# U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 10-K

(Mark One)
☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2019

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 000-55191

# Brazil Minerals, Inc.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Nevada**<br>(State or other jurisdiction of incorporation or organization) | **39-2078861**<br>(IRS Employer Identification No.) |

**Rua Vereador João Alves Praes, nº 95-A**
**Olhos D'Água, MG 39398-000, Brazil**
(Address of principal executive offices)

Issuer's telephone number, including area code: **(833) 661-7900**

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $0.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or, an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company", in Rule 12b-2 of the Exchange Act.

| | |
|---|---|
| Large accelerated filer ☐ | Accelerated filer ☐ |
| Non-accelerated filer ☑ | Smaller reporting company ☑ |
| | Emerging growth company ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

As of June 30, 2019, the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the Registrant's common stock held by non-affiliates (based on the closing sales price of such shares on such date as reported by otcmarkets.com) was approximately $703,150. For the purpose of this report it has been assumed that all officers and directors of the Registrant, as well as all stockholders holding 10% or more of the Registrant's stock, are affiliates of the Registrant.

As of April 11, 2020, there were outstanding 1,030,599,388 shares of the registrant's common stock.

Documents incorporated by reference: None.

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## FORWARD LOOKING STATEMENTS

This Annual Report contains forward-looking statements. Forward-looking statements for Brazil Minerals, Inc. reflect current expectations, as of the date of this Annual Report, and involve certain risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors. Factors that could cause future results to materially differ from the recent results or those projected in forward-looking statements include, among others: unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production; market fluctuations; government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection; competition; the loss of services of key personnel; unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of infrastructure as well as general economic conditions.

## PART I

### Item 1. Business.

### Overview

Brazil Minerals, Inc. with its subsidiaries ("Brazil Minerals", the "Company", "we", "us", or "our") has two components to its business model: (1) growing a portfolio of mineral rights in a wide spectrum of strategic and sought-after minerals, from which equity holdings and/or royalty interests may develop, and (2) mining certain specific areas for gold, diamonds, and sand. Our subsidiaries are listed in Exhibit 21.1 and we consolidate our results as of December 31, 2019 in this Annual Report.

We currently own mineral rights in Brazil for lithium, rare earths, titanium, cobalt, iron, manganese, nickel, gold, diamonds, precious gems, and industrial sand. Our first equity holdings from our exploration project generation strategy is Jupiter Gold Corporation ("Jupiter Gold"). Jupiter Gold has been a public company since December 16, 2016. We owned approximately 34.50% of Jupiter Gold's common stock as of December 31, 2019.

### Markets

*Rough Diamonds*

The market for our rough diamonds is local and with demand from various buyers. Prices for rough diamond are set globally in U.S. dollars.

*Polished Diamonds*

The market for our polished diamonds is global and with prices normally quoted in U.S dollars. The price of our polished diamonds is determined by the so-called four C's – color, carat weight, clarity, and cut. We have had many of our polished diamonds certified and graded at the Gemological Institute of America ("GIA"), which is generally considered the premier analytical laboratory. The highest color grade our polished diamonds have obtained from GIA has been "E", the 2nd highest possible grade (the color scale starts at "D"). The best clarity that our polished diamonds have obtained from GIA has been "VVS1", the 2nd best clarity possible. The majority of our polished diamonds have been graded F-G for color and VVS2-VS2 for clarity. Their cut has been round brilliant, and their weight has been between 0.4 and 2.0 carats. The Rapaport valuation of our polished diamonds graded at GIA has been approximately $3,250 per carat. Rapaport is a diamond service provider that publishes well-known, periodic pricing valuations for diamonds based on the four C's, as described above.

*Gold*

The market for our gold is local with demand from various buyers. The price of our 96%-purity gold bars is determined by the global price for gold and quoted in U.S. dollars.

*Sand*

The market for our sand is local and priced in Brazilian reais. There are various local buyers for our sand, mostly owners of supply stores that cater to the construction industry. Our sand has been analyzed at a well-regarded analytical laboratory in Brazil and found to have high silica levels and low organic matter, both characteristics of high-quality sand.

**Demand**

When we have diamonds and gold for sale, demand for our products has been robust. Demand for our sand is dependent on the health of the Brazilian economy since it is used in construction projects.

**Distribution**

We have not had material issues or bottlenecks with distribution of our products.

**Competition**

Diamonds, gold and sand production are difficult fields to penetrate due to regulatory requirements, long wait times for permitting and limited availability of new resource areas. We have had competition from illegal exploration of sand areas along the Jequitinhonha River, and we have notified the local authorities concerning such activities.

**Seasonality**

Our ability to mine for diamonds and gold is highly seasonal. The local rainy season lasts from December through April during which time open sky mining is reduced or stopped depending on the severity of the rains and storms. We expect that during this period our revenues will be substantially lower than during other periods.

**Raw Materials**

We do not have any material dependence on any raw material or raw material supplier. All of the raw materials that we need are available from numerous suppliers and at market-driven prices.

**Intellectual Property**

None which is material.

**Government Regulation**

*Mining Regulation and Compliance*

Mining regulation in Brazil is carried out by the mining department, a federal entity, and each state in Brazil has an office of this federal entity. For each mineral right that we own, we file any paperwork related to it in the office of the mining department in the state in which such mineral right is located. We believe that we maintain a good relationship with the mining department and that our methods of monitoring are adequate for our current needs.

The mining department normally inspects our operations once a year via an unannounced visit which is their standard practice. We estimate that it costs $5,000-$10,000 annually to maintain compliance with various mining regulations.

*Environmental Regulation and Compliance*

Environmental regulation in Brazil is carried out by a state-level agency, which may have multiple offices, one for each region of the state. For each mineral right that we own, we file any paperwork related to it in the local office of the environmental agency that has the applicable geographical jurisdiction. We believe that we maintain a good relationship with the offices of the environmental agency and believe that our methods of monitoring are adequate for our current needs.

The environmental agency normally inspects our operations once every one or two years which is standard practice for companies in good standing. We estimate that it costs $20,000-$30,000 annually to maintain compliance with various environmental regulations.

Surface disturbance from any open pit mining performed by us is in full compliance with its mining plan as approved the local regulatory agencies. We regularly recuperate areas that have been exploited. The current environmental regulations state that after all mining has ceased (however long that may take), there would still be five years of available time for any necessary recuperation to be performed. Our mining and recovery processing for diamonds and gold does not use any chemical products. Tests are conducted regularly and there are no records of groundwater contamination.

*Export Regulation*

The export of rough diamonds from Brazil complies with the Kimberley Process certification system adopted by the United Nations and of which Brazil is a signatory country. This system was implemented to prevent entrance to the diamond marketplace of those gems produced in areas where human exploitation and other specific illicit activities exist. To our knowledge, Brazil was never a jurisdiction that had such issues.

**Employees and Independent Contractors**

As of December 31, 2019, we had 7 full-time employees. We also retain consultants to provide specific services deemed necessary. We consider our employee relations to be very good.

**Form and Year of Organization & History to Date**

We were incorporated in the State of Nevada on December 15, 2011. From inception until December 2012, we were focused in the software business, which was discontinued when the current management team and business focus began. The Company changed name to Brazil Minerals, Inc. in December 2012.

**Available Information**

We maintain a website at www.brazil-minerals.com. We make available free of charge, through the Public Filings section of the Investors tab on our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information on our website is not, and shall not be deemed to be, a part hereof or incorporated into this or any of our other filings with the SEC.

Our SEC filings are available from the SEC's internet website at www.sec.gov which contains reports, proxy and information statements and other information regarding issuers that file electronically. These reports, proxy statements and other information may also be inspected and copied at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549.

**Item 1A. Risk Factors.**

Some, but not all, of our operating risk factors and the risks of any investment in our stock are listed below.

**Risks Related to Our Operations**

***We have a limited operating history.***

Investors should evaluate an investment in us in light of the uncertainties encountered by developing companies in a competitive environment. Our business is dependent upon the implementation of our business plan. There can be no assurance that our efforts will be successful or that we will ultimately be able to attain profitability.

***Our ability to execute our business plan depends primarily on the continuation of a favorable mining environment in Brazil.***

Mining operations in Brazil are heavily regulated. Any significant change in mining legislation or other changes in Brazil's current mining environment may slow down or alter our business prospects.

***We do not have any reserves compliant with SEC Industry Guide 7.***

Vaaldiam, the previous owner of this mining concession, and at that time a publicly-traded Canadian company, performed detailed geological studies leading to the publication of an NI 43-101 technical report in 2007, with an update in 2008, as required by the rules of the Canadian securities administrator and filed in SEDAR. The NI 43-101 report describes the existence of mineralized materials amounting to 1,639,200 cubic meters with the following concentrations: 0.16 carats of diamonds per cubic meter and 182 milligrams of gold per cubic meter. Vaaldiam also submitted a bankable feasibility study to the Brazilian mining department in accordance with local regulations. The NI 43-101 technical report and the bankable feasibility study were not prepared in accordance with the SEC-sanctioned Industry Guide 7 for mining companies. Under such regulation, no assertion can be made about reserves and the term "resources" is not recognized.

***We may be unable to find sources of funding if and when needed, resulting in the failure of our business.***

As of today, we need additional equity or debt financing beyond our existing cash to operate. This additional financing may not become available and, if available, may not be available on terms that are acceptable to us. If we do obtain acceptable funding, the terms and conditions of receiving such capital would likely result in further dilution. If we are not successful in raising capital or sufficient capital, we will have to modify our business plans and substantially reduce or eliminate operations, or as an extreme measure seek reorganization. In these events, the holders of our securities could lose a substantial part or all of their investment.

***Our quarterly and annual operating and financial results and our revenue are likely to fluctuate significantly in future periods.***

Our quarterly and annual operating and financial results are difficult to predict and may fluctuate significantly from period to period. Our revenues, net income, and results of operations may fluctuate as a result of a variety of factors that are outside our control including, but not limited to, lack of sufficient working capital, equipment malfunction and breakdowns, inability to timely find spare machines or parts to fix the broken equipment, regulatory or licensing delays, and severe weather phenomena.

***We do not intend to pay regular future dividends on our common stock and thus stockholders must look to appreciation of our common stock to realize a gain on their investments.***

We have never paid a dividend and we do not have any plans to pay dividends in the foreseeable future. Our future dividend policy is within the discretion of our Board of Directors and will depend upon various factors, including future earnings, if any, our capital requirements and general financial condition, and other factors. Accordingly, stockholders must look solely to appreciation of our common stock to realize a gain on their investment. This appreciation may not occur, or may occur over a longer timeframe that is less interesting to short-term oriented investors.

***We depend upon Marc Fogassa, our Chief Executive Officer and Chairman.***

Our success is largely dependent upon the personal efforts of Marc Fogassa. Currently he is our only management team member that is fluent and fully conversant in both Portuguese, the language of Brazil, and English. The loss of the services of Mr. Fogassa would have a material adverse effect on our business and prospects. We maintain key-man life insurance on the life of Mr. Fogassa.

**Risks Related to Our Capital Stock**

***Our Series A Preferred Stock has the effect of concentrating voting control over us in Marc Fogassa, our Chairman and Chief Executive Officer.***

One share of our Series A Preferred Stock is issued, outstanding and held since 2012 by Marc Fogassa, our Chairman and Chief Executive Officer. The Certificate of Designations, Preferences and Rights of our Series A Convertible Preferred provides that for so long as Series A Preferred Stock is issued and outstanding, the holders of Series A Preferred Stock shall vote together as a single class with the holders of our Common Stock, with the holders of Series A Preferred Stock being entitled to 51% of the total votes on all matters regardless of the actual number of shares of Series A Preferred Stock then outstanding, and the holders of Common Stock and any other class or series of capital stock entitled to vote with the Common Stock being entitled to their proportional share of the remaining 49% of the total votes based on their respective voting power.

***Our stock price may be volatile.***

The market price of our Common Stock has been and is likely to continue to be volatile and could fluctuate in price in response to various factors, many of which are beyond our control, including the following:

(1) our ability to grow and/or maintain revenue;
(2) our ability to achieve profitability;
(3) our ability to raise capital when needed;
(4) our sales of our common stock;
(5) our ability to execute our business plan;
(6) our ability to acquire additional mineral properties;
(7) legislative, regulatory, and competitive developments; and
(8) economic and other external factors.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

***Because our common stock trades on the over-the-counter (OTC) market, you may not be able to buy and sell our common stock at optimum prices and you may face liquidity issues.***

The trading of our stock on the OTC imposes, among others, the following risks:

- Availability of quotes and order information
- Liquidity risks
- Dealer's spreads

***Our convertible debt securities outstanding may adversely affect the market price for our common stock.***

To the extent that any remaining convertible debt securities are converted into our common stock, the existing stockholder percentage ownership will be diluted and any sales in the public market of the common stock underlying such options may adversely affect prevailing market prices for our common stock. A similar situation occurs if our outstanding options and warrants are exercised.

***We may seek to raise additional funds, finance acquisitions or develop strategic relationships by issuing capital stock that would dilute your ownership.***

We may largely finance our operations by issuing equity securities, which would materially reduce the percentage ownership of our existing stockholders. Furthermore, any newly issued securities could have rights, preferences, and privileges senior to those of our existing common stock. Moreover, any issuances by us of equity securities may be at or below the prevailing market price of our stock and in any event may have a dilutive impact on ownership interest of existing common stockholders, which could cause the market price of stock to decline. We may also raise additional funds through the incurrence of debt or the issuance or sale of other securities or instruments senior to our common shares. The holders of any debt securities or instruments we may issue could have rights superior to the rights of our common stockholders.

***Our common stock is currently defined as "penny stock" and the rules imposed on the sale of the shares may affect your ability to resell any shares you may purchase, if at all.***

Our common stock has traded below $5 and is therefore defined as a "penny stock" under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and rules of the SEC. The Exchange Act and such penny stock rules generally impose additional sales practice and disclosure requirements on broker-dealers who sell our securities to persons other than certain accredited investors who are, generally, institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 jointly with spouse, or in transactions not recommended by the broker-dealer. For transactions covered by the penny stock rules, a broker-dealer must make a suitability determination for each purchaser and receive the purchaser's written agreement prior to the sale. In addition, the broker-dealer must make certain mandated disclosures in penny stock transactions, including the actual sale or purchase price and actual bid and offer quotations, the compensation to be received by the broker-dealer and certain associated persons, and deliver certain disclosures required by the SEC. Consequently, the penny stock rules may affect the ability of broker-dealers to make a market in or trade our common stock and may also affect a stockholder's ability to resell any of our shares in the public markets.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

*Mineral Properties*

Our mineral properties are listed in the following table and summarized below.

| Primary Mineral | Other Minerals | Location (state in Brazil) | Total Area (acres) | Status |
|---|---|---|---|---|
| Diamonds, Gold | Sand (industrial) | Minas Gerais | 28,794 | Mining (selected areas), Pre-Mining & Research Exploration |
| Lithium | Aquamarine, Beryl, Tourmaline, Granite, Feldspar | Minas Gerais | 17,487 | Research Exploration |
| Rare Earths | | Goiás, Tocantins | 11,001 | Research Exploration |
| Nickel | Cobalt, Copper | Goiás | 4,991 | Research Exploration |
| Titanium | | Minas Gerais | 21,253 | Research Planning |
| Iron | | Minas Gerais | 4,484 | Research Planning |

None of our projects currently has “reserves” in accordance with the definition of such term by the SEC. One of our projects has had an NI 43-101 technical report issued (see details below).

