

July 22, 2009

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Dear Edson,

Please find attached the results of the gravity concentration test for gold recovery on the Serra Pelada sample.

Please feel free to contact us if you have any questions.

Sincerely,

Alex Lum, P.Eng.
Metallurgical Engineer

**GRAVITY GOLD RECOVERY ON
SERRA PELADA SAMPLE**

Prepared for:

Edson
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Prepared by:

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Project Number:

MS1184

Alex Lum, P.Eng
Metallurgical Engineer

Ish Grewal, M.A.Sc. P.Eng
President

July 22, 2009

Note: This report refers to the samples as received. The information contained in this report is provided 'as is' without warranty of any kind with respect to the interpretation and use of the data by the client.

1.0 BACKGROUND

Met-Solve received a bag of mineral sample, weighing approximately 11.9 kg, on June 29, 2009. The samples were sent by:

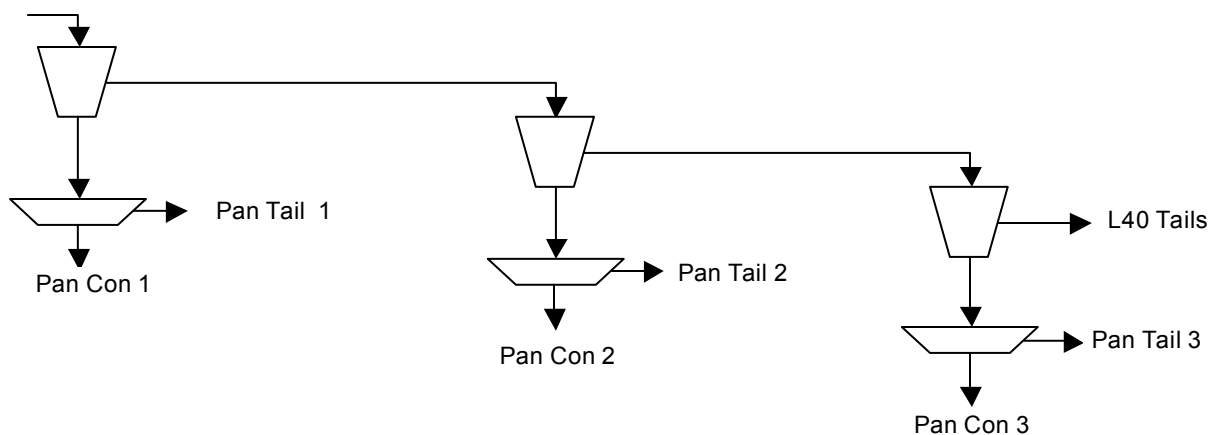
Edson Sansone
AV Ribeirao Preto 450
Mairipora, Sao Paulo
Brazil
Ph: 55-11-44851875

Earlier, a 1 kg sample of this material was received by Met-Solve on June 24, 2009. The two samples were combined to produce a composite material for testing.

Met-Solve was informed via e-mail that these samples are from Serra Pelada. The objective of the test program was to determine if the material was amenable to gravity concentration of gold.

2.0 METHODOLOGY

The sample was screened at 850 μm to remove oversize material, which could interfere with efficient gravity operation of the lab test unit. A multistage low mass yield test was done on the undersize material ($-850 \mu\text{m}$) using the Falcon L40 to recover gold. The test procedure used the following flowsheet.



Three sequential stages were done and each concentrate was panned to get an idea of achievable grades. A gold recovery curve, as a function of mass yield, was generated from the results.

In addition, the head (feed material) and the L40 tailings were assayed for gold by fractions to get an idea of the gold distribution and recovery by particle size.

3. 0 RESULTS

The detailed mass balance and size-by-size assay is shown in the appendix. Also included are the ICP values for the head (feed), the gravity tails, and the oversize material (+850 μm). The particle size analysis, including head and screened head, are also attached.

