

Brazil Minerals, Inc.
Form 10-K/A
September 29, 2014

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

FORM 10-K/A
(Amendment No. 4)

(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, 2013

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

Commission File Number 333-180624

Brazil Minerals, Inc.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

39-2078861
(IRS Employer
Identification No.)

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

Issuer's telephone number, including area code: (213) 590-2500

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 \$.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

Edgar Filing: Brazil Minerals, Inc. - Form 10-K/A

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, or a smaller reporting company. (as defined in Rule 12b-2 of the Exchange Act). Check one:

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
---	--	---	---

(Do not check if a 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

As of April 10, 2014, the aggregate market value of the shares of the registrant's common stock held by non-affiliates (based upon the closing stock price of \$0.10 on such date as reported on otcmarkets.com) was approximately \$4,386,407. Shares of the Registrant's common stock held by each executive officer and director and by each person who owns 10 percent or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates of the Registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of April 10, 2014, there were outstanding 76,409,116 shares of the registrant's common stock, \$.001 par value.

Documents incorporated by reference: None.

EXPLANATORY NOTE

On April 15, 2014 we filed with the Securities and Exchange Commission (the “SEC”) an Annual Report on Form 10-K for the fiscal year ended December 31, 2013, on July 1, 2014 we filed with the SEC an Amendment No. 1 thereto to revise certain disclosures pursuant to a comment letter we received from the SEC regarding the Form 10-K and a Registration Statement on Form 10 we filed on April 29, 2014, on July 30, 2014 we filed with the SEC an Amendment No. 2 thereto to revise certain disclosures pursuant to a comment letter we received from the SEC regarding the Form 10-K/A-1 and Form 10/A-1 we filed on July 1, 2014 and on September 9, 2014 we filed with the SEC an Amendment No. 3 to the Form 10-A and an Amendment No. 3 to the Form 10-K to revise certain disclosures pursuant to a comment letter we received from the SEC regarding the Form 10-K/A-2 and Form 10/A-2. We are filing this Amendment No. 4 to the Form 10-K to further revise certain disclosures pursuant to a comment letter we received from the SEC regarding Amendment No. 3 to the Form 10-K.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K (“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: 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. (OTCQB: BMIX) (the “Company”, “BMIX”, “we”, “us”, or “our”) is a U.S. holding company with investments in Brazil. The primary business of BMIX is to acquire ownership positions in producing mining companies in Brazil. Currently, Mineração Duas Barras Ltda. (“MDB”), a Brazilian company, is the only producing mining company in which we have an ownership interest. The secondary business of BMIX is to engage in the creation of new companies in Brazil with mineral properties for exploration and development.

In 2013, our consolidated revenues were generated from the sale of rough diamonds and gold by one of the companies in which we had invested. Starting in 2014, our consolidated revenues derived from such subsidiary include sales of polished diamonds as well as rough diamonds and gold.

General Development of our Business

We were incorporated under the laws of the State of Nevada under the name of Flux Technologies, Corp. on December 15, 2011. From inception until December 2012, the Company’s operations were limited to the development of a business plan, the completion of sales of our common stock, discussion with potential customers, and the signing and performance of a service agreement with one company.

Immediately after the transactions discussed below, the Company discontinued its 3D animation services business and entered its current business of investment in mining companies and mineral assets in Brazil.

- 2 -

On December 18, 2012, the Company, Iryna Antaniuk, the then sole director and sole officer of the Company (“Antaniuk”), and Brazil Mining, Inc., a Delaware corporation (“Brazil Mining”) entered into, and on December 19, 2012 they consummated, an Acquisition Agreement (the “Acquisition Agreement”). Pursuant to the Acquisition Agreement, (a) 3,000,000 shares of Common Stock held by Antaniuk were cancelled and retired, (b) Brazil Mining paid to the Company \$25,000, (c) the Company used the \$25,000 payment from Brazil Mining to pay and satisfy all of the Company’s liabilities and (d) the Company’s sole officer and director prior to the signing of the Agreement resigned and Marc Fogassa was elected as a director of the Company.

On December 19, 2012, the Company consummated Subscription Agreements with 37 investors pursuant to which the Company issued and sold to these investors for \$33.333 per share an aggregate of 60,002 shares of the Company’s Common Stock for an aggregate purchase price of \$2,000,006.66. Such Common Stock was issued in accordance with an exemption from the registration requirements of the Securities Act of 1933 as amended (the “Securities Act”), under Section 4(2) of the Securities Act by virtue of compliance with the provisions of Regulation D under the Securities Act.

As contemplated by the Subscription Agreements, on December 18, 2012, the Company amended its Articles of Incorporation to authorize 10,000,000 shares of a class of “blank check” preferred stock and filed a Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock. One share of Series A Convertible Preferred Stock (“Series A Stock”) was designated and issued by the previous management of the Company for \$1.00 to Marc Fogassa, who was elected on such date as a director and as the Chief Executive Officer of the Company. The Certificate of Designations of the Series A Stock, among other things, 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 Common Stock, and the holders of any other class or series of shares entitled to vote with the Common Stock, with the holders of Series A Preferred Stock being entitled to 51% of the total votes on all such matters regardless of the actual number of shares of Series A Preferred Stock then outstanding, and the holders of Common Stock and any other shares entitled to vote being entitled to their proportional share of the remaining 49% of the total votes based on their respective voting power.

In connection with the Acquisition Agreement, the Company entered into and consummated a Contribution Agreement with Brazil Mining (the “Contribution Agreement”) pursuant to which Brazil Mining contributed to the Company by way of an Assignment of Mineral Rights, the mineral exploration rights on a mining claim with approximately 24,700 acres located in the municipality of Borba, State of Amazonas, Brazil. Brazil Mining also entered into an Option Agreement with the Company pursuant to which Brazil Mining granted to the Company an option to purchase for \$800,000 a 20% share of the monthly diamond production that Brazil Mining would actually receive in respect of Brazil Mining’s then anticipated acquisition of a 55% equity interest in a Brazilian entity (the “Option Agreement”). Pursuant to the Contribution Agreement, the Company issued to Brazil Mining an aggregate of 1,073,511 shares of the Company’s Common Stock, par value \$.001 per share, constituting 51% of the issued and outstanding shares of Common Stock of the Company giving effect to all of the transactions consummated on December 19, 2012 including issuances of stock and warrants to the placement agent on a fully diluted basis. On January 2, 2013, the Company exercised the option granted to the Company pursuant to the Option Agreement.

On January 24, 2013, the Company filed with the Secretary of State of the State of Nevada a Certificate of Amendment to the Articles of Incorporation of the Company to increase the number of authorized shares of its Common Stock from 75 million to 150 million shares. The Company declared a 33.333-1 stock dividend payable to holders of record of the Company’s Common Stock as of January 22, 2013. The payment date for the dividend was January 25, 2013.

On March 23, 2013, the Company and Brazil Mining entered into, and on April 30, 2013 consummated, an Exchange Agreement (the “Exchange Agreement”) pursuant to which Brazil Mining sold to a 99.99% owned Brazilian subsidiary of the Company (“BMIXP”), the rights to all profits, losses and appreciation or depreciation and all other economic and voting interests of any kind in Brazil Mining’s 55% equity interest in MDB in exchange for the issuance to Brazil Mining of 1,000,000 shares of the Company’s Common Stock.

As discussed in further detail throughout this report, some further significant developments to our business during 2013 were as follows:

- (1) Our revenues increased to \$791,780, compared with zero during 2012;
- (2) We obtained from the Brazilian federal authority the license to export MDB's production;
- (3) We decided to verticalize our business model and enter the business of cutting and polishing a small part of MDB's diamond production;
- (4) We graded and certified at the Gemological Institute of America (GIA) our first lot of polished diamonds from MDB's production which were exported from Brazil to the U.S.;
- (5) We confirmed the geochemical occurrence of gold and copper in our property in the state of Amazonas in Brazil;
- (6) We raised \$100,000 through the private placement of securities to two accredited investors.