The projects owned by Jupiter Gold are summarized in the table below. Jupiter Gold provides details of its properties in its Annual Report on Form 20-F filed with the SEC.

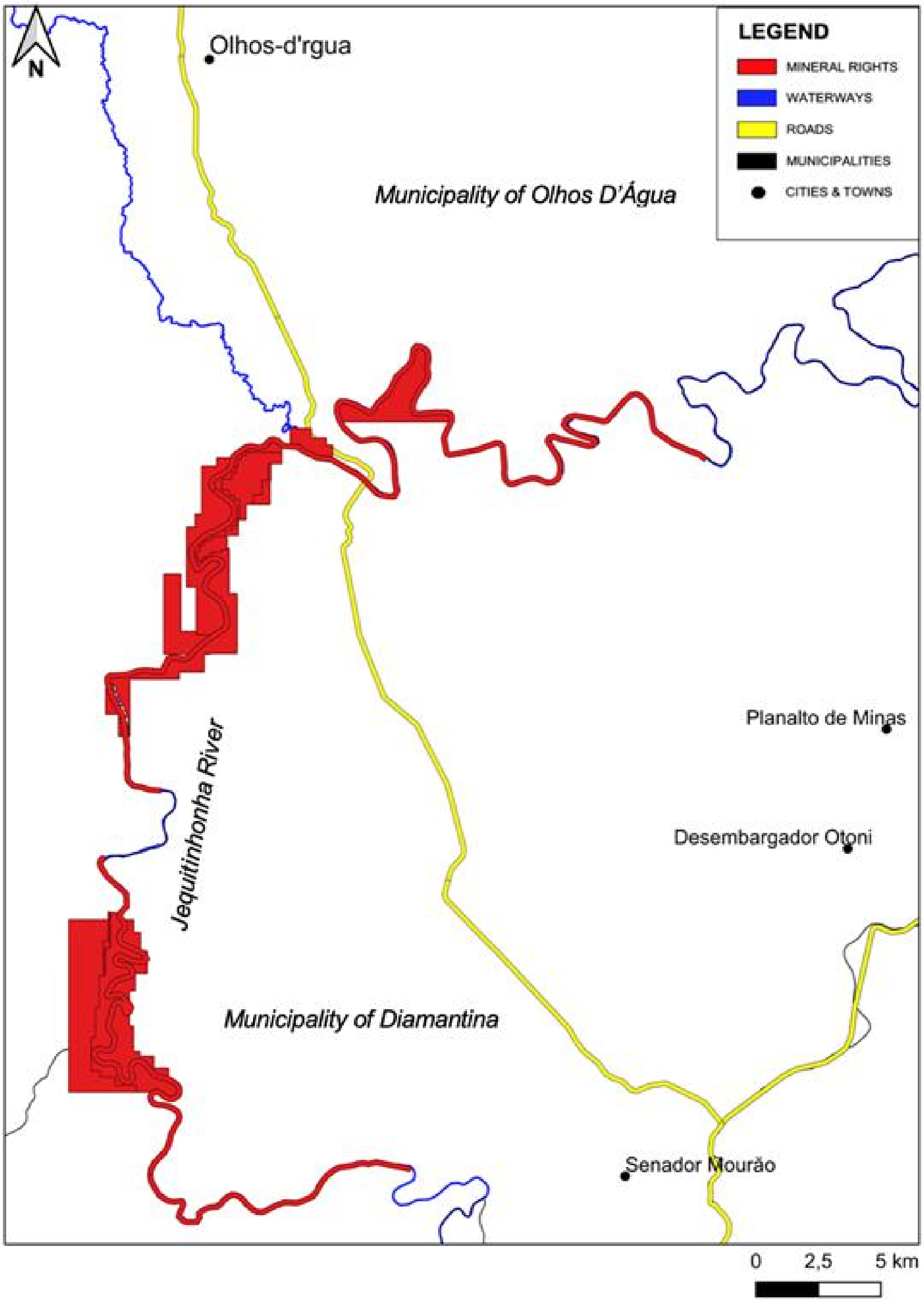
| Jupiter Gold Project Name | Minerals | Location (state, country) | Area (acres) | Status |
|---|---|---|---|---|
| Alpha | Gold | Minas Gerais | 28,167 | Research Exploration |
| Paracatu | Gold | Minas Gerais | 733 | Research Exploration |
| Brotas | Gold, Palladium, Platinum | Bahia | 9,578 | Research Exploration |
| Serrita | Gold | Pernambuco | 13,731 | Research Exploration |
| Apuí | Gold | Amazonas | 69,330 | Research Exploration |
| Crixás | Gold | Goiás | 3,068 | Research Exploration |
| Cavalcante | Gold | Goiás | 4,771 | Research Exploration |
| Diamantina | Iron, Manganese | Minas | 233 | Research Exploration |
| Alta Floresta | Gold | Mato Grosso | 24,610 | Research Planning |

None of the Jupiter Gold projects currently has “reserves” in accordance with the definition of such term by the SEC.

Details of the Brazil Minerals’ properties follow below.

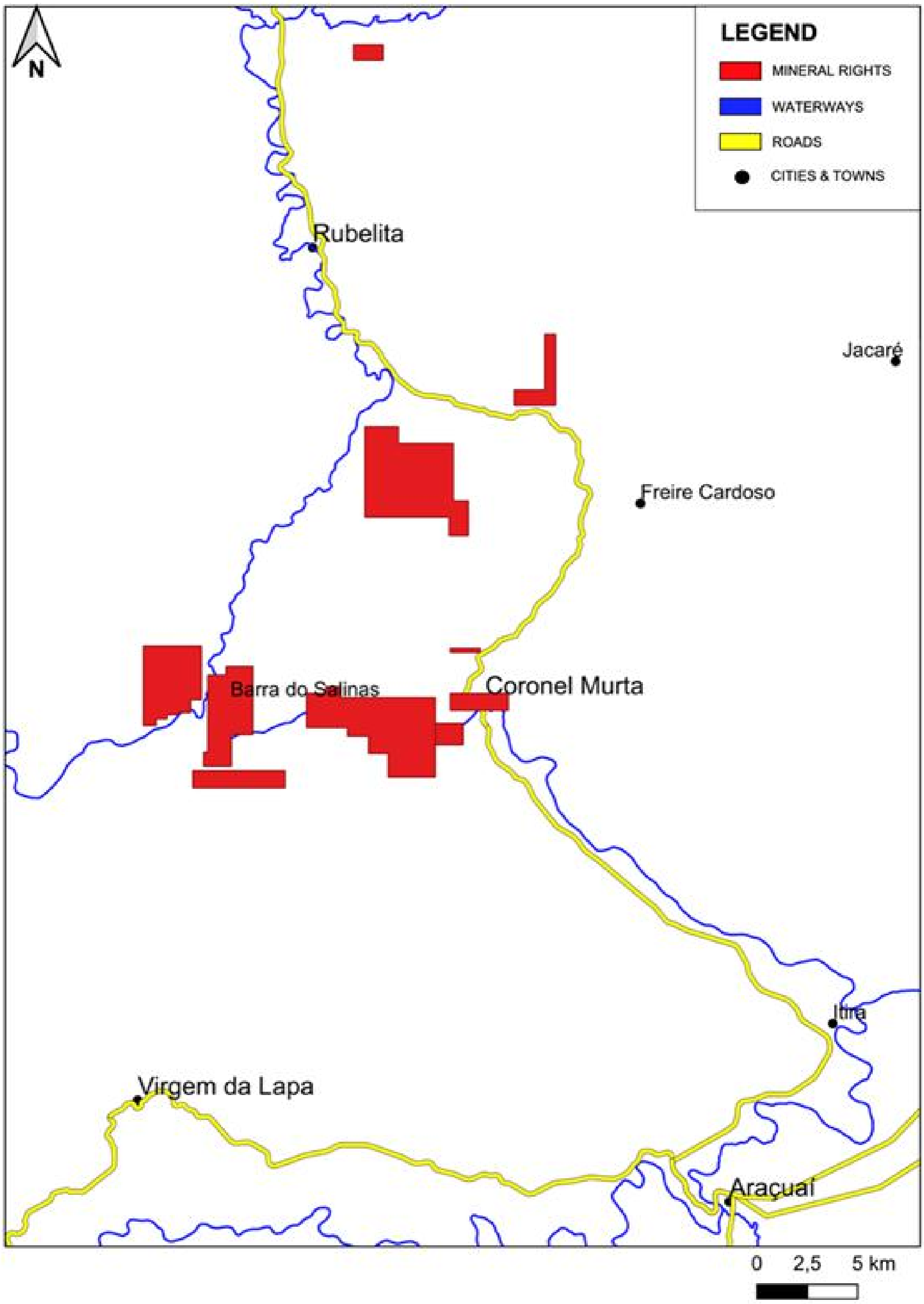
**Diamond & Gold**

| | |
|---|---|
| **Primary Minerals:** | Diamonds & Gold |
| **Other Minerals:** | Sand (industrial) |
| **Locations:** | Minas Gerais |
| **Total Area:** | 28,794 acres |
| **Status:** | As of 12/31/2019, two mineral rights were being mined, and another was in pre-mining stage. |



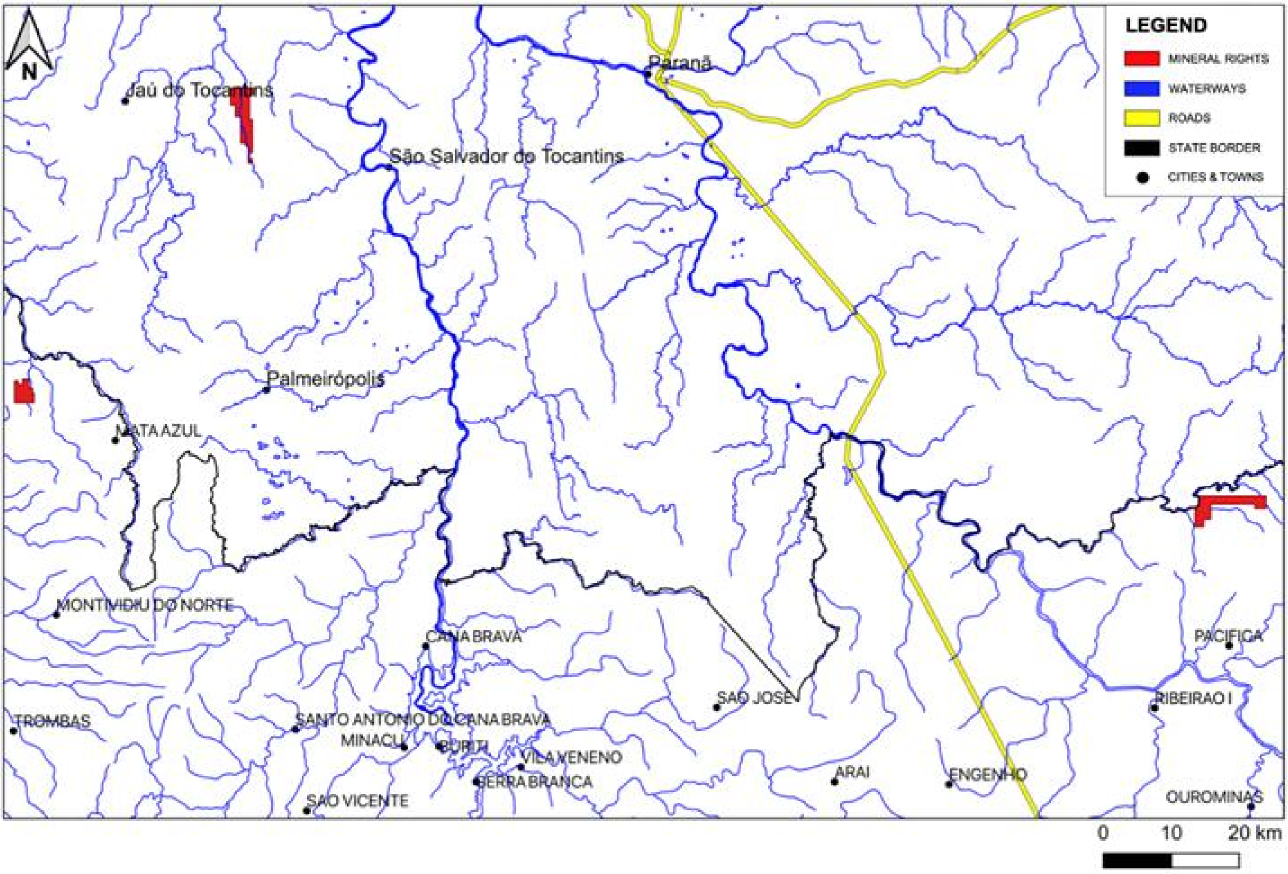
**Lithium**

| | |
|---|---|
| **Primary Mineral:** | Lithium |
| **Other Minerals:** | Aquamarine, Beryl, Tourmaline, Granite, Feldspar |
| **Locations:** | Minas Gerais |
| **Total Area:** | 17,487 acres |
| **Status:** | Active research exploration in a mineral right of this project, with a deadline of 09/26/2021 for submission of its research report to ANM. Awaiting formal authorization from ANM for research exploration to begin on other mineral rights in this project. |