The gravity concentration report shows that the material responds well to gravity with 70% of the gold recovered in just under 6% mass yield.

The good agreement between the calculated head, 0.88 grams/tonne, (calculated by mathematically combining the gold grade of all the test products) and screen-calculated head, 0.78 grams/tonne, (from screen analysis IA101 with the +850 μm fractions omitted) increases confidence in the results.

The size-by-size analysis and the ICP summary show that the oversized material (+850 μm) has higher gold grade, 1.65 grams/tonne.

Comparing the size-by-size assay of the feed and head material, show that the bulk of the recovered gold came from the sub 212 μm (70 mesh) fractions.

The ICP show that the material has a significant copper content, 1.5%. The copper content of the +850 μm , at 3.1%, is particularly rich.

3.0 RECOMMENDATION

Since the gold grade is higher in the coarse fractions, particularly in the +1,700 μm , the oversize material should be ground and processed with the remaining material. Additional gravity tests should be done to investigate gold recovery with grinding. Removing the oversize material, with a gold grade of 1.65 grams/tonne, reduces the overall gold grade from 0.93 grams/tonne to 0.78 grams/tonne.

Due to the significant content of copper in the material, copper extraction, such as by sulfuric acid leach, should be investigated.

APPENDICES



GRAVITY CONCENTRATION TEST REPORT

Client: Serra Pelada - Edson

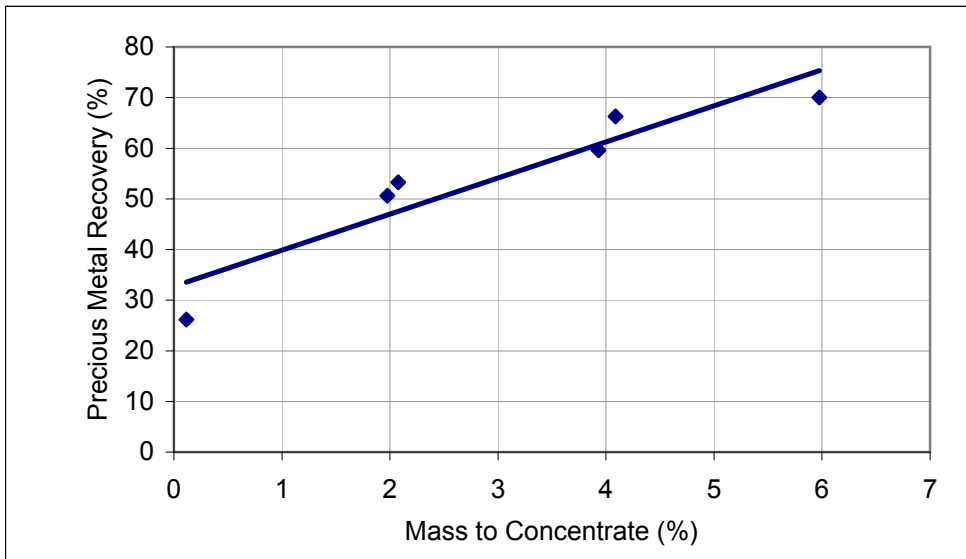
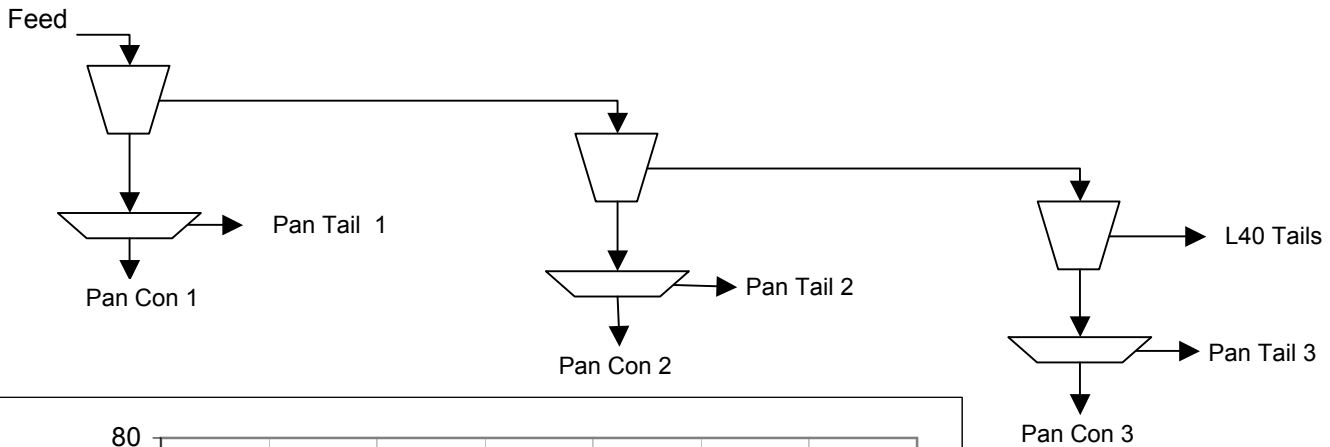
Date: 06-Jul-09

