

BRAZIL MINERALS, INC.

The Most Attractive Revenue-Generating Mining Stock

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BRAZIL MINERALS, INC. (OTCQB – BMIX - \$0.05)

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 its 86.88%-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 9/15/14	\$0.05
52 Week High – Low	\$0.15 – \$0.04
Est. Shares Outstanding	84.6M
Market Capitalization	\$4.5M
3 Mo Avg. Vol.	132,000
Exchange	OTCQB

COMPANY INFORMATION

Brazil Minerals, Inc.
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INVESTMENT HIGHLIGHTS

Incredibly low valuation for a revenue generating company with potentially high margins and with multiple shots on goal. This sub-\$5M in market cap company generated close to \$800,000 in revenue in its core diamond and gold business in its first year of operations. Its majority-owned key property and business could ultimately be worth hundreds of millions of dollars.

Pure play in the huge Brazilian natural resources space: BMIX is the only publicly-traded diamond and gold company from Brazil. Very importantly, the Company's key subsidiary, MDB, owns the largest alluvial processing plant in Latin America.

Not only does the early revenue success in its key property reduce the risk profile, but the diversification into other minerals beginning next year only increases the overall value of the Company. Additionally, the corporate structure whereby BMIX subsidiaries own majority stakes in properties enhances access to capital and partnerships for each stand-alone property, since capital raises will be primarily done at the level of each subsidiary, thus not diluting BMIX.

BMIX boasts an enviable executive team that is in the early stages of executing a business model which mirrors that of successful, multi-billion dollar market cap mining stocks.

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. At current levels, its market cap appears to only reflect its 2013 diamond production and sales. Based on the indicated resource, we believe that the core diamond properties alone are likely worth nearly \$30M today without taking into account BMIX's other two property categories. **Therefore, we rate these shares Speculative Buy with a \$0.30 near term price target.**

COMPANY OVERVIEW

Brazil Minerals, Inc. (OTCQB – BMIX) mines and sells diamonds, both rough and polished, as well as gold. Additionally, the Company owns majority exploration rights for other minerals including copper, titanium, vanadium and iron. The Company's primary holding is its 86.88%-owned Mineração Duas Barras Ltda. ("MDB"), a Brazilian producer, which mines conflict free diamonds and gold, and has the Brazilian federal permit to export rough and polished diamonds. On average, 97% of the diamonds mined at MDB are of quality for jewelry applications. The characteristics of the diamonds produced at MDB are strong. The highest color grade of MDB's polished diamonds has been "E" in the GIA scale (where the absolute maximum is "D", and therefore E is the second best); the highest clarity of MDB's polished diamonds has been "VVS1" (where the maximum is "IR", and VVS1 is the second best).

MDB has recently concluded the build-out of a facility for cutting and polishing diamonds. Currently, a small percentage of the rough diamonds mined at MDB are directed to this facility and the result is a steady supply of polished diamonds. Such polished diamonds sell for 5 to 15 times the price of rough diamonds. Because of the fine quality of its gems, BMIX sells its polished diamonds ungraded to a marquee 11-store jewelry chain in Brazil that has been operating since 1944. Other polished diamonds are exported to the U.S. for grading and certification at the Gemological Institute of America ("GIA") before being sold to private investors. The GIA is the diamond industry's premier laboratory for grading and certification. In fact, in the first six months of 2014, BMIX has pre-sold \$1,000,000 of its GIA graded diamonds for future delivery through December 31, 2015. We should note that in August 2014 the Gemological Institute of America ("GIA") visited MDB's facilities. This is a huge step that illustrates the quality of the Company's diamond products.

MDB has a fully-operational mining concession and operates the largest alluvial processing plant in Latin America. MDB has had two NI 43-101 geological reports completed and a bankable feasibility study on file with the local mining department. The MDB diamond and gold project is located on approximately 1,404 acres in the state of Minas Gerais, Brazil. Through MDB, Brazil Minerals has been producing and selling diamonds and gold since 2013 when it recorded \$792,000 in revenue. We believe that the Company is on track to roughly match that figure this year and potentially double its revenue in 2015. As the Company executes its strategy, the \$5M in sales mark is possible in the coming years.

