

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

BRAZILIAN RESOURCES, INC.
(Unaudited)

For the three and nine months ended
September 30, 2009 and 2008

BRAZILIAN RESOURCES, INC.

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

	September 30, 2009	December 31, 2008
(Unaudited)		
Assets		
Current Assets:		
Cash	\$ 32,457	\$ 370,017
Prepaid expenses and sundry receivables	595,018	544,816
	627,475	914,833
Property, plant and equipment	1,016,066	1,100,164
Mineral properties and exploration (Note 3)	8,597,512	8,597,512
Investment in Jaguar Mining, Inc.	14,418,177	8,222,634
Other investments	4,862	4,862
	\$ 24,664,092	\$ 18,840,005
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	\$ 1,920,992	\$ 1,779,346
Accrued interest	189,919	115,052
Income taxes payable	277,597	37,235
Due to related parties	212,676	161,814
Due to non-controlling Petrocal shareholders (Note 3)	4,499,185	4,415,330
Current portion of loans payable (Note 4)	2,338,541	940,533
	9,438,910	7,449,310
Loans payable (Note 4)	16,641	20,800
Future tax liability	3,121,675	2,160,534
Other payables	44,566	53,578
	12,621,792	9,684,222
Shareholders' Equity:		
Capital stock	22,892,131	22,892,131
Warrants	292,100	397,100
Stock options (Note 5)	353,502	395,716
Contributed surplus	1,272,398	1,120,598
Deficit	(19,758,193)	(18,898,636)
Accumulated other comprehensive income	6,990,362	3,248,874
	12,042,300	9,155,783
Basis of Presentation and Going Concern (Note 1)	\$ 24,664,092	\$ 18,840,005

See accompanying notes to the interim consolidated financial statements.

On behalf of the Board:

"R. Lloyd" _____, Director

"J. Kirchoff" _____, Director

BRAZILIAN RESOURCES, INC.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 (Restated)	2009	2008 (Restated)
Expenses (income):				
Professional fees	\$ 144,031	\$ 363,456	\$ 378,479	\$ 1,114,011
Consulting expenses	123,782	448,226	388,422	799,499
General and administrative expenses	233,551	910,860	602,093	1,988,646
Interest	15,619	196,768	95,976	1,117,010
Depreciation	12,674	(31,562)	39,611	(1,803)
Salaries and employee benefits	32,212	210,773	181,772	550,148
Stock based compensation	-	3,223	4,586	20,735
Loss (gain) on foreign exchange	639,824	(1,482,765)	1,175,705	(744,802)
Other income	(231,634)	(64,033)	(241,160)	(168,854)
Other taxes	(2,336)	(61,711)	25,653	22,722
Loss before undernoted	(967,723)	(493,235)	(2,651,137)	(4,697,312)
Gain on disposal of shares of Jaguar Mining Inc.	-	1,953,638	-	15,128,568
Income (loss) before income taxes	(967,723)	1,460,403	(2,651,137)	10,431,256
Income tax expense	380,440	-	380,440	-
Future income tax (recovery) expense	(836,421)	(680,379)	(2,172,020)	3,538,702
Income (loss) from continuing operations	(511,742)	2,140,782	(859,557)	6,892,554
Gain (loss) from discontinued operations	-	4,359,309	-	(678,843)
Net income (loss)	(511,742)	6,500,091	(859,557)	6,213,711
Deficit, beginning of period	(19,246,451)	(23,805,736)	(18,898,636)	(23,519,356)
Early retirement of debentures	-	(90,291)	-	(90,291)
Deficit, end of period	\$ (19,758,193)	\$ (17,395,936)	\$ (19,758,193)	\$ (17,395,936)
Basic and diluted income (loss) per share (Note 6)	\$ (0.01)	\$ 0.06	\$ (0.01)	\$ 0.06
Weighted average number of common shares outstanding (Note 6)	101,085,532	106,629,010	101,085,532	108,704,924
Statement of Comprehensive Income (Loss)				
Net income (loss)	\$ (511,742)	\$ 6,500,091	\$ (859,557)	\$ 6,213,711
Other comprehensive income (loss)	2,174,940	(8,812,404)	6,195,543	(31,066,047)
Less: tax provision for other comprehensive income (loss)	(861,494)	3,629,092	(2,454,054)	12,443,760
Other comprehensive income (loss), net of tax	1,313,446	(5,183,312)	3,741,489	(18,622,287)
Comprehensive income (loss)	\$ 801,704	\$ 1,316,779	\$ 2,881,932	\$ (12,408,576)

