15 AUGUST 2017

AZURE BUYS NEW HIGH GRADE PROJECT

Sampling returns grades up to 50% zinc, 34% lead & 448g/t Ag

HIGHLIGHTS:

- **Azure has acquired 100% ownership of the advanced-stage, high-grade zinc-lead-silver Oposura Project**
- **Previous drilling and exploratory underground mine development defined extensive zones of massive sulphide-hosted zinc-lead-silver mineralisation**
- **Sampling by Azure confirms high-grade mineralisation with many samples grading greater than 40% combined zinc + lead (with a peak of 65% Zn+Pb)**
- **High-grade material is immediately accessible via existing mine workings**
- **Project holds significant potential for additional exploration success**
- **Exploration, metallurgical testwork and other development activities are in progress**

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to announce that it has acquired immediate 100% ownership of the Oposura Zinc-Lead-Silver Project ("Oposura"), located in the northern Mexican state of Sonora.

Oposura is an advanced-stage project containing high grade, massive sulphide-hosted, zinc, lead and silver mineralisation, and this acquisition clearly delivers on Azure's strategy of securing its next flagship project.

Azure's Managing Director, Mr Tony Rovira said, *"Throughout 2017, Azure has had the clear focus to acquire the next flagship project for the Company. This was all about getting the right project for the right deal, and with this acquisition we have done just that. Projects of this quality are rare and keenly sought after, and I'm pleased that we have succeeded in acquiring the advanced stage, precious and base metal project that we've been seeking.*

"The Company has been working on the property and liaising closely with the vendors for the past several months to ensure the quality of this project, and I thank them for their cooperation. We have gained a lot of knowledge of the project during the due diligence investigations and we'll build upon this initial momentum by immediately commencing a resource drill-out program, while also undertaking activities such as metallurgical testwork, various mine development studies, and more widespread exploration.

"I'm expecting that the rest of 2017 and the years ahead will be busy and very rewarding as we advance our exciting new project."

Exploration and assessment work by two major companies was carried out between the 1940s to 1970s, including exploratory underground mine development, trial stoping for bulk sampling and metallurgical testwork, and surface and underground diamond drilling. This work demonstrated that the mineralised system extends over an area of 1,400m x 400m. The project has been privately owned since that time with little further activity undertaken.

While approximately 100 diamond core holes have been drilled in the deposit and an historical resource estimate was undertaken in the late 1970s, the results of these activities do not conform to current JORC standards and therefore cannot be reported by Azure until further confirmatory work has been completed.

As part of Azure's technical due diligence program, sampling of the mineralised zone was conducted within the underground mine workings, with most samples returning high grades of zinc, lead and silver mineralisation (see Appendix 1: Table 2 for full details).

Many of the samples returned zinc and lead assays above the upper limit for the ore grade analysis method (>40% zinc and >10% lead), requiring these samples to be re-submitted for further analysis by the "concentrate grade" analytical method (see Table 1 for some of these high-grade results).

Also, the presence of significant silver mineralisation is an added bonus that is expected to provide additional value to the project.

Table 1: Selected assays of massive sulphide mineralisation from within Oposura Mine

SAMPLE No.	SAMPLE LENGTH	GRADES			
		Zn (%)	Pb (%)	Combined Zn+Pb (%)	Ag (g/t)
AI-6	1.30	33.00	23.62	56.62	81
AI-7	1.00	31.40	34.05	65.45	93
AI-8	1.10	29.44	26.21	55.65	73
AI-9	0.90	31.74	23.43	55.17	75
AI-9A	1.00	42.82	14.10	56.92	137
AI-10	1.30	33.25	24.42	57.67	80
AI-11	0.85	39.72	13.43	53.15	76
AI-13	1.20	30.44	23.77	54.21	110
AI-13A	1.60	34.83	17.97	52.80	116
AI-66	1.30	29.80	4.76	34.56	488
AI-69	1.30	35.30	26.46	61.76	69
AI-72	1.10	43.56	6.00	49.56	360
AI-73	1.30	38.96	9.20	48.16	224
AI-74	1.00	47.44	3.90	51.34	315
AI-76	1.00	47.76	3.47	51.23	332
AI-78	1.05	42.97	4.15	47.12	371
AI-79	1.50	49.62	3.00	52.62	245

