

ASX: AZS

28 APRIL 2010

## **EXPLORATION COMMENCES AT** **SAN EDUARDO PROJECT WITH OZ MINERALS**

Mexican focused precious and base metals explorer, **Azure Minerals Limited** ("Azure" or "Company"), today announced that with the recent signing of the Heads of Agreement between Azure and OZ Exploration Pty Ltd (as subsidiary of OZ Minerals Limited), exploration has commenced at its 100%-owned San Eduardo Project ("the Project") in the state of Sonora, Mexico.

At San Eduardo, Azure has joint ventured with Australian copper miner OZ Minerals (as announced 9<sup>th</sup> March 2010), with OZ Minerals funding the first US\$3 million of exploration expenditure to earn an initial 51% of the Project. This may be followed by expenditure of a further US\$10 million to earn an additional 19% interest in the Project.

Geological mapping, geochemical sampling and a helicopter-borne aeromagnetic and radiometric survey have commenced over the highest priority area, the El Venado prospect, located in the southern part of San Eduardo. In this area outcropping porphyry containing visible copper mineralisation has been identified by Azure in several locations (Figure 1).

Further exploration activities to be undertaken at El Venado within the next few months include:

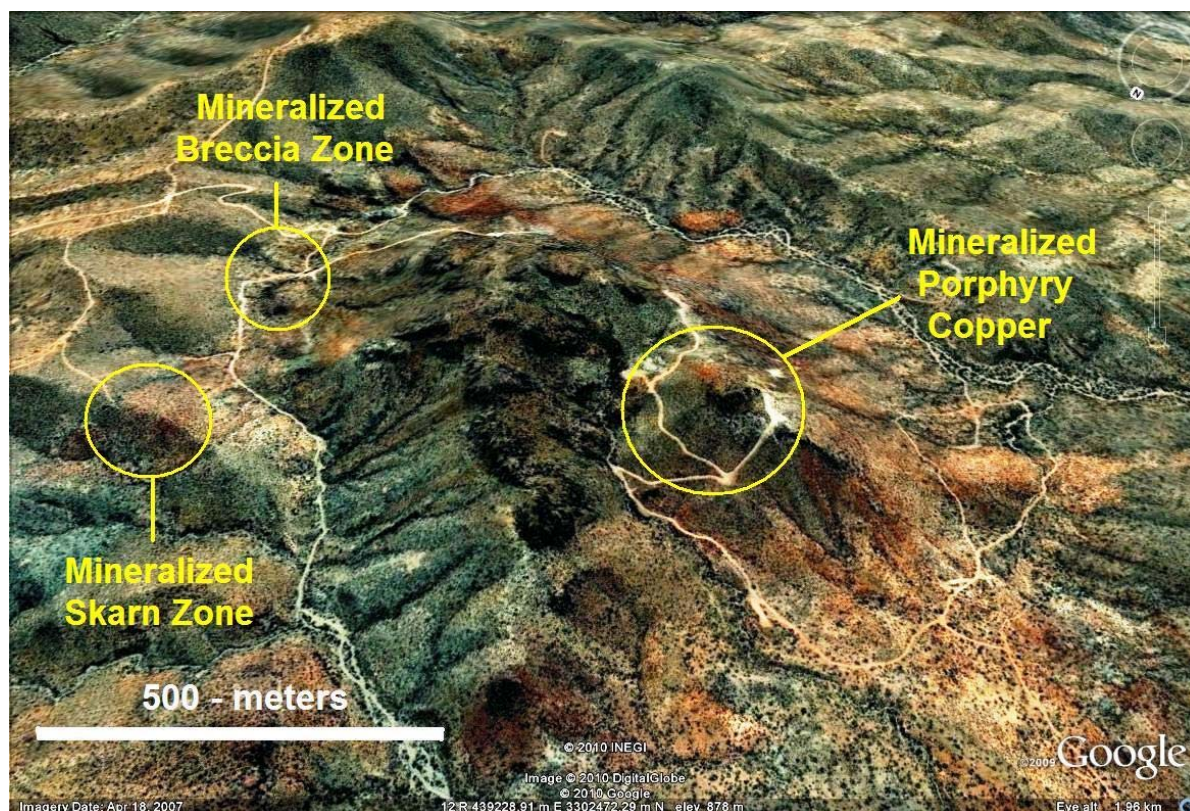
- Induced Polarisation ("IP") survey
- Diamond core drill ("DD") program of 1,000 metres.

In addition, regional reconnaissance exploration will be undertaken over the remainder of the San Eduardo Project.

