8 MAY 2019

AZURE EXPANDS OPOSURA MINERAL RESOURCE

HIGHLIGHTS:

- **Infill and extensional drilling of the East Zone has increased the Oposura Mineral Resource to 3.1 million tonnes @ 5.0% Zn & 2.7% Pb (refer Tables 1 & 2 for details)**
- **East Zone resource tonnage has been increased by 20% at similar zinc, lead & silver grades, indicating potential to increase the mine life of the project**
- **85% of contained metal now classified as Indicated Mineral Resources (up from 75%), representing five years of mine production (refer Scoping Study: ASX: 15 October 2018)**
- **Significant upside for further Mineral Resource expansion; additional drilling is planned**

Azure Minerals Limited (ASX: **AZS**) ("Azure" or "the Company") is pleased to announce an update to the Mineral Resource estimate (ASX: 4 July 2018) for its 100%-owned Oposura zinc-lead-silver project ("Oposura") located in Sonora, Mexico.

Successful infill and extensional drilling have increased the East Zone Mineral Resource by 20% and enabled most of the initial East Zone Mineral Resource to now be classified within the JORC Indicated Resource category. The updated total Mineral Resource for Oposura is:

Table 1: Oposura Mineral Resource Estimate (at a 1.5% Zinc Equivalent Cut-Off Grade) *					
	Tonnes	**Grade**			
	Mt	**Zn (%)**	**Pb (%)**	**Zn+Pb (%)**	**Ag (g/t)**
Indicated	2.5	5.3	2.9	8.2	19
Inferred	0.6	3.4	2.1	5.6	15
TOTAL	**3.1**	**5.0**	**2.7**	**7.7**	**18**
Contained Metal		**153,000t**	**84,000t**	**237,000**	**1,780,000oz**
* Refer Table 2 for full details of the Mineral Resource and metal equivalence formula Note: Totals may not add exactly due to rounding					

Commenting on the updated Mineral Resource, **Azure's Managing Director, Mr Tony Rovira**, said: *"Azure is continuing to successfully advance the development and production strategy for Oposura.*

"The latest drilling campaign has increased the East Zone resource tonnage and the amount of total contained zinc, lead and silver within the deposit, which will likely lead to an increase in the mine life of the project as part of the Feasibility Study currently in progress.

"Drilling also confirmed that significant quantities of high-grade mineralisation are immediately accessible for open pit and underground mining, supporting near-term mine development.

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"Metals prices, particularly zinc, have rebounded strongly since the completion of the Scoping Study and with this strength in the zinc market, Oposura continues to present a strong case for development based upon the existing resources, with significant upside potential to further increase resources."

MINERAL RESOURCE SUMMARY

This updated Mineral Resource is based upon the Phase 2 program of 58 diamond drill holes totalling 4,567m, in addition to the Phase 1 program of 173 holes totalling 11,109m. The Mineral Resource has been estimated and classified as Indicated and Inferred Mineral Resources in accordance with the guidelines of the JORC Code (2012)[1] by CSA Global Pty Ltd (CSA Global), Perth, Western Australia.

Mineral Resources have been reported at a cut-off grade of 1.5% Zinc Equivalent which is considered reasonable for various mining options being assessed in the mining study for the Pre-Feasibility Study (PFS), which is expected to be reported in Q3, 2019.

Significantly, 85% of the contained metal within the Mineral Resource is now classified in the Indicated Mineral Resource category (refer Tables 1 & 2), providing confidence in the continuity of grade and widths of the mineralisation.

The newly increased tonnage of Indicated Resources now represents approximately five years of production based on the Scoping Study throughput rate of 500,000tpa (ASX: 15 October 2018), further supporting and enhancing the results of the Scoping Study which delivered an EBITDA of A$237 million, an NPV of A$112 million, an IRR of 76% and a payback period of 16 months.

The upgraded Mineral Resource also displays significant potential for further expansion upside with mineralisation remaining open in several directions (see Figures 1 & 2). The potential to further increase the project mine life is demonstrated by drill results in the Central Zone, a 500m-wide zone situated between the East and West Zones, where reconnaissance drilling intersected near-surface, high-grade mineralisation, including:

- 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**

Beneficially, the Phase 2 drilling has confirmed the presence of a continuous zone of very high-grade, zinc-rich mineralisation immediately adjacent to the existing Tunnel D underground mine development (see Figures 3 & 4). This tunnel is in excellent condition allowing Azure to have immediate access to this very rich ore zone and the Company is currently assessing the potential for early development of this high-grade mineralisation.

Two of the better drill intersections in this new Tunnel D high-grade zone include:

- OPDH-166: **6.95m @ 38.7% Zn+Pb** from 68.15m; including **6.50m @ 41.1% Zn+Pb**
- OPDH-177: **4.55m @ 36.9% Zn+Pb** from 107.55m; including **3.40m @ 48.2% Zn+Pb**

Additional drilling is planned to further increase Mineral Resources in the Central Zone, to the north of the deposit and within the wider property.

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[1] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Table 2: Mineral Resources for the Oposura Project - Using a 1.5% Zinc Equivalent Cut-Off Grade*																					
From the April 2019 Oposura East estimate update and the June 2018 Oposura West estimate																					
ZONE	INDICATED							INFERRED							TOTAL						
	Tonnes	Grade			Contained Metal			Tonnes	Grade			Contained Metal			Tonnes	Grade			Contained Metal		
	(Mt)	Zn (%)	Pb (%)	Ag (g/t)	Zn (kt)	Pb (kt)	Ag (koz)	(Mt)	Zn (%)	Pb (%)	Ag (g/t)	Zn (kt)	Pb (kt)	Ag (koz)	(Mt)	Zn (%)	Pb (%)	Ag (g/t)	Zn (kt)	Pb (kt)	Ag (koz)
EAST	0.9	5.2	3.3	22	47	29	640	0.3	3.6	2.2	16	11	7	150	1.2	4.8	3.0	21	58	36	800
WEST	1.6	5.4	2.6	16	86	42	850	0.3	3.3	2.1	14	10	6	140	1.9	5.0	2.6	16	95	49	980
TOTAL	**2.5**	**5.3**	**2.9**	**19**	**133**	**72**	**1500**	**0.6**	**3.4**	**2.1**	**15**	**21**	**13**	**290**	**3.1**	**5.0**	**2.7**	**18**	**153**	**84**	**1,780**

*Zn eq. % US$:

Equivalent values in US$ are determined by the following factors:

- Assumed commodity prices:
  - Zinc $3,107.50/t, Lead $2,411/t (spot price, LME, 2018. www.lme.com cited 0:00 GMT 20/06/2018);
  - Silver $16.20/oz (spot price, NYSE, 2018. www.kitco.com cited 0:00 GMT 20/06/2018)
- Assumed concentrate recoveries: Zn 87.5%, Pb 85%, Ag 67% (Locked Cycle Flotation tests: Azure Minerals Ltd, 2018.)
- Assumed Smelter recoveries at: Zn 85%, Pb 95%, Ag 70% (Benchmark Tests: Azure Minerals Ltd, 2018)
- It is the opinion of Azure Minerals Ltd that all the elements included in the calculation have a reasonable potential to be recovered and sold

