Highlights:

- The Cachoeira project has received more than USD$25 million in exploration.
- Project includes three gold deposits in the Gurupi Greenstone Belt of Northeastern Brazil.
- Combined indicated resource of 692,000 ounces gold (17.47 Mt grading 1.23 g/t gold) and 538,000 ounces gold (15.67 Mt grading 1.07 g/t gold) in the inferred category at a 0.35 g/t gold cutoff.

VANCOUVER, Sept. 26, 2016 /CNW/ - Brazil Resources Inc. (the "Company" or "Brazil Resources") (TSX-V: BRI; OTCQX: BRIZF) announces that it has completed all remaining payments (the "Final Payments") due to Luna Gold Corp. ("Luna") under the previously announced share purchase agreement between the parties dated July 10, 2012 (the "Share Purchase Agreement"), pursuant to which Brazil Resources acquired a 100% interest in the Cachoeira Gold Project ("Cachoeira").

As previously disclosed, the Final Payments were due today and consisted of a total of 3,093,057 common shares of the Company (the "Shares") and a cash payment of $300,000. This included 1,879,057 Shares issued at a deemed price of $2.927 per Share (being the 10-day volume weighted average price of the Shares as of September 23, 2016) to satisfy $5.5 million of payments due under the Share Purchase Agreement, which were payable at the option of the Company in cash or Shares. All of the Shares issued are subject to restrictions as more fully set forth in the Share Purchase Agreement.

Garnet Dawson, Chief Executive Officer, stated: "These Final Payments advance our business plan in Brazil and further demonstrate our commitment to our portfolio of gold projects in Para State. Over $4.4 million has been invested at the Cachoeira and Sao Jorge projects on environmental and engineering studies. We have applied for an environmental license at Cachoeira and applied for a mining concession at Sao Jorge and plan on continuing to advance these projects. Additionally, we are currently assessing opportunities to create joint ventures at our Boa Vista and Surubim Projects, both of which have NI 43-101 gold resource estimates. In addition to these resource-stage projects, the Company has three additional highly prospective gold projects in Para State available for future exploration and joint venture opportunities."

Cachoeira Gold Project

The 100%-owned Cachoeira project is located in the Gurupi Greenstone Belt of northeastern Brazil. The project has received more than USD$25 million in exploration, which has defined three gold deposits with a combined indicated resource of 692,000 ounces gold (17.47 Mt grading 1.23 g/t gold) and 538,000 ounces gold (15.67 Mt grading 1.07 g/t gold) in the inferred category at a 0.35 g/t gold cutoff. The deposits are open along strike and at depth. Several geophysical and geochemical targets located to the east of these deposits will be drill tested in future drill programs.

The Company has submitted an environmental study and held public consultations with local stakeholders in connection with its application for a Preliminary Environmental License, which is currently under review by the Para Secretary of State for the Environment.

For further information regarding the Cachoeira project, please refer to the independent technical report titled "Technical Report and Resource Estimate on the Cachoeira Property, Para State Brazil", prepared by Greg Mosher of Tetra Tech, Inc. with an effective date of April 17, 2013 (amended and re-stated on October 2, 2013), a copy of which is available at www.sedar.com under BRI's profile.

BRI Resource Statement – Brazil (Para State)

In addition to Cachoeira, the Company has three other resource-stage projects in Para State, Brazil including its flagship Sao Jorge project (Table 1).

