BRAZILIAN RESOURCES, INC.
Management's Discussion and Analysis
of Financial Condition and Results of Operations
in respect of the year ended December 31, 2009

This Management's Discussion and Analysis has been approved by the Board of Directors and prepared as of March 30, 2010 and should be read in conjunction with the audited annual consolidated financial statements of Brazilian Resources, Inc. (the "Company") for the years ended December 31, 2009 and 2008. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. All amounts are expressed in U.S. Dollars ("US $"), the Company's functional currency, unless otherwise indicated. However, a significant portion of the Company's expenses are incurred in Brazilian reais ("R$"). The average rates of exchange for the R$ per US $1.00 for 2009 and 2008 were 1.99 and 1.84 respectively. The year-end rates of exchange for the R$ per US $1.00 for December 31, 2009 and 2008 were 1.74 and 2.33 respectively.

The Company's ability to meet its targets and to execute on its strategy is subject to the various risks and assumptions that can be found in the "Forward-Looking Statements" below.

FORWARD-LOOKING STATEMENTS

Certain statements in this Management's Discussion and Analysis ("MD&A") constitute "Forward-Looking Statements" within the meaning of Canadian securities legislation. These Forward-Looking Statements include, among others, statements concerning the Company's future objectives. Forward-Looking Statements can be identified by the use of words such as "are expected", "is forecast", "is targeted", "approximately" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-Looking Statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the Forward-Looking Statements. These factors include but are not limited to: the inherent risks and uncertainties involved in the exploration and development of mineral properties; the uncertainties involved in interpreting drilling results and other ecological data; fluctuating gold and base metal prices; fluctuating monetary exchange rates; the possibility of project cost delays and overruns or unanticipated costs and expenses; uncertainties relating to the availability and costs of financing needed in the future; uncertainties related to production commencement and rates thereafter, timing of production and the cash and total costs of production; changes in applicable laws including laws related to mining development, environmental protection and the protection of the health and safety of mine workers; the availability of labor and equipment; the possibility of labor strikes and work stoppages; the ability of the Company to initiate and complete various corporate transactions with third parties; the enactment of laws and regulations allowing the export of irradiated food products from Brazil and the import to the United States and the timing and enforcement thereof; the ability of the Company to establish commercial relationships with third-party agricultural growers in Brazil and food wholesalers/retailers in the United States in sufficient quantity, on commercially feasible and reasonable terms or at all; the ability of the Company to seek and develop new businesses; and changes in general economic conditions. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward-Looking Statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

These Forward-Looking Statements represent our views as of the date of this discussion. The Company anticipates that subsequent events and developments may cause the Company's views to change. The Company does not intend to update each and every Forward-Looking Statement, either written or oral, that may be made from time to time by or on behalf of the Company subsequent to the date of this discussion except as required by law.

Further information about the Company is available on System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

OVERVIEW

Brazilian Resources, Inc. is a company with expertise in seeking, evaluating, financing and owning interests in mining, agriculture, infrastructure and other industries in Brazil. Corporate offices are located in Concord, New Hampshire, USA. The Company is a U.S. company and a reporting issuer in the Provinces of Alberta, British Columbia and Ontario, Canada.

During 2009, the Company focused on cost containment, permit and approvals finalization and reduced or postponed expenditures, where possible. As a result of this conservative approach, the level of expenditures during 2009 was limited. The Company also focused on minimizing debt and seeking funding for current projects. During the year ended December 31, 2009, the Company:

- Advanced the limestone property in Brazil and filed a NI 43-101 compliant technical report on SEDAR;
- Made significant progress on permits and licenses for food irradiation;
- Retained Jaguar Mining Inc. ("Jaguar") shares and recorded increased value of $9.8 million;
- Reduced operating expenses by $2.7 million or 53% as compared to 2008;
- Sold the Company's former corporate office building for $0.4 million;
- Continued efforts and progress in seeking capital to fund current projects and qualify for re-listing on a recognized stock exchange.

AGRICULTURE & INFRASTRUCTURE

BrasAgro Fertilizantes Minerais Ltda. ("BrasAgro")

The Company commissioned a feasibility study, conducted by TechnoMine Services LLC ("TechnoMine"), to determine the merits of purchasing an 80% stake in Petrocal Indústria e Comércio de Cal S.A. ("Petrocal"), the owner of a limestone property in Brazil. Based on the favorable results of the study, the Company acquired 80% of Petrocal through BrasAgro, a wholly-owned subsidiary, in Q2 2008. Development of the project is expected to result in the production and sale of limestone to agricultural customers in the surrounding region and eventually to industrial customers with a lower price point due to local availability and local consumption, resulting in reduced transportation costs.

The use of agricultural limestone for all crops (sugar cane, soy, cotton, corn, among others) is required in that region to adjust the soil pH. Plant nutrients and other inputs are also essential to modern agricultural practices to maximize output for industries such as ethanol production. The Company intends to bring the project into operation and acquire similar properties in order to consolidate within the sector and have a long-lived asset generating significant cash flow. The Company is currently seeking suitable financing in order to begin construction in 2010 and reach commercial production in 2011.

