23 MARCH 2020

AZURE MAKES NEW COPPER DISCOVERY AT ALACRÁN

- **The greenfields Gregors copper discovery was made by drill-testing a buried VTEM geophysical anomaly which is coincident with an outcrop of breccia and gossan**
- **First-pass drilling at Gregors intersected a blind zone of disseminated copper sulphide mineralisation, returning:**
  - **GGC-002: 6.0m @ 2.30% Cu within a wider zone of 30m @ 0.68% Cu from 22.5m**
  - **GGC-003: 1.5m @ 7.03% Cu within a wider zone of 18m @ 0.96% Cu from 21.0m**
- **A single hole drilled at the old San Simon mine intersected a wide zone of strong gold mineralisation:**
  - **MDPC-168: 21m @ 2.0g/t Au & 64g/t Ag from 19.5m; including 6.0m @ 3.35g/t Au**

Azure Minerals Limited ("Azure" or "the Company) (ASX: AZS) is pleased to announce that drilling at its 100%-owned Alacrán Project in Sonora, Mexico, has successfully discovered high-grade copper mineralisation at the Gregors prospect and intersected further significant gold mineralisation at Mina San Simon.

Azure's Managing Director, Tony Rovira, said: *"Our exploration team has a strong and successful history of discovering new deposits at Alacrán. With this discovery of the buried copper mineralisation at Gregors, we are continuing to identify high-value precious and base metals targets, reinforcing the prospectivity of this exciting project and the technical skills of our exploration team.*

"The discovery of strong copper mineralisation hosted by iron-rich breccia at Gregors is very promising, as there is a history of discovering and exploiting high-grade, copper-rich breccia pipes in the surrounding Cananea mining district, particularly at the nearby Cananea Copper Mine located 10km to the northwest. I'm looking forward to completing our interpretation of the results and recommencing drilling as soon as practicable."

GREGORS DRILLING

The Gregors prospect was originally recognised by Azure's geologists in early 2016 when mapping identified breccia and gossan outcropping over an area of approximately 100m x 100m. The strongly iron-rich breccia and boxwork texture within the gossan suggested a sulphide-rich source, potentially representing base metal mineralisation. However, geochemical sampling of the outcrop returned only low grades of precious and base metals, downgrading the priority of the prospect at that time.

In late 2016, Azure flew an airborne VTEM geophysical survey over the entire Alacrán project area, and a small and discrete, reasonably intense electromagnetic (EM) response was detected coincident with the gossan outcrop. Modelling indicated the presence of a steep east-dipping EM conductor plate located beneath the gossan outcrop.

No further exploration was undertaken over this anomaly until late in 2019, when Azure regained full ownership and control of the Alacrán project from former partner Teck Resources. Detailed mapping, surface geochemical sampling and a ground EM survey were carried out over the gossan and the area of the VTEM anomaly in early 2020. This identified faults and shearing and strong alteration within and around the gossan, and sampling returned weakly anomalous copper grades.

Four angled RC drill holes were drilled to test both the EM anomaly and beneath the gossan. Two holes (GGC-002 & GGC-003) were drilled from the same collar position with different dip angles. Both holes intersected wide zones of breccia and strongly altered volcanic rocks containing significant visual quantities of disseminated chalcopyrite (copper sulphide) mineralisation, returning the following intersections:

- **GGC-002: 30m @ 0.68% Cu from 22.5m; including 6.0m @ 2.30% Cu**
- **GGC-003: 18m @ 0.96% Cu from 21.0m; including 1.5m @ 7.03% Cu**

The other two holes (GGC-001 & GGC-004) intersected altered and brecciated rocks containing disseminated pyrite, pyrite in veins and minor amounts of disseminated chalcopyrite that returned anomalous copper grades.

The Company's current interpretation is that GGC-002 & GGC-003 intersected a higher-grade, copper-rich core potentially representing a mineralised breccia pipe and GGC-001 & GGC-004 drilled a lower-grade halo.

The presence of strong copper mineralisation hosted by iron-rich breccia is very promising as numerous high-grade, copper-rich breccia pipes associated with nearby copper porphyry bodies have been discovered and mined in the Cananea mining district. For example, the La Colorada breccia pipe (approximately 5Mt @ 7% Cu) was mined up to the 1930s, and the Maria breccia pipe (ore reserves of 1.6Mt @ 6% Cu) was discovered in 1979 and mined up to the 1990s. At the top of these breccia pipes the cross-sectional area is usually less than 100m x 100m and the mineralised bodies often extend to very significant depths (in the hundreds of metres).

Azure is undertaking a detailed data review and interpretation plus initial mineralogical and metallurgical studies to assess potential and assist with planning a follow-up drill program.

MINA SAN SIMON DRILLING

One RC hole (MDPC-168) was drilled to test at the historical Mina San Simon mine located about 700m southeast of the southern Loma Bonita resource boundary. The area between Loma Bonita and Mina San Simon and in the vicinity of Mina San Simon is mostly untested by drilling.

The old workings comprise two horizontal tunnels and a 30m deep vertical shaft which exploited a zone of vuggy silica hosting gold and silver mineralisation. A hole drilled by Azure in 2015 (LM-02) intersected a void created by the old mine workings that had extracted the mineralised zone.

