

BRAZAURO RESOURCES CORPORATION

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**BRAZAURO ANNOUNCES PROMISING DRILL RESULTS
FROM FIRST-STAGE DRILLING AT SUCURI IN BRAZIL –
DETAILS PLANS FOR NEXT ACTIONS AT TOCANTINZINHO.**

Houston Texas

January 16, 2007

Brazauro Resources Corporation (BZO-TSX.V) is pleased to announce results from the first nine core holes from its Sucuri property in the southern Tapajós region of Pará State, Brazil. This first-stage drilling campaign comprising a planned 2,000 meters tests a highly gold-anomalous east-west-trending 700-meters by 200-meters belt of soil sample results in a zone of recently productive surface gold mining. Five more holes remain to be drilled in this first program.

The initial nine holes drilled at Sucuri focused on the east-west-trending Alvino quartz vein system which is hosted by a shear zone within hydrothermally altered granitic rocks. Core holes were drilled as twin holes from a series of surface drill stations along 500 meters strike length of the structural zone: one angle core hole from each station to intersect the vein system at 50 meters depth, and a second to intersect the same zone at a depth of 100 meters below the surface. All holes intersected gold mineralization with the better intersections shown below. The intersections described below may not represent true widths.

Drill Hole SUC 06 -01

<i>From (m)</i>	<i>To (m)</i>	<i>Interval (m)</i>	<i>Grade* (grams Au/tonne)</i>
52.90	68.20	15.30	0.82
	including	1.30	3.68

Drill Hole SUC 06-02

<i>From (m)</i>	<i>To (m)</i>	<i>Interval (m)</i>	<i>Grade (grams Au/tonne)</i>
131.15	148.00	16.85	0.51
205.05	207.00	1.95	2.00

Drill Hole SUC 06-03

<i>From (m)</i>	<i>To (m)</i>	<i>Interval (m)</i>	<i>Grade (grams Au/tonne)</i>
54.70	60.90	6.20	6.04
	including	0.50	67.32
75.00	83.00	8.00	3.22

Drill Hole SUC 06-04

<i>From (m)</i>	<i>To (m)</i>	<i>Interval (m)</i>	<i>Grade (grams Au/tonne)</i>
142.35	143.35	1.00	11.48
151.30	159.25	7.95	0.62

Drill Hole SUC 06-07

<i>From (m)</i>	<i>To (m)</i>	<i>Interval (m)</i>	<i>Grade (grams)</i>
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34.20	55.00	20.80	1.63
	including	6.15	4.39

Drill Hole SUC 06-08

From (m)	To (m)	Interval (m)	Grade (grams Au/tonne)
77.55	85.75	8.20	0.77
91.10	97.00	5.90	1.01

** Drill core samples are collected by Brazauro's experienced geotechnicians under the supervision of Brazauro's qualified geological staff on site. All reported assays and chemical analyses are made by SGS-Geosol Laboratories of Belo Horizonte, Brazil, and are handled in the same manner as drill cores from Tocantinzinho as previously announced.*

Three other east-west trending gold-mineralized zones parallel to the Alvino zone have been identified by sampling and mapping at Sucuri and these will be tested during the ongoing drilling campaign.

TOCANTINZINHO

Immediately following the completion of the first-stage drilling at Sucuri, while cores from the remaining drill holes are being analyzed, the contracted drill rig will be moved back to Tocantinzinho to probe attractive geological targets and geophysical anomalies located to the south and southeast of the main Tocantinzinho gold mineralization which has an inferred resource of 1.6 million ounces of gold, outlined by 42 core holes.

Prospective geophysical anomalies exist in a four-kilometer-long band extending to the southeast from the main gold zone, which show similar magnetic and structural profiles to the drill-outlined Tocantinzinho gold mineralization. Over the span of the next few months Brazauro's exploration team will probe this major potential extension to the Tocantinzinho gold resource. The next major step in exploration of the property will be grid geochemical sampling over the geophysical targets. This will be initiated while the Sucuri drilling phase is being completed.

As soon as the drill rig arrives at Tocantinzinho, exploration will begin with core drilling around the southernmost isolated drill hole, TOC 04-20, which in 2004 made a substantial intersection of 14.2 m at 1.57 g/t Au (including 1m @ 16.7 g/t Au) in a distinct and separate trend from the main gold mineralization. Following drilling of the TOC 04-20 target, the next target in line is the area of the Jesse Pit, a 50-meters by 50-meters placer pit located about 1.5 kilometers south of the main Tocantinzinho gold mineralization near the southeast edge of the United Nations airstrip.

Placer miners worked the Jesse Pit well into the saprolite horizon so that significant amounts of bedrock are exposed for systematic mapping and sampling. Past sporadic sampling and geological examination of the Jesse Pit by Brazauro geologists discovered stockwork-type mineralization surrounding leader veins with high-grade gold values. Rock exposures in and around the Jesse Pit will be mapped and sampled in great detail. Geochemical grid sampling will be used to spot drilling targets and the rig will move to this site when drilling is completed at the TOC 04-20 target area. By the time the first-phase drilling is completed at the Jesse target, geochemical results will be available over the major geophysical targets southeast of Tocantinzinho and the drill rig can be moved to probe those targets as well.

CIRCULO

Brazauro is also pleased to announce that it has applied to the Brazilian mining authorities for mineral licenses for 38,100 hectares of land that is underlain by a geologically attractive mafic to felsic volcanic pile intruded by granitic masses located to the northwest of Tocantinzinho. A caldera-like circular feature within this newly claimed land package is the focus of Brazauro's land acquisition. This feature is situated within the major TZ NW-SE striking shear zone which contains Tocantinzinho and extends from Sao Jorge in the SE towards the Tapajos River in the

Brazauro exploration and the content of this release are supervised by Stephen Zahony, Vice President-Exploration and a Qualified Person and by Elton Pereira, geologist and Brazilian Exploration Manager

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