



10 November 2011

The Listing Manager  
Australian Stock Exchange Ltd  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

**Brazilian Metals Group Limited (“the Company”) – Restricted Securities Release from Escrow and Clarification of items in Quarterly Activities Report**

Restricted Securities

In accordance with Listing Rule 3.10A, Brazilian Metals Group Limited (ASX: BMG) announces that 250,013 ordinary fully paid shares are due to be released from escrow on or after 26 November 2011.

The Company will apply for quotation of the 250,013 shares as required by Listing Rule 2.8.2.

A further 12,361,002 ordinary fully paid shares are also no longer subject to ASX imposed escrow but remain subject to contractual escrow until 26 November 2012 as detailed in the Company’s Notice of Meeting dated 6 October 2010.

Clarification

Further, the Company refers to its Quarterly Activities Report dated 27 October 2011 and makes the following clarifications:

- Paragraph 2 under the heading ‘Rio Pardo’ should state as follows:

“The prospect has a continuous mineralised zone which, to date, has been tested over a 13 km strike length within the Rio Pardo project area. The project has an exploration target of 2-3 billion tonnes (at an approximate grade of 17% Fe), and represents a major target for further exploration drilling. The Company plans to conduct a program of infill drilling, prior to estimating a Resource at the project by mid-2012.”

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- Paragraph 2 of the Competent Persons Statement should state as follows:

“The range of exploration targets is estimated from geological information including drill holes, outcrops and geological information and is shown as a range. 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. Projected production capacity is estimated on reasonable assumptions on conversion of resource and exploration targets to ROM feed and mass recovery of the processing facility.”

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