(An exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2011 and 2010

(Expressed in Canadian Dollars unless otherwise stated)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Brazil Resources Inc.

We have audited the accompanying consolidated financial statements of **Brazil Resources Inc.**, which comprise the consolidated statements of financial position as at November 30, 2011 and 2010, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Brazil Resources Inc.** as at November 30, 2011 and 2010 and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Vancouver, Canada,
March 20, 2012.

Chartered Accountants

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars unless otherwise stated)

	Notes	As at November 30, 2011 ($)	As at November 30, 2010 ($)
Assets			
Current assets			
Cash	6	5,962,909	6,162,062
Other receivables	7	95,324	122,337
Prepaid expenses and deposits		30,872	10,000
		6,089,105	6,294,399
Non-current assets			
Equipment	4	55,051	-
Exploration and evaluation assets	5	188,038	25,000
		6,332,194	6,319,399
Liabilities			
Current liabilities			
Account payables and accrued liabilities	8	383,834	134,047
Due to related parties	13	2,884	-
		386,718	134,047
Equity			
Issued capital	9	9,246,579	6,885,702
Reserves	9	545,954	-
Deficit		(3,847,057)	(700,350)
		5,945,476	6,185,352
		6,332,194	6,319,399

Commitments (Note 15)
Subsequent events (Note 16)

Approved and authorized for issue by the Board of Directors on March 20, 2012.

/s/ “Steve Swatton”
Steve Swatton
Chief Executive Officer, President & Director

/s/ “Pat Obara”
Pat Obara
Chief Financial Officer & Director

The accompanying notes are an integral part of these Consolidated Financial Statements

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars unless otherwise stated)

	Notes	For the year ended November 30, 2011 ($)	2010 ($)
Expenses			
Consulting fees		583,831	149,259
Depreciation	4	6,207	-
Directors' fees, salaries and benefits	13	149,748	-
Exploration expenses	5	989,577	251,418
General and administrative		575,954	73,704
Professional fees		252,790	59,322
Project evaluation costs		127,586	141,076
Share-based compensation	9	491,867	-
		3,177,560	674,779
Operating loss		(3,177,560)	(674,779)
Other items			
Interest income		30,853	-
Net loss for the year		(3,146,707)	(674,779)
Other comprehensive income (loss)		-	-
Total comprehensive loss for the year		(3,146,707)	(674,779)
Net loss per share, basic and diluted		(0.09)	(0.08)
Weighted average number of shares outstanding, basic and diluted		33,331,706	8,773,165

The accompanying notes are an integral part of these Consolidated Financial Statements

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars unless otherwise stated)

	Notes	Issued Capital ($)	Reserves ($)	Deficit ($)	Total ($)
Balance at November 30, 2009		-	-	(25,571)	(25,571)
Issued capital containing:					
Cash and cash equivalents		6,773,552	-	-	6,773,552
Subscription receivable		117,150	-	-	117,150
Direct subscription agreement costs		(5,000)	-	-	(5,000)
Total comprehensive loss for the year		-	-	(674,779)	(674,779)
Balance at November 30, 2010		6,885,702	-	(700,350)	6,185,352
Initial public offering containing:					
Cash		2,470,000	-	-	2,470,000
Share issue costs	9	(251,623)	54,087	-	(197,536)
Issued capital pursuant to acquisition of:					
Exploration and evaluation assets		142,500	-	-	142,500
Share-based compensation		-	491,867	-	491,867
Total comprehensive loss for the year		-	-	(3,146,707)	(3,146,707)
Balance at November 30, 2011		9,246,579	545,954	(3,847,057)	5,945,476

The accompanying notes are an integral part of these Consolidated Financial Statements

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars unless otherwise stated)

