

ASX: AZS

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Drilling Confirms New Mineralised Zone at Tecolote

Azure Minerals Limited ("Azure" or "Company"), is pleased to announce that it has received encouraging assays from its first drilling program at the Reyna del Cobre prospect on its 100%-owned Tecolote Project (see Figure 1), located in the state of Sonora, Mexico.

The Tecolote project area contains the now-closed Tecolote copper-zinc-silver mine which produced **1.4Mt @ 1.9% copper, 7.0% zinc & 47g/t silver** in the 1980's. It lies adjacent to and between the San Eduardo Project where OZ Minerals Limited may earn a 70% interest through expenditure of US\$13 million and the La Tortuga Project where Japanese government organisation JOGMEC may earn a 51% interest through expenditure of US\$3 million. Drilling of porphyry copper targets is currently underway at both these joint venture projects with results expected in 4-8 weeks.

Highlights of the Tecolote drilling include:

- **Multiple mineralized skarn zones intersected in all drill holes with grades increasing with depth**
- **Best intercept of:
11.0m @ 1.3% Copper, 3.0% Zinc, 7.1g/t Silver, 17.2g/t Indium & 31.9% Iron**
- **Strongly anomalous gold grades also present in the skarn, up to 2.3g/t Au**

Located 6 kilometres west of the Tecolote Mine, the Reyna del Cobre prospect is a 300 metre long outcropping zone of skarn-hosted copper-zinc mineralisation up to 20 metres wide at surface.

All four diamond holes intersected multiple skarn zones of mostly oxidised mineralisation. The best and deepest intercept (72-83m in RC-DD-001) intersected massive magnetite hosting mixed oxide / sulphide mineralisation. Based on observations of the Tecolote Mine, where base metals are depleted in the upper oxidised part of the deposit, it is considered likely that at Reyna del Cobre the primary mineralisation deeper in the sulphide system will yield higher grades.

Azure Minerals' Executive Chairman, Mr Tony Rovira, said these assay results are very encouraging, as they come from the first holes drilled by Azure into the Tecolote property.

"These initial drill results substantiate the prospectivity of Tecolote for skarn-style mineralisation. We've now confirmed that the Reyna del Cobre skarn identified by Azure's reconnaissance exploration represents the surface expression of base and precious metal mineralised zones similar to that exploited at the Tecolote Mine," said Mr Rovira.

"Follow-up exploration will comprise deeper diamond drilling at Reyna del Cobre to test the size and grade of the sulphide zone, along with a detailed airborne electromagnetic survey of the entire property to identify buried skarn deposits in the range of 0.5-2.0 million tonnes".

Summary results of the drilling are below with full results attached as Table 1.

RC-DD-001	3m @ 0.5% Copper, 1.8% Zinc, 3.4g/t Silver, 11.3g/t Indium & 12.7% Iron
	3m @ 0.9% Copper, 1.5% Zinc, 4.0g/t Silver, 4.6g/t Indium & 15.4% Iron
	11m @ 1.3% Copper, 3.0% Zinc, 7.1g/t Silver, 17.2g/t Indium & 31.9% Iron
RC-DD-002	4m @ 0.4% Copper, 2.2% Zinc, 3.2g/t Silver, 6.2g/t Indium & 26.6% Iron
	3m @ 1.2% Copper, 0.2% Zinc, 1.0g/t Silver, 16.8g/t Indium & 30.8% Iron
RC-DD-003	4m @ 1.2% Copper, 4.6% Zinc, 3.8g/t Silver, 20.8g/t Indium & 19.1% Iron
	9m @ 0.8% Copper, 1.5% Zinc, 5.3g/t Silver, 23.1g/t Indium & 20.0% Iron
RC-DD-004	3m @ 0.4% Copper, 4.1% Zinc, 3.4g/t Silver, 10.7g/t Indium & 22.2% Iron
	7.5m @ 0.5% Copper, 2.6% Zinc, 5.1g/t Silver, 11.9g/t Indium & 13.9% Iron

Recently Azure has been considering expressions of interest to joint venture the Tecolote Project. This consideration is in accordance with the Company's stated objective of concentrating on progressing its advanced copper-gold-silver project at Promontorio towards production and completing due diligence on the San Francisco manganese project. Azure will assess the impact of the Reyna del Cobre drilling results before deciding on the future direction to be undertaken at Tecolote.

