

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

Brazilian Gold Corporation (“**Brazilian Gold**” or the “**Company**”)
Suite 308, 595 Howe Street
Vancouver, British Columbia
V6C 2T5

Item 2 Date of Material Change

State the date of the material change.

September 19, 2012

Item 3 News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.

September 19, 2012

The News Release was disseminated to the TSX Venture Exchange and through various other approved public media and filed on SEDAR with the securities commissions of British Columbia, Alberta and Ontario.

Item 4 Summary of Material Change

Brazilian Gold reported the results of the updated NI43-101 compliant mineral resource for the São Jorge gold deposit that includes 14,230,000 t grading 1.18 g/t gold (541,000 oz) in the indicated category and 27,810,000 t grading 0.68 g/t gold (611,000 oz) in the inferred category at a 0.3 g/t cut-off. The estimate incorporates an additional 14,393 m (38 holes) of diamond drilling completed by Brazilian Gold in 2011 as compared to the previous estimate that was based on 22,762 m (110 holes) of diamond drilling completed by the previous operators.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

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The wholly owned São Jorge property (585 km²) is well situated with respect to infrastructure that includes hydro-electric power, a paved highway 3 km due east of the deposit, and a skilled workforce in the nearby town of Novo Progresso located 70 km to the south.

Highlights

- Indicated ounces have increased by 43% (partly reflecting an 18% increase in indicated grade) when compared to the previous resource estimate in the 2011 Preliminary Economic Assessment (PEA) by Coffey both of which were reported at a 0.3 g/t gold cut-off.
- At a 0.5 g/t gold cut-off grade, the indicated gold grade increases to 1.40 g/t gold (Table 1) with a total of 465,000 contained ounces.
- Inferred ounces have increased 9.5% (partly reflecting a 35% increase in tonnage) when compared to the 2011 PEA.
- Selective mining of internal waste in the deposit and diverting this tonnage to a surface stockpile may result in an increase in the head grade delivered to the process plant.
- Potential robust operating margin suggested by the insitu metal value of US\$67/tonne (indicated resource grade of 1.18 g/t and gold price of \$1,765/oz) and the 2011 PEA operating cost of US\$16.36/tonne; (note mineral resources that are not mineral reserves do not have demonstrated economic viability).
- An untested 1.5 km long resistivity +/- chargeability anomaly southeast of the São Jorge deposit is similar to the geophysical signature over the deposit suggesting potential to find additional zones of gold mineralization to the southeast; potential to find new gold deposits on the largely unexplored São Jorge property is considered excellent.
- Strong mineral inventory growth on our three most advanced stage projects—São Jorge, Surubim (Jau) and Boa Vista (VG1); see Tables 2 and 3.

The São Jorge resource estimate is based on 22,762 m (110 holes) of diamond drilling completed by the previous operators and 14,393 m (38 holes) of diamond drilling completed by Brazilian Gold since acquiring the project in late 2010. Gold assays (19,590) were composited at 1 m lengths and interpolated into the block model using multiple indicator kriging. A three dimensional solid model of the primary and oxide mineralization was constructed to constrain the resource estimate. The block model is comprised of individual blocks measuring 5 m by 5 m by 5 m. The mineral resource estimate (oxide and primary mineralization) at various cut-off grades is shown in Table 1; the oxide resource comprises a small part (9 %) of this overall resource. A Preliminary Economic Assessment (PEA) on the São Jorge deposit was completed in June 2011, which indicates an economic open pit cut-off grade of 0.3 g/t gold using a gold price of US\$1,300 and economic parameters as outlined in the report.

Table 1: São Jorge indicate and inferred mineral resource (oxide and sulphide)* at various cut-off grades.

	Lower Cutoff Grade	Million Tonnes	Average Grade	Contained Gold (Kozs)
	(g/t Au)		(g/t Au)	
Indicated Mineral Resource	0.3	14.23	1.18	541
	0.4	12.00	1.29	499
	0.5	10.36	1.40	465
Inferred Mineral Resource	0.3	27.81	0.68	611
	0.4	22.12	0.74	526
	0.5	18.53	0.78	467

**According to National Instrument 43-101 and CIM (2005) an 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, workings and drill holes. Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure.*

The São Jorge deposit is approximately 1,400 m long by up to 200 m wide and has been intersected in drill holes to 350 m depth; the deposit strikes northwest and has a sub-vertical dip. The deposit is hosted in quartz monzogranite and mineralization appears to be spatially associated with a number of discontinuous shear and fracture zones. Alteration minerals included chlorite, epidote, sericite, silica and sulphides that occur along fractures or where the fracture density is high as pervasive alteration. The predominant sulphide is pyrite with minor amounts of chalcopyrite. Gold mineralization is commonly associated with silica-sericite-sulphide alteration and higher gold values are generally associated with higher pyrite content and the presence of chalcopyrite.

Porfirio Cabaleiro, B.Sc., (Mining Engineer), MAIG and Hebert Oliveira, B.Sc. (Geology), MAIG, are the Qualified Persons for the NI43-101 Report on the Resource Estimate of the São Jorge gold deposit and have reviewed and approved the contents of this disclosure as far as it relates to their work.

Garnet Dawson, M.Sc., P.Geo. (British Columbia), Vice President, Exploration for the Company and a Qualified Person, as defined by National Instrument 43-101, has reviewed and approved the technical disclosure contained in this Report.

5.2 Disclosure for Restructuring Transactions

N/A.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102, state the reasons for that reliance.

N/A.

Item 7 Omitted Information

State whether any information has been omitted on the basis that it is confidential information.

N/A.

Item 8 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Ian Stalker, Chief Executive Officer and Director
Tel: 604-602-8188

Item 9 Date of Report

Date the Report.

September 24, 2012