The feasibility study, which is NI 43-101 compliant and filed on SEDAR in January 2009, includes all required surveying, a run of mine ("ROM") bulk sample extraction and study, a 2,000 meter ("m") drilling exploration campaign, a hydrogeology study, the required metallurgical test work, a detailed market study and the preparation of requests for proposals ("RFP") for the engineering, procurement and construction management ("EPCM") phase.

The Petrocal property encompasses 995 hectares ("ha") of mining rights and is located at the northwestern edge of the Paraná Sedimentary Basin in the state of Mato Grosso, Brazil. The exploration campaign, process and economic studies identified two sedimentary ore bodies of high and medium grade limestone. The drilling program included 51 drill holes (1,948 m) on a 200 m by 100 m staggered grid. The project area contains limestone total estimated (proven) reserves of 12.5 million tonnes ("Mt"), derived from the mining plan prepared by TechnoMine. The mining plan is based on (measured) resources estimated at 27.0 Mt. Potential exists to increase resources and mine life within the area with some complementary drilling. In addition to the mining concession, Petrocal has five exploration permits in good standing for areas located around the mining concession, totaling 4,537.80 ha.

Subject to financing, the production plan includes 100,000 tonnes in 2010 and during the first full year of operation, 2011, production is expected to reach the design capacity of 1,000,000 tonnes per year ("tpy"). Production costs are expected to gradually decrease over the first five years to levels comparable with similar operations in Brazil, starting at $9.23 per tonne, reaching $7.05 per tonne in the fifth year. The key findings of the feasibility study are listed below (see full details of the feasibility study that uses an exchange rate of R$ 2.0 per US$ on SEDAR):

- Production average of 1Mt of saleable limestone per year;
- Mining operating cost of $2.97 per tonne;
- Total production cost of $7.05 per tonne at year 5 (starts at $9.23 per tonne).

The study proposes open pit mining using a hydraulic excavator and front end loaders to load trucks for transport to a nearby crushing, grinding, screening, storage and loadout facility.

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 total amount paid to December 31, 2009 is $1,316,084 (see Subsequent Event and refer to Note 8 to the Annual Consolidated Financial Statements). The remaining balance is due on March 31, 2010. In April, 2009, the Company agreed that, 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 December 31, 2009 the exchange rate was 1.7412 resulting in a balance due of R$8,000,000 ($4,594,533).

Under the terms of the mineral rights agreement, Petrocal is required to pay the land owner a royalty of 3% of the gross mineral revenue. This is payable per annum until the end of the mine reserve. If there is no production, royalties are due annually based on estimates and assumptions of price per tonne. The minimum payment due is based on 3,000 tonnes of limestone at an agreed price based on market conditions at the time of payment. During the year ended December 31, 2009 there was no production. Total royalties paid were $53,533 ($56.558 – December 31, 2008), this amount is located in administration expense on the consolidated statement of operations and deficit and comprehensive income (loss).

On August 15, 2008, Petrocal signed a contract with Centrais Elétricas Matogrossenses S.A. ("CEMAT"), the electric utility in the state of Mato Grosso, Brazil, to provide the necessary power to the Petrocal mine site. Construction of the transmission lines cost approximately R$1.4 million, of which the Company paid Petrocal's obligation of R$976,729 ($549,341) in a series of three installment payments that ended October 15, 2008. The power line construction was completed February 2010.

BrasAgro Revised Economics

The Company is in the process of updating the feasibility study before it proceeds to the detailed engineering phase. The current updated cash flow model has increased both the net present value ("NPV") of the project as well as the internal rate of return ("IRR"). The Qualified Person, as defined by NI 43-101 is Ivan C. Machado, M.Sc, PE., P.Eng.

The project economics have been revised to account for the following changes since the Technical Report dated January 2009;

- 2010 project implementation schedule;
- Stronger R$ versus the US$ at R$1.80 per US $1.00;
- Increased average delivered limestone price of $46.67 per tonne (R$84.00 per tonne);
- Total production cost of $7.74 per tonne at year 5 (starts at $10.13 per tonne).

Secure Foods, Inc. ("Secure Foods")

Secure Foods is a U.S.-based subsidiary that was formed to develop gamma ray ionization (cold pasteurization) facilities in Brazil and export treated food products to North America and Europe. Gamma ray ionization is a process that exposes food products to a controlled amount of radiant energy. The irradiation process extends the shelf life of many agricultural products, thus permitting the opportunity for more cost effective transportation of these foods as well as extending the time for consumption. This process will also neutralize harmful bacteria like e-coli and salmonella. The Company believes this technology will replace many outdated food sanitation treatment processes necessary for food importation to the U.S.

