

BRAZILIAN RESOURCES, INC.

Restated Management's Discussion and Analysis of Financial Condition and Results of Operations in respect of the three and nine months ended September 30, 2008

This Restated Management's Discussion and Analysis has been prepared as of June 25, 2009 and should be read in conjunction with the restated unaudited financial statements of Brazilian Resources, Inc. (the "Company") for the three and nine months ended September 30, 2008 with comparative figures for the three and nine months ended September 30, 2007 and the annual audited consolidated financial statements of the Company for the years ended December 31, 2007 and 2006. All amounts are expressed in US\$ unless otherwise indicated. The average rates of exchange for the Canadian dollar (Cdn.\$) per US\$1.00 for Q3 2008 and Q3 2007 were 1.04 and 1.04 respectively. The average rates of exchange for the Brazilian real (R\$) per US\$1.00 for Q3 2008 and Q3 2007 were 1.67 and 1.92 respectively.

The Company's ability to meet its targets and to execute on its strategy is subject to the various risks and the 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 undertake 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.

RESTATEMENT OF MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company is restating its unaudited Interim Consolidated Financial Statements for the period ending September 30, 2008 after identified the following changes:

- It was decided that the proper accounting treatment for the deconsolidation of Prometálica Mineração Ltda. ("PML") was to reclassify and disclose the results of PML through the date of deconsolidation as discontinued operations. The current and prior year comparisons have been updated to reflect the results of PML as discontinued operations. The table below reflects the adjustments made to net income (loss) to account for PML under discontinued operations. The net affect of these adjustments were reflected in the previously reported deficit section of the interim statement of operations, deficit and comprehensive income (loss) instead of net income (loss) as they are now reflected. The cumulative net deficit of \$17,395,936, as of September 30, 2008, as previously reported was not impacted by these adjustments. (Refer to note 2 of Restated Interim Consolidated Financial Statements.)
- The write-off of uncollectible interest of \$90,291 as previously reported in the deficit section on the interim consolidated statement of operations, deficit and other comprehensive income was classified incorrectly. The amount of the interest write-off was \$303,291 and has been included in the results from discontinued operations. (Refer to note 4 of Restated Interim Consolidated Financial Statements.) The \$90,291 was related to the early retirement of convertible debentures (Refer to note 9 of Restated Interim Consolidated Financial Statements).

	Three months ended September 30, 2008	Nine months ended September 30, 2008
Net loss, as reported	\$ (3,244,455)	\$ (3,530,836)
Adjustments:		
Write-off of uncollectible debt and interest	2,498,871	2,498,871
Impairment of investment	3,650,501	3,650,501
PML loss recorded in continuing operations	(764,134)	4,274,018
Total adjustments to continuing operations	5,385,238	10,423,390
Net income from continuing operations, as restated	2,140,782	6,892,554
Income (loss) from discontinued operations (note 4)	4,359,309	(678,843)
Net income, as restated	\$ 6,500,091	\$ 6,213,711

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.

In 2008, the Company focused on paying down debt, advancing existing projects, and evaluating and entering into new projects. During the nine months ended September 30, 2008, the Company:

- Acquired an 80% share of a limestone property in Brazil;
- Made significant progress on permits and licenses for food irradiation;
- Sold or exchanged 1,974,105 shares of Jaguar Mining Inc.;
- Repaid all bridge loans and convertible debentures;
- Purchased and retired 10 million shares of the Company stock;
- Deconsolidated the financial results of PML as of August 31, 2008.

BASIS OF PRESENTATION

Prometálica Mineração Ltda. ("PML"), the Company's 49% owned joint venture, entered into a Judicial Restructuring (a form of bankruptcy proceeding) procedure in Brazil. 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. An agreement to shut down PML operations was signed on September 3, 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.