Test: IA102

Project: MS1184

Sample: Samples received June 29/09 & June 24/09

Products	Weight		Assay (g/t)	Distribution (%)
	(g)	(%)	Au	Au
Pan Concentrate 1	9.21	0.12	198.6	26.1
Pan Tail 1	148.19	1.86	11.5	24.4
L40 Concentrate 1	157.40	1.98	22.5	50.6
Pan Concentrate 2	7.96	0.10	23.6	2.7
Pan Tail 2	147.60	1.85	3.0	6.3
L40 Concentrate 2	155.56	1.95	4.0	9.0
Pan Concentrate 3	12.38	0.16	37.7	6.7
Pan Tail 3	150.33	1.89	1.8	3.8
L40 Concentrate 3	162.71	2.04	4.5	10.5
Total L40 Concentrate	475.67	5.97	10.3	70.0
L40 Tails	7,485.47	94.03	0.3	30.0
Calculated Head	7,961.14	100.00	0.9	100.0
Screen Calculate Head	8,001.00		0.8	



Test Conditions	
Pulp Density:	25%
Bowl:	1/32 holes
Fluid'n Pressure:	3 psi
G-Force:	150 g
Speed:	55.3 Hz



SIZE BY SIZE ASSAY

Client: Serra Pelada - Edson
Test: IA101 - Screen Head Material
Sample: Received June 29/09 & June 24/09

Date: 6-Jul-09
Project: MS1184

Precious Metals		Weight		Au	
Tyler Mesh	Microns	(g)	(%)	(g/t)	Dist'n (%)
8	2,360	250.0	15.0	1.42	22.9
12	1,700	60.7	3.6	2.19	8.6
16	1,180	65.7	3.9	0.89	3.8
20	850	61.3	3.7	0.70	2.8
30	600	83.5	5.0	0.49	2.7
40	425	105.0	6.3	0.36	2.5
50	300	118.5	7.1	0.49	3.8
70	212	80.5	4.8	1.12	5.8
100	150	75.5	4.5	0.21	1.0
140	106	78.3	4.7	1.02	5.2
200	75	67.2	4.0	1.40	6.1
270	53	76.3	4.6	0.94	4.6
400	37	41.7	2.5	0.94	2.5
-400	-37	502.5	30.1	0.85	27.7
NET:		1,666.7	100.0	0.93	100.0
Assayed Head:				0.72	

Client: Serra Pelada - Edson
Test: IA103 - Screen Tails
Sample: Gravity Tails from IA102

