AZURE MINERALS LTD

Australia's Leading Explorer in Mexico

ASX: AZS **17 SEPTEMBER 2014**

GOLD POTENTIAL FOR CASCADA UPGRADED

Azure Minerals Limited ("Azure" or "the Company") is pleased to report that it has received final assays for all holes from the recently completed exploration drilling program at the Company's 100%-owned Cascada deposit.

The drilling program comprised one hole extension (APR-DD-110ext) and ten new holes (APR-DD-114 to 123) for a total of 1,541m, and had three objectives:

1. Test for mineralised extensions of the Cascada copper-gold-silver deposit
2. Test for breccia-hosted gold mineralisation to the west and south of Cascada
3. Finalise data requirements for the maiden Cascada mineral resource estimate.

From the new assays received, the highlight was a very strong, gold-rich drill intercept from hole APR-DD-120, located adjacent to the Cascada copper deposit:

105.2m @ 2.05g/t Gold

including 26.5m @ 5.7g/t Gold from surface

This intercept, together with the many others that have intersected significant gold mineralisation around Cascada, strongly supports Azure's belief that Cascada has the potential to host a major gold deposit in its own right, in addition to the central high grade copper deposit. Other major gold deposits in the nearby district include Pinos Altos (3.1Moz Au & 89Moz Ag) and Concheño (1.4Moz Au & 67Moz Ag).

Cascada Results

Hole APR-DD-120 intersected **105.2m** @ **2.04g/t Au** from surface, which includes a higher grade gold intercept in the near-surface zone of **26.5m** @ **5.7g/t Au**. This very significant gold intercept is located up-dip of the previously reported high grade mineralisation in **APR-DD-098 (19.0m @ 1.3g/t Au and 4.9% Cu)**. The higher grades of gold in the near-surface zone, together with lower grades of copper (16.8m @ 0.3% Cu) show the effects of weathering and consequent metal remobilisation, leading to enrichment of gold and depletion of copper in the upper 20-30 metres above the Cascada copper deposit.

Holes APR-DD-121 to 123 tested for shallow extensions to the east of the Cascada deposit. Narrow zones of alteration with copper oxide and sulphide mineralisation were observed in the core with low to moderate copper and gold grades returned,

suggesting the mineralised system is weakening to the east. It is possible that this drilling was too shallow, and further work is needed to determine whether the mineralised system continues to the east at depth beneath the near surface depletion zone.

To assist with visualisation of the Cascada mineralised zones, three dimensional models are shown in Figures 1 and 2.

Breccia Results

Drilling into the breccia zone, located to the west and south of the Cascada copper deposit, has confirmed this body has a northwest-southeast strike length in excess of 400m and a true width of 40-60m. Breccia was intersected in all seven holes with variable widths and grades of gold mineralisation being returned, ranging from anomalous to potentially economically significant, including:

- **APR-DD-110: 187.2m @ 1.06g/t Au**[1]
- **APR-DD-114: 53.4m @ 0.7g/t Au**
- **APR-DD-116: 33.6m @ 1.6g/t Au**
- **APR-DD-117: 9.6m @ 0.7g/t Au**

Drilling confirms that the breccia is anomalous in gold throughout, while hosting zones that are strongly enriched in gold. These enriched zones are specifically present where the Cascada and Promontorio structures and veins intersect the breccia and have potential for high grade shoots (for example: **APR-DD-110 (8.9m @ 5.3g/t Au** within an overall intercept of **43.3m @ 2.5g/t Au)**. The breccia zone remains relatively untested and further investigation is required to understand the geological controls and outline the overall gold mineralisation potential.

Next Steps

Currently, Azure is in the process of taking bulk density measurements of the core from recent drilling. Once this is completed, the Company will undertake a JORC-compliant Mineral Resource for the Cascada copper deposit, which is expected to be completed in Q4 2014. Meanwhile, Azure will also investigate what further work may be required before a stand-alone gold resource can be estimated.