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 Debentures	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2007	108,072,124	23,000,000	9,687,157	\$326,305	\$46,700	(\$23,519,356)	\$22,692,806	\$25,132,073
Share repurchase/retirement	(\$10,000,000)	-	-	-	288,504	-	-	(1,436,263)
Shares issue for professional fees	30,000	-	-	-	-	-	-	2,921
Warrants issued	-	5,750,000	292,100	-	-	-	-	292,100
Warrants expired	-	(20,000,000)	(214,571)	-	-	-	-	(214,571)
Options exercised	2,983,408	-	(3,013,408)	(70,579)	-	-	-	302,984
Options expired	-	-	(842,540)	(37,784)	-	-	-	214,571
Options granted	-	-	-	-	252,355	-	-	-
Stock based compensation	-	-	175,000	-	-	-	-	20,735
Net loss for the period	-	-	-	-	-	6,213,711	-	6,213,711
Convertible debentures retired without conversion	-	-	-	(326,305)	261,222	(90,291)	-	(155,374)
Other comprehensive loss for the period	-	-	-	-	-	-	(18,622,287)	(18,622,287)
Balance, September 30, 2008	101,085,532	8,750,000	6,006,209	\$0	\$848,781	(\$17,395,936)	\$4,070,519	\$11,750,600
Balance, December 31, 2008	101,085,532	8,750,000	6,006,209	\$	\$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)	(46,800)	46,800	-	-	-
Stock based compensation	-	-	150,000	4,586	-	-	-	4,586
Net loss for the period	-	-	-	-	-	(859,557)	-	(859,557)
Other comprehensive income for the period	-	-	-	-	-	-	3,741,488	3,741,488
Balance, September 30, 2009	101,085,532	5,750,000	5,256,209	\$353,502	\$1,272,398	(\$19,758,193)	\$6,990,362	\$12,042,300

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 Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Cash provided by (used in):		(Restated)		(Restated)
Operating Activities:				
Net income (loss) from continuing operations	\$ (511,742)	\$ 2,140,782	\$ (859,557)	\$ 6,892,554
Items not involving cash from continuing operations:				
Depreciation	12,674	(31,562)	39,611	(1,803)
Stock based compensation	-	3,223	4,586	20,735
Gain on disposal of shares of Jaguar Mining Inc.	-	(1,953,638)	-	(15,128,568)
Non-cash management fees and interest	30,588	759,186	130,211	921,826
Shares issued for professional fees	-	-	-	2,921
Future income tax (recovery) expense	(836,421)	(475,330)	(2,172,020)	3,734,940
Unrealized foreign exchange gain (loss)	563,227	(1,612,516)	983,341	(1,269,733)
Loss on disposal of fixed assets	1,155	-	1,155	-
Change in other payables	(5,248)	(24,187)	(9,013)	(45,860)
Change in non-cash working capital:				
Prepaid expenses and sundry receivables	(19,162)	(104,816)	81,167	(361,322)
Accounts payable	(160,966)	(86,009)	47,407	687,448
Accrued interest	47,304	24,128	43,151	154,362
Income taxes payable	228,658	-	228,658	130,034
Cash flows used in continuing operations	(649,933)	(1,360,739)	(1,481,303)	(4,262,466)
Cash flows used in discontinued operations	-	(1,696,397)	-	(1,204,622)
Cash flows used in operating activities	(649,933)	(3,057,136)	(1,481,303)	(5,467,091)
Financing Activities:				
Increase in loans payable	524,000	6,043,500	1,519,202	6,043,500
Repayment of loans payable	(1,175)	(15,084,491)	(3,460)	(13,176,722)
Repayment of convertible debentures	-	(1,529,521)	-	(2,140,419)
Issuance of common shares and warrants	-	(167,011)	-	67,537
Related party payable	-	(409,399)	-	(484,832)
Cash flows provided by (used in) continuing operations	522,825	(11,146,922)	1,515,743	(9,690,936)
Cash flows provided by (used in) discontinued operations	-	(209,362)	-	48,451
Cash flows provided by (used in) financing activities	522,825	(11,356,284)	1,515,743	(9,642,485)
Investing Activities:				
Debt repayment on mineral property acquisition	-	(555,895)	(415,330)	(758,741)
Purchase of property, plant and equipment	(41,572)	(14,014)	(136,374)	(89,051)
Proceeds from sale of fixed assets	179,703	-	179,703	-
Proceeds on disposal of shares of Jaguar Mining Inc.	-	14,686,830	-	16,178,537
Related party receivables	-	1,219,989	-	(156,715)
Cash flows provided by (used in) continuing operations	138,131	15,336,910	(372,000)	15,174,030
Cash flows provided by discontinued operations	-	304,420	-	853,517
Cash flows provided by (used in) investing activities	138,131	15,641,330	(372,000)	16,027,547
Increase (decrease) in cash for the period	11,024	1,227,912	(337,560)	917,976
Cash, beginning of period	21,433	241,113	370,017	551,050
Cash, end of period	\$ 32,457	\$ 1,469,026	\$ 32,457	\$ 1,469,026

