(An exploration stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2012

(Expressed in Canadian Dollars unless otherwise stated)

March 22, 2013

Overview

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Brazil Resources Inc. (the "Company" or "Brazil Resources") for the year ended November 30, 2012 should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the years ended November 30, 2012 and 2011, copies of which are available on SEDAR at www.sedar.com. The Company's audited consolidated financial statements for the years ended November 30, 2012 and 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Unless otherwise stated, all information contained in this MD&A is as of March 22, 2013.

Unless otherwise stated, references to "$" or "dollars" herein are to Canadian dollars, references to "US$" are to United States dollars and references to "R$" are to Brazilian Real. References in this MD&A to the "Company" mean "Brazil Resources Inc.", together with its subsidiaries, unless the context otherwise requires.

Paulo Pereira, Vice President of Exploration, has reviewed and approved the scientific and technical information contained in this MD&A. Mr. Pereira holds a Bachelor's degree in Geology from Universidad Do Amazonas in Brazil, is a qualified person as defined in National Instrument 43-101 ("NI 43-101") and is a member of the Association of Professional Geoscientists of Ontario.

Disclaimer for Forward-Looking Information

This MD&A contains certain forward-looking statements that reflect the current views and/or expectations of the Company with respect to its performance, business and future events, including statements regarding the Company's plans in respect of its projects, capital needs, business plans and expectations, anticipated work programs and goals and future acquisition strategy. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates including, among other things, that: the current price of and demand for minerals being targeted by the Company will be sustained or will improve; the Company's current exploration programs and objectives can be achieved; general business and economic conditions will not change in a material adverse manner; financing will be available if and when needed on reasonable terms; the Company will not experience any material accident; and the Company will be able to identify and acquire additional mineral interests on reasonable terms or at all. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including: that the Company has a limited operating history; that resource exploration and development is a speculative business; that the Company may lose or abandon its property interests; that the Company's properties are in the exploration stage and are without known bodies of commercial ore; that the Company may not be able to obtain all necessary permits and approvals on any of its properties, including the Cachoeira Project; that environmental laws and regulations may become more onerous; that the Company may not be able to raise additional funds when necessary; potential defects in title to the Company's properties; fluctuations in currency exchange rates; fluctuating prices of commodities; operating hazards and risks; competition; potential inability to find suitable acquisition opportunities and/or complete the same; and other risks and uncertainties listed in the Company's public filings. These risks, as well as others, could cause actual results and events to vary significantly. Additional information about these and other assumptions, risks and uncertainties are set out in the "Risk Factors" section of this MD&A. Accordingly, readers should not place undue reliance on forward-looking statements and information, which are qualified in their entirety by this cautionary statement. There can be no assurance that forward-looking information, or the material factors or assumptions used to develop such forward-looking information, will prove to be accurate. The Company does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities laws.

BRAZIL RESOURCES INC

Business Overview and Overall Performance

Brazil Resources was incorporated in the Province of British Columbia, Canada, on September 9, 2009. The Company is principally engaged in the acquisition, exploration and development of mineral properties in Brazil.

The Company's principal exploration property is the Cachoeira gold project in Pará State, Brazil (the "Cachoeira Project") which is located in the Gurupi Gold Belt, approximately 220 kilometers southeast of the Pará State capital of Belém and about 270 kilometers northwest of the port city of São Luis, Maranhão State. The Cachoeira Project comprises one contiguous block consisting of two mining and three exploration licenses covering approximately 4,742 hectares.

Brazil Resources' common shares (the "BRI Shares") are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "BRI" and are traded on the OTCQX International Market under the symbol "BRIZF". The head office and principal address of the Company is located at Suite 320, 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, Canada.

Private Placement

On December 28, 2011, the Company completed a non-brokered private placement (the "Private Placement") of 4,324,136 BRI Shares at a subscription price of $1.10 per BRI Share for aggregate gross proceeds of $4,756,550. In connection with the Private Placement, the Company paid cash commissions equal to 6% on a portion of the gross proceeds derived from the sale of the BRI Shares in the aggregate amount of $246,213, and $16,460 to its legal adviser.

Cachoeira Project

On September 24, 2012, the Company acquired a 100% interest in the Cachoeira Project from Luna Gold Corp. ("Luna"). The transaction was completed under the terms of a share purchase agreement dated July 10, 2012 between Brazil Resources and Luna (the "Cachoeira Agreement"), pursuant to which Brazil Resources acquired all of the issued and outstanding shares of a subsidiary of Luna which holds an indirect 100% interest in the Cachoeira Project.

Roscoe Postle Associates Inc. ("RPA") prepared a NI 43-101 technical report on the Cachoeira Project (the "RPA Cachoeira Technical Report") for Brazil Resources dated July 19, 2012 and titled "Technical Report on the Cachoeira Project, Pará State, Brazil". A review of the RPA Cachoeira Technical Report has been completed by the consulting firm Tetra Tech, Inc. ("Tetra Tech") from Vancouver, Canada, with the objective of updating the resource calculation and prepare a preliminary mine development plan for the Cachoeira Project which is to be submitted to the Brazil National Department of Mineral Production ("DNPM") by the end of 2013.

In a press release dated March 4, 2013, the Company announced the results of a recently completed NI 43-101 mineral resource estimate, which was completed by Tetra Tech, on the Company's Cachoeira Project. The resource estimate had an effective date of March 1, 2013 and includes the following resource estimates for the Cachoeira Project:

- indicated resource – 17,470,093 tonnes at 1.40 g/t gold (786,737 ounces); and
- inferred resource – 15,666,580 tonnes at 1.12 g/t gold (628,035 ounces).

This new estimate represents a 77% increase in the indicated and a 184% increase in the inferred categories over the prior estimate conducted by RPA .

Readers should refer to Company's press release dated March 4, 2013 for further information regarding the above resource estimate. The resource estimate was prepared by Greg Mosher, M.Sc. P.Geo. Mr. Mosher is a qualified person and a Senior Geologist with Tetra Tech and is independent of the Company, as defined by section 1.5 of NI 43-101. The Company will be filing a NI 43-101 technical report respecting the Tetra Tech resource estimate in due course, a copy of which will be available under the Company's profile at www.sedar.com.