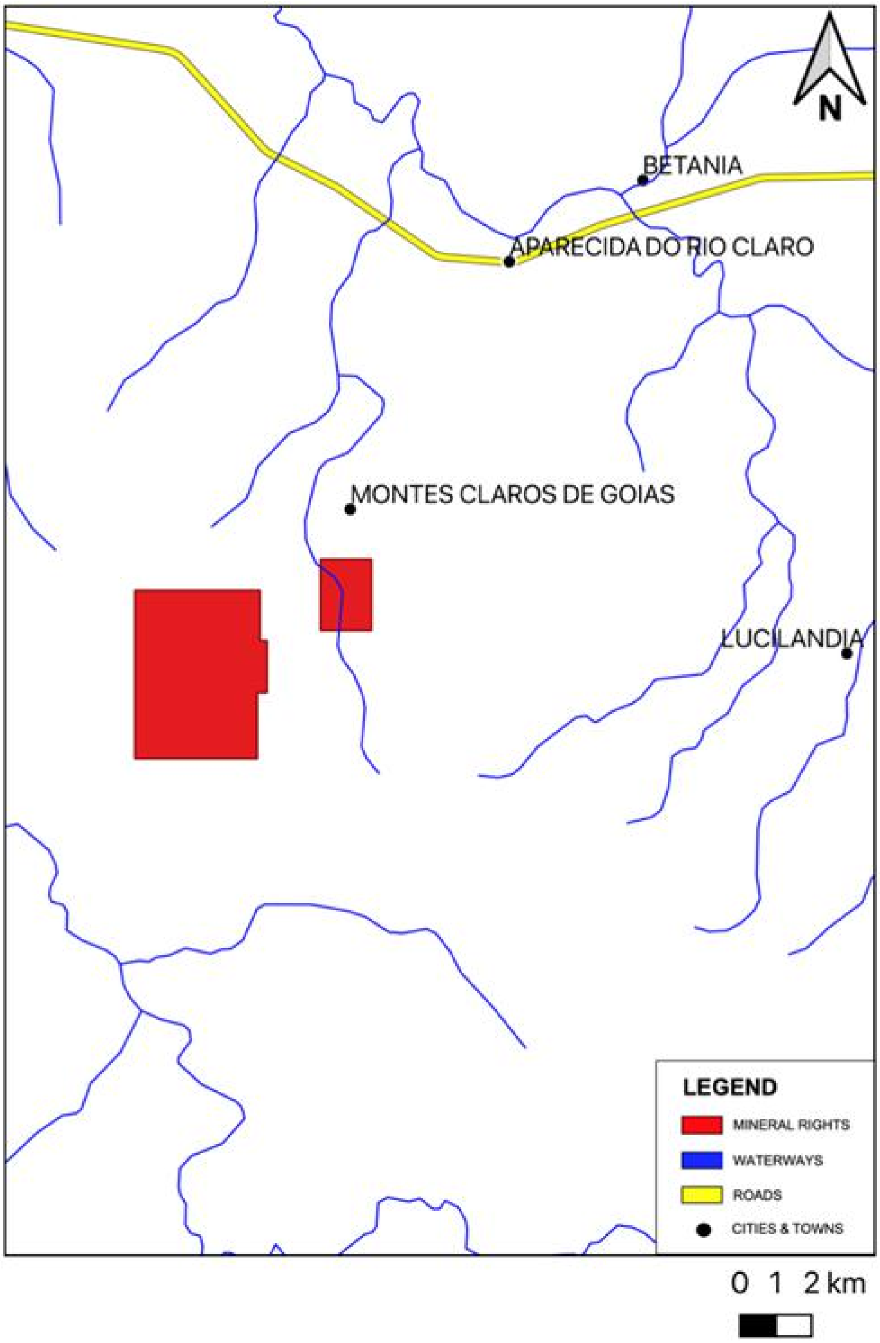
**Rare Earths**

| | |
|---|---|
| **Minerals:** | Rare Earths |
| **Locations:** | Goiás, Tocantins |
| **Total Area:** | 11,001 acres |
| **Status:** | Active research exploration in two mineral rights of this project, with deadlines of 09/24/2022 and 12/24/2022 for submission of their research reports to ANM. Awaiting formal authorization from ANM for research exploration to begin on another mineral right of this project. |



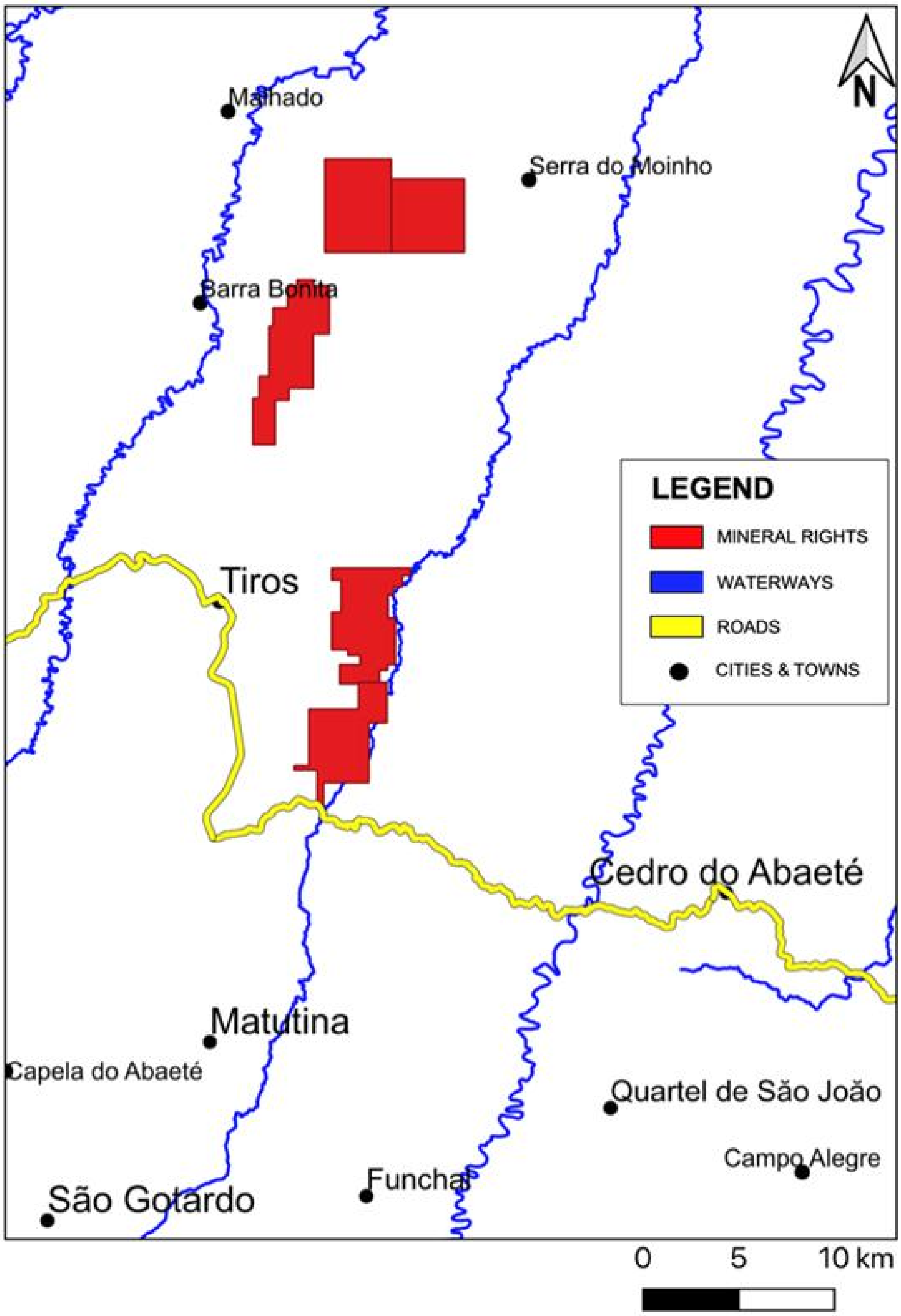
**Nickel**

**Primary Minerals:** Nickel
**Other Minerals:** Cobalt, Copper
**Locations:** Goiás
**Total Area:** 4,991 acres
**Status:** Active research exploration in the mineral rights of this project, with deadline of 03/14/2022 for submission of research reports to ANM.



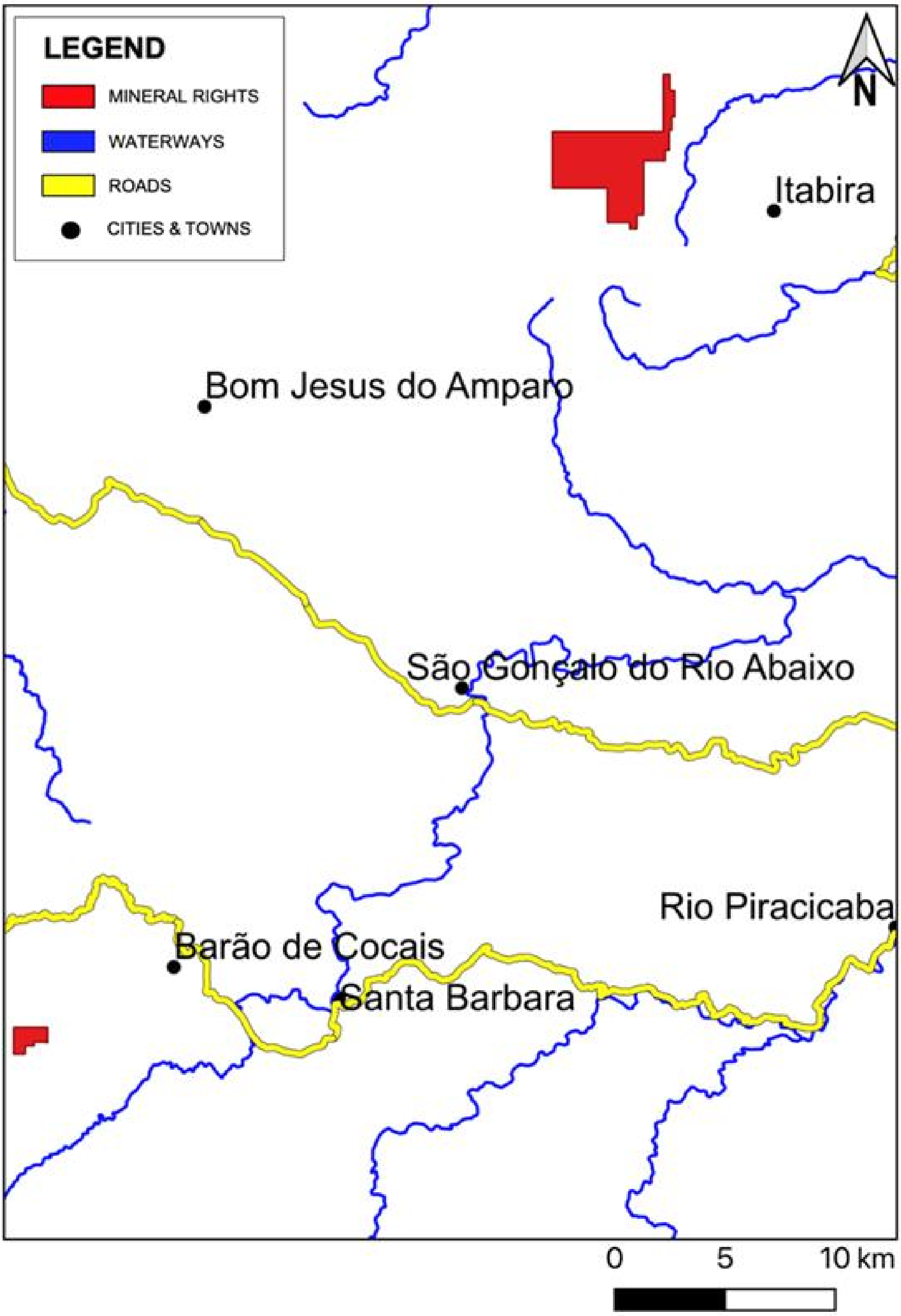
**Titanium**

**Minerals:** Titanium
**Location:** Minas Gerais
**Total Area:** 21,253 acres
**Status:** Awaiting formal authorization from ANM for research exploration to begin.



**Iron**

| | |
|---|---|
| **Minerals:** | Iron |
| **Locations:** | Minas Gerais |
| **Total Area:** | 4,484 acres |
| **Status:** | Awaiting formal authorization from ANM for research exploration to begin. |



**Item 3. Legal Proceedings.**

None which are material.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**PART II**

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

**Market Information and Current Stockholders**

Our common stock is traded under the symbol "BMIX". The following table sets forth, for each of the quarterly periods indicated, the range of high and low sales prices, in U.S. dollars, for our common stock for each quarter in 2018 and 2019.

| Quarters | Year Ended December 31, 2018 | |
|---|---|---|
| | High | Low |
| 2018 | | |
| First (1/1-3/31) | $ 0.0058 | $ 0.0025 |
| Second (4/1-6/30) | $ 0.0042 | $ 0.0015 |
| Third (7/1-9/30) | $ 0.0042 | $ 0.0008 |
| Fourth (10/1-12/31) | $ 0.0026 | $ 0.0009 |

| Quarters | Year Ended December 31, 2019 | |
|---|---|---|
| | High | Low |
| 2019 | | |
| First (1/1-3/31) | $ 0.0024 | $ 0.0009 |
| Second (4/1-6/30) | $ 0.0015 | $ 0.0006 |
| Third (7/1-9/30) | $ 0.0090 | $ 0.0009 |
| Fourth (10/1-12/31) | $ 0.0043 | $ 0.0014 |

As of April 11, 2020, we had 188 holders of record of our common stock as such term is defined in SEC rules, according to records maintained by our transfer agent.

**Dividends**

We have not paid any cash dividends since inception and do not expect to declare any cash dividends in the foreseeable future.

**Equity Compensation Plan**

In 2017, our Board of Directors approved our 2017 Stock Incentive Plan under which we can offer eligible employees, consultants, and non-employee directors cash and stock-based compensation and/or incentives to compensate, attract, retain, or reward such individuals. We have no other equity compensation plan. The table below sets forth certain information as of December 31, 2019 with respect to the 2017 Stock Incentive Plan.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column "(a)") (c) |
|---|---|---|---|
| Equity compensation plans approved by security holders | 0 | 0 | 0 |
| Equity compensation plans not approved by security holders (2017 Stock Incentive Plan) | 25,000,000 | $ n/a | 25,000,000 |
| Total | 25,000,000 | $ n/a | 25,000,000 |

**Sales of Unregistered Securities**

On November 25th, 2019, we received a total of $250,000 from two trusts based in New York, NY for the purchase from us by such trusts of (i) a total of437,828 shares of Jupiter Gold that we owned, ii) warrants to purchase 100 million shares of Brazil Minerals, Inc. common stock at $0.0022 for two years, and iii) a 2% participation in any sale, royalty, spinoff, or other transaction with respect to certain of our mineral rights for lithium, rare earths, and titanium.

**Item 6. Selected Financial Data.**

The information to be reported under this Item is not required of smaller reporting companies.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.**

The following discussion of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the notes to those financial statements appearing elsewhere in this Report.