Separately, Brazil Minerals holds 100% ownership in a 24,700 acre site in a gold and copper area in the state of Amazonas, Brazil. Prospector activity and geochemical studies have shown the presence of gold and copper. BMIX will likely seek to partner or enter into a joint venture with a third party for this property. The Company also has an option to acquire up to 75% ownership interest in a titanium, vanadium, and iron project in the state of Piauí, Brazil. In order to divide its opportunities into pure plays for future funding and partnerships at the best valuation, the Company utilizes subsidiaries to hold controlling interests in its key properties.

BMIX was founded in 2011 and its U.S. corporate office is in Pasadena, California. BMIX's primary operational office is in Belo Horizonte, the capital of the state of Minas Gerais in Brazil. "Minas Gerais" translates in English to "General Mines", a testament to the prowess of natural resources in that part of Brazil. Belo Horizonte has a population of approximately 2.5 million and is the third largest Brazilian city. In Belo Horizonte, BMIX employs three individuals, one with a lifelong expertise in diamonds, and two with private equity experience.

MDB: A REVENUE-GENERATING DIAMOND & GOLD MINE WITH HUGE UPSIDE

Mineração Duas Barras Ltda. (“MDB”), a producer of alluvial diamond and gold, is located on the left bank of the Jequitinhonha River in the state of Minas Gerais, Brazil, approximately 265 miles north of Belo Horizonte, the state capital. The diamond and gold processing plant at MDB is accessible by dirt road which connects to asphalt highways. Montes Claros, the regional hub for northern Minas Gerais, with a population of over 400,000 people and a busy regional airport, is located within a 90-minute drive. The Jequitinhonha River is a well-known area for diamond and gold production; it has hosted alluvial mining operations of varying sizes and scales since the 18th century.



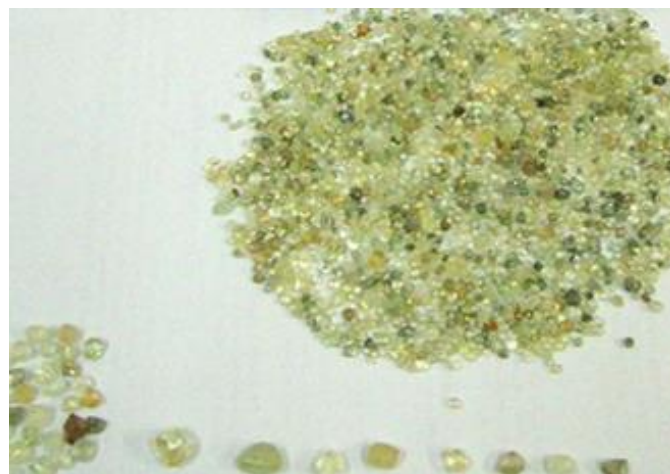
*Approximate Location of Mineração Duas Barras Ltda. (“MDB”) in the state of Minas Gerais, Brazil
(Source: www.Brazil-Minerals.com)*

The MDB plant was originally built by then Toronto Stock Exchange Venture -listed Vaaldiam Resources Ltd. (“Vaaldiam”) in 2006-2007 at a cost of approximately \$2.5 million. To the best of BMIX’s knowledge, the diamond and gold processing plant at Duas Barras is the largest alluvial recovery plant of its kind in Latin America. Additionally, Vaaldiam spent \$3.6 million to acquire the minerals rights for the property, and an estimated \$2.0 million for detailed drilling and technical studies leading to the NI 43-101 geological report and bankable feasibility of the property, as well as an estimated \$2.0 million for removal of overgrowth on the property. Therefore, the total cost of development of MDB by Vaaldiam is estimated at \$10 million.

In addition to MDB, Vaaldiam had 300 workers elsewhere in Brazil in various exploratory, non-revenue projects. When the 2008 financial crisis hit the markets, Vaaldiam left Brazil unable to satisfy local social security payments and other demands. Initially, BMIX acquired a 55% stake in MDB, and subsequent rounds of acquisition have brought the percentage ownership to 86.88%. BMIX has publicly announced its intention of getting to 100% ownership of MDB before the end of 2014.



