

Interim Consolidated Financial Statements
(Expressed in U.S. dollars)

BRAZILIAN RESOURCES, INC.
(Unaudited)

June 30, 2009 and 2008

(An accounting firm has not audited or reviewed
these financial statements.)

BRAZILIAN RESOURCES, INC.

Interim Consolidated Balance Sheets
(Expressed in U.S. dollars)

	June 30, 2009	December 31, 2008
Assets		
	(Unaudited)	
Current Assets		
Cash and cash equivalents	\$ 21,433	\$ 370,017
Prepaid expenses and sundry receivables	527,021	544,816
	548,454	914,833
Property, plant and equipment	1,168,026	1,100,164
Mineral properties and exploration (Note 4)	8,597,512	8,597,512
Investment in Jaguar Mining, Inc.	12,243,237	8,222,634
Other investment	4,862	4,862
	\$ 22,562,091	\$ 18,840,005
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	\$ 2,053,938	\$ 1,779,346
Accrued interest	136,400	115,052
Income taxes payable	44,588	37,235
Due to related parties	193,768	161,814
Due to non-controlling Petrocal shareholders (Note 4)	4,099,201	4,415,330
Current portion of loans payable (Note 5)	1,881,294	940,533
	8,409,189	7,449,310
Loans payable (Note 5)	18,337	20,800
Future tax liability	2,844,155	2,160,534
Other payables	49,814	53,578
	11,321,495	9,684,222
Shareholders' Equity:		
Capital stock	22,892,131	22,892,131
Warrants	292,100	397,100
Stock options (Note 6)	335,302	395,716
Contributed surplus	1,290,598	1,120,598
Deficit	(19,246,451)	(18,898,636)
Accumulated other comprehensive income	5,676,916	3,248,874
	11,240,596	9,155,783
Basis of Presentation and Going Concern (Note 1)		
	\$ 22,562,091	\$ 18,840,005

See accompanying notes to the interim consolidated financial statements.

On behalf of the Board:

"R. Lloyd" , Director

"J. Kirchhoff" , Director

BRAZILIAN RESOURCES, INC.

Interim Consolidated Statements of Operations and Deficit and Comprehensive Income (Loss)
(Expressed in U.S. dollars)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Expenses (income):				
Professional fees	\$ 139,287	\$ 283,921	\$ 234,449	\$ 750,554
Consulting expenses	92,752	151,878	264,641	351,274
General and administrative expenses	150,041	613,025	368,542	1,078,286
Interest	48,036	539,234	80,357	920,242
Depreciation	13,640	14,327	26,937	29,759
Salaries and employee benefits	79,388	174,702	149,560	339,375
Stock based compensation	3,153	7,131	4,586	17,512
Loss on foreign exchange	516,275	821,330	535,879	737,962
Other income	(149)	(22,041)	(9,527)	(63,015)
Other taxes	17,133	47,572	27,990	84,561
Loss before undernoted	(1,059,556)	(2,631,079)	(1,683,414)	(4,246,510)
Gain on sale of shares of Jaguar Mining Inc.	-	13,174,930	-	13,174,930
Income (loss) before income taxes	(1,059,556)	10,543,851	(1,683,414)	8,928,420
Future income tax (recovery) expense	(803,740)	4,633,412	(1,335,599)	4,219,081
Income (loss) from continuing operations	(255,816)	5,910,439	(347,815)	4,709,339
Loss from discontinued operations (Note 3)	-	(3,133,504)	-	(4,995,720)
Net income (loss)	(255,816)	2,776,935	(347,815)	(286,381)
Deficit, beginning of period	(18,990,635)	(26,582,671)	(18,898,636)	(23,519,355)
Deficit, end of period	\$ (19,246,451)	\$ (23,805,736)	\$ (19,246,451)	\$ (23,805,736)
Basic and diluted income (loss) per share (Note 7)	\$ (0.00)	\$ 0.02	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding (Note 7)	101,085,532	111,078,885	101,085,532	109,754,287
Statement of Comprehensive Income (Loss)				
Net income (loss)	\$ (255,816)	\$ 2,776,935	\$ (347,815)	\$ (286,381)
Other comprehensive income (loss)	2,677,867	(12,222,901)	4,020,603	(22,253,643)
Less: tax provision for other comprehensive income	(1,060,703)	2,318,031	(1,592,561)	8,814,667
Other comprehensive income (loss), net of tax	1,617,164	(9,904,870)	2,428,042	(13,438,976)
Comprehensive income (loss)	\$ 2,978,512	\$ (17,032,805)	\$ 4,508,270	\$ (22,540,024)