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 nine months ended September 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 Canadian Institute of Chartered Accountants ("CICA") issued 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. Adoption of this standard did not have any 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 nine months ended September 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 EIC-173, 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 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 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 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. 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 nine months ended September 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 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 impacts of adopting these pronouncements on its consolidated financial statements in fiscal 2011.

(iii) Mining Exploration Costs:

In March 2009, the CICA issued the 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 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 a material impact on the Company's financial statements.

(v) Impaired Loans

In August 2009, the CICA issued an amendment to Handbook Section 3025, Impaired Loans to add held-to-maturity investments to the scope of the Section. Adoption of this amendment is not expected to have a 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 nine months ended September 30, 2009 and 2008

2. Significant Accounting Policies (continued):

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

(vi) Financial Instruments- Disclosure:

Amendments to CICA Handbook Section 3862, Financial Instruments - Disclosure 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.

(vii) Adoption of IFRS:

In January 2006, the Accounting Standards Board announced its decision to require all publicly 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. 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 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
Total	\$ 1,316,084

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

BRAZILIAN RESOURCES, INC.

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

3. Acquisition of Petrocal Indústria e Comércio de Cal S.A. (continued):

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 September 30, 2009, the exchange rate was 1.778 resulting in a balance due of R\$8,000,000 (\$4,499,185).

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

4. Loans Payable:

	September 30, 2009	December 31, 2008
(a) Auto loan	\$ 21,997	\$ 25,457
(b) Credit line	2,333,188	935,876
	2,355,185	961,333
Less current portion	(2,338,541)	(940,533)
	\$ 16,641	\$ 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, 1.2% at September 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 September 30, 2009, resulting in an available credit facility of \$3,437,381 (\$3,290,935 - December 31, 2008).

BRAZILIAN RESOURCES, INC.

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

5. Stock Options:

Changes in stock options for the periods ended September 30, 2009 and December 31, 2008 are as follows:

	Number	Amount
Balance, December 31, 2007	9,687,157	\$480,403
Expired, vested	(842,540)	(37,784)
Exercised	(3,013,408)	(70,579)
Granted	175,000	23,676
Balance, December 31, 2008	6,006,209	395,716
Expired, vested	(900,000)	(46,800)
Granted	150,000	4,586
Balance, September 30, 2009	5,256,209	\$353,502

Common Share Options	Number	Weighted Average Exercise Price CAD
Balance, December 31, 2007	9,687,157	\$ 0.18
Expired, vested	(180,000)	0.40
Expired, unvested	(824,540)	0.20
Exercised	(3,013,408)	0.10
Granted	175,000	0.25
Balance, December 31, 2008	6,006,209	0.21
Expired, vested	(900,000)	0.17
Granted	150,000	0.25
Balance, September 30, 2009	5,256,209	\$ 0.22

The value assigned to vested expired options was allocated to contributed surplus. The value assigned to unvested expired options was allocated to stock based compensation.

Exercise Price	Outstanding September 30, 2009	Weighted Average Remaining Life in Years	Number Exercisable
\$ 0.150 CAD	3,506,209	1.55	3,506,209
\$ 0.400 CAD	700,000	2.79	700,000
\$ 0.400 CAD	725,000	2.80	725,000
\$ 0.250 CAD	175,000	3.30	175,000
\$ 0.250 CAD	150,000	4.50	150,000
Total	5,256,209		5,256,209

The fair value of the options granted in 2009 and 2008 was calculated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 5%; dividend yield of nil; expected volatility of 50%; and expected life of 60 months. The weighted-average grant date fair value of the options was \$0.03 in 2009 and \$0.03 in 2008 per option.

