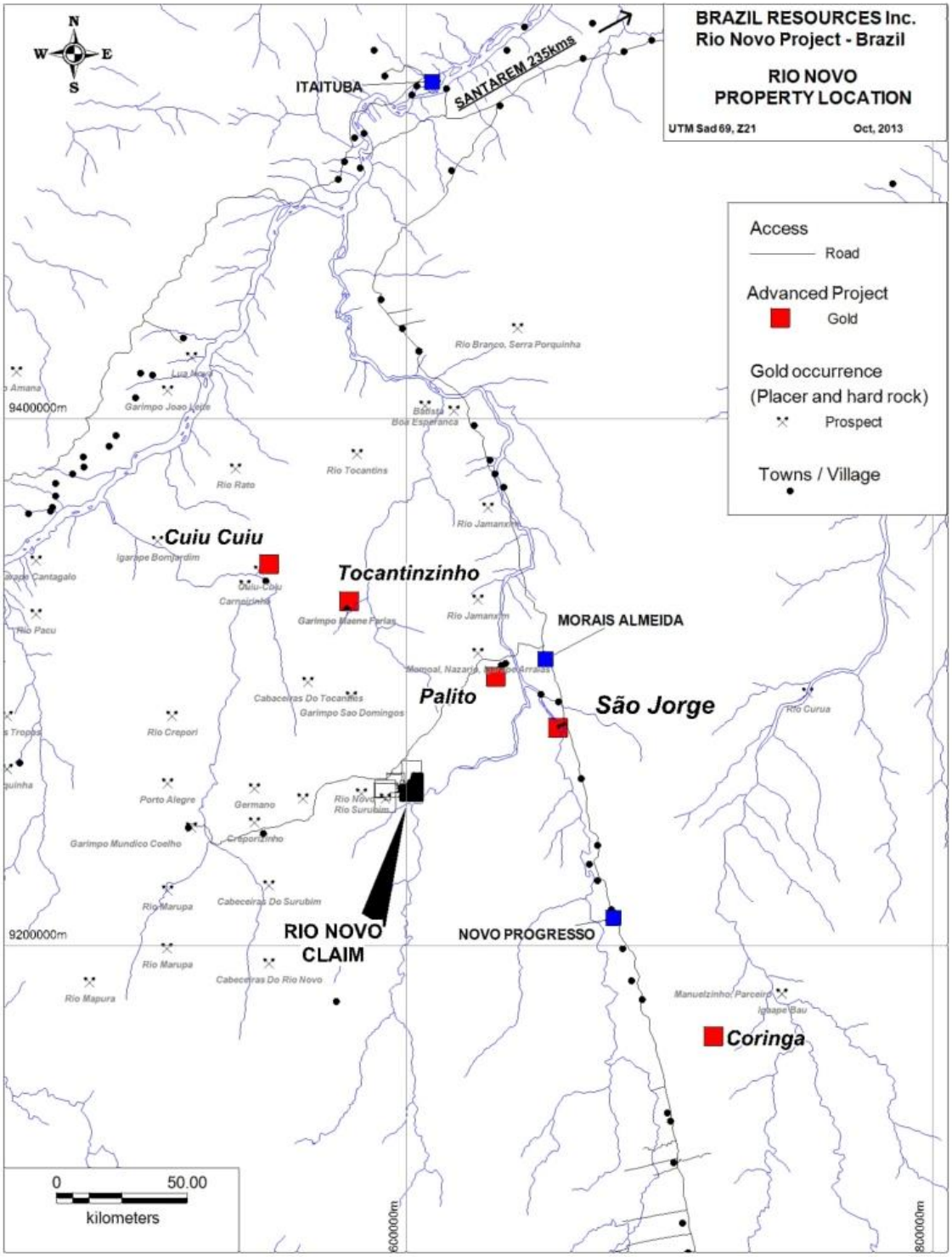
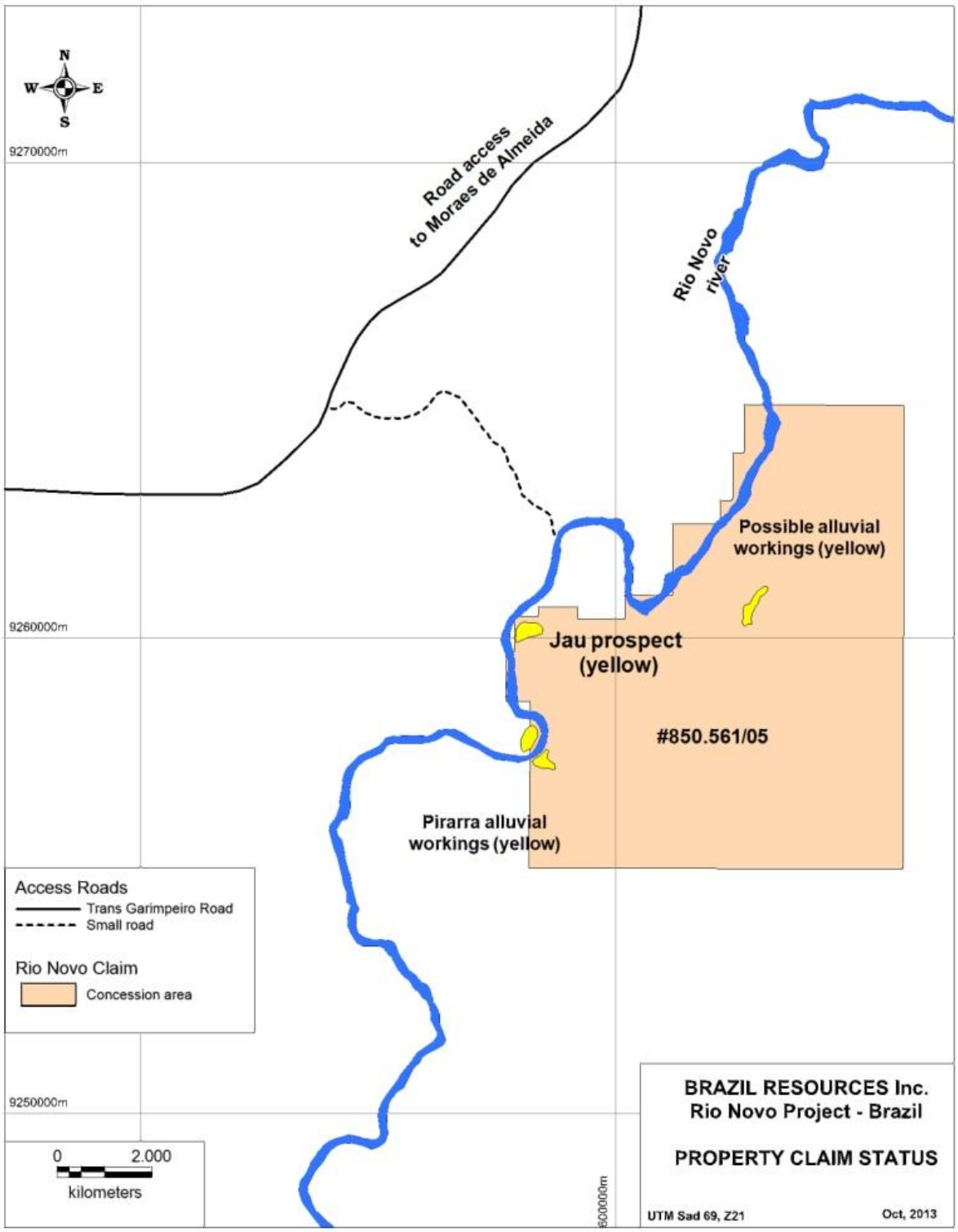


Figure 3 Claim Tenure Map (source - BGC digital survey files, 2012)



5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

5.1 Project Access

Road access to the project area is along highway BR-163 starting from Santarem on the Amazon River heading south 230 kilometres along the east side of the Tapajós river to Itaituba and continuing south 240 kilometres to the town of Moreas de Almeida. From here one turns southwest along the Trans-Garimpeiro road for 70 kilometres. The Rio Novo river and western edge of the property is located 6.6 kilometres to the south-southeast along a small secondary gravel road at kilometre 70.

The larger cities of Itaituba and Santarem have good port facilities along the Tapajós and Amazon rivers, respectively. They are serviced by daily scheduled and charter flights to major cities such as Manaus, Belem and São Paulo.

The area can also be reached by commercial flights to Itaituba or Novo Progresso from Belem and Cuiaba, respectively The Trans-Garimpeiro road has also been used as a landing strip for small fixed wing aircraft.

5.2 Climate and Physiography

Most of the Rio Novo claim area is covered by tropical forest with large trees creating thick canopy cover allowing only moderate to sparse undergrowth. The area has gentle topography with elevations between 190 meters to 230 meters above sea level.

Photo 1 Typical vegetation along the Rio Novo river and claim area (Cuttle, 2011)

The climate is tropical with a drier season from June to November and a wetter season from December to May. The temperatures vary from 25 to 35°C depending on the time of year. Annual precipitation is over 2000mm. Operating season is considered year round.

5.3 Local Resources and Infrastructure

BRI has a small exploration camp just off the western edge of the claim area near the Jau prospect. The camp contains a small geological office, a kitchen/dining area and sleeping quarters that can house up to 6 people. The camp is not connected to the electrical grid.

The hydro electrical grid is located 70 kilometres to the east; power lines are located along highway BR163 and provide electrical power to Novo Progresso, Moreas de Almeida, Itaituba and Santarem.

Water is obtained from local creeks and ponds for general use while bottled water is trucked to camp for personal consumption. The Rio Novo property is an early stage exploration project and although the property is sufficiently large to accommodate waste disposal areas, heap leach pad areas and potential processing plants, studies as to the viability of these have not been completed.

The town of Moreas de Almeida is located 70 kilometres to the northeast of the property and offers access to a local labour market for basic work on the project area. Alluvial gold mining, logging and minor cattle ranching support most of the local economy.

Photo 2 Camp and office site - Rio Novo Claim (source, BGC 2011)

6. HISTORY

6.1 Exploration History

A concise description of the exploration history is found in the Coffey Mining report (Clarke, 2011). It reads as follows:

"Gold is reported to have been first discovered in the Tapajós region in the 18th century. Significant production has been recorded since the end of the 1970's and beginning of the 1980's, when the BR 163 (Cuiaba - Santarém road) was opened. A gold rush started in the Tapajós region with thousands of garimpeiros entering the region that was until then totally isolated. Production from the region apparently peaked between 1983 and 1989, with as many as 300,000 garimpeiros reportedly extracting somewhere between 500,000 oz and 1M oz per year, predominantly based on alluvial gold. Up until 1993, production was officially estimated at 7M oz, but real production is unknown. Production has since declined, reaching an average of 160,000 oz of gold per year in the late 1990's".

Rio Novo is located in the eastern part of the Tapajós Gold District where garimpeiro mining reportedly started in the 1970's. There are no published reports to support any of this gold production from the local claim area however obvious signs of alluvial workings are seen in many locations along the main Rio Novo river access route and its smaller tributaries. Recent studies of satellite imagery suggest most of the alluvial work began in the mid 1990's but this private garimpeiro work was almost exclusively left out of the public domain.

BGC acquired the Rio Novo property through the acquisition of Mineração Regent Brazil Ltda in late 2010. Regent had previously signed an option agreement with Jarbas Salviano Duarte Junior for the Rio Novo claims on February 11, 2010.

In 2011, BGC carried out reconnaissance prospecting and focussed on sampling results from the Jau prospect, located along the western part of the Rio Novo claim. BGC completed an airborne magnetic and radiometric survey over the entire claim area and with the support of an IP survey went on to drill 20 core holes (5922 metres) at the Jau prospect. BGC was the first company recorded to drill test this prospect. Data collected during these periods is highlighted in section 9 of this report.

In 2012, BGC completed an independent resource calculation at the Jau prospect. Using a 0.3 gram per tonne cut-off, Giroux Consultants Ltd. estimated a total inferred resource to be 19,440,000 million tonnes averaging 0.81 grams per tonne gold or 503,000 ounces of gold (not including edge dilution). The interpolation method used was ordinary kriging. Details of this estimate are included in section 14 of this report.

In 2013, Brazil Resources Inc. acquired all the issued and outstanding shares of BGC in exchange for Brazil Resources shares.

7. GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The Rio Novo claim is located in the Tapajós Mineral Province (TMP) in the south central portion of the larger Brazilian (and Guyana) Achaean to Proterozoic shield that stretches from western Bolivia, through northern Brazil to Guyana and Venezuela. The TMP is part of the Tapajós-Parima 'terrain' or province, one of six such provinces that make up the Brazilian Precambrian shield.

The basement rocks in the Tapajós area are dioritic to granodioritic orthogneisses, metagranites and smaller lenses or pendants of amphibolite belonging to the Cuiú- Cuiú complex (2.0 - 2.4 Ga) and the volcano-sedimentary rocks of the Jacareacanga Metamorphic Suite (>2.1). The Parauari intrusive complex intrudes both of these and consists primarily of batholith size monzodiorite complexes dated at 1.89 to 2.0 Ga.

Felsic and intermediate volcanic rocks of the Aruri Group (1.87 to 1.89 Ga) overlie the basement rocks of the Cuiú-Cuiú and are in turn intruded by co-magmatic plutons of the Maloquinha Suite (1.8 to 1.9 Ga). It is not clear to the author whether or not there is a distinct unconformity between the Parauari and the Aruri, however age dating does suggest this possibility. The Aruri-Maloquinha intrusive event is associated with what is believed to be an important and strong extensional episode (Keller, D., 2006).