Key Terms of the Acquisition

Azure executed an agreement on 11 August 2017 to acquire immediate 100% ownership of the ten tenements that together comprise the Oposura Project, by paying US$1,500,000 (plus applicable value added taxes) to the vendor Grupo Minero Puma, a private Mexican family company. A Net Smelter Return (NSR) royalty of 2.5% on future production is payable to the vendors. There are no back-in, earn-back or other rights relating to the Oposura Project.

Project Summary

The 690 hectare Oposura property is located 150km by road northeast from Hermosillo, the capital city of Sonora where Azure has its Mexican-based exploration and administration office, and 30km by road to the southwest of the town of Moctezuma (see Figure 1), which has a population of about 5,000.

The project is well served by existing infrastructure. Access to the property is via the dual lane, bitumen Hermosillo-Moctezuma highway (National Highway 14) and a good condition 10km gravel road. A fibre optic cable and high voltage transmission lines pass within 12km of the project. Voice and data communications are already available via line of sight wireless connection to a communications tower located 10km away in Moctezuma. Streams are present within the project area well below the level of existing mine workings, and two major river valleys are located within 10km of the project area.

Oposura is situated within the Laramide Copper Trend which extends from Arizona to central Mexico. This highly mineralised province hosts many porphyry, skarn, carbonate replacement and epithermal mineral deposits, including the Mesa de Plata and Loma Bonita silver-gold deposits on Azure's 100%-owned Alacrán Project, in which Teck Resources is earning a 51% interest (see Figure 2).

Oposura comprises an overall mineralised zone hosting massive, banded, and disseminated sulphides (predominantly sphalerite and galena) containing high grade zinc, lead and silver mineralisation in an interbedded sequence of limestones and volcanic tuffs (see Figure 3). The mineralised zone forms a laterally extensive, relatively flat-lying horizon influenced by minor small-scale folding and faulting.

Exploration and exploratory mining was carried out in the period 1940s to 1970s by the Anaconda Copper Company and the Mexican company Industrias Peñoles. This included the development of more than 500m of mine tunnels within the ore zone, small-scale trial stoping to provide bulk samples for metallurgical testwork, and 60 surface and 25 underground diamond drill holes. Outside of the Oposura Mine, numerous artisanal mine workings were developed on the outcropping zinc-lead-silver mineralised zone for exploratory and small-scale mining purposes.

The underground workings of the Oposura Mine are easily accessible (see Figures 5 & 6), dry, self-draining and well ventilated. Notwithstanding that these workings were developed 40 years ago, they remain in excellent condition with only a few internal timbers used to provide roof support. Costs to maintain access to the historical mine workings are negligible.

The historical work defined a mineralised horizon extending east-west for approximately 1,400m. Mineralisation outcrops along the southern side of a line of hills and extends horizontally for at

least 400m to the north. The maximum depth to the mineralised zone beneath the hills is approximately 100m. The overall mineralised zone is up to nine metres thick, averages about three metres in true width, and demonstrates good continuity of width and grade.

Extensive channel sampling of the massive sulphide mineralisation and adjacent hanging wall and footwall zones has recently been completed within the underground workings. A total of 95 samples were collected with individual sample lengths varying between 0.8m to 2.0m. Assay results and sampling details are tabled in Appendix 1.

Assays confirm that the massive sulphide zones contain very high grades of zinc, lead and silver, typically being greater than **10% Zn, 10% Pb and 40g/t Ag**. Separate samples returned maximum values of **49.6% Zn, 34.1% Pb and 448g/t Ag**.

Furthermore, many samples from the massive sulphide zones returned copper grades in the range of **0.5% to 1.0% Cu,** up to a maximum of **2.6% Cu**. The copper mineral is chalcopyrite.

