

ASX / MEDIA ANNOUNCEMENT

26 FEBRUARY 2009

Positive Metallurgical Results From Promontorio

HIGHLIGHTS

- **Excellent metal recoveries achieved from flotation testwork, including:**
 - **Copper: 99.4%**
 - **Gold: 97.6%**
 - **Silver: 98.9%**
- **Positive results from comminution (crushing & grinding) testwork**
- **Low risk, proven processing technology applicable to produce a copper concentrate**
- **Indicative optimum processing route is via conventional crushing, grinding and flotation to produce a high grade copper-gold-silver concentrate**

Azure Minerals Limited (ASX: AZS) ("Azure") is pleased to announce that the initial metallurgical testwork program undertaken on representative mineralised samples from the high grade Promontorio copper-gold-silver deposit has returned very promising results.

First stage flotation tests produced a "rougher" concentrate grade of 23.1% copper, with a recovery of 99.4% of the total copper into a mass recovery of 48%. Further flotation testing upgraded the rougher concentrate to produce a "cleaner" concentrate grade of 33.9% copper with a recovery of 98.2% of the total copper, and reduced the mass recovery to 34%.

Azure's Executive Chairman, Mr Tony Rovira, said that these results confirm the Company's view that very high metal recoveries will be achievable during commercial scale production.

"Positive crushing and grinding characteristics and excellent flotation recoveries of all valuable metals were achieved, indicating conventional processing technologies are likely to be suitable for the mineralised material," said Mr Rovira.

"This is very significant as it reduces the overall project risk through the application of proven processing technology. This provides the Company with strong encouragement to continue advancing Promontorio through the pre-feasibility study stage during the current commodity cycle lows, positioning us to be able to make a production decision when metals prices have improved."

The Promontorio deposit comprises three different types of sulphide mineralisation - massive, semi-massive and disseminated. A 100kg composite sample of each of these ore types was submitted to the laboratories of AMDEL Ltd in Perth for metallurgical testwork under the supervision of international mining consultancy Coffey Mining Pty Ltd.

The metallurgical testing program included head grade analysis, mineralogical examination, comminution testing, sulphide flotation testwork, a recommendation on the optimum process route to produce a copper concentrate, and preliminary evaluation of various downstream processing options for treatment of the copper concentrate.

Summary results of the rougher and cleaner flotation tests are shown in Table 1. Rougher concentrate recoveries over time for copper, gold, silver, arsenic, iron and sulphur are shown in Figure 1.

Results indicate that the primary recovery stage to produce a rougher concentrate will yield high metal recoveries. This will be enhanced by secondary flotation at the cleaner stage, further reducing the concentrate mass with minimal loss of metals to the tail.

Arsenic levels in the concentrate are relatively high. However while Azure believes the high grade of copper in the concentrate will enable it to be sold to smelters with specialised arsenic removal capabilities, the Company will look to add value to the project by undertaking chemical and bacterial leaching studies designed to examine the best option for removing the arsenic from the concentrate.

BACKGROUND

The Promontorio project in Chihuahua, Mexico, is Azure's flagship project. It contains a high grade copper-gold-silver mineral deposit and outstanding exploration potential with the mineralisation boundaries not defined by current drilling.

The JORC Code mineral resource (Indicated + Inferred) is:

502,000 tonnes @ 4.7% Copper, 2.1 g/t Gold and 99 g/t Silver

at a 1% copper cut off, containing a total of 23,400 tonnes of copper, 34,000 ounces of gold and 1.6 million ounces silver. Full details of the resources classification and estimation methodologies are detailed in Azure's announcement to the ASX, released on 7th January 2009.

Promontorio comprises a central group of three granted mining concessions totalling 187 hectares and a surrounding mining concession covering 120km². Azure has entered into options to purchase 100% ownership of the central tenements by paying a total of US\$4.0 million staged over four years, with future ownership unencumbered by any royalties. Azure holds 100% ownership of the surrounding larger mining concession.