The Cachoeira Project's environmental licensing process has been initiated in order to obtain the Preliminary License (LP). The scope of work based on the *Term of Reference* provided by the Brazilian regulatory agency SEMA/PA was finalized and the consulting firm Arcadis-Logos was selected to execute the environmental studies that will form the basis in the preparation of the Environmental Impact Assessment Report (EIA/RIMA). The identification of the Cachoeira Project's social impacts and the actions required in order to mitigate potential social and environmental impacts will be developed by the Company with the participation of the local community and local authorities.

Engagement with the local community has been initiated to introduce the Company and its representatives. Several consultation meetings were completed during the last quarter where the 2013-2014 work plans were presented and negotiations to acquire the surface rights of the areas that encompass the three deposits (Tucano, Arara and Coruja) and the mine servitudes has begun.

The Company recently signed a drilling contract with Servitec Foraco Sondagem S.A. and expects to commence an initial drill program at the Cachoeira Project in calendar Q2 2013, the size of which will be determined by the outcome of ongoing studies. The Company will also explore extensions of the currently known mineralized zones as in-house district wide studies intimate that mineralization may not only be constrained to the three zones identified on the property to date.

Further detailed technical information on the Cachoeira Project can be found in the RPA Cachoeira Technical Report, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

Montes Áureos Project

The Montes Áureos Project comprises a 4,942 acre exploration license located within the Gurupi gold belt, a gold-producing area in the Pará and Maranhão States in north-eastern Brazil. Company geologists believe the Gurupi gold belt is an underexplored region. The gold occurrences and deposits in the project area were first discovered and put into production by early Portuguese and English miners and, in recent decades, by informal artisanal miners who are still active in the region today.

In September 2010, the Company initiated an exploration program, which included channel sampling, logging and sampling of previous artisanal miners' works from pits, drifts and previous excavations, and a systematic surface soil sampling program complemented with an auger drilling program over a selected area with anomalous gold soil sample results.

During the year ended November 30, 2011, the Company concluded a follow-up exploration program on the Montes Áureos Project, building upon the initial program conducted in 2010. The focus of the follow-up exploration program was to extend, by auger drilling, the remaining 1.7 kilometers of a 2.0 kilometer anomalous soil gold trend and to delineate diamond drill targets. The Company completed the auger drilling program which consisted of 107 holes (1,100 meters). The interpretation of the auger drilling results allowed for the identification and selection of areas for a diamond drilling program.

As set forth in the Company's news release dated April 26, 2012, Brazil Resources completed ten diamond drill holes totaling 1,616 meters at the Montes Áureos Project. Nine drill holes tested the 500-meter northern expression of a 2-kilometer long gold/arsenic soil/auger anomaly identified by the Company. Interval spacing was approximately 40m-50m with a north-south orientation. Each drill hole was drilled at a 60-degree azimuth and at a

60-degree dip from surface. An additional exploratory drill hole (MADDH-01) was completed to test an isolated soil anomaly to the southeast of the main soil anomaly, near a site with artisanal mining activities.

The diamond drill results have confirmed a continuous low-grade 100-130 meter wide gold enrichment zone that hosts several 1-meter to 17-meter intersections with grades between 0.45 and 3.5 g/t gold. The remaining 1.5 kilometers of the soil/auger anomaly is open to the south, and has yet to be drilled. The Company currently anticipates that a further diamond drill program in 2013 will test the southern extension zone at Monte Áureos. The mineralization is typical of greenstone-hosted bulk low-grade deposits. More drilling will be required along strike to understand the full extent of the mineralization. Company geologists have sited additional drill targets for future testing.

During the year ended November 30, 2012, the Company incurred $492,739 of exploration expenditures on the Montes Áureos Project, which is within budgeted estimates.

Further detailed technical information on the Montes Áureos Project can be found in the NI 43-101 technical report, dated March 16, 2011 (the "Montes Áureos Technical Report") authored by Coffey Mining, who is independent of the Company. A copy of the Montes Áureos Technical Report is available under the Company's profile on SEDAR at www.sedar.com.

Trinta Project

On June 20, 2011, the Company announced the acquisition of the 23,643 acre Trinta Project situated in the emerging Gurupi Gold Belt located in Maranhão State, Brazil. The property consists of an exploration license located approximately three kilometers northeast of the Company's Montes Áureos Project. The acquisition of the Trinta Project was completed by amendment to the terms of the mineral property option and joint venture agreement relating to the Montes Áureos Project dated effective September 30, 2010 (the "Montes Áureos Agreement"). The Trinta Project is subject to the option terms of the Montes Áureos Agreement. In addition to its previously disclosed obligations under the Montes Áureos Agreement, the Company is responsible for the annual land fees payable to the DNPM with respect to the Trinta Project.

During the years ended November 30, 2011 and 2012, the Company continued to conduct its previously disclosed exploration programs with the objective of identifying drill-ready targets. As disclosed in the Company's news release dated April 26, 2012, a property reconnaissance float, stream sediment, soil and trenching program was completed, comprising 1,328 samples. As a result, three target areas with gold soil anomalies have been identified. Follow-up work completed in one of the areas confirmed the presence of mineralization associated with quartz veining in a foliated granitoid. Grab samples from quartz float returned high-grade gold results including 20 g/t gold and 12.5 g/t gold, with the highest returning 60 g/t gold.

Government geophysical surveys from the district show the mineralisation to be coincident with linear NNW-SSE magnetic highs and such highs will be the focus of follow up exploration in 2013. The western geophysical anomaly extends north-south for approximately 5 kilometers, and the eastern anomaly extends for approximately 9 kilometers.

Apa High Project

On October 4, 2012, the Company announced that it acquired through its wholly owned Paraguayan subsidiary, a mineral concession from the Republic of Paraguay, covering 198,068 hectares (489,426 acres) in Concepcion State, Paraguay, (the "Apa High Project"). The Apa High Project area is contiguous with the Brazilian border and is located along the southern extension of the Cuiaba Gold Belt, Mato Grosso State Brazil.

In the Brazilian portion of the Cuiaba Belt, also known as Apa Shield, there are a number of well-known large and mid-size mining companies exploring for gold and base metal deposits, including Votorantim (Nickel), Kinross (Gold) and MMX (Copper).

The Apa High Project area contains one of the two exposed areas in Paraguay where Precambrian-age rocks occur and it is believed that this package of rocks may be prospective for gold mineralization. To the Company's knowledge, the only mining company to have explored in this area is Yamana Gold Inc. which initiated gold exploration at Apa High in the mid-1990s, however, much of the Apa High Project area remains underexplored.