In addition to the mineralisation already identified in the Oposura Mine, the project demonstrates the following upside potential (see Figure 4):

- extensions of the Oposura mineralised zones further to the north (Oposura Norte);
- repetitions of mineralisation in the faulted down-thrown block to the west (Oposura Oeste);
- shear zones containing silver-rich quartz veining in the east of the property at Candelaria;
- precious and base metal mineralisation observed in and around old mine workings in the west of the property at the Mina Blanca prospect.

Work Program

Azure has commenced an intensive work program to determine the economic potential of Oposura as quickly as possible. Work to be undertaken over the next 12 months includes:

Geophysics

- LiDAR and aerial photographic surveys - COMPLETED
- Aeromagnetic and radiometric survey – COMMENCING SHORTLY

Geology

- Sampling and surveying of the underground workings of the Oposura Mine - COMPLETED
- Sampling and surveying of artisanal underground mine workings - COMMENCED
- Mapping and sampling overall project area – COMMENCED

Drilling

- Close-spaced drilling for mineral resource estimation purposes – IN PLANNING
- Exploration drilling for extensions and repetitions of mineralised zones – IN PLANNING

Development Studies

- Mineral resource estimation
- Metallurgical testwork – COMMENCED
- Preliminary mining, environmental and infrastructure studies - COMMENCED