As a result of these actions, Brazilian Resources cannot continue exercise joint control of PML. Loss of control and the Judicial Restructuring proceedings resulted in the Company's decision to deconsolidate PML's financial results effective August 31, 2008. PML's activities are considered as "Discontinued Operations" in the interim consolidated financial statements. At August 31, 2008 the Company's interim consolidated balance sheet included a gain due to a reversal of net asset deficiency of \$5,135,217 represented by the excess of the Company's proportionate share of the liabilities related to PML over PML's assets and net loss from January 1, 2008 to August 31, 2008. For further details refer to note 4 of the Company's restated interim consolidated financial statements.

AGRICULTURE AND INFRASTRUCTURE

SecureFoods, Inc. ("SecureFoods")

Brazil is one of the largest agricultural producing countries in the world. In June 2001 the Company formed SecureFoods, a U.S.-based wholly-owned subsidiary intending to develop gamma ray ionization facilities in Brazil and export treated food products to North America. SecureFoods has obtained exclusive rights in Brazil to an irradiation technology particularly well suited for application to food.

Gamma ray ionization is a process that exposes food products to a controlled amount of radiant energy. The irradiation process will extend 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.

All necessary permits and approvals have either been received or applied for and are currently being procured other than the ones which it is premature to obtain. The additional licenses are expected to be obtained when needed. The Company's wholly-owned Brazilian subsidiary has acquired a property where the first irradiator facility is expected to be built. This facility is expected to house four irradiators with possible expansion to eight. SecureFoods 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.

SecureFoods is planned to be a value-added service to exporters of fruits and vegetables to the U.S. In addition, SecureFoods plans to purchase, treat and export its own fruits and vegetables. The Company is also working to develop the market in the U.S. for the Brazilian irradiated products. With heightened consumer awareness for food safety coupled with reduced transportation costs and increased shelf life, the Company believes that SecureFoods offers an opportunity to generate significant cash flow. Pending financing, the Company expects to launch commercial operations in the second half of 2010.

BrasAgro Fertilizantes Minerais Ltda. ("BrasAgro")

Plant nutrients and other inputs are essential to modern agricultural practices to maximize output for such industries as ethanol production. The Company invested in a feasibility study to determine if the Company should exercise its option to acquire an 80% stake in Petrocal Indústria e Comércio de Cal S.A. ("Petrocal"), a limestone property in Brazil. During Q2 2008 the Company contracted to acquire 80% of Petrocal through BrasAgro, a wholly-owned subsidiary. The project plans to sell the limestone produced initially to agricultural customers, and also eventually to industrial customers in the nearby region. The expectation is to build mining operations and seek the acquisition of similar properties with the intent of consolidating within the sector and having a long-lived asset generating significant cash flow. The Company expects to file a National Instrument 43-101 technical report based on the feasibility study in the near future.

The acquisition contract is denominated in Brazilian reais and requires payments totaling \$6,168,126 (R\$9,819,040) to the non-controlling shareholders. The USD amount is calculated using the currency conversion rate at the time the purchase contract closed in April 2008. The purchase price was to be paid as follows: \$199,943 was due upon signing of the contract, \$4,000,000 was due 30 days after receiving the required environmental permits and contract for sufficient power to operate; and \$684,675 was due 30 days after the third payment. During the periods ending June 30, 2008 and September 30, 2008, the Company made

payments of \$220,290 (R\$350,680) and \$555,895 (R\$1,000,000), respectively. The remaining balance of \$4,493,911 (R\$8,468,360) was due September 17, 2008. The payable is due to the non-controlling shareholders of Petrocal and security is provided by the quota shares acquired. The amount is non-interest bearing.

During the year, the Company renegotiated its payment schedule with Petrocal. The balance due at September 30, 2008, \$4,493,911 (R\$8,468,360), was initially due on September 17, 2008. This was later extended to February 27, 2009. Subsequent to September 30, 2008 the Company did not pay the remaining balance due. On April 30, 2009 the terms of the agreement were renegotiated to retain the Company's 80% ownership and set new payment terms. The renegotiated payment terms are as follows: the first installment of \$200,000 was due on signing of the April 30, 2009 amendment and was paid May 11, 2009; the second installment of \$150,000 was due on May 30, 2009, the third installment of \$65,330 was due 10 days after the after the documentation confirming the renovation for the environmental installation license has been received and the remaining balance of \$4,000,000 is due March 31, 2010. The second and third installments were paid on June 15, 2009. The parties agreed on a fixed exchange rate of R\$2.00 per US\$1.00 which will be used if the exchange rate on the date of any payment is lower than R\$2.00. The total amount paid to date is \$1,316,084. (Refer to note 7 of Restated Interim Consolidated Financial Statements.)