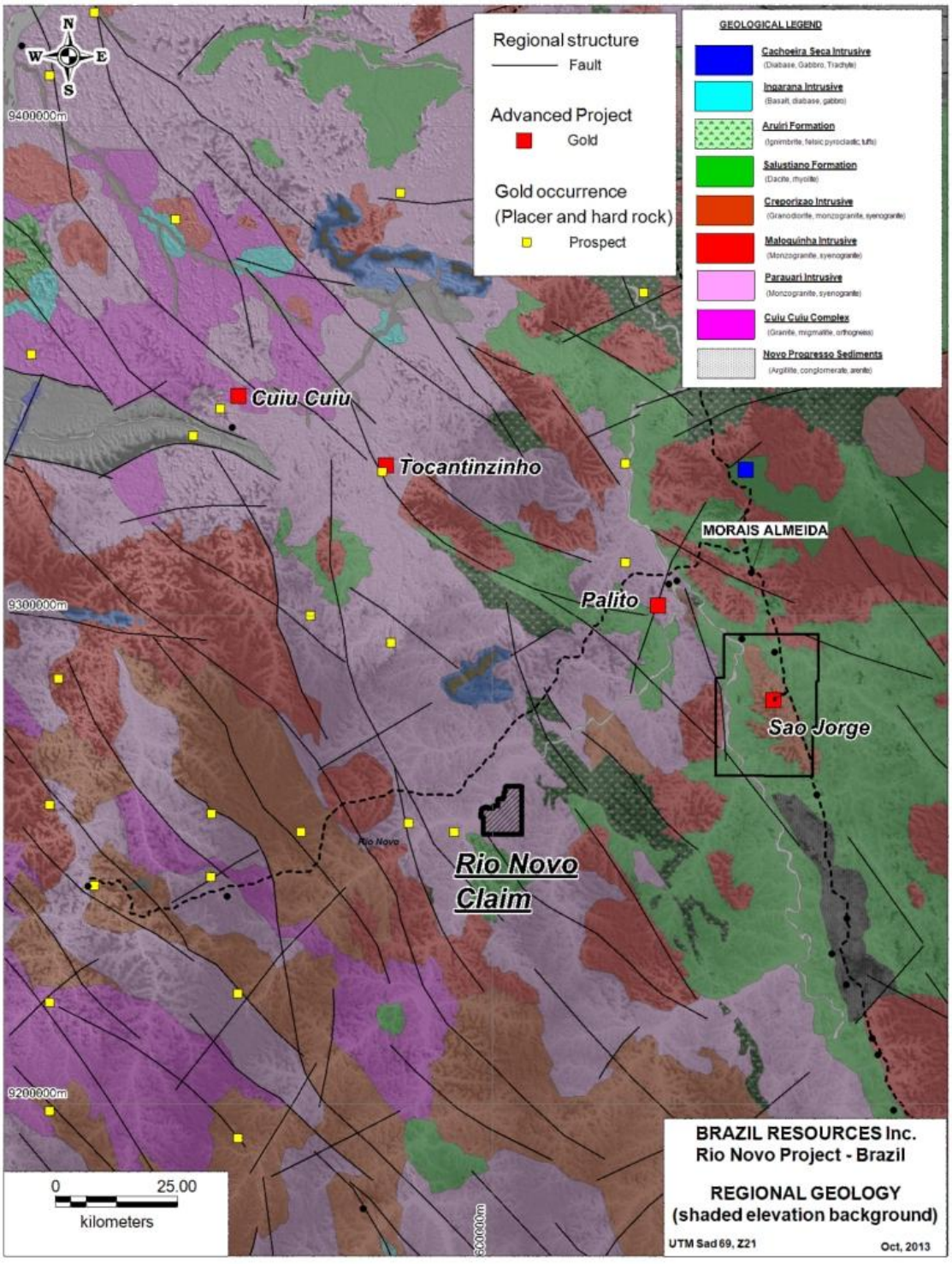
Gold in the Tapajós area is likely related to the following model types (Curtis, 2011):

- Mesothermal gold quartz veins related to regional shear zones and local hydrothermal alteration.
- Stock work and disseminated gold associated with pervasive alteration in granitic and volcanic rocks.

Satellite imagery indicates that large scale garimpeiro diggings in the Tapajós area containing significant precious metal mineralization commonly align themselves along a northwest trending structure. This lineament is particularly noticeable stretching from the São Jorge deposit in the southeast up to and beyond Bom Jardin in the northwest. At the Tocantinzinho deposit, closer to Bom Jardin, this trend has been termed the Chico Torres Mega shear (Juras, S., 2011) and elsewhere the Cuiú Cuiú - Tocantinzinho shear zone (Clarke, C., 2011).

Detailed structural interpretation from satellite imagery has identified distinct north-south, northeast-southwest and east-west lineaments within and outside the large Chico Torres mega shear. These structures remain very important features to investigate during any future exploration program.

Figure 4 Regional Geology Map (source, Brazil Government digital data, 2012)



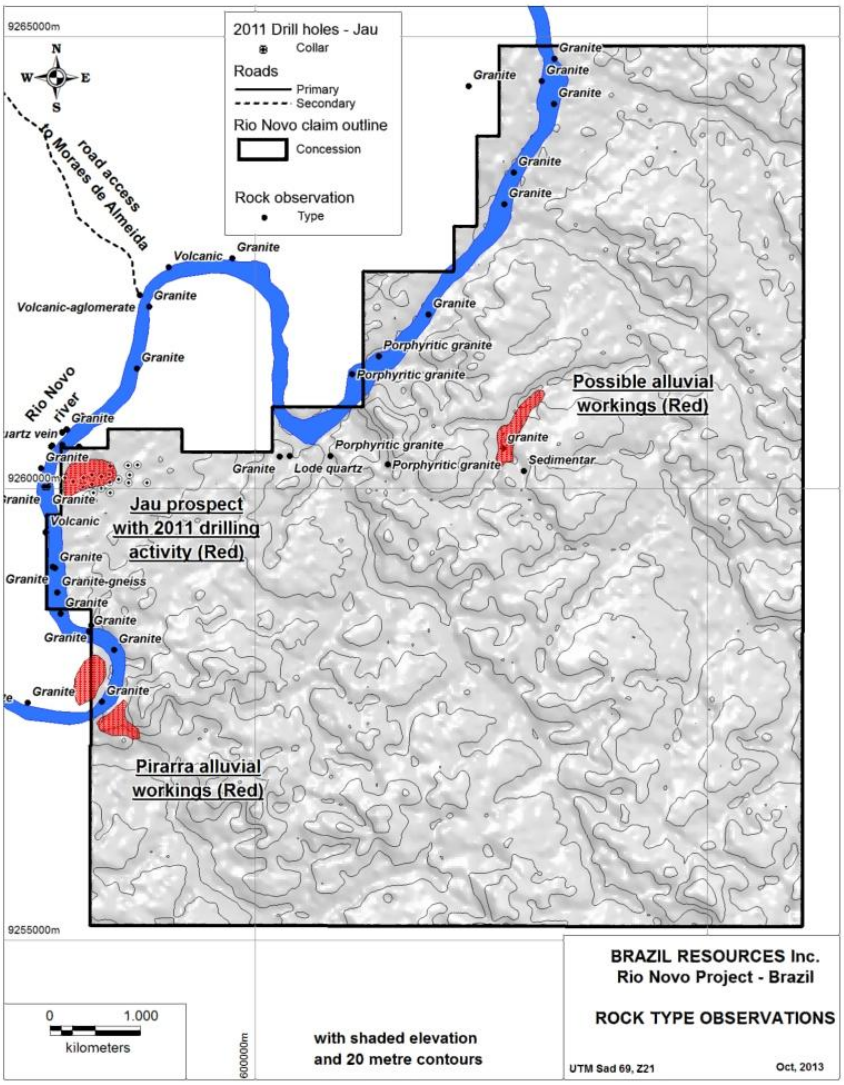
7.2 Local Geology - Rio Novo Claim

The claim covers a number of garimpeiro workings including the Jau gold target and the Pirarra alluvial diggings. Little is known of the local geology within the current claim boundaries at Rio Novo. This is primarily due to limited outcrop exposure from the extensive tropical weathering.

Prospecting and mapping by BGC has been limited to identifying various rock exposures along the main Rio Novo River in the western part of the claim. Satellite imagery has been used to locate alluvial gold workings by garimpeiros, however the quality and resolution of these images is not sufficient to use it as a detailed mapping tool.

The map below shows the observations of rock types by BGC geologists along the Rio Novo River.

Figure 5 Rio Novo rock outcrop observations, concession #850.561/2005 (source, BGC files, 2012)



7.3 Local Geology, Mineralization and Alteration - Jau Prospect

The Jau prospect is located in the western part of the Rio Novo claim. The prospect area is underlain by granites and felsic volcanics. The Jau target consists of quartz sulphide stock work mineralization that was exposed in a bottom of a garimpeiro pit, which subsequently filled with water and tailings from alluvial mining. Grab samples of the quartz sulphide veins collected by a previous company that was reviewing the project returned several grams to 10's of grams/tonne gold. These gold grades were not independently verified by Brazilian Gold or by Cuttle at the time of his 2011 property visit.

The mineralization strikes east-west and dips steeply to the south. Drill holes intersected variably altered (sericite, silica, pyrite) felsic volcanic rocks (ignimbrites) and granitic rocks cut by quartz, calcite, sphalerite, galena veins and veinlets that in some intervals form stock work zones. Drill holes located in the western part of the mineralized zone including JAD-11-12, JAD-14-12 and JAD-15-12 were collared in granite and encounter this rock type throughout their length. Drill holes to the east were collared in felsic volcanics and encounter this rock type throughout their length, except for some of the deeper parts of some drill holes (JAD-002, -003, and -004), which terminated in similarly altered and mineralized quartz-feldspar granite porphyry. There appears to be a north-northeast striking contact between the granitic and felsic volcanic rocks that is dipping moderately to steeply east (Fig. 6).

Figure 6 **Jau Prospect Geology Plan Map with drill hole assay intercepts (source, BGC files, 2012)**

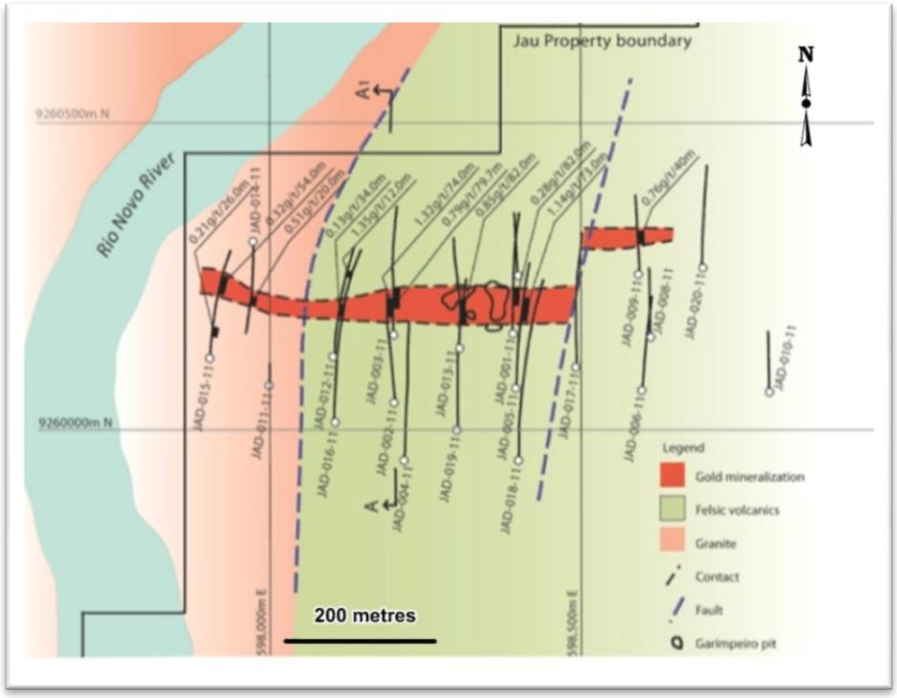
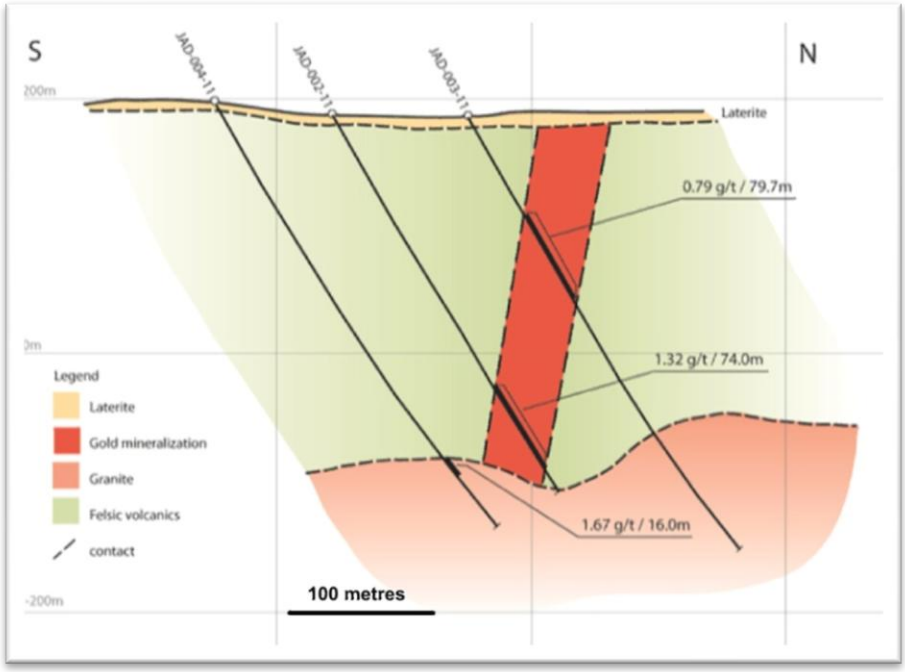


Figure 7 **Jau Prospect Vertical Cross Section, A - A' looking west (source, BGC files, 2012)**



8. DEPOSIT TYPES

Gold mineralization on the Rio Novo claims, specifically at the Jau Prospect is identified from logs and assays obtained during a core drilling program is likely structurally controlled and hosted primarily in felsic volcanic ignimbrites and lesser granitic intrusive rocks. The gold mineralization occurs as discontinuous linear zones within an east-west fracture zone.

The ore zones are commonly tabular or irregular shaped bodies composed of boudinaged veins and quartz vein stock work systems. Gold mineralization is associated with fine to coarse grained disseminated sulphides.

Very little surface rock exposure is seen within the Rio Novo property and as a result a geological deposit model is hard to formulate in these early stages of mineral exploration. Additional ground inspection of anomalous zones isolated from airborne magnetic surveys, surface electrical surveys (IP), geochemical soil and rock sampling and basic drill testing will help advance the geological understanding at Rio Novo. A more specific geological model for Rio Novo however can only be formulated with the collection of additional geological information.

From drilling at the Jau prospect there may be very broad similarities to deposits at Las Cristinas in Venezuela, Omai gold deposit in Guyana and other deposits in the Tapajós area, namely the Tocantinzinho and Cuiú Cuiú deposits located northwest of BRI's São Jorge gold property. These similarities are based on general rock types seen in drill core, the age of the rock units as indicated by the regional geological maps by the Brazilian government and the overall nature of the quartz veins and quartz stockwork that host the gold at Rio Novo.

9. EXPLORATION - BGC

Historical work by BGC on the Rio Novo claim has focused primarily on the Jau prospect in the western part of the claim area where the Rio Novo River allows good access. Although there is evidence of isolated pockets of alluvial diggings identified from satellite imagery elsewhere on the property, very little of the property has been evaluated to date.

In 2010 and part of 2011 BGC, through its 100 percent owned subsidiary Mineração Regent Brazil Ltda completed preliminary geological mapping and prospecting along the Rio Novo River investigating known garimpeiro alluvial workings at Jau and Pirarra in the western part of the property. An 309 square kilometre airborne magnetic and radiometric survey was also completed by Fugro (Brazil) LASA-Geomag S/A with flight lines oriented due north and separated by 100 metres. Results show several west northwest magnetic high lineaments however it remains unclear what may be causing these lineaments. Results of the radiometric survey were scattered and inconclusive.

Most encouraging to BGC were the garimpo pits at Jau that exposed what they described as at least one broken outcrop of quartz veins and smaller quartz stockworks with fine sulphide and free gold located in the bottom of the pit. These outcrop were not sampled during the authors visit as the pits are close to the water table and had filled with water (Photo 3). Assay results of these quartz veins by BGC are unknown to the authors.

Soon after this observation of free gold in sub-outcrop at the Jau alluvial pit BGC commissioned Fugro (Brazil) LASA-Geomag S/A to completed 3.2 square kilometres of 3 dimensional induced polarization surveying. Eleven north/south survey lines separated by 200 metres and covers what is believed to be an east-west strike direction of the Jau bedrock mineralization. Survey results gridded at 50, 100, 150 metres depth slices each show a strong chargeability high (>10milli seconds) and corresponding resistivity low (<6000 ohm metres) of over 1000 metres in length (Figs 10 and 11).

