

Brazil Minerals, Inc.
Form 10-Q
November 24, 2017

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, 2017

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.)

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

(213) 590-2500

(Registrant's telephone number)

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, 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
(Do not check if 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` Nop

APPLICABLE ONLY TO CORPORATE ISSUERS

As of November 21, 2017 the registrant had 94,995,911 shares of common stock, par value \$0.001 per share, issued and outstanding.

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Item 1. FINANCIAL STATEMENTS
 BRAZIL MINERALS, INC.
 CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2017 AND DECEMBER 31, 2016

	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 145,547	\$ 7,139
Taxes recoverable	29,077	28,264
Prepaid expenses	-	7,258
Inventory	81,185	78,911
Deposits and advances	4,479	-
Total current assets	260,288	121,572
Capital assets:		
Property and equipment, net	415,664	421,927
Other assets:		
Intangible assets, net	648,149	630,089
Total assets	\$ 1,324,101	\$ 1,173,588
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	\$ 403,960	\$ 333,415
Convertible notes payable, net of debt discounts totaling \$292,611 and \$137,113, respectively	567,828	349,030
Related party payable	462,678	310,259
Total current liabilities	1,434,466	992,704
Long term liabilities:		
Convertible notes payable -- noncurrent, net of debt discounts	-	-
Other noncurrent liabilities	203,784	191,391
Total liabilities	1,638,250	1,184,095
Stockholders' deficit:		
Series A preferred stock, \$0.001 par value. 10,000,000 shares authorized; 1 share issued and outstanding	1	1
Common stock, \$0.001 par value. 100,000,000 and 30,000,000 shares authorized, respectively; 86,181,478 and 64,752,286 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	86,181	64,752
Additional paid-in capital	45,327,006	44,690,704
Accumulated other comprehensive loss	(454,169)	(489,516)
Stock purchase warrants	218,656	218,656
Accumulated deficit	(46,945,727)	(45,823,698)
Total Brazil Minerals, Inc. stockholders' deficit	(1,768,052)	(1,339,101)

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Non-controlling interest	1,453,903	1,328,594
Total stockholders' deficit	(314,149)	(10,507)
Total liabilities and stockholders' deficit	\$1,324,101	\$1,173,588

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

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BRAZIL MINERALS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

(Unaudited)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Revenue	\$17,933	\$7,752	\$30,387	\$11,821
Cost of revenue	36,651	47,461	113,528	112,293
Gross margin	(18,718)	(39,709)	(83,141)	(100,472)
Operating expenses:				
Professional fees	60,362	51,512	137,621	147,634
General and administrative	106,948	92,883	261,108	287,569
Compensation and related costs	62,278	50,261	206,627	146,066
Stock based compensation	164,574	-	164,574	57,568
Total operating expenses	394,162	194,656	769,930	638,837
Loss from operations	(412,880)	(234,365)	(853,071)	