24 OCTOBER 2018

HIGH GRADE HITS IN OPOSURA CENTRAL ZONE

Latest results support future resource increase

High-grade, near-surface mineralisation intersected in the middle of the Central Zone:

- OPDH-173: **12.0m @ 7.7% Zn+Pb** from 44.00m; including **4.1m @ 12.5% Zn+Pb**
- OPDH-178: **9.5m @ 18.9% Zn+Pb** from 23.05m; including **6.2m @ 26.6% Zn+Pb**

Drilling also extends high-grade mineralisation from the East Zone into the Central Zone:

- OPDH-159: **4.8m @ 19.3% Zn+Pb & 122g/t Ag** from 107.05m
- OPDH-171: **4.4m @ 20.4% Zn+Pb & 294g/t Ag** from 99.05m
- OPDH-177: **4.6m @ 36.9% Zn+Pb & 138g/t Ag** from 107.55m

Commenting on these drill results, Azure's Managing Director, **Mr Tony Rovira** said: "*These latest, high-grade, massive sulphide drill intersections from the sparsely drilled Central Zone confirm that this area has the potential to significantly increase Oposura's resource base.*

"They continue to build on the very positive results from the Oposura Scoping Study and confirm potential to extend the mine life and further improve the already impressive project economics."

Azure Minerals Limited ("Azure" or "the Company") (ASX: AZS) is pleased to announce that the Company's drilling of the Central Zone at its 100%-owned Oposura Project ("Oposura" or "the Project"), located in Sonora, Mexico (see Figure 1), has intersected high-grade zinc, lead and silver mineralisation.

Several of these mineralised intersections are situated in the middle of the Central Zone, located more than 200 metres from the East Zone and West Zone resource boundaries. This confirms excellent potential to expand the current Oposura Mineral Resource into this previously under-explored area.

Additionally, Azure completed numerous drill holes outside of the East Zone resource boundary which intersected wide zones (average true width of >4.0m) of massive sulphides containing high grade zinc and lead mineralisation and very high silver grades, mostly >100g/t Ag. These drill intercepts have extended the mineralised system by more than 100 metres towards the west, into the Central Zone.

Given the positive Scoping Study results which identified that similar grade, near-surface mineralisation will be exploited by low-cost open pit and underground mining techniques, these new Central Zone drill intersections are expected to increase the Mineral Resource, extend the current mine life of 5.3 years and have a very positive impact on the overall Project economics.

Figure 1: Plan of Mexico showing location of Oposura Project and Azure Minerals' other projects

Azure recently announced positive results from its Scoping Study into developing a mining and processing operation at Oposura (refer ASX announcement dated 15 October 2018).

The Study delivered a Life of Mine (LOM) **EBITDA of A$237 million, NPV_8 (pre-tax) of A$112 million and an IRR (pre-tax) of 76%** over a 5.3 year mine-life, confirming Oposura as an economically and technically robust, high-margin project.

Underpinned by near-surface, high-grade mineralisation, simple and efficient open pit and underground mining methods and excellent metallurgical characteristics, Oposura is expected to deliver low operating and capital costs, high-value concentrates, strong operating cashflows and a payback period of about 16 months. Importantly, the Company expects **a C1 cash cost (per pound of payable zinc production) of US$0.42/lb, positioning the Project in the lowest quartile of world zinc producers**.

Importantly, the identification of additional mineralisation and increased mineral resources will extend the mine life and further improve the project's already positive economics.

The drill program currently in progress has three objectives:

1. Confirm the presence of mineralisation within the Central Zone and demonstrate potential to join the East and West Zones together into one significantly larger deposit;

2. Close-spaced resource extension drilling in the eastern part of the Central Zone to follow-up very high-grade mineralisation intersected around Tunnel D; and
3. Infill drilling within the East Zone mineral resource area to increase the confidence level of resources scheduled to be exploited early in the mine plan.

To date, drilling has completed 38 holes (OPDH-158 to 195) for a total of 3,116.85m and assay results have been received for 21 holes (up to and including OPDH-178).

Resource definition drilling defined two mineralised zones at Oposura – the East and West Zones. These are separated by the approximately 500m-wide Central Zone which has been only lightly tested by historical drilling undertaken during the 1950s and 1970s. Potential exists to expand the Oposura mineral resources into the Central Zone and also further to the north (see Figure 2).