-ENDS-

For further information, please contact:

Tony Rovira
Managing Director
Azure Minerals Limited
Ph: +61 8 9481 2555

Media & Investor Relations
Rupert Dearden
MAGNUS Investor Relations
Ph:+61 8 6160 4903
Mob: +61 422 209 889

[1] Results from holes 110 to 117 reported previously: refer ASX announcement dated 5 September 2014

or visit www.azureminerals.com.au

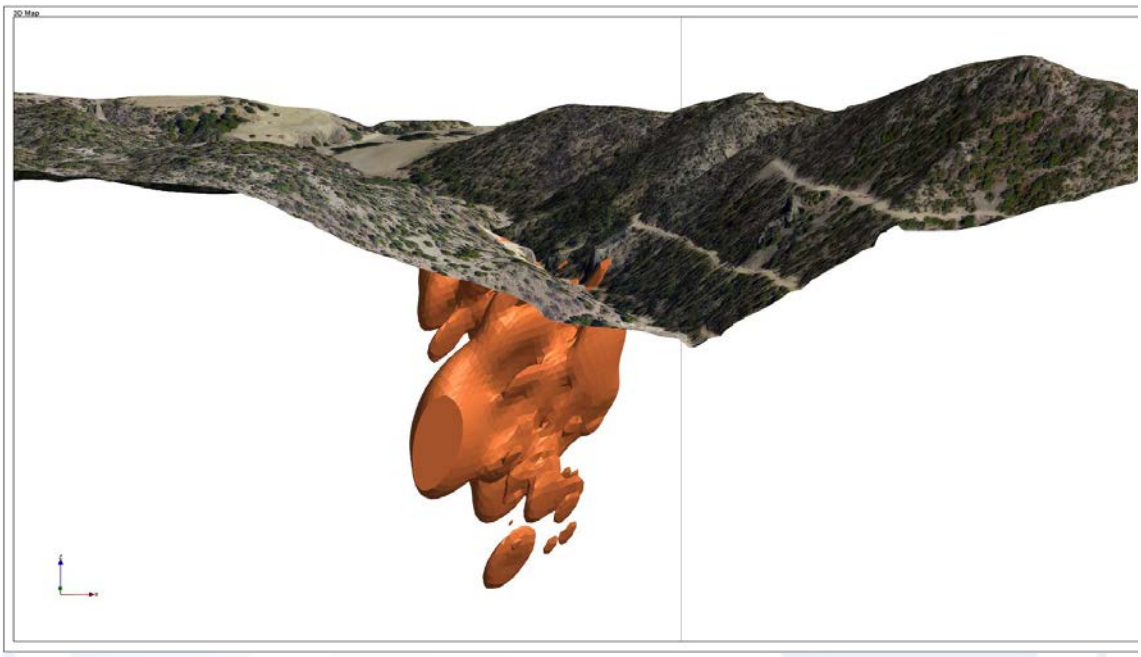


Figure 1: Leapfrog model of Cascada mineralised zone (cut-off = 1% CuEq) looking northeast

