

ASX: AZS

3 MARCH 2011

AZURE COMMENCES DRILLING ON OZ MINERALS JOINT VENTURE PROJECT

Mexican focused **Azure Minerals Limited** ("Azure" or the "Company") is pleased to report that diamond drilling has commenced on its 100%-owned San Eduardo Project, located in the state of Sonora, Mexico.

Exploration on the San Eduardo Project is being funded by OZ Minerals Ltd (**OZ Minerals**) which may earn a 70% interest in the project by sole funding the first US\$13 million of expenditure. To date, OZ Minerals has spent approximately US\$360,000.

Exploration has comprised geological mapping, surface sampling, an airborne magnetic and radiometric survey, and an Induced Polarisation (IP) survey. Outcrops of altered porphyry and skarnoid rocks containing stockworked quartz veining and copper oxide and sulphide mineralisation have been identified, coincident with geophysical anomalies.

The drilling program comprises two diamond core holes, each drilled to 800m, to test the coincident geological, geophysical and geochemical anomalies at the El Venado prospect.

BACKGROUND

OZ Minerals is an Australian-based mining company with a focus on copper, and owns and operates the high quality Prominent Hill copper-gold mine in South Australia. Its strategy includes building a pipeline of copper focused projects at various stages of development by pursuing projects with the potential to achieve production of between 50,000t and 150,000t of copper per year.

San Eduardo is a granted mineral concession covering 234km² and is adjacent to Azure's other 100%-owned projects of El Tecolote and La Tortuga (see Figure 1). The property is considered prospective for the discovery of porphyry copper and skarn copper-zinc deposits.

OZ Minerals can earn 51% of the Project by spending a total of US\$3 million within the first 3 years. OZ Minerals can then earn an additional 19% of the Project by spending a further US\$10 million within the following 5 years.

-ENDS-

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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: San Eduardo Project Location

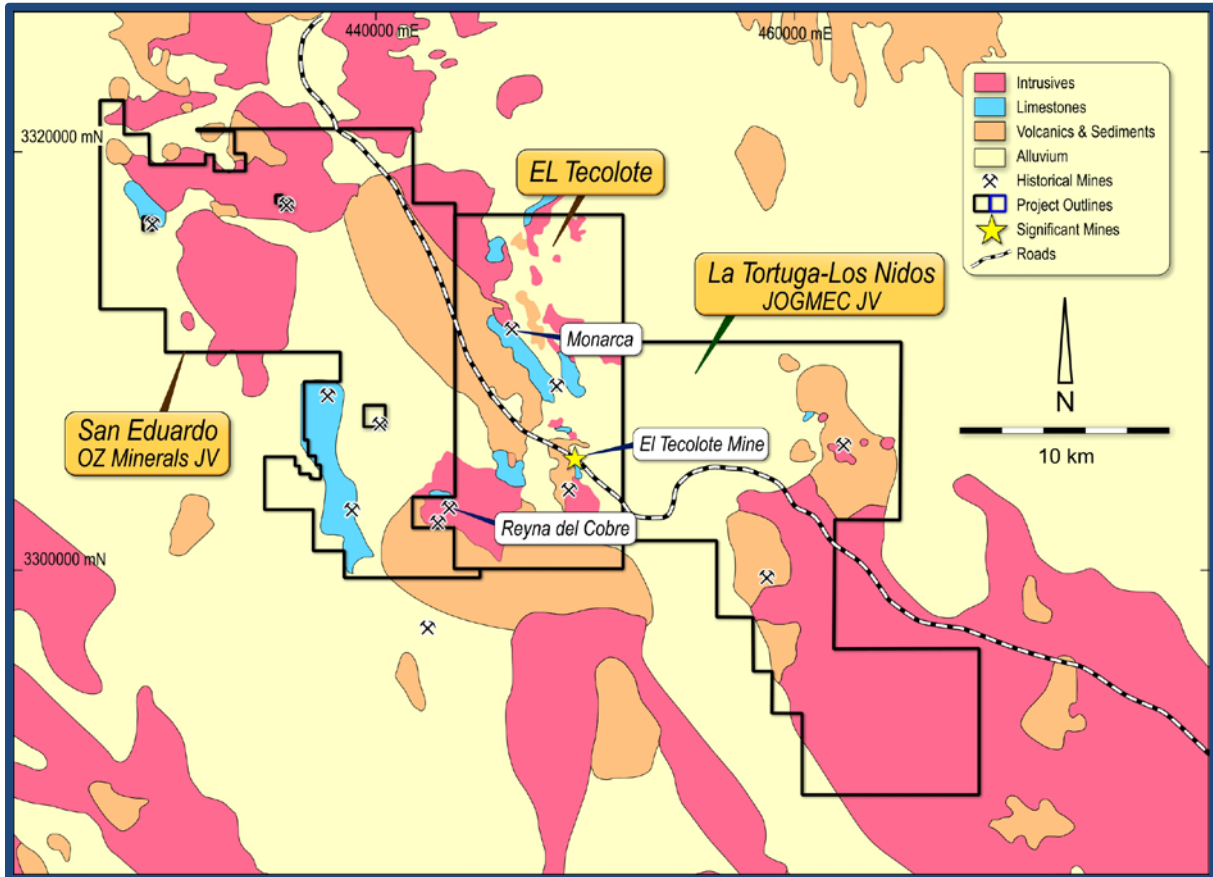


Figure 2: OZ Minerals' Geologists Inspecting Mineralised Outcrop