Company geologists have compiled and reviewed available exploration data and geological literature. A structural interpretation study of the Apa High Project was developed through available Landsat imagery to locate prospective target areas for reconnaissance field mapping sampling and geochemical analysis. A geochemical analysis of rock and stream sediment campaign is planned on detected targets zone.

The area was acquired by the Company through Resolution 1692 issued by the Paraguayan Ministry of Public Works and Communication ("MOPC"), which includes the Vice Ministry of Mines and Energy. The resolution allows the Company to conduct initial prospecting and exploration activities over the concession area for a period of eight years subject to acquiring the required licenses.

The Company will need an environmental license through the Secretary of Environment and pay annual land fees to the MOPC in order to conduct exploration activities and maintain the Apa High Project in good standing respectively.

Artulândia Project

On December 8, 2011, the Company announced that its wholly-owned subsidiary Brasil Desenvolvimentos Minerais Ltda. entered into an option agreement (the "Artulândia Option Agreement") to acquire a 100%-interest in the 12,000 acre Artulândia Property located in Goiás State, Brazil. The Artulândia Property is adjacent to the Company's 247,000 acre Pireneus Project.

In a news release dated April 26, 2012, Brazil Resources announced the first results of a geochemical sampling program at Artulândia and identified eight target areas (ART-1 to ART-8) with elevated copper, gold, lead, zinc and silver values with rock grab sample results of up to 1.2 g/t gold, 0.7% copper and greater than 2% lead-zinc in separate samples.

Since May 2012, follow-up geochemical sampling and detailed geological mapping programs have been completed on target areas ART-1 and ART- 5. In addition a geophysical IP/Mag ground survey and a trenching program has been completed at ART-1. To date, as disclosed in the Company's news release dated September 6, 2012, assay results are available for a total of 603 rock grab samples, 1,581 soil samples and 62 stream sediment collected from target areas ART-1 and ART-5.

The geophysical survey acquisition data was performed by Fugro Geophysics, and interpretation was conducted by Reconsult Geofisica. The IP-resistivity survey comprised 7.65 line kilometers, and the magnetics survey comprised 23.35 line kilometers. The grid lines were oriented north-south and each line was 100 meters apart.

Follow-up work on target ART-1 confirmed new mineralized outcrops, with increased copper values of up to 0.81%, gold values of up to 2.3 g/t and silver values of up to 344 g/t, plus additional anomalies of lead-zinc. The geophysical survey identified a main IP anomaly trending along strike for approximately 400m, which coincides with the geochemically defined gold-copper zone identified by previous soil and rock chip sampling. Geochemical sampling indicates that the mineralization extends for an additional 600m to the east of the main IP anomaly (Targets ART-2 and ART-3).

A continual 50m chip channel sample analyzed at 1m intervals from trench 2 on target ART-1, returned 0.21% copper over 50m including 19m at 0.33% copper. In addition, two gold zones returned 16m at 0.41 g/t gold and 9m at 0.45 g/t gold. The true width and extension of the mineralization on targets ART-1, ART-2 and ART-3 is yet to be determined.

Target ART-5 is a new mineralized zone located approximately 750m NE of target area ART-1 and has been discovered comprising gossans trending along strike for approximately 700m. These gossans are similar to those found at target area ART-1. A total of 50 rock geochemical samples collected from target area ART-5 returned elevated zinc (up to 13.8%) , lead (up to 2.17%) , silver (up to 301 g/t) , copper (0.1%- 0.3%) and minor gold in separate samples.

The Artulândia Project is in the early stages of exploration and, therefore, more work, including drilling, mapping and geochronology is required to fully realize its potential and understand the geological model of this new polymetallic discovery in Goias state.

The two mineralized zones identified to date are located on terrains of meta-volcanic units that surround large intrusive granitoids. A VMS like model has been suggested based on some petrographic studies, but porphyry like mineralization is not discarded. Please refer to the Company's news release dated December 11, 2012 for further information regarding the above exploration work and results at the Artulândia Project.

The Company plans to execute additional trenching and a diamond drill program to investigate the geophysical/geochemical targets identified on target area ART-1 and ART-5.

The remaining six geochemical targets that have been outlined will be investigated by additional rock sampling and mapping.

Pireneus Project

On November 29, 2011, the Company announced it had staked 247,000 acres covering the Pireneus region in Goias State, Brazil. The project area is located approximately 150 kilometers west of Brasilia and contains several occurrences of historic artisanal gold mining operations.

Goias State is a gold-producing district in Brazil with increasing production from the Kinross-Anglogold Ashanti Crixas Mine and Yamana Gold's Chapada Mine. The Company has identified areas of initial interest based on geophysical surveys and regional geochemical sampling. A regional exploration program, which will include mapping, stream sediment sampling and soil sampling, will be conducted on these areas upon obtaining the requisite exploration license.

The staked area is being acquired by the Company through an application to the DNPM for a new exploration license, which has priority. The Company is waiting for publication of the exploration licenses to initiate the work program proposed for the Pireneus Project. The DNPM has advised that it will not be publishing new exploration licences until potential changes under the country's proposed new mining regulations are more clearly defined. The initial term of the exploration license is three years from the date of official publication. Under the terms of the license, in addition to its exploration programs and other requirements under the license and applicable law, the Company will be responsible for annual land fees.

The first phase of work on the Pireneus Project is expected to consist of regional stream sediment sampling program and mapping to define target areas for further follow-up work.

Maua Project

On September 15, 2011, the Company announced the acquisition of the 24,678 acre Maua Project located approximately 2.5 kilometers west of the Company's Montes Áureos Project. The acquisition represented the Company's third acquisition in the Gurupi Gold Belt, and increased its total land package in the Gurupi Gold Belt to 53,263 acres. The Maua Project was acquired through an application to the DNPM for a new exploration license. The Company's initial $120,000 exploration program at the Maua Project includes geological mapping and geochemical reconnaissance sampling over the entire property, with detailed soil sampling over a selected area.

During the year ended November 30, 2011, a reconnaissance Heavy Mineral Concentrate ("HMC") sampling program was initiated and completed at the Maua Project. Results from the program have confirmed the presence of two areas with gold anomalous results inside the property. These areas may be further investigated in 2013 by detailed HMC and soil sampling work programs with the objective of delineating initial drill targets.

Selected Financial Information

The following tables set out selected financial information with respect to the Company's financial position as at and for the periods indicated. The financial data is derived from the Company's audited annual consolidated financial statements, which are prepared in accordance with IFRS. The Company has not realized any significant revenues in any of such financial periods.