Note: Totals may not add exactly due to rounding

Figure 1: Oposura project area with Mineral Resource outlines

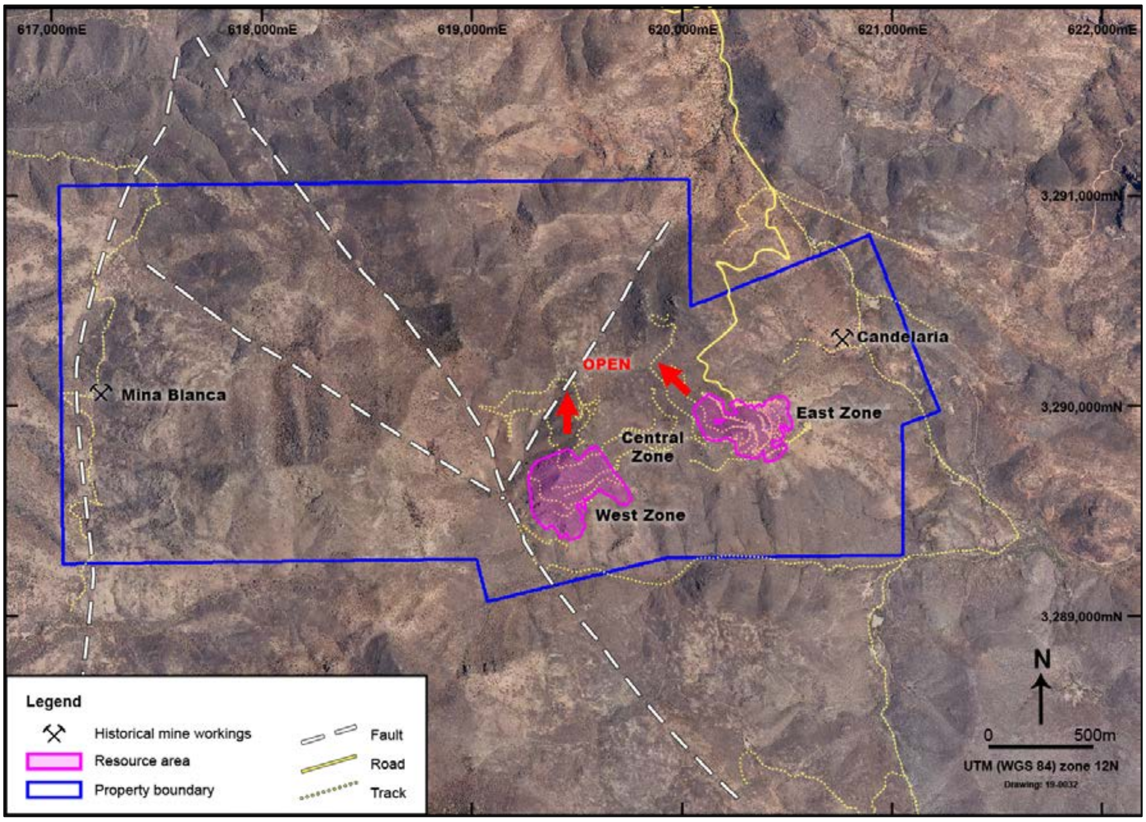


Figure 2: Plan of Mineral Resource outlines and drill collars

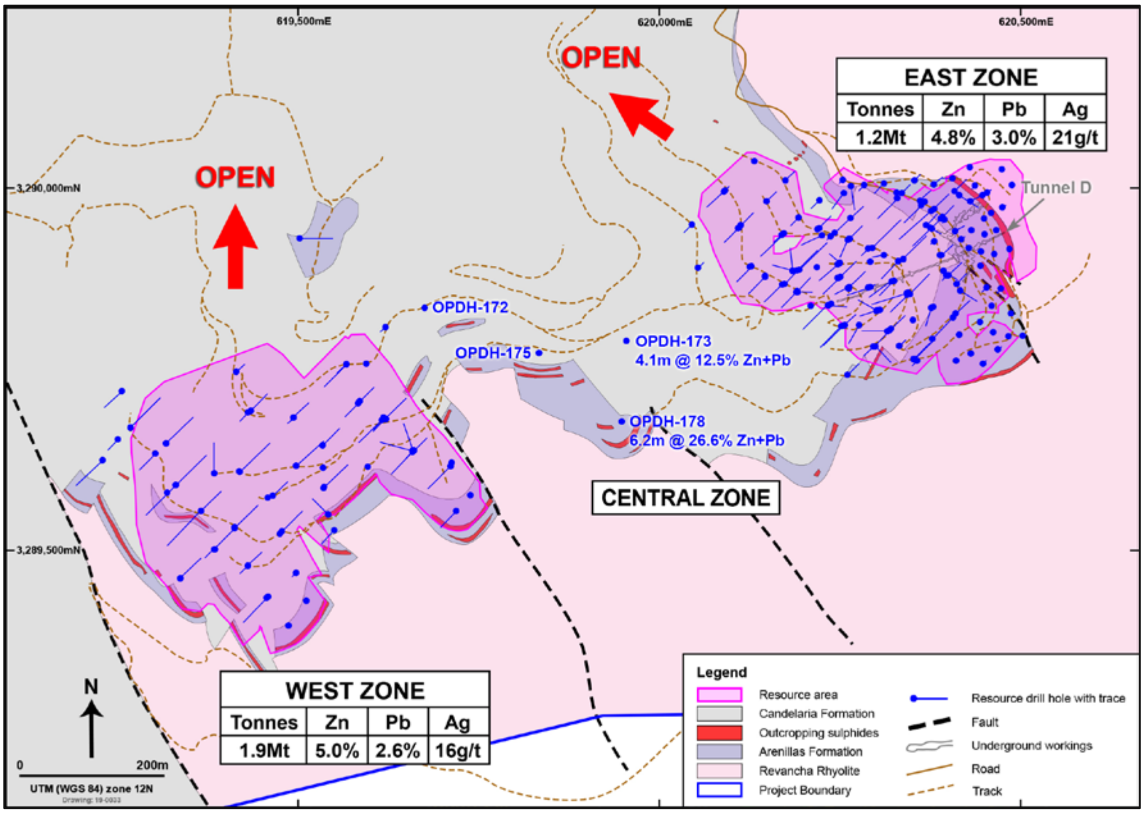


Figure 3: Plan showing East Zone Mineral Resource outline, drill collars and section line A-AA

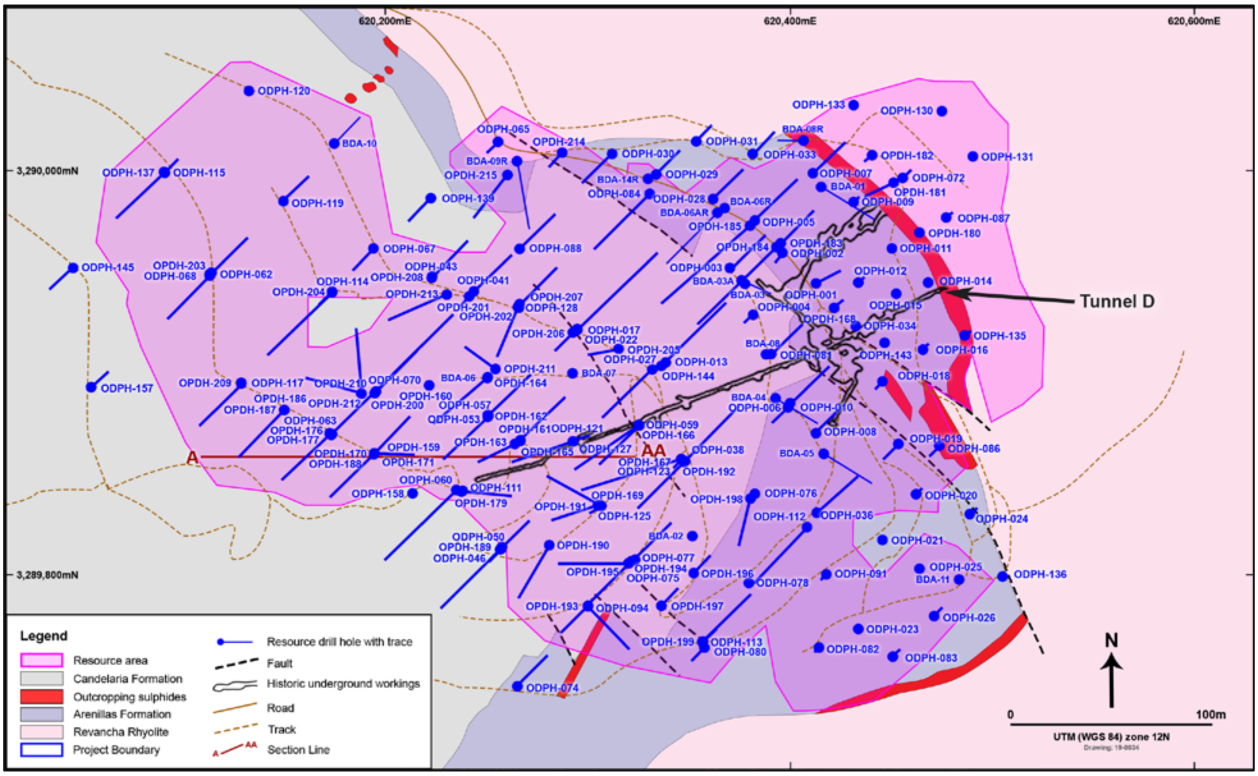
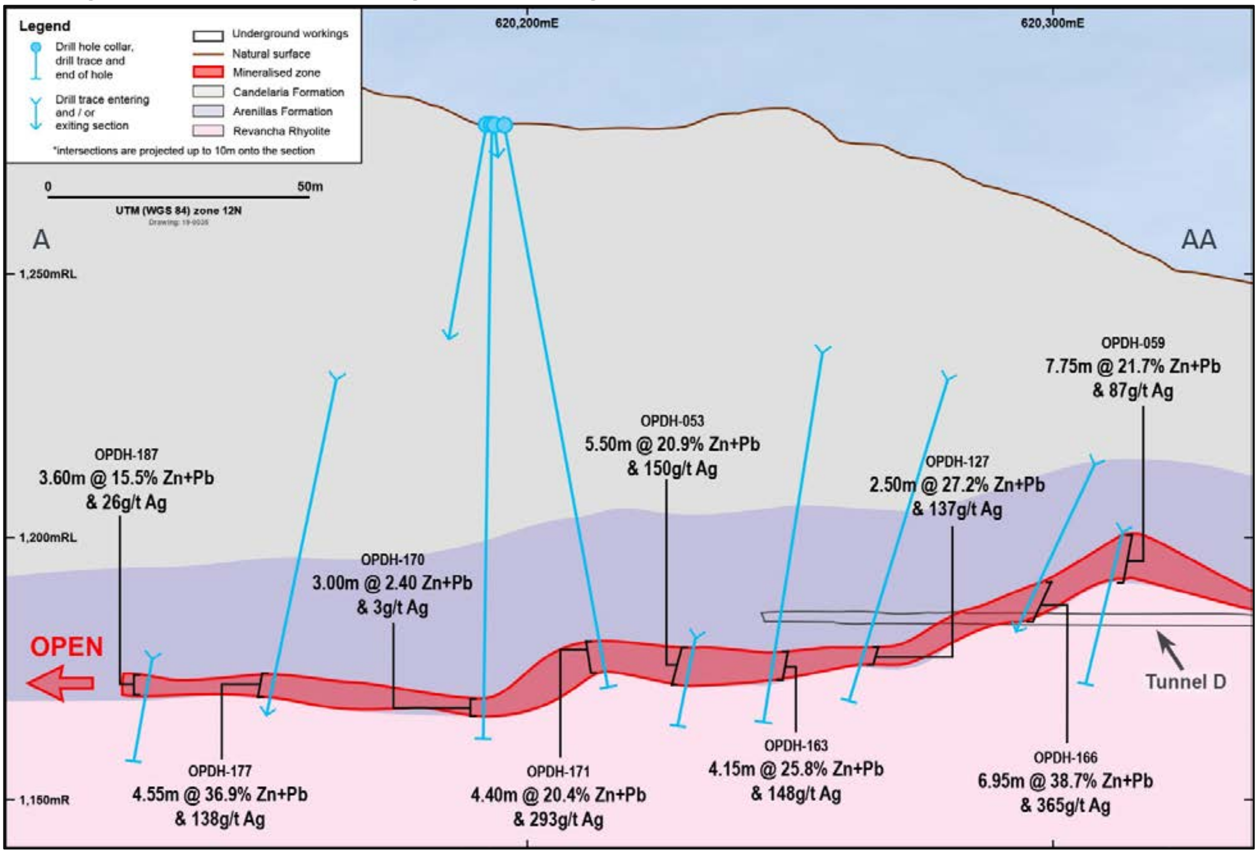


Figure 4: Section A-AA through Tunnel D High Grade Zone in the East Zone Mineral Resource



OPOSURA MINERAL RESOURCE ESTIMATE

The Oposura Mineral Resource estimate (MRE) has been prepared in accordance with the requirements and guidelines of the JORC Code (2012) as detailed in the JORC Code summary tables appended to this report.

