



ASX: AZS

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## **AZURE SIGNS \$13M COPPER EXPLORATION JOINT VENTURE WITH JOGMEC**

### **Key Japanese Group to Fund Exploration at El Tecolote Project in Mexico**

- **Joint Exploration Agreement signed with JOGMEC to explore for major copper deposits on Azure's 100%-owned El Tecolote Project in Mexico**
- **JOGMEC to earn up to 70% interest in the Project by sole funding \$13 million of exploration expenditure**
- **Intensive \$1.5 million exploration program underway over next 12 months**

**Azure Minerals Ltd** ("Azure" or "the Company") the Mexican focused precious and base metal explorer, announces that following several expressions of interest from major exploration and mining companies, it has entered into a farm-in and joint venture agreement ("JV") with the Japanese Government organisation, Japan Oil, Gas and Metals National Corporation ("**JOGMEC**"), covering Azure's 100%-owned El Tecolote Project ("El Tecolote" or "the Project"), located in Sonora, Mexico.

Under the terms of the JV, JOGMEC will spend US\$5.0 million on exploration over the next three years to earn an initial 51% interest in El Tecolote. JOGMEC can earn an additional 19% stake by spending a further US\$8 million during the following three years, taking its total project equity to 70%.

Executive Chairman, Mr Tony Rovira, welcomed the continuing interest from major resources focused companies in Azure's projects:

"The investment by JOGMEC, their second to date with Azure in Mexico, is a very strong vote of confidence in our on-going program of regional exploration, target identification and project staking. In the El Tecolote district, we have now entered into three joint venture agreements where up to US\$29 million may be spent by companies earning an interest in our projects."

El Tecolote (see Figure 1) lies adjacent to and between Azure's San Eduardo Project, where OZ Minerals Limited (ASX : OZL) can earn a 70% interest through expenditure of US\$13 million and the La Tortuga Project, where JOGMEC can earn a 51% interest through expenditure of US\$3 million. Drilling of porphyry copper targets is currently underway at both San Eduardo and La Tortuga.

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The 138km<sup>2</sup> El Tecolote property contains the now-closed El Tecolote Mine, a significant skarn-hosted copper-zinc-silver mining and processing venture which operated in the periods 1939-1944 and 1978-1984. Historical production is recorded as **1.4Mt @ 1.9% copper, 7.0% zinc & 47g/t silver**. In 1984 due to low commodity prices production ceased, leaving unmined copper and zinc mineralisation surrounding the old mine workings. It is the Company's belief that further potential exists along strike of the Mine and at depth, however no modern exploration has occurred in the district to date.

The Company has identified other outcrops of copper-zinc mineralised skarns occurring within El Tecolote, notably the Reyna del Cobre prospect. Located six kilometres west of the El Tecolote Mine, Reyna del Cobre was recently drill tested by Azure, intersecting multiple mineralized skarn zones with a best intercept of **11.0m @ 1.3% Copper, 3.0% Zinc, 7.1g/t Silver, 17.2g/t Indium & 31.9% Iron**.

There is abundant evidence of base metal mineralisation within the Project area, with potential for both porphyry copper and skarn-hosted copper-zinc deposits. An active exploration program is planned for El Tecolote in 2011 comprising of:

- Project geological mapping and surface sampling
- Airborne magnetic and electromagnetic survey over the entire Project area
- Induced Polarisation and resistivity surveys covering the areas around the El Tecolote Mine and the Reyna del Cobre prospect
- Diamond core drilling, initially exploring the extensions of the El Tecolote Mine and Reyna del Cobre, followed by testing anomalies generated by the geophysical surveys

### **Regional Exploration**

Outside El Tecolote, Azure's ongoing program of drilling and development activities is continuing. The Company recently completed a 10 hole diamond drilling program at the San Francisco Manganese Project, located in the Mexican state of Jalisco, as part of the on-going due diligence process, with assay results expected shortly. It is also currently drill testing porphyry copper targets at the San Eduardo and La Tortuga projects.

In addition, following the recently approved environmental application, drilling will soon recommence at the high grade Promontorio copper-gold-silver project, located in the Mexican state of Chihuahua.

### **Background**

JOGMEC is a wholly-owned Japanese Government corporation established to assist in the stable supply of oil, gas and mineral resources to the Japanese economy. JOGMEC seeks to gain entry into high-potential mineral exploration projects through providing funding and technical assistance, with a view to the later introduction of commercial Japanese interests.

In line with these objectives, JOGMEC has entered into the El Tecolote JV with the aim of discovering large copper deposits. The JV will be managed and staffed by Azure out of the Company's Hermosillo office, with technical assistance from JOGMEC.

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**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: El Tecolote District, Mexico**

