23 AUGUST 2017

AZURE MINERALS LIMITED

HIGH GRADE GOLD-COBALT PROJECT ACQUIRED

Sampling returns grades up to 39g/t Gold and 6.9% Cobalt

HIGHLIGHTS:

- **Azure has acquired 100% ownership of the high-grade Sara Alicia gold-cobalt project**
- **Limited underground mining of gold and cobalt previously undertaken in 1930s**
- **Sampling returns very high grades of gold and cobalt in outcrop and in old mine workings**
- **Separate zones of copper-zinc-silver mineralisation also identified**
- **Follow-up exploration activities have commenced to define drill targets**

Commenting on this acquisition, **Azure Managing Director, Mr Tony Rovira** said, "*I am very excited by this new project. The high grades of gold and the exceptionally high cobalt assays have encouraged us to start drilling at Sara Alicia as soon as possible.*"

Sampling by Azure returned spectacular high-grade gold and cobalt results, including:

Gold-Cobalt Zone

SAMPLE No.	SAMPLE TYPE	SAMPLE LENGTH	GRADES Gold	Cobalt
REC-1820	Chip channel	2.5m	39.0g/t Au	6.07% Co
REC-1842	Mine dump	NA	27.3g/t Au	3.86% Co
REC-1821	Chip channel	2.5m	12.5g/t Au	6.94% Co
REC-1804	Mine dump	NA	10.0g/t Au	1.87% Co
REC-1807	Chip channel	3.0m	5.74g/t Au	2.36% Co
REC-1811	Chip channel	3.0m	2.11g/t Au	3.23% Co

Copper-Zinc-Silver Zone

SAMPLE No.	SAMPLE TYPE	SAMPLE LENGTH	GRADES Copper	Zinc	Silver
REC-1838	Chip channel	2.4m	2.20% Cu	2.45% Zn	84g/t Ag
REC-1839	Chip channel	1.0m	3.38% Cu	3.07% Zn	124g/t Ag
REC-1840	Chip channel	3.5m	2.15% Cu	4.22% Zn	54g/t Ag
REC-1845	Chip channel	2.5m	5.20% Cu	2.51% Zn	170g/t Ag
REC-1846	Chip channel	1.5m	2.12% Cu	3.25% Zn	133g/t Ag

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to announce that it has further broadened and strengthened its Mexican exploration portfolio with the purchase of the Sara Alicia gold-cobalt project, located in the northern state of Sonora.

Azure Managing Director Mr Tony Rovira also commented, *"During Azure's recent search for an advanced stage precious metal / base metal project, which culminated in the recently announced acquisition of the Oposura Project, the Company identified many early stage properties with good potential. One of the absolute stand-outs was the Sara Alicia gold-cobalt project.*

"Cobalt deposits are virtually unknown in Mexico, which makes the identification by our exploration team of a property containing high-grade gold and cobalt mineralisation very commendable. This was an opportunity too good to pass up and its acquisition has added an extra dimension to our Company's project portfolio.

"Spectacular grades returned from our first sampling program indicate that this under-explored property holds potential for the definition of a body of high grade gold-cobalt mineralisation, as well as for copper-zinc-silver mineralisation. We look forward to drilling Sara Alicia this year, along with progressing our flagship project Oposura."

Key Terms and Background to the Acquisition

Early on in Azure's search for new projects, the Company's geologists identified the Sara Alicia district as an area of interest for precious and base metal mineralisation, including cobalt. The mineral concession that covered the historical Sara Alicia mine workings had recently been cancelled by the Mining Registry and was potentially unavailable for staking for several years. However, Azure's legal team identified a course of action that, with the cooperation and assistance of the previous owners, enabled the cancellation to be revoked, and the ownership to be transferred to Azure's wholly-owned Mexican subsidiary company Minera Piedra Azul SA de CV.

In recognition of their assistance, Azure made a payment of US$125,000 to the previous owners, a local Mexican family who had held title to the Sara Alicia mineral concession since the 1930s. A further and final payment of US$125,000 will be made to the family upon the project achieving commercial production. No royalties are payable over future mineral production and there are no back-in, earn-back or other rights.

