

(An exploration stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015

(Expressed in Canadian Dollars unless otherwise stated)

April 24, 2015

Overview

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Brazil Resources Inc. (the "Company" or "Brazil Resources") for the three months ended February 28, 2015 should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and the notes thereto for the three months ended February 28, 2015, and its audited consolidated financial statements and the notes thereto for the years ended November 30, 2014 and 2013, copies of which are available on SEDAR at www.sedar.com. The Company's financial statements for the three months ended February 28, 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Unless otherwise stated, all information contained in this MD&A is as of April 24, 2015.

Unless otherwise stated, references herein to "$" or "dollars" are to Canadian dollars, references to "US$" are to United States dollars and references to "R$" are to Brazilian Real. References in this MD&A to the "Company" mean "Brazil Resources Inc.", together with its subsidiaries, unless the context otherwise requires.

Paulo Pereira, President of the Company, has reviewed and approved the scientific and technical information contained in this MD&A. Mr. Pereira holds a Bachelor's degree in Geology from Universidad Do Amazonas in Brazil, is a qualified person as defined in National Instrument 43-101 ("NI 43-101") and is a member of the Association of Professional Geoscientists of Ontario.

Disclaimer for Forward-Looking Information

This MD&A contains certain forward-looking statements that reflect the current views and/or expectations of the Company with respect to its performance, business and future events, including statements regarding the Company's plans in respect of its projects, capital needs, business plans and expectations, anticipated work programs and goals, receipt of necessary licenses or permits, including extensions thereof, and future acquisition strategy. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates including, among other things, that: the current price of and demand for minerals being targeted by the Company will be sustained or will improve; the Company's current exploration programs and objectives can be achieved; general business and economic conditions will not change in a material adverse manner; financing will be available if and when needed on reasonable terms; the Company will not experience any material accident; the Company will receive all necessary exploration, mining, environmental or other permits and licenses, including necessary extensions thereof, required to carry out its operations; the Company will be able to renegotiate the terms of the royalty on the Cachoeira Project; and the Company will be able to identify and acquire additional mineral interests on reasonable terms or at all. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including: that the Company has a limited operating history; that the Company may not be able to obtain necessary financing on acceptable terms or at all; that resource exploration and development is a speculative business; that the Company may lose or abandon its property interests; that the Company's properties are in the exploration stage and are without known bodies of commercial ore; that the Company may not be able to obtain or maintain all necessary permits, licenses and approvals on any of its properties, including the Cachoeira Project and São Jorge Project; that environmental laws and regulations may become more onerous; potential defects in title to the Company's properties; fluctuations in currency exchange rates; fluctuating prices of commodities; operating hazards and risks; competition; potential inability to find suitable acquisition opportunities and/or complete the same; that the Company may not be able to renegotiate the terms of the royalty on the Cachoeira Project as expected or at all; and other risks and uncertainties listed in the Company's public filings. These risks, as well as others, could cause actual results and events to vary significantly. Additional information about these and other assumptions, risks and uncertainties are set out in the "Risk Factors" of the Company's Management Discussion and Analysis for the year ended November 30, 2014, a copy of which is available on SEDAR at www.sedar.com. Accordingly, readers should not place undue reliance on forward-looking statements and information, which are qualified in their entirety by this

cautionary statement. There can be no assurance that forward-looking information, or the material factors or assumptions used to develop such forward-looking information, will prove to be accurate. The Company does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities laws.

Business Overview and Overall Performance

Brazil Resources was incorporated in the Province of British Columbia, Canada, on September 9, 2009. The Company principally engages in the acquisition, exploration and development of mineral properties in Brazil.

The Company's principal exploration properties are its Cachoeira and São Jorge gold projects. The Cachoeira gold project (the "Cachoeira Project") is located in Pará State, Brazil, approximately 250 kilometers southeast of the Pará State capital of Belém and about 270 kilometers northwest of the port city of São Luis, Maranhão State. The Cachoeira Project comprises one contiguous block consisting of three mining and three exploration licenses covering approximately 5,742 hectares. The São Jorge gold project (the "São Jorge Project") is located 70 kilometers north of the city of Novo Progresso and 30 kilometers south of the town of Morais de Almeida and is accessible by highway BR 163, which connects the city of Cuiaba in Mata Grosso state with the Santarem port in Pará State. In addition, electricity is available on site, and the Jamanxim River, located 9 kilometers west of the São Jorge Project, can supply sufficient water to the project. The São Jorge Project consists of 11 contiguous exploration licenses and covers approximately 58,500 hectares.

Brazil Resources' common shares (the "BRI Shares") are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "BRI" and are traded on the OTCQX International Market under the symbol "BRIZF" and on the Frankfurt Stock Exchange under the symbol "BSR". The head office and principal address of the Company is located at Suite 320, 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, Canada.

Private Placement

On January 6, 2015, the Company completed a non-brokered private placement (the "2015 Private Placement") of 7,399,870 Units of the Company (each, a "Unit") at $0.55 per Unit for aggregate gross proceeds of $4,069,928, with each Unit consisting of one BRI Share and one share purchase warrant (each, a "BRI Warrant") which is non-transferrable. Each BRI Warrant entitles the holder thereof to purchase one BRI Share at an exercise price of $0.75 at any time within 60 months from the closing date.

On January 26, 2015, the Company raised an additional $387,000 pursuant to further subscriptions under the 2015 Private Placement and issued a further 703,636 Units. The additional subscriptions brought the total aggregate gross proceeds of the 2015 Private Placement to $4,456,928 and resulted in an aggregate of 8,103,506 Units issued.

In connection with the 2015 Private Placement, the Company paid cash commissions equal to 7% on a portion of the gross proceeds raised from the sale of the Units to certain arm's length parties in the aggregate amount of $132,917, in accordance with the policies of the TSX-V. Other share issuance costs totaled $47,923.

Material Properties

Cachoeira Project

On September 24, 2012, the Company acquired a 100% interest in the Cachoeira Project from Luna Gold Corp. ("Luna"). The transaction was completed under the terms of a share purchase agreement dated July 10, 2012 between Brazil Resources and Luna, as amended effective September 24, 2013 (the "Cachoeira Agreement"). Pursuant to the Cachoeira Agreement, Brazil Resources acquired all of the issued and outstanding shares of a subsidiary of Luna which holds an indirect 100% interest in the Cachoeira Project.