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, for CEMAT to provide power to the Petrocal mine site. Construction of the transmission lines is expected to cost approximately R\$1.4 million, of which Petrocal was obligated to provide R\$976,729 (\$510,228) in a series of three installment payments that ended October 15, 2008. Total payments required to CEMAT through the year ended December 31, 2008 were made. Petrocal anticipates the power line construction to begin in the fall of 2009 and be completed by the end of February 2010. Subsequent to obtaining financing, for capital expenditures, the Company expects Petrocal to begin operations in April 2010.

MINING

Prometalica 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 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 primarily base metals. The Company filed a National Instrument 43-101 technical report on SEDAR for the Monte Cristo property in 2007.

Management agreed to cease PML operations effective September 3, 2008. A combination of uncontrollable economic factors, primarily the falling prices of zinc and copper, 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 issue and potentially reorganize PML 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 a court decision ordering 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 and is still under review. This process also allows a possible sale of the business.

The Company is not responsible for 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. At December 31, 2008, the Company recorded its proportional share of the NSR, \$581,746. This amount is included in accounts payable on the annual consolidated financial statements.

For accounting purposes, the Company determined that it lost joint control and is not able to exert significant influence over this joint venture as a result of the court's acceptance of the Judicial Restructuring. Accordingly, the financial results of PML have been deconsolidated effective August 31, 2008. (Refer to note 4 to Restated Interim Consolidated Financial Statements.)

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.

Jaguar Mining Inc. ("Jaguar")

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 Minas Gerais, Brazil. Jaguar is domiciled in Ontario, Canada, with corporate administrative affairs conducted at the Company's offices in 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 TSX and NYSE-Arca with a current market capitalization of approximately \$563 million of which the Company's ownership is approximately 2.1%. The Company's initial investment in Jaguar was approximately \$5 million. Since Jaguar became a publicly-traded company, 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.

At September 30, 2008, the Company owned 1,613,692 common shares of Jaguar (3,582,105 at December 31, 2007). During Q3 2008 the Company sold 325,245 shares of Jaguar (177,897 shares for settlement of outstanding debt and 147,348 shares to repurchase common shares of the Company) for gross proceeds of \$2,512,968 resulting in a net gain of \$1,953,638.

At September 30, 2008, the fair value of the Company's investment in Jaguar was determined based on the 1,613,692 shares owned, the period ending stock price of Cdn.\$5.93 and an exchange rate of Cdn.\$1.06 per U.S. dollar. This resulted in an unrealized loss to other comprehensive income of \$18,622,287 net of income taxes (\$24,419,839 gain for Q3 2007) and an investment in Jaguar balance of \$9,028,393 (\$43,829,217 at December 31, 2007).

At September 30, 2008 the Company had pledged 322,000 of its Jaguar common shares as security for the investment in Prometálica Centro Oeste Ltda. ("PMCO") (See "Other mineral projects"). The Company had 616,937 shares of Jaguar on deposit as security for its credit facility. Subsequent to September 30, 2008 the Company deposited an additional 674,755 Jaguar shares as security for its 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 collateral for loans.

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, 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 the above referenced financing agreement between PMCO and certain creditors.

The Company formerly controlled a 70% interest in a 20,862 acre mineral property, which included an inactive open pit/heap leach gold mine located in the state of Amapá in the Brazilian portion of the Guyana Shield. The property was subject to

litigation by Brazilian authorities with respect to environmental issues, all of which were outlined by the Company's environmental plan at the time of acquisition. In March 2005, the Company's Brazilian subsidiary signed a formal rescission of the mine leasing contract, which recognized that the subsidiary was not directly responsible for the environmental liability, and a complete and general release has been provided. On June 5, 2008, the Company received notification of the conclusion of the environmental legal proceedings with no liability assigned to the Company, its Brazilian subsidiaries or their directors.

