



(An exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2014 and 2013

(Expressed in Canadian Dollars unless otherwise stated)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Brazil Resources Inc.

We have audited the accompanying consolidated financial statements of **Brazil Resources Inc.**, which comprise the consolidated statements of financial position as at November 30, 2014 and 2013, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Brazil Resources Inc.** as at November 30, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Vancouver, Canada
March 30, 2015

Ernst + Young LLP

Chartered Accountants

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars unless otherwise stated)



	Notes	As at November 30, 2014 (\$)	As at November 30, 2013 (\$)
Assets			
Current assets			
Cash	8	798,512	225,827
Other receivables	9	61,246	101,634
Prepaid expenses and deposits		109,592	78,863
Available-for-sale securities	10	15,000	20,000
		984,350	426,324
Non-current assets			
Equipment	5	94,189	157,918
Exploration and evaluation assets	6	23,221,268	23,807,802
Investment in joint venture	7	1,723,004	1,655,615
		26,022,811	26,047,659
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	1,107,652	1,157,499
Provisions	12	337,055	514,357
Due to related parties	18	24,518	5,289
Current portion of long-term obligations	13	-	300,000
		1,469,225	1,977,145
Non-current liabilities			
Long-term obligations	13	252,244	229,313
		1,721,469	2,206,458
Equity			
Issued capital	14	34,126,149	30,175,354
Share issuance obligations	14	6,978,960	7,201,061
Reserves	14	3,569,760	1,191,336
Accumulated deficit		(18,935,480)	(13,886,438)
Accumulated other comprehensive loss		(1,438,047)	(840,112)
		24,301,342	23,841,201
		26,022,811	26,047,659

Commitments (Note 20)

Subsequent events (Note 21)

Approved and authorized for issue by the Board of Directors on March 30, 2015.

/s/ "David Kong"

David Kong

Director

/s/ "Pat Obara"

Pat Obara

Chief Financial Officer & Director

The accompanying notes are an integral part of these Consolidated Financial Statements

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars unless otherwise stated)



		For the year ended November 30,	
	Notes	2014 (\$)	2013 (\$)
Expenses			
Consulting fees		322,950	313,143
Depreciation	5	62,512	41,002
Directors' fees, salaries and benefits	18	742,909	749,582
Exploration expenses	6	1,912,590	2,883,326
General and administrative		1,417,581	1,091,618
Professional fees		270,678	183,905
Project evaluation costs		184,913	132,013
Share-based compensation	14	(2,112)	64,137
Share of loss on investment in joint venture	7	126,261	-
Write-off exploration and evaluation assets	6	260,247	68,820
		5,298,529	5,527,546
Operating loss		(5,298,529)	(5,527,546)
Other items			
Interest income		27,969	31,534
Interest expense		-	(6,000)
Loss on disposition of assets		(417)	-
Gain on settlement of provisions	12	221,935	-
Net loss for the year		(5,049,042)	(5,502,012)
Other comprehensive loss			
Item that may subsequently be reclassified to net income or loss:			
Available-for-sale financial assets	10	(5,000)	-
Foreign currency translation adjustments		(592,935)	(445,277)
Total comprehensive loss for the year		(5,646,977)	(5,947,289)
Net loss per share, basic and diluted		(0.07)	(0.13)
Weighted average number of shares outstanding, basic and diluted			
		71,472,649	41,966,940

The accompanying notes are an integral part of these Consolidated Financial Statements

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars unless otherwise stated)

	Notes	Number of Shares	Issued Capital (\$)	Share Issuance Obligations (\$)	Reserves (\$)	Deficit (\$)	Accumulated Other Comprehensive Income (\$)	Total (\$)
Balance at November 30, 2012		41,330,147	15,785,863	8,365,040	1,127,199	(8,384,426)	(394,835)	16,498,841
Issued capital pursuant to acquisition of:								
Exploration and evaluation assets		19,198,682	14,389,491	(1,163,979)	-	-	-	13,225,512
Share-based compensation		-	-	-	64,137	-	-	64,137
Foreign currency translation adjustments		-	-	-	-	-	(445,277)	(445,277)
Net loss for the year		-	-	-	-	(5,502,012)	-	(5,502,012)
Balance at November 30, 2013		60,528,829	30,175,354	7,201,061	1,191,336	(13,886,438)	(840,112)	23,841,201
Private placement containing:								
Cash	14	11,650,620	4,027,305	-	-	-	-	4,027,305
Share issue costs	14	-	(190,371)	-	-	-	-	(190,371)
Warrant issue costs	14	-	(121,990)	-	-	-	-	(121,990)
Warrants issued for private placement								
Shares issued on exercise of share options	14	12,500	13,750	-	2,380,536	-	-	2,380,536
Issued capital pursuant to acquisition of:								
Exploration and evaluation assets		308,474	222,101	(222,101)	(2,112)	-	-	-
Share-based compensation		-	-	-	-	-	-	(2,112)
Foreign currency translation adjustments		-	-	-	-	-	(592,935)	(592,935)
Unrealized loss on available-for-sale securities		-	-	-	-	-	(5,000)	(5,000)
Net loss for the year		-	-	-	-	(5,049,042)	-	(5,049,042)
Balance at November 30, 2014		72,500,423	34,126,149	6,978,960	3,569,760	(18,935,480)	(1,438,047)	24,301,342