This Annual Report contains forward-looking statements. Forward-looking statements for Brazil Minerals, Inc. reflect current expectations, as of the date of this Annual Report, and involve certain risks and uncertainties. Actual results could differ materially from those anticipated in these forward- looking statements as a result of various factors. Factors that could cause future results to materially differ from the recent results or those projected in forward-looking statements include, among others: unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production; market fluctuations; government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection; competition; the loss of services of key personnel; unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of infrastructure as well as general economic conditions.

**Overview**

Brazil Minerals, Inc. with its subsidiaries ("Brazil Minerals", the "Company", "we", "us", or "our") has two components to its business model: (1) growing a portfolio of mineral rights in a wide spectrum of strategic and sought-after minerals, from which equity holdings and/or royalty interests may develop, and (2) mining certain specific areas for gold, diamonds, and sand. Our subsidiaries are listed in Exhibit 21.1 and we consolidate our results in this Annual Report.

We currently own mineral rights in Brazil for lithium, rare earths, titanium, cobalt, iron, manganese, nickel, gold, diamonds, precious gems, and industrial sand. Our first equity holdings from our exploration project generation strategy is Jupiter Gold Corporation ("Jupiter Gold"). Jupiter Gold has been a public company since December 16, 2016. We owned approximately 34.50% of Jupiter Gold's common stock as of December 31, 2019.

Our mineral properties are listed in the following table and summarized below.

| Primary Mineral | Other Minerals | Location (state in Brazil) | Total Area (acres) | Status |
|---|---|---|---|---|
| Diamonds, Gold | Sand (industrial) | Minas Gerais | 28,794 | Mining (selected areas), Pre-Mining & Research Exploration |
| Lithium | Aquamarine, Beryl, Tourmaline, Granite, Feldspar | Minas Gerais | 17,487 | Research Exploration |
| Rare Earths | | Goiás, Tocantins | 11,001 | Research Exploration |
| Nickel | Cobalt, Copper | Goiás | 4,991 | Research Exploration |
| Titanium | | Minas Gerais | 21,253 | Research Planning |
| Iron | | Minas Gerais | 4,484 | Research Planning |

The projects owned by Jupiter Gold are summarized in the table below. Jupiter Gold provides details of its properties in its Annual Report on Form 20-F filed with the SEC.

| Jupiter Gold Project Name | Minerals | Location (state, country) | Area (acres) | Status |
|---|---|---|---|---|
| Alpha | Gold | Minas Gerais | 28,167 | Research Exploration |
| Paracatu | Gold | Minas Gerais | 733 | Research Exploration |
| Brotas | Gold, Palladium, Platinum | Bahia | 9,578 | Research Exploration |
| Serrita | Gold | Pernambuco | 13,731 | Research Exploration |
| Apuí | Gold | Amazonas | 69,330 | Research Exploration |
| Crixás | Gold | Goiás | 3,068 | Research Exploration |
| Cavalcante | Gold | Goiás | 4,771 | Research Exploration |
| Diamantina | Iron, Manganese | Minas | 233 | Research Exploration |
| Alta Floresta | Gold | Mato Grosso | 24,610 | Research Planning |

During the year 2019, Brazil Minerals strengthened considerably its portfolio of mineral rights:

- Lithium: we increased our portfolio of lithium properties by adding 17,199 acres of promising lithium areas located in Minas Gerais state.

- Rare Earths: we started our portfolio of rare earths properties by adding 11,001 acres of promising rare earths areas located in Goiás and Tocantins states.

- Titanium: we started our portfolio of titanium properties by adding 21,253 acres of promising titanium areas located in Minas Gerais state.

- Iron: we started our portfolio of iron properties by adding 4,484 acres of promising iron areas located in Minas Gerais state.

- Diamonds and Gold: we increased our portfolio of alluvial diamond and gold properties by adding 839 acres of a promising alluvial diamond and gold area located in Minas Gerais state.

During the year 2019, Brazil Minerals successfully obtained the permit to mine part of one of its many alluvial diamond and gold areas. This area proved to be richer in diamonds than gold, and examples of the retrieved diamonds are seen in the photograph below. We plan to polish several of these diamonds for sale as polished gems. As reported by us in prior filings, the historical average Rapaport price for diamonds from our production is $3,250 per carat.

**Results of Operations**

*Fiscal Year Ended December 31, 2019 Compared to Fiscal Year Ended December 31, 2018*

Revenues for the year ended December 31, 2019 totaled $15,393, compared to revenues of $19,716 during the year ended December 31, 2018 representing a decrease of 21.9%. We anticipate that revenues will begin to increase with the licensing of new high-quality areas for production in future periods.

Cost of goods sold for the year ended December 31, 2019 totaled $182,168. It was comprised primarily of labor and fuel expenses, as well as machine maintenance. Cost of goods sold for the year ended December 31, 2018 totaled $126,217. The year over year increase of 44.3% is explained by greater costs incurred in preparation of increased mining activities.

Gross loss for the year ended December 31, 2019 totaled $166,775, compared to a gross loss of $106,501 for the year ended December 31, 2018. The year over year increase of 56.6% is explained by the greater costs incurred in preparation of increased mining activities, coupled with a decrease in sales during 2019.

Operating expenses for the year ended December 31, 2019 totaled $1,097,569, compared to operating expenses of $1,052,830 for the year ended December 31, 2018 representing an increase of $44,737 or 4.2%. This increase was primarily caused by increased general and administrative expenses and payroll related expenses.

Other expenses for the year ended December 31, 2019 totaled $821,537, compared to other expenses of $689,341 for the year ended December 31, 2018 representing an increase of $132,196 or 19.2%. The year over year increase was caused by higher amortization of debt discounts and other fees, slightly higher interest expenses incurred on promissory notes and a loss on extinguishment of related party debt totaling $67,694.

As a result, we incurred a net loss attributable to our shareholders of $1,862,077, or approximately $0.00 per share, for the year ended December 31, 2019, compared to a net loss attributable to our shareholders of $1,666,200, or approximately $0.01 per share, for the year ended December 31, 2018.

**Liquidity and Capital Resources**

As of December 31, 2019, we had total current assets of $193,777 compared to total current liabilities of $2,154,356 for a current ratio of 0.09 to one and a working capital deficit of $1,960,579. By comparison we had total current assets of $63,286 compared to current liabilities of $2,073,564 for a current ratio of 0.03 to one and a working capital deficit of $2,010,278 as of December 31, 2018. Our principal sources of liquidity were from the sale of equity and issuance of debt for both the years ended December 31, 2019 and 2018.

Net cash used in operating activities totaled $791,072 for the year ended December 31, 2019, compared to $511,313 for the year ended December 31, 2018 representing an increase in cash used of $279,759 or 54.7%. Net cash used in investing activities totaled $677 for the year ended December 31, 2019, compared to $1,976 for the year ended December 31, 2018 representing a decrease of $1,299 or 65.7%. Net cash provided by financing activities totaled $941,852 for the year ended December 31, 2019, as compared to $389,274 for the year ended December 31, 2018 representing an increase of $552,578 or 142.0%.

During the year ended December 31, 2019, our sources of liquidity were primarily derived from proceeds from debt issuance sales of equity by the Company and one of its subsidiaries. Our ability to continue as a going concern is dependent upon our capability to generate cash flows from operations and successfully raise new capital through debt issuances and sales of our equity. We believe that we will be successful in the execution of our initiatives, but there can be no assurance. We have no plans for any significant cash acquisitions in the foreseeable future.

**Off-Balance Sheet Arrangements**

The Company currently has no off-balance sheet arrangements.

**Critical Accounting Policies and Estimates**

Our financial instruments consist of cash and cash equivalents, loans payable to a related party, accrued expenses, and an amount due to a director. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in our financial statements. If our estimate of the fair value is incorrect at December 31, 2019, it could negatively affect our financial position and liquidity and could result in our having understated our net loss.

**Recent Accounting Pronouncements**

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles. Our significant accounting policies are described in Note 1 of the financial statements. We have reviewed all recent accounting pronouncements issued to the date of the issuance of these financial statements, and we do not believe any of these pronouncements will have a material impact on us.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

The information to be reported under this Item is not required of smaller reporting companies.

**Item 8. Financial Statements and Supplementary Data.**

Our financial statements, including the notes thereto, together with the report from our independent registered public accounting firm are presented beginning at page F-1.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None**.**

**Item 9A. Controls and Procedures.**

(a) Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Principal Executive Officer and Principal Financial Officer, has evaluated the design, operation, and effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act as of December 31, 2019. On the basis of that evaluation, management concluded that the Company's disclosure controls and procedures are designed, and are effective, to provide reasonable assurance that the information required to be disclosed in reports filed or submitted pursuant to the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Commission, and that such information is accumulated and communicated to management, including its Principal Executive Officer and Principal Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's internal control system is designed to provide reasonable assurance to management and to the Company's Board of Directors regarding the preparation and fair presentation of published financial statements. Under the supervision and with the participation of management, including the Company's Principal Executive Officer and Principal Financial Officer, management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on management's evaluation under the framework in *Internal Control—Integrated Framework*, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2019.

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Since the Company is a non-accelerated filer, management's report is not subject to attestation by the Company's registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002. As a result, this Annual Report contains only management's report on internal controls.

(c) Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred in the fourth quarter of 2018 that materially affected, or would be reasonably likely to materially affect, the Company's internal control over financial reporting.

(d) Limitations of the Effectiveness of Internal Controls

The effectiveness of the Company's system of disclosure controls and procedures and internal control over financial reporting is subject to certain limitations, including the exercise of judgment in designing, implementing and evaluating the control system, the assumptions used in identifying the likelihood of future events, and the inability to eliminate fraud and misconduct completely. As a result, there can be no assurance that the Company's disclosure controls and procedures and internal control over financial reporting will detect all errors or fraud. However, the Company's control systems have been designed to provide reasonable assurance of achieving their objectives, and the Company's Principal Executive Officer and Principal Financial Officer have concluded that the Company's disclosure controls and procedures and internal control over financial reporting are effective at the reasonable assurance level. The Company has utilized the 1992 Committee of Sponsoring Organizations of the Treadway Commission's internal control framework.

**Item 9B. Other Information.**

On November 25th, 2019, we received a total of $250,000 from two trusts based in New York, NY for the purchase from us by such trusts of (i) a total of 437,828 shares of Jupiter Gold that we owned, ii) warrants to purchase 100 million shares of Brazil Minerals, Inc. common stock at $0.0022 for two years, and iii) a 2% participation in any sale, royalty, spinoff, or other transaction with respect to certain of our mineral rights for lithium, rare earths, and titanium.

## PART III

**Item 10. Directors, Executive Officers and Corporate Governance.**

The following table sets forth certain information as of April 10, 2020 concerning our directors and executive officers:

| Name | Age | Position |
|---|---|---|
| Marc Fogassa | 53 | Director, Chairman, Chief Executive Officer, President, Chief Financial Officer, Treasurer and Secretary |
| Ambassador Robert F. Noriega | 60 | Director |

Marc Fogassa, age 53, has been a director and our Chairman and Chief Executive Officer since 2012. He is also the Chairman and Chief Executive Officer of Jupiter Gold Corporation, one of our subsidiaries. He has over 17 years of investment experience in venture capital, and private and public equity investing, and has served on boards of directors of multiple private companies. Mr. Fogassa has been invited numerous times to speak about investment issues, particularly as related to Brazil. Mr. Fogassa double majored at the Massachusetts Institute of Technology (M.I.T.), graduating with two Bachelor of Science degrees in 1990. He later graduated from the Harvard Medical School with a Doctor of Medicine degree in 1995, and also from the Harvard Business School with a Master in Business Administration degree in 1999. Mr. Fogassa was born in Brazil and is fluent in Portuguese and English. We appointed Mr. Fogassa as a director and our Chairman of the Board and President because of his substantial management and fundraising skills, prior experience as a director of several private companies, venture capital and private equity experience, judgment and his knowledge of, and contacts in, Brazil.

Ambassador Roger Noriega, age 60, has been a director since 2012. He has extensive experience in Latin America. Ambassador Noriega was appointed by President George W. Bush and confirmed by the U.S. Congress as U.S. Assistant Secretary of State, and served from July 2003 to October 2005. In that capacity, Ambassador Noriega managed a 3,000-person team of professionals in Washington and in 50 diplomatic posts to design and implement political and economic strategies in Canada, Latin America, and the Caribbean. Prior to this assignment, Ambassador Noriega served as U.S. Ambassador to the Organization of American States ("OAS") from August 2001 to July 2003. Since February 2009 Ambassador Noriega has been the Managing Director of Vision Americas, a Latin America-focused consulting group that he founded. Ambassador Noriega has a Bachelor of Arts degree from Washburn University of Topeka, Kansas. We appointed Ambassador Noriega as a director because of his extensive experience in Latin America, business and government contacts, management skills and judgment.

**Board Composition**

Our Board of Directors is currently composed of two members, Marc Fogassa and Ambassador Roger Noriega.

There are no family relationships among our directors and executive officers. There is no arrangement or understanding between or among our executive officers and directors pursuant to which any director or officer was or is to be selected as a director or officer, and there is no arrangement, plan, or understanding as to whether non-management shareholders will exercise their voting rights to continue to elect the current board of directors.

Our directors and executive officers have not, during the past ten years:

- had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two years prior to that time,
- been convicted in a criminal proceeding and is not subject to a pending criminal proceeding,
- been subject to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, permanently, or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities, futures, commodities, or banking activities; or
- been found by a court of competent jurisdiction (in a civil action), the Securities Exchange Commission, or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

We do not have standing audit, nominating, or compensation committees. Currently, our entire Board of Directors is responsible for the functions that would otherwise be handled by these committees.

***Code of Ethics***

Our Board of Directors will adopt a new code of ethics that applies to all of our directors, officers, and employees, including our principal executive officer, principal financial officer, and principal accounting officer. The new code will address, among other things, honesty and ethical conduct, conflicts of interest, compliance with laws, regulations and policies, including disclosure requirements under the federal securities laws, confidentiality, trading on inside information, and reporting of violations of the code.

***Audit Committee Financial Expert***

Our Board of Directors currently acts as our audit committee. We do not currently have an independent member of our Board of Directors who qualifies as an "audit committee financial expert" as defined in Item 407(e)(5) of Regulation S-K.

