



Brazilian Metals Group

Company Presentation

November 2011

ASX: BMG

DISCLAIMERS



Exploration Results and Mineral Resources

The information in this presentation 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 the Company and he has sufficient experience relevant to the style of mineralization 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. Resource and Reserve figures quoted in this presentation are in accordance with the JORC code.

Exploration Targets

Exploration targets are estimated from geological information including drill holes, outcrops and geological information and are quoted 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.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning BMG's planned exploration program and other statements that are not historical facts. Although BMG believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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BRAZIL OVERVIEW



- World class iron ore province in Northern Minas Gerais
- Major global investments in Brazil: BHP, Vale, CSN, MMX, Ferrous, ENRC, Honbridge
- Sustainable economic growth 4.5 - 5% pa
- Stable political system, secure tenure, low sovereign risk
- Sophisticated banking and finance systems
- Significant Government investment in infrastructure



BMG – OVERVIEW

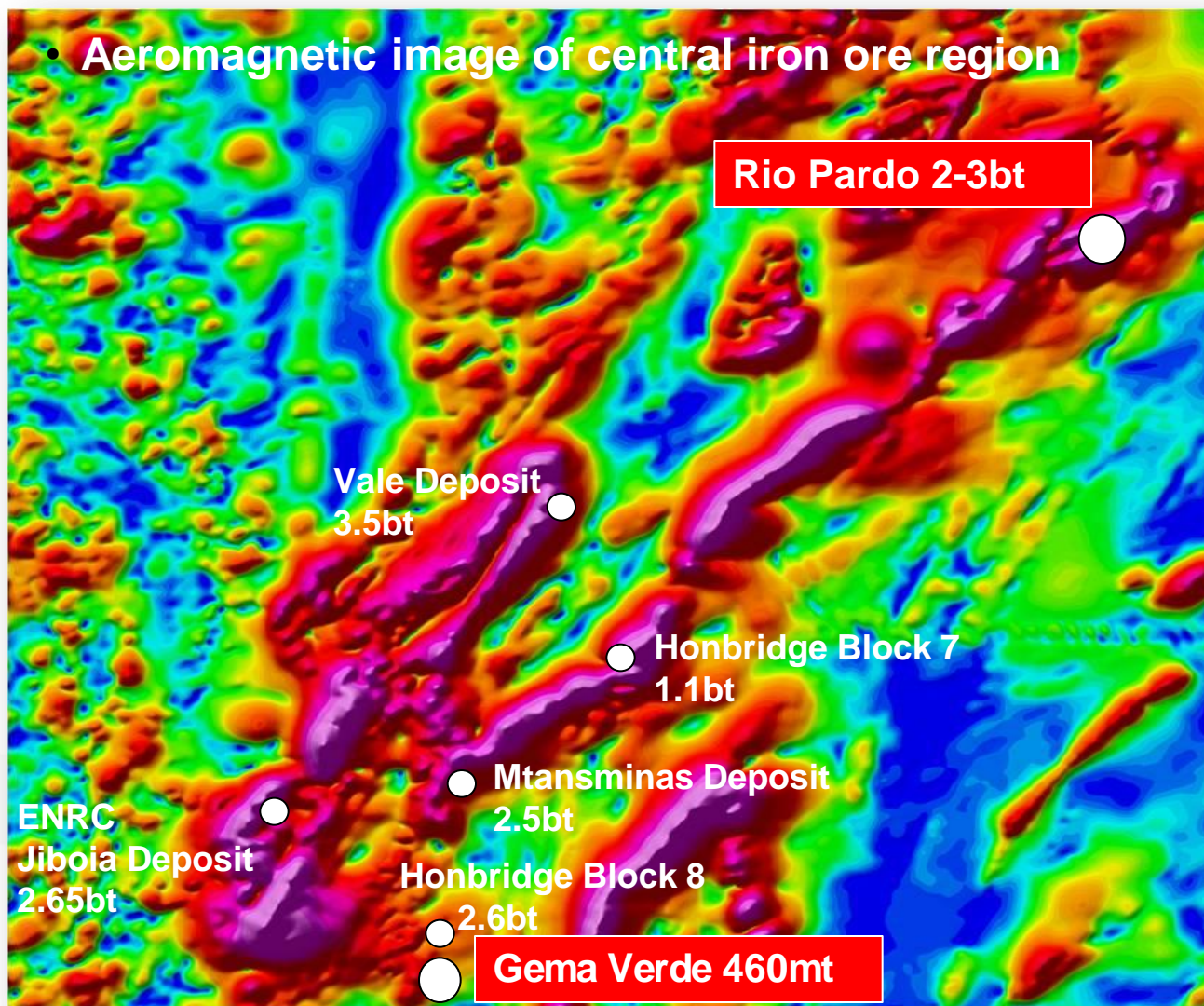


- Strategic intent to develop a 25mt pa premium product operation for export markets with a 20+ year mine life
- Strategic presence in an emerging world class iron ore province
- Regional iron ore acquisitions >US\$2b in the last 18 months
- Potential for 3.5bt of deposits to produce premium iron product at operating costs significantly lower than Australia
- Regional rail and port infrastructure in place or under development
- Experienced management group with successful track record
- Priority to progress feasibility studies and engage with strategic partners