Figure 1: Map showing location of the Oposura Project

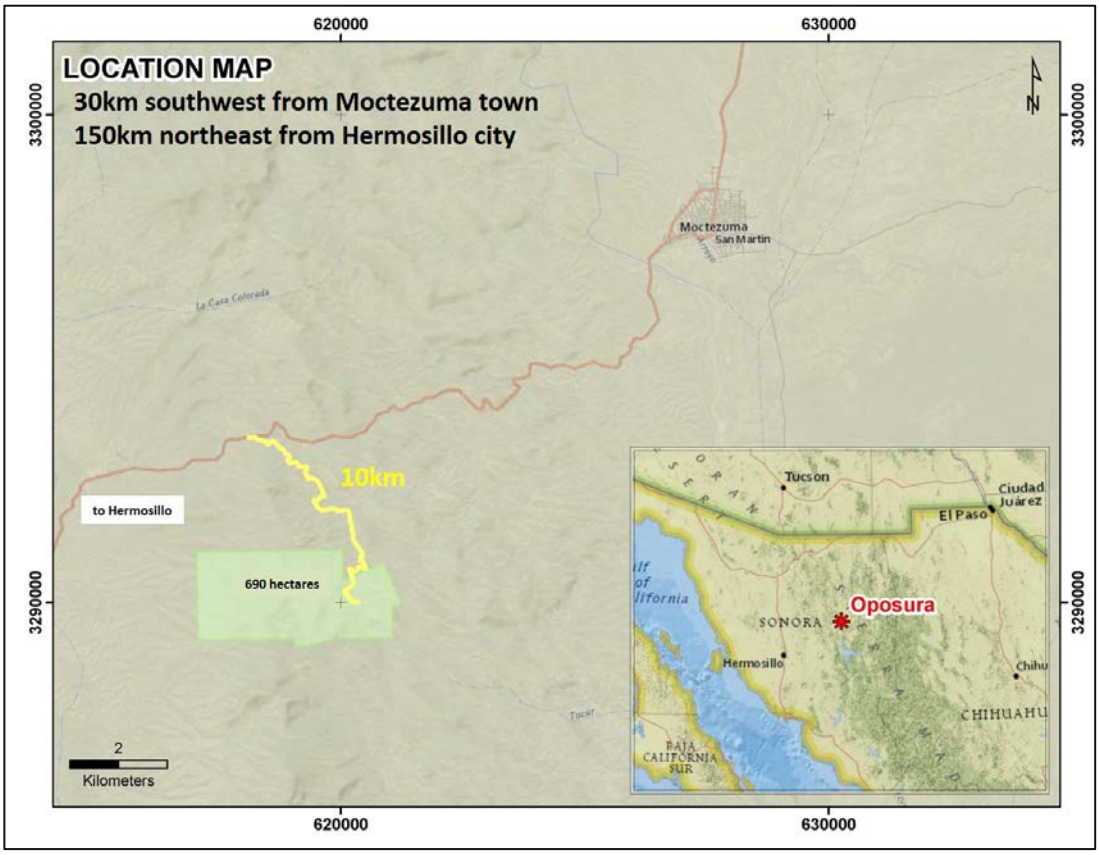

Figure 2: Map showing location of Oposura Project and Laramide Copper Trend

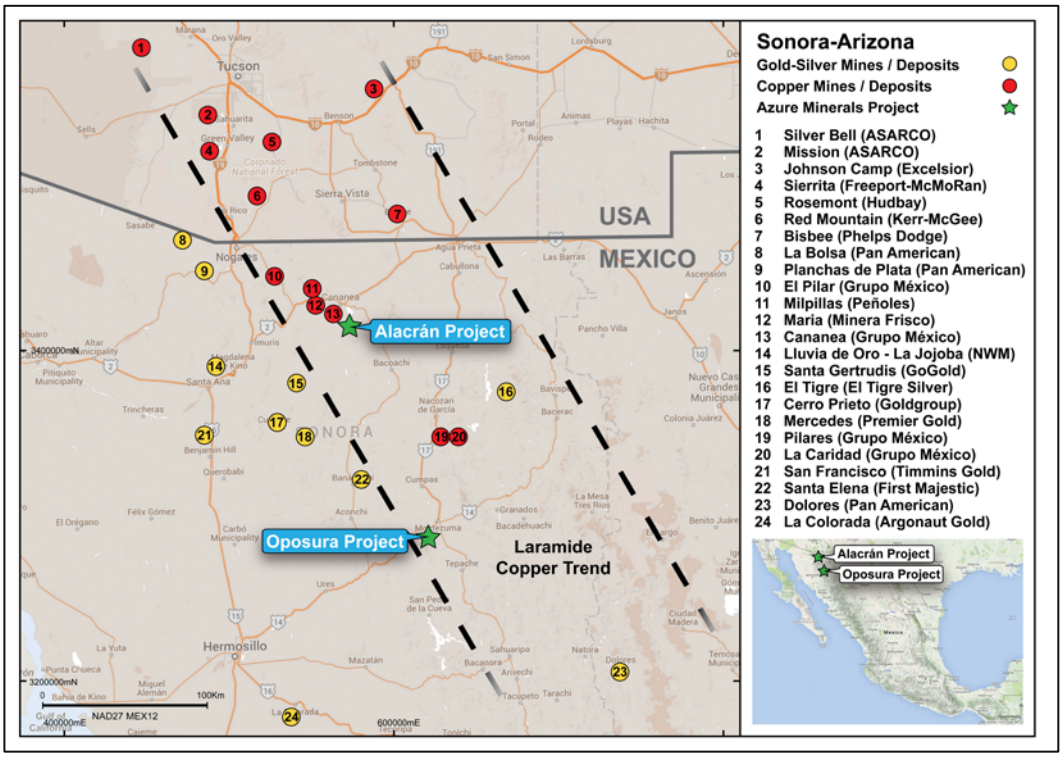

Figure 3: Typical banded zinc-lead-silver mineralisation from Oposura Mine

Figure 4: Map showing exploration potential of Oposura Project