Azure's current drilling in the Central Zone included holes OPDH-173, OPDH-175 and OPDH-178 which are located approximately half-way between the East and West Zones, and are separated from each other by more than 100m. All three holes intersected near-surface zones of zinc and lead sulphide mineralisation.

OPDH-173 intersected a wide zone of massive and disseminated mineralisation, returning:

- **12.05m @ 6.06% Zn & 1.69% Pb (7.74% Zn+Pb)** from 44.00m which includes:
    - **4.10m @ 10.48% Zn & 1.99% Pb (12.46% Zn+Pb)** from 47.25m

OPDH-175 intersected a zone of disseminated sulphide mineralisation, returning:

- **6.60m @ 1.46% Zn & 1.17% Pb (2.63% Zn+Pb)** from 26.10m

OPDH-178, located approximately 120m to the south of OPDH-173 and 140m to the southeast of OPDH-175, intersected two zones of mineralisation, returning:

- **5.75m @ 1.38% Zn & 1.07% Pb (2.45% Zn+Pb)** from surface
- **9.50m @ 15.10% Zn & 3.75% Pb (18.86% Zn+Pb)** from 23.05m which includes:
    - **6.15m @ 21.96% Zn & 4.67% Pb (26.63% Zn+Pb)** from 24.40m

Elsewhere in the Central Zone, drill holes OPDH-172 and OPDH-174 were specifically designed to test for a postulated upper mineralised horizon in the overlying Candelaria formation, but no significant mineralisation was intersected in these areas.

Importantly, the Company has successfully intersected additional very high grades of zinc, lead and silver mineralisation in the Central Zone near to the East Zone resource boundary. This is likely to extend the mineral resource to the west by more than 100m (see section in Figure 3).

Some of the better drill intersections from this eastern part of the Central Zone include:

OPDH-159: **6.15m @ 13.41% Zn & 2.26% Pb (15.67% Zn+Pb) & 97g/t Ag** from 107.05m, including:
4.80m @ 16.73% Zn & 2.52% Pb (19.25% Zn+Pb) & 122g/t Ag from 107.05m

OPDH-171: **4.40m @ 14.80% Zn & 5.64% Pb (20.44% Zn+Pb) & 294g/t Ag** from 99.05m, including:
3.60m @ 17.69% Zn & 6.56% Pb (24.25% Zn+Pb) & 353g/t Ag from 99.85m

OPDH-177: **4.55m @ 30.80% Zn & 6.11% Pb (36.91% Zn+Pb) & 138g/t Ag** from 107.55m, including:
3.40m @ 40.12% Zn & 8.06% Pb (48.18% Zn+Pb) & 177g/t Ag from 107.55m

Furthermore, drill hole OPDH-187, located about 25m west of hole OPDH-177 and 125m outside of the East Zone resource boundary, intersected approximately 3.5m of massive and banded sulphide mineralisation, indicating that the high-grade mineralisation in this area remains open to the north and west. Assay results for OPDH-187 are awaited.

The East Zone mineral resources that are closest to the drill holes discussed above are classified as JORC Inferred Resources. As part of the Preliminary Feasibility Study now being undertaken by Azure, infill drilling is being conducted to upgrade these resources to the Indicated category. Several of these holes intersected high grade mineralisation, including:

OPDH-163: **4.15m @ 21.93% Zn & 3.84% Pb (25.77% Zn+Pb) & 148g/t Ag** from 97.40m

OPDH-165: **2.90m @ 18.78% Zn & 2.28% Pb (21.06% Zn+Pb) & 148g/t Ag** from 95.90m

OPDH-166: **6.95m @ 33.49% Zn & 5.19% Pb (38.68% Zn+Pb) & 365g/t Ag** from 68.15m

Previously reported resource drill holes (refer to ASX announcements dated 28 March and 22 May 2018) located in this same part of the East Zone resource returned the following intersections:

OPDH-053: **5.50m @ 17.48% Zn & 3.43% Pb (20.90% Zn+Pb) & 150g/t Ag** from 95.15m

OPDH-111: **3.20m @ 12.99% Zn & 7.96% Pb (20.95% Zn+Pb) & 80g/t Ag** from 97.10m

OPDH-127: **2.50m @ 24.84% Zn & 2.39% Pb (27.23% Zn+Pb) & 137g/t Ag** from 89.10m

All of these drill holes are located near to the historical exploratory underground workings known as Tunnel D. The presence of this strongly mineralised horizon has also been confirmed by mapping and sampling within Tunnel D.

