



Initiating Coverage Brazil Minerals (BMIX)

Current Share Price: @ .60

Outstanding Shares: 69,963,435

Short Term Target: \$2.50 DPV of Diamond and Gold Reserves

Investment Thesis: Diamond Demand/Pricing Have Secular Growth Demand with Major Supply Constraints Beginning late 2013-2014

A) Worldwide consumer demand and pricing for high quality polished diamonds continues to grow at high single digits especially in India and China. At the same time as...

B) Primary diamond mines in Canada/Russia and Africa have exhausted their open pit resources and are converting to high cost underground operations.

C) Brazil Minerals is a currently producing alluvial play (i.e. ground surface) on high quality diamond mining and production and an opportunistic play on 3 million+ ounces of recoverable gold in Brazil.

D) The management team led by CEO Dr. Marc Fogassa who has put together an extraordinarily experienced and connected Board of Directors to exploit the extremely favorable political climate for entrepreneurial resource development in Brazil.

E) Brazil Minerals intends to explore opportunities for shareholders to directly participate in diamond production and polishing via potential direct-to-shareholder sales of high quality polished diamonds at 50%+ discounted prices. BMIX also intends to pay a dividend and could pay diamond dividends paid directly to shareholders holding a minimum threshold of shares.

BMIX Property Duas Barras:

Upon completion of the acquisition announced in the March 28, 2013 8-K, BMIX will increase its ownership from an 11% to a 55% majority interest, becoming the operator of one of Latin America's largest producing alluvial gold and diamond plants. Located in Duas Barras Brazil, it was built by former owner Vaaldiam Resources in 2006–2007.

Vaaldium Resources filed a 43-101 on Brazil Mineral's Duas Barras property and assessed 35 hectares of the 170.89 hectare property (@20.5%). The assessed portion of the property was found to contain:

432,000 of Diamond carats (INDICATED + INFERRED)

491 kg of Gold (INDICATED + INFERRED)

The 43-101 performed by Vaaldium Resources indicates an average carat price of \$197

Borba:

BMIX's second asset, a high potential gold property known as the Borba Project, is located in the Amazon region of Brazil in an area considered to be in a geological gold belt formation. The exploration permit for this area allows research to be performed in it until December 4, 2015, with an extension for an additional 3 years possible and commonly obtained under current regulations. If research performed by BMIX in this area leads to a mining concession for gold, such right would be perpetual, under current law, provided that continuous mining occurred in the area.

This area has primary gold deposits and gold nuggets are found embedded in clay within as little as one meter underground. BMIX is currently developing an initial geological evaluation plan for this property.

For full mining operation information <http://www.brazil-minerals.com/>



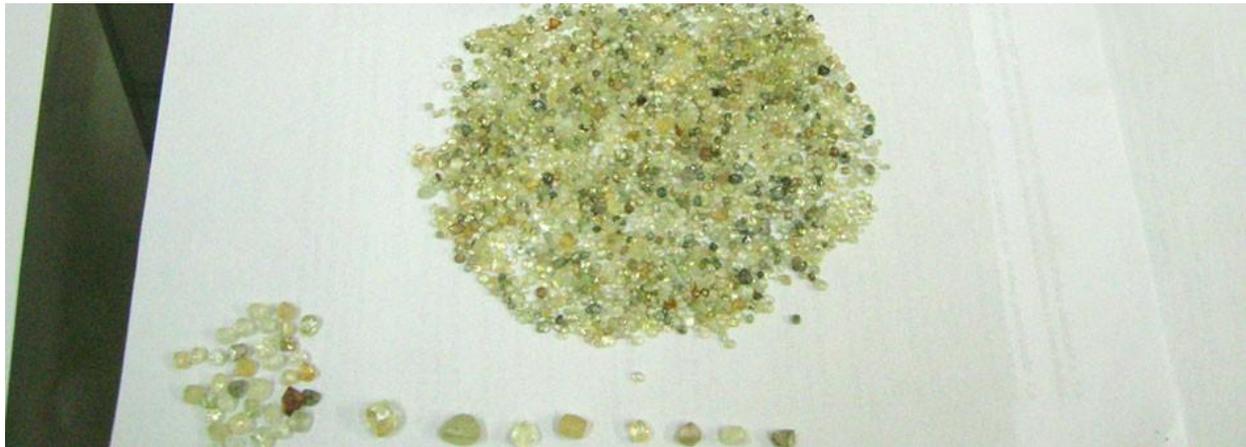
Brazil Minerals Business Model.

The business model of Brazil Minerals is simple: a) control a certain number of attractive, profitable or near-term profitable operating mines and b) use capital judiciously in part given the founder's past experience as a venture capitalist.

This idea is to diversify risk across minerals. The plan is to maintain a small operation, outsourcing as much as possible, so as to become profitable as soon as possible, and to eventually start paying dividends to shareholders.

World Open Pit Diamond Mine Closings

Two of the world's largest diamond mines—Canada's Ekati and Diavik mines—report they have exhausted their open pit resources and are now focused on underground operations. Russia's Udachny mine is also expected to convert to an underground operation in the next few years. Botswana's Jwaneng and Orapa mines are convert to underground mines in the near future as well.