	Notes	For the year ended November 30, 2011 ($)	2010 ($)
Operating activities			
Net loss for the year		(3,146,707)	(674,779)
Adjustments for items not involving cash:			
Depreciation	4	6,207	-
Share-based compensation	9	491,867	-
Net changes in non-cash working capital items:			
Other receivables		27,013	(5,187)
Prepaid expenses and deposits		(20,872)	(10,000)
Accounts payable and accrued liabilities		249,787	108,476
Cash used in operating activities		(2,392,705)	(581,490)
Investing activities			
Investment in exploration and evaluation assets	5	(20,538)	(25,000)
Purchase of equipment	4	(61,258)	-
Cash used in investing activities		(81,796)	(25,000)
Financing activities			
Proceeds from issued capital net of share issue costs	9	2,272,464	6,652,622
Advances from related parties	13	2,884	
Cash generated from financing activities		2,275,348	6,652,622
Net increase in cash and cash equivalents		(199,153)	6,046,132
Cash and cash equivalents			
Beginning of year		6,162,062	115,930
End of year		5,962,909	6,162,062

The accompanying notes are an integral part of these Consolidated Financial Statements

1. Corporate Information

Brazil Resources Inc. is a corporation organized under the laws of British Columbia and was incorporated in the Province of British Columbia, Canada, on September 9, 2009, and domiciled in Canada. Together with its subsidiaries (collectively, the "Company"), the Company is principally engaged in the acquisition, exploration and development of mineral properties in Brazil.

Brazil Resources Inc.'s common shares are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "BRI" and are traded on the OTCQX International Market under the symbol "BRIZF". The head office and principal address of the Company is located at Suite 320, 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, Canada.

2. Basis of Preparation

2.1 Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2.2 Basis of presentation

The Company's consolidated financial statements have been prepared on a historical cost basis. The Company's financial statements and those of its wholly controlled subsidiaries are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. Certain line items of the comparative figures have been reclassified to conform to the current year's presentation format.

3. Significant Accounting Policies

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of Brazil Resources Inc. and its wholly controlled subsidiaries. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-company transactions, balances, income and expenses are eliminated through the consolidation process.

3.2 Interest income

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3.3 Foreign currencies

The reporting currency and the functional currency of the Company and its subsidiaries is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates. Transactions performed in a different currency are translated into Canadian dollars using period end exchange rates as to monetary assets and liabilities and average exchange rates as to revenues and expenses. Non-monetary assets are translated at their historical exchange rates. Net gains and losses resulting from foreign currency exchange gains and losses on

transactions occurring in a currency other than the Company's functional currency are included in the determination of net loss.

3.4 Mineral exploration, evaluation and development expenditures

All direct costs related to the acquisition of the exploration rights are capitalized on a property-by-property basis. The Company assesses the carrying costs for impairment when indicators of impairment exist. Exploration and evaluation expenditures are charged to operations incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and evaluation costs and the costs incurred to develop a property are capitalized into mineral properties. On the commencement of commercial production, depletion of each mineral property will be provided on a unit-of-production basis using estimated reserves as the depletion base.

3.5 Mineral property option agreements

When the Company acts as the farmee in a farm-in mineral property option agreement, the direct costs to enter into the agreement are capitalized to exploration and evaluation assets. All exploration and evaluation expenditure incurred by the Company in fulfilling the terms of the agreement is expensed as incurred, until such time as the option is exercised or lapses.

When the Company acts as the farmor in an agreement, it does not record any expenditure made by the farmee. It does not recognize any gain or loss on its exploration and evaluation farm out mineral property option agreements, and instead records any proceeds received as a credit to the amounts previously capitalized as mineral property acquisition costs. Any amounts received in excess of amounts capitalized are taken as a gain to the consolidated statement of comprehensive loss.

3.6 Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the

deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settle or recovered.

3.7 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. The Company has classified other receivables as loans and receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive loss except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

The Company has not designated any financial assets, upon initial recognition, as at fair value through profit or loss.

3.8 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company has classified accounts payables and accrued liabilities and due to related parties as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the consolidated statement of comprehensive loss.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss excludes any interest paid on the financial liabilities.

The Company has not designated any financial liabilities, upon initial recognition, as at fair value through profit or loss.

3.9 Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to other receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

3.10 Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expired or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.12 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 11.

3.13 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount, net of depreciation, that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

3.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground /environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development / construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognized in profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

For closed sites, changes to estimated costs are recognized immediately in profit or loss.

3.15 Cash and cash equivalents

Cash and cash equivalents are comprised of cash at banks, on hand and any short-term investments maturing within ninety days.

3.16 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.17 Net loss per share

Basic net loss per share includes no potential dilution and is computed by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding for the period.