		For the years ended November 30,	
	2012	2011	2010
Net loss for the period ($)	4,537,369	3,146,707	674,779
Net loss per share, basic and diluted ($)	0.11	0.09	0.08
Weighted average number of shares Outstanding, basic and diluted	39,700,066	33,331,706	8,773,165

	As at November 30, 2012 ($)	As at November 30, 2011 ($)	As at November 30, 2010 ($)
Cash and cash equivalents	5,520,141	5,962,909	6,162,062
Working capital	5,222,923	5,702,387	6,160,352
Total assets	17,300,152	6,332,194	6,319,399
Total current liabilities	596,460	386,718	134,047
Total non-current liabilities	204,851	-	-
Shareholders' equity	16,498,841	5,945,476	6,185,352

The Company did not declare any dividends during the years ended November 30, 2012, 2011 and 2010.

Results of Operations

Three months ended November 30, 2012 compared to the three months ended November 30, 2011

During the three months ended November 30, 2012, the Company recorded a net loss of $1,214,498 as compared to a net loss of $1,455,310 for the same period in 2011. Significant accounts and changes in the quarter are as follows:

- General and administration expenses $291,779 (2011: $157,281) – increased due to the expansion of the Company's operations, specifically with respect to corporate development, office administration, investor relations, travel and insurance costs.

- Exploration expenses $331,867 (2011: $586,596) – decreased due to the completion of the Phase 1 drilling program at Montes Áureos.

- Directors' fees and salaries and benefits $186,867 (2011: $125,807) – increased due to hiring of a number of employees for the Cachoeira Project and increases in director fees.

- Consulting fees $167,181 (2011: $170,851) – remain consistent with the three months ended November 30, 2011.

- Share-based compensation $104,931 (2011: $279,519) – decreased due to a reduced number of stock options granted during the three months ended November 30, 2012.

- Project evaluation expenses $73,176 (2011: $85,693) – decreased due to a reduced number of potential acquisitions being reviewed by the Company during the three months ended November 30, 2012.

- Professional fees $68,799 (2011: $58,798) – increase due to additional audit and tax work for the Company operations.

Year ended November 30, 2012 compared to the year ended November 30, 2011

During the year ended November 30, 2012, the Company recorded a net loss of $4,537,369 as compared to a net loss of $3,146,707 for the year ended November 30, 2011. Significant accounts and changes in the year ended November 30, 2012 are as follows:

- Exploration expenses $1,441,200 (2011: $989,577) – increased due to an increased number of projects held by the Company.

  Exploration expenditures on a project basis were as follows for the periods indicated:

	For the years ended		For the period from incorporation, September 9, 2009, to
	November 30, 2012 ($)	November 30, 2011 ($)	November 30, 2012 ($)
Cachoeira	179,935	-	179,935
Montes Áureos	492,739	856,402	1,600,559
Trinta	71,226	81,573	152,799
Apa High	12,498	-	12,498
Artulândia	654,773	-	654,773
Pireneus	10,709	21,167	31,876
Maua	19,320	30,435	49,755
Total	1,441,200	989,577	2,682,195

- General and administration expenses $1,038,239 (2011: $575,954) – increased due to the expansion of the Company's operations in the year ended November 30, 2012, specifically with respect to corporate development, office administration, investor relations, travel and insurance costs.

- Share-based compensation $635,332 (2011: $491,867) – increased due to the fair value of the options granted in the fiscal year 2011 and 2012 were recognized as expense during the year ended November 30, 2012.

- Consulting fees $555,465 (2011: $362,516) – increased due to an increase of services rendered with respect to the Company's exploration activities and various administrative and corporate functions in Brazil and Canada.

- Directors' fees and salaries and benefits $558,737 (2011: $231,118) – increased due to an increase in directors fees and management salaries.

- Project evaluation expenses $241,307 (2011: $267,531) – decreased due to a reduced number of project reviews undertaken by the Company.

- Professional fees $145,491 (2011: $252,790) – decreased due to reduced accounting, tax, legal and advisory services provided, compared to 2011 when the Company completed its initial public offering.

Summary of Quarterly Results

For the quarter ended	Revenues	Net loss ($)	Basic and diluted net loss per share ($)
November 30, 2012	-	1,214,498	0.03
August 31, 2012	-	915,665	0.02
May 31, 2012	-	1,030,936	0.02
February 29, 2012	-	1,376,270	0.04
November 30, 2011	-	1,455,310	0.04
August 31, 2011	-	1,031,275	0.03
May 31, 2011	-	413,541	0.01
February 28, 2011	-	246,581	0.01

The net loss during the fourth quarter of 2012 was higher than the third quarter of 2012, mainly as a result of the Cachoeira Project acquisition and related project expenditures. The net loss incurred by the Company increased during the fiscal year ended November 30, 2012 primarily as a result of expenses incurred by the Company in connection with the acquisition and exploration of the Cachoeira and Artulândia projects, due diligence conducted on projects deemed to be potential acquisitions and the overall increase in the Company's activities during the year ended November 30, 2012.

Liquidity and Capital Resources

At November 30, 2012, the Company had $5,520,141 in cash and working capital of $5,222,923. During the year ended November 30, 2012, net cash flows decreased by $442,768 compared to a decrease of $199,153 during the year ended November 30, 2011.

Operating Activities

Net cash used in operating activities during the year ended November 30, 2012 was $4,194,408 compared to $2,392,705 during the year ended November 30, 2011. Significant operating expenditures during the current year included mineral property expenditures, general and administrative expenses, and professional and consulting fees.

Investing Activities

Net cash used in investing activities during the year ended November 30, 2012 was $948,815 compared to $81,796 during the year ended November 30, 2011. The increase was primarily due to the Company's acquisition of additional mineral properties during the year ended November 30, 2012.

Financing Activities

Net cash provided by financing activities during the year ended November 30, 2012 was $4,700,455 compared to $2,275,348 during the year ended November 30, 2011. On December 28, 2011, the Company closed a Private Placement of 4,324,136 BRI Shares at a price of $1.10 per BRI Share for gross proceeds of $4,756,550 (net cash proceeds of $4,493,877 after the Company paid commissions of $246,213 in connection with the Private Placement).

