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ASX / MEDIA ANNOUNCEMENT

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AZURE RAISES \$1.24 MILLION TO FUND MEXICAN EXPLORATION ACTIVITIES

Emerging precious and base metals explorer, **Azure Minerals Limited (“Azure”)** (ASX: **AZS**) today announced it had completed a placement of 14,600,000 shares to raise \$1,241,000. The share placement was undertaken by joint lead managers State One Stockbroking Ltd and Patersons Securities to professional and sophisticated investors at \$0.085 per share.

The funds will be used for a major expansion of activity at a number of priority exploration targets within the richly mineralised Sierra Madre Occidental mining province of northwestern Mexico (Figure 1). Azure’s Mexican projects are derived from a joint venture agreement with TSX-V listed Geoinformatics Exploration Inc. who in turn have a strategic alliance with Kennecott Exploration (the North American subsidiary of Rio Tinto Plc).

Azure recently commenced Phase 2 of its drilling program comprising 5,000m of diamond core drilling on five projects over the next four months.

The first target to be drilled is Azure’s Potreritos project where IP surveys indicate the presence of substantial sulphide mineralisation beneath the outcropping breccia and where high grade copper (8.5% Cu) and silver (57g/t Ag) mineralisation was intersected in the last drilling program late in 2006.

Another prospective target for Azure is Pozo de Nacho where molybdenum-copper mineralisation (up to 0.75% MoS₂) has been identified. Significantly, the intense, sulphide-rich core of the IP anomaly remains untested. A 1,500m drill program will commence upon the completion of the Potreritos drilling.

Drilling will also continue at Azure’s other advanced Mexican projects during the first half of the year including, Jagüey, Cardeleña, San Nicolas and Arroyo Amarillo (Figure 1).

Commenting on the capital raising, Azure’s Managing Director, Mr Tony Rovira, said “We see tremendous opportunity in the exploration and development of our portfolio of projects in northern Mexico – this capital is a key stepping stone to returning what we hope will be some excellent results for our shareholders.”