A cross section through the Tunnel D high grade zone is shown in Figure 3 and plans showing drill hole locations are shown in Figures 4 and 5.

Figure 2: Isometric view showing locations of significant intersections in the Central Zone

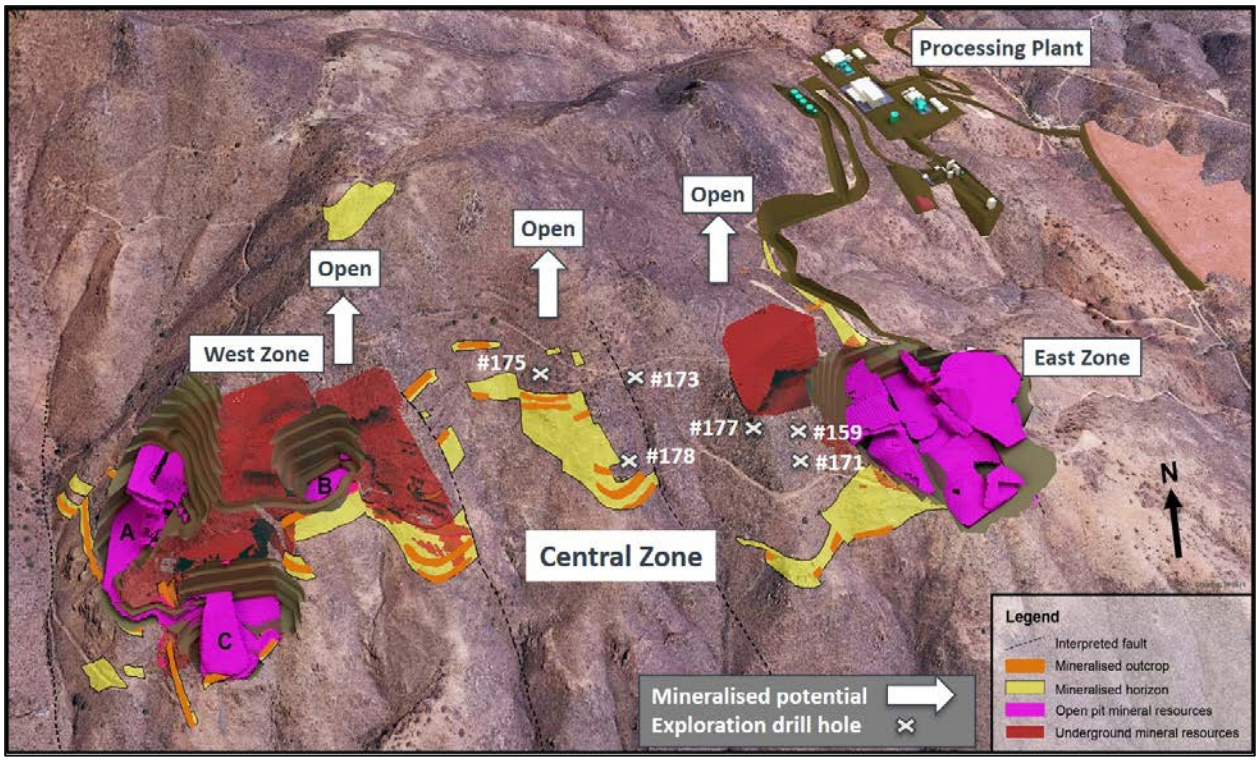

Figure 3: Cross section A-AA through the Tunnel D high grade zone

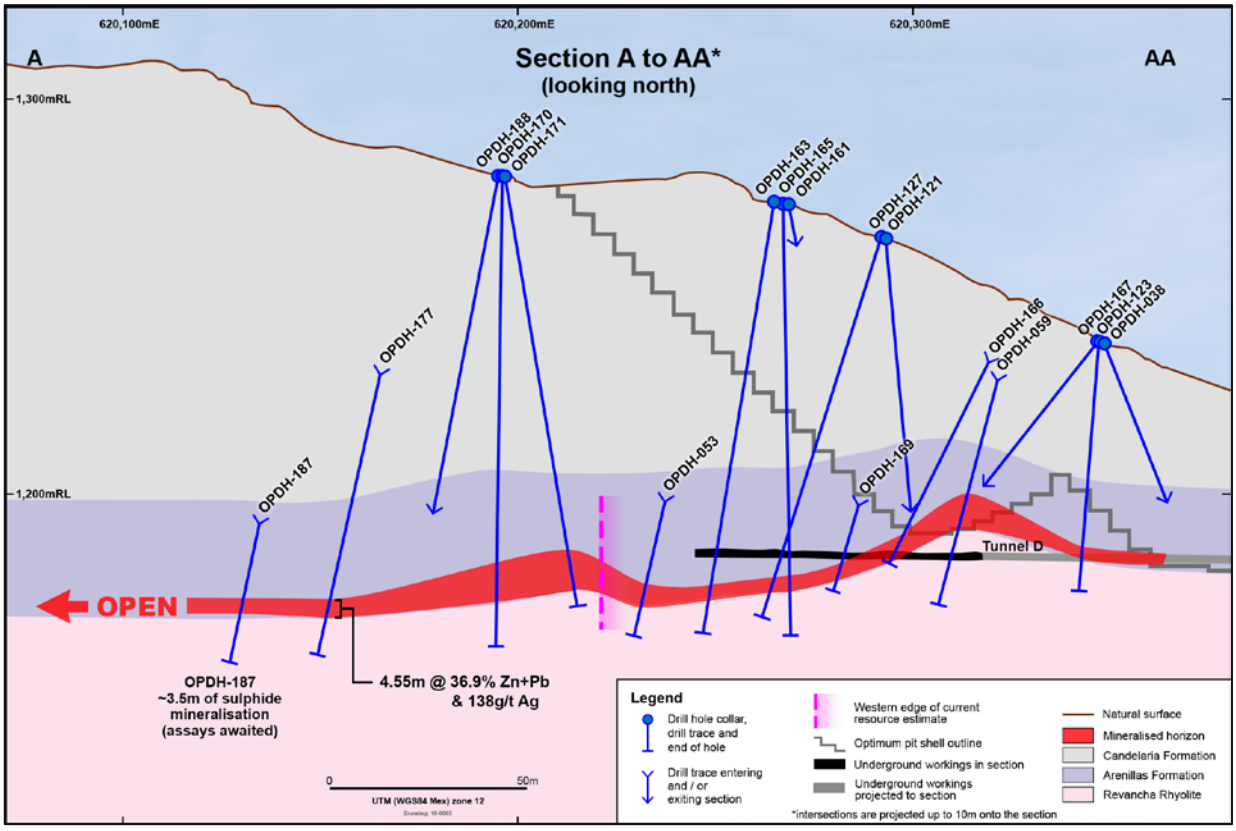

Figure 4: Plan showing recent drilling into the Central Zone

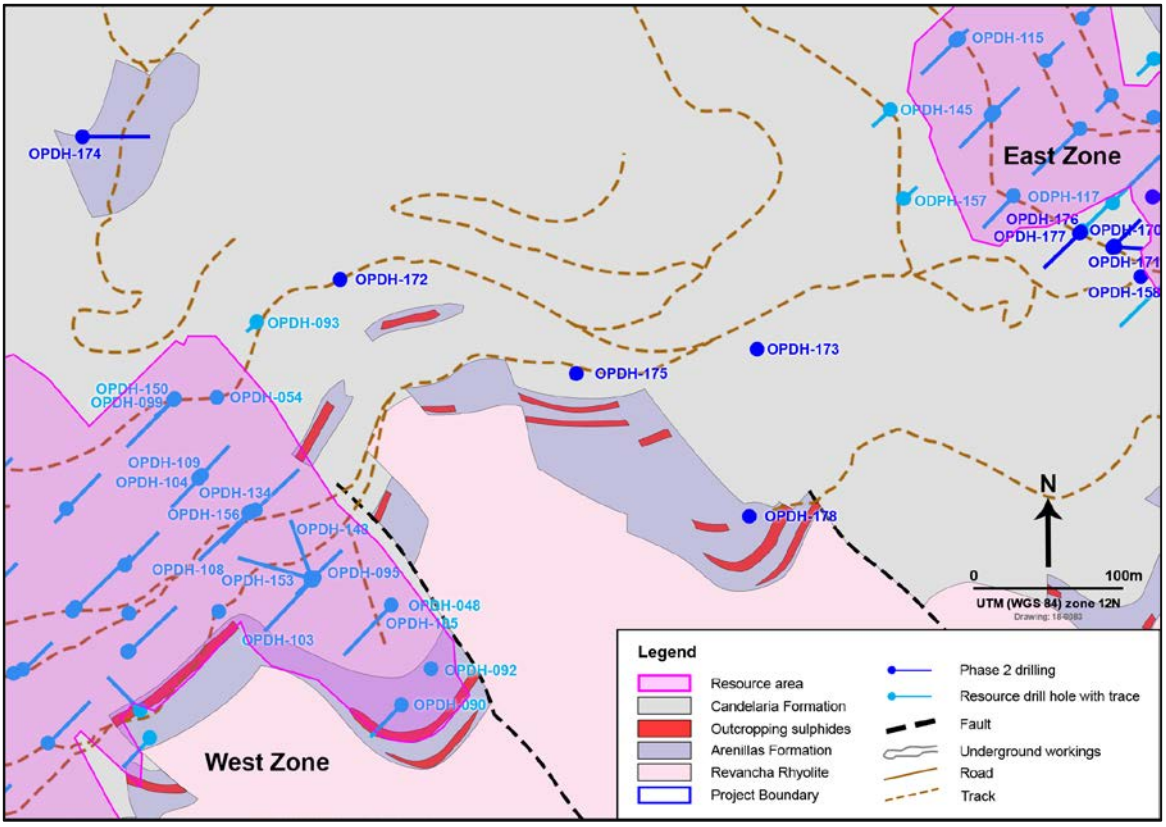

Figure 5: Plan showing recent drilling into the East Zone

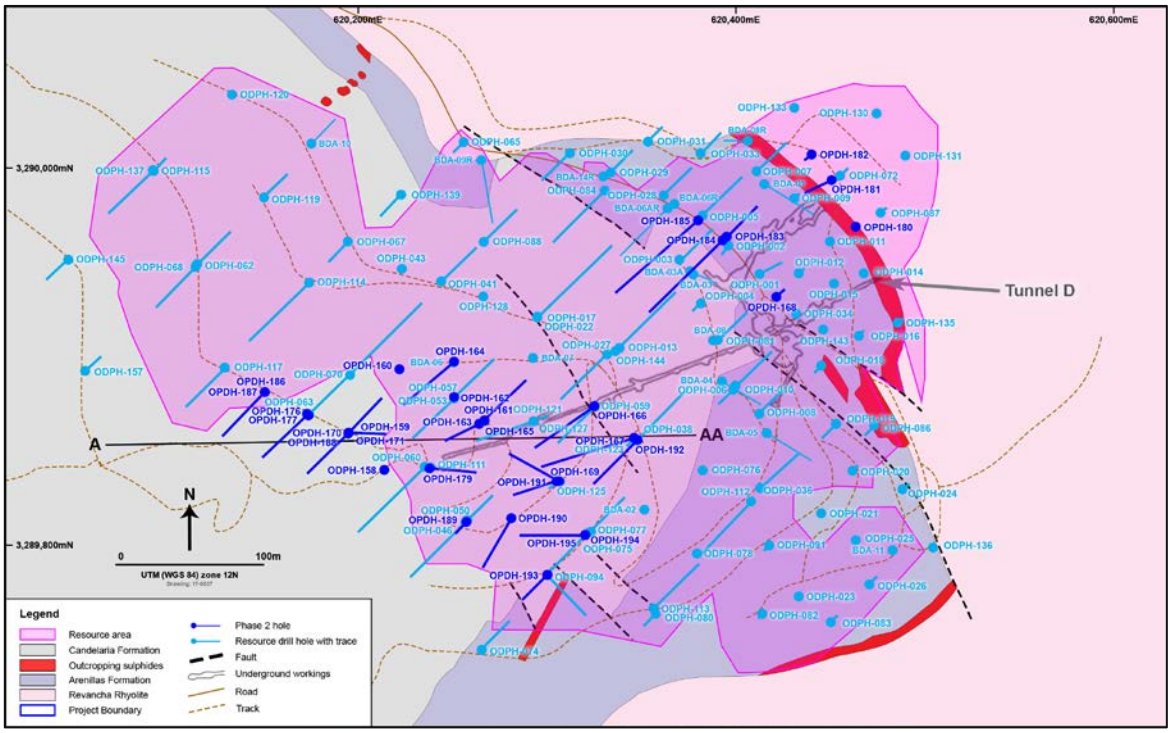

TABLE 1: Significant mineralised drill intercepts

Hole No	Depth (m)		Intercept Length (m)	Grade			
	From	To		Zn (%)	Pb (%)	Zn+Pb (%)	Ag (g/t)
OPDH-159	93.50	98.50	5.00	5.22	4.08	9.30	13.88
including	95.50	98.50	3.00	6.54	5.11	11.65	18.90
	107.05	113.20	6.15	13.41	2.26	15.67	96.97
