



ASX: AZS

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COFFEY MINING APPOINTED TO STUDY SAN FRANCISCO MANGANESE PROJECT

Mexican focused **Azure Minerals Limited** ("Azure" or "Company") is pleased to announce the Company has appointed international mining consultancy Coffey Mining Pty Ltd (Coffey) of Perth, Western Australia to undertake a technical study of the San Francisco Project and provide Azure with an Independent Technical Report.

Located in the state of Jalisco, Mexico, San Francisco is a high grade manganese mine with recent production history, excellent location, and minimal work required to restart production. The mine has extensive underground development comprising 4,000 metres of horizontal ore drives with detailed channel sampling of the flat-lying mineralisation already undertaken.

The project contains a non-JORC compliant Foreign Resource Estimate (refer ASX Announcement 2 December 2010), which Coffey is expected to bring to JORC Code compliance.

In addition, Coffey has been commissioned to undertake and report on metallurgical testwork, appropriate mining and mineral processing methods, capital and operating cost estimates, and further exploration potential.

To assist Coffey to convert the mineral resource estimate to JORC compliance, confirmatory underground channel sampling has commenced and diamond core drilling will start shortly. Further drilling will also be undertaken to identify additional exploration potential elsewhere within the property.

ABOUT SAN FRANCISCO

The 1,610 hectare San Francisco Project is ideally situated only 7km from the city of Autlan de Navarro, which has a population of 45,000, with extensive mining and industrial infrastructure located within the district. Autlan is approximately 2 hours drive on Mexican National Highway #80 from the city of Guadalajara (population approximately 4.2 million) to the northeast and 3 hours drive from the modern deep water port of Manzanillo to the south.

Manzanillo is Mexico's largest Pacific coast port and has ship loading facilities for bulk mineral commodities with iron ore currently a major export. Significant spare capacity is available at the port for loading both bulk commodity and containerised cargoes.

The San Francisco manganese deposit comprises an extensive horizontal layer of high grade manganese oxide with very low impurities. Underground mine development (over 4,000m of horizontal ore drives) and detailed channel sampling has defined the mineralisation over an area of about 2,500m².

Visible manganese mineralisation in artisanal mine workings and in outcrop is present in numerous locations throughout the San Francisco property, indicating considerable scope to expand the current mineral resources through further exploration. An assessment of the exploration potential indicates that, based on the geological setting, the ore deposit remaining open in all directions, and the area of tenure held, there is a Target of a further **3.2 – 5.8 million tonnes at a grade of 35 – 42% Mn¹ (“Target”)**.

-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.

¹ The potential quantity and grade of the Target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.