RESULTS OF OPERATIONS

Selected financial information

	For the three months ended September 30,		For the nine months ended September 30,	
	2008 (Restated)	2007 (Restated)	2008 (Restated)	2007 (Restated)
Net income (loss) from continuing operations	\$2,140,782	(\$1,010,084)	\$6,892,554	(1,947,888)
- per share basic	\$0.03	(\$0.01)	\$0.03	(\$0.02)
- per share diluted	\$0.03	(\$0.01)	\$0.03	(\$0.02)
Net income (loss) from discontinued operations	\$4,359,309	\$1,467,040	(\$678,843)	(\$364,745)
Net income (loss)	\$6,500,091	\$456,956	\$6,213,711	(\$2,312,633)
- per share basic	\$0.06	\$0.00	\$0.06	(\$0.02)
- per share diluted	\$0.06	\$0.00	\$0.06	(\$0.02)
Total assets	\$21,120,687	\$34,557,662	\$21,120,687	\$34,557,662
Total long-term liabilities	\$2,089,249	\$9,764,634	\$2,089,249	\$9,764,634

The net gain for the three months ended September 30, 2008 amounted to \$6.5 million or \$0.06 per share, as compared to a net income of \$456,956 or \$0.00 per share for the three months ended September 30, 2007. The net gain for the nine months ended September 30, 2008 is \$6.2 million or \$0.06 per share as compared to a net loss of \$2.3 million or \$(0.02) per share for the nine months ended September 30, 2007. The primary factors contributing to the year-to-date net income include, but are not limited to, the following:

Agriculture and infrastructure

- \$0.7 million loss due to expenses related to the progression of the Secure Foods project
- \$0.2 million loss due to expenses incurred by BrasAgro and corporate office expenses incurred directly on behalf of BrasAgro
- \$0.9 million loss due to expenses related to the progression of other early-stage infrastructure projects

Mining

- \$0.7 million loss due to discontinued operations

Corporate

- (\$15.1) million gain due to sale of the Company's Jaguar stock
- \$3.6 million loss due to income tax expense
- \$1.1 million loss due to interest expense
- \$1.7 million loss due to general and administrative expense

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

Quarter ended	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Year	2008	2008	2008	2007	2007	2007	2007	2006	2006
Net sales	\$Nil	\$1,501	\$1,044	\$735	\$6,765	\$3,003	\$2,551	\$1,530	\$110
Net income (loss)	\$6,500	\$2,777	(\$3,063)	\$1,373	\$457	(\$2,949)	\$179	(\$2,252)	\$325
per share basic & diluted	\$0.06	\$0.00	(\$0.03)	\$0.01	\$0.00	(\$0.03)	\$0.00	(\$0.02)	\$0.00

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, unless otherwise noted.

CASH FLOW AND LIQUIDITY

At September 30, 2008 the Company had a cash balance of \$1.5 million. During the three months ended September 30, 2008 the Company's cash increased \$1.2 million (nine months \$0.9 million). The decrease in cash during Q3 2008 was primarily due to the following:

- Operating activities resulted in a cash decrease of \$1.4 million primarily due to a \$2.1 million gain for the period offset by \$3.5 million non-cash changes in working capital and other non-cash adjustments. Operating activities from discontinued operations resulted in a cash decrease of \$1.7 million.
- Financing activities resulted in a cash decrease of \$11.1 million primarily due to repayment of debt financing and retirement of convertible debentures. Financing activities from discontinued operations resulted in a cash decrease of \$0.2 million.
- Investing activities resulted in a cash increase of \$15.3 million primarily due to proceeds of the sale of Jaguar shares offset by investment in mineral properties and capital assets. Investing activities from discontinued operations resulted in a cash increase of \$0.3 million.

