



Brazilian Metals Group Limited

ACN 107 118 678

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HIGH GRADE COPPER INTERSECTED IN MAIDEN DRILLING PROGRAMME

- **First ten holes at Laxia Prospect intersect 20 to 30 metre wide zone with widespread sulphide mineralisation**
- **First two holes assayed include an intersection of 4.25 m at 2.53 % copper from 30.75 m**
- **The Board is strongly encouraged by these results and has committed to additional drill holes**

Brazilian Metals Group Limited (ASX:BMG) (**BMG or the Company**) is pleased to announce that the first assays from its maiden drilling programme at the Laxia Prospect in the Black Pine area have returned strong copper results. Each of the drill holes has intersected a 20 to 30 metre wide mineralised zone. The drilling to date has confirmed that the exposed mineralisation at the Laxia Prospect extends to at least 140 metres deep (drill hole LMD008).

BMG's Managing Director, Bruce McCracken commented: "The drilling programme at the Laxia Prospect is progressing well with ten holes completed so far. We have identified a broad mineralised zone across all holes and high-grade copper was identified in the first batch of assays. While we have only limited assays from the drilling completed, we are encouraged by the early results and look forward to providing further updates as the programme progresses".



Figure 1: Close-up of high grade copper sulphide mineralisation in LMD001; 30.25-30.35 m.

LAXIA PROSPECT – DRILLING UPDATE

Ten drill holes have been completed and all have intersected a discrete 20 to 30 metres wide, northerly dipping zone along the contact between shattered and massive serpentinite. This zone contains massive to semi-massive, stringer, vein and disseminated sulphide, predominantly pyrrhotite and chalcopyrite. The zone is variably mineralised, though massive chalcopyrite-rich lodes have been identified near the base of the zone in half of the drill holes.

The general host rock is a black, strongly fractured (shattered) serpentinite, which is cut by the mineralised zone. Within the mineralised zone there are discrete mafic intrusions which appear to be spatially related to sulphide mineralisation. It is possible that the sulphide mineralisation is genetically related to the mafic intrusions and thus the Laxia Prospect may be a magmatic-related sulphide deposit.

Assays have been returned from the first two holes only (LMD001-002). The assays represent two shallow drill holes collared from the same drill site and separated by about 20 metres at the depth of mineralisation. Both drill holes confirm a copper sulphide system with potential for associated gold and cobalt. The best result was in LMD002 with 4.25 metres at 2.53 % copper (from 30.75 metres). One sample within this interval returned 0.355 % cobalt (31.92 to 32.3 m). The best gold assay was 3.58 g/t (LMD001 16.8 to 17.2 m).

Assays from the additional drill holes are expected in coming weeks.

ADDITIONAL WORKS

To assist with understanding the relationship between copper and gold at the Laxia Prospect two additional drill holes are planned during the current drilling campaign to test the down-dip extent of outcrops where previous surface assays have returned up to 17 g/t gold. These two holes were part of the previously proposed Phase 2 drilling.

Geological consultants Aurum Exploration have been engaged to undertake 3D modelling of the Laxia Prospect and provide guidance with regards defining a resource.