Secure Foods has obtained exclusive rights in Brazil to an irradiation technology particularly well suited for application to food. Brazil is one of the largest agricultural producing countries in the world. The Secure Foods business plan calls for development of five sites, each site containing one facility with four to eight food irradiation machines in Brazil's major food producing areas. Each facility is estimated to cost $5 to $6 million to build, permit and develop, with construction time of approximately nine months each. The initial plan is to build each facility at the five sites with four irradiation machines and then expand the first and last facility to eight machines. There will be a total of five facilities and twenty eight irradiation machines. Each site with four irradiators is estimated to cost $18 to $20 million to build. As soon as an irradiation machine is built in a facility, it can begin operations while the other three machines are being completed. Because of the phased-in approach of construction and production, the total capital expenditures are not needed prior to construction for each facility.

On February 23, 2006, the Company entered into an agreement with Gray*Star, Inc. ("Gray*Star") a privately-owned company based in Mt. Arlington, New Jersey, USA, for options to purchase up to five Genesis irradiation units from Gray*Star and acquire a 25% equity interest in Gray*Star. The agreement also provides for Gray*Star to serve as a consultant to the Company in the development of the food irradiation unit. Gray*Star's management has substantial experience with irradiation. Benefits of the Genesis irradiation units are its relatively simple and inexpensive construction, flexibility in handling irradiation products packaged in varying ways and safe operation resulting in part from its use of cobalt 60 as the radioactive material and use of a pool of water surrounding the container of produce being irradiated to prevent outside contamination. Cobalt 60 has a half-life of 5.3 years and ultimately decays into harmless nickel metal. Disposal of cobalt 60 presents fewer challenges than other radiation materials that might be used for food irradiation.

Secure Foods' wholly-owned Brazilian subsidiary, Gamma Serviços de Irradiação Ltda ("Gamma"), has acquired property where the first irradiator facility is expected to be built. The property is located in Feira de Santana in the state of Bahia, Brazil. This facility is expected to house four irradiators with possible expansion to eight. All necessary permits and approvals have either been received, applied for, or are in process, except permits and approvals that are premature to obtain. It is expected that the additional licenses will be obtained when needed. Secure Foods has identified four other municipalities as potential locations for additional facilities as demand grows. The Company believes it has a significant advantage by being the first in Brazil to begin this process with exclusive equipment usage rights, as noted above.

Secure Foods' other wholly-owned Brazilian subsidiary, Toucano Comércio de Importação e Exportação Ltda. ("Toucano"), was established as the Company's food irradiation business marketing arm and is currently inactive.

The Company has assembled an in-country management team to operate these units. The Company plans to provide irradiation services to Brazilian food growers and initially facilitate sales and shipment in North America. Brazilian representatives of the Company are cultivating relationships with Brazilian growers and North American supermarket chains, representing potential purchasers of the Brazilian produce. With heightened consumer awareness for food safety coupled with reduced transportation costs and increased shelf life, the Company believes Secure Foods offers an opportunity to generate significant cash flow. The Company is currently seeking suitable financing in order to commence construction of its first facility in 2010.

MINING

Jaguar Mining Inc.

In 2001, when gold prices were below $300/oz., the Company recognized an opportunity to consolidate gold projects in the Iron Quadrangle region in the state of Minas Gerais, Brazil. The Company entered into a joint venture with a local engineering company and launched Jaguar. Jaguar produces gold and has its operating offices in Belo Horizonte, Minas Gerais, Brazil. Jaguar is domiciled in Ontario, Canada, with corporate administrative affairs conducted at the Company's offices in Concord, New Hampshire, USA.

From 2002 through 2004, the Company focused significant efforts on further developing and growing Jaguar. Today, Jaguar is a publicly traded company on both the Toronto Stock Exchange ("TSX") and New York Stock Exchange ("NYSE") with a current market capitalization of approximately $817 million, of which the Company's current ownership is approximately 1.9%. The Company's initial investment in Jaguar was approximately $5 million. Since Jaguar became publicly-traded, the Company has sold approximately 3.9 million shares of Jaguar for proceeds of $24.9 million to redeploy into other areas, including investments and operations in Brazil, engineering, technical and other analyses for growth projects, as well as providing sustaining capital for ongoing administrative costs.

The Company formerly valued its Jaguar shares by using the period ending closing stock price on the TSX. Because Jaguar's primary trading volume is now on the NYSE, the Company determined that the shares should be valued using the NYSE closing stock price for the period. This change took effect on October 1, 2009. Had the Company continued to determine the value of its investment in Jaguar using the TSX at December 31, 2009, the value of the investment would have been $18,132,923, based on a closing stock price of Canadian ("Cdn.") $11.81 and an exchange rate of $1.0510 per US $. This is an increase in value of $75,710 when compared to the value based on the NYSE closing price.

At December 31, 2009, the Company owned 1,613,692 common shares of Jaguar at a fair value of $18,057,213 ($8,222,634 - December 31, 2008). This was determined based on the 1,613,692 shares owned and the year ending stock price of US $11.19. At December 31, 2008, the fair value was determined based on the 1,613,692 shares owned, the year ending stock price of Cdn. $6.24 and an exchange rate of Cdn. $1.2246 per US $.

At December 31, 2009, the Company has pledged 322,000 of its Jaguar common shares as security for a financing agreement between Prometálica Centro Oeste Ltda. ("PMCO") and certain creditors (See "Other Mineral Projects"). The remaining 1,291,692 Jaguar shares are on deposit as security for the Company's credit facility.

