BRAZAURO RESOURCES CORPORATION
16360 PARK TEN PLACE, SUITE 217
HOUSTON, TX 77084

BRAZAURO ANNOUNCES INCREASED MINERAL RESOURCES AND POSITIVE RESULTS FROM PRELIMINARY ECONOMIC ASSESSMENT OF TOCANTINZINHO GOLD PROJECT, BRAZIL

Houston, Texas: September 26, 2007 - Brazauro Resources Corporation (TSX.V: BZO) is pleased to report that a Preliminary Economic Assessment on its Tocantinzinho Gold Project, in northern Brazil, has been completed by *NCL Brasil Ltda.*

Highlights include:

- Average annual gold production of 82,000 ounces of gold over a mine life of 20 years, based on a mining rate of 2 million tons per year.
- Operating cash cost of US$ 360 per ounce.
- Net present value (NPV) of US$ 34.5 million, using a 5% discount rate and gold price of US$ 550 per ounce.
- Project Internal Rate of Return (IRR) of 8.3 %.
- Economic valuation based on an Updated Mineral resources estimate, with total ounces approximately 30% greater than the previous published estimate.
- Significant potential for mining rate increase, improving the key economic parameters.

NCL, a Brazilian/Chilean consultancy, has prepared this Preliminary Economic Assessment with input from a number of independent parties, including SGS Lakefield and Hazen Research Inc. (metallurgical tests), L.Bernal (Processing), Gadelha (Infrastructure). NCL undertook the Mineral resource estimate, mine planning, preliminary economic valuation and report compilation.

Mineral Resources Update

The Mineral Resource estimate was prepared in accordance with National Instrument 43-101 based on information compiled by NCL´s principal, Rodrigo Mello, who is a "qualified person" as defined in National Instrument 43-101.

Tocantinzinho Mineral Resource

	Indicated			Inferred		
	Tonnes (x 000)	Au (g/t)	Ounces (x 000)	Tonnes (x 000)	Au (g/t)	Ounces (x 000)
Oxide	183	1.12	7	2,120	1.03	70
Fresh rock	24,413	1.33	1,047	25,585	1.19	978
Total	**24,597**	**1.33**	**1,053**	**27,704**	**1.18**	**1,048**

Notes: Resources above cut-off of 0.2 g/t. Totals may not add due to rounding.

Cautionary Statement*: The Preliminary Economic Assessment is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the conclusions reached in the Preliminary Economic Assessment will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*

Processing
Based on four different metallurgical tests, a flow sheet was proposed with a flotation circuit followed by cyanidation of the concentrate. The process recovery rate is projected to be 91%.

Mine Plan
NCL undertook a mine plan based on the Indicated and Inferred Updated Mineral Resources delineated to date. Pit optimization was performed using a gold price of US$ 550/oz. Only fresh rock resources were used in the mine plan. The resources contained in the economic pit shell are the following:

	Ore (tones x 000)	Grade Au g/t	Gold Content (ounces x 000)
INDICATED	20,717	1.48	948
INFERRED	17,833	1.34	768

Note: Resources above cut-off of 0.55 g/t.

Capital Costs
Total capital expenditure is estimated to be US$ 105 million. The main components are the process plant (US$ 43.4 million) and infrastructure (US$ 32 million). Costs for a 200 km power line at 138 kV are included, as supplied by the state's energy agency (Celpa), who stated that after September 2008 enough hydroelectric energy will be available for the project. Mining expenditures (US$ 20 million) contemplate pre-production and equipment, based on an owner operated mining fleet.

Operational Costs
The following operating costs were estimated:

Open Pit Total Operating Costs

	Ore Tonne (US$/tonne)
Mining	4.43
Processing	7.46
G & A	2.00
Environment	0.60
Total	**14.49**

The mining cost per ton moved is US$ 1.20, and the total cash cost per ounce produced is US$ 360.

Sensitivity Analysis
The project is more sensitive to process recovery, gold grade and price and less to operational and capital expenses. At a spot price of US$ 730, the NPV, discounted at 5%, is US$ 175 million, utilizing the same pit optimization as at US$ 550 /oz.

Project Upsides
The main upsides of the Tocantinzinho Project are:

- Optimizing the engineering solutions adopted will enhance the economics. For example, a quick estimate of the potential of increasing production by 50% would increase the NPV by over 50%.
- No oxide ore or tailings are considered in this study, which, if included, could enhance the gold production.
- The exploration potential of the area has not yet been tapped, with several interesting targets over the 43,840 hectares of Brazauro's mining rights in the prospective Tapajós gold area.
- High grade intercepts present throughout the mineralized zone may continue at depth providing potential for future underground mining.

Rodrigo Mello, who is a "qualified person" as defined in National Instrument 43-101, has read and approved the contents of this release.

Mark E. Jones, III
Chairman, CEO
Brazauro Resources Corporation

For further information, please contact:
Brazauro
Mark Jones, Chairman
Ph: 281-579-3400
info@brazauroresources.com
www.brazauroresources.com