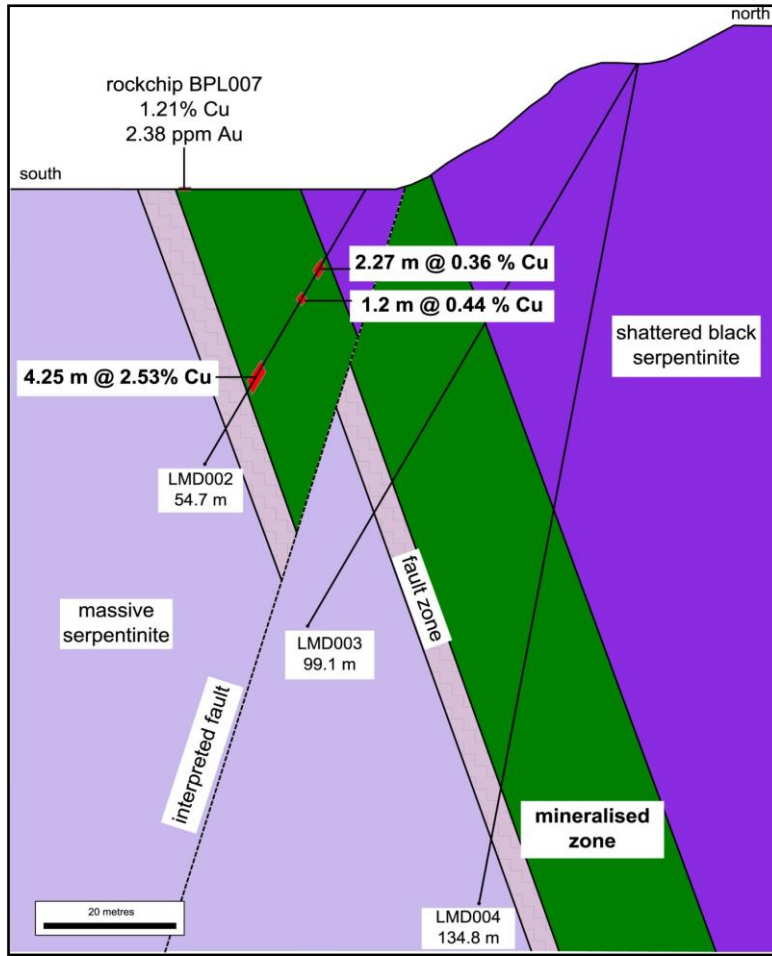


Figure 2: Simplified geological section showing LMD002 to LMD004

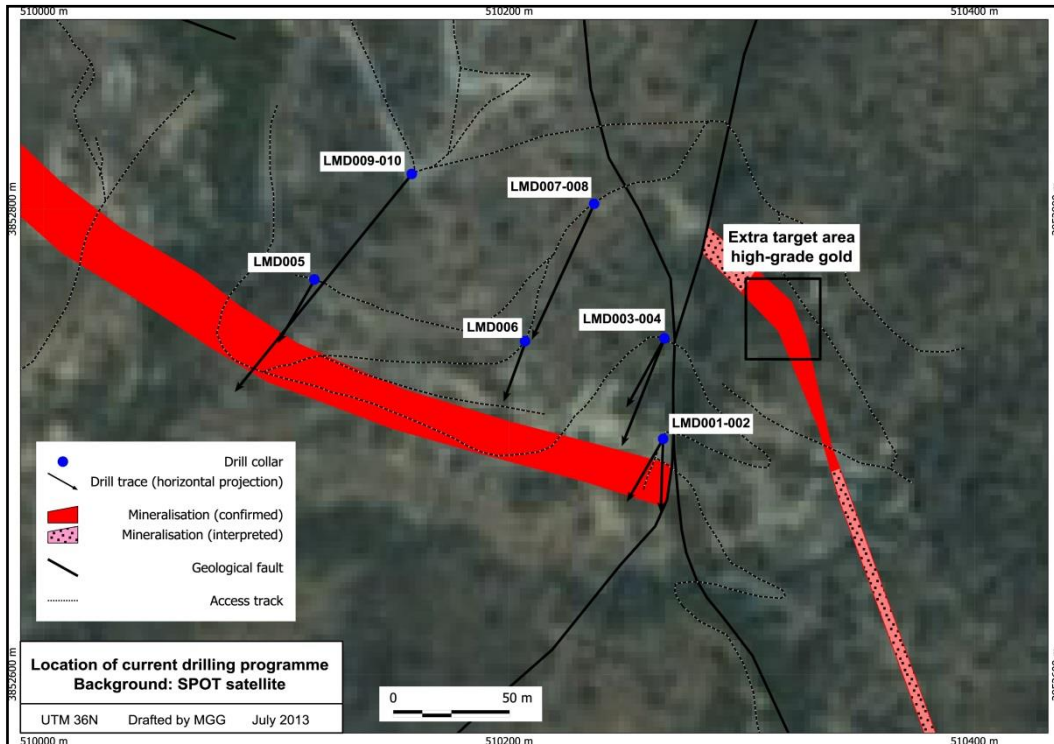


Figure 3: Location of current drilling programme and additional holes

Table 1: Assays from LMD001 and LMD002

Hole_ID	From	To	Width	Au	Co	Cu	
				ppm	ppm	ppm	
LMD001	13	14	1	<0.01	90	190	
LMD001	14	14.5	0.5	<0.01	100	320	
LMD001	14.5	15.3	0.8	<0.01	130	30	
LMD001	15.3	16.09	0.79	0.02	120	530	
LMD001	16.09	16.8	0.71	<0.01	120	60	
LMD001*	16.09	16.8	0.71*	<0.01	110	80	
LMD001	16.8	17.15	0.35	3.58	280	0.39%	
LMD001	17.15	17.73	0.58	0.01	100	100	
LMD001	17.73	28	10.27	no significant assays			
LMD001	28	29	1	<0.01	90	310	
LMD001	29	29.64	0.64	<0.01	300	250	
LMD001	29.64	30.17	0.53	0.2	0.131%	3.19%	0.84 m @ 3.89 % Cu, 0.21 % Co
LMD001	30.17	30.48	0.31	0.21	0.231%	4.24%	
LMD001*	30.17	30.48	0.31*	0.27	0.336%	4.75%	
LMD001	30.48	31	0.52	<0.01	160	280	
LMD001	31	32	1	<0.01	90	120	
LMD001	32	33	1	<0.01	80	100	
LMD001	33	34	1	<0.01	80	80	
LMD001	34	35	1	0.03	130	0.133%	2.1 m @ 0.42 % Cu
LMD001	35	36.1	1.1	0.03	250	0.675%	
LMD002	11	12.16	1.16	<0.01	80	30	
LMD002	12.16	12.75	0.59	<0.01	100	70	
LMD002	12.75	13.39	0.64	0.04	290	0.645%	2.27 m @ 0.36 % Cu
LMD002	13.39	14.2	0.81	0.01	120	290	
LMD002	14.2	14.47	0.27	0.16	430	1.29%	
LMD002	14.47	15.02	0.55	0.01	120	0.232%	
LMD002*	14.47	15.02	0.55*	0.01	150	0.185%	
LMD002	15.02	16	0.98	<0.01	90	120	
LMD002	16	17	1	<0.01	100	60	
LMD002	17	18	1	0.01	100	80	
LMD002	18	18.49	0.49	0.04	120	70	
LMD002	18.49	18.71	0.22	0.32	670	2.13%	1.2 m @ 0.44 % Cu
LMD002	18.71	19.39	0.68	0.04	180	370	
LMD002	19.39	19.69	0.3	0.04	140	0.106%	
LMD002	19.69	20.5	0.81	<0.01	180	920	
LMD002	20.5	21.46	0.96	<0.01	90	110	
LMD002	21.46	22	0.54	0.01	90	100	
LMD002	22	22.2	0.2	0.01	90	120	
LMD002	22.2	29.5	7.3	no significant assays			

LMD002	29.5	30.75	1.25	<0.01	130	450	4.25 m @ 2.53 % Cu
LMD002	30.75	31.21	0.46	0.01	210	0.112%	
LMD002	31.21	31.92	0.71	0.07	790	1.92%	
LMD002	31.92	32.3	0.38	0.62	0.355%	13.05%	
LMD002	32.3	32.88	0.58	0.01	150	0.395%	
LMD002	32.88	33.23	0.35	0.28	0.212%	10.55%	
LMD002	33.23	34	0.77	0.06	160	0.333%	