At September 30, 2008, 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 and related interest at September 30, 2008 are summarized as follows:

	Payments due in \$ 000's				
	2008	2009	2010	2011+	Total
Accounts payable and accrued liabilities	\$ 1,638	\$ -	\$ -	\$ -	\$ 1,638
Current taxes payable	45	-	-	-	45
Due to related parties	-	-	-	198	198
Due to non-controlling Petrocal shareholders	-	4,494	-	-	4,494
Financing	973	-	-	-	973
Total	\$ 2,656	\$ 4,494	\$ -	\$ 198	\$7,348

RELATED PARTY TRANSACTIONS

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 the financing agreement between PMCO and certain creditors. (See "Other mineral projects")

The Company provides administrative services and use of administrative offices to Jaguar. As a result, the Company recorded occupancy income of \$135,000 for the nine months ended September 30, 2008 (90,000 –September 30, 2007) and administrative service income of \$210,595 (\$397,604 –September 30, 2007). The occupancy income and administrative service income are included in the interim statement of operations, deficit and other comprehensive income. At September 30, 2008 accounts receivable included \$51,151 due from Jaguar (\$101,255 accounts payable at December 31, 2007).

The Company has amounts payable due 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, and as a result, the Brazilian labor court considered the companies to be an economic group and ordered payment from each company. The Company has guaranteed the amount owed to MSOL and MTL, \$197,544. The amount of the guarantee is denominated in R\$ (R\$378,158), bears interest at US LIBOR (3.92625% at September 30, 2008), is payable quarterly, and is due September 30, 2011.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Other than the changes in accounting policies noted below, the interim consolidated financial statements 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 for annual financial statements and accordingly should be read in conjunction with the Company's annual audited consolidated financial statements.

Effective January 1, 2008 the Company adopted the following new CICA Handbook Standards:

Financial Instruments-Disclosure and Presentation:

In December 2006, the CICA published the following two sections of the CICA Handbook: Section 3862 Financial Instruments-Disclosures and Section 3863, Financial Instruments-Presentation. These standards introduce disclosure and presentation requirements that will enable the users of financial statements to evaluate and enhance their understanding of the significance of financial instruments for the entity's financial position, performance and cash flows, the nature and extent of risks arising from financial instruments to which the entity is exposed and how those risks are managed.

Capital Disclosures:

In December 2006, the CICA published section 1535 of the Handbook, Capital Disclosures. This standard requires disclosure of an entity's objectives, policies and processes for managing capital; quantitative data about what the entity regards as capital; whether the entity has complied with any capital requirements; and if it has not complied, the consequences of such non-compliance. This information will enable users of financial statements to evaluate the entity's objectives, policies and processes for managing capital.

Inventories:

In January 2007, the CICA published section 3031 of the Handbook, Inventories. This section prescribes the accounting treatment for inventories and provides guidance on determination of costs, subsequent recognition as an expense, and provides guidance on the cost formulas used to assign costs to inventories. The new standard adopted did not impact the Company's consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

Goodwill and Intangible Assets:

In February 2008 the CICA issued accounting standard Section 3064, Goodwill and Intangible Assets replacing accounting standard Section 3062, Goodwill and Other Intangible Assets, and accounting standard Section 3450, Research and Development Costs. The new Section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning January 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company is currently evaluating the impact of the adoption of this new Section.

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 International Financial Reporting Standards ("IFRS") for year 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 account policies under IFRS.

OFF BALANCE SHEET ARRANGEMENTS

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

FINANCING

In December 2007, the Company obtained a \$6 million bridge loan. The bridge loan bore interest at 8% per annum with interest payable monthly commencing January 2008. The loan was due on March 17, 2008 and secured by 1,900,000 shares of Jaguar owned by the Company. On March 17, 2008, the maturity date was extended to June 17, 2008 and the number of Jaguar shares held as security was reduced to 1,800,000. On June 17, 2008, the Company and the lender changed the loan to "on demand" and arranged to sell a portion of the Jaguar shares held in escrow. At June 30, 2008, 1,500,000 shares had been sold but not yet settled, resulting in a receivable of \$14,577,450 at the end of the quarter. On July 2 and 3, 2008, the share settlement dates, the loan was repaid and the remaining 300,000 Jaguar shares were returned to the Company.

