(An exploration stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2014

(Expressed in Canadian Dollars unless otherwise stated)

March 30, 2015

BRAZIL RESOURCES INC

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, 2014 should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the years ended November 30, 2014 and 2013, copies of which are available on SEDAR at www.sedar.com. The Company's audited consolidated financial statements for the years ended November 30, 2014 and 2013 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 30, 2015.

Unless otherwise stated, references herein to "$" or "dollars" are to Canadian dollars, references to "US$" 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, President of the Company, 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, receipt of necessary licenses or permits, including extensions thereof, 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; the Company will receive all necessary exploration, mining, environmental or other permits and licenses, including necessary extensions thereof, required to carry out its operations; the Company will be able to renegotiate the terms of the royalty on the Cachoeira Project; 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 the Company may not be able to obtain necessary financing on acceptable terms or at all; 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 or maintain all necessary permits, licenses and approvals on any of its properties, including the Cachoeira Project and São Jorge Project; that environmental laws and regulations may become more onerous; 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; that the Company may not be able to renegotiate the terms of the royalty on the Cachoeira Project as expected or at all; 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.

Business Overview and Overall Performance

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

The Company's principal exploration properties are its Cachoeira and São Jorge gold projects. The Cachoeira gold project (the "Cachoeira Project") is located in Pará State, Brazil in the Gurupi Gold Belt, approximately 250 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 three mining and three exploration licenses covering approximately 5,742 hectares. The São Jorge gold project (the "São Jorge Project") is located 70 kilometers north of the city of Novo Progresso and 30 kilometers south of the town of Morais de Almeida and is accessible by the mostly paved highway BR 163, which provides access to the Santarem port in Pará State. In addition, electricity is available on site, and the Jamanxim River, located 9 kilometers west of the São Jorge Project, can supply sufficient water to the project. The São Jorge Project consists of 11 contiguous exploration licenses and covers approximately 58,500 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" and on the Frankfurt Stock Exchange under the symbol "BSR". 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 Placements

On December 31, 2013, the Company completed a non-brokered private placement (the "2013 Private Placement") of 11,650,620 units of the Company (each, a "Unit") at $0.55 per Unit for aggregate gross proceeds of $6,407,841, with each Unit consisting of one BRI Share and one share purchase warrant (each, a "2018 Warrant"). Each 2018 Warrant entitles the holder thereof to purchase one BRI Share at an exercise price of $0.75 at any time within 60 months from the closing date, subject to acceleration if: (i) at any time after May 1, 2014, the 30 consecutive trading day volume weighted average price of BRI Shares on the TSX-V is $1.50 or greater; and (ii) the 2018 Warrants are not listed on the TSX-V. The 2018 Warrants are listed on the TSX-V under the symbol "BRI.WT". In connection with the 2013 Private Placement, the Company paid cash commissions equal to 7% on a portion of the gross proceeds raised from the sale of the Units to certain arm's length parties in the aggregate amount of $231,761.

On January 6, 2015, the Company completed a non-brokered private placement (the "2015 Private Placement") of 7,399,870 Units of the Company at $0.55 per Unit for aggregate gross proceeds of $4,069,929, with each Unit consisting of one BRI Share and one non-transferrable share purchase warrant (each, a "2020 Warrant"). Each 2020 Warrant entitles the holder thereof to purchase one BRI Share at an exercise price of $0.75 at any time within 60 months from the closing date. In connection with the 2015 Private Placement, the Company paid cash commissions equal to 7% on a portion of the gross proceeds raised from the sale of the Units to certain arm's length parties in the aggregate amount of $132,917.

On January 26, 2015, the Company raised an additional $387,000 pursuant to further subscriptions under the 2015 Private Placement for a further 703,636 Units. The additional subscriptions brought the total aggregate amount of the 2015 Private Placement to $4,456,928 for an aggregate of 8,103,506 Units issued.

BRAZIL RESOURCES INC

<u>Material Properties</u>

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, as amended effective September 24, 2013 (the "Cachoeira Agreement"). Pursuant to the Cachoeira Agreement, 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.

On March 4, 2013, Brazil Resources announced the results of an updated NI 43-101 mineral resource estimate on the Cachoeira Project, which was completed by Tetra Tech, Inc. ("Tetra Tech"), an independent engineering consulting firm based in Vancouver, Canada. The Tetra Tech estimate included the following mineral resource estimates for the Cachoeira Project using a 0.35 g/t cut-off grade:

- 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 (563,200 ounces).

For further information regarding the Cachoeira Project and the above resource estimates, readers should refer to the technical report (the "Cachoeira Technical Report") titled "Technical Report on the Cachoeira Property, Pará State, Brazil" with an effective date of April 17, 2013 and amended and restated as of October 2, 2013, which is available under the Company's profile on SEDAR at www.sedar.com. The Cachoeira Technical Report 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 under NI 43-101.

In the first quarter of 2013, the Company initiated the environmental licensing process for the Cachoeira Project in order to obtain a Preliminary Environmental License from the Brazilian regulatory agency Secretaria de Estado de Meio Ambiente/Pará ("SEMA"). The Company selected Arcadis-Logos, a consulting firm, to complete certain environmental studies in connection with the preparation of an Environmental Impact Assessment Report ("EIA/RIMA"), which was submitted to authorities in connection with the environmental licensing process during the three months ended February 28, 2014.

On September 3, 2014, by means of a public notice in the Official Gazette of Pará, SEMA published a statutory term of 45 days in order that interested parties could review the EIA/RIMA submitted in support of the environmental license for the Cachoeira Project. On December 19, 2014, a public hearing for the Cachoeira Project environmental license application was held in Cachoeira do Piriá. The public hearing was the last step required by the Company prior to SEMA's final review for the approval of the Preliminary Environmental License. The public hearing was well attended with the presence of more than 700 community members and was validated by SEMA for the purpose of the continuation of the analysis of the licensing process. The Company awaits SEMA's final decision, which the Company currently expects within the next six months. The Company intends to continue to follow the process very closely with SEMA until its final approval.

The Company continues negotiations to acquire mine servitudes and surface rights in the area encompassing the Arara, Coruja and Tucano deposits.