Stock Options

At November 30, 2012, 2,003,750 stock options were outstanding. The outstanding stock options have a weighted average exercise price of $1.22 per share. As at November 30, 2012, outstanding stock options issuable for gross proceeds of approximately $2,436,000 should these options be exercised in full. At November 30, 2012, outstanding, in-the-money stock options were exercisable into 150,000 BRI shares issuable for gross proceeds of approximately $135,000 should these options be exercised in full. The exercise of these stock options is at the discretion of the respective holders and, accordingly, there is no assurance that any of these stock options will be exercised in the future.

Prospectus Financing

On May 12, 2011, the Company completed its initial public offering, raising gross proceeds of $2,470,000. The following table sets out the estimated use of the net proceeds of the initial public offering and the Company's working capital as at March 31, 2011 as disclosed in the Company's prospectus dated April 21, 2011 (the "IPO Prospectus") and actual amounts spent between March 31, 2011 and November 30, 2012.

	As disclosed in the IPO Prospectus ($)	From March 31, 2011 to November 30, 2012 ($)
Proposed exploration program for the Montes Áureos Project	4,783,000	1,320,049
General and administrative expenses	900,000	1,343,525(1)
Expenses of the Offering	120,000	105,875
Reserve fund for future acquisition of mining claims/concessions	1,880,000	2,564,778(2)
General working capital purposes	514,100	80,794
Total	8,197,100(3)	5,415,021

(1) Represents actual expenditures between March 31, 2011 and March 31, 2012 as the estimated general and administrative expenses disclosed in the IPO Prospectus were for a twelve month period. General and administrative expenses exceeded prospectus estimates due to an increase in corporate development and geological consulting fees, expansion of its staff due to the acquisition of certain properties as well as investor relations fees as a result of increased activities of the Company subsequent to the Offering.

(2) The reserve fund for future acquisitions of mineral properties, claims and/or concessions exceeded estimates due to the acquisitions of the Cachoeira, Artulândia and Apa High projects.

(3) Represents the estimated net proceeds disclosed in the IPO Prospectus, being $2,297,100 and the working capital of the Company as at March 31, 2011, being $5,900,000. The actual net proceeds realized under the Offering after all share issue costs were $2,272,464.

Contractual Obligations

I. Mineral Properties Obligations

On September 24, 2012, the Company acquired 100% of the issued and outstanding shares of BRI International Corp. (formerly Luna Gold (International) Corp.), which holds an indirect 100% interest in the Cachoeira Project through its subsidiaries. The Company paid $500,000 cash and issued 1,428,000 BRI Shares to Luna at closing. Pursuant to the Cachoeira Agreement, the following additional payments are to be made by the Company to Luna:

- $300,000 cash and 1,214,000 BRI Shares within 12 months of closing the transaction;
- $300,000 cash and 1,214,000 BRI Shares within 30 days of receipt of approval of a mine development plan by the DNPM and the environmental preliminary licenses for a gold mining operation relating to the Cachoeira Project;
- $2,500,000, payable in cash or BRI Shares, at the Company's sole discretion, upon commencing mine construction at the Cachoeira Project, consisting of completion of $500,000 of expenditures towards such construction; and
- $3,000,000, payable in cash or BRI Shares, at the Company's sole discretion, one year after achieving commercial production at the Cachoeira Project.

Notwithstanding the foregoing milestones, all of the payments from the Company to Luna will become due and payable four years after the closing date of the transaction. Any discretionary share-based payments will be valued based on the volume weighted average trading price of the BRI Shares for the 10 days prior to such payment.

In addition, the Cachoeira Project is subject to a 4.0% net smelter royalty payable by our subsidiary on future production to third parties. If production is not achieved at the Cachoeira Project by March 10, 2014, a US$300,000 per year payment in lieu of the royalty will be payable to the third parties until such time as production is achieved at the Cachoeira Project.

Pursuant to the Montes Áureos Agreement, the Company has the option to acquire an initial undivided 51% interest in the Montes Áureos and Trinta Projects over a three year period, from September 30, 2010 to September 30, 2013. The initial option commitments under the Montes Áureos Agreement are as follows:

(1) a cash payment of US$25,000 within seven calendar days of September 30, 2010 (paid);

(2) share issuances of 325,000 BRI Shares in the following manner:
   (a) 125,000 BRI Shares on or before September 30, 2011 (issued with fair value of $142,500);
   (b) 100,000 additional BRI Shares on or before September 30, 2012 (issued with fair value of $104,000); and
   (c) 100,000 additional BRI Shares on or before September 30, 2013;

(3) incur exploration expenditures totalling US$1,750,000 in the following manner:
   (a) US$250,000 of the expenditures on or before September 30, 2011 (incurred);
   (b) US$500,000 of additional expenditures on or before September 30, 2012 (incurred); and
   (c) US$1,000,000 of additional expenditures on or before September 30, 2013 (partially incurred);

(4) make all necessary payments in order to keep the Montes Áureos and Trinta Projects in good standing during the term of the Montes Áureos Agreement.

The Company has the option (the "Second Option") to earn an additional undivided 46% interest in the Montes Áureos and Trinta Projects over a two year period, from September 30, 2013 to September 30, 2015. Additional option payments are as follows:

(1) a cash payment of US$1,000,000 on or before September 30, 2015;

(2) share issuances of 700,000 BRI Shares in the following manner:
    (a) 200,000 BRI Shares on or before September 30, 2014; and
    (b) 500,000 additional BRI Shares on or before September 30, 2015;

(3) incur exploration expenditures to a maximum of US$3,000,000 on or before September 30, 2015, in the following manner:
    (a) US$1,000,000 of the expenditures on or before September 30, 2014; and
    (b) the lesser of either US$2,000,000 of additional expenditures or an amount of expenditures as may be required in order for the Company to obtain a feasibility study respecting any of the interests comprising the Montes Áureos and Trinta projects on or before September 30, 2015.

Upon the Company's exercise of the Second Option, Apoio Engenharia e Mineração will have a 3% carried interest in the expenditures until such time as a positive feasibility study is completed. Thereafter, either party may elect to dilute their interest in accordance with the terms and conditions of the Montes Áureos Agreement. If such dilution reduces a party's interest below 3%, the interest will convert to a 1.5% net smelter return royalty.

Pursuant to the Artulândia Option Agreement respecting the Company's Artulândia Property, a wholly-owned subsidiary of the Company was granted the option in consideration for an initial payment of approximately R$100,000 ($57,000). Under the option, the Company may acquire a 100% interest in the mineral licences underlying the Artulândia Property by making additional payments of approximately: (i) R$50,000 ($25,000) within 6 months (paid); and (ii) R$200,000 ($100,000) within 12 months (paid on December 3, 2012) of the date of the Artulândia Option Agreement. If the option is exercised, an additional R$1,000,000 ($500,000) will be payable by the Company upon completion of a positive NI 43-101-compliant pre-feasibility study.