The basic and diluted net loss per share are the same as there are no instruments that have a dilutive effect on earnings.

3.18 Property, plant and equipment

Property, plant, and equipment are recorded at cost and are depreciated using the straight-line method over their estimated useful lives. Equipment is depreciated over an estimated useful life ranging from two to five years.

When an item of property, plant and equipment have different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of comprehensive loss as incurred.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted as required.

3.19 Leases

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

3.20 Share-based payment

The Company grants stock options to certain directors, employees, and consultants of the Company. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The Company uses the Black-Scholes option-pricing model to determine the grant date fair-value of share-based awards.

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes, provides services that could be provided by a direct employee, or has authority and responsibility for planning, directing and controlling the activities of the Company, including non-executive directors. The fair value is measured at grant date and recognized over the period during which the options vest.

For consultants, the fair value of the award is recorded in income over the term of the service provided, and the fair value of the unvested amounts are revalued at each reporting period over the service period.

Consideration received on the exercise of stock options is recorded as issued capital and the related share-based compensation reserve is transferred to issued capital.

3.21 Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant estimates relate to valuation of recoverability of other receivables, asset impairment testing and valuation of share-based compensation and warrants.

The most significant judgments relate to the recognition of deferred tax assets and liabilities and the determination of the economic viability of a project.

3.22 Changes in accounting policy and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective as of December 1, 2010:

- IAS 32 Financial Instruments: Presentation (amendment) effective February 1, 2010
- Improvements to IFRSs (May 2010)

The impact of the adoption of the standards or interpretations is described below.

IAS 32 Financial Instruments: Presentation (Amendment)

The IASB issued an amendment that alters the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The adoption of the amendment did not have any impact on the financial position or performance of the Company.

Improvements to IFRSs

In May 2010, the IASB Board issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the amendment did not have any impact on the financial position or performance of the Company.

- *IFRS 3 Business Combinations*: The measurement options available for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value, unless another measurement basis is required by another IFRS, e.g. IFRS 2. The amendments to IFRS 3 are effective for annual periods beginning on or after July 1, 2011.

- *IFRS 7 Financial Instruments: Disclosures*: The amendment was intended to simplify the disclosures required, by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

- *IAS 1 Presentation of Financial Statements*: The amendment clarifies that an option to present an analysis of each component of other comprehensive income either in the consolidated statement of changes in equity or in the notes to the consolidated financial statements.

3.23 Standards issued but not yet effective

At the date of approval of the consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective. The standards, amendments and interpretations issued, which the Company reasonably expects to be applicable at a future date, are listed below. The Company intends to adopt those standards, amendments and interpretations when they become effective. The Company expects no material impact from the adoption of these standards, amendments and interpretations on its financial position or performance.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment becomes effective for annual periods beginning on or after July 1, 2012.

IAS 12 Income Taxes – Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after January 1, 2012.

IAS 24 Related Party Disclosures (Amendment)

The IASB issued an amendment to IAS 24 that clarified the definition of the related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The adoption of the amendment did not have any significant impact on the financial position or performance of the Company.

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Company does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but no derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associates with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have no impact on the classification and measurement of the Company's financial assets and financial liabilities.

IFRS 10 Consolidated Financial Statements

IFRS 10 establishes control as the basis for an investor to consolidate its investees; and defines control as an investor's power over an investee with exposure, or rights, to variable returns from the investee and the ability to affect the investor's returns through its power over the investee. It replaces SIC-12 – *Consolidation – Special Purpose Entities* and the requirements relating to consolidated financial statements in IAS 27 – *Consolidated and Separate Financial Statements*. This standard becomes effective for annual periods beginning on or after January 1, 2013.

IFRS 11 Joint Arrangements

IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. It requires that a joint operator recognize and measure the assets, liabilities, revenues and expenses in relation to its interest in the joint arrangement in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses, while a joint venturer recognizes its investment in a joint arrangement using the equity method. This standard becomes effective for annual periods beginning on or after January 1, 2013.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 is a new standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purposes vehicles and other off balance sheet vehicles. The standard becomes effective for annual periods beginning on or after January 1, 2013.

IFRS 13 Fair Value Measurement

IFRS 13 establishes new guidance on fair value measurement and disclosure requirements. It requires entities to disclose information about the valuation techniques and inputs used to measure fair value. This standard is effective for annual periods beginning on or after January 1, 2013.