The Company may continue to sell portions of its Jaguar holdings in order to provide additional financing to existing projects, finance other projects, repay debt, or provide working capital. The Company has and may continue to use its Jaguar shares as security for borrowing.

Prometálica Mineração Ltda. ("PML")

The Company is the holder of 49% of the quota shares of PML. The balance of the quota shares are owned by IMS Empreendimentos Ltda. ("IMS") (50%) and another individual quota holder (1%). The Company has a voting agreement with the individual quota holder whereby the Company and the individual holder controlled 50% of PML. The Company, IMS and the individual quota holder have paid their minimum required subscribed capital. PML was being used for the development of mineral resources, exploration and mining of mainly base metals. The Company filed a National Instrument 43-101 technical report on SEDAR for PML's Monte Cristo property in 2007.

Management agreed to cease PML operations effective September 3, 2008 due to a combination of uncontrollable economic factors, primarily the falling prices of zinc and copper which caused a critical drop in operational working capital. That, coupled with financing based predominantly on short term loans and the tightening of global credit markets, rendered PML unable to meet all its liabilities.

One of the tools available to cope with the working capital deficiency and potentially reorganize PML in Brazil is a Judicial Restructuring. The Company engaged one of the pre-eminent firms in Brazil to assist with this Judicial Restructuring process. The petition to file was completed on August 11, 2008 and the court decision ordering the commencement of the proceedings was received on September 5, 2008. The Judicial Restructuring process allows PML to hold all properties and stay all debts pending court approval of a recovery plan, which was filed on November 6, 2008. This process also allows a possible sale of the business. The recovery plan that was filed with the court included technical studies indicating that further investment in the property could delineate additional mineral resources and potential renewal of operations. A brief notification establishing the publication of a formal notice to creditors was issued September 5, 2008. The Assembly of the Creditor's meeting was held March 4, 2010. The meeting was then postponed to March 10, 2010 because the Assembly did not have a quorum. A new recovery plan was presented to the Creditors Assembly on March 10, 2010. The judge suspended the meeting for 30 days to give creditors adequate time to review the new plan. The next Creditor's Assembly is scheduled for April 9, 2010.

The Company is not obligated to satisfy PML's debts other than those for unpaid salaries and some unremitted taxes. Based on the current restructuring plan, PML should have sufficient funds to pay these liabilities as they have been deemed the highest priority on the creditor list. In addition, the Company and 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 or its successors when due. At December 31, 2009, the Company's share of the NSR liability is $581,746 and is recorded in accounts payable on the consolidated balance sheet.

Based on the analysis performed by third parties experienced in the Judicial Restructuring process in conjunction with the court administrator, the amounts owed to the Company from PML would be among the last to be paid in the event that PML had enough working capital to repay its existing creditors. Accordingly, the Company has not recorded any recovery of such amounts in its consolidated financial statements.

The Company continues to attempt the recovery of its investment in PML through the Judicial Restructuring process. The Company believes the Monte Cristo project should be combined with other base metals properties in a company with better access to the capital markets. These opportunities will continue to be sought.

Other Mineral Projects

During 2005, the Company acquired 23% of the quota shares of PMCO. The balance of the quota shares are held by IMS. Although the Company continues to own 23% of the quota shares of PMCO, the economic interests of IMS and the Company have been reduced by 50% in connection with the financing provided for the construction and development of the PMCO project. PMCO is being used for development of mineral resources, exploration and mining of precious and base metals through a project known as Americano do Brazil. Construction of the project was completed and ramp-up production began in September 2006. IMS is the construction and operating manager of the project. On January 31, 2006 the Company, 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 the above referenced financing agreement between PMCO and certain creditors.

RESULTS OF OPERATIONS

Selected financial information

	For the Years Ended December 31, 2009	2008	2007
Net income (loss) from continuing operations	$ (1,526,454)	$ 5,299,563	$ 2,640,262
-per share basic and diluted	$ (0.02)	$ 0.05	$ 0.02
Net loss from discontinued operations	$ -	$ (678,843)	$ (3,582,362)
-per share basic and diluted	$ -	$ (0.01)	$ (0.03)
Net income (loss)	$ (1,526,454)	$ 4,620,720	$ (942,100)
-per share basic and diluted	$ (0.02)	$ 0.04	$ (0.01)
Total assets	$ 28,066,745	$ 18,840,005	$ 47,014,231
Total long term liabilities	$ 4,492,806	$ 2,396,726	$ 8,559,321

The net loss for the year ended December 31, 2009 amounted to $1.5 million or $0.02 per share, as compared to a net income of $4.6 million or $0.04 per share for the year ended December 31, 2008. The primary factors contributing to the year-to-date net loss include, but are not limited to, the following:

Agriculture and infrastructure:

- $0.9 million loss due to expenses related to the progression of the Secure Foods project
- $1.9 million loss due to expenses incurred by BrasAgro and corporate office expenses incurred directly on behalf of BrasAgro

Corporate:

- $1.1 million loss due to general and administrative expense
- $0.4 million loss due to income tax expense
- $0.2 million gain related to the sale of property
- $2.6 million future income tax recovery

During the year ended December 31, 2009, the Company sold its former office building and real estate located at 48 Pleasant Street, Concord, NH. The Company received net cash of $357,796 and had a net gain of $200,743. Proceeds from the sale of the building were used to fund operations and ongoing administrative costs.

