

Drilling restarts at Alacrán

- Resource expansion drilling has restarted at the Loma Bonita gold-silver deposit
- Drill program updated to include testing surface zone which returned **35m @ 3.6g/t Au**
- Drilling is also planned for Cerro San Simon and other greenfields targets

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to advise that Reverse Circulation (RC) drilling has recommenced at its 100%-owned Alacrán Project following the scheduled Christmas-New Year break. In the few days of drilling undertaken prior to Christmas, the Company completed two holes for 236.5m.

The Loma Bonita deposit currently extends over 600 metres north-south and up to 200 metres east-west (see Figures 1 & 2). Mineralisation starts at surface and in places the true width/thickness of the mineralised zone exceeds 100 metres. Drilling to expand gold and silver resources is underway, with early drilling located to the east of holes MDPC-096 and MDPC-131, which returned strong mineralised intersections of:

MDPC-131: 47.2m @ 2.79g/t Au & 33g/t Ag (ASX: 15 November 2016);

MDPC-096: 67.1m @ 1.56g/t Au & 21g/t Ag (ASX: 28 September 2016);

Azure recently reported encouraging surface sampling results (ASX: 17 December 2019) from a strongly gold-mineralised breccia located in a road cutting approximately 400 metres southeast of the Loma Bonita resource boundary (see Figure 2). Channel sampling of the exposed mineralised zone returned **35.5 metres grading 3.6g/t Au**. This zone will be drill-tested in the current program.

Drilling is also being planned to test the Cerro San Simon prospect (see Figure 2), where previous drilling returned several wide intersections of low to moderate grade gold mineralisation, including:

MDPD-025: 29.6m @ 0.56g/t Au & 27g/t Ag (ASX: 21 December 2016)

MDPD-035: 12.6m @ 0.37g/t Au & 8g/t Ag (ASX: 21 December 2016)

ALA-17-004: 63.0m @ 0.47g/t Au & 27g/t Ag (ASX: 10 May 2018)

-ENDS-

Authorised for release by Mr Brett Dickson, Company Secretary.

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COMPETENT PERSON STATEMENT

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

Figure 1: Alacrán project overview plan

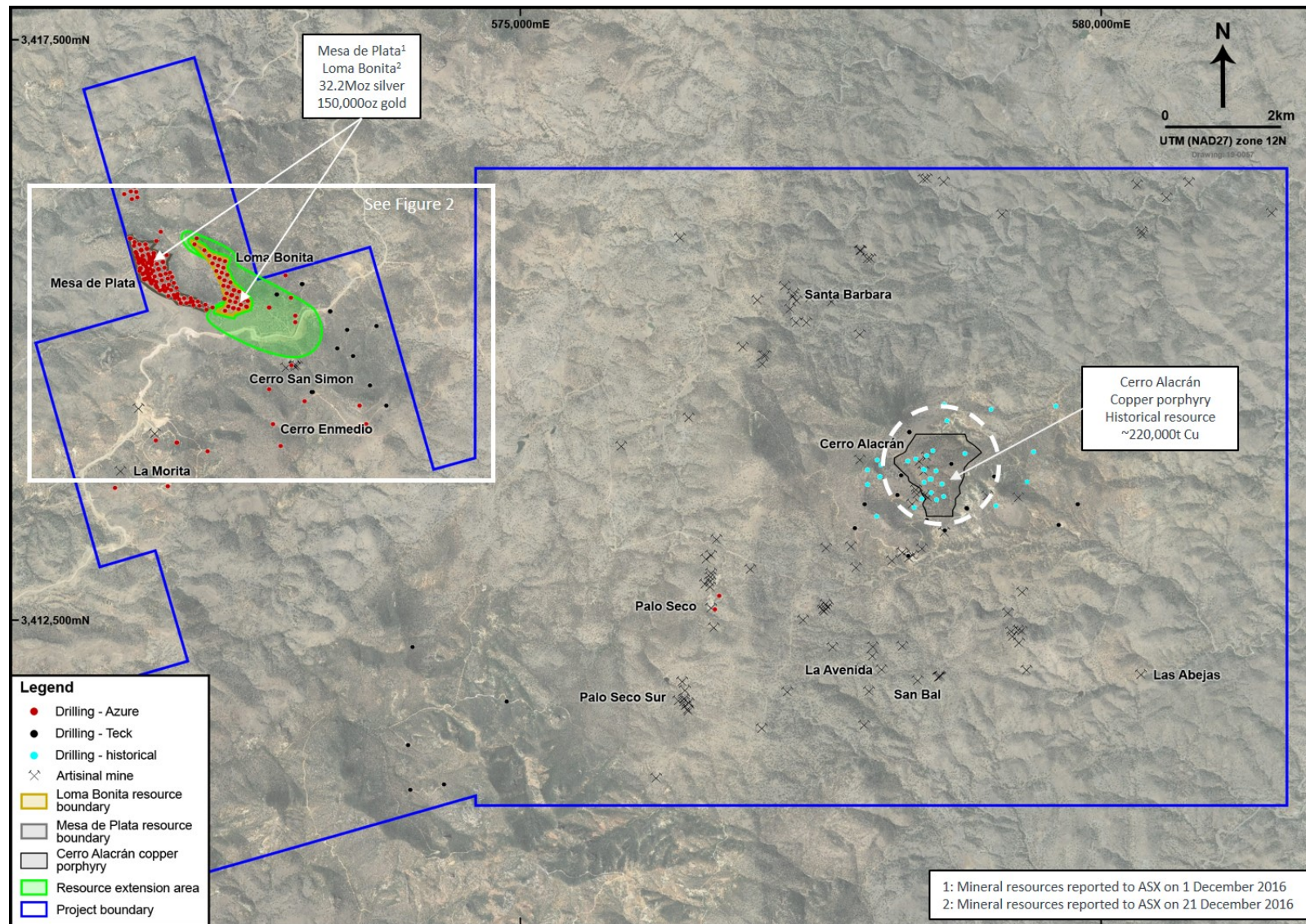


Figure 2: Plan showing area of Loma Bonita resource expansion drilling and greenfields exploration targets

