



23 December 2010

The Manager
ASX Company Announcements Office
PO Box H224, Australia Square
SYDNEY NSW 2001

Dear Sir

Appointment of Chief Executive Officer

The Company is pleased to announce that Mr Malcolm Castle has been appointed Chief Executive Officer of Brazilian Metals Group Limited and its subsidiaries with immediate effect.

Mr Castle was appointed as a director upon the Company completing its acquisition of the Rio Pardo Project and now assumes the CEO's responsibilities.

Malcolm brings a wealth of experience in the management of major exploration programs including, a five year tenure with Fortescue Metals Group. He was also involved in identifying the Company's Rio Pardo Project and the iron ore potential in the North Minas Gerais region.

It is the Company's short term objective to establish a substantial iron ore resource in 2011 and consequently Mr Castle's remuneration package will be tied to achieving that outcome. On the recommendation of the Company's Remuneration Committee, the Company will issue 3 million management options to Malcolm Castle upon the Company under his management having certified a JORC resource of not less than 500 million tonnes of iron ore at a 20% Fe cut off grade by 31 December 2011. Iron ore from this region at this grade can readily be upgraded to 65% Fe or more. This has been demonstrated for similar projects in Brazil.

The other terms are:

- 1 The issue is subject to ASX and Shareholder approval.
- 2 Exercise price will be 33 cents per share.
- 3 Term of 3 years from the date of issue.

Mr Malcolm John Castle - B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM

Mr Castle has over 40 years' experience in exploration geology and project evaluation, working for major companies for 20 years as an exploration geologist. He has wide experience in a number of commodities including iron ore, gold, base metals, uranium and mineral sands. He has been responsible for project discovery through to feasibility study and development in Indonesia and the Pilbara in Western Australia and technical audits in many countries. Mr Castle was a founding member and

permanent employee of Fortescue Metals Group as Technical Services Manager for expansion projects and was an integral member of the team developing the definitive feasibility study for start-up projects at Cloudbreak and Christmas Creek.

Mr Castle completed a Bachelor's Degree in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc (Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), and has the appropriate relevant qualifications, experience, competence and independence to be considered as a "Qualified Person" as defined in the National Instrument 43-101, Canada as well as an "Expert" and "Competent Person" under the Australian Valmin and JORC Codes, respectively.

Shareholder or media contact:

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