The accompanying notes are an integral part of these Consolidated Financial Statements

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars unless otherwise stated)



	For the year ended November 30,	
	2014	2013
	(\$)	(\$)
Operating activities		
Net loss for the year	(5,049,042)	(5,502,012)
Adjustments for items not involving cash:		
Depreciation	62,512	41,002
Equity losses of joint venture	126,261	-
Share-based compensation	(2,112)	64,137
Write-off exploration and evaluation assets	260,247	68,820
Loss on disposition of assets	417	-
Gain on settlement of provisions	(221,935)	-
Net changes in non-cash working capital items:		
Other receivables	68,357	121,866
Prepaid expenses and deposits	(30,729)	93,369
Accounts payable and accrued liabilities	(43,847)	304,140
Interest income	(27,969)	(31,534)
Interest expense	(6,000)	6,000
Cash used in operating activities	(4,863,840)	(4,834,212)
Investing activities		
Investment in exploration and evaluation assets	(145,617)	(395,874)
Investment in joint venture	(193,650)	-
Purchase of equipment	-	(16,454)
Proceeds from disposition of assets	800	-
Settlement of long-term obligations	(300,000)	-
Cash used in investing activities	(638,467)	(412,328)
Financing activities		
Proceeds from shares and warrants issued, net of issuance costs	6,109,230	-
Advances from related parties	19,229	(1,893)
Cash generated from financing activities	6,128,459	(1,893)
Effect of exchange rate changes on cash	(53,467)	(45,881)
Net increase (decrease) in cash	572,685	(5,294,314)
Cash		
Beginning of year	225,827	5,520,141
End of year	798,512	225,827

The accompanying notes are an integral part of these Consolidated Financial Statements

1. Corporate Information

Brazil Resources Inc. is a corporation organized under the laws of British Columbia and was incorporated in the Province of British Columbia, Canada, on September 9, 2009, and domiciled in Canada. Together with its subsidiaries (collectively, the "Company" or "Brazil Resources"), the Company is principally engaged in the acquisition, exploration and development of mineral properties in Brazil.

Brazil Resources Inc.'s 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.

2. Basis of Preparation

2.1 *Statement of compliance*

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They were authorised for issue by the Company's board of directors on March 30, 2015.

2.2 *Basis of presentation*

The Company's consolidated financial statements have been prepared on a historical cost basis. The Company's financial statements and those of its wholly owned and controlled subsidiaries are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. Certain line items of the comparative figures have been reclassified to conform to the current periods' presentation format.

3. Significant Accounting Policies

3.1 *Basis of consolidation*

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

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

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

Subsidiaries

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. The Company's principal operating subsidiaries are as follows:

Name	Place of Incorporation	Ownership Percentage (%)
1818403 Alberta Ltd.	Alberta, Canada	100
Brasil Desenvolvidimentos Mineraiis Ltda.	Brazil	100
Brazilian Gold Corporation	British Columbia, Canada	100
Brazilian Resources Mineração Ltda.	Brazil	100
BRI Mineração Ltda.	Brazil	100
BRI Paraguay S.A.	Paraguay	95
Mineração Regent Brasil Ltda.	Brazil	100

3.2 *Foreign currencies*

The reporting currency of the Company and its subsidiaries is the Canadian dollar ("\$" or "dollars"). The functional currency of the Company is the Canadian dollar and the functional currency of its subsidiaries in Brazil is the Brazilian Real ("R\$") and its subsidiary in Paraguay is the United States dollar ("US\$"). 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.

3.3 *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.

3.4 *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.

3.5 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.

3.6 Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settle or recovered.

3.7 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. The Company has classified other receivables as loans and receivables.

A financial asset is classified as available-for-sale when: (i) it is not classified as held to maturity, loans and receivables or as at FVTPL; or (ii) it is designated as available-for-sale on initial recognition. Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive loss except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

The Company has not designated any financial assets, upon initial recognition, as at fair value through profit or loss.