On March 4, 2013, Brazil Resources announced the results of an updated NI 43-101 mineral resource estimate on the Cachoeira Project, which was completed by Tetra Tech, Inc. ("Tetra Tech"), an independent engineering consulting firm based in Vancouver, Canada. The Tetra Tech estimate included the following mineral resource estimates for the Cachoeira Project using a 0.35 g/t cut-off grade:

- indicated resource – 17,470,093 tonnes at 1.40 g/t gold (786,737 ounces); and
- inferred resource – 15,666,580 tonnes at 1.12 g/t gold (563,200 ounces).

For further information regarding the Cachoeira Project and the above resource estimates, readers should refer to the technical report (the "Cachoeira Technical Report") titled "Technical Report on the Cachoeira Property, Pará State, Brazil" with an effective date of April 17, 2013 and amended and restated as of October 2, 2013, which is available under the Company's profile on SEDAR at www.sedar.com. The Cachoeira Technical Report was prepared by Greg Mosher, M.Sc., P.Geo. Mr. Mosher is a qualified person and a Senior Geologist with Tetra Tech and is independent of the Company, as defined under NI 43-101.

In the first quarter of 2013, the Company initiated the environmental licensing process for the Cachoeira Project in order to obtain a Preliminary Environmental License from the Brazilian regulatory agency Secretaria de Estado de Meio Ambiente/Pará ("SEMA"). The Company selected Arcadis-Logos, a consulting firm, to complete certain environmental studies in connection with the preparation of an Environmental Impact Assessment Report ("EIA/RIMA"), which was submitted to authorities in connection with the environmental licensing process during the three months ended February 28, 2014.

On September 3, 2014, by means of a public notice in the Official Gazette of Pará, SEMA published a statutory term of 45 days in order that interested parties could review the EIA/RIMA submitted in support of the environmental license for the Cachoeira Project. On December 19, 2014, a public hearing for the Cachoeira Project environmental license application was held in Cachoeira do Piriá. The public hearing was the last step required by the Company prior to SEMA's final review for the approval of the Preliminary Environmental License. The public hearing was well attended with the presence of more than 700 community members and was validated by SEMA for the purpose of the continuation of the analysis of the licensing process. The Company awaits SEMA's final decision, which the Company currently expects within the next six months.

The Company continues negotiations to acquire mine servitudes and surface rights in the area encompassing the Arara, Coruja and Tucano deposits.

During the three months ended February 28, 2015, the Company incurred $113,529 of expenditures on the Cachoeira Project, which included expenditures for exploration, socio-economic, and environmental and permitting activities.

In the third quarter of 2014, results from metallurgical tests (gravity, flotation, and concentrate leaching) completed at three different labs (SGS-GEOSOL, METAGO and GEKKO) have confirmed gold recoveries of up to 80% in primary ore samples from the Tucano deposit and recoveries of up to 95% from oxidized ore (saprolite) samples from the Arara deposit.

The Company was required to submit an assessment plan ("Assessment Plan"), including certain conceptual engineering studies, to the Brazilian National Department of Mineral Production (the "DNPM") for the mining concessions within the Cachoeira Project. The Company announced on May 22, 2014 that it had submitted an Assessment Plan to the DNPM in accordance with the foregoing requirements. The Assessment Plan is not a preliminary economic assessment within the meaning of NI 43-101 and no production decision with respect to the Cachoeira Project has been made.

Pursuant to the mining licenses underlying the Cachoeira Project, the Company was required to commence mining operations at the property by April 2014. Prior to this date, the Company submitted an application to the DNPM

requesting an extension of two years. While the DNPM previously provided extensions to the prior operators of the Cachoeira Project, there can be no assurance that such extension will be granted in this case. The Company believes that work conducted to date will provide sufficient support for the DNPM to grant the extension.

São Jorge Project

On November 22, 2013, the Company acquired all of the issued and outstanding shares of Brazilian Gold Corporation ("BGC") under the terms of an arrangement agreement (the "BGC Arrangement") dated September 29, 2013 between Brazil Resources and BGC.

As a result of the BGC Arrangement, the Company is the indirect holder of eleven gold exploration concessions and applications in the São Jorge area for a total area of 58,500 hectares. Two of these concessions are under appeal, awaiting decisions by the DNPM. However, these areas are covered by concession applications held by a subsidiary of Brazil Resources, which currently have priority with the DNPM.

On January 21, 2014, the Company announced the following resource estimate for the São Jorge Project prepared by Coffey Mining Pty Ltd. ("Coffey") using a 0.30 g/t gold cut-off grade (the "São Jorge Estimate"):

	Lower Cut-off Grade (g/t Au)	Million Tonnes[(1)]	Average Grade (g/t Au)	Contained Gold (Kozs)
Indicated Mineral Resource	**0.30**	**14.42**	**1.54**	**715**
	0.40	12.15	1.77	690
	0.50	10.49	1.97	666
Inferred Mineral Resource	**0.30**	**28.19**	**1.14**	**1,035**
	0.40	22.43	1.35	971
	0.50	18.78	1.52	918

(1) Oxide and primary mineralization. The oxide resources comprise a small (approximately 9%) portion of the overall resource.

For further information regarding the São Jorge Project and the above estimates, readers should refer to the technical report entitled "São Jorge Gold Project, Pará State, Brazil. Independent Technical Report on Mineral Resources" with an effective date of November 22, 2013, a copy of which is available under the Company's profile at www.sedar.com. The São Jorge Estimate was prepared for the Company by Porfirio Rodriguez, B.Sc. (Min. Eng.), MAIG and Leonardo de Moraes Soares, B.Sc. (Geo.), MAIG of Coffey, who are qualified persons as defined under NI 43-101 and are independent of the Company, as defined under NI 43-101.

Boa Vista Project

As a result of the BGC Arrangement, the Company holds an indirect 84.05% interest in the Boa Vista Gold Project (the "Boa Vista Project"). The Boa Vista Project consists of two exploration licenses and one application for a total area of approximately 12,889 hectares. At the reporting date, one exploration license for the Boa Vista Project is under appeal for extension and awaits a decision by the DNPM.