Geological Setting

Oposura is hosted by the Cretaceous-age Mesa Formation, a volcano-sedimentary sequence that extends across northern Mexico.

At Oposura, the host lithology is a felsic volcano-sedimentary sequence. Mineralisation predominantly occurs within the Arenillas Formation, a mixed unit of volcanic tuffs and limestone intervals sandwiched between two volcanic welded tuff units. The footwall unit is the Revancha Rhyolite and the hangingwall unit is the Candelaria Formation.

Based on the observed alteration mineralogy, Oposura fits the characteristics of a distal skarn with skarn alteration and sulphide mineralisation replacing limestone horizons within the Arenillas Formation.

Mineralisation comprises zinc, lead and silver-bearing sulphides and iron sulphides (pyrite) occurring as massive to semi-massive stratabound lenses that replace limestone horizons in the sedimentary sequence. Higher grade zinc and lead mineralisation is correlated with elevated silver concentrations. The most extensive mineralised horizon replaces a well-developed, clean, massive to laminated limestone unit near the base of the Arenillas Formation. Extensive skarn alteration of limestone and of calcareous volcaniclastic sedimentary rocks is associated with the sulphide mineralisation and is characterised by manganese-rich calc-silicate minerals with strong, late-stage retrogression.

Massive sulphide mineralisation commences at surface with limited weathering or oxidation.

Dimensions and Geometry

The mineralised horizon crops out discontinuously over approximately two kilometres on the eastern, southern and western slopes of the Oposura mountain (see Figures 3 & 4) and displays sub-horizontal to shallow dips (see Figure 4). Mineral Resource definition drilling defined two separate mineralised zones - East Zone and West Zone, which are separated by the sparsely drilled, 500m-wide Central Zone.

The sub-horizontal dip of the mineralised zones results in vertical thickness being very similar to true thickness. The vertical thicknesses of individual sulphide mineralisation lenses average 7m in East Zone and 3m in West Zone, with maximum vertical thicknesses of 20m in East Zone and 10m in West Zone. The mineralised zones demonstrate good internal continuity of zinc, lead and silver grades appropriate to the Mineral Resource classifications.

Drilling confirmed that the zinc, lead and silver mineralisation within East Zone extends for approximately 470m (north-south) and 325m (east-west) along the eastern slope of the Oposura mountain. Drilling confirmed that the zinc, lead and silver mineralisation within West Zone extends for approximately 400m (north-south) and 475m (east-west) along the southern and western slopes at the western end of the Oposura mountain.

These two Mineral Resource zones are separated by the 500m-wide Central Zone, which has been lightly tested by drilling undertaken by Anaconda and Peñoles during the 1960s and 1970s and Azure in 2018. Several drill holes intersected wide zones of near-surface, high-grade zinc and lead sulphide mineralisation within the Arenillas Formation and the Company considers that there is good potential for the Mineral

Resource to be expanded in this area, possibly joining the East, Central and West Zones into a single continuous deposit.

Sampling Details

Mineral Resource definition drilling has been undertaken in two phases. Phase 1 was undertaken in 2017/18 and comprised 173 diamond drill holes for 11,109m of drilling, with 16 holes drilled by the previous owner Puma (983m) and 157 holes by Azure (10,126m). Phase 2 was undertaken in 2018 and comprised 58 diamond drill holes totalling 4,567m, all drilled by Azure. Hole depths ranged from 10m to 134m, with an average depth of 68m, highlighting the shallow nature of the deposit.

Holes were drilled with a variety of azimuths and dips to ensure the mineralised horizon was intersected on an initial 50m × 50m spacing. Additional drilling to infill the hole spacing to 25m x 25m was undertaken in some areas. For the Mineral Resource, all Puma holes and 187 Azure holes (out of a total of 215) intersected mineralisation.

Drill core was sawn in half along the core axis using a wet diamond core saw. All samples were collected from the same side of the core. Duplicate, standard and blank check samples were anonymously submitted with drill core samples at the rate of approximately one standard, blank or duplicate in every 10 samples. When a duplicate sample was required, the ½-core sub-sample was then wet-cut preparing two ¼-core sub-samples for laboratory dispatch, one considered to be the primary sample, the other a duplicate.

Sample lengths for assay purposes were guided by changes in geology and varied from 0.05m to 3.05m, with an average sample mass of 2.75kg.

Sample Preparation and Assaying

Bureau Veritas Mineral Laboratories (BVL) prepared all the samples from Oposura at their sample preparation facilities in Hermosillo, Sonora, Mexico. Samples were weighed, assigned a unique bar code and logged into the laboratory tracking system. Samples were then dried and each sample was crushed to >70% passing a 2mm screen. A 250g sub-sample was collected for pulverising by ring and puck to >85% passing sub 75µm. The 250g sample pulps were then dispatched via courier to BVL in Vancouver, Canada for analysis.

Samples drilled by Puma were analysed by the technique MA200 with 0.25g samples subject to a four-acid digest followed by multi-element ICP-MS analysis producing results for silver and base metals. This technique is considered a total digest for all relevant minerals and has a very low detection limit.

The analytical technique, MA300, was used for all samples drilled by Azure, comprising 0.25g samples subject to 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 for both Azure and Puma drill samples were re-analysed by:

- Method MA370 (0.5g samples digested by 4 acids and analysed by ICP-ES for base metals grading >1%);
- Method GC816 (by Classical Titration for zinc grading >20%);
- Method GC817 (by Classical Titration for lead grading >10%);
- Method FA530 (by fire assay with gravimetric finish for silver grading >200ppm).

Density

Azure collected a total of 1,217 density measurements from drill core samples with 835 samples sourced from within the boundaries of the Mineral Resource and the remainder collected from within lower-grade and waste zones to provide a good range of material for density determinations.

Each sample was dried and measured for length and diameter. The diameter was measured with callipers at three points along the length of the core sample and averaged. The volume of the core sample was calculated and the sample was weighed. Azure calculated the density for the core samples by dividing the dry weight of the sample by its volume.

A total of 196 of the 1,217 samples were sent to Bureau Veritas Laboratories in Hermosillo, Mexico for confirmatory density measurements by immersion of waxed core (method SPG03). The results of the immersion method were compared to densities calculated by Azure. There was no discernible difference between the calliper and immersion methods.

A multivariate regression formula from dry bulk density determinations to Zn% and Pb% was developed for use across the deposit for areas of varying zinc and lead grades. This formula combined the measured density of samples that were subsequently sent for assay.

The multivariate regression formula was also used to analyse the results of the dense media separation testwork.

Metallurgical Test Results

Metallurgical testwork on Oposura mineralisation was conducted at Blue Coast Research (BCR) laboratories in Vancouver, Canada. Metallurgical testwork comprised Dense Media Separation, staged and locked cycle flotation tests, and physical property tests.

Dense Media Separation (DMS) testwork

In several parts of the Oposura mineralised system, thick mineralised intersections comprise narrow bands of very high-grade mineralisation separated by intervals of lower grade or waste material. Azure's studies indicate that some of these thick mineralised zones may be more suitable to a "bulk" mining approach rather than "selective" mining, thereby reducing unit operating costs and maximising resource recovery.

Testwork was undertaken to assess the suitability of DMS technology to upgrade the grade of the "bulk" mined material by rejecting low grade and waste material while retaining the mineralised material, ahead of entering the milling circuit. DMS is most effective in upgrading ore when there are distinct density differences between mineralised material and waste rock, and this is the case at Oposura.

DMS testwork was initially conducted on rock samples taken from historical underground mine workings. DMS testwork was then extended to include tests on individual drill hole intersections of varying combined zinc and lead grades and zinc to lead grade ratios. These tests were used to ascertain the density at which the DMS circuit could optimise ore recovery and waste rejection.

Follow-up DMS testwork was then conducted on a bulk master sample averaging 6.4% Zn, 4.2% Pb and 28.8g/t Ag that was prepared from the drill core of eleven Mineral Resource drill holes. This testwork showed that an **upgrade in both zinc and lead grades of 34%** could be achieved with an overall metal recovery of 95%, while rejecting waste material amounting to approximately 30% of the mass entering the DMS circuit.

The positive results achieved from this metallurgical testwork demonstrate that crushing, screening and DMS processing prior to a standard sulphide flotation treatment support the option of utilising DMS technology at Oposura.

Flotation testwork

Staged flotation testwork was conducted on individual drill hole intersections of varying combined zinc and lead grades and zinc to lead grade ratios.

Follow-up staged and locked cycle flotation tests were then conducted on the bulk master composite comprising intersections from several drill holes across the Mineral Resource. The laboratory split the bulk master composite into several sub-samples to allow multiple batch and locked cycle flotation tests to be undertaken.