Detail of the MDB diamond and gold recovery plant. For size comparison, note the employee standing on the foreground with a blue shirt. (Source: www.Brazil-Minerals.com)



Rough diamonds from MDB. The larger diamonds at the bottom are normally cut and polished at MDB's facility, and sold as polished diamonds achieving much higher revenue on a per carat basis. (Source: www.Brazil-Minerals.com)

MDB owns title to both a mining concession and a mineral right, covering a total area of approximately 1,404 acres. MDB's mining concession was granted on August 25, 2006 for diamonds and gold and is a perpetual right to mine. MDB's mining concession covers an area of approximately 422 acres. In addition to the mining concession, MDB has current operating and environmental licenses issued by state authorities to mine and operate its plant. MDB's other mineral right is an exploration and research right that may become a mining concession after MDB performs some limited studies. This right covers approximately 982 acres and is located within the same Jequitinhonha River valley, and its diamondiferous and auriferous gravel can be processed in the same MDB plant. MDB's plant recovers alluvial diamonds and gold and as of September 2014 had 18 employees.

BMIX ended 2013 with nearly \$800,000 in revenue and recorded nearly \$100,000 in sales for the first half of 2014. Seasonality, in the form of a 4 to 5 month rainy season from December-April means that much of the open pit mining excavation work at MDB is performed in later months. The BMIX revenue mix has gone from 69% from rough diamonds and 31% from gold in 2013 to 43% from rough diamonds, 32% from polished diamonds, and 25% from gold in the first six months of 2014. There has also been geographical diversification of buyers from 100% of sales being in Brazil in 2013 to 68% in Brazil and 32% in the U.S. in the first six months of 2014.

It should be noted that BMIX has not performed any geological studies in MDB, but has relied on the NI 43-101 technical report from Vaaldiam, publicly-issued in 2007, as required by the rules of the Canadian securities administrator, since the previous owner of the property was a Canadian listed company. The technical report illustrates mineralized materials amounting to 1,639,200 cubic meters with 0.16 carats of diamonds per cubic meter and 182 milligrams of gold per cubic meter. The detailed drilling program underscoring this result was performed on approximately 7% of the entire area of the mineral rights available to MDB.

The MDB NI 43-101 technical report contains on its page 9 the following table:

Mineral Resource	Volume (m ³)	Diamond Grade (cts/m ³)	Diamond Content (carats)	Fine Gold Grade (mg/m ³)	Fine Gold Content (kg)
Indicated	1,843,000	0.16	295,000	182	335
Inferred	856,000	0.16	137,000	182	156
TOTAL	2,699,000	0.16	432,000	182	491

Based on these figures, we estimate that this small (7%) portion of the property is worth as much as \$75M alone according to today's prevailing prices of rough diamonds and gold. If using prices for polished diamonds, even for only a percentage, the valuation jumps up dramatically. Given the geology and mineralization trends in the region, it is possible that the resource found on the entire 1,404 acre of MDB could be worth well into the hundreds of millions of dollars.

GOLD & COPPER – PROJECT IN STATE OF AMAZONAS, BRAZIL

BMIX holds 100% ownership of the research and exploration permit in a 24,700 acre site located between the cities of Borba and Apuí in the State of Amazonas, Brazil. Prospector activity has shown presence of gold in depths varying from 1 to 5 meters, and usually in conglomerate format. Geochemical studies have confirmed the presence of gold and copper. A drilling survey has been yet to be done. BMIX may seek to partner or engage in a joint venture with a third party regarding this property to share any exploration costs.

Amazon area gold projects have been sold at prices ranging from \$110 million for Tocantinzinho, which was acquired by Eldorado Gold, to a \$13 million sale for Sao Jorge, which was recently acquired by Brazil Resources.



Location of the gold & copper project in the state of Amazonas, Brazil. (Source: www.Brazil-Minerals.com)



Mineralization of conglomerate type in the Amazonas gold & copper project. (Source: www.Brazil-Minerals.com)

TITANIUM, VANADIUM & IRON - PROJECT IN THE STATE OF PIAUI, BRAZIL

This site is located in the State of Piauí, Brazil and BMIX has an option to acquire up to a 75% ownership interest. Preliminary reports have demonstrated very promising results for titanium, vanadium, and iron. Vanadium and titanium are considered strategic minerals and have a substantial use in military and high technology applications. Both are utilized to improve strength in steel alloys. Vanadium is used in green energy applications such as advanced batteries as well as in superconductors while titanium is utilized in pigments, additives, and coatings. Iron is the basic material used for the production of steel and one of the major commodities in demand by growing economies.