II. General and Administration Obligations

The Company has entered into consulting and corporate development agreements, which require the Company to pay the following amounts for the following period:

2013	$ 118,040
Total	$ 118,040

The Company is renting or leasing various offices located in Canada and Brazil with total monthly payments of $4,612. Office lease agreements expire between June 2013 and October 2013.

Future Liquidity

Based upon the current work program on the Company's projects, management believes that available cash will be adequate to meet its ongoing liquidity needs in the short-term and over the next year. Future expansion, including the acquisition of mineral properties or interests, may require additional financing, which the Company may obtain through equity and/or debt financing.

The Company's ability to meet its obligations and finance exploration and development activities over the long-term depends on its ability to generate cash flow through the issuance of BRI Shares pursuant to private placements and short-term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity of the BRI Shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms or at all.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Transactions with Related Parties

Related Parties Transactions

During the year ended November 30, 2012, the Company had the following transactions with related parties:

- incurred $36,330 (2011: $24,481) in general and administrative expenses related to website design, hosting services and marketing services paid to a company controlled by a direct family member of a director; and
- incurred $8,000 (2011: $nil) in consulting fees paid to a direct family member of a director for corporate development services.

The balance due to related parties of $7,182 as at November 30, 2012 (2011: $2,884) relates entirely to amounts due to a company controlled by a direct family member of a director, and was unsecured, interest-free and repayable on demand.

Transactions with Key Management Personnel

	For the year ended	
	November 30, 2012 ($)	November 30, 2011 ($)
Fees, salaries and benefits[1]	320,868	64,917
Share-based compensation	217,443	168,575
Total	538,311	233,492

(1) Total Directors' fees, salaries and benefits of $558,737 disclosed on the consolidated statement of comprehensive loss includes $162,618 paid to the Company's Chief Executive Officer and Chief Financial Officer, $158,250 paid to the Company's directors, and $237,869 paid for employees' salaries and benefits.

Total compensation payable, including share-based compensation, to members of management and directors in the year ended November 30, 2012 was $538,311 (2011: $233,492). Compensation is comprised entirely of employment and similar forms of remuneration. Management includes the Chief Executive Officer and Chief Financial Officer, who are also directors of the Company.

International Financial Reporting Standards

The Company's consolidated financial statements have been prepared in accordance with and using the accounting policies in full compliance with IFRS issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended November 30, 2012.

Significant Accounting Policies

Basis of consolidation

The consolidated financial statements include the financial statements of Brazil Resources Inc. and its wholly controlled subsidiaries. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-company transactions, balances, income and expenses are eliminated through the consolidation process.

Foreign currencies

The reporting currency of the Company and its subsidiaries is the Canadian dollar. The functional currency of the Company is the Canadian dollar and the functional currency of its subsidiaries in Brazil is the Brazilian Real and its subsidiary in Paraguay is the US dollar. Foreign operations are translated into Canadian dollars using period end exchange rates as to assets and liabilities and average exchange rates as to revenues and expenses. All resulting exchange differences are recognized in other comprehensive income.

Mineral exploration, evaluation and development expenditures

All direct costs related to the acquisition of the exploration rights are capitalized on a property-by-property basis. The Company assesses the carrying costs for impairment when indicators of impairment exist. Exploration and evaluation expenditures are charged to operations incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and evaluation costs and the costs incurred to develop a property are capitalized into mineral properties. On the commencement of commercial production, depletion of each mineral property will be provided on a unit-of-production basis using estimated reserves as the depletion base.

Mineral property option agreements

When the Company acts as the farmee in a farm-in mineral property option agreement, the direct costs to enter into the agreement are capitalized to exploration and evaluation assets. All exploration and evaluation expenditure incurred by the Company in fulfilling the terms of the agreement is expensed as incurred, until such time as the option is exercised or lapses.

When the Company acts as the farmor in an agreement, it does not record any expenditure made by the farmee. It does not recognize any gain or loss on its exploration and evaluation farm out mineral property option agreements, and instead records any proceeds received as a credit to the amounts previously capitalized as mineral property acquisition costs. Any amounts received in excess of amounts capitalized are taken as a gain to the consolidated statement of comprehensive loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount, net of depreciation, that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Share-based compensation

The Company grants stock options to certain directors, employees, and consultants of the Company. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The Company uses the Black-Scholes option-pricing model to determine the grant date fair-value of share-based awards.

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes, provides services that could be provided by a direct employee, or has authority and responsibility for planning, directing and controlling the activities of the Company, including non-executive directors. The fair value is measured at grant date and recognized over the period during which the options vest.

For consultants, the fair value of the award is recorded in income over the term of the service provided, and the fair value of the unvested amounts are revalued at each reporting period over the service period.

Consideration received on the exercise of stock options is recorded as issued capital and the related share-based compensation reserve is transferred to issued capital.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant estimates relate to valuation of recoverability of other receivables, asset impairment testing and valuation of share-based compensation and warrants.

The most significant judgments relate to the recognition of deferred tax assets and liabilities and the determination of the economic viability of a project.

Changes in accounting policy and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendment to IFRS effective as of December 1, 2011:

IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but no derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associates with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011. The Company does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements.

Standards issued but not yet effective

At the date of approval of the consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective. The standards, amendments and interpretations issued, which the Company reasonably expects to be applicable at a future date, are listed below. The Company intends to adopt those standards, amendments and interpretations when they become effective. The Company expects no material impact from the adoption of these standards, amendments and interpretations on its financial position or performance.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The Company has not evaluated the impact of the adoption of the new standard.

IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after January 1, 2012. The Company has not evaluated the impact of the adoption of the new standard.

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Company does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after January 1, 2013. The Company has not evaluated the impact of the adoption of the new standard.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after January 1, 2013. The Company has not evaluated the impact of the adoption of the new standard.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but *Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures*, issued in December 2011, moved the mandatory effective date to January 1, 2015. The Company has not evaluated the impact of the adoption of the new standard.

IFRS 10 Consolidated Financial Statements

IFRS 10 establishes control as the basis for an investor to consolidate its investees; and defines control as an investor's power over an investee with exposure, or rights, to variable returns from the investee and the ability to affect the investor's returns through its power over the investee. It replaces SIC-12 – Consolidation – Special Purpose Entities and the requirements relating to consolidated financial statements in IAS 27 – Consolidated and Separate Financial Statements. This standard becomes effective for annual periods beginning on or after January 1, 2013. The Company has not evaluated the impact of the adoption of the new standard.

