

**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.

December 7, 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.

December 7, 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 an amended NI43-101 mineral resource estimate for the São Jorge gold deposit that was previously announced on September 19, 2012. The amended independent resource estimate was completed by Coffey Mining (Coffey) of Toronto, Ontario.

Coffey confirms that work associated with the Preliminary Economic Assessment (PEA) on the São Jorge project, which is currently in progress, has identified a grade variance between the published resource and the block model. Coffey’s undertaken standard procedure includes internal verification of the block model data when it is imported into the mine design software. Coffey has completed a thorough and detailed investigation and has confirmed that the data in the block model is correct. Further “independent verification” was completed by a Coffey office outside of Toronto, not associated with the São Jorge study, and proficient in the commercial software used for the resource estimate. This work has confirmed the variance and the resulting positive grade revisions to the São Jorge resource estimate.

**Highlights**

- Indicated and inferred gold grades at a 0.3 g/t cut-off have increased significantly as compared to the numbers reported on September 19, 2012 – by 31% (1.18 to 1.54 g/t) and 68% (0.68 to 1.14 g/t), respectively.

- Indicated and inferred gold grades at a 0.5 g/t cut-off now equates to 1.97 g/t and 1.52 g/t, respectively.
- Indicated and inferred gold ounces at a 0.3 g/t cut-off have increased significantly as compared to the numbers reported on September 19, 2012 – by 32% (541,000 to 715,000 ounces) and 69% (611,000 to 1,035,000 ounces), respectively.
- Indicated and inferred gold ounces at a 0.5 g/t cut-off now equates to 666,000 ounces and 918,000 ounces, respectively.
- The amended resource estimate will form the basis of an updated Preliminary Economic Assessment (PEA) that is currently in progress and is due for completion early in 2013.
- Significant increases in the resource grade and tonnage suggests more ounces will be contained within the modeled pit shell resulting in a longer mine life and/or higher production rate at a higher average grade than the previous PEA (July 2011).
- Improving infrastructure, a larger and higher grade resource and the depreciation of the Brazilian Real should result in substantially improved project economics as compared to the previous more than acceptable PEA results.
- The wholly owned São Jorge property (585 km<sup>2</sup>) 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.

### ***Item 5 Full Description of Material Change***

#### **5.1 Full Description of Material Change**

Please see Press Release attached hereto as Schedule “A”.

#### **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.

December 13, 2012

## SCHEDULE "A"

December 7, 2012

Release No. 20/12

**AMENDED RESOURCE ESTIMATE FOR THE SÃO JORGE GOLD DEPOSIT – SIGNIFICANT INCREASE IN GOLD GRADE AND CONTAINED OUNCES  
INDICATED RESOURCE OF 14.42 MT GRADING 1.54 G/T GOLD (715,000 OZ) AND INFERRED RESOURCE OF 28.19 MT GRADING 1.14 G/T GOLD (1,035,000 OZ) AT A 0.3 G/T CUT-OFF**

Brazilian Gold Corporation (TSXV: BGC) reports an amended NI43-101 mineral resource estimate for the São Jorge gold deposit that was previously announced on September 19, 2012 (Tables 1 to 3). The amended independent resource estimate was completed by Coffey Mining (Coffey)\* of Toronto, Ontario and will be documented in an Amended NI43-101 Technical Report that will be posted on SEDAR and our website within 45 days of this News Release.

Coffey confirms that work associated with the Preliminary Economic Assessment (PEA) on the São Jorge project, which is currently in progress, has identified a grade variance between the published resource and the block model. Coffey's undertaken standard procedure includes internal verification of the block model data when it is imported into the mine design software. Coffey has completed a thorough and detailed investigation and has confirmed that the data in the block model is correct. Further "independent verification" was completed by a Coffey office outside of Toronto, not associated with the São Jorge study, and proficient in the commercial software used for the resource estimate. This work has confirmed the variance and the resulting positive grade revisions to the São Jorge resource estimate.