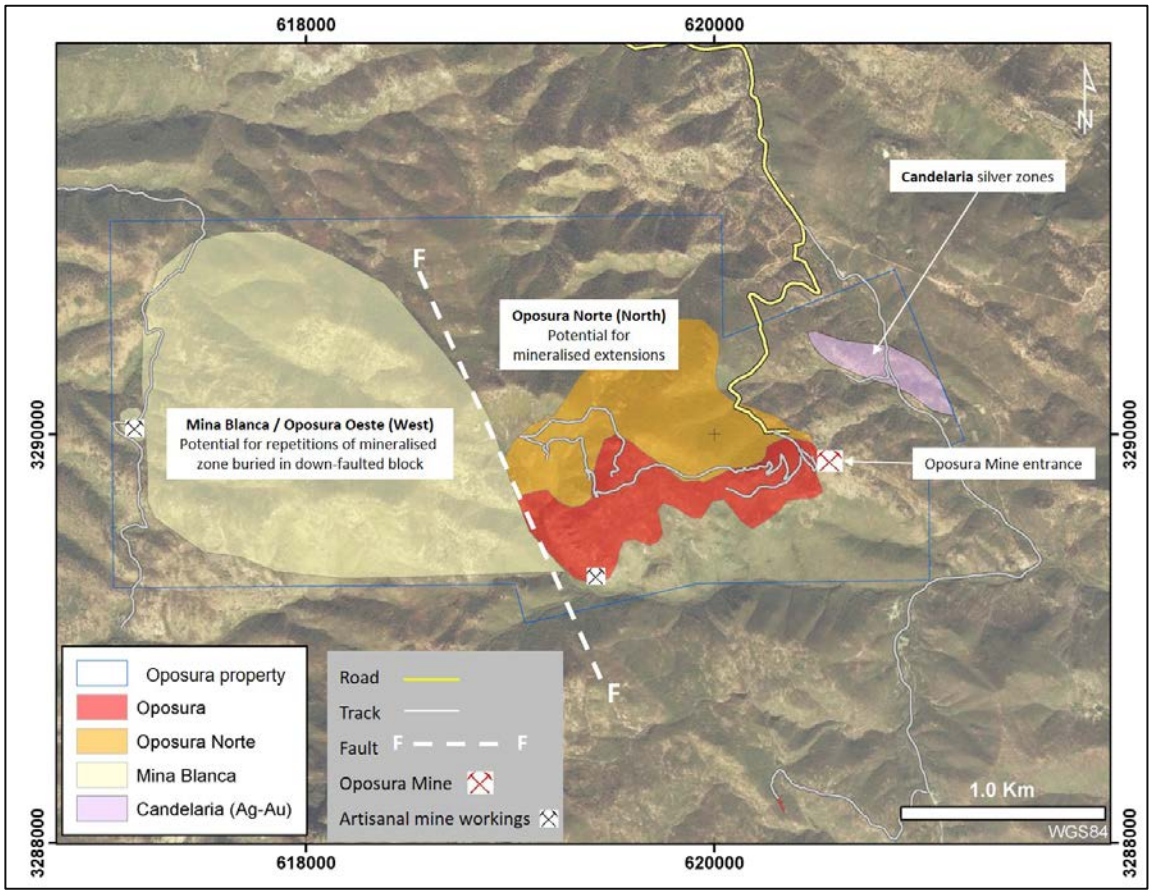

Figure 5: Main portal access to Oposura Mine

Figure 6: Underground mine development in Oposura Mine

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Competent Person Statements:

Information in this report that relates to Exploration Results for the Oposura 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.

