

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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SIC: **1400** Mining & quarrying of nonmetallic minerals (no fuels)

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 31, 2005 Commission file number: 0-21968

BRAZAURO RESOURCES CORPORATION (formerly Jaguar Resources Corporation) (Exact Name of Registrant as Specified in Its Charter)

BRITISH COLUMBIA 76-0195574 (State or Other Jurisdiction of (I.R.S. Employer Identification No.) Incorporation or Organization)

1500 - 701 West Georgia Street Vancouver, BC, Canada V7Y 1C6 (Address of Principal Executive Offices, including Zip Code) (604) 689-1832 (Registrant's Telephone Number, Including Area Code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Table with 2 columns: TITLE OF EACH CLASS, NAME OF EXCHANGE ON WHICH REGISTERED. Both cells contain 'None'.

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

TITLE OF EACH CLASS COMMON STOCK

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

As of April 15, 2005, the aggregate market value of voting stock held by non-affiliates of the Registrant, based on the closing price of the Common Stock of the Registrant quoted on the TSX Venture Exchange was \$48,791,833 (Canadian). For purposes of calculating this amount, only directors, officers and beneficial owners of 5% or more of the capital stock of the Registrant have been deemed affiliates.

Number of shares of Registrant's Common Stock outstanding as of April 15, 2005: 45,514,351 Documents incorporated by reference: None.

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ITEM 1. BUSINESS

GENERAL INFORMATION

Brazauro Resources Corporation, formerly Jaguar Resources Corporation, ("the Company") is engaged in the business of exploring for and, if warranted, developing mineral properties and is concentrating its current acquisition and exploration efforts on those properties which the Company believes have large scale gold potential. The Company holds interests in properties located in the Tapajos Gold District of Brazil's northerly Para State (collectively the "Properties").

The Company has two wholly-owned subsidiaries; Jaguar Resources do Brasil Ltda., a Brazilian corporation, and Star U.S. Inc., a Delaware corporation ("Star"). Star in turn owns 100% of the stock of three corporations, Diamond Exploration, Inc. and Continental Diamonds, Inc., both of which are Arkansas corporations ("DEI" and "CDI", respectively), and Diamond Operations, Inc., a Delaware corporation ("DOI"). All references to the Company herein include its subsidiaries unless otherwise noted. The Company's Consolidated Financial Statements referred to herein also include its subsidiaries. The Company's fiscal year ends January 31.

The Company's principal office is located at 1500-701 West Georgia Street, Vancouver, B.C., Canada V7Y 1C6. The Company had three (3) full-time employees at January 31, 2005; however, the Company retains consultants, independent contractors and part-time employees on an as-needed basis in connection with its exploration and development activities.

The Company was incorporated under the Company Act (British Columbia) on March 12, 1986. The authorized capital of the Company consists of an unlimited amount of shares of common stock without par value (the "Common Stock"), of which 45,514,351 shares were issued and outstanding as of April 15, 2005. The Common Stock of the Company ranks equally as to dividends, voting rights and participation in assets and is traded under the symbol "BZO" on the TSX Venture Exchange.

Unless otherwise stated herein, all monetary amounts are expressed in Canadian dollars. At April 19, 2005, the exchange rate for conversion to United States dollars was \$1.00 (Canadian) = U.S. \$ 0.8059. Historical exchange rates for the last five years are set forth in Item 6 at page 12.

The Company is subject to substantial risks with respect to exploration activities and will seek additional capital during fiscal 2006 to conduct additional property exploration activities and to fund general and administrative expenses. See "Certain Risk Factors" and "Management's Discussion

OPERATING HISTORY AND DEVELOPMENT

The Company became a public company in January 1988 when it undertook an initial public offering of its Common Stock in British Columbia, Canada and became listed on the Vancouver Stock Exchange, a predecessor to the TSX Venture Exchange. From inception and prior to 1988 the Company had limited business activities and through 1993 explored and abandoned several mineral properties. During fiscal 1993, the Company elected to pursue prospects with the potential for commercial diamond production.

The Company completed three acquisitions in fiscal 1993 consistent with its focus on diamond exploration prospects, including acquisitions of the "Arkansas Properties" (defined below). During fiscal 1995 through 2003, the Company completed additional acquisitions in Arkansas and directly managed and funded exploration efforts on certain Arkansas Properties. In fiscal 2003 the Company decided to cease exploration efforts in Arkansas due to disappointing exploration results, and began to pursue mineral exploration prospects, particularly gold prospects in South America. During fiscal 2004 the Company acquired the mineral rights to two properties in Brazil, the Tocantinzinho and Mamoal Properties, as described below. In fiscal 2005, the Company extended its holdings in the Tocantinzinho Properties and conducted exploration activities on both the Tocantinzinho and Mamoal properties. Additionally, the Company acquired the Batalha Property, a gold prospect also located in Para State, Brazil. The Company will continue to pursue mineral exploration prospects, focusing on the Tapajos and on a worldwide basis as opportunities arise, subject to adequate acquisition and exploration funding.

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Since its inception, the Company has no revenues from operations other than rental income from the Company's Diamond Recovery Plant ("the Plant") totaling \$1,079,000, which was received during the three fiscal years ended January 31, 1999. In March 2003 the Company sold the Plant to a third party for \$350,000 (U.S.).

CERTAIN RISK FACTORS

The Company's business plan to acquire additional exploration prospects, continue exploration activities on its current projects, and, if warranted, undertake development and mining operations is subject to numerous risks and uncertainties, including the following:

LACK OF PROVEN PROPERTIES AND INSUFFICIENT EXPLORATION AND DEVELOPMENT FUNDS. At this point, all of the Company's exploration prospects and property interests (collectively the "Properties") are gold prospects in Brazil. While the Company has sufficient funds to complete the exploration phase currently underway, additional funds will be necessary in order for the Company to pursue further exploration on its existing properties and to acquire and develop additional exploration prospects. Certain of the Company's planned expenditures are discretionary and may be increased or decreased based upon funds available to the Company.

As of January 31, 2005, the Company had sufficient cash to fund general and administrative expenses anticipated during fiscal 2006. As discussed above, the Company will be required to raise additional capital for additional exploration activity on its existing properties and acquisition of new exploration prospects during fiscal 2006. There can be no assurance that additional funds can be raised. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" (hereinafter referred to as "MD & A").

ENVIRONMENTAL LAWS. The exploration programs conducted by the Company are subject to national, state and/or local regulations regarding environmental considerations in the jurisdiction where they are located. Most operations involving exploration or production activities are subject to existing laws and regulations relating to exploration and mining procedures, reclamation, safety precautions, employee health and safety, air quality standards, pollution of stream and fresh water sources, odor, noise, dust, and other environmental protection controls adopted by federal, state and local governmental authorities as well as the rights of adjoining property owners. The Company may be required to prepare and present to federal, state or local authorities data pertaining to the effect or impact that any proposed exploration or production of minerals may have upon the environment. All requirements imposed by any such authorities may be costly, time consuming, and may delay commencement or continuation of exploration or production operations. However, at this time, the Company is exploring its Properties and does not anticipate preparing environmental impact statements or assessments until such time as the Company believes one or more of its Properties will prove to be commercially feasible.

LIMITED EXPLORATION PROSPECTS. The Company's existing properties are all gold prospects in Brazil. Accordingly, the Company does not have a diversified portfolio of exploration prospects either geographically or by mineral targets. The Company's operations could be significantly affected by changes in the market price of gold, as the economic viability of the Company's projects is heavily dependent upon the market price of gold. Additionally, the Company's projects are subject to the laws of Brazil and can be negatively impacted by the existing laws and regulations of that country, as they apply to mineral exploration, land ownership, royalty interests and taxation, and by any potential changes of such laws and regulations.

TITLE TO PROPERTIES. The Company cannot guarantee title to all of its Properties as the Properties may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects. The Company does not maintain title insurance on its properties.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-K under "Item 1. Business", "Item 2. Properties", "Item 3. Legal Proceedings", and "Item 7. MD & A" and other factors may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; competition; success of operating initiatives; the success of the Company's exploration and development operations on its Properties; the Company's ability to raise capital and the terms thereof; the acquisition of additional properties; the continuity, experience and quality of the Company's management; changes in or failure to comply with government regulations or the lack of government authorization to continue the Company's projects; and other factors referenced in this Form 10-K. The use in this Form 10-K of such words as "believes", "plans", "anticipates", "expects", "intends" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. The success of the Company is dependent on the efforts of the Company, its employees and many other factors including, primarily, its ability to raise additional capital and establishing the economic viability of its exploration Properties.

ITEM 2. PROPERTIES -----

Currently, all of the Company's Properties are located in the Tapajos Gold District of Brazil's northerly Para State. The general location of the Company's Brazilian Properties is shown on the map provided below. The map is followed by a description of the Company's rights and interests in each of the Properties, including those Properties in the State of Arkansas where the Company's rights and interests have expired.

(map)

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BRAZILIAN PROPERTIES

Tocantinzinho Properties

In August 2003 the Company entered into an option to acquire exploration rights to a total of 28,275 hectares in the Tapajos gold district in Para State, Brazil under an option agreement with two individuals. The option agreement entitles the Company to acquire a 100% interest in the exploration rights to such area (referred to herein as the "Tocantinzinho Properties") over a four-year period in consideration for the staged payment of US\$465,000, the staged issuance of 2,600,000 shares of the Company and the expenditure of \$1,000,000 (U.S.) on exploration (\$300,000 (U.S.) by July 31, 2004). The Company received approval for the acquisition from the TSX Venture Exchange in August 2003 and made the initial payment required by the option agreement to the optionors, consisting of 1,100,000 common shares of the Company and \$75,000 (U.S.). The Company made the second option payment, consisting of 200,000 common shares of the Company and \$30,000 (U.S.), in February 2004. In August 2004, the Company made the third option payment of 200,000 common shares of the Company and \$40,000 (U.S.).

As of January 31, 2005, the total commitment remaining under the option agreement is as follows (all amounts are in U.S. dollars): \$40,000 and 200,000 common shares of the Company, \$130,000 and 200,000 common shares of the Company, and \$150,000 and 700,000 common shares of the Company for the 2006, 2007 and

2008 fiscal years, respectively.

Additionally, the option agreement requires the Company to assume all existing obligations of the optionors to the owners of the mineral rights of the Tocantinzinho Properties (the "Underlying Agreements") totaling \$1,600,000 (U.S.) over a four-year period. At January 31, 2005, the remaining payment commitments under the Underlying Agreements are as follows (all amounts are in U.S. dollars): \$120,000, \$160,000 and \$1,205,000 in fiscal years 2006, 2007 and 2008, respectively. The Company made payments totaling \$35,000 (U.S.) and \$80,000 (U.S.) in respect of the Underlying Agreements during fiscal 2004 and 2005, respectively. One of the optionors entered into a consulting agreement with the Company for an 18-month period at a rate of \$7,000 (U.S.) per month which expired during fiscal 2005. The payments under the option agreement, the Underlying Agreements and the consulting agreement are considered expenditures for purposes of meeting the required total and initial annual expenditures of \$1,000,000 (U.S.) and \$300,000 (U.S.), respectively, discussed above. During fiscal 2005 the Company met the requirement under the option agreement to expend a total of \$300,000 (U.S.) and met the requirement to expend \$1,000,000 (U.S.) on exploration. The Company has met its first year commitments under the option agreement, and the option agreement is cancelable by the Company without further obligations.

The optionors are entitled to a sliding scale gross revenues royalty ranging from 2.5% for gold prices below \$400 (U.S.) per ounce to 3.5% for gold prices in excess of \$500 (U.S.) per ounce. The Company has filed applications for exploration licenses with the regulatory authorities in Brazil and has received final approval on several claim areas. The Company anticipates it will receive final approval on the remaining claim areas in fiscal 2006.

In May 2004 the Company applied for exploration permits for an additional 16,000 hectares adjacent to the above Tocantinzinho Properties. The Company has agreed to make payments totaling \$300,000 (U.S.) over a period of approximately four years to an individual as a finder's fee related to this 16,000 hectare property. This additional property is not subject to the option agreement and therefore is not subject to the royalty.

The Company completed a 20 hole diamond drill program (approximately 4000 meters) at the Tocantinzinho Properties during fiscal 2005 in which 19 of 20 holes encountered mineralization and which outlined a mineralized body that is at least 500 meters in strike length, with a true width of approximately 110 meters, and open at 290 meters vertical depth. Drill programs planned for fiscal 2006 are designed to ascertain if the known dimensions of this mineralization can be expanded. Additionally, the Company completed both a ground magnetic survey and metallurgical testing of drill core samples of the Tocantinzinho Properties during fiscal 2005 and the first quarter of fiscal 2006 and was encouraged by the results. Detailed results of the above testing, including maps of the ground magnetics and drill hole mineralization, are located at the company's website, www.brazaureresources.com.

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Mamoal Property

The Company entered into an option agreement under which it may acquire the exploration license to the 10,000 hectare Mamoal Property, located 30 kilometers southeast of the Company's Tocantinzinho Properties, in December 2003. The Company has an option to earn 100% of the Mamoal Property by payment of a total of \$300,000 (U.S.) over three and one half years. The Company may terminate the option agreement at any time without further obligation. An initial \$10,000 (U.S.) payment was made by the Company in December 2003, and the exploration research license has been transferred to Jaguar Resources do Brasil Ltda. During fiscal 2005, the Company made payments under the option agreement totaling \$25,000 (U.S.). The remaining option payments are as follows (all amounts are in U.S. dollars): \$45,000, \$65,000, and \$155,000 in fiscal years ending January 31, 2006, 2007 and 2008, respectively. The Company may acquire the Mamoal Property at any time by accelerating the option payments. The Company has received the exploration license from the Brazilian regulatory authority.

During fiscal 2005, the Company conducted geological mapping, rock sampling, mapping of old garimpeiro pit workings and approximately 2,400 auger holes to a depth of approximately one meter. In the first quarter of fiscal 2006, the Company announced positive sampling results from its work during fiscal 2005. Additional soil sampling and drilling are planned for fiscal 2006. Detailed results of the sampling program may be found at the Company's website, www.brazaureresources.com.

Batalha Property

In September, 2004 the Company applied for an exploration license to the 9800 hectare Batalha Property, located in the Tapajos gold province in northern Brazil. The property, host to a well known "garimpo" or artisanal mine, lies at the western end of the Tocantinzinho trend.

The Company has agreed to pay the original holder of artisanal mining rights of Batalha, who controls over 1,700 hectares lying within the exploration license and directly over the Batalha zone, the equivalent of approximately \$91,000 Canadian dollars in Brazilian reals over a 42 month period with a buyout after 4 years of \$250,000 (U.S.) (if the project is deemed economic by the Company) and an additional sum based on the number of ounces of gold in the proven and probable (or measured and indicated) categories at Batalha as set out in a pre-feasibility or feasibility study. The per ounce payment amount ranges in a sliding scale from US\$1 per ounce for the first one million ounces up to \$10 (U.S.) per ounce for each ounce over four million ounces. The 9,800 hectare exploration license lies over top of this area, covering extensions to north, south and west. If after four years the Company, in its sole opinion, has not found an economic ore body, the area and all collected data will be returned to the vendor.