Including	107.05	111.85	4.80	16.73	2.52	19.25	121.95
OPDH-160	72.20	79.65	7.45	4.71	3.55	8.26	11.27
Including	72.80	73.00	0.20	12.40	10.70	23.10	27.0
and	74.45	74.85	0.40	8.60	5.61	14.21	16.0
and	76.85	78.95	2.10	11.25	8.48	19.73	30.03
OPDH-161	78.00	80.15	2.15	7.11	4.89	12.00	17.53
Including	78.00	79.70	1.70	8.89	5.98	14.87	20.65
	87.45	89.75	2.30	4.63	3.67	8.30	14.76
Including	87.45	88.05	0.60	9.47	7.61	17.08	27.50
	99.20	100.05	0.85	1.90	1.39	3.29	3.50
OPDH-162	75.10	78.90	3.80	4.09	3.55	7.64	10.98
Including	75.25	75.55	0.30	14.12	11.97	26.09	41.40
and	77.20	77.95	0.75	8.90	7.15	16.05	21.10
	86.05	86.90	0.85	1.85	1.35	3.20	3.08
	88.30	88.60	0.30	0.36	1.77	2.13	4.00
	95.00	97.52	2.52	1.23	1.67	2.90	3.84
OPDH-163	79.80	80.55	0.75	3.30	3.32	6.62	7.10
	84.85	85.70	0.85	2.78	2.45	5.23	5.10
	89.10	90.95	1.85	3.22	2.34	5.55	5.79
	97.40	101.55	4.15	21.93	3.84	25.77	147.94