### Highlights

- Indicated and inferred gold grades at a 0.3 g/t cut-off have increased significantly as compared to the numbers reported on September 19, 2012 – by 31% (1.18 to 1.54 g/t) and 68% (0.68 to 1.14 g/t), respectively.
- Indicated and inferred gold grades at a 0.5 g/t cut-off now equates to 1.97 g/t and 1.52 g/t, respectively.
- Indicated and inferred gold ounces at a 0.3 g/t cut-off have increased significantly as compared to the numbers reported on September 19, 2012 – by 32% (541,000 to 715,000 ounces) and 69% (611,000 to 1,035,000 ounces), respectively.
- Indicated and inferred gold ounces at a 0.5 g/t cut-off now equates to 666,000 ounces and 918,000 ounces, respectively.
- The amended resource estimate will form the basis of an updated Preliminary Economic Assessment (PEA) that is currently in progress and is due for completion early in 2013.
- Significant increases in the resource grade and tonnage suggests more ounces will be contained within the modeled pit shell resulting in a longer mine life and/or higher production rate at a higher average grade than the previous PEA (July 2011).
- Improving infrastructure, a larger and higher grade resource and the depreciation of the Brazilian Real should result in substantially improved project economics as compared to the previous more than acceptable PEA results.
- The wholly owned São Jorge property (585 km<sup>2</sup>) 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.

Table 1: São Jorge Resource Estimate reported at various cut-off grades – Oxide Zone.

	Lower Cutoff Grade (g/t Au)	Million Tonnes	Average Grade (g/t Au)	Contained Gold (K oz)
Indicated Resource	<b>0.3</b>	<b>1.78</b>	<b>1.42</b>	<b>81</b>
	0.4	1.49	1.63	78
	0.5	1.25	1.86	75
Inferred Resource**	<b>0.3</b>	<b>1.97</b>	<b>1.10</b>	<b>70</b>
	0.4	1.57	1.30	65
	0.5	1.30	1.47	62

Table 2: São Jorge Resource Estimate reported at various cut-off grades – Sulphide Zone.

	Lower Cutoff Grade (g/t Au)	Million Tonnes	Average Grade (g/t Au)	Contained Gold (K oz)
Indicated Resource	<b>0.3</b>	<b>12.64</b>	<b>1.56</b>	<b>634</b>
	0.4	10.67	1.78	612
	0.5	9.24	1.99	591
Inferred Resource**	<b>0.3</b>	<b>26.23</b>	<b>1.14</b>	<b>965</b>
	0.4	20.86	1.35	905
	0.5	17.48	1.52	856

Table 3: São Jorge Resource Estimate reported at various cut-off grades – Total (oxide and sulphide).

	Lower Cutoff Grade (g/t Au)	Million Tonnes	Average Grade (g/t Au)	Contained Gold (K oz)
Indicated Resource	<b>0.3</b>	<b>14.42</b>	<b>1.54</b>	<b>715</b>
	0.4	12.15	1.77	690
	0.5	10.49	1.97	666
Inferred Resource**	<b>0.3</b>	<b>28.19</b>	<b>1.14</b>	<b>1,035</b>
	0.4	22.43	1.35	971
	0.5	18.78	1.52	918

\*\*According to National Instrument 43-101 and CIM (2010) 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.

Ian Stalker, CEO of Brazilian Gold, commented "The incorrect resource estimate reported on September 19<sup>th</sup> has been amended by the appropriate Qualified Person within the Coffey Mining organization. We are pleased that the amended estimate has resulted in a substantial increase in the overall grade and total ounces for the São Jorge deposit.

The amended resource numbers along with recently completed metallurgy, power studies, environmental assessments, as well as the depreciation of the Brazilian Real will be incorporated in an updated PEA, which should result in substantially better economics than the previous more than acceptable PEA results. The significant increase in the grade and tonnage of the indicated and inferred resource suggests that many more ounces will fall within the pit shell as compared to the 2011 PEA and may provide for a longer mine life and/or higher production rate at a higher overall average head grade. Clearly these revised results, now create a solid foundation for Brazilian Gold to move ahead with great confidence and take São Jorge into mine development, where Brazilian Gold can swiftly become a mid-tier gold mining company.