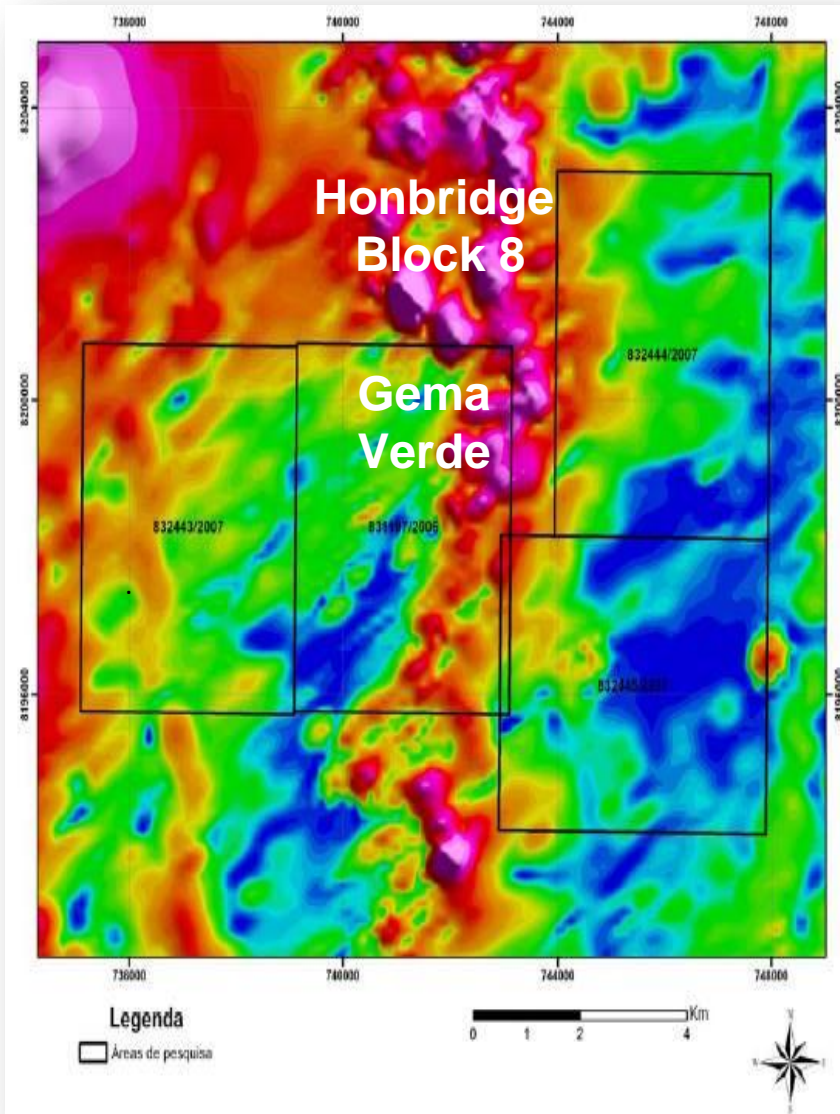
BMG PROJECTS



- Province has potential of 20 – 40bt
- Significant large scale deposits
- Major global resource companies in the region
- All known deposits are associated with A'mag trends
 - Jiboia
 - Vale
 - Mtransminas
 - Honbridge Block 7&8
 - **Rio Pardo**
 - **Gema Verde**