4. Equipment

	Computer Equipment ($)	Furniture and Fixtures ($)	Leasehold Improvement ($)	Total ($)
Cost				
Balance at November 30, 2010	-	-	-	-
Additions	39,718	20,093	1,447	61,258
Balance at November 30, 2011	39,718	20,093	1,447	61,258
Accumulated Depreciation				
Balance at November 30, 2010	-	-	-	-
Depreciation for the year	4,231	1,674	302	6,207
Balance at November 30, 2011	4,231	1,674	302	6,207
Net Book Value				
At November 30, 2010	-	-	-	-
At November 30, 2011	35,487	18,419	1,145	55,051

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5. Exploration and Evaluation Assets

	For the year ended November 30, 2011 ($)	2010 ($)
Balance at the beginning of year	25,000	-
Mineral property option payment	142,500	25,000
Mineral rights acquired	20,538	-
Balance at the end of year	188,038	25,000

Exploration and evaluation assets on a project basis are as follows:

	November 30, 2011 ($)	November 30, 2010 ($)
Montes Áureos and Trinta	167,500	25,000
Maua	340	-
Pireneus	20,198	-
Total	188,038	25,000

The Company's exploration and evaluation assets as detailed below:

Montes Aureos and Trinta

On September 30, 2010, the Company entered into the Option and Joint Venture Agreement with Apoio Engenharia e Mineração (the "Agreement"). Pursuant to the Agreement, the Company has the option to acquire an initial 51% undivided interest in the Montes Áureos Project over a three year period, from September 30, 2010 to September 30, 2013, and an additional 46% undivided interest over an additional two year period, from September 30, 2013 to September 30, 2015. On June 20, 2011, the Company amended the terms of the Agreement by adding the options to acquire Trinta Project for no additional consideration. The Trinta property is subject to the same option terms stipulated in the Agreement.

The Montes Áureos Project is located within the Gurupi gold belt, a gold-producing area in the Pará and Maranhão states in north-eastern Brazil, comprised of a 4,942 acre exploration license. The 23,643 acre Trinta Project is located approximately 3 kilometers northeast of the Montes Áureos Project.

The initial option commitments are as follows:

(1) a cash payment of US $25,000 within seven calendar days of September 30, 2010 (paid);

(2) share issuances of 325,000 fully paid and non-assessable common shares in the capital of the Company in the following manner:
   (a) 125,000 common shares on or before September 30, 2011 (issued with fair value of $142,500);
   (b) 100,000 additional common shares on or before September 30, 2012; and
   (c) 100,000 additional common shares on or before September 30, 2013;

(3) incur exploration expenditures totalling US $1,750,000 in the following manner:
   (a) US $250,000 of the expenditures on or before September 30, 2011 (incurred);
   (b) US $500,000 of additional expenditures on or before September 30, 2012 (incurred); and
   (c) US $1,000,000 of additional expenditures on or before September 30, 2013; and

(4) make all necessary payments in order to keep the Montes Áureos and Trinta projects in good standing during the term of the Agreement.

The Company has the option (the "Second Option") to earn an additional 46% undivided interest in the Montes Áureos and Trinta projects over a two year period, from September 30, 2013 to September 30, 2015. Additional option payments are as follows:

(1) a cash payment of US $1,000,000 on or before September 30, 2015;

(2) share issuances of 700,000 fully paid and non-assessable common shares in the capital of the Company in the following manner:
   (a) 200,000 common shares on or before September 30, 2014; and
   (b) 500,000 additional common shares on or before September 30, 2015; and

(3) incur exploration expenditures to a maximum of US $3,000,000 on or before September 30, 2015, in the following manner:
   (a) US $1,000,000 of the expenditures on or before September 30, 2014; and
   (b) the lesser of either US$2,000,000 of additional expenditures or an amount of expenditures as may be required in order for the Company to obtain a feasibility study respecting any of the interests comprising the Montes Áureos and Trinta projects on or before September 30, 2015.