Project Summary

Sara Alicia is located on the western flank of the Sierra Madre Occidental mining province which hosts major operating gold, silver and copper mines (see Figure 1). Access to site is good with a sealed road to the town of Alamos and the nearby Piedras Verdes Copper Mine, and then via gravel roads to site.

Historically, Sara Alicia was a small-scale producer of gold and cobalt in the 1930s from an underground mining operation. No production records are available, however historical plans and reports indicate that the mine was operated on six levels to a depth of approximately 60m below surface.

The Sara Alicia mineral concession covers nine hectares and contains all historical mine workings and all observed exposures of outcropping gold-cobalt mineralisation. A surrounding tenement that covered

more than 22,000 hectares recently expired. The Mexican Mining Registry has yet to declare this vacant area available for claim and Azure will work to acquire these mineral rights when they become available.

Azure has carried out reconnaissance mapping and sampling within the Sara Alicia concession and in the surrounding district. Sampling of outcrops, mine dumps and old mine workings returned many significant assay results, which are shown in Figures 2 & 3 and detailed in Appendix 1.

Geologically, the Sara Alicia prospect hosts a thick sequence of carbonate rocks which have been intruded by a granodiorite porphyry. This intrusive event caused alteration and mineralising reactions in the limestones forming skarns, with precious and base metal mineralisation introduced into several separate horizons (or mantos) within the limestone sequence. One manto hosts the gold-cobalt mineralisation, while two and possibly more mantos contain copper-zinc-silver mineralisation.

All observed outcrops of the gold-cobalt manto are located within the Sara Alicia mineral concession. Additionally, mantos containing copper-zinc-silver mineralisation were observed and sampled within both the Sara Alicia concession and in the surrounding area.

Historical reports contain descriptions of similar occurrences elsewhere in the surrounding district, and these references will be checked by Azure's geologists during their follow-up exploration.

Azure's forthcoming exploration program will start with surveying of the old mine workings, geophysical surveys and detailed geological mapping and sampling. This will be followed up by drilling to test identified targets. First field activities have already commenced.