APPENDIX 1: TABLE 2

RESULTS OF CHANNEL SAMPLING IN OPOSURA UNDERGROUND MINE

Sample No.	Easting	Northing	Sample Length	Zn	Pb	Zn+Pb	Ag	Cu
	(mE)	(mN)	(m)	(%)	(%)	(%)	(g/t)	(%)
Highly significant assay results: combined Zn+Pb > 20%								
AI-1	620444	3289979	1.50	0.34	0.74	1.08	5	0.04
AI-2	620445	3289978	0.80	2.30	3.06	5.36	29	0.26
AI-3	620442	3289975	1.50	20.10	20.00	40.10	126	1.32
AI-4	620436	3289972	1.05	17.20	16.10	33.30	42	2.69
AI-5	620432	3289969	1.50	9.20	9.02	18.22	22	0.24
AI-6	620429	3289960	1.30	33.00	23.62	56.62	81	1.67
AI-7	620421	3289956	1.00	31.40	34.05	65.45	93	0.80
AI-8	620420	3289943	1.10	29.44	26.21	55.65	73	0.57
AI-9	620397	3289932	0.90	31.74	23.43	55.17	75	1.33
AI-9A	620397	3289933	1.00	42.82	14.10	56.92	137	0.81
AI-9B	620392	3289931	1.20	10.70	6.81	17.51	185	0.15
AI-10	620415	3289947	1.30	33.25	24.42	57.67	80	0.62
AI-11	620408	3289942	0.85	39.72	13.43	53.15	76	0.63
AI-11A	620411	3289934	1.40	12.80	8.86	21.66	24	0.28
AI-11B	620407	3289933	1.50	24.90	18.50	43.40	41	0.90
AI-12	620400	3289939	1.50	21.90	19.20	41.10	109	0.38
AI-13	620396	3289947	1.20	30.44	23.77	54.21	110	0.63
AI-13A	620398	3289943	1.60	34.83	17.97	52.80	116	1.06
AI-14	620406	3289935	1.30	27.70	16.00	43.70	54	0.80
AI-15	620408	3289931	2.00	0.88	0.69	1.57	4	0.01
AI-16	620418	3289924	1.50	23.90	8.03	31.93	91	0.44
AI-17	620412	3289923	0.50	24.49	24.37	48.86	62	0.46
AI-18	620413	3289923	0.85	8.43	5.27	13.70	76	0.12
AI-19	620415	3289925	0.80	2.39	2.35	4.74	9	0.05
AI-20	620421	3289875	1.05	3.11	2.11	5.22	15	0.08
AI-21	620424	3289874	0.50	5.31	3.00	8.31	17	0.16
AI-22	620427	3289874	1.40	2.31	1.70	4.01	12	0.06
AI-23	620426	3289879	1.50	1.45	1.71	3.16	14	0.05
AI-24	620427	3289881	1.50	9.11	3.67	12.78	21	0.33
AI-25	620419	3289962	1.62	2.81	0.12	2.93	2	0.23
AI-26	620439	3289904	1.10	24.78	21.72	46.50	49	1.06
AI-27	620440	3289904	0.90	12.72	30.49	43.21	52	0.37
AI-27A	620444	3289900	1.30	23.40	19.00	42.40	45	0.45
AI-28	620431	3289907	1.00	19.00	13.30	32.30	70	0.65
AI-29	620410	3289908	1.00	3.64	9.57	13.21	42	0.77
AI-30	620429	3289901	0.70	8.47	11.50	19.97	45	0.25
AI-30A	620425	3289898	0.77	0.38	0.32	0.70	32	0.01
AI-31	620243	3289856	1.10	0.72	0.63	1.35	1	0.01
AI-32	620254	3289859	1.30	1.48	1.33	2.81	3	0.01
AI-33	620260	3289861	1.80	11.70	1.42	13.12	3	0.01
AI-34	620284	3289864	1.50	4.90	4.71	9.61	47	0.75
AI-35	620297	3289872	1.50	0.34	0.03	0.37	1	0.01
AI-36	620322	3289879	1.50	0.48	0.16	0.64	2	0.00
AI-37	620340	3289875	0.80	4.20	2.78	6.98	7	0.06
AI-38	620350	3289889	1.40	13.40	7.62	21.02	49	0.40
AI-39	620384	3289897	0.70	0.03	0.02	0.05	<0.5	0.00

