

Brazil Minerals, Inc.  
Form 10-Q  
November 16, 2015

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended September 30, 2015

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-55191

Brazil Minerals, Inc.

(Exact name of registrant as specified in its charter)

Nevada 39-2078861  
(State or other jurisdiction of (IRS Employer  
incorporation or organization) Identification No.)

155 North Lake Avenue  
Suite 800  
Pasadena, California 91101  
(Address of principal executive offices)

**(213) 590-2500**

Issuer's telephone number, including area code:

Indicate by check mark whether the issuer (1) 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

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

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Do not check if a smaller reporting company

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of November 16, 2015 the registrant had 5,845,717,860 shares of common stock, par value \$.001 per share, issued and outstanding.

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## Item 1. FINANCIAL STATEMENTS

BRAZIL MINERALS, INC.  
CONSOLIDATED BALANCE SHEETS  
AS OF SEPTEMBER 30, 2015 AND DECEMBER 31, 2014  
(UNAUDITED)

	September 30, 2015	December 31, 2014
Current assets:		
Cash and cash equivalents	\$ 114,015	\$ 19,776
Accounts receivable	2,521	-
Taxes recoverable	49,239	71,924
Prepaid expenses	-	45,648
Inventory	142,861	210,427
Deposits and advances	85,190	67,299
Loan receivable-related party	102,614	123,691
Total current assets	496,440	538,765
Capital assets:		
Property and equipment, net of accumulated depreciation	441,609	522,775
Other assets:		
Investment under the equity method	-	164,600
Intangible assets	624,498	124,245
Total assets	\$ 1,562,547	\$ 1,350,385
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accrued expenses and accounts payable	\$ 496,733	\$ 545,665
Customer deposits, net discount of \$87,140	406,688	293,630
Deferred revenue - current		
Convertible notes payable, net of debt discount of \$82,700 and \$507,464	610,174	717,272
Notes payable	2,517	-
Derivative liabilities	567,740	1,506,290
Related party payable	12,089	-
Total current liabilities	2,095,941	3,062,857
Long term liabilities		
Customer deposits, net of current portion	55,000	250,000
Convertible notes payable, net of current portion and discount of \$87,140	18,712	-
Total liabilities	2,169,653	3,312,857

Stockholders' deficit:

Series A preferred stock, \$0.001 par value, 10,000,000 shares authorized; 1 share issued and outstanding	1	1
Series B preferred stock, \$0.001 par value, 1,000,000 shares authorized; 310 shares issued and outstanding	310,000	-
Common stock, \$0.001 par value, 4,000,000,000 and 300,000,000 shares authorized; 4,620,321,650 and 118,618,373 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	4,620,321	118,618
Additional paid-in capital	37,687,219	40,483,759
Accumulated other comprehensive loss	(664,604 )	(365,473 )
Stock warrants	218,656	218,656
Accumulated deficit	(43,024,216)	(42,418,033)
Total stockholders' deficit	(852,623 )	(1,962,472 )
Non-controlling interest	245,517	-
Total liabilities and stockholders' deficit	\$1,562,547	\$1,350,385

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

BRAZIL MINERALS, INC.  
 CONSOLIDATED STATEMENTS OF OPERATIONS  
 FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014  
 (UNAUDITED)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Revenues	\$ 18,326	\$ 302,401	\$ 58,512	\$ 403,845
Costs of goods sold:				
Production expenses	8,573	93,839	145,599	168,885
Mining tax	-	-	-	844
Total cost of goods sold	8,573	93,839	145,599	169,729
Gross profit (loss)	9,753	208,562	(87,087 )	234,116
Operating expenses:				