3.8 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company has classified accounts payables and accrued liabilities, due to related parties and current and long-term obligations as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the consolidated statement of comprehensive loss.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss excludes any interest paid on the financial liabilities.

The Company has not designated any financial liabilities, upon initial recognition, as at fair value through profit or loss.

3.9 Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to other receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

3.10 Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.12 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 16.

3.13 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.

3.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground /environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development / construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognized in profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

3.15 Cash

Cash is comprised of cash at banks and on hand.

3.16 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.17 Net loss per share

Basic net loss per share includes no potential dilution and is computed by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding for the period.

The basic and diluted net loss per share are the same as there are no instruments that have a dilutive effect on earnings.

3.18 Equipment

Equipment is recorded at cost and is depreciated using the straight-line method over their estimated useful lives. Equipment is depreciated over an estimated useful life ranging from two to five years.

When an item of equipment has different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately,

including major inspection and overhaul expenditures are capitalized if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of comprehensive loss as incurred.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted as required.

3.19 Leases

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

3.20 Share-based payment

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.

3.21 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 income and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, income 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.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3.2 – determination of functional currency; and
- Note 7 – classification of joint arrangement.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended November 30, 2014 is included in the following notes:

- Note 6 – impairment testing: key assumptions underlying the recoverable amounts;
- Note 12 – recognition and measurement of provisions and contingencies;
- Note 14 – valuation input and forfeiture rates used in calculation of share-based compensation; and
- Note 17 – recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used.

3.22 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.

3.23 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.

4. Acquisitions

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. BGC, through its subsidiaries, owns a 100% interest in the São Jorge gold project, the Surubim gold project, the Batistão gold project, the Santa Julia gold project, a 75% interest in the Rea uranium project, and an 84.05% interest in the Boa Vista gold project.

The Company has determined that these transactions are related together (the "BGC Acquisition") and together represents an asset acquisition with the Company identified as the acquirer.

The tables below present the purchase cost and the allocation of the purchase price with respect to the valuation of individual asset groups and determination of tax values of the assets and liabilities acquired. For the purpose of these consolidated financial statements, the purchase consideration has been allocated to the fair value of assets acquired and liabilities assumed, based on management's best estimates and all available information at the time of the BGC Acquisition.

	2013 Purchase Price Consideration (\$)
17,820,182 BRI Shares (issued)	12,830,531
243,974 BRI Shares to settle deferred compensation and directors fees (issued)	175,661
193,500 BRI Shares to settle BGC shares issuance obligation (of which 129,000 BRI Shares issued)	139,320
Transaction costs	316,899
Total	13,462,411

	2013 Purchase Price Allocation (\$)
Assets	
Cash	14,926
Other receivables	50,284
Prepaid expenses and deposits	14,671
Available-for-sale securities	20,000
Equipment	62,478
Exploration and evaluation assets	12,689,601
Investment in joint venture	1,655,615
	14,507,575
Liabilities	
Accounts payable and accrued liabilities	530,807
Provisions	514,357
Net assets acquired	13,462,411

5. Equipment

	Computer Equipment (\$)	Exploration Equipment (\$)	Furniture and Fixtures (\$)	Leasehold Improvement (\$)	Vehicles (\$)	Total (\$)
Cost						
Balance at November 30, 2012	68,040	28,367	28,779	1,447	21,784	148,417
Additions	20,362	24,084	27,468	-	7,018	78,932
Balance at November 30, 2013	88,402	52,451	56,247	1,447	28,802	227,349
Disposals	(417)	-	(800)	-	-	(1,217)
Balance at November 30, 2014	87,985	52,451	55,447	1,447	28,802	226,132
Accumulated Depreciation						
Balance at November 30, 2012	19,748	946	5,983	1,025	727	28,429
Depreciation for the year	23,176	5,995	7,053	422	4,356	41,002
Balance at November 30, 2013	42,924	6,941	13,036	1,447	5,083	69,431
Depreciation for the year	29,779	12,407	13,630	-	6,696	62,512
Balance at November 30, 2014	72,703	19,348	26,666	1,447	11,779	131,943
Net Book Value						
At November 30, 2013	45,478	45,510	43,211	-	23,719	157,918
At November 30, 2014	15,282	33,103	28,781	-	17,023	94,189

6. Exploration and Evaluation Assets

	For the year ended November 30,	
	2014 (\$)	2013 (\$)
Balance at the beginning of year	23,807,802	11,360,781
Mineral properties acquired	129,971	12,741,336
Mineral property option payment	38,577	173,901
	23,976,350	24,276,018
Foreign currency translation adjustments	(494,835)	(399,396)
Write-off of exploration and evaluation assets	(260,247)	(68,820)
Balance at the end of year	23,221,268	23,807,802

During the year ended November 30, 2014, the Company abandoned three mineral properties located in Brazil with acquisition costs of \$260,247. As a result, a write-off of exploration and evaluation assets of \$260,247 (2013: \$68,820) was recorded in the consolidated statement of comprehensive loss of the Company.