ARKANSAS PROPERTIES

The Company maintained interests in several Arkansas Properties during the period from fiscal 1993 through fiscal 2003. In December 2002, based upon the cumulative exploration results obtained on the Arkansas Properties, the Company made the decision to cease operations in Arkansas.

American Mine Property

Pursuant to an agreement dated November 4, 1992, DEI was granted a permit to explore a mineral property located in Pike County, Arkansas. The Company's Plant was located on this leased property. The Company leased the property and conducted exploration activities during certain periods from 1992 to 2002. The lease payment of \$47,500 (U.S.) on the American Property, due November 1, 2002, was not made by the Company.

In March 2003 the Company sold the Plant to a third party for \$350,000 (U.S.). In conjunction with the sale, the third party paid the lessor of the American Mine Property \$47,500 (U.S.) on behalf of the Company in order to extend the Company's lease on the property through October 31, 2003. The Company recorded a retirement obligation for leasehold reclamation costs during fiscal year 2004 of approximately \$150,000, representing the estimated costs of the Company's obligation to restore the Arkansas properties to their original condition prior to lease expiration and to perform reclamation activities as required by Arkansas regulatory authorities. The Company allowed the lease to expire effective November 1, 2003.

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ITEM 3. LEGAL PROCEEDINGS

Except as described in Note 12 of the Notes to the Company's Consolidated Financial Statements incorporated by reference into Part II. Item 8 hereof, there are no material pending legal proceedings to which the Company or any of its subsidiaries is a party or to which any of their property is subject. The Company is involved from time to time in claims arising in the normal course of business.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER

MATTERS

The Company's Common Stock is listed on the TSX Venture Exchange ("the TSX") in British Columbia, Canada under the symbol "BZO" ("JRS" through September 3, 2004). The Company's Common Stock is not traded on an exchange or market in the United States. The high and low sales prices (in Canadian dollars) as quoted on the TSX for the below referenced quarterly periods were as follows:

<TABLE>
<CAPTION>

Price Range of Common Stock

Fiscal Year Ended January 31
2005 2004

<S>	<C>	<C>	<C>	<C>
Fiscal Quarter Ended	High	Low	High	Low
April 30	1.80	0.35	0.25	0.07
July 31.	1.58	0.73	0.35	0.20
October 31	1.05	0.78	0.47	0.25
January 31	1.39	0.80	0.54	0.35

The closing price of the Company's Common Stock was \$1.17 (Canadian) as of April 15, 2005 on the TSX Venture Exchange.

At March 31, 2005, there were 137 holders of record of the Company's Common Stock including 103 in the United States who collectively held 26,662,627 shares representing 59% of the total number of issued and outstanding shares. The Company believes it has in excess of 300 beneficial owners of its Common Stock residing in the United States and Canada based on the number of record holders and individual participants in security position listings.

DIVIDEND POLICY

The Company has never declared or paid cash dividends on its Common Stock. The Company presently intends to retain cash for the operation and development of its business and does not anticipate paying cash dividends in the foreseeable future. A future determination as to the payment of dividends will depend on a number of factors, including future earnings, capital requirements, the financial condition and prospects of the Company and such other factors as the Board of Directors of the Company deems relevant.

PASSIVE FOREIGN INVESTMENT COMPANY RULES

For U.S. federal income tax purposes, the Corporation likely was classified as a passive foreign investment company ("PFIC") under section 1297 of the Code for its taxable year ending January 31 2005, and likely will be a PFIC in subsequent taxable years until it has significant operating income. A non-U.S. corporation generally is classified as a PFIC for U.S. federal income tax purposes in any taxable year if, either (a) at least 75% of its gross income is "passive" income (the "income test"), or (b) on average at least 50% of the gross value of its assets is attributable to assets that produce passive income or are held for the production of passive income (the "asset test"). For purposes of the income test and the asset test, if a non-U.S. corporation owns directly or indirectly at least 25% (by value) of the stock of another corporation, the non-U.S. corporation will be treated as if it held its proportionate share of the assets of the latter corporation and received directly its proportionate share of the income of that latter corporation. Passive income generally includes dividends, interest, royalties and rents (other than rents and royalties derived in the active conduct of a trade or business and not derived from a related person).

For any taxable year in which the Corporation is a PFIC, U.S. Holders will be subject to U.S. federal income tax in respect of the Securities in accordance with the special rules applicable to investments in PFICs. Under the PFIC rules, as discussed further below in this section "Passive Foreign Investment Company Rules", the U.S. federal income tax consequences of the ownership of Securities will be governed by the so-called "non-qualified fund" regime, unless either (a) a U.S. Holder elects to treat the Corporation as a "qualifying electing fund" ("QEF"), and the Corporation annually supplies its U.S. Holders with the information necessary for compliance with the QEF election, or (b) the Securities constitute "marketable stock", within the meaning of section 1296 of the Code, and the U.S. Holder elects to mark the Securities to market as of the end of each taxable year.

U.S. HOLDERS ARE STRONGLY ADVISED TO CONSULT THEIR OWN TAX ADVISORS ABOUT THE POSSIBLE CHARACTERIZATION OF THE CORPORATION AS A PFIC AS WELL AS THE ADVISABILITY OF MAKING A QEF ELECTION OR A MARK-TO-MARKET ELECTION.

Non-Qualifying Fund

In general, if a QEF election or a mark-to-market election is not made by a U.S. Holder, any gain on a sale or other disposition of Securities by such a U.S. Holder would be treated as ordinary income and would be subject to special tax rules. Under these special tax rules, (a) the amount of any such gain would be allocated ratably over the U.S. Holder's holding period for the Securities, (b) the amount of ordinary income allocated to years prior to the year of sale

or other disposition would be subject to tax at the highest statutory rate applicable to such U.S. Holder for each such year (determined without regard to other income, losses or deductions of the U.S. Holder for such years), and (c) the tax for such prior years would be subject to an interest charge, computed at the rate applicable to underpayments of tax. Under proposed U.S. Treasury regulations, a "disposition" may include, under certain circumstances, transfers at death, gifts, pledges of shares and other transactions with respect to which gain is not ordinarily recognized. In addition, the adjustment ordinarily made to the tax basis of stock owned by a decedent may not be available with respect to the Securities. Rules similar to those applicable to dispositions will generally apply to distributions in respect of Securities that exceed 125% of the average amount of distributions in respect of such Securities during the preceding three years, or, if shorter, during the preceding years in the U.S. Holder's holding period ("excess distributions").

Each U.S. Holder would be required to annually file IRS Form 8621 (Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with such U.S. Holder's timely filed U.S. federal income tax return (or with the U.S. Internal Revenue Service Center, P.O. Box 21086, Philadelphia, Pennsylvania 19114, if the U.S. Holder is not required to file a return).

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QEF Election

If a U.S. Holder makes a valid and timely-filed QEF election in connection with a purchase of Securities, and provided that the Corporation annually supplies the information necessary to comply with such election, then the electing U.S. Holder will be required each taxable year to recognize, as ordinary income, a pro rata share of the Corporation's earnings, and to recognize, as capital gain, a pro rata share of the Corporation's net capital gain, in each case without regard to whether distributions are received with respect to the Securities for such year. The QEF election, once made, applies to all subsequent taxable years of the U.S. Holder in which it holds Securities until the Corporation ceases to be a PFIC. If the Corporation is again a PFIC in any taxable year following a year in which the Corporation was not treated as a PFIC, the original QEF election continues to be effective. Accordingly, for any taxable year in which the Corporation is a PFIC and does not have any net income, a U.S. Holder would not have any income exclusions as a result of the QEF election. The Corporation will provide the information necessary for complying with the QEF election. Amounts included in a U.S. Holder's taxable income under the QEF regime would increase such U.S. Holder's tax basis in the Securities, and subsequent distributions by the Corporation would not be taxable to the U.S. Holder, and instead would reduce the U.S. Holder's tax basis in the Securities to the extent that the U.S. Holder could demonstrate that the distributions were attributable to previously-taxed income. A U.S. Holder generally would recognize capital gain or loss upon a disposition of Securities that were subject to a QEF election at all times during such U.S. Holder's holding period. Special rules would apply if a U.S. Holder makes a QEF election later than the first taxable year in which Securities are owned (which could result in the U.S. Holder remaining subject to the non-qualifying fund regime described above).

Mark-to-Market Election

If a U.S. Holder makes a valid and timely-filed mark-to-market election, and provided that the Securities constitute "marketable stock" within the meaning of section 1296 of the Code, then in any year in which the Corporation is a PFIC the U.S. Holder annually would be required to report any unrealized gain with respect to its Securities as an item of ordinary income, and would be permitted to deduct any unrealized loss, as an ordinary loss, to the extent of previous inclusions of ordinary income. Any gain subsequently realized by such electing U.S. Holder upon a disposition of Securities also would be treated as ordinary income, rather than capital gain, but such U.S. Holder would not be subject to an interest charge on the resulting tax liability as under the non-qualifying fund regime. A U.S. Holder who makes a mark-to-market election would still be taxed on distributions from the Corporation when received, as described under "Dividends".

For purposes of the mark-to-market election, marketable stock generally includes stock that is regularly traded on certain established securities markets within the United States, or on any exchange or other market that the IRS determines has trading, listing, financial disclosure, and other rules adequate to carry out the purposes of the mark-to-market election. The Toronto Stock Exchange and the Alternative Investment Market of the London Stock Exchange may qualify as such an exchange. Each U.S. Holder should consult its own advisor as to whether the mark-to-market election is available with respect to the Securities. Special rules would apply to a U.S. Holder that held Securities prior to the first taxable year for which the mark-to-market election

was effective, which could result in an interest charge for such first taxable year, as under the non-qualifying fund regime described above.

A U.S. Holder choosing to make a mark-to-market election must make the election on Form 8621 for the taxable year of election and must annually file Form 8621 with such U.S. Holder's timely filed U.S. federal income tax return or with the IRS. Once made, a mark-to-market election would be effective for all subsequent taxable years of such U.S. Holder unless revoked with the consent of the Secretary of the Treasury or unless the Securities cease to be marketable.

DIVIDENDS

For purposes of this section "Dividends", it is assumed that the Corporation is a PFFC. To the extent that distributions paid on the Securities are not treated as excess distributions received by a non-electing U.S. Holder, and to the extent the distribution exceeds the previously-taxed income of a U.S. Holder that makes a QEF election, such distributions (before reduction for Canadian withholding taxes) will be taxable as dividends to the extent of the Corporation's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes, and will be includable in a U.S. Holder's ordinary income when received. Dividends on the Securities will not be eligible for the dividends-received deduction generally allowed to U.S. corporations.

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The amount of any dividend paid in Canadian dollars will equal the U.S. dollar value of the Canadian dollars received calculated by reference to the exchange rate in effect on the date the dividend is received by a U.S. Holder regardless of whether the Canadian dollars are converted into U.S. dollars. If the Canadian dollars received as a dividend are not converted into U.S. dollars at the date of receipt, a U.S. Holder will have a basis in the Canadian dollars equal to the U.S. dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the Canadian dollars will be treated as ordinary income or loss, and generally will be income or loss from sources within the United States for U.S. foreign tax credit purposes.

A U.S. Holder may be entitled to deduct, or claim a U.S. foreign tax credit for, Canadian taxes that are withheld on dividends received by a U.S. Holder, subject to applicable limitations in the Code. Dividends will be income from sources outside the United States and for tax years beginning before January 1, 2007, generally will be "passive income" or "financial services income", and for tax years beginning after December 31, 2006, generally will be "passive category income" or "general category income" for purposes of computing the U.S. foreign tax credit allowable to a U.S. Holder. The rules governing the U.S. foreign tax credit are complex, and investors are urged to consult their tax advisors regarding the availability of the U.S. foreign tax credit under their particular circumstances.

To the extent that the amount of any distribution exceeds the Corporation's current and accumulated earnings and profits for a taxable year, the distribution will first be treated as a tax-free return of capital to the extent of a U.S. Holder's basis, and any excess will be treated as capital gain. Such capital gain would not give rise to income from sources outside the United States, and accordingly a U.S. Holder may need other non-U.S. source income in order to claim a tax credit for Canadian withholding taxes imposed on such distribution.

FOREIGN CONTROLS

The Company is not aware of governmental laws, decrees or regulations in Canada restricting the import or export of capital or affecting the remittance to the United States of interest, dividends or other payments to non-resident holders of the Company's Common Stock. However, the payment or crediting of interest or dividends to United States residents may be subject to applicable withholding taxes at a rate prescribed by the Income Tax Act (Canada) as modified by the provisions of the Canada-United States Income Tax Act (Canada) and as further modified by the provisions of the Canada-United States Income Tax Convention, 1980 (see "Taxation" below).

Except as provided in the Investment Canada Act (the "ICA"), there are no limitations under the laws of Canada, the Province of British Columbia or in the charter and organizational documents of the Company on the right of nonresident or foreigner owners to hold and/or vote the shares of the Company.

The ICA applies when a "non-Canadian" individual or entity or controlled group of entities as defined in the ICA proposes to make an investment to acquire control of a Canadian business enterprise, either directly or indirectly, and by way of purchase of voting shares of a corporation or of substantially all of the assets used in the Canadian business enterprise. An

investment in voting shares of a corporation is deemed to be an acquisition of control where more than 50% of the voting shares are acquired. An acquisition of less than one-third of the voting shares of a corporation is deemed not to be an acquisition of control and an acquisition of between one-third and one-half of the voting shares of a corporation is presumed to be an acquisition of control unless it can be established that the acquisition does not in fact result in control of the corporation by the investor.

An investment to acquire control of a Canadian business enterprise, the gross assets of which exceed certain thresholds, must be reviewed and approved under the ICA before implementation. An investment to acquire control of a Canadian business enterprise, the gross asset value of which falls below these threshold amounts, is one in respect of which notification must be given under the ICA although approval is not required prior to implementation of the investment. NAFTA Investors, (i.e.) investors who are nationals, other than Canadian, as defined in the North American Free Trade Agreement, are not considered for the purposes of the ICA to be "non-Canadian".

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TAXATION

Dividends. Generally, dividends paid by a Canadian corporation to non-resident shareholders are, under the Income Tax Act (Canada) (the "ITA"), subject to a withholding tax of 25%. However, paragraph 2 of Article X of the Canada-United States Income Tax Convention (1980) (the "Treaty") provides for the following maximum withholding tax rates:

- a) 10% of the gross amount of the dividends if the beneficial owner of such dividends is a U.S. resident company which owns at least 10% of the voting stock of the corporation paying the dividends; and
- b) 15% of the gross amount of the dividends in all other cases.