Subsequent to the end of our fiscal year 2013, and through March 31, 2014, the following significant developments have occurred:

- (1) We received \$1,048,000 in cash without the outright sale of any of our stock; this cash consisted of \$525,000 in revenues from sales of polished diamonds for forward delivery and \$523,000 in convertible notes;
- (2) We paid off and retired \$25,000 in principal from a 2013 convertible note;
- (3) We added a preeminent Brazilian mining lawyer who is also a licensed geologist to our Board of Directors;
- (4) As of March 31, 2014, we had 2,754 stockholders of record of our common stock.

Emerging Growth Company Status

We may be deemed to be an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act. As long as we remain an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding an annual nonbinding advisory vote on executive compensation and seeking nonbinding stockholder approval of any golden parachute payments not previously approved. We may take advantage of these reporting exemptions until we are no longer an "emerging growth company."

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

We will remain an “emerging growth company” for up to five years, although we would cease to be an “emerging growth company” prior to such time if we have more than \$1 billion in annual revenue, more than \$700 million in market value of our common stock is held by non-affiliates, or we issue more than \$1 billion of non-convertible debt over a three-year period.

Certain Definitions

As used herein, the following terms have the meanings indicated:

Gemological Institute of America (GIA): The Gemological Institute of America, or GIA, is a nonprofit institute dedicated to research and education in the field of gemology and the jewelry arts. Founded in 1931, GIA's mission is to protect all buyers and sellers of gemstones by setting and maintaining the standards used to evaluate gemstone quality. In 1953 the GIA developed its International Diamond Grading System and the Four Cs (cut, clarity, color, and carat weight) as a standard to compare and evaluate the quality of diamonds. GIA is headquartered in Carlsbad, California and operates out of 14 countries, with 12 campuses, seven laboratories and four research centers worldwide. We have had MDB's polished diamonds graded at GIA's Carlsbad laboratory.

SGS-Geosol: SGS-Geosol is considered the premier company in Brazil that performs analysis of mineral samples. Its clients include most of major global mining companies operating in Brazil. SGS Geosol has a central laboratory and 6 other branches and units throughout the country. We have had geochemical studies in samples collected by our geologists in various assignments analyzed at their Belo Horizonte headquarters facility.

2013 Significant Developments

Mineração Duas Barras Ltda.

On March 23, 2013, we entered into an agreement with Brazil Mining, Inc. ("BMI") pursuant to which we acquired, through a subsidiary, BMI's 55% interest in MDB for \$660,000 in consideration.

Export License

In July 2013, we obtained the necessary license from the Brazilian federal regulator (Siscomex) allowing the export of rough and polished diamonds as well as gold from MDB.

Verticalization of Our Business Model

During the third quarter of 2013, we began to cut and polish a small percentage of the rough diamonds produced from MDB. We have utilized a cutting and polishing center in Brazil, managed by a very experienced master diamond cutter and polisher with over 30 years of experience.

Exporting and Grading MDB's Polished Diamonds

In November 2013, MDB exported some polished diamonds to the U.S. These diamonds were subsequently taken to the Gemological Institute of America ("GIA") for grading and certification. Because MDB's diamonds are not subject to post-extraction treatment, 100 percent of them were accepted for grading and certification by the GIA.

Confirming Gold and Copper in Our Property in the State of Amazonas (Borba Project)

In 2013, we confirmed by a visit of a geologist to the site for inspection and geochemical testing that our project in the municipality of Borba, state of Amazonas, in Brazil, contains gold and copper.

2013 Financings

On September 30, 2013, we received in investment of \$100,000 in total from two accredited investors, one a trust for the benefit of two persons and the other, an individual. We sold such investors a total of four investment units, each unit consisting of a \$25,000 convertible promissory note and warrants to purchase 50,000 shares of our common stock until December 31, 2019.

- 5 -

The notes bear interest at 10% per annum and may be converted into our common stock at \$0.125 per share, a premium of 25% above our stock price at the time the transaction was entered into. The notes are due on May 31, 2014. The exercise price of the warrants is \$0.15 per share, a premium of 50% above our stock price at the time.

As of March 31, 2014, 25% of these notes had already been repaid, and the outstanding principal from the unpaid notes was \$75,000.

2014 Significant Developments

Polished Diamond Sales

On January 2, 2014, we received proceeds of \$25,000 from a sale of polished and GIA graded diamonds pursuant to an agreement with a buyer in which the buyer agreed to receive these diamonds over a period of time.

On March 4, 2014, we received proceeds of \$500,000 from a sale of polished and GIA graded diamonds pursuant to an agreement with two buyers that agreed to receive these diamonds over a period of one year. As part of this transaction, we pledged with a third party collateral agent an aggregate of 11,000,000 shares of our common stock, valued at approximately \$990,000 at the time the transaction was consummated, in order to secure the delivery of the diamonds. The number of shares pledged is subject to periodic adjustment as diamonds are delivered and as the market price of our common stock may change. We also issued to the buyers two-year options to purchase an aggregate of 3,000,000 shares of our common stock at an exercise price (subject to adjustment upon the occurrence of certain events) of \$0.12 per share, a premium of 33% above our stock price when the transaction was consummated.

Financings

On January 7, 2014, we received \$244,000 in investment from the Heather U. Baines and Lloyd McAdams AB Living Trust dated 8/1/2001 (the "Trust") in exchange for a senior secured convertible promissory note in the principal amount of \$244,000 and warrants to purchase an aggregate of 488,000 shares of our common stock through December 26, 2018 issued to a designee of the Trust. The notes bear interest at 12% per annum and may be converted into common stock at \$0.125 per share, a premium of 42% above our stock price at the time the transaction was entered into. The exercise price of the warrants is \$0.125 per share (subject to adjustment upon the occurrence of certain events), a premium of 79% above our stock price at the time. Interest on the note is payable on September 30, 2014 and on March 31, 2015, the maturity date of the note. The note is secured by certain capital equipment purchased by us with the proceeds received; this equipment is now being used in MDB and is comprised of an excavator, a bulldozer, a truck, a portable motor and generator, among other items. Besides this capital equipment, the note is secured by our pledge of common stock having a value of 200% of the outstanding principal and accrued interest of the note. The note is repaid by depositing \$20,000 monthly to a sinking fund. As of April 3, 2014, we had deposited \$40,000 into the sinking fund, and our sinking fund obligation was current; this amount deposited has been requested by us to be applied to satisfaction of principal and interest of the note; the holder of the note has 60 days following a deposit into the sinking fund to choose between accepting repayment or converting the amount deposited to our common stock.

On January 24, 2014, we received proceeds of \$25,000 from an investment by Black Mountain Equities, Inc., an accredited investor, in exchange for an unsecured convertible promissory note in the principal amount of \$27,500. The note bears interest at the rate of 10% per annum. The note must be converted by the holder (unless repaid by us) by December 31, 2014. We retain the option, but not the obligation, to repay the note in cash. The conversion price is the lesser of (a) \$0.07 or (b) 60% of the lowest daily volume weighted average price of our common stock during the twenty trading days immediately prior the applicable date on which the holder of the note elects to convert all or part

of the note. The note is not secured by any collateral.

- 6 -

On February 21, 2014, we received proceeds of \$200,000 from an investment by St. George Investments, LLC (“St. George”) in exchange for an unsecured convertible promissory note in the principal amount of \$222,500. The difference between the face amount of the note and the gross proceeds received was comprised of legal costs and origination discount. The note bears interest at 10% per annum and the conversion price is \$0.11 per share, a premium of 38% above our stock price when the transaction was consummated. Principal and accrued interest on the note are due in five consecutive monthly installments of \$44,500 plus accrued interest commencing on August 21, 2014. The monthly installments are payable in cash or in common stock, at our option, or in diamonds that have been graded by GIA, upon the request of St. George. All principal and accrued interest on the note is payable on December 21, 2014. The note is not secured by any collateral.

On March 31, 2014, we received net proceeds of \$54,000, after compensation paid to a broker-dealer, from an investment by Group 10 Holdings LLC, an accredited investor, in exchange for an unsecured convertible promissory note in the principal amount of \$63,000. The note bears interest at the rate of 10% per annum. The note must be converted by the holder (unless repaid by us) by March 31, 2015. We retain the option, but not the obligation, to repay the note in cash. The conversion price is the lesser of (a) \$0.11 or (b) 60% of the lowest closing price of our common stock during the twenty trading days prior to the maturity date or the date that a notice of conversion is given by the holder. The note is not secured by any collateral.