including	97.40	100.80	3.40	26.05	4.09	30.15	178.85
	105.70	107.70	2.00	1.68	2.18	3.85	8.15
OPDH-164	43.30	44.00	0.70	1.64	0.95	2.59	8.00
	67.65	73.00	5.35	2.36	1.85	4.21	6.19
	81.55	82.20	0.65	6.34	5.53	11.87	19.90
	90.90	94.20	3.30	4.22	2.88	7.09	49.24
	96.55	97.00	0.45	1.71	1.21	2.92	20.20
OPDH-165	76.05	76.95	0.90	1.07	1.82	2.89	4.00

	80.00	80.55	0.55	2.61	2.61	5.22	5.30
	95.90	98.80	2.90	18.78	2.28	21.06	147.84
Including	95.90	97.20	1.30	39.89	3.74	43.63	321.50
OPDH-166	40.35	42.35	2.00	2.22	2.06	4.28	5.97
Including	72.05	42.35	0.30	5.19	5.97	11.16	18.00
	48.42	48.75	0.33	1.27	1.35	2.62	4.90
	57.75	64.80	7.05	1.68	1.23	2.91	4.22
	68.15	75.10	6.95	33.49	5.19	38.68	364.79
Including	68.15	74.65	6.50	35.60	5.47	41.07	386.69
OPDH-167	47.30	48.30	1.00	1.76	1.62	3.38	7.30
	49.80	50.70	0.90	1.31	1.96	2.27	4.80
	54.30	55.60	1.30	3.72	3.88	7.60	9.47
including	55.15	55.60	0.45	8.76	6.65	15.41	14.90