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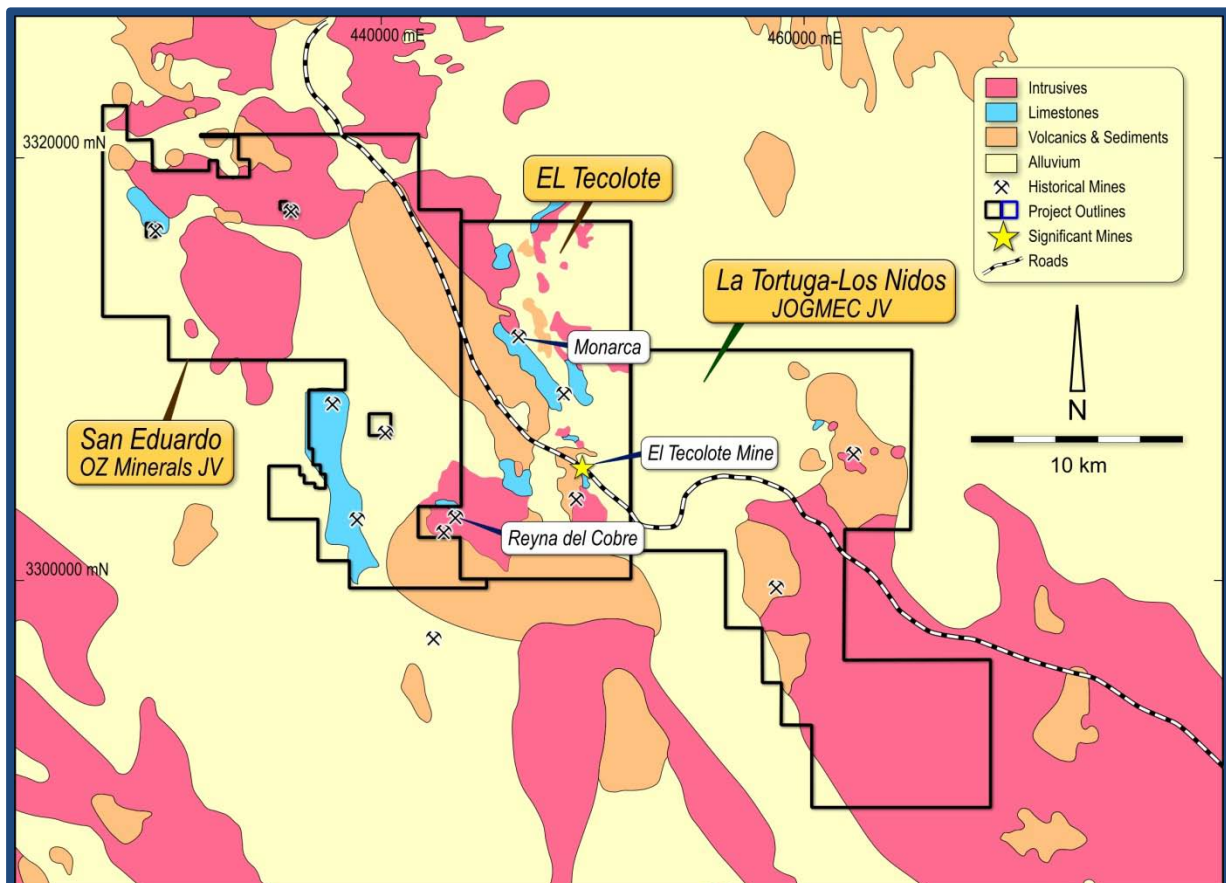


FIGURE 1: Tecolote District, Mexico

Table 1: Tecolote Drilling Results

Drill Hole			Coordinates		Mineralised Intersections							
Drill Hole Number	Inclination	Azimuth	Easting UTM	Northing GDA	FROM (m)	TO (m)	INTERVAL (m)	Copper (%)	Zinc (%)	Silver (g/t)	Indium (g/t)	Iron (%)
RC-DD-001	55°	325°	443 437	3 303 343	49.00	52.00	3.00	0.48	1.84	3.4	11.3	12.7
					53.50	56.50	3.00	0.90	1.53	4.0	15.4	
					72.00	83.00	11.00	1.27	3.00	7.1	17.2	31.9
RC-DD-002	50°	295°	443 431	3 303 399	8.00	12.00	4.00	0.43	2.20	3.2	6.2	26.6
					19.00	22.00	3.00	1.15	0.23	1.0	16.8	30.8
RC-DD-003	50°	290°	443 488	3 303 303	54.00	58.00	4.00	1.24	4.56	3.8	20.8	19.1
					62.00	71.00	9.00	0.81	1.49	5.3	23.1	20.0
RC-DD-004	55°	222°	443 502	3 303 286	31.50	34.50	3.00	0.39	4.07	3.4	10.7	22.2
					38.50	46.00	7.50	0.53	2.61	5.1	11.9	13.9

Intersections are downhole length. Samples were all cut half core. Sample preparation was undertaken by ALS-Chemex (Hermosillo, Mexico). Analysis by ALS-Chemex (Vancouver, Canada) used methods ME-MS61 (for silver and base metals), OG62 (for high grade copper and zinc) and Fire Assay / AAS (for gold).

For further information, please contact:

Tony Rovira
Executive Chairman
Azure Minerals Ltd
+61 8 9481 2555

Or visit www.azureminerals.com.au

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.