In December 2007, the Company obtained a \$1.2 million bridge loan. The bridge loan bore interest at 12% per annum with interest payable monthly commencing January 2008. The loan was due on January 31, 2008; however the Company paid an extension fee whereby the due date was extended to March 31, 2008. The loan was secured by the first \$1,200,000 of a related party loan owed to the Company from PML. The loan included closing fees of 1% of the proceeds and \$65,000 of legal and administrative fees. On March 31, 2008, this loan was repaid with the proceeds of the \$2.5 million loan on March 31, 2008.

On March 31, 2008, the Company obtained a \$2.5 million bridge loan. This loan bore interest at 13% per annum and was due on August 31, 2008. The loan included closing fees of 3% and the option to acquire 50,000 Jaguar shares owned by the Company at \$15 per share for a period of two years from the closing date. In the event that option is not exercised by its expiration date, the Company will pay an expiration fee of \$50,000 (prorated in the event of any partial option exercise). The loan was secured by an assignment of the Company's loan receivable from PML and a negative pledge with respect to the Company's 49% ownership in PML. On September 5, 2008, the loan was repaid.

During the nine months ended September 30, 2008, the Company repaid the August 2005 and the November 2005 convertible debentures and interest without conversion of any debentures.

RISKS AND UNCERTAINTIES

Liquidity remains the primary concern facing the Company. The recent economic conditions and the global credit market crisis has not only impacted the ability of the Company to raise capital but has also negatively affected the current investments and assets of the Company. Until such time as the Company generates adequate cash flow from operations, it may be dependent on additional financings or sales of existing assets in order to raise capital to fund its business opportunities.

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 re-commence trading in 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, 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 developed fourteen 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 U.S. dollar. 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. During the past five years, the Brazilian currency has generally appreciated against the U.S. dollar. Continued strength in the Brazilian currency could increase operating and capital costs, relative to the U.S. dollar, for both the Company and Jaguar. During the quarter ended September 30, 2008, the Brazilian currency depreciated more than 20% against the U.S. dollar. 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 fifteen-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.

The Company is continuing to recover its investment in PML over time through the judicial recovery process. The Company continues to believe the Monte Cristo project should be combined with other base metals properties in a company with better access to the capital markets and these opportunities will continue to be sought. Current market conditions make a sale of PML unlikely unless global commodities prices show improvement. Further deterioration of metals prices and/or economic conditions could lead to a reduction or shutdown of mining operations at PMCO.

A primary focus of the Company currently is to seek financing for implementation of current projects, acquisition of new projects, and working capital. The Company has investigated several alternatives for raising capital and is confident of raising funds required for development of SecureFoods and BrasAgro. However, the timing of the projects' funding depends on at least a partial recovery of the global financial markets. In the meantime, the Company is focused on cost containment, permit and approvals finalization for SecureFoods and is postponing expenditures related to a potential relisting until capital is obtained.

Outstanding Share Data

Common shares and convertible securities outstanding at June 25, 2009 are:

Security	Expiration Date	Exercise Price	Securities Outstanding	Common Shares on Exercise
Common Shares			101,085,532	101,085,532
Warrants	30 Jun 2009	Cdn.\$0.40	3,000,000	3,000,000
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	<u>150,000</u>
Fully diluted common shares				115,091,741

At the March 11, 2008 annual and special meeting of the shareholders, the 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.

During the quarter ended September 30, 2008, the Company repurchased and returned to treasury 10,000,000 common shares for consideration of 147,348 Jaguar shares and warrants to purchase 5,750,000 of the Company's common stock at Cdn\$0.20 until August 25, 2010.

June 25, 2009



Robert J. Lloyd
President and CEO



Jeffrey C. Kirchhoff
Chief Financial Officer