On January 21, 2014 the Company announced the following resource estimate for the VG1 deposit (Boa Vista Project), located in Pará State in northern Brazil (the "Boa Vista Estimate") at a 0.50 g/t gold cut-off:

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Metal[(1)] Au (ozs)
0.10	14,240,000	0.87	399,000
0.15	14,020,000	0.88	398,000
0.20	13,740,000	0.90	397,000
0.25	13,010,000	0.94	392,000
0.30	12,130,000	0.98	383,000
0.40	10,410,000	1.09	364,000
0.50	**8,470,000**	**1.23**	**336,000**
0.60	6,980,000	1.38	310,000
0.70	5,930,000	1.51	288,000
0.80	5,090,000	1.64	268,000
0.90	4,580,000	1.73	254,000
1.00	4,150,000	1.81	241,000

(1) Oxide and primary mineralization. The oxide resources comprise a small (approximately 1.3%) portion of the overall resource.

For further information regarding the Boa Vista Project and the above estimate, readers should refer to the technical report entitled "Technical Report, Boa Vista Gold Project and Resource Estimate on the VG1 Prospect, Tapajós Area, Pará State, Northern Brazil" with an effective date of November 22, 2013, a copy of which is available under the Company's profile at www.sedar.com. The Boa Vista Estimate was prepared for the Company by Jim Cuttle, B.Sc., P. Geo., Gary Giroux, M.A.Sc., P. Eng. and Michael Schmulian, B.Sc. (Hons), M.Sc., FAusIMM, who are qualified persons as defined under NI 43-101 and are independent of the Company, as defined under NI 43-101.

Surubim Project

As a result of the BGC Arrangement, the Company holds an indirect 100% interest in the Surubim gold project (the "Surubim Project"), located in Pará State in northern Brazil. The project consists of four exploration licenses for a total area of 14,611 hectares; two of the smaller non-core concessions with a total area of 2,076 hectares are under appeal and the Company is awaiting a decision by the DNPM. On January 21, 2014, the Company announced the following resource estimate (the "Jau Deposit Estimate") for the Surubim Project at a 0.30 g/t gold cut-off:

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Metal Au (ozs)
0.30	**19,440,000**	**0.81**	**503,000**
0.40	15,230,000	0.93	456,000
0.50	11,960,000	1.06	409,000
0.60	9,520,000	1.20	336,000
0.70	7,750,000	1.32	329,000
0.80	6,660,000	1.42	303,000
0.90	5,790,000	1.50	279,000
1.00	4,880,000	1.60	252,000
1.10	3,910,000	1.74	219,000
1.20	3,080,000	1.90	188,000
1.30	2,510,000	2.05	165,000

During the year ended November 30, 2014, a portion of the Surubim Project that was determined by management to be non-core early stage concessions within the Company's current portfolio of mineral properties was not renewed. It should be noted that the current resources estimate as set forth in the table above does not fall within the concessions not renewed.

For further information regarding the Surubim Project and the above estimate, readers should refer to the technical report entitled "Technical Report, Rio Novo Gold Project and Resource Estimate on the Jau Prospect, Tapajós Area, Pará State, Northern Brazil" with an effective date of November 22, 2013, a copy of which is available under the Company's profile at www.sedar.com. The Jau resource estimate was prepared for the Company by Jim Cuttle, B.Sc., P. Geo. and Gary Giroux, M.A.Sc., P. Eng., who are qualified persons as defined under NI 43-101 and are independent of the Company, as defined under NI 43-101.

On October 3, 2014, a final exploration report for an exploration concession within the Surubim Project, presenting the results of exploration work conducted on the property by BGC, including drilling programs, was submitted to the DNPM. Provided that the DNPM approves the submitted report, the Company would then have one year following such approval to present additional required studies to the DNPM and obtain environmental licensing, if the Company wishes to proceed with further work on that concession.

Material Properties Outlook

The Company has reduced expenditures on the Cachoeira Project while it awaits receipt of comments from the Brazilian regulatory authorities with respect to environmental licensing and permitting. In the interim, the Company continues to meet with local stakeholders. Upon receipt of an environmental license, the Company intends to evaluate whether to conduct additional engineering or other studies with respect to further development of the Cachoeira Project. Upon completion and granting of an environmental license, the Company will have an additional six months to implement an operational mining facility on the Cachoeira Project. The Company has not made any production decision with respect to the Cachoeira Project.

The São Jorge Project, Boa Vista Project and Surubim Project are all considered strategic to the Company's business model, which is to complete accretive acquisitions of meritorious projects in Pará State and other jurisdictions of Brazil and the Americas. The Company submitted a final report on the exploration concession overlying one deposit on the São Jorge Project to the DNPM requesting that it be converted to a mining concession. The Company intends to hold the Boa Vista Project and Surubim Project in good standing with the intention of advancing them once the junior resource sector, capital markets and precious metals prices improve.

The Company anticipates incurring expenses of approximately $843,800 during fiscal year 2015 for mineral property obligations to the vendors, DNPM annual land fees and land owner surface rights' payments. As at the date of this MD&A, approximately $79,100 has been paid resulting in a remaining balance of approximately $764,700 to be incurred in 2015. There are no exploration expenditure obligations required on the São Jorge Project, Boa Vista Project or Surubim Project.

Other Properties

In addition to the above projects, the Company, through its wholly owned subsidiaries, holds the following interests in additional properties:

- Artulândia Project – the Company currently holds a 100% interest in the Artulândia Project located in Goias State, Brazil;

- Montes Áureos and Trinta Projects – the Company currently holds a 51% interest in the Montes Áureos and Trinta Projects located in Pará and Maranhão States, Brazil. A final report of work conducted on the Montes Áureos Project was submitted to DNPM on April 7, 2014. The Company intends to maintain its 51% interest in the project and does not anticipate earning any further interest at this time;

- Apa High Project – the Company currently holds a 100% interest in the Apa High Project located in Concepcion State, Paraguay;

- Batistão Project – the Company currently holds a 100% interest in the Batistão Project located in Goias State, Brazil;

- Rea Uranium Project – the Company currently holds a 75% interest in the Rea Uranium Project located in Alberta, Canada. The Company is currently applying for environmental permits and completing First Nations consultation in order to complete a planned exploration program. The Company recently received an extension of the 5th and 6th period assessment expenditures to October 11, 2016 and an extension of the 7th period to February 11, 2019 from the Alberta government; and

- Santa Julia Project – the Company currently holds a 100% interest in the Santa Julia Project located in Pará State, Brazil.