-ENDS-

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Competent Person Statement:

Information in this report that relates to Exploration Results is based on information compiled by Mr Pat Manouge, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Manouge is a full-time employee of Azure Minerals Limited. Mr Manouge 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 Manouge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FIGURE 1

Bulk Composite Rougher Recovery vs Time Curve

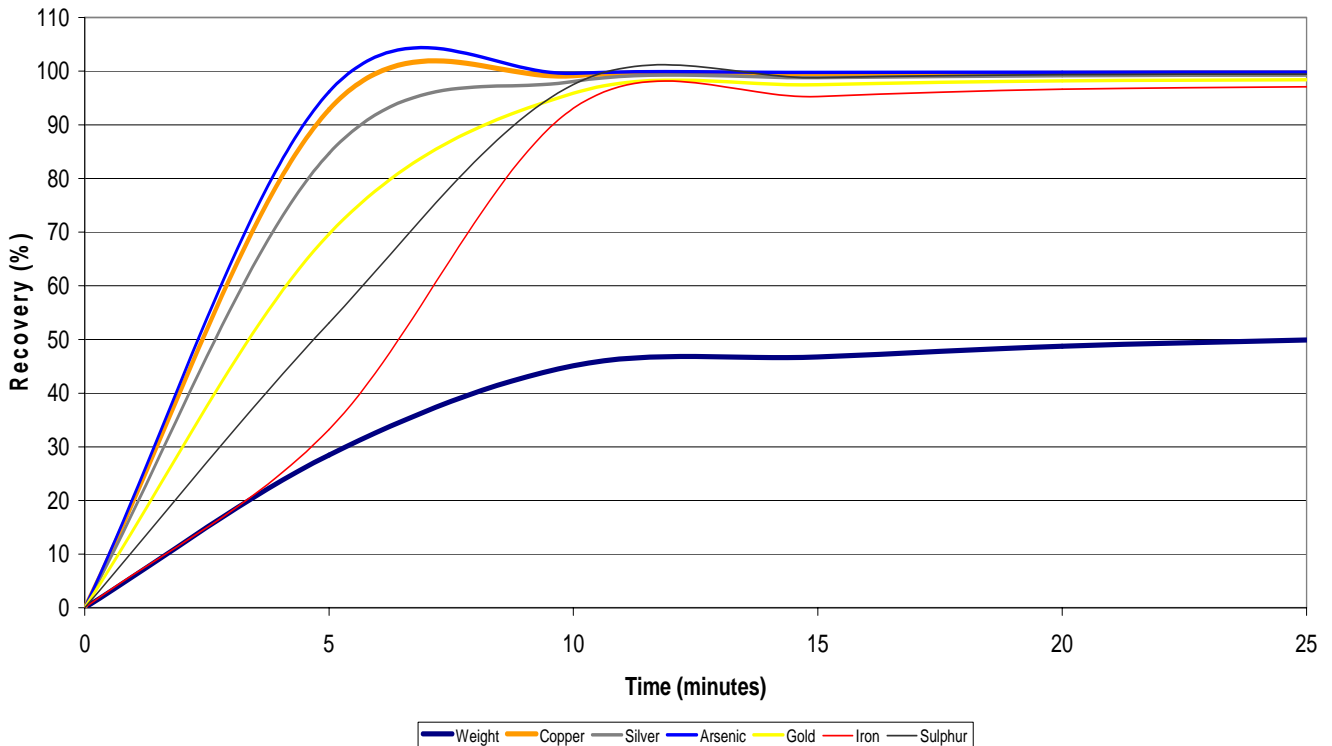


TABLE 1

Bulk Composite Rougher & Cleaner Recovery Results

PRODUCT	MASS	COPPER		SILVER		GOLD		ARSENIC	
		Recovery (%)	Grade (%)	Recovery (%)	Grade (ppm)	Recovery (%)	Grade (ppm)	Recovery (%)	Grade (%)
Rougher Conc	48	23.1	99.4	365	98.9	6.7	97.6	6.6	99.7
Cleaner Conc	34	33.9	98.2	377	93.5	6.9	83.2	6.9	99.3

Comminution Testing Results

Optimum Grind Size: P80 @ 106µm

Rod Mill Work Index (kWh/t): 18.5 (moderate)

Ball Mill Work Index (kWh/t): 17.2 (moderate)

Abrasion Index: 0.6 (moderate)

Indicative Processing Route

- Conventional crushing, grinding & flotation
- Alkaline leach of concentrate to remove arsenic
- Transport arsenic-free concentrate to 3rd party smelter