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TSXV: BZO

Brazauro Amends and Clarifies Tocantinzinho Royalty

Houston, Texas - Brazauro Resources Corporation (the Company) has signed an agreement (the "Amending Agreement") with the holders of a net smelter return royalty on Brazauro's Tocantinzinho Project which amends and clarifies the original agreement signed in 2003. Under the Amending Agreement the parties have agreed that Brazauro can buy down the royalty from 3.5% to 1.5% in two increments of 1% each. The first payment of \$2,000,000 will be triggered by certain events including the exercise, if at all, by Eldorado Gold Corporation under its Option/Joint Venture agreement with the Company to acquire 60% of the Tocantinzinho project or failing such exercise by completion of project financing, the making of a production decision or other specified events. The second payment of \$3,500,000 will be triggered by the making of a construction decision to proceed with the development of the Tocantinzinho Project.

The amended royalty will cover all the ground referred to in the original agreement signed with the royalty holders in 2003 which encompasses the entire Tocantinzinho mineralized deposit.

<p><u>Mark E. Jones III</u> Chairman, CEO Brazauro Resources Corporation</p>
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For further information, please contact:

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