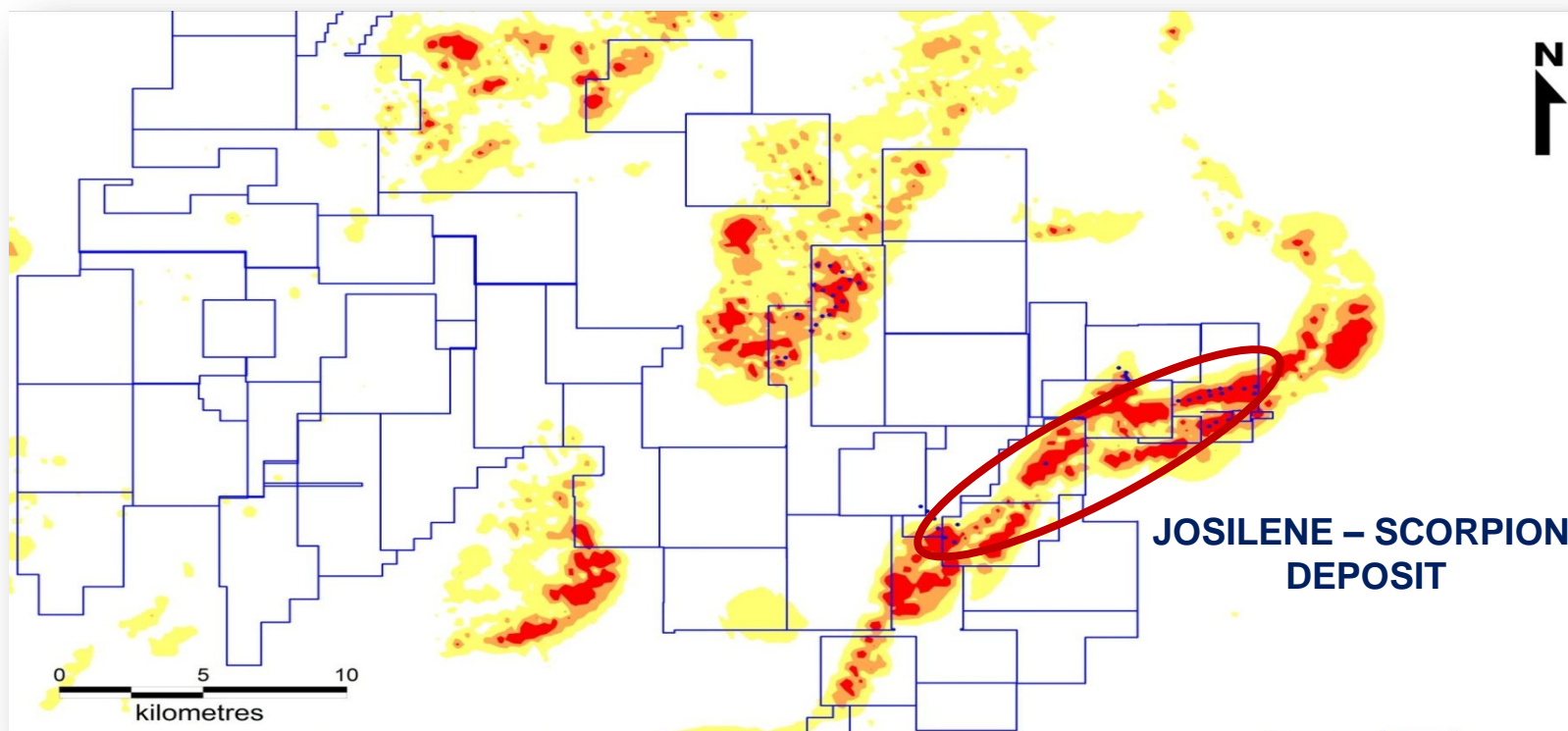


GEMA VERDE DEPOSIT



- **Maiden Mineral Resource of 458.5mt**
 - **Measured – 230mt**
 - **Indicated – 166.5mt**
 - **Inferred – 62mt**
- Contiguous with Honbridge's Block 8 (2.6bt)
- Further potential exists to the west and down dip from Block 8
- Low Strip Ratio and friable ore zones in Block 8 deposit
- Area 75.6km²