**Item 11. Executive Compensation.**

The following table sets forth information concerning cash and non-cash compensation paid by us to our Chief Executive Officer for each of the two years ended December 31, 2018 and 2019. No employee or independent contractor received compensation in excess of $100,000 for either of those two years.

| Name and Principal Position | Year Ended | Salary ($) | Bonus ($) | Stock Awards ($) | Option Awards | Non-Equity Incentive Plan Compensation ($) | Non-Qualified Deferred Compensation Earnings ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|---|---|---|---|
| M. Fogassa | 12/31/2018 | 24,500 | - | - | - | - | - | - | 24,500 |
| CEO | 12/31/2019 | 16,500 | - | - | - | - | - | - | 16,500 |

***Employment Agreement with Marc Fogassa***

Marc Fogassa was hired by the Company as the Company's Chief Executive Officer, Chairman, Chief Financial Officer, Treasurer and Secretary under an Employment Agreement dated December 31, 2012 (the "Agreement"). Under the Agreement, Mr. Fogassa is entitled to receive a salary of $175,000 per annum; however, he has been paid less due to capital availability constraints. Mr. Fogassa is entitled to reimbursement of expenses incurred by him in the performance of his duties, a maximum allowable SEP IRA contribution, four weeks of paid vacation time, and the payment by the Company of certain insurance-related expenses. The agreement further provides that the Company shall pay to Mr. Fogassa severance in case of termination or change in control with demotion.

***Director Compensation***

The following table sets forth a summary of compensation for the fiscal year ended December 31, 2019 that we paid to each director other than its Chief Executive Officer, whose compensation is fully reflected in the Summary Compensation Table. We do not sponsor a pension benefits plan, a non-qualified deferred compensation plan, or a non-equity incentive plan for directors; therefore, these columns have been omitted from the following table. No other or additional compensation for services were paid to any of the directors.

| Name | Fees Earned or Paid in Cash ($) | Option Awards ($) (1) | Stock Awards ($) | Total ($) |
|---|---|---|---|---|
| Roger Noriega | - | $ 50,000 | | $ 50,000 |

(1) The amounts in this column reflect the aggregate grant date fair value of stock options granted in 2019 to each director calculated in accordance with FASB ASC Topic 718. See the notes to our consolidated financial statements included in this Annual Report on Form 10-K for the year ended December 31, 2019 for a discussion of all assumptions made in the calculation of this amount.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The following table sets forth information regarding beneficial ownership of our Common Stock and Series A Preferred Stock as of April 10, 2020 by (i) any person or group with more than 5% of any class of voting securities, (ii) each director, (iii) our chief executive officer and each other executive officer whose cash compensation for the most recent fiscal year exceeded $100,000 and (iv) all executive officers and directors as a group. Except as indicated in the footnotes to this table and subject to applicable community property laws, the persons named in the table to our knowledge have sole voting and investment power with respect to all shares of securities shown as beneficially owned by them. The Certificate of Designations, Preferences and Rights of our Series A Convertible Preferred provides that for so long as Series A Preferred Stock is issued and outstanding, the holders of Series A Preferred Stock shall vote together as a single class with the holders of our Common Stock, with the holders of Series A Preferred Stock being entitled to 51% of the total votes on all matters regardless of the actual number of shares of Series A Preferred Stock then outstanding, and the holders of Common Stock being entitled to their proportional share of the remaining 49% of the total votes based on their respective voting power.

| Name and Address (1) | Office | Shares Beneficially Owned (2) | Percent of Class (3) | Percentage of Voting Power of all Outstanding Classes of Company Stock (4) |
|---|---|---|---|---|
| **Common Stock** | | | | |
| Marc Fogassa | Director, Chairman, Chief Executive Officer, Chief Financial Officer, Secretary and Treasurer | 296,764,385 (5) | 23.49% | 11.51% |
| Ambassador Roger Noriega | Director | 68,831,298 (6) | 5.45% | 2.67% |
| All executive officers and directors as a group (2 people) | | 365,595,683 (5)(6) | 28.94% | 14.18% |
| **Series A Stock** | | | | |
| Marc Fogassa | Director | 1 | 100.00% | 51.00% |
| All executive officers and directors as a group (2 people) | | 1 | 100.00% | 51.00% |

______________

(1) The mailing address of each of the officers, directors, and affiliates set forth below is c/o Brazil Minerals, Inc., Rua Vereador João Alves Praes nº 95-A, Olhos D'Agua, MG 39.398-000, Brazil.

(2) Beneficial ownership is determined in accordance with rules promulgated by the SEC.

(3) Based on 1,030,599,388 shares of common stock issued outstanding as of April 11, 2020 and additional shares issuable upon exercise of options.

(4) The holders of our Series A Stock vote together as a single class with the holders of our Common Stock, with the holders of Series A Stock being entitled to 51% of the total votes on all matters regardless of the actual number of shares of Series A Stock then outstanding, and the holders of Common Stock being entitled to their proportional share of the remaining 49% of the total votes based on their respective voting power. Based on their beneficial ownership of shares of Series A Stock and Common Stock as of April 10, 2019, each person set forth in the table had the approximate percentage of the voting power of the common and preferred stock voting together as a single class as of such date set forth opposite their name.

(5) Includes 163,682,458 shares of our common stock which are obtainable through exercise of options received on extinguishment of notes issued by the Company to Marc Fogassa for various unpaid obligations, and 79,198,982 shares of common stock owned by entities deemed to be controlled by Marc Fogassa.

(6) Includes 68,828,940 shares of our common stock which are obtainable through exercise of options received as compensation for directorship.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

***Director Independence***

We believe that Ambassador Roger Noriega is "independent" as such term is defined with respect to directors by the NASDAQ Stock Market Rules.

**Item 14. Principal Accounting Fees and Services.**

**Audit Fees**

On December 8, 2019, the Company engaged BF Borgers CPA PC ("Borgers") as the Company's independent registered public accounting firm for the audit of the Company's financial statements as of December 31, 2019. Borgers was also retained as the Company's independent registered public accounting firm for the audit of the Company's financial statements as of December 31, 2018. The fee that was billed by Borgers for the audit of our financial statements as of December 31, 2018 and for quarterly reviews during such year was $44,820. The Company expects that the total fees payable to Borgers for the audit of the Company's financial statements as of December 31, 2019 will be $31,860.

**Audit-Related Fees**

During 2018 or 2019, there were no fees paid to Borgers in connection with our compliance with Section 404 of the Sarbanes-Oxley Act of 2002.

No other fees were billed by Borgers for the last two years that were reasonably related to the performance of the audit or review of our financial statements and not reported under "Audit Fees" above.

**Tax Fees**

There were no fees billed by Borgers during the last two fiscal years for professional services rendered for tax compliance, tax advice, or tax planning. Accordingly, none of such services were approved pursuant to pre-approval procedures or permitted waivers thereof.

**All Other Fees**

There were no other non-audit-related fees billed to us by Borgers in 2018 or 2019.

**Pre-Approval Policies and Procedures**

Engagement of accounting services by us is not made pursuant to any pre-approval policies and procedures. Rather, we believe that our accounting firm is independent because all of its engagements by us are approved by our Board of Directors prior to any such engagement

Our Board of Directors will meet periodically to review and approve the scope of the services to be provided to us by its independent registered public accounting firm, as well as to review and discuss any issues that may arise during an engagement. The Board is responsible for the prior approval of every engagement of our independent registered public accounting firm to perform audit and permissible non-audit services for us, such as quarterly financial reviews, tax matters, and consultation on new accounting and disclosure standards.

Before the auditors are engaged to provide those services, our Chief Financial Officer and Controller will make a recommendation to the Board of Directors regarding each of the services to be performed, including the fees to be charged for such services. At the request of the Board of Directors, the independent registered public accounting firm and/or management shall periodically report to the Board of Directors regarding the extent of services being provided by the independent registered public accounting firm, and the fees for the services performed to date.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules

(a) Documents filed as part of this report.

(i) Financial Statements - see Item 8. Financial Statements and Supplementary Data

(ii) Financial Statement Schedules – None

(Financial statement schedules have been omitted either because they are not applicable, not required, or the information required to be set forth therein is included in the financial statements or notes thereto.)

(iii) Report of Independent Registered Public Accounting Firm.

(iv) Notes to Financial Statements.

(b) Exhibits

The exhibits listed on the accompanying Exhibit Index are filed as part of this Annual Report.

**BRAZIL MINERALS, INC.**

**TABLE OF CONTENTS**
**DECEMBER 31, 2019**

## Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Brazil Minerals, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Brazil Minerals, Inc. (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations and comprehensive loss, stockholders' equity (deficit), and cash flows for each of the two years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States.

**Going Concern Uncertainty**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BF Borgers CPA PC
**BF Borgers CPA PC**

We have served as the Company's auditor since 2015.
Lakewood, CO
April 14, 2020

**BRAZIL MINERALS, INC.**
**CONSOLIDATED BALANCE SHEETS**
**AS OF DECEMBER 31, 2019 AND 2018**

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $ 151,088 | $ 2,407 |
| Accounts receivable | – | 256 |
| Taxes receivable | 22,853 | 23,773 |
| Inventory | 15,054 | 33,188 |
| Deposits and advances | 4,782 | 3,662 |
| Total current assets | 193,777 | 63,286 |
| Property and equipment, net | 172,802 | 243,778 |
| Intangible assets | 509,862 | 530,293 |
| Equity investments | 150,000 | 150,000 |
| Total assets | $ 1,026,441 | $ 987,357 |
| | | |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 638,364 | $ 531,290 |
| Convertible notes payable, net of debt discounts totaling $153,000 and $8,299, respectively | 824,614 | 866,624 |
| Loans payable | 209,128 | 228,320 |
| Related party notes and other payables, net of debt discounts totaling $96,270 and $222,814, respectively | 482,250 | 447,330 |
| Total current liabilities | 2,154,356 | 2,073,564 |
| Other noncurrent liabilities | 192,729 | 188,423 |
| Total liabilities | 2,347,085 | 2,261,987 |
| | | |
| Commitments and contingencies (Note 7) | – | – |
| | | |
| Stockholders' deficit: | | |
| Series A preferred stock, $0.001 par value. 10,000,000 shares authorized; 1 share issued and outstanding as of December 31, 2019 and 2018, respectively | 1 | 1 |
| Common stock, $0.001 par value. 1,200,000,000 shares authorized; 1,132,435,380 and 332,260,644 shares issued and outstanding as of December 31, 2019 and 2018, respectively | 1,132,435 | 332,260 |
| Additional paid-in capital | 47,724,570 | 46,771,464 |
| Accumulated other comprehensive loss | (580,957) | (566,105) |
| Accumulated deficit | (51,043,408) | (49,181,331) |
| Total Brazil Minerals, Inc. stockholders' deficit | (2,767,359) | (2,643,711) |
| Non-controlling interest | 1,446,715 | 1,369,081 |
| Total stockholders' deficit | (1,320,644) | (1,274,630) |
| Total liabilities and stockholders' deficit | $ 1,026,441 | $ 987,357 |

The accompanying notes are an integral part of these consolidated financial statements.

**BRAZIL MINERALS, INC.**
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | Year Ended December 31, 2019 | Year Ended December 31, 2018 |
|---|---|---|
| Revenue | $ 15,393 | $ 19,716 |
| Cost of revenue | 182,168 | 126,217 |
| Gross margin | (166,775) | (106,501) |
| Operating expenses: | | |
| Professional fees | 134,770 | 125,982 |
| General and administrative | 489,877 | 428,064 |
| Compensation and related costs | 306,827 | 244,465 |
| Stock based compensation | 166,095 | 254,319 |
| Total operating expenses | 1,097,569 | 1,052,830 |
| Loss from operations | (1,264,344) | (1,159,331) |
| Other expense (income): | | |
| Interest on promissory notes | 167,551 | 132,463 |
| Amortization of debt discounts and other fees | 587,198 | 556,878 |
| Extinguishment of debt | 67,694 | – |
| Other expense (income) | (906) | – |
| Total other expense (income) | 821,537 | 689,341 |
| Loss before provision for income taxes | (2,085,881) | (1,848,672) |
| Provision for income taxes | – | – |
| Net loss | (2,085,881) | (1,848,672) |
| Loss attributable to non-controlling interest | (223,804) | (182,472) |
| Net loss attributable to Brazil Minerals, Inc. stockholders | $ (1,862,077) | $ (1,666,200) |
| | | |
| Basic and diluted loss per share | | |
| Net loss per share attributable to Brazil Minerals, Inc. common stockholders | $ (0.00) | $ (0.01) |
| | | |
| Weighted-average number of common shares outstanding: | | |
| Basic and diluted | 802,114,793 | 220,548,469 |
| | | |
| Comprehensive loss: | | |
| Net loss | $ (2,085,881) | $ (1,848,672) |
| Foreign currency translation adjustment | (14,852) | (41,286) |
| Comprehensive loss | (2,100,733) | (1,889,958) |
| Comprehensive loss attributable to noncontrolling interests | (223,804) | (182,472) |
| Comprehensive loss attributable to Brazil Minerals, Inc. stockholders | $ (1,876,929) | $ (1,707,486) |

The accompanying notes are an integral part of these consolidated financial statements.

**BRAZIL MINERALS, INC.**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | Series A Preferred Stock Shares | Value | Common Stock Shares | Value | Additional Paid-in Capital | Accumulated Other Comprehensive Loss | Accumulated Deficit | Non-controlling Interests | Total Stockholders Equity (Deficit) |
|---|---|---|---|---|---|---|---|---|---|
| Balance, December 31, 2017 | 1 | $ 1 | 121,274,424 | 121,274 | $ 46,007,475 | $ (524,819) | $ (47,515,131) | $ 1,391,553 | $ (519,647) |
| Conversion of convertible debenture(s) and other indebtedness into common stock | – | – | 210,986,220 | 210,986 | (51,963) | – | – | – | 159,023 |
| Issuance of Jupiter Gold common stock in exchange for consulting, professional and other services | – | – | – | – | – | – | – | 125,000 | 125,000 |
| Recognition of beneficial conversion features related to convertible debentures | – | – | – | – | 561,633 | – | – | – | 561,633 |
| Stock based compensation | – | – | – | – | 254,319 | – | – | – | 254,319 |
| Change in foreign currency translation | – | – | – | – | – | (41,286) | – | – | (41,286) |
| Issuance of Jupiter Gold-common stock in connection with sales made under private offerings | – | – | – | – | – | – | – | 35,000 | 35,000 |
| Net loss | – | – | – | – | – | – | (1,666,200) | (182,472) | (1,848,672) |
| Balance, December 31, 2018 | 1 | $ 1 | 332,260,644 | $ 332,260 | $ 46,771,464 | $ (566,105) | $ (49,181,331) | $ 1,369,081 | $ (1,274,630) |
| Issuance of common stock in connection with sales made under private offerings | – | – | 235,584,906 | 235,585 | (112,085) | – | – | – | 123,500 |
| Issuance of common stock in connection with exercise of common stock warrants | – | – | 61,000,000 | 61,000 | (60,590) | – | – | – | 410 |
| Conversion of convertible debenture(s) and other indebtedness into common stock | – | – | 501,802,789 | 501,803 | (273,205) | – | – | – | 228,598 |
| Issuance of common stock | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| or Jupiter Gold common stock in exchange for consulting, professional and other services | – | – | 1,787,041 | 1,787 | 2,540 | – | – | 5,000 | 9,327 |
| Issuance of common stock options in lieu of cash for extinguishment of convertible notes with related party | – | – | – | – | 269,934 | – | – | – | 269,934 |
| Recognition of beneficial conversion features related to convertible debentures | – | – | – | – | 599,355 | – | – | – | 599,355 |
| Stock based compensation | – | – | – | – | 166,095 | – | – | – | 166,095 |
| Change in foreign currency translation | – | – | – | – | – | (14,852) | – | – | (14,852) |
| Issuance of Jupiter Gold common stock in connection with sales made under private offerings | – | – | – | – | – | – | – | 260,689 | 260,689 |
| Issuance of common stock purchase warrants in connection with sales of Jupiter Gold common stock | – | – | – | – | 361,062 | – | – | 35,749 | 396,811 |
| Net loss | – | – | – | – | – | – | (1,862,077) | (223,804) | (2,085,881) |
| Balance, December 31, 2019 | 1 | $ 1 | 1,132,435,380 | $ 1,132,435 | $ 47,724,570 | $ (580,957) | $ (51,043,408) | $ 1,446,715 | $ (1,320,644) |

The accompanying notes are an integral part of these consolidated financial statements.

