

**3rd Quarter 2011
INFORMATION AND DISCLOSURE
STATEMENT**

December 31, 2011



Telefix Communication Holdings, Inc. f/n/a Sierra Desert Holdings, Inc.

Federal ID No.

84-1378045

Cusip No.

106009 10 3

Trading Symbol

BRZM

INFORMATION AND DISCLOSURE STATEMENT

The information contained in this report has not been filed with, nor reviewed by, nor approved by the Securities and Exchange Commission, the National Association of Securities Dealers, nor any other regulatory body.

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INFORMATION AND DISCLOSURE STATEMENT
AS OF
December 31, 2011

I, Mezaun Norman, certify that:

- 1) I have reviewed the quarterly statement from March 30, 2011 to December 31,, 2011statement Information and Disclosure Statement of Sierra Desert Holdings, Inc now hereinafter known as Telefix Communications Holdings, Inc.;
- 2) Based on my knowledge, this disclosure statement does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
- 3) Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flow of the issuer as of, the periods presented in this disclosure statement.

Dated: December 31, 2011

A handwritten signature in blue ink, appearing to read "Mezaun Norman", with a stylized flourish at the end.

Mezaun Norman
Chairman/ CEO
TeleFix Communications Holdings, Inc.

General Considerations

An issuer preparing a disclosure statement under the Alternative Reporting Standard shall consider the purpose of adequate disclosure. Current and potential investors in the issuer's securities should be provided with all "material" information – the information available to the issuer necessary for the investor to make a sound investment decision. The disclosure should enable an investor of ordinary intelligence and investment skills to understand the issuer's business and prospects.

The disclosure must therefore present the issuer's business plan and include a full and clear picture of the issuer's assets, facilities, properties, investments, management and other resources, as well as a complete description of how they will be used to make profits. The issuer's business plan should clearly describe the competition, regulatory environment and other risks to the issuer's business, as well as the issuer's plans for confronting these challenges.

It is also important for an investor to understand how the issuer raises capital and treats investors. At a minimum, the issuer must describe the ways it has raised capital by issuing shares in the past – to whom and the amount of consideration involved. The investor should also be provided with market information, including the past price history of any transactions in the issuer's shares.

Finally, the disclosure should use plain English.² This means using short sentences, avoiding legal and technical jargon and providing clear descriptions. Your goal, as an issuer should be to give the investor the information you would wish the investor to supply if your positions were reversed. You don't need to be Shakespeare; you must, though, have a sincere desire to

Section One: Issuers' Initial Disclosure Obligations

Part A General Company Information

Item I The exact name of the issuer and its predecessor (if any).

Telefix Communications Holdings, Inc.

Item II The address of the issuer's principal executive offices.

8205 Olympia Dr. McKinney, TX 75070
info@telefixcommunications.com

Item III The jurisdiction(s) and date of the issuer's incorporation or organization.

Nevada

Part B Share Structure

Item IV The exact title and class of securities outstanding.

Telefix Communications Holdings, Inc. f/n/a Sierra Desert Holdings, Inc.

CUSIP: No. 106009 10 3

Trading Symbol: BRZM

The Company has (2) two Classes of Stock.

One Class of Common Stock BRZM

Authorize Number of Shares: 950,000,000

Issued Number of Shares: 466,128,936

One Class of Preferred Stock; 50 million has been authorized; 1,100,000 shares have been issued,\$.001 par value

Item V Par or stated value and description of the security.

A. Par or Stated Value. \$.001

One Class of Common Stock BRZM CUSIP No. 106009 10 3

Authorize Number of Shares: 950,000,000

Issued Number of Shares: 466,128,936

1. For common equity, describe any dividend, voting and preemption rights.

N/A

2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

Preferred stock- authorized 50 million shares, no conversion rights of this convertible preferred with a redemption rate of 1:2 into common. Price point \$1.00 per share; two preferred shares for every one common share.

3. Describe any other material rights of common or preferred stockholders.

N/A

4. Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.

N/A

Item VI The number of shares or total amount of the securities outstanding for each class of securities authorized.

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

(i) Period end date; December 31, 2012

(ii) Number of shares authorized; 950,000,000

(iii) Number of shares outstanding; 466,128,936

(iv) Freely tradable shares (public float); 466,128,936

(v) Total number of beneficial shareholders; and 1

(vi) Total number of shareholders of record. 344 (per last statement Transfer Agent 2008)

Part C Business Information

Item VII The name and address of the transfer agent*.

Corporate Stock Transfer, Inc.
3200 Cherry Creek South Drive Ste 430
Denver, CO, 80208
Telephone: (303) 282-4800
Facsimile: (303) 282-5800

Corporate Stock Transfer, Inc. is appropriately registered with the Securities and Exchange Commission under the Securities and Exchange Act of 1934.

Item VIII The nature of the issuer's business.

The Company:

History

The inspiration for TeleFix was born when our founder lived the infamous "A-Ha" moment. It was the moment of discovery - technical versatility that existed within her reach. Expertise and trust coupled with in-depth industry knowledge, and with the level of remarkable, unparalleled patience in which said knowledge was imparted to others, always without reservation or concern for time or bottom lines, available 24/7/365.

Imagine the difference this would make to an entire industry if that level of dedication could find its way to everyone: Service beyond current norms, truly focused on people – customers, teams, consumers alike. How many lives and bottom lines would be improved with *a truly higher level of excellence in standards*. So, much like Steve Jobs of Apple – "Taking Average and Making it Better," while being equipped with "Golden Rule Principles," – thus, the birth of TeleFix Communications, Inc.

After extensive research and the design of a winning business model structured to minimize costs, yet provide optimum network performance, TeleFix then became a successful woman-owned start-up venture, launched at the CTIA Wireless Trade Show, Las Vegas in March 2010.

With planned headquarters in Allen, Texas, TeleFix plans to open several regional/in-market offices within 2012 through 2015 and also expand their footprint globally.

The Company

TeleFix Communications, Inc. (TeleFix) is a minority certified woman-owned turn-Key wireless communications infrastructure services Company. With two distinctive areas of expertise – RF and Microwave Engineering, centered on Converged Networks – 3G(UMTS), 4G (LTE), for Cellular, Land Mobile Radio Communications (Two-Way Radio Communications), Broadband (WiFi), and Digital Healthcare industries, TeleFix® is poised

to deliver exemplary services in Design, Project Management, Network Planning, Installation, and Deployment. Specific specialties are expert level RF and Microwave Engineering principally in public safety communications.

The company was pre-launched at the CTIA Wireless show in March 2010, operations commenced in September 2010 with revenues of \$137,000 in 4th Quarter 2010. Women Business Certification(WBENC), was obtained in March 2011. In private sector, TeleFix has acquired qualified vendor approvals with General Dynamics Wireless & IT, Goodman Networks as General Contractor for South & Central Texas, and AT&T as turn-key supplier for Distributed Antenna Systems(DAS). Approvals are pending for Alcatel-Lucent along with other primary wireless carriers. TeleFix is also in process of bidding on Public Safety Communications (P25-Interoperability), WiFi, and Broadband expansion projects. Government entities include federal, local and city entities, transportation – rail and aviation communications infrastructure.

TeleFix has also established a Factoring Facility for \$1 million. We are seeking capital to grow the business quickly, with managed growth approach, capturing our share of the rapidly expanding wireless telecommunications infrastructure market, both nationally and globally.

The demand for wireless services is growing much faster than the ability to supply quality network services. This is evident in the high costs of revisits and poor equipment performance which translates all the way to the consumer level evidenced by poor cell phone service. We have all experienced the consequences of poor reception and dropped calls at the most inopportune moments. This will continually increase with the shift to data communications and added demand for faster data speeds on all spectrums. In recent years and the future evidence supports the larger movement in the direction and increasing demand for more and faster wireless networks; thus creating the demand for efficiently operating converged networks.

Competitive Position in the Industry

Pricing is uniform throughout specific regions, and Carriers and TURF Contractors tend to pay comparable rates for the same expertise. What is different and where Telefix, a WBE company, will create a competitive advantage, is in the level of quality coupled with the unique ability to deliver full turn-key solution to it's customers. This is a growing demand on both private and public sectors in maintaining their cost objectives. The Quality TeleFix will deliver can be equated with an overall lower "Total Cost of Service" (TCS)

Business Participants

The Tier Contractors are the backbone of wireless carriers. They deal directly with the TURF contractors. This channel does not lend itself to high quality work when TURF contractors are primarily concerned with getting the lowest possible price. The pain the Carrier is faced with is low quality work that results in poor service to the ultimate wireless consumer.

We will develop a quality service for Carriers at a fair price, rather than a false "low-ball"

price. This will allow for more money to be spent by Telefix on building high quality teams trained in “Getting the job done right the first time.”

Competition and Buying Patterns

There are two typical buying patterns that exist in the market at this time.

1. Master Contracts Awarded to the lowest priced contractors by TURF Contractors
2. Fixed Contract Bidding to Carriers

Main Competitors

There are hundreds of small companies that make up the competition at the Tier level. It is a fragmented service market. There are fewer than a dozen TURF Contractors we need to compete with to gain contracts with Carriers. Our strategy is convincing Carriers that our service will cost them less by doing it right the first time (TCS). Our initial competitive edge in obtaining work directly from Carriers is our status as a Woman Business Enterprise.

Strengths

The key Telefix strengths are its Woman Business Enterprise Status and its expertise and knowledge of newer and faster data driven networks coupled with its exemplary Service Quality Commitment.