See accompanying notes to the interim consolidated financial statements.

Brazilian Resources, Inc.

Statement of Shareholders Equity
(Expressed in U.S. Dollars)
(Unaudited)

	Capital Stock	Warrants	Options	Equity Component of Convertible Debtentures	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total				
Balance, December 31, 2007	108,072,124	\$24,785,644	23,000,000	\$319,571	9,687,157	\$480,403	\$326,305	\$46,700	(\$23,519,356)	\$22,692,806	\$25,132,073	
Options exercised	3,013,408	376,484	-	-	(3,013,408)	(70,579)	-	-	-	-	305,905	
Options expired	-	-	-	-	(522,540)	(11,496)	-	11,496	-	-	-	-
Stock based compensation	-	-	-	-	175,000	17,512	-	-	-	-	-	17,512
Net loss for the period	-	-	-	-	-	-	-	-	(286,381)	-	-	(286,381)
Convertible debentures retired without conversion	-	-	-	-	-	-	(65,083)	65,083	-	-	-	-
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	(13,438,976)	(13,438,976)	-
Balance, June 30, 2008	111,085,532	\$25,162,128	23,000,000	\$319,571	6,326,209	\$415,840	\$261,222	\$123,279	(\$23,805,737)	\$9,253,830	\$ 11,730,133	
Balance, December 31, 2008	101,085,532	\$22,892,131	8,750,000	\$397,100	6,006,209	\$395,716	-	\$1,120,598	(\$18,898,636)	\$3,248,874	\$9,155,783	
Warrants expired	-	-	(3,000,000)	(105,000)	-	-	-	105,000	-	-	-	-
Options expired	-	-	-	-	(900,000)	(65,000)	-	65,000	-	-	-	-
Stock based compensation	-	-	-	-	150,000	4,586	-	-	-	-	-	4,586
Net loss for the period	-	-	-	-	-	-	-	-	(347,815)	-	-	(347,815)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	2,428,042	2,428,042	-
Balance, June 30, 2009	101,085,532	\$22,892,131	5,750,000	\$292,100	5,256,209	\$335,302	-	\$1,290,598	(\$19,246,451)	\$5,676,916	\$ 11,240,596	

See accompanying notes to the interim consolidated financial statements.

BRAZILIAN RESOURCES, INC.

Interim Consolidated Statements of Cash Flow
 (Expressed in U.S. dollars)
 (Unaudited)
 Three and six months ended June 30, 2009 and 2008

