



Azure Minerals Limited:
ASX Code: AZS

Azure Minerals operates in the richly mineralised Sierra Madre Occidental mining province in northern and central Mexico, and is focused on bringing its advanced stage projects into production.

Azure's San Francisco manganese project offers the Company a near term pathway to production. Hosting a high grade JORC resource of 1.05Mt @ 30% Mn¹ with an Exploration Target of an additional 2-4Mt @ 30-40% Mn², San Francisco has recent mine production history, excellent location close to a mineral exporting port, and minimal work required to recommence production. Azure has commenced feasibility study activities with the aim of developing a mining operation by the end of 2012.

Promontorio has a JORC resource of 502,000 tonnes @ 4.7% Copper, 2.1g/t Gold & 99g/t Silver¹, and Azure is undertaking additional drilling to expand this resource. Azure continues to advance this project with metallurgical testwork and economic evaluation showing Promontorio can be developed and operated profitably.

Exploration for porphyry copper and skarn copper-zinc deposits is underway on El Tecolote in joint venture with Japanese Government corporation JOGMEC, which may earn a 70% interest by expending US\$13 million. El Tecolote hosted an historical mining operation which produced 1.4Mt @ 1.9% Copper, 7.0% Zinc & 47g/t Silver, and significant potential remains around the old mine and elsewhere in the district.

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24th June 2011

AZURE COMPANY UPDATE ON FINANCE NEWS NETWORK

Azure Minerals Ltd Executive Chairman Tony Rovira discusses an update of the Company with FNN. A copy of this interview can be viewed at this [link](#).

TRANSCRIPTION OF FINANCE NEWS NETWORK INTERVIEW WITH AZURE MINERALS LIMITED (ASX:AZS) EXECUTIVE CHAIRMAN, TONY ROVIRA

Rebecca Richardson: Hello Rebecca Richardson for the Finance News Network. Joining me for an update from base and precious metals explorer Azure Minerals is Executive Chairman, Tony Rovira. Tony welcome to FNN.

Tony Rovira: Thank you Rebecca.

Rebecca Richardson: Can you start by introducing Azure Minerals?

Tony Rovira: Yes Azure Minerals is an Australian listed ASX Company based in West Perth in Western Australia but operating in Mexico.

Rebecca Richardson: Okay, what are your projects and what's the focus?

Tony Rovira: We're focused very much on two commodities, copper and manganese. And we have 2 projects which are at the advanced stage of valuation at the moment, one high-grade copper gold silver project and one high-grade manganese project.

Rebecca Richardson: So Tony, why Mexico and what's the history of mining in that country?

Tony Rovira: Mexico's a great country as far as mining history goes. From the Inca days then through the Spanish and then into the modern day, there's been over 500 years of mining history in Mexico - both for precious metals and base metals and bulk commodities. And because of that long history in mining, there's a really great acceptance of mining and the benefits of mining to communities in the country as a whole. So for the local communities, the bureaucracies, the Government departments and all the way up to ministerial level, they all very much understand the benefits of mining. And for example, working with the local communities, they can see that there's opportunities for employment also infrastructure improvements and things. So everyone we've come across in Mexico is very supportive of the mining industry.

Rebecca Richardson: We tend to hear that Mexico can be an unstable place, has this been your experience?

Tony Rovira: That's an interesting question Rebecca. It's no denying that there are problems in Mexico, but we've been working there six years now and we've had some Australian geologists and we've got some American personnel, plus a lot of local people working there and none of us have ever had any problems whatsoever there. So no denying those problems do exist, but they certainly don't exist in the areas in which we work.

Rebecca Richardson: And for investors not familiar with Azure Minerals, what's your share price and market cap?

Tony Rovira: Yes Azure Minerals has got a share price at the moment of about 7 cents and a market cap of \$27 million.

Rebecca Richardson: Now to your key project starting with your copper gold silver project Promontorio. What's the size of the resource?