BGC completed a 2 phase core drilling program at Jau in late 2011. Results are described in section 10.

Photo 3 Alluvial pits at the Jau prospect, Rio Novo claim (Cuttle, 2011)

Figure 8 Airborne Magnetic Survey (Reduced to pole) - Rio Novo concession 850.561/2005 (Fugro, 2011)

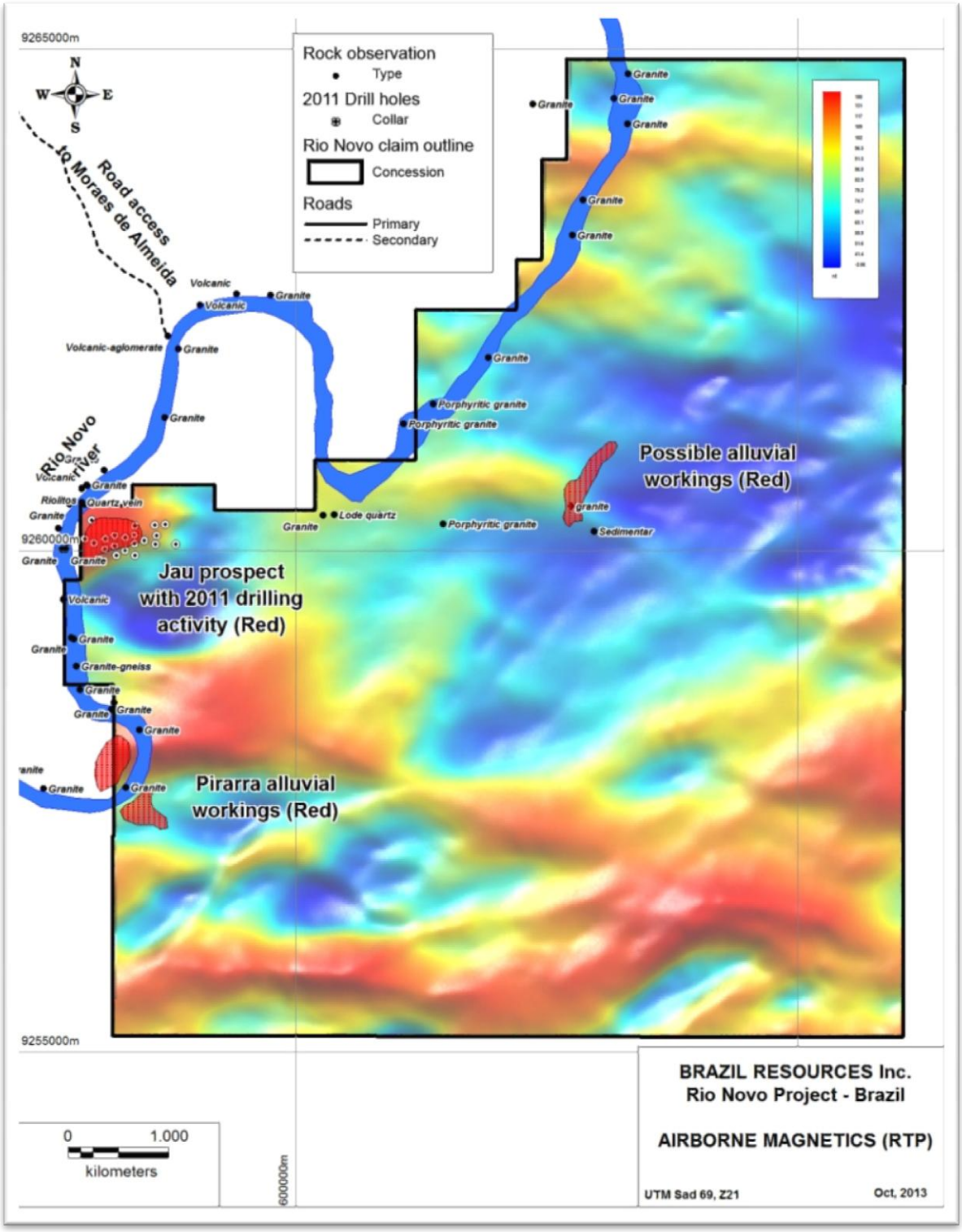


Figure 9 Airborne Radiometric Survey (Potassium) - Rio Novo Concession 850.561/2005 (Fugro, 2011)

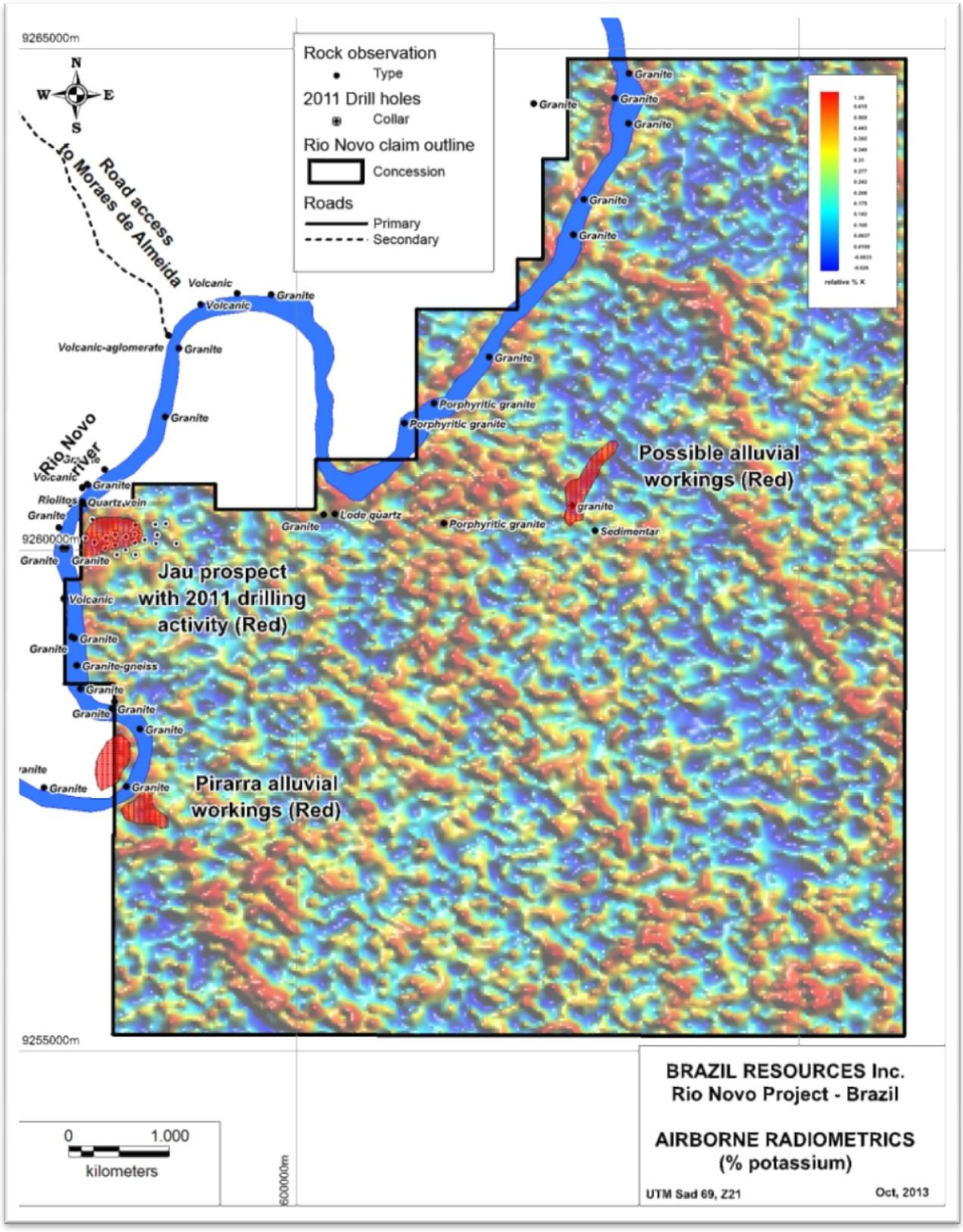


Figure 10 **IP Survey - Jau Prospect (Chargeability) - Part of Rio Novo concession 850.561/2005 (Fugro, 2011)**

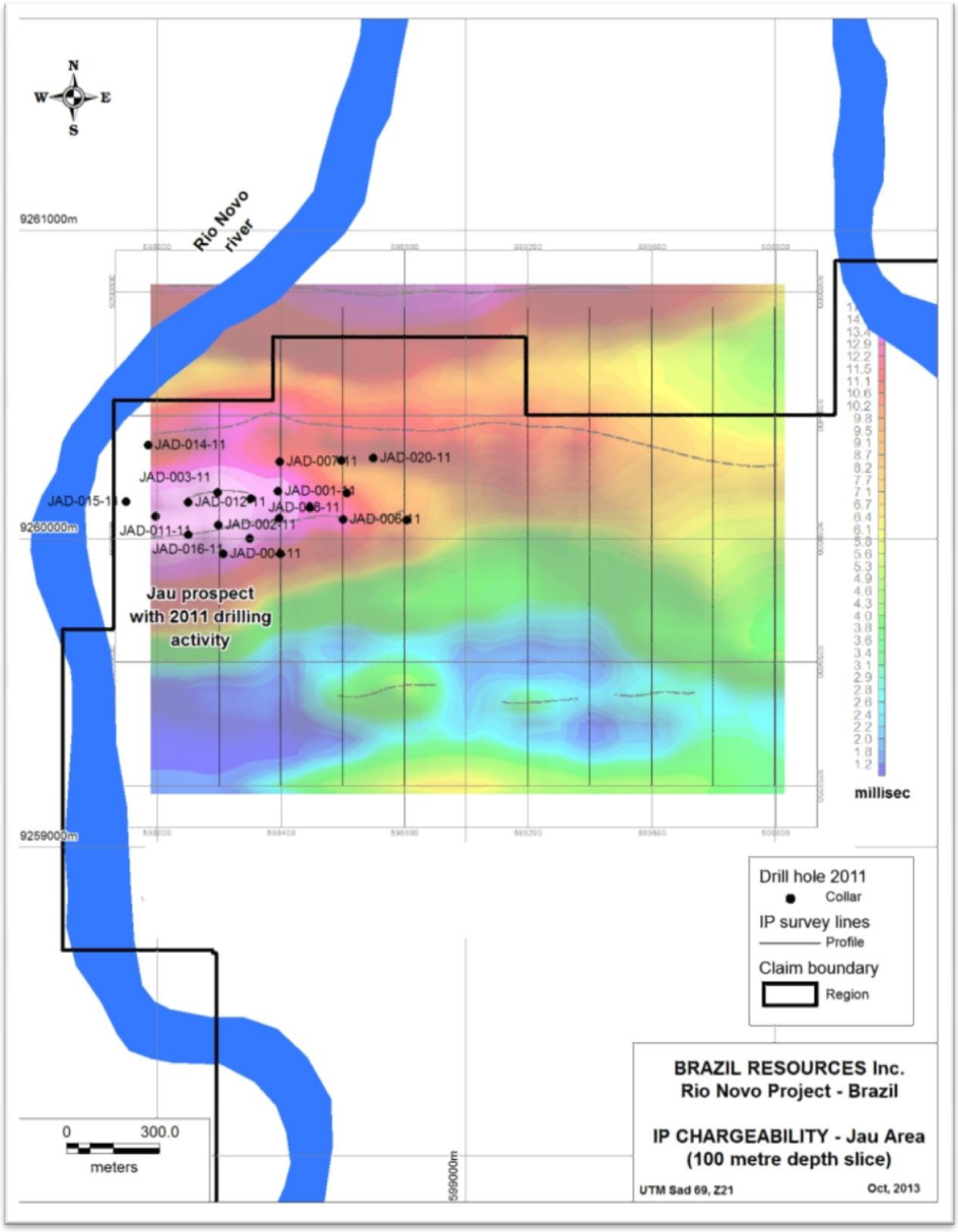
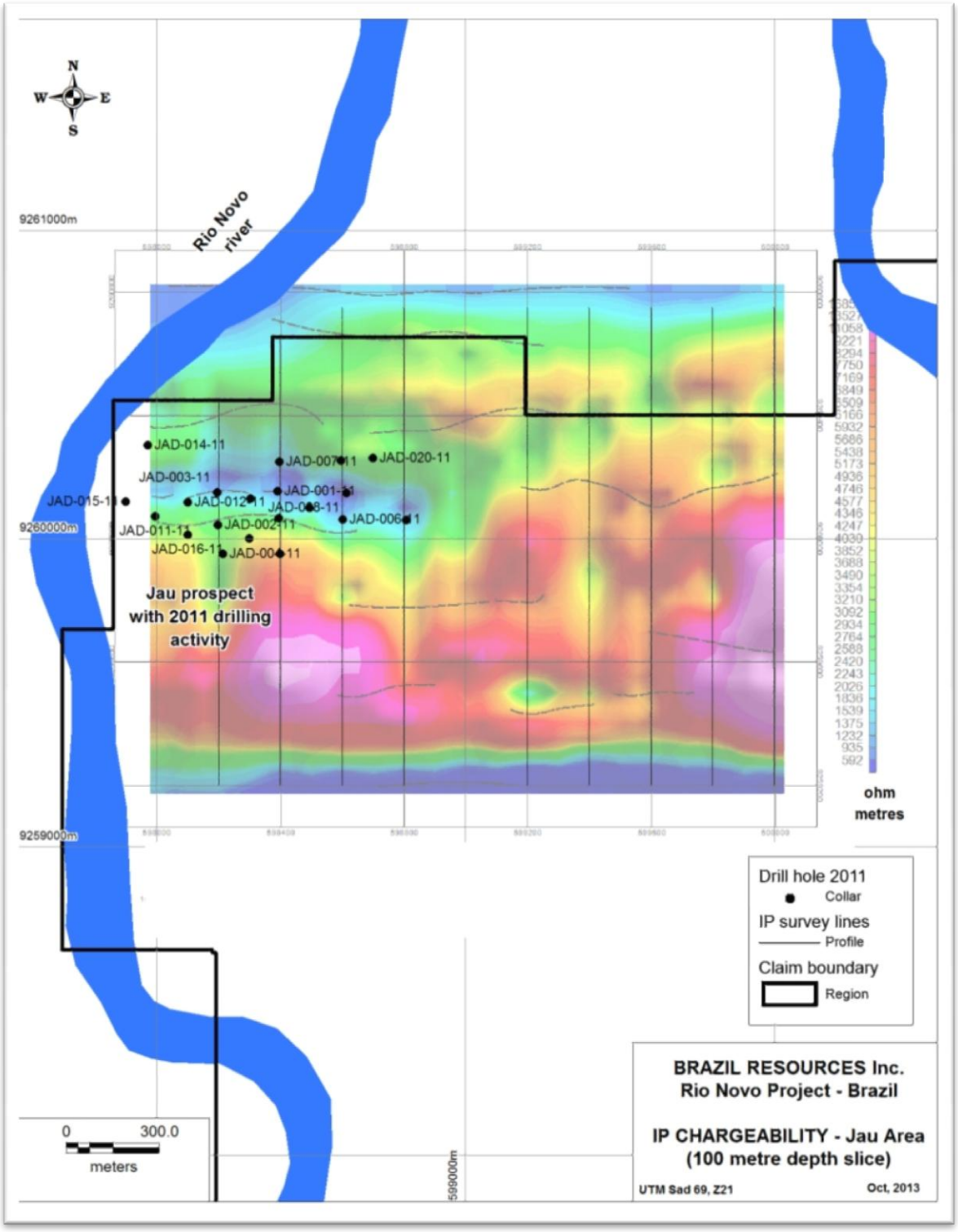


Figure 11 **IP Survey - Jau Prospect (Resistivity) - Part of Rio Novo concession 850.561/2005 (Fugro, 2011)**



10 DRILLING - JAU PROSPECT - BGC

BGC has been the only company to complete drill testing on the Rio Novo claim at the Jau prospect. The company contracted Amerindia Engenharia Ltda. and Energold Perfuracoes Ltda. of Brazil to complete diamond drilling with NQ size core. This was done during two phases of drilling. BRI has not completed any drilling at Rio Novo.

