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TSXV: BZO

**BRAZAURO TO ACQUIRE BOM JARDIM PROPERTY IN BRAZIL  
FROM GOLD FIELDS**

**Houston, Texas** -- Brazauro Resources has entered into a Letter of Intent with Gold Fields Holding Company (BVI) Limited, a subsidiary of Gold Fields Limited (NYSE, JSE, DIFX : GFI) ("Gold Fields") to acquire the Bom Jardim property (the "Property") consisting of approximately 22,700 hectares of concessions and application areas in the Tapajós region of Pará State, Brazil, subject to the back-in rights described below. Brazauro will issue Cdn\$1 million in Brazauro shares for the Property.

The newly acquired Property lies adjacent and to the south of Brazauro's Bom Jardim/Circulo Project area. The combined project area totals more than 60,000 hectares and covers a topographically elevated circular feature with a diameter of at least 25 km that is clearly visible on satellite images. The widespread occurrence of acid, intermediate and basic volcanic rocks in this circular feature resembles a large volcanic caldera. Drainages coming off the elevated areas have been and are actively mined for gold by *garimpeiros*, indicating a potential source within the circular area.

Mark Jones, chairman and CEO, said, "We've had our sights on Bom Jardim for several years, and are very pleased to make this acquisition. In the Tapajós region, two of the largest *garimpos*, that is, informal gold mining camps, are Tocantinzinho and Bom Jardim/Circulo – approximately 90 km. apart and along the same major northwest-southeast gold-bearing trend. Just as the Company targets making Tocantinzinho the first major gold mine in the Tapajós, so too we mean to develop the potential along this major TZ trend. Having earlier gained control of the larger Circulo property, and now, by adding the smaller but significant Bom Jardim portion of the caldera – with Gold Fields as a shareholder and having the back-in or NSR rights on only that portion – our geological team has gotten to work right away."

Similar geological environments have been favorable for epithermal gold and for copper-gold-molybdenum porphyry systems, which will be the focus of Brazauro's exploration program in this area. The Company's exploration strategy at this project is supported by the fact that Rio Tinto, in the late 1990s, discovered one of the oldest preserved epithermal gold systems in the world, the **V3** prospect, plus indications of the presence of copper-molybdenum porphyries at the **V6** prospect, both located approximately 50km northeast of Bom Jardim. At **V3**, a non-43-101 inferred resource of 67Mt @0.40 g/t Au has been reported. Since this discovery, *garimpeiros* have been actively mining the **V3** area for gold. These occurrences are located on the margins of a volcanic caldera similar to but smaller than the Bom Jardim caldera.

This new acquisition has given Brazauro almost 100% control of this circular structure (caldera), and makes it the leading explorer in this highly prospective area. Exploration at the project commenced this week with an airborne magnetic and radiometric survey – 4,315 linear km. with flight lines spaced 200 meters apart -- which will be followed up by geological mapping and soil and rock-chip sampling. For a satellite image of the Bom Jardim/Circulo Property, please visit our website at [www.brazauroresources.com](http://www.brazauroresources.com).

The number of Brazauro shares to be issued to Gold Fields will be calculated using a deemed price per share equal to the greater of the 30 day Volume-Weighted Average Price prior to closing or the Discounted Market Price (as defined in the TSX Venture Exchange Corporate Finance Manual) on the day prior to the date of the Letter of Intent. The parties have agreed to negotiate a definitive agreement governing the terms of the transaction in detail which is anticipated to be executed within two months of the satisfaction of certain conditions of both parties, including board and regulatory approvals of the transaction and satisfactory due diligence. Completion of the acquisition is conditional on the completion of the reorganization by Gold Fields of the corporate structure within which the Property is presently held. On closing Brazauro will acquire the Gold Fields subsidiary in which the Property will be held in exchange for the Brazauro shares.

Gold Fields will have the one-time option, two years after closing the sale of the Property, to back-in to earn a 60% interest in the BVI company indirectly holding the Bom Jardim Property by spending on the Bom Jardim Property, over the next three years, an amount equal to two times the expenditures made by Brazauro on the Bom Jardim and Circulo properties from closing to the second anniversary of closing. If Gold Fields elects not to back-in, Gold Fields will be entitled to a 2% Net Smelter Return Royalty on the Bom Jardim Property. If Gold Fields acquires the 60% interest, it will have the further option to increase its interest to 70% by either completing and delivering a bankable feasibility study in respect of the Property or by spending a further \$10 million on the Property over the succeeding three year period. Thereafter the parties will contribute proportionately to further expenses. Brazauro will have the option to request Gold Fields to lend to Brazauro sufficient funds to meet Brazauro's share of the cost of placing the Property into production, in which case Gold Fields' interest will be increased to 75%.

<p><i>Mark E. Jones III</i> Chairman, CEO Brazauro Resources Corporation</p>
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