Subject to certain limitations and exceptions, U.S. resident shareholders of a Canadian corporation may be entitled to a credit for all or a portion of such withholding taxes in computing their U.S. federal and possibly their state income tax liability.

Dividends paid by a Canadian corporation to shareholders resident in Canada will not be subject to withholding tax. Any dividends received by a Canadian resident on shares of the Company will be treated for tax purposes as dividends from a taxable Canadian corporation. Accordingly, where a dividend is received by an individual resident in Canada, the individual will be entitled to claim a federal dividend tax credit, equal to 16 2/3% of the dividend. Where the dividend is received by a corporation resident in Canada, the dividend will normally be free of tax under Part I of the ITA but may be subject to refundable tax under Part IV of the ITA.

Disposition of Capital Property. If shares of a Canadian public

corporation held by a non-resident shareholder constitute capital property to that shareholder, the disposition of such shares will not be subject to tax under the ITA unless the shares constitute "taxable Canadian property" to the vendor. Where a non-resident shareholder or persons with whom the non-resident shareholder does not deal at arm's length have, at any time during the five year period immediately preceding the disposition, owned not less than 25% of the issued shares of any class of the capital stock of the public corporation, the shares so disposed of will constitute "taxable Canadian property". Under the ITA, a disposition of shares that constitute taxable Canadian property will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such shares, net of any cost of disposition, exceeds (or is less than) the adjusted cost basis of such shares to that investor. Generally, three-quarters of any capital gain realized by an investor on a disposition or a deemed disposition of such a share must be included in computing his Canadian income for that year as a taxable capital gain. Three-quarters of any capital loss realized by an investor on a disposition or deemed disposition of such a share in a taxable year may generally be deducted from his Canadian taxable capital gains for that year.

Any gains realized by a non-resident shareholder from the disposition of shares which are taxable Canadian property may be exempt from tax under the ITA by virtue of Article XIII of the Treaty if, at the time of the disposition of the subject shares, the value thereof was derived principally from something other than direct or indirect real property interests situated in Canada.

Under the ITA, the disposition of a share by an investor may occur or be deemed to occur in a number of circumstances including on a sale or gift of such share or upon the death of that investor.

The initial adjusted cost base of a share to an investor will be the cost to him of that share. Under the ITA, certain addition or reduction adjustments may be required to be made to the cost base of a share. The adjusted cost base of each common share of a corporation owned by an investor at any particular time will be the average adjusted cost base to him of all common shares of that corporation owned at that time.

Subject to certain limitations and exceptions, U.S. resident shareholders of a Canadian corporation may be entitled to a credit for all or a portion of any capital gain taxation in computing their U.S. federal and possibly their state income tax liability.

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In general, the disposition by a shareholder resident in Canada of the capital stock in a Canadian corporation will be subject to Canadian income taxation in the same manner as rules described above relating to a disposition of share which constitute taxable Canadian property. A shareholder resident in Canada may, however, be entitled to a capital gains exemption. The ITA provides, for residents of Canada, a cumulative lifetime exemption from income tax of \$100,000 of qualifying net capital gains.

Disposition of Non-Capital Property. If the shares of a Canadian public corporation held by a non-resident do not constitute capital property to that shareholder, any gains realized from the disposition thereof will be fully taxable under the ITA if their disposition arises in the course of a business carried on by the shareholder in Canada. Under the ITA, a shareholder will be deemed to carry on business in Canada in respect of particular shares if he offers them for sale in Canada through an agent, including the TSX Venture Exchange. Under the Treaty, any business profits derived by a U.S. resident shareholder of a Canadian public corporation from the disposition of the subject corporation's shares will only be taxable in Canada to the extent that such profits are attributable to a permanent establishment of the shareholder in Canada.

The foregoing discussion is a summary of certain tax considerations which may be relevant to stockholders of the Company, but it is not intended as a substitute for personal tax planning and professional tax advice.

RECENT SALES OF UNREGISTERED SECURITIES

For a discussion of the recent sale of unregistered securities by the Company, see "MD & A - Liquidity and Capital Resources".

ITEM 6. SELECTED CONSOLIDATED FINANCIAL INFORMATION

The selected consolidated financial information set forth below for each of the five years ended January 31, 2005 has been derived from the Consolidated Financial Statements of the Company prepared in accordance with generally accepted accounting principles in Canada. These principles are also in conformity, in all material respects, with generally accepted accounting principles in the United States except as described in Note 16 of the Notes to Consolidated Financial Statements. The selected consolidated financial information should be read in conjunction with the MD & A discussion below and the Consolidated Financial Statements and related notes thereto included on pages 23 to 42 herein. References in this Annual Report on Form 10-K to "Notes" are intended to refer to the Notes to the Consolidated Financial Statements included herein.

Since its formation, the Company's activities have consisted primarily of acquiring interests in mineral properties, exploration of those properties and acquiring financing for such purposes. Consequently, the Selected Consolidated Financial Information may not indicate the Company's future financial performance. The weighted average number of common shares outstanding and the net loss per common share for the fiscal year ending January 31, 2001 has been restated to reflect the consolidation of the Company's common shares outstanding on a seven for one basis effective November 27, 2001.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

<TABLE>
<CAPTION>

	Fiscal Year Ended January 31				
	2005	2004	2003	2002	2001
	*Restated		*Restated		
	(In Canadian dollars)				
	(000's except for net loss per common share data)				
<S>	<C>	<C>	<C>	<C>	<C>
Writedown and abandonment of properties, plant and equipment	-	-	3,142	86	-
Net loss for the year	(3,741)	(1,199)	(4,468)	(1,961)	(1,695)
Basic and diluted net loss per common share	(0.10)	(0.06)	(0.27)	(0.21)	(0.20)
Weighted average common shares outstanding	38,950	21,350	16,439	9,142	8,388
Working capital (deficit)	3,296	1,722	(63)	376	379
Total assets	6,482	2,819	96	3,516	3,132
Long-term debentures payable	-	-	1,279	1,279	-
Deficit	(37,534)	(33,793)	(32,594)	(28,125)	(26,165)
Total shareholders' equity (deficit)	6,133	2,450	(1,557)	1,983	2,492

*Restated to reflect the Company's change in accounting for stock-based compensation - please see Note 2 to the consolidated financial statements.

EXCHANGE RATES

On April 19, 2005, the noon buying rate in New York City for cable transfers in Canadian dollars, as certified for customs purposes by the Federal Reserve Bank of New York, was \$1.00 (Canadian) = U.S. \$0.8059. The following table sets forth, for each of the years indicated, additional information with respect to the noon buying rate for \$1.00 (Canadian). Such rates are set forth as U.S. dollars per Canadian. \$1.00 and are based upon the rates quoted by the Federal Reserve Bank of New York.

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>
Rate	2004	2003	2002	2001	2000
Last Day	0.8310	0.7539	0.6542	0.6279	0.6669
Average (1)	0.7745	0.7289	0.6386	0.6446	0.6727
High	0.8493	0.7880	0.6619	0.6697	0.6936
Low	0.7177	0.6530	0.6200	0.6241	0.6410

(1) The average rate means the average of the exchange rates on the last day of each month during the year.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations.

For the Years Ended January 31, 2005, 2004 and 2003

The Company is engaged in the business of exploring for and, if warranted, developing mineral properties and is concentrating its current acquisition and exploration efforts on those properties which the Company believes have large scale gold potential. The Company leases interests in properties located in the Tapajos Gold District of Brazil's northerly Para State (collectively the "Properties").

The Company has had no significant revenues from operations other than rental income related to the Diamond Recovery Plant, totaling approximately

\$1,079,000 from inception through March 2003, when the Plant was sold. None of its Properties have proven to be commercially developable to date and as a result the Company has not generated any revenue from these activities. The Company's existing Properties are gold prospects in Brazil, as discussed in Note 4, which were acquired during fiscal 2004 and 2005. The Company capitalizes expenditures associated with the direct acquisition, evaluation and exploration of mineral properties. When an area is disproved or abandoned, the acquisition costs and related deferred expenditures are written-off. The net capitalized cost of each mineral property is periodically compared to management's estimation of the net realizable value and a write-down is recorded if the net realizable value is less than the cumulative net capitalized costs. As discussed in Note 4, during fiscal 2003 the Company decided to cease exploration activities in Arkansas due to disappointing exploration results, and the total of \$3,141,726 of accumulated capitalized costs related to the Arkansas leases were written off.

The Company's mineral properties and deferred expenditures increased to \$2,817,746 at January 31, 2005 from \$714,283 at January 31, 2004 as a result of acquisition costs totaling \$555,069 and exploration costs totaling \$1,548,394 related to the activities on the Company's Brazilian Properties as further described in Note 4. Similarly, the total increase during fiscal 2004 in mineral properties and deferred expenditures of \$714,283 represented the total of acquisition costs of \$540,495 and exploration costs of \$173,788 related to the activities on the Company's Brazilian Properties as further described in Note 4. The increases were primarily due to the acquisition and exploration costs totaling \$1,943,729 and \$701,133 during fiscal 2005 and 2004, respectively, related to the Company's project at the Tocantinzinho Properties.

The Company completed a 20 hole diamond drill program (approximately 4000 meters) at the Tocantinzinho Properties during fiscal 2005 in which 19 of 20 holes encountered mineralization and which outlined a mineralized body that is at least 500 meters in strike length, with a true width of approximately 110 meters, and open at 290 meters vertical depth. Drill programs planned for fiscal 2006 are designed to significantly expand the known dimensions of this mineralization. Additionally, the Company completed both a ground magnetic survey and metallurgical testing of drill core samples of the Tocantinzinho Properties during fiscal 2005 and the first quarter of fiscal 2006 and was encouraged by the results. Detailed results of the above testing, including maps of the ground magnetics and drill hole mineralization, are located at the company's website, www.brazauroresources.com.

The Company's revenues during fiscal 2004 were primarily comprised of the gain from the sale of the Diamond Recovery Plant ("the Plant"). The Plant was sold to a third party for \$350,000 (U.S.) and was fully depreciated at disposal. As discussed in Note 4, the Plant was located on the American Mine Property. The Company recorded a retirement obligation for leasehold reclamation of approximately \$142,000, which represents the estimated costs to return the leased property to its original condition and to complete environmental reclamation as required by the Arkansas regulatory authorities. During the years ended January 31, 2005 and 2003 the Company's revenues were comprised entirely of interest income on proceeds received from prior financings and gains on sales of equipment. The Company has not received any revenues from mining operations since inception.

General and administrative expenses totaled approximately \$3,747,000 during fiscal 2005 as compared to approximately \$1,405,000 during fiscal 2004, representing an increase of approximately \$2,343,000 or 167%. Included in general and administrative expenses for fiscal 2005 and 2004 was approximately \$2,123,000 and \$462,000, respectively, of stock compensation expense recorded using the fair value method, which was an increase of approximately \$1,661,000 from fiscal 2004 to fiscal 2005. The remaining increase in general and administrative expenses was primarily related to the increased activities surrounding the exploration program underway in Brazil during fiscal 2005. After excluding the effect of the stock compensation expense recorded in fiscal 2005 and 2004, in comparison to fiscal 2004, salaries in fiscal 2005 increased by approximately \$274,000 as additional personnel were added in Brazil, and consulting, promotional and professional fees related to the Brazilian exploration program increased by approximately \$269,000 during fiscal 2005 as compared to fiscal 2004.

General and administrative expenses increased by approximately \$226,000, or 19%, from fiscal 2003 to fiscal 2004. As discussed above and in Note 8, the company recorded stock compensation expense using the fair value method of approximately \$462,000 during fiscal 2004 as compared to approximately \$158,000 for fiscal 2003. Salaries, professional and consulting fees totaling approximately \$1,081,000 were incurred during 2004 as the Company commenced the evaluation of several mineral prospects, principally gold prospects in Brazil. In particular, the Company hired a new president and retained the services of an exploration project manager and an administrator for the Brazilian Properties during fiscal 2004. During fiscal 2003, the general and administrative expenses

incurred by the Company primarily represented costs associated with the exploration activities on the Arkansas Properties, including salaries of approximately \$582,000 and repairs and maintenance of approximately \$127,000.

The Company anticipates that general and administrative expenses during fiscal 2006 will increase from the level experienced in fiscal 2005 as the Company incurs additional consulting and exploration expenditures related to the Brazilian Properties.

FINANCIAL CONDITION; LIQUIDITY AND CAPITAL RESOURCES.

As of January 31, 2005, the Company had working capital of \$3,296,092 as compared to working capital of \$1,722,290 at January 31, 2004. At January 31, 2005, the Company had current assets of \$3,644,657, including \$3,557,214 in cash and \$87,443 in accounts receivable compared to total current liabilities of \$348,565.

In the first quarter of fiscal 2002, the Company completed the issuance of \$1,278,595 principal amount of 10% secured convertible debentures ("the Debentures"). The Debentures were convertible into units at the rate of one unit for each \$2.87 principal amount of the Debentures until February 16, 2003. Each unit was to consist of one common share of the Company and one share purchase warrant with an exercise price of \$3.15, exercisable through August 16, 2003. The conversion and share purchase warrant prices above were adjusted to reflect the Company's seven for one share consolidation on November 27, 2001.

On February 11, 2003, the holders of the Debentures approved the amendment of the conversion price of the units to \$0.30 and the extension of the maturity date of the Debentures to February 16, 2004. As amended, each of the 4,261,983 units would consist of one common share of the Company and one share purchase warrant with an exercise price of \$0.30, exercisable through February 16, 2004. Additionally, the terms of the Debenture were amended to include a mandatory conversion provision which will require conversion of all Debentures and exercise of all related warrants within 30 days after the closing price of the Company's common shares has exceeded \$0.375 for ten consecutive trading days.

Interest at the rate of 10% was payable on conversion or maturity in cash, or at the election of the Company, in common shares valued at the weighted average trading price of the common shares of the Company for the ten trading days preceding the interest payment date. The Debentures were secured by a general security interest in the Company's current and future assets and by the stock of Star U.S., Inc. ("Star"), a wholly owned subsidiary of the Company, and a wholly-owned subsidiary of Star.

During fiscal 2004, several holders of the Debentures elected to convert a total of \$197,000 principal amount and received 656,666 common shares and 656,666 common share purchase warrants with exercise prices of \$0.30. Additionally, during the third quarter of fiscal 2004, a director of the Company elected to convert \$97,000 principal amount and received 323,333 common shares.

Effective October 31, 2003 a total of \$984,595 principal amount of Debentures were automatically converted into 3,281,977 units of the Company in accordance with the February 11, 2003 amendments discussed in the third preceding paragraph. Each unit consisted of one common share and one common share purchase warrant with an exercise price of \$0.30. Additionally, under the terms of the mandatory conversion provision, the expiration date of all warrants issued upon conversion of the Debentures was established as December 1, 2003. During the fourth quarter of fiscal 2004, the Company received a total of \$937,593, representing the exercise price of 3,125,311 warrants, and issued 3,125,311 common shares. A total of 813,332 common share warrants expired unused on December 1, 2003.