Summary of quarterly results (in thousands of dollars, except per share amounts)

Quarter ended	**Dec 31**	**Sep 30**	**June 30**	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**
Year	**2009**	**2009**	**2009**	**2009**	**2008**	**2008**	**2008**	**2008**
Net sales	$-	$-	$-	$-	$-	$-	$1,501	$1,044
Net income (loss)	(667)	($511)	($256)	($92)	($1,593)	$6,500	$2,777	($3,063)
per share basic and diluted	($0.01)	($0.01)	$0.00	$0.00	($0.01)	$0.06	$0.03	($0.03)

Per share quarterly amounts do not add to annual amounts due to rounding.

The quarters presented with positive net income and earnings per share results shown above are primarily due to gains related to the Company's investment in Jaguar and PML revenue that was not included in discontinued operations in 2008.

CASH FLOW AND LIQUIDITY

At December 31, 2009, the Company had a cash balance of $50,810. During the year ended December 31, 2009, the Company's cash decreased by $0.3 million ($0.2 million - December 31, 2008). The decrease in cash during 2009 was primarily due to the following:

- Operating activities resulted in a cash decrease of $2.2 million primarily due to a decrease in non-cash working capital and other non-cash adjustments offset by a tax recovery.
- Financing activities resulted in a cash increase of $2.1 million primarily due to borrowing activity.
- Investing activities resulted in a decrease of $0.2 million primarily due to payments for the acquisition of Petrocal offset by net cash received for the sale of real estate.

At December 31, 2009, the Company's assets, in particular the potential borrowing power or liquidation of its Jaguar shares, were sufficient to meet the current needs of the business projects. See the discussion in the "Risks and Uncertainties" and "Outlook" sections.

Contractual Obligations

The Company's contractual obligations at December 31, 2009 are summarized as follows:

	Payments due in $,000's				
	1 Year	**2-3 Years**	**4-5 Years**	**Beyond 5 Years**	**Total Due**
Accounts payable and accrued liabilities	$ 2,245	$ 36	$ -	$ -	$ 2,281
Income taxes payable	279	-	-	-	279
Due to related parties	-	217	-	-	217
Due to non-controlling Petrocal shareholders	4,595	-	-	-	4,595
Loans payable	2,882	12	4	-	2,898
Total	**$ 10,001**	**$ 265**	**$ 4**	**$ -**	**$10,269**

RELATED PARTY TRANSACTIONS

On January 31, 2006, the Company, 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 the financing agreement between PMCO and certain creditors (see "Other Mineral Projects").

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 company. The Company has agreed to pay the amount owed to MSOL and MTL, $217,183 ($161,814 – December 31, 2008). The liability is denominated in R$ (R$378,158), bears monthly interest at U.S. LIBOR (0.2329% - December 31, 2009), is payable quarterly and due September 30, 2011.

The Company provides the use of administrative offices to Jaguar. As a result, the Company recorded occupancy income of $180,000 ($180,000 – December 31, 2008) during the twelve months ended December 31, 2009. Occupancy income is included in general and administrative expenses within the consolidated statements of operations and deficit and comprehensive income (loss).

Jaguar is responsible for half of any leasehold improvements on the building leased from the Company and any amounts paid in excess are treated as Jaguar's prepaid rent. At December 31, 2009, the Company recorded $126,453 (nil – December 31, 2008) of prepaid rent. Prepaid rent is included in accounts payable within the consolidated balance sheet.

The Company also provides legal and administrative services to Jaguar. During the twelve months ended December 31, 2009, the Company recorded legal and administrative service income of $603,172 ($350,731 - December 31, 2008) which is included in salaries and benefits within the consolidated statement of operations and deficit and comprehensive income (loss). At December 31, 2009, legal and administrative services owed to the Company were $58,073 ($38,612 - December 31, 2008). At December 31, 2009, accounts payable included $68,380 due to Jaguar ($38,612 accounts receivable - December 31, 2008), the net of prepaid rent payable to Jaguar of $126,453 and legal and administrative fees due to the Company of $58,073.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles ("GAAP") requires management to make a wide variety of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of expenses during the reporting periods covered by the consolidated financial statements. Management routinely makes judgments and estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the future resolution of the uncertainties increases, these judgments become even more subjective and complex. The Company has identified certain accounting policies that are most important to the portrayal of our current financial condition and results of operations. Significant accounting policies are disclosed in Note 5 of the Annual Consolidated Financial Statements, which should be read in conjunction with this report.

Stock-based Compensation Costs

The Company determines stock-based compensation costs using an option pricing model involving the use of highly subjective assumptions, including an assumption as to price volatility. Changes in these assumptions can materially affect the fair value estimate and therefore the current model does not provide a consistently reliable measure of the fair value cost of the Company's outstanding stock options.