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Cash provided by (used in):				
Operating Activities:				
Net income (loss) from continuing operations	\$ (255,816)	\$ 5,910,439	\$ (347,815)	\$ 4,709,339
Items not involving cash from continuing operations:				
Depreciation and amortization	13,640	14,327	26,937	29,759
Stock based compensation	3,153	7,131	4,586	17,512
Gain on disposal of Jaguar Mining Inc. shares	-	(13,174,930)	-	(13,174,930)
Non-cash management fees and interest	22,015	198,555	40,272	338,518
Shares issued for professional fees	-	2,921	-	2,921
Future income tax (recovery) expense	(803,740)	4,633,412	(1,335,599)	4,219,081
Unrealized foreign exchange loss	442,496	762,665	469,618	508,435
Change in non-cash working capital:				
Prepaid expenses and sundry assets	(29,072)	(139,438)	17,795	(156,921)
Accounts payable	135,214	(64,645)	243,274	653,873
Accrued interest	11,195	46,793	21,348	130,234
Long term taxes payable	30,431	11,561	23,377	121,812
Cash flows used in continuing operations	(430,484)	(1,791,209)	(836,207)	(2,600,367)
Cash flows used in discontinued operations	-	(156,268)	-	(780,907)
Cash flows provided by operating activities	(430,484)	(1,947,477)	(836,207)	(3,381,274)
Financing Activities:				
Increase in debt	868,069	1,524,999	992,937	3,237,344
Decrease in debt	-	(1,404,554)	-	(1,404,554)
Decrease in convertible debentures	-	(610,898)	-	(610,898)
Issuance of common shares and warrants	-	-	-	148,065
Related party payable	3,290	(116,899)	4,814	(101,255)
Cash flows provided by (used in) continuing operations	871,359	(607,352)	997,751	1,268,702
Cash flows provided by discontinued operations	-	202,443	-	257,813
Cash flows provided by financing activities	871,359	(404,909)	997,751	1,526,515
Investing Activities:				
Acquisition of mineral properties	(415,330)	(219,418)	(415,330)	(219,418)
Purchase of property, plant and equipment	(94,802)	(23,476)	(94,798)	(92,774)
Investment in Jaguar Mining Inc.	-	1,491,707	-	1,491,707
Related party receivables	-	(188,454)	-	(183,789)
Cash flows provided by (used in) continuing operations	(510,132)	1,060,359	(510,128)	995,726
Cash flows provided by discontinued operations	-	106,362	-	549,096
Cash flows provided by financing activities	(510,132)	1,166,721	(510,128)	1,544,822
Decrease in cash for the period	(69,257)	(1,185,665)	(348,584)	(309,937)
Cash and cash equivalents, beginning of period	90,690	1,426,778	370,017	551,050
Cash and cash equivalents, end of period	\$ 21,433	\$ 241,113	\$ 21,433	\$ 241,113

See accompanying notes to the interim consolidated financial statements.

BRAZILIAN RESOURCES, INC.

Notes to Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
(Unaudited)
Three and six months ended June 30, 2009 and 2008

1. Basis of Presentation and Going Concern:

The interim consolidated financial statements have been prepared on a going concern basis whereby Brazilian Resources, Inc. (the "Company") is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern is dependent upon its ability to finance current and future operations. The Company is considering a number of alternatives to secure additional capital including additional credit facilities or equity financing. However, the ultimate success of securing additional sources of financing is uncertain and there is no assurance that these initiatives would be successful or sufficient. Management believes that the Company has sufficient cash to carry out its operations for the next twelve months. Failure to secure additional credit facilities or equity funding raises substantial doubt that the Company could fully implement its long-term business objectives.

The recoverability of the amounts shown for mineral interests is dependent on the existence of economically recoverable reserves, the ability to obtain financing to complete the development of such reserves and meet the Company's obligations under various agreements and the success of future operations or dispositions.

The interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption was not appropriate for the interim consolidated financial statements, then adjustments would be necessary in the carrying value of assets such as mineral interests, and liabilities, the reported expenses, and the balance sheet classifications used.

2. Significant Accounting Policies:

Other than the changes in accounting policies noted below, the interim consolidated financial statements of the Company follow the same accounting policies and methods of application as the annual audited consolidated financial statements. The interim consolidated financial statements do not contain all disclosures as required by Canadian generally accepted accounting principles and accordingly should be read in conjunction with the Company's annual audited consolidated financial statements.

(a) Effective January 1, 2009, the Company adopted the following new CICA Handbook Standards:

(i) Income Taxes:

In August 2008, the CICA issued the Emerging Issues Committee ("EIC") Abstract 172, Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain Recorded in Other Comprehensive Income. EIC-172 provides that the tax benefit from the recognition of previously unrecognized tax loss carryforwards consequent to the recording of unrealized gains on available for sale financial assets in other comprehensive income should be recognized in net income. This accounting standard is to be applied retrospectively, with restatement of prior periods from the date of adoption.