The staged flotation tests conducted on the bulk master composite were used to optimise primary and secondary grind sizes, flotation times and reagent regimes for the separate zinc and lead concentrates. A locked cycle test was then conducted on the bulk master composite to more closely simulate a continuously operating flotation circuit.

The result of the locked cycle test was a zinc concentrate grading **57.2% Zn with a zinc recovery of 85.6%** and a lead concentrate grading **61.4% Pb at a lead recovery of 84.0%**. Silver recovery to the lead concentrate was **67.1% Ag at a concentrate grade of 323.8 g/t Ag (10.4 oz/t Ag)**.

Both the zinc and the lead concentrate grades achieved in the locked cycle test were above the typical industry benchmark grades quoted respectively for zinc and lead concentrates of 53% zinc and 60% lead. A regression line from the batch locked cycle test results back to the benchmark concentrate grades was calculated to interpolate the zinc and lead recoveries. A zinc recovery of 87.5% was interpolated at the benchmark concentrate grade of 53% zinc and a lead recovery of 85% was interpolated at the benchmark concentrate grade of 60% lead.

Multi-element assays were conducted on the separate zinc and lead concentrates produced from the locked cycle test conducted on the bulk master composite. These assays indicated that deleterious elements were not present at levels that would cause concern or penalties from smelters.

The testwork successfully demonstrated that clean, commercial grade concentrates could be produced at high metallurgical recoveries and thereby has eliminated a potential major project risk.

Physical Properties Testwork

Physical properties testwork comprised the establishment of crushing, grinding and abrasion indices.

The crusher and ball mill work indices are a measure of the amount of power required respectively to crush and grind mineralisation and are quoted in kilowatt hours per tonne (kWhr/t). The higher the number, the more power that is required to crush and grind the mineralisation prior to flotation.

The abrasion index is a measure of weight loss of metal when in contact with mineralisation. It is used to select materials for items such as mill liners and chutes and to determine how often these items need to be replaced based on wear rates.

All three of the indices are within the typical range of expected values for mining projects, and power requirements and wear rates are not expected to be out of the ordinary.

Mining

The overall geometry of East Zone and West Zone Mineral Resources is favourable for potential extraction using a combination of conventional open pit and underground mining techniques. This geometry also allows the resources to be easily accessed from surface, providing exceptional mine scheduling flexibility.

East Zone and West Zone resources crop out at surface in both zones. The extremities of both resource zones could be accessed by a maximum of 200m (East Zone) and 250m (West Zone) of lateral underground mine development. This mine development could be undertaken within mineralisation due to the overall shallow dipping nature of the mineralised horizon. Mining could be undertaken contemporaneously by open pit and underground methods in both the East Zone and West Zone.

The Mineral Resources include distinct areas of higher grade mineralisation that could be scheduled to suit economic circumstances and/or product marketing options.

The Oposura hill slopes at approximately 20 to 25 degrees in the vicinity of East Zone and at approximately 30 to 40 degrees in the vicinity of West Zone. Near surface mineralisation would be amenable to open pit techniques in both East and West Zones. Fresh rock commences at or very close to surface. An historical small-scale open pit was mined at the East Zone. Surveys undertaken in 2017 show this open pit to be approximately 30m in length, with a bench height of approximately 12m and a pit wall angle of approximately 60 degrees.

The maximum depths below surface of the Mineral Resources are approximately 120m (East Zone) and 140m (West Zone). Maximum vertical capital development for ventilation and emergency egress would be limited to these depths. The in-situ rock stress is expected to be low corresponding to the shallow depth of the resources below surface. An historical underground level drive, Tunnel D, in East Zone has a maximum depth below surface of approximately 100 metres. The backs and walls of this level drive are in good condition and have limited ground support.

Historical development drives and room and pillar stopes remain intact and accessible. These stopes were surveyed in 2017 using digital laser techniques. The extraction ratio of the historical room and pillar stopes was measured to be 95%. A room and pillar underground mining method is considered appropriate due to the geometry of the resources.

The sub-horizontal dip of the mineralised zones results in vertical thickness being very similar to true thickness. The vertical thicknesses of individual sulphide mineralisation lenses average 7m in East Zone and 3m in West Zone, with maximum vertical thicknesses of 20m in East Zone and 10m in West Zone. These thicknesses would make both resource zones amenable to modern mechanised open pit and underground mining techniques.

The historical workings are located at or below the lowest resource elevation and show no signs of groundwater ingress. Groundwater ingress is not expected to adversely affect potential mining development or stoping.

Infrastructure

The Oposura project area is located approximately 150km from the capital of the state of Sonora, Hermosillo (population of approximately one million) and is accessed from Hermosillo via a two-lane bitumen highway (National Highway 14).

The nearest bulk commodity export facility is located at the Port of Guaymas. Guaymas is located approximately 330km by road via Hermosillo from the Oposura project. A four-lane concrete highway (National Highway 15) exists between Hermosillo and the Port of Guaymas. Bulk mineral concentrates are currently exported through the Port of Guaymas by several mining companies including Grupo Mexico, BHP Billiton and Freeport McMoran.

A power supply option study undertaken in 2018 showed that power for the project could be obtained from either 230kV or 32kV high voltage transmission lines that pass within 10 kilometres of the project.

Wireless voice and high-speed data communication currently exists at the project site via line of sight to a communications tower located in the nearby town of Moctezuma (population 5,000).

Hydrological studies completed in 2018 identified potential aquifers within the mining concessions. Two bores located on a privately-owned ranch in the Moctezuma river valley were pumped tested as part of the study. Based on the pump test results, the average flow from each of these bores is approximately one million cubic metres (tonnes) of water per annum, which is considered sufficient for a project corresponding to the scale of the Mineral Resources.

Surface rights agreements are in place with the owners of the two private ranches that cover the project area and mineral concessions. The surface rights agreement areas are expected to be sufficient for locating access roads, infrastructure, mining works, process plant and tailings facility required for a project corresponding to the scale of the Mineral Resources.

Environment

The project area is covered by two privately-owned cattle ranches and surface access rights agreements are in place with both owners.

The previous owners of the Oposura project, Puma, applied for and received environmental approval for the clearance of a surface area of up to 5 hectares for the development of a small-scale mine, process plant and tailings facility for Oposura. This environmental approval has been transferred from Puma to Minera Piedra Azul SA de CV (a wholly-owned subsidiary of Azure).

Environmental surveys and studies over the Oposura project area were independently conducted in 2017 and 2018. These surveys indicate that there are no flora or fauna impediments to potential development of the project.

Geological Estimation Domains

For Mineral Resource estimation control, five mineralisation domains and five low-grade halo (non-Mineral Resource) domains were identified for East Zone, while for West Zone five mineralisation and five low-grade halo (non-Mineral Resource) domains were grouped into two statistical domains based on statistical and geometric similarities. The domains were identified by geological and spatial continuity, as grade-boundary analysis of zinc, lead and combined zinc + lead showed continuous distributions. The volumes of the domains were modelled using conventional sectional interpretation followed by digital wireframing methods. The wireframe models were reviewed and accepted by Azure and then used to code a digital block model as follows:

- Mineralisation: defined using a combined nominal ≥ 1.5% Zn%+Pb% grade cut-off.
- Low grade halos (not reportable as Mineral Resources): defined as being any coherent zones enveloping the mineralisation wireframes below the mineralisation modelling cut-off. This allows a more robust measure of dilution around the mineralisation for mine studies.

Sub-blocks were included in the block model to closely match the estimation domain boundaries and the topographic surface and provide adequate resolution on volumes.

Domains were estimated using composites from each estimation domain. For East Zone, the semi-variogram models from the same domain were used, for West Zone, the semi-variogram model from the statistical domain grouping was used.

Estimation and Validation Methodology

Quantitative Kriging Neighbourhood Analysis was undertaken using Supervisor™ V8.8 software to assess the effect of changing key Kriging neighbourhood parameters on block grade estimates. Kriging Efficiency and Slope of Regression were reviewed for a range of block sizes, minimum and maximum samples, search dimensions and discretisation grids.

Ordinary Kriging (OK) was adopted to interpolate grades into cells for the mineralised domains and low-grade halo domains around the mineralisation, inside which the composites for the high-grade domain were removed.

The block size appropriately reflects the dual open-pit and underground scenarios, and the drill hole spacing, which varies from 25m – 50m sections along strike. Intra-section pierce points are evenly spaced in predominance and vary from 10m – 25m in the eastern parts of East Zone, to 40m – 60m in other parts of East Zone and West Zone.

The estimate employed a four-pass search strategy to improve the local grade estimate. The first pass was equal to 2/3 the range of the largest variogram model structure for each variable in each domain, honouring the anisotropic ratios orthogonally. The second pass equated to 100% of the ranges, the third 150% and the fourth 200%. Following the fourth estimation pass, the Sichel mean of the composite within the statistical domain was assigned for Zn%, Pb% and Ag g/t for each domain. The mean was assigned for blocks with unestimated sulphur grades.

All geological modelling and grade estimation was undertaken using Surpac™ V6.6 software.

Reporting Cut-off Grade

The Mineral Resources were reporting above a 1.5% zinc equivalent (ZnEq) grade based upon benchmark Mexican mining and processing costs for the proposed scale of operations, current metallurgical testwork, international benchmark smelting and refining charges, and metal pricing as at the end of May, 2018.

More details are given in the JORC Table 1 Section 3 appended to this ASX release.