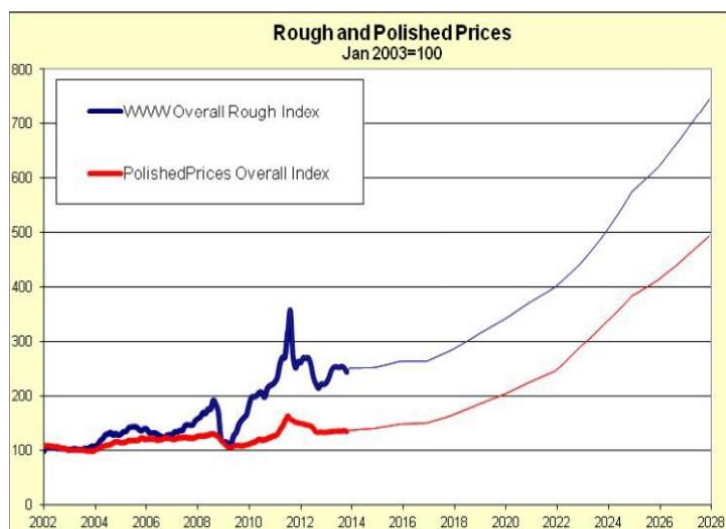
MARKET/INDUSTRY OVERVIEW

Expanding economies and overextended government fiscal policies have sparked a revolution of investment in precious and commodity metals over the 15-20 years. Gold and diamonds have led the charge in the precious metals segment while applications in the use of metals such as copper have grown dramatically in conjunction with the evolution and broad utilization of modern technology as well as the growth of emerging economies. In recent months, some institutional investors have sought inflation protection as well as traditional equity gains via investment in mined metals companies and the underlying assets themselves.

DIAMONDS

Sold as either rough or polished stones, an estimated 57,000 pounds of diamonds are mined each year, and diamonds remain one of the most sought after gemstones in the world. Known as the hardest material on earth, diamonds are often used in industrial cutting and polishing tools. However, many in the investment community also utilize diamonds as a low volatility inflation hedge. Nonetheless, this resource, particularly polished diamonds, remain a girl's best friend and are primarily sold as jewelry. The chart below illustrates diamond prices' 10-year history along with 15-year forecasts for both rough and polished diamond classes.

It should be observed that the prices of both indices grew by approximately 100% over the 10-year period from 2003 to 2013 and is expected to grow at a similar rate over the next 10 years. Clearly, this forecast illustrates the potentially profitable diamond mining opportunity and reinforces our thesis.



10-Year Growth in Diamond Prices and 15 Year Forecast
(Source: WWW International Diamond Consultants Limited/Scotia Bank 2014)

GOLD

Since 2013, the price of gold has dropped significantly after completing an extended bull market run as the 10-year and 1-year charts below illustrate. Gold prices enjoyed a sharp rise of nearly 400% from the early 2000's through mid-2011. A slight drop from 2011 to 2013 prompted the current environment of an oscillating price range of \$1,200 to \$1,400 per ounce. Even with the decline in prices since 2011, gold prices remain over 300% higher than they were 10 years ago. Although there are strong indications that favorable monetary policies are coming to an end, gold remains a key tool in hedging stock portfolios, combating inflation, and protecting downside risk for fixed income.



10-Year Gold Spot Price

The figure below presents a sample of the latest gold price estimates over the next two years from leading Wall Street banks. The consensus forecast indicates a stable environment similar to the present whereby prices remain in a range of \$1,200 to \$1,400 per ounce.

Most Recent Analysts' Forecast for Gold
(Source: Goldman Small Cap Research)

Firm	Forecast Date	Gold 2014	Gold 2015
UBS	02/20/14	\$ 1,280	\$ 1,200
Bank of America	07/15/14	\$ 1,308	\$ 1,375
J.P. Morgan	01/06/14	\$ 1,263	\$ 1,275
Barclays	04/17/14	\$ 1,205	\$ 1,150
HSBC	03/03/14	\$ 1,292	\$ 1,310
Average		\$ 1,270	\$ 1,262

Copper is broadly used in a variety of construction, power, and industrial applications. Other metals like titanium and vanadium offer a strategic and in-demand metallurgical additive to steel given the broad use in green technology and in steel by companies in emerging markets.