OPDH-168	9.20	9.85	0.65	1.22	1.22	2.44	4.30
	15.25	18.65	3.40	18.04	9.34	27.38	65.53
including	17.05	18.65	1.60	36.56	17.90	54.46	132.57
OPDH-169	38.50	41.95	3.45	1.82	1.49	3.30	4.26
	72.55	75.00	2.45	3.71	3.02	6.73	13.61
including	73.50	74.25	0.75	5.33	5.76	11.09	20.70
OPDH-170	71.70	72.40	0.70	1.72	1.20	2.92	1.60
	86.35	86.80	0.45	1.18	1.09	2.27	3.40
	89.75	90.20	0.45	1.14	0.94	2.08	4.00
	94.75	95.25	0.50	8.85	5.51	14.36	51.80
	101.00	104.50	3.50	1.44	1.30	2.73	8.29
	108.70	111.70	3.00	1.36	1.04	2.40	3.74
OPDH-171	93.05	96.55	3.50	1.31	1.22	2.54	3.85
	99.05	103.45	4.40	14.80	5.64	20.44	293.82
including	99.85	103.45	3.60	17.69	6.56	24.25	352.96
OPDH-172	49.90	50.53	0.45	1.77	0.98	2.75	5.30
	54.10	54.70	0.60	1.10	1.41	2.51	6.90
OPDH-173	44.00	56.05	12.05	6.06	1.69	7.74	22.98
including	47.25	51.35	4.10	10.48	1.99	12.46	42.87
	62.20	62.95	0.75	2.66	0.55	3.21	3.90