In early 2011, phase one of a two phase drill program targeted an east-west trending 1000 metre long by 200 metre wide IP chargeability anomaly identified by previous work completed by BGC. The drill testing consisted of five drill fences spaced two hundred metres apart with 1 to 3 holes per fence. Phase two drilling at the same location later in September focused on possible strike extension and infill drilling of the mineralization. All holes were drilled due north with the exception of JAD 014-11 which was drilled south. Holes were inclined between -55 to -60 degrees.

A total of 20 drill holes were completed by BGC for 5,922.84 metres. In general, drill contractors for BGC surveyed each hole at 50 metre intervals using Reflex EZ-Shot (Amerindian) and FlexIt (Energold).

The core boxes and depth markers were labelled with metal tags, photographed and prepared for cutting by technical staff. Drill core was logged by BGC geologists and descriptions entered into a Microsoft Access database for later modelling with GEMS™ software. Data collection includes alteration, lithology, structure and sulphide content. Core recovery was not collected by BGC, however Cuttle observed recoveries of greater than 95% in holes JAD -002-11 and JAD 003-11.

All core is stored in stacked and labelled boxes at the Company's São Jorge camp (Phase 1 program) and Rio Novo camp (Phase 2 program). Several drill holes were reviewed and portions quickly re-logged by Cuttle including holes JAD 002-11 and JAD 003-11. Results of this partial re-logging indicate a very close similarity to what is described by BGC geologists in the Access database.

Photo 4 Cement cairn for drill collar JAD-003-11, Jau prospect (Cuttle, 2011)

The following drill collar locations are based on UTM co-ordinate SAD69, zone 21 south.

Table 3 BGC Drill collar locations - 2011

Hole_ID	east69	north69	Elev m	length	azi	dip	Type	Company	Phase
JAD-001-11	598392.00	9260154.00	180.00	400.00	360.00	-60.00	DDH	AMERINDIA	1
JAD-002-11	598199.00	9260043.00	187.00	345.04	360.00	-60.00	DDH	ENERGOLD	1
JAD-003-11	598200.00	9260150.00	186.00	401.28	360.00	-60.00	DDH	ENERGOLD	1
JAD-004-11	598215.00	9259950.00	198.00	401.28	360.00	-60.00	DDH	ENERGOLD	1
JAD-005-11	598396.00	9260066.00	189.00	397.00	360.00	-60.00	DDH	AMERINDIA	1
JAD-006-11	598602.00	9260061.00	198.00	300.96	360.00	-60.00	DDH	ENERGOLD	1
JAD-007-11	598398.00	9260249.00	200.00	177.80	360.00	-55.00	DDH	AMERINDIA	1
JAD-008-11	598614.00	9260148.00	198.00	200.64	360.00	-55.00	DDH	ENERGOLD	1
JAD-009-11	598597.00	9260252.00	196.00	220.36	360.00	-55.00	DDH	ENERGOLD	1
JAD-010-11	598808.00	9260060.00	187.00	180.35	360.00	-60.00	DDH	AMERINDIA	1
JAD-011-11	597995.00	9260072.00	182.00	102.00	360.00	-60.00	DDH	AMERINDIA	1
			Phase 1	**3126.71**					
JAD-012-11	598102.00	9260118.00	186.00	292.45	360.00	-55.00	DDH	ENERGOLD	2
JAD-013-11	598304.00	9260130.00	194.00	247.14	360.00	-55.00	DDH	ENERGOLD	2
JAD-014-11	597971.00	9260303.00	188.00	246.72	180.00	-55.00	DDH	ENERGOLD	2
JAD-015-11	597900.00	9260119.00	192.00	250.80	360.00	-55.00	DDH	ENERGOLD	2
JAD-016-11	598101.00	9260012.00	177.00	426.90	360.00	-55.00	DDH	ENERGOLD	2
JAD-017-11	598495.00	9260100.00	186.00	330.66	360.00	-55.00	DDH	ENERGOLD	2
JAD-018-11	598400.00	9259950.00	200.00	415.44	360.00	-55.00	DDH	ENERGOLD	2
JAD-019-11	598300.00	9260000.00	200.00	360.50	360.00	-55.00	DDH	ENERGOLD	2
JAD-020-11	598700.00	9260260.00	200.00	225.52	360.00	-55.00	DDH	ENERGOLD	2
			Phase 2	**2796.13**					
			Total	**5922.84**					

10.1 Specific gravity measurements - Jau prospect

Specific gravity (SG) measurements were collected for all eleven holes during the phase one program at Jau. SG measurements for phase two drilling were not obtained by the author. Seven hundred and fifty five core samples approximately 0.3 m to 1.00 metre long were measured from holes JAD-001-11 through JAD-011-11. Sections of core too broken to accurately measure were not collected. The water immersion method was used and specific gravity in gram / cubic metre was calculated using the formula:

$$SG\ g/cm^3 = \frac{\text{weight in air}}{\text{Weight in air - weight in water}}$$

Each section of core was broken into 4 to 5 pieces and loaded into the weighing basket. None of the samples measured had porosity or permeability that would affect the specific gravity measurement.

The average of all drill core sections measured (JAD 001- JAD 011) including both mineralized and un-mineralized portions is 2.68 g/cm^3

10.2 Drilling Results

The program was successful in discovering a new zone of gold mineralization, close to 800 metres long, approximately 50 metres wide and extending to depths of 280 metres. The gold mineralization occurs in altered felsic volcanic rocks and granitics as quartz-calcite veinlets and partially developed stock work. Sphalerite and galena are common mineral associations. Drilling conditions were considered good, water is readily available and core recovery was between 95 to 100 percent below the 10 metre saprolitic cap. Recovery within the saprolite cover varied between 20-50 percent.

The mineralized body at Jau remains open at depth, to the west and potentially may continue under the Rio Novo river and beyond the western limits of the current claim holdings.

Lengths listed in Table 4 below do not reflect true widths.

10.3 Opinion

Cuttle believes the drilling methods used by BGC at the Jau prospect to be of industry standard.

Table 4 Selected drill core assay composites calculated by the author

Hole	From (m)	To (m)	Length (m)	Gold (grams / tonne)
JAU 001-11	94.00	186.00	92.00	0.27
Includes	94.00	97.00	3.00	5.82
JAD 002-11	258.00	274.00	16.00	5.16
JAD 003-11	69.10	98.00	28.90	1.28
JAU 004-11	329.84	401.28	71.44	0.43
Includes	329.84	348.00	18.16	1.49
JAD 005-11	198.00	280.00	82.00	1.02
Includes	207.00	215.00	8.00	8.12
JAD 009-11	79.00	107.00	28.00	1.06
JAD 012-11	172.00	174.00	2.00	7.00

Hole	From (m)	To (m)	Length (m)	Gold (grams / tonne)
JAD 013-11	50.00	132.00	82.00	0.85
Includes	108.00	112.00	4.00	13.80
JAD 014-11	93.00	193.00	100.00	0.26
Includes	169.00	171.00	2.00	2.91
JAD 015-11	178.00	232.00	54.00	0.31
Includes	182.00	184.00	2.00	4.14
JAD 017-11	112.00	132.00	20.00	0.43
JAD 018-11	330.00	404.00	74.00	0.23
Includes	362.00	364.00	2.00	6.60
JAD 019-11	260.00	290.00	30.00	0.53
Includes	266.00	268.00	2.00	4.48

11 SAMPLE PREPARATION, ANALYSIS, QAQC and SECURITY

11.1 BGC Sample Preparation and Analysis

BGC has used Acme Analytical Laboratories exclusively in 2011 for all analytical work. Drill core samples were first sent to Acme's preparation lab in Itaituba where they were dried, crushed, split and pulverized to -200 mesh pulp material (Lab code R200-500).

Once at Acme's main analytical lab in Vancouver or Santiago a 50 gram sub-sample of the pulp was analysed for gold and silver by standard fire assay method, with ICP-ES finish (Lab code Au=G6, Ag=7AR). Detection limits are 0.01 grams per tonne for gold and 2 grams per tonne for silver. Upper limits for both elements are 100 grams per tonne. Silver analyses were discontinued part way through the program because most analysis returned negligible values.

11.2 BGC Quality Assurance - Quality Control (QA-QC)

All data quality was controlled and reviewed by BGC's chief geologist. When new results are received from the laboratory, simple quality control graphs are created to show the performance of the blanks, standards and duplicates. Based upon these graphs, the batch is either passed or failed. The laboratory is notified of failed batches and the batch is repeated.

Table 5 Standard Reference Material (SRM) analysis – OREAS

ASL/OREAS	**SRM ID**	**Accepted value (g/t)**	**(+2SD) g/t**	**(-2SD) g/t**	**(+3SD) g/t**	**(-3SD) g/t**	**Beyond 3SD**	**Batch**
High grade	OREAS 54Pa	2.900	3.120	2.680	3.23	2.570	2 of 44	ITA11001543 and ITA11001469
Medium grade	OREAS 50c	0.836	0.892	0.780	0.92	0.752	1 of 62	ITA1000273
Low grade	OREAS 52c	0.346	0.380	0.312	0.397	0.295	1 of 60	ITA11001474

The table above indicates four specific batches of samples that had analysis on the standard reference material above or below 3 standard deviations of the accepted value. In all four examples, the assays were just outside the limits of the 3SD threshold and therefore the batch was not re-assayed. Standard reference material charts are shown in Appendix II. Control charts show most of the assay data on the three different standards to be within three standard deviations of the accepted standard reference value.

Blank material is a barren syenogranite from the Geraldo Mineiro Granite quarry (656507E, 9285837N), which has been reliably determined to contain less than 0.01 ppm Au. Blanks were inserted at regular intervals within every 100 samples. One blank is inserted as the first sample in the batch followed by two blanks within or immediately after a mineralised interval (as selected by the geologist).

The company has been submitting duplicates of crushed core, using reject material returned from the lab, which is split into two equal halves (CDA and CDB) using a riffle-splitter. These samples are all between 0.3 and 3.8 g/t Au. The CDA and CDB samples are prepared in advance of sampling. The duplicates (CDA and CDB) are inserted at every 44th and 46th number in the sampling sequence. No pulp duplicates are inserted or requested by BGC. The laboratory internal QA-QC data for pulp duplicates is requested and is checked to monitor the quality of the laboratory pulverising and splitting.

11.3 Sample Security

BGC geologists log the lithology, alteration, mineralization and structure, and then mark the mineralized core into two metre or less sample lengths at the core logging facilities at the company's São Jorge camp (Phase One program) or Rio Novo camp (Phase Two program). Rock density measurements were completed on selected drill holes. Technicians then split the individual core lengths with a diamond saw, place half the core in a sequence of pre-numbered bags, and close them with security clips.

The half core samples were then trucked by BGC to Acme Analytical Laboratories Ltd.'s (ISO 9001 Certification) preparation lab in Itaituba, Brazil. Once the smaller pulp sample is prepared, it is then transported by airfreight to one of Acme's main analytical laboratories for analysis either in Santiago, Chile or Vancouver, Canada.

The remaining half drill core is archived on site in a secure core shed in the original wooded core boxes. The boxes have been labelled with metal tags by hole and box number. Original lab sample numbers remain recorded on each box by duplicate tags.

The pulps are currently stored by Acme in Vancouver, Canada and Santiago, Chile. Rejects from the project are archived in a warehouse at the São Jorge camp.

11.4 Opinion

It is the opinion of the authors that BGC has followed adequate procedures with regard to sample security, preparation and analysis.

12 DATA VERIFICATION

Cuttle travelled to the Rio Novo claim on October 6th, 2011 in order to examine and verify specifics of BGC's on-going core drilling program and general geological activities. While on site, an overview of the project geology was summarized by Andrew Pedley, Chief Geologist for BGC including visits to the drill rig at Jau, the water filled Jau alluvial pits and to various rock outcroppings along the Rio Novo river.

Data verification by the author includes the following checks and conclusions:

- Inspection of gold assays in the digital database cross referenced with at least 20 percent of the original laboratory assay certificates. Gold assays recorded in the database used for this resource estimate match what are recorded in original assay certificates.

- Inspection of the logging codes and various rock types in core boxes versus the database record, including the procedures to develop three dimensional solids for the purpose of constraining the resource model. These rock descriptions and model construction methods designed by BGC geologists and by Cuttle are considered valid.

- One sample of quartered core was collected from hole JAD 004-11 and personally delivered to Acme Labs in Vancouver by the author. Assay results for this core sample verify there is gold under the alluvial pits at Jau on the Rio Novo claim. Laboratory certificate of the check sample is included in Appendix III.

- During the property visit the author was able to verify locations of several surface drill collars. These collars are located by cement cairn and PVC pipe.

The authors are satisfied that no new material scientific or technical information has been collected on the Rio Novo claim since the last site visit.

Table 6 Check assay of drill core from Jau prospect by Cuttle.

Author sample #		Drill Hole	Original Sample#	From m	To m	Original assay g/t Au	Check assay g/t Au
JAD-03-11		JAD 004-11	JAD-301.849	344	346	1.97	2.29

12.1 Opinion

It is the opinion of the author that the data collected during his property visit to the Rio Novo property is adequate for the purposes of this technical report.

Photo 5 **Active drilling at the Jau prospect, Rio Novo during the author's property visit. (Cuttle, 2011)**

Photo 6 **Drill core library at the São Jorge camp with Jau core from Rio Novo. (Cuttle, 2011)**

13 MINERAL PROCESSING AND METALLURGICAL TESTING

No metallurgical work has been done by BGC on the Rio Novo property.