Sample No.	Easting	Northing	Sample Length	Zn	Pb	Zn + Pb	Ag	Cu
	(mE)	(mN)	(m)	(%)	(%)	(%)	(g/t)	(%)
AI-40	620394	3289900	1.50	0.05	0.01	0.06	<0.5	0.00
AI-41	620400	3289905	1.56	0.02	0.01	0.03	<0.5	0.00
AI-42	620405	3289904	1.50	0.03	0.01	0.04	<0.5	0.00
AI-43	620409	3289907	0.50	0.16	0.11	0.27	1	0.01
AI-44	620398	3289949	1.10	6.29	5.27	11.56	72	0.11
AI-45	620398	3289952	1.10	7.24	4.14	11.38	33	0.24
AI-46	620402	3289958	1.35	3.41	2.63	6.04	10	0.05
AI-47	620405	3289952	2.00	21.90	18.60	40.50	81	1.81
AI-48	620409	3289952	1.00	4.02	8.45	12.47	55	0.13
AI-49	620409	3289951	0.90	7.26	3.80	11.06	27	0.52
AI-50	620414	3289955	1.50	1.85	3.42	5.27	11	0.03
AI-51	620420	3289958	1.10	6.61	3.24	9.85	39	0.67
AI-52	620419	3289962	0.80	7.58	5.27	12.85	28	0.26
AI-53	620402	3289928	1.00	6.02	5.30	11.32	16	0.11
AI-54	620399	3289924	1.10	13.40	15.30	28.70	31	0.47
AI-55	620396	3289932	1.00	2.37	1.36	3.73	33	0.09
AI-56	620397	3289935	1.30	16.30	13.50	29.80	102	0.32
AI-58	620435	3289847	1.50	0.10	0.14	0.24	1	0.01
AI-59	620447	3289868	0.80	0.10	0.04	0.14	1	0.00
AI-60	620452	3289876	1.00	0.14	0.07	0.21	<0.5	0.00
AI-61	620482	3289907	1.00	0.11	0.07	0.18	1	0.00
AI-62	620508	3289907	1.00	1.28	0.03	1.31	2	0.01
AI-63	620507	3289905	0.80	0.32	0.02	0.34	<0.5	0.00
AI-64	620434	3289913	1.37	22.90	13.70	36.60	56	0.40
AI-65	620429	3289912	1.30	24.71	23.27	47.98	90	1.32
AI-66	620416	3289910	1.30	29.80	4.76	34.56	448	0.66
AI-67	620430	3289911	1.30	9.10	2.05	11.15	72	0.21
AI-68	620431	3289917	1.30	6.49	4.56	11.05	34	0.27
AI-69	620450	3289921	1.30	35.30	26.46	61.76	69	0.90
AI-70	620458	3289924	1.30	23.75	23.42	47.17	71	1.23
AI-71	620436	3289918	1.40	12.70	9.87	22.57	46	0.23
AI-72	620421	3289907	1.10	43.56	6.00	49.56	360	1.05
AI-73	620424	3289912	1.30	38.96	9.20	48.16	224	1.30
AI-74	620420	3289911	1.00	47.44	3.90	51.34	315	2.00
AI-75	620413	3289917	0.80	9.20	4.22	13.42	183	0.59
AI-76	620417	3289912	1.00	47.76	3.47	51.23	332	1.16
AI-77	620411	3289913	1.30	32.39	1.89	34.28	165	0.67
AI-78	620410	3289909	1.05	42.97	4.15	47.12	371	2.64
AI-79	620418	3289906	1.50	49.62	3.00	52.62	245	1.46
AI-80	620414	3289900	1.00	16.50	13.40	29.90	44	0.47
AI-81	620412	3289903	1.25	0.97	0.48	1.45	38	0.06
AI-82	620462	3289928	0.80	9.87	5.98	15.85	20	0.27
AI-83	620464	3289929	0.80	25.00	17.20	42.20	45	0.49
AI-84	620467	3289930	0.80	12.50	10.20	22.70	29	0.46
AI-85	620471	3289932	0.80	10.60	7.34	17.94	21	0.11
AI-86	620473	3289933	0.80	4.60	13.30	17.90	36	0.10
AI-87	620476	3289934	0.80	3.63	2.95	6.58	9	0.08
AI-88	620475	3289928	0.80	12.10	6.01	18.11	32	0.32
AI-89	620470	3289927	0.80	1.60	0.85	2.45	6	0.01