Grade Caps

Capping was applied to reduce the spatial influence of extremely high-grade samples and the cap values based on outliers from the histogram and probability plots. The 1.0m estimation composite grades were capped to the following maximum values prior to block grade estimation:

Deposit	Material	Domain	Zn top-cut (%)	Pb top-cut (%)	Ag cut (g/t)
Oposura East	Mineralisation	1	25	17	120
		2	29.5	16	110
		3	35	18	320
		4	35	12	290
		5	14	Uncut	Uncut
	Low-grade halo	1	1.6	0.8	18
		2	1.5	1.5	15
		3	1.1	1.5	5.6
		4	1.1	1.8	10
		5	1.1	1.8	10
Oposura West	Mineralisation	1,2,3	25	17	160
		4,5	10	9	60
	Low-grade halo	101,102,103	2	0.8	16
		104,105	0.9	0.7	7

Criteria used for Classification

The Mineral Resource has been classified based on the guidelines specified in The JORC Code. The classification level is based upon an assessment of geological understanding of the deposit, geological and mineralisation continuity, drill hole spacing, sampling and assaying processes, QC results, search and interpolation parameters, and an analysis of available density information.

The following approach was adopted:

- Consider the classification of Indicated Mineral Resources for large zones of contiguous blocks where consistent, coherent zones:
  - Average drill spacing nominally 25m in East Zone and no more than 50m in West Zone
  - Estimation was undertaken in search passes 1 and 2
  - Number of samples was near the optimum of seven
  - Slope of regression > 0.5.

Reasons for the classification are:

- Geological continuity and confidence in the geological model are high.
- Domains one through four of East Zone are drilled at a nominal hole spacing of 25m to 35m. The drill-hole spacing and the estimation quality indicators for these domains are clearly higher than for domain five, therefore the classifications reflect these observations.
- Adequate drill coverage has reduced uncertainty in both grade and thickness, despite thickening and higher-grades close to fault zones being evident, particularly in East Zone.
- Fault thickening was less evident for West Zone, therefore the assessment of geological continuity for classification was simpler.

Modifying Factor Assumptions

In terms of key modifying factors, it has been assumed that the deposit could be exploited by conventional truck and shovel open pit mining and by conventional mechanised underground room and pillar mining, with ore processed by conventional flotation processes after crushing, dense media separation and milling and with the metallurgical recoveries indicated by preliminary metallurgical test results. Using these assumptions and current commodity prices for zinc, lead and silver, a block reporting cut-off grade of 1.5% Zinc Equivalent was selected as a reasonable basis for reporting the Mineral Resource.

Given the long history of mining in the Sonora region of Mexico, and that there is a current environmental approval in place for a small-scale mining and processing operation at Oposura, the Company believes there are reasonable expectations that a mine and processing operation corresponding to the scale of the Mineral Resource could be developed should (or when) future studies result in the definition of an Ore Reserve.

BACKGROUND

The Mineral Resource estimate for the East and West Zones of the Oposura deposit is located wholly within the Oposura project area which comprises 10 mineral concessions. These concessions are 100% owned by a Mexican entity named Minera Piedra Azul SA de CV (MPA), which is a wholly-owned subsidiary of Azure Minerals Limited (Azure).

On 11 August 2017, MPA executed an agreement with Grupo Minero Puma SA de CV (Puma) whereby MPA agreed to acquire 100% ownership of the Oposura concessions by paying Puma US$1,500,000 and with Puma retaining a residual Net Smelter Return royalty (NSR) of 2.5%.

MPA has paid to Puma the US$1,500,000 in consideration for the acquisition of the Oposura Project and has entered into a royalty agreement with Puma covering Puma's retained 2.5% NSR royalty. Azure has a 100% legal and beneficial interest in the Oposura project.

-ENDS-

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Competent Person Statement:

Information in this document that relates to Sampling Techniques and Data, and Reporting of Exploration Results (sections 1 and 2 of Table 1 of the JORC Code) for the Oposura East and West Mineral Resource estimates is based on information compiled by Dr Neal Reynolds, who is a Member of the Australian Institute of Geoscientists. Dr Reynolds is employed as a Principal Geologist and Director and is a full-time employee of CSA Global Pty Ltd.

Mr Alex Whishaw, Senior Resource Geologist at CSA Global in Perth, Western Australia has prepared the Mineral Resource estimate under the direct supervision of Dr Matthew Cobb. Dr Cobb is a Principal Resource Geologist at CSA Global in Perth, Western Australia, and qualifies as an MRE Competent Person, as defined under the JORC Code.

Information in this document that relates to Estimation and Reporting of Mineral Resources (section 3 of Table 1 of the JORC Code) for the Oposura East and West Mineral Resource estimates is based on information compiled by Dr Matthew Cobb, who is a Member of both the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Dr Cobb is employed as a Principal Geologist and is a full-time employee of CSA Global.

Dr Reynolds and Dr Cobb have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Dr Reynolds and Dr Cobb consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Appendix 1: JORC Table 1

JORC Table 1 Section 1 – Sampling Techniques and Data – Key Classification Criteria

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	All sampling by Azure Minerals Limited (Azure) and Grupo Minero Puma SA de CV (Puma) for the Oposura Mineral Resource estimate (MRE) was on sawn diamond drill (DD) core; half-core except where quarter-core duplicate samples were taken. Azure also used the DD core for dry bulk density determination and to collect samples for metallurgical testing.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sampling of core intervals was guided by visual interpretation of alteration and mineralisation and pXRF readings on core by site geologists. Drill core was sampled at 0.05 m to 3.05 m intervals guided by changes in geology. Cut lines were marked on the core to ensure that mineralisation was representatively sampled. Where an orientation line was marked, the sampling was taken from the same side of the core. Core was cut with a diamond saw and half diamond core was collected and placed in marked plastic sacks and shipped to the assay laboratory.
	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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information	Drill core was sawn in half using a wet diamond core saw along the core axis. All samples were collected from the same side of the core. 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. Envelopes containing the 250 g sample pulps were sent via courier to BVL in Vancouver, Canada for analysis. Samples drilled by Puma were subject to a four-acid digest followed by multi-element ICP-MS analysis. All Azure samples were subject to a four-acid digest followed by multi-element ICP-ES analysis. Over-limit assays for both sets of drill samples were re-analysed by: • Method MA370 (0.5 g samples digested by four acids and analysed by ICP-ES for base metals grading >1%) • Method GC816 (by Classical Titration for zinc grading >20%) • Method GC817 (by Classical Titration for lead grading >10%). • Method FA530 (by fire assay with gravimetric finish for silver grading >200 g/t). The Competent Person considers that the analytical techniques were appropriate and total for the metals in the Mineral Resource estimate, zinc, lead, and silver.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core*	Diamond drill holes comprised the entirety of the drilling at the Project, with HQ-size (63.5 mm diameter) or HQ3-size (61.1 mm diameter) core.

Criteria	JORC Code explanation	Commentary
	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.).	Drill core in angled holes was oriented for structural interpretation. 85 holes out of the 158 holes drilled in the East Zone were angled steeper than -75°. The drill-hole database provided by Azure for the Oposura East MRE update contained 381 holes that included Oposura West, historic diamond drill (DD) holes and recent underground channel (UC) face-chip sampling. For Oposura East Zone MRE, between an Easting range of 620,000 mE and 620,600 mE and Northing range of 3,289,600 mN and 3,290,200 mN, 252 diamond holes and channel samples were used to define the 3D geological interpretation for 11,989.5 m of drilling). 30 historical drill holes (1,823.35 m) were drilled between 3.05m to 151.10m depth.16 holes were drilled by Puma (982.9 m) between 37.15m to 120.10m and 142 holes by Azure (9,180.25 m) between 10.65m to 126.60m..The 188 drill holes have an average depth of 63.77 m. The total of 64 UC samples were used only to assist the geological and mineralisation interpretation.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Diamond core was reconstructed into continuous runs on specifically designed racks. 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.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Sample recoveries were high with >85% of the drill core having recoveries of >90%. Half core was sampled with a diamond saw along a cut line normal to bedding or mineralisation trend to ensure representivity.
	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.	There is no discernible relationship between recovery and grade.
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.*	Detailed core logging was carried out for stratigraphy, lithology, weathering, structure, mineralogy, mineralisation, alteration, veining, colour, rock quality designation (RQD), and core recovery. Where reassembled, historic drill core was relogged by Azure. The Competent Person considers that all drill holes relevant to the MRE have been geologically logged to a level of detail that is appropriate to support MRE work, and any future metallurgical and mining studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Core logging is both qualitative for geological identifications made and quantitative for recoveries and estimates of mineral and alteration intensities. 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.
	The total length and percentage of the relevant intersections logged.	All holes were logged in full.
Subsampling techniques	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Drill core was sawn in half using a wet diamond core saw along a cut line marked to ensure representative

Criteria	JORC Code explanation	Commentary
and sample preparation		sampling. All samples were collected from the same side of the core. Sample preparation was undertaken at 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 2 mm screen. A 250 g split was pulverised using a ring and puck system to >85% passing 75 µm screen. Envelopes containing the 250 g sample pulps were sent via courier to BVL in Vancouver, Canada for analysis. When a duplicate sample was required, the half-core subsample was then wet-cut preparing two quarter-core subsamples for laboratory dispatch, one considered to be the primary sample, the other a duplicate. Azure retained the second half of core in core trays. The Competent Person considers that the methods of subsampling employed by Azure are consistent with good industry standards for the style of mineralisation under consideration.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Not applicable.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The Competent Person considers that the nature and quality of the diamond core sampling and preparation are appropriate for use in the MRE.
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	Duplicates, Certified Reference Materials (standards) and blank check samples were anonymously submitted with drill core samples at the rate of approximately one standard, blank or duplicate in every 10 samples. Azure undertook substantial analysis and reporting of quality control (QC) data, including blanks, field duplicates, laboratory repeats, laboratory blanks, repeats and CRMs in several groups of batches covering all data input to the MRE, and as a Project-wide group of all results.
	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.	Routine analysis of core duplicates was completed for several groups of batches covering all data input to the MRE and showed good precision between pairs.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered appropriate to the grain size of the material being sampled.