BRAZILIAN RESOURCES, INC.

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

6. Income (Loss) Per Share:

Income (loss) per share related to continuing operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
		(Restated)		(Restated)
Numerator:				
Net income (loss) from continuing operations	\$ (511,742)	\$ 2,140,782	\$ (859,557)	\$ 6,892,554
Denominator:				
Weighted average number of shares outstanding	101,085,532	106,629,010	101,085,532	108,704,924
Basic net income (loss) per share	\$ (0.01)	\$ 0.02	\$ (0.01)	\$ 0.06
Diluted net income (loss) per share	\$ (0.01)	\$ 0.02	\$ (0.01)	\$ 0.06

Income (loss) per share related to discontinued operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
		(Restated)		(Restated)
Numerator:				
Net income (loss) from discontinued operations	\$ -	\$ 4,359,309	\$ -	\$ (678,843)
Denominator:				
Weighted average number of shares outstanding	101,085,532	106,629,010	101,085,532	108,704,924
Basic net income (loss) per share	\$ 0.00	\$ 0.04	\$ 0.00	\$ (0.01)
Diluted net income (loss) per share	\$ 0.00	\$ 0.04	\$ 0.00	\$ (0.01)

Income (loss) per share related to all operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
		(Restated)		(Restated)
Numerator:				
Net income (loss) from all operations	\$ (511,742)	\$ 6,500,091	\$ (859,557)	\$ 6,213,711
Denominator:				
Weighted average number of shares outstanding	101,085,532	106,629,010	101,085,532	108,704,924
Basic net income (loss) per share	\$ (0.01)	\$ 0.06	\$ (0.01)	\$ 0.06
Diluted net income (loss) per share	\$ (0.01)	\$ 0.06	\$ (0.01)	\$ 0.06

BRAZILIAN RESOURCES, INC.

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

7. 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, 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.
- (b) The Company provides the use of administrative offices to Jaguar. As a result, the Company recorded occupancy income of \$45,000 during the three months ended September 30, 2009 (\$45,000 – September 30, 2008). During the nine months ended September 30, 2009 the Company recorded occupancy income of \$135,000 (\$135,000 – September 30, 2008). Occupancy income is included in general and administrative expenses within the consolidated statement of operations and deficit and comprehensive income (loss).

Jaguar is responsible for half of any leasehold improvements on the building leased from the Company, any amounts paid in excess will be treated as prepaid occupancy fees. For the three months ended September 30, 2009, the Company recorded \$42,103 (nil – September 30, 2008) in prepaid occupancy fees. During the nine months ended September 30, 2009 the Company recorded \$117,141 (nil – September 30, 2008) of prepaid occupancy fees. Prepaid occupancy fees are included in accounts payable within the consolidated balance sheet.

The Company also provides legal and administrative services to Jaguar. During the three months ended September 30, 2009, the Company recorded legal and administrative service income of \$157,030 (\$43,960 – September 30, 2008). During the nine months ended September 30, 2009, the Company recorded legal and administrative service income of \$456,471 (\$210,595 – September 30, 2008) and is included in salaries and benefits within the consolidated statement of operations and deficit and comprehensive income (loss). At September 30, 2009, legal and administrative services owed to the Company were \$98,111 (\$101,255 – December 31, 2008). At September 30, 2009, accounts payable included \$19,030 due to Jaguar, the net of prepaid occupancy fees payable to Jaguar of \$117,141 and legal and administrative fees due to the Company of \$98,111.

- (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, \$212,676 (R\$378,158). The amount of the guarantee is denominated in R\$, bears monthly interest at US LIBOR (0.2473% -September 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.

BRAZILIAN RESOURCES, INC.

Notes to Interim Consolidated Financial Statements (continued)
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Three and nine months ended September 30, 2009 and 2008

9. Commitments:

The Company's contractual obligations at September 30, 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	\$ 2,111	\$ 45	\$ -	\$ -	\$ 2,156
Income taxes payable	278	-	-	-	278
Due to related parties	213	-	-	-	213
Due to non-controlling Petrocal shareholders	4,499	-	-	-	4,499
Loans payable	2,339	12	5	-	2,356
Total	\$ 9,440	\$ 57	\$ 5	\$ -	\$ 9,502