Date: 9-Jul-09
Project: MS1184

Precious Metals		Weight		Au	
Tyler Mesh	Microns	(g)	(%)	(g/t)	Dist'n (%)
8	2360	0.0			
12	1,700	0.0			
16	1,180	0.0			
20	850	0.0			
30	600	0.0			
40	425	110.5	16.6	0.51	22.9
50	300	52.5	7.9	0.48	10.2
70	212	42.4	6.4	1.31	22.6
100	150	37.5	5.6	0.18	2.7
140	106	45.4	6.8	0.28	5.2
200	75	37.1	5.6	0.17	2.6
270	53	39.4	5.9	0.19	3.0
400	37	29.5	4.4	0.28	3.4
-400	-37	270.3	40.7	0.25	27.4
NET:		664.5	100.0	0.37	100.0
Assayed Head:				0.28	



SIZE BY SIZE ASSAY

Client: Serra Pelada - Edson
Test: IA101 - Screen Head Material
Sample: Received June 29/09 oversized screened out to get Gravity Feed grade

Date: 6-Jul-09
Project: MS1184

Precious Metals		Weight		Au	
Tyler Mesh	Microns	(g)	(%)	(g/t)	Dist'n (%)
8	2,360			1.42	
12	1,700			2.19	
16	1,180			0.89	
20	850			0.70	
30	600	83.5	6.8	0.49	4.3
40	425	105.0	8.5	0.36	4.0
50	300	118.5	9.6	0.49	6.1
70	212	80.5	6.6	1.12	9.4
100	150	75.5	6.1	0.21	1.7
140	106	78.3	6.4	1.02	8.3
200	75	67.2	5.5	1.40	9.9
270	53	76.3	6.2	0.94	7.5
400	37	41.7	3.4	0.94	4.1
-400	-37	502.5	40.9	0.85	44.8
NET:		1,229.0	100.0	0.78	100.0



MS1184: Serra Pelada ICP Summary

Sample Number	Sample Name	ICP Ag ppm	ICP Al %	ICP As ppm	ICP Ba ppm	ICP Be ppm	ICP Bi ppm	ICP Ca %	ICP Cd ppm	ICP Co ppm	ICP Cr ppm	ICP Cu ppm	ICP Fe %	ICP Hg ppm	ICP K %	ICP La ppm	ICP Mg %	ICP Mn ppm
78134	Head Material	2.7	0.34	10	739	1.3	94	0.03	2	233	59	15,000	14	4	0.01	10	0	8,560
78135	Gravity Tails	2.9	0.36	10	864	1.3	85	0.03	2	261	73	12,800	14	4	0.01	<10	0	9,549
78136	Oversized, +850 µm	16.5	0.13	14	369	0.5	157	0.02	1	209	55	30,700	8	2	0.01	<10	0	4,601

Sample Name	Sample Description	ICP Mo ppm	ICP Na %	ICP Ni ppm	ICP P ppm	ICP Pb ppm	ICP S %	ICP Sb ppm	ICP Sc ppm	ICP Sr ppm	ICP Th ppm	ICP Ti %	ICP Tl ppm	ICP U ppm	ICP V ppm	ICP W ppm	ICP Zn ppm	ICP Zr ppm
78134	Head Material	3	0.01	191	297	78	0.01	9	6	16	6	0.03	<10	34	96	29	128	9
78135	Gravity Tails	4	0.01	226	425	69	0.01	10	6	17	6	0.03	<10	36	100	26	130	9
78136	Oversized, +850 µm	13	<0.01	151	<10	139	0.03	6	1	9	<5	0.01	<10	18	49	146	124	4

Sample Name	Sample Description	FA Au g/t
78134	Head Material	0.72
78135	Gravity Tails	0.28
78136	Oversized, +850 µm	1.65

