

ASX / MEDIA ANNOUNCEMENT

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AZURE ENTERS INTO US\$13M JOINT VENTURE WITH OZ MINERALS IN MEXICO

- Azure has entered into a Joint Venture with OZ Minerals to target major copper deposits on the San Eduardo property (100%-owned by Azure).
- OZ Minerals can earn a 70% interest in the project by sole funding US\$13.0 million of exploration expenditure at San Eduardo.

Azure Minerals Ltd (ASX: AZS) (Azure) has moved to accelerate exploration on one of its key projects in Mexico by entering into a joint venture with Australian mining company **OZ Minerals Ltd** on Azure's 100%-owned San Eduardo property, located in Sonora Mexico.

OZ Minerals is a copper focused, Australian-based mining company which owns and operates the high quality Prominent Hill copper-gold mine in South Australia. OZ Minerals is building a pipeline of projects through acquisition, organic developments, and a strong commitment to exploration both at existing projects and through the identification of new opportunities.

To earn an initial 51% participating interest in San Eduardo, OZ Minerals will spend US\$3,000,000 over the next 3 years, with a minimum commitment of US\$300,000 to be expended within the first year. OZ Minerals can earn an additional 19% participating interest in the project by spending a further US\$10,000,000, taking its total equity to 70%.

Azure's Executive Chairman, Mr Tony Rovira, welcomed the strong interest of OZ Minerals, one of Australia's premier mining companies, as confirmation of the high quality of Azure's 100%-owned Mexican projects.

"We are delighted to have attracted OZ Minerals to the Sierra Madre Occidental district of northern Mexico, which is one of the world's great mining provinces," said Mr Rovira.

"To secure the involvement of OZ Minerals in this exploration project is a strong vote of confidence in Azure's on-going program of regional exploration, target identification and project staking, confirming the effectiveness of our exploration team in Mexico. This Joint Venture will enable Azure to accelerate our exploration programs and develop our projects."

SAN EDUARDO PROPERTY

The San Eduardo property is a granted mineral concession covering 201km² (see Figure 1). It adjoins Azure's 100%-owned El Tecolote project and is situated 10 kilometres west of Azure's La Tortuga property (subject to an earn-in joint venture with JOGMEC). It is located 120 kilometres northwest of Hermosillo, the capital of Sonora State, where Azure has based its Mexican exploration and administration office. The San Eduardo Joint Venture will initially be managed and staffed by Azure.

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San Eduardo is prospective for porphyry copper deposits with associated high grade breccia and skarn copper, lead and zinc mineralisation. Old mine workings are present within the property, including a 27 metre deep shaft and a small open cut mine on the Alejandra prospect. Historical sampling by the Mexican Geological Survey at Alejandra collected a total of 40 channel samples of wall-rock, returning an average grade of **25 g/t Ag, 7.34% Pb and 1.89% Zn**, with maximum values of **80.9 g/t Ag, 20.04% Pb and 5.45% Zn**.

Planning of the San Eduardo work program is at an advanced stage and field work will commence shortly. Phase 1 will comprise geological mapping and surface sampling, an airborne magnetic and radiometric survey, Induced Polarisation (IP) surveying and drilling. This involves 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.

Adjoining San Eduardo to the east is Azure's 100%-owned El Tecolote property. Historical production from the El Tecolote Mine is recorded as approximately 1.6 million tonnes @ 1.8% copper, 6.9% zinc and 50g/t silver. Production ceased in the early 1980's due to low metal prices at the time, and there is excellent brownfields potential for substantial unmined copper-zinc mineralisation surrounding the mine. Azure will shortly commence exploration on this project.

Meanwhile Azure is continuing to work on its Promontorio Project which has a JORC compliant mineral resource of 502,000 tonnes @ 4.7% Cu, 2,1g/t AU & 99g/t Ag.

ABOUT OZ MINERALS

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, and is building a pipeline of projects through acquisition, organic developments and a strong commitment to exploration both at existing projects and through the identification of new opportunities.

In Australia OZ Minerals is exploring for copper-gold deposits in the Gawler Craton in South Australia. OZ Minerals is also actively seeking to increase its project portfolio through sole or joint initiatives. Leveraging from its strong operating experience and technical knowledge, OZ Minerals is exploring for gold and base metals, both in its own right and in partnerships with other companies. The San Eduardo Joint Venture with Azure Minerals is OZ Minerals' first venture into Latin America.