Our Operational Information

The primary business of BMIX is to acquire ownership positions in producing mining companies in Brazil. The secondary business of BMIX is to engage in the creation of new companies in Brazil with mineral properties for exploration and development. For information concerning our initial investments and assets see Item 2. Properties, which is incorporated herein by reference.

In 2013, our consolidated revenues were derived almost exclusively from sales of diamonds and gold by MDB. MDB's revenues were approximately 69% from the sale of rough and polished diamonds and 31% from the sale of gold. All of the buyers were Brazilian institutional buyers.

While our consolidated financial results are in part tied to the price of diamonds and gold, both commodities that are traded globally, the biggest factor by far in generating revenues and profits is MDB's ability to effectively mine diamonds and gold. Alluvial mines, such as MDB's, are not homogeneous: some mining fronts have very rich concentration of diamondiferous and auriferous gravel whereas others do not. Additionally, some areas have easy access, whereas others may be underwater, and thus require water removal prior to excavation. Our ability to choose the mining fronts to pursue and to provide the necessary equipment, fuel, and labor are a significant factor in our results.

Competition

Our main source of revenue is from sales of diamonds and gold produced by MDB. Diamond production is a difficult field to penetrate due to regulatory requirements and limited availability of new resource areas. However, the market for rough and polished diamonds as well as gold is very large and the Company has been able to sell and believes for the foreseeable future it will continue to be able to sell with ease at satisfactory prices, all of the diamonds and gold produced by MDB. The Company does not depend on any one or a few customers to purchase its diamonds and gold.

Business conditions in Brazil favor producers of diamonds and gold, as demand is robust. We attribute these favorable conditions to the rise in the availability to Brazilian purchasers of discretionary income available for purchases of

jewelry, including jewelry with diamonds and gold. A secondary reason, in our opinion, is the overall increase in worldwide demand for diamonds and gold from China and India. For instance, it is now becoming commonplace and expected practice in China for brides to receive diamond engagement rings; sources indicate China to be the largest diamond market in the world today.

- 7 -

We believe there are two reasons for our strong competitive position: (1) we have all of the necessary permits and licenses; and (2) the quality of our production.

Our competitive position among suppliers of diamonds and gold is particularly strong because we have all of the necessary licenses in place in our operations. Therefore, our merchandise, whether rough diamonds, polished diamonds, or our gold is able to be purchased openly and without restrictions since all of the supporting proof of provenance is available and in good order. Other producers that lack operational licenses do not enjoy our position and can only sell into the "black market".

A secondary reason for our strong competitive position is that the diamonds from the Jequitinhonha River valley are known in Brazil and in global diamond centers to be of generally high quality. Since our sources of diamonds are secondary valley deposits, it is presumed that the primary kimberlitic source of such diamonds was pierced by the river millions of years ago. Therefore, a process of erosion occurred which resulted in smaller, but well proportioned, "hardy" gems. These gems are fairly easy to be cut and polished, yielding appealing diamonds without the need for any post-production enhancements such as laser work.

Our pricing on sales of our rough or polished diamonds follows general market trends. We have not yet been in any situation in which we would have to lower our pricing to beat a competitor. In general we show our rough production to several potential buyers and choose to sell to the one offering the best price and/or overall best terms; for instance, payment via cash deposit in our bank account prior to retrieval of the diamonds bought. Our sales of polished diamonds use as guideline for pricing the generally accepted Rapaport industry scale for certified and graded diamonds. Similarly as to the sales of rough diamonds, the best terms and conditions, including pre-payment by buyers over many months in advance of delivery of our certified and graded diamonds dictate our choice of buyer.

Markets and Distribution

The polished diamonds from MDB are either sold to jewelry chains in Brazil or exported to the U.S. Upon arrival in the U.S., these polished diamonds are normally graded and certified by the GIA before being sold to private individuals. The market for polished diamonds is very large, and the Company has received multiple inquiries from prospective buyers of all types. Rough diamonds and gold produced by MDB are normally sold to Brazilian companies that are subsidiaries of diamond companies headquartered in Belgium and India. The market for rough diamonds is similarly very large, and the Company has received a large number of inquiries from prospective buyers of all types.

Seasonality

MDB's ability to mine diamonds and gold is highly seasonal. The rainy season in the northern area of the state of Minas Gerais, Brazil, lasts from December through April. We expect that during these months MDB's revenues will be substantially lower than during other periods.

Government Regulation

General

The Brazilian mining industry is highly regulated. MDB's operations in Brazil are in full compliance with federal, state, and municipal regulations. We have obtained all of the necessary licenses and permits in the three necessary areas of regulation affecting our business: (1) mining regulation; (2) export regulation; and (3) environmental regulation and compliance.

Mining Regulation

MDB has title to both a mining concession and a mineral right, further described below. MDB does not own the land or surface rights atop these claims. In Brazil, the mineral right and the land (surface right) on top of it are commonly held by different owners. Brazilian law protects the rights of the owner of a mineral right to explore such claim, even when a surface owner is opposed to it.

- 8 -

MDB's mining concession: "Concessão de Lavra" number 265 awarded to MDB by "Departamento Nacional de Produção Mineral", the National Mining Department ("DNPM") effective on August 25, 2006 with respect to DNPM process number 806.569/1977. This claim award was published in Brazil's Official Federal Gazette.

"Concessão de Lavra" is the highest level of mining claim achievable in Brazil. MDB's Concessão de Lavra" permits MDB to mine and sell its production of diamonds and gold. MDB's mining concession covers an area of 170.89 hectares, or approximately 422 acres.

There are no liens or other encumbrances on MDB's mining concession. The mining concession is a federal claim in Brazil, as DNPM is a Brazilian federal entity. This mining concession has no termination date; it is held in perpetuity by MDB and for as long as MDB is continually mining in this concession area, this claim will be in good standing. The claim can also be in good standing even if there is no continued mining, if MDB were to file with DNPM for a hiatus from mining; such requests are normally granted for periods of up to three years.

"Concessão de Lavra" requires no fees to be paid to maintain such claim. Therefore, MDB has no payments to maintain MDB's mining concession.

Brazilian law guarantees the owner of the land on top of a mining concession the payment of a royalty of at least 0.1% of all revenues from the concession. However, most Brazilian mining companies negotiate with the landowner and pay a higher royalty rate as an incentive for greater cooperation. MDB has a contract that pays the landowner a 6% royalty rate on any sales, and management of MDB believes that MDB has enjoyed excellent cooperation from the landowner at all times.

Export Regulation

The export of rough diamond from Brazil complies with the United Nations Kimberley Process certification system of which Brazil is a signatory country. This system was implemented by a large number of member countries of the United Nations to marginalize and prevent entrance to the diamond marketplace of those gems produced in areas where human exploitation and other specific illicit activities exist. To the knowledge of the Company Brazil was never a jurisdiction that had any issues of this type.

The implementation of the Kimberley Process certification system in Brazil was established with the passage of Federal Law 10743 in 2003. The regulations surrounding the issuance of the Certificate of the Kimberley Process were achieved by the Ordinance 192 of 2007 from Departamento Nacional de Produção Mineral ("DNPM"), the Brazilian national mining department). According to the current DNPM regulations, every diamond producer diamond must register itself in the- Cadastro Nacional do Comércio de Diamantes ("CNCD"), the National Registry of Diamond Commercialization, and update the information on the CNCD online periodically. Every semester, DNPM visits and inspects the diamond producing property and verifies the information contained in the CNCD. For a diamond producer that is in compliance with the CNCD, the issuance of a Kimberley Process certificate by the DNPM with respect to each lot for export usually takes two weeks. As part of the Kimberley Process certification, the exact lot of rough diamonds to be exported is sealed at DNPM, and receives the necessary paperwork needed for export.