PARTICLE SIZE ANALYSIS

Client: Serra Pelada - Edson

Test: IA101 - Screen Head Material

Sample: Received June 29/09 & June 24/09

Date: 6-Jul-09

Project: MS1184

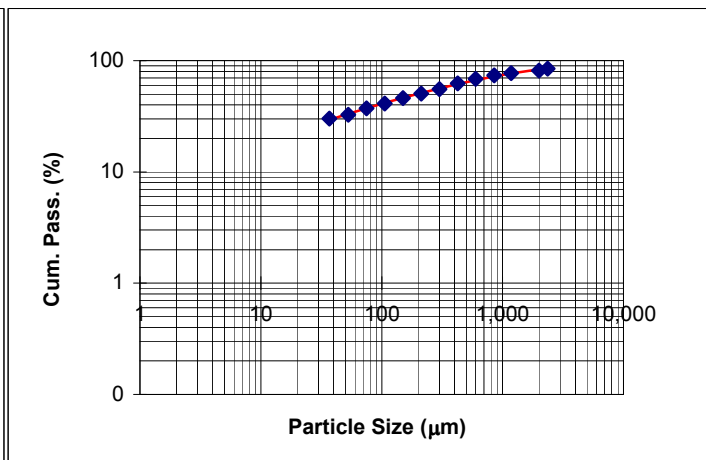
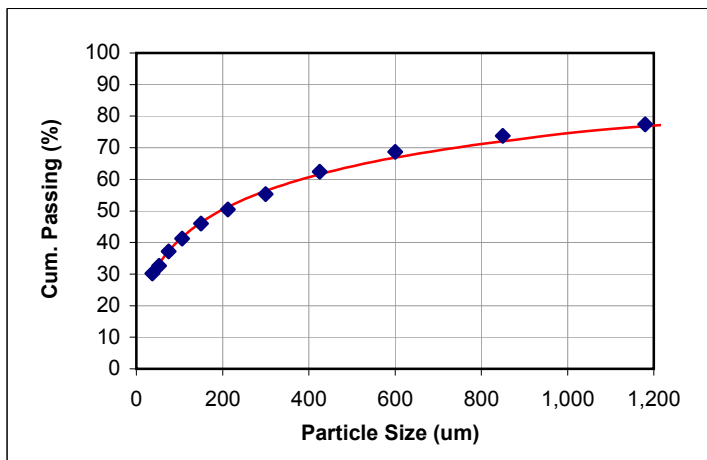
Sieve Size		Weight		Cummulative (%)	
Tyler Mesh	Microns	(g)	(%)	Retained	Passing
8	2,360	250.0	15.00	15.00	85.00
10	2,000	60.7	3.64	18.64	81.36
16	1,180	65.7	3.94	22.58	77.42
20	850	61.3	3.68	26.26	73.74
30	600	83.5	5.01	31.27	68.73
40	425	105.0	6.30	37.57	62.43
50	300	118.5	7.11	44.68	55.32
70	212	80.5	4.83	49.51	50.49
100	150	75.5	4.53	54.04	45.96
140	106	78.3	4.70	58.74	41.26
200	75	67.2	4.03	62.77	37.23
270	53	76.3	4.58	67.35	32.65
400	37	41.7	2.50	69.85	30.15
Undersize	-53	502.5	30.15	100.00	
TOTAL:		1666.7	100.0		

Rosin-Rammler Model

Size (um)	Passing P (%)
1491	80
195	50

Linear Interpolation

Size (um)	Passing P (%)
1717	80
205	50



PARTICLE SIZE ANALYSIS

Client: Serra Pelada - Edson
Test: IA103 - Screen Tails
Sample: Gravity Tails from IA102