Results of Operations

During the three months ended February 28, 2015, the Company recorded a net loss of $835,427 compared to a net loss of $1,450,658 for the same period in 2014. Significant accounts and changes in the quarter are as follows:

- Exploration expenses $210,343 (2014: $503,935) – decreased due to a reduction of exploration activities at all of the Company's projects. Additionally, permitting and licensing expenditures respecting the Cachoeira Project have been reduced as the Company has presented all currently required submissions and now awaits comments from DNPM. Expenditures incurred on the São Jorge Project and Surubim Project were for consultants and for surface rights payments required to maintain the properties in good standing. Material components of the Company's exploration expenses were consulting fees of $66,641 (2014: $135,667) to vendors who provided geological and technical services respecting the Company's projects, permitting and licensing activities of $49,997 (2014: $124,521) all related to the Cachoeira Project and payroll and personnel of $31,722 (2014: $80,812).

Exploration expenses on a project basis were as follows for the periods indicated:

	For the three months ended		For the period from incorporation, September 9, 2009, to
	February 28, 2015 ($)	February 28, 2014 ($)	February 28, 2015 ($)
Cachoeira	113,529	367,710	3,780,120
São Jorge	40,687	43,617	241,784
Surubim	25,099	49,067	164,609
Batistão	1,341	13,098	25,794
Montes Áureos and Trinta	-	1,098	1,817,908
Artulândia	803	9,111	1,291,789
Other Exploration Expenses	28,884	20,234	366,450
Total	210,343	503,935	7,688,454

- General and administration expenses $193,628 (2014: $590,478) – decreased due to the Company's reduced corporate development, marketing and investor relations activities during the three months ended February 28, 2015. The most significant components of general and administration expenditures were for corporate development and marketing of $72,224 (2014: $351,241), transfer agent and regulatory fees of $30,009 (2014: $57,929) and the balance of general and administrative expenses incurred were for day to day corporate activities, of which individual amounts were deemed immaterial.

- Share-based compensation $187,597 (2014: $nil) – increased due to the Company granting 1,410,000 share options to certain directors, officers, employees and consultants of the Company on February 6, 2015. The share options have an exercise price of $0.71 per BRI Share, representing the market price of the BRI Shares on February 6, 2015 and are valid for a period of five years. 342,500 share options vested immediately, with the balance vesting over an 18-month period.

- Directors' fees and salaries and benefits $165,715 (2014: $189,441) – decreased due to a decrease in management fees and a decrease in the number of employees with respect to various administrative and corporate functions.

- Consulting fees $86,870 (2014: $73,417) – increased due to an increased number of consultants engaged during the three months ended February 28, 2015.

- Professional fees $57,848 (2014: $50,232) – increased due to an increase in legal and advisory services provided to the Company respecting general matters and corporate activities.

- Share of loss on investment in joint venture $32,344 (2014: $29,708) – remained consistent with the three month period of 2015. The loss incurred on the joint venture was due primarily to expenses paid to maintain the Boa Vista Project. The joint venture remains an exploration project at this stage.

Summary of Quarterly Results

For the quarter ended	Revenues	Net loss ($)	Basic and diluted net loss per share ($)
February 28, 2015	-	835,427	0.01
November 30, 2014	-	1,038,024	0.01
August 31, 2014	-	1,159,824	0.02
May 31, 2014	-	1,400,536	0.02
February 28, 2014	-	1,450,658	0.02
November 30, 2013	-	1,429,615	0.03
August 31, 2013	-	1,120,927	0.03
May 31, 2013	-	1,742,999	0.04

The expenses incurred by the Company are typical of junior mining exploration companies that have no known commercial quantities of mineral reserves. The Company's fluctuations in net loss from quarter to quarter were mainly related to exploration, permitting and licensing work as well corporate activities conducted during the respective quarter.

Liquidity and Capital Resources

The following table sets out selected financial information with respect to the Company's financial position as at February 28, 2015 and November 30, 2014.

	As at February 28, 2015 ($)	As at November 30, 2014 ($)
Cash	4,000,117	798,512
Working capital	3,147,341	(484,875)
Total assets	28,857,722	26,022,811
Total current liabilities	1,081,236	1,469,225
Total non-current liabilities	258,242	252,244
Shareholders' equity	27,518,244	24,301,342

As at February 28, 2015, the Company had working capital of $3,147,341 (November 30, 2014: ($484,875)), comprised of cash of $4,000,117 (November 30, 2014: $798,512), other receivable of $116,372 (November 30, 2014: $61,246), prepaid expenses and deposits of $107,088 (November 30, 2014: $109,592), available-for-sale securities of $5,000 (November 30, 2014: $15,000) offset by current liabilities of $1,081,236 (November 30, 2014: $1,469,225). During the three months ended February 28, 2015, net cash flows increased by $3,201,605 compared to an increase of $3,865,004 during the three months ended February 28, 2014.

The Company's working capital requirements for the past quarter are discussed in detail under "Results of Operations". The mineral properties obligations, annual fees and surface rights payments for the next twelve months are anticipated to be approximately $844,000. Corporate and general costs to maintain the Company in good standing are anticipated to be approximately $1.3 million for the next twelve months. Based upon management's decision to defer a determination in respect of further exploration or work at the Cachoeira Project until the receipt of comments from Brazilian regulatory authorities in respect of previously submitted environmental licensing reports and documents, the Company believes that available cash will be adequate to meet ongoing liquidity needs in the short-term. Subsequent to the short-term obligations, the Company will require additional funds to carry out existing business, future expansion, including the acquisition of additional mineral properties or interests, or increased project expenditures, which the Company may seek to obtain through equity and/or debt financing.

The Company's ability to meet its obligations and finance exploration and development activities over the long-term depends on its ability to generate cash flow through the issuance of BRI Shares pursuant to equity financings and through short-term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. The Company's growth and success is dependent on external sources of financing, which may not be available on acceptable terms or at all.

