



ASX / MEDIA ANNOUNCEMENT

20 April 2007

DRILLING UPDATE – POTRERITOS PROJECT

Mexican-focused precious and base metals explorer **Azure Minerals Limited** (ASX: AZS) today announced that the Company has completed drilling five diamond core holes (Appendix 1) at its Potreritos project in Sonora State, Mexico.

Three of the drill holes intersected visible copper sulphide mineralisation hosted in multiple flat-lying breccia zones and encouragingly the mineralisation continues to be present at shallow depths.

Potrерitos, situated in a district known for numerous copper, silver and molybdenum mines, is the first target of Azure's second phase drilling program that commenced in February following initial exploration success late last year. The drilling is part of a 5,000m campaign that includes at least four other promising targets to be drilled by mid-year (Figure 1).

The copper mineralisation at Potreritos predominantly comprises chalcopyrite (copper sulphide) and tetrahedrite (copper – silver sulphide) occurring in veins and disseminated zones hosted within hydrothermal magmatic breccias.

Assay results have now been received for the first three holes and are pending for the remaining two holes. Significant intercepts include:

POT-DD-001 **2.0m @ 1.21% Copper & 16.3g/t Silver from 130.0m**
and **26.0m @ 0.55% Copper & 4.4g/t Silver from 147.0m**
including **15.0m @ 0.74% Copper & 5.4g/t Silver from 158.0m**

POT-DD-002 **28.5m @ 0.45% Copper & 6.3g/t Silver & 0.2g/t Gold from 13.0m**
including **2.0m @ 1.08% Copper & 10.5g/t Silver from 13.0m**
 3.0m @ 1.15% Copper & 14.5g/t Silver from 38.5m

Following the completion of the current drilling at Potreritos, the rig is currently moving to the **Jagüey** prospect, where at least four drill holes will follow up previous very high grade drill intercepts, including **0.7 metres @ 3,180g/t Silver and 19% Lead + Zinc from 19.2 metres** hosted in massive sulphide veins. This sulphide mineralisation commences at surface, with the veins previously mined to shallow depths by colonial (Spanish) miners.

Other projects to be drilled in this program include:

San Nicolas – Where reconnaissance exploration confirmed the potential of the property, with rock chip sampling returning high grades up to **6.2% Copper, 795g/t Silver, and 7.1% Zinc**. Exploration identified a felsic intrusive (called La Bufa) containing significant quantities of visible molybdenite (a molybdenum sulphide ore mineral) over an area of 300m x 100m. Samples collected from the outcrop returned very high molybdenum grades, peaking at

5,340ppm Molybdenum (0.534% Mo). Very coarse-grained blebs (up to 1cm across) of molybdenite are commonly observed in the outcrop.

Trenching across La Bufa exposed the molybdenum-rich zone, and channel sampling returned strongly mineralised intervals of **30m @ 800ppm Mo**, including **6m @ 1,100ppm Mo** and **8m @ 1,200ppm Mo**, **32m @ 560ppm Mo**, and **8m @ 1,100ppm Mo**.

Drilling at La Bufa will target the near-surface, high grade molybdenum mineralisation.

Pozo de Nacho – This project has the potential to host a large molybdenum deposit within an intrusive porphyry system. Previous drilling by the Company achieved significant widths of mineralisation, such as **198metres @ 0.06%MoS₂** and **44 metres @ 0.06%MoS₂**. High grade results included **5 metres @ 0.21% MoS₂**, and elevated grades of copper and tungsten mineralisation were also intersected. Mineralisation has been identified over a strike length of 1,200 metres and to depths of 350 metres. Follow-up drilling will target depth and strike extensions to this mineralisation to determine potential size of the body.

Cardelena – This is an intrusive-style breccia body containing anomalous geochemistry in soil sampling and rock chips, including:

- a +5g/t silver soil anomaly with dimensions of 600m x 200m, with individual silver values ranging up to 22.3g/t Ag; and
- copper, lead, zinc and molybdenum soil anomalies coincident with the silver anomaly.

Cardelena hosts soil anomalies with significantly higher geochemical values than the Potreritos breccia (which returned a drill intercept of 4.6m @ 4.92% Cu).