APPENDIX 2

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 30g 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.*	All samples collected comprised continuous chip sampling along marked channels over a defined length Sample preparation was undertaken at Bureau Veritas Laboratories (BVL) in Hermosillo, Sonora, Mexico. Samples were weighed, assigned a unique bar code and logged into the BVL tracking system. Samples were dried and each sample was fine crushed to >70% passing a 2mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75micron screen. Envelopes containing the 250g sample pulps were sent via courier to BVL in Vancouver, Canada for base metal analysis. Gold analysis was undertaken at BVL in Hermosillo. The analytical techniques for all elements (other than gold) initially involved a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was: • Method MA200 (by ICP-ES for silver and base metals) • Fire Assay method FA430 was used for gold (with analyses carried out in Hermosillo) Over-limit assays were re-analysed by: • Method MA370 (by ICP-ES for base metals grading >1%) • Method GC816 (by Classical Titration for zinc grading >40%) • Method GC817 (by Classical Titration for lead grading >10%) • Method FA530 (by fire assay with gravimetric finish for silver grading >200ppm)
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).*	This release has no reference to drilling.
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.*	This release has no reference to drilling.
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*	This release has no reference to drilling. Samples were collected and described by geological personnel.

	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.*	
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, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	No samples were collected from drilling. The sample preparation followed industry best practice. Samples were prepared at BVL in Hermosillo, Sonora, Mexico. Samples were weighed, assigned a unique bar code and logged into the BVL tracking system. The sample was dried and the entire sample was fine crushed to >70% passing a 2mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75micron screen. Envelopes containing the 250g sample pulps were sent via courier to BVL in Vancouver, Canada for base metal analysis. Gold analysis was undertaken at BVL in Hermosillo. No duplicate, standard or blank check samples were submitted. 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) initially involved a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was: • Method MA200 (by ICP-ES for silver and base metals) • Fire Assay method FA430 was used for gold (with analyses carried out in Hermosillo) Over-limit assays were re-analysed by: • Method MA370 (by ICP-ES for base metals grading >1%) • Method GC816 (by Classical Titration for zinc grading >40%) • Method GC817 (by Classical Titration for lead grading >10%) • Method FA530 (by fire assay with gravimetric finish for silver grading >200ppm) 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) inspected the samples. No drilling was undertaken. 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.

		An independent data management company manages all digital data storage, verification and validation. 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.*	Sample locations within the underground mine workings were determined by using compass and tape from a known surveyed base station. The grid system used is WGS84 Zone 12 for easting, northing and RL.
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.*	Channel samples were collected by continuous chip sampling perpendicular across the strike of the observed mineralised zone. Sample spacing was not relevant as this was a reconnaissance program. Data spacing and distribution is insufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation procedures. No composite samples were collected.
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.*	The mineralised zone is predominantly a horizontal layer of massive, banded and disseminated sulphide mineralisation. Underground sampling comprised collecting samples along vertical channels orientated perpendicular to the mineralised layering. Sample width is believed to be true width.
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. Company personnel delivered the rice bags directly to BVL for sample preparation. The numbers on the seals were recorded for each shipment. BVL 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.*	The Oposura Project comprises ten mineral concessions which total 690 hectares in area. All tenements are 100% owned by Minera Piedra Azul SA de CV, a wholly-owned subsidiary of Azure Minerals Limited. A 2.5% NSR royalty on production is payable to the previous owners. The tenements are secure and in good standing. There are no known impediments to obtaining a licence to operate in the area. Nine of the tenements have an expiry date of 3 May 2037 and the tenth tenement has an expiry date of 9 January 2055.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Peñoles and Anaconda carried out diamond core drilling, underground mine development and metallurgical testwork in the 1970's. No exploration has been carried out since then. Azure Minerals acquired 100% ownership of the project in August 2017 through its wholly-owned Mexican subsidiary company Minera Piedra Azul SA de CV.
Geology	*Deposit type, geological setting and style of mineralisation.*	Carbonate replacement and/or skarn style of mineralisation forming horizontal mantos of massive sulphides containing zinc, lead, silver and copper.
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.*	This release has no reference to drilling.
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.*	No sampling results were calculated by length weighted averaging. No maximum and/or minimum grade truncations (eg cutting of high grades) or cut-off grades were applied. No metal equivalents were reported.
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').*	This release has no reference to drilling.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any*	Refer to Figures in attached report

	significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
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 makes no reference to previous exploration results.
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 delineate the mineralised zones will comprise geological mapping and sampling, geophysical surveys and drilling.