During fiscal 2004, a total of \$335,075 of interest accrued on the principal amounts converted in fiscal 2004 was paid via the issuance of a total of 1,129,522 shares, representing the conversion of the interest amounts at weighted average prices from \$0.17 to \$0.33 per share.

The Company received approximately \$1,138,000 during fiscal 2002 representing subscriptions for a private placement of the Company's common shares. A total of 5,691,376 units were issued at a price of \$0.20 per unit, each unit to consist of one common share and one share purchase warrant with an exercise price of \$0.25. The share purchase warrants originally had an expiration date of January 29, 2003, and that date was extended during fiscal

2003 to January 29, 2004. A total of 5,669,101 warrants were exercised in January 2004, and the Company received total exercise proceeds of \$1,417,275. A total of 22,275 warrants expired unused on January 29, 2004.

In September, 2002, the Company completed a private placement of 2,819,774 units at a price of \$0.20 per unit, each unit consisting of one common share and one share purchase warrant with an exercise price of \$0.25 per unit. The share purchase warrants had an expiration date of September 18, 2004. The Company received a total of \$563,955 during fiscal 2003 representing subscriptions for the private placement. During fiscal year 2005, all 2,819,774 common share warrants were exercised, and the Company received total exercise proceeds of \$704,943.

In November 2004, the Company completed a private placement of 2,112,500 common shares of the Company at a price of \$0.85 per share and received proceeds totaling \$1,795,625. In consideration for assistance with the private placement, the Company paid finders' fees of \$96,950 in cash and issued 113,000 share purchase warrants entitling the finders to purchase 113,000 common shares of the Company at \$1.05 per share until November 2, 2005. In March, 2005, a holder of the share purchase warrants elected to exercise 44,635 warrants and the Company received proceeds of approximately \$47,000.

In December 2004, the Company completed a private placement of 2,150,000 common shares of the Company at a price of \$1.00 per share and received proceeds of \$2,150,000.

During fiscal 2005, 2004 and 2003 the Company received cash proceeds of \$477,577, \$424,919 and \$153,457 representing the exercise of 1,638,571, 1,884,376 and 570,000 stock options, respectively, by officers, directors, employees and consultants at exercise prices from \$0.10 to \$0.49.

All financings described herein were private placements and were made pursuant to the private placement laws of Canada and pursuant to the exemptions provided by Section 4(2) and Regulation S under the United States Securities Act of 1933. The Debentures were offered to a limited number of accredited investors in the United States and Canada pursuant to Rule 506 of Regulation D and Regulation S.

The Company has no properties that have proven to be commercially developable and has no significant revenues from mining operations other than the rentals received from the Plant and the proceeds from the sales of the Plant and related equipment. The rights and interests in the Tocantinzinho, Mamoaal and Batalha Properties in Brazil constitute the Company's current mineral holdings. The Company cannot estimate with any degree of certainty either the time or the amount of funds that will be required to acquire and conduct additional exploration activities on new prospects. The Company intends to seek additional equity financing during fiscal 2006, including the potential exercise of outstanding options. The inability of the Company to raise further equity financing will adversely affect the Company's business plan, including its ability to acquire additional properties and perform exploration activities on existing properties. If additional equity is not available, the Company may seek additional debt financing or seek exploration partners to assist in funding acquisition or exploration efforts. Historically, the Company has been able to successfully raise capital as required for its business needs; however, no assurances are made by the Company that it can continue to raise debt or equity capital for a number of reasons including its history of losses and property writedowns, the decline in the price of its common stock, the number of shares outstanding and the Company's limited and speculative asset base of exploration properties and prospects

IMPACT OF INFLATION.

As the Company is not anticipating recording sales and revenues from operations in the short term, a discussion of the effect of inflation and changing prices on its operations is not relevant.

DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

At the present stage of the Company's business development, there are no significant differences between Canadian and United States generally accepted accounting principles that impact the Consolidated Balance Sheets, the Consolidated Statements of Operations, the Consolidated Statements of Shareholders' Equity (Deficit) and the Consolidated Statements of Cash Flows except for the capitalization of mineral properties and deferred expenditures and the treatment of warrants issued as finders' fees as discussed in Note 16 to Notes to Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

None.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements of the Company included as part of this Annual Report on Form 10-K (pages 23 through 42) are incorporated by reference in response to this Item 8. An index to the Consolidated Financial Statements is included in Item 14.

The Company is not required to provide the selected quarterly financial data specified in Item 302 of Regulation S-K because it does not satisfy the tests outlined therein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

(a) Evaluation of disclosure controls and procedures.

The term "disclosure controls and procedures" (defined in SEC rule 13a-14(c)) refers to the controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within required time periods. The Company's Chairman, who also serves as the Company's principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of a date within 90 days before the filing of this annual report, and he concluded that, as of such date, the Company's controls and procedures were effective.

(b) Changes in internal controls.

The Company maintains a system of internal accounting controls that are designed to provide reasonable assurance that its books and records accurately reflect its transactions and that established policies and procedures are followed. There were no significant changes to the Company's internal controls or in other factors that could significantly affect its internal controls subsequent to such evaluation.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The directors and executive officers of the Company, their ages and term of continuous service are as follows:

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<S>	<C>	<C>	<C>
NAME	AGE	POSITION WITH REGISTRANT	SERVED AS A DIRECTOR AND/ OR OFFICER SINCE
Patrick L. Glazier	47	Director	July 8, 1998
Brian C. Irwin	65	Director	October 3, 1995
Mark E. Jones, III	65	Director, Chairman & CEO	March 12, 1986
Leendert G. Krol	65	Director, President	March 6, 2003
Daniel B. Leonard	68	Director	October 20, 1999
Dr. Roger Howard Mitchell	63	Director	June 14, 1993
Dr. Roger David Morton . .	69	Director	June 14, 1993

PATRICK L. GLAZIER. Mr. Glazier has served as the President of East Fraser Fiber Co. Ltd. based in Prince George, British Columbia for the past five years.

BRIAN C. IRWIN. For the past five years, Mr. Irwin's principal occupation has been the practice of law as a partner of DuMoulin Black in Vancouver,

MARK E. JONES, III. Mr. Jones has served as a Director of the Board of Crown Resources Corporation since January 1987. Crown Resources Corporation, based in Denver, Colorado, is publicly traded on the OTC Bulletin Board and is engaged in the exploration and development of mineral properties, primarily gold. Mr. Jones served as the President of the Company from 1986 to June 1990 and from July 2001 to the March 2003. Mr. Jones is also a director of Solitario Resources Corporation. In his capacity as Chairman of the Board of Directors, Mr. Jones is the chief executive officer of the Company.

LEENDERT G. KROL. Until his retirement in April 2001, Mr. Krol had spent 15 years with Newmont Mining Corporation including the last 10 years, successively, as Director of Foreign Operation, Vice President Exploration and Vice President International Exploration.

DAN LEONARD. Mr. Leonard served as Senior Vice President of INVESCO for twenty-four years until his retirement in January 1999. Mr. Leonard also serves as a Director of Solitario Resources Corporation.

DR. ROGER HOWARD MITCHELL. For the past six years, Dr. Mitchell has served as a Professor of Geology at Lakehead University, Thunder Bay, Ontario. Dr. Mitchell received his B.Sc. from the University of Manchester, 1964; M.Sc. from Manchester, 1966; Ph.D from McMaster University, 1969; and a D.Sc in 1978 from the University of Manchester. He was elected a Fellow of the Royal Society of Canada in 1994.

DR. ROGER DAVID MORTON. For the past five years, Dr. Morton has been Professor Emeritus in Geology with the Department of Earth and Atmospheric Sciences at the University of Alberta. He also serves as Chairman of the Board for Mindoro Resources Inc., and is President of Muskox Minerals Corp. He is a member of the Board of Directors of Uruguay Mineral Resources and Black Swan Resources. Dr. Morton obtained his B.Sc. (Hons. 1st class) in Geology and his Ph.D. in Geology from the University of Nottingham, England.

All of the directors are residents of Canada except for Messrs. Jones, Krol and Leonard, who reside in the United States. All directors are elected annually by the shareholders and hold office until the next Annual Meeting of Shareholders. Each officer of the Company holds office at the pleasure of the Board of Directors. No director or officer of the Company has any family relationship with any other officer or director of the Company. Messrs. Jones, Irwin and Mitchell are members of the Company's audit committee. Messrs. Morton and Mitchell are members of the Company's Environmental Committee and Messrs. Morton and Jones serve as members of the Company's Compensation Committee. Operating within the guidance provided by the Company's Board of Directors, the Compensation Committee's role is to assure that the Company's executive compensation strategy is aligned with the interests of the shareholders, and the Company's compensation structure will allow for fair and reasonable base salary levels and the opportunity for executives to earn compensation that reflects both Company and individual performance.

CERTAIN SIGNIFICANT EMPLOYEES OR CONSULTANTS

The Company has consulting relationships with other geologists and persons that are included in its projects and properties from time to time, none of which are currently material to the Company.

ITEM 11. EXECUTIVE COMPENSATION

OFFICERS

The Company has no long-term incentive plans. However stock options are awarded from time-to-time in the discretion of the Board of Directors and the Compensation Committee. The following tables set forth all annual and long-term compensation for services in all capacities to the Company and its subsidiaries for the three most recently completed financial years, including information regarding stock option awards made under the Company's Stock Option Plan.

SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

	Annual Compensation				Long Term Compensation			
					Awards	Payouts		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities			All other Compensa- tion (2) (\$)
					Under Options Granted (#)	Restricted Shares (\$)	LTIP Payouts (\$)	
Mark E. Jones, III Chairman	2005	US\$120,000	\$ 8,000	-	1,114,434	-	-	US\$7,800
	2004	US\$65,000	-	-	775,000	-	-	US\$7,800
	2003	US\$60,000	-	-	130,888	-	-	US\$7,800
Leendert G. Krol President (1)	2005	US\$120,000	\$ 10,000	-	857,829	-	-	-
	2004	US\$64,000	-	-	1,387,501	-	-	-

(1) Mr. Krol began serving as the Company's President in March 2003.

(2) Car allowance.

OPTION GRANTS DURING THE MOST RECENTLY COMPLETED FISCAL YEAR

<TABLE>

<CAPTION>

Name	(1) Securities Under Option Granted (#)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on Date of Grant (\$/Security)	Expiration Date
Mark E. Jones, III	207,059	5.5%	\$0.92	\$0.92	June 11, 2009
Mark E. Jones, III	771,875	20.7%	\$1.02	\$1.02	July 29, 2009
Mark E. Jones, III	135,500	3.6%	\$1.10	\$1.10	November 19, 2009
Leendert G. Krol .	251,328	6.7%	\$0.92	\$0.92	June 11, 2009
Leendert G. Krol .	470,001	12.6%	\$1.02	\$1.02	July 29, 2009
Leendert G. Krol .	136,500	3.7%	\$1.10	\$1.10	November 19, 2009

</TABLE>

(1) The options are subject to vesting requirements (25% on the date of grant and 12.5% on each quarter end thereafter).

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OPTION EXERCISES IN LAST FISCAL YEAR

<TABLE>

<CAPTION>

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Fiscal Year-End (#) Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options at Fiscal Year-End (\$) Exercisable/ Unexercisable
Mark E. Jones, III. . .	417,559	US\$193,694.	812,033 - Exercisable 687,967 - Unexercisable	\$460,852 - Exercisable \$295,565 - Unexercisable
Leendert G. Krol. . .	457,828	US\$227,344	952,586 - Exercisable 547,415 - Unexercisable	\$798,081 - Exercisable \$230,867 - Unexercisable

</TABLE>

DIRECTORS

During fiscal 2005, in addition to the cash bonuses disclosed above for Mr. Jones and Mr. Krol, the remaining Directors of the Company received cash bonuses as follows: Mr. Glazier, \$5,000; Mr. Leonard, \$3,000; Mr. Irwin, Mr. Mitchell, and Mr. Morton, \$2,500. In fiscal 2005, in addition to the option awards to Mr. Jones and Mr. Krol discussed above, Mr. Glazier, Mr. Irwin, Mr. Leonard, Mr. Mitchell and Mr. Morton received 317,870, 397,381, 317,682, 244,611 and 262,256 options to purchase common stock, respectively, for their services on the Board of Directors. The common share options granted during fiscal 2005 are subject to vesting requirements (25% on the date of grant and 12.5% on each quarter end

thereafter). Information regarding individual awards to directors is included in the footnotes to Item 12. Security Ownership of Certain Beneficial Owners and Management below. The Company maintains no pension, profit sharing, retirement or other plan providing benefits to its officers and directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of April 15, 2005, the number of Common Stock and the corresponding percentage ownership of (i) each person who held of record, or was known by the Company to own beneficially, more than five percent of the Company's Common Stock, (ii) each director and executive officer of the Company, and (iii) all directors and executive officers of the Company as a group. Unless otherwise indicated, the Company believes the following persons have sole voting and investment power with respect to the number of shares set forth opposite their names.

<TABLE>
<CAPTION>

NAME AND ADDRESS OF BENEFICIAL OWNER <S>	NUMBER OF SHARES <C>	PERCENT OF CLASS <C>
Cede & Co. P.O. Box 20, Bowling Green Station New York, New York 10274	21,234,055 (1)	46.7%
CDS & Co. P. O. Box 1038, Station A, 25 The Esplanade Toronto, Ontario M5W 1G5	17,075,963 (1)	37.5 %
Patrick L. Glazier (3)	1,948,132 (2)	4.2 %
Brian C. Irwin	500,000 (2)	1.1 %
Mark E. Jones, III	2,973,752 (2)	6.3 %
Leendert G. Krol	1,500,000 (2)	3.2 %
Daniel B. Leonard.	1,479,124 (2)	3.2 %
Dr. Roger Howard Mitchell.	405,494 (2)	* %
Dr. Roger David Morton	405,428 (2)	* %
Officer and Directors of the Company as a group (7 persons).	9,211,930 (2)	18.1 %

</TABLE>

* Less than 1%.

(1) It is the understanding of the Company that all of these shares are held by the record shareholder in a nominal, fiduciary, trustee or similar capacity. The Company is unaware of the identities of the beneficial owners of these shares, with the exception of shares held by the Company's officers or directors included in such share positions.