BMIX offers exposure to all of the areas mentioned above with a primary near term focus on diamonds and gold. Additionally, Brazil is an extremely mining-friendly nation with limited regulation, an abundant low cost workforce, a growing middle class, and a stable democratically-elected government. These factors combined with meaningful competitive advantages reinforce our thesis that BMIX may be the most attractive and undervalued stock in the mining space.

BMIX MANAGEMENT TEAM

The management, counsel, and directors of BMIX have nearly 200 years of combined experience in mining, private equity, legal counsel, finance, and operations in several countries, with an emphasis on Brazil.

Key members of the management are listed below, and the entire team is described at www.Brazil-Minerals.com.

MARC FOGASSA

Chairman and Chief Executive Officer

Mr. Fogassa has a 15-year career in private equity/venture capital and public equity investments. He has extensive direct investing experience, including cross-border deal structuring, due diligence, management build-up, and Board of Directors oversight. He was born and raised in Brazil, and speaks Portuguese fluently. In 2012 he founded Brazil Mining, Inc., currently the largest shareholder of BMIX.

Mr. Fogassa is frequently invited as an international speaker on Brazilian issues, and has written an op-ed in one of Brazil's foremost newspapers. Mr. Fogassa has worked at Goldman Sachs & Co. and Atlas Venture, and has been a director on the boards of several private companies.

Mr. Fogassa carried a double-major at the Massachusetts Institute of Technology, earning Bachelor of Science degrees in Electrical Engineering and Biology. He subsequently graduated from the Harvard Medical School with a Doctor of Medicine degree and later from the Harvard Business School with a Master in Business Administration degree. He was elected to Tau Beta Pi, Eta Kappa Nu, and Sigma Xi honor societies.

ROBLEDO DELATORRE RIBEIRO

Head of Operations, Brazil & Vice President, Finance & Admin

Mr. Ribeiro has substantial experience in both the diamond business and private equity, and experience in managing hundreds of employees. His family controls GAR Mineração S.A., one of the largest diamond-mining companies in Brazil. At GAR, he was General Manager and headed activities and projects in operations, finance, administrative, and mining department and government relations. BMIX has benefited from a very productive relationship with GAR and has located its Belo Horizonte office in the same building as the GAR headquarters.

Previously, Mr. Ribeiro was an Investment Associate with Culturinvest Investimentos S.A., a private equity fund in Brazil. He has managed family-owned businesses including a group of restaurants. Mr. Ribeiro has a master's degree in Corporate Economics, and an undergraduate degree in Business Administration.

JAY WEIL, ESQ.

General Counsel

Mr. Weil has more than 35 years of legal experience, having represented public and private companies and individuals in a wide range of business transactions and securities laws compliance matters. He has experience on virtually every aspect of corporate and securities law, including the preparation of contracts and SEC filings, advice on the law, and development of strategies regarding business terms of deals. Mr. Weil also handles all phases of both public offerings and private placements of securities as well as reverse mergers and secured and unsecured debt financing. He has also experience in mergers and acquisitions.

Prior to joining BMIX as General Counsel, Mr. Weil had worked on matters of Brazil Mining and BMIX since the inception of these companies, as a partner attorney with law firm Ofsink LLC in New York from 2003 to 2014. Previously, Mr. Weil was a securities and corporate partner with the New York office of Wolf, Block, Schorr and Solis-Cohen, then a regional law firm with more than 200 attorneys, and prior to that a partner in a 30-attorney firm. Mr. Weil began his career as an associate in the corporate securities practice of Shea & Gould in New York, New York. Mr. Weil has a J.D. from the NYU School of Law and a B.A. from Binghamton University.