JOINT VENTURE BACKGROUND

Azure's holds 14 projects in Sonora, Mexico in joint venture with TSX-V listed Geoinformatics Exploration Inc (TSX-V: GXL). Under the joint venture agreement, Azure must spend US\$4 million on the projects by July 2009 to earn a 51% interest. If GXL elects not to contribute at that stage, Azure can increase to a 75% interest in all projects by sole funding a pre-feasibility study by July 2011.

-ENDS-

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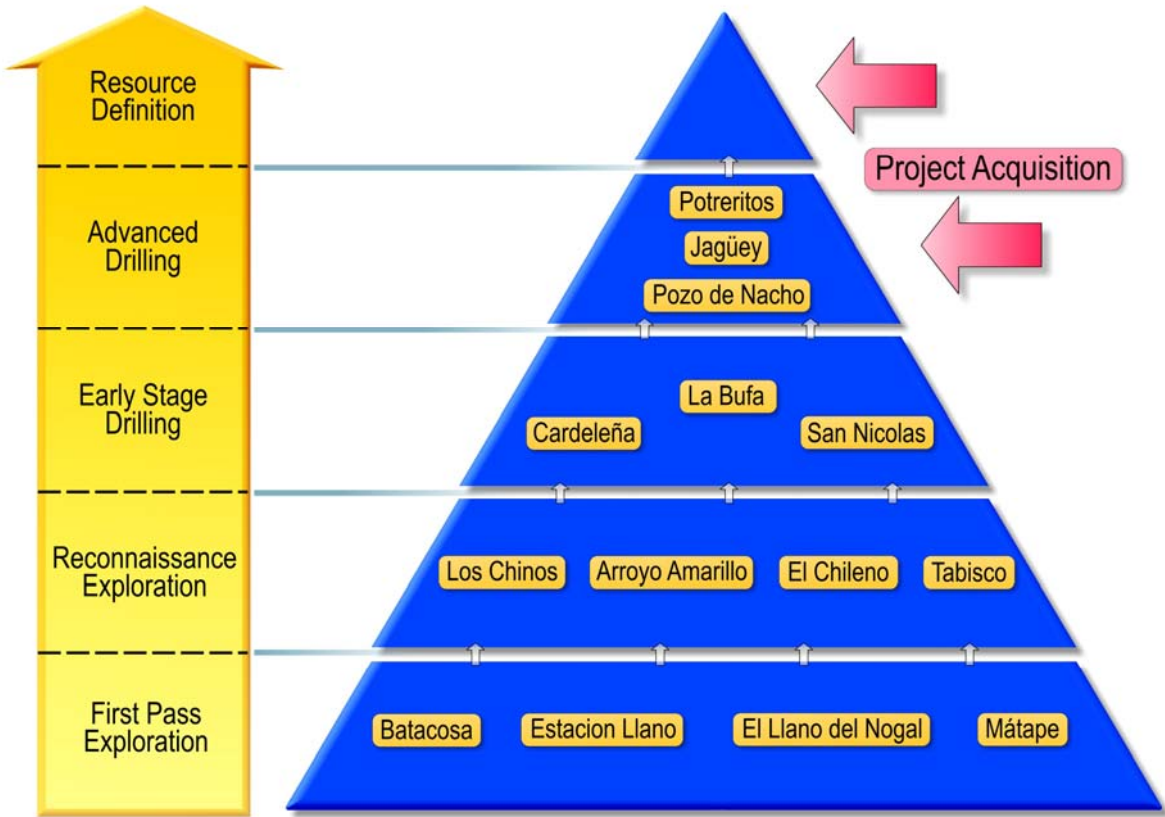
APPENDIX 1

DRILL HOLE DETAILS – POTRERITOS

Hole No	North (mN)	East (mE)	RL (mASL)	Dip	Azimuth	Hole Length (m)
POT-DD-01	3 294 137	602 412	1139	-60°	315°	225.5
POT-DD-02	3 294 210	602 387	1134	-60°	315°	152.4
POT-DD-03	3 294 331	602 860	1144	-60°	315°	122.5
POT-DD-04	3 294 245	602 370	1131	-60°	315°	99.6
POT-DD-05	3 294 110	602 330	1129	-60°	315°	166.6

Samples were all half core and assayed by ALS-Chemex (Vancouver) using ICP-AES and fire assay (for gold) methods.

Figure 1 : PROJECT DEVELOPMENT PYRAMID



The information in these documents that relates to Exploration Results 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.