During the year ended November 30, 2014, the Company incurred $1,332,844 of expenditures on the Cachoeira Project, which included expenditures for exploration, socio-economic, environmental and permitting activities and payments in lieu of a royalty.

In the third quarter of 2014, results from metallurgical tests (gravity, flotation, and concentrate leaching) completed at three different labs (SGS-GEOSOL, METAGO and GEKKO) have confirmed gold recoveries of up to 80% in

primary ore samples from the Tucano deposit and recoveries of up to 95% from oxidized ore (saprolite) samples from the Arara deposit.

The Company is required to submit an assessment plan ("Assessment Plan"), including certain conceptual engineering studies, to the Brazilian National Department of Mineral Production (the "DNPM") for the mining concessions within the Cachoeira Project. The Company announced on May 22, 2014 that it had submitted an Assessment Plan to the DNPM in accordance with the foregoing requirements. The Assessment Plan is not a preliminary economic assessment within the meaning of NI 43-101, and no production decision with respect to the Cachoeira Project has been made.

Pursuant to the mining licenses underlying the Cachoeira Project, the Company was required to commence mining operations at the property by April 2014. Prior to this date, the Company submitted an application to the DNPM requesting an extension of two years. While the DNPM previously provided extensions to the prior operators of the Cachoeira Project, there can be no assurance that such extension will be granted in this case. The Company believes that work conducted to date will provide sufficient support for the DNPM to grant the extension.

São Jorge Project

On November 22, 2013, the Company acquired all of the issued and outstanding shares of Brazilian Gold Corporation ("BGC") under the terms of an arrangement agreement (the "BGC Arrangement") dated September 29, 2013 between Brazil Resources and BGC.

As a result of the BGC Arrangement, the Company is the indirect holder of eleven gold exploration concessions and applications in the São Jorge area for a total area of 58,500 hectares. Two of these concessions are under appeal, awaiting decisions by the DNPM. However, these areas are covered by concession applications held by a subsidiary of Brazil Resources, which currently have priority with the DNPM.

On January 21, 2014, the Company announced the following resource estimate for the São Jorge Project prepared by Coffey Mining Pty Ltd. ("Coffey") using a 0.30 g/t gold cut-off grade (the "São Jorge Estimate"):

	Lower Cut-off Grade (g/t Au)	Million Tonnes[(1)]	Average Grade (g/t Au)	Contained Gold (Kozs)
Indicated Mineral Resource	**0.30**	**14.42**	**1.54**	**715**
	0.40	12.15	1.77	690
	0.50	10.49	1.97	666
Inferred Mineral Resource	**0.30**	**28.19**	**1.14**	**1,035**
	0.40	22.43	1.35	971
	0.50	18.78	1.52	918

(1) Oxide and primary mineralization. The oxide resources comprise a small (approximately 9%) portion of the overall resource.

For further information regarding the São Jorge Project and the above estimates, readers should refer to the technical report entitled "São Jorge Gold Project, Pará State, Brazil. Independent Technical Report on Mineral Resources" with an effective date of November 22, 2013, a copy of which is available under the Company's profile at www.sedar.com. The São Jorge Estimate was prepared for the Company by Porfirio Rodriguez, B.Sc. (Min. Eng.), MAIG and Leonardo de Moraes Soares, B.Sc. (Geo.), MAIG of Coffey, who are qualified persons as defined under NI 43-101 and are independent of the Company, as defined under NI 43-101.

Boa Vista Project

As a result of the BGC Arrangement, the Company holds an indirect 84.05% interest in the Boa Vista Gold Project (the "Boa Vista Project"). At the reporting date, one gold exploration concession for the Boa Vista Project is under appeal for extension, and awaits a decision by DNPM.

On January 21, 2014 the Company announced the following resource estimate for the VG1 deposit (Boa Vista Project), located in Pará State in northern Brazil (the "Boa Vista Estimate") at a 0.50 g/t gold cut-off:

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Metal[1] Au (ozs)
0.10	14,240,000	0.87	399,000
0.15	14,020,000	0.88	398,000
0.20	13,740,000	0.90	397,000
0.25	13,010,000	0.94	392,000
0.30	12,130,000	0.98	383,000
0.40	10,410,000	1.09	364,000
0.50	**8,470,000**	**1.23**	**336,000**
0.60	6,980,000	1.38	310,000
0.70	5,930,000	1.51	288,000
0.80	5,090,000	1.64	268,000
0.90	4,580,000	1.73	254,000
1.00	4,150,000	1.81	241,000

(1) Oxide and primary mineralization. The oxide resources comprise a small (approximately 1.3%) portion of the overall resource.

For further information regarding the Boa Vista Project and the above estimate, readers should refer to the technical report entitled "Technical Report, Boa Vista Gold Project and Resource Estimate on the VG1 Prospect, Tapajós Area, Pará State, Northern Brazil" with an effective date of November 22, 2013, a copy of which is available under the Company's profile at www.sedar.com. The Boa Vista Estimate was prepared for the Company by Jim Cuttle, B.Sc., P. Geo., Gary Giroux, M.A.Sc., P. Eng. and Michael Schmulian, B.Sc. (Hons), M.Sc., FAusIMM, who are qualified persons as defined under NI 43-101 and are independent of the Company, as defined under NI 43-101.

Surubim Project

As a result of the BGC Arrangement, the Company holds an indirect 100% interest in the Surubim gold project (the "Surubim Project"), located in Pará State in northern Brazil. On January 21, 2014, the Company announced the following resource estimate (the "Jau Deposit Estimate") for the Surubim Project at a 0.30 g/t gold cut-off:

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Metal Au (ozs)
0.30	**19,440,000**	**0.81**	**503,000**
0.40	15,230,000	0.93	456,000
0.50	11,960,000	1.06	409,000
0.60	9,520,000	1.20	336,000
0.70	7,750,000	1.32	329,000
0.80	6,660,000	1.42	303,000
0.90	5,790,000	1.50	279,000
1.00	4,880,000	1.60	252,000
1.10	3,910,000	1.74	219,000
1.20	3,080,000	1.90	188,000
1.30	2,510,000	2.05	165,000

During the year ended November 30, 2014, a portion of the Surubim Project that was determined by management to be non-core early stage concessions within the Company's current portfolio of mineral properties was not renewed. It should be noted that this portion of exploration licenses does not affect the current resources estimate as set forth in the table above.