Criteria	JORC Code explanation	Commentary
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.*	Sample preparation was undertaken at Bureau Veritas Laboratories (BVL) in Hermosillo, Sonora, Mexico. Envelopes containing the 250 g sample pulps were sent via courier to BVL in Vancouver, Canada for analysis. Samples drilled by Puma were analysed by the technique MA200, which used 0.25 g samples subject to a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals and has a very low detection limit. The analytical technique, MA300, was used for all Azure drilled samples, which involved 0.25 g samples subject to 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 for both sets of drill samples were re-analysed by: • Method MA370 (0.5 g samples digested by four acids and analysed by ICP-ES for base metals grading >1%) • Method GC816 (by Classical Titration for zinc grading >20%) • Method GC817 (by Classical Titration for lead grading >10%). • Method FA530 (by fire assay with gravimetric finish for silver grading >200 g/t). The Competent Person considers that the analytical techniques were appropriate and total for the metals in the Mineral Resource estimate, zinc, lead, and silver.
	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.	Not applicable.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Core “duplicates”, CRMs and blank QC samples were anonymously submitted with primary drill core samples at the rate of approximately one QC sample for every 10 samples. When a “duplicate” sample was required, the half-core subsample was then wet-cut preparing two quarter-core subsamples for laboratory dispatch, one considered to be the primary sample, the other a duplicate. For CRM “CDN-ME-1402”, three lead samples exceeded the upper limit, 12 silver exceeded the lower limit and no zinc samples exceeded three standard deviations of the certified mean for preferred methods used in the MRE (“ore-grade” ICP-ES “MA370”) analysis for lead and zinc and fire assay “FA530” for silver). The batches for the three lead samples contained primary samples from one hole, OPDH-053, lying in the central part of Domain 4 of Oposura East. Samples from both holes intercepted mineralisation and were used for the estimation. Mineral Resources were classified as Inferred for the material around the former hole. The

Criteria	JORC Code explanation	Commentary
		latter is within material classified as Indicated, however, it is between two holes with grades of similar tenor. The results for the blanks show that some sample swaps occurred prior to assay, that the blank contains anomalous Zn% values or contamination at the laboratory has occurred. Of the 147 blanks inserted by Azure, 11 were above 100 g/t Zn, with a maximum 387 g/t Zn, two were above 100 g/t Pb, with a maximum of 242 g/t Pb, and four were above 1 g/t Ag, with a maximum of 1.9 g/t Ag. Within the mineralisation, the raw, length weighted means for Zn, Pb and Ag respectively are 52,365 g/t, 30,755 and 25.56 g/t. The means of all blanks inserted by Azure are 15 g/t Zn, 11 g/t Pb and 0.48 g/t Ag. Therefore, the anomalous blank values are not material, and the Competent Person does not consider that the level of contamination is material to the Mineral Resource estimate. Based on an assessment of the data, the Competent Person considers the entire dataset to be acceptable for resource estimation with assaying posing minimal risk to the overall confidence level of the MRE.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Senior Azure geological staff collected and inspected the samples. The Competent Person independently inspected several significant intersections.
	The use of twinned holes.	The historical drill holes have been used only to guide the geological interpretations, but have not been used in the estimate.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data were collected by employees of the companies at the Project site. All measurements and observations were recorded onto digital templates. Azure staff then uploaded the data, without alteration, into a relational database management system, DataShed™, with primary key fields and look-up tables. Collar survey, downhole survey and assay files were loaded from source files using templates into predefined tables.
	Discuss any adjustment to assay data.	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 downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill-hole collar locations were initially determined by handheld global positioning system (GPS) with final drill-hole collar positions surveyed by two-channel differential GPS by a licensed surveyor. The survey accuracy is considered better than ±10 cm in three dimensions. Downhole surveys were recorded for most holes. 14 of the 16 Puma holes recorded surveys every 10 m downhole and the Azure holes recorded surveys at 5 m intervals. All surveys were taken with a gyroscopic Reflex instrument – an industry-standard downhole survey tool. The Competent Person noted that the deviations in DD holes were minor and not considered to materially affect the suitability of holes for use in Mineral Resource estimation.
	Specification of the grid system used.	The grid system used is WGS84 Mexico UTM Zone 12N (EPSG: 32612) for easting, northing and RL.

Criteria	JORC Code explanation	Commentary
	Quality and adequacy of topographic control.	A contractor prepared a high-resolution, LiDAR based digital terrain model (DTM) for Azure of the tenement holdings, which provided centimetre-scale accuracy in 3D. A resample of the LiDAR points at a coarser spacing on a 15.1 m grid reduced the file size and accuracy, but the Competent Person found that the accuracy visually in 3D and sections was high and in good agreement with drill-hole collar surveys. The DTM was used to model the topography over the MRE area without adjustments to the survey database provided.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	An initial drill-hole spacing of 50 m x 50 m was implemented with additional drilling to infill the hole spacing to 25 m x 25 m in some areas.
	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.	The Competent Person considers that data spacing for the MRE drill-hole dataset is sufficient to establish the degree of geological and grade continuity required for the MRE.
	Whether sample compositing has been applied.	Sample compositing to 1 m has been applied to the raw MRE database samples within estimation domains to ensure constant sample support for the cases of shorter sample intervals found in the DD holes.
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.*	The mineralised zone is predominantly stratabound, and forms a shallow-dipping massive to disseminated sulphide body. The drill holes pierce the mineralisation with a range of dips but at high enough angles to ensure unbiased sampling. Intersection with steeper fault-hosted mineralisation is possible but the classification of Mineral Resources accounts for high-tenor fault-proximal mineralisation within domains of lower tenor mineralisation where the impact may be material to the MRE.
	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.	No sampling bias is believed to have been introduced by the orientation of the drill holes.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	Diamond core was collected in plastic core trays at the drill site, which were labelled with the drill-hole name and depth intervals, then secured with a core tray lid and each tray was tied securely before transport to Azure's secure core yard in Moctezuma for logging, cutting, sampling and sample dispatch. Cut-core samples for assay were placed in calico sample bags marked with a unique sample number. A ticket stub from a sample ticket book with the same sample number was placed in each bag which was then sealed with a plastic cable tie. Between 10-15 samples (depending on sample size and weight) were placed in larger woven polypropylene for transport and a numbered, tamper-proof plastic cable tie was used to close each rice bag. A manifest was created detailing the individual samples that had been placed into each of the larger bags and the numbers on the seals were recorded for each shipment. Azure personnel delivered the rice bags directly to BVL in Hermosillo for sample preparation. BVL audited the arriving samples and reported any tampering, broken seals or sample discrepancies to Azure. No tampering, breaking of seals or discrepancies occurred. BVL has a robust sample management system based on bar coding, LIMS and other controls expected for an ISO certified laboratory. Pulp samples from the Hermosillo to Vancouver were transported by a reputable commercial courier. The Competent Person considers that Azure implemented robust security controls to ensure that samples were tracked, and not lost or contaminated either accidentally or deliberately.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Azure's senior geological staff have regularly visited site during drilling programs to ensure correct sampling protocols were followed. All digital data was subjected to audit by the Azure data manager. The Competent Person, Dr Neal Reynolds, Principal Geologist and Director of CSA Global, visited site during the Azure drill program in November 2017 and February 2018 and independently reviewed the site geology, geomorphology, drilling, sampling protocols and data management systems. He additionally provided guidance in logging and geological interpretation that was incorporated in the resource model. The review concluded that geological understanding, systems and procedures were appropriate to support reporting of the Mineral Resource in accordance with the JORC Code (2012 Edition).

JORC 2012 Table 1 Section 2 – Reporting Exploration Results – Key Classification Criteria

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 MRE for the East and West zones of the Oposura deposit is located wholly within the "Oposura" mining concessions, comprising: • El Monstruo de Plomo (Title no. 180473) 27.0522 ha • Don Genaro (Title no. 180474) 20 ha • El Crestón de Plomo (Title no. 180475) 20 h • Candelaria (Title no. 180476) 50 h • El Hueco (Title no. 180477) 24.8957 ha • Campo de Plomo (Title no. 180602) 10 h • Oposura Numero 2 (Title no. 180603) 20 h • Oposura No. 4 (Title no. 180604) 20 h • Oposura No. 6 (Title no. 180605) 6 h • El Encinal (Title no. 223473) 620 h
	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.	These concessions are 100% owned by a Mexican entity named Minera Piedra Azul SA de CV (MPA), which is a wholly owned subsidiary of Azure. On 11 August 2017, MPA executed an agreement with Puma to acquire 100% ownership of the Oposura concessions by paying to Puma US$1.5 million and with Puma retaining a residual net smelter return (NSR) royalty of 2.5%. The Competent Person has seen information indicating that Azure's obligations in relation to statutory reporting requirements and statutory payments have been met and are current for the Oposura concessions. The Competent Person considers that the Oposura concessions are in good standing and no known impediments exist to obtaining a licence to operate on the Oposura concessions, or to develop and progress to the grant of mining approvals should an Ore Reserve be defined in the future.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The Oposura project area has a history of exploration and small-scale exploratory mining dating back to the early 20th century. There was a hiatus in activity on the project from the 1980s until the previous owner, Puma, commenced a small drilling program in early 2017. Several companies carried out exploration over the Oposura property between the 1920s and 1980s including Anaconda from the 1940s to 1960s and Peñoles in the 1970s and 1980s. All exploration was focused on zinc, lead and silver mineralisation. The results of the historical exploration have been considered in geological interpretation of the deposits, but no historical data have been included in the Mineral Resource estimate.