RIO PARDO PROJECT

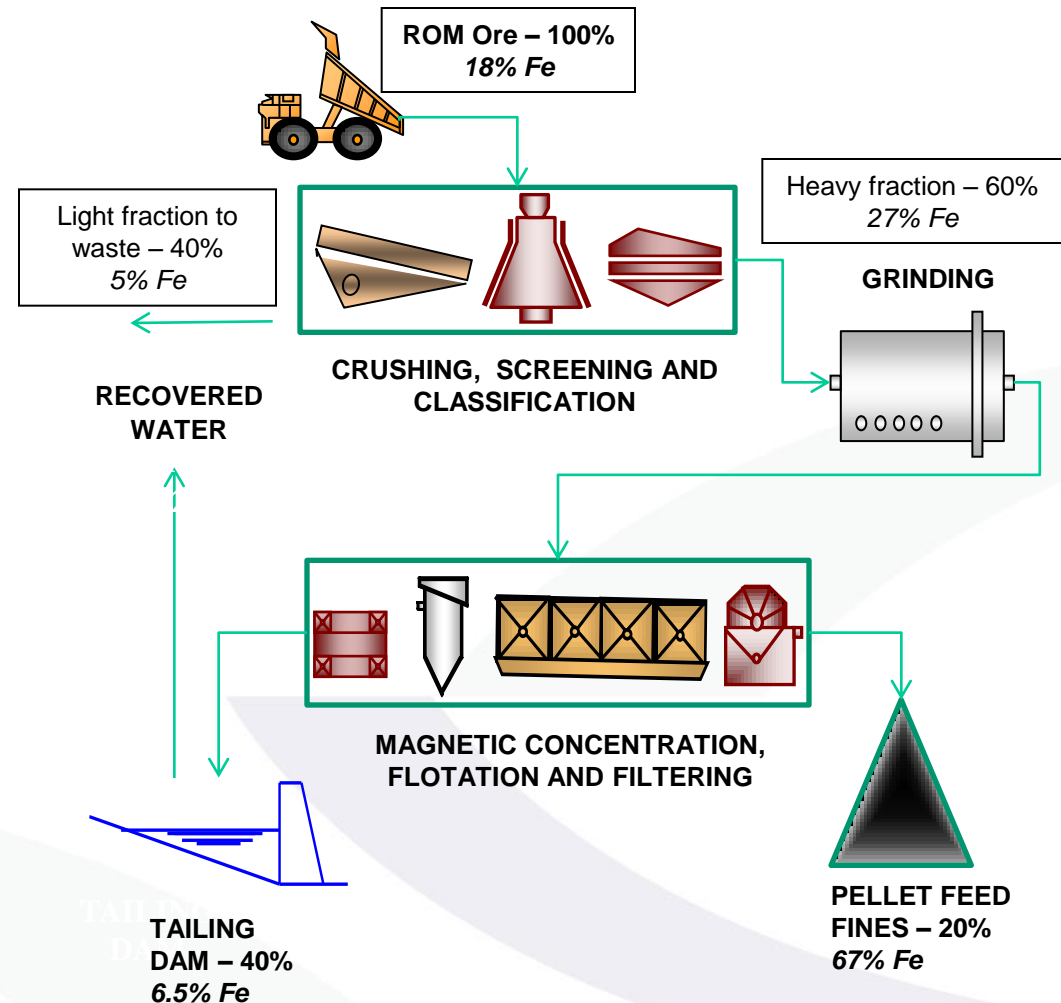


- Exploration Target 2 to 3b tonnes based on current drilling over 13km strike length with 28 RC holes to date*
- Mineralisation extends into the adjoining tenements
- Resource estimation mid 2012
- Area: 887km²

* The potential quantity and grade is conceptual in nature and 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

CONCEPTUAL PROCESS ROUTE

- METS undertaking metallurgical evaluation and process design
- Coarse grained Hematite - Magnetite mineralisation
- Siliceous rock fragments included in host rock
- Low bond work index
- Pre-conditioning with low cost crushing and screening
- Grinding, magnetic separation and flotation to produce pellet feed fines
- Resulting low process operating costs
- Easily upgraded to pellet feed at 67% Fe



AUSTRALIAN COMPARISON



	Pilbara Deposits, Western Australia	Magnetite Deposits, Western Australia	Rapitan Deposits Minas Gerais, Brazil
Age	Lower Proterozoic Banded Iron Formation	Lower Proterozoic Banded Iron Formation	NeoProterozoic Glaciomarine Sediments