The procedure for the export of polished diamonds, gold and other commodities is regulated by Receita Federal, the equivalent of the Internal Revenue Service in Brazil. The exporter must obtain a license to export via SISCOMEX - Sistema Integrado de Comércio Exterior, or Integrated Foreign Trade System, MDB obtained the SISCOMEX authorization in July 2013. As part of the SISCOMEX procedures, when MDB exports polished diamonds, it must bring them to an office of Receita Federal in Brazil where the polished diamonds are weighed and sealed. The sealed container can be exported or carried through ports of exit of Brazil.

There is no cost to maintain the export license active.

Environmental Regulation and Compliance

- 9 -

Compliance with environmental laws in Brazil is overseen by state-level government agencies. In Minas Gerais, the Brazilian state where MDB is located, the duties of the environmental licensing are exercised by Conselho Estadual de Política Ambiental (“COPAM”, State Environmental Policy Council) of the Secretaria do Meio Ambiente (“SEMAD”, Environmental Secretariat).

Each region of the state of Minas Gerais has an office of the Superintendência Regional de Meio Ambiente e Desenvolvimento Sustentável (“SUPRAM”, Environment and Sustainable Development Regional District). SUPRAM, following guidelines from SEMAD, coordinates the implementation of activities related to environmental compliance of mining projects. A project that is compliance receives a Licença de Operação (Operational License).

MDB has an Operational License from SUPRAM. Furthermore, the Company believes that MDB and the local office of SUPRAM in Montes Claros enjoy an excellent professional relationship and MDB continuously relies on SUPRAMS’s advice for best practices. In 2013, several additional requests and suggestions from SUPRAM for further enhancements at MDB were carried out, with costs at less than \$10,000, and included an archaeological report (which indicated no archaeological findings), septic tank installation, and new plant and property placards. Other than these types of improvements, there is no annual cost to maintain the environmental license active.

Surface disturbance from open pit mining at MDB is in full compliance with its mining plan. MDB regularly recuperates areas that have been exploited. The current environmental regulations state that after all mining has ceased at MDB (however long that may take), there would still be five years of available time for any necessary recuperation to be performed.

The separation process for diamonds and gold at MDB does not use any chemical products. Tests are conducted regularly and there are no records of groundwater contamination.

Exploration

MDB

BMIX currently has no plans to conduct exploration work on the MDB mining concession, which is in production.

Borba Project

In 2013, a subsidiary of BMIX performed a preliminary geological surface assessment of an area within its exploration rights to the Borba Project (discussed in Item 2. Properties) and collected samples for geochemical analysis. These samples were analyzed at the SGS-Geosol laboratory in Belo Horizonte, Brazil.

Available Information

We maintain an internet website at www.brazil-minerals.com. On our website, we provide a link to the Securities and Exchange Commission (“SEC”) webpage that contains all of the public filings of Brazil Minerals. Our SEC filings are also directly available at the SEC’s website at www.sec.gov or from the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549. 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.

Personnel

Edgar Filing: Brazil Minerals, Inc. - Form 10-K/A

As of March 31, 2014, the number of employees and consultants working for us or for our subsidiaries was as following. MDB had 11 full-time employees and four consultants, all of them based in Brazil. BMIXP had three full-time employees and two consultants, all of them based in Brazil. BMIX had one full-time employee based in the U.S. Therefore, on a consolidated basis the Company had 15 employee in total, all of which are full-time employees. We also periodically retain consultants and independent contractors to provide services deemed useful to the operation of our business.

- 10 -

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below before making an investment decision. Our business, financial condition, results of operations, and cash flows could be materially adversely affected by any of these risks. The market or trading price of our securities could decline due to any of these risks. In addition, please see our note about forward-looking statements included in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations of this Annual Report on Form 10-K.

We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our operations and our stock price. The following highlights some of the factors that may affect our operations and our stock price.

Risks Related to Our Operations

We have a limited operating history.

The current business model and management team has been in place only since December 2012. Our limited operating history makes it difficult to evaluate our business or prospective operations. As an early stage company, we are subject to all of the risks inherent in the initial organization, financing, expenditures, complications, and delays inherent in a new business. 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 on the continuation of a favorable mining environment in Brazil.

Our management believes that Brazil has a favorable mining environment for some of the following reasons:

- Brazil has a strong tradition in production and export of natural resources;
- Brazil has a qualified work force for mining and ancillary services to support mining;
- Unlike other jurisdictions with defined time horizons, mining concessions in Brazil can be mined in perpetuity as long as there is continued mining;
- Most of Brazil's vast territory has not been properly researched on a geological basis, and therefore opportunity exists for new mineralized areas to be identified; and
- Mineral rights are constitutionally guaranteed and the right to mine in general prevails over surface rights.

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 Resources, Ltd. ("Vaaldiam"), a company which formally owned the mining concession which our indirect subsidiary, Mineração Duas Barras Ltda. ("MDB") now owns, performed geological studies in MDB's mining concession leading to the publication of an NI 43-101 technical report in 2007, and an updated NI 43-101 technical report in 2008, as required by the rules of the Canadian securities administrator. These reports differ from the standards generally permitted in reports filed with the SEC. Investors should be aware that we have no "reserves" as defined by SEC Industry Guide 7 and much or all of our potential target mineral resources may never be confirmed or converted into SEC Industry Guide 7 compliant "reserves." The reports contain estimates based on our inferred

resources. However, in accordance with both Canadian statutes and NI 43-101, estimates of inferred mineral resources cannot form the basis of a feasibility study.

- 11 -

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

Even though we have recently completed several transactions providing financing to us, we will likely require additional sources of funding to execute our business plan. We will need additional equity or debt financing beyond our existing cash to pursue our strategy, including the acquisition of additional investments in mining companies or to enter into strategic relationships with third parties to further study and/or develop mineral properties. Any additional financing that we need may not be available and, if available, may not be available on terms that are acceptable to us. Our failure to obtain financing on a timely basis, or on economically favorable terms, could prevent us from pursuing our acquisition strategy or from responding to changing business or economic conditions and could cause us to experience difficulty in withstanding adverse operating results.

If we do obtain alternative source of capital, the terms and conditions of acquiring such capital may result in dilution and the resultant lessening of value of the shares of stockholders.

If we are not successful in raising sufficient capital, we will have to modify our business plans and reduce operations. In this event, you could lose a substantial part or all of your 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, weather phenomena which directly affects the operations of alluvial mining properties, the general global economic condition which affects demand for diamonds, and others.

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, operations, capital requirements, our 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.

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.

As of March 31, 2014 one share of our Series A Preferred Stock was issued, outstanding and held 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 being entitled to their proportional share of the remaining 49% of the total votes based on their respective voting power.

- 12 -

Our stock price may be volatile.

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

- our ability to grow and/or maintain revenue;
- our ability to achieve profitability;
- our ability to acquire additional mineral properties;
- our ability to raise capital when needed;
- sales of our common stock;
- our ability to execute our business plan;
- legislative, regulatory, and competitive developments; and
- 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 Bulletin Board, you may not be able to buy and sell our common stock at optimum prices and you may face liquidity issues.

The Over-the-Counter Bulletin Board ("OTCBB") is a regulated quotation service that displays quotes, last sales prices, and volume in over-the-counter securities. The trading of our stock on the OTCBB imposes, among others, the following risks:

Availability of quotes and order information – Because OTCBB trades and quotations primarily involve a manual process (over the telephone) rather than automated or electronically linked execution systems, the market information for our common stock cannot be guaranteed. In addition, quote information, or even firm quotes, may not be available. The manual execution process may delay order processing and intervening price fluctuations could result in the failure of a limit order to execute or the execution of a market order at a significantly different price. Execution of trades, execution reporting, and the delivery of trade confirmations may be delayed significantly. Consequently, one may not be able to sell shares of our common stock at the optimum trading prices.

Liquidity Risks – Liquidity refers to the ability to freely buy and sell securities at given prices and volumes. In general, the more activity in a given security, and the more market makers participating in a security, the greater the liquidity in the security. Because the OTCBB generally has fewer market makers participating in a Bulletin Board security, the liquidity in our common stock may be significantly less than what might be experienced in the NASDAQ or listed markets. As such, you may only receive a partial execution or your order may not be executed at all. Additionally, the price received on a market order may be significantly different from the price quoted at the time of order entry. Additionally, when fewer shares of our common stock are being traded, larger spreads between bid and ask prices and volatile swings in price may result.