BRAZILIAN RESOURCES, INC.

Notes to Interim Consolidated Financial Statements (continued)
(Expressed in U.S. dollars)
(Unaudited)
Three and six months ended June 30, 2009 and 2008

2. Significant Accounting Policies (continued):

(a) Effective January 1, 2009, the Company adopted the following new CICA Handbook Standards (continued):

(ii) Credit Risk and Fair Value of Financial Assets and Liabilities:

In January 2009, the CICA issued the Emerging Issues Committee Abstract EIC173, Credit Risk and the Fair Value of Financial Assets and Liabilities effective for interim and annual financial statements ending on or after January 20, 2009. Earlier adoption of this abstract is permitted. EIC-173 provides further information on the determination of the fair value of the financial assets and the financial liabilities under Section 3855, Financial Instruments - Recognition and Measurement. It states that an entity's own credit and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 should be applied retrospectively, without restatement of prior periods to all financial assets and liabilities measured at fair value. Adoption of this standard did not have any material impact on the Company's financial statements.

(iii) Goodwill and Intangible Assets:

In January 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, which replaced Section 3062, Goodwill and Other Intangible Assets, and resulted in the withdrawal of Section 3450, Research and Development Costs and Emerging Issues Committee ("EIC") Abstract 27, Revenues and Expenditures during the Pre-operating Period, and amendments to Accounting Guideline ("AcG") 11, Enterprises in the Development Stage. The standard provides guidance on the recognition of intangible assets in accordance with the definition of an asset and the criteria for asset recognition as well as clarifying the application of the concept of matching revenues and expenses, whether these assets are separately acquired or internally developed. This standard applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Adoption of these standards did not have a material impact on the Company's financial statements.

(b) The following new CICA Handbook Standards have been issued but not yet implemented:

(i) Business Combinations:

In January 2009, the CICA issued the new Handbook Section 1582, Business Combinations, effective for fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted. The pronouncement further aligns Canadian GAAP with US GAAP and IFRS and changes the accounting for business combinations in a number of areas. It established principals and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquiree, and goodwill acquired. The section also established disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. Adoption of this pronouncement is limited to any future acquisitions beginning in fiscal 2011.

BRAZILIAN RESOURCES, INC.

Notes to Interim Consolidated Financial Statements (continued)
(Expressed in U.S. dollars)
(Unaudited)
Three and six months ended June 30, 2009 and 2008

2. Significant Accounting Policies (continued):

(b) The following new CICA Handbook Standards have been issued but not yet implemented:

(ii) Consolidated Financial Statements and Non-Controlling Interests:

In January 2009, the CICA issued Handbook Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of these Sections is permitted. These pronouncements further align Canadian GAAP with US GAAP and International Financials Reporting Standards ("IFRS"). Sections 1601 and 1602 change the accounting and reporting for ownership interest in subsidiaries held by parties other than the parent. Non-controlling interests are to be presented in the consolidated statement of financial position within equity but separate from the parent's equity. The amount of consolidated net income attributable to the parent and to the non-controlling interest is to be clearly identified and presented on the face of the consolidated statement on income. In addition, these pronouncements establish standards for a change in a parent's ownership interest in a subsidiary and the valuation of retained non-controlling equity. They also establish reporting requirements for providing sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. The Company is currently considering the impacts of adopting these pronouncements on its consolidated financials statements in fiscal 2011.

(iii) Mining Exploration Costs:

In March 2009, the CICA Emerging Issues Committee issued the EIC Abstract 174, Mining Exploration Costs which provides guidance on the capitalization of mining exploration costs, particularly when mining reserves have not been proven and when an impairment test of these costs is required. Adoption of EIC-174 is expected to have no material impact on the Company's financial statements.

(iv) Equity:

In August 2009, the CICA issued an amendment to Handbook Section 3251, Equity establishing additional standards for the presentation of equity and changes in equity during the reporting period. The requirements of this Section are in addition to those in Sections 1530, Comprehensive Income, 3240, Share Capital and 3260, Reserves. This Section should be adopted in conjunction with the Section 1601 and 1602 above. Adoption of these amendments is not expected to have material impact on the Company's financial statements.