IFRS 11 Joint Arrangements

IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. It requires that a joint operator recognize and measure the assets, liabilities, revenues and expenses in relation to its interest in the joint arrangement in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses, while a joint venturer recognizes its investment in a joint arrangement using the equity method. This standard becomes effective for annual periods beginning on or after January 1, 2013. The Company has not evaluated the impact of the adoption of the new standard.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 is a new standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purposes vehicles and other off balance sheet vehicles. The standard becomes effective for annual periods beginning on or after January 1, 2013. The Company has not evaluated the impact of the adoption of the new standard.

IFRS 13 Fair Value Measurement

IFRS 13 establishes new guidance on fair value measurement and disclosure requirements. It requires entities to disclose information about the valuation techniques and inputs used to measure fair value. This standard is effective for annual periods beginning on or after January 1, 2013. The Company has not evaluated the impact of the adoption of the new standard.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation

is effective for annual periods beginning on or after January 1, 2013. The Company has not evaluated the impact of the adoption of the new standard.

Financial Instruments and Risk Management

The Company's financial assets include cash and other receivables. The Company's financial liabilities include accounts payable and accrued liabilities, due to related parties and current and long-term obligations. The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs have a significant effect on the recorded fair value which are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table sets forth the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy. As at November 30, 2012, those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement.

	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Financial Assets				
Cash	5,520,141	-	-	5,520,141
Other receivables	141,681	-	-	141,681
Financial Liabilities				
Account payables and accrued liabilities	316,551	-	-	316,551
Due to related parties	7,182	-	-	7,182
Current portion of long-term obligations	-	272,727	-	272,727
Long-term obligations	-	204,851	-	204,851

Financial risk management objectives and polices

The financial risk arising from the Company's operations are currency risk, credit risk, liquidity risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how the Company mitigates these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Company's operating expenses and acquisition costs are denominated in U.S. dollars, the Brazilian Real and Canadian dollars. The exposure to exchange rate fluctuations arises mainly on foreign currencies against the Company's functional currency, being the Canadian dollar. The Company does not have any significant foreign currency denominated monetary liabilities.

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations; however, Management monitors foreign exchange exposure.

The Canadian dollar equivalents of the Company's foreign currency denominated monetary assets are as follows:

	As at November 30, 2012 ($)	As at November 30, 2011 ($)
Assets		
United States Dollar	33,582	14,443
Brazilian Real	153,804	51,774
Total	187,386	66,217

The following table demonstrates the sensitivity to a 5% change in the exchange rate of the foreign currencies to Canadian dollar on the Company's foreign currency denominated financial instruments based on balances at November 30, 2012 and 2011.

	Effect on loss for the year ended November 30, 2012 Increase/(Decrease) ($)	Effect on loss for the year ended November 30, 2011 Increase/(Decrease) ($)
+5%	9,369	3,311
- 5%	(9,369)	(3,311)

Interest rate risk

The Company is not exposed to interest rate risk as the Company has no outstanding debt or short and long-term investments. As such, the Company has not entered into any derivative instruments to manage interest rate fluctuations.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the Company's bank balances, the harmonized sales tax receivable ("HST") and refundable cash advances towards contemplated transactions.

The Company mitigates credit risk associated with its bank balance by only holding cash with large, reputable financial institutions.

The HST receivable includes amounts that have been accumulated to date in the Company. At November 30, 2012, 100% of the HST receivable was due from the Canadian Government Taxation Authority.

When entering into property acquisition agreements, the Company uses industry standard agreements and initial payments or advances prior to closing of transactions are meant to be refundable in the event completion of a transaction is not attained. Furthermore, deposit amounts are kept to a minimum in order to mitigate any credit risk associated with a pending transaction.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. To manage liquidity risk, the Company closely monitors its liquidity position and ensures it has adequate sources of funding to finance its projects and operations. The directors of the Company are of the opinion that, taking the Company's cash reserves and external financial resources into account, the Company has sufficient working capital for its present obligations for at least the next twelve months commencing from November 30, 2012.

The Company's working capital as at November 30, 2012 was $5,222,923. The Company's other receivables, deposits, accounts payable and accrued liabilities and due to related parties are expected to be realized or settled, respectively, within a one year period.

Commodity price risk

The Company's profitability is dependent on prices of the minerals it is able to realize. Mineral prices are affected by numerous factors such as interest rates, exchange rates, inflation or deflation and global and regional supply and demand. The Company currently has no mines in production and therefore has limited exposure to commodity price risk.

Outstanding Share Data

The Company's authorized capital consists of an unlimited number of common shares.

The following table sets out the outstanding share data of the Company as at March 22, 2013:

	Number Outstanding
BRI Shares	41,330,147
Options to purchase BRI Shares(1)	2,023,333

(1) 300,000 options are exercisable until July 21, 2016 at a price of $1.30 per BRI Share; 1,150,000 options are exercisable until October 3, 2016 at a price of $1.20 per BRI Share; 105,000 options are exercisable until October 11, 2016 at a price of $1.20 per BRI Share; 15,000 options are exercisable until January 11, 2017 at a price of $1.30 per BRI Share; 150,000 options are exercisable until February 7, 2017 at a price of $1.50 per BRI Share; 63,333 options are exercisable until April 23, 2017 at a price of $1.20 per BRI Share; 150,000 options exercisable until June 22, 2017 at a price of $0.90 per BRI share; 40,000 options exercisable until January 8, 2018 at a price of $1.03 per BRI share, 25,000 options exercisable until February 15, 2018 at a price of $1.10 per BRI share; and 25,000 options exercisable until March 1, 2018 at a price of $1.10 per BRI share.

Risk Factors

The following risk factors, as well as risks not currently known to the Company could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from estimates described in forward-looking statements relating to the Company. You should carefully consider the risk factors set out below.

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on the Company's mineral projects. Development of the Company's projects, including the Cachoeira Project, will only follow upon obtaining satisfactory results. Exploration for and the development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Further, the Company is subject to many risks common to mineral exploration companies, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance the Company will be successful in achieving a return on shareholder's investment and the likelihood of success must be considered in light of its early stage operations.