14 MINERAL RESOURCE ESTIMATE

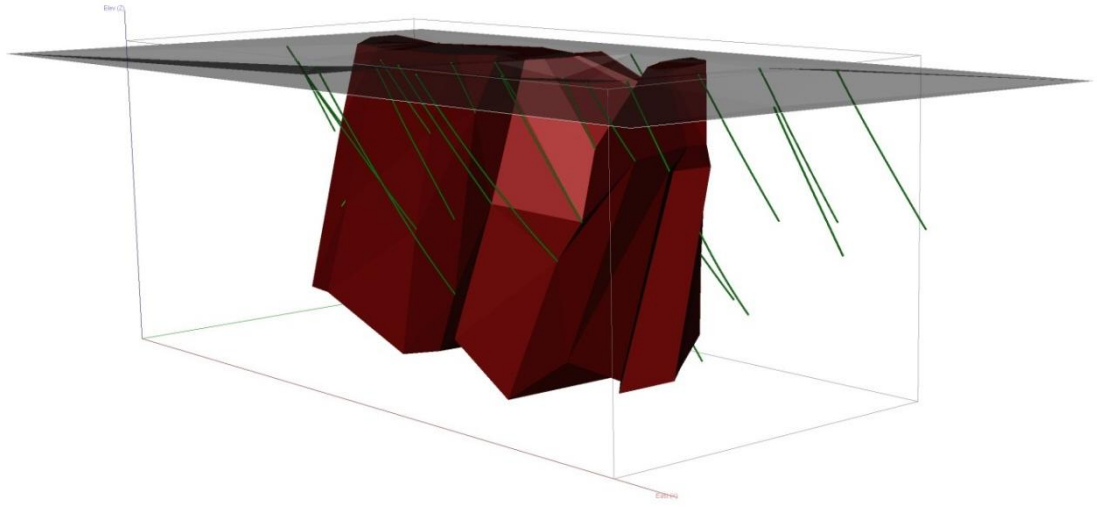
At the request of Steve Swatton, CEO and President of BRI, Giroux Consultants Ltd. was retained to produce a resource estimate on the Rio Nova Gold Project located in the Amazon Basin of Northern Brazil. The Rio Nova Project includes the Jau Gold showing and the Pirarra alluvial diggings. There are 20 drill holes, completed in 2011, that outline the Jau deposit which is the subject of this resource estimation. The effective date for this estimate is April 15, 2012.

G.H. Giroux is the qualified person responsible for the resource estimate. Mr. Giroux is a qualified person by virtue of education, experience and membership in a professional association. He is independent of the company applying all of the tests in section 1.5 of National Instrument 43-101. Mr. Giroux has not visited the property.

14.1 Geologic Model

A three dimensional geologic solid was built by QP Jim Cuttle to constrain the Jau resource estimate. Of the 20 supplied drill holes, 15 holes penetrate this solid totalling 4,993 m. The drill holes are listed in Appendix IV with the holes used in the estimate highlighted.

Figure 12 **Isometric view of gold enriched mineralized solid (red) at Jau with various drill holes (green). Looking towards NW (source, Cuttle and Giroux, 2012)**



The drill holes were "passed through" the mineralized solid and all assays were back tagged if inside or outside the solid. The assay statistics are sorted by domain in Table 7.

Table 7 Assay statistics for gold sorted by domain

	Inside Mineralized Solid Au (g/t)	Outside Mineralized Solid Au (g/t)
Number of Assays	1,064	1,914
Mean Grade	0.355	0.045
Standard Deviation	2.171	0.358
Minimum Value	0.001	0.001
Maximum Value	40.78	13.70
Coefficient of Variation	6.12	7.98

The gold distribution within each domain was examined using lognormal cumulative frequency plots to determine if capping was necessary and if so at what level. The lognormal cumulative frequency plot for gold in the mineralized solid is shown below. A total of 6 overlapping lognormal populations were identified.

Figure 13 Lognormal cumulative frequency plot for Au in Mineralized Solid

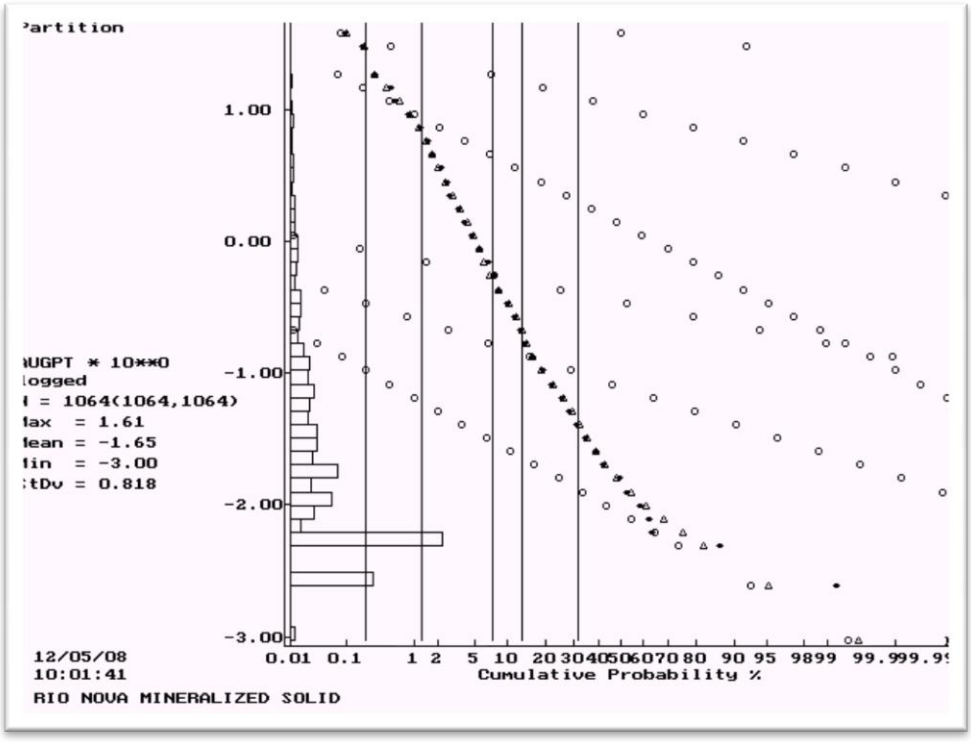


Table 8 Gold Populations with Mineralized Solid

Population	Mean Au (g/t)	Percentage of Total Assays	Number of Assays
1	37.74	0.20 %	2
2	10.18	1.05 %	11
3	1.34	6.18 %	66
4	0.35	5.87 %	62
5	0.08	18.21 %	194
6	0.009	68.49 %	729

Population 1 representing 0.20% of the total data is considered erratic outlier mineralization and should be capped. A cap level of two standard deviations above the mean of population 2 is reasonable. Two samples were capped at 23 g/t Au.

A similar exercise was completed for assays outside the mineralized solid and a cap level of 0.9 g/t was used to cap 14 gold assays.

The results of capping are shown in Table 9.

Table 9 Capped Assay statistics for gold sorted by domain

	Inside Mineralized Solid Au (g/t)	Outside Mineralized Solid Au (g/t)
Number of Assays	1.064	1,914
Mean Grade	0.326	0.033
Standard Deviation	1.727	0.104
Minimum Value	0.001	0.001
Maximum Value	23.00	0.90
Coefficient of Variation	5.29	3.13

14.2 Composites

Composites 2.5 m in length were formed for gold within the mineralized solid and outside the solid honouring the solid boundaries. Small intervals at the solid boundaries less than 1.25 m in length were combined with adjoining samples. As a result the composites formed a uniform support of 2.5 ± 1.25 m. The statistics for 2.5 m composites are tabulated below.

Table 10 2.5 m Composite statistics for gold sorted by domain

	Inside Mineralized Solid Au (g/t)	Outside Mineralized Solid Au (g/t)
Number of Assays	725	1,247
Mean Grade	0.288	0.025
Standard Deviation	1.184	0.068
Minimum Value	0.001	0.001
Maximum Value	15.47	0.734
Coefficient of Variation	4.11	2.67

14.3 Variography

The gold composites within the mineralized solid were modelled using pairwise relative semivariograms but due to the scarcity of close spaced drill hole data the models were approximate for short lag distances. The nugget effect and sill values were established from the down hole semivariogram along azimuth 0^o dip -60^o. Horizontal semivariograms established a maximum range of 180 m along azimuth 90^o. The ranges for Au in the Mineralized solid may appear longer than they are due to the lack of close spaced data. Simple nested spherical models were fit to the three principal directions.

Within waste an isotropic spherical nested model was fit to the gold data.

The semivariogram parameters are tabulated below.

Table 11 Semivariogram parameters for Rio Nova Gold

Domain	Az / Dip	C_0	C_1	C_2	Short Range (m)	Long Range (m)
Mineralized Solid	90 / 0	0.60	0.20	0.36	90.0	180.0
	0 / 0	0.60	0.20	0.36	30.0	60.0
	0 / -90	0.60	0.20	0.36	30.0	120.0
Waste	Omni Directional	0.40	0.20	0.22	90.0	180.0

Where C_o= Nugget Effect and C_1 and C_2 = Short and Long range structures

14.4 Block Model

A block model with block dimensions 20 x 20 x 5 was superimposed over the mineralized solid with the percentage below surface topography and percentage inside the solid recorded for each block. The block model origin is shown below.

Lower Left Corner

597800 E	Column size = 20 m	45 columns
9259950 N	Row size = 20 m	22 rows

Top of Model

205 Elevation	Level size = 5 m	75 levels

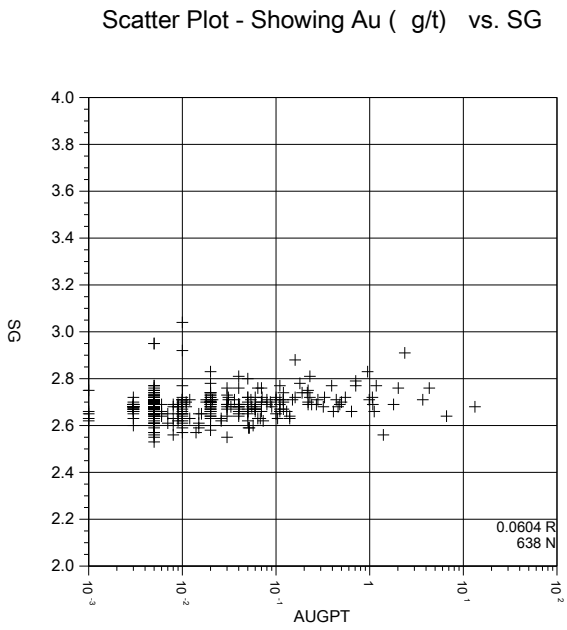
No Rotation

14.5 Bulk Density

A total of 755 specific gravity determinations, using the weight in air / weight in water method, were

completed on holes JAD-001-11 to JAD-011-11 by BGC in 2011. The specific gravity determinations were slotted into the assay from-to intervals and a scatter plot comparing gold grades to specific gravity was produced.

Figure 14 Scatter plot comparing Au grades with SG



There is a very poor correlation between SG and Au grade at 0.0604. As a result, the average of 181 specific gravity measurements within the mineralized solid, a value of 2.69 was used for the mineralized portions of blocks. For the waste portions the average of 457 specific gravity measurements, a value of 2.68 was used.

14.6 Grade Interpolation

Gold grades were interpolated into blocks, with some percentage of mineralized solid present, by Ordinary Kriging. A minimum of 4 composites with a maximum of 3 from any single drill hole were required to estimate a block. The search ellipse orientation and dimensions were determined from the semivariogram. The estimation was completed in a series of 4 passes with the search ellipse dimensions equal to ¼ of the semivariogram range in pass 1, ½ the range in pass 2, the full range in pass 3 and twice the range for pass 4. In all cases the maximum number of composites allowed was set at 12.

A second kriging exercise was run for estimated blocks that contained some percentage of waste. This interpolation, using Ordinary Kriging, was completed in a similar manner using composites from outside the mineralized solid. The search ellipse reflected the isotropic semivariogram developed for waste.

The search ellipse orientations and dimensions are tabulated below.

Table 12 Kriging Parameters for Gold

Domain	Pass	Number of Blocks Estimated	Az / Dip	Dist. (m)	Az / Dip	Dist. (m)	Az / Dip	Dist. (m)
Mineralized Solid	1	59	090 / 0	45.0	0 / 0	15.0	0 / -90	30.0
	2	2,804	090 / 0	90.0	0 / 0	30.0	0 / -90	60.0
	3	9,237	090 / 0	180.0	0 / 0	60.0	0 / -90	120.0
	4	3,469	090 / 0	360.0	0 / 0	120.0	0 / -90	240.0
Waste	1	41	Omni Directional			45.0		
	2	2,210	Omni Directional			90.0		
	3	4,500	Omni Directional			180.0		
	4	311	Omni Directional			360.0		

14.7 Classification

Based on the study herein reported, delineated mineralization of the Rio Nova Jau Gold Deposit is classified as a resource according to the following definitions from National Instrument 43-101 and from CIM (2005):

"In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as those definitions may be amended."

The terms Indicated and Inferred are defined by CIM (2005) as follows:

"A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge."

"The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase 'reasonable prospects for economic extraction' implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A Mineral Resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. These assumptions must be presented explicitly in both public and technical reports."

Inferred Mineral Resource

"An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, workings and

drill holes."

"Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies."

Indicated Mineral Resource

"An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed."

The geologic continuity for the Jau Deposit has been determined from surface exposure and drill hole logging. The grade continuity has been quantified by semivariograms. At this time the drill hole density is too coarse for any blocks to be classified Measured or Indicated. The entire resource is classified as Inferred at this time.

The resource is presented in two grade-tonnage tables. The first tabulates the resource within the mineralized solid. This implies one could mine to the limit of this solid and no edge dilution is included. The second table reports what is contained within entire 20 x 20 x 5 m blocks and includes dilution around the outer edge of the solid. Reality is somewhere between these two extremes as one could never mine exactly to the limits of the solid and with proper grade control one would probably not take in this much edge dilution.

At this time no economic studies have been completed on this property and as a result the economic cut-off is unknown. A comparable deposit in the literature might be Eldorado's Tocantinzinho Gold deposit in Brazil where Eldorado has reported the Resource at a 0.3 g/t cut-off (Juras et.al. May, 2011). A gold cut-off of 0.3 g/t Au has been highlighted as a possible open pit cut-off.

Table 13 Rio Novo - Jau Prospect - Mineralized Portion of blocks Classed Inferred

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off Au (g/t)	Contained Metal Au (ozs)
0.10	41,780,000	0.47	627,000
0.15	32,590,000	0.56	590,000
0.20	25,940,000	0.66	554,000
0.25	21,920,000	0.75	525,000
0.30	**19,440,000**	**0.81**	**503,000**
0.40	15,230,000	0.93	456,000
0.50	11,960,000	1.06	409,000

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off Au (g/t)	Contained Metal Au (ozs)
0.60	9,520,000	1.20	366,000
0.70	7,750,000	1.32	329,000
0.80	6,660,000	1.42	303,000
0.90	5,790,000	1.50	279,000
1.00	4,880,000	1.60	252,000
1.10	3,910,000	1.74	219,000
1.20	3,080,000	1.90	188,000
1.30	2,510,000	2.05	165,000

Table 14 Rio Novo - Jau Prospect - Total blocks including Edge Dilution Classed Inferred

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off Au (g/t)	Contained Metal Au (ozs)
0.10	46,090,000	0.42	627,000
0.15	33,620,000	0.54	578,000
0.20	26,230,000	0.64	537,000
0.25	21,830,000	0.72	505,000
0.30	**19,060,000**	**0.79**	**481,000**
0.40	14,600,000	0.92	431,000
0.50	11,360,000	1.05	385,000
0.60	8,930,000	1.19	342,000
0.70	7,240,000	1.32	307,000
0.80	6,170,000	1.42	281,000
0.90	5,280,000	1.51	257,000
1.00	4,390,000	1.63	230,000
1.10	3,570,000	1.76	202,000
1.20	2,850,000	1.92	175,000
1.30	2,340,000	2.06	155,000

14.8 Block Model Verification

To verify the block model estimate, level plans were produced through the deposit comparing composites from within the mineralized solid to blocks estimated by Ordinary Kriging. Some example level plans are shown as Figures 15 to 18 for the 140, 100, 60 and 20 metre level plans respectively.

On the plots the estimated blocks are shown colour coded by gold grade. Composites from 5 m above the top of the block to 5 m below the level are also shown colour coded by gold grade. There was no indication of any bias and the kriged results matched the composites well.