Operating Activities

Net cash used in operating activities during the three months ended February 28, 2015 was $1,040,523 compared to $1,775,147 during the same period in 2014. Significant operating expenditures during the current period included mineral property expenditures and general and administrative expenses.

Investing Activities

Net cash used in investing activities during the three months ended February 28, 2015 was $1,635 compared to $436,240 during the same period in 2014. The decrease was primarily due to the Company's cash payment of $300,000 (excluding accrued interest) to Luna pursuant to the Cachoeira Agreement and the investment in its joint venture relating to the Boa Vista Project during the three months ended February 28, 2014.

Financing Activities

Net cash provided by financing activities during the three months ended February 28, 2015 was $4,272,684 compared to $6,098,591 during the same period in 2014. The cash inflow during the three months ended February 28, 2015 was comprised primarily of the 2015 Private Placement with gross proceeds of $4,456,928 (net cash proceeds of $4,276,088 after the Company paid cash commissions of $132,917 and other cash issuance costs of $47,923 in connection with the 2015 Private Placement). The cash inflow during the three months ended February 28, 2014 was comprised primarily of the private placement (the "2013 Private Placement") closed by the Company on December 31, 2013 with gross proceeds of $6,407,841 (net cash proceeds of $6,095,480 after the Company paid cash commissions of $231,761 and other cash share issuance costs of $80,600 in connection with the 2013 Private Placement).

Share Options

At February 28, 2015, 3,190,000 share options were outstanding. The outstanding share options have a weighted average exercise price of $1.00 per share. As at February 28, 2015, such options were issuable for gross proceeds of approximately $3,202,800 should these options be exercised in full. At February 28, 2015, outstanding, in-the-money share options were exercisable into 1,410,000 BRI shares issuable for gross proceeds of approximately $1,001,100 should these options be exercised in full. The exercise of these share options is at the discretion of the respective holders, and, accordingly, there is no assurance that any of these share options will be exercised in the future.

Warrants

At February 28, 2015, 19,754,126 BRI Warrants were outstanding. The outstanding BRI Warrants have a weighted average exercise price of $0.75 per warrant. As at February 28, 2015, such warrants were in-the-money and issuable for gross proceeds of approximately $14,815,595 should these warrants be exercised in full. The exercise of these warrants is at the discretion of the respective holders, and, accordingly, there is no assurance that any BRI Warrants will be exercised in the future.

Contractual Obligations

I. Mineral Properties Obligations

Cachoeira

Pursuant to the Cachoeira Agreement, on September 24, 2012, the Company acquired 100% of the issued and outstanding shares of BRI International Corp. (formerly Luna Gold (International) Corp.), which holds an indirect 100% interest in the Cachoeira Project through its subsidiaries. The Company paid $500,000 cash and issued 1,428,000 BRI Shares to Luna at closing. Pursuant to the terms of the Cachoeira Agreement (as amended), the Company issued an additional 1,214,000 BRI Shares to Luna in September 2013, paid $306,000 cash, including interest, to Luna in January 2014, and the Company is required to make the following future additional payments to Luna:

- $300,000 cash and 1,214,000 BRI Shares within 30 days of receipt of approval of a mine development plan by the DNPM and the environmental preliminary licenses for a gold mining operation relating to the Cachoeira Project;

- $2,500,000, payable in cash or BRI Shares, at the Company's sole discretion, upon commencing mine construction at the Cachoeira Project, consisting of completion of $500,000 of expenditures towards such construction; and

- $3,000,000, payable in cash or BRI Shares, at the Company's sole discretion, one year after achieving commercial production at the Cachoeira Project.

Notwithstanding the foregoing milestones, all of the payments from the Company to Luna will become due and payable on September 24, 2016, four years after the closing date of the Cachoeira Agreement. Any discretionary share-based payments will be valued based on the volume weighted average trading price of the BRI Shares for the 10 days prior to such payment.

In addition, the Cachoeira Project is subject to a 4.0% net smelter return royalty payable to third parties by the Company's subsidiary on future production. If production is not achieved at the Cachoeira Project by October 3, 2014, a US$300,000 per year payment in lieu of the royalty will be payable to the third parties until such time as production is achieved at the Cachoeira Project. As at the date of this MD&A, the aforementioned payment remains outstanding to certain parties in lieu of the royalty respecting the Cachoeira Project. The Company is currently negotiating with the parties to defer the payment until all permits and licenses have been received and production is achieved. While the royalty holders previously granted similar extensions to the prior operator, there can be no assurance that the Company will be able to obtain the same on acceptable terms or at all, and, in such event, the payment in lieu of royalty will be payable.

São Jorge

On June 14, 2010, BGC signed an option agreement, as amended, (the "São Jorge Agreement") to acquire a 100% interest in the São Jorge Project from Talon Metals Corp. ("Talon"). BGC completed all the required payments under the terms of the São Jorge Agreement. On November 22, 2013, Brazil Resources acquired 100% interest in the São Jorge Project pursuant to the BGC Arrangement.

Under the terms of the São Jorge Agreement, Talon was granted a 1.0% net smelter return royalty from production on any of the eleven exploration concessions. A net smelter return royalty to the original title holders of 1.0% of the proven mineable reserves as demonstrated by a feasibility study relating to the São Jorge deposit (no reserves have been defined) on certain concessions is payable and can be purchased by the Company for US$2,500,000. Additionally, there is a 2.0% net smelter royalty on certain other concessions due to the original title holders, of which 1.5% of the 2.0% net smelter return royalty can be purchased by the Company for US$500,000.

The current São Jorge deposit location has a total net smelter return royalty of 2.5% comprising of 1.0% to Talon, 1.0% to the government of Brazil and 0.5% to the surface rights owner. The surface rights owner's royalty can be purchased for US$750,000.