Upon the Company exercise of the Second Option, Apoio Engenharia e Mineração will have a 3% carried interest in the expenditures until such time as a positive feasibility study is completed. Thereafter, either party may elect to dilute their interest in accordance with the terms and conditions of the Agreement. If such dilution reduces a party's interest below 3%, the interest will convert to a 1.5% net smelter return royalty.

Maua

On September 15, 2011, the Company acquired the 24,678 acre Maua Project in the Gurupi Gold Belt located in Maranhão State, Brazil, and is located approximately 2.5 kilometers west of the Company's Montes Áureos Gold Project.

The Maua property mineral rights were acquired through an application to the Brazilian National Department of Mining Production ("DNPM"). The acquisition of the mineral rights paid to DNPM during the year ended November 30, 2011 was $340.

Pireneus

On November 29, 2011, the Company announced it had staked 247,000 acres covering the Pireneus region in Goias State, Brazil. The Pireneus project area, which contains several occurrences of historic artisanal gold mining operations, is located approximately 150 kilometers west of Brasilia, the capital city of Brazil.

The staked area is being acquired by the Company through an application to the DNPM. The pending application awaits final publication in the Diario Oficial da Uniao (National Gazette). The acquisition of the mineral rights paid to DNPM during the year ended November 30, 2011 was $20,198.

Exploration expenses on a project basis are as follows:

	For the year ended November 30, 2011 ($)	November 30, 2010 ($)	For the period from incorporation, September 9, 2009, to November 30, 2011 ($)
Montes Áureos	856,402	251,418	1,107,820
Trinta	81,573	-	81,573
Maua	30,435	-	30,435
Pireneus	21,167	-	21,167
Total	989,577	251,418	1,240,995

6. Cash

	November 30, 2011 ($)	November 30, 2010 ($)
Cash consists of:		
Cash at bank and on hand	5,962,909	6,162,062
	5,962,909	6,162,062

No income tax or interest has been paid during the year ended November 30, 2011 and 2010.

7. Other Receivables

	November 30, 2011 ($)	November 30, 2010 ($)
Refundable advance	50,000	-
Harmonized sales tax receivable	44,718	5,187
Subscription receivable	-	117,150
Other	606	-
	95,324	122,337

As at November 30, 2011, the Company has no trade receivables, and a receivable of $50,000 was outstanding for a refundable advance towards a property acquisition for which the Company has requested repayment.

As at November 30, 2010, a subscription receivable of $117,150 was outstanding; which was fully settled in December 2010.

8. Accounts Payable and Accrued Liabilities

	As at November 30, 2011 ($)	As at November 30, 2010 ($)
Trade payables	313,640	22,072
Accrued liabilities	56,671	109,880
Other	13,523	2,095
	383,834	134,047

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9. Share Capital

9.1 Authorized

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

9.2 Issued

On May 12, 2011, the Company closed its initial public offering ("IPO") of 3,800,000 common shares at a price of $0.65 per common share for gross proceeds of $2,470,000. The Company paid $144,950 to the agent under the IPO as a cash commission, $46,000 to the agent for the agent's out-of-pocket expenses, and $6,586 to legal and accounting advisers in connection with the IPO.

Pursuant to the IPO, the Company also issued to the agent 76,923 common shares (the "Agent's Shares") in satisfaction of a corporate finance fee and 311,200 broker warrants. Each broker warrant is exercisable at a price of $0.65 on or before May 12, 2012. Fair value of the Agent Shares and broker warrants of $50,000 and $54,087, respectively, were recorded as a deduction from issued capital.
On September 29, 2011, the Company issued 125,000 common shares to fulfill the terms of the Agreement (Note 5).

9.3 Issued Capital

	Note	Number of Shares	Amount ($)
Balance at November 30, 2009		1	-
Subscription agreement		31,164,888	6,890,702
Subscription agreement costs		-	(5,000)
Balance at November 30, 2010		31,164,889	6,885,702
Share redeemed by the Company		(1)	-
Initial public offering @ $0.65 per share		3,800,000	2,470,000
Issue of Agent's Shares		76,923	50,000
Share issue cost		-	(301,623)
Issue pursuant to the Agreement	5	125,000	142,500
Balance at November 30, 2011		35,166,811	9,246,579

9.4 Reserves

	Share Options ($)	Broker Warrants ($)	Total ($)
Balance at November 30, 2010			
Issue of broker warrants	-	54,087	54,087
Share-based compensation	491,867	-	491,867
Balance at November 30, 2011	491,867	54,087	545,954

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9.5 Broker Warrants

	Number of Broker Warrants	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)
Balance at November 30, 2010	-	-	-
Issued	311,200	0.65	1.00
Exercised	-	-	-
Balance at November 30, 2011	311,200	0.65	0.45

The fair value of the broker warrants was estimated using the Black-Scholes option pricing model with an expected life of 1 year, a risk-free interest rate of 1.68%, a dividend yield of 0%, and an expected volatility of 66.68%.