However, MDPC-168 drilled below these old mine workings and returned a well-mineralised gold and silver intersection, hosted in vuggy and massive silica, of:

- **MDPC-168: 21.0m @ 2.00g/t Au & 64g/t Ag from 19.5m**

Further drilling to test the vuggy silica mineralised zone, which is interpreted to extend further to the east and south beneath the Cerro San Simon hill, will be undertaken in the next drill program.

DRILL PROGRAM DETAILS

The Reverse Circulation (RC) drilling program was undertaken at the Loma Bonita gold-silver deposit for resource infill and extension, at the Mesa de Plata silver deposit to collect additional samples for advanced metallurgical testwork, and at the Cerro San Simon, Mina San Simon and Gregors greenfields exploration targets.

A total of 36 holes (MDPC-138 to MDPC-169 & GGC-001 to GGC-004) were drilled for 3,604 metres. Gold, silver and base metal assays have been received for all holes and all significant intersections are listed in Table 1. Location details for all holes are contained in Table 2.

Drilling has now been completed and the drill rig demobilised.

Figure 1: General location plan for the Alacrán Project showing operating mines in the district

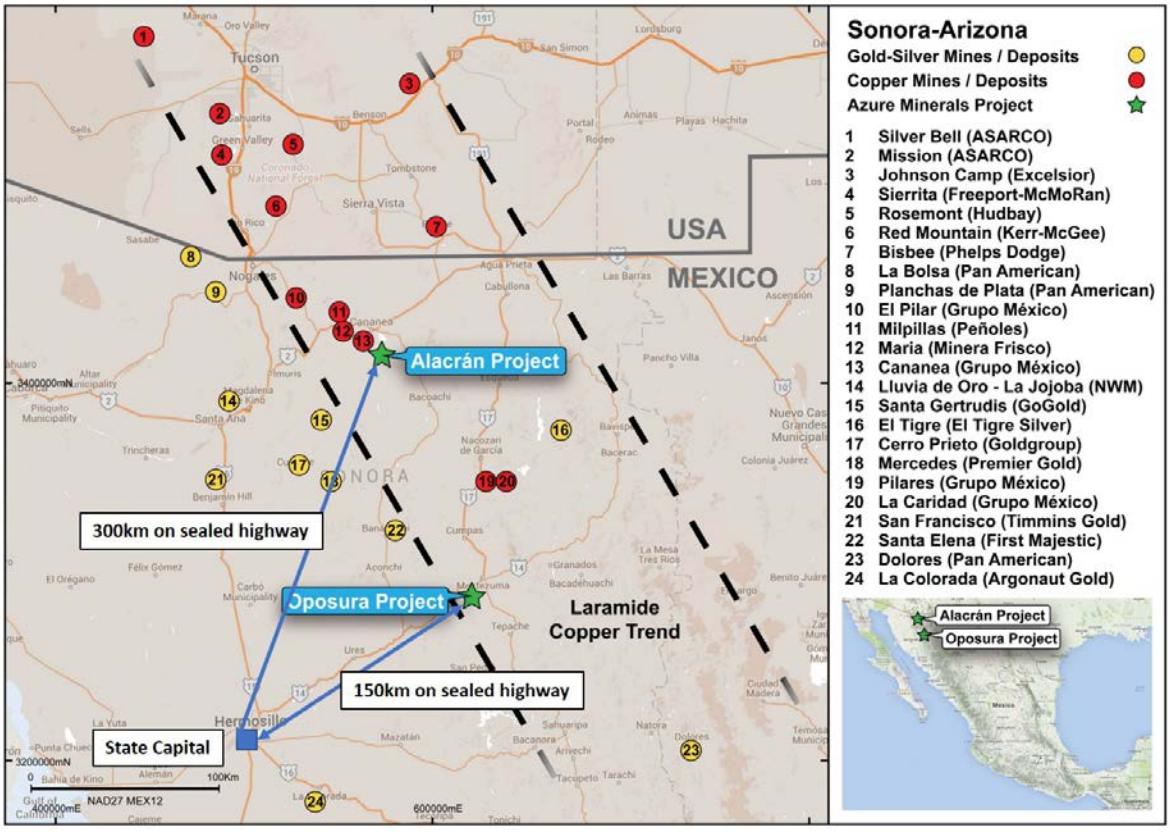

Figure 2: Plan of the Alacrán Project with drill holes

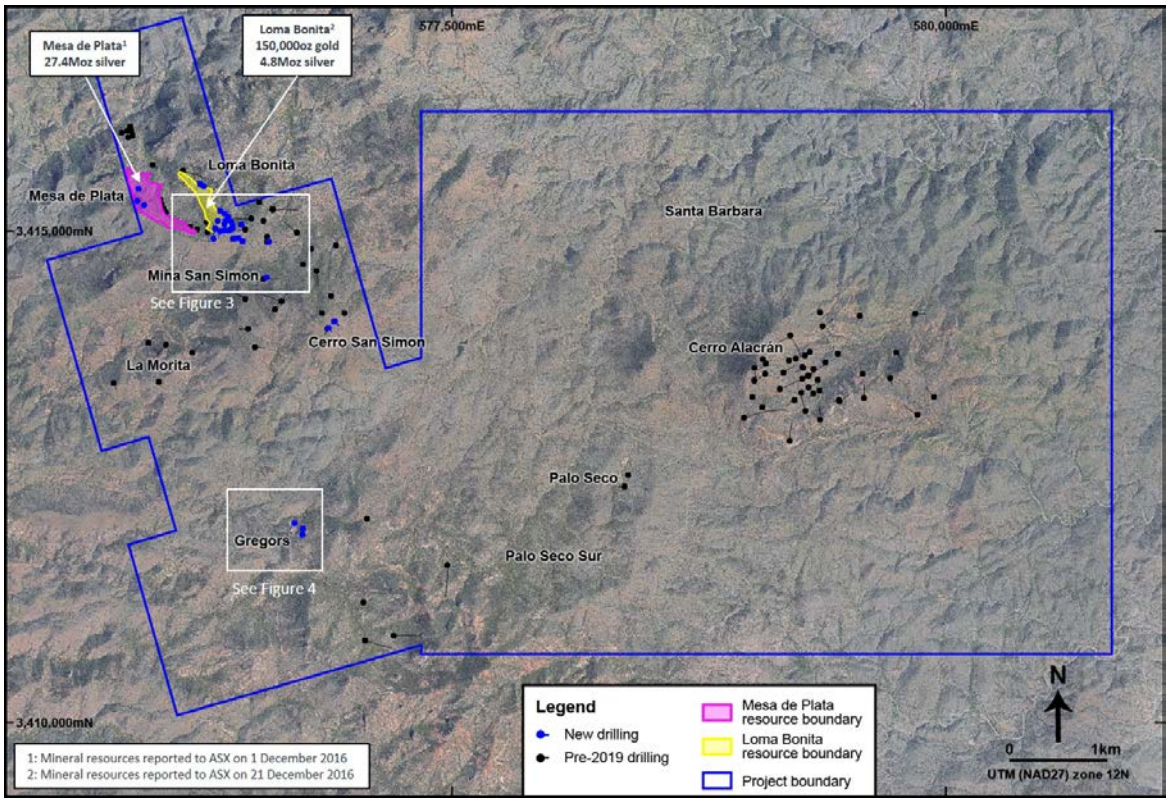

Figure 3: Mesa de Plata and Loma Bonita mineral resources and nearby drill hole locations