OPDH-174			No significant results				
OPDH-175	20.80	21.75	0.95	2.53	2.29	4.82	14.60
	26.10	32.70	6.60	1.46	1.17	2.63	6.22
OPDH-176	90.80	95.70	4.90*	1.91	1.46	3.37	4.24
			*Includes 2.2m internal dilution				
	105.45	108.50	3.05	5.64	3.69	9.33	24.59
including	105.45	105.85	0.40	27.40	17.17	44.57	125.00
	111.15	111.70	0.55	1.38	0.89	2.27	1.60
	114.40	115.90	1.50	1.77	1.63	3.40	3.60
OPDH-177	92.95	95.65	2.70	4.17	2.81	6.98	8.28
including	95.00	95.65	0.65	6.11	3.91	10.02	9.40
	101.05	101.55	0.50	1.23	0.85	2.08	1.10
	107.55	112.10	4.55	30.80	6.11	36.91	137.89
Including	107.55	110.95	3.40	40.12	8.06	48.18	176.99
	118.60	119.30	0.70	5.99	0.50	6.49	15.40
OPDH-178	0.00	5.75	5.75	1.38	1.07	2.45	3.91
	23.05	32.55	9.50	15.10	3.75	18.86	22.12
including	24.40	30.55	6.15	21.96	4.67	26.63	31.12

Table 2: Location data for holes drilled

HOLE No.	EAST	NORTH	ELEVATION	AZIMUTH	DIP	TOTAL DEPTH
	(m)E	(m)N	(m)ASL			(m)
OPDH-158	620213	3289840	1284.1	246	-88.3	112.85
OPDH-159	620194	3289860	1277.4	044	-77.8	120.45
OPDH-160	620222	3289893	1260.1	109	-89.3	105.20
OPDH-161	620267	3289866	1272.6	045	-74.2	111.30
OPDH-162	620250	3289879	1268.2	131	-88.6	105.20
OPDH-163	620264	3289864	1273.0	244	-79.0	109.80
OPDH-164	620250	3289897	1257.2	230	-69.1	100.65
OPDH-165	620267	3289866	1272.6	211	-89.3	108.25
OPDH-166	620325	3289874	1248.3	235	-60.5	76.25
OPDH-167	620346	3289857	1237.8	252	-50.3	80.80
OPDH-168	620421	3289932	1205.0	050	-78.5	30.50
OPDH-169	620305	3289834	1254.2	300	-69.4	83.85
OPDH-170	620195	3289860	1277.4	290	-89.2	115.90
OPDH-171	620194	3289860	1277.4	089	-80.2	107.50
OPDH-172	619677	3289838	1343.8	094	-89.4	70.15
OPDH-173	619957	3289791	1305.1	142	-89.0	93.00
OPDH-174	619504	3289934	1421.6	090	-20.0	47.25
OPDH-175	619836	3289775	1308.3	223	-89.9	50.30
OPDH-176	620173	3289870	1276.6	113	-88.9	120.45
OPDH-177	620173	3289870	1276.6	226	-75.0	122.00
OPDH-178	619951	3289679	1264.9	222	-89.2	33.55
OPDH-179	620238	3289841	1279.8	095	-77.7	108.25
OPDH-180	620463	3289969	1187.3	025	-88.7	21.35
OPDH-181	620451	3289993	1185.5	246	-59.9	30.50
OPDH-182	620440	3290007	1184.8	231	-76.6	21.35
OPDH-183	620395	3289963	1205.8	045	-64.1	51.85
OPDH-184	620393	3289961	1206.0	226	-46.2	76.25
OPDH-185	620380	3289972	1205.7	228	-44.3	80.80
OPDH-186	620150	3289881	1300.0	174	-89.0	126.55
OPDH-187	620150	3289881	1277.8	224	-75.3	125.05
OPDH-188	620194	3289860	1277.4	225	-74.8	112.85
OPDH-189	620256	3289812	1263.7	227	-84.0	80.80
OPDH-190	620281	3289814	1260.0	210	-70.0	80.80
OPDH-191	620305	3289834	1254.7	250	-71.7	70.15
OPDH-192	620348	3289856	1237.7	225	-56.0	56.40
OPDH-193	620300	3289784	1239.0	225	-71.0	57.40
OPDH-194	620320	3289805	1240.0	000	-90.0	50.30
OPDH-195	620320	3289805	1240.1	270	-55.0	61.00