Exploration and evaluation assets on a project basis are as follows:

	November 30, 2014 (\$)	November 30, 2013 (\$)
Cachoeira	10,400,999	10,603,607
São Jorge	8,811,545	9,000,672
Surubim	3,038,045	3,197,616
Batistão	395,861	404,358
Montes Áureos and Trinta	301,782	308,300
Artulândia	155,473	158,831
Other Exploration and Evaluation Assets	117,563	134,418
Total	23,221,268	23,807,802

The Company's exploration and evaluation assets are detailed below:

Cachoeira

On September 24, 2012 (the "Cachoeira Closing Date"), the Company acquired a 100% interest in the Cachoeira gold project in Pará State, Brazil (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 which Brazil Resources acquired all of the issued and outstanding shares of BRI International Corp. (formerly Luna Gold (International) Corp.).

The Company paid \$500,000 cash and issued 1,428,000 BRI Shares (with fair value of \$1,685,040) to Luna at the Cachoeira Closing Date (the "1st Payment"). On September 23, 2013, the Company issued additional 1,214,000 BRI Shares (with fair value of \$1,432,520) to Luna (the "2nd Payment"). On January 10, 2014, the Company paid \$306,000 cash, including interest, to Luna (the "3rd Payment"). Pursuant to the Cachoeira Agreement (as amended), the following additional payments are to be made by the Company 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 Brazilian National Department of Mining Production ("DNPM") and the environmental preliminary licenses for a gold mining operation relating to the Cachoeira Project (the "4th Payment");
- \$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 (the "5th Payment"); 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 (the "6th Payment").

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 Cachoeira Closing Date. 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. The Company's payment obligations are evidenced by a promissory note issued by the Company to Luna, containing customary events of default and acceleration provisions, and are secured by security interests granted by the Company and its subsidiaries to Luna against, among other things, interests in the Cachoeira Project and the shares of the subsidiaries to be acquired under the Cachoeira Agreement.

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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. Subsequent to November 30, 2014, 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.

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

On June 14, 2010, BGC signed an Option Agreement (the "São Jorge Agreement") to acquire a 100% interest in the São Jorge gold project (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 a 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 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.

At the reporting date, two gold exploration concession applications for the São Jorge Project are under appeal awaiting decisions by DNPM, however, these areas are covered by concession applications held by a subsidiary of Brazil Resources, which currently have priority with the DNPM.

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. In an amendment dated March 14, 2014, the Company renegotiated the terms of the Jarbas Agreement, whereby the Company is now required to make the following option payments:

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- a cash payment of R\$80,000 upon execution of the amended Jarbas Agreement (paid);
- a cash payment of R\$570,000 in March 2015;
- a cash payment of R\$1,000,000 in March 2016; and
- a cash payment of R\$1,500,000 in March 2017.

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 National Instrument 43-101 ("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. Pursuant to the Altoro Agreement, the following option payments are to be made by the Company to Altoro:

- a cash payment of US\$100,000 before December 14, 2013 (paid);
- a cash payment of US\$650,000 upon the DNPM granting a mining concession over the exploration permit.

In addition to the above optional cash 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.

At the reporting date, two non-core gold exploration concessions for the Surubim gold project are under appeal for extension and awaits a decision by DNPM.

Montes Áureos and Trinta

On September 30, 2010, the Company entered into an agreement with Apoio Engenharia e Mineração (the "Montes Áureos Agreement"). Pursuant to the Montes Áureos Agreement, the Company has the option to acquire an initial 51% undivided interest in the Montes Áureos Project over a three year period, from September 30, 2010 to September 30, 2013, (the "Initial Option"), and an additional 46% undivided interest over an additional two year period, from September 30, 2013 to September 30, 2015. On June 20, 2011, the Company amended the terms of the Montes Áureos Agreement by adding the option to acquire Trinta Project for no additional consideration. The Trinta property is subject to the same option terms stipulated in the Montes Áureos Agreement.

The Montes Áureos Project is located within the Gurupi gold belt, a gold-producing area in the Pará and Maranhão states in north-eastern Brazil, comprised of a 4,942 acre exploration license. The 23,643 acre Trinta Project is located approximately 3 kilometers northeast of the Montes Áureos Project.