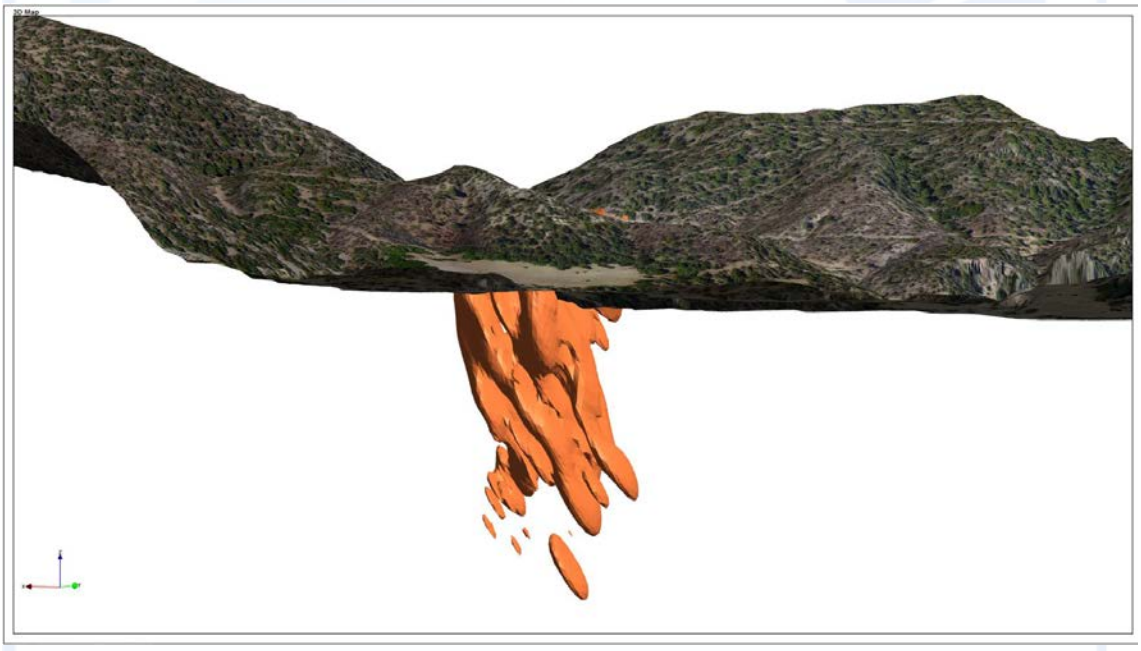
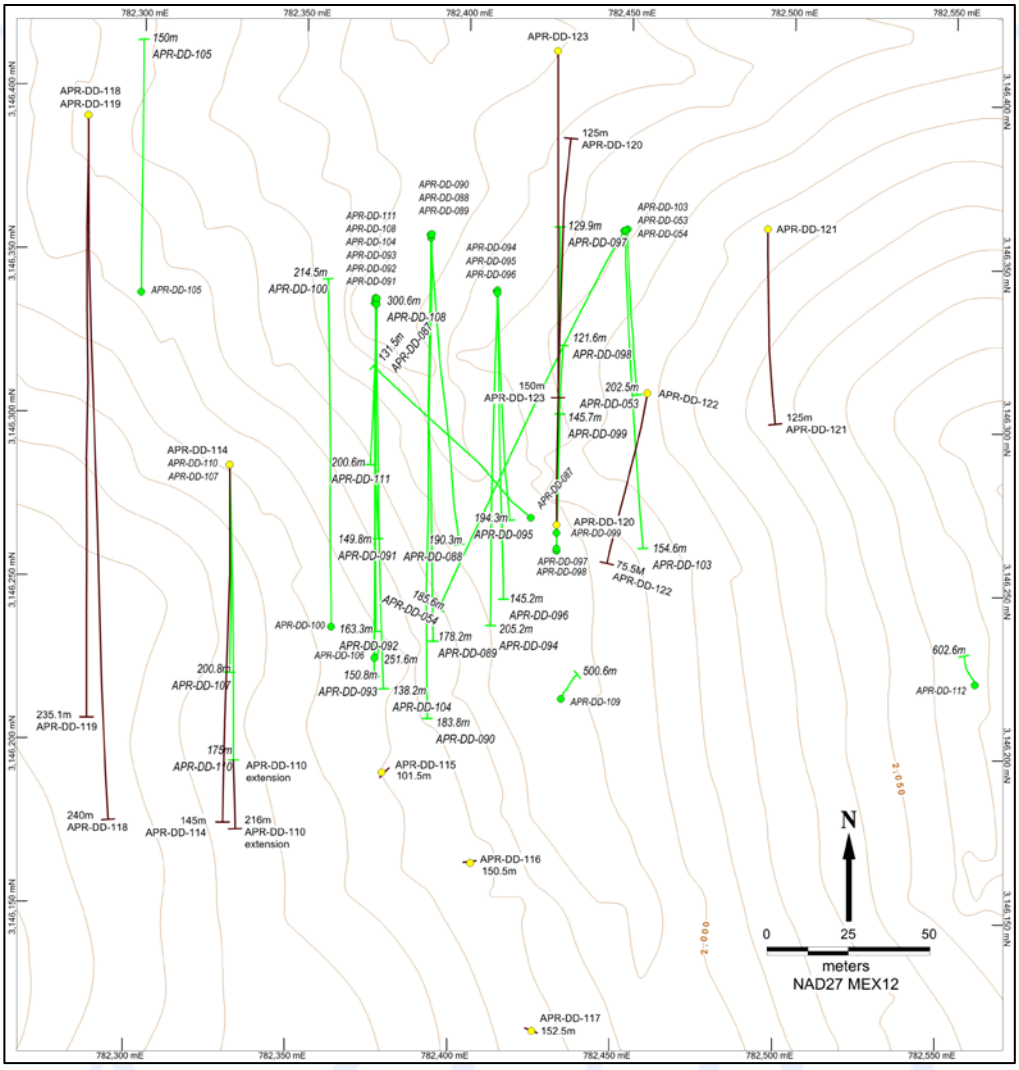