Azure's Executive Chairman, Mr Tony Rovira commented, "The San Eduardo work program is already underway with the initial aeromagnetic and radiometric survey expected for completion next week. The early stage acceleration of this program is made possible through the investment of our Joint Venture partner, OZ Minerals."

"The Board is confident that this is the beginning of a strong relationship with OZ Minerals, and their commitment is a strong endorsement of the potential of this project and our Company, in one of the most exciting and prospective mining provinces in the world. We look forward to reporting initial results of the exploration program to shareholders shortly."

**Figure 1: Satellite Image of El Venado Prospect showing mineralised occurrences**



## BACKGROUND

OZ Minerals is an Australian-based mining company with a focus on copper. It owns and operates the high quality Prominent Hill copper-gold mine in South Australia.

OZ Minerals' strategy includes building a pipeline of copper focused projects at various stages of development. OZ Minerals intends to pursue projects with the potential to achieve production of between 50,000t and 150,000t of copper per year which are in favourable geographic locations.

San Eduardo is a granted mineral concession covering 201km<sup>2</sup> (Figure 2) and is adjacent to Azure's other 100%-owned projects of El Tecolote and La Tortuga. The property is considered prospective for the discovery of porphyry copper deposits and associated high grade breccia and skarn copper, lead and zinc deposits. There are historical mine workings in the area and sampling has identified mineralisation of significant interest.

The first stage of the Joint Venture requires a minimum expenditure commitment of US\$300,000 which will be sole funded by OZ Minerals and is expected to be completed by the end of 2010. Following this, if OZ Minerals elects to continue with the Project, it can earn 51% of the Project by spending a total of US\$3 million within the first 3 years. OZ Minerals can then earn an additional 19% of the Project by spending a further US\$10 million within the following 5 years. The San Eduardo Joint Venture will initially be managed and staffed by Azure.

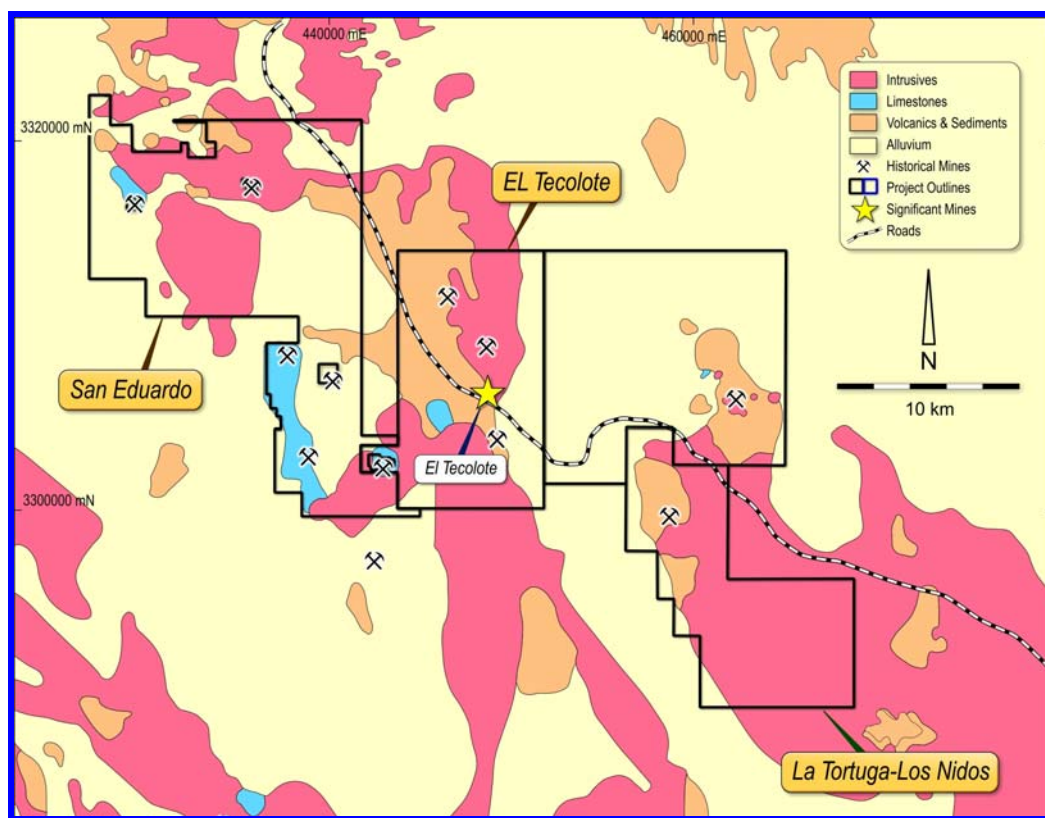
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**FIGURE 2: SAN EDUARDO PROPERTY**



**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.