For further information regarding the Surubim Project and the above estimate, readers should refer to the technical report entitled "Technical Report, Rio Novo Gold Project and Resource Estimate on the Jau Prospect, Tapajós Area, Pará State, Northern Brazil" with an effective date of November 22, 2013, a copy of which is available under the Company's profile at www.sedar.com. The Jau resource estimate was prepared for the Company by Jim Cuttle, B.Sc., P. Geo. and Gary Giroux, M.A.Sc., P. Eng., who are qualified persons as defined under NI 43-101 and are independent of the Company, as defined under NI 43-101.

On October 3, 2014, a final exploration report for an exploration concession within the Surubim Project, presenting the results of exploration work conducted on the property by BGC, including drilling programs, was submitted to the DNPM. Provided that the DNPM approves the submitted report, the Company would then have one year following such approval to present additional required studies to the DNPM and obtain environmental licensing, if the Company wishes to proceed with further work on that concession. In addition, at the reporting date, two non-core gold exploration concessions for the Surubim Project are under appeal for extension, and await a decision by DNPM.

Material Properties Outlook

The Company has reduced expenditures on the Cachoeira Project while it awaits receipt of comments from the Brazilian regulatory authorities with respect to environmental licensing and permitting. In the interim, the Company continues to meet with local stakeholders. Upon receipt of an environmental license, the Company currently intends to evaluate whether to conduct additional engineering or other studies with respect to further development of the Cachoeira Project. Upon completion and granting of an environmental license, the Company will have an additional six months to implement an operational mining facility on the Cachoeira Project. The Company has not made any production decision with respect to the Cachoeira Project.

The São Jorge Project, Boa Vista Project and Surubim Project are considered strategic to the Company's business model, which is to complete accretive acquisitions of meritorious projects in Pará State and other jurisdictions of Brazil and the Americas. The Company submitted a final report on the exploration concession overlying the deposit on the São Jorge Project to the DNPM requesting that it be converted to a mining concession. The Company intends

to hold the Boa Vista Project and Surubim Project in good standing with the intention of advancing them once the junior resource sector, capital markets and precious metals prices improve.

The Company anticipates incurring expenses of approximately $901,000 in 2015 for mineral property obligations to the vendors, DNPM annual land fees and land owner surface rights' payments. The Company will attempt to renegotiate certain agreements on terms that are more favorable to the Company and commensurate with current market conditions. There are no exploration expenditure obligations required on the São Jorge Project, Boa Vista Project or Surubim Project.

Other Properties

In addition to the above projects, the Company, through its wholly owned subsidiaries, holds the following interests in additional properties:

- Artulândia Project – the Company currently holds a 100% interest in the Artulândia Project located in Goias State, Brazil;
- Montes Áureos and Trinta Projects – the Company currently holds a 51% interest in the Montes Áureos and Trinta Projects located in Pará and Maranhão States, Brazil. A final report of work conducted on the Montes Áureos Project was submitted to DNPM on April 7, 2014. The Company intends to maintain its 51% interest in the project and does not anticipate earning any further interest at this time;
- Apa High Project – the Company currently holds a 100% interest in the Apa High Project located in Concepcion State, Paraguay;
- Batistão Project – the Company currently holds a 100% interest in the Batistão Project located in Goias State, Brazil;
- Rea Uranium Project – the Company currently holds a 75% interest in the Rea Uranium Project located in Alberta, Canada. The Company is currently applying for environmental permits and completing First Nations consultation in order to begin planning an exploration program. The Company recently received a 2-year extension on assessment expenditures (5th period) from the Alberta government; and
- Santa Julia Project – the Company currently holds a 100% interest in the Santa Julia Project located in Pará State, Brazil.

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 year ended	
	November 30, 2014	November 30, 2013	November 30, 2012
Net loss for the period ($)	5,049,042	5,502,012	4,537,369
Net loss per share, basic and diluted ($)	0.07	0.13	0.11
Weighted average number of shares Outstanding, basic and diluted	71,472,649	41,966,940	39,700,066

	As at November 30, 2014 ($)	As at November 30, 2013 ($)	As at November 30, 2012 ($)
Cash	798,512	225,827	5,520,141
Working capital	(484,875)	(1,550,821)	5,222,923
Total assets	26,022,811	26,047,659	17,300,152
Total current liabilities	1,469,225	1,977,145	596,460
Total non-current liabilities	252,244	229,313	204,851
Shareholders' equity	24,301,342	23,841,201	16,498,841

The Company did not declare any dividends during the years ended November 30, 2014, 2013 and 2012.

Results of Operations

Three months ended November 30, 2014 compared to the three months ended November 30, 2013

During the three months ended November 30, 2014, the Company recorded a net loss of $1,038,024 as compared to a net loss of $1,429,615 for the same period in 2013. Significant accounts and changes in the quarter are as follows:

- Exploration expenses $685,713 (2013: $695,393) – decreased due to a reduction in permitting, licensing and exploration activities as the Company implemented its decision to hold certain of its projects in good standing with the intention of advancing them once the junior resource sector, capital markets and precious metals prices improve. An amount of $343,200 resulting from a royalty payment due respecting the Cachoeira project has been applied to and included in the 2014 exploration expenditures.

- General and administration expenses $226,849 (2013: $289,050) – decreased primarily due to the reduction of the Company's activities with respect to corporate development and marketing.

- Directors' fees and salaries and benefits $130,033 (2013: $212,047) – decreased due to directors and management waiving their fees and salaries during a portion of the period.

- Consulting fees $64,798 (2013: $56,877) – increased due to an increased number of consultants engaged due to the expansion of the Company's operations in Brazil after the acquisition of BGC.