(2) A director of the Company. Address is 800 Bering, Suite 208, Houston, TX 77057. Include options to purchase 448,421 common shares at \$0.10 through March 6, 2008 for Mr. Krol. Include options to purchase common shares at \$0.30 through August 14, 2008 (242,130 for Mr. Glazier, 40,119 for Mr. Irwin, 125,000 for Mr. Jones, 142,318 for Mr. Leonard, 115,389 for Mr. Mitchell and 97,744 for Mr. Morton). Include options to purchase common shares at \$0.40 through October 21, 2008 (40,000 for Mr. Glazier, Mr. Leonard, Mr. Mitchell and Mr. Morton, 62,500 for Mr. Irwin, 260,566 for Mr. Jones, and 50,000 for Mr. Krol). Include 143,750 options to purchase common shares at \$0.49 through November 26, 2008 for Mr. Krol. Include options to purchase common shares at \$0.92 through June 11, 2009 (120,995 for Mr. Glazier, 69,131 for Mr. Irwin, 207,059 for Mr. Jones, 251,328 for Mr. Krol, 78,807 for Mr. Leonard, 64,736 for Mr. Mitchell and 59,006 for Mr. Morton). Include options to purchase common shares at \$1.02 through July 29, 2009 (141,875 for Mr. Glazier, 281,250 for Mr. Irwin, 771,875 for Mr. Jones, 470,001 for Mr. Krol, 191,875 for Mr. Leonard, 141,875 for Mr. Mitchell and 166,250 for Mr. Morton). Include options to purchase common shares at \$1.10 through November 19, 2009 (55,000 for Mr. Glazier, 47,000 for Mr. Irwin, 135,500 for Mr. Jones, 136,500 for Mr. Krol, 47,000 for Mr. Leonard, 38,000 for Mr. Mitchell and 37,000 for Mr. Morton)

(3) The beneficial owner has sole ownership, with the exception of a total of 124,285 shares, where ownership is shared.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Accounts receivable at January 31, 2005 and 2004 include \$55,900 and \$105,758 receivable from Mr. Jones, respectively. Amounts totaling \$147,683 and \$121,957 were paid by the Company during fiscal 2005 and 2004, respectively, to a law firm in which Mr. Irwin is a partner. In January 2004, Mr. Jones, Mr. Glazier and Mr. Leonard exercised warrants to purchase common stock at an exercise price of \$0.25 per share and acquired 477,750, 225,000 and 238,875 common shares, respectively. In September, 2004, Mr. Jones, Mr. Glazier and Mr.

Leonard exercised warrants to purchase common shares at an exercise price of \$0.25 per share and received 286,200, 100,000, and 40,000 common shares, respectively.

Shares of Jaguar do Brasil, Ltd. are held beneficially for the Company through three representatives of the Company, including a director of the Company and two directors of Jaguar do Brasil, Ltd.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit and Tax Fees. The fees billed for professional services rendered by Morgan & Company in connection with the audit of the Company's annual financial statements for the years ended January 31, 2004 and 2003 included in the Company's annual report on Form 10-K totaled approximately \$9,625 and \$6,400, respectively. The above fees included the professional services rendered by Morgan & Company in connection with tax compliance for the two years ending January 31, 2004.

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Audit Committee. The Audit Committee makes recommendations concerning the engagement of public accountants, reviews the scope and results of the audit engagement, considers the range of audit and non-audit fees and reviews the adequacy of internal controls.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) Financial Statements and Schedules.

(1) The following is a list of and index to the Consolidated Financial Statements filed as part of this Registration Statement:

BRAZURO RESOURCES CORPORATION	
Index to Consolidated Financial Statements	
	Page
Auditor's Report - Morgan & Company	23
Consolidated Financial Statements:	
Consolidated Balance Sheets - January 31, 2005 and 2004	24
Consolidated Statements of Operations	
for each of the years ended January 31, 2005, 2004 and 2003	25
Consolidated Statements of Shareholders' Equity (Deficit)	
for each of the years ended January 31, 2005, 2004 and 2003	26
Consolidated Statements of Cash Flows for each of the years	
ended January 31, 2005, 2004 and 2003	27
Notes to Consolidated Financial Statements	28

(2) All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are either not required under the related instructions, are not applicable, or the information required thereby is set forth in the Company's Consolidated Financial Statements or the Notes thereto.

(3) Exhibits Filed as Part of this Registration Statement.

See Index to Exhibits.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

May 1, 2005

BRAZAURO RESOURCES CORPORATION
(Registrant)

By: /s/ Mark E. Jones, III

MARK E. JONES, III
Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
<S> /s/ Mark E. Jones, III	<C> Chief Executive Office and Director	<C> May 1, 2005
Mark E. Jones, III*	Director	May 1, 2005
Patrick L. Glazier*	Director	May 1, 2005
Brian C. Irwin*	President and Director	May 1, 2005
Leendert G. Krol*	Director	May 1, 2005
Daniel B. Leonard*	Director	May 1, 2005
Dr. Roger Howard Mitchell*	Director	May 1, 2005
Dr. Roger David Morton*	Director	May 1, 2005

By: /s/ Mark E. Jones, III

Mark E. Jones, III
Attorney-in-fact
For persons indicated *

</TABLE>

AUDITORS' REPORT

To the Shareholders of
Brazauro Resources Corporation (Formerly Jaguar Resources Corporation)

We have audited the consolidated balance sheets of Brazauro Resources Corporation (formerly Jaguar Resources Corporation) as at January 31, 2005 and 2004, and the consolidated statements of operations, shareholders' equity (deficit), and cash flows for the years ended January 31, 2005, 2004, and 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's

internal control over financial reporting. Accordingly, we express no such opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2005 and 2004, and the results of its operations, shareholders' equity (deficit), and cash flows for the years ended January 31, 2005, 2004, and 2003, in accordance with Canadian generally accepted accounting principles.

Vancouver, B.C.
April 28, 2005

"Morgan & Company"
Chartered Accountants

COMMENTS BY AUDITORS FOR U.S. READERS ON CANADA-U.S. REPORTING DIFFERENCES

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when the financial statements are affected by conditions and events that cast substantial doubt on the Company's ability to continue as a going concern such as those described in Note 1 of the consolidated financial statements. Our report to the shareholders, dated April 28, 2005, is expressed in accordance with Canadian reporting standards which do not permit a reference to such events and conditions in the Auditors' Report when these are adequately disclosed in the financial statements.

In the United States, reporting standards for auditors also require the addition of an explanatory paragraph (following the opinion paragraph) when there is a change in accounting principles that has a material effect on the comparability of the Company's financial statements, such as the change described in Note 2 to the financial statements. Our report to the shareholders, dated April 28, 2005, is expressed in accordance with Canadian reporting standards which do not require a reference to such a change in accounting principles in the auditors' report when the change is properly accounted for and adequately disclosed in the financial statements.

Vancouver, B.C.
April 28, 2005

"Morgan & Company"
Chartered Accountants

<TABLE>
<CAPTION>

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)
CONSOLIDATED BALANCE SHEETS

	January 31, 2005 -----	January 31, 2004 -----
	(In Canadian Dollars)	Restated (Note 2)
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,557,214	\$ 1,982,536
Accounts receivable	87,443	109,468
	-----	-----
Total current assets	3,644,657	2,092,004
	-----	-----
Property and equipment, at cost:		
Mineral properties and deferred expenditures (Note 4)	2,817,746	714,283
Equipment and other	80,887	68,788
Accumulated depreciation	(70,561)	(63,472)
	-----	-----
Total property and equipment, at cost	2,828,072	719,599
	-----	-----
Other assets	8,874	7,826
	-----	-----
Total assets	\$ 6,481,603	\$ 2,819,429
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 206,011	\$ 369,714

Asset retirement obligations (Notes 3 and 4)	142,554	-
	-----	-----
Total current liabilities	348,565	369,714
	-----	-----
Commitments and contingencies (Note 12)		
Shareholders' equity		
Common share capital, no par value:		
Authorized shares - unlimited		
Issued and outstanding shares - 44,869,716 (35,748,871 at January 31, 2004) (Note 6)	41,536,205	35,819,799
Contributed surplus (Note 8)	2,131,304	423,232
Deficit	(37,534,471)	(33,793,316)
	-----	-----
Total shareholders' equity	6,133,038	2,449,715
	-----	-----
Total liabilities and shareholders' equity	\$ 6,481,603	\$ 2,819,429
	=====	=====

Approved by the Board of Directors

Director: "Mark E. Jones, III"
Director: "Brian C. Irwin"

See accompanying notes.

</TABLE>

<TABLE>
<CAPTION>

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended January 31,		
	2005	2004	2003
		Restated (Note 2)	Restated (Note 2)
		(In Canadian Dollars)	
<S>	<C>	<C>	<C>
Revenues:			
Interest income	\$ 12,145	\$ 1,259	\$ 1,618
Gains on sales of plant and equipment (Note 4)	-	351,272	10,740
	-----	-----	-----
	12,145	352,531	12,358
	-----	-----	-----
Expenses:			
General and administrative (Note 13)	3,747,476	1,404,649	1,179,086
Finance charges	42,329	80,579	22,396
Write-down of mineral properties (Note 4)	-	-	3,141,726
Interest expense	-	84,961	127,510
Foreign exchange translation (gains) losses	(36,505)	(18,252)	10,132
	-----	-----	-----
	3,753,300	1,551,937	4,480,850
	-----	-----	-----
Net loss before provision for income taxes	(3,741,155)	(1,199,406)	(4,468,492)
Provision for income taxes (Note 9)	-	-	-
	-----	-----	-----
Net loss for the year	\$ (3,741,155)	\$ (1,199,406)	\$ (4,468,492)
	=====	=====	=====
Basic and diluted net loss per common share	\$ (0.10)	\$ (0.06)	\$ (0.27)
	=====	=====	=====
Weighted-average number of common shares outstanding	38,949,937	21,349,766	16,439,454

See accompanying notes.

</TABLE>

<TABLE>
<CAPTION>

(FORMERLY JAGUAR RESOURCES CORPORATION)
 CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
 (In Canadian Dollars)

<S>	<C>	<C>	<C>	<C>	<C>
	Common Shares Number	Amount	Contributed Surplus	Deficit	Total Shareholders' Equity (Deficit)
					Restated (Note 2)
Balance at February 1, 2002.	14,862,935	\$ 30,108,507	\$ -	\$ (28,125,418)	\$ 1,983,089
Issued for services.	218,750	52,500	-	-	52,500
Stock-based compensation	-	-	158,357	-	158,357
Issued on exercise of stock options.	570,000	153,457	-	-	153,457
Issued for cash.	2,819,774	563,955	-	-	563,955
Net loss for the year.	-	-	-	(4,468,492)	(4,468,492)
Balance at January 31, 2003.	18,471,459	30,878,419	158,357	(32,593,910)	(1,557,134)
Issued for conversion of convertible debentures	4,261,976	1,278,595	-	-	1,278,595
Issued for interest on convertible debt. Issued for debt payment.	1,129,522	335,075	-	-	335,075
Issued for property acquisition.	107,126	20,917	-	-	20,917
Issued on exercise of warrants	1,100,000	330,000	-	-	330,000
Issued on exercise of stock options.	8,794,412	2,354,868	-	-	2,354,868
Stock-based compensation	-	-	461,881	-	461,881
Issued on exercise of stock options.	1,884,376	621,925	(197,006)	-	424,919
Net loss for the year.	-	-	-	(1,199,406)	(1,199,406)
Balance at January 31, 2004.	35,748,871	35,819,799	423,232	(33,793,316)	2,449,715
Issued for cash, net of share issue cost Issued for property acquisition.	4,262,500	3,848,675	-	-	3,848,675
Issued on exercise of warrants	400,000	270,000	-	-	270,000
Stock-based compensation	2,819,774	704,943	-	-	704,943
Issued on exercise of stock options.	-	-	2,123,283	-	2,123,283
Net loss for the year.	1,638,571	892,788	(415,211)	-	477,577
	-	-	-	(3,741,155)	(3,741,155)
Balance at January 31, 2005.	44,869,716	\$ 41,536,205	\$ 2,131,304	\$ (37,534,471)	\$ 6,133,038

See accompanying notes.

</TABLE>

<TABLE>
 <CAPTION>

BRAZAURO RESOURCES CORPORATION
 (FORMERLY JAGUAR RESOURCES CORPORATION)
 CONSOLIDATED STATEMENTS OF CASH FLOWS

<S>	Year ended January 31,		
	2005	2004	2003
		Restated (Note 2)	Restated (Note 2)
	(In Canadian Dollars)		
<S>	<C>	<C>	<C>
Operating activities:			
Net loss for the year	\$ (3,741,155)	\$ (1,199,406)	\$ (4,468,492)
Items not affecting cash:			
Depreciation.	7,089	18,277	28,924
Gains on sales of plant and equipment (Note 4)	-	(351,272)	-
Stock based compensation (Note 8)	2,123,283	461,881	158,357
Write-down of mineral properties.	-	-	3,141,726
Interest expense.	-	84,961	127,510
Other	-	-	4,275
	(1,610,783)	(985,559)	(1,007,700)
Changes in noncash working capital:			
Accounts receivable	14,675	(77,356)	(25,274)
Accounts payable and accrued liabilities.	(1,255)	121,565	47,073
	13,420	44,509	21,799
Net cash used in operating activities	(1,597,363)	(941,050)	(985,901)
Investing activities:			

Mineral properties acquisition and exploration . . .	(1,833,463)	(384,283)	(199,640)
Equipment and other	(12,099)	-	(1,613)
	-----	-----	-----
Net cash used in investing activities	(1,845,562)	(384,283)	(201,253)
	-----	-----	-----
Financing activities:			
Proceeds from issuances of common shares	5,031,195	2,779,784	717,412
Proceeds from sales of plant and equipment (Note 4)	-	521,978	-
	-----	-----	-----
Net cash provided by financing activities	5,031,195	3,301,762	717,412
Effect of exchange rate changes on cash	(13,592)	(16,627)	(829)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents.	1,574,678	1,959,802	(470,571)
Cash and cash equivalents, beginning of year	1,982,536	22,734	493,305
	-----	-----	-----
Cash and cash equivalents, end of year	\$ 3,557,214	\$ 1,982,536	\$ 22,734
	=====	=====	=====

See accompanying notes.

See Note 14 for supplemental cash flow disclosure and non-cash investing and financing activities.

</TABLE>

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BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN CANADIAN DOLLARS)

JANUARY 31, 2005, 2004 AND 2003

1. OPERATIONS

Brazauro Resources Corporation, formerly known as Jaguar Resources Corporation, ("the Company") was incorporated in 1986 in British Columbia, Canada, and has been engaged in the acquisition and exploration of mineral properties with the potential for economically recoverable reserves. During fiscal 2005 and 2004 the Company pursued gold exploration opportunities that have large scale potential, with prospects in South America as the primary focus. Prior to fiscal 2004, the Company had concentrated its efforts primarily on the acquisition and exploration of mineral properties with the potential for economically recoverable diamonds. See Note 4 for further discussion of the Company's mineral property interests.

The nature of the Company's operations results in significant expenditures for the acquisition and exploration of properties. None of the Company's properties have economically recoverable reserves or proven reserves at the current stage of exploration. The recoverability of the carrying value of mineral properties and deferred expenditures is dependent upon a number of factors including the existence of recoverable reserves, the ability of the Company to obtain financing to renew leases and continue exploration and development and the discovery of economically recoverable reserves.