Raw Diamond Pricing Remains Solid \$200 per Carat

BMO analysts Edward Sterck, Kodees Waran and Venkat Nandyal say in a recent research note. "Diamond prices do, however, remain at historically elevated levels and should drive profitability for the established producers, the analysts noted.

The researchers stated that the mid to long-term outlook remains positive for the diamond industry due to constrained supply and strong demand growth from emerging markets. BMO projected that rough diamond prices will grow 3 percent in 2013, followed by a 5 percent to 7 percent annual growth thereafter.

BMO projected that the rough diamond market will be valued at around \$29 billion by 2020, up 53 percent from \$19 billion in 2011.

BMO stressed however that demand would be driven by emerging economies, especially China and India, where increasing personal wealth is translating into aspirations for diamond ownership.

The researchers projected that India's polished demand will grow by 6 percent in 2013

before remaining close to 10 percent per year thereafter. They added that polished demand from China appears more sustainable than in India. BMO expects growth in China to be maintained at 20 percent in 2013 but to retreat to 13 percent annually thereafter.

Demand growth from other developing nations is expected to range between 5 percent and 9 percent per annum going forward.

A recent report prepared by market research firm Bain & Co for the Antwerp World Diamond Centre also stated that diamond jewelry prices were likely to rise on the back of increased demand from Indian and Chinese consumers, with demand for diamonds, in carat terms, possibly increasing by 6% a year to 2020.

The report pointed to the supply of diamonds only increasing by 2.8% a year, adding extra buoyancy to the price. It was also noted that financial speculation might influence the anticipated price increase for diamonds.

World Class Management Team and Board of Directors

For such a tiny market cap company Brazil Minerals (BMIX) has an extraordinary management team and world class Board of Directors.



MARC FOGASSA

Chairman and Chief Executive Officer

Dr. Fogassa has a 14-year career in private equity/venture capital and public equity investments. He has extensive direct investing experience, including cross-border deal structuring, due diligence, management build-up, and Board of Directors oversight. He was born and raised in Brazil, and speaks Portuguese fluently. In 2012 he founded Brazil Mining, Inc., currently the largest shareholder of Brazil Minerals, Inc.

Dr. Fogassa is frequently invited as an international speaker on Brazilian issues. Previously, Dr. Fogassa was at Goldman Sachs & Co., Atlas Venture, and Hedgefort, among others, and is currently affiliated with Brazil Mining, Inc. and Hunter Wise Financial Group, LLC. Dr. Fogassa has Series 63, 65, and 79 FINRA certifications from the U.S. securities regulator.

Dr. Fogassa double-majored at the Massachusetts Institute of Technology, earning Bachelor of Science degrees in Electrical Engineering and Biology. He subsequently graduated from the Harvard Medical School with a Doctor of Medicine degree and later from the Harvard Business School with a Master in Business Administration degree.



PAULO ROBERTO AMORIM DOS SANTOS LIMA

Vice President, Geology

Mr. Lima has over 40 years of mining experience, having worked for Vale (NYSE: VALE) for over 22 years where he led the Exploration and Acquisitions of Precious Metals Division, heading precious metal projects and evaluations of mineral deposits in Brazil and foreign countries. Mr. Lima has solid experience and knowledge in the management and development of mineral projects, negotiations and evaluation of mineral opportunities in Brazil and other Latin America countries. His experience is particularly strong in gold, uranium, rare earths, titanium, phosphate, niobium, tantalum, and fluorite. As a professor at the Universidade de Estado do Rio de Janeiro – UERJ, Mr. Lima has taught the course of “Economic Geology”. He has authored two mining books, the first entitled “Guia de Mineralogia”, and the second, “Minerais em Grãos, Técnicas de Amostragem, Preparação e Identificação”. Previously, Mr. Lima worked at CBMM (Companhia Brasileira de Metalurgia e Mineração) where he was Chief Geologist for projects in columbium, rare earths, titanium, tantalum, vanadium, phosphate and fluorite. Mr. Lima graduated with a Bachelor of Science in Geology from the Rio de Janeiro Federal University. He received his post-graduate Lato Sensu in Evaluation of Low Grade Deposits from the Freiberg University in Germany. He also received additional post-graduate Lato Sensu in Mining and the Environment from the Technological Center of Luleå University in Sweden. He also holds an Executive MBA in Management Development from the IBMEC in Rio de Janeiro.



PAULO LEONARDO PACIFICI DIAS

Vice President, Operations

Mr. Dias has a 28-year Brazilian-focused mining career, incorporating all aspects of mining, from extraction to commercialization. He is well connected to geologists, regulators, and other mining experts in Brazil. He has been a lifelong entrepreneur in Brazil, and has developed and sold many mining licenses and related enterprises.

Prior CEO of Mineração Cinco Anzois Ltda in the State of Minas Gerais, Brazil. Was deeply involved in a transaction that involved the sale of iron and manganese mines to Gerdau, a Brazilian industrial group. Owned diamond exploration mining concessions, and previously founded and grew a chain of high-end auto repair shops.