Figure 1: Plan showing location of Sara Alicia Project

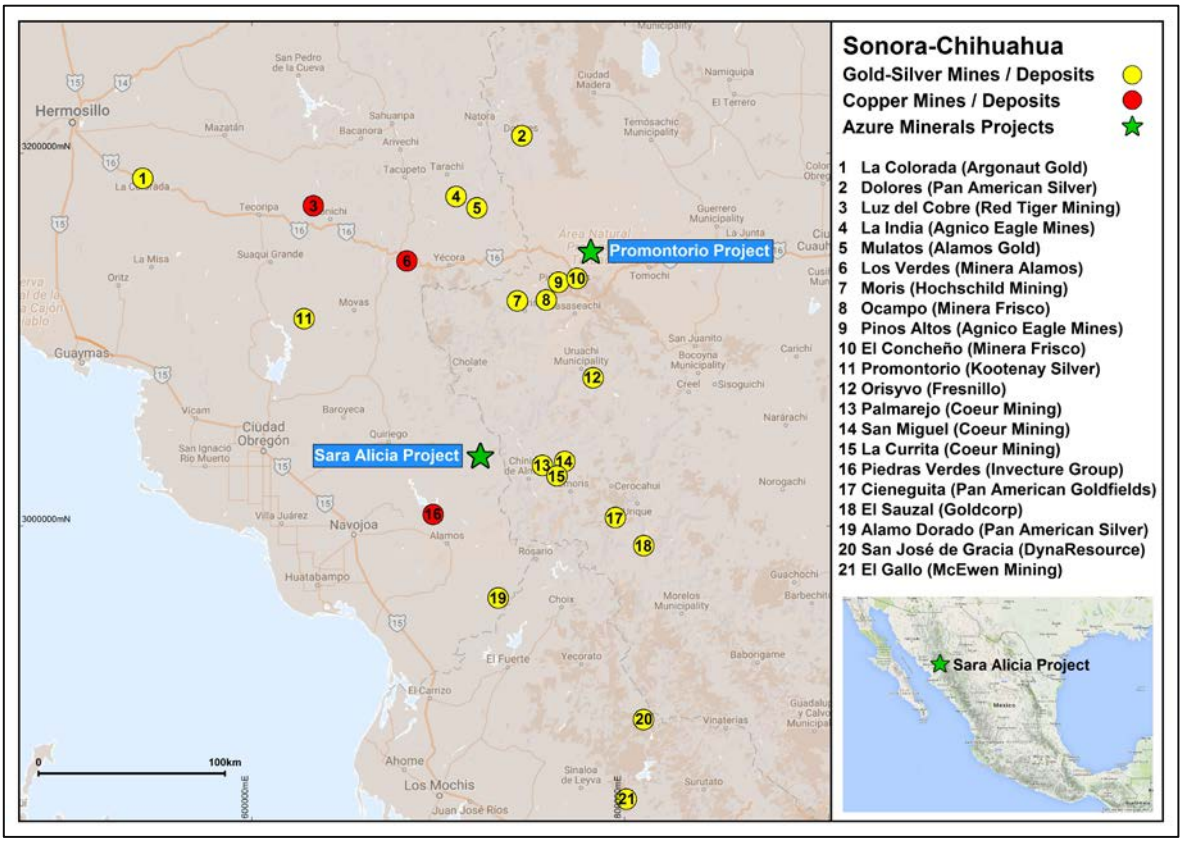


Figure 2: Gold and cobalt assay