Tony Rovira: Promontorio is a high-grade deposit; it's about 0.5 million tonnes at 4.7% copper, 2 grams per tonne gold and 100 grams per tonne silver. In effect it is a copper project with gold and silver credits with about 80% of the value in the copper, and 10% each in the gold and the silver.

Rebecca Richardson: What's currently taking place?

Tony Rovira: We're drilling there at the moment. With the resource of 0.5 million tonnes, its open-ended to the north and south along strike and also at depth, and we see that the opportunity to significantly expand the resource with further drilling is very good. So we're drilling there at the moment and we anticipate that we'll be able to have a resource upgrade later on this year.

Rebecca Richardson: And when are you planning to be in production?

Tony Rovira: Production of Promontorio is probably about 3 to 4 years away. It's a long term project and we see this as one that we need to take all the correct steps and tick all the right boxes, to make sure this one works properly.

Rebecca Richardson: And now to your recently acquired manganese project, San Francisco. Is this likely to be the most important for the Company given the previous production and size of the resource?

Tony Rovira: Yes San Francisco is definitely a number one priority for our Company. Firstly manganese is a great product to be selling at the moment because of the ongoing boom in the steel industry around the world. But also because San Francisco itself - the deposit is an extension of an existing manganese mine and we're going to be mining in an area where there's a significant amount of infrastructure that already exists.

Rebecca Richardson: Thanks Tony. So what about the size of the source and average grade, and what about the potential for an upgrade?

Tony Rovira: There's a resource that we've just announced this week to the ASX which is 1,050,000 tonnes at 30% manganese, so it's a very good grade of deposit. But what we've also found through exploration drilling is that it remains open along strike and we see the opportunities there for adding an additional 2-4 million tonnes - there's an excellent potential to do that.

Rebecca Richardson: Okay, so when are you planning to recommence mining operations?

Tony Rovira: We're fast tracking this one. We see there's an opportunity here to bring this into production within 12 to 18 months from now.

Rebecca Richardson: Thanks Tony. Now importantly where will manganese go and what has its price done in recent years?

Tony Rovira: Manganese price has been very stable over the last couple of years, probably since the end of the GFC and at one stage it was as high as \$16 per unit. It's now currently around about \$7-8 per unit, which is still much higher than what it was say 4 or 5 years ago. Where will the product go? Well that's an interesting question; it's one that we're working on at the moment.

Of course we have the option of selling it to China which is something that is very common amongst the industry at the moment, but in Mexico there is a large and still growing steel making industry there. And so there're opportunities to sell the manganese into the domestic Mexican market, because they currently import their manganese from Australia. So we see there's some irony there that we could be an Australian company selling manganese in Mexico. In addition to that there is also a very large steel industry in the United States and we're in discussions with some steel makers there.

Rebecca Richardson: You also have a number of other exploration targets. What's taking place?

Tony Rovira: We have a number of joint ventures in an area called El Tecolote District where we have joint ventures with Oz Minerals and 2 joint ventures with JOGMEC, which is a Japanese Government Corporation. Both of those projects are looking for copper or copper zinc combined style mineralisation. Early stage exploration there, but the results we've been getting so far have been very encouraging and it's one that personally I'm very excited about.

Rebecca Richardson: On to corporate matters. What's your cash position and are you funded for 2011?

Tony Rovira: We have \$5 million in the bank at the moment and we've got sufficient funds there to keep us going with our planned activities through until the first half of next year.

Rebecca Richardson: Thanks Tony and are you looking at joint venture or partnering options?

Tony Rovira: It's something that we're considering, particularly on the manganese because having a partner on that San Francisco manganese project, particularly one that is an end user of the product, would be a significant benefit to bring the project into production as quickly as possible.

Rebecca Richardson: Last question. Where would you like to see Azure Minerals this time next year?

Tony Rovira: Building a mine at San Francisco.

Rebecca Richardson: Tony Rovira thanks for the introduction.

Tony Rovira: You're welcome Rebecca, thank you.

-ENDS-

1. Competent Person Statement – Exploration Results and Mineral Resources

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 report of the matters based on his information in the form and context in which it appears.

2. The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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