Figure 15 140 Metre Level Plan with Estimated Block and Composite gold grades

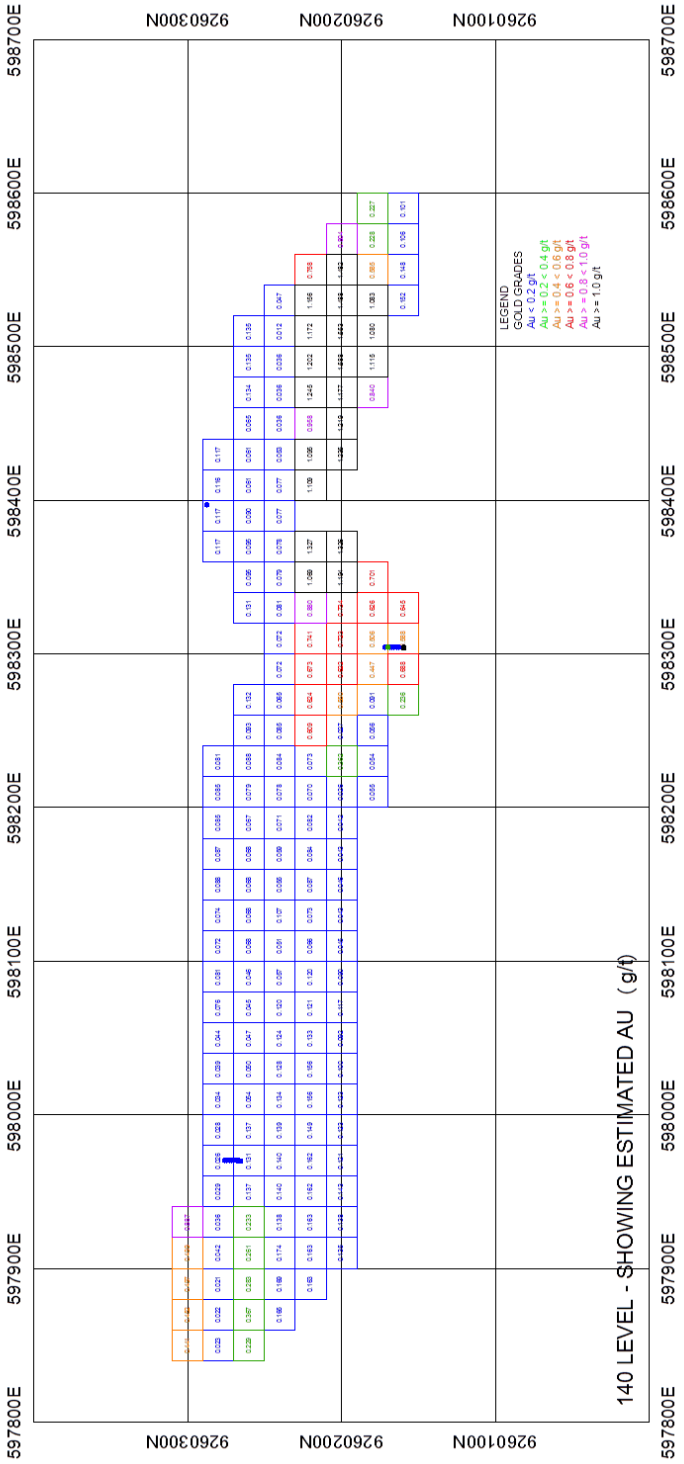


Figure 16 100 Metre Level Plan with Estimated Block and Composite gold grades

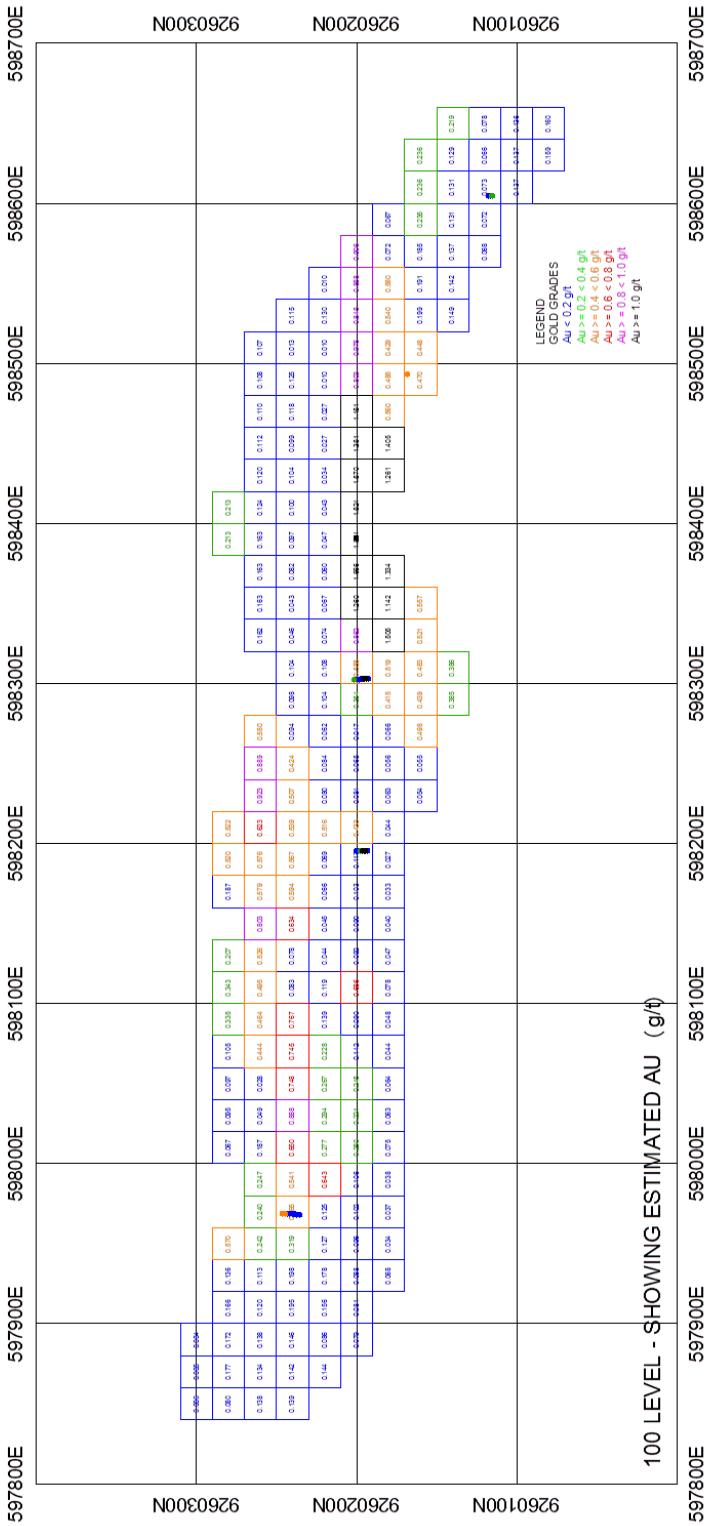


Figure 17 60 Metre Level Plan with Estimated Block and Composite gold Grades

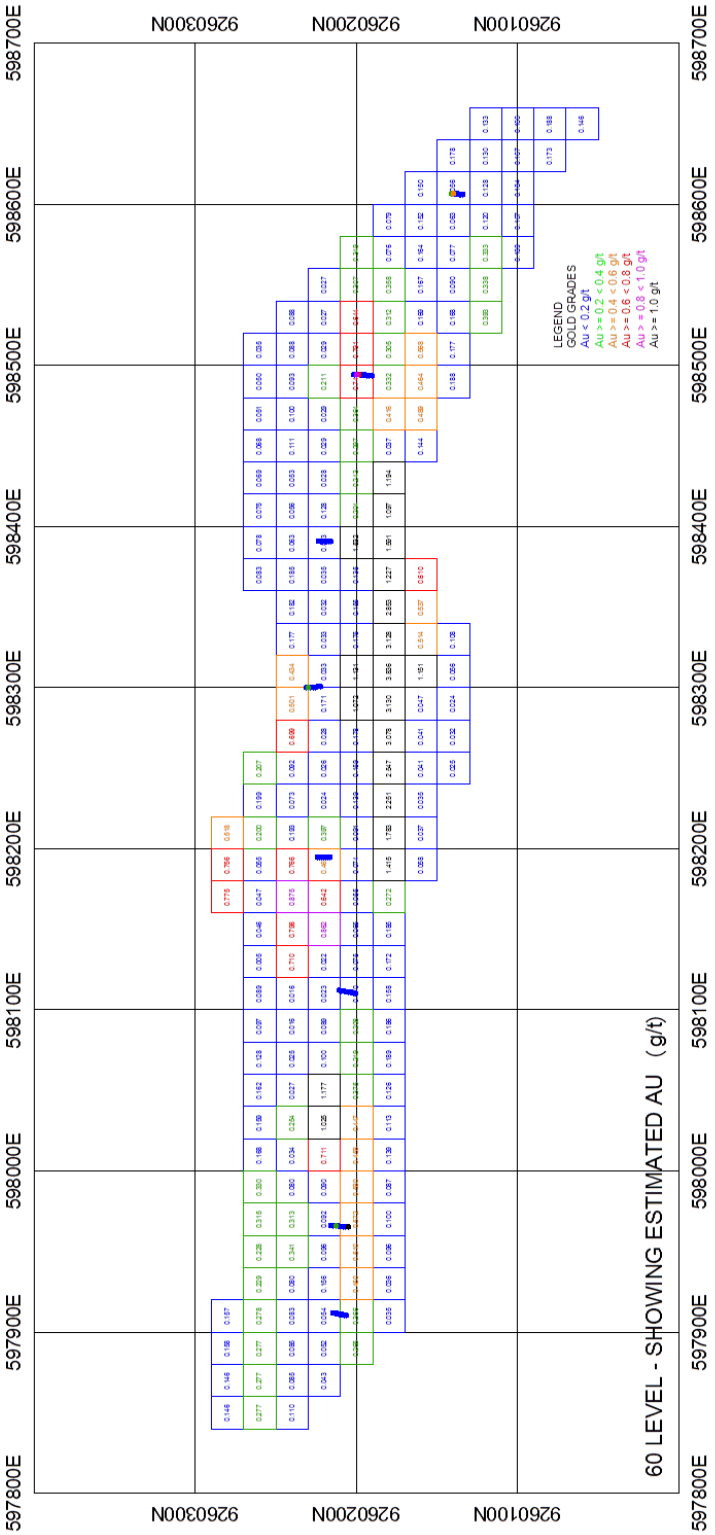
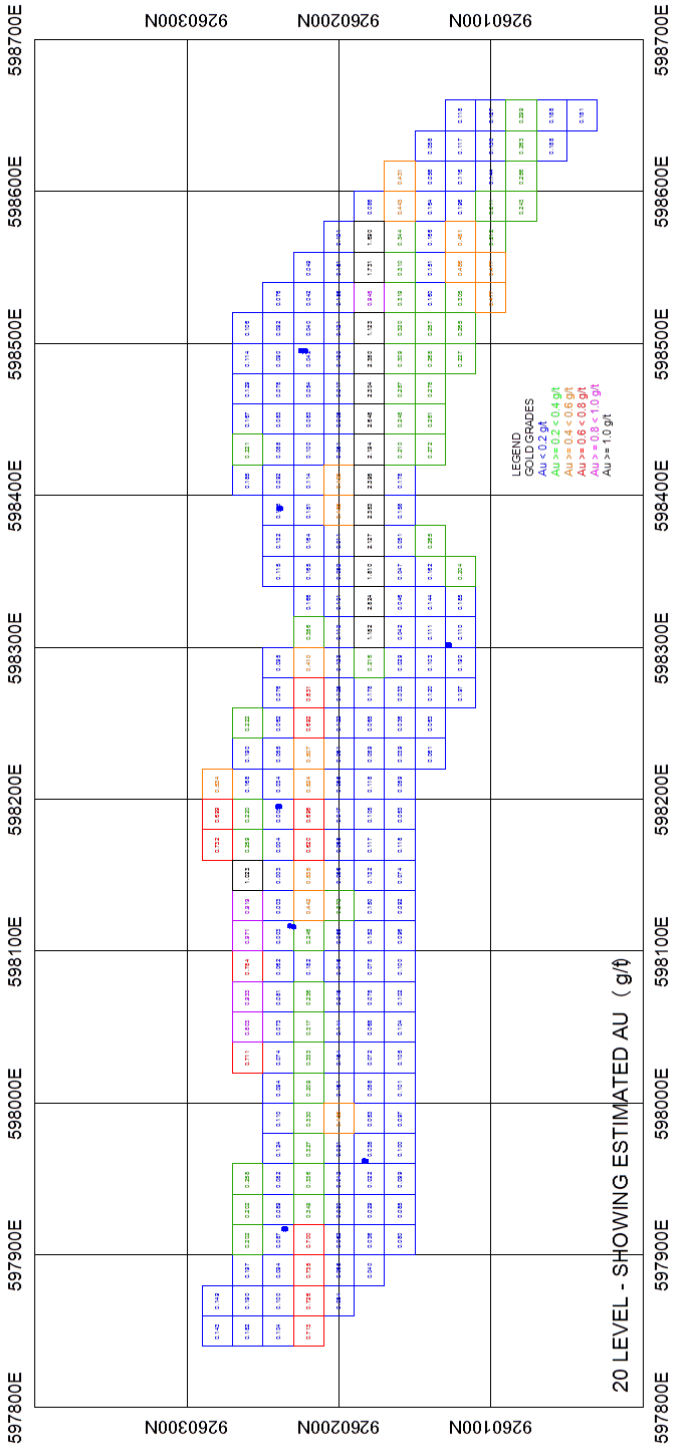


Figure 18 20 Metre Level PLan with Estimated Block and Composite gold grades



15 ADJACENT PROPERTIES

There are adjacent concessions to the Rio Novo claims that are currently owned by BRI. Small and localized garimpeiro activity was seen nearby the Jau prospect and along the banks of the Rio Novo river; however these workings were considered very minor.

16 OTHER RELEVANT DATA AND INFORMATION

No other relevant data or information about the Rio Novo claim is known.

17 INTERPRETATION AND CONCLUSIONS

- The authors have reviewed the methods used to collect and present geological data and find them to meet industry standards. The drill hole databases and resulting geological models and constraints are sufficient to report the current resource estimation included in this report.

- Gold mineralization at the Jau prospect is associated with a moderate to strong IP chargeability anomaly likely caused by small but pervasive zones of one to five percent disseminated sulphide.

- Gold mineralization at the Jau prospect is a structurally controlled gold deposit that is made up of alternating and discontinuous zones of quartz sulphide veinlets and stockworks with corresponding chlorite-epidote-sericite alteration. The gold mineralization is hosted in felsic volcanic and granitic rocks and extends close to 800 meters along horizontal strike and 280 meters vertical depth. Widths of the mineralized envelope range up to 50 metres.

- Drill core assays suggest gold mineralization commonly occurs as local high grade intervals within a broader envelope of low grade mineralization. The gold zones are not always continuous within this envelope.

- The geologic continuity for the Jau Deposit has been determined from surface exposure and drill hole logging. The grade continuity has been quantified by semivariograms. At this time, the drill hole density is too coarse for any blocks to be classified Measured or Indicated. The entire resource is classified as Inferred at this time.

