



ASX: AZS

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# AZURE KICKS OFF EXTENSIVE EXPLORATION PROGRAM IN MEXICO

## HIGHLIGHTS

**Extensive exploration and development activities have commenced across Azure's portfolio of Mexican properties**

- **La Tortuga (JOGMEC Joint Venture)**
  - Geophysics - IP survey completed and drilling targets identified
  - Diamond drilling commenced – 5 holes for 1,500m
- **San Eduardo (OZ Minerals Joint Venture)**
  - Geological and geochemical target identification continuing
  - Geophysics – IP survey in progress
  - Diamond drilling scheduled for 4th Quarter 2010
- **Estacion Llano**
  - Potential zone of gold mineralisation identified
  - Exploration commenced and drilling scheduled for 2010
- **El Tecolote**
  - New gold target identified and drilling planned for 2010
- **Pozo de Nacho**
  - Geophysics – IP survey scheduled for 4<sup>th</sup> Quarter 2010
  - Drilling planned for early 2011
- **Promontorio**
  - Development and pre-feasibility activities continue
  - Initial environmental fieldwork completed
- **Evaluation of further project opportunities in progress**

Mexican focused minerals explorer, **Azure Minerals Limited** ("Azure" or the "Company"), is pleased to announce that a significant program of exploration and development activity has commenced and will continue over the next six months. This work includes drilling on at least four projects, geophysical surveys on three projects, and ongoing target identification.

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### **LA TORTUGA (JOGMEC Joint Venture): porphyry copper & skarn copper-zinc**

Diamond core drilling has commenced at Azure's 100%-owned La Tortuga Project where JOGMEC, Azure's Joint Venture partner, is sole funding the first US\$3 million of exploration expenditure to earn a 51% interest in the project.

The drilling is targeting skarn copper-zinc and porphyry hosted copper mineralisation identified by geochemical, magnetic and Induced Polarisation (IP) anomalies.

Azure has also recently completed an Induced Polarisation (IP) survey to the west of the first drilling target, and a large chargeability anomaly has been identified. This will be evaluated to determine whether it will be tested in this round of drilling.

### **SAN EDUARDO (OZ Minerals Joint Venture): porphyry copper & skarn copper-zinc**

Diamond drilling is scheduled for 4<sup>th</sup> Quarter of 2010 at Azure's 100% owned San Eduardo project where OZ Minerals, Azure's Joint Venture partner, can sole fund the first US\$13 million of exploration and development expenditure to earn a 70% interest in the project.

Mapping and sampling in the southern half of the San Eduardo property has identified several areas with potential for porphyry copper and skarn copper-zinc mineralisation. These areas contain outcrops of altered porphyry and limestone rocks containing stockworked quartz veining and occurrences of copper oxide mineralisation.

An IP survey has commenced over these areas and this geophysical information, together with the surface geology, will be used to target the diamond drilling planned for the 4<sup>th</sup> Quarter of 2010.

### **ESTACION LLANO: targeting gold**

This 24km<sup>2</sup> property, 100% owned by Azure, covers the interpreted western extension of the mineralised system hosting the +1.3 million ounce San Francisco Gold Mine (currently producing at a rate of 100,000oz gold per year), where recent drilling by Canadian owner Timmins Gold Corp confirms the mineralised system extends west towards Azure's property.

The entire Estacion Llano property is covered with a veneer of alluvial sand, and no drilling has been carried out within Azure's project area. Azure has commenced exploration with a program of geochemical surface sampling. Drilling to test the extensions of the San Francisco mineralised system is expected to commence in late 2010 once the geochemical results have been evaluated.

### **EL TECOLOTE: targeting gold, porphyry copper & skarn copper-zinc**

Azure's 100% owned El Tecolote project was acquired for its excellent porphyry copper and skarn copper-zinc potential due to its strategic location between and adjacent to the San Eduardo and La Tortuga properties.

Recently, encouraging results have been received from reconnaissance exploration over the northern part of the property. A gold mineralised shear zone at least 500m long and averaging 50m in width hosting numerous historical mine workings with shafts as deep as 30m has been identified. This area has been named Monarca.

Sampling returned grades up to 7.7g/t gold from quartz veins near the old mine workings, and grades up to 1.3g/t gold from the surrounding host rocks. Extensive alluvial gold workings nearby indicate that significant gold has been shed by this mineralised system, providing further encouragement to explore this prospect.

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A detailed mapping and sampling program over the Monarca prospect is nearing completion, and Azure expects to drill test the mineralised system before the end of 2010.

**POZO DE NACHO: molybdenum**

Pozo de Nacho, 100%-owned by Azure, contains a substantial body of molybdenum mineralisation within an intrusive porphyry system and the surrounding sediments. During 2006/07 Azure drilled mineralisation over an area of 800 by 250 metres, from surface to depths in excess of 300 metres, and it remains open-ended in most directions. Follow-up work has been delayed by funding restrictions.

An IP survey, planned for later in 2010, is designed to identify the extent of the mineralised system and assist in the targeting of the next phase of deep diamond drilling, which is planned for early 2011.

**PROMONTORIO: copper-gold-silver**

At Azure's advanced Promontorio copper-gold-silver project the Company commissioned an Environmental Base Line Study and an Environmental Impact Statement as part of ongoing development of the project. These studies are a necessary precursor to obtaining approval to undertake further intensive drilling operations and project development, and are being undertaken by Clifton Associates Ltd, Mexico's largest environmental consultancy.

The field work for the initial environmental study has been completed and the results will be submitted to the appropriate Federal Governmental authorities shortly. Azure anticipates approvals for further exploration work to be granted within the following quarter.

**SUMMARY**

Azure is actively advancing its portfolio of projects in Mexico and has commenced an extensive program of exploration and related activities over the next six months which is fully funded by joint venture arrangements and recent capital raising initiatives. Azure looks forward to reporting the results of these activities to its shareholders.

-ENDS-

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**Competent Person Statement:**

*Information in this document that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Rovira is a full-time employee of Azure Minerals Limited. Mr Rovira has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rovira consents to the inclusion in the documents of the matters based on his information in the form and context in which it appears.*

**FIGURE 1: Azure's Projects in Mexico**



**FIGURE 2: Azure's Projects in the Tecolote District**