Year ended November 30, 2014 compared to the year ended November 30, 2013

During the year ended November 30, 2014, the Company recorded a net loss of $5,049,042 as compared to a net loss of $5,502,012 for the year ended November 30, 2013. Significant accounts and changes in the year ended November 30, 2014 are as follows:

- Exploration expenses $1,912,590 (2013: $2,883,326) - decreased due to a reduction in exploration activities at the Cachoeira and Artulândia Projects. Additionally, permitting and licensing expenditures respecting the Cachoeira Project have been reduced, as the Company has presented all currently required submissions and now awaits comments from DNPM. Expenditures incurred on the São Jorge Project and Surubim Project were for consultants and surface rights payments required to maintain the properties in good standing. Material components of the Company's exploration expenses during fiscal year 2014 were consulting fees of $489,088 (2013: $787,751) to vendors who provided geological and technical services respecting the Company's projects, royalty payment of $343,200 (2013: $nil), payroll and personnel of $317,095 (2013: $263,334) and permitting and licensing activities of $224,058 (2013: $579,111) all related to the Cachoeira Project.

BRAZIL RESOURCES INC

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

	For the year ended		For the period from incorporation, September 9, 2009, to
	November 30, 2014 ($)	November 30, 2013 ($)	November 30, 2014 ($)
Cachoeira	1,332,844	2,153,812	3,666,591
São Jorge	198,850	2,247	201,097
Surubim	139,510	-	139,510
Batistão	24,453	-	24,453
Montes Áureos and Trinta	8,037	56,513	1,817,908
Artulândia	38,776	597,437	1,290,986
Other Exploration Expenses	170,120	73,317	337,566
Total	1,912,590	2,883,326	7,478,111

- General and administration expenses $1,417,581 (2013: $1,091,618) – increased due to the expansion of the Company's operations, in particular, the acquisition of BGC in the fourth quarter of 2013. The most significant components of general and administration expenditures for fiscal year 2014 were for corporate development and marketing of $797,783 (2013: $570,778), investor relations of $149,602 (2013: $96,046) and transfer agent and regulatory fees of $111,054 (2013: $102,911).

- Directors' fees and salaries and benefits $742,909 (2013: $749,582) – remain consistent with the year ended November 30, 2013.

- Consulting fees $322,950 (2013: $313,143) – increased due to an increased number of consultants engaged due to the expansion of the Company's operations in Brazil after the acquisition of BGC.

- Professional fees $270,678 (2013: $183,905) – increased due to an increase in legal and advisory services provided to the Company respecting general matters and corporate activities.

- Write-off exploration and evaluation assets $260,247 (2013: $68,820) – increased due to the abandonment of certain Brazilian properties that were determined by management to be non-prospective within the Company's current portfolio of mineral properties.

- Project evaluation costs $184,913 (2013: $132,013) – increased due to costs incurred associated with the review and due diligence conducted on certain projects.

- Share of loss on investment in joint venture $126,261 (2013: $nil) – increased solely due to the acquisition of Boa Vista Gold Inc. which was a result of the BGC Arrangement. The loss incurred on the joint venture was due primarily to expenses paid to maintain the Boa Vista Project. The joint venture remains an exploration project at this stage.

Year ended November 30, 2013 compared to the year ended November 30, 2012

During the year ended November 30, 2013, the Company recorded a net loss of $5,502,012 as compared to a net loss of $4,537,369 for the year ended November 30, 2012. Significant accounts and changes in the year ended November 30, 2013 are as follows:

- Exploration expenses $2,883,326 (2012: $1,441,200) – increased due to increased exploration, permitting and licensing activities at the Cachoeira Project. The material components of the Company's exploration

BRAZIL RESOURCES INC

expenses are consulting fees $787,751 (2012: $356,609) and permitting and licensing activities $579,111 (2012: $nil).

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

	For the year ended		For the period from incorporation, September 9, 2009, to
	November 30, 2013 ($)	November 30, 2012 ($)	November 30, 2013 ($)
Cachoeira	2,153,812	179,935	2,333,747
Montes Áureos and Trinta	56,513	563,965	1,809,871
Artulândia	597,437	654,773	1,252,210
Other Exploration Expenses	75,564	42,527	169,693
Total	2,883,326	1,441,200	5,565,521

- General and administration expenses $1,091,618 (2012: $1,108,423) – remained consistent with the year ended November 30, 2012. The most significant components of general and administrative expenses are corporate development and marketing $570,778 (2012: $485,491), and the balance of general and administrative expenses incurred were for purposes to conduct its day to day corporate activities, of which the individual amounts were deemed immaterial.

- Directors' fees and salaries and benefits $749,582 (2012: $598,604) – increased due to an increase in the number of employees with respect to various administrative and corporate functions and an increase in director fees.

- Consulting fees $313,143 (2012: $339,165) – decreased due to the reduced number of consultants engaged during the year ended November 30, 2013.

- Professional fees $183,905 (2012: $145,491) – increased due to an increase in legal and advisory services provided to the Company respecting general matters and corporate activities.

- Project evaluation expenses $132,013 (2012: $347,556) – decreased due to a reduced number of project reviews undertaken by the Company.

Summary of Quarterly Results

For the quarter ended	Revenues	Net loss ($)	Basic and diluted net loss per share ($)
November 30, 2014	-	1,038,024	0.01
August 31, 2014	-	1,159,824	0.02
May 31, 2014	-	1,400,536	0.02
February 28, 2014	-	1,450,658	0.02
November 30, 2013	-	1,429,615	0.03
August 31, 2013	-	1,120,927	0.03
May 31, 2013	-	1,742,999	0.04
February 28, 2013	-	1,208,471	0.03

The expenses incurred by the Company are typical of junior exploration companies that have no known commercial quantities of mineral reserves. The Company's fluctuations in net loss from quarter to quarter were mainly related to exploration, permitting and licensing work as well corporate activities conducted during the respective quarter.

Liquidity and Capital Resources

At November 30, 2014, the Company had $798,512 in cash and a working capital deficiency of $484,875. In January 2015, the Company completed the 2015 Private Placement of approximately $4.46 million. During the year ended November 30, 2014, net cash flows increased by $572,685 compared to a decrease of $5,294,314 during the year ended November 30, 2013.