Dealer's Spread – The dealer's spread (the difference between the bid and ask prices) of our common stock may be large and may result in substantial losses to the seller of our common stock on the OTCBB if the common stock must be sold immediately. Further, purchasers of our common stock may incur an immediate "paper" loss due to the price spread. Moreover, dealers trading on the OTCBB may not have a bid price for securities bought and sold through the OTCBB. Due to the foregoing, there may be decreased demand for our common stock traded through the OTCBB.

The significant number of options and warrants and convertible debt securities outstanding may adversely affect the market price for our common stock.

As of March 31, 2014 options and warrants to purchase an aggregate of 5,512,560 shares of our common stock were outstanding. In addition, an aggregate of 5,055,584 shares of our common stock are issuable upon conversion of convertible notes and debentures we have issued. To the extent that outstanding options and warrants are exercised and convertible debt securities are converted into our common stock, 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.

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.

Future sales of shares of our common stock may cause the prevailing market price of our shares to decline and could harm our ability to raise additional capital.

As of March 31, 2014 in addition to shares of our common stock which are freely tradable, there were outstanding approximately 53 million shares of common stock, which were subject to restrictions on resale, but which may become eligible for resale under Rule 144 of the Securities Act of 1933, and may become freely tradable. We have also registered 15,000,000 shares of our Common Stock that have been or may be issued under our 2013 Stock Incentive Plan. In addition, if holders of options and warrants choose to exercise their purchase rights and sell shares of common stock in the public market or if holders of currently restricted common stock or registered common stock sell such shares in the public market, or attempt to publicly sell such shares in a short time period, the prevailing market price for our common stock may decline. Such decline in the price of our common stock may also adversely affect our ability to raise additional capital or raise capital on terms acceptable to us.

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 is 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.

- 14 -

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our main assets are:

- 1) 55% ownership interest in MDB, a Brazilian company with diamond and gold revenues and a producing mine located in the state of Minas Gerais, Brazil; and
- 2) 100% ownership interest in mineral exploration rights for a gold and copper area in the state of Amazonas, Brazil.

These assets are described immediately below.

1. Mineração Duas Barras Ltda. (state of Minas Gerais, Brazil) – Diamonds and Gold

BMIX, through its 99.99%-owned subsidiary BMIX Participações Ltda. (“BMIXP”), owns title to 55% of the voting shares of Mineração Duas Barras Ltda. (“MDB”), a Brazilian company. MDB is the only producing mining company in which the Company has an ownership interest. A Brazilian resident owns the remaining 45% of MDB.

MDB owns a large alluvial diamond and gold processing and recovery plant, one mining concession (discussed below) and an additional mineral right (discussed below), each of which pertains to property located on the left margin of the Jequitinhonha River in the State of Minas Gerais in Brazil. The Jequitinhonha River valley is a well-known area for diamond and gold production; it has hosted alluvial production on all scales since the 18th century.

MDB’s plant, mining concession, and mineral right are all approximately one and half hour drive from Montes Claros, Brazil, a city of 400,000 people. The first hour of the drive is on asphalt roads followed by a half-hour on dirt roads. Montes Claros has the infrastructure needed by MDB and also benefits from having an airport with regular carrier service to large Brazilian cities, including São Paulo and Belo Horizonte. MDB has an office in Montes Claros staffed with a full-time regional manager.

Montes Claros is located 400 kilometers north of Belo Horizonte, the capital of the State of Minas Gerais. Belo Horizonte is the third largest city in Brazil, with a population over 2,500,000 people and two airports, including one with international flights. In Belo Horizonte, BMIXP has a fully staffed office with three full-time employees. From Belo Horizonte to Montes Claros, it takes one hour by regular carrier flight or five hours by car on asphalt roads.

Synopsis of Operations

MDB believes that there is no need to, and has no current plans to, conduct further exploration work on its mining concession. Rather, MDB is concentrating all of its activities on production.

Operationally, MDB has two teams: the transit team and the processing team. The transit team works in open pits with one excavator and three to four trucks. The exploration team loads gravel and transports it to the patio area immediately adjacent to the processing and recovery plant. The processing team works at the plant, processing the gravel and recovering rough diamonds and gold.

Mining Claims

MDB has title to both a mining concession and a mineral right, further described below. MDB does not own the land or surface rights atop these claims. In Brazil, the mineral right and the land (surface right) on top of it are commonly held by different owners. Brazilian law protects the rights of the owner of a mineral right to explore such claim, even when a surface owner is opposed to it.

a) MDB's mining concession: "Concessão de Lavra" number 265 awarded to MDB by "Departamento Nacional de Produção Mineral", the National Mining Department ("DNPM") effective on August 25, 2006 with respect to DNPM process number 806.569/1977. This claim award was published in Brazil's Official Federal Gazette.

"Concessão de Lavra" is the highest level of mining claim achievable in Brazil. MDB's Concessão de Lavra" permits MDB to mine and sell its production of diamonds and gold. MDB's mining concession covers an area of 170.89 hectares, or approximately 422 acres.

There are no liens or other encumbrances on MDB's mining concession. The mining concession is a federal claim in Brazil, as DNPM is a Brazilian federal entity. This mining concession has no termination date; it is held in perpetuity by MDB and for as long as MDB is continually mining in this concession area, this claim will be in good standing. The claim can also be in good standing even if there is no continued mining, if MDB were to file with DNPM for a hiatus from mining; such requests are normally granted for periods of up to three years.

"Concessão de Lavra" requires no fees to be paid to maintain such claim. Therefore, MDB has no payments to maintain MDB's mining concession.

Brazilian law guarantees the owner of the land on top of a mining concession the payment of a royalty of at least 0.1% of all revenues from the concession. However, most Brazilian mining companies negotiate with the landowner and pay a higher royalty rate as an incentive for greater cooperation. MDB has a contract that pays the landowner a 6% royalty rate on any sales, and management of MDB believes that MDB has enjoyed excellent cooperation from the landowner at all times.

MDB pays royalties to Brazil's "Receita Federal" (the equivalent of the Internal Revenue Service in the U.S.) if and when it sells diamonds and gold. The royalty rates paid are fixed by federal decree and are 0.1% on diamond sales and 1% on gold sales.

MDB is not currently planning to perform any further exploratory research work in the area of its mining concession.

b) MDB's mineral right: "Alvará de Pesquisa" with respect to DNPM process number 832.052/20006 initially awarded by DNPM on February 18, 2009, and renewed on November 13, 2013 for another two years. It covers an area of 397.42 hectares, or approximately 982 acres.

MDB intends to perform the necessary research to submit an application to upgrade this claim from "Alvará de Pesquisa" to "Concessão de Lavra", and therefore obtain another mining concession for an open pit operation. MDB expects that the exploration research work needed to submit the necessary request to DNPM will involve drilling for diamonds in a defined sub-area of the mining claim. MDB expects that this work can be completed well ahead of the deadline of December 13, 2015. MDB projects that the total cost in performing the necessary exploratory research work and preparing all of the documents for submission to DNPM will be less than \$100,000. MDB owns the drilling equipment and has workers with experience in using it, and therefore field labor and material costs will be reasonably contained. For this project, MDB has two qualified professionals, a licensed geologist and a licensed mining engineer

with over 20 years of field experience in projects along the Jequitinhonha River valley.

- 16 -

If by December 13, 2015, MDB has not submitted the necessary research work to DNPM, and has not been granted a valid extension, it will lose this mining claim but it will not be subject to fines or penalties for not completing the research timely.

“Alvará de Pesquisa” requires payment of annual fees to DNPM. Currently the fees are R\$3.06 (approximately \$1.39) per hectare. Therefore, MDB pays approximately \$550 per year to DNPM.