Strategy

Our strategy is to leverage our status as a WBE with Carriers. Using our WBE status will give us the opportunity to establish a reputation of quality and develop contracts directly with Carriers while carriers and Original Equipment Manufacturer's (OEMs),

Value Proposition

Our value proposition is that we provide a quality service that is less expensive over all. That is the TCS (Total Cost of Service) is less than competitors because we do it right the first time where others have to return to correct errors made through lower cost and quality workmanship. Our rates will be a little more but our overall cost will be less. The added benefit to the Carriers is that their customers, the ultimate consumers, will see a working and highly improved wireless service which will ultimately boost carrier's bottom lines with increased subscribers.

Competitive Edge

Our competitive edge is twofold; both our reputation as a high quality WBE service provider and our commitment to continual quality improvement. The combined result is a lower TCS with a WBE provider.

Positioning Statement

Our position is to be the quality leader with the lowest cost TCS. This will be true of our position with both the general market and the Carrier market.

1. The form of organization of the issuer

A Corporation;

2.The year that the issuer (or any predecessor) was organized;

1996

3. The issuer's fiscal year end date;

June 30th

4. Whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;

N/A

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

On December 8th 2011, Mezaun Norman purchased 1,000,000 preferred shares from Ben Johnson changing control respectively. To voting of approximately 60%

6.Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

N/A

7. Any change of control;

On December 8th 2011, Mezaun Norman purchased 1,000,000 preferred shares from Ben Johnson changing control respectively. To voting of approximately 60%

8.Any increase of 10% or more of the same class of outstanding equity securities;

None

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

FINRA Corporate Action was filed for reverse split for 500;1 and name change, comments and date of effect is pending

10. Any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board; and

None

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

None

Business of Issuer.

Wireless Telecommunications Infrastructure Provider.

1. The issuer's primary and secondary SIC Codes;

Primary –4812 Radio Telephone Communications : Cellular/Wireless

Secondary – 1623-12 Telecommunications Equipment/Systems, Cabling & Wiring

2. If the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

The company has generated revenue since its inception in 2010 , the company conducted operations which resulted in revenue in the following years:

3. Whether the issuer is or has at any time been a “shell company”;

No

4. The names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;

a. The Company has no parent

- b. The Company has a subsidiary known as Telefix Communications, Inc. the existence of this entity is utilized by for operational purposes.
- c. The Company has no affiliates.
- d. Not Applicable
- e. Not Applicable
- f. Not Applicable
- g. Not Applicable

5. The effect of existing or probable governmental regulations on the business;

The Company currently has no governmental regulation of its business operations and does not expect any in the foreseeable future.

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;

The Company has not spent any funds for research in the reporting quarter

7. Costs and effects of compliance with environmental laws (federal, state and local); and

The Company has not and does not expect to be impacted or affected in any manner by environmental laws or regulations.

8. The number of total employees and number of full-time employees.

As of the date of this Statement the Company has (2) unpaid Officers and Directors. There are no paid employees. Contract services are engaged on an as needed basis.

Item IX The nature of products or services offered.

A. Principal products or services, and their markets:

Services: Cellular/Wireless Networks Infrastructure, DAS, WiFi, Land Mobile Radio Communications –P25 Interoperability.

Markets: Public Sector – Federal, State and Local law enforcement agencies, Transportation: Aviation & Hi-Speed Rail. Private: Wireless Service Providers & Original Equipment manufacturers (OEMs) & Healthcare .

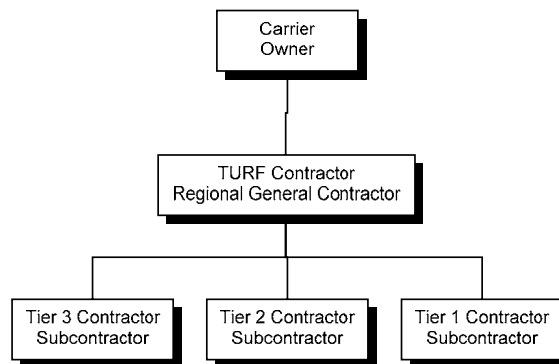
Competitive Position in the Industry

B. Distribution methods of the products or services;

Service Distribution

TeleFix will provide services to the wireless infrastructure development, upgrade and repair market. The services require trained technicians and engineers to install, upgrade and repair equipment and systems at new and existing facilities or sites.

There are several levels consulting work and several levels of engineering expertise. Selling price is relative to the market served. As in all tier contracting industries, general contractors pay less and charge more to the owner (Carrier) for the subcontracted services. The highest level of general contractor is referred to as a "TURF" contractor, which Carriers have named the regional general contracting companies. The hierarchy looks like the following example. It should be noted that a Tier 2 or Tier 3 Contractor can work for a higher level Tier Contractor as well as directly for the TURF Contractor.



Market Needs:

The telecom infrastructure market is in need of qualified contractors to build, upgrade and repair sites and networks. The demand for more and newer products has exceeded the supply of well-trained contractors to build the necessary stations and upgrade existing ones. Many consider the service provided by wireless Carriers to be poor at best as a result of inferior contractor work and lack of repair on stations and centers.

Business Participants:

The Tier Contractors are the backbone of the wireless infrastructure system. They deal directly with the TURF contractors. This channel does not lend itself to high quality work when TURF contractors are primarily concerned with getting the lowest possible price.

We believe there is room for a mentoring partnership program with wireless Carriers to develop a quality service between Telefix (a Tier Contractor) and Carriers. This would allow for more money to be spent by Telefix on building quality teams of technicians trained in getting it right the first time.

Distributing of the Service:

The distribution hierarchy of the system is Carrier => TURF Contractor => Tier Contractor => Technician.

Competition and Buying Patterns:

There are two typical buying patterns that exist in the market at this time.

1. Master Contracts Awarded to the lowest priced contractors by TURF Contractors.
2. Fixed Contract Bidding to Carriers by Turf's.

C. Status of any publicly announced new product or service;

None

D. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition:

The Tier Contractors are the backbone of the wireless infrastructure system. They deal directly with the TURF contractors. This channel does not lend itself to high quality work when TURF contractors are primarily concerned with getting the lowest possible price. The pain the Carrier is faced with is low quality work that results in poor service to the ultimate wireless customer.

E. Sources and availability of raw materials and the names of principal suppliers;

Our products are procured directly from the manufacturer.

F. Dependence on one or a few major customers;

The Company provides a diversified clientele, which includes, government, major fortune 500 wireless providers, original equipment manufacturers, and small to medium resellers.

.

G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and

The company holds no patents, only supply agreements.

H. The need for any government approval of principal products or services and the

status of any requested government approvals.

None

Item X The nature and extent of the issuer's facilities.

The company requires capital to expand into moderate offices and warehousing facility. To conserve and reduce overhead costs, the company will adapt a virtualization operating model. Most PMs, Techs and Engineers work directly from their home offices.

As of this Statement date the Company has not re- entered into any long-term lease agreements.

Part D Management Structure and Financial Information

Item XI The name of the chief executive officer, members of the board of directors, as well as control persons.

<u>Name</u>	<u>Position</u>	<u>Other Affiliations</u>	<u>Shares</u>
Mezaun Norman	Chairman CEO	n/a .	1,000,000 (preferred)
John Fazzio	Director	n/a	-0-
Kenneth Sicher	Director	n/a	-0-

A. Officers and Directors. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement:

1. Full name; Mezaun Norman
2. Business address: 8205 Olympia Dr. McKinney, TX 75070
info@telefixcommunications.com

Officer/Director Bio

Mezaun Norman – Chief Executive Officer

Mezaun Norman is the President, Chief Executive Officer and Founder of TeleFix Communications, Inc., Dallas, Texas. As a visionary entrepreneur, Mezaun has over 15 plus years of experience in key aspects of Business Administration having launched other successful start-up ventures across varied industries, two of which, were her own. Mezaun brings a unique combination of skills to TeleFix's clients as well as to her role as President and Chief Executive Officer of this highly innovative telecommunications services company. Mezaun is predominantly responsible for implementing the company's vision, and business strategy to advance its mission, objectives, citizenship, revenue growth, and profitability. She is also responsible for overseeing the Business Development, Marketing, and

Sales. Ms. Norman has a degree in International Relations. She is mom to three girls – Athalia 19, a freshman at Baylor University, Marissa 15, and Rhiane 13. She resides in McKinney, Texas with her husband Andrew, a Telecommunications Engineer.

John Fazio

John is currently Executive Vice President at TeleFix Communications, Inc. (TeleFix), and was instrumental in launching the business. He has also worked on the initial financing of the company including establishing a \$3 million factoring facility for TeleFix. His duties include strategic planning, contract administration and corporate oversight and administration. He is active in assisting others in current work on taking TeleFix public through a reverse merger with a public shell.

John has founded, grown and operated several businesses after graduating from Temple University's Fox School of Business in Philadelphia, Pa in 1976. He has experience owning and operating a publishing business, regulatory compliance business, environmental transportation business and an environmental remediation business. His involvement with two of the businesses began at nominal sales volumes, and he was able to grow them respectively to over \$5 million and \$10 million in annual sales. John has been building two consulting businesses over the last 4 years; WinningAdvantage, Inc. and Environmental Business Consulting.