The Company's working capital requirements for the past year are discussed in detail under "Results of Operations". The mineral properties obligations, annual fees and surface rights payments for the year ending November 30, 2015 are anticipated to be approximately $901,000. Corporate and general costs to maintain the Company in good standing are anticipated to be approximately $1.3 million for the fiscal year ended 2015. Based upon management's decision to defer a determination in respect of further exploration or work at the Cachoeira Project until the receipt of comments from Brazilian regulatory authorities in respect of previously submitted environmental licensing reports and documents, and the 2015 Private Placement of approximately $4.46 million, management believes that available cash will be adequate to meet ongoing liquidity needs in the short-term and over the next year for the Company's existing business and projects. Future expansion, including the acquisition of additional 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 equity financings 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. The Company's growth and success is dependent on external sources of financing, which may not be available on acceptable terms or at all.

Operating Activities

Net cash used in operating activities during the year ended November 30, 2014 was $4,863,840 compared to $4,834,212 during the year ended November 30, 2013. Significant operating expenditures during the current year included mineral property expenditures and general and administrative expenses.

Investing Activities

Net cash used in investing activities during the year ended November 30, 2014 was $638,467 compared to $412,328 during the year ended November 30, 2013. The increase was primarily due to the Company's cash payment of $300,000 (excluding accrued interest) to Luna pursuant to the Cachoeira Agreement and the investment in its joint venture relating to the Boa Vista Project.

Financing Activities

Net cash provided by financing activities during the year ended November 30, 2014 was $6,128,459 compared to ($1,893) during the year ended November 30, 2013. The cash inflow during the year ended November 30, 2014 was comprised primarily of the 2013 Private Placement closed by the Company on December 31, 2013 with gross proceeds of $6,407,841 (net cash proceeds of $6,095,480 after the Company paid cash commissions of $231,761 and other cash share issuance costs of $80,600 in connection with the 2013 Private Placement).

Share Options

At November 30, 2014, 1,780,000 share options were outstanding. The outstanding share options have a weighted average exercise price of $1.24 per share. As at November 30, 2014, such options were issuable for gross proceeds of approximately $2,201,700 should these options be exercised in full. At November 30, 2014, there were no outstanding, in-the-money share options. The exercise of these share options is at the discretion of the respective holders, and, accordingly, there is no assurance that any of these share options will be exercised in the future.

Warrants

At November 30, 2014, 11,650,620 2018 Warrants were outstanding. The outstanding 2018 Warrants have an exercise price of $0.75 per warrant. As at November 30, 2014, such warrants were in-the-money and issuable for gross proceeds of approximately $8,737,965 should the 2018 Warrants be exercised in full. The exercise of these warrants is at the discretion of the respective holders, and, accordingly, there is no assurance that any of the 2018 Warrants will be exercised in the future.

Contractual Obligations

I. Mineral Properties Obligations

Cachoeira

Pursuant to the Cachoeira Agreement, 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 terms of the Cachoeira Agreement (as amended), the Company issued an additional 1,214,000 BRI Shares to Luna in September 2013, paid $306,000 cash, including interest, to Luna in January 2014, and the Company is required to make the following future additional payments to Luna:

- $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 on September 24, 2016, 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 return royalty payable to third parties by the Company's subsidiary on future production. If production is not achieved at the Cachoeira Project by October 3, 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. As at the date of this MD&A, the aforementioned payment remains outstanding to certain parties in lieu of the royalty respecting the Cachoeira Project. The Company is currently negotiating with the parties to defer the payment until all permits and licenses have been received and production is achieved. While the royalty holders previously granted similar extensions to the prior operator, there can be no

assurance that the Company will be able to obtain the same on acceptable terms or at all, and, in such event, the payment in lieu of royalty will be payable.

São Jorge

On June 14, 2010, BGC signed an option agreement, as amended, (the "São Jorge Agreement") to acquire a 100% interest in the São Jorge Project from Talon Metals Corp. ("Talon"). BGC completed all the required payments under the terms of the São Jorge Agreement. On November 22, 2013, Brazil Resources acquired 100% interest in the São Jorge Project pursuant to the BGC Arrangement.

Under the terms of the São Jorge Agreement, Talon was granted a 1.0% net smelter return royalty from production on any of the eleven exploration concessions. A net smelter return royalty to the original title holders of 1.0% of the proven mineable reserves as demonstrated by a feasibility study relating to the São Jorge deposit (no reserves have been defined) on certain concessions is payable and can be purchased by the Company for US$2,500,000. Additionally, there is a 2.0% net smelter royalty on certain other concessions due to the original title holders, of which 1.5% of the 2.0% net smelter return royalty can be purchased by the Company for US$500,000.

The current São Jorge deposit location has a total net smelter return royalty of 2.5% comprising of 1.0% to Talon, 1.0% to the government of Brazil and 0.5% to the surface rights owner. The surface rights owner's royalty can be purchased for US$750,000.

Boa Vista

On April 26, 2013, BGC signed a share exchange agreement with D'Gold Mineral Ltda. ("D'Gold") to acquire D'Gold's remaining 13.05% interest in Boa Vista Gold Inc. ("BVG"). In consideration for D'Gold's 13.05% interest, BGC agreed to issue an aggregate of 1,500,000 BGC common shares over 18 months. At the closing date of the BGC Arrangement, BGC had a remaining share issuance obligation of 1,125,000 BGC common shares to D'Gold. The Company entered into an amended share exchange agreement and assumed BGC's share issuance obligation at a ratio of 0.172 BRI Share per BGC common share for a total aggregate share issuance obligation of 193,500 BRI Shares Subsequent to the BGC Arrangement closing date, 64,500 BRI Shares were issued to D'Gold. The Company is required to issue additional shares as follows:

- 64,500 BRI Shares on or before May 23, 2014 (issued); and
- 64,500 BRI Shares on or before November 23, 2014 (issued subsequent to November 30, 2014).