Boa Vista

On April 26, 2013, BGC signed a share exchange agreement with D'Gold Mineral Ltda. ("D'Gold") to acquire D'Gold's remaining 13.05% interest in Boa Vista Gold Inc. ("BVG"). In consideration for D'Gold's 13.05% interest, BGC agreed to issue an aggregate of 1,500,000 BGC common shares over 18 months. At the closing date of the BGC Arrangement, BGC had a remaining share issuance obligation of 1,125,000 BGC common shares to D'Gold. The Company entered into an amended share exchange agreement and assumed BGC's share issuance obligation at a ratio of 0.172 BRI Share per BGC common share for a total aggregate share issuance obligation of 193,500 BRI Shares Subsequent to the BGC Arrangement closing date, 64,500 BRI Shares were issued to D'Gold. The Company was required to issue additional shares as follows:

- 64,500 BRI Shares on or before May 23, 2014 (issued); and
- 64,500 BRI Shares on or before November 23, 2014 (issued).

Pursuant to the terms of a shareholders agreement among BGC, D'Gold and Octa Mineração Ltda ("Octa"), who holds a 15.95% interest in BVG, dated January 21, 2010, as amended on May 25, 2011, June 24, 2011 and November 15, 2011, a 1.5% net smelter return royalty is payable to D'Gold and a further 1.5% net smelter return royalty is payable to Octa if its holdings in BVG drop below 10%. The Company can purchase each 1.5% net smelter return royalty for US$2,000,000.

In addition, pursuant to the terms of a surface rights agreement ("Boa Vista Surface Rights Agreement") dated March 2008, as amended May 2010 and June 2013, BGC was required to make cash payments in installments totalling R$4,400,000 in consideration for the acquisition. BGC paid R$80,000 before the BGC Arrangement. The Company paid R$160,000 during the year ended November 30, 2014. In March 2015, the Company and the surface rights holder agreed to amend the terms of the Boa Vista Surface Rights Agreement, and, following the amendment, BVG is required to make the remaining cash payments in the aggregate amount of R$3,740,000 as follows in order to retain the surface rights to the property:

- a cash payment of R$80,000 due on March 20, 2015 (paid subsequent to February 28, 2015);
- a cash payment of R$40,000 due on September 20, 2015;
- a cash payment of R$40,000 due on March 20, 2016;
- a cash payment of R$40,000 due on September 20, 2016;
- a cash payment of R$40,000 due on March 20, 2017;
- a cash payment of R$40,000 due on September 20, 2017;
- a cash payment of R$40,000 due on March 20, 2018; and
- a cash payment of R$3,420,000 due on September 20, 2018.

Surubim

On November 22, 2013, the Company acquired a 100% interest in the Surubim gold project pursuant to the BGC Arrangement. The project is comprised of exploration concessions acquired directly as well as option agreements on two properties, as outlined below.

Jarbas Agreement

BGC entered into an option agreement on February 11, 2010, as amended January 16, 2011 and March 23, 2015 (the "Jarbas Agreement"), pursuant to which BGC had the option to acquire a certain exploration license by paying R$3,900,000 in six annual installments, until December 17, 2015. BGC paid R$800,000 before the BGC

Arrangement. The Company paid R$80,000 pursuant to the terms of the amended Jarbas Agreement dated March 14, 2014 during the year ended November 30, 2014. In an amendment dated March 23, 2015, the Company renegotiated the terms of the Jarbas Agreement, whereby the Company is now required to make the following option payments:

- a cash payment of R$35,000 upon execution of the March 2015 amendment to the Jarbas Agreement (paid subsequent to February 28, 2015);
- a cash payment of R$50,000 in March 2016;
- a cash payment of R$50,000 in March 2017; and
- a cash payment of R$3,000,000 in March 2018.

The Company also agreed to fund the costs, up to R$20,000, for the optionor under the Jarbas Agreement to apply for a "garimpeira" permit over an area of the mineral rights subject to the Jarbas Agreement to be determined by the parties.

Additionally, a 1.3% net smelter return royalty is due upon commercial production from any ores extracted from a certain concession. Fifty percent of the net smelter return royalty can be purchased by the Company for US$1,500,000 within 12 months of the DNPM granting a mining concession. A bonus royalty is due based on the in-situ reserve ounces as outlined in a feasibility study completed to Australian Joint Ore Reserves Committee or Canadian NI 43-101 standards. The bonus royalty consists of (i) US$0.50 per reserve ounce for reserves that are less than 1,000,000 ounces of gold; (ii) US$0.75 per reserve ounce for reserves measuring between 1,000,000 to 2,000,000 ounces of gold; and (iii) US$1.00 per reserve ounce for reserves exceeding 2,000,000 ounces of gold.

Altoro Agreement

BGC entered into an option agreement (the "Altoro Agreement") with Altoro Mineração Ltda. ("Altoro") on November 5, 2010, as amended on December 3, 2010 and December 14, 2012 to acquire certain exploration licenses for aggregate consideration of US$850,000 to Altoro. BGC paid US$150,000 before the BGC Arrangement, and an additional cash payment of US$100,000 was made in December 2013. Pursuant to the Altoro Agreement, a cash payment of US$650,000 is payable upon the DNPM granting a mining concession over the exploration permit.

In addition to the above payments, Altoro holds a 1.5% net smelter return royalty on any gold produced from certain concessions. Once the gold production has reached 2,000,000 ounces, the royalty increases an additional 0.5% to 2.0%. The Company can purchase the 0.5% royalty at any time for US$1,000,000.

Montes Áureos and Trinta

In October 2013, the Company announced that it had exercised the Initial Option under the Montes Áureos Agreement to acquire an initial undivided 51% interest in the Montes Áureos and Trinta Projects.

The Company has the option (the "Second Option") to earn an additional undivided 46% interest in the Montes Áureos and Trinta Projects over a two year period, from September 30, 2013 to September 30, 2015. The Company has not exercised the Second Option, however, it intends to maintain its current 51% interest in the Montes Áureos and Trinta projects.

Artulândia

The Company completed the acquisition of Artulândia Property by way of payments made pursuant to terms of the Artulândia Option Agreement. An additional R$1,000,000 will be payable by the Company upon completion of a positive NI 43-101 compliant pre-feasibility study.

II. General and Administration Obligations

The Company has entered into land owner surface rights agreements which require the Company to pay the following amounts for the following period:

	Amount ($)
2015	59,214
2016	6,774
Total	65,988

The Company is renting or leasing various offices located in Canada and Brazil with total monthly payments of $9,034. Office lease agreements expire between June 2015 and January 2016.