Geological History	Tertiary Weathering - insitu upgrade to 55 – 62% Fe	Low grade metamorphism some haematite caps	Structural disruption - insitu upgrade in oxide caps
Mineralogy	Haematite + goethite - low impurities – high grade to DSO	Microcrystalline magnetite + quartz – impurities vary – moderate grade	Moderate sandy hematite + maghemite + magnetite – Low to moderate grade
Grain Size and Products	Lump and fines product of rock fragments – 0.1mm rejected	Very fine grained (colloidal), intergrown, Pellet Feed concentrates	0.2 – 0.5mm average, Pellet Feed and Sinter Feed concentrates
Upgrade Character	Moderate Bond Work index Crush and Grind Deslime to remove <0.1mm Poor upgrade potential	Hard - High Bond Work Index Crush and Grind to 28-38 µm, Mag Sep Moderate upgrade potential	Friable - Low Bond Work Index. Crush and moderate Grind, Mag Sep, Flotation. Very good upgrade potential
Deposit Size	Small pods to Very Large, >1bt, Moderate to High Strip Ratio	0.1 to >1.0 bt High Strip ratio	Very Large, 3 – 4bt Low Strip Ratio
Operating Cost	~A\$35 - 45/t product FOB	~A\$55 – 65/t product FOB	~US\$30 to 35/t product FOB