- At this time no economic studies have been completed on the Jau prospect and as a result the economic cut-off is unknown. Using a 0.3 gram per tonne cut-off, Giroux Consultants Ltd. estimates a total inferred resource at the Jau prospect to be 19,440,000 million tonnes averaging 0.81 grams per tonne gold or 503,000 ounces of gold (not including edge dilution). The interpolation method used was ordinary kriging.

- The current drill grid spacing is 100 metres and is fairly wide spaced considering the inconsistent nature of the gold mineralization. Any further work at Jau should include infill drilling along 50 metre drill centres to obtain a better sense of where individual high grade gold zones are trending. Gold mineralization likely occurs in the form of one to three narrower high grade structures within a wider zone of anomalous gold mineralization. This type of target will require more detailed drilling to determine the geometry and potential plunge direction of mineralized zones.

- The mineralized body at Jau remains open to the west and may continue under the Rio Novo river and beyond the western limits of the concession 580.561/2005.

18 RECOMMENDATIONS

Recommendations for further work on the Rio Novo claim, specifically at the Jau prospect, include the following work:

Infill drilling of the Jau prospect between sections 8100E and 8500E. Fifty metre spaced infill drill-holes should target high grade gold intercepts isolated in the following holes during BGC's 2011 drill campaign. Proposed drill holes, two per section, would be no more than 200 metres in length, targeting mineralized intervals closer to surface.

Table 15 Target intercepts for proposed follow-up drilling - Jau Prospect

Hole	From m	To m	Length m	Gold g/t	Section
JAD-012-11	172.00	174.00	2.00	7.00	8100E
JAD-002-11	272.00	274.00	2.00	40.78	8200E
JAD-002-11	320.00	322.00	2.00	6.62	8200E
JAD-003-11	89.50	94.40	4.90	7.31	8200E
JAD-003-11	168.20	169.20	1.00	13.30	8200E
JAD-003-11	258.50	259.50	1.00	5.20	8200E
JAD-009-11	105.00	107.00	2.00	4.48	8300E
JAD-013-11	108.00	112.00	4.00	13.80	8300E
JAD-001-11	95.00	97.00	2.00	8.04	8400E
JAD-005-11	207.00	215.00	8.00	8.12	8400E
JAD-018-11	362.00	364.00	2.00	6.60	8400E

The cost of this work described above is estimated to be $Can785,000 in Year 1.

Table 16 Estimated budget for proposed drilling - Jau Prospect

	Totals ($Can)
Diamond Drilling - 1600 meters, 8 holes	$600,000
Assays	$35,000
Support and personnel	$80,000
Travel	$40,000
Contingency	$30,000
Total	**$785,000**

19 REFERENCES

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APPENDIX I

Brazilian Mineral Tenure

Mineral Tenure (after Coffey Mining, 2011)

Tenements in Brazil are granted subject to various conditions prescribed by the Mining Code, including the payment of rent and reporting requirements, and each tenement is granted subject to standard conditions that regulate the holder‘s activities or are designed to protect the environment. These standard conditions are not detailed in this report, however where a tenement is subject to further specific conditions, these are detailed in the notes accompanying the tenement schedule.

Mineral tenements in Brazil generally comprise Prospecting Licenses, Exploration Licenses and Mining Licenses.

The holder of a granted Prospecting License, Exploration License or Mining License is not required to spend a set annual amount per hectare in each tenement on exploration or mining activities. Therefore, there is no statutory or other minimum expenditure requirement in Brazil. However, annual rental payments are made to the DNPM (Departamento Nacional de Produção Mineral) and the holder of an Exploration License must pay rates and taxes, ranging from US$0.35 to US$0.70 per hectare, to the Local Government.

Lodging a caveat or registering a material agreement against the tenement may protect various interests in a Mining License.

If a mineral tenement is located on private land, then the holder must arrange or agree with the landowners to secure access to the property.

Prospecting Licenses

A Prospecting License entitles the holder, to the exclusion of all others, to explore for minerals in the area of the License, but not to conduct commercial mining. A Prospecting License may cover a maximum area of 50 hectares and remains in force for up to 5 years. The holder may apply for a renewal of the Prospecting License which, is subject to DNPM approval. The period of renewal may be up to a further 5 years.

Exploration Licenses

An Exploration License entitles a holder, to the exclusion of all others, to explore for minerals in the area of the License, but not to conduct commercial mining. The maximum area of an Exploration License is 2,000 hectares outside of the Amazonia region and 10,000 hectares within the Amazonia region (Amazonas, Para, Mato Grosso, Amapa, Rondonia, Roraima and Acre states). An Exploration License remains in force for a maximum period of 3 years and can be extended by no more than a further 3 year period. Any extension is at DNPM's discretion and will require full compliance with the conditions stipulated by the Mining Code that must be outlined in a report to DNPM applying for the extension of the License.

Once the legal and regulatory requirements have been met, exploration authorization is granted under an Exploration License, granting its holder all rights and obligations relating to public authorities and third parties. An Exploration License is granted subject to conditions regulating the conduct of activities. These include the requirement to commence exploration work no later than 60 days after the Exploration License has been published in the Federal Official Gazette and not to interrupt it without due reason for more than 3 consecutive months or 120 non-consecutive days, to perform exploration work under the responsibility of a geologist or mining engineer legally qualified in Brazil, to inform DNPM of the occurrence of any other mineral substance not included in the exploration permit and to inform DNPM of the start or resumption of the exploration work and any possible interruption.

If the holder of an exploration License proves the existence of a commercial ore reserve on the granted exploration License, the DNPM cannot refuse the grant of a mining License with respect to that particular tenement if the License holder has undertaken the following:

An exploration study to prove the existence of an ore reserve.

A feasibility study on the commercial viability of the reserve.

The grant of an environmental License to mine on the particular tenement.

Mining Licenses

A Mining License entitles the holder to work, mine and take minerals from the mining lease subject to obtaining certain approvals.

Mining rights can be denied in very occasional circumstances, where a public authority considers that a subsequent public interest exceeds that of the utility of mineral exploration, in which case the Federal Government must compensate the mining concession holder.

A Mining License in Brazil covers an area of between 2,000 hectares and 10,000 hectares, depending on the geographical area, as detailed above, and remains in force indefinitely. The holder must report annually on the status and condition of the mine.

As with other mining tenements, a Mining License is granted subject to conditions regulating the conduct of activities. Standard conditions regulating activities include matters such as:

The area intended for mining must lie within the boundary of the exploration area.

Work described in the mining plan must be commenced no later than 6 months from the date of publication of the grant of the Mining License, except in the event of a force majeure.

Mining activity must not cease for more than 6 consecutive months once the operation has begun, except where there is proof of force majeure.

The holder must work the deposit according to the mining plan approved by the DNPM.

The holder must undertake the mining activity according to environmental protection standards stipulated in an environmental License obtained by the holder.

The holder must pay the landowner‘s share of mining proceeds according to values and conditions of payments stipulated by law, which is a minimum of 50% of CFEM (see below), but is usually agreed to be higher under a contract between the holder of the Mining License and the landowner.

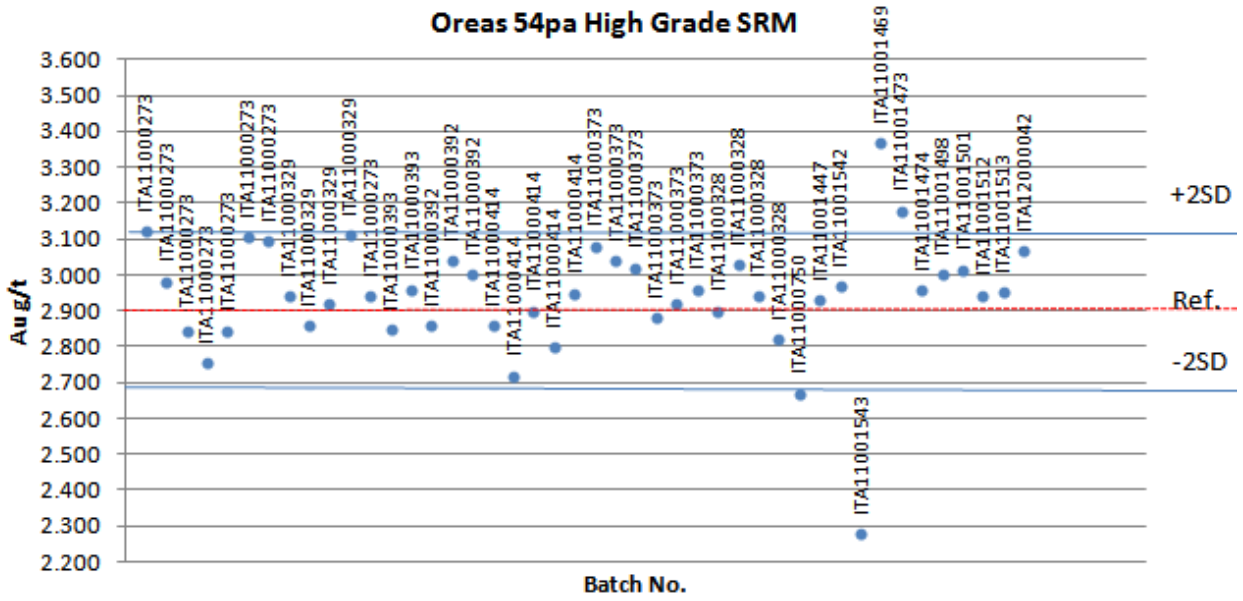
The holder must pay financial compensation to States and local authorities for exploring mineral resources by way of a Federal royalty being the CFEM, which is a maximum of 3% of revenue, but varies from state to state.

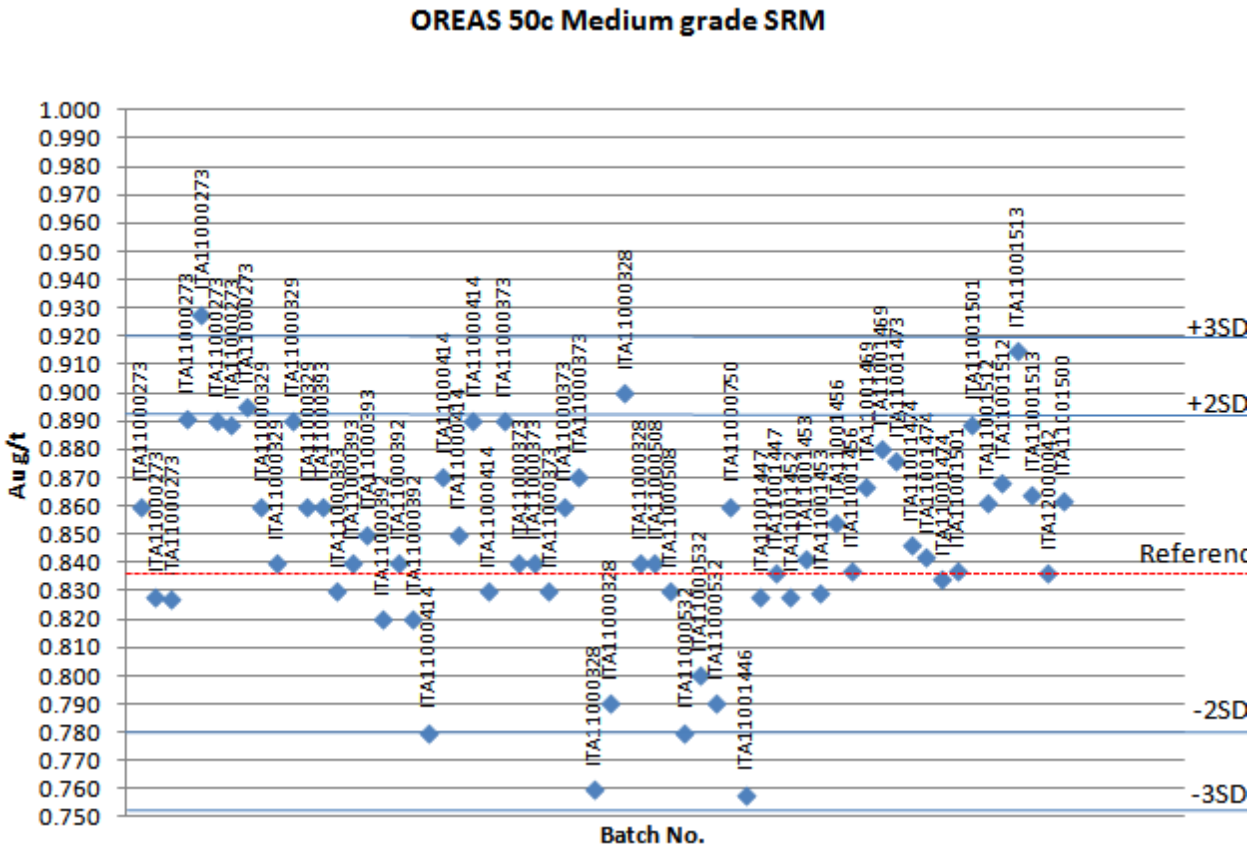
An application for a Mining License may only be granted solely and exclusively to individual firms or companies incorporated under Brazilian law, which will have a head office, management and administration in Brazil, and are authorized to operate as a mining company.