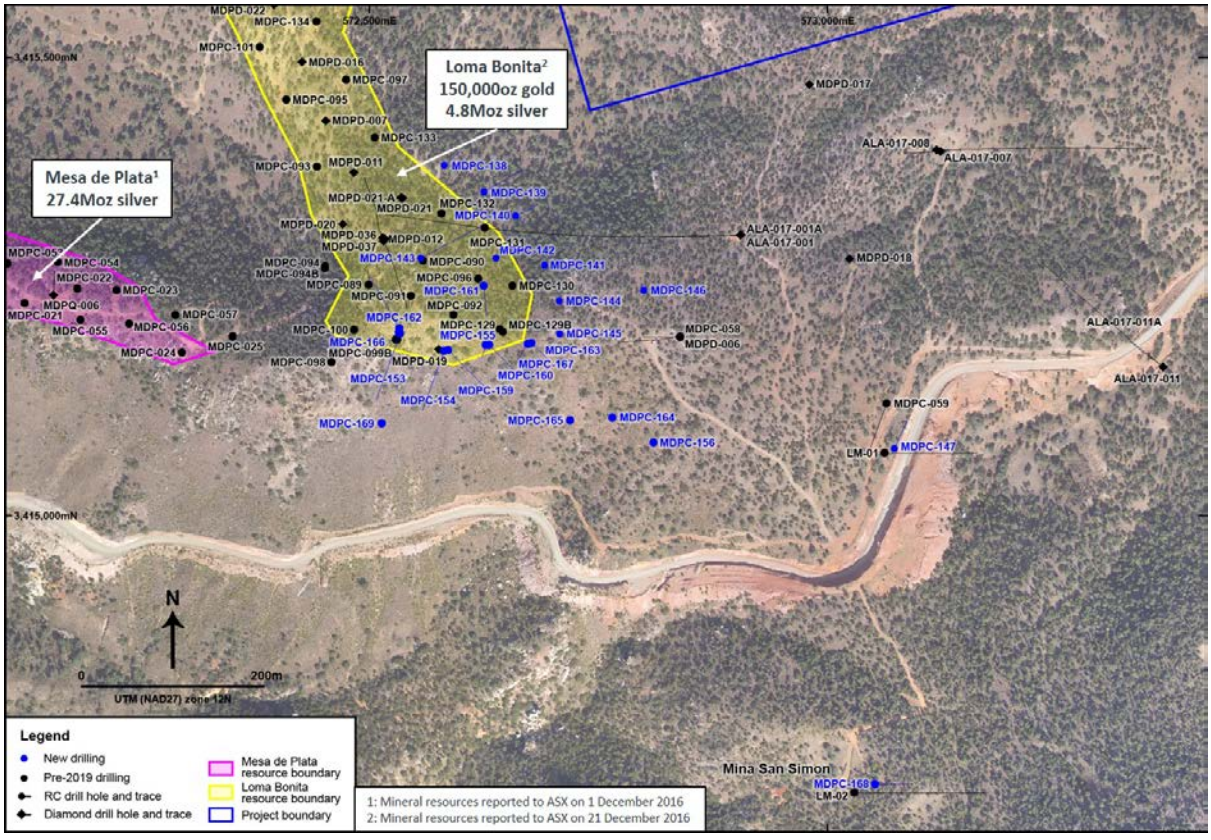

Figure 4: Drill holes at Gregors

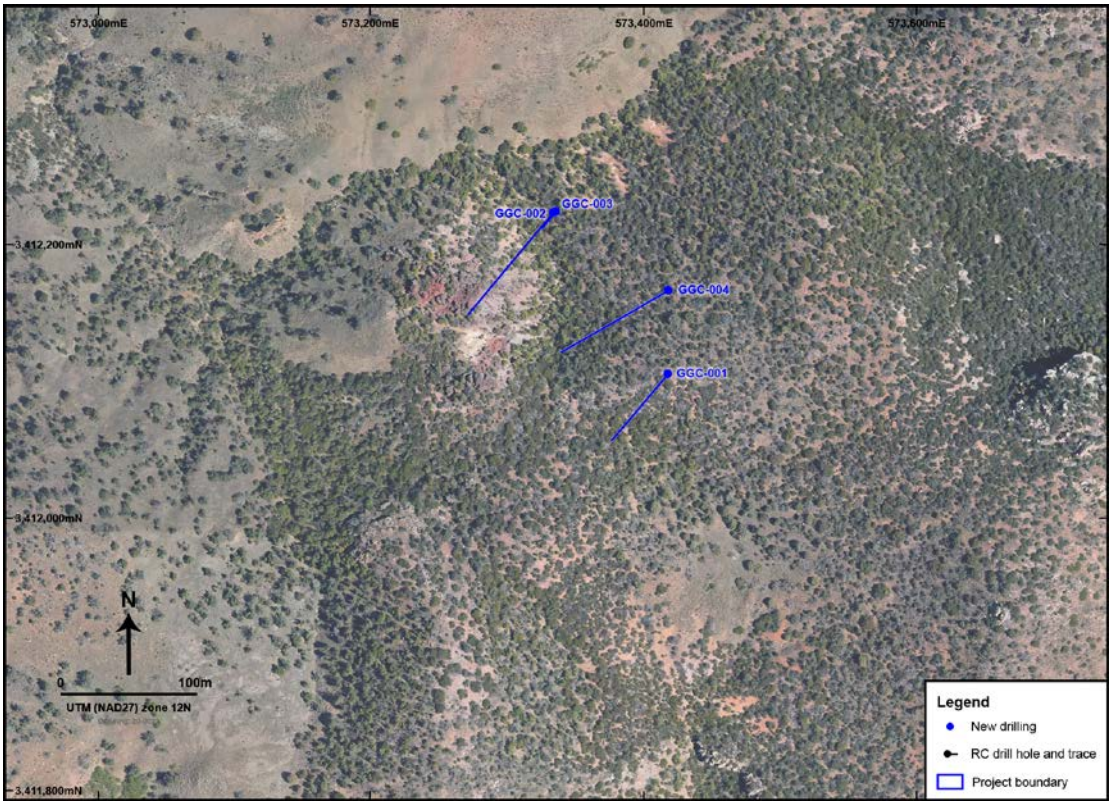

Figure 5: Drone photo of outcropping gossan at Gregors, looking northwest

Figure 6: Drone photo of drilling at Gregors, looking southeast

Figure 7: Photos of RC drill cuttings from Gregors with mineralised copper intersections
Drill hole GGC-002 on the left and GGC-003 on the right