**BRAZIL MINERALS, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | Year Ended December 31, 2019 | Year Ended December 31, 2018 |
|---|---|---|
| Cash flows from operating activities of continuing operations: | | |
| Net loss | $ (2,085,881) | $ (1,848,672) |
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Stock based compensation and services | 175,422 | 379,319 |
| Amortization of debt discounts | 587,198 | 556,878 |
| Convertible debt issued in satisfaction of other financing costs | 18,981 | 1,050 |
| Depreciation and amortization | 63,457 | 75,346 |
| Loss on extinguishment of debt | 67,694 | – |
| Provision for excess or obsolete inventory | 17,166 | – |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 488 | (273) |
| Deposits and advances | (1,285) | – |
| Accounts payable and accrued expenses | 140,555 | 146,590 |
| Accrued salary due to officer | 213,322 | 160,330 |
| Other noncurrent liabilities | 11,811 | 18,119 |
| Net cash provided by (used in) operating activities | (791,072) | (511,313) |
| | | |
| Cash flows from investing activities: | | |
| Acquisition of fixed assets | (677) | (803) |
| Advances to related parties | – | (1,173) |
| Net cash provided by (used in) investing activities | (677) | (1,976) |
| | | |
| Cash flows from financing activities: | | |
| Proceeds from sale of common stock, net | 123,500 | – |
| Proceeds from the exercise of common stock purchase warrants | 410 | – |
| Proceeds from sale of subsidiary common stock to noncontrolling interests, net | 657,500 | 35,000 |
| Proceeds from convertible notes payable, net | 276,000 | 130,556 |
| Proceeds from loans payable, net | 202,920 | 228,320 |
| Repayment of loans payable | (222,112) | |
| Repayment of loans payable from officer | (96,366) | (4,602) |
| Net cash provided by (used in) financing activities | 941,852 | 389,274 |
| | | |
| Effect of exchange rates on cash and cash equivalents | (1,422) | 43,048 |
| Net increase (decrease) in cash and cash equivalents | 148,681 | (80,967) |
| Cash and cash equivalents at beginning of period | 2,407 | 83,374 |
| Cash and cash equivalents at end of period | $ 151,088 | $ 2,407 |
| | | |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for interest | $ 8,568 | $ – |
| Cash paid for income taxes | $ – | $ – |
| | | |
| Supplemental disclosure of non-cash investing and financing activities: | | |
| Common stock options issued to related party in connection with conversion of debt and accrued interest | $ 202,240 | $ – |
| Common stock issued in connection with conversion of debt and accrued interest | $ 228,598 | $ 159,023 |
| Conversion of related party payables into convertible notes payable | $ 323,355 | $ 445,628 |
| Discount for beneficial conversion features on convertible notes | $ 276,000 | $ 561,633 |

The accompanying notes are an integral part of these consolidated financial statements.

## NOTE 1 – ORGANIZATION, BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Organization and Description of Business*

Brazil Minerals, Inc. ("Brazil Minerals" or the "Company") was incorporated as Flux Technologies, Corp. under the laws of the State of Nevada, U.S. on December 15, 2011. The Company changed its management and business on December 18, 2012, to focus on mineral exploration. Brazil Minerals, through subsidiaries, owns mineral rights in Brazil for gold, diamonds, lithium, rare earths, titanium, iron, nickel, and sand.

*Basis of Presentation*

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles ("GAAP") of the United States of America and are expressed in United States dollars. For the years ended December 31, 2019 and 2018, the consolidated financial statements include the accounts of the Company and its 99.99% owned subsidiary, BMIX Participações Ltda. ("BMIXP"), which includes the accounts of BMIXP's wholly-owned subsidiary, Mineração Duas Barras Ltda. ("MDB").

During the year ended December 31, 2014, BMIXP acquired an initial 25% interest in RST Recursos Minerais Ltda. ("RST"), and during the first quarter of 2015, it acquired an additional 25% interest in RST, thus bringing its total ownership of RST to 50%. As of March 18, 2015, RST has been consolidated within the Company's financial statements.

On April 17, 2015, BMIXP incorporated Hercules Resources Corporation ("HRC"). On May 27, 2015, HRC formalized title to 99.99% of Hercules Brasil Comercio e Transportes Ltda. ("Hercules Brasil"). Thus, Hercules Brasil is a wholly-owned subsidiary and has been consolidated within the Company's consolidated financial statements.

On July 27, 2016, upon approval by its Board of Directors, the Company sold a 99.99% equity interest in Mineração Jupiter Ltda to Jupiter Gold Corporation ("Jupiter Gold"), a newly created company, in exchange for 4,000,000 shares of the common stock of Jupiter Gold. On December 16, 2016, the Securities and Exchange Commission ("SEC") declared effective a Registration Statement filed by JGC for the sale of shares in a public offering in the U.S. As of December 31, 2019, the Company has ownership of approximately 35.4% of the equity of Jupiter Gold. The Company has concluded that Jupiter Gold and its subsidiary Mineração Jupiter are variable interest entities ("VIE") in accordance with applicable accounting standards and guidance. As such, the accounts and results of Jupiter Gold and Mineração Jupiter have been included in the Company's consolidated financial statements.

All material intercompany accounts and transactions have been eliminated in consolidation.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates.

*Going Concern*

The consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company has limited working capital, has incurred losses in each of the past two years, and has not yet received material revenues from sales of products or services. These factors create substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustment that might be necessary if the Company is unable to continue as a going concern.

*Fair Value of Financial Instruments*

The Company follows the guidance of Accounting Standards Codification ("ASC") Topic 820 – Fair Value Measurement and Disclosure. Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The guidance also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of our Company. Unobservable inputs are inputs that reflect our Company's assumptions about the factors market participants would use in valuing the asset or liability. The guidance establishes three levels of inputs that may be used to measure fair value:

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

As of December 31, 2019 and 2018, the Company's derivative liabilities were considered a level 2 liability. See Note 4 for a discussion regarding the determination of the fair market value. The Company does not have any level 3 assets or liabilities.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, taxes receivable, prepaid expenses, deposits and other assets, accounts payable, accrued expenses and convertible notes payable. The carrying amount of these financial instruments approximates fair value due to either length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these consolidated financial statements.

*Cash and Cash Equivalents*

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents to the extent that the funds are not being held for investment purposes. The Company's bank accounts are deposited in FDIC insured institutions. Funds held in U.S. banks are insured up to $250,000 and funds held in Brazilian banks are insured up to $250,000 Brazilian Reais (translating into approximately $62,024 as of December 31, 2019).

*Inventory*

Inventory for the Company consists of ore stockpile, containing auriferous and diamondiferous gravel, which after processing in a recovery plant yields diamonds and gold, and is stated at lower of cost or market. No value was placed on sand. The amount of any write-down of inventories to net realizable value and all losses, are recognized in the period the write-down of loss occurs. At December 31, 2019 and 2018, inventory consisted primarily of rough ore stockpiled for further gold and diamonds recovery. During the years ended December 31, 2019 and 2018, the Company recorded write-downs of $17,166 and $0, respectively, against the value of its inventory.

*Taxes Receivable*

The Company records a receivable for value added taxes receivable from Brazilian authorities on goods and services purchased by its Brazilian subsidiaries. The Company intends to recover the taxes through the acquisition of capital equipment from sellers who accept tax credits as payments.

*Property and Equipment*

Property and equipment are stated at cost, net of accumulated depreciation. Major improvements and betterments are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful life. At the time of retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statements of operations as other gain or loss, net.

The diamond and gold processing plant and other machinery are depreciated over an estimated useful life of ten years; vehicles are depreciated over an estimated life of four years; and computer and other office equipment over an estimated useful life of three years.

*Right of Use Assets and Lease Liabilities*

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (ASC 842). The standard requires lessees to recognize almost all leases on the balance sheet as a ROU asset and a lease liability and requires leases to be classified as either an operating or a finance type lease. The standard excludes leases of intangible assets or inventory. The standard became effective for the Company beginning January 1, 2019. The Company adopted ASC 842 using the modified retrospective approach, by applying the new standard to all leases existing at the date of initial application. Results and disclosure requirements for reporting periods beginning after January 1, 2019 are presented under ASC 842, while prior period amounts have not been adjusted and continue to be reported in accordance with our historical accounting under ASC 840. The Company elected the package of practical expedients permitted under the standard, which also allowed the Company to carry forward historical lease classifications. The Company also elected the practical expedient related to treating lease and non-lease components as a single lease component for all equipment leases as well as electing a policy exclusion permitting leases with an original lease term of less than one year to be excluded from the ROU assets and lease liabilities.

Under ASC 842, the Company determines if an arrangement is a lease at inception. Right-of-Use ("ROU") assets and liabilities are recognized at commencement date based on the present value of remaining lease payments over the lease term. For this purpose, the Company considers only payments that are fixed and determinable at the time of commencement. As most of the Company's leases do not provide an implicit rate, the Company estimated the incremental borrowing rate in determining the present value of lease payments. The ROU asset also includes any lease payments made prior to commencement and is recorded net of any lease incentives received. The Company lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options.

Operating leases are included in operating lease right-of-use assets, operating lease liabilities, current and operating lease liabilities, non-current on the Company's condensed consolidated balance sheets.

As a result of the adoption of ASC 842 on January 1, 2019, the Company recorded both operating lease ROU assets of $21,292 and operating lease liabilities of $21,292. The adoption did not impact the Company's beginning retained earnings, or prior year consolidated statements of income and statements of cash flows. For the year ended December 31, 2019, the Company incurred $23,015 in operating lease costs.

*Mineral Properties*

Costs of exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. Mineral property acquisition costs, including licenses and lease payments, are capitalized. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's rights. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Impairment losses are recorded on mineral properties used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. As of December 31, 2019 and 2018, the Company did not recognize any impairment losses related to mineral properties held.

*Intangible Assets*

For intangible assets purchased in a business combination, the estimated fair values of the assets received are used to establish their recorded values. For intangible assets acquired in a non-monetary exchange, the estimated fair values of the assets transferred (or the estimated fair values of the assets received, if more clearly evident) are used to establish their recorded values, unless the values of neither the assets received nor the assets transferred are determinable within reasonable limits, in which case the assets received are measured based on the carrying values of the assets transferred. Valuation techniques consistent with the market approach, income approach and/or cost approach are used to measure fair value. Intangible assets consist of mineral rights awarded by the Brazilian national mining department and held by the Company's subsidiaries.

*Impairment of Long-Lived Assets*

For long-lived assets, such as property and equipment and intangible assets subject to amortization, the Company continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

*Convertible Instruments*

The Company evaluates and account for conversion options embedded in convertible instruments in accordance with ASC 470-20, “Debt with Conversion and Other Options”.

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free-standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The Company accounts for convertible instruments (when it has been determined that the embedded conversion options should not be bifurcated from their host instruments) by recording, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

*Variable Interest Entities*

The Company determines at the inception of each arrangement whether an entity in which the Company holds an investment or in which the Company has other variable interests in is considered a variable interest entity. The Company consolidates VIEs when it is the primary beneficiary. The primary beneficiary of a VIE is the party that meets both of the following criteria: (1) has the power to make decisions that most significantly affect the economic performance of the VIE; and (2) has the obligation to absorb losses or the right to receive benefits that in either case could potentially be significant to the VIE. Periodically, the Company assesses whether any changes in the interest or relationship with the entity affect the determination of whether the entity is still a VIE and, if so, whether the Company is the primary beneficiary. If the Company is not the primary beneficiary in a VIE, the Company accounts for the investment under the equity method or cost method in accordance with the applicable GAAP.

The Company has concluded that Jupiter Gold and its subsidiary Mineração Jupiter are VIEs in accordance with applicable accounting standards and guidance; and although the operations of Jupiter Gold are independent of the Company, through governance rights, the Company has the power to direct the activities that are most significant to Jupiter Gold. Therefore, the Company concluded that it is the primary beneficiary of the Jupiter Gold.

*Revenue Recognition*

The Company recognizes revenue under ASC Topic 606, Revenue from Contracts with Customers ("ASC 606"). The core principle of the new revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the company satisfies a performance obligation

In order to identify the performance obligations in a contract with a customer, a company must assess the promised goods or services in the contract and identify each promised good or service that is distinct. A performance obligation meets ASC 606's definition of a "distinct" good or service (or bundle of goods or services) if both of the following criteria are met:

- The customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer
- The entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e.,

If a good or service is not distinct, the good or service is combined with other promised goods or services until a bundle of goods or services is identified that is distinct.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. When determining the transaction price, an entity must consider the effects of all of the following:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component in the contract
- Noncash consideration
- Consideration payable to a customer

Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is allocated to each performance obligation on a relative standalone selling price basis.

The transaction price allocated to each performance obligation is recognized when that performance obligation is satisfied, at a point in time or over time as appropriate.

*Costs of Goods Sold*

Included within costs of goods sold are the costs of cutting and polishing rough diamonds and costs of production such as diesel fuel, labor, and transportation.

