

## Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

### Part I Reporting Issuer

1 Issuer's name <b>Brazil Resources Inc.</b>		2 Issuer's employer identification number (EIN) <b>None</b>	
3 Name of contact for additional information <b>Pat Obara</b>	4 Telephone No. of contact <b>604-630-1000</b>	5 Email address of contact <b>pobara@brazilresources.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>Suite 320, 1111 West Hastings Street</b>		7 City, town, or post office, state, and Zip code of contact <b>Vancouver, BC, Canada V6E 2J3</b>	
8 Date of action <b>November 22, 2013</b>		9 Classification and description <b>Common Shares</b>	
10 CUSIP number <b>105865109</b>	11 Serial number(s) <b>N/A</b>	12 Ticker symbol <b>BRIZF</b>	13 Account number(s) <b>N/A</b>

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On November 22, 2013, Brazil Resources Inc. ("BRI") acquired all of the issued and outstanding common shares of Brazilian Gold Corporation ("BGC") pursuant to an Arrangement Agreement (the "Acquisition"). The BGC shareholders exchanged each of their BGC shares for 0.172 BRI common shares in the Acquisition. The Acquisition is described in the Management Information Circular of BGC dated October 22, 2013 ("Circular"), which is available at [www.sedar.com](http://www.sedar.com).**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **BRI believes that the Acquisition should qualify as a tax-deferred reorganization within the meaning of Code Section 368(a). As a result, each BGC shareholder should generally have a tax basis in the BRI common shares received in the Acquisition equal to such shareholder's aggregate tax basis in the BGC shares surrendered.**

**Certain shareholders may recognize a gain under Section 367. Shareholders that recognized a gain should have a tax basis in the BRI shares received equal to their fair market value at the time of the Acquisition.**

**Even if the Acquisition qualifies as a reorganization under Code Section 368(a), certain special rules would apply if BGC was a passive foreign investment company, as defined under Code Section 1297 (a "PFIC"), for any tax year during which a shareholder held BGC shares. Shareholders should review the Circular and consult with their own tax advisors regarding the U.S. federal income tax consequences of the Acquisition.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **In the event that the Acquisition is taxable, for purposes of calculating fair market value, the fair market value of a BRI common share on November 22, 2013 is estimated at US \$0.64, which was the closing price for BRI shares on the OTCQX on November 21, 2013.**

**Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and what measure of fair market value is appropriate.**

**Part II Organizational Action** (continued)

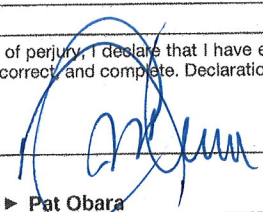
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► BRI believes that its acquisition of BGC pursuant to the Acquisition should qualify as a reorganization with the meaning of Code Section 368(a). Consequently, the U.S. federal income tax consequences of the Acquisition to BGC shareholders should be determined under Code Sections 354, 358, 367, 1001 and 1221.

In addition, if BGC was classified as a PFIC, then Code Sections 1291 - 1298 would be applicable. Shareholders should consult their own tax advisors regarding the application of the PFIC rules.

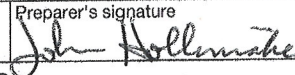
18 Can any resulting loss be recognized? ► If the Acquisition qualified as a reorganization within the meaning of Code Section 368(a), then in general, each BGC shareholder who received BRI common shares in the Acquisition should not recognize any loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► In general, any gain recognized should be reported by shareholders for the tax year which includes November 22, 2013 (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2013 calendar year).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here  
 Signature ►  Date ► MARCH 3, 2014

Print your name ► Pat Obara Title ► CFO and Director

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>John Hollinrake</u>		<u>3 Mar 2014</u>		<u>PO1568530</u>
	Firm's name ► <u>Dorsey &amp; Whitney LLP</u>	Firm's address ► <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104</u>		Firm's EIN ►	<u>41-0223337</u>
				Phone no.	<u>(206)903-8812</u>