FERNANDO MANUEL DUARTE VIEIRA

Chief Mining Engineer

Mr. Vieira has 37 years of mining experience and is a well-known mining engineer in Brazil. He was General Manager for Mineração Tejuçana S.A., one of the most successful companies that have operated in alluvial diamond mining in Brazil. At Tejuçana, he ran the mining operation, and had wide responsibilities in operational, commercial, administrative, and government relation areas. Prior to Tejuçana, Mr. Vieira was the General Manager for TP Mineração S.A., a producer of alluvial gold in Brazil.

Mr. Vieira has solid experience and knowledge in the management and development of diamond and gold projects of the type that BMIX has. Additionally he has the entrepreneurial dedication needed for our team. He has interacted with the Brazilian National Mining Department on numerous occasions and has expertise in licensing and maintenance of mineral rights.

Mr. Vieira has also worked as executive for Amazon Resources and Escom Mining, both alluvial diamond and mining companies. His degree is in Mining Engineering from Universidade Técnica of Lisbon, Portugal.

CARLOS HENRIQUE DE OLIVEIRA GARCIA

Director of Operations

Mr. Garcia has background in private equity in Brazil. He worked as director and earlier as financial manager and analyst for a private equity group investing in various industries. Connected to his work with portfolio companies, he became a member of the fiscal advisory board of the organization representing cinemas in the greater Belo Horizonte area. Mr. Garcia has experience as entrepreneur in technology-related projects.

Mr. Garcia has a bachelor's degree in Business Administration from Universidade Salgado de Oliveira in Belo Horizonte, Brazil.

BMIX BOARD OF DIRECTORS

The BMIX Board is stellar. It includes a former U.S. Assistant Secretary of State who knows Presidents and businessman throughout Latin America, a former Canadian Ambassador with extensive service in Latin America, and a top Brazilian mining lawyer who is also a licenses geologist.

AMBASSADOR ROGER NORIEGA (Washington, DC)

Ambassador Roger Noriega is an independent member of the Board of Directors of Brazil Minerals, Inc. Mr. Noriega was U.S. Assistant Secretary of State from July 2003 to August 2005, appointed by President George W. Bush and confirmed by the U.S. Senate. In that capacity, Mr. Noriega managed a 3,000-person team of professionals in Washington and 50 diplomatic posts to design and implement political and economic strategies in Canada, Latin America, and the Caribbean.

Previously, Mr. Noriega was appointed by President George W. Bush as Ambassador to the Organization of American States (OAS), and confirmed by the U.S. Senate, a post he held from August 2001 to July 2003. In this capacity, Mr. Noriega coordinated complex and sensitive multilateral diplomacy in a 34-member international organization to bolster OAS efforts to promote trade, fight illicit drugs, and defend democracy.

Mr. Noriega has been decorated by the Governments of Nicaragua and Peru, and has received numerous awards for public service from organizations committed to the promotion of democracy in the Americas. He serves as Vice Chairman of the Board of Directors of the Congressional Award Foundation and as a member of the advisory boards of the Hispanic Community for Policy, the Canadian American Border Trade Partnership, and the Hispanic American Civics Foundation. Mr. Noriega is the founder and managing director of Visión Américas LLC, which advises U.S. and foreign clients on international business issues, and also is a visiting fellow at the prestigious American Enterprise Institute for Public Policy Research. He serves as Vice Chairman of the Board of Directors of the Congressional Award Foundation and as a member of the advisory boards of the Canadian American Border Trade Partnership and The Americano, an online forum reaching out to Latino voters.

AMBASSADOR PAUL DURAND (Ottawa, Canada)

Ambassador Paul Durand is an independent Member of the Board of Directors of Brazil Minerals, Inc. Mr. Durand has had extensive international experience in both the private and public sectors. From 1992 to 1995, Ambassador Durand was Canada's Ambassador to Costa Rica, with concurrent accreditation to Honduras, Nicaragua and Panama. From 1995 to August 2000, he was Director General responsible for Canada's relations with Latin America and the Caribbean in the Department of Foreign Affairs and International Trade. In August 2000, he was appointed Canada's Ambassador to Chile. In August 2001, he was appointed Ambassador to the Organization of American States (OAS) in Washington and Canada's National Coordinator for the Summits of the Americas process, positions that he held until 2006. From 2007 until 2009 he was the resident representative of the OAS in the Dominican Republic.