Pursuant to the terms of a shareholders agreement among BGC, D'Gold and Octa Mineração Ltda ("Octa"), who holds a 15.95% interest in BVG, dated January 21, 2010, as amended on May 25, 2011, June 24, 2011 and November 15, 2011, a 1.5% net smelter return royalty is payable to D'Gold and a further 1.5% net smelter return royalty is payable to Octa if its holdings in BVG drop below 10%. The Company can purchase each 1.5% net smelter return royalty for US$2,000,000.

In addition, pursuant to the terms of a surface rights agreement ("Boa Vista Surface Rights Agreement") dated March 2008, as amended May 2010 and June 2013, BGC was required to make cash payments in installments totalling R$4,400,000 in consideration for the acquisition. BGC paid R$80,000 before the BGC Arrangement. During the year ended November 30, 2014, the Company paid R$160,000 pursuant to the terms of the Boa Vista Surface Rights Agreement. In March 2015, the Company and the surface rights holder agreed to amend the terms of the Boa Vista Surface Rights Agreement, and, following the amendment, BVG is required to make the remaining cash payments in the aggregate amount of R$3,740,000 as follows in order to retain the surface rights to the property:

- a cash payment of R$80,000 due on March 20, 2015 (paid subsequent to November 30, 2014);
- a cash payment of R$40,000 due on September 20, 2015;
- a cash payment of R$40,000 due on March 20, 2016;

- a cash payment of R$40,000 due on September 20, 2016;
- a cash payment of R$40,000 due on March 20, 2017;
- a cash payment of R$40,000 due on September 20, 2017;
- a cash payment of R$40,000 due on March 20, 2018; and
- a cash payment of R$3,420,000 due on September 20, 2018.

Surubim

On November 22, 2013, the Company acquired a 100% interest in the Surubim gold project pursuant to the BGC Arrangement. The project is comprised of exploration concessions acquired directly as well as option agreements on two properties, as outlined below.

Jarbas Agreement

BGC entered into an option agreement (the "Jarbas Agreement") on February 11, 2010, as amended January 16, 2011, pursuant to which BGC had the option to acquire a certain exploration license by paying R$3,900,000 in six annual installments, until December 17, 2015. BGC paid R$800,000 before the BGC Arrangement. During the year ended November 30, 2014, the Company paid R$80,000 pursuant to the terms of the amended Jarbas Agreement dated March 14, 2014. In an amendment dated March 23, 2015, the Company renegotiated the terms of the Jarbas Agreement, whereby the Company is now required to make the following option payments:

- a cash payment of R$35,000 upon execution of the amended Jarbas Agreement;
- a cash payment of R$50,000 in March 2016;
- a cash payment of R$50,000 in March 2017; and
- a cash payment of R$3,000,000 in March 2018.

The Company also agreed to fund the costs, up to R$20,000, for the optionor under the Jarbas Agreement to apply for a "garimpeira" permit over an area of the mineral rights subject to the Jarbas Agreement to be determined by the parties.

Additionally, a 1.3% net smelter return royalty is due upon commercial production from any ores extracted from a certain concession. Fifty percent of the net smelter return royalty can be purchased by the Company for US$1,500,000 within 12 months of the DNPM granting a mining concession. A bonus royalty is due based on the in-situ reserve ounces as outlined in a feasibility study completed to Australian Joint Ore Reserves Committee or Canadian NI 43-101 standards. The bonus royalty consists of (i) US$0.50 per reserve ounce for reserves that are less than 1,000,000 ounces of gold; (ii) US$0.75 per reserve ounce for reserves measuring between 1,000,000 to 2,000,000 ounces of gold; and (iii) US$1.00 per reserve ounce for reserves exceeding 2,000,000 ounces of gold.

Altoro Agreement

BGC entered into an option agreement (the "Altoro Agreement") with Altoro Mineração Ltda. ("Altoro") on November 5, 2010, as amended on December 3, 2010 and December 14, 2012 to acquire certain exploration licenses for aggregate consideration of US$850,000 to Altoro. BGC paid US$150,000 before the BGC Arrangement, and an additional cash payment of US$100,000 was made in December 2013. Pursuant to the Altoro Agreement, a cash payment of US$650,000 is payable upon the DNPM granting a mining concession over the exploration permit.

In addition to the above payments, Altoro holds a 1.5% net smelter return royalty on any gold produced from certain concessions. Once the gold production has reached 2,000,000 ounces, the royalty increases an additional 0.5% to 2.0%. The Company can purchase the 0.5% royalty at any time for US$1,000,000.

Montes Áureos and Trinta

In October 2013, the Company announced that it had exercised the Initial Option under the Montes Áureos Agreement to acquire an initial undivided 51% interest in the Montes Áureos and Trinta Projects.

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. The Company has not exercised the Second Option, however, it intends to maintain its current 51% interest in the Montes Áureos and Trinta projects.

Artulândia

The Company completed the acquisition of Artulândia Property by way of payments made pursuant to terms of the Artulândia Option Agreement. An additional R$1,000,000 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 a consulting agreement and land owner surface rights agreements which require the Company to pay the following amounts for the following period:

	Amount ($)
2015	66,187
2016	3,332
Total	69,519

The Company is renting or leasing various offices located in Canada and Brazil with total monthly payments of $8,936. Office lease agreements expire between June 2015 and January 2016.

Provisions

In 2012, eighteen employees of RAC Treinamento Ltda. ("RAC") filed labour lawsuits in Brazil to claim unpaid wages and benefits during a period which they were employed by RAC. RAC performed drilling services for BGC's wholly owned subsidiary Mineração Regent Brasil Ltda. ("Regent") from January 27, 2011 to June 27, 2011. According to Brazilian labor law, if RAC fails to pay the amounts awarded by the Court's final decision, Regent is required to assume the liability. Since RAC is insolvent and not attending court hearings, Regent is required to pay the awarded amounts, despite the fact that Regent is in compliance with Brazilian labour laws.

At the reporting date, the provision was re-assessed and decreased from $514,357 to $337,055 according to the settlements with the plaintiffs in November 2014. Additionally, the settlements allows for the Company to pay the re-assessed amount in installments. After payment to the plaintiffs has been completed, Regent will have the right of recourse against RAC. The Company has not determined if it will exercise the right of recourse at this time.