Processing and Recovery Plant

MDB’s diamond and gold processing plant was built in 2006-2007 by a Canadian company called Vaaldiam Resources, Ltd. (“Vaaldiam”), whose stock at that time traded on the Toronto Stock Exchange Venture Board. To the best of our knowledge, the diamond and gold processing plant at MDB is the largest such type of alluvial recovery plant in Latin America. The Company believes that the plant is in very good condition and MDB performs periodic maintenance and repairs on the plant to keep the plant in good condition.

Mineralization

Vaaldiam performed detailed geological studies in MDB’s mining concession leading to the publication of an NI 43-101 technical report in 2007, and an updated NI 43-101 technical report in 2008, as required by the rules of the Canadian securities administrator. The technical report from 2008 shows mineralized materials amounting to 1,639,200 cubic meters with the following concentrations for diamonds and gold: 0.16 carats of diamonds per cubic meter and 182 milligrams of gold per cubic meter.

Furthermore, MDB has submitted its “Plano de Aproveitamento Econômico” (the “Feasibility Study”), a bankable feasibility study, to DNPM in accordance with the mining regulations of Brazil.

BMIX does not claim that the NI 43-101 technical report and/or MDB’s Feasibility Study are compliant with the SEC-sanctioned Industry Guide 7. Under the SEC’s Industry Guide 7, no assertion can be made about reserves; moreover, Industry Guide 7 does not recognize the term “resources.”

Source of Water and Power

The water used in MDB’s processing and recovery plant for diamonds and gold, and other installations, comes from lagoons that receive water from the Jequitinhonha River. There is no shortage of water and water is free to MDB.

The power used in MDB’s processing and recovery plant and other installations, is provided by diesel generators. Normally, MDB purchases diesel on a weekly to bi-weekly schedule from two local competing distributors, both of which have storage tanks outside of MDB’s plant. There has been no shortage of fuel available for purchase. The Company believes that the existence of two suppliers ensures that competitive pricing and other terms will continue to be available to MDB.

Over the next one to two years, MDB’s intention is to work towards obtaining an industrial-strength electric line extension from the national electric grid, a pathway of approximately 27 kilometers. This would allow MDB to minimize, if not eliminate, any dependence on fossil fuels. To this extent, MDB has had meetings with CEMIG, the State of Minas Gerais electric utility company. Furthermore, MDB has obtained a detailed workplan by which the line extension could be built by a CEMIG authorized contractor in approximately four months and for under \$800,000. CEMIG has indicated willingness to contribute 46% of such cost; other portions of this cost might be borne by farmers along the pathway which would be benefitting from electric energy for irrigation equipment use. These

conversations are ongoing and at this time MDB has not finalized any commitments. Since energy costs are the largest component of expenses at MDB, and given that electric energy in Brazil is substantially less expensive than energy derived from fossil fuels on an equivalent basis, MDB believes that its cost of building the line extension would be recouped within two years or less.

- 17 -

Equipment at MDB

MDB has a large processing and recovery plant for alluvial diamonds and gold, considered by specialists to be the largest of such type in Latin America. The plant has a well-equipped spare parts and supply room. For mining, MDB has use of the following mechanized equipment which is owned by BMIXP: an excavator, a bulldozer, two trucks, a portable industrial-strength generator and pumps. MDB also leases from independent owners a mechanic shovel and another truck. For transportation of personnel and smaller items, MDB owns a car and a van.

Set forth below is a map of the State of Minas Gerais showing the location of BMIX's office and plant.

2013 Production

During the fiscal year ended December 31, 2013 MDB processed an aggregate of 31,738 cubic meters of material and recovered therefrom an aggregate of 3,994 carats of rough diamonds (.125 carats per cubic meter) and 4,550 grams of gold (.14 grams per cubic meter). During the fiscal year ended December 31, 2013 MDB had revenues of 1,173,481 real (approximately \$500,930 based on the exchange rate as of December 31, 2013) from the sale of rough diamonds, 21,587 real (approximately \$9,215 based on the exchange rate as of December 31, 2013) from the sale of polished diamonds and 529,184 real (approximately \$225,895 based on the exchange rate as of December 31, 2013) from the sale of gold.

Gold is a byproduct of diamond production in alluvial operations along the Jequitinhonha River.

2. Borba Project (state of Amazonas,
Brazil)

The mineral claim for the Borba Project is “Autorização de Pesquisa” (research permit) with respect to DNPM process number 880.239/2009 initially awarded by DNMP on October 14, 2009, and renewed on December 4, 2012 for another three years. It covers an area of 9,999.11 hectares, or approximately 24,708 acres. The title to this mineral claim is held by BMIXP.

BMIXP is evaluating the potential of the Borba Project. One possibility is for BMIXP to perform the necessary research to submit an application to upgrade this claim from research permit to mining concession by the submission of a research report in accordance with DNPM standards before December 4, 2015. Another possibility is a transaction by which a partner develops or co-develops this project. No decision on this has been made yet.

If by December 4, 2015, BMIXP, or a partner on its behalf, has not submitted the necessary research work to DNPM, and has not been granted a valid extension, BMIXP will lose this mining claim, but it will not be subject to fines or penalties for not completing the research on a timely basis.

In 2013, BMIXP performed a preliminary geological surface assessment of this area and collected samples for geochemical analysis. These samples were analyzed at the SGS-Geosol laboratory in Belo Horizonte, Brazil. Further analytical work continues to date with a senior geologist in Brazil.

Set forth below is a map from DNPM delineating the Borba Project mineral rights area.

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

- 20 -

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 on the Over-the-Counter Bulletin Board ("OTCBB") 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 on OTCBB for each quarter since March 7, 2013. Such over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. Prior to March 7, 2013 there were no quotations for our common stock.

Quarters	Year Ended	
	December 31, 2013	
	High	Low
First (3/7-3/31)	\$ 1.10	\$ 0.56
Second (4/1-6/30)	\$ 0.89	\$ 0.11
Third (7/1-9/30)	\$ 0.28	\$ 0.07
Fourth (10/1-12/31)	\$ 0.12	\$ 0.06

As of March 31, 2014, we had 2,754 stockholders of record of our common stock.

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

On February 19, 2013, our Board of Directors approved our 2013 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, 2013 with respect to our equity compensation plans.

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	1,200,000	\$ 0.33	11,417,148

holders (2013 Stock Incentive
Plan)

Total	1,200,000	\$	0.33	11,417,148
-------	-----------	----	------	------------

- 21 -

Sales of Unregistered Securities

On September 30, 2013, we issued and sold to two accredited investors for \$100,000 four units of securities, each unit consisting of a \$25,000 convertible promissory note and warrants to purchase 50,000 shares of our common stock until December 31, 2019. The notes bear interest at 10% per annum and are due on the earlier of the close of a \$100,000 financing or May 31, 2014. The note payable can be converted into common shares at \$0.125 per share, a premium of 25% above our common stock price at the time the transaction was entered into. The exercise price of the warrants is \$0.15 per share, a premium of 50% above our common stock price at the time. The units were issued in accordance with an exemption from the registration requirements of the Securities Act under Section 4(a)(2) of the Securities Act by virtue of being offered without employing any means of general solicitation and issued to only two purchasers, each of which had such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment and each of which represented to the Company that it or he was acquiring the shares for investment and could bear the economic risk of the investment. As of March 31, 2014, 25% of the notes had already been repaid, and the outstanding principal from the unpaid notes was \$75,000.

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 us 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: 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

The primary business of BMIX is to acquire controlling ownership positions (or significant positions with oversight roles) in producing mining companies in Brazil. The secondary business of BMIX is to engage in the creation of new companies in Brazil with mineral properties for exploration and development. For information concerning our initial investments and assets see Item 2. Properties, which is incorporated herein by reference.

In 2013, our consolidated revenues were derived almost exclusively from sales of diamonds and gold by MDB. MDB's revenues were approximately 69% from the sale of rough and polished diamonds and 31% from the sale of gold. All of the buyers were Brazilian institutional buyers.

While our consolidated financial results are in part tied to the price of diamonds and gold, both commodities that are traded globally, the biggest factor by far in generating revenues and profits is MDB's ability to effectively mine diamonds and gold. Alluvial mines, such as MDB's, are not homogeneous: some mining fronts have very rich concentration of diamondiferous and auriferous gravel whereas others do not. Additionally, some areas have easy access, whereas others may be underwater, and thus require water removal prior to excavation. Our ability to choose the mining fronts to pursue and to provide the necessary equipment, fuel, and labor are a significant factor in our results.