9.6 Share Options

The Company's stock option plan (the "Option Plan") was approved by the Board of Directors of the Company (the "Board") on January 28, 2011. Pursuant to the terms of the Option Plan, the Board may designate directors, senior officers, employees and consultants of the Company eligible to receive incentive stock options (the "Options") to acquire such numbers of common shares (the "Common Shares") as the Board may determine, each Option so granted being for a term specified by the Board up to a maximum of five years from the date of grant. The options vest in accordance with the vesting schedule during the optionee's continual service with the Company. There are no cash settlement alternatives. The maximum number of common shares reserved for issuance for Options granted under the Option Plan at any time is 10% of the issued and outstanding common shares in the capital of the Company. The Option Plan was affirmed, ratified and approved by the Company's shareholders in accordance with its term at the Annual General Meeting held on August 30, 2011.

The changes in the Options during the year were as follows:

	Number of Options	Weighted Average Exercise Price ($)
Balance at November 30, 2010	-	-
Granted	1,587,500	1.22
Balance at November 30, 2011	1,587,500	1.22

The weighted average fair value of Options granted during the year was $0.64 (2010: $nil).

A summary of Options outstanding and exercisable at November 30, 2011:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	Number of Options Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Exercisable	Weighted Average Exercise Price ($)	Weight Average Remaining Contractual Life (years)
$1.20 to $1.25	1,287,500	1.20	4.85	321,875	1.20	4.84
$1.25 to $1.30	300,000	1.30	4.64	225,000	1.30	4.64
	1,587,500	1.22	4.81	546,875	1.24	4.76

On July 21, 2011, the Company granted 300,000 Options to members of the Company's advisory board and an investor relations provider. The Options have an exercise price of $1.30 per common share and expire on July 21, 2016. The fair value of the Options granted has been estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:

Weighted average risk-free interest rate	1.45%
Weighted average expected option life	2.63 years
Weighted average expected stock volatility	85.08%
Weighted average expected dividend yield	Nil

On October 3, 2011, the Company granted 1,182,500 Options to the Company's directors, senior officers, employees and consultants. The Options have an exercise price of $1.20 per common share and expire on October 3, 2016. The fair value of the Options granted has been estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:

Weighted average risk-free interest rate	0.98%
Weighted average expected option life	2.80 years
Weighted average expected stock volatility	89.50%
Weighted average expected dividend yield	Nil

On October 11, 2011, the Company granted 105,000 Options to an employee and a consultant of the Company. The Options have an exercise price of $1.20 per common share and expire on October 11, 2016. The fair value of the Options granted has been estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:

Weighted average risk-free interest rate	1.10%
Weighted average expected option life	2.88 years
Weighted average expected stock volatility	89.68%
Weighted average expected dividend yield	Nil

The fair value of the Options recognized as expense during the year ended November 31, 2011 was $491,867 (2010 – nil) using the Black-Scholes option pricing model.

The Company's common shares commenced trading on the TSX-V on May 16, 2011. Due to the short period of trading history, the expected volatility is based on the historical share price volatility of a group of comparable companies in the sector the Company operated over a period similar to the expected life of the options.

10. Capital Risk Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

At November 30, 2011, the Company's capital structure consists of the equity of the Company (Note 9). The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

The Company expects that, based on the net proceeds from private placement conducted in 2010 and the IPO (Note 9), sufficient capital resources are available to support further expansion and development of its mineral properties.

11. Financial Instruments

The Company's financial assets include cash and other receivables. The Company's financial liabilities include accounts payable and accrued liabilities and due to related parties. The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs have a significant effect on the recorded fair value which are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All of the Company's financial instruments approximate their carrying amounts largely from the short-term maturities of these instruments and are included in Level 1.