The Initial Option commitments are as follows:

- (1) a cash payment of US\$25,000 within seven calendar days of September 30, 2010 (paid);
- (2) share issuances of 325,000 BRI Shares in the following manner:
 - (a) 125,000 BRI Shares on or before September 30, 2011 (issued with fair value of \$142,500);
 - (b) 100,000 additional BRI Shares on or before September 30, 2012 (issued with fair value of \$104,000); and
 - (c) 100,000 additional BRI Shares on or before September 30, 2013 (issued with fair value of \$80,000);

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- (3) incur exploration expenditures totalling US\$1,750,000 in the following manner:
 - (a) US\$250,000 of the expenditures on or before September 30, 2011 (incurred);
 - (b) US\$500,000 of additional expenditures on or before September 30, 2012 (incurred); and
 - (c) US\$1,000,000 of additional expenditures on or before September 30, 2013 (incurred); and
- (4) make all necessary payments in order to keep the Montes Áureos and Trinta projects in good standing during the term of the Montes Áureos Agreement.

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

- (1) a cash payment of US\$1,000,000 on or before September 30, 2015;
- (2) share issuances of 700,000 BRI Shares in the following manner:
 - (a) 200,000 BRI Shares on or before September 30, 2014; and
 - (b) 500,000 additional BRI Shares on or before September 30, 2015; and
- (3) incur exploration expenditures to a maximum of US\$3,000,000 on or before September 30, 2015, in the following manner:
 - (a) US\$1,000,000 of the expenditures on or before September 30, 2014; and
 - (b) the lesser of either US\$2,000,000 of additional expenditures or an amount of expenditures as may be required in order for the Company to obtain a feasibility study respecting any of the interests comprising the Montes Áureos and Trinta projects on or before September 30, 2015.

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

Subsequent to November 30, 2014, 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

On December 8, 2011, the Company acquired a 100% undivided interest in the 12,000 acre Artulândia Property located in Goiás State, Brazil, through its wholly-owned subsidiary by way of an option (the "Artulândia Option Agreement"). The acquisition was completed by way of payments being made pursuant to terms of the Artulândia Option Agreement: (i) initial payment of R\$100,000; (ii) R\$50,000 within 6 months; and (iii) R\$200,000 within 12 months of the date 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.

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

	For the year ended		For the period from
	November 30, 2014	November 30, 2013	incorporation, September 9, 2009, to 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

7. Investment in Joint Venture

As at November 30, 2014, the Company holds an 84.05% interest in Boa Vista Gold Inc. ("BVG") pursuant to the BGC Arrangement. BVG, a corporation formed under the laws of British Virgin Islands, holds the rights to the Boa Vista Gold Project (the "Boa Vista Project").

The Company accounts for its investment in BVG using the equity method since the Company shares joint control over the strategic, financial, permitting, development and operating decisions with Octa Mineração Ltda ("Octa"), who holds a 15.95% interest in BVG.

The following table summarises the financial information of BVG as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount for the Company's interest in BVG.

	2014	2013
	(\$)	(\$)
Current assets	30,915	1,650
Non-current assets	2,032,604	1,974,169
	2,063,519	1,975,819
Current liabilities	(13,544)	(6,021)
Non-current liabilities	-	-
Net assets	2,049,975	1,969,798
Ownership interest	84.05%	84.05%
Carrying amount of the investment	1,723,004	1,655,615
Revenue	-	-
Expense	150,221	-
Net loss and total comprehensive loss	150,221	-
Equity in losses of BVG	126,261	-

On April 26, 2013, BGC signed a Share Exchange Agreement ("Share Exchange Agreement") with D'Gold Mineral Ltda. ("D'Gold") to acquire D'Gold's remaining 13.05% interest in 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 BGC Arrangement, BGC had a remaining share issuance obligation of 1,125,000 BGC common shares to D'Gold. Pursuant to the BGC Arrangement, the Company 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 Acquisition closing date of November 22, 2013, 64,500 BRI Shares were issued to D'Gold with fair value of \$46,440. The Company is required to issue additional shares as follows:

- 64,500 BRI Shares on or before May 23, 2014 (issued with fair value of \$46,440); 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 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. BVG is required to make the remaining cash payments as follows in order to retain the surface rights to the property:

- a cash payment of R\$80,000 due on March 5, 2014 (paid);
- a cash payment of R\$80,000 due on September 5, 2014 (paid);
- a cash payment of R\$80,000 due on March 5, 2015;
- a cash payment of R\$80,000 due on September 5, 2015;
- a cash payment of R\$80,000 due on March 5, 2016;
- a cash payment of R\$3,500,000 due on March 5, 2017; and
- a cash payment of R\$240,000 due upon the commencement of small scale mining.

At the reporting date, one gold exploration concession for the Boa Vista Project is under appeal for extension and awaits a decision by DNPM.