Date: 9-Jul-09
Project: MS1184

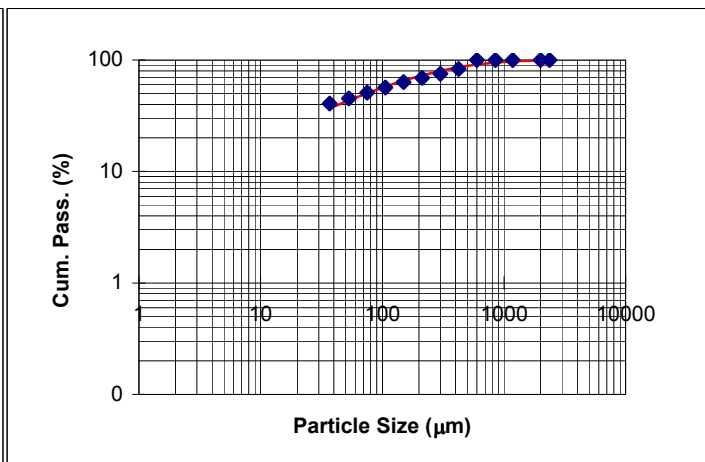
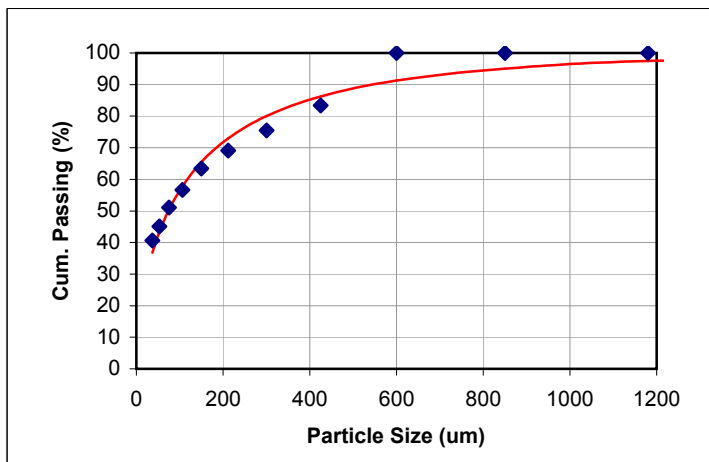
Sieve Size		Weight		Cummulative (%)	
Tyler Mesh	Microns	(g)	(%)	Retained	Passing
8	2360	0.0			
10	2000	0.0			
16	1180	0.0			
20	850	0.0			
30	600	0.0			
40	425	110.5	16.63	16.63	83.37
50	300	52.5	7.90	24.53	75.47
70	212	42.4	6.38	30.92	69.08
100	150	37.5	5.64	36.55	63.45
140	106	45.4	6.83	43.39	56.61
200	75	37.1	5.58	48.97	51.03
270	53	39.4	5.92	54.89	45.11
400	37	29.5	4.43	59.32	40.68
Undersize	-53	270.3	40.68	100.00	
TOTAL:		664.5	100.0		

Rosin-Rammler Model

Size (um)	Passing P (%)
300	80
74	50

Linear Interpolation

Size (um)	Passing P (%)
372	80
71	50



PARTICLE SIZE ANALYSIS

Client: Serra Pelada - Edson

Test: IA101 - Screen Head Material

Sample: Received June 29/09; +850 μm removed to get P80 for Gravity Feed

Date: 6-Jul-09

Project: MS1184

Sieve Size		Weight		Cummulative (%)	
Tyler Mesh	Microns	(g)	(%)	Retained	Passing
8	2,360				
10	2,000				
16	1,180				
20	850				
30	600	83.5	6.79	6.79	93.21
40	425	105.0	8.54	15.34	84.66
50	300	118.5	9.64	24.98	75.02
70	212	80.5	6.55	31.53	68.47
100	150	75.5	6.14	37.67	62.33
140	106	78.3	6.37	44.04	55.96
200	75	67.2	5.47	49.51	50.49
270	53	76.3	6.21	55.72	44.28
400	37	41.7	3.39	59.11	40.89
Undersize	-53	502.5	40.89	100.00	
TOTAL:		1229.0	100.0		

Rosin-Rammler Model

Size (um)	Passing P (%)
319	80
75	50

Linear Interpolation

Size (um)	Passing P (%)
365	80
73	50