Mr. Durand has participated in numerous electoral observer missions in Central and South America, and was appointed to lead the OAS observer mission to the 2006 elections in Costa Rica, as well as the OAS Mission to observe the referendum on free trade in Costa Rica in 2007. In Canada's diplomatic service, Mr. Durand specialized in Latin America, but also served in East Africa and South Asia (India and Nepal). He worked for the Canadian International Development Agency and also as a foreign policy advisor in the office of the Canadian Prime Minister (Privy Council Office), before joining the Department of Foreign Affairs and International Trade.

He was educated in Canada, obtaining a B.A. in Political Economy from the University of Toronto; he also pursued further studies in International Relations and Economics at Northwestern University in Chicago and Carleton University in Ottawa. He joined the Canadian government after working in international banking in Latin America (Colombia, El Salvador), the Caribbean (Bahamas) and the U.S.

LUÍS MAURICIO FERRAIUOLI DE AZEVEDO, J.D. (Rio de Janeiro, Brazil)

Mr. Azevedo is an independent Member of the Board of Directors of Brazil Minerals, Inc. Mr. Azevedo is both a licensed lawyer and geologist with 25 years of business and mining experience in Brazil. He is currently the Managing Partner at FFA Legal, a legal firm he founded with main office in Rio de Janeiro, Brazil, and which is focused solely on natural resources companies. His practice is highly active in mergers in acquisitions for companies owning mineral assets and/or operating mining enterprises in Brazil. His experience spans industrial minerals, diamonds, and precious metals, and he continually works in contact with the highest federal levels of all branches of government in Brazil. Prior to his election to the Board of Directors of the Company, Mr. Azevedo had served on its Board of Advisors since July, 2013.

Mr. Azevedo previously worked for Western Mining, Barrick Gold, and Harsco. He assembled land packages that resulted in four initial public offerings of Canadian companies in Brazil (Talon, Avanco, Beadell, and Carnavale) since 2004. In addition to his Board seat at the Company's Board, he is currently on the Board of Directors of three mining companies: Avanco, Avenue, and Talon Metals. Mr. Azevedo received a Geology degree from UERJ – Universidade do Estado do Rio de Janeiro in 1986, a Law degree from Faculdade Integradas Cândido Mendes in 1992, and a Master of Law degree from PUC-Rio, Pontifícia Universidade Católica of Rio de Janeiro in 1995.

MARC FOGASSA

Mr. Fogassa is the Chairman and CEO of BMIX.

COMPETITIVE ADVANTAGES

In our view, junior exploration and mining company BMIX has a number of competitive advantages over peers large and small and represents a uniquely undervalued revenue-generating opportunity that offers three opportunities for the price of one.

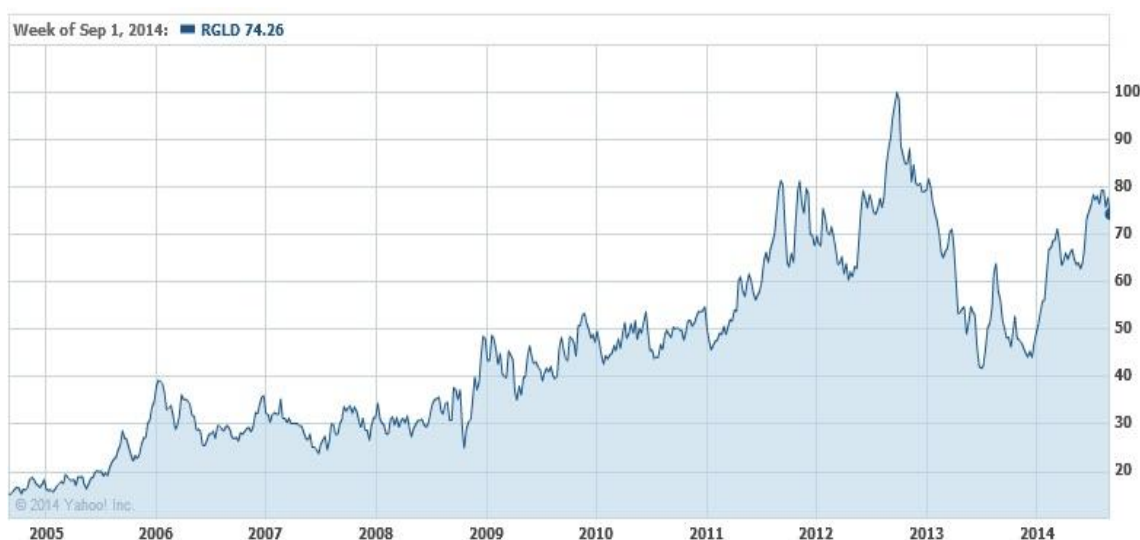
- BMIX acquired a premier diamond and gold operating mine (MDB) in Brazil at an attractive price and is already generating revenue from the sale of diamonds and gold developed on the property.
- MDB's NI 43-101 indicates to us that diamonds and gold potentially worth hundreds of millions of dollars could be developed on the properties.
- Having a completed bankable feasibility study on MDB and a distributed corporate structure via subsidiary ownership of its key properties means that access to capital and partners is a virtual slam-dunk. Plus, these measures foster pure play opportunities for investors and partners alike into key the varied mining verticals.
- The depth and experience of the BMIX leadership team and Board of Directors is enviable for a company of its size.