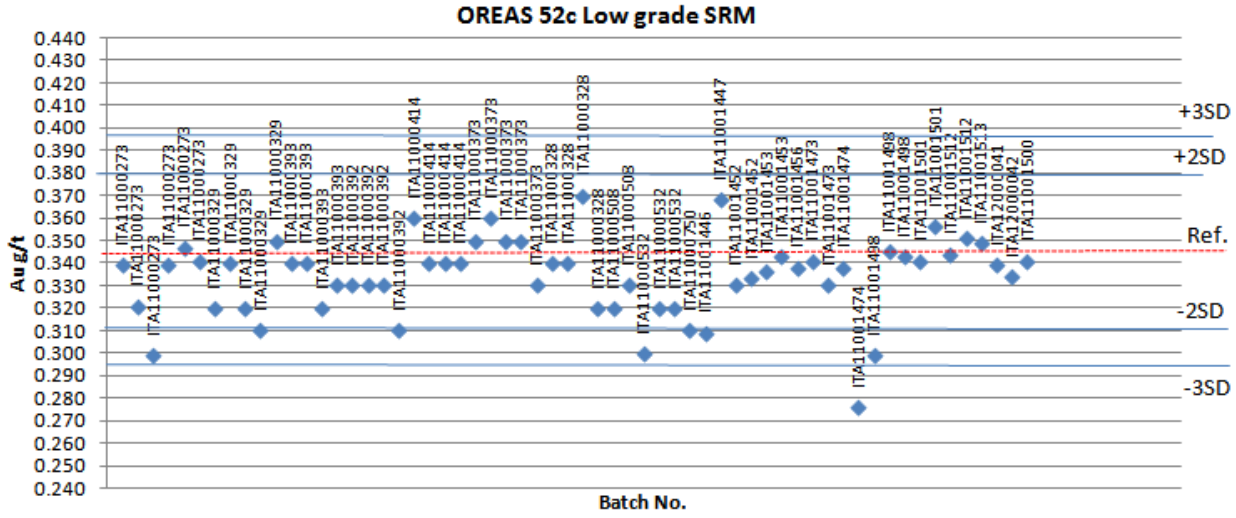
APPENDIX II

Charts - Standard Reference Material, Duplicates, Blanks - Drilling 2011

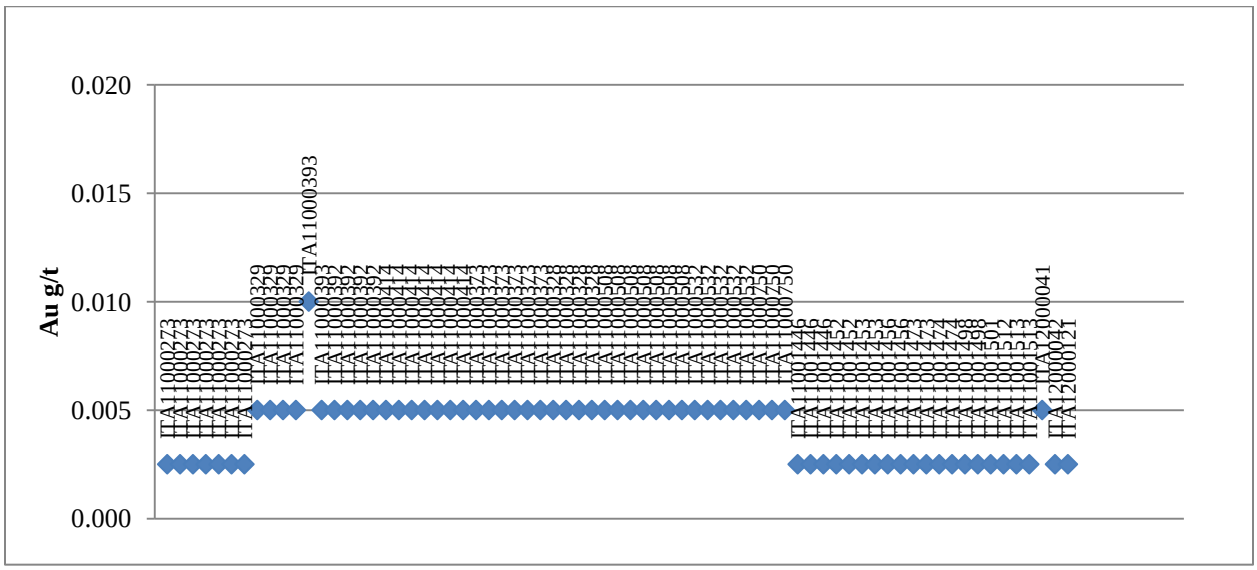
JAU drilling - 2011 - ASL (OREAS) Standard Reference Material (SRM) Charts



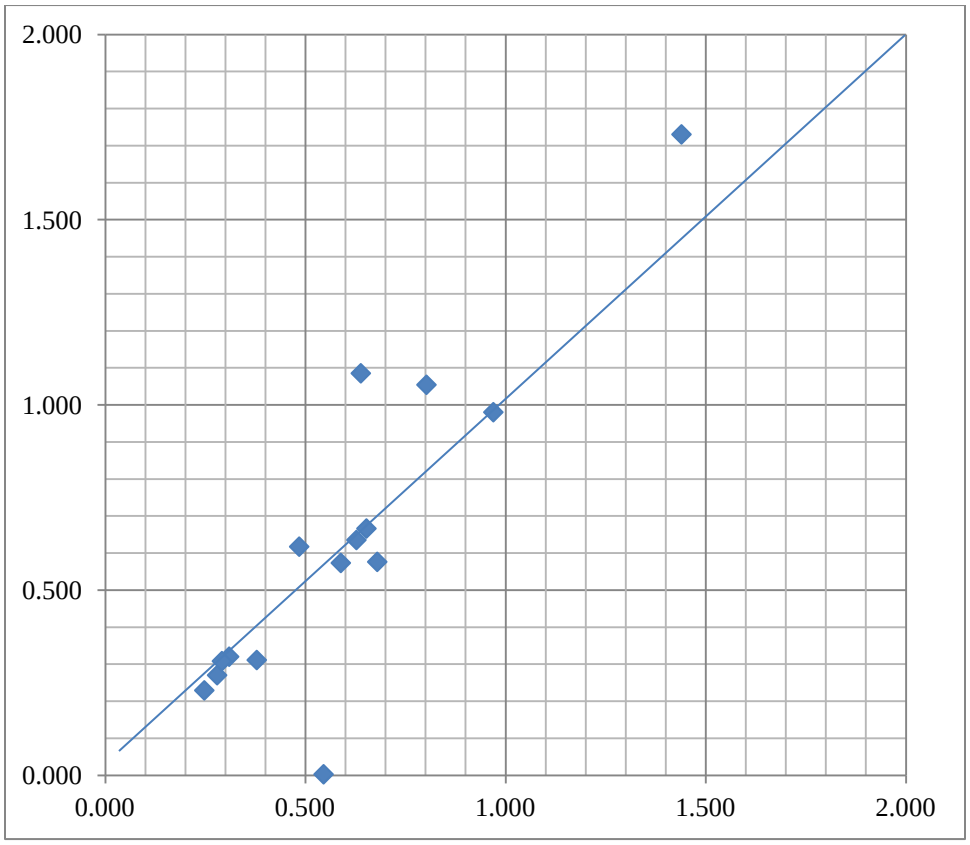

OREAS 50c Medium grade SRM
Au g/t
Batch No.
+3SD
+2SD
Referenc
-2SD
-3SD


OREAS 52c Low grade SRM
Au g/t
Batch No.
+3SD
+2SD
Ref.
-2SD
-3SD

JAU drilling, 2011 - Blanks Chart



JAU drilling, 2011 - Coarse reject duplicate Chart



APPENDIX III

Author's check assay certificate - October, 2011

Acme Analytical Laboratories (Vancouver) Ltd.
1020 Cordova St. East Vancouver BC V6A 4A3 Canada

www.acmelab.com

Client: **Jim Cuttle Geological**
86 Cloudburst Rd.
Whistler BC V0N 1B1 Canada

Submitted By: Jim Cuttle
Receiving Lab: Canada-Vancouver
Received: October 13, 2011
Report Date: October 21, 2011
Page: 1 of 2

CERTIFICATE OF ANALYSIS VAN11005508.1

CLIENT JOB INFORMATION

Project: Sao Jorge/Rio Novo
Shipment ID:
P.O. Number
Number of Samples: 4

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
R200-250	4	Crush, split and pulverize 250 g rock to 200 mesh			VAN
G601	4	Lead Collection Fire - Assay Fusion - AAS Finish	30	Completed	VAN

SAMPLE DISPOSAL

DISP-PLP Dispose of Pulp After 90 days
DISP-RJT Dispose of Reject After 90 days

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

ADDITIONAL COMMENTS

Invoice To: Jim Cuttle Geological
86 Cloudburst Rd.
Whistler BC V0N 1B1
Canada

CC:

BRITISH COLUMBIA CERTIFIED ASSAYER
CLARENCE LEONG
GENERAL MANAGER

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.
All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only. Results apply to samples as submitted.
"*" asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.

Acme Analytical Laboratories (Vancouver) Ltd.
1020 Cordova St. East Vancouver BC V6A 4A3 Canada
Phone (604) 253-3158 Fax (604) 253-1716
www.acmelab.com

Client: **Jim Cuttle Geological**
86 Cloudburst Rd.
Whistler BC V0N 1B1 Canada

Project: Sao Jorge/Rio Novo
Report Date: October 21, 2011

CERTIFICATE OF ANALYSIS VAN11005508.1

		Method	WGHT	G6
		Analyte	Wgt	Au
		Unit	kg	ppm
		MDL	0.01	0.005
SJD-083-11	Drill Core		1.90	0.861
SJD-094-11	Drill Core		1.91	0.515
PAD-02-11	Drill Core		1.57	0.010
JAD-03-11	Drill Core		0.53	2.297

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval, preliminary reports are unsigned and should be used for reference only.

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Client: **Jim Cuttle Geological**
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Project: Sao Jorge/Rio Novo
Report Date: October 21, 2011
Page: 1 of 1 Part 1

QUALITY CONTROL REPORT VAN11005508.1

		Method	WGHT	G6
		Analyte	Wgt	Au
		Unit	kg	ppm
		MDL	0.01	0.005
Reference Materials				
STD OXH82	Standard			1.315
STD OXK79	Standard			3.601
STD OXH82 Expected				1.278
STD OXK79 Expected				3.532
BLK	Blank			<0.005
BLK	Blank			<0.005
Prep Wash				
G1	Prep Blank		<0.01	0.006

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.

APPENDIX IV

List of all drill holes

Holes used in Resource Estimate are highlighted

HOLE	EASTING	NORTHING	ELEVATION	HLENGTH	TYPE	COMPANY	YEAR
JAD-001-11	598392.00	9260154.00	180.00	400.00	DDH	AMERINDIA	2011
JAD-002-11	598199.00	9260043.00	187.00	345.04	DDH	ENERGOLD	2011
JAD-003-11	598197.00	9260150.00	186.00	401.28	DDH	ENERGOLD	2011
JAD-004-11	598215.00	9259950.00	198.00	401.28	DDH	ENERGOLD	2011
JAD-005-11	598396.00	9260066.00	189.00	397.00	DDH	AMERINDIA	2011
JAD-006-11	598602.00	9260061.00	198.00	300.96	DDH	ENERGOLD	2011
JAD-007-11	598398.00	9260249.00	200.00	177.80	DDH	AMERINDIA	2011
JAD-008-11	598614.00	9260148.00	198.00	200.64	DDH	ENERGOLD	2011
JAD-009-11	598597.00	9260252.00	196.00	220.36	DDH	ENERGOLD	2011
JAD-010-11	598808.00	9260060.00	187.00	180.35	DDH	AMERINDIA	2011
JAD-011-11	597995.00	9260072.00	182.00	102.00	DDH	AMERINDIA	2011
JAD-012-11	598102.00	9260118.00	186.00	292.45	DDH	ENERGOLD	2011
JAD-013-11	598304.00	9260130.00	194.00	247.14	DDH	ENERGOLD	2011
JAD-014-11	597971.00	9260303.00	188.00	246.72	DDH	ENERGOLD	2011
JAD-015-11	597900.00	9260119.00	192.00	250.80	DDH	ENERGOLD	2011
JAD-016-11	598101.00	9260012.00	177.00	426.90	DDH	ENERGOLD	2011
JAD-017-11	598495.00	9260100.00	186.00	330.66	DDH	ENERGOLD	2011
JAD-018-11	598400.00	9259950.00	200.00	415.44	DDH	ENERGOLD	2011
JAD-019-11	598300.00	9260000.00	200.00	360.50	DDH	ENERGOLD	2011
JAD-020-11	598700.00	9260260.00	200.00	225.52	DDH	ENERGOLD	2011

Appendix V

Brazil Resources title opinion of the Rio Novo Property, 2013 - PinheiroNeto Advogados

PINHEIRONETO
ADVOGADOS

(vi) Rio Novo Project

42. The mineral rights of Rio Novo Project are represented by the Processes DNPM Nrs. 850.561/2005, 850.091/2004, 850.109/2007, 850.532/2004, 851.274/2012 and 851.303/2011, which comprise an aggregate area of 31,708[2] hectares in the Municipalities of Itaituba and Novo Progresso, in the State of Pará.

43. Process DNPM Nr. 850.561/2005, held by Regent, was represented by an exploration licence for gold that expired on July 13, 2013. Regent lodged with DNPM a partial exploration report and a request for an extension of the exploration licence, which are currently pending review and approval by DNPM.

44. In the Processes 850.091/2004, 850.109/2007 and 850.532/2004, Regent submitted bids in tender proceedings that are under the analysis of DNPM. In those tender proceedings involving mineral rights, any third party may submit bids for the rights over the areas in tender, and DNPM will grant the mineral rights to the party that, as per the DNPM analysis, lodged the best exploration plan. In practical terms, Regent still has no title to such mineral rights until the tender is decided by DNPM and Regent is awarded as the winning bidder.

45. Finally, Processes Nr. 851.274/2012 and 851.303/2011 are applications lodged by Regent for exploration licences for gold ore, which are pending approval by DNPM. That means that Regent cannot perform exploration works in these areas until the corresponding licences are granted. As mentioned in item 25 above, the applications for exploration licence may be converted into competitive procedures under the new Brazilian mining law that is currently being reviewed in Congress.

[2] DNPM identified a partial overlap in relation to the area of DNPM Process N. 851.303/2011 and that overlap may reduce approximately 9,000 hectares in the aggregate area of Rio Novo Project.

PINHEIRONETO
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46. It is worth mentioning that Regent acquired the DNPM process N. 850.561/2005 from Jarbas Salviano Duarte Junior ("Jarbas"), under an Option for the Assignment of Mineral Rights executed on 11 February 2010 (and amended on 16 January 2011). The acquisition price was equivalent to R$ 3,900,000, to be paid in six installments, until 17 December 2015 (considering the documents disclosed to us, it seems that R$3,150,000.00 are still outstanding).

47. If a mining concession is obtained or trial mining occurs, Regent must also pay to Jarbas a 1.3% Net Smelter Royalty calculated based on the sale of the gold mined from the areas of the mineral rights represented by DNPM process N. 850.561/2005. Jarbas gave Regent the option to acquire 50% of such royalties for the amount of US$ 1,500,000, within 12 months as from the beginning of the mining activities.

48. Finally, if Regent manages to reach industrial scale economic feasibility and disclose a feasibility study pursuant to JORC or NI 43-101 standards, in relation to DNPM process N. 850.561/2005, Regent will have to pay to Jarbas a bonus of:

(a) U$ 0.50 per measured ounce up to 1,000,000oz;
(b) U$ 0.75 for measured ounce from 1,000,000oz to 2,000,000oz; and
(c) U$ 1.00 per measured ounce above 2,000,000oz.

(vii) Santa Julia Project

49. Six mineral rights located in the Municipalities of Altamira and Novo Progresso, State of Pará, are referred to as the mineral rights that comprise Santa Julia Project.

RIO NOVO PROJECT

	Process No.	Registered holder	Stage	Expiry date	Location and Area	Comments
1	850.561/05	MINERAÇÃO REGENT BRASIL LTDA	Partial Exploration Report	n/a	Municipalities of Itaituba and Novo Progresso, State of Pará 6,134.72ha	DNPM is still reviewing the partial exploration report lodged and Regent's exploration licence renewal request.
2	850.091/04	MINERAÇÃO REGENT BRASIL LTDA	Tender proceeding	n/a	Municipality of Itaituba, State of Pará 4,867.37ha	There is a bid lodged at the process, but we did not have access to it.
3	850.109/07	MINERAÇÃO REGENT BRASIL LTDA	Tender proceeding	n/a	Municipality of Novo Progresso, State of Pará 4,992ha	There are bids lodged at the process, but we did not have access to them.
4	850.532/04	MINERAÇÃO REGENT BRASIL LTDA	Tender proceeding	n/a	Municipality of Itaituba, State of Pará 1,775.45ha	There is a bid lodged at the process, but we did not have access to it.
5	851.274/12	MINERAÇÃO REGENT BRASIL LTDA	Application for exploration licence	n/a	Municipality of Itaituba, State of Pará 4,472.73ha	
6	851.303/11	MINERAÇÃO REGENT BRASIL LTDA	Application for exploration licence	n/a	Municipality of Itaituba, State of Pará	The DNPM identified several overlaps with third parties rights and the original requested area was divided in 9 different parts, being the largest of 81.71ha. Regent will have to opt for one of the remaining areas until 26 September 2013, and will be given the opportunity to file for new claims for the other 8 remaining areas.