GOING CONCERN

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company anticipates that cash and cash equivalents as of January 31, 2005 will be sufficient to satisfy the Company's cash needs for general and administrative expenses during fiscal 2006. The Company has incurred operating losses and will require additional cash to obtain new leases and fund exploration activities during fiscal 2006. If continued financial support or additional financing is not available, there would be doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that may be required in the event that the Company is unable to realize its assets and settle its liabilities in the normal course of operations.

All amounts are in Canadian dollars unless noted otherwise.

2. CHANGE IN ACCOUNTING POLICY

The Company adopted the fair value recognition provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", for stock-based compensation awards granted to employees. This accounting policy, adopted for the 2005 fiscal year, was applied retroactively with restatement for all stock options granted after February 1, 2002. As a result of the adoptions, Contributed Surplus increased from amounts previously reported by \$158,357 and \$368,829 as of January 31, 2003 and 2004, respectively. Additionally, General and

Administrative Expenses and Deficit increased by \$158,357 and \$407,478 for the years ended January 31, 2003 and 2004, respectively, for a cumulative adjustment of \$565,835.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and comply in all material respects with United States generally accepted accounting principles except as discussed in Note 16.

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BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN CANADIAN DOLLARS)

JANUARY 31, 2005, 2004 AND 2003

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiary Jaguar Resources do Brasil Ltda., a Brazilian corporation, and its wholly owned United States subsidiary, Star U.S. Inc. ("Star"), and the three wholly-owned subsidiaries of Star, Diamond Operations, Inc. ("DOI"), Diamond Exploration, Inc. ("DEI") and Continental Diamonds, Inc. ("CDI") from their respective dates of acquisition. Significant intercompany balances and transactions have been eliminated.

FOREIGN CURRENCY TRANSLATION

Transactions denominated in United States dollars or other foreign currencies during a year are translated at exchange rates prevailing at the date of the transaction. Exchange gains or losses resulting from such translations are included in the determination of net loss. Translation adjustments resulting from the process of translating monetary assets and liabilities of United States and Brazilian wholly owned subsidiaries into Canadian dollars are included in the determination of net loss. Property and equipment of the United States and Brazilian wholly owned subsidiaries are translated into Canadian dollars at exchange rates prevailing at the date of the expenditure.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes money market instruments with a maturity of three months or less.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As of January 31, 2005 and 2004, the fair value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities including amounts due to and from related parties approximates carrying values because of the short term of these instruments.

MINERAL PROPERTIES AND DEFERRED EXPENDITURES

Direct acquisitions, evaluation and exploration expenditures are capitalized, reduced by related sundry income, to be amortized over the recoverable mineral reserves if a property is commercially developed. When an area is disproved or abandoned, the acquisition costs and related deferred expenditures are written off. Interest is capitalized on properties upon the commencement of active evaluation and preproduction activities, if significant. During the three-year period ended January 31, 2005, no interest was capitalized.

The net capitalized cost of each mineral property is periodically compared to management's estimation of the net realizable value and a write-down is recorded if the net realizable value is less than the cumulative net capitalized costs. Write-downs totaling \$3,141,726 were recorded in fiscal 2003.

OTHER PROPERTY, PLANT AND EQUIPMENT

Buildings, equipment and other are depreciated on a straight-line basis over useful lives ranging from 3 to 25 years. The diamond recovery plant (the "Plant"), sold during fiscal 2004, became fully operational in April 1994 and was depreciated on a straight-line basis over its estimated useful life of seven years.

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN CANADIAN DOLLARS)

JANUARY 31, 2005, 2004 AND 2003

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSET RETIREMENT OBLIGATIONS

Effective February 1, 2004, the Company adopted the recommendations under Section 3110, Asset Retirement Obligations, of the Canadian Institute of Chartered Accountants Handbook ("Section 3110"). Section 3110 applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal operation of the asset.

These recommendations require that the fair value of a liability for an asset retirement obligation be recorded in the period in which it is incurred. When the liability is initially recorded, the cost is capitalized by increasing the carrying amount of the long-lived asset. Upon settlement of the liability, a gain or loss is recorded. This differs from the prior practice that involved accruing for the estimated reclamation and closure liability through charges to the statement of operations over the life of the asset.

The adoption of this section had no material impact on these financial statements. An amount of \$142,554 previously recorded for reclamation reserves has been reclassified from accounts payable to asset retirement obligations (Note 4).

INCOME TAXES

The Company files a separate Canadian income tax return. The Company's United States subsidiaries file a consolidated United States income tax return. Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. The future income tax liabilities or assets are measured using tax rates and laws expected to apply in the periods that the temporary differences are expected to reverse. Valuation allowances are provided where net future income tax assets are not more likely than not to be realized.

LOSS PER COMMON SHARE

Basic loss per share is calculated using the weighted average number of shares issued and outstanding during the year. The Company follows the treasury stock method in the calculation of diluted loss per share. No shares were added to the weighted average number of common shares outstanding during the years ended January 31, 2005, 2004, or 2003 for the dilutive effect of employee stock options and warrants as they were all anti-dilutive.

STOCK BASED COMPENSATION

The Company has a stock-based compensation plan, which is described in Note 8. The Company uses the fair-value based method to account for all stock-based payments to employees and non-employees granted after February 1, 2002 by measuring the compensation cost of the stock-based payments using the Black-Scholes option-pricing model. The fair value of the stock-based compensation is recorded as a charge to net earnings based on the vesting period with a credit to contributed surplus. Upon exercise of the stock options, consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN CANADIAN DOLLARS)

JANUARY 31, 2005, 2004 AND 2003

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from those estimates.

COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with presentation for the current year.

4. MINERAL PROPERTIES AND DEFERRED EXPENDITURES

The Company cannot guarantee title to all of its Properties as the Properties may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects. The Company does not maintain title insurance on its properties.

BRAZIL PROPERTIES

Tocantinzinho Properties

In August 2003 the Company entered into an option to acquire exploration rights to a total of 28,275 hectares in the Tapaj s gold district in Para State, Brazil under an option agreement with two individuals. The option agreement entitles the Company to acquire a 100% interest in the exploration rights to such area (referred to herein as the "Tocantinzinho Properties") over a four-year period in consideration for the staged payment of US\$465,000, the staged issuance of 2,600,000 shares of the Company and the expenditure of \$1,000,000 (U.S.) on exploration (\$300,000 (U.S.) by July 31, 2004). The Company received approval for the acquisition from the TSX Venture Exchange in August 2003 and made the initial payment required by the option agreement to the optionors, consisting of 1,100,000 common shares of the Company and \$75,000 (U.S.). The Company made the second option payment, consisting of 200,000 common shares of the Company and \$30,000 (U.S.), in February 2004. In August 2004, the Company made the third option payment of 200,000 common shares of the Company and \$40,000 (U.S.).

As of January 31, 2005, the total commitment remaining under the option agreement is as follows (all amounts are in U.S. dollars): \$40,000 and 200,000 common shares of the Company, \$130,000 and 200,000 common shares of the Company, and \$150,000 and 700,000 common shares of the Company for the 2006, 2007 and 2008 fiscal years, respectively.

Additionally, the option agreement requires the Company to assume all existing obligations of the optionors to the owners of the mineral rights of the Tocantinzinho Properties (the "Underlying Agreements") totaling \$1,600,000 (U.S.) over a four-year period. At January 31, 2005, the remaining payment commitments under the Underlying Agreements are as follows (all amounts are in U.S. dollars): \$120,000, \$160,000 and \$1,205,000 in fiscal years 2006, 2007 and 2008, respectively. The Company made payments totaling \$35,000 (U.S.) and \$80,000 (U.S.) in respect of the Underlying Agreements during fiscal 2004 and 2005, respectively. One of the optionors entered into a consulting agreement with the Company for an 18-month period at a rate of \$7,000 (U.S.) per month which expired during fiscal 2005. The payments under the option agreement, the Underlying Agreements and the consulting agreement are considered expenditures for purposes of meeting the required total and initial annual expenditures of \$1,000,000 (U.S.) and \$300,000 (U.S.), respectively, discussed above. During

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BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN CANADIAN DOLLARS)

JANUARY 31, 2005, 2004 AND 2003

4. MINERAL PROPERTIES AND DEFERRED EXPENDITURES (CONTINUED)

fiscal 2005 the Company met the requirement under the option agreement to expend a total of \$300,000 (U.S.) and met the requirement to expend \$1,000,000 (U.S.) on exploration. The Company has met its first year commitments under the option agreement, and the option agreement is cancelable by the Company without further obligations.

The optionors are entitled to a sliding scale gross revenues royalty ranging

from 2.5% for gold prices below \$400 (U.S.) per ounce to 3.5% for gold prices in excess of \$500 (U.S.) per ounce. The Company has filed applications for exploration licenses with the regulatory authorities in Brazil and has received final approval on several claim areas. The Company anticipates it will receive final approval on the remaining claim areas in fiscal 2006.

In May 2004 the Company applied for exploration permits for an additional 16,000 hectares adjacent to the above Tocantinzinho Properties. The Company has agreed to make payments totaling \$300,000 (U.S.) over a period of approximately four years to an individual as a finder's fee related to this 16,000 hectare property. This additional property is not subject to the option agreement and therefore is not subject to the royalty.

Mamoal Property

The Company entered into an option agreement under which it may acquire the exploration license to the 10,000 hectare Mamoal Property, located 30 kilometers southeast of the Company's Tocantinzinho Properties, in December 2003. The Company has an option to earn 100% of the Mamoal Property by payment of a total of \$300,000 (U.S.) over three and one half years. The Company may terminate the option agreement at any time without further obligation. An initial \$10,000 (U.S.) payment was made by the Company in December 2003, and the exploration research license has been transferred to Jaguar Resources do Brasil Ltda. During fiscal 2005, the Company made payments under the option agreement totaling \$25,000 (U.S.). The remaining option payments are as follows (all amounts are in U.S. dollars): \$45,000, \$65,000, and \$155,000 in fiscal years ending January 31, 2006, 2007 and 2008, respectively. The Company may acquire the Mamoal Property at any time by accelerating the option payments. The Company has received the exploration license from the Brazilian regulatory authority.

Batalha Property

In September, 2004 the Company applied for an exploration license to the 9800 hectare Batalha Property, located in the Tapajs gold province in northern Brazil. The property, host to a well known "garimpo" or artisanal mine, lies at the western end of the Tocantinzinho trend.

The Company has agreed to pay the original holder of artisanal mining rights of Batalha, who controls over 1,700 hectares lying within the exploration license and directly over the Batalha zone, the equivalent of approximately \$91,000 Canadian dollars in Brazilian reais over a 42 month period with a buyout after 4 years of \$250,000 (U.S.) (if the project is deemed economic by the Company) and an additional sum based on the number of ounces of gold in the proven and probable (or measured and indicated) categories at Batalha as set out in a pre-feasibility or feasibility study. The per ounce payment amount ranges in a sliding scale from US\$1 per ounce for the first one million ounces up to \$10 (U.S.) per ounce for each ounce over four million ounces. The 9,800 hectare exploration license lies over top of this area, covering extensions to north, south and west. If after four years the Company, in its sole opinion, has not found an economic ore body, the area and all collected data will be returned to the vendor.

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN CANADIAN DOLLARS)

JANUARY 31, 2005, 2004 AND 2003

4. MINERAL PROPERTIES AND DEFERRED EXPENDITURES (CONTINUED)

ARKANSAS PROPERTIES

The Company maintained interests in several Arkansas Properties during the period from fiscal 1993 through fiscal 2003. In December 2002, based upon the cumulative exploration results obtained on the Arkansas Properties, the Company made the decision to cease operations in Arkansas.

American Mine Property

Pursuant to an agreement dated November 4, 1992, DEI was granted a permit to explore a mineral property located in Pike County, Arkansas. The Company's Plant was located on this leased property. The Company leased the property and conducted exploration activities during certain periods from 1992 to 2002. The lease payment of \$47,500 (U.S.) on the American Property, due November 1, 2002, was not made by the Company.

In March 2003 the Company sold the Plant to a third party for \$350,000 (U.S.). In conjunction with the sale, the third party paid the lessor of the American Mine Property \$47,500 (U.S.) on behalf of the Company in order to extend the Company's lease on the property through October 31, 2003. The Company allowed the lease to expire effective November 1, 2003. The Plant was dismantled by the third party and removed from the American Lease during fiscal 2004.

The Company recorded a reserve for leasehold reclamation costs during the quarter ended April 30, 2003 of approximately \$70,000, representing the estimated costs of the Company's obligation to restore the Arkansas properties to their original condition prior to lease expiration and to perform reclamation activities as required by Arkansas regulatory authorities. The reserve for leasehold reclamation was adjusted during the fourth quarter of fiscal 2004 to \$142,554 representing the estimated net present value of the recognized asset retirement obligation at January 31, 2005 based on a total future liability of \$150,000. The Company expects to complete the restoration during fiscal 2006. The Company used a credit adjusted risk free rate of 3% to calculate the net present value of the asset retirement obligation.

Mineral properties and deferred expenditures were as follows:

<TABLE>

<CAPTION>

	BALANCE AT JANUARY 31 2003	IMPAIRED ADDITIONS	WRITE-OFFS	BALANCE AT JANUARY 31 2004
<S>	<C>	<C>	<C>	<C>
Brazilian Properties				
Tocantinzinho Properties				
Acquisition costs	\$ -	\$ 527,345	\$ -	\$ 527,345
Exploration costs:				
Drilling	-	40,422	-	40,422
Field expenses	-	76,045	-	76,045
Geological	-	57,321	-	57,321
Total exploration costs	-	173,788	-	173,788
Total Tocantinzinho Properties	-	701,133	-	701,133
Mamoal Property:				
Acquisition costs	-	13,150	-	13,150
Exploration costs	-	-	-	-
Total Mamoal Property	-	13,150	-	13,150
Total acquisition costs	-	540,495	-	540,495
Total exploration costs	-	173,788	-	173,788
Total costs	\$ -	\$ 714,283	\$ -	\$ 714,283

</TABLE>

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN CANADIAN DOLLARS)

JANUARY 31, 2005, 2004 AND 2003

4. MINERAL PROPERTIES AND DEFERRED EXPENDITURES (CONTINUED)

<TABLE>

<CAPTION>

	BALANCE AT JANUARY 31 2004	ADDITIONS	IMPAIRED WRITE-OFFS	BALANCE AT JANUARY 31 2005
<S>	<C>	<C>	<C>	<C>
Brazilian Properties				
Tocantinzinho Properties:				
Acquisition costs	\$ 527,345	\$ 515,632	\$ -	\$ 1,042,977
Exploration costs:				
Drilling	40,422	566,912	-	607,334
Field expenses	76,045	625,191	-	701,236
Geological	57,321	124,124	-	181,445
Assay	-	111,870	-	111,870

Total exploration costs	173,788	1,428,097	-	1,601,885
Total Tocantinzinho Properties	701,133	1,943,729	-	2,644,862
Mamoal Property:				
Acquisition costs	13,150	32,138	-	45,288
Exploration costs:				
Field expenses	-	105,258	-	105,258
Geological	-	10,901	-	10,901
Assay	-	4,138	-	4,138
Total exploration costs	-	120,297	-	120,297
Total Mamoal Property	13,150	152,435	-	165,585
Batalha Property				
Acquisition costs	-	7,299	-	7,299
Exploration costs	-	-	-	-
	-	7,299	-	7,299
Total acquisition costs	540,495	555,069	-	1,095,564
Total exploration costs	173,788	1,548,394	-	1,722,182
Total costs	\$ 714,283	\$ 2,103,463	\$ -	\$ 2,817,746

</TABLE>

5. DEBENTURES

In fiscal 2002, the Company completed the issuance of \$1,278,595 principal amount of 10% secured convertible debentures ("the Debentures"). The Debentures were convertible into units at the rate of one unit for each \$2.87 principal amount of the Debentures until February 16, 2003. Each unit was to consist of one common share of the Company and one share purchase warrant with an exercise price of \$3.15, exercisable through August 16, 2003. The conversion and share purchase warrant prices above were adjusted to reflect the Company's seven for one share consolidation on November 27, 2001.