The second biggest factor in affecting our results is MDB's ability to mine diamonds and gold is highly seasonal. The rainy season in the northern area of the state of Minas Gerais, Brazil, lasts from December through April. We expect that during these months MDB's revenues will be substantially lower than during other periods.

Overall, diamond trends are positive given the emergence of new consumers in developing economies such as Brazil, China, and India. Therefore, the Company does not anticipate any problems in selling the entirety of its production of rough diamonds and polished diamonds, and expects this operational trend to remain for the foreseeable future.

Over the long term, the Company's ability to grow into a diversified holder of mining companies and mineral properties will depend on its ability to identify such opportunities and be able to acquire, partner, license, or develop such opportunities and assets. Already today, by virtue of its local presence in the Brazilian mining environment, the Company receives proposals of new opportunities frequently. Furthermore, the Company has the ability to seek out talented local geologists to identify on a proactive basis any strategic situations that are desirable of the Company's involvement. For these two reasons, the Company believes that, over time, it will be able to continue to have access to a quality deal flow that would allow it to perform on its business plan. The major issue then will be the type of funding required to acquire or partner on such attractive opportunities. The Company will always weigh possible dilution versus the aggregate benefit of the opportunity being considered. The Company may opt for less dilutive, or non-dilutive strategic raises, in which new opportunities are placed in subsidiaries and capital is raised directly into the subsidiary, not into the Company.

Results of Operations

The Company was incorporated on December 15, 2011. It commenced operations on March 1, 2012. Until December 2012, the Company's operations were limited to developing a business plan, completing sales of common stock, discussing offers by the Company of 3D animation services with potential customers, and the signing and performance of a service agreement with one company.

The Company changed its business model and management in December 2012, and simultaneously discontinued its 3D animation services business. From March 1, 2012 to December 31, 2012 ("FY2012") we had zero revenues as compared to revenues of \$791,780 in the period from January 1, 2013 to December 31, 2013 ("FY2013"). Essentially all of our revenues in FY2013 were derived from the consolidation of the revenues from MDB, a company in which we own a 55% ownership stake. All of the revenues of MDB in FY2013 were from sale of rough diamonds and gold mined at MDB.

Our consolidated cost of goods sold in FY2013, consisting almost entirely of production expenses, was \$448,830 or approximately 56.7% of the Company's total revenues. The Company's gross profit in FY2013 was \$342,950, or approximately 43.3% of total revenues. By comparison, the Company had no revenues, costs of goods sold or gross profit in FY2012.

The Company had an aggregate of \$2,778,944 in operating expenses in FY2013, as compared to \$152,655 in total operating expenses in FY2012. Exploration and production costs totaling \$834,962 and stock based compensation totaling \$1,210,391 comprised the majority of operating expenses in FY2013. No exploration and production costs or stock based compensation expense was incurred in FY2012.

General and administrative expenses increased from \$3,885 in FY2012 to \$326,908 in FY2013; compensation and related costs increased from \$54,112 in FY2012 to \$269,168 in FY2013; and professional fees increased from \$94,658 in FY2012 to \$114,044 in FY2013, in each case primarily as a result of the change in the Company's business. All of these changes were as a result of the growth of our business.

Primarily as a result of the \$2,626,289 increase in total operating expenses, the Company's net loss increased by \$2,260,661, from \$174,463 in FY2012 to \$2,435,124 in FY2013.

- 23 -

Net cash used in operating activities increased from \$111,101 in FY2012 to \$851,294 in FY2013, primarily as a result of the \$1,360,724 increase in net loss from continuing operations, which was partially offset by non-cash items such as \$1,210,391 in stock based compensation and \$350,830 in increased inventory in FY2013.

Net cash used in investing activities decreased from \$800,000 on FY2012 to \$3,413 in FY2013. In December 2012 the Company advanced \$800,000 to BMI. This loan was non-interest bearing and had no specified terms of repayment and was an advance related to the exercise of an option agreement held by the Company for a 20% share of the MDB diamond production. On January 2, 2013, the Company exercised the option and the advance was deemed payment of the option. The option granted the Company 20% of the diamond production with respect to BMI's 55% interest in MDB.

Net cash provided by financing activities decreased from \$1,752,802 in FY2012 to \$323,003 in FY2013. In FY2012, the Company received net cash from continuing financing activities of \$1,746,633 as compared to \$323,003 in FY2013. In FY2012, the Company received net proceeds of \$2,000,033 from a private placement of its common stock. In FY2013 the primary components of its net cash provided by continuing financing activities were capital contributions received from non-controlling interests (\$165,500), proceeds from the sale of notes (\$100,000) and cash acquired upon acquisition of a subsidiary (\$56,914).

The effect of the foregoing changes in cash flows, as well as a \$226,700 negative effect on cash in fiscal 2013 as a result of changes in exchange rates, was a net decrease of \$758,404 during FY2013 in cash and cash equivalents.

Liquidity and Capital Resources

The foregoing descriptions of the Board Representation Agreement, the Registration Rights Agreement and the Partnership Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements, which are attached as an exhibit to this Schedule 13D, and are incorporated herein by reference.

General

The Reporting Persons acquired the securities described in this Schedule 13D for investment purposes and they intend to review their investments in the Issuer on a continuing basis. Any actions the Reporting Persons might undertake may be made at any time and from time to time without prior notice and will be dependent upon the Reporting Persons' review of numerous factors, including, but not limited to: an ongoing evaluation of the Issuer's business, financial condition, operations and prospects; price levels of the Issuer's securities; general market, industry and economic conditions; the relative attractiveness of alternative business and investment opportunities; and other future developments.

CUSIP No. 62913M107

13D

The Reporting Persons may acquire additional securities of the Issuer, or retain or sell all or a portion of the securities then held, in the open market or in privately negotiated transactions. In addition, the Reporting Persons and their designee to the Board may engage in discussions with management, the Board, and unitholders of the Issuer and other relevant parties or encourage, cause or seek to cause the Issuer or such persons to consider or explore extraordinary corporate transactions, such as: a merger, reorganization or take-private transaction that could result in the de-listing or de-registration of the Common Units; sales or acquisitions of assets or businesses; changes to the capitalization or dividend policy of the Issuer; or other material changes to the Issuer's business or corporate structure, including changes in management or the composition of the Board.

Item 5. Interest in Securities of the Issuer.

(a) (b)

The following sets forth, as of the date of this Schedule 13D, the aggregate number of Common Units and percentage of Common Units beneficially owned by each of the Reporting Persons, as well as the number of Common Units as to which each Reporting Person has the sole power to vote or to direct the vote, shared power to vote or to direct the vote, sole power to dispose or to direct the disposition, or shared power to dispose or to direct the disposition of, as of the date hereof, based on 124,033,723 Common Units outstanding on February 4, 2019, and assumes the conversion of the Preferred Units owned by the Reporting Persons into Common Units on a one-to-one basis and the exercise of Warrants held by the Reporting Persons that are currently or will be exercisable within 60 days of the date hereof.