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 Party Transactions

Related party transactions not disclosed elsewhere in the consolidated financial statements are as follows:

- During the year ended November 30, 2014, the Company incurred $40,000 (2013: $48,000) in consulting fees for corporate development consulting services rendered by Arash Adnani, a direct family member of a director. The fees paid were for business development services, including introducing the Company to various parties in the areas of project generation, corporate finance groups and potential strategic partners, and are within industry standards. As at November 30, 2014, no amounts were due or payable to such related party (November 30, 2013: $4,200).

- During the year ended November 30, 2014, the Company incurred $27,388 (2013: $10,416) in general and administrative expenses related to website design, video production, hosting services and marketing services paid to Blender Media, which is controlled by a direct family member of a director. The fees paid were commensurate to fees charged to Blender Media's other clients for similar services provided. As at November 30, 2014, $24,518 was payable to such related party (2013: $1,089).

Related party transactions are entered into based on normal market conditions at the amounts agreed to by the parties. As at November 30, 2014, the Company has not entered into any contracts or undertaken any commitment or obligation with any related parties other than as disclosed herein.

Transactions with Key Management Personnel

	For the year ended	
	November 30, 2014 ($)	November 30, 2013 ($)
Fees, salaries and benefits(1)	167,400	199,755
Total	167,400	199,755

(1) Total directors' fees, salaries and benefits of $742,909 disclosed on the consolidated statement of comprehensive loss for the year ended November 30, 2014 includes $135,000 and $32,400 paid to the Company's Chief Executive Officer and Chief Financial Officer, respectively, $222,500 in fees paid to the Company's directors, and $353,009 paid for employees' salaries and benefits. Total directors' fees, salaries and benefits of $749,582 disclosed on the consolidated statement of comprehensive loss for the year ended November 30, 2013 includes $160,875 and $38,880 paid to the Company's Chief Executive Officer and Chief Financial Officer, respectively, $252,000 in fees paid to the Company's directors, and $297,827 paid for employees' salaries and benefits.

Total compensation payable, including share-based compensation, to key members of management and directors in the year ended November 30, 2014 was $167,400 (2013: $199,755). Compensation is comprised entirely of employment and similar forms of remuneration. Management includes the then Chief Executive Officer (resigned December 2014) and Chief Financial Officer, who are or were 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 IASB and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended November 30, 2014.

Significant Accounting Policies

Basis of consolidation

The consolidated financial statements include the financial statements of Brazil Resources Inc. and its wholly owned and 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. The functional currency of its subsidiaries in Brazil is the Brazilian Real and for its subsidiary in Paraguay it 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 income and expenses. All resulting exchange differences are recognized in other comprehensive income.

Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investment in its joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of comprehensive loss reflects the Company's share of the results of operations of the joint venture. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Company's share of profit or loss of a joint venture is shown on the face of the statement of comprehensive loss outside operating profit and represents profit or loss after tax and non-controlling interests in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

Mineral exploration, evaluation and development expenditures

All direct costs related to the acquisition of 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 expenditures incurred by the Company in fulfilling the terms of the agreement are 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 expenditures 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 share 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 share 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 judgments relate to determination of functional currency and classicisation of joint arrangement.

The most significant estimates relate to valuation of acquired assets and liabilities, asset impairment testing, valuation of recoverability of other receivables, recognition and measure of provisions and contingencies, valuation of share-based compensation and recognition of deferred tax assets.

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year. There were a number of new accounting standards that the Company adopted effective December 1, 2013.

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. The adoption of this standard did not have a material impact on the consolidated financial statements.

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. The adoption of this standard did not have a material impact on the consolidated financial statements.

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 adoption of this standard did not have a material impact on the consolidated financial statements.

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. The adoption of this standard did not have a material impact on the consolidated financial statements.

IAS 28 Investments in Associates and Joint Ventures

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method for investments in associates and joint ventures. The adoption of this standard did not have a material impact on the consolidated 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.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015.

Annual Improvements 2010-2012 Cycle

These improvements are effective from July 1, 2014. They include:

IFRS 2 Share-based Payments

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- a performance condition must contain a service condition;
- a performance target must be met while the counterparty is rendering service;
- a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- a performance condition may be a market or non-market condition; and
- if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- an entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'; and
- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)

The amendments are effective for transactions occurring in annual periods beginning on or after January 1, 2016 with earlier application permitted. The amendments address an acknowledged inconsistency between the

requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if the assets are housed in a subsidiary.

Other amendments also clarify the accounting for investment entities. The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

As well, only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Finally, the amendments to IAS 28 allow the investor, when applying the equity method to an associate or joint venture that is an investment entity, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

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, 2014, 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	798,512	-	-	798,512
Available-for-sale securities	15,000	-	-	15,000
Financial Liabilities				
Due to related parties	24,518	-	-	24,518
Long-term obligations	-	252,244	-	252,244

The valuation techniques used to measure fair value are as follows:

- The fair value of available-for-sale securities is determined by obtaining the quoted market price of the available-for-sale security and multiplying it by the quantity of shares held by the Company.
- The fair value of the due to related parties is based on the transaction price agreed by the parties with the related parties transactions are entered into at market terms.
- The fair value of the long-term obligation is determined by discounting the amounts payable using a market rate of interest for a similar instrument of an issuer with similar credit rating.

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 United States dollars, the Brazilian Real, the Paraguayan Guarani 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 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, 2014 ($)	As at November 30, 2013 ($)
Assets		
United States Dollar	13,170	65,318
Brazilian Real	204,462	35,360
Paraguayan Guarani	3,765	3,841
Total	221,397	104,519

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, 2014 and 2013.

