



**ASX / MEDIA ANNOUNCEMENT**

**16 May 2007**

## **PROJECT UPDATE – SALE OF BOUNTY NICKEL RIGHTS**

**Azure Minerals Limited** (ASX: AZS) is pleased to announce it has finalised an agreement with Australian Mines Limited (ASX: AUZ) to sell the nickel rights to the Bounty Project located approximately 450km east of Perth.

Commenting on the deal, Azure Minerals' Managing Director Mr Tony Rovira said the transaction supported the Company's overall growth strategy focused in Mexico.

"This sale is part of the Company's plan to divest our non-core Australian projects and continue to focus our efforts on our exciting projects in Mexico where we are approximately half way through a second stage drilling programme that will test 5 targets," said Mr Rovira.

Under the terms of the agreement, Australian Mines pays Azure Minerals A\$75,000 for its interest in the project. Should Australian Mines subsequently produce a bankable feasibility study based on a minimum of 15,000 tonnes of contained nickel, Australian Mines will pay Azure an additional A\$1,000,000.

In Mexico, Azure is currently diamond drilling at the La Bufa prospect (on the San Nicolas project) following-up high grade molybdenum values previous intersected in trench sampling. Drill results and assays will be reported to the market once completed.

The Pozo de Nacho project is Azure's next target, where substantial widths of porphyry hosted molybdenum mineralisation have been intersected in previous drilling (eg: 198m @ 0.06% MoS<sub>2</sub>).

"I am also pleased to confirm that our project acquisition program has progressed very well," he said. "We look forward to providing shareholders with the details about adding 100%-owned prospects to our Mexican portfolio once application processes in Mexico are complete. These prospects have been carefully selected and show great promise."

"Recent transactions have highlighted the strong international interest in the Mexican resources sector and the world class quality of the Sierra Madre Occidental belt. Azure is in an excellent position to capitalise on this activity and growing interest in the area with our outstanding portfolio of exploration prospects."

**-ENDS-**

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*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.*