ROBLEDO DELATORRE RIBEIRO

Vice President, Finance & Administration

Mr. Ribeiro has six years of direct mining experience and has been General Manager of GAR Mineração S.A., one of the largest diamond-mining companies in Brazil, and involved in all aspects from operations to finance. Mr. Ribeiro's grandfather founded one of the largest diamond operations in Brazil and his family is well known for its positive relationships within the trade in South America's largest country. Previously, he was an Investment Analyst with Culturinvest Investimentos S.A., a private equity fund in Brazil. Mr. Ribeiro has a Master of Arts degree in Corporate Economics, and an undergraduate degree in Business Administration.



JOÃO CARLOS HERRMANN, Ph.D.

Director, Geology

Dr. Herrmann has a 30-year experience as a geologist with main specialty in diamond and gold projects. He has produced all reports needed for exploration of mineral deposits in Brazil, and has experience in the environmental reports and necessary licensing guidelines. He has a Bachelor degree in Geology from the Universidade do Vale dos Sinos, and his Doctorate in Geology is from Universidade Estadual Paulista. He has multiple specialization and advancement courses in environmental sciences. Dr. Herrman is a licensed geologist in Brazil.



BRUNO DE AZEVEDO ARAÚJO

Controller

Mr. Araújo is a professionally licensed accountant in Brazil. Previously he was a member of the financial team of a private equity fund in Brazil. He has a Bachelor's degree in Accounting and is currently enrolled in a Master's in Business Administration degree program. He has experience as a consultant and business manager for companies in a variety of industries.



MÁRCIO ADRIANI FONSECA

General Manager

Mr. Fonseca is the General Manager of Mineração Duas Barras. He is responsible for supervision of the excavation of the various fronts, recuperation and renewal of explored areas, and final diamond and gold processing at the plant. He directly supervises the employees at the facility and interfaces with service providers on a daily basis. He has over ten years of experience in all aspects of operations and environmental regulations for alluvial gold and diamond mining. Mr. Fonseca has a degree in Forest Engineering from the Universidade Federal dos Vales do Jequitinhonha e Mucuri – UFVJM, and several advanced courses completed.

Board of Directors



JOHN BELL

Ambassador John Bell is an independent member of the Board of Directors of Brazil Minerals, Inc. Mr. Bell is currently a director on the Board of Directors of Goldcorp (NYSE: GG), which is one of the largest gold companies in the world in market value at approximately \$23.5 billion. Mr. Bell is the Chair of the Sustainability, Environment, Health and Safety Committee at Goldcorp's Board. Mr. Bell has been a director at Goldcorp since February 2005. Mr. Bell is also a director at Tahoe Resources (NYSE: TAHO), a silver producer, which has a market capitalization of approximately \$2.4 billion. Mr. Bell has been a director at Tahoe Resources since June 2010.

From 1987 to 1990, Mr. Bell was the Canadian Ambassador to Brazil, and from 1975 to 1979 was Consul General of Canada in São Paulo, and as such he lived in Brazil for several years. Mr. Bell was also the Canadian Ambassador to the Ivory Coast, and concurrently to Mali, Niger and Burkina Faso; he is currently an Honorary Consul of the Ivory Coast. He also served as the Canadian High Commissioner to Malaysia. Mr. Bell was special advisor to the Canadian Minister of Foreign Affairs and Canada's chief negotiator at the Earth Summit in Rio de Janeiro, Brazil, in 1992. Mr. Bell has been Chief Federal Negotiator in the British Columbia First Nations treaty process from 1999 to 2006, and served as Protocol Adviser to the Four Host First Nations at the Vancouver 2010 Olympic Games. Mr. Bell has a Bachelor of Commerce degree from the University of British Columbia, where he also received the alumni award of distinction in 1995 as well as a Doctor of Laws Honoris Causa degree in 1988. In November 2005, Mr. Bell completed the Rotman School of Business Director's Education Program and is a certified member of the Institute of Corporate Directors.

Brazil Minerals believes that Mr. Bell's extensive Board experience at the public company level, as well as his understanding of environmental and regulatory issues throughout the world will help him to provide unparalleled insights to the Company.



ROGER NORIEGA

FORMER U.S. ASSISTANT SECRETARY OF STATE

Ambassador Roger Noriega is an independent member of the Board of Directors of Brazil Minerals, Inc. Mr. Noriega was U.S. Assistant Secretary of State from July 2003 to August 2005, appointed by President

George W. Bush and confirmed by the U.S Senate. In that capacity, Mr. Noriega managed a 3,000-person team of professionals in Washington and 50 diplomatic posts to design and implement political and economic strategies in Canada, Latin America, and the Caribbean.

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

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



PAUL DURAND

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

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

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

Summary

As the world's consumers get richer they want to show everyone...and that means diamonds. Brazilian alluvial sourced diamonds have historically been large enough for jewelry...and BMIX intends to monetize its diamond reserves via wholesale and direct-to-consumer marketing.

At this valuation investors are getting what could be a major gold reserve for essentially FREE...we like that kind of risk reward basis.

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