The amended São Jorge resource statement along with resources outlined on the Surubim (Jau deposit) and Boa Vista (VG1 deposit) projects in 2012 now totals 715,000 ounces (14.42 Mt grading 1.54 g/t gold) in the indicated category and 1,921,000 ounces (59.76 Mt grading 1.0 g/t gold) in the inferred category at a 0.3 g/t gold cut-off. This global resource statement does not include results from a recently completed

*drill program on the Batistão project, which will be the subject of a NI43-101 resource estimate early in 2013.”*

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 press release 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 News Release.

#### **\*About Coffey Mining**

Coffey Mining is a specialist professional services consultancy with expertise in geosciences, international development and project management. Operating for more than 50 years, they are well known in our markets for deep technical skills and market-leading solutions to complex tasks.

Featuring some of the best industry specialists, professionally accredited in all mining jurisdictions globally, the Coffey team is supported by a network of offices throughout the Americas, Africa, Asia Pacific, Europe and the Middle East.

Coffey Mining is proud of its independence and is recognized by all major international financial institutions, resource funds and securities exchanges. This accreditation ensures that all tasks are performed and completed to accepted international audit standards.

#### **About Brazilian Gold Corporation**

Brazilian Gold has a resource inventory of 715,000 ounces of gold grading 1.54 g/t gold in the indicated category and 1,921,000 ounces of gold grading 1.00 g/t gold in the inferred category at a 0.3 g/t cut-off that is hosted in three deposits (Table 4).

Table 4: Brazilian Gold 2012 global resource at a 0.3 g/t gold cut-off.

Project	Deposit	Classification	Cut-off Grade (g/t)	Tonnage	Grade (g/t)	Ounces
São Jorge	São Jorge	Indicated	0.3	14,420,000	1.54	715,000
		Inferred	0.3	28,190,000	1.14	1,035,000
Surubim	Jau	Inferred	0.3	19,440,000	0.81	503,000
Boa Vista	VG1	Inferred	0.3	12,130,000	0.98	383,000
	<b>All deposits</b>	<b>Indicated</b>		<b>14,420,000</b>	<b>1.54</b>	<b>715,000</b>
	<b>All deposits</b>	<b>Inferred</b>		<b>59,760,000</b>	<b>1.00</b>	<b>1,921,000</b>

At a 0.5 g/t cut-off, the resource inventory is 666,000 ounces grading 1.97 g/t gold in the indicated category and 1,663,000 ounces grading 1.32 g/t gold in the inferred category (Table 5).

Table 5: Brazilian Gold 2012 global resource at a 0.5 g/t gold cut-off.

Project	Deposit	Classification	Cut-off Grade (g/t)	Tonnage	Grade (g/t)	Ounces
São Jorge	São Jorge	Indicated	0.5	10,490,000	1.97	666,000
		Inferred	0.5	18,780,000	1.52	918,000
Surubim	Jau	Inferred	0.5	11,960,000	1.06	409,000
Boa Vista	VG1	Inferred	0.5	8,470,000	1.23	336,000
	All deposits	Indicated		10,490,00	1.97	666,000
	All deposits	Inferred		39,210,000	1.32	1,663,000

Brazilian Gold is a Canadian-based public company with a focus on the acquisition, exploration and development of mineral properties in northern Brazil. The Company has title to one of the largest land packages (3,753 km<sup>2</sup>) in the Tapajós and adjacent Alta Floresta gold provinces. The land package contains green fields to more advance stage projects including the Company's flagship São Jorge project. Rapid improvements to regional infrastructure continue to provide underlying support to Brazilian Gold's activities in northern Brazil.

**For further information:**

Brazilian Gold Corporation  
 Ian (John) Stalker, CEO and Director  
 Joanne Yan, President and Director  
 Tel: +1 604 602-8188

*Some statements in this news release contain forward-looking information, including without limitation statements as to planned expenditures and exploration programs. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include without limitation the completion of planned expenditures, the ability to complete exploration programs on schedule and the success of exploration programs.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or the accuracy of this news release.*