results from Sara Alicia surface sampling

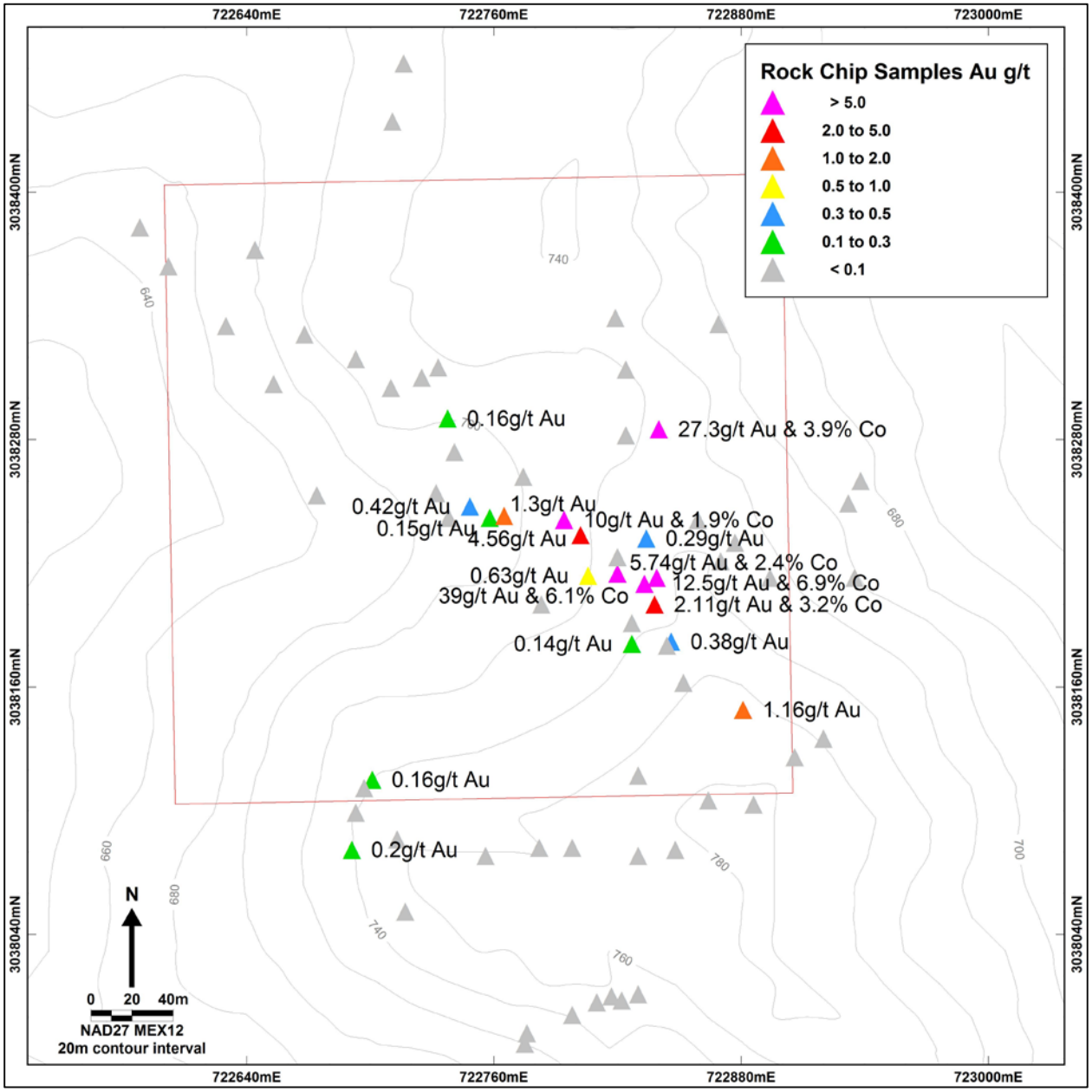
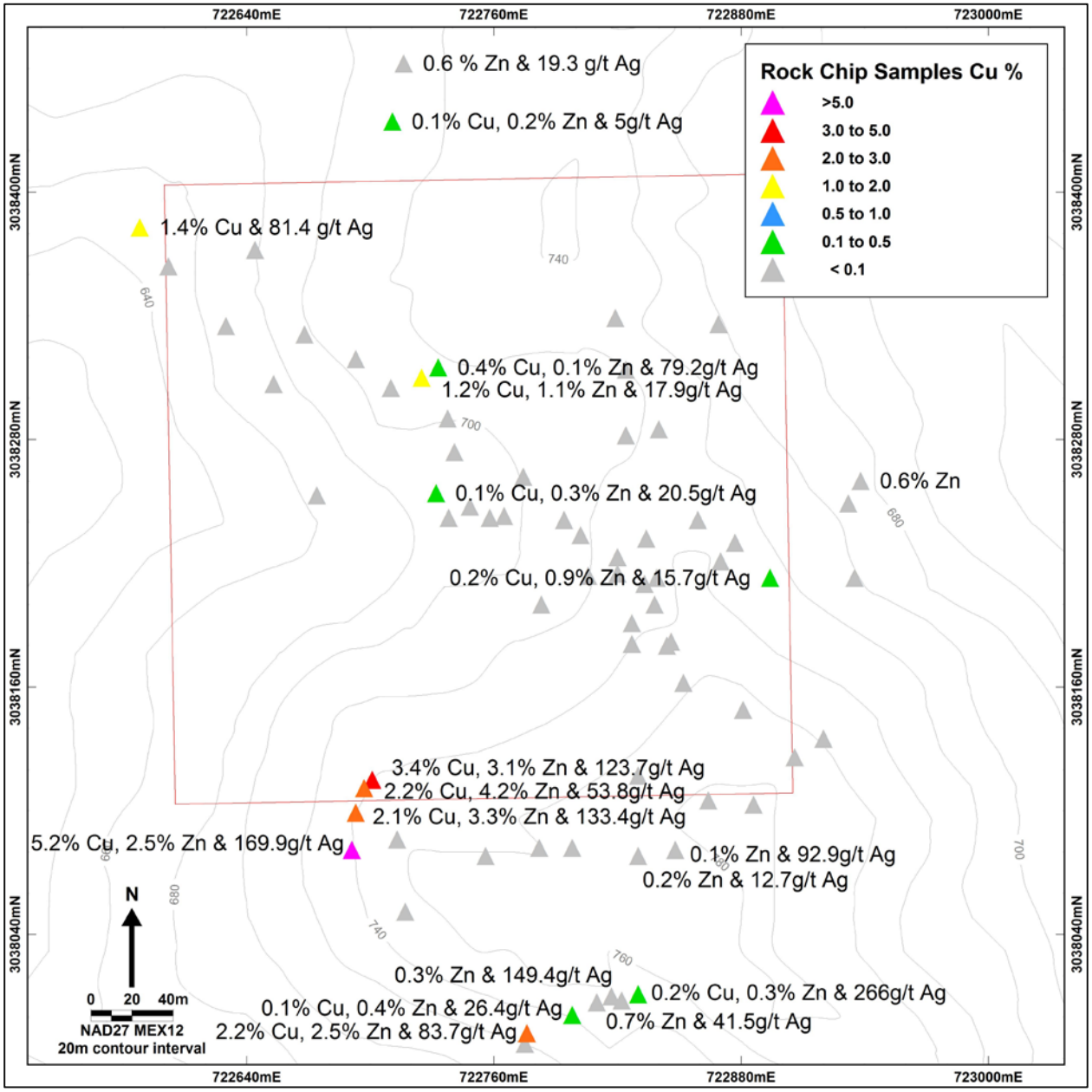