Table 1: Brazil Resources Inc. – Para State Mineral Resource Statement.

| Project | Cut-off (g/t) | Tonnes (Mt) | Gold (g/t) | Gold (Moz) |
|---|---|---|---|---|
| Indicated Resources | | | | |
| Sao Jorge[(1)] | 0.30 | 14.420 | 1.54 | 0.715 |
| Cachoeira | 0.35 | 17.470 | 1.23 | 0.692 |
| Total | | 31.890 | 1.37 | 1.407 |
| Inferred Resources | | | | |
| Sao Jorge[(1)] | 0.30 | 28.190 | 1.14 | 1.035 |
| Cachoeira | 0.35 | 15.667 | 1.07 | 0.538 |
| Boa Vista[(2)] | 0.50 | 8.470 | 1.23 | 0.336 |
| Surubim[(3)] | 0.30 | 19.440 | 0.81 | 0.503 |
| Total | | 71.767 | 1.05 | 2.412 |

Table 1 Notes:

1. "Technical Report and Resource Estimate on the Sao Jorge Gold Project, Para State, Brazil" prepared by Porfirio Rodriguez and Leonardo de Moraes, with an effective date of November 22, 2013.
2. "Technical Report on the Boa Vista Project and Resource Estimate on the VG1 Prospect, Tapajos Area, Para State, Northern Brazil" prepared by Jim Cuttle, Gary Giroux and Michael Schmulian, with an effective date of November 22, 2013.
3. "Technical Report on the Rio Novo Gold Project and Resource Estimate on the Jau Prospect, Tapajos Area, Para State, Northern Brazil" (Surubim Project) prepared by Jim Cuttle and Gary Giroux with an effective date of November 22, 2013.
4. For further information regarding the above-referenced projects, please refer to each of the technical reports set forth above, copies of which are filed under the Company's profile on SEDAR.

Paulo Pereira, Brazil Resources' President, has reviewed and approved the technical information contained in this news release. Mr. Pereira holds a bachelors degree in Geology from Universidade do Amazonas in Brazil, is a Qualified Person as defined in National Instrument 43-101 and is a member of the Association of Professional Geoscientists of Ontario.

About Brazil Resources Inc.

Brazil Resources Inc. is a public mineral exploration company with a focus on the acquisition, exploration and development of projects in Brazil, United States, Canada and other regions of the Americas. Brazil Resources is advancing its Whistler Gold-Copper Project, located in Alaska, United States, its Sao Jorge and Cachoeira Gold Projects, located in the State of Para, northeastern Brazil, its Titiribi Gold-Copper Project, located in Antioquia Department, Colombia and its Rea Uranium Project, located in the western Athabasca Basin in northeast Alberta, Canada.

Cautionary Note

Investors are cautioned not to assume that any part or all of the mineral deposits in the "indicated" and "Inferred" categories will ever be converted into mineral reserves with demonstrated economic viability or that inferred mineral resources will be converted to the measured and/or indicated categories through further drilling. In addition, the estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies.

Forward Looking Statements

This document contains certain forward-looking statements that reflect the current views and/or expectations of Brazil

Resources with respect to its business and future events, including statements regarding the estimation of mineral resources and the Company's expectations respecting the Cachoeira project and the Company's other projects. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the markets in which Brazil Resources operates. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including: the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other exploration data, the potential for delays in exploration or development activities, the geology, grade and continuity of mineral deposits, the possibility that future exploration, development or mining results will not be consistent with Brazil Resources' expectations, accidents, equipment breakdowns, title and permitting matters, labour disputes or other unanticipated difficulties with or interruptions in operations, fluctuating metal prices, unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, commodity price fluctuations, regulatory restrictions, including environmental regulatory restrictions, any failure to obtain necessary licences or permits in respect of the Company's projects, any failure of the Company to obtain necessary financing to meet payment obligations on the Cachoeira project, including the minimum payments to royalty holders or any failure to obtain extensions on payments due to such royalty holders on similar terms as in the past. These risks, as well as others, including those set forth in Brazil Resources' filings with Canadian securities regulators, could cause actual results and events to vary significantly. Accordingly, readers should not place undue reliance on forward-looking statements and information. There can be no assurance that forward-looking information, or the material factors or assumptions used to develop such forward looking information, will prove to be accurate. Brazil Resources does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities law.

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

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Contact
Brazil Resources Inc., Amir Adnani, Chairman, Garnet Dawson, Chief Executive Officer, Telephone: (855) 630-1001