Impairment of Long-lived Assets

The Company reviews and assesses long-lived assets for recoverability whenever indicators of impairment exist. Impairment assessments are based on estimated future undiscounted net cash flows from each property. Future cash flows are calculated using estimated recoverable metals, future sales prices, future operating, capital and reclamation and mine closure costs. Estimates of future cash flows are uncertain and are affected by external factors such as metal prices and foreign currency exchange rates. As discussed in the Mining and Agriculture and Infrastructure sections, various factors could impact the Company's ability to achieve its forecasted production schedules from proven and probable reserves. Additionally, metal prices, exchange rates, operating and capital expenditure requirements and reclamation and mine closure costs could differ from the assumptions used in the cash flow models used to assess impairment. The Company also reviews the reasonability of the useful lives of long-lived assets. Material changes to any of these factors or assumptions discussed above could result in future impairment charges to operations.

Financial Instruments

Financial instruments are initially recognized at fair value and classified at inception as either held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Subsequently, financial instruments are measured in accordance with the measurement provision of the category to which they have been initially classified. Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. For other financial instruments, transaction costs are capitalized on initial recognition and presented as a reduction of the underlying financial instruments. Financial assets and financial liabilities held-for-trading are measured at fair value with changes recognized in income. Available-for-sale financial assets are measured at fair value or at cost, in the case of an investment in an equity instrument that does not have a quoted market price in an active market and changes in fair value are recorded in comprehensive income. Financial assets held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method of amortization. The Company has classified its cash and cash equivalents as held-for-trading.

Investment in Jaguar Mining Inc. is classified as available-for-sale. All of the Company's financial liabilities are classified as other financial liabilities.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Effective January 1, 2009, the Company adopted the following new Canadian Institute of Charted Accountants ("CICA") Handbook Standards:

Income Taxes

In August 2008, the CICA issued EIC-172, Income Statement Presentation of a Tax Loss Carry-forward 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 carry-forwards 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. Adoption of this standard had no material impact on the Company's financial statements.

Credit Risk and Fair Value of Financial Assets and Liabilities

In January 2009, the CICA issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial 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 risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financials 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 had no material impact on the Company's financial statements.

Goodwill and Intangible Assets

In January 2008, the CICA issued Handbook 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 EIC-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 this standard had no material impact on the Company's financial statements

Mining Exploration Costs

In March 2009, the CICA issued EIC-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 this standard had no material impact on the Company's financial statements.

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. Adoption of this amendment had no material impact on the Company's consolidated financial statements.

Financial Instruments- Recognition and Measurement

In June 2009, the CICA issued an amendment to Handbook Section 3855, Financial Instruments- Recognition and Measurement enhancing disclosure for fair value measurement of financial instruments and liquidity risk. Adoption of the amendment had no material impact on the Company's financial statements.

CHANGES IN ACCOUNTING POLICIES TO BE ADOPTED

Business Combinations

In January 2009, the CICA issued 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 U.S. GAAP and International Financial Reporting Standards ("IFRS") and changes the accounting for business combinations in a number of areas. It establishes 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 establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. Although the Company is considering the impact adoption of this pronouncement, it will be limited to any future acquisitions beginning in fiscal 2011.

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 U.S. GAAP and 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 of 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 impact adoption of these pronouncements may have on its consolidated financial statements in fiscal 2011.

Equity

In August 2009, the CICA issued an amendment to Handbook Section 3251, Equity. This Section establishes 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 Section 1601 and 1602. Adoption of these amendments is not expected to have a material impact on the Company's financial statements.

Adoption of IFRS

In February 2008, the Accounting Standards Board confirmed that Canadian generally accepted accounting principles ("GAAP") for publicly accountable enterprises will be replaced by IFRS for fiscal years beginning on or after January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, however, there may be significant differences on recognition, measurement and disclosures required by some companies.

The Company is in a preproduction stage and therefore has not yet adopted accounting policies that a producing company requires. In a number of cases, the Company will be adopting IFRS as an initial policy, rather than a change from existing policies to IFRS. A detailed analysis of the differences between IFRS and the Company's existing accounting policies as well as an assessment of the impact of various alternatives is being carried out.

The current analysis indicates the areas to be impacted as a result of the adoption of IFRS are:

Revenue Recognition - As the Company does not currently have any revenue to report, it will be adopting appropriate policies to satisfy IFRS requirements. The Company anticipates producing limestone which will be sold under contractual terms. No complications in adopting IFRS are foreseen.

Inventories - The Company does not currently have inventories. It will adopt IFRS policies as it goes into production.

Property, Plant and Equipment - Under International Accounting Standards ("IAS") 16, when an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is accounted for separately (component accounting). Under Canadian GAAP, component accounting is rarely applied to the level required under IFRS. Under IFRS, property, plant and equipment may be revalued to fair value, if fair value can be measured reliably. Under Canadian GAAP, property, plant and equipment may not be revalued to fair value. Management is currently reviewing the methodology for componentization. Management proposes no change to the current historical cost model. Management has not yet determined the full accounting effects of adopting IAS 16.