LMD002*	33.23	34	0.77*	0.02	180	0.469%	
LMD002	34	35	1	0.01	150	0.204%	
LMD002	35	35.95	0.95	<0.01	100	20	
LMD002	35.95	36.8	0.85	<0.01	80	20	

* Field duplicate

Table 2: Location of LMD001 and LMD002

Hole_ID	East	North	Elevation (m)	Dip	Azimuth (mag)	Depth (m)
LMD001	510266	3852701	280	-60°	185°	63.1
LMD002	510266	3852702	280	-60°	210°	54.7

Geographical co-ordinates in UTM36N

ENDS

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results, Exploration Targets and Geological Interpretation is based on information compiled by Dr. Michael Green, who is a Member of the Australasian Institute of Geoscientists ("MAIG"). Dr Green is the Chief Operating Officer and an executive Director of Brazilian Metals Group Limited. Dr Green has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken 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". Dr Green consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Information regarding drilling/assay data

1. Drilling was completed using HQ diamond drilling.
2. Core recoveries through the sampled zone were >95 % and are considered adequate.
3. Samples were selected based on geological criteria, such as gross lithology and sulphide abundance.
4. Only parts of each hole have been sampled based on geological observations. All samples are shown in table provided.
5. Assays are from sawn half core samples, except for field duplicates which are quarter core.
6. Blanks, certified reference material and field duplicates were included with the samples.
7. Assays were completed by ALS Minerals, Loughrea, Ireland using Au-AA26 (50 g fire assay), ME-ICP61a (four acid digest) and Cu-OG62 for overlimit samples (Cu > 10 %).
8. Samples were also analysed for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Cr, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W and Zn. These elements are not considered here.
9. Drill collars were surveyed using a handheld GPS and will be surveyed using DGPS upon completion of the drilling programme.
10. Downhole surveys were conducted using a single-shot camera and each hole showed only minimal deviation.