Figure 2: Leapfrog model of Cascada mineralised zone (cut-off = 1% CuEq) looking southwest

Figure 3: Drill hole locations at Cascada



Competent Person Statement:

Information in this report that relates to Exploration Results for the Promontorio Project is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy and fairly represents this information. Mr Rovira has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Rovira is a full-time employee and Managing Director of Azure Minerals Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

AZURE MINERALS LTD

Australia's Leading Explorer in Mexico

APPENDIX

TABLE 1: Drill Hole Information

HOLE No.	NORTH (mN)	EAST (mE)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH	COMMENTS
APR-DD-110	3,146,285	782,329	2,028	180	-58	41.0	Hole extended from 175.0m to 216.0m
APR-DD-114	3,146,285	782,329	2,028	180	-40	145.0	Breccia
APR-DD-115	3,146,192	782,378	2,020	000	-90	101.5	Breccia
APR-DD-116	3,146,165	782,406	2,014	000	-90	150.5	Breccia
APR-DD-117	3,146,114	782,426	2,013	000	-90	152.5	Breccia
APR-DD-118	3,146,391	782,283	2,008	180	-25	240.0	Breccia
APR-DD-119	3,146,391	782,283	2,008	180	-40	235.1	Breccia
APR-DD-120	3,146,266	782,430	1,984	360	-20	125.0	NE Cascada
APR-DD-121	3,146,361	782,493	2,022	180	-60	125.0	NE Cascada
APR-DD-122	3,146,310	782,457	2,019	195	-45	75.5	NE Cascada
APR-DD-123	3,146,414	782,427	1,970	190	-45	150.0	NE Cascada

TABLE 2: Significant Gold Mineralised Drill Intercepts from Cascada

HOLE	FROM	TO	INTERCEPT LENGTH (m)	Au (ppm)
APR-DD-110*	21.55	208.80	187.25	1.06
which includes*	133.30	176.58	43.28	2.48
and*	197.25	208.80	11.55	2.20
APR-DD-114*	8.95	62.40	53.45	0.69
APR-DD-115*	No Significant Mineralised Intercepts			
APR-DD-116*	3.35	37.00	33.65	1.59
and*	90.55	135.60	45.05	0.52
APR-DD-117*	50.90	59.55	9.65	0.67
APR-DD-118	106.65	111.10	4.45	1.02
APR-DD-119	No Significant Mineralised Intercepts			
APR-DD-120	0.00	105.25	105.25	2.05
which includes	0.00	26.50	26.50	5.71
and	22.65	39.50	16.85	0.28% Cu
and	79.25	84.40	5.15	1.14% Cu
APR-DD-121	No Significant Mineralised Intercepts			
APR-DD-122	1.85	42.85	41.00	0.76
APR-DD-123	No Significant Mineralised Intercepts			
* Previously released (see ASX announcement dated 5 September 2014				