Mining Exploration and Evaluation Costs - Under IFRS 6, exploration and evaluation costs can be expensed or capitalized. Under Canadian GAAP, exploration costs related to mining companies may be initially capitalized under CICA Handbook Section 3061 if an enterprise considers such costs have the characteristics of property, plant and equipment. Under IFRS, capitalized exploration and evaluation costs are segregated into tangible and intangible assets at the end of the exploration and evaluation phase. Under Canadian GAAP, these costs are classified as tangible assets. Under IFRS, exploration and evaluation assets can be subsequently measured at historical cost or revalued amount. Under Canadian GAAP, there is no provision for revaluation. Management anticipates deferring all exploration costs, including acquisition costs, field exploration and field supervisory costs relating to specific properties, until those properties are brought into production and proposes to measure exploration properties at historical cost. Management has not yet determined the full accounting effects of IFRS 6.

Impairment of Assets - Under IAS 36, a one-step approach is used for both testing for and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows) at the cash generating unit level. Canadian GAAP uses a two-step approach to test impairment: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset values with fair values. The concept of cash generating unit does not exist under Canadian GAAP. This may potentially result in more write downs where carrying values were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis. Management has not yet determined the full accounting effect of IAS 36.

Provisions - Under IAS 37, a provision is required to be recognized when: there is a present obligation as a result of a past transaction or event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the obligation. “Probable” in this context means more likely than not. Under Canadian GAAP, the criterion for recognition in the financial statements is “likely”, which is a higher threshold than “probable”. Therefore, it is possible that there may be some contingent liabilities which would meet the recognition criteria under IFRS that were not recognized under Canadian GAAP. Other differences between IFRS and Canadian GAAP exist in relation to the measurement of provisions, such as the methodology for determining the best estimate where there is a range of equally possible outcomes (IFRS uses the mid-point of the range, whereas Canadian GAAP uses the low end of the range), and the requirement under IFRS for provisions to be discounted where material. Management has not yet determined the full accounting effect of IAS 37.

Foreign Exchange - Under IAS 21, an operation is required to determine its functional currency in accordance with the standard and translate all foreign currency items into its functional currency. Upon consolidation, all assets and liabilities of the consolidated operations with a functional currency that is different than the presentation currency are translated at the closing rate at the date of the balance sheet. Canadian GAAP, on the other hand, requires each foreign operation to be classified as integrated or self-sustaining operations. Management has not yet determined the full accounting effect of IAS 21.

First-Time Adoption of IFRS - IFRS 1 provides the framework for the first time adoption of IFRS and specifies that, in general, an entity shall apply the principles under IFRS retrospectively. IFRS 1 also specifies that the adjustments that arise on retrospective conversion to IFRS from other GAAP should be directly recognized in retained earnings. Certain optional exemptions and mandatory exceptions to retrospective application are provided for under IFRS 1. Management has not yet determined the full accounting effect of IFRS 1.

Information Systems - The computerized production and accounting systems for the limestone project will need to be reviewed and implemented. When the Company achieves financing, significant time and resources will be dedicated to implementing an accounting and reporting system in Brazil. It is anticipated that an IFRS compatible reporting systems will be in place by the time of first production.

Internal Controls over Financial Reporting and Disclosure Controls and Procedures - As the review of accounting policies is completed, appropriate changes to ensure the integrity of internal control over financial reporting and disclosure controls and procedures will be made, including changes in controls or procedures to address reporting of first time adoption and opening balances under IFRS. This is expected sometime in 2010.

Financial Reporting Expertise - The financial reporting management team will obtain appropriate training to prepare IFRS compliant financial statements and use external resources to prepare for the IFRS transition.

In summary, management’s analysis of the requirements for making the transition to IFRS and the subsequent compliance for financial reporting purposes indicates that there are limited areas of change, due to the simplicity of the Company’s current operations and the fact that IFRS will be adopted as the initial accounting policy in most cases, rather than a change from an existing policy. Management expects minimal impact of IFRS on the Company’s business activities.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet investments or debt arrangements.

INCOME TAXES

The income tax expense reflects the current taxes in the U.S. and Brazil. The Company has net operating losses ("NOLs"), which can be applied to future periods. The expense is reduced by the recognition of NOL tax losses available to be used against future income taxes payable in Brazil and the reversal of future tax liability on intercompany loans.

The Company recorded an income tax recovery of $2.6 million for the year ended December 31, 2009. This compares to a tax expense of $4.5 million for the year ended December 31, 2008. This is mainly due to loss before income tax of $3.7 million for the year ended December 31, 2009 (income of $9.8 million - December 31, 2008) in addition to the reversal of the prior year valuation allowance. Also, the U.S. Company had a net future tax liability of $1.0 million for the year ended December 31, 2009 (nil - December 31, 2008).

The Company and its wholly-owned subsidiaries have approximately $12.3 million of tax loss carry-forwards in the U.S. and $3.9 million of tax loss carry-forwards in Brazil.