-ENDS-

For enquiries, please contact:

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

Media & Investor Relations
Michael Weir / Cameron Gilenko
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 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.

Information in this report that relates to previously reported Exploration Results has been crossed-referenced in this report to the date that it was reported to ASX. Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcements.

Information in this report that relates to previously reported Mineral Resources has been crossed-referenced in this report to the date that it was reported to ASX. Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

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 0.10m to 1.55m intervals guided by changes in geology. Drill hole collar locations were initially determined by hand-held GPS and with final drill hole collar positions surveyed by 2 channel differential 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 75 micron screen. Envelopes containing the 250g sample pulps were sent via courier to BVL in Vancouver, Canada for analysis. The analytical technique, MA300, for all samples initially involved a four-acid digest followed by multi-element ICP-ES analysis producing results for silver and base metals. This technique is considered a total digest for all relevant minerals. 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).*	Drilling technique for all holes was diamond drilling with HQ-size (63.5mm diameter) or HQ3-size (61.1mm diameter) core. Drill core in angled holes is being oriented for structural interpretation
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.*	Diamond 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 discernible 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.*	Detailed core logging was carried out with recording of weathering, lithology, alteration, veining, mineralisation, structure, mineralogy, RQD and core recovery.

	Core (or costean, channel, etc) photography. *The total length and percentage of the relevant intersections logged.*	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, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	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. 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. Duplicate, standard and blank check samples were submitted with drill core samples. 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 technique, MA300, for all samples initially involved a four-acid digest followed by multi-element ICP-ES analysis producing results for silver and base metals. This technique is considered a total digest for all relevant minerals. 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).
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) collected and inspected the samples. Approximately 20% of historical drill holes are being twinned. 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.*	Drill hole collar locations were initially determined by hand-held GPS and with final drill hole collar positions surveyed by 2 channel differential GPS.

	Specification of the grid system used. *Quality and adequacy of topographic control.*	The grid system used is WGS84 Mexico UTM Zone 12N 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.*	As this drilling program is for the purposes of mineral resource estimation, an initial drill hole spacing of 50m x 50m was implemented. Additional drilling to infill the hole spacing to 25m x 25m was implemented in some areas. When completed, the data spacing and distribution will be sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation procedures. 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.*	The mineralised zone is predominantly a horizontal layer of massive and banded sulphide mineralisation. 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. 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 eleven mineral concessions, 10 granted and one in application, totalling 771 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. The eleventh tenement is still at the application stage.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Peñoles and Anaconda carried out diamond core drilling, underground exploratory mine development and metallurgical testwork in the 1970's. Minero Puma SA de CV conducted exploration in 2017 comprising underground mapping and sampling of historical workings and drilling of 16 surface drill holes. 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 and silver.
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.*	No weighted averaging techniques were used. No maximum and/or minimum grade truncations (eg cutting of high grades) or cut-off grades were applied. High grade intervals internal to broader mineralised zones are reported as included zones - refer to drill intercept and detail tables. No metal equivalents were reported. Reported zinc and lead mineralised intersections for the drilling are based on intercepts using a lower grade cut-off of 2.0% Zn+Pb for the overall mineralised zones and 10.0% Zn+Pb for the included high grade mineralised zones.

		A maximum of 2m of consecutive internal dilution at <2.0% Zn+Pb has been applied to all mineralised intercepts.
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 unconfirmed 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 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*	Planned further work to better understand the mineralisation systems in the project area will comprise geological mapping and sampling, geophysical surveys and drilling.