Criteria	JORC Code explanation	Commentary
Geology	*Deposit type, geological setting and style of mineralisation.*	Oposura is located within the Sierra Madre Occidental magmatic arc of Late Cretaceous to Palaeogene age that was subsequently affected by basin and range extensional tectonism. Oposura occurs within the Laramide (Late Cretaceous to Palaeogene) volcanic and intrusive suite that hosts the major copper porphyry province of NW Mexico and the SW US. Oposura is hosted by the locally defined Arenillas Formation that marks a sedimentary interlude between sub-aerial volcanic units. Mineralisation occurs as stratabound replacement within lacustrine limestone units of the Arenillas Formation. The main sulphide-mineralised horizon crops out discontinuously over approximately 2 km on the eastern, southern and western sides of a mountain and generally dips shallowly to the northwest. The higher-grade zinc and lead mineralisation is correlated with elevated silver concentrations. Based on the observed alteration mineralogy, Oposura fits the characteristics of a distal zinc-lead-silver skarn deposit and is characterised by manganese-rich calc-silicate minerals with strong late stage retrogression.
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* • *Downhole length and interception depth* • *Hole length.*	Exploration results are not being reported.
	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.	Exploration results are not being reported.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Exploration results are not being reported.
	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.	Exploration results are not being reported.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Exploration results are not being reported.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Exploration results are not being reported.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Exploration results are not being reported. Holes were variably angled (-43° to -90°; average -60°) towards northeast and southwest. The orientation balanced an optimal angle of intersection of the mineralised horizon with definition of northwest-oriented offsetting fault zones, as well as access restrictions. There are no relationships between hole angles and grade or true thickness of the mineralisation.
	If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').	Exploration results are not being reported.
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.*	Relevant maps and diagrams are included in the body of the 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.*	All material relevant to the reporting of an MRE has been included in this report.
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.*	Other exploration data is limited and is not material to the reporting of the MRE. Data includes historical mapping and sampling and a recent ground magnetic survey. Metallurgical test results are discussed in Section 2.
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).*	Having reported the Mineral Resource in accordance with the guidelines of the JORC Code (2012 Edition), Azure will examine the potential of the deposit via a Preliminary Economic Assessment (PEA). Azure will also test for resource extensions and satellite zones based on targeting that combines geology, geochemistry and geophysics.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Plans showing the extent of existing drilling over the deposits are included in the body of the report. The drill hole spacing is suitable for the classification applied to the Oposura East Zone MRE.pending positive results of a Preliminary Feasibility Study and prior to mining, grade control drilling will be required to inform short- and medium-term production schedules. Future drilling should be planned between the two deposits to determine extensions between the Oposura East and West deposits.

JORC 2012 Table 1 Section 3 – Estimation and Reporting of Mineral Resources – Key Classification Criteria

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	Primary data were collected by employees of the companies at the Project site. All measurements and observations were recorded into digital templates. Azure staff then uploaded the data, without alteration, into a relational database management system, DataShed™, with primary key fields and look-up tables. Collar survey, down hole survey and assay files were loaded from source files using templates to load into predefined tables. These measures enforced strict referential integrity and validation rules to prevent corruption errors. The Competent Person found no material errors and that the database was fit for the purpose of Mineral Resource estimation.
	Data validation procedures used.	All data were then checked for the following logical errors: • Duplicate drill-hole IDs • Missing collar coordinates • Mis-matched or missing FROM or TO fields in the assay file • FROM value greater than TO value in the assay table • Non-contiguous sampling intervals • Sampling interval overlap in the assay table • The first sample in the interval file not starting at 0 m • Interval tables with depths greater than the collar table EOH depth. • Survey data were checked for large deviations in azimuth and dip between consecutive records, with none found.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	Competent Person for reporting of sections 1 and 2 of Table 1, Dr Neal Reynolds, CSA Global Principal Geologist and Director, visited site during the Azure drill program in November and February 2018 and independently reviewed the site geology, geomorphology, drilling, sampling protocols and data management systems. He additionally provided guidance in logging and geological interpretation that was incorporated in the resource model. The review concluded that geological understanding, systems and procedures were appropriate to support reporting of the Mineral Resource in accordance with the JORC Code.
	If no site visits have been undertaken, indicate why this is the case.	Not applicable.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	The confidence in the geological model is generally high. Drilling predominantly intercepted stratabound mineralisation that displays good geological and grade continuity. Thickening and higher-grades close to fault zones is apparent, particularly in the Oposura East Zone. This may reflect irregular replacement

Criteria	JORC Code explanation	Commentary
		mineralisation extending away from the faults zones that acted as conduits for mineralising fluids, or may related to early basin faults that controlled host lithofacies distribution. In terms of control on the volume of the MRE, drilling density is now sufficient to mitigate the uncertainty of the geological interpretation around the faults. Material within historic underground mining voids has been coded as air.
	Nature of the data used and of any assumptions made.	Detailed geological/alteration/structural logging in conjunction with chemical assays have been used during the interpretation process. No assumptions have been made.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	The Competent Person considers the mineralised boundaries to be robust, and that alternative interpretations do not have the potential to significantly impact the MRE.
	The use of geology in guiding and controlling Mineral Resource estimation. *The factors affecting continuity both of grade and geology.*	Geology, alteration and structure have been used to guide the model. Wireframes have been constructed for the host Arenillas Formation and the main mineralised horizons as determined by the geological logging and chemical assays. Following statistical analysis, domains were created to group mineralisation lenses together; the associated low-grade halos were grouped into domains around their counterpart mineralisation wireframes. Composites were selected within the mineralisation and low-grade halos discretely. The block model was coded with the wireframes and the MRE was conducted by constraining composites and blocks to each domain individually.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	Zinc-lead-silver sulphide mineralisation is found from surface in both zones. Mineralisation occurs through a stratigraphic thickness ranging from 10 m to 100 m, with vertical thickness of individual sulphide mineralisation lenses averaging 7 m in the East Zone, with vertical thickness ranges from 0.5 m up to 20 m. The mineralisation extends throughout both zones and there appears to be good internal continuity of zinc, lead and silver grades appropriate to the Mineral Resource classifications.
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen, include a description of computer software and parameters used*	Samples were composited to 1 m intervals based on assessment of the raw drill-hole sample intervals. The following high-grade top-cuts were applied to the mineralisation domains following statistical analysis completed in Snowden Supervisor™ and GeoAccess™ software: East Zone mineralisation: • Domain 1: Zn = 25%; Pb = 17%; Ag = 120 g/t • Domain 2: Zn = 29.5%; Pb = 16%; Ag = 110 g/t • Domain 3: Zn = 35%; Pb = 18%; Ag = 320 g/t • Domain 4: Zn = 35%; Pb = 12%; Ag = 290 g/t • Domain 5: Zn = 14%; Pb = uncut; Ag = uncut East Zone low-grade halo: • Domain 1: Zn = 1.6%; Pb = 0.8%; Ag = 18 g/t • Domain 2: Zn = 1.5%; Pb = 1.5%; Ag = 15 g/t • Domain 3: Zn = 1.1%; Pb = 1.5%; Ag = 5.6 g/t

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		• Domain 4: Zn = 1.1%; Pb = 1.8%; Ag = 10 g/t. • Domain 5: Zn = 1.1%; Pb = 1.8%; Ag = 10 g/t Quantitative kriging neighbourhood analysis (QKNA) was undertaken using Supervisor™ software to assess the effect of changing key kriging neighbourhood parameters on block grade estimates. Kriging efficiency (KE) and slope of regression (SOR) were determined for a range of block sizes, minimum and maximum samples, search dimensions and discretisation grids. Ordinary kriging (OK) was adopted to interpolate grades into cells for the mineralised domains and low-grade halo domains around the mineralisation, inside which the composites for the high-grade domain were removed. The same block size was carried into this MRE update as for the previous Oposura East Zone MRE (*CSA Global, 2018. Geology and Mineral Resource Estimate for the Oposura East and West Zone Zinc-Lead-Silver Deposits, Mexico. Report for Azure Minerals Ltd. R315.2018a. CSA Global, West Perth, Western Australian. 31/08/2018*). This was to ensure direct comparison to and limit changes necessary on updates to the preliminary economic assessment (PEA) conducted on the MRE (*CSA Global, 2018. PEA Mining Report for the Oposura Project. Report for Azure Minerals Ltd. R277.2018. CSA Global, West Perth, Western Australian. 20/08/2018*). The block size appropriately reflects the inputs of the previous, dual open-pit and underground scenarios, and the drill-hole spacing, which varies from 25 m to 50 m sections along strike. Mineralisation pierce points are evenly spaced, varying from 10 m to 25 m in the eastern parts of Oposura East, to 40–60 m in the northwest (domain 5). Zn%, Pb%, Ag g/t, Au g/t and S% were estimated, although only Zn%, Pb% and Ag g/t are being reported in the Mineral Resources. The estimate employed a four-pass search strategy to improve the local grade estimate. The first pass was equal to two-thirds the range of the largest variogram model structure for each variable in each domain, honouring the anisotropic ratios orthogonally. The second pass equated to 100% of the ranges, the third 150% and the fourth 200%. Following the fourth estimation pass, the Sichel mean was assigned for Zn%, Pb%, Ag g/t, Au g/t. The naïve mean was assigned for blocks with un-estimated sulphur grades. All geological modelling and grade estimation was undertaken using Surpac™ V6.6 software. Grade estimates within historic underground mining voids have been retained to allow reconciliation.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	No check or previous estimates are available. Historical underground maps showing stope face-sample assays confirmed mineralisation where drill holes intercepted stoped-out material.