*Stock-Based Compensation*

The Company records stock-based compensation in accordance with ASC Topic 718, Compensation - Stock Compensation. ASC 718 requires companies to measure compensation cost for stock-based employee compensation at fair value at the grant date and recognize the expense over the employee's requisite service period. Under ASC 718, volatility is based on the historical volatility of our stock or the expected volatility of the stock of similar companies. The expected life assumption is primarily based on historical exercise patterns and employee post-vesting termination behavior. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

The Company utilizes the Black-Scholes option-pricing model, which was developed for use in estimating the fair value of options. Option-pricing models require the input of highly complex and subjective variables including the expected life of options granted and the expected volatility of our stock price over a period equal to or greater than the expected life of the options. Because changes in the subjective assumptions can materially affect the estimated value of our employee stock options, it is management's opinion that the Black-Scholes option-pricing model may not provide an accurate measure of the fair value of our employee stock options. Although the fair value of employee stock options is determined in accordance with ASC Topic 718 using an option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

On June 20, 2018, the FASB issued ASU 2018-07 which simplifies the accounting for share-based payments granted to nonemployees for goods and services. Under the ASU, most of the guidance on such payments to nonemployees would be aligned with the requirements for share-based payments granted to employees. Equity classified share-based payments for employees was fixed at the time of grant. Equity-classified nonemployee share-based payment awards are measured at the grant date of the award which is the same as share-based payments for employees. The Company adopted the requirements of the new rule as of January 1, 2019, the effective date of the new guidance.

*Foreign Currency*

The Company's foreign subsidiaries use a local currency as the functional currency. Resulting translation gains or losses are recognized as a component of accumulated other comprehensive income. Transaction gains or losses related to balances denominated in a currency other than the functional currency are recognized in the consolidated statements of operations. Net foreign currency transaction losses included in the Company's consolidated statements of operations were negligible for all periods presented.

*Income Taxes*

The Company accounts for income taxes in accordance with ASC Topic 740, Income Taxes. ASC 740 requires a company to use the asset and liability method of accounting for income taxes, whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of, the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. As of December 31, 2019 and 2018, the Company's deferred tax assets had a full valuation allowance.

Under ASC 740, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company has identified the United States Federal tax returns as its "major" tax jurisdiction.

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act ("TCJA"), which instituted fundamental changes to the taxation of multinational corporations, including a reduction the U.S. corporate income tax rate to 21% beginning in 2018.

The TCJA also requires a one-time transition tax on the mandatory deemed repatriation of the cumulative earnings of certain of the Company's foreign subsidiaries as of December 31, 2017. To determine the amount of this transition tax, the Company must determine the amount of earnings generated since inception by the relevant foreign subsidiaries, as well as the amount of non-U.S. income taxes paid on such earnings, in addition to potentially other factors. The Company believes that no such tax will be due since its Brazilian subsidiaries have, when required, paid taxes locally and that they have incurred a cumulative operating deficit since inception.

*Basic Income (Loss) Per Share*

The Company computes loss per share in accordance with ASC Topic 260, Earnings per Share, which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period. As of December 31, 2019, the Company's potentially dilutive securities relate to common stock issuable in connection with convertible notes payable, options and warrants. As of December 31, 2019, if all holders of preferred stock, convertible notes payable, options and warrants exercised their right to convert their securities to common stock, the common stock issuable would be in excess of the Company's authorized, but unissued shares of common stock.

*Other Comprehensive Income*

Other comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, other than net income and including foreign currency translation adjustments.

*Reclassifications*

Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications had no impact on net earnings (loss) or and financial position.

*Recent Accounting Pronouncements*

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740), which enhances and simplifies various aspects of the income tax accounting guidance, including requirements such as tax basis step-up in goodwill obtained in a transaction that is not a business combination, ownership changes in investments, and interim-period accounting for enacted changes in tax law. The amendment will be effective for public companies with fiscal years beginning after December 15, 2020; early adoption is permitted. The Company is evaluating the impact of this amendment on its consolidated financial statements.

In February 2020, the FASB issued ASU 2020-02, Financial Instruments-Credit Losses (Topic 326) and Leases (Topic 842) - Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842), which amends the effective date of the original pronouncement for smaller reporting companies. ASU 2016-13 and its amendments will be effective for the Company for interim and annual periods in fiscal years beginning after December 15, 2022. The Company believes the adoption will modify the way the Company analyzes financial instruments, but it does not anticipate a material impact on results of operations. The Company is in the process of determining the effects adoption will have on its consolidated financial statements

We have reviewed other recent accounting pronouncements issued to the date of the issuance of these consolidated financial statements, and we do not believe any of these pronouncements will have a material impact on the Company.

**NOTE 2 – COMPOSITION OF CERTAIN FINANCIAL STATEMENT ITEMS**

*Property and Equipment, Net*

The following table sets forth the components of the Company's property and equipment at December 31, 2019 and December 31, 2018:

| | December 31, 2019 | | | December 31, 2018 | | |
|---|---|---|---|---|---|---|
| | Cost | Accumulated Depreciation | Net Book Value | Cost | Accumulated Depreciation | Net Book Value |
| Capital assets subject to depreciation: | | | | | | |
| Computers and office equipment | $ 2,144 | $ (739) | $ 1,405 | $ 1,572 | $ (769) | $ 803 |
| Machinery and equipment | 435,659 | (298,845) | 136,814 | 451,310 | (268,537) | 182,773 |
| Vehicles | 164,275 | (129,692) | 34,583 | 170,885 | (110,683) | 60,202 |
| Total fixed assets | $ 602,078 | $ (429,276) | $ 172,802 | $ 623,767 | $ (379,989) | $ 243,778 |

For the years ended December 31, 2019 and 2018, the Company recorded depreciation expense of $63,457 and $75,346, respectively.

*Intangible Assets*

Intangible assets consist of mining rights are not amortized as the mining rights are perpetual. The carrying value was $509,862 and $530,293 at December 31, 2019 and 2018, respectively.

*Equity Investments without Readily Determinable Fair Values*

On October 2, 2017, the Company entered into an exchange agreement whereby it issued 25,000,000 shares of its common stock in exchange for 500,000 shares of Ares Resources Corporation, a related party. The shares were recorded at $150,000, or $0.006 per share. The shares were valued based upon the lowest market price of the Company's common stock on the date the agreement.

Under ASC 321-10, the Company elected to use a measurement alternative for its equity investment that does not have a readily determinable fair value. As such, the Company measured its investment at cost, less any impairment, plus or minus any changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer.

The Company has recognized the cost of its investment in Ares, which is a private company with no readily determinable fair value, at its cost of $150,000 and accounts for the investment as an equity investment without a readily determinable fair value. The Company owns less than 5% of the total shares outstanding of Ares Resources Corporation.

*Accounts Payable and Accrued Liabilities*

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Accounts payable and other accruals | $ 141,916 | $ 140,968 |
| Accrued interest | 496,448 | 390,322 |
| Total\ | $ 638,364 | $ 531,290 |

## NOTE 3 – CONVERTIBLE PROMISSORY NOTES PAYABLE

The following tables set forth the components of the Company's convertible debentures as of December 31, 2019 and December 31, 2018:

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Convertible notes payable – fixed conversion price | $ 244,000 | 244,000 |
| Convertible notes payable – variable conversion price | 733,614 | 630,923 |
| Less: loan discounts | (153,000) | (8,299) |
| Total convertible notes, net | $ 824,614 | $ 866,624 |

The following table sets forth a summary of change in our convertible notes payable for the years ended December 31, 2019 and 2018:

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Beginning balance | $ 866,624 | 665,394 |
| Amortization of debt discounts associated with convertible debt | 137,300 | 334,064 |
| Conversion of convertible note principal into common stock | (198,291) | (148,435) |
| Increase in principal amounts outstanding due to lender adjustments per terms of the note agreements | 18,981 | 1,050 |
| Issuance of convertible notes payable | 282,000 | 137,306 |
| Loan discounts recorded related to issuance of convertible notes payable | (282,000) | (122,755) |
| Repayment of convertible note principal | (–) | (–) |
| Total convertible notes, net | $ 824,614 | $ 866,624 |

*Convertible Notes Payable - Fixed Conversion Price*

On January 7, 2014, the Company issued to a family trust a senior secured convertible promissory note in the principal amount, and received gross proceeds, of $244,000 and warrants to purchase an aggregate of 488,000 shares of the Company's common stock at an exercise price of $62.50 per share through December 26, 2018. The Company received gross proceeds of $244,000 for the sale of such securities. The outstanding principal of the note bears interest at the rate of 12% per annum. The note is convertible at the option of the holder into common stock of the Company at a conversion rate of one share for each $50.00 of principal and interest converted. As of December 31, 2019, all warrants issued in connection with this note had expired.

The outstanding principal on the note was payable on March 31, 2015, which as of the date of these financial statements is past due and in technical default. The Company is in negotiations with the note holder to satisfy, amend the terms or otherwise resolve the obligation in default. No demand for payment has been made. As a result of the default, the interest rate on the note increased to 30% per annum. Interest was payable on September 30, 2014 and on the maturity date. As of December 31, 2019, the Company has accrued interest payable totaling $384,009 in connection with this note.

*Convertible Notes Payable - Variable Conversion Price*

At various times to fund operations, the Company issues convertible notes payable in which the conversion features are variable. In addition, some of these convertible notes payable have on issuance discounts and other fees withheld.

During the year ended December 31, 2016, the Company issued to one noteholder, in various transactions, $242,144 in convertible promissory notes with fixed floors and received an aggregate of $232,344 in proceeds. The convertible promissory notes each bear interest at 8.0% per annum and mature one year from issuance ranging from July to December 2017. After six months from issuance, each convertible promissory note is convertible at the option of the holder at a 50% discount to the lowest traded price of the Company's common stock over the previous 20 days. In addition, each note's conversion rate has a floor of $0.0001. Total debt discounts related to the beneficial conversion features of $241,852 were recorded and are being amortized over the life of the notes. As of December 31, 2019, the outstanding principal balance on these notes total $184,394, and all discounts were fully amortized.

During the year ended December 31, 2017, the Company issued to one noteholder in various transactions $477,609 in convertible promissory notes with fixed floors and received an aggregate of $454,584 in proceeds. The convertible promissory notes each bear interest at 8.0% per annum and mature one year from issuance ranging from January to August 2018. After six months from issuance, each convertible promissory note is convertible at the option of the holder at a 50% discount to the lowest traded price of the Company's common stock over the previous 20 days. In addition, each note's conversion rate has a floor of $0.0001. Total debt discounts related to the beneficial conversion features of $447,272 were recorded and are being amortized over the life of the notes. As of December 31, 2019, the outstanding principal balance on these notes total $138,000, and all discounts were fully amortized.

During the year ended December 31, 2018, the Company issued to one noteholder in various transactions $137,306 in convertible promissory notes with fixed floors and received an aggregate of $130,556 in proceeds. The convertible promissory notes each bear interest at 8.0% per annum and mature one year from issuance ranging from August 2018 to April 2019. After six months from issuance, each convertible promissory note is convertible at the option of the holder at a 50% discount to the lowest traded price of the Company's common stock over the previous 20 days. In addition, each note's conversion rate has a floor of $0.0001. Total debt discounts related to the beneficial conversion features of $122,755 were recorded and are being amortized over the life of the notes. As of December 31, 2019, the outstanding principal balance on these notes total $129,220, and all discounts were fully amortized.

During the year ended December 31, 2019, the Company issued to one noteholder in various transactions $282,000 in convertible promissory notes with fixed floors and received an aggregate of $276,000 in proceeds. The convertible promissory notes each bear interest at 8.0% per annum and mature one year from issuance in July 2020. After six months from issuance, each convertible promissory note is convertible at the option of the holder at a 50% discount to the lowest traded price of the Company's common stock over the previous 20 days. In addition, each note's conversion rate has a floor of $0.0001. Total debt discounts related to the beneficial conversion features of $276,000 and $6,000 for issuance costs were recorded and are being amortized over the life of the notes. As of September 30, 2019, the outstanding principal balance on these notes total $282,000, and the associated unamortized discounts totaled $153,000.

While many of these convertible notes are past their original maturity dates, the Company continues to maintains a favorable relationship and work with the lender with regard to financing its working capital needs.

As of December 31, 2019, the Company has accrued interest payable totaling $105,432 in connection with these variable convertible notes.

During the years ended December 31, 2019 and 2018, $137,300 and $334,064 of the discounts were amortized to interest expense, respectively.

During the years ended December 31, 2019 and 2018, the Company issued 501,802,789 and 210,986,220 shares of common stock upon conversion of $228,598 and $159,023, respectively, in notes payable and accrued interest.

*Future Potential Dilution*

Most of the Company's convertible notes payable contain adjustable conversion terms with significant discounts to market. As of December 31, 2019, the Company's convertible notes are convertible into an aggregate of approximately 1,048,019,643 shares of common stock. Due to the variable conversion prices on some of the Company's convertible notes, the number of common shares issuable is dependent upon the traded price of the Company's common stock.

## NOTE 4 – LOANS PAYABLE

During the years ended December 31, 2019 and 2018, the Company received bridge loan proceeds aggregating $202,920 and $228,320, respectively, from one lender in various transactions. The loans payable bear interest at 8.0% per annum. The loans are payable upon demand.

On July 8, 2019, the Company repaid $222,112 of bridge loan principal and $17,888 of accrued interest.

As of December 31, 2019 and 2018, the principal balance outstanding on the loans payable totaled $209,128 and $228,320, respectively, and the Company accrued interest payable totaling $7,007 and $5,751, respectively, in connection with the loans payable.

## NOTE 5 – OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities are comprised solely of social contributions and other employee-related costs at our operating subsidiaries located in Brazil. The Company has been funding these amounts upon the termination of a worker or employee. The balance of these employee related costs as of December 31, 2019 and December 31, 2018 amounted to $192,729 and $188,423, respectively.

## NOTE 6 – STOCKHOLDERS' DEFICIT

*Authorized and Amendments*

As of December 31, 2019, the Company had 1,200,000,000 common shares authorized with a par value of $0.001 per share.

*Series A Preferred Stock*

On December 18, 2012, the Company filed with the Nevada Secretary of State a Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock ("Series A Stock") to designate one share of a new series of preferred stock. The Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock provides that for so long as Series A Stock is issued and outstanding, the holders of Series A Stock shall vote together as a single class with the holders of the Company's Common Stock, with the holders of Series A Stock being entitled to 51% of the total votes on all such matters regardless of the actual number of shares of Series A Stock then outstanding, and the holders of Common Stock are entitled to their proportional share of the remaining 49% of the total votes based on their respective voting power.

*Year Ended December 31, 2019 Transactions*

During the year ended December 31, 2019, the Company received $652,500 in gross proceeds from the sale of units consisting of common stock of its subsidiary, Jupiter Gold, and warrants to purchase the Company’s common stock to accredited investors. In aggregate, the securities the Company sold were 846,828 shares of Jupiter Gold and two-year warrants to purchase a total of 241,000,000 shares of Brazil Minerals at prices ranging from $0.0012 to $0.004 per share.