On February 11, 2003, the holders of the Debentures approved the amendment of the conversion price of the units to \$0.30 and the extension of the maturity date of the Debentures to February 16, 2004. As amended, each of the 4,261,976 units consisted of one common share of the Company and one share purchase warrant with an exercise price of \$0.30, exercisable through February 16, 2004. Additionally, the terms of the Debenture were amended to include a mandatory conversion provision of all Debentures and exercise of all related warrants within 30 days after the closing price of the Company's common shares has exceeded \$0.375 for ten consecutive trading days.

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BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In Canadian Dollars)

JANUARY 31, 2005, 2004, AND 2003

5. DEBENTURES (CONTINUED)

Interest at the rate of 10% was payable on conversion or maturity in cash, or at the election of the Company, in common shares valued at the weighted average trading price of the common shares of the Company for the ten trading days preceding the interest payment date. The Debentures were secured by a general security interest in the Company's current and future assets and by the stock of Star U.S., Inc. ("Star"), a wholly owned subsidiary of the Company, and a wholly-owned subsidiary of Star.

During fiscal 2004, several holders of the Debentures elected to convert a total of \$197,000 principal amount and received 656,666 common shares and 656,666 common share purchase warrants with exercise prices of \$0.30. Additionally, during the third quarter of fiscal 2004, a director of the Company elected to convert \$97,000 principal amount and received 323,333 common shares.

Effective October 31, 2003 a total of \$984,595 principal amount of Debentures were automatically converted into 3,281,977 units of the Company in accordance with the February 11, 2003 amendments discussed in the third preceding paragraph. Each unit consisted of one common share and one common share

purchase warrant with exercise prices of \$0.30. Additionally, under terms of the mandatory conversion provision, the expiration date of all warrants issued upon conversion of the Debentures was established as December 1, 2003. During the fourth quarter of fiscal 2004, the Company received a total of \$937,593, representing the exercise price of 3,125,311 warrants, and issued 3,125,311 common shares. A total of 813,332 common share warrants expired unused on December 1, 2003.

During fiscal 2004, a total of \$335,075 of interest accrued on the principal amounts converted during fiscal 2004 was paid via the issuance of a total of 1,129,522 shares, representing the conversion of the interest amounts at weighted average prices from \$0.17 to \$0.33 per share.

6. SHARE CAPITAL

Effective September 8, 2004 the Company increased its authorized capital from 100,000,000 common shares without par value to an unlimited number of common shares without par value.

On January 29, 2002 the Company completed a private placement of 5,691,376 units at a price of \$0.20 per unit, each unit to consist of one common share and one share purchase warrant with an exercise price of \$0.25 per unit. The share purchase warrants had an expiration date of January 29, 2003, which was extended during fiscal 2003 to January 29, 2004. A total of 5,669,101 warrants were exercised in January 2004, and the Company received total exercise proceeds of \$1,417,275. A total of 22,275 warrants expired unused on January 29, 2004.

On September 18, 2002, the Company completed a private placement of 2,819,774 units at a price of \$0.20 per unit, each unit consisting of one common share and one share purchase warrant with an exercise price of \$0.25 per unit. The share purchase warrants had an expiration date of September 18, 2004. The Company received a total of \$563,955 during fiscal 2003 representing subscriptions for the private placement. Included in that amount was a total of \$85,240 representing subscriptions for 426,200 units by three of the Company's directors. During fiscal year 2005, all 2,819,774 common share warrants were exercised, and the Company received total exercise proceeds of \$704,943.

In November 2004, the Company completed a private placement of 2,112,500 common shares of the Company at a price of \$0.85 per share and received proceeds totaling \$1,795,625. In consideration for assistance with the private placement, the Company paid finders' fees of \$96,950 in cash and issued 113,000 share purchase warrants entitling the finders to purchase 113,000 common shares of the Company at \$1.05 per share until November 2, 2005. In March, 2005, a

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BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In Canadian Dollars)

JANUARY 31, 2005, 2004, AND 2003

6. SHARE CAPITAL (CONTINUED)

holder of the share purchase warrants elected to exercise 44,635 warrants and the Company received proceeds of approximately \$47,000.

In December 2004, the Company completed a private placement of 2,150,000 common shares of the Company at a price of \$1.00 per share and received proceeds of \$2,150,000.

7. STOCK OPTION PLAN

The Company maintains a stock option plan for its directors, officers and employees and may issue up to 7,000,000 options. In July, 2004 the Company's shareholders approved an amendment to its stock option plan to increase the number of shares reserved for issuance from 4,000,000 to 7,000,000. Under the terms of the plan, the exercise price of each option equals the closing market price of the Company's stock on the date of grant. Any consideration paid by the optionee on the exercise of options is credited to share capital. Through July 2002 all options were immediately vested and generally have a term of five years. The options granted subsequent to July 2002 are subject to vesting requirements (25% on the date of grant and 12.5% on each quarter end thereafter).

The activity in common stock option grants outstanding for the prior three fiscal years is as follows:

<TABLE>
<CAPTION>

	2005		2004		2003	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding, beginning of year	4,449,053	\$0.31	1,946,429	\$0.24	1,475,000	\$0.26
Granted	3,807,376	1.01	4,387,000	0.30	1,145,000	0.22
Exercised	1,638,571	0.29	1,884,376	0.23	570,000	0.27
Expired	14,286	0.24	-	-	103,571	0.24
Outstanding, end of year	6,603,572	\$0.72	4,449,053	\$0.31	1,946,429	\$0.24
Exercisable, end of year	4,051,822	\$0.61	1,796,241	\$0.28	1,946,429	\$0.24

</TABLE>

The following table summarizes information about stock options outstanding at January 31, 2005:

<TABLE>
<CAPTION>

NUMBER OUTSTANDING AT JANUARY 31, 2005	ISSUE DATE	EXPIRATION DATE	EXERCISE PRICE
<S>	<C>	<C>	<C>
2,857	May 4, 2000	May 4, 2005	0.24
14,286	September 27, 2000	September 27, 2005	0.24
14,286	May 11, 2001	May 11, 2006	0.24
47,143	January 31, 2002	January 31, 2007	0.28
78,375	September 26, 2002	September 26, 2007	0.18
448,421	March 6, 2003	March 6, 2008	0.10
897,012	August 14, 2003	August 14, 2008	0.30
700,066	October 21, 2003	October 21, 2008	0.40
143,750	November 26, 2003	November 26, 2008	0.49
450,000	December 17, 2003	December 17, 2008	0.42
950,000	June 11, 2004	June 11, 2009	0.92
2,327,376	July 29, 2004	July 29, 2009	1.02
530,000	November 19, 2004	November 19, 2009	1.10

</TABLE>

BRAZAURO RESOURCES CORPORATION
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In Canadian Dollars)

JANUARY 31, 2005, 2004 AND 2003

8. STOCK BASED COMPENSATION

Stock-based compensation related to options granted to employees and non-employees increased the following expenses in the consolidated financial statements (as restated) of the Company in 2005, 2004 and 2003:

<TABLE>
<CAPTION>

	2005	2004	2003
<S>	<C>	<C>	<C>
Consulting	\$ 131,367	\$ 54,403	\$ -
Salary . . .	1,991,916	407,478	158,357
	\$2,123,283	\$461,881	\$158,357

</TABLE>

These amounts have also been recorded as contributed surplus on the balance sheet.

The fair value of each option granted has been estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	2005	2004	2003
Expected dividend yield	0%	0%	0%
Expected volatility	160%	161%	141%
Risk-free interest rate	4.00%	3.00%	5.25%
Expected life	3.5 years	3.5 years	3.5 years
Weighted average fair value of options granted	\$ 0.75	\$ 0.26	\$ 0.19

9. INCOME TAXES

A reconciliation of the combined Canadian federal and provincial income taxes at statutory rates and the Company's effective income tax expense (recovery) is as follows:

	YEARS ENDED JANUARY		
	2005	2004	2003
Statutory rates	35.62%	37.62%	39.62%
Net loss for the year	\$(3,741,155)	\$(1,199,406)	\$(4,468,492)
Income tax at statutory rates	(1,333,000)	(451,000)	(1,770,000)
Increase (decrease) in taxes from:			
Non-deductible items	770,000	174,000	63,000
Differences in foreign tax rates	225,000	525,000	142,000
Effect of change in tax rate	56,000	53,000	133,000
Benefit of losses not recognized	282,000	(301,000)	1,432,000
	\$ -	\$ -	\$ -

Future income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's future tax assets as of January 31 are as follows:

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In Canadian Dollars)

JANUARY 31, 2005, 2004 AND 2003

9. INCOME TAXES (CONTINUED)

	JANUARY 31	
	2005	2004
Operating loss carryforwards	\$ 10,119,000	\$ 9,650,000
Property and equipment	174,000	193,000
Share issue cost	28,000	-
Valuation allowance for future tax assets	(10,321,000)	(9,843,000)
	\$ -	\$ -

The Company has available losses for income tax purposes of approximately \$30 million, which may be carried forward and applied against future taxable income when earned. Brazilian losses are offset by up to 30% of fiscal profits. United States net operating losses may be limited if more than a 50% ownership

change has occurred with respect to any Company included in the consolidated group. If an ownership change has occurred, such losses are limited on an annual basis to the value of the respective Company on the date of change multiplied by the U.S. federal long-term, tax-exempt rate in effect for the period. In addition, some U.S. net operating losses may be subject to other limitations based on taxable income from wholly owned subsidiaries on a stand-alone basis.

The losses expire as follows:

<TABLE>
<CAPTION>

	CANADA	UNITED STATES	BRAZIL	TOTAL
	(in Canadian dollars)			
<S>	<C>	<C>	<C>	<C>
2006	\$ 121,000	\$ 236,000	\$ -	\$ 357,000
2007	383,000	290,000	-	673,000
2008	231,000	301,000	-	532,000
2009	134,000	25,000	-	159,000
2010	439,000	492,000	-	931,000
2011	273,000	164,000	-	437,000
2012	448,000	1,557,000	-	2,005,000
2013	358,000	4,865,000	-	5,223,000
From 2014 to 2022.	-	17,170,000	-	17,170,000
Indefinitely . . .	-	-	3,222,000	3,222,000
	2,387,000	\$25,100,000	\$3,222,000	\$30,709,000

</TABLE>

At January 31, 2005, the Company has incurred approximately \$488,000 of exploration and development costs which may be deducted against future Canadian taxable income subject to certain limitations.

10. RELATED PARTY TRANSACTIONS

The chairman has significant share ownership of the Company. Accounts receivable at January 31, 2005 and 2004 includes \$55,900 and \$105,758, respectively, receivable from the chairman of the Company. The chairman made net payments to the Company totaling approximately \$49,000 during the first quarter of fiscal 2006. Amounts totaling \$147,683, \$121,957 and \$24,681 were paid by the Company during fiscal 2005, 2004 and 2003, respectively, to a law firm in which a director is a partner. As of January 31, 2005 an amount of \$4,781 (2004 - \$5,800, 2003 - \$22,082) is due to that law firm. In January 2004, three directors exercised warrants to purchase common stock at an exercise price of \$0.25 per share and acquired 477,750, 225,000 and 238,875 common shares, respectively. In September, 2004, three directors exercised warrants to

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In Canadian Dollars)

JANUARY 31, 2005, 2004 AND 2003

10. RELATED PARTY TRANSACTIONS (CONTINUED)

purchase common shares at an exercise price of \$0.25 per share and received 286,200, 100,000, and 40,000 common shares, respectively.

Shares of Jaguar do Brasil, Ltd. are held beneficially for the Company through three representatives of the Company, including a director of the Company and two directors of Jaguar do Brasil, Ltd.

11. SUBSEQUENT EVENTS

In the first quarter of fiscal 2006, the Company granted incentive options as follows:

<TABLE>
<CAPTION>

NUMBER	DATE OF GRANT	EXERCISE PRICE	EXPIRATION DATE
<C>	<S>	<C>	<C>
100,000	February 15, 2005	\$1.15	February 15, 2010
600,000	March 22, 2005	1.30	March 22, 2010

In the first quarter of fiscal 2006, directors and employees of the Company exercised a total of 600,000 options at prices ranging from \$0.10 to \$0.40, and the Company received proceeds of \$152,623.

12. COMMITMENTS AND CONTINGENCIES

Except as described below, there are no material pending legal proceedings to which the Company or any of its subsidiaries is a party or to which any of their property is subject.

On May 15, 1998, a legal action styled James Cairns and Stewart Jackson vs.

 Texas Star Resources Corporation d/b/a Diamond Star, Inc. was filed in the

215th Judicial District Court of Harris County, Texas, Cause No. 9822760 wherein the Plaintiffs allege, among other things, that the Company breached contractual agreements and committed fraud by not timely releasing or causing to be released from an escrow account required by Canadian law certain shares of the Company to which Plaintiffs allege that they were entitled to receive in calendar 1995 and, as a result of the Company's alleged actions with respect to the release of such shares, the Plaintiffs sought monetary damages for losses in share value, attorney's fees, court costs, expenses, interest and exemplary damages. Texas Star Resources Corporation was the name of the Company in 1998 and 1999. In 1999, the litigation against the Company in Houston, Harris County, Texas, was dismissed by the court with prejudice, leaving only the claims of James M. Cairns, Jr. pending in British Columbia which is generally described below. The legal action in Texas is similar to one filed against the Company in the Supreme Court of British Columbia, Canada, in August 1996 styled Cause No. C96493; James M. Cairns, Jr. vs. Texas Star Resources Corporation. In January

 1993, the Plaintiffs were issued common stock of the Company in escrow which shares were to be released based on exploration expenditures by the Company on certain of its properties in Arkansas. The escrow requirements were imposed by the Vancouver Stock Exchange. Plaintiffs requested that all of the shares be released in 1995. At that time the Company believed that the release of said shares when requested by the Plaintiffs was inappropriate due to legal requirements and regulatory concerns. The shares were subsequently released to the Plaintiffs. The Company intends to vigorously defend the allegations of the Plaintiffs in the pending litigation for damages in British Columbia and in Texas (if the case is appealed or refiled) and believes it has meritorious defenses to such claims. No proceedings in the action in British Columbia have been taken by the Plaintiff since March 30, 2000. However, the Company cannot provide any assurances that it will be successful, in whole or in part, with respect to its defense of the claims of the Plaintiffs. If the Company is not successful, any judgment obtained by Plaintiffs could have a material and adverse effect on its financial condition.