8. Cash

	November 30, 2014 (\$)	November 30, 2013 (\$)
Cash consists of:		
Cash at bank and on hand	798,512	225,827
Total	798,512	225,827

9. Other Receivables

	November 30, 2014 (\$)	November 30, 2013 (\$)
Goods and service and sales tax receivable	58,077	81,228
Other receivables	3,169	20,406
Total	61,246	101,634

10. Available-for-Sale Securities

Available-for-sale securities are recorded at fair value based on quoted market prices, with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. During the year ended November 30, 2014, the Company recorded an unrealized loss of \$5,000 (2013: \$nil) in other comprehensive loss relating to available-for-sale securities.

The available-for-sale securities include 1,000,000 shares in Pure Nickel Inc. acquired in the BGC Arrangement with fair value of \$15,000 at November 30, 2014 (2013: \$20,000).

11. Accounts Payable and Accrued Liabilities

	November 30, 2014 (\$)	November 30, 2013 (\$)
Trade payables	952,526	975,125
Accrued liabilities	85,213	112,460
Payroll and tax withholding	69,913	69,914
Total	1,107,652	1,157,499

12. 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. 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. The reduction in the provision, pursuant to the settlement, resulted in a gain on settlement of \$221,935.

13. Long-Term Obligations

All long-term obligations under the Cachoeira Agreement have been reflected as of November 30, 2014. The cash payments due have been discounted using an interest rate of 10%.

	Note	As at November 30, 2014 (\$)	As at November 30, 2013 (\$)
Stated value as at Cachoeira Closing Date		600,000	600,000
Cash payment	6	(300,000)	-
Discount		(47,756)	(70,687)
		252,244	529,313
Less: current portion		-	(300,000)
Net present value		252,244	229,313

14. Share Capital

14.1 Authorized

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

14.2 Private Placement

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 "BRI Warrant"). Each BRI Warrant entitles the holder thereof to purchase one BRI Share of the Company at an exercise price of \$0.75 at any time within 60 months from the closing date, subject to acceleration in certain circumstances in accordance with the terms of the warrant indenture governing the Warrants. The Units, BRI Shares and BRI Warrants issued under the 2013 Private Placement were subject to a hold period expiring on May 1, 2014 in accordance with the rules and policies of the TSX-V and applicable Canadian securities laws and such other further restrictions as may apply under foreign securities laws. The BRI 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, in accordance with the policies of the TSX-V. Other share issuance costs total \$80,600.

The BRI Shares are valued at the Company's closing price of \$0.50 at December 31, 2013, and the BRI Warrants are valued using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2013
Risk-free interest rate	1.94%
Expected life (years)	5.00
Expected volatility	90.84%
Expected dividend yield	0.00%

The fair value of BRI Shares and BRI Warrants are allocated to the net proceeds from the 2013 Private Placement. The relative fair value of the BRI Shares and BRI Warrants calculated from the allocation is as below:

	Amount (\$)
Fair value of BRI Shares	5,825,310
Fair value of BRI Warrants	3,732,859
Total fair value before allocation to net proceeds	9,558,169
Gross proceeds	6,407,841
Share issuance costs	(190,371)
Warrant issuance costs	(121,990)
Net proceeds received	6,095,480
Relative fair value allocation to:	
BRI Shares	3,714,944
BRI Warrants	2,380,536
	6,095,480

14.3 Issued Capital

	Number of Shares	Amount (\$)
Balance at November 30, 2012	41,330,147	15,785,863
Issued pursuant to the Cachoeira Agreement	1,214,000	1,432,520
Issued pursuant to the BGC Arrangement	17,884,682	12,876,971
Issued pursuant to the Montes Áureos Agreement	100,000	80,000
Balance at November 30, 2013	60,528,829	30,175,354
Private Placement @ \$0.55 per Unit	11,650,620	4,027,305
Share issuance cost	-	(312,361)
Issued on exercise of share options	12,500	13,750
Issued pursuant to the BGC Arrangement	308,474	222,101
Balance at November 30, 2014	72,500,423	34,126,149

14.4 Share Issuance Obligations

	Share Issuance Obligations (\$)
Balance at November 30, 2012	8,365,040
Issued pursuant to the Cachoeira Agreement 2 nd Payment	(1,432,520)
Pursuant to the BGC Arrangement:	
Deferred compensation and directors fees - 243,974 BRI Shares @ \$0.72 per share	175,661
D'Gold - 129,000 BRI Shares @ \$0.72 per share	92,880
Balance at November 30, 2013	7,201,061
Issued pursuant to the BGC Arrangement deferred compensation and directors fees	(175,661)
Issued pursuant to the BGC Arrangement D'Gold	(46,440)
Balance at November 30, 2014	6,978,960

Share issuance obligations consist of:

