



ASX / MEDIA ANNOUNCEMENT

27 May 2008

DRILLING COMMENCES ON PROMONTORIO PROJECT

Mexican focused precious and base metals explorer, **Azure Minerals Limited** (ASX: AZS) is pleased to advise that drilling has commenced on the recently acquired Promontorio Project located in the state of Chihuahua, Mexico (Figure 1).

The project contains the high grade Promontorio copper-gold-silver deposit, the Cascada gold-silver prospect, and other metal occurrences indicating an extensive mineralisation system.

The drilling program will comprise approximately 8,000 metres of diamond drilling to follow up earlier high grade intercepts, including:

- **9.0 metres @ 18.8% copper from 71.0 metres**
- **19.8 metres @ 7.7% copper & 4.11g/t gold from 80.8 metres**
- **16.8 metres @ 7.9% copper, 3.36g/t gold & 121g/t silver from 100.3 metres**
- **12.8 metres @ 8.0% copper, 3.50g/t gold & 87g/t silver from 66.1 metres**
- **10.5 metres @ 9.4% copper, 6.96g/t gold & 154g/t silver from 115.0 metres**

The aim of the program is to enable the completion of a JORC-compliant resource estimate, expand the resource along strike and at depth, and test other known mineralisation within the project area.

The historical resource estimate for the Promontorio deposit of:

1,023,000 tonnes @ 4.0% copper, 2.4g/t gold & 63g/t silver

was announced to the ASX on 6 May 2008 (ASX waiver granted for disclosure of non-JORC Code compliant resource).

In order to accelerate the Promontorio development Azure has contracted a second drill rig, which is expected to be operating on site within the next week.

Using the drill core produced from this drilling program, the Company will start a formal program of metallurgical testwork and other requirements necessary to fast-track a pre-feasibility study.

-ENDS-

For further information, please contact:

Tony Rovira
Managing Director
Azure Minerals Ltd
+61 8 9481 2555

Ann Nahajski
Porter Novelli
+61 8 9386 1233
+61 (0)400 205 433

Or visit www.azureminerals.com.au

In addition, several isolated drill holes within the project area have intersected significant mineralisation that requires follow-up work. These include:

- **SP97008 9.0m @ 18.8% copper from 71.0m**
- **CP93012 7.6m @ 3.0% copper & 3.18g/t gold from 109.8m**
- **CP94022 1.5m @ 2.0% copper, 0.83g/t gold & 50g/t silver from 54.9m**
- **CP93010 10.7m @ 2.72g/t gold & 64g/t silver from 64.0m**

COMMERCIAL TERMS

Azure has the option to acquire 100% ownership of the Promontorio Project with payments totalling US\$2.5 million staged over four years. There are no royalties payable on these properties.

Azure will make payments of US\$100,000 at six monthly intervals with a balloon payment of US\$1.7 million at the end of the four year term. Azure will have sufficient time to complete all studies necessary for a development decision prior to making the final payment.

Azure may exercise the option and obtain 100% ownership of the project, at any time upon bringing forward and making all outstanding payments. The Company is able to withdraw from the agreement at any time, provided it has made those payments required to be made up until the date of withdrawal.

***Competent Person Statement:** Information in these documents 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 documents of the matters based on his information in the form and context in which it appears.*