BRAZAURO RESOURCES CORPORATION
 (FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 (In Canadian Dollars)

JANUARY 31, 2005, 2004 AND 2003

13. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of the following:

<TABLE>
 <CAPTION>

	2005	2004	2003
	-----	-----	-----
<S>	<C>	<C>	<C>
Consulting fees	\$ 386,456	\$ 234,253	\$ 134,605
Depreciation expense. .	7,089	18,277	28,924
Entertainment	79,831	29,716	31,884
Insurance	1,870	484	7,385
Office expenses	181,789	70,587	61,639
Professional fees . . .	194,247	110,674	68,767
Rent.	28,757	33,999	32,724
Repairs and maintenance	2,243	21,400	126,856
Salary.	2,594,363	736,134	582,159
Shareholder relations .	161,749	51,192	30,126

Travel	109,082	92,783	41,393
Utilities	-	5,150	32,624
	-----	-----	-----
Total	\$3,747,476	\$1,404,649	\$1,179,086
	=====	=====	=====

</TABLE>

14. SUPPLEMENTAL CASH FLOW AND NON-CASH INVESTING AND FINANCING DISCLOSURE

<TABLE>
<CAPTION>

	2005	2004	2003
	-----	-----	-----
<S>	<C>	<C>	<C>
Supplemental cash flow disclosure:			
Interest paid in cash	\$ -	\$ -	\$ -
Income taxes paid	-	-	-
Non-cash investing activities:			
Shares issued for mineral properties	\$ 270,000	\$ 330,000	-
Non-cash financing activities:			
Shares issued for debt	-	\$ 20,917	-
Shares issued for conversion of convertible debentures	-	\$1,278,595	-
Shares issued for interest on convertible debentures .	-	\$ 335,075	-
Shares issued for services	-	-	\$ 52,500

</TABLE>

15. SEGMENT INFORMATION

The Company acquires and explores mineral properties, and these activities are focused principally in North and South America. Geographic segmentation of capital assets is provided in Note 4.

16. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP")

The consolidated financial statements have been prepared in accordance with Canadian GAAP which differs in some respects from United States GAAP. The material differences in respect to these financial statements between Canadian and United States GAAP, and their effect on the Company's financial statements, are summarized below.

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In Canadian Dollars)

JANUARY 31, 2005, 2004 AND 2003

16. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") (continued)

Mineral Properties and Deferred Expenditures

Under Canadian GAAP, companies have the option to defer mineral exploration expenditures on prospective properties until such time as it is determined that further work is not warranted, at which point property costs would be written off. Under United States GAAP, all exploration expenditures are expensed until an independent feasibility study has determined that the property is capable of commercial production. At this stage, the Company has not yet identified economically recoverable reserves on any of its properties. Accordingly, under United States GAAP, all exploration costs incurred are expensed.

The significant differences in the consolidated statements of loss relative to US GAAP were:

<TABLE>
<CAPTION>

	2005	2004	2003
	-----	-----	-----
<S>	<C>	<C>	<C>
Net loss in accordance with Canadian GAAP	\$ (3,741,155)	\$ (1,199,406)	\$ (4,468,492)
Deduct:			

Deferred exploration expenditures capitalized during the period.	(1,548,394)	(173,788)	-
Add:			
Deferred exploration expenditures written off in the period that would have been expensed in a prior period.	-	-	1,697,164
	-----	-----	-----
Net loss in accordance with United States GAAP.	\$ (5,289,549)	\$ (1,373,194)	\$ (2,771,328)
	=====	=====	=====
Basic and diluted net loss per share (United States GAAP)	\$ (0.14)	\$ (0.06)	\$ (0.17)
	=====	=====	=====
Weighted average shares outstanding (United States GAAP)	38,949,937	21,349,766	16,439,454
	=====	=====	=====

</TABLE>

The significant differences in the consolidated balance sheet relative to US GAAP were:

	2005	2004
	-----	-----
<S>	<C>	<C>
Shareholders' equity - Canadian GAAP	\$ 6,133,038	\$2,449,715
Mineral properties and deferred exploration expenditures	(1,722,182)	(173,788)
	-----	-----
Shareholders' equity - United States GAAP.	\$ 4,410,856	\$2,275,927
	=====	=====

</TABLE>

BRAZAURO RESOURCES CORPORATION
(FORMERLY JAGUAR RESOURCES CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In Canadian Dollars)

JANUARY 31, 2005, 2004 AND 2003

16. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") (continued)

	2005	2004
	-----	-----
<S>	<C>	<C>
Mineral properties and deferred exploration expenditures - Canadian GAAP.	\$ 2,817,746	\$ 714,283
Mineral properties and deferred exploration expenditures expensed per United States GAAP	(1,722,182)	(173,788)
	-----	-----
Acquisition costs of mineral properties - United States GAAP	\$ 1,095,564	\$ 540,495
	=====	=====

</TABLE>

The significant differences in the consolidated statement of cash flows relative to US GAAP were:

	Years ended January 31,		
	2005	2004	2003
	-----	-----	-----
<S>	<C>	<C>	<C>
NET CASH USED IN OPERATIONS			
Canadian GAAP.	\$ (1,597,363)	\$ (941,050)	\$ (985,901)
Mineral properties and deferred exploration expenditures	(1,548,394)	(173,788)	(197,374)
	-----	-----	-----
US GAAP.	(3,145,757)	(1,114,838)	(1,183,275)
	-----	-----	-----

NET CASH USED IN INVESTING ACTIVITIES

Canadian GAAP.	(1,845,562)	(384,283)	(201,253)
Mineral properties and deferred exploration expenditures	1,548,394	173,788	197,374
	-----	-----	-----
US GAAP.	(297,168)	(210,495)	(3,879)
	-----	-----	-----
NET CASH USED IN INVESTING ACTIVITIES			
Canadian GAAP and U.S. GAAP.	5,031,195	3,301,762	717,412
	-----	-----	-----

</TABLE>

Warrants Issued

Under United States GAAP, the fair value of the 113,000 warrants issued to brokers related to the private placement in November 2004 would be recorded as Warrants of \$33,000 in Shareholders' Equity as of January 31, 2005, and Common Shares would be reduced by \$33,000 to \$41,664,174 as of January 31, 2005. The fair value of the warrants was calculated using the Black-Scholes model and the following assumptions: expected dividend yield, 0%, expected volatility, 115%; risk-free interest rate, 2.9%. expected life of warrant, 1 year.

INDEX TO EXHIBITS

- 3.1 Certificate of Incorporation, Memorandum and Articles of Texas Star Resources Corporation (the "Company") dated March 12, 1986. (a)
- 3.1.1 Amendment to Certificate of Incorporation and Memorandum. (b)
- 3.1.2 Certificate of Change of Name dated October 30, 1996.
- 3.1.3 Amendment to the Company's Memorandum, effective November 27, 2001. (h)
- 10.6 Agreement dated July 28, 1992, between the Company and certain royalty holders (as set forth therein). (a)
- 10.7 Stock Purchase Agreement dated July 29, 1992, by and among the Company, DEI, James M. Cairns, Jr., Gandy Baugh and Stewart Jackson (such individuals being collectively referred to as the "DEI Shareholders"), and the Amendment thereto dated January 13, 1993. (a)
- 10.11 Prospecting Permit and Option to Lease dated November 4, 1992, between DEI and various interest holders. (a)
- 10.12 Agreement dated December 22, 1992, between the Company and certain royalty interest holders. (a)
- 10.16 Royalty Interest Agreement dated January 13, 1993, by and between the Company and the DEI Shareholders relating to the properties of the Company and DEI in Arkansas. (a)
- 10.40 Mining Lease between the Company and certain royalty interest holders dated November 4, 1996. (c)
- 10.42 Amendment No. 1 to Mining Lease between the Company and certain royalty interest holders dated November 1997. (d)
- 10.43 Mining Lease between the Company and ABJ Hammett Estate/ Trust dated September 11, 1997. (d)
- 10.47 Mining Lease Agreement and Lease Modification and Escrow Agreement dated December 16, 1999. (e)
- 10.48 Letter Agreement dated October 26, 2000 between the Company and McGeorge Contracting Co. (f)
- 10.49 Stripping Agreement dated October 31, 2000 between the Company and McGeorge Contracting Co. (f)
- 10.50 Lease Confirmation Agreement dated effective March 16, 2000. (g)
- 10.51 Mining Lease between the Company and ABJ Hammett Estate/ Trust dated November 15, 2000. (g)
- 10.52 Trust Deed for Debentures dated February 16, 2001 between the Company and Montreal Trust Company of Canada. (g)
- 10.53 Pledge Agreement for Shares of Star U.S., Inc. between the Company and Montreal Trust Company of Canada dated February 16, 2001. (g)
- 10.54 Pledge Agreement for Shares of Diamond Operations, Inc. between the Company and Montreal Trust Company of Canada dated February 16, 2001. (g)
- 10.55 Second Supplemental Indenture between the Company and Computershare Trust Company of Canada dated February 11, 2003. (i)
- 10.56 Option Agreement, Tocantinzinho Project - Brazil dated July 31, 2003. (j)
- 22 Subsidiaries of the Registrant. (k)
- 23 Consent of Independent Auditors, Morgan & Company, dated April 30, 2004. (k)
- 24 Powers of Attorney dated April 23, 2004. (k)
- 31.1 Certification of Chairman pursuant to Exchange Act Rules 13a-14. (k)

-
- (a) Filed as an exhibit to Registration Statement on Form 10 as filed on June 23, 1993.
- (b) Filed as an exhibit to Form 8 Amendment No. 1 to Form 10 as filed on October 4, 1993.
- (c) Filed as an exhibit to Form 10-K for the fiscal year ended January 31, 1997 as filed on May 13, 1997.
- (d) Filed as an exhibit to Form 10-K for the fiscal year ended January 31, 1998 as filed on April 29, 1998.
- (e) Filed as an exhibit to Form 10-K for the fiscal year ended January 31, 2000 as filed on April 28, 2000.
- (f) Filed as an exhibit to Form 10-Q for the fiscal quarter ended October 31, 2000 as filed on December 13, 2000.
- (g) Filed as an exhibit to Form 10-K for the fiscal year ended January 31, 2001 as filed on April 27, 2001.
- (h) Filed as an exhibit to Form 10-Q for the fiscal quarter ended October 31, 2001 as filed on December 13, 2001.
- (i) Filed as an exhibit to Form 10-Q for the fiscal quarter ended April 30, 2003 as filed on June 16, 2003.
- (j) Filed as an exhibit to Form 10-Q for the fiscal quarter ended July 31, 2003 as filed on September 15, 2003.
- (k) Filed herewith.

All Exhibits referred to in (a) through (j) above were filed with previous Securities and Exchange Commission filings of the Company (File No. 0-21968) and are incorporated herein by reference.

Subsidiaries of the Registrant

Brazauro Resources Corporation
(a British Columbia corporation)

Owns 100% of the following corporations:

Star U.S. Inc.
(a Delaware corporation)

and

Jaguar Resources do Brasil Ltda.
(a Brazilian corporation)

Star U.S. Inc. Owns 100% of the
following three corporations:

Diamond Operations, Inc. (a Delaware corporation)
Diamond Exploration, Inc. (an Arkansas corporation)
Continental Diamonds, Inc. (an Arkansas corporation)

EXHIBIT 22

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As independent public accountants, we hereby consent to the use of our Auditors' Report and all references to our firm included in, or made part of, this Form 10-K filing.

Vancouver, Canada
April 28, 2005

"Morgan & Company"
Chartered Accountants

EXHIBIT 24

BRAZAURO RESOURCES CORPORATION

POWER OF ATTORNEY

WHEREAS, Brazauro Resources Corporation, a corporation organized under the laws of British Columbia, (the "Company"), will file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1934, as amended, (the "Act"), an Annual Report on Form 10-K ("Annual Report") for the fiscal year ended January 31, 2005, together with exhibits and any amendments thereto, as a reporting company in the United States under the Act.

NOW, THEREFORE, the undersigned in his capacity as director or officer of the Company, or both, as the case may be, does hereby appoint MARK E. JONES, III, severally, his true and lawful attorneys or attorney with full power of substitution and resubstitution, to execute in his name, place and stead, in his capacity as a director or officer of the Company, or both, as the case may be, all instruments necessary or incidental to the Annual Report referred to above including any amendments thereto, and to file the same or cause the same to be filed with the Commission. The said attorney shall have full power and authority to do and perform in the name and on the behalf of the undersigned, in any and all capacities, every act whatsoever necessary or desirable to be done in the premises, as fully and to all intents and purposes as the undersigned might or could do in person, the undersigned hereby ratifying and approving the acts of said attorney.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the 23rd day of April 2005.

/s/ Patrick L. Glazier

PATRICK L. GLAZIER

/s/ Brian C. Irwin

BRIAN C. IRWIN

/s/ Leendert G. Krol

LEENDERT G. KROL

/s/ Daniel B. Leonard

DANIEL B. LEONARD

/s/ Roger H. Mitchell

ROGER H. MITCHELL

/s/ Roger D. Morton

ROGER D. MORTON

13A-14 CERTIFICATION

I, Mark E. Jones, III, Chief Executive Officer of Brazauro Resources Corporation, certify that:

1. I have reviewed this Annual Report on Form 10-K of Brazauro Resources Corporation (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operation and cash flow of the Company as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, to the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the Audit Committee of the Company's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: May 1, 2005

/s/ Mark E. Jones, III

Mark E. Jones, III
Chief Executive Officer (and principal financial officer)

1350 CERTIFICATION

Pursuant to Section 906 of the Public Company Accounting Reform and Investor Protection Act of 2002 (18 U.S.C. 1350, as adopted), Mark E. Jones, III, the Chief Executive Officer (and principal financial officer) of Jaguar Resources Corporation (the "Company") hereby certifies that, to the best of his knowledge:

The Company's Annual Report on Form 10-K for the period ended January 31, 2005, to which this Certification is attached as Exhibit 32 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and the information contained in the Periodic Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Periodic Report and results of operations of the Company for the period covered by the Periodic Report

Dated: May 1, 2005

/s/ Mark E. Jones, III

Mark E. Jones, III
Chief Executive Officer (and principal financial officer)