BRAZIL RAIL INFRASTRUCTURE



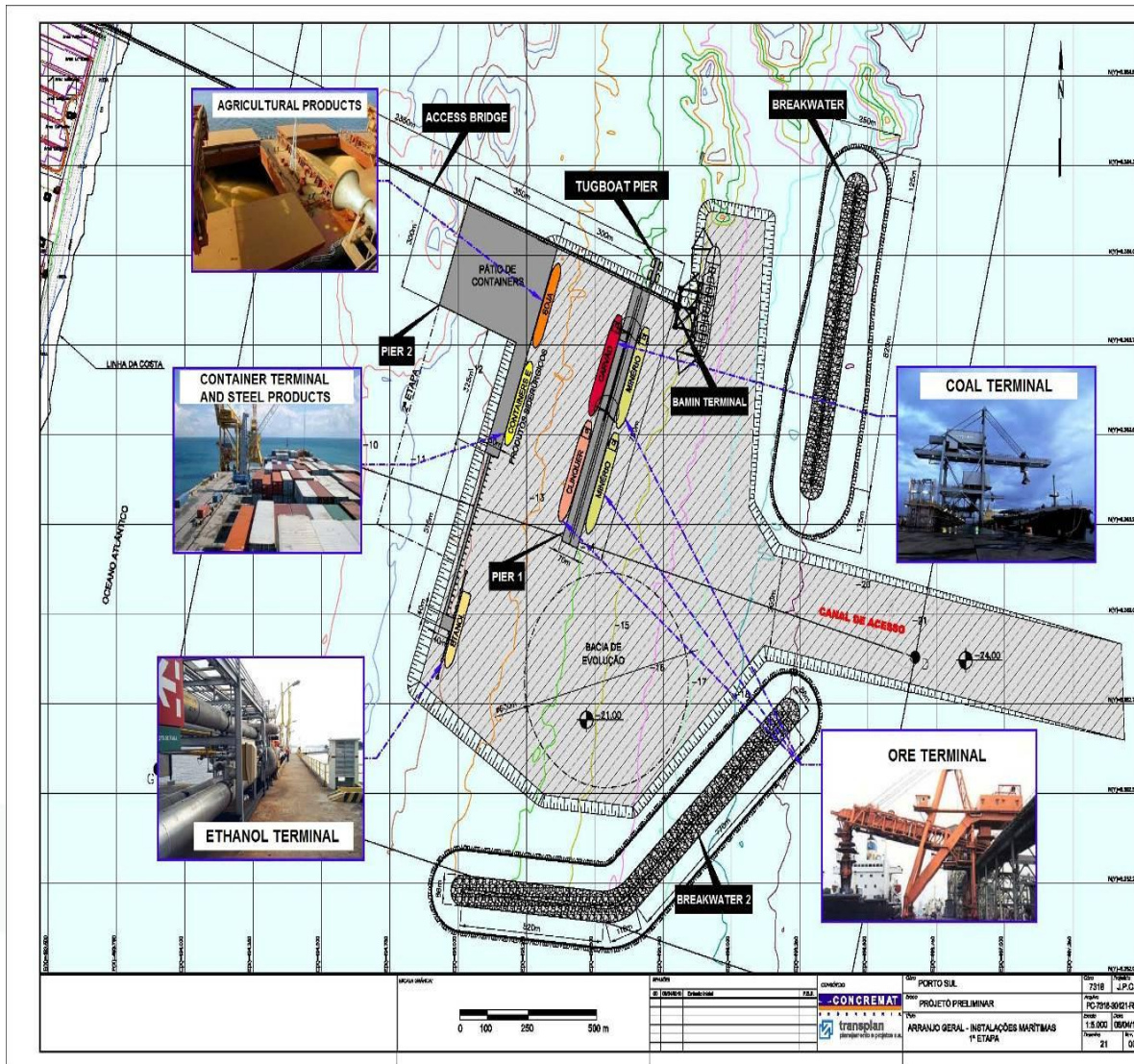
- Rail Ilheus to Caetité will be completed in 2012/13
- State owned open access or shared usage
- Project spur line 160km to Caetité
- Ilheus free access port capacity initially 50mtpa

PORT INFRASTRUCTURE



Proposed Public Port facility

- Location: 25km north of the city of Ilhéus, Bahia
- Port total area of 18km²
- Natural water depth at 19m; port construction favourable for cape size vessels
- Construction by Bahia government; private consortiums considering dedicated facilities
- Initial Iron Ore capacity of 50m tonnes pa



RECENT M&A ACTIVITY



- **Anglo American** purchase of Minas Rio for US\$5.5b in 2007/8
- **Ferrous Resources** acquired exploration tenements for US\$600m in 2007/8. Current valuation approximately US\$3b
- **Steel do Brasil** acquired 80% of **MIBA (Jiboia)** for US\$190m (US\$240m 100%) in March 2010
- **Honbridge** (HK listed, backed by Chinese State owned Xinwen and Shandong Iron & Steel Group Co) acquired **SAM** project in March 2010 for US\$405m
- **Eurasian National Resources Corp (ENRC)** acquired **Bamin** project in September 2010 for an implied value of US\$1.4b
- **ENRC** acquired **MIBA (Jiboia)** in November 2010 for US\$304m
- **BMG** acquisitions via staged payments of US\$120m over 6 years plus a product royalty. (Potential 3.5bt)