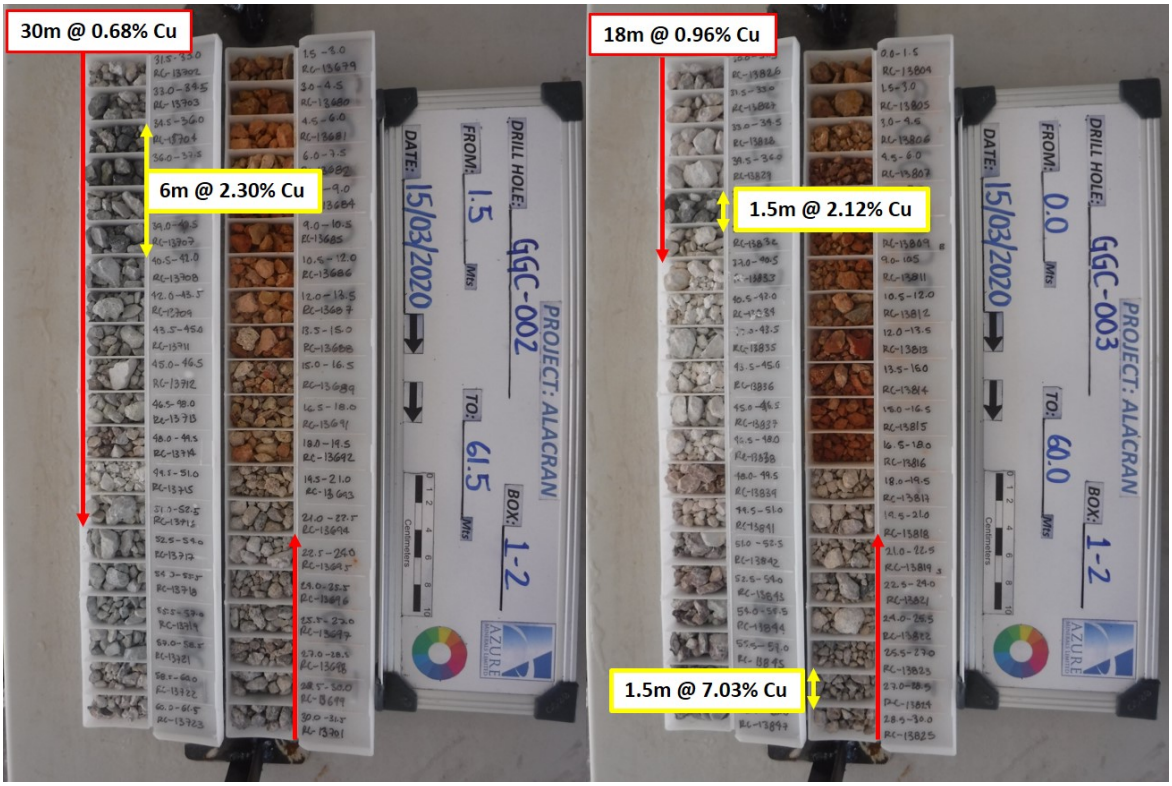

TABLE 1: Gold mineralised drill intersections for holes MDPC-138 to MDPC-169.
Mineralised intersections use a 0.2g/t Au grade cut-off; included zones use a 1.0g/t Au cut-off.
Intersections use maximum internal dilution of 1.5m (note** uses max 3.0m internal dilution).**

HOLE No	DEPTH (m)		INTERCEPT LENGTH (m)	GRADE	
	FROM	TO		Au (g/t)	Ag (g/t)
MDPC-138	1.0	10.5	9.5	0.58	11
including	7.5	9.0	1.5	1.07	15
	13.5	18.0	4.5	0.80	14
including	15.0	16.5	1.5	1.25	17
note	1.0	18.0	17.0	0.54	10
MDPC-139	0.0	5.5	5.5	1.03	28
including	2.5	5.5	3.0	1.39	39
	61.0	62.5	1.5	0.26	12
	133.0	134.5	1.5	0.54	8
MDPC-140	0.0	3.0	3.0	0.43	9
MDPC-141	0.0	1.5	1.5	0.24	3
	12.0	48.0	36.0	1.00	13
including	15.0	22.5	7.5	1.57	15
and	27.0	30.0	3.0	1.17	18
and	36.0	40.5	4.5	1.96	11
	142.5	144.0	1.5	0.59	2
	177.0	178.5	1.5	0.26	4
MDPC-142	0.0	6.0	6.0	0.31	7
MDPC-143	1.5	127.5	126.0	1.96	26
including	3.0	4.5	1.5	1.05	33
and	10.5	48.0	37.5	1.46	18
and	52.5	54.0	1.5	1.29	34
and	57.0	118.5	61.5	2.85	32
and	61.5	63.0	1.5	1.64	44
and	108.0	109.5	1.5	9.92	68
and	112.5	114.0	1.5	1.20	46
MDPC-144	25.5	27.0	1.5	0.20	2
	78.0	79.5	1.5	0.31	<2
	91.5	93.0	1.5	0.56	<2
MDPC-145	24.0	25.5	1.5	0.27	4
	28.5	30.0	1.5	0.45	1
	37.5	40.5	3.0	1.95	0
	64.5	66.0	1.5	0.39	1
	69.0	70.5	1.5	1.78	1
	79.5	81.0	1.5	0.36	5