4. Board memberships and other affiliations;

Technology Committee Greater Hispanic Chamber of Commerce – Dallas, TX

5. Compensation by the issuer;

Compensation;

Cash; Executives have been on a as needed basis and;
Stock (equity) compensation will be determined.

6. Number and class of the issuer's securities beneficially owned by each such person.

<u>Name</u>	<u>Number of Shares</u>	<u>Approximate Percentage Ownership</u>
Mezaun Norman CEO, Chairman , Director rights 66%	1,000,000	Preferred Shares voting

B. Legal/Disciplinary History.

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

C. Disclosure of Family Relationships.

There are no family relationships that management has in place with regards to ownership in the Issues common or preferred shares

D. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

1. The name of the related person and the basis on which the person is related to the issuer;

N/A

2. The related person's interest in the transaction;

N/A

3. The approximate dollar value involved in the transaction (in the case of

indebtedness, disclose the largest aggregate amount of principal outstanding during the time period for which disclosure is required, the amount thereof outstanding as of the latest practicable date, the amount of principal and interest paid during the time period for which disclosure is required, and the rate or amount of interest payable on the indebtedness);

N/A

- 4 **The approximate dollar value of the related person's interest in the transaction; and Any other information regarding the transaction or the related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.**

Sections 1-5 are N/A

E. Disclosure of Conflicts of Interest. Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

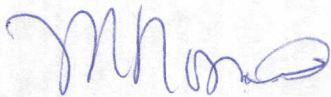
N/A

**Item XII Financial information for the issuer's most recent as of December 31,, 2011
quarterly
period.**

I, Mezaun Norman , certify that:

- 4) I have reviewed this 2011 interim statement Information and Disclosure Statement of Telefix Communications Holdings, Inc f/n/a Sierra Desert Holdings, Inc.;
- 5) Based on my knowledge, this disclosure statement does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
- 6) Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flow of the issuer as of, the periods presented in this disclosure statement.

Dated: December 31, 2011



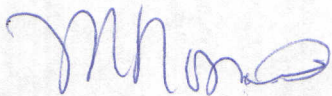
Mezaun Norman Chairman/ CEO

**Item XII Financial information for the issuer's most recent as of December 31,, 2011
quarterly
period.**

I, Mezaun Norman , certify that:

- 4) I have reviewed this 2011 interim statement Information and Disclosure Statement of Telefix Communications Holdings, Inc f/n/a Sierra Desert Holdings, Inc.;
- 5) Based on my knowledge, this disclosure statement does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
- 6) Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flow of the issuer as of, the periods presented in this disclosure statement.

Dated: December 31, 2011

A handwritten signature in blue ink, appearing to read 'Mezaun Norman', with a stylized flourish at the end.

Mezaun Norman Chairman/ CEO

Telefix Communications Holdings, Inc
FINANCIAL STATEMENTS
DECEMBER 31, 2010 &
INTERIM AS OF DECEMBER 31,, 2011

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From The Desk Of Mezaun Norman
972-302-3823

December 31, 2011

Shareholders of;
Telefix Communications Holdings, Inc f/n/a Sierra Desert Holdings, Inc

Dear Shareholders

We are providing this letter in connection with our unaudited of the balance sheets of Telefix Communications Holdings, Inc. (the "Company") as of December 2011 and the related stockholders' equity and comprehensive income for the periods ended December 31, 2011 and the statements of operations, and cash flows for each of the periods ended December 31,, 2011 for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows Telefix Communications Holdings, Inc. intended to comply with the conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 31, 2011 the following representations are being made;

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles, and include all disclosures necessary for such fair presentation and disclosures required to be included therein by the laws and regulations to which the Company is subject.
2. We have made available to you all—
 - a. Financial records and related data.
3. There have been no communications from the SEC or other regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We are in agreement with the adjusting journal entries that you have proposed and they have been posted to the Company's accounts.
6. There are no significant deficiencies, including material weaknesses, in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Company's ability to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.
7. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
8. Except as made known to you, we have no knowledge of any fraud or suspected fraud affecting the Company involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, over financial reporting, or
 - c. Others where the fraud could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others.
10. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
11. The following, if material, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions and related accounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
 - b. Guarantees, whether written or oral, under which the company is contingently liable.
12. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that *near term* means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the company vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
13. There are no:
 - a. Violations or possible violations of laws or regulations whose effect should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with *Statement of Financial Accounting Standards No. 5*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by *Statement of Financial Accounting Standards No. 5*.
14. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
15. The Company has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
16. The Company has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements.
17. All liabilities have been included in the Company's accounting records.

18. The Company does not owe the PCAOB outstanding past-due accounting support fees.
19. Each of the members of the management signing this letter, confirm that we have been provided with this letter a draft of the financial statements and, except as otherwise provided in writing by us to you which writing must be attached and become part and parcel to this letter, agree entirely with the correctness and completeness of the financial statements and the related disclosures.
20. The Company has complied with the applicable GAAP rules with regards to the stock options granted to the Board of Directors, Management, Employees, Consultants and Others where applicable and the stock options granted are duly approved and documented.
21. We did not issue any side agreements in regards to our sales agreements.

Except as disclosed in note 7 to the financial statements, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

Mezaun Norman
Chief Executive Officer and Title

**TELEFIX COMMUNICATIONS HOLDINGS, INC.
(FORMERLY SIERRA DESERT HOLDINGS, INC.)**

CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED)

**FOR THE PERIODS
DECEMBER 31, 2011**

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TELEFIX COMMUNICATIONS HOLDINGS, INC.
CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED)

Telefix Communications Holdings, Inc.
(Formerly Sierra Desert Holdings, Inc.)
Consolidated Balance Sheet

	Assets	Dec-11	Dec-10
Current Assets			
Cash and cash equivalents		\$363	\$15,673
Total Current Assets		<u>\$363</u>	<u>\$15,673</u>
Property and Equipment		\$29,458	\$19,931
Other Assets			
Intangible		\$0	\$2,218,551
Long Term Assets		\$0	\$2,218,551
Total Assets		<u>\$29,821</u>	<u>\$2,254,153</u>
	Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities			
Accounts Payable and accrued expenses		\$137,137	\$398,181
Loan Payable		\$0	\$64,800
Line of Credit		\$57,681	
Total Current Liabilities		<u>\$194,818</u>	<u>\$462,981</u>
Long Term Liabilities			
Shareholder loans payable		\$182,446	\$177,289
Loans payable		\$385,335	\$390,355
Related party payable		\$0	\$690,640
Notes payable		\$182,849	\$230,777
Total Long Term Liabilities		<u>\$750,649</u>	<u>\$1,489,061</u>
Total Liabilities		<u>\$887,786</u>	<u>\$1,952,042</u>
Stockholders Equity (Deficit)			
Preferred Stock, \$.001 par value 50,000,000 authorized and 1,100,000 issued and outstanding		\$1,100	\$1,100
Common stock \$.001 par value, 950,000,000 shares authorized, 455,128,936 issued and outstanding		\$305,432	\$695,831
Additional paid in capital-common stock		\$9,411,984	\$10,702,384
Additional paid in capital- preferred stock		\$0	\$28,900
Deficit accumulated during the development stage		-\$10,576,481	-\$11,126,102
Total Stockholders' Equity (Deficit)		<u>-\$915,646</u>	<u>\$302,113</u>
Total Liabilities and Stockholders' Equity (Deficit)		<u>\$29,821</u>	<u>\$2,254,153</u>

Sierra Desert Holding, Inc.**Profit and Loss****Period Ending****December 31, 2010**

Revenue	0
---------	---

Cost of Revenue	
-----------------	--

0

Gross Profit	0
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General and Administrative	249,799
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Loss From Operations	-249,799
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Other (Income) Expense

Interest income	0
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Loss on closure of JV	0
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Other Expenses	211,000
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Interest Expense	88822
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Total Other (Income) Expense	299,822
------------------------------	---------

Net Income	-549,621
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Other comprehensive loss

Foreign currency gain (loss)	0
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Net Comprehensive Income (Loss)	-549,621
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TELEFLEX COMMUNICATIONS HOLDINGS, INC.
CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED)
STATEMENT OF CASH FLOW
DECEMBER 31, 2011

	<u>Jan - Dec 11</u>
OPERATING ACTIVITIES	
Net Income	-67,429.78
Adjustments to reconcile Net Income to net cash provided by operations:	
7992	160.43
4139	7,552.00
Acct 4139	1,869.00
ACH 8570	300.00
Chase Sv	5,636.00
Icon Bank	42,324.96
Net cash provided by Operating Activities	-9,587.39
FINANCING ACTIVITIES	
Opening Balance Equity	0.06
Net cash provided by Financing Activities	0.06
Net cash increase for period	-9,587.33
Cash at end of period	-9,587.33

BRAZILIAN MINING CORPORATION
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
From July 19, 1996 (Inception) Through June 30, 2010

	Preferred Stock		Common Stock		Additional	Stock	Deficit
	Shares	Amount	Shares	Amount	Paid-In Capital	Subscription Receivable	Accumulated During Development Stage
Stock issued for cash on July 19, 1996 @ \$0.001 per share	335,000	3,350	2,400	\$ 2,400	\$ (400)		
Net loss, July 19, 1996 (inception) through June 30, 1997							-
Balance, June 30, 1997	335,000	3,350	2,400	2,400	(400)		
Net loss, June 30, 1998							-
Balance, June 30, 1998	335,000	3,350	2,400	2,400	(400)		
Cancellation and issuance of stock for acquisition	(335,000)	(3,350)	14,000	14,000	491,015		
Net loss June 30, 1999							(260,192)
Balance, June 30, 1999	-	-	16,400	16,400	490,615		(260,192)
Stock issuance August 26, 1999			53	53			
Stock issuance Dec 15, 1999			4,000	4,000	665,431		
Stock issuance February 14, 2000			607	606			
Net loss June 30, 2000							(820,961)
Balance, June 30, 2000	-	-	21,060	21,059	1,156,046		(1,081,153)
Stock issuance October 13, 2000			36	35	3,301		
Stock issuance March 5, 2001			1,567	1,567	146,484		
Stock issuance March 19, 2001			512	512	48,101		
Net loss, June 30, 2001							(200,000)
Balance, June 30, 2001	-	-	23,175	23,173	1,353,932		(1,281,153)
Net loss, June 30, 2002							-
Balance, June 30, 2002	-	-	23,175	23,173	1,353,932		(1,281,153)
Net loss, June 30, 2003							-
Balance, June 30, 2003	-	-	23,175	23,173	1,353,932		(1,281,153)
Stock issuance March 17, 2004			20,000	20,000	-		
Net loss, June 30, 2004							(20,000)
Balance, June 30, 2004	-	-	43,175	43,173	1,353,932		(1,301,153)
Reverse stock split 1:200			(42,956)	(42,956)	42,956		
Stock cancellation			(70)	(70)	70		
Net loss, June 30, 2005							-
Balance, June 30, 2005	-	-	149	147	1,396,958		(1,301,153)
Stock issuance January 23, 2006			6,000	6,000			
Stock cancellation May 10, 2006			(5,025)	(5,025)	5,025		
Stock split May 26, 2006 40:1			43,713	43,713	(41,713)		
Net loss, June 30, 2006							(123,296)
Balance, June 30, 2006	-	-	44,837	44,835	1,358,270		(1,424,449)
Stock cancellation			(6,000)	(6,000)	-		
Private Placement			1,200	1,200	598,800		
Private Placement			1,240	1,240	308,760		
Stock issuance for share of Joint Venture			4,000	4,000	3,706,000		
Stock issuance for option on mineral rights			1,000	1,000	-		
Stock issuance for services			1,230	1,230	536,370		
Regulation S stock sale			1,291	1,291	237,199	(173,428)	
Minority interest in Joint Venture			-	-	(4,800,000)		
Net loss, June 30, 2007							(1,571,838)
Balance June 30, 2007	-	-	48,798	48,795	2,055,399	(173,428)	(2,996,287)
Regulation S stock sales	-	-	13,609	13,607	1,299,014	(7,933)	-
Stock issuance for services	-	-	1,365	1,365	422,660	-	-
Private Placement	-	-	625	625	24,375	-	-
Stock cancelled	-	-	(11)	(10)	10	-	-
Collection on subscription receivable	-	-	-	-	-	173,428	-
Correction	-	-	-	-	(8,250)	-	-
Net loss, June 30, 2008	-	-	-	-	-	-	(1,437,915)
Balance June 30, 2008	-	-	64,386	64,381	3,779,209	(7,933)	(4,434,202)
Sale of preferred shares	-	-	45,550	45,551	149,376	-	-
Stock issued for interest on note payable	-	-	120,000	120,000	-	-	-
Stock issued for partial conversion of note	-	-	27,600,000	27,600	248,400	-	-
Stock issued for services	-	-	49,000,000	49,000	441,000	-	-
Collection on subscription receivable	-	-	-	-	-	7,933	-
Termination of Minority Interest in Joint Venture	-	-	-	-	4,800,000	-	-
Net loss year ending June 30, 2009	-	-	-	-	-	-	(6,142,278)
Balance June 30, 2009	-	-	76,829,936	309,512	9,411,984	-	(10,376,381)
Stock sales	1,100,000	1,100	-	-	28,900	-	-
Stock issued for interest on note payable	-	-	17,400,000	17,400	156,600	-	-
Stock issued for partial conversion of note	-	-	143,200,000	143,200	-	-	-
Stock issued for services	-	-	73,199,000	73,199	-	-	-
Cancellation of shares	-	-	(20,000,000)	(20,000)	(260,000)	-	-
Acquisition of Terrex	-	-	175,500,000	175,500	1,333,800	-	-
Net loss year ending June 30, 2010	-	-	-	-	-	-	(549,621)
Net loss year ending June 30, 2010	1,100,000	1,100	469,128,946	695,841	10,741,584	-	(11,126,192)

BRAZILIAN MINING CORPORATION
(FORMERLY SAO LUIS MINING, INC. AND SUBSIDIARY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1 – ORGANIZATION

Sao Luis Mining, Inc., (formerly Mighty Mack USA, Ltd.)(the Company) was organized July 19, 1996 under the laws of the State of Colorado under the name of Oxford Financial Holdings, Ltd. On June 15, 1999 Mighty Mack USA, Ltd., a Mississippi corporation, merged with Oxford Financial Holdings, Ltd. and on July 16, 1999 the Company changed its name to Mighty Mack USA Ltd. The merger was treated as a reverse acquisition for accounting purposes with Mighty Mack USA, Ltd. as the acquirer and Oxford Financial Holdings, Ltd. as the acquiree. The Mississippi corporation, Mighty Mack USA, Ltd. exchanged 53,022,950 shares or 100% of its common stock for 14,000,000 shares of common stock in the Company.

On April 13, 2006 the Company changed its name to Sao Luis Mining, Inc.

In July 2006 the Company formed a Joint Venture, Comercio E Mineracao Sao Luis Ltda. (the Joint Venture) in which it owned a 51% interest. The Joint Venture owned the mineral rights to mine certain property in Motto Grosso, Brazil for diamonds. As of June 30, 2009 the Company terminated this joint venture. (See Note 6).

On February 27, 2009, the issuer's stockholders voted to change it's corporate domicile from Colorado to Nevada and to a name change to Brazilian Mining Corporation. The stockholders also voted to approve a reverse stock split of 1 share for every 1,000 shares issued.

On January 14, 2009 a corporation was formed under the laws of the State of Nevada named Brazilian Mining Corporation and on March 12, 2009 a plan of merger was filed in Colorado which called for each share of the Colorado corporation (Sao Luis Mining, Inc.) issued and outstanding immediately prior to March 26, 2009 to be converted into shares of fully paid and non-assessable shares of the Common Stock of the Nevada corporation, Brazilian Mining Corporation, at a ratio of one to one thousand (1:1,000), with fractional shares rounded up to the next whole share. As a result of the merger, Sao Luis Mining, Inc. became Brazilian Mining Corporation.

The capital structure of Brazilian Mining Corporation consisted of 500,000,000 shares, consisting of 450,000,000 shares of common stock and 50,000,000 shares of preferred stock.

On March 10, 2010 the Articles of Incorporation were amended to increase the authorized capital of the Company to 1,000,000,000 shares, consisting of 950,000,000 shares of common stock and 50,000,000 of preferred stock.

On February 17, 2010 the Company issued 175,500,000 shares of its common stock in exchange for 851,280 Class A Preferred Shares of Terrax, Inc. The exchange provides the Company with an 80% voting and ownership control of Terrax, Inc.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements were prepared in conformity with US GAAP. The Company's functional currency is the United States Dollars (\$) and the accompanying consolidated financial statements were presented in United States Dollars (\$).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include collectability of accounts receivable, accounts payable, sales returns and recoverability of long-term assets.

Principles of Consolidation

The consolidated financial statements include the accounts of Brazillian and its majority owned subsidiary Terrax, and are collectively referred to the Company. All material intercompany accounts, transactions and profits were eliminated in consolidation.

Revenue Recognition

The Company's revenue recognition policies are in compliance with SEC Staff Accounting Bulletin (SAB) 104 (codified in FASB ASC Topic 480). Sales revenue is recognized when the significant risks and rewards of the ownership of goods were transferred to the buyers. No revenue is recognized if there are significant uncertainties regarding the recovery of the consideration due, the possible return of goods, or when the amount of revenue and the costs incurred or to be incurred in respect of the transaction cannot be measured reliably.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment, an Amendment of FASB Statement No. 123" (codified in FASB ASC Topic 718). The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees.

Income Taxes

The Company utilizes SFAS No. 109, "Accounting for Income Taxes," (codified in FASB ASC Topic 740), which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that were included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, (codified in FASB ASC Topic 740) on January 1, 2007. As a result of the implementation of FIN 48, the Company made a comprehensive review of its portfolio of tax positions in accordance with recognition standards established by FIN 48. As a result of the

implementation of Interpretation 48, the Company recognized no material adjustments to liabilities or stockholders' equity. When tax returns are filed, it is likely that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest associated with unrecognized tax benefits are classified as interest expense and penalties are classified in selling, general and administrative expenses in the statements of income. The adoption of FIN 48 did not have a material impact on the Company's financial statements.

At June 30, 2010 and June 30, 2009, the Company had not taken any significant uncertain tax position on its tax returns or in computing its tax provision.

Statement of Cash Flows

In accordance with SFAS No. 95, "Statement of Cash Flows" (codified in FASB ASC Topic 230), cash flows from the Company's operations are based upon local currencies. As a result, amounts related to assets and liabilities reported on the statement of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheet.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are cash and other receivables arising from its normal business activities. The Company places its cash in what it believes to be credit-worthy financial institutions.

Risks and Uncertainties

The Company is subject to substantial risks from, among other things, intense competition associated with the industry in general, other risks associated with financing, liquidity requirements, rapidly changing customer requirements and limited operating history.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then

the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material would be disclosed.

Loss contingencies considered to be remote by management are generally not disclosed unless they involve guarantees, in which case the guarantee would be disclosed.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash in demand deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. At June 30, 2010 and 2009, the Company had approximately \$15,673 and \$363 cash in banks, respectively, of which all deposits were covered by insurance. The Company has not experienced any losses in such

Property, Plant & Equipment

Property, plant and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the straight-line method for substantially all assets with estimated lives of:

Office equipment	3 -5 years
Plant and mining equipment	3 -15 years

As of June 30, 2010 and 2009, property, plant and equipment consisted of the following:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Plant and mining equipment	\$ 18,769	\$ 28,533
Office furniture and equipment	10,714	9,020
	<u>29,483</u>	<u>37,553</u>
Accumulated depreciation	<u>(9,552)</u>	<u>(8,095)</u>
Total	<u>\$ 19,931</u>	<u>\$ 29,458</u>

Depreciation expense was \$2,344 and \$4,657 for the year ended June 30, 2010 and 2009, respectively.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination

of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815.

As of June 30, 2010 and 2009, the Company did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

Development Stage Enterprise

The Company is considered a development stage enterprise as it is in the development stages of implementing their business plan and has not begun to receive any material revenue. Accordingly the financial statements have been prepared in accordance with financial accounting standards related to development stage enterprises.

Basic and Diluted Earnings per Share (EPS)

Basic EPS is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed similar to basic net income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if all the potential common shares, warrants and stock options had been issued and if the additional common shares were dilutive. Diluted net earnings per share are based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Advertising

Advertising expenses consist primarily of costs of promotion for corporate image and product marketing and costs of direct advertising. The Company expenses all advertising costs as incurred.

Intangible Assets

The Company applies criteria specified in SFAS No. 141(R), "Business Combinations" (codified in FASB ASC Topic 805) to determine whether an intangible asset should be recognized separately from goodwill. Intangible assets acquired through business acquisitions are recognized as assets separate from goodwill if they satisfy either the "contractual-legal" or "separability" criterion. Per SFAS 142, (codified in FASB ASC Topic 350), intangible assets with definite lives are amortized over their estimated useful life and reviewed for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets" (codified in FASB ASC Topic 360). Intangible assets, such as purchased technology, trademark, customer list, user base and non-compete agreements, arising from the acquisitions of subsidiaries and variable interest entities are recognized and measured at fair value upon acquisition. Intangible assets are amortized over their estimated useful lives from one to ten years. The Company reviews the amortization methods and estimated useful lives of intangible assets at least annually or when events or changes in circumstances indicate that assets may be impaired. The recoverability of an intangible asset to be held and used is evaluated by comparing the carrying amount of the intangible to its future net undiscounted cash flows. If the intangible is considered impaired, the impairment loss is measured as the amount by which the carrying amount of the intangible exceeds the fair value of the intangible, calculated using a discounted future cash flow analysis. The Company uses estimates and judgments in its impairment tests, and if different estimates or judgments had been utilized, the timing or the amount of the impairment charges could be different.

Effective January 1, 2002, the Company adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", (codified in FASB ASC Topic 360) which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations for a Disposal of a Segment of a Business (codified in FASB ASC Topic 225)." The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS 144 (codified in FASB ASC Topic 360). SFAS 144 (codified in FASB ASC Topic 360) requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

Recent accounting pronouncements

On July 1, 2009, the Company adopted Accounting Standards Update ("ASU") No. 2009-01, "Topic 105 - Generally Accepted Accounting Principles - amendments based on Statement of Financial Accounting Standards No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles" ("ASU No. 2009-01"). ASU No. 2009-01 re-defines authoritative GAAP for nongovernmental entities to be only comprised of the FASB Accounting Standards Codification ("Codification") and, for SEC registrants, guidance issued by the SEC. The Codification is a reorganization and compilation of all then-existing authoritative GAAP for nongovernmental entities, except for guidance issued by the SEC. The Codification is amended to effect non-SEC changes to authoritative GAAP. Adoption of ASU No. 2009-01 only changed the referencing convention of GAAP in Notes to the Consolidated Financial Statements.

On February 25, 2010, the FASB issued ASU No. 2010-09 Subsequent Events Topic 855 "Amendments to Certain Recognition and Disclosure Requirements," effective immediately. The amendments in the ASU remove the requirement for an SEC filer to disclose a date through which subsequent events have been evaluated in both issued and revised financial statements. Revised

financial statements include financial statements revised as a result of either correction of an error or retrospective application of US GAAP. The FASB believes these amendments remove potential conflicts with the SEC's literature. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

On March 5, 2010, the FASB issued ASU No. 2010-11 Derivatives and Hedging Topic 815 "Scope Exception Related to Embedded Credit Derivatives." This ASU clarifies the guidance within the derivative literature that exempts certain credit related features from analysis as potential embedded derivatives requiring separate accounting. The ASU specifies that an embedded credit derivative feature related to the transfer of credit risk that is only in the form of subordination of one financial instrument to another is not subject to bifurcation from a host contract under ASC 815-15-25, Derivatives and Hedging — Embedded Derivatives — Recognition. All other embedded credit derivative features should be analyzed to determine whether their economic characteristics and risks are "clearly and closely related" to the economic characteristics and risks of the host contract and whether bifurcation is required. The ASU is effective for the Company on July 1, 2010. Early adoption is permitted. The adoption of this ASU will not have a material impact on the Company's consolidated financial statements.

In April 2010, the FASB codified the consensus reached in Emerging Issues Task Force Issue No. 08-09, "Milestone Method of Revenue Recognition." FASB ASU No. 2010-17 provides guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research and development transactions. FASB ASU No. 2010-17 is effective for fiscal years beginning on or after June 15, 2010, and is effective on a prospective basis for milestones achieved after the adoption date. The Company does not expect this ASU will have a material impact on its financial position or results of operations when it adopts this update on January 1, 2011.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has sustained net losses of \$11,126,096 since its inception, and the Company's operations do not generate sufficient cash to cover its operating costs. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has taken certain restructuring steps to provide the necessary capital to continue its operations. These steps included: 1) acquire profitable operations through issuance of equity instruments, 2) to continue actively seeking additional funding and restructure the acquired subsidiaries to increase profits and minimize the liabilities.

Note 3 – COMMON STOCK

In January 2006 the Company issued 60,000 pre-forward split shares of common stock in settlement of certain debts. Of these shares, 50,250 were subsequently cancelled in May 2006, prior to the forward split.

On May 26, 2006, the Company's board of directors declared a forty-for-one stock split, affected in the form of a stock dividend, on the shares of the Company's common stock. Each shareholder of record on May 26, 2006, received an additional thirty nine shares of common stock for each share of common stock then held. The Company issued 43,713 shares. The Company retained the current par value of \$.001 per share for all shares of common stock. Except as otherwise noted, all references in the financial statements to the number of shares outstanding, per share amounts of the Company's common stock have been restated to reflect the effect of the stock split for all periods presented.

Stockholders' equity reflects the stock split by reclassifying from "Additional paid-in capital" to "Common stock" an amount equal to the par value of the additional shares arising from the split.

In July 2006 a former officer and shareholder of the company canceled 60,000 shares of common stock.

In September 2006, the Company issued 40,000,000 pre reverse split shares of common stock to a Brazilian company as partial payment for 51% interest in the Joint Venture.

In September 2006, the Company issued 10,000,000 pre reverse split shares of common stock to purchase the option on mineral rights related to the mining property involved in the Joint Venture.

During the year ended June 30, 2007, the Company issued 1,230,000 pre reverse split shares of common stock in payment of certain services, settlement of prior litigation and compensation to officers and directors of the Company.

During the year ended June 30, 2007, the company sold 1,291,00 pre reverse split shares of stock, under Regulation S promulgated by the U.S. Securities and Exchange Commission under the Securities Act of 1933, in the amount of \$237,940.

During the year ended June 30, 2007 the Company issued 1,200,000 pre reverse split shares of common stock in a Private Placement of shares of common stock and warrants at \$0.50 per unit for a total of \$600,000.

During the year ended June 30, 2007, the Company issued 1,240,000 pre reverse split shares of common stock in a Private Placement at \$0.25 per share for a total of \$310,000.

During the year ended June 30, 2008, the Company sold 13,608,000 pre reverse split shares of stock under Regulation S promulgated by the U.S. Securities and Exchange Commission under the Securities Act of 1933, in the amount of \$1,312,621.

During the year ended June 30, 2008, the Company issued 1,365,000 pre reverse split shares of common stock in payment of certain services for the Company.

During the year ended June 30, 2008, the Company issued 625,000 pre reverse split shares of common stock in a Private Placement at \$0.04 per share for a total of \$25,000.

In January 2009, the Company issued 120,000,000 pre reverse split shares to an individual for payment of accrued interest on a \$450,000 convertible note.

On March 26, 2009, in conjunction with the merger into the Nevada corporation, Brazilian Mining Corporation, the Company effected a 1 for 1,000 share reverse stock split. All references to shares in these financial statements and footnotes have been reported based on this reverse stock split.

On April 3, 2009, the Company issued 11,100,000 shares of its common stock to eliminate \$111,000 in outstanding principal owed to holders of Convertible Promissory Notes.

During the year ended June 30, 2009, the Company issued 43,151 shares of stock under Regulation S and Private Placements for a total of \$111,785.

During the year ended June 30, 2009, the Company issued 49,000,000 shares of its common stock to five individuals for services rendered. A related expense was recognized of \$490,000.

During the quarter ended June 30, 2009, the Company issued 16,500,000 shares of its common stock to reduce its Convertible Notes payable by \$165,000.

During the quarter ended September 30, 2009, the Company issued 17,400,000 shares of its common stock to reduce its Convertible Notes payable.

In January 2010 the Company issued 143,200,000 shares of common stock to pay in full a note payable and its accrued interest totaling \$143,200.

In January 2010 the President of the Company returned and canceled 20,000,000 shares of common stock.

In February 2010 the Company issued 25,000,000 shares of common stock to pay in full an accrued liability of \$25,000 to a former officer.

In February 2010 the Company issued 175,500,000 shares of common stock to acquire a 80% stake in Terrax, Inc. (See Note 12).

In June 2010 the Company issued 48,199,100 shares of common stock to pay in full an accrued liability of \$48,199 to a former officer.

Note 4 - PREFERRED STOCK

During the quarter ended September 30, 2009, the Company approved a Series of preferred stock to be known as the Series A Convertible Preferred Stock. This special class of preferred stock was created out of the 50,000,000 shares of preferred stock of the Company. The powers, preferences and rights granted to the Series A Convertible Preferred Stock is as follows:

- a. Each outstanding share shall have one thousand votes on all matters submitted to stockholders.
- b. Voting as a class the shareholders shall have the right to elect three (3) persons to serve on the Company's Board of Directors.
- c. There are no liquidation preference rights.
- d. There are no dividends.
- e. The shares are not subject to redemption by the Company.
- f. Each outstanding share may be converted at the option of the owner into one (1) share of common stock only at such time as the common stock is quoted for public trading and the Company's market capitalization has exceeded \$50,000,000 for ninety consecutive days.

During the quarter ended December 31, 2009, the Company sold 1,100,000 shares of the Series A Convertible Preferred shares for \$30,000.

Note 5 - STOCK WARRANTS

During the year ended June 30, 2007, the board of directors approved the issuance of warrants to purchase an aggregate of 1,200 shares of the Company's common stock. Such warrants are exercisable at \$0.0006 per share, are fully vested and expire on August 28, 2010. The warrants were issued in conjunction with a Private Placement of 1,200 shares of common stock that were sold at \$0.0005 each.

During the year ended June 30, 2008, the board of directors approved the issuance of additional warrants to purchase an aggregate of 500 shares of the Company's common stock.

Such warrants are exercisable at \$0.00012 per share and are fully vested. Of these warrants 300 shares expire on February 1, 2012 and 200 shares expire on March 17, 2012. The warrants were issued in conjunction with a note payable.

Note 6 – JOINT VENTURE

On July 29, 2006, the Company formed a Joint Venture with SL Mineradora Ltda. (Mineradora), a Brazilian company. The name of the Joint Venture is Comercio E Mineracao Sao Luis Ltda. (Joint Venture). The purpose of the Joint Venture was to develop and operate certain diamond mining properties in Brazil.

Mineradora contributed certain tangible assets including plant structures and mining equipment and certain intangible assets which included property and mineral rights. For their contributions Mineradora received 49% interest in the Joint Venture.

The Company was to contribute \$4,500,000 to the Joint Venture for working capital purposes, an additional \$1,000,000 and 4,000,000 common shares of the Company to Mineradora for a 51% interest in the Joint Venture.

The further responsibilities of the Joint Venture partners were that Mineradora was to manage the day to day mining operations and the Company was to direct the administration and marketing activities. Neither of the Joint Venture partners received a fee or otherwise charged the Joint Venture for their services to the Joint Venture.

As of June 30, 2007, the Company paid \$475,000 of the \$1,000,000 owed to Mineradora and issued all 4,000,000 shares of common stock. During the period ended March 31, 2008, the company paid the remaining \$525,000.

As of June 30, 2009, the Company was unable to meet its additional funding agreement based on the original terms of the Joint Venture and therefore has terminated the Joint Venture and accordingly as of June 30, 2009 is no longer consolidating the related financial statements.

For financial reporting purposes as of June 30, 2009, the Joint Venture's assets and liabilities and any income and expenses were consolidated with those of the Company and the outside investor's 49% interest in the Joint Venture is included in the Company's Financial Statements as minority interest.

Note 7 – LOANS PAYABLE

As of June 30, 2010 and June 30, 2009 the Company had three loans payable. The first is in the amount of \$300,000, at a interest rate of 10% per annum and originally payable on May 1, 2008. The second is in the amount of \$50,000, at an interest rate of 7% per annum and originally payable on July 31, 2008. The third is in the amount of \$40,355, at an interest rate of 7% per annum and originally payable on June 30, 2008.

Note 8- CONVERTIBLE NOTE PAYABLE

On October 21, 2008 the Company issued a convertible note payable for previous funds lent to the Company. The note bears interest at fifteen percent per year (15%) and is convertible into common shares at par value. The note may not be converted if after conversion the note holder would own in excess of 9.99% of the then outstanding common shares of stock.

This note was converted into 108,500,000 shares of common stock on January 21, 2010.

Note 9 – NOTE PAYABLE

The company has \$92,250 payable to another corporation as of September 30, 2009 with no interest and due on demand. Subsequent to September 30, 2009 the Company issued a convertible note bearing interest at fifteen percent (15%) in regards to this liability. The note may be converted into common shares of stock at par value. The note may not be converted if after conversion the note holder would own in excess of 9.99% of the then outstanding shares of stock.

On January 21, 2010 \$8,250 of this note was converted into 8,250,000 shares of common stock.

Note 10 – COMMON STOCK COMPENSATION

During the year ended June 30, 2007, the Company issued common stock with an aggregate fair market value of \$125,000 to key executives as compensation.

During the year ended June 30, 2008, the Company issued additional common stock with an aggregate fair market value of \$424,025 to key executives as compensation.

During the year ended June 30, 2009, the Company issued common stock to officers and other individuals for services aggregating \$490,000 as compensation.

Note 11 - COMMITMENTS

The Company leases office facilities under an operating lease which terminated on March 1, 2009. The lease contains an option to renew for an additional two year period, which was exercised. Rental expense for this lease consisted of \$10,450 the fiscal year ended June 30, 2010.

Note 12 – BUSINESS COMBINATION

The Company entered into a Business Combination Agreement dated December 11, 2009 with Terrax Inc., a privately held Nevada corporation ("Terrax"). On February 17, 2010 this transaction was completed. The investment was entered into as Terrax desired to access the financial resources of the Company to develop and distribute their product line. Terrax has a web based customs processing service called WeNetShip (WNS) and a hyper spectral camera system. In February 2010 the transaction was completed and the Company issued Terrax and its designees 175,500,000 shares of common stock and received 851,280 shares of Terrax Class A Preferred shares, representing eighty percent (80%) ownership. Further, the Company agreed to provide up to \$300,000 in financing during the 60 calendar days after the closing. Terrax's President, Murray Owen become Chief Operating Officer and a member of the Company's board of directors.

Note 12 – SUBSEQUENT EVENTS

On October 18, 2010, the Company changed its name to Sierra Desert Holdings Inc.

BRAZILIAN MINING CORPORATION
(FORMERLY SAO LUIS MINING, INC. AND SUBSIDIARY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1 – ORGANIZATION

Sao Luis Mining, Inc., (formerly Mighty Mack USA, Ltd.)(the Company) was organized July 19, 1996 under the laws of the State of Colorado under the name of Oxford Financial Holdings, Ltd. On June 15, 1999 Mighty Mack USA, Ltd., a Mississippi corporation, merged with Oxford Financial Holdings, Ltd. and on July 16, 1999 the Company changed its name to Mighty Mack USA Ltd. The merger was treated as a reverse acquisition for accounting purposes with Mighty Mack USA, Ltd. as the acquirer and Oxford Financial Holdings, Ltd. as the acquiree. The Mississippi corporation, Mighty Mack USA, Ltd. exchanged 53,022,950 shares or 100% of its common stock for 14,000,000 shares of common stock in the Company.

On April 13, 2006 the Company changed its name to Sao Luis Mining, Inc.

In July 2006 the Company formed a Joint Venture, Comercio E Mineracao Sao Luis Ltda. (the Joint Venture) in which it owned a 51% interest. The Joint Venture owned the mineral rights to mine certain property in Motto Grosso, Brazil for diamonds. As of June 30, 2009 the Company terminated this joint venture. (See Note 6).

On February 27, 2009, the issuer's stockholders voted to change it's corporate domicile from Colorado to Nevada and to a name change to Brazilian Mining Corporation. The stockholders also voted to approve a reverse stock split of 1 share for every 1,000 shares issued.

On January 14, 2009 a corporation was formed under the laws of the State of Nevada named Brazilian Mining Corporation and on March 12, 2009 a plan of merger was filed in Colorado which called for each share of the Colorado corporation (Sao Luis Mining, Inc.) issued and outstanding immediately prior to March 26, 2009 to be converted into shares of fully paid and non-assessable shares of the Common Stock of the Nevada corporation, Brazilian Mining Corporation, at a ratio of one to one thousand (1:1,000), with fractional shares rounded up to the next whole share. As a result of the merger, Sao Luis Mining, Inc. became Brazilian Mining Corporation.

The capital structure of Brazilian Mining Corporation consisted of 500,000,000 shares, consisting of 450,000,000 shares of common stock and 50,000,000 shares of preferred stock.

On March 10, 2010 the Articles of Incorporation were amended to increase the authorized capital of the Company to 1,000,000,000 shares, consisting of 950,000,000 shares of common stock and 50,000,000 of preferred stock.

On February 17, 2010 the Company issued 175,500,000 shares of its common stock in exchange for 851,280 Class A Preferred Shares of Terrax, Inc. The exchange provides the Company with an 80% voting and ownership control of Terrax, Inc.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements were prepared in conformity with US GAAP. The Company's functional currency is the United States Dollars (\$) and the accompanying consolidated financial statements were presented in United States Dollars (\$).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include collectability of accounts receivable, accounts payable, sales returns and recoverability of long-term assets.

Principles of Consolidation

The consolidated financial statements include the accounts of Brazillian and its majority owned subsidiary Terrax, and are collectively referred to the Company. All material intercompany accounts, transactions and profits were eliminated in consolidation.

Revenue Recognition

The Company's revenue recognition policies are in compliance with SEC Staff Accounting Bulletin (SAB) 104 (codified in FASB ASC Topic 480). Sales revenue is recognized when the significant risks and rewards of the ownership of goods were transferred to the buyers. No revenue is recognized if there are significant uncertainties regarding the recovery of the consideration due, the possible return of goods, or when the amount of revenue and the costs incurred or to be incurred in respect of the transaction cannot be measured reliably.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment, an Amendment of FASB Statement No. 123" (codified in FASB ASC Topic 718). The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees.

Income Taxes

The Company utilizes SFAS No. 109, "Accounting for Income Taxes," (codified in FASB ASC Topic 740), which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that were included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, (codified in FASB ASC Topic 740) on January 1, 2007. As a result of the implementation of FIN 48, the Company made a comprehensive review of its portfolio of tax positions in accordance with recognition standards established by FIN 48. As a result of the

implementation of Interpretation 48, the Company recognized no material adjustments to liabilities or stockholders' equity. When tax returns are filed, it is likely that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest associated with unrecognized tax benefits are classified as interest expense and penalties are classified in selling, general and administrative expenses in the statements of income. The adoption of FIN 48 did not have a material impact on the Company's financial statements.

At June 30, 2010 and June 30, 2009, the Company had not taken any significant uncertain tax position on its tax returns or in computing its tax provision.

Statement of Cash Flows

In accordance with SFAS No. 95, "Statement of Cash Flows" (codified in FASB ASC Topic 230), cash flows from the Company's operations are based upon local currencies. As a result, amounts related to assets and liabilities reported on the statement of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheet.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are cash and other receivables arising from its normal business activities. The Company places its cash in what it believes to be credit-worthy financial institutions.

Risks and Uncertainties

The Company is subject to substantial risks from, among other things, intense competition associated with the industry in general, other risks associated with financing, liquidity requirements, rapidly changing customer requirements and limited operating history.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then

the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material would be disclosed.

Loss contingencies considered to be remote by management are generally not disclosed unless they involve guarantees, in which case the guarantee would be disclosed.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash in demand deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. At June 30, 2010 and 2009, the Company had approximately \$15,673 and \$363 cash in banks, respectively, of which all deposits were covered by insurance. The Company has not experienced any losses in such

Property, Plant & Equipment

Property, plant and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the straight-line method for substantially all assets with estimated lives of:

Office equipment	3 -5 years
Plant and mining equipment	3 -15 years

As of June 30, 2010 and 2009, property, plant and equipment consisted of the following:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Plant and mining equipment	\$ 18,769	\$ 28,533
Office furniture and equipment	10,714	9,020
	<u>29,483</u>	<u>37,553</u>
Accumulated depreciation	<u>(9,552)</u>	<u>(8,095)</u>
Total	<u>\$ 19,931</u>	<u>\$ 29,458</u>

Depreciation expense was \$2,344 and \$4,657 for the year ended June 30, 2010 and 2009, respectively.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination

of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815.

As of June 30, 2010 and 2009, the Company did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

Development Stage Enterprise

The Company is considered a development stage enterprise as it is in the development stages of implementing their business plan and has not begun to receive any material revenue. Accordingly the financial statements have been prepared in accordance with financial accounting standards related to development stage enterprises.

Basic and Diluted Earnings per Share (EPS)

Basic EPS is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed similar to basic net income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if all the potential common shares, warrants and stock options had been issued and if the additional common shares were dilutive. Diluted net earnings per share are based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Advertising

Advertising expenses consist primarily of costs of promotion for corporate image and product marketing and costs of direct advertising. The Company expenses all advertising costs as incurred.

Intangible Assets

The Company applies criteria specified in SFAS No. 141(R), "Business Combinations" (codified in FASB ASC Topic 805) to determine whether an intangible asset should be recognized separately from goodwill. Intangible assets acquired through business acquisitions are recognized as assets separate from goodwill if they satisfy either the "contractual-legal" or "separability" criterion. Per SFAS 142, (codified in FASB ASC Topic 350), intangible assets with definite lives are amortized over their estimated useful life and reviewed for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets" (codified in FASB ASC Topic 360). Intangible assets, such as purchased technology, trademark, customer list, user base and non-compete agreements, arising from the acquisitions of subsidiaries and variable interest entities are recognized and measured at fair value upon acquisition. Intangible assets are amortized over their estimated useful lives from one to ten years. The Company reviews the amortization methods and estimated useful lives of intangible assets at least annually or when events or changes in circumstances indicate that assets may be impaired. The recoverability of an intangible asset to be held and used is evaluated by comparing the carrying amount of the intangible to its future net undiscounted cash flows. If the intangible is considered impaired, the impairment loss is measured as the amount by which the carrying amount of the intangible exceeds the fair value of the intangible, calculated using a discounted future cash flow analysis. The Company uses estimates and judgments in its impairment tests, and if different estimates or judgments had been utilized, the timing or the amount of the impairment charges could be different.

Effective January 1, 2002, the Company adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", (codified in FASB ASC Topic 360) which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations for a Disposal of a Segment of a Business (codified in FASB ASC Topic 225)." The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS 144 (codified in FASB ASC Topic 360). SFAS 144 (codified in FASB ASC Topic 360) requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

Recent accounting pronouncements

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On February 25, 2010, the FASB issued ASU No. 2010-09 Subsequent Events Topic 855 "Amendments to Certain Recognition and Disclosure Requirements," effective immediately. The amendments in the ASU remove the requirement for an SEC filer to disclose a date through which subsequent events have been evaluated in both issued and revised financial statements. Revised

financial statements include financial statements revised as a result of either correction of an error or retrospective application of US GAAP. The FASB believes these amendments remove potential conflicts with the SEC's literature. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

On March 5, 2010, the FASB issued ASU No. 2010-11 Derivatives and Hedging Topic 815 "Scope Exception Related to Embedded Credit Derivatives." This ASU clarifies the guidance within the derivative literature that exempts certain credit related features from analysis as potential embedded derivatives requiring separate accounting. The ASU specifies that an embedded credit derivative feature related to the transfer of credit risk that is only in the form of subordination of one financial instrument to another is not subject to bifurcation from a host contract under ASC 815-15-25, Derivatives and Hedging — Embedded Derivatives — Recognition. All other embedded credit derivative features should be analyzed to determine whether their economic characteristics and risks are "clearly and closely related" to the economic characteristics and risks of the host contract and whether bifurcation is required. The ASU is effective for the Company on July 1, 2010. Early adoption is permitted. The adoption of this ASU will not have a material impact on the Company's consolidated financial statements.

In April 2010, the FASB codified the consensus reached in Emerging Issues Task Force Issue No. 08-09, "Milestone Method of Revenue Recognition." FASB ASU No. 2010-17 provides guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research and development transactions. FASB ASU No. 2010-17 is effective for fiscal years beginning on or after June 15, 2010, and is effective on a prospective basis for milestones achieved after the adoption date. The Company does not expect this ASU will have a material impact on its financial position or results of operations when it adopts this update on January 1, 2011.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has sustained net losses of \$11,126,096 since its inception, and the Company's operations do not generate sufficient cash to cover its operating costs. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has taken certain restructuring steps to provide the necessary capital to continue its operations. These steps included: 1) acquire profitable operations through issuance of equity instruments, 2) to continue actively seeking additional funding and restructure the acquired subsidiaries to increase profits and minimize the liabilities.

Note 3 – COMMON STOCK

In January 2006 the Company issued 60,000 pre-forward split shares of common stock in settlement of certain debts. Of these shares, 50,250 were subsequently cancelled in May 2006, prior to the forward split.

On May 26, 2006, the Company's board of directors declared a forty-for-one stock split, affected in the form of a stock dividend, on the shares of the Company's common stock. Each shareholder of record on May 26, 2006, received an additional thirty nine shares of common stock for each share of common stock then held. The Company issued 43,713 shares. The Company retained the current par value of \$.001 per share for all shares of common stock. Except as otherwise noted, all references in the financial statements to the number of shares outstanding, per share amounts of the Company's common stock have been restated to reflect the effect of the stock split for all periods presented.

Stockholders' equity reflects the stock split by reclassifying from "Additional paid-in capital" to "Common stock" an amount equal to the par value of the additional shares arising from the split.

In July 2006 a former officer and shareholder of the company canceled 60,000 shares of common stock.

In September 2006, the Company issued 40,000,000 pre reverse split shares of common stock to a Brazilian company as partial payment for 51% interest in the Joint Venture.

In September 2006, the Company issued 10,000,000 pre reverse split shares of common stock to purchase the option on mineral rights related to the mining property involved in the Joint Venture.

During the year ended June 30, 2007, the Company issued 1,230,000 pre reverse split shares of common stock in payment of certain services, settlement of prior litigation and compensation to officers and directors of the Company.

During the year ended June 30, 2007, the company sold 1,291,00 pre reverse split shares of stock, under Regulation S promulgated by the U.S. Securities and Exchange Commission under the Securities Act of 1933, in the amount of \$237,940.

During the year ended June 30, 2007 the Company issued 1,200,000 pre reverse split shares of common stock in a Private Placement of shares of common stock and warrants at \$0.50 per unit for a total of \$600,000.

During the year ended June 30, 2007, the Company issued 1,240,000 pre reverse split shares of common stock in a Private Placement at \$0.25 per share for a total of \$310,000.

During the year ended June 30, 2008, the Company sold 13,608,000 pre reverse split shares of stock under Regulation S promulgated by the U.S. Securities and Exchange Commission under the Securities Act of 1933, in the amount of \$1,312,621.

During the year ended June 30, 2008, the Company issued 1,365,000 pre reverse split shares of common stock in payment of certain services for the Company.

During the year ended June 30, 2008, the Company issued 625,000 pre reverse split shares of common stock in a Private Placement at \$0.04 per share for a total of \$25,000.

In January 2009, the Company issued 120,000,000 pre reverse split shares to an individual for payment of accrued interest on a \$450,000 convertible note.

On March 26, 2009, in conjunction with the merger into the Nevada corporation, Brazilian Mining Corporation, the Company effected a 1 for 1,000 share reverse stock split. All references to shares in these financial statements and footnotes have been reported based on this reverse stock split.

On April 3, 2009, the Company issued 11,100,000 shares of its common stock to eliminate \$111,000 in outstanding principal owed to holders of Convertible Promissory Notes.

During the year ended June 30, 2009, the Company issued 43,151 shares of stock under Regulation S and Private Placements for a total of \$111,785.

During the year ended June 30, 2009, the Company issued 49,000,000 shares of its common stock to five individuals for services rendered. A related expense was recognized of \$490,000.

During the quarter ended June 30, 2009, the Company issued 16,500,000 shares of its common stock to reduce its Convertible Notes payable by \$165,000.

During the quarter ended September 30, 2009, the Company issued 17,400,000 shares of its common stock to reduce its Convertible Notes payable.

In January 2010 the Company issued 143,200,000 shares of common stock to pay in full a note payable and its accrued interest totaling \$143,200.

In January 2010 the President of the Company returned and canceled 20,000,000 shares of common stock.

In February 2010 the Company issued 25,000,000 shares of common stock to pay in full an accrued liability of \$25,000 to a former officer.

In February 2010 the Company issued 175,500,000 shares of common stock to acquire a 80% stake in Terrax, Inc. (See Note 12).

In June 2010 the Company issued 48,199,100 shares of common stock to pay in full an accrued liability of \$48,199 to a former officer.

Note 4 - PREFERRED STOCK

During the quarter ended September 30, 2009, the Company approved a Series of preferred stock to be known as the Series A Convertible Preferred Stock. This special class of preferred stock was created out of the 50,000,000 shares of preferred stock of the Company. The powers, preferences and rights granted to the Series A Convertible Preferred Stock is as follows:

- a. Each outstanding share shall have one thousand votes on all matters submitted to stockholders.
- b. Voting as a class the shareholders shall have the right to elect three (3) persons to serve on the Company's Board of Directors.
- c. There are no liquidation preference rights.
- d. There are no dividends.
- e. The shares are not subject to redemption by the Company.
- f. Each outstanding share may be converted at the option of the owner into one (1) share of common stock only at such time as the common stock is quoted for public trading and the Company's market capitalization has exceeded \$50,000,000 for ninety consecutive days.

During the quarter ended December 31, 2009, the Company sold 1,100,000 shares of the Series A Convertible Preferred shares for \$30,000.

Note 5 - STOCK WARRANTS

During the year ended June 30, 2007, the board of directors approved the issuance of warrants to purchase an aggregate of 1,200 shares of the Company's common stock. Such warrants are exercisable at \$0.0006 per share, are fully vested and expire on August 28, 2010. The warrants were issued in conjunction with a Private Placement of 1,200 shares of common stock that were sold at \$0.0005 each.

During the year ended June 30, 2008, the board of directors approved the issuance of additional warrants to purchase an aggregate of 500 shares of the Company's common stock.

Such warrants are exercisable at \$0.00012 per share and are fully vested. Of these warrants 300 shares expire on February 1, 2012 and 200 shares expire on March 17, 2012. The warrants were issued in conjunction with a note payable.

Note 6 – JOINT VENTURE

On July 29, 2006, the Company formed a Joint Venture with SL Mineradora Ltda. (Mineradora), a Brazilian company. The name of the Joint Venture is Comercio E Mineracao Sao Luis Ltda. (Joint Venture). The purpose of the Joint Venture was to develop and operate certain diamond mining properties in Brazil.

Mineradora contributed certain tangible assets including plant structures and mining equipment and certain intangible assets which included property and mineral rights. For their contributions Mineradora received 49% interest in the Joint Venture.

The Company was to contribute \$4,500,000 to the Joint Venture for working capital purposes, an additional \$1,000,000 and 4,000,000 common shares of the Company to Mineradora for a 51% interest in the Joint Venture.

The further responsibilities of the Joint Venture partners were that Mineradora was to manage the day to day mining operations and the Company was to direct the administration and marketing activities. Neither of the Joint Venture partners received a fee or otherwise charged the Joint Venture for their services to the Joint Venture.

As of June 30, 2007, the Company paid \$475,000 of the \$1,000,000 owed to Mineradora and issued all 4,000,000 shares of common stock. During the period ended March 31, 2008, the company paid the remaining \$525,000.

As of June 30, 2009, the Company was unable to meet its additional funding agreement based on the original terms of the Joint Venture and therefore has terminated the Joint Venture and accordingly as of June 30, 2009 is no longer consolidating the related financial statements.

For financial reporting purposes as of June 30, 2009, the Joint Venture's assets and liabilities and any income and expenses were consolidated with those of the Company and the outside investor's 49% interest in the Joint Venture is included in the Company's Financial Statements as minority interest.

Note 7 – LOANS PAYABLE

As of June 30, 2010 and June 30, 2009 the Company had three loans payable. The first is in the amount of \$300,000, at a interest rate of 10% per annum and originally payable on May 1, 2008. The second is in the amount of \$50,000, at an interest rate of 7% per annum and originally payable on July 31, 2008. The third is in the amount of \$40,355, at an interest rate of 7% per annum and originally payable on June 30, 2008.

Note 8- CONVERTIBLE NOTE PAYABLE

On October 21, 2008 the Company issued a convertible note payable for previous funds lent to the Company. The note bears interest at fifteen percent per year (15%) and is convertible into common shares at par value. The note may not be converted if after conversion the note holder would own in excess of 9.99% of the then outstanding common shares of stock.

This note was converted into 108,500,000 shares of common stock on January 21, 2010.

Note 9 – NOTE PAYABLE

The company has \$92,250 payable to another corporation as of September 30, 2009 with no interest and due on demand. Subsequent to September 30, 2009 the Company issued a convertible note bearing interest at fifteen percent (15%) in regards to this liability. The note may be converted into common shares of stock at par value. The note may not be converted if after conversion the note holder would own in excess of 9.99% of the then outstanding shares of stock.

On January 21, 2010 \$8,250 of this note was converted into 8,250,000 shares of common stock.

Note 10 – COMMON STOCK COMPENSATION

During the year ended June 30, 2007, the Company issued common stock with an aggregate fair market value of \$125,000 to key executives as compensation.

During the year ended June 30, 2008, the Company issued additional common stock with an aggregate fair market value of \$424,025 to key executives as compensation.

During the year ended June 30, 2009, the Company issued common stock to officers and other individuals for services aggregating \$490,000 as compensation.

Note 11 - COMMITMENTS

The Company leases office facilities under an operating lease which terminated on March 1, 2009. The lease contains an option to renew for an additional two year period, which was exercised. Rental expense for this lease consisted of \$10,450 the fiscal year ended June 30, 2010.

Note 12 – BUSINESS COMBINATION

The Company entered into a Business Combination Agreement dated December 11, 2009 with Terrax Inc., a privately held Nevada corporation ("Terrax"). On February 17, 2010 this transaction was completed. The investment was entered into as Terrax desired to access the financial resources of the Company to develop and distribute their product line. Terrax has a web based customs processing service called WeNetShip (WNS) and a hyper spectral camera system. In February 2010 the transaction was completed and the Company issued Terrax and its designees 175,500,000 shares of common stock and received 851,280 shares of Terrax Class A Preferred shares, representing eighty percent (80%) ownership. Further, the Company agreed to provide up to \$300,000 in financing during the 60 calendar days after the closing. Terrax's President, Murray Owen become Chief Operating Officer and a member of the Company's board of directors.

Note 12 – SUBSEQUENT EVENTS

On October 18, 2010, the Company changed its name to Sierra Desert Holdings Inc.