BMG INVESTMENT OPPORTUNITY



- Opportunity for ground floor investment into multi billion tonne iron ore project in world class province
- Projected product capacity of 400 to 500mt of pellet feed concentrate at 67% Fe
- Brazilian OPEX significantly lower than Australian producers
- Open access rail and port infrastructure in place or under construction
- High acquisition values for iron projects in region
- Experienced management group with successful track record in delivering projects



SENIOR MANAGEMENT



Mr. Bruce Alexander McCracken - Chief Executive Officer

BCom, LLB, MBA, GAICD - Corporate

Mr McCracken is a business executive with 20 years experience across a broad range of industries. Most recently he was Corporate Development Director of the Kirin Group-owned Lion Pty Ltd (previously Lion Nathan National Foods Ltd), focused on the execution of strategic opportunities, primarily through M&A. He was previously Senior Vice-President Mergers & Acquisitions with Deutsche Bank, Group Manager, Corporate Development for industrial materials Amatek Group, and was originally a banking and finance lawyer.

Mr. Malcolm John Castle - Technical Director

B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM – Applied Geology

Mr Castle has over 40 years experience in exploration geology and project evaluation. He has wide experience in a number of commodities including iron ore, gold, base metals, uranium and mineral sands, and has been responsible for project discovery through to feasibility study and development in a number of projects. He was a founding member of Fortescue Metals Group, and a key member of the team developing the definitive feasibility study for the Cloudbreak and Christmas Creek projects. Mr Castle is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Phillip Fox - Chief Operating Officer, Brazil

BSc , MAIG - Geology

Mr Fox is an exploration geologist with 17 years experience, in gold, base metals and uranium exploration. He has held management roles in Australia, Romania, Brazil and Argentina. He also has experience in resource estimation and production geology. Mr Fox has the capacity to implement the exploration and feasibility aspects of projects to the highest standard. He is based in Belo Horizonte, MG, Brazil.

DIRECTORS



Mr. Peter O'Connor – Chairman

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

Mr O'Connor has over 40 years experience in international investment management, and is chairman of a number of publicly quoted investment companies with particular exposure to Asia, Australia and Canada, including; 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).

Mr. Bruce Alexander McCracken – CEO and Executive Director

Mr. Malcolm John Castle – Executive Technical Director

Mr. Robert James Pett – Non-Executive Director

BA(Hons), MA (Econ), FAICD - Mineral Economist

Mr Robert Pett is a minerals economist with over 27 years experience in exploration and mining. He has overseen the successful exploration, development, operation and financing of a number of mining projects worldwide. This includes gold and nickel mines in Australia and gold mines in East and West Africa. He has also been involved in grass roots discoveries and exploration projects. He holds a Masters Degree from Queens University Canada. Mr Pett is Chairman of Ausgold Ltd (Katanning Gold discovery), Indochina Minerals Ltd and A-cap Resources Ltd and a director of Regalpoint Resources Ltd.

Mr. Anthony Augustine Trevisan – Non-Executive Director

Mr Trevisan has over 30 years corporate experience in the establishment and management of companies, equity and debt financings, mergers and acquisitions, restructuring of mineral resources, petroleum and property based public companies. He has held senior executive positions in listed public companies in the oil & gas, mining, industrial and property sectors, including; Mediterranean Oil & Gas Plc, Arabex Petroleum NL founder and executive director, Callina NL executive chairman, TRG Properties and the Roy Weston Group executive chairman

CAPITAL STRUCTURE



ASX Codes:	BMG/ BMGO
Ordinary Shares* on Issue:	148 Million
Tradeable Options:	137 Million (ex at 20c until 31/03/2014)
Market Cap:	~ A\$10 - 15 Million
52 – Week Trading Range:	A\$0.06 - \$0.33
*Escrowed Shares:	72.2 Million