Provisions

In 2012, eighteen employees of RAC Treinamento Ltda. ("RAC") filed labour lawsuits in Brazil to claim unpaid wages and benefits during a period which they were employed by RAC. RAC performed drilling services for BGC's wholly owned subsidiary Mineração Regent Brasil Ltda. ("Regent") from January 27, 2011 to June 27, 2011. According to Brazilian labor law, if RAC fails to pay the amounts awarded by the Court's final decision, Regent is required to assume the liability. Since RAC is insolvent and not attending court hearings, Regent is required to pay the awarded amounts, despite the fact that Regent is in compliance with Brazilian labour laws.

At November 30, 2014, the provision recorded was $337,055 according to the settlements with the plaintiffs which occurred in November 2014. At the reporting date, the provision was decreased from $337,055 to $103,789 after the Company paid $233,266 to the plaintiffs during the three months ended February 28, 2015, in accordance with the plaintiff's settlement agreements. Upon full payment to the plaintiffs, Regent will have the right of recourse against RAC. The Company has not determined if it will pursue the right of recourse at this time.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Transactions with Related Parties

Related Party Transactions

Related party transactions not disclosed elsewhere in the consolidated financial statements are as follows:

- During the three months ended February 28, 2015, the Company incurred $8,000 (2014: $12,000) in consulting fees for corporate development consulting services rendered by Arash Adnani, a direct family member of a director. The fees paid were for business development services, including introducing the Company to various parties in the areas of project generation, corporate finance groups and potential strategic partners, and are within industry standards. As at February 28, 2015, $4,200 was payable to such related party (November 30, 2014: $nil).

- During the three months ended February 28, 2015, the Company incurred $1,500 (2014: $1,238) in general and administrative expenses related to website design, video production, hosting services and marketing services paid to Blender Media, which is controlled by a direct family member of a director. The fees paid

were commensurate to fees charged to Blender Media's other clients for similar services provided. As at February 28, 2015, $16,914 was payable to such related party (November 30, 2014: $24,518).

Related party transactions are entered into based on normal market conditions at the amounts agreed to by the parties. As at February 28, 2015, the Company has not entered into any contracts or undertaken any commitment or obligation with any related parties other than as disclosed herein.

Transactions with Key Management Personnel

	For the three months ended	
	February 28, 2015 ($)	February 28, 2014 ($)
Fees, salaries and benefits[(1)]	32,980	48,470
Share-based compensation	28,044	-
Total	61,024	48,470

(1) Total directors' fees, salaries and benefits of $165,715 disclosed on the consolidated statement of comprehensive loss for the three months ended February 28, 2015 includes $26,500 and $6,480 paid to the Company's Chief Executive Officer and Chief Financial Officer, respectively, $63,072 paid to the Company's president and directors, and $69,663 paid for employees' salaries and benefits. Total directors' fees, salaries and benefits of $189,441 disclosed on the consolidated statement of comprehensive loss for the three months ended February 28, 2014 includes $38,750 and $9,720 paid to the Company's Chief Executive Officer and Chief Financial Officer, respectively, $66,750 paid to the Company's directors, and $74,221 paid for employees' salaries and benefits.

Total compensation payable, including share-based compensation, to key members of management and directors in the three months ended February 28, 2015 was $61,024 (2014: $48,470). Compensation is comprised entirely of employment and similar forms of remuneration. Management includes the Chief Executive Officer and Chief Financial Officer, who is also director of the Company.

Financial Instruments and Risk Management

The Company's financial assets include cash, other receivables and available-for-sale securities. The Company's financial liabilities include accounts payable and accrued liabilities, due to related parties and long-term obligations. The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs have a significant effect on the recorded fair value which are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table sets forth the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy. As at February 28, 2015, those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement.

	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Financial Assets				
Cash	4,000,117	-	-	4,000,117
Available-for-sale securities	5,000	-	-	5,000
Financial Liabilities				
Due to related parties	21,114	-	-	21,114
Long-term obligations	-	258,242	-	258,242

The valuation techniques used to measure fair value are as follows:

- The fair value of available-for-sale securities is determined by obtaining the quoted market price of the available-for-sale security and multiplying it by the quantity of shares held by the Company.
- The fair value of the due to related parties is based on the transaction price agreed by the parties with the related parties transactions are entered into at market terms.
- The fair value of the long-term obligation is determined by discounting the amounts payable using a market rate of interest for a similar instrument of an issuer with similar credit rating.

Financial risk management objectives and polices

The financial risk arising from the Company's operations are currency risk, credit risk, liquidity risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how the Company mitigates these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Company's operating expenses and acquisition costs are denominated in United States dollars, the Brazilian Real, the Paraguayan Guarani and Canadian dollars. The exposure to exchange rate fluctuations arises mainly on foreign currencies against the Company's functional currency, being the Canadian dollar.

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations; however, management monitors foreign exchange exposure.

The Canadian dollar equivalents of the Company's foreign currency denominated monetary assets are as follows:

	As at February 28, 2015 ($)	As at November 30, 2014 ($)
Assets		
United States Dollar	33,900	13,170
Brazilian Real	80,521	204,462
Paraguayan Guarani	4,083	3,765
Total	118,504	221,397

The Company's sensitivity analysis suggests that a consistent 5% change in the foreign currencies to Canadian dollar exchange rate on the Company's financial instruments based on balances at February 28, 2015 would be $5,925 (November 30, 2014: $11,070).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest bearing financial asset is cash, which bears interest at fixed or variable rates. The Company does not believe it is exposed to material interest rate risk related to this instrument. As such, the Company has not entered into any derivative instruments to manage interest rate fluctuations.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the Company's bank balances, the

goods and service tax receivable ("GST"), the harmonized sales tax receivable ("HST") and refundable cash advances towards contemplated transactions.

The Company mitigates credit risk associated with its bank balance by only holding cash with large, reputable financial institutions.

The GST and HST receivable includes amounts that have been accumulated to date in the Company. At February 28, 2015, 100% of the GST and HST receivable was due from the Canadian Government Taxation Authority.