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	The assumptions made regarding recovery of by-products.	Silver has been reported and from metallurgical testwork reports to the lead concentrate. Gold has not been reported, but may be a by-product.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	Sulphur has been estimated, but has not been reported as part of the Mineral Resources, as Azure has advised that metallurgical testwork has indicated that metal recoveries are not related to sulphur content.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The block size of 10 m x 10 m x 2 m is adequate for the nominal 25 m drill spacing in the areas of greater density drilling, and sample lengths of nominally less than 1 m. The block height of 2 m supports the thin, flat-lying mineralisation horizons. KNA statistics showed that the block size is appropriate, while also balancing the considerations of open pit and underground methods. Sub-celling to one quarter of the block size in each dimension allowed greater volume control.
	Any assumptions behind modelling of selective mining units.	No assumptions have been made regarding selective mining units.
	Any assumptions about correlation between variables	No assumptions have been made regarding correlations between variables. A high correlation exists between Zn% and Pb%, and a moderately high correlation exists between combined Zn% and Pb% and density, which has supported the density regression and calculation in the estimate.
	Description of how the geological interpretation was used to control the resource estimates.	Logged geology and structural controls were used in the interpretation of mineralisation and low-grade halo domains and were coded into the block model to constrain the composites, variograms and estimates to the relevant domains. Hard boundaries for estimation were used between mineralised domains.
	Discussion of basis for using or not using grade cutting or capping.	High grade cuts were used to constrain outliers in the dataset as described above.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Standard model validation has been completed using numerical methods (histogram and swath plots) and validated visually against the input raw drill-hole data, composites and blocks.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages are estimated on a dry basis.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	The cut-off grade was determined by calculation of Zn%, Pb% and Ag ounces/tonne as a Zn% equivalent in US$ using the following inputs: • Equivalent values are calculated in US$ • Assumed zinc commodity price = $3,107.50/t • Assumed lead commodity price = $2,411/t (spot price, LME, 2018. www.lme.com, cited 0:00 GMT 20/06/2018) • Silver $16.20/oz (spot price, NYSE, 2018; www.kitco.com, cited 0:00 GMT 20/06/2018) • Assumed concentrate recoveries: Zn 87.5%, Pb 85%, Ag 67% (Locked Cycle Flotation tests: Azure Minerals Ltd, 2018)

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		• Assumed smelter recoveries at: Zn 85%, Pb 95%, Ag 70% (Benchmark Tests: Azure Minerals Ltd, 2018). Azure has confirmed that all the elements included in the calculation have a reasonable potential to be recovered and sold.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	The Competent Person considers that there are reasonable prospects for the eventual economic extraction by open pit mining methods, based on the near-surface, high-grade mineralisation with low strip ratio and, where the strip ratio militates against open pit mining, the tabular, consistent volumes of high-grade mineralisation is amenable to underground mining methods. Based on the suitability of the mineralisation to open-pit and underground mining methods, the minimum mining width assumed was the thickness of the selectivity of the diamond core sampling interval but was nominally a minimum thickness of 2 m across the deposit. No other mining assumptions were made. In several parts of the Oposura mineralised system, thick mineralised intersections comprise narrow bands of very high-grade mineralisation separated by intervals of lower grade or waste material. Azure's studies indicate that some of these thick mineralised zones may be more suitable to a "bulk" mining approach rather than "selective" mining, thereby reducing unit operating costs and maximising resource recovery. Detailed mining assumptions such as dilution and minimum mining widths are the subject of current mining studies. Historic underground mining voids have been coded into the model.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Dense media separation (DMS) and staged and locked cycle flotation tests were conducted by Blue Coast Research (BCR) laboratories in Vancouver, Canada, on historical underground workings at and individual drill-hole intersections of varying combined zinc and lead grades and zinc to lead grade ratios. These ascertained the density at which the DMS circuit could optimise metallurgical recovery and waste rejection. DMS testwork was then conducted on a bulk master composite comprising intersections from several drill holes, averaging 6.4% Zn, 4.2% Pb and 28.8 g/t Ag from 11 resource infill diamond holes. The bulk composite is considered representative of the overall Oposura deposit. The laboratory split the bulk composite into several subsamples, with multiple batch and locked cycle flotation tests showing that an overall metallurgical recovery of 95% could be achieved with an upgrade in zinc and lead grades of 34% each, while rejecting approximately 30% of the mass entering the DMS circuit. The use of DMS with a bulk mining approach is supported at Oposura where distinct density differences between mineralised material and

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		waste rock exist. Results from recent metallurgical testwork optimising crushing, screening and DMS processing prior to a standard sulphide flotation treatment support this option. The staged flotation tests conducted on the master composite were used to optimise primary and secondary grind sizes, flotation times and reagent regimes for the separate zinc and lead concentrates. A locked cycle test was then conducted on the master composite to more closely simulate a continuously operating flotation circuit. The result of the locked cycle test was a zinc concentrate grading 57.2% zinc with a zinc recovery of 85.6% and a lead concentrate grading 61.4% lead at a lead recovery of 84.0%. Silver recovery to the lead concentrate was 67.1% silver at a concentrate grade of 323.8 g/t Ag (10.4 oz/t Ag). These grades are above the typical industry benchmark grades quoted respectively for zinc and lead concentrates of 53% zinc and 60% lead. At the benchmark concentrate grades, a regression line on the batch locked cycle test results defines a zinc recovery of 87.5% at the benchmark concentrate grade of 53% zinc and a lead recovery of 85% was used at the benchmark concentrate grade of 60% lead. Physical testwork comprised the establishment of crushing, grinding and abrasion indices. All three of the indices are within the typical range of expected values for mining projects. Assays on the concentrates indicated that deleterious elements were not present at levels that would cause concern or penalties from smelters
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered, this should be reported with an explanation of the environmental assumptions made.*	Baseline environmental surveys and studies have been conducted and a report is being compiled for Azure. Also, the prior concession owners Grupo Puma Minera SA de CV (Puma), applied for and received approval (a MIA) for the development of a mine, process plant and tailings facility for Oposura. This approval has been transferred from Puma to Minera Piedra Azul.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	Azure collected a total of 1,217 density measurements from drill core samples, with 835 samples within the bounds of the reported Mineral Resource, the remainder within lower-grade and waste zones providing a good range of material for density determinations and reducing sample bias. Each sample was dried and measured for length and diameter. The diameter was measured with callipers at three points along the length of the core

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		sample and averaged. The volume of the core sample was calculated, and the sample was weighed. Azure calculated the density for the core samples by dividing the dry weight of the sample by the volume. A total of 196 of the 1,217 samples were sent to BVL in Hermosillo, Mexico for density measurements by immersion of waxed core (method SPG03). The results of the immersion method were compared to densities measured by Azure. There was no discernible difference between the calliper and immersion methods. A multivariate regression formula from dry bulk density determinations to Zn% and Pb% was developed for use across the deposit for areas of varying zinc and lead grades. This formula combined the measured density of samples that were subsequently sent for assay. A multivariate regression was used to calculate density in mineralisation and low-grade halo material in the block model from the Zn% and Pb% grade estimates. For waste densities, a length-weighted average of the calliper density determinations was calculated on samples outside the mineralisation and low-grade halo intervals for the Oposura East Zone data only. No determinations were found in the Revancha Rhyolite within the Oposura East Zone, therefore the value of 2.60 from the previous MRE was assigned (*CSA Global, 2018. Geology and Mineral Resource Estimate for the Oposura East and West Zone Zinc-Lead-Silver Deposits, Mexico. Report for Azure Minerals Ltd. R315.2018a. CSA Global, West Perth, Western Australian. 31/08/2018*). Estimated or assigned density values within the historic underground mining voids have been retained to allow reconciliation, but the rock, type and min fields of the block model have been coded as air. Of the total calliper-method density samples, 15 were from four holes (OPDH-216, OPDH-218, OPDH-220 and OPDH-221) that were drilled to sterilise the tailings storage facility (TSF) from what is interpreted to be La Huerta Formation rocks, lying outside the Revancha-Arenillas-Candelaria stratigraphic package that hosts the Oposura project mineralisation. Immersion-method quality control checks were not performed on any of these samples, but the Competent Person (Matt Cobb / David Bairstow) does not consider this a risk to the reporting of (Mineral Resources / Ore Reserves).
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	Both methods adequately account for void spaces, moisture and differences between rock and alteration zones within the deposit.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	The bulk density is assumed to be influenced by the content of combined Pb% and Zn%, as shown by a stronger correlation between the combined

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		variables and density than in a univariate sense. Other variables were checked for influence, but their impact on density was not material.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.*	Indicated resources were classified for large zones of contiguous blocks where consistent, coherent zones of estimation pass 1 and 2, average distance less than 30 m. Results were visually checked against composites for appropriate local estimates in sections. The geological understanding and support, quality of samples, density data, drill-hole spacing, drill-hole surveying, historical nature of the drilling, sampling and assaying processes and estimation quality were all considered for determining the resource classification. Material coded as mined within historic underground mining voids has been set to unclassified.
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The Mineral Resource has been appropriately classified considering all relevant factors as described above.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The MRE appropriately reflects the view of the Competent Person.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	The current Mineral Resource estimate has been subject to CSA Global's internal peer review process. No third-party audits or reviews of the MRE have been conducted.
Discussion of relative accuracy/ confidence	*Where appropriate, a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	The Mineral Resource accuracy is communicated through the classification assigned to the deposit. The MRE has been classified in accordance with the JORC Code (2012 Edition) using a qualitative approach. All factors that have been considered have been adequately communicated in Section 1 and Section 3 of this Table.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The Mineral Resource statement relates to a global estimate of in-situ tonnes and grade.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No production data exists to compare the MRE.