	85.5	88.5	3.0	0.74	4
including	85.5	87.0	1.5	1.24	4
	94.5	96.0	1.5	2.79	2
	118.5	120.0	1.5	0.42	1

MDPC-146			No significant intercepts		
MDPC-147	0.0	12.0	12.0	0.38	29
including	0.0	6.0	1.5	0.39	44
	40.5	43.5	3.0	0.26	1
MDPC-148	12.0	43.5	31.5	0.40	19
	52.5	57.0	4.5	0.41	1
MDPC-149	52.5	55.5	3.0	0.38	22
	61.5	63.0	1.5	1.29	2
	66.0	78.0	12.0	0.91	7
including	66.0	67.5	1.5	1.28	8
and	69.0	76.5	7.5	1.09	6
note	61.5	78.0	16.5	0.80	7
MDPC-150	12.0	22.5	10.5	<0.01	805
including	13.5	19.5	6.0	<0.01	1,284
MDPC-151	36.0	60.0	24.0	<0.01	474
including	39.0	54.0	15.0	<0.01	677
MDPC-152	0.0	40.5	40.5	<0.01	344
including	0.0	10.5	10.5	<0.01	774
MDPC-153	15.0	34.5	19.5	1.04	19
including	24.0	25.5	1.5	4.42	16
and	28.5	33.0	4.5	1.29	28
	37.5	73.5	36.0	0.52	20
including	52.5	55..5	3.0	1.15	32
	84.0	85.5	1.5	0.21	21
	88.5	111.0	22.5	0.32	16
	114.0	115.5	1.5	0.25	8
	121.5	123.0	1.5	0.25	7
	135.0	136.5	1.5	0.21	10
	139.5	141.0	1.5	0.24	13
note	15.0	73.5	58.5	0.68	20
including	24.0	33.0	9.0	1.62	23
note	84.0	115.5	31.5	0.28	15
MDPC-154	0.0	73.5	73.5	0.72	26
including	24.0	27.0	3.0	1.04	30
and	43.5	55.5	12.0	1.25	29
and	64.5	69.0	4.5	1.15	16
	84.0	87.0	3.0	0.32	12
	91.5	109.5	18.0	0.31	11
	112.5	127.5	15.0	0.31	20
note	84.0	127.5	36.0	0.29	15
MDPC-155	0.0	31.5	31.5 (entire hole)	1.67	31
including	0.0	25.5	25.5	1.86	32