When entering into property acquisition agreements, the Company uses industry standard agreements and initial payments or advances prior to closing of transactions are meant to be refundable in the event completion of a transaction is not attained. Furthermore, deposit amounts are kept to a minimum in order to mitigate any credit risk associated with a pending transaction.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. To manage liquidity risk, the Company closely monitors its liquidity position and ensures it has adequate sources of funding to finance its projects and operations. The directors of the Company are of the opinion that, taking into account the Company's current cash reserves, its network of sophisticated and accredited investors from which to raise capital and the Company's ability to respond appropriately to negative market conditions, it will have sufficient working capital for its present obligations. However, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of the financing will be favourable. The Company's working capital as at February 28, 2015 was $3,147,341.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities:

	As at February 28, 2015 ($)		As at November 30, 2014 ($)	
	Due within 1 year	2-5 years	Due within 1 year	2-5 years
Accounts payable and accrued liabilities	956,333	-	1,107,652	-
Due to related parties	21,114	-	24,518	-
Long-term obligations	-	258,242	-	252,244
Total	977,447	258,242	1,132,170	252,244

Commodity price risk

The Company's profitability is dependent on prices of the minerals it is able to realize. Mineral prices are affected by numerous factors such as interest rates, exchange rates, inflation or deflation and global and regional supply and demand. The Company currently has no mines in production and therefore has limited exposure to commodity price risk.

The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of precious metals and other commodities. The Company monitors commodity prices to help determine the appropriate course of action to be taken.

International Financial Reporting Standards

The Company's unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS. They do not include all of the information required for annual financial statements and should be read in conjunction with the consolidated financial statements of the Company for the year ended November 30, 2014, which have been prepared in accordance with IFRS.

Adoption of New Accounting Standards

IFRIC 21 – *Levies* clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Effectively December 1, 2014, the Company adopted this standard. The adoption of this standard did not have a material impact on the unaudited condensed consolidated interim financial statements.

Future Accounting Changes

IFRS 9 – *Financial Instruments* replaces the current standard IAS 39 – Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Company is in the process of evaluating the impact of the adoption of the new standard.

Amendments to IFRS 11 – *Joint Arrangements: Accounting for Acquisitions of Interests* require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company is in the process of evaluating the impact of the adoption of the amendment.

Amendments to IAS 16 and IAS 38 – *Clarification of Acceptable Methods of Depreciation and Amortisation* clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company is in the process of evaluating the impact of the adoption of the amendment.

Amendments to IFRS 10 – *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)* are effective for transactions occurring in annual periods beginning on or after January 1, 2016 with earlier application permitted. The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if the assets are housed in a subsidiary. Other amendments also clarify the accounting for investment entities. The exemption from presenting consolidated

financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. As well, only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Finally, the amendments to IAS 28 allow the investor, when applying the equity method to an associate or joint venture that is an investment entity, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The Company is in the process of evaluating the impact of the adoption of the amendment.

Critical Accounting Policies and Estimates

The preparation of these condensed consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

Management has identified exploration and evaluation assets, investment in joint venture, share-based compensation and income taxes as the critical estimates for the following discussion:

Exploration and evaluation assets

Exploration and evaluation assets are the most significant assets of the Company, representing approximately $22.9 million on the balance sheet as at February 28, 2015. All direct costs related to the acquisition of exploration rights are capitalized on a property-by-property basis. The Company assesses the carrying costs for impairment when indicators of impairment exist. Exploration and evaluation expenditures are charged to operations incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and evaluation costs and the costs incurred to develop a property are capitalized into mineral properties. On the commencement of commercial production, depletion of each mineral property will be provided on a unit-of-production basis using estimated reserves as the depletion base.

When the Company acts as the farmee in a farm-in mineral property option agreement, the direct costs to enter into the agreement are capitalized to exploration and evaluation assets. All exploration and evaluation expenditures incurred by the Company in fulfilling the terms of the agreement are expensed as incurred, until such time as the option is exercised or lapses.

When the Company acts as the farmor in an agreement, it does not record any expenditures made by the farmee. It does not recognize any gain or loss on its exploration and evaluation farm out mineral property option agreements, and instead records any proceeds received as a credit to the amounts previously capitalized as mineral property acquisition costs. Any amounts received in excess of amounts capitalized are taken as a gain to the consolidated statement of comprehensive loss.

Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investment in its joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of comprehensive loss reflects the Company's share of the results of operations of the joint venture. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Company's share of profit or loss of a joint venture is shown on the face of the statement of comprehensive loss outside operating profit and represents profit or loss after tax and non-controlling interests in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

Share-based compensation

The Company grants share options to certain directors, employees, and consultants of the Company. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The Company uses the Black-Scholes option-pricing model to determine the grant date fair-value of share-based awards.

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes, provides services that could be provided by a direct employee, or has authority and responsibility for planning, directing and controlling the activities of the Company, including non-executive directors. The fair value is measured at grant date and recognized over the period during which the options vest.

For consultants, the fair value of the award is recorded in income over the term of the service provided, and the fair value of the unvested amounts are revalued at each reporting period over the service period.

Consideration received on the exercise of share options is recorded as issued capital and the related share-based compensation reserve is transferred to issued capital.

Income taxes

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settle or recovered.

Outstanding Share Data

As at the date of this MD&A, the following securities were outstanding:

Share Capital

Authorized – unlimited number of common shares without par value.
Issued and outstanding – 80,668,429 BRI Shares.

Share Options

The outstanding share options to purchase BRI Shares as at the date of this MD&A are summarized as follows:

Expiry Date	Exercise Price ($)	Number Outstanding
July 21, 2016	1.30	300,000
October 3, 2016	1.20	990,000
October 11, 2016	1.20	105,000
February 7, 2017	1.50	150,000
April 23, 2017	1.20	20,000
January 8, 2018	1.03	40,000
March 1, 2018	1.10	25,000
February 6, 2020	0.71	1,410,000
		3,040,000

Warrants

The outstanding BRI Warrants as at the date of this MD&A are summarized as follows:

Expiry Date	Exercise Price ($)	Number Outstanding
December 31, 2018	0.75	11,650,620
January 5, 2020	0.75	1,994,400
January 6, 2020	0.75	5,405,470
January 26, 2020	0.75	703,636
		19,754,126

Additional Information

Additional information regarding the Company is available on SEDAR at www.sedar.com.