Figure 3: Copper, zinc and silver assay results from Sara Alicia surface sampling



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For enquiries, please contact:

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

Media & Investor Relations
Michael Weir
Citadel-MAGNUS
Ph: +61 8 6160 4903

or visit www.azureminerals.com.au

Competent Person Statements:

Information in this report that relates to Exploration Results for the Sara Alicia 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

DETAILS OF SURFACE SAMPLING AT SARA ALICIA

Sample No.	Sample Type	Easting	Northing	RL	Sample Length	Au (ppm)	Co (ppm)	Cu (ppm)	Zn (ppm)	Ag (ppm)
REC-1748	Channel	719838	3035863	392	4.0	0.012	<2	117	388	5.5
REC-1749	Channel	719952	3035930	356	2.0	0.020	<2	228	124	2.2
REC-1750	Channel	719955	3035947	350	4.0	0.011	8	315	401	2.5
REC-1801	Channel	720096	3036021	406	3.0	0.582	12	3200	287	12.8
REC-1802	Channel	722738	3038242	670	4.0	0.029	105	307	1099	7.3
REC-1803	Channel	722758	3038242	685	5.0	0.152	74	278	178	1.9
REC-1804	Dump	722794	3038241	710	NA	10.0	18660	24	58	<0.5
REC-1805	Channel	722783	3038200	731	3.0	0.086	42	158	137	0.6
REC-1806	Channel	722827	3038191	746	3.0	0.041	273	920	86	2.2
REC-1807	Channel	722820	3038215	747	3.0	5.736	23610	199	49	1.9
REC-1808	Channel	722765	3038243	685	2.5	1.303	156	475	254	7.1
REC-1809	Channel	722834	3038232	730	2.0	0.292	18	52	235	<0.5
REC-1810	Channel	722820	3038223	730	2.0	0.041	15	125	279	1.8
REC-1811	Channel	722838	3038200	751	3.0	2.114	32260	8	121	<0.5
REC-1812	Channel	722827	3038181	751	2.0	0.135	38	70	88	0.7
REC-1813	Channel	722877	3038230	722	2.7	0.032	59	237	66	1.3
REC-1814	Channel	722894	3038213	723	2.0	0.031	21	2072	8482	15.7
REC-1815	Channel	722935	3038213	709	5.0	0.016	10	313	623	1.0
REC-1816	Channel	722932	3038249	695	2.2	0.021	7	454	122	2.3
REC-1817	Channel	722938	3038260	694	3.0	0.008	5	931	5734	1.9
REC-1818	Channel	722870	3038221	739	2.0	0.019	174	198	150	1.6
REC-1819	Channel	722859	3038241	742	1.5	0.005	15	30	39	<0.5
REC-1820	Channel	722833	3038210	752	2.5	39.0	60690	105	47	<0.5
REC-1821	Channel	722839	3038213	750	2.5	12.5	69420	74	15	0.7
REC-1822	Channel	722846	3038182	741	3.0	0.375	1278	466	61	4.0
REC-1823	Channel	722844	3038180	740	3.0	0.036	737	267	81	2.3
REC-1824	Channel	722864	3038105	772	3.0	0.015	29	9	123	<0.5
REC-1825	Channel	722848	3038081	774	2.0	0.050	23	528	1148	92.9
REC-1826	Channel	722830	3038078	774	2.0	0.019	8	563	1948	12.7
REC-1827	Channel	722798	3038082	776	4.0	0.010	10	41	458	1.0
REC-1828	Channel	722713	3038086	767	3.2	0.009	5	28	33	<0.5
REC-1829	Channel	722717	3038051	764	3.0	0.012	6	75	36	<0.5
REC-1830	Channel	722756	3038078	776	3.0	0.005	7	122	61	0.9
REC-1831	Channel	722782	3038082	779	4.0	0.005	6	24	99	<0.5
REC-1832	Channel	722817	3038010	748	3.0	0.027	<2	491	2557	149.4
REC-1833	Channel	722822	3038008	749	2.0	0.005	7	318	883	2.7
REC-1834	Channel	722810	3038007	747	2.0	0.024	30	534	6926	41.5
REC-1835	Channel	722830	3038011	723	1.0	0.095	2	1602	3304	266.0
REC-1836	Channel	722798	3038001	746	1.5	0.016	3	1093	3644	26.4
REC-1837	Channel	722775	3037987	739	2.6	0.005	3	353	662	3.8
REC-1838	Channel	722776	3037992	741	2.4	0.021	33	21960	24500	83.7
REC-1839	Channel	722701	3038115	762	1.0	0.157	180	33810	30700	123.7
REC-1840	Channel	722697	3038111	766	3.5	0.093	89	21500	42200	53.8
REC-1841	Channel	722824	3038314	722	3.0	0.011	13	869	153	2.0
REC-1842	Dump	722840	3038285	733	NA	27.3	38640	61	67	0.9
REC-1843	Channel	722824	3038282	734	3.0	0.036	31	11	86	<0.5
REC-1844	Channel	722796	3038222	728	1.5	0.045	23	225	125	<0.5
REC-1845	Channel	722691	3038081	755	2.0	0.204	175	52040	25100	169.9
REC-1846	Channel	722693	3038099	755	1.5	0.060	97	21170	32500	133.4
REC-1847	Channel	722886	3038103	791	2.0	0.013	12	58	234	0.9