BMIX offers the potential of pure play opportunities via its three projects. Moreover, the revenue generation of the key project lowers the risk profile of the whole company essentially indicating that the stock is grossly undervalued based on

MDB alone. As a result, investors essentially are getting the Amazonas gold and copper project and the rights to the other properties as call options for close to zero cost. BMIX's primary objective is to grow as a diversified miner of precious and commodity metals with a focus on diamonds and gold.

Perhaps the most similar business model peer is **Royal Gold, Inc. (NASDAQ – RGLD)**. The \$4.6B in market cap RGLD utilizes a capital deployment strategy combined with a private equity mentality, the acquisition of revenue generating mines, and options on potential early-stage resources with huge upside potential. The result has been nearly a 400% increase in stock price can be observed in the 10-year chart. We believe that BMIX is essentially at the same stage as RGLD in 2005.

*10-Year Stock Chart for RGLD
(Source Yahoo! Finance)*



RISKS

There are two types of risks associated with these shares: business risk and capital markets risk. The most critical business risk relates to potentially slowing demand for the Company's products or difficulty developing its diamond properties due to geological issues or a limited access to capital. Moreover, while the Brazil domicile is a plus, emerging markets can carry additional, geopolitical and business risks. Nonetheless, given the corporate structure and early success, we believe that BMIX will indeed have access to capital on favorable terms and we believe that its sales success history insulates the Company from risks typically associated with companies of its size.

Investor or capital markets risks include the small capitalization of BMIX and its trading on a non-listed exchange. However, BMIX is fully reporting and we believe that as the Company achieves its objectives, management could elect to up-list to a senior exchange in the next 12-18 months.

CONCLUSION

In addition to an incredibly low valuation, we believe that BMIX offers investors more competitive advantages than its comparably-sized peers. For example, this sub-\$5M in market cap stock is poised to generate hundreds of thousands in revenue in its core business this year and its majority-owned key property could ultimately be worth hundreds of millions of dollars.

BMIX is one of the few pure diamond and gold plays domiciled in Brazil that trade in U.S. markets. Plus, the Company's key subsidiary owns the largest alluvial processing plant in Latin America. Through MDB, BMIX has been producing and selling diamonds and gold since 2013 when it recorded \$792,000 in revenue. We believe that the Company is on track to roughly match that figure this year and potentially double its revenue in 2015. As the Company executes its strategy, the \$5M in sales mark is possible in the coming years.

Not only does the early revenue success in its key properties reduce the risk profile, but the mineral diversification into gold, copper and others beginning next year only increases the overall value of the Company. Additionally, the corporate structure whereby BMIX subsidiaries own majority stakes in properties enhances access to capital and partnerships for each stand-alone property.

BMIX boasts an enviable executive team that is in the early stages executing a business model which mirrors that of successful, multi-billion dollar market cap mining stocks.

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. At current levels, its market cap appears to only reflect its 2013 diamond production and sales. Based on the indicated resource, we believe that the core diamond properties alone are likely worth nearly \$30M today not including two other property categories. Therefore, we rate these shares Speculative Buy with a \$0.30 near term price target.

Recent Trading History For BMIX

(Source: Stockta.com)



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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