and	30.0	31.5	1.5 (EOH)	1.19	25
MDPC-156	0.0	1.5	1.5	0.21	13
	7.5	10.5	3.0	0.26	6
	66.0	67.5	1.5	0.22	<2
	69.0	70.5	1.5 (EOH)	0.26	10
MDPC-157	0.0	1.5	1.5	0.27	94
	4.5	18.0	13.5	0.40	66
including	10.5	12.0	1.5	1.05	40
	21.0	22.5	1.5	0.55	34
	25.5	36.0	10.5	0.57	29
note	0.0	36.0	36.0	0.38	49
Note ***Pb***	12.0	21.0	9.0m @ 1.64% Pb		
MDPC-158	1.5	13.5	12.0	0.43	36
	16.5	25.5	9.0	0.24	47
	28.5	37.5	9.0	0.61	35
including	33.0	36.0	3.0	1.30	34
note	1.5	37.5	36.0	0.38	40
MDPC-159	0.0	58.5	58.5	0.50	16
including	16.5	18.0	1.5	1.11	25
and	54.0	55.5	1.5	1.34	32
	61.5	75.0	13.5	0.50	29
	82.5	100.5	18.0	0.35	13
note	0.0	75.0	75.0	0.48	19
MDPC-160	1.5	39.0	37.5	1.76	35
including	1.5	21.0	19.5	2.36	28
and	24.0	34.5	10.5	1.55	39
	43.5	45.0	1.5	0.86	51
note	1.5	34.5	33.0	1.94	32
MDPC-161	0.0	28.5	28.5	1.28	24
including	0.0	22.5	22.5	1.55	24
	33.0	39.0	6.0	0.50	8
	45.0	46.5	1.5	0.36	10
	49.5	67.5	18.0	0.68	14
including	61.5	64.5	3.0	2.14	29
note	45.0	67.5	22.5	0.58	13
MDPC-162 prelim	87.0	121.5	34.5	1.24	16
including	91.5	97.5	6.0	3.29	23
and	109.5	112.5	3.0	2.85	9
and	117.0	118.5	1.5	2.52	13
	126.0	132.0	6.0	0.24	15
MDPC-163	1.5	3.0	1.5	0.23	9
	42.0	49.5	7.5	1.56	1
incl	42	46.5	4.5	2.4	1

MDPC-164	0	15.0	15.0	0.75	31
incl	6.0	10.5	4.5	1.50	39
MDPC-165	6.0	10.5	4.5	0.36	16
	22.5	30.0	7.5	2.26	1
incl	22.5	25.5	3.0	5.03	1
	34.5	37.5	3.0	0.30	2
	69.0	72.0	3.0	0.28	3
MDPC-166	22.5	27.0	4.5	0.44	70
MDPC-167	4.5	6.0	1.5	0.20	5
	18.0	25.5	7.5	0.88	36
incl	21	25.5	4.5	1.24	39
MDPC-168	19.5	40.5	21.0	2.00	64
incl	22.5	39.0	16.5	2.38	65
MDPC-169	0	1.5	1.5	0.43	9

GREGORS PROSPECT	DEPTH (m)		INTERCEEPT LENGTH (m)	GRADE
	FROM	FROM		Cu (%)
GGC-001	39.0	42.0	3.0	0.12
	96.0	99.0	3.0	0.66
	111.0	118.5	7.5	0.18
	139.5	148.5	9.0	0.11
GGC-002	22.5	52.5	30.0	0.68
	34.5	40.5	6.0	2.30
	58.5	31.5	3.0	0.16
	120.0	121.5	1.5	0.10
GGC-003	21.0	39.0	18.0	0.96
	27.0	28.5	1.5	7.03
	36.0	37.5	1.5	2.12
	48.0	49.5	1.5	0.25
	61.5	64.5	3.0	0.24
	72.0	73.5	1.5	0.23
GGC-004	49.5	60.0	10.5	0.13
	115.5	117.0	1.5	0.11
	202.5	204.0	1.5	0.11
note includes 3m internal dilution at less than 0.2g/t Au cut-off grade				