11.1 Financial risk management objectives and polices

The financial risk arising from the Company's operations are currency risk, credit risk, liquidity risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how the Company mitigates these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

11.2 Currency risk

The Company's operating expenses and acquisition costs are denominated in U.S. dollars, the Brazilian Real and Canadian dollars. The exposure to exchange rate fluctuations arises mainly on foreign currencies against the Company's functional currency, being the Canadian dollar. The Company does not have any significant foreign currency denominated monetary liabilities.

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations; however, Management monitors foreign exchange exposure.

The Canadian dollar equivalents of the Company's foreign currency denominated monetary assets are as follows:

	As at November 30, 2011 ($)	As at November 30, 2010 ($)
Assets		
United States Dollar	14,443	50,213
Brazilian Real	51,774	47,243
	66,217	97,456

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The following table demonstrates the sensitivity to a 5% change in the exchange rate of the foreign currencies to Canadian dollar on the Company's foreign currency denominated financial instruments based on balances at November 30, 2011 and 2010.

	Effect on loss for the year ended November 30, 2011 Increase/(Decrease) ($)	Effect on loss for the year ended November 30, 2010 Increase/(Decrease) ($)
+5%	3,311	4,873
- 5%	(3,311)	(4,873)

11.3 Interest rate risk

The Company is not exposed to interest rate risk as the Company has no outstanding debt or short and long-term investments. As such, the Company has not entered into any derivative instruments to manage interest rate fluctuations.

11.4 Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the Company's bank balances, the harmonized sales tax receivable ("HST") and refundable cash advances towards contemplated transactions.

The Company mitigates credit risk associated with its bank balance by only holding cash with large, reputable financial institutions.

The HST receivable includes amounts that have been accumulated to date in the Company. At November 30, 2011, 100% of the HST receivable was due from the Canadian Government Taxation Authority.

When entering into property acquisition agreements, the Company uses industry standard agreements and initial payments or advances prior to closing of transactions are meant to be refundable in the event completion of a transaction is not attained. Furthermore, deposit amounts are kept to a minimum in order to mitigate any credit risk associated with a pending transaction.

11.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. To manage liquidity risk, the Company closely monitors its liquidity position and ensures it has

adequate sources of funding to finance its projects and operations. The directors of the Company are of the opinion that, taking the Company's cash reserves and external financial resources into account, the Company has sufficient

working capital for its present obligations for at least the next twelve months commencing from November 30, 2011. The Company's working capital as at November 30, 2011 was $5,702,387. The Company's other receivables, deposits, accounts payable and accrued liabilities and due to related parties are expected to be realized or settled, respectively, within a one year period.

11.6 Commodity price risk

The Company's profitability is dependent on prices of the minerals it is able to realize. Mineral prices are affected by numerous factors such as interest rates, exchange rates, inflation or deflation and global and regional supply and

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demand. The Company currently has no mines in production and therefore has limited exposure to commodity price risk.

12. Income Tax

The Company is subject to Canadian federal and provincial tax for the estimated profit at a rate of 26.67% and 28.63% for the year ended November 30, 2011 and 2010. The Company had no assessable profit for the years ended November 30, 2011 and 2010.

The tax expense for the Company can be reconciled to the consolidated statement of comprehensive loss for the years ended November 30, 2011 and 2010 as follows:

	For the year ended	
	November 30, 2011 ($)	November 30, 2010 ($)
Net loss for the year	3,146,707	674,779
Statutory rate	26.67%	28.63%
Recovery of income taxes at statutory rates	839,630	193,155
Non-deductible permanent differences	(569,210)	(2,464)
Income tax rate differences	16,901	(25,427)
Change in benefits not recognized	(321,988)	(165,264)
Other	34,667	-
Tax recovery for the year	-	-

The deferred income tax assets for the Company that have not been recognized due to the uncertainty of future taxable income are as follows:

	As at November 30, 2011 ($)	As at November 30, 2010 ($)
Non-capital loss carry forward	359,872	87,685
Mineral properties	49,823	84,316
Share issue costs	61,075	-
Cumulative eligible capital	24,152	-
	494,922	172,001
Deferred tax assets not recognized	(494,922)	(172,001)
	-	-