	Effect on loss for the year ended November 30, 2014 Increase/(Decrease) ($)	Effect on loss for the year ended November 30, 2013 Increase/(Decrease) ($)
+5%	11,070	5,226
- 5%	(11,070)	(5,226)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest bearing financial asset is cash, which bears interest at fixed or variable rates. The Company does not believe it is exposed to material interest rate risk related to this instrument. 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 goods and service tax receivable ("GST"), 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 GST and HST receivable includes amounts that have been accumulated to date in the Company. At November 30, 2014, 100% of the GST and 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 into account the Company's current cash reserves, its network of sophisticated and accredited investors from which to raise capital and the Company's ability to respond appropriately to negative market conditions, it has sufficient working capital for its present obligations for at least the next twelve months commencing from November 30, 2014. The Company's working capital as at November 30, 2014 was ($484,875). On January 2015, the Company completed the 2015 Private Placement of approximately $4.46 million. 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.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities:

	As at November 30, 2014 ($)		As at November 30, 2013 ($)	
	Due within 1 year	2-5 years	Due within 1 year	2-5 years
Account payable and accrued liabilities	1,107,652	-	1,157,499	-
Due to related parties	24,518	-	5,289	-
Current portion of long-term obligations	-	-	300,000	-
Long-term obligations	-	252,244	-	229,313
Total	1,132,170	252,244	1,462,788	229,313

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.

The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of precious metals and other commodities. The Company monitors commodity prices to help determine the appropriate course of action to be taken.

Outstanding Share Data

As at the date of this MD&A, the following securities were outstanding:

Share Capital

Authorized – unlimited number of common shares without par value.
Issued and outstanding – 80,668,429 BRI Shares.
Share Options

The outstanding share options to purchase BRI Shares as at the date of this MD&A are summarized as follows:

Expiry Date	Exercise Price ($)	Number Outstanding
July 21, 2016	1.30	300,000
October 3, 2016	1.20	990,000
October 11, 2016	1.20	105,000
February 7, 2017	1.50	150,000
April 23, 2017	1.20	20,000
January 8, 2018	1.03	40,000
March 1, 2018	1.10	25,000
February 6, 2020	0.71	1,410,000
		3,040,000

Warrants

The outstanding 2018 Warrants and 2020 Warrants as at the date of this MD&A are summarized as follows:

Expiry Date	Exercise Price ($)	Number Outstanding
December 31, 2018	0.75	11,650,620
January 5, 2020	0.75	1,994,400
January 6, 2020	0.75	5,405,470
January 26, 2020	0.75	703,636
		19,754,126

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 and São Jorge Project, will only follow upon obtaining satisfactory results. Exploration 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 São Jorge 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.

BRAZIL RESOURCES INC

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 of 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.

Pursuant to the mining licenses underlying the Cachoeira Project, the Company was required to commence mining operations at the property by April 2014. Prior to this date, the Company submitted an application to the DNPM requesting an extension of two years. While the DNPM previously provided extensions to the prior operators of the

Cachoeira Project, there can be no assurance that such extension will be granted in this case. The Company believes that work conducted to date will provide sufficient support for the DNPM to grant the extension. In addition, if the DNPM grants an environmental license for the Cachoeira Project, the Company will have six months from the date of the license grant to implement an operational mining facility on the Cachoeira Project. The Company has not made any production decision with respect to the Cachoeira Project and is evaluating its options with respect to this requirement, including the potential to seek an extension. There is no assurance that, if applied for, the Company will be granted such an extension or that the Company will otherwise meet this requirement.

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 various exchanges where the Company's shares are traded..

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 primarily 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. Brazil is currently undergoing a review of its mining legislation that may result in changes to mining licenses, which has delayed approvals for new mining licenses, and may result in applications for mining licenses being converted to a competitive procedure. 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 United States and Canadian dollars and Brazilian Reals and Paraguayan Guarani. While financings have all been conducted in Canadian dollars, the Company conducts its business using all four 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 United States 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 United States 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) failure to reach definitive agreements with joint venture partners to govern the joint venture; (ii) disagreement with joint venture partners on how to develop and operate mines efficiently; (iii) inability of joint venture partners to meet their obligations under the joint venture or to third parties; and (iv) 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.

In 2012, eighteen employees of RAC filed labour lawsuits in Brazil to claim unpaid wages and benefits during the period they worked. RAC performed drilling services for Regent from January 27, 2011 to June 27, 2011. According to Brazilian labour law, if RAC fails to pay the amounts awarded by Court's final decision, Regent is required to assume the liability. Since RAC is in insolvency and is not attending court hearings, Regent is required to pay the awarded amounts, despite the fact that Regent is in compliance with Brazilian labour laws. At the reporting date, the provision was re-assessed and decreased from $514,357 to $337,055 according to the settlements with the plaintiffs in November 2014. Additionally, the settlements allows for the Company to pay the re-assessed amount in installments. After payment to the plaintiffs has been completed, Regent will have the right of recourse against RAC. The Company has not determined if it will exercise the right of recourse at this time.

Uncertainty of Mineral Resource Estimates

The estimates for mineral resources contained herein are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved. There are numerous uncertainties inherent in estimating mineral

resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, if any. If the Company's actual mineral resources are less than current estimates or if the Company fails to develop its mineral resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of mineral resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of inferred mineral resource is often the least reliable mineral resource category and is subject to the most variability. The Company regularly evaluates its mineral resources and it considers the merits of increasing the reliability of its overall mineral resources.

Possible Conflicts of Interest of Directors and Officers of the Company

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the *Business Corporations Act* (British Columbia) and any other applicable law.

Community Relations

Natural resources companies face increasing public scrutiny of their activities. The Company may face pressure to demonstrate that, in addition to seeking to generate returns for its shareholders, other stakeholders benefit from the Company's activities, including local governments and the communities surrounding or nearby its properties. The potential consequences of these pressures include reputational damages, lawsuits, increasing social investment obligations and pressure to increase taxes, future royalties or other contributions to local governments and surrounding communities. These pressures may also impair the Company's ability to successfully obtain permits and approvals required for its operations.

Market Price of Common Shares

The BRI Shares are listed and posted for trading on the TSX-V, the OTCQX and the Frankfurt Stock Exchange. An investment in the Company's securities is highly speculative. Securities of companies involved in the resource industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. The price of the BRI Shares may also be significantly affected by short-term changes in commodity prices or in the Company's financial condition or results of operations as reflected in its quarterly and annual financial statements.

Additional Information

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