Table 2: Location data for holes MDPC-138 to MDPC-169

HOLE No.	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH	LOCATION
MDPC-138	572640	3415186	1,598	060	-75	82.5	Loma Bonita
MDPC-139	572683	3415157	1,597	060	-75	154.0	Loma Bonita
MDPC-140	572718	3415130	1,597	060	-75	100.5	Loma Bonita
MDPC-141	572750	3415077	1,616	000	-90	196.5	Loma Bonita
MDPC-142	572697	3415085	1,615	000	-90	52.5	Loma Bonita
MDPC-143	572615	3415081	1,641	062	-56	148.5	Loma Bonita
MDPC-144	572766	3415038	1,630	000	-90	202.5	Loma Bonita
MDPC-145	572766	3415002	1,639	000	-90	136.5	Loma Bonita
MDPC-146	572852	3415049	1,627	000	-90	121.5	Loma Bonita
MDPC-147	573126	3414880	1,593	025	-70	64.5	Loma Bonita
MDPC-148	573739	3413996	1,709	135	-50	67.5	C. San Simon
MDPC-149	573801	3414066	1,706	135	-50	91.5	C. San Simon
MDPC-150	571818	3415403	1,573	155	-55	52.5	Mesa de Plata
MDPC-151	571864	3415241	1,603	315	-70	73.5	Mesa de Plata
MDPC-152	571803	3415288	1,594	315	-60	52.5	Mesa de Plata
MDPC-153	572591	3415002	1,659	200	-60	154.5	Loma Bonita
MDPC-154	572639	3414983	1,644	200	-60	136.5	Loma Bonita
MDPC-155	572685	3414989	1,645	200	-65	31.5	Loma Bonita
MDPC-156	572868	3414883	1,614	000	-90	70.5	Loma Bonita
MDPC-157	572476	3415438	1,562	020	-65	52.5	Loma Bonita
MDPC-158	572435	3415458	1,569	020	-70	64.5	Loma Bonita
MDPC-159	572644	3414984	1,644	135	-60	109.5	Loma Bonita
MDPC-160	572689	3414989	1,644	135	-65	88.5	Loma Bonita
MDPC-161	572683	3415054	1,631	175	-65	76.5	Loma Bonita
MDPC-162	572591	3415008	1,661	330	-65	154.5	Loma Bonita
MDPC-163	572735	3414992	1,640	135	-65	52.5	Loma Bonita
MDPC-164	572823	3414910	1,614	000	-90	40.5	Loma Bonita
MDPC-165	572777	3414907	1,609	000	-90	79.5	Loma Bonita
MDPC-166	572590	3415003	1,660	225	-55	52.5	Loma Bonita
MDPC-167	572731	3414990	1,640	175	-65	37.5	Loma Bonita
MDPC-168	573110	3414511	1,616	090	-60	73.5	Mina San Simon
MDPC-169	572572	3414904	1,608	000	-90	52.5	Loma Bonita
GGC-001	573476	3411908	1,605	220	-65	151.5	Gregors
GGC-002	573391	3412026	1,563	220	-55	169.5	Gregors
GGC-003	573393	3412027	1,563	220	-80	91.5	Gregors
GGC-004	573473	3411966	1,600	240	-65	214.5	Gregors

-ENDS-

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Competent Person Statements:

Information in this report that relates to Exploration Results for the Alacrán Project is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy and fairly represents this information. Mr Rovira has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Rovira is a full-time employee and Managing Director of Azure Minerals Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report that relates to Mineral Resources for the Alacrán Project is extracted from the reports "Silver Resource Upgraded at Mesa de Plata" created and released to the ASX on 1 December 2016 and "Initial Mineral Resource Estimate for Loma Bonita" created and released to the ASX on 21 December 2016 and are available to view on www.asx.com.au. Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Reverse circulation (RC) percussion drilling is being undertaken on the Alacrán Project. Drill hole collar locations and inclinations were determined by hand-held GPS and compass. No downhole surveys were taken. Prior to the collaring of a drill hole (between 2.5 – 4.5m from surface), sample is collected in a catcher and, owing to poor recovery, most if not all of the sample is submitted for analysis. When the ground conditions are suitably stable, a PVC collar is inserted into the drill hole, allowing a shroud to be attached to the top of the PVC and enabling all sample to be caught and captured via a cyclone, then pass through a Jones riffle splitter. Drill spoil was sampled mostly at 1.5m intervals, but between 1.0 and 2.5m widths in the upper 6m of the hole, depending on the size of sample recovery. Samples preparation was undertaken at Bureau Veritas Laboratories (BVL) in Hermosillo, Sonora,, Mexico. Samples were weighed, assigned a unique bar code and logged into the BVL tracking system. Samples were dried and each sample was fine crushed to >70% passing a 2 mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75 micron screen. Envelopes containing the 250g sample pulps were sent via courier to the BVL laboratory in Vancouver, Canada for analysis. The analytical techniques for all elements (other than gold) involved a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was MA300 (for silver and base metals by ICP-MS). Fire Assay method FA430 was used for gold. Over-limit assays were re-analysed by MA370 (by ICP-ES for base metals grading >1% and silver grading >200ppm and FA530 (by fire assay with gravimetric finish for gold > 10ppm and silver grading >200ppm).
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling technique for all holes was reverse circulation percussion using a 5.25 inch (133mm) diameter face-sampling hammer drill bit.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	RC drill recoveries were visually estimated from volume of sample recovered. >95% of sample recoveries were above 90% of expected. RC samples were visually checked for recovery, moisture and contamination, noting these in the logs. There is no observable relationship between recovery and grade, and therefore no sample bias.
Logging	*Whether core and chip samples have been geologically*	Detailed geological logging was carried out with