Sample No.	Sample Type	Easting	Northing	RL	Sample Length	Au (ppm)	Co (ppm)	Cu (ppm)	Zn (ppm)	Ag (ppm)
REC-1848	Channel	722906	3038126	776	2.0	0.045	42	25	243	2.1
REC-1849	Channel	722881	3038149	779	2.3	1.161	36	635	74	1.6
REC-1850	Channel	722674	3038253	691	2.0	0.005	5	62	173	<0.5
REC-1851	Channel	722748	3038248	701	0.5	0.420	4	275	115	6.9
REC-1852	Channel	722774	3038262	711	0.6	0.014	9	105	314	0.7
REC-1853	Channel	722741	3038274	706	1.0	0.014	11	485	91	3.4
REC-1854	Channel	722738	3038290	712	0.6	0.156	4	28	330	<0.5
REC-1855	Channel	722802	3038234	726	1.0	4.56	357	69	29	<0.5
REC-1856	Channel	722806	3038214	734	1.0	0.633	50	673	33	1.9
REC-1857	Channel	724050	3037422	654	0.5	0.013	4	18	41	<0.5
REC-1858	Channel	724043	3037406	661	1.0	0.005	2	15	30	<0.5
REC-1859	Channel	724086	3037383	678	0.6	0.005	4	19	83	<0.5
REC-1860	Dump	724092	3037394	688	NA	0.005	4	24	40	<0.5
REC-1861	Channel	723951	3037441	584	1.0	0.005	3	29	57	<0.5
REC-1868	Channel	723718	3037376	570	1.0	0.005	7	38	66	<0.5
REC-1869	Channel	724042	3037565	566	1.0	0.005	6	109	65	<0.5
REC-1870	Channel	722358	3038192	610	0.6	0.005	<2	5	11	<0.5
REC-1871	Channel	722411	3038142	594	1.0	0.005	<2	155	364	24.5
REC-1877	Channel	722449	3038343	603	1.0	0.060	9	10840	412	66.1
REC-1878	Channel	722588	3038383	647	0.5	0.029	54	14240	929	81.4
REC-1879	Channel	722711	3038434	723	1.0	0.025	8	1295	2429	5.0
REC-1880	Channel	722716	3038462	728	0.5	0.005	6	227	5790	19.3
REC-1881	Channel	720328	3036086	441	1.0	0.009	7	52	729	10.1
REC-1882	Channel	720237	3036035	441	1.0	0.025	2	637	46	6.1
REC-1883	Channel	720217	3036043	451	1.0	0.009	11	981	146	0.9
REC-1884	Channel	720106	3036228	425	1.0	0.034	<2	1155	49	12.5
REC-1885	Channel	720098	3036176	413	1.0	0.024	6	19450	115	45.0
REC-1886	Channel	720090	3036188	428	1.0	0.019	25	2961	1703	4.6
REC-1887	Channel	720118	3036055	397	0.6	0.010	101	3348	74	20.3
REC-1888	Channel	720116	3036086	424	1.0	0.021	16	4660	475	47.1
REC-2251	Channel	722732	3038254	712	2.2	0.037	19	1343	3076	20.5
REC-2252	Channel	722733	3038315	748	2.2	0.019	<2	3801	1325	79.2
REC-2253	Channel	722725	3038310	747	1.7	0.005	6	11600	11100	17.9
REC-2254	Channel	722710	3038305	741	2.3	0.005	3	43	378	1.2
REC-2255	Channel	722693	3038319	736	5.0	0.007	4	107	571	2.4
REC-2256	Channel	722668	3038331	739	6.0	0.005	4	68	2121	5.8
REC-2257	Channel	722602	3038364	667	1.5	0.005	<2	24	55	<0.5
REC-2258	Channel	722630	3038335	686	2.5	0.005	4	7	57	<0.5
REC-2259	Channel	722644	3038372	695	2.0	0.007	2	25	59	<0.5
REC-2260	Channel	722653	3038307	704	3.5	0.005	2	247	118	1.1
REC-2261	Channel	722852	3038162	764	2.0	0.013	244	9	144	2.5
REC-2262	Channel	722830	3038117	773	2.0	0.069	18	121	201	3.0
REC-2263	Channel	722920	3038135	763	2.0	0.018	14	7	148	<0.5
REC-2264	Channel	722869	3038336	709	2.0	0.010	8	125	271	<0.5
REC-2265	Channel	722819	3038339	744	2.0	0.010	11	37	1693	2.4