	As at November 30, 2014 (\$)	As at November 30, 2013 (\$)
Cachoeira Agreement 4 th Payment	1,432,520	1,432,520
Cachoeira Agreement 5 th Payment	2,500,000	2,500,000
Cachoeira Agreement 6 th Payment	3,000,000	3,000,000
BGC Arrangement deferred compensation and directors fees	-	175,661
BGC Arrangement D'Gold	46,440	92,880
	6,978,960	7,201,061

14.5 Reserves

	Share Options (\$)	BRI Warrants (\$)	Total (\$)
Balance at November 30, 2012	1,127,199	-	1,127,199
Share-based compensation	64,137	-	64,137
Balance at November 30, 2013	1,191,336	-	1,191,336
Issuance of BRI Warrants	-	2,380,536	2,380,536
Share-based compensation	(2,112)	-	(2,112)
Balance at November 30, 2014	1,189,224	2,380,536	3,569,760

14.6 Warrants

	Number of BRI Warrants	Weighted Average Exercise Price (\$)
Balance at November 30, 2012	-	-
Balance at November 30, 2013	-	-
Granted	11,650,620	0.75
Balance at November 30, 2014	11,650,620	0.75

14.7 Share Options

The Company's share option plan (the "Option Plan") was approved by the Board of Directors of the Company (the "Board") on January 28, 2011. Pursuant to the terms of the Option Plan, the Board may designate directors, senior officers, employees and consultants of the Company eligible to receive incentive share options (the "Options") to acquire such numbers of BRI Shares as the Board may determine, each Option so granted being for a term specified by the Board up to a maximum of five years from the date of grant. The options vest in accordance with the vesting schedule during the optionee's continual service with the Company. There are no cash settlement alternatives. The maximum number of BRI Shares reserved for issuance for Options granted under the Option Plan at any time is 10% of the issued and outstanding BRI Shares in the capital of the Company. The Option Plan was affirmed, ratified and approved by the Company's shareholders in accordance with its term at the Annual General Meeting held on November 26, 2014.

The changes in the Options during the years ended November 30, 2014 and 2013 were as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance at November 30, 2012	2,003,750	1.22
Granted	115,000	1.04
Expired/Forfeited	(213,750)	1.06
Balance at November 30, 2013	1,905,000	1.22
Exercised	(12,500)	1.10
Expired/Forfeited	(112,500)	1.01
Balance at November 30, 2014	1,780,000	1.24

The weighted average fair value of Options granted during Fiscal Year 2014 was \$nil (2013: \$0.57). The fair value of Options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	November 30, 2014	November 30, 2013
Risk-free interest rate	-	1.15%
Expected life (years)	-	2.85
Expected volatility	-	87.02%
Expected dividend yield	-	0.00%
Estimated forfeiture rate	-	1.88%

A summary of Options outstanding and exercisable at November 30, 2014:

Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Number of Options Outstanding	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Exercisable	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)
\$1.03 to \$1.15	65,000	1.06	3.16	65,000	1.06	3.16
\$1.16 to \$1.25	1,265,000	1.20	1.85	1,265,000	1.20	1.85
\$1.26 to \$1.40	300,000	1.30	1.64	300,000	1.30	1.64
\$1.41 to \$1.50	150,000	1.50	2.19	150,000	1.50	2.19
	1,780,000	1.24	1.89	1,780,000	1.24	1.89

The fair value of the Options recognized as expense during the year ended November 30, 2014 was (\$2,112) (2013: \$64,137) using the Black-Scholes option pricing model.

BRI Shares commenced trading on the TSX-V on May 16, 2011. Due to the short period of trading history, the expected volatility is based on the historical share price volatility of a group of comparable companies in the mining sector for a period similar to the expected life of the options.

15. Capital Risk Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

At November 30, 2014, the Company's capital structure consists of the equity of the Company (Note 14). The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

16. Financial Instruments

The Company's financial assets include cash, other receivables and available-for-sale securities. The Company's financial liabilities include accounts payable and accrued liabilities, due to related parties 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.

16.1 Financial risk management objectives and policies

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.

16.2 *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)

16.3 *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.

16.4 *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.

16.5 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). In January 2015, the Company completed a non-brokered private placement (the "2015 Private Placement") of approximately \$4.46 million (Note 21). 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

16.6 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.