	and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	recording of weathering, lithology, alteration, mineralisation, colour and other sample features. No geotechnical data is able to be recorded due to the nature of the drill sample. Chips are stored in plastic chip trays which are photographed at the completion of drilling. All holes were logged in full. The geological data would be suitable for inclusion in a Mineral Resource estimate.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	No drill core was collected. Prior to the collaring of a drill hole (between 2.5 – 4.5m from surface), sample is collected in a catcher and, owing to poor recovery, most if not all of the sample is submitted for analysis. When the ground conditions are suitably stable, a PVC collar is inserted into the drill hole, allowing a shroud to be attached to the top of the PVC and enabling all sample to be caught and captured via a cyclone, then pass through a Jones riffle splitter. Each sample is collected in uniquely numbered plastic bags and a ticket stub with the same number is removed from a ticket sample book and included in the bag with the sample. Each bag is sealed with aa plastic cable tie. Four to five samples (depending on the total weight) are placed in large plastic bags and a numbered tamper-proof plastic cable tie is used to close each bag. BVL personnel courier the samples from the project to their Hermosillo laboratory for sample preparation. Samples were audited apon arrival, sorted, 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 250g split was pulverised using a ring and puck system to >85% passing 75 micron screen. Envelopes containing the 250g sample pulps were sent via courier to the BVL laboratory in Vancouver, Canada for analysis. Certified Reference Standards, replicate samples, pulp duplicate samples, and blank samples were routinely inserted alternately at intervals of every 10 samples, and also immediately following visually identified mineralised intercepts to provide assay quality checks. Review of the standards and blanks are within acceptable limits. The sample sizes are considered appropriate to the grain size of the material being sampled. The sample collection and preparation followed industry best practice.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The analytical techniques for all elements (other than gold) initially involved a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was MA300 (for silver and base metals by ICP-MS). Fire Assay method FA430 was used for gold. Over-limit assays were re-analysed by MA370 (by ICP-ES for base metals grading >1% and silver grading >200ppm and FA530 (by fire assay with gravimetric finish for gold > 10ppm and silver grading >200ppm). Azure implemented industry standard QAQC protocols to monitor levels of accuracy and precision.

		Internal laboratory control procedures comprised duplicate sampling of randomly selected assay pulps, as well as internal laboratory standards and blanks. Azure routinely inserted Certified Reference Standards, duplicate and blank samples at alternate sample intervals to provide assay quality checks. Review of the standards, duplicates and blanks are within acceptable limits. No geophysical or portable analysis tools were used to determine assay values.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	Senior technical personnel from the Company (Project Geologist & Exploration Manager) have inspected the drilling and sampling. Primary data was collected by employees of the Company at the project site. All measurements and observations were recorded onto hard copy templates and later transcribed into the Company's digital database. Digital data storage, verification and validation is managed by an independent data management company. No adjustments or calibrations have been made to any assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Drill hole collar locations were determined by hand-held GPS with an accuracy of under 1m. The grid system used is NAD27 Mexico UTM Zone 12 for easting, northing and RL.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	As this drilling program is for the purposes of extending the current Mineral Resource area, drill hole spacing of 50m x 50m was implemented. When completed, the data spacing and distribution will be sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation procedures. No composite samples were collected.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The general trend of the geology and mineralisation is flat-lying and, as such, vertical drill holes give robust estimates of the true mineralised thicknesses. No sampling bias is believed to have been introduced.
Sample security	*The measures taken to ensure sample security.*	Each sample is collected in uniquely numbered plastic bags and a ticket stub with the same number is removed from a ticket sample book and included in the bag with the sample. Each bag is sealed with aa plastic cable tie. Four to five samples (depending on the total weight) are placed in large plastic bags and a numbered tamper-proof plastic cable tie is used to close each bag. The numbers on the seals were recorded for each shipment. BVL personnel courier the samples from the project to their Hermosillo laboratory for sample preparation. BVL audited the arriving samples and reported any discrepancies back to the Company. No such discrepancies occurred.
ts or reviews	*The results of any audits or reviews of sampling techniques and data.*	All digital data is subject to audit by the independent data manager.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Alacrán project comprises 21 granted mineral concessions, totalling 5,441 hectares in area. All tenements are 100% owned by Minera Tlali S.A.B de C.V. a wholly-owned subsidiary of Azure Minerals Limited (Azure). A 2.5% NSR royalty on production is payable to the previous owners. The tenements are secure and in good standing. There are no known impediments to obtaining a licence to operate in the area. Twenty of the tenements expire in May 2030 and the remaining tenement expires in October 2045.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The project area has a history of industrial-scale commercial mining and small-scale artisanal mining dating back to the early 20th century, which ended shortly after the start of the Mexican Revolution in 1910. After the Revolution ended in the 1920's, the property was explored intermittently. The Anaconda Copper Mining Company is known to have done some exploration, including drilling, on the property prior to the late 1960's. Data relating to this work has been located but has yet to be reviewed. Between 1969 and the early 1980's, the Consejo de Recursos Minerales (Mexican Geological Survey) carried out occasional exploration programs, including drilling 6 holes in 1970 and undertaking geophysical surveys over the Palo Seco and La Morita prospects in 1981. Grupo Mexico acquired the project after the CRM completed their drilling. Grupo Mexico drilled an additional 26 holes on the project in two phases. The first phase was done in 1991 (24 holes) and the second phase was done in 1997 and 1998 (two holes). Minera Teck S.A. de C.V., a Mexican subsidiary of Teck Resources Limited acquired the property in 2013 and undertook limited surface exploration. Azure Minerals acquired the rights to the project in December 2014 through its fully owned Mexican subsidiary company Minera Piedra Azul SA de CV. Azure: - 49 diamond drill holes - 154 RC holes - geophysics - 3 x resource calculations Teck: - 35 diamond drill holes, - undertook extensive mapping - 710 rock chips - 1283 soil samples - geophysics
Geology	*Deposit type, geological setting and style of mineralisation.*	Various styles of mineralisation occur on the property. Epithermal zones, veins and stockworks host silver, lead, zinc, copper and gold in volcaniclastic rocks (Mesa de Plata, Loma Bonita, Cerