

☰ **Mon Dec 11, 2006**

Brazilian Resources Acquires Bridge Financing and Reports Commencement of Production at Monte Cristo

Brazilian Resources, Inc. ("BRAZILIAN" or "the Company") has obtained a US\$5,500,000 bridge loan facility provided by Auramet Trading, LLC ("Auramet") of Fort Lee, New Jersey. This loan will fund the Company's working capital requirements for the near term. The loan will also be used to pay off a US\$1,250,000 credit facility and certain other obligations.

The loan was drawn in full on December 8, 2006 and is subject to a fixed interest rate of 12% per annum paid monthly in arrears on the first business day of the month. The loan is secured by a first priority pledge of 2,000,000 shares of Jaguar Mining, Inc. ("Jaguar"). The loan is due to be repaid no later than 11 months after closing.

As partial compensation for providing the loan, Auramet received warrants to purchase 3,000,000 common shares of BRAZILIAN. The warrants have a tenor of 24 months and the strike price will be based on a determination of the Company's market value and a 15% discount. BRAZILIAN expects to make this determination in the next 30 to 45 days.

Monte Cristo - initiation of production

BRAZILIAN reports that it has commissioned its new base metals concentrate plant at Monte Cristo, which has the capacity to crush 270,000 tonnes per year. Monte Cristo initiated production in Q3 2006 with 8,860 tonnes of ore produced. The tonnage processed reflects start-up operations and should significantly increase as the project ramps up to full operation. This start-up activity resulted in the sale of 363 dry tonnes of zinc. The Company's proportional share of revenue during Q3 2006 was US\$110,022. The Company expects to receive cash flow distributions from this operation commencing in Q2 2007. The Company has engaged SRK Consulting to assist in the preparation of a NI 43-101 report.

SecureFoods, Inc. -- continuing progress

BRAZILIAN continues to advance its investment interest in food irradiation. GRAY*STAR, Inc. ("Gray*Star"), a privately owned company based in Mt. Arlington, New Jersey, USA, is a consultant to the Company in the development of the food irradiation business. The Company entered into an agreement with Gray*Star for options to purchase up to five Genesis irradiation units and to acquire a 25 percent equity interest in Gray*Star. The Company entered into a contract to acquire a site in Feira de Santana, Bahia, Brazil for the development of the first unit and completed plant layout drawings designed to achieve production capacity of 50,000 tonnes per year. The Company is assembling an in-country management team to operate these units.

Investment in Jaguar

An important asset of the Company is its investment in its former subsidiary, Jaguar (TSX:JAG), with a book value of US\$5.2 million at September 30, 2006. BRAZILIAN held 14.5% of Jaguar's common shares at the beginning of 2006. During the year, Jaguar issued additional shares through equity financings, and BRAZILIAN sold or transferred Jaguar shares to settle certain obligations, resulting in a reduction of the Company's ownership in Jaguar to 8.4% at September 30, 2006. The market value of the Company's holdings of Jaguar was approximately US\$23.1 million at December 8, 2006 (3,835,167 shares of Jaguar @ Cdn.\$6.92 and Cdn.\$1.15 per US\$1.00) based on the number of common shares held and the closing price of Jaguar shares on the TSX.

Jaguar produced 18,200 ounces of gold during 2005, its second year of operations, 28,573 ounces of gold in 2006 through September 30 and has announced a goal of sustaining more than 200,000 ounces of low cost gold production annually by 2008.

BRAZILIAN is a company with expertise in seeking, evaluating, financing and owning interests in mining and infrastructure and other complementary industries in Brazil including food irradiation and distribution. The

Company is a reporting issuer in the Provinces of Alberta, British Columbia and Ontario, Canada and currently is not listed on an organized exchange.

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The statements that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

BRAZILIAN's and Jaguar's securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or resold in the United States or to a U.S. person absent registration or an applicable exemption from the registration requirements.

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For more information, send questions and comments to info@brazilianresources.com

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