The Company is subject to income taxes in both the United States and Brazil. The taxation of these jurisdictions is subject to uncertainty and carries risk of additional taxes being assessed to the Company because of changes in interpretations and application of tax law, amendments to the tax laws and the introduction of new tax taxes (refer to Note 12 to Annual Consolidated Financial Statements).

RISKS AND UNCERTAINTIES

Liquidity remains the primary concern facing the Company. The recent economic conditions and the global credit market crisis has impacted the ability of the Company to raise capital. The Company is dependent on additional financing or sales of existing assets in order to raise capital to fund its business opportunities, until such time as the Company generates adequate cash flow from operations.

The discovery, development and acquisition of mineral properties are, in many instances, unpredictable events. Future metal prices, the success of exploration programs and other property transactions will have a significant impact on the Company's capital requirements. On any project, the Company must evaluate its available options, which range from developing the property itself, bringing in joint venture partners, outright sale to a third party or, if results do not justify additional expenditures, abandonment. The ability of the Company to expand its current investments is dependent on many factors including the Company's ability to resume trading its common shares, the market value of the common shares, the Company's ability to locate appropriate properties at appropriate values and the viability of financing their acquisition and development.

The ability to establish an irradiation business is dependent on many factors including, without limitation, the enactment of laws and regulations allowing the export of irradiated food products from Brazil and the import to the United States and the timing and enforcement thereof. Additional factors include the ability of the Company to establish commercial relationships with third party agricultural growers in Brazil and food wholesalers/retailers in the United States in sufficient quantity, on commercially feasible and reasonable terms or at all and other market conditions.

All of the projects of the Company and Jaguar are located in the country of Brazil and may be affected in varying degrees by political stability and government regulations. Any changes in regulations or shifts in political attitudes in Brazil are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to the restrictions on production, price controls, export controls, income and other taxes, expropriation of property, environmental legislation, land use, water use and mine safety. Although the Company has sixteen years of expertise and relationships in Brazil, these factors could compromise the Company's ability to find and operate fitting investments.

The country of Brazil currently encourages foreign investment in mining exploration and development, subject to compliance with local health, energy, mining and environmental laws. However, it is possible that deterioration in economic conditions or other factors could result in a change in government policies.

Brazilian currency has been devalued in the past against the US $. It is possible that any future and sustained devaluations may hinder future financings if potential investors perceive greater risks with investments in the country of Brazil. Continued strength in the Brazilian currency could increase operating and capital costs, relative to the US $. In each of the years ended December 31, 2009 and 2008, the Brazilian currency fluctuated approximately 30% against the US $. Such dramatic fluctuation over a short period of time may increase the perceived risk for investments in Brazil.

OUTLOOK

The Company's mission is Brazil-focused and growth oriented. The Company will realize this mission in part by anticipating change and participating in Brazil's economic and infrastructure expansion. The Company is focused on matching opportunities in Brazil with proper financing and the right set of management skills to create shareholder value. Management is using its expertise and relationships developed during its sixteen year history in Brazil to locate additional business opportunities compatible with its current business activities and interests. The Company considers its expertise and relationships in Brazil to be a significant asset.

A primary focus of the Company is to seek financing for implementation of current projects, acquisition of new projects and working capital. A successful financing will also put the Company in position to re-list its shares on a recognized stock exchange. The Company has investigated several alternatives for raising capital and is confident in its ability to raise the funds required for development of BrasAgro and Secure Foods. However, the Company's ability to deliver on current project plans is highly dependent on the timely closing of present financing efforts.

SUBSEQUENT EVENT

Subsequent to December 31, 2009, the non-controlling shareholders of Petrocal agreed to take a portion of the balance due in newly issued common shares of the Company. The revised agreement calls for $2.8 million (63.54% of the final payment due on March 31, 2010) to be made in cash and the remainder to be paid in shares. The cash payment was made on March 26, 2010. The shares will initially be issued using an imputed value of Cdn.$0.60 per share, however, there may be an adjustment in the number of shares if the imputed value is materially different than the value of any shares issued in a contemplated private placement to fund construction of the project.

Outstanding Share Data

Common shares and convertible securities outstanding at March 30, 2010 are:

Security	Expiration Date	Exercise Price	Securities Outstanding	Common Shares on Exercise
Common Shares			101,085,532	101,085,532
Warrants	25 Aug 2010	Cdn.$0.20	5,750,000	5,750,000
Options	19 Apr 2011	Cdn.$0.15	3,506,209	3,506,209
Options	17 Jul 2012	Cdn.$0.40	725,000	725,000
Options	10 Jul 2012	Cdn.$0.40	700,000	700,000
Options	16 Jan 2013	Cdn.$0.25	175,000	175,000
Options	31 Mar 2014	Cdn.$0.25	150,000	150,000
Fully diluted common shares				112,091,741

At the March 11, 2008 annual and special meeting of the shareholders, the Board of Directors were authorized to effect a one for five reverse split through May 31, 2009 should they deem it beneficial to the Company. The split was not completed.

March 30, 2010

Robert J. Lloyd
President & Chief Executive Officer

Jeffrey C. Kirchhoff
Chief Financial Officer