17. Income Tax

The Company had no assessable profit for the years ended November 30, 2014 and 2013. A reconciliation of the provision for income taxes computed at the combined Canadian federal and provincial statutory rate to the provision for income taxes as shown in the consolidated statement of comprehensive loss for the years ended November 30, 2014 and 2013 is as follows:

	For the year ended	
	November 30, 2014	November 30, 2013
	(\$)	(\$)
Net loss for the year	5,049,042	5,502,012
Statutory rate	26.00%	25.67%
Recovery of income taxes at statutory rates	1,312,751	1,142,366
Non-deductible permanent differences	(643,329)	(884,158)
Income tax rate differences	-	47,478
Change in benefits not recognized	(761,715)	(593,149)
Change in estimates	(5,523)	15,402
Other	97,816	2,061
Tax recovery for the year	-	-

The temporary differences for which deferred income tax assets are not recognized are as follows:

	As at November 30, 2014	As at November 30, 2013
	(\$)	(\$)
Non-capital loss carry forward	8,446,521	5,476,941
Mineral properties	253,290	253,290
Fixed assets	23,681	9,621
Share issue costs	105,340	282,414
Cumulative eligible capital	143,510	102,024
Unrecognized deferred income tax assets	8,972,342	6,124,290

The deferred tax assets have not been recognized in the consolidated financial statements, as management does not consider it more likely than not those assets will be realized in the near future.

The Company has non-capital losses which may be carried-forward to reduce taxable income in future years. The non-capital losses in Canada will expire as follows:

	As at November 30, 2014	As at November 30, 2013
	(\$)	(\$)
Year 2029	2,000	2,000
Year 2030	321,000	321,000
Year 2031	1,077,000	1,077,000
Year 2032	1,979,000	1,979,000
Year 2033	2,106,000	2,098,000
Year 2034	2,962,000	-
Total	8,447,000	5,477,000

The non-capital loss carry-forward balance of approximately \$12,400,000 arose from BGC Arrangement as at November 30, 2013 which was later determined by the Company to be non-recoverable according to Canadian acquisition of control rules and other tax return adjustments as a result of the BGC's previous years' operations in the taxation years that the non-capital losses arose. As a result an adjustment has been made to the related 2013 balance.

Similarly, the mineral properties balance of approximately \$10,100,000 in the Brazilian entities and investments of \$1,030,000, that were part of the BGC Arrangement as at November 30, 2013 were later determined by the Company to be not recognizable based on initial recognition exemption of individual assets identified from the tax returns filed.

18. Related Party Transactions

18.1 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 paid to 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 (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 a company controlled by a direct family member of a director. The fees paid were commensurate to fees charged to 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.

18.2 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 Chief Executive Officer and Chief Financial Officer, who are also directors of the Company.

Brazil Resources Inc.

(An exploration stage company)

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars unless otherwise stated)

November 30, 2014 and 2013

**19. Segmented Information**

The Company conducts its business as a single operating segment, being the acquisition, exploration and development of mineral properties. The Company operates in three principal geographical areas – Canada (country of domicile), Brazil and Paraguay.

The Company's total assets, total liabilities and operating loss by geographical location are detailed below for the years ended November 30.

	Total assets		Total liabilities		Operating loss	
	2014	2013	2014	2013	2014	2013
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Canada	887,710	334,168	877,628	1,423,155	2,658,438	2,364,109
Brazil	25,078,238	25,614,237	842,296	745,196	2,611,321	3,037,293
Paraguay	56,863	99,254	1,545	38,107	28,770	126,144
	26,022,811	26,047,659	1,721,469	2,206,458	5,298,529	5,527,546

20. Commitments

In addition to the Cachoeira Agreement, São Jorge Agreement, Jarbas Agreement, Altoro Agreement, Montes Áureos Agreement and Artulândia Option Agreement (Note 6), as at November 30, 2014, 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 periods:

	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.

21. Subsequent Events

On December 15, 2014, the Company announced that Stephen Swatton had stepped down as Chief Executive Officer, President and director of the Company for personal reasons. The Company appointed Garnet Dawson, previously Technical Director of the Company, as Chief Executive Officer and Paulo Pereira, previously VP Exploration and Country Manager of the Company, as President.

On December 24, 2014, the Company issued 64,500 BRI Shares to D'Gold pursuant to a Share Exchange Agreement.

On January 6, 2015, the Company completed 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, in accordance with the policies of the TSX-V.

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(An exploration stage company)

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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.

On February 6, 2015, the Company granted 1,410,000 Options to certain directors, officers, employees and consultants of the Company. The Options have an exercise price of \$0.71 per BRI Share, representing the market price of the BRI Shares on February 6, 2015, are valid for a period of five years. 342,500 Options will vest immediately, with the balance vesting over an 18-month period. The Option grants are subject to the acceptance of the TSX-V.

On March 18, 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 in March 2015);
- 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.

Original terms of the Boa Vista Surface Rights Agreement are disclosed in Note 7 of these financial statements.

On 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.

Original terms of the Jarbas Agreement are disclosed in Note 6 of these financial statements.