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**BRAZAURO CONTINUES WITH STEP-OUT DIAMOND DRILL PROGRAM
AT TZ PROJECT IN BRAZIL**

May 17, 2005-**Houston, Texas:** Brazauro Resources (BZO: TSXV) has started the first hole of an eight-hole diamond drilling program at Brazauro's TZ Project in the Tapajos region of Brazil. The program, which is expected to exceed 2,500 meters, is designed to expand the width and the northwesterly and southeasterly extensions of the mineralized area, which was the subject of a successful 20-hole diamond drilling program completed in 2004. The drill program is expected to take approximately six weeks to complete, and all results are expected to be known approximately three weeks thereafter.

The previous program outlined a mineralized zone approximately 110 meters in true width by 600 meters in strike-length that is open to the northwest, southeast and at depth. The east-west boundaries have also yet to be accurately determined. Significant gold intersections from the previous program include:

Hole Number	Interval (meters)	Grade (g/t Au)	Depth (meters)
TOC 4	170.2	1.84	from 31 to 201.2
incl.	16.6	4.87	from 110 to 126.6
incl.	12.7	5.71	from 145.3 to 158
TOC 6	114.1	1.55	from 24.1 to 138.2
TOC 10	42	1.20	from 102 to 144
and	76.2	2.49	from 165.8 to 242
TOC 11	174	2.41	from 106 to 280
TOC 16	165.4	1.65	from 116 to 281.4
TOC 17	283.2	1.63	from 72 to 355.2
incl.	79.2	2.86	from 276 to 355.2
TOC 18	48	2.25	from 78 to 126
TOC 19	137.8	1.15	from 12.2 to 150
and	70	2.11	from 184 to 254

Earlier this year, a ground magnetic survey showed a strong correlation between mineralization and de-magnetization of the granitic host rocks, indicating good potential for doubling the strike length in a NW-SE direction. This drill program will test this very exciting concept.

Metallurgical tests on four composites collected from mineralized drill core intercepts with grades of 1, 1.5, 4 and 12g/t show the ore to be free-milling, indicating the strong likelihood for low-cost processing.

In corporate matters, Leendert (Len) Krol has decided to step down as President of Brazauro but will remain an active member of the Board of Directors and will continue to assist the Company on technical matters and business development. Commenting on his decision, Mr. Krol stated "After more than 35 years in mineral exploration, and having helped to bring Brazauro to its present stage, it is time for me to take a less active role. I have found the discovery of the TZ Project and its early development to be exhilarating. In all my years of exploration, I have never seen a project with such excellent early results. I look forward to an ongoing, but less active role in Brazauro. With Steve Zahony as Vice President of Exploration and Elton Pereira as Senior Manager we have a good team in place to bring TZ and Brazauro's other projects in the Tapajós to the next stage." Mark Jones, Chairman, will serve as interim President.

The TZ Project lies along a major WNW-ESE mineralized trend in the Tapajós that hosts several former major alluvial/eluvial producers, including Brazauro's Mamoal project, as well as São Jorge, Cuiú Cuiú, Bom Jardim, and Serabi Mining's Palito mine, all of which host extensive primary gold mineralization.

"Mark E. Jones, III"

Chairman

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