



BRAZIL MINERALS, INC.

Recent Moves Drive Value Higher

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October 15, 2014

BRAZIL MINERALS, INC. (OTCQB – BMIX - \$0.038)

Price Target: \$0.30

Rating: Speculative Buy

COMPANY SNAPSHOT

Brazil Minerals, Inc. ("BMIX" or the "Company") is a revenue-generating U.S. holding company in the natural resources area. The Company's primary holding is 100%-owned Mineração Duas Barras Ltda. ("MDB"), a Brazilian producer located in the state of Minas Gerais, which mines conflict free diamonds and gold, and sells rough and polished diamonds and 96% purity gold. MDB has a fully-operational mining concession and the permit to export its production of rough and polished diamonds. Additionally, BMIX holds 100% ownership of the mineral rights for a 24,700 acre area with known presence of gold and copper in the state of Amazonas, Brazil. Separately, BMIX has an option to acquire up to a 75% ownership interest in a titanium, vanadium and iron project in the state of Piauí, Brazil.

KEY STATISTICS

Price as of 10/14/14	\$0.038
52 Week High – Low	\$0.15 – \$0.0332
Est. Shares Outstanding	84.6M
Market Capitalization	\$3.7M
3 Mo Avg. Vol.	172,000
Exchange	OTCQB

COMPANY INFORMATION

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KEY TAKEAWAYS

Since the release of our initiation of coverage report last month, BMIX has made major strides in raising the value of the Company's stock which set the stage for significant gains going forward.

BMIX Now Owns 100% of Core Subsidiary. The Company recently acquired the remaining 14% of Mineração Duas Barras Ltda. ("MDB") it did not own, in consideration for a combination of cash and stock. MDB, the Company's core holding, is a Brazilian producer which mines conflict free diamonds and gold, and sells rough and polished diamonds and 96% purity gold.

Impressive Revenue Growth Achieved in 3Q14. Driven by the MDB subsidiary, revenue rose by 212% in 3Q14 as compared with 2Q14, and was up 14% from the year-ago period. The Company is on track to enjoy continued production and sales growth in the coming quarters, which reduces the risk profile and enhances BMIX's overall value to shareholders.

New, Profitable Target Market. One of the diamonds produced MDB was graded as a fancy color diamond by the Gemological Institute of America ("GIA"). Fancy colored diamonds are much rarer than the usual colorless gems that MDB produces. Colored diamonds lend themselves well to specific jewelry pieces, which may command a price substantially higher than a sale of polished diamonds and could potentially provide BMIX with a new, high margin market segment.

Pure Play On Huge Brazilian Natural Resources Space. BMIX is the only publicly-traded diamond and gold company from Brazil. In our view, this pure play on Brazil is grossly undervalued and the stock is poised to move considerably higher in conjunction with greater diamond production and the development of new properties. We reiterate our Speculative Buy rating and our \$0.30 price target.



SENIOR ANALYST: ROB GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

ANALYST CERTIFICATION

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Cautionary note regarding estimates of Mineral Reserves of Diamonds and Gold as found in MDB's Bankable Feasibility Study.

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