

## Dia Bras announces private placement and restructuring plan to improve its financial position

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Montréal, Québec, June 25, 2009 - **Dia Bras Exploration Inc. (TSX-V:DIB)** announced today that it is undertaking a comprehensive restructuring plan to reduce its negative working capital by a combination of factors, such as rescheduling of its current short-term liabilities, issuing new equity of the Company and by increasing its revenues by commencing pilot-mining activities at its Cusi silver project.

As of May 31, 2009, the Company had a working capital deficit of (\$7.06 million), including a payable position of approximately \$3.23 million (US\$2.95 million) with MRI Trading ("MRI") resulting from a short-term loan and the effect of a decrease in the market prices of copper and zinc in 2008.

As of today, Dia Bras has approximately \$470,000 in cash on hand. Accordingly, management believes that cash on hand and future cash flow from Bolivar's pilot-mining activities are not sufficient to fund our currently budgeted requirements, including cash payments for future property payments and necessary investments in Cusi pilot mining.

As part of its restructuring plan, the Company reached an understanding in June, 2009 with its largest creditor, MRI Trading, to limit the payments of the outstanding short-term debt. Consequently, the balance of 2009 payments will be significantly reduced from a monthly average of \$378,213 (US\$330,000) to \$128,363 (US\$112,000) per month. Under this new agreement, the Company has made a commitment to sell exclusively to MRI its future production of zinc, copper and silver-lead concentrates from its Bolivar and Cusi properties up until December 2014. This agreement will be revised in January 2010 with a view to resume previous level of repayment. This agreement is pending formalization.

As of June 2, 2009, the Company reached agreements with its transportation service providers and paid in part its outstanding debt. Transportation of mineralized rock from the Bolivar Mine to the Malpasos mill resumed on June 9, 2009.

With outstanding short-term liabilities that exceed its short-term assets, the Board of directors has approved, as part of its restructuring plan together with restructuring its short-term debt with MRI, a non-brokered private placement in the Company for maximum gross proceeds of up to \$4 million at a price of \$0.055 per Unit (the "Placement"). Each Unit shall be comprised of one common share of the Corporation (the "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant will entitle its holder to subscribe for one additional Common Share at an exercise price of \$0.10 per share during a 18-month period following closing of the Placement. The Company's major shareholder, Arias Resource Capital Fund LP ("Arias"), has expressed an interest in subscribing for a large part of the Units offered under the Placement.

The net proceeds from the sale of the Units will be used as follows:

- » approximately \$452,000 (US\$400,000) will be used for mine development activities at the Cusi silver project in view to restart the pilot-mining activities during August 2009;

- » approximately \$1.25 million (US\$1.1 million) will be used to build the cyanidation vats at the Malpaso facilities, including engineering, permitting, acquisition of components and construction;
- » the balance will be used for working capital purposes.

The Management decision's to restart pilot mining activities at its Cusi silver project, in August rather than in the four quarter 2009, is supported by recent positive results of metallurgical testing on silver-mineralized rock received from the Centro de Investigación de Materiales Avanzados (CIMAV) located in Chihuahua City, Chihuahua and sufficient minable resources have now been delineated at the Santa-Eduwiges mine to support pilot-mining activities at a rate of 6,000 tonnes per month.

During the first phase, Dia Bras will process mineralized rock from Santa-Eduwiges by the flotation method and stockpile the flotation tails while cyanidation vats are being constructed. The Company will produce more than 38,000 ounces of silver per month at 60% recovery which will provide Dia Bras with additional operating cash flow.

Construction of the cyanidation vats should be completed within six months from the start and Dia Bras will produce silver at 85% recovery by combined flotation and cyanidation methods. Application for permits for cyanidation processing has been made, and management expects approval soon.

The Company is also conducting similar metallurgical tests, as the Santa-Eduwiges, mine on mineralized rock from the Promontorio mine and management expects to initiate pilot mining of this sector during the third quarter of 2010.

A number of insiders of the Corporation, including Arias, will participate in the Private Placement by subscribing for Units. Participation of each of these insiders will constitute a related party transaction (the "Related Party Transactions") under Regulation 61-101 *respecting protection of minority security holders in special transactions* (the "Regulation 61-101") and TSX Venture Exchange Policy 5.9 – *Protection of Minority Security Holders in Special Transactions*. The Board of Directors of Dia Bras consists of eight directors, four of whom are unrelated to Arias and the other insiders participating in the Private Placement, and are otherwise independent as determined pursuant to Part 7 of Regulation 61-101. The Related Party Transactions are exempt from the requirement to obtain an independent valuation pursuant to Section 5.5(b) of Regulation 61-101 as Dia Bras' shares are listed only on the TSX Venture Exchange. The Related Party Transactions will also be exempt from the requirement to obtain minority shareholder approval pursuant to Section 5.7(1)(e) of Regulation 61-101 on the basis that each of the Board of Directors and the independent directors has determined, acting in good faith, that: (i) Dia Bras is in serious financial difficulty; (ii) the proposed Private Placement is designed to improve the financial position of Dia Bras; and (iii) the terms of the proposed Private Placement are reasonable in the circumstances. The urgent need for additional funds requires that Dia Bras closes the proposed Private Placement on an expedited basis. Consequently, Dia Bras will file a material change report less than 21 days before the closing of the proposed Private Placement.

Closing of the Placement is subject to approval of the TSX Venture Exchange and the closing will occur as soon as practicable after the receipt of such approval. The Units, Common Shares, and Warrants are subject to a four-month hold period from the date of closing.

Moreover, the Company is actively investigating a number of alternatives to raise additional capital with lenders or potential investors to fund construction of the Bolivar mill at the mine site to reduce operating cash costs. Accordingly, management decided to postpone the Rights Offering for a future date. There is no assurance that sufficient funds can or will be raised and there can be no assurance, once a decision is made with respect to future activities, that the Company will be able to execute its plans.

## **About Dia Bras**

Dia Bras is a Canadian exploration mining company focused on precious and base metals in the State of Chihuahua, in northern Mexico. The Corporation is committed to developing and adding value to its assets – the Bolivar copper-zinc project and the Cusi silver mining camp. The Corporation trades on the TSX Venture Exchange under the symbol “DIB”.

For further information on Dia Bras visit [www.diabras.com](http://www.diabras.com) or contact:

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## **Forward-looking statements**

This news release contains certain statements that constitute forward-looking statements. Forward-looking information includes, but is not limited to, information concerning Dia Bras’s 2009 guidance respecting pilot-mining production, and potential plans for Bolivar and Cusi projects. Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in the mining industry including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company’s expectations; the potential for and effects of labour disputes or other unanticipated difficulties or shortages of labour or interruptions in production; actual rocks mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of pilot-mining activities and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties. Refer to “Risk and Uncertainties”.

Forward-looking information is, in addition, based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of zinc, copper, lead and silver; the regulatory and governmental approvals for the Company’s projects and other operations on a timely basis; access to financing, appropriate equipment and sufficient labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot guarantee that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company does not assume any obligation to update or revise them to reflect new events or circumstances, except as required under applicable securities regulations.