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About Azure Minerals

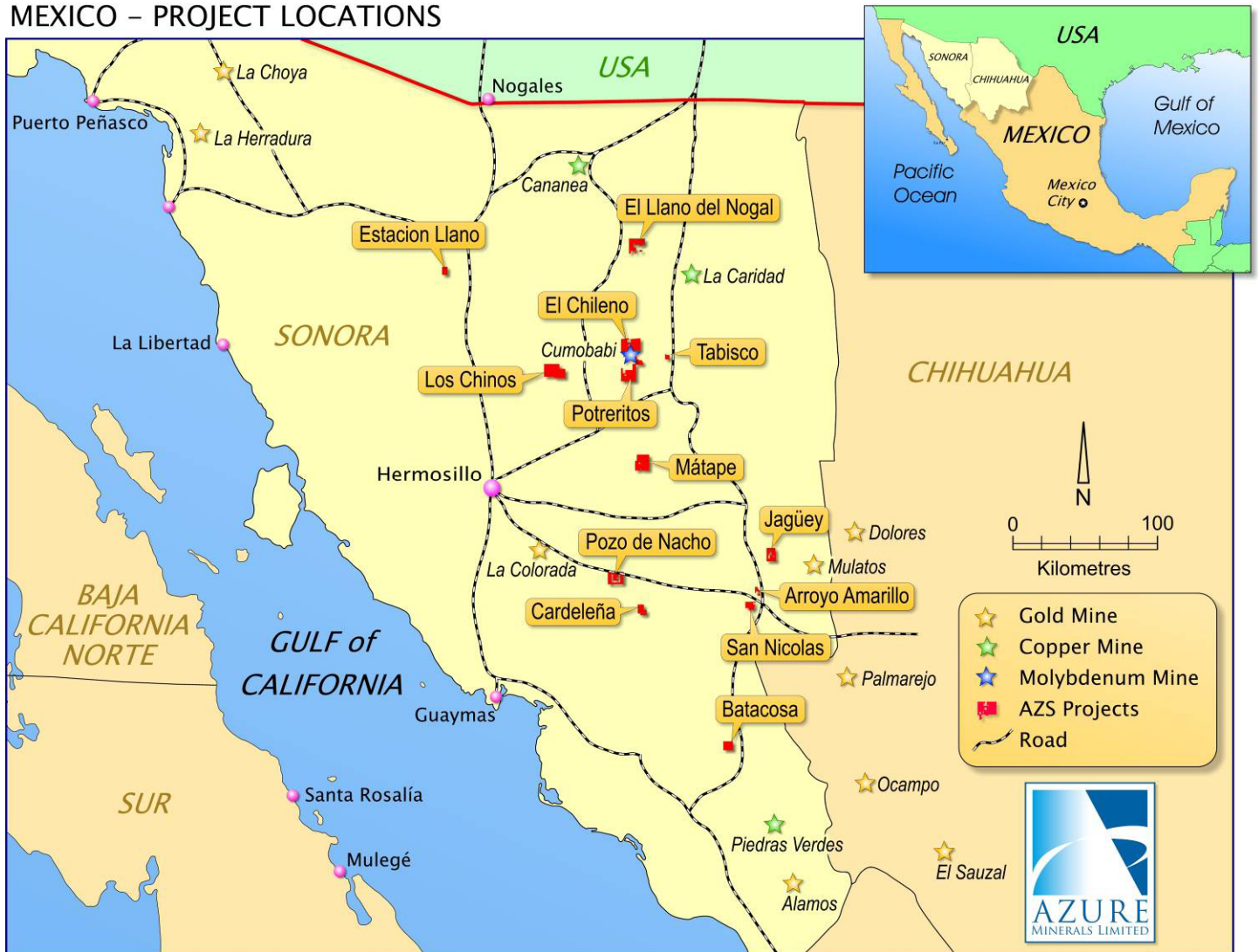
Azure Minerals (ASX: AZS) is an emerging explorer and developer of precious and base metals projects in Mexico. Through exploration success and selective project acquisition, the Company aims to become an independent minerals producer. In the pursuit of this goal, Azure has elected to focus on the exploration of its highly prospective Mexican projects (in which it is earning a 51% interest in a joint venture with TSX-listed Geoinformatics Exploration Inc).

Recent drilling has returned promising high grade mineralisation over a wide variety of commodities, including gold, silver, copper, zinc, lead and molybdenum. Azure has now begun an extensive second phase drilling program to follow up this initial exploration success, with over 5,000 metres of diamond core drilling planned. This second phase program is due for completion in the first half of 2007.

In addition to its Mexican projects, Azure has five projects in Australia (four in Western Australia and one in Victoria). The most significant of these is the Splinter magnetite iron ore project, located near Esperance in Western Australia. Azure is in the process of divesting the Australian projects to focus on its operations in Mexico.

FIGURE 1

MEXICO – PROJECT LOCATIONS



About Mining in Mexico

The Sierra Madre Occidental region in northern Mexico hosts one of the most prospective and yet under-explored mineral provinces in the world, containing numerous world-class copper, gold and silver mines. The province has a mining history extending back over 500 years. This exploration potential and successful discovery history is what has attracted Azure to Mexico.

Mexico has a low sovereign risk with a politically stable democratic government that is committed to natural resource development. There is a well established mining culture within Mexico, and strong public acceptance of mine development. A modern mining legal system, with secure mineral title rights, is in place.

Mexico also welcomes foreign investment in the mining sector, with 100% foreign ownership allowed. Mining in Mexico operates within a contemporary taxation system, with no mining royalties. In contrast with labour availability in Australia, a well trained and experienced workforce is readily available. Good local infrastructure exists throughout the project areas.

The information in this report 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 report of the matters based on his information in the form and context in which it appears.