

**BRAZAURO RESOURCES CORPORATION**  
800 Bering Drive, Suite 208  
Houston TX 77057

July 20, 2005

TSXV:BZO

**Brazauro To Raise \$9,500,000**

Brazauro Resources Corporation has arranged a private placement of up to 5,000,000 units at \$1.90 per unit. Each unit will consist of one share and one half of one share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share of Brazauro at \$3.80 for a period of one year. If the shares of Brazauro trade at \$4.80 or higher for a period of thirty days, holders of warrants will be granted a further period of 30 days to exercise their warrants failing which they will expire.

Ocean Equities Ltd of London, a member of the London Stock Exchange will act as agent for the company on a best efforts basis and will be paid a commission of 5%.

The proceeds from the private placement will be used to continue the company's drilling and exploration program at its Tocantinzinho and Mamoaal Projects in the Tapajós region of Brazil.

The completion of the financing is subject to the approval of the TSX Venture Exchange and customary closing conditions.

The Tocantinzinho and Mamoaal projects lie along a major west-northwest to east-southeast mineralized trend in Tapajós that hosts several significant productive garimpos all of which host extensive primary gold mineralization.

*Mark E. Jones III*  
Chairman

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. The news release includes certain "forward-looking statements." All statements other than statements of historical fact included in this release, including, without limitation, statements regarding potential mineralization, exploration results and future plans and objectives of Brazauro Resources, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Brazauro's expectations are exploration risks detailed herein and from time to time in the filings made by the Company with securities regulators.