Exploration, Development and Operating Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

Acquisition of Additional Mineral Properties

In order to grow its business, the Company may seek to acquire additional mineral interests or merge with or invest in new companies or opportunities. A failure to make acquisitions or investments may limit the Company's growth. In pursuing acquisition and investment opportunities, the Company faces competition from other companies having similar growth and investment strategies, many of which may have substantially greater resources than the Company. Competition for these acquisitions or investment targets could result in increased acquisition or investment prices, higher risks and a diminished pool of businesses, services or products available for acquisition or investment. Additionally, if the Company loses or abandons its interest in any of its mineral projects, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved applicable regulators.

Commercial Ore Deposits

The Cachoeira Project and the Company's other mineral interests are in the exploration stage and are without known bodies of commercial ore. Development of our mineral projects would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Such occurrences could result in damage to mineral properties or facilities thereon, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also

be unable to maintain insurance to cover certain risks at economically feasible premiums. In addition, insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. As a result, the Company may become subject to liability for pollution or other hazards that may not be insured against. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Permits and Government Regulations

The future operations of the Company may require permits from various governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary licences, permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on any of its properties.

Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its exploration activities are currently carried out in accordance with all of the applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail the production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or a more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, the installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may be subject to civil or criminal fines or penalties for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or a more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to

ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

Presence of Artisanal Miners

Artisanal mining is currently present at some or all of the Company's mineral properties. Such artisanal miners have the potential to delay and/or interfere with work on the Company's projects and may present a potential security threat to employees and operations. The Company has a policy of maintaining good relations with the local communities and the artisanal miners in order to minimize such risks. There are risks that the development of the Company's projects could be delayed due to circumstances beyond the Company's control, including without limitation circumstances relating to the presence of artisanal miners, and any such delays could negatively impact the Company's exploration and development plans, result in additional expenses on its part, or prevent the development of its projects.

Mineral Titles

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its interests in any properties, there is no guarantee that title to any such properties will not be challenged or impaired. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate on such properties as permitted or to enforce its rights with respect to such properties.

Current Global Financial Conditions

The recent events in global financial markets have had a profound impact on the global economy. The volatility in global equities, commodities, foreign exchange, precious and base metals and a lack of market liquidity, may adversely affect the development of the Cachoeira Project. A global credit/liquidity crisis could also impact the cost and availability of financing and the price of the Company's common shares on the TSX-V.

Loss of Interest in Properties

Certain of the Company's mineral projects are subject to option and similar agreements, which require the Company to make cash and/or share payments and to incur exploration and development expenditures in order to maintain and/or earn its interest. The Company's ability to maintain an interest in the Cachoeira Project and its other mineral properties may be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make periodic payments required for the maintenance or acquisition of these properties and could result in a delay or postponement of further exploration and the partial or total loss of the Company's interest in these properties.

Fluctuating Price of Gold

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals such as gold. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. These factors may affect the price of base and precious metals, and, therefore, the economic viability of any of the Company's future exploration projects cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produced economically; technical expertise to find, develop, and operate such properties; labour to operate the properties; and capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop mining properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Dependence on Key Management Personnel, Employees and Consultants

The success of the Company is and/or will be dependent on a relatively small number of key management personnel, employees and consultants. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and future development activities, and hence its success, will depend in large part on the efforts of these individuals. The Company faces intense competition for qualified personnel, and there can be no assurance that the Company will be able to attract and retain such personnel.

Financing Risks

The Company has no history of earnings, and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on the Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially minable deposit exists on any of its properties. While the Company may generate additional working capital through further equity offerings, there is no assurance that any such funds will be available on terms acceptable to the Company, or at all. If available, future equity financing may result in substantial dilution to shareholders. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Foreign Operations

Political and related legal and economic uncertainty may exist in countries where the Company may operate. The Company's mineral exploration and mining activities may be adversely affected by political instability and changes to government regulation relating to the mining industry. Other risks of foreign operations include political unrest, labour disputes, invalidation of governmental orders and permits, corruption, war, civil disturbances and terrorist actions, arbitrary changes in law or policies of particular countries, foreign taxation, price controls, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on gold exports and increased financing costs. These risks may limit or disrupt the Company's projects, restrict the movement of funds or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation.

Presently, the Company's mineral properties are all located in Brazil. While the Company believes that Brazil represents, a favourable environment for mining companies to operate, there can be no assurance that changes in the laws of Brazil or changes in the regulatory environment for mining companies or for non-domiciled companies in Brazil will not be made that would adversely affect the Company. It is also possible that current or future social unrest in Brazil will adversely affect the Company's operations.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Currency Fluctuations

The Company maintains accounts in U.S. and Canadian dollars and Brazilian Reals. While financings have all been conducted in Canadian dollars, the Company conducts its business using all three currencies depending on the location of the operations in question and the payment obligations involved. Accordingly, the results of the Company's operations are subject to currency exchange risks, particularly to changes in the exchange rate between the U.S. and Canadian dollars. To date, the Company has not engaged in any formal hedging program to mitigate these risks. The fluctuations in currency exchange rates, particularly between the U.S. and Canadian dollars, may significantly impact on the Company's financial position and results of operations in the future.

Foreign Subsidiaries and Repatriation of Earnings

The Company conducts its operations through foreign subsidiaries, joint ventures or divisions, and a large portion of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations, could have an adverse impact on the Company's valuation and stock price. There is no assurance that Brazil or any other foreign country in which the Company may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Capital Cost Estimates

Capital and operating cost estimates made in respect of the Company's current and future development projects and mines may not prove to be accurate. Capital and operating costs are estimated based on the interpretation of geological data, feasibility studies, anticipated climatic conditions and other factors. Any of the following events, among the other events and uncertainties described herein, could affect the ultimate accuracy of such estimates: unanticipated changes in grade and tonnage of ore to be mined and processed; incorrect data on which engineering assumptions are made; delay in construction schedules, unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; labour negotiations; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exportation of minerals); and title claims.

Increased Demand for Services and Equipment

Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and could increase potential scheduling difficulties and costs due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs or result in project delays or both. Any such material increase in costs would adversely affect the Company's results of operations and financial conditions.

Joint Ventures

The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition: (i) disagreement with joint venture partners on how to develop and operate mines efficiently; (ii) inability of joint venture partners to meet their obligations under the joint venture or to third parties; and (iii) litigation between joint venture partners regarding joint venture matters.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's mining and project development operations.

Additional Information

Additional information regarding the Company is available on SEDAR at www.sedar.com.