The Company has available non-capital losses which may be carried forward to reduce taxable income in future years. The non-capital losses will expire as follows:

	As at November 30, 2011 ($)	As at November 30, 2010 ($)
Year 2029	2,320	23,571
Year 2030	320,403	327,170
Year 2031	1,116,765	-
Total	1,439,488	350,741

13. Related Party Transactions

13.1 Related Party Transactions

During the year ended November 30, 2011, the Company incurred $24,481 (2010: $nil) in general and administrative expenses related to website design and hosting services paid to a company controlled by a direct family member of a director. The amount was recorded at an exchange amount agreed by related parties. The balance due to related parties of $2,884 as at November 30, 2011 2010: nil) relates entirely to amounts due to a company controlled by a direct family member of a director, and was unsecured, interest-free and repayable on demand.

During the year ended November 30, 2010, the Company received funds from the Company's directors, officer and related entities to the Company's directors and officers in accordance with various subscription agreements in an aggregate amount of $770,269. As at November 30, 2011 and 2010, $nil and $117,150 remained outstanding, respectively, from related parties.

13.2 Transactions with Key Management Personnel

	For the year ended	
	November 30, 2011 ($)	November 30, 2010 ($)
Fees, salaries and benefits[(1)]	64,917	-
Share-based compensation	168,575	-
Total	233,492	-

(1) Total Directors' fees, salaries and benefits of $149,748 disclosed on the consolidated statement of comprehensive loss includes $39,667 paid to the Company's Chief Executive Officer and Chief Financial Officer, $25,250 paid to the Company's directors, and $84,831 paid for employees' salaries and benefits.

Total compensation payable, including share-based compensation, to members of management and directors in the year ended November 30, 2011 was $233,492 (2010: $nil). Compensation is comprised entirely of employment and similar forms of remuneration. Management includes the Chief Executive Officer and Chief Financial Officer, who are also directors of the Company.

14. Operating Segments

The Company conducts its business as a single operating segment, being the acquisition, exploration and development of mineral properties. Substantially all of the Company's assets and liabilities are held within Brazil and as such Company only has one reporting segment.

15. Commitments

In addition to the Agreement (note 5), as at November 30, 2011, the Company entered into consulting agreements, including corporate development and investor relations agreements, which require the Company to pay the following amounts for the following periods:

2012	$ 254,357
2013	$ 109,664
Total	$ 364,021

The Company has a one-year office rental lease agreement which will expire in May 2012. The future minimum lease payments total $10,101 by November 30, 2012.

16. Subsequent Events

On December 8, 2011, the Company announced that its wholly-owned subsidiary entered into an option agreement (the "Option Agreement") to acquire a 100% undivided interest in the 12,000 acre Artulandia Property located in Goias State, Brazil. The Artulandia Property is contiguous to the Company's Pireneus Project. Goias State is an emerging gold-producing district with major international miners.

Pursuant to the Option Agreement, a wholly-owned subsidiary of the Company was granted the option in consideration for an initial payment of approximately $57,000, Brazilian Real ("R") $100,000, paid to Rodrigo Vasconcellos De Moraes E Silvia. Under the option, the Company may acquire a 100% interest in the mineral licences underlying the Artulandia Property by making additional payments of approximately: (i) $28,500 (R$50,000) within 6 months; and (ii) $114,000 (R$200,000) within 12 months of the date of the Option Agreement. If the option is exercised, an additional $570,000 (R$1,000,000) will be payable by the Company upon completion of a positive National Instrument 43-101-compliant pre-feasibility study. The vendor will retain a 1.5% net smelter return royalty on gold production from the property, which may be reduced to 0.5%, at the option of the Company, for a further payment of $685,000 (R$1,200,000). Amounts payable by the Company under the Option Agreement are in Brazilian Real.

On December 28, 2011, the Company announced the successful completion of a non-brokered private placement (the "Private Placement") of 4,324,136 common shares (the "Shares") at a subscription price of $1.10 per Share for aggregate gross proceeds of $4,756,550.

In connection with the Private Placement, the Company paid cash commissions equal to 6% on a portion of the gross proceeds derived from the sale of the Shares in the aggregate amount of $246,213. The Shares issued under the Private Placement are subject to a hold period expiring on April 24, 2012.