



17 May 2011

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

### **New Board and Management Appointments**

Brazilian Metals Group Ltd (ASX Code: **BMG**) wishes to announce a further step towards the Company's development with a restructure of the board and strengthening of its management team.

#### **Chairman – Mr Peter O'Connor (New Appointment)**

The Company is pleased to announce that Mr Peter O'Connor has agreed to join the Company as non-executive chairman and director effective immediately.

#### **Mr Peter O'Connor**

**MA Economics and Political Science, Trinity College, Dublin; called to the Irish Bar, King's Inns, Dublin (1964).**

Mr O'Connor brings to the Company a far-ranging understanding of developed and developing markets from an over 40 year long career in international investment management. He was a co-founder, director and deputy chairman of FundQuest UK Ltd (formerly IMS Manager Selection Ltd) from 1998-2008 and deputy chairman from 2008-2010. FundQuest UK Ltd is a leading research and multi-manager investment group based in London with €50 billion of assets under management or advice as at the end of 2010. Mr O'Connor is chairman of a number of publicly quoted investment companies with particular exposure to Asia, Australia and Canada, including (held through Peter O'Connor & Associates) chairman of Advance Developing Markets Fund (listed on the London Stock Exchange – US\$500 million) and Neo Material Technologies Inc (a producer of rare earth/magnetic products in China and Thailand listed on the Toronto Stock Exchange).

#### **Executive Technical Director - Mr Malcolm Castle**

Given the high level of operational demands accruing from the Company's aggressive expansionary programme, accompanied by a rapidly increasing workload in corporate, financial and commercial activity, Mr Malcolm Castle (current CEO) has been appointed Executive Technical Director responsible for all technical and operational matters. This will enable Mr Castle to focus exclusively on technical and operational matters and more particularly on the development of a JORC resource

at the Company's recently secured Gema Verde project, Granduvale and the remainder of the Company's extensive Rio Pardo tenement holding.

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

Mr Castle has over 40 years' experience in exploration geology and property 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 is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), and has the appropriate relevant experience and qualifications to be an "Expert" and "Competent Person" under the Australian Valmin and JORC Codes respectively.

**Chief Executive Officer – Mr Bruce McCracken (New Appointment)**

Mr Bruce McCracken has agreed to join the Company as chief executive officer and director from July 2011. Mr McCracken will bring significant commercial, financial and corporate experience from a background in investment banking and executive management to the Company.

**Bruce Alexander McCracken BCom, LLB, MBA, GAICD**

Mr McCracken is an experienced business executive having spent 20 years working across a broad range of industries based in Perth, Melbourne and Sydney. Most recently Mr McCracken was Corporate Development Director of the Kirin Group-owned Lion Pty Ltd (previously Lion Nathan National Foods Ltd) focussing on the execution of strategic opportunities, primarily through M&A. Prior to this Mr McCracken was the Group Manager, Corporate Development for the private equity owned industrial materials Amatek Group and was involved in the structuring and negotiation of key transactions leading to the successful divestment of the Amatek business. Before moving to a corporate role in 2003 Mr McCracken was Senior Vice-President Mergers & Acquisitions with Deutsche Bank. Originally a banking and finance lawyer Mr McCracken spent 8 years as an investment banker in various roles with Deutsche Bank, Merrill Lynch, Credit Suisse First Boston and Rothschild Australia Ltd based in both Perth and Melbourne in specialist corporate advisory and project finance roles. Mr McCracken holds Bachelor of Commerce and Bachelor of Laws degrees from the University of Western Australia, an MBA from Melbourne Business School and is a graduate of the Australian Institute of Company Directors.

**Retirements**

Messrs Tom Kelly and Craig Bromley have advised of their intention to retire as directors of the Company with effect from 17 May 2011.

Messrs Kelly and Bromley have served on the Board for several years and participated very constructively in the Company's restructuring and relisting. We thank them and wish them well with their endeavours.

**Summary**

The heated mining sector in Minas Gerais, Brazil, where the Company operates, is highly competitive with strong demand for technical services arising from the significant number of large projects being

developed. This presents challenges in obtaining access to technical resources and services. The Company believes it has reacted well in a relatively short time and this restructure will significantly increase the effectiveness of the highly specialised management now employed by the Company.

BMG was relisted some six months ago. In that time it has put together an impressive portfolio of iron ore prospective assets (with an area exceeding 1,000 sq kms) in the very well regarded Minas Gerais region of Brazil. It has also embarked on a significant exploration programme, set up an operational base in Belo Horizonte, recruited technical and operational staff and now restructured the board to take into account the Company's present and future operational, financial and corporate requirements synonymous with growth.

The Company is in the process of mobilising the two RC drilling rigs currently drilling at Rio Pardo with the intention of moving both rigs to Gema Verde to undertake additional drilling and allow a mineral resource to be estimated at Gema Verde. A mineralised resource in accordance with the JORC code has not been estimated at this stage but substantial work has been completed on geostatistical aspects of the mineralised zone based on the results of the drilling completed. This technique has been used to simulate the zone throughout the entire tenement and a grade tonnage curve prepared.

BMG believes that a significant resource based on JORC code and of similar grade to the adjoining Vale do Rio Pardo Block 8 deposit will be established at Gema Verde in a relatively short time. The size of that resource will depend on results of infill drilling and further studies.

The mineralised zone at Gema Verde is the southern extension of the Block 8 mineralised resource contained within the Vale do Rio Pardo Project held by Honbridge Holdings Limited (Honbridge). Drilling on both sides of the tenement boundary confirm the continuity of the mineralisation. The Vale do Rio Pardo project, Block 8 was originally studied by Votorantim and more recently by the current owner, Honbridge. Subsequent to a reported extensive in-fill drilling program, Honbridge announced an updated mineralised resource estimated in accordance with the JORC Code of 1.135 billion tonnes at 20.57% Fe in the Measured Category, 1.479 billion tonnes at 19.64% Fe in the Indicated Category and 1 million tonnes at 18.34% Fe in the Inferred Category in Block 8. The Vale do Rio Pardo project was purchased by Honbridge in 2009 for a maximum of US\$430 million dollars. Beneficiation tests published by Honbridge indicate that the ROM feed material at grade of around 19% to 20% could readily be upgraded to pellet feed grades of 65% Fe.

**Shareholder or media contact:**

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**Competent Persons Statement**

*While the Company remains optimistic that it will report resources and reserves in the future, any discussion in relation to exploration targets or resource potential is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr Castle is a director of Brazilian Metals Group Limited. He has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*