BRAZILIAN RESOURCES, INC.

Notes to Interim Consolidated Financial Statements (continued)
(Expressed in U.S. dollars)
(Unaudited)
Three and six months ended June 30, 2009 and 2008

2. Significant Accounting Policies (continued):

(b) The following new CICA Handbook Standards have been issued but not yet implemented:

(v) Financial Instruments- Disclosure:

Amendments to CICA Handbook Section 3862 require enhanced disclosures for fair value measurement of financial instruments and liquidity risk effective for fiscal years beginning after September 30, 2009. Enhanced fair value measurements include disclosure relating to the level of fair value hierarchy into which the fair value measurements are categorized, disclosure of significant transfers between levels of the hierarchy including reasons for the transfers, and a reconciliation of the beginning balances to ending balances for those fair value measurements that resulted from the use of significant unobservable inputs in valuation techniques. The amendment clarifies that liquidity risk relates to financial liabilities that are settled by delivering cash or another financial asset. Enhanced liquidity risk disclosures include maturity analysis for derivative financial liabilities based on how an entity manages liquidity risk. The Company is considering the impact adoption of this amendment will have on its consolidated financial statements.

(vi) Adoption of International Financial Reporting Standards:

In January 2006, the Accounting Standards Board announced its decision to require all publically accountable enterprises to report under IFRS for fiscal years beginning on or after January 1, 2011. These changes reflect a global shift to IFRS and they are intended to facilitate capital flows and bring greater clarity and consistency to financial reporting in the global marketplace. The Company is in the process of completing the scoping phase of its conversion plan, which has a timeline for assessing resources, training, analyzing key differences and selecting accounting policies under IFRS.

3. Discontinued Operations:

On August 11, 2008, Prometálica Mineração Ltda. ("PML") filed for Judicial Restructuring in Brazil. On September 5, 2008, the Company received the court decision ordering commencement of the proceedings. Management agreed to cease PML operations effective September 3, 2008. Subsequent to the filing and operational shut down, it became apparent that PML was insolvent.

The Company is not responsible for PML's debts other than those for unpaid salaries or unremitted taxes. Based on the current restructuring plan presented to the court, the Company believes PML should have sufficient resources to pay these liabilities as they are the highest priority on the creditor list. In addition, the Company and 50% joint owner, IMS Empreendimentos Ltda. ("IMS") have guaranteed payment of the Net Smelter Royalty ("NSR") to Mineração Serras do Oeste Ltda. ("MSOL") in the event of non-payment by PML. At June 30, 2009 the Company's proportional share of the NSR is \$581,746. This amount is included in accounts payable on the interim consolidated balance sheet.

BRAZILIAN RESOURCES, INC.

Notes to Interim Consolidated Financial Statements (continued)
(Expressed in U.S. dollars)
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3. Discontinued Operations (continued):

As a result of the Judicial Restructuring, the Company no longer exerts control or has significant influence over PML. The financial results of PML have been deconsolidated effective August 31, 2008. Therefore, the Company will no longer use the proportional consolidation method to include the 49% interest in PML in the interim consolidated financial statements. The Company's investment in PML was classified as held-for-trading and its carrying value was valued at zero. PML's activities are also considered as "Discontinued Operations" in the interim consolidated financial statements.

The results of PML were reclassified and disclosed in the interim consolidated statements of operations as "Loss from discontinued operations", while cash flows related to these operations were reclassified and disclosed in the interim consolidated statements of cash flows as "Cash flows (used in) provided by discontinued operations."