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For further information, please contact:

Tony Rovira
Executive Chairman
Azure Minerals
+61 8 9481 2555

Shane Murphy
Porter Novelli
+61 8 9386 1233
+61 (0)420 945 291

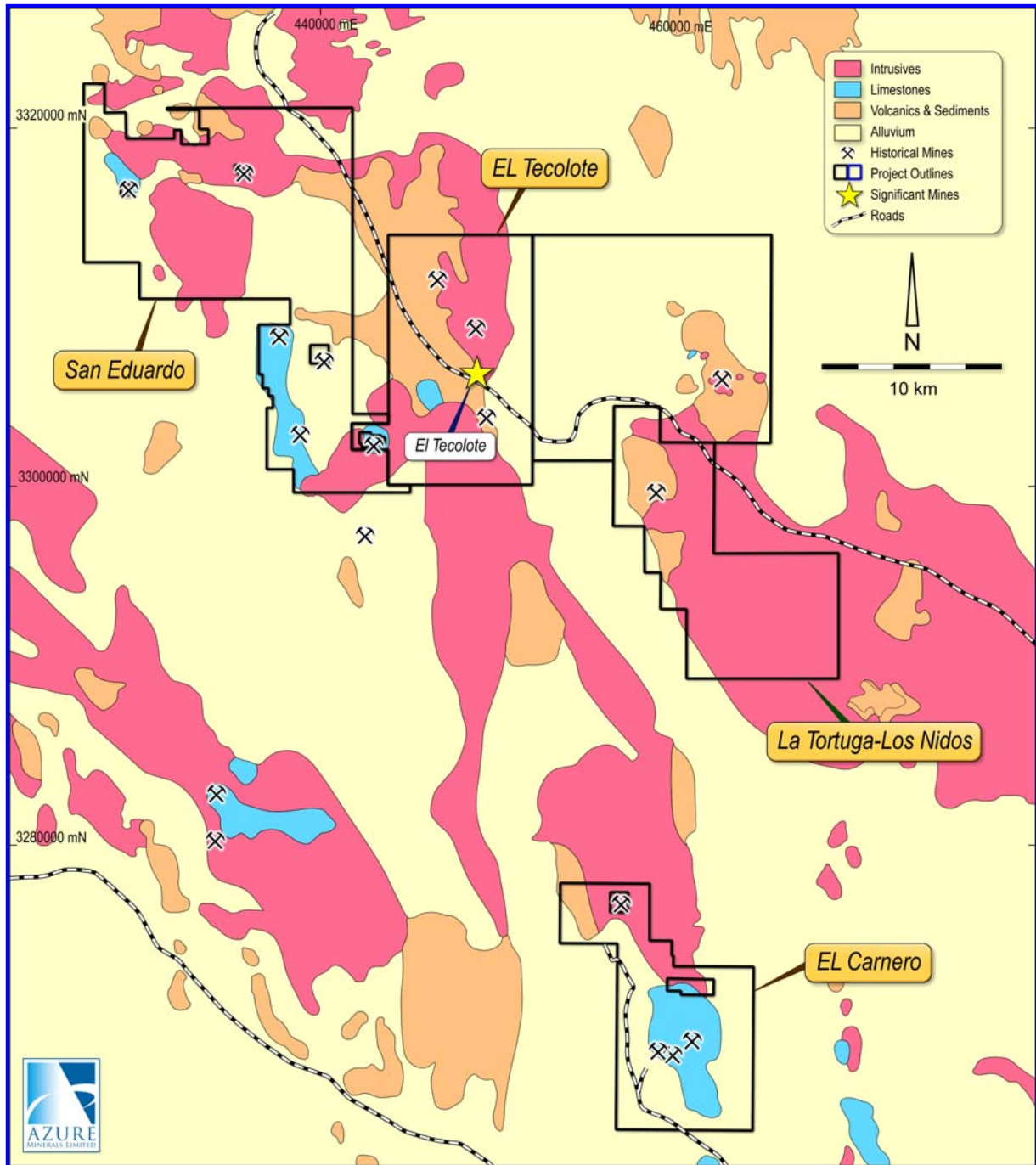
or visit www.azureminerals.com.au

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.

FIGURE 1

AZURE MINERALS' PROJECTS - SAN EDUARDO DISTRICT



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