Additionally, the Company received $5,000 in gross proceeds from the sale of 10,000 shares of Jupiter Gold common stock to an accredited investor.

During the year ended December 31, 2019, the Company received $123,500 in gross proceeds from the sale of 235,584,906 shares of our common stock to accredited investors.

During the year ended December 31, 2019, the Company issued 501,802,789 shares of common stock upon conversion of $228,598 in convertible notes payable and accrued interest.

During the year ended December 31, 2019, the Company issued 1,787,041 shares of common stock valued at $4,327 in exchange for consulting, professional and other services. Additionally, the Company issued 5,492 shares of Jupiter Gold common stock valued at $5,000 in exchange for consulting, professional and other services.

*Year Ended December 31, 2018 Transactions*

During the year ended December 31, 2018, the Company issued 210,986,220 shares of common stock upon conversion of $159,023 in convertible notes payable and accrued interest.

See Note 3 for additional discussions of common stock issuances.

*Common Stock Options*

During the year ended December 31, 2018, the Company granted options to purchase an aggregate of 31,073,000 shares of common stock to non-management directors. The options were valued at $50,000 in total. The options were valued using the Black-Scholes option pricing model with the following average assumptions: our stock price on the date of the grant ($0.0010 to $0.0026), expected dividend yield of 0%, historical volatility calculated between a range of 205.4% to 217.0%, risk-free interest rate between a range of 1.80% to 2.95%, and an expected term of 5 years.

During the year ended December 31, 2019, the Company granted options to purchase an aggregate of 37,285,500 shares of common stock to non-management directors. The options were valued at $50,000 in total. The options were valued using the Black-Scholes option pricing model with the following average assumptions: our stock price on the date of the grant which ($0.0009 to $0.0037), expected dividend yield of 0%, historical volatility calculated between a range of 199.2% to 223.2%, risk-free interest rate between a range of 1.55% to 2.31%, and an expected term of 5 years.

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

*Operating Leases*

The Company leases offices in Pasadena, California, U.S., and in the municipality of Olhos D'Agua, Brazil. Such costs are immaterial to the consolidated financial statements.

**NOTE 8 - RELATED PARTY TRANSACTIONS**

*Chief Executive Officer*

The following tables set forth the components of the Company's related party payables as of December 31, 2019 and December 31, 2018:

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Salary, retirement contributions and advances payable to related party | $ 11,777 | $ 224,516 |
| | | |
| Convertible notes payable to related party | $ 566,743 | $ 445,628 |
| Less: loan discounts | (96,270) | (222,814) |
| Total convertible notes payable to related party, net | $ 470,473 | $ 222,814 |
| | | |
| Total related party payables | $ 482,250 | $ 447,330 |

As of December 31, 2019 and 2018, amounts payable to the Chief Executive Officer for accrued salaries, retirement contributions, and advances made net of any repayments included within related party payable were $578,520 and $670,144, respectively.

Effective June 30, 2018, the Company issued a convertible promissory note in the principal amount of $445,628 to its Chief Executive Officer against a portion of these unpaid compensatory balances. The note bears no interest and is payable on demand. The note is convertible at the option of the holder at the lower of (i) the average of the five lowest bid prices of the Company's common stock over the previous 20 trading days or (ii) the lowest price per share at which the Company sold its common stock in a transaction with a person who is not a manager, officer, or director of the Company during the period from the date hereof until the giving of notice of the election to convert or the lowest price per share at which a noteholder who is not a manager, officer, or director of the Company converted any debt of the Company into shares of the Company during the period from the date hereof until the giving of notice of the election to convert. The note's conversion rate has a floor of $0.0001. Total debt discounts related to the beneficial conversion features of $445,628 were recorded and are being amortized over a one-year period consistent with the maturity dates of convertible notes issued to third party holders. As of December 31, 2019, all discounts were fully amortized.

On April 7, 2019, the Company's board of directors approved the issuance of a convertible note in the principal amount of $261,631 to its Chief Executive Officer against a portion of these unpaid compensatory balances. The note bears interest at an annual rate of 6.0% and is payable on demand. The note is convertible at the option of the holder at the lower of (i) $0.00045 or (ii) the lowest price per share at which a noteholder who is not a manager, officer, or director of the Company converted any debt of the Company into common stock of the Company during the period from the date hereof until the giving of notice of the election to convert. Total debt discounts related to the beneficial conversion features of $261,631 were recorded and are being amortized over a one-year period consistent with the maturity dates of convertible notes issued to third party holders. As of December 31, 2019, there were unamortized debt discounts of $65,408 related to this note.

On April 7, 2019, the Company's board of directors approved the exchange, initiated by a formal notice of conversion dated February 19, 2019, of $202,240 of convertible note principal due to its Chief Executive Officer for five-year stock options to purchase 224,711,111 shares of Brazil Minerals at an exercise price of $0.00001 and 505,600 shares of common stock of Jupiter Gold at an exercise price of $0.001. Per the terms of the convertible note agreement, the conversion notification permitted the holder, at his election, to receive either an issuance of 224,711,111 shares of Brazil Minerals and 505,600 shares of Jupiter Gold, or an issuance of stock options to purchase the same numbers of shares at a nominal exercise price. The options were valued at $270,255 in total. The options were valued using the Black-Scholes option pricing model with the following average assumptions: our stock price on date of grant of $0.0012, expected dividend yield of 0%, historical volatility ranging from 230.1% to 1,271.2%, risk-free interest rate of 2.50%, and an expected term of 5.00 years. In connection with the exchange, the Company recorded a loss on the extinguishment of debt totaling $68,015.

On June 30, 2019, the Company's board of directors approved the issuance of a convertible note in the principal amount of $61,724 to its Chief Executive Officer against a portion of these unpaid compensatory balances. The note bears interest at an annual rate of 6.0% and is payable on demand. The note is convertible at the option of the holder at the lower of (i) $0.0003 or (ii) the lowest price per share at which a noteholder who is not a manager, officer, or director of the Company converted any debt of the Company into common stock of the Company during the period from the date hereof until the giving of notice of the election to convert. Total debt discounts related to the beneficial conversion features of $61,724 were recorded and are being amortized over a one-year period consistent with the maturity dates of convertible notes issued to third party holders. As of December 31, 2019, there were unamortized debt discounts of $30,862 related to this note.

During the year ended December 31, 2019, Jupiter Gold granted options to purchase an aggregate of 360,000 shares of its common stock to Marc Fogassa at a price of $1.00 per share. The options were valued at $116,095 and recorded to stock-based compensation. The options were valued using the Black-Scholes option pricing model with the following average assumptions: the Company's stock price on the date of the grant ($0.275 to $1.125), expected dividend yield of 0%, historical volatility calculated between a range of 63.1%, risk-free interest rate between a range of 1.39% to 2.56%, and an expected term of 5 years.

## NOTE 9 – RISKS AND UNCERTAINTIES

In light of the SEC's Division of Corporate Finance Disclosure Guidance Topic Number 9, dated March 25, 2020, on the impact of COVID-19, the Company notes the following as of April 11, 2020:

- The Company has not had any reports of COVID-19 among its workforce;
- The Company has been able to continue local operations of the Company in Brazil as they are located in a rural area currently unaffected by any lockdown restrictions implemented elsewhere in Brazil;
- Travel between the U.S. and Brazil has essentially ceased; this is mitigated by the use of live streaming video and other methods as needed;
- Some exploratory research of some of the Company's projects have been delayed as certain municipalities in Brazil have unilaterally restricted the entry of outside persons; these actions are being legally challenged by branches of the state administration and the Company is monitoring all new developments;
- The Company has postponed any expenses which are not critical to it at the moment;
- On February 12, 2020 and March 16, 2020, the Company received proceeds from the sale of its equity totaling $300,000 from two accredited investors, and is in continuing discussions with several other sources.

## NOTE 10 - SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 Subsequent Events, the Company has analyzed its operations subsequent to December 31, 2019 to the date these consolidated financial statements were issued, and has determined that it does not have any material subsequent events to disclose in these consolidated financial statements.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRAZIL MINERALS, INC.

By:/s/ Marc Fogassa
Marc Fogassa
Chief Executive Officer

Date: April 14, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| /s/ Marc Fogassa<br>Marc Fogassa | Chief Executive Officer and Director; Chief Financial Officer and Chief Accounting Officer | April 14, 2020 |
| /s/ Roger Noriega<br>Roger Noriega | Director | April 14, 2020 |

## EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 3.1 | Articles of Incorporation of the Company filed with the Secretary of State of Nevada on December 15, 2011. Incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 filed by the Company on April 6, 2012. |
| 3.2 | Certificate of Amendment to the Articles of Incorporation of the Company filed with the Secretary of State of the State of Nevada on December 18, 2012. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on December 26, 2012. |
| 3.3 | Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock filed with the Secretary of State of the State of Nevada on December 18, 2012. Incorporated by reference to Company's Current Report on Form 8-K filed with the Commission on December 26, 2012. |
| 3.4 | Certificate of Amendment to the Articles of Incorporation of the Company filed with the Secretary of State of the State of Nevada on December 24, 2012. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on January 28, 2013. |
| 3.5 | Amended and Restated By-laws of the Company. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on December 11, 2015. |
| 3.6 | Certificate of Amendment to the Articles of Incorporation of the Company filed with the Secretary of State of the State of Nevada on March 15, 2018. Incorporated by reference to Exhibit 3.20 to the Company's Annual Report on Form 10-K filed with the Commission on April 17, 2018. |
| 3.7 | Certificate of Amendment to the Articles of Incorporation of the Company filed with the Secretary of State of the State of Nevada on August 27, 2019* |
| 4.1 | Senior Secured Convertible Promissory Note of the Company dated January 8, 2014 in the principal amount of $244,000 to the order of Heather U. Baines and Lloyd McAdams AB Living Trust dated 8/1/2001. Incorporated by reference to Exhibit 4.4 to the 2013 10K/A-1. |
| 4.2 | Warrant to Purchase 488,000 Shares of the Company's Common Stock Issued to Heather U. Baines and Lloyd McAdams AB Living Trust dated 8/1/2001on January 8, 2014. Incorporated by reference to Exhibit 4.8 to the 2013 10K/A-1. |
| 4.3 | Form of Convertible Redeemable Promissory from the Company to GW Holdings Group, LLC.. Incorporated by reference to Exhibit 4.31 to the Annual Report on Form 10-K for the fiscal year ended December 31, 2016. |
| 10.1 | Employment Agreement between the Company and Marc Fogassa. Incorporated by reference to Exhibit 10.6 to the Annual Report on Form 10-K for the fiscal year ended December 31, 2012.. |
| 10.2 | Stock Purchase and Sale Agreement dated as of July 27, 2016 between the Company and Jupiter Gold Corporation ("Jupiter Gold"). Incorporated by reference to Exhibit 10.1 to the Jupiter Gold's Registration Statement on Form F-1 filed with the Commission on December 1, 2016. |
| 10.3 | 2017 Stock Incentive Plan. Incorporated by reference to Exhibit 4.1 of the Registration Statement on Form S-8 filed with the Commission on December 8, 2017. |
| 21.1 | Subsidiaries of the Company.* |
| 31.1 | Certification of the Chief Executive Officer pursuant to Section 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| 32.1 | Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 135, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |
| 101* | Interactive Data files pursuant to Rule 405 of Regulation S-T. |

* Filed herewith

Ex 3.11

| | |
|---|---|
| Filed in the Office of Barbara K. Cegavske Secretary State Of Nevada | Business Number E0671412011-7 |
| | Filing Number 20190119930 |
| | Filed On 8/27/2019 8:00:00 AM |
| | Number of Pages 1 |


BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov


# Certificate of Amendment

(PURSUANT TO NRS 78.385 AND 78.390)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

## Certificate of Amendment to Articles of Incorporation For Nevada Profit Corporations

**(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)**

1. Name of corporation:

Brazil Minerals, Inc.

2. The articles have been amended as follows: (provide article numbers, if available)

In section 3, the number of shares that the corporation is authorized to issue is amended to read as follows: "The total number of shares of Common Stock that the corporation shall have the authority to issue is one billion two hundred million (1,200,000,000) shares, par value $0.001 per share. The total number of shares of Preferred Stock that the corporation shall have the authority to issue is ten million (10,000,000) shares, par value $0.001 per share. The Preferred Stock may be issued in one or more series, each series to be appropriately designated by a distinguishing letter or title, prior to the issuance of any shares thereof. The voting powers, designations, preferences, limitations, restrictions, and relative, participating, optional and other rights, and the qualifications, limitations, or restrictions thereof, of the Preferred Stock shall hereunder be prescribed by resolution of the board of directors pursuant hereto."

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is: 51%

4. Effective date and time of filing: (optional) Date: Time:

(must not be later than 90 days after the certificate is filed)

5. Signature: (required)

X

Signature of Officer

*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

**IMPORTANT:** Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

*This form must be accompanied by appropriate fees.*

Exhibit 21.1

**List of Subsidiaries**
**(as of 12/31/2019)**

| Name | Jurisdiction | Percentage Owned |
|---|---|---|
| BMIX Participações Ltda. | Brazil | 99.99% by Company |
| Mineração Duas Barras Ltda. | Brazil | 99.99% by BMIX Participações Ltda. |
| RST Recursos Minerais Ltda. | Brazil | 50.00% by BMIX Participações Ltda. |
| Hercules Resources Corporation | Marshall Islands | 100% by Company |
| Hercules Brasil Ltda. | Brazil | 99.99% by Hercules Resources Corporation |
| Jupiter Gold Corporation | Marshall Islands | 34.50% by the Company |
| Mineração Jupiter Ltda. | Brazil | 99.99% by Jupiter Gold Corporation |
| Mineração Apollo Ltda. | Brazil | 50.00% by the Company |

Exhibit 31.1

**CERTIFICATION**

I, Marc Fogassa, certify that:

(1) I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2019 of Brazil Minerals, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

(4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

(5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 14, 2020

/s/ Marc Fogassa
Marc Fogassa
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

**CERTIFICATION**

I, Marc Fogassa, certify that:

(1) I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2019 of Brazil Minerals, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

(4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

(5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 14, 2020

/s/ Marc Fogassa
Marc Fogassa
Chief Financial Officer
(principal financial and accounting officer)

Exhibit 32.1

**Certification of Chief Executive Officer and Principal Financial Officer**
**Pursuant to 18 U.S.C. Section 1350,**
**as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Marc Fogassa, certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Brazil Minerals, Inc. for the fiscal year ended December 31, 2019 fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 14, 2020

By: /s/ Marc Fogassa
Marc Fogassa
Chief Executive Officer
and Chief Financial Officer
(principal executive officer
And principal accounting and financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.