4. Acquisition of Petrocal Indústria e Comércio de Cal S.A.:

The Company negotiated a purchase price of \$5,684,618 (R\$9,819,040) on April 2, 2008 for its 80% interest in Petrocal, due to the (now) non-controlling shareholders of Petrocal and security is provided by the quota shares acquired. The amount is non-interest bearing. The Company has paid \$1,316,084 to date. The payments were made as follows:

Date	Amount
April 2, 2008	\$ 203,022
September 22, 2008	555,895
October 30, 2008	141,837
May 11, 2009	200,000
June 15, 2009	215,330
Total¹	\$ 1,316,084

¹The initial purchase price less amounts paid does not equal the remaining balance due to changes in the foreign exchange rate.

The remaining balance of \$4,000,000 is due on March 31, 2010. If the exchange rate on the date of the final payment is higher than R\$2.00 per US\$1.00 the final payment will be \$4,000,000. If the exchange rate on the date of the final payment is lower than R\$2.00 per US\$1.00 the final payment will be R\$8,000,000. At June 30, 2009, the exchange rate was 1.9516 resulting in a balance due of R\$8,000,000 (\$4,099,201).

The transaction was accounted for as an asset acquisition. As the tax basis of the asset is lower than its cost, future income tax has been recognized at the time of acquisition and added to the cost of the asset.

The purchase price of \$5,684,618 (R\$9,819,040) was allocated as follows:

Current assets	\$	11,073
Mineral property		8,597,512
Current liabilities		(813)
Future income taxes		(2,923,154)
	\$	5,684,618

BRAZILIAN RESOURCES, INC.

Notes to Interim Consolidated Financial Statements (continued)
 (Expressed in U.S. dollars)
 (Unaudited)
 Three and six months ended June 30, 2009 and 2008

5. Loans Payable:

	June 30, 2009	December 31, 2008
(a) Auto loan	\$ 23,172	\$ 25,457
(b) Credit line	1,876,459	935,876
	1,899,631	961,333
Less current portion	(1,881,294)	(940,533)
	\$ 18,337	\$ 20,800

- (a) In November 2008, the Company purchased a vehicle financed by a loan. The loan payable bears interest at 7.49% per annum and is repayable over 60 months. The loan is secured by the related vehicle.
- (b) In July 2005, the Company obtained a credit facility. The demand credit facility bears interest at U.S. LIBOR plus 1% per annum, 1.3% at June 30, 2009 (1.4% - December 31, 2008). The amount of the credit line varies with the value of the security, with available borrowing power of 50% of the market value of the Jaguar shares less any outstanding balances. The Company had 1,291,692 shares of Jaguar on deposit as security at June 30, 2009.

6. Stock Options:

	Number
Balance, December 31, 2007	9,687,157
Expired, unvested	(18,000)
Expired, vested	(824,540)
Exercised	(3,013,408)
Granted	175,000
Balance, December 31, 2008	6,006,209
Granted	150,000
Expired, vested	(900,000)
Balance, June 30, 2009	5,256,209

7. Income (Loss) Per Share:

Income per share related to continuing operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Numerator:				
Net income (loss) from continuing operations	\$ (255,816)	\$ 5,910,439	\$ (347,815)	\$ 4,709,339
Denominator:				
Weighted average number of shares outstanding	101,085,532	111,078,885	101,085,532	109,754,287
Basic net income (loss) per share	\$ (0.00)	\$ 0.05	\$ (0.00)	\$ 0.04
Diluted net income (loss) per share	\$ (0.00)	\$ 0.05	\$ (0.00)	\$ 0.04

BRAZILIAN RESOURCES, INC.

Notes to Interim Consolidated Financial Statements (continued)
 (Expressed in U.S. dollars)
 (Unaudited)
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7. Income (Loss) Per Share:

Income per share related to discontinued operations (note 3):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Numerator:				
Net income (loss) from discontinued operations	\$ -	\$ (3,133,504)	\$ -	\$ (4,995,720)
Denominator:				
Weighted average number of shares outstanding	101,085,532	111,078,885	101,085,532	109,754,287
Basic net income (loss) per share	\$ 0.00	\$ (0.03)	\$ 0.00	\$ (0.05)
Diluted net income (loss) per share	\$ 0.00	\$ (0.03)	\$ 0.00	\$ (0.05)