Reporting Person	Amount beneficially owned	Percent of class	Sole power to vote or to direct the vote	Shared power to vote or to direct the vote	Sole power to dispose or to direct the disposition	Shared power to dispose or to direct the disposition
Highstar NGL Prism/IV-A Interco LLC	5,995,491	4.6%	0	5,995,491	0	5,995,491
Highstar NGL Main Interco LLC	4,167,787	3.3%	0	4,167,787	0	4,167,787
NGL CIV A, LLC	8,309,237	6.3%	0	8,309,237	0	8,309,237
NGL Prism/IV-A Blocker LLC	2,077,309	1.6%	0	2,077,309	0	2,077,309
Highstar Capital NGL Co-Invest Manager LLC	8,309,237	3.3%	0	8,309,237	0	8,309,237
Highstar Capital GP IV, L.P.	20,549,824	14.2%	0	20,549,824	0	20,549,824
Highstar Capital GP IV, LLC	20,549,824	14.2%	0	20,549,824	0	20,549,824
Highstar Capital GP IV Holdings	20,549,824	14.2%	0	20,549,824	0	20,549,824
Oaktree Fund GP II, L.P.	20,549,824	14.2%	0	20,549,824	0	20,549,824
Oaktree Capital II, L.P.	20,549,824	14.2%	0	20,549,824	0	20,549,824
Oaktree Holdings, Inc.	20,549,824	14.2%	0	20,549,824	0	20,549,824
Oaktree Capital Group, LLC	20,549,824	14.2%	0	20,549,824	0	20,549,824
Oaktree Capital Group Holdings GP, LLC	20,549,824	14.2%	0	20,549,824	0	20,549,824

CUSIP No. 62913M107

13D

Highstar Prism, Highstar Main, NGL CIV and NGL Blocker are the record holders of 5,637,025, 3,918,598, 8,309,237 and 2,077,309 Preferred Units, respectively. In addition, Highstar Prism and Highstar Main are the record holders of 358,466 and 249,189 Warrants, respectively, that are currently exercisable or will become exercisable within 60 days of the date of this Schedule 13D.

Highstar Co-Invest is the managing member of NGL CIV and as a result may be deemed to share beneficial ownership of the securities held of record by NGL CIV.

Highstar GP IV is one of two members of Highstar Prism and is the non-member manager of the other member. In addition, Highstar GP IV is the non-member manager of Highstar Main and is the managing member of NGL Blocker and Highstar Co-Invest. As a result, Highstar GP IV may be deemed to share beneficial ownership of the securities held of record by each of the Purchasers.

Oaktree Capital Group Holdings GP, LLC is the duly elected manager of Oaktree Capital Group, LLC, which is the sole shareholder of Oaktree Holdings, Inc., which is the general partner of Oaktree Capital II, L.P., which is the general partner of Oaktree Fund GP II, L.P., which is the sole shareholder of Highstar Capital GP IV Holdings, which is the sole member of Highstar Capital GP IV, LLC, which is the general partner of Highstar GP IV. Oaktree Capital Group Holdings GP, LLC is a limited liability company managed by the OCGH GP Members. As a result, each of the foregoing entities and individuals may be deemed to share beneficial ownership of the securities beneficially owned by Highstar GP IV. Each such entity or person disclaims any such beneficial ownership of such securities.

(c) During the past 60 days none of the Reporting Persons or the OCGH GP Members has effected any transactions in the Common Units.

(d) None.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 3 above summarizes certain provisions of the Purchase Agreement and the Purchase Agreement Amendment and Item 4 above summarizes certain provisions of the Board Representation Agreement, the Registration Rights Agreement and the Partnership Agreement. A copy of each of these agreements is attached as an exhibit to this Schedule 13D, and each is incorporated herein by reference.

Except as set forth herein, none of the Reporting Persons or the OCGH GP Members has any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of the Issuer, including but not limited to any contracts, arrangements, understandings or relationships concerning the transfer or voting of such

CUSIP No. 62913M107

13D

securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

Item 7. Materials to be Filed as Exhibits

Exhibit Number	Description
1	Joint Filing Agreement.
2	Class A Convertible Preferred Unit and Warrant Purchase Agreement, dated as of April 21, 2016, by and among NGL Energy Partners LP, Highstar NGL Prism/IV-A Interco LLC and Highstar NGL Main Interco LLC, including the form of Board Representation and Observation Rights Agreement attached as Exhibit B thereto (incorporated by reference to Exhibit 10.1 to the Issuer's Current Report on Form 8-K filed on April 27, 2016)
3	Amendment to Class A Convertible Preferred Unit and Warrant Purchase Agreement, dated as of June 23, 2016, by and among NGL Energy Partners LP and Highstar NGL Prism/IV-A Interco LLC, Highstar NGL Main Interco LLC and NGL CIV A, LLC (incorporated by reference to Exhibit 10.1 to the Issuer's Current Report on Form 8-K filed on June 28, 2016).
4	Registration Rights Agreement, dated May 11, 2016, by and among NGL Energy Partners LP and Highstar NGL Prism/IV-A Interco LLC and Highstar NGL Main Interco LLC (incorporated by reference to Exhibit 4.1 to the Issuer's Current Report on Form 8-K filed on June 28, 2016).
5	Amendment to Registration Rights Agreement, dated June 24, 2016, by and among NGL Energy Partners LP and Highstar NGL Prism/IV-A Interco LLC, Highstar NGL Main Interco LLC and NGL CIV A, LLC (incorporated by reference to Exhibit 4.2 to the Issuer's Current Report on Form 8-K filed on June 28, 2016).
6	Fourth Amended and Restated Agreement of Limited Partnership of NGL Energy Partners LP, dated as of June 13, 2017 (incorporated by reference to Exhibit 3.1 to the Issuer's Current Report on Form 8-K filed on June 13, 2017).

CUSIP No. 62913M107

13D

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: March 22, 2019

Highstar NGL Prism/IV-A Interco LLC

By: Highstar Capital GP IV, L.P.
Its: Managing Member

By: Highstar Capital GP IV, LLC
Its: General Partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar NGL Main Interco LLC

By: Highstar Capital GP IV, L.P.
Its: Manager

By: Highstar Capital GP IV, LLC
Its: General Partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

NGL CIV A, LLC

By: Highstar Capital NGL Co-Invest Manager LLC, its managing member
By: Highstar Capital GP IV, L.P., its managing member
By: Highstar Capital GP IV, LLC, its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

NGL Prism/IV-A Blocker LLC

By: Highstar Capital GP IV, L.P., its managing member
By: Highstar Capital GP IV, LLC, its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar Capital NGL Co-Invest Manager LLC

By: Highstar Capital GP IV, L.P., its managing member
By: Highstar Capital GP IV, LLC, its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar Capital GP IV, L.P.

By: Highstar Capital GP IV, LLC, its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar Capital GP IV, LLC

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar Capital GP IV Holdings

By: Oaktree Capital Management, L.P.
Its: Director

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

CUSIP No. 62913M107

13D

Oaktree Fund GP II, L.P.

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Oaktree Capital II, L.P.

By: Oaktree Holdings, Inc., its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Oaktree Holdings, Inc.

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Oaktree Capital Group, LLC

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Oaktree Capital Group Holdings GP, LLC

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k)(1) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree that they are jointly filing this statement on Schedule 13D. Each of them is responsible for the timely filing of such statement and any amendments thereto, and for the completeness and accuracy of the information concerning such person contained therein; but none of them is responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate.

IN WITNESS WHEREOF, the undersigned hereby execute this Joint Filing Agreement as of the 22nd day of March, 2019.

Highstar NGL Prism/IV-A Interco LLC

By: Highstar Capital GP IV, L.P.
Its: Managing Member

By: Highstar Capital GP IV, LLC
Its: General Partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar NGL Main Interco LLC

By: Highstar Capital GP IV, L.P.
Its: Manager

By: Highstar Capital GP IV, LLC
Its: General Partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

NGL CIV A, LLC

By: Highstar Capital NGL Co-Invest Manager LLC, its managing member
By: Highstar Capital GP IV, L.P., its managing member
By: Highstar Capital GP IV, LLC, its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

NGL Prism/IV-A Blocker LLC

By: Highstar Capital GP IV, L.P., its managing member
By: Highstar Capital GP IV, LLC, its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar Capital NGL Co-Invest Manager LLC

By: Highstar Capital GP IV, L.P., its managing member
By: Highstar Capital GP IV, LLC, its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar Capital GP IV, L.P.

By: Highstar Capital GP IV, LLC, its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar Capital GP IV, LLC

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Highstar Capital GP IV Holdings

By: Oaktree Capital Management, L.P.
Its: Director

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Oaktree Fund GP II, L.P.

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Oaktree Capital II, L.P.

By: Oaktree Holdings, Inc., its general partner

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Oaktree Holdings, Inc.

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Oaktree Capital Group, LLC

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President

Oaktree Capital Group Holdings GP, LLC

By: /s/ Henry E. Orren
Name: Henry E. Orren
Title: Vice President