	Highly significant assay results: Cu >1.0% and/or Zn >1.0% and/or Ag >50g/t
	Highly significant assay results: Au > 1.0g/t and/or Co >0.1%

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 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.*	Type of samples collected were: 1. Continuous chip sampling along a marked channel over a defined length 2. Grab samples of loose material from historical mine dumps Sample locations were determined by hand-held GPS. 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 analysis. 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 MA300 (for silver and base metals by ICP-ES). Fire Assay method FA430 was used for gold with analyses carried out in Hermosillo. Over-limit assays were re-analysed by: • MA370 (by ICP-ES for base metals grading >1%); • FA530 (by fire assay with gravimetric finish for silver grading >200ppm and gold grading >10ppm); and • PF370 (by Na2O2 fusion with ICP-ES for cobalt grading >4,000ppm).
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 and metallurgical studies.* *Whether logging is qualitative or quantitative in nature.*	This release has no reference to drilling. Samples were collected and described by geological personnel.

	Core (or costean, channel, etc) photography. *The total length and percentage of the relevant intersections logged.*	Photographs were taken of samples and sample sites.
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 pulps were sent via courier to the BVL in Vancouver. 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 MA300 (for silver and base metals by ICP-ES). Fire Assay method FA430 was used for gold with analyses carried out in Hermosillo. Over-limit assays were re-analysed by: • MA370 (by ICP-ES for base metals grading >1%); • FA530 (by fire assay with gravimetric finish for silver grading >200ppm and gold grading >10ppm); and • PF370 (by Na2O2 fusion with ICP-ES for cobalt grading >4,000ppm). 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 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 were determined by hand-held GPS. The grid system used is NAD27 Mexico UTM 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.*	Grab samples of dump material were collected on the basis of visual recognition of alteration or mineralisation. Channel samples were collected by continuous chip sampling perpendicular across the strike of the observed mineralised zone in outcrop. 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.*	Geological controls and orientations of the mineralised zone are unknown at this time and it is not possible to determination potential sampling bias.
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 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 Sara Alicia Project comprises one mineral concession (#165539) which is 100% owned by Minera Piedra Azul SA de CV, a wholly-owned subsidiary of Azure Minerals Limited. The tenement is secure and 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.*	Small-scale commercial mining was undertaken in the project area in the 1930's. Intermittent artisanal mining has taken place since then. Two different American companies undertook exploration in the 1950's and 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 style of mineralisation forming mantos containing gold, cobalt, copper, zinc, lead and silver occurs on the property and elsewhere in the district.
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 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 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 better understand the mineralisation systems in the project area will comprise additional geological mapping and sampling, geophysical surveys and drilling.