Income per share related to all operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Numerator:				
Net income (loss) from all operations	\$ (255,816)	\$ 2,776,935	\$ (347,815)	\$ (286,381)
Denominator:				
Weighted average number of shares outstanding	101,085,532	111,078,885	101,085,532	109,754,287
Basic net income (loss) per share	\$ (0.00)	\$ 0.02	\$ (0.00)	\$ (0.00)
Diluted net income (loss) per share	\$ (0.00)	\$ 0.02	\$ (0.00)	\$ (0.00)

The determination of the weighted average number of shares outstanding for the calculation of diluted net loss per share does not include the effect of outstanding warrants and options since they are anti-dilutive.

8. Related Party Transactions:

In addition to other transactions disclosed elsewhere in these interim consolidated financial statements related to Jaguar and IMS, the following are the remaining related party transactions entered into by the Company:

- (a) On January 31, 2006, the Company, along with IMS, entered into a Pledge Agreement whereby the Company pledged 322,000 of its Jaguar shares, and IMS pledged 1,078,000 of its Jaguar shares as security for a financing agreement between Prometalica Centro Oeste Ltda. ("PMCO") and certain creditors.

BRAZILIAN RESOURCES, INC.

Notes to Interim Consolidated Financial Statements (continued)
(Expressed in U.S. dollars)
(Unaudited)
Three and six months ended June 30, 2009 and 2008

8. Related Party Transactions (continued):

- (b) The Company provides the use of administrative offices to Jaguar. As a result, the Company recorded occupancy income of \$90,000 during the six months ended June 30, 2009 (\$90,000 – June 30, 2008). Jaguar is responsible for half of any leasehold improvements. Any amounts paid in excess of one-half will be treated as prepaid occupancy fees. At June 30, 2009, the Company recorded \$94,614 (\$72,084 – June 30, 2008) in prepaid occupancy fees. Occupancy fee income is included on the statement of operations, deficit and other comprehensive income.

The Company also provides legal and administrative services to Jaguar. During the six months ended June 30, 2009, the Company recorded legal and administrative service income of \$299,441 (\$166,635 – June 30, 2008) and is included in the statement of operations, deficit and other comprehensive income. At June 30, 2009, legal and administrative services owed to the Company were \$66,564 (\$46,262 – June 30, 2008). At June 30, 2009, accounts payable included \$28,050 due to Jaguar (\$25,822 accounts payable – June 30, 2008), the net of prepaid occupancy fees payable to Jaguar and legal and administrative fees due to the Company.

- (c) The Company has amounts payable to MSOL and Mineração Turmalina Ltda. (“MTL”) in relation to a court-ordered settlement of a labor case. The labor was performed for MSOL and other Company subsidiaries. At the time the labor was performed, the Company owned MSOL. At the time of the court order, MSOL, MTL and the Company’s wholly-owned subsidiary, BW Mineração Ltda., had a director in common. As a result, the Brazilian labor court considered the companies to be an economic group and ordered payment from each. The Company has guaranteed the amount owed to MSOL and MTL, \$193,768 (R\$378,158). The amount of the guarantee is denominated in R\$, bears monthly interest at US LIBOR (0.3162% - June 30, 2009) is payable quarterly, and due September 30, 2011.

All related party transactions are in the normal course of operations and have been recorded at the exchange amount, which the parties believe to be fair value.

9. Commitments:

The Company’s commitments and related interest at June 30, 2009 are summarized as follows:

	Payments due in \$ 000's				
	1 Year	2-3 Years	4-5 Years	5 + Years	Total Due
Accounts payable and accrued liabilities	\$ 2,240	\$ -	\$ -	\$ -	\$ 2,240
Current taxes payable	45	-	-	-	45
Due to related parties	-	194	-	-	194
Due to non-controlling Petrocal shareholders	4,099	-	-	-	4,099
Loans payable	1,881	11	8	-	1,900
Total	\$ 8,265	\$ 205	\$ 8	\$ -	\$ 8,478