AZURE MINERALS LTD

Australia's Leading Explorer in Mexico

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Targets were sampled by diamond core drilling. Drill core was sampled at 0.15m to 1.5m intervals guided by changes in geology. Drill hole collar locations were determined by hand-held GPS. All drill holes were surveyed for down-hole deviation, with surveys undertaken at 30m intervals and at bottom of hole. Drill core was saw-cut longitudinally and ½ core samples were collected and sent for assay. Samples were prepared at Acme Laboratories (a Bureau Veritas Group company) in either Hermosillo or Chihuahua, Mexico. Samples were weighed, assigned a unique bar code and logged into the Acme tracking system. The sample was dried and the entire sample was fine crushed to >70% passing a 2 mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75 micron screen. Envelopes containing the 250g sample pulps were sent via courier to the Acme laboratory in Vancouver, Canada for analysis. Samples were dissolved by four-acid digest and analytical methods used were MA300 (for silver and base metals) and Fire Assay method FA430 for gold.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling technique for all holes was diamond drilling with HQ-size (63.5mm diameter) core. Drill core was not orientated.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	All samples came from diamond core drilling. Core was reconstructed into continuous runs. Depths were measured from the core barrel and checked against marked depths on the core blocks. Core recoveries were logged and recorded in the database. Sample recoveries were high with >85% of the drill core having recoveries of >90%. There is no discernable relationship between recovery and grade, and therefore no sample bias.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	Detailed core logging was carried out with recording of weathering, lithology, alteration, veining, mineralisation, structure, mineralogy, RQD and core recovery. Drill core was photographed, wet and without flash, in core trays prior to sampling. Each photograph includes an annotated board detailing hole number and depth interval. All holes were logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected,*	Drill core was sawn in half using a core saw. All samples were half core and were collected from the same side of the core. No non-core samples were collected. The sample preparation followed industry best practice. Samples were prepared at the Acme laboratories in Hermosillo or Chihuahua, Mexico. Samples were weighed, assigned a unique bar code and logged into the Acme tracking system. The sample was dried and the entire sample was

	including for instance results for field duplicate/second-half sampling. *Whether sample sizes are appropriate to the grain size of the material being sampled.*	fine crushed to >70% passing a 2 mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75 micron screen. Envelopes containing the 250g pulps were sent via courier to the Acme laboratory in Vancouver. Certified Reference Standards and blank check samples were routinely inserted at 20m intervals and also immediately following visually identified mineralised intercepts to provide assay quality checks. Review of the standards and blanks are within acceptable limits. Pulp duplicate samples are randomly selected and submitted for analysis. The sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The analytical techniques for all elements (other than gold) involved a four-acid digest followed by multi-element ICP-ES analysis. This technique is considered a total digest for all relevant minerals. No geophysical or portable analysis tools were used to determine assay values. Internal laboratory control procedures comprised duplicate sampling of randomly selected assay pulps, as well as internal laboratory standards and blanks.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Senior technical personnel from the Company (Project Geologists and Exploration Manager) have inspected the drill core. No drill holes were twinned as this was deemed unnecessary at this stage of exploration. Primary data was collected by employees of the Company at the project site. All measurements and observations were recorded onto hard copy templates and later transcribed into the Company's digital database. Digital data storage, verification and validation are managed by an independent data management company. No adjustments or calibrations have been made to any assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Drill hole collar locations were determined by hand-held GPS. Final drill hole collar locations will be surveyed by a licensed surveyor using a two frequency differential GPS with accuracy of +/-3cm. All drill holes were surveyed for down-hole deviation. Surveys were undertaken at 30m intervals and at bottom of hole. The grid system used is NAD27 Mexico UTM Zone 12 for easting, northing and RL. A photogrammetric company collected high resolution stereo aerial photos over the project area in June 2011 to create a 2m interval contour map and a colour orthophoto with 20 cm pixels. Both the contour map and orthophoto provided a base for geologic mapping that was completed at 1:2000 over the project. The geology of selected areas was later mapped at a scale of 1:1000.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Overall intersection density of mineralisation by the diamond drilling was approximately 20m to 40m spacing. Mineralisation and geology showed good continuity from hole to hole. No sample compositing has been applied.

Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Geological controls and orientations of the mineralised zone are unknown at this time and therefore all mineralised intersections are reported as "intercept length" and may not reflect true width. No sampling bias is believed to have been introduced.
Sample security	*The measures taken to ensure sample security.*	Assay samples were placed in poly sample bags, each with a uniquely numbered ticket stub from a sample ticket book. Sample bags were marked with the same sample number and sealed with a plastic cable tie. Samples were placed in woven polypropylene "rice bags" and a numbered tamper-proof plastic cable tie was used to close each bag. The rice bags were delivered by company personnel directly to the Acme laboratory for sample preparation. The numbers on the seals were recorded for each shipment. Acme audited the arriving samples and reported any discrepancies back to the Company. No such discrepancies occurred.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	All digital data is subject to audit by the independent data manager.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Drill targets are located within the Mineral Concessions T-235269 (Promontorio), T-235270 (Hidalgo) and T-218881 (Magistral). Azure Minerals has 100% ownership of the Promontorio and Magistral tenements with no residual royalties payable to the vendors. Azure Minerals has an Option to Purchase the Hidalgo tenement, which is held by a local Mexican syndicate. Upon exercise of the Option, Azure will have 100% ownership of the tenement with no residual royalties payable to the vendors. The tenements are in good standing. There are no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The project area has a history of small-scale artisanal mining dating back to the 19th century. Between 1993 and 2008 the property was explored by several companies. From 1993 to 1994, Empresa Minera CanMex conducted exploration and RC drilling. From 1995 to 1997 Sierra Nevada Gold established a local grid, drilled 63 diamond core holes, rehabilitated, mapped and sampled old underground mine workings, carried out metallurgical test work and produced a Mineral Resource estimate. From 2004 to 2005 Dia Bras Exploration undertook geological mapping, prospecting, diamond drilling, geophysics, and prepared a NI43-101 compliant technical report. Azure Minerals acquired the rights to the project in April 2008 through its fully owned Mexican subsidiary company Minera Piedra Azul SA de CV.
Geology	*Deposit type, geological setting and style of mineralisation.*	Mineralisation is high-sulphidation, epithermal and hydrothermal breccias comprising massive, semi-massive and disseminated copper sulphides hosted in vuggy silica and silicified host rocks.

Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer to tables in the report and notes attached thereto which provide all relevant details.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All reported mineralised intervals have been length-weighted. No top cuts have been applied. High grade intervals internal to broader mineralised zones are reported as included zones - refer to drill intercept Tables. Reported copper mineralised intersections are based on intercepts using a nominal 0.2% copper grade cut-off and a 0.5% Copper Equivalent cut-off. Reported gold mineralised intersections are based on intercepts using a nominal 0.2g/t gold cut-off. Copper Equivalent values have been used in this report - refer to Copper Equivalency Statement for relevant details.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Geological controls and orientations of the mineralised zone are unknown at this time and therefore all mineralised intersections are reported as "intercept length" and may not reflect true width.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in attached report
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Company believes that the ASX announcement is a balanced report with all material results reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	This announcement refers to previous exploration results including geophysics, geochemistry and geology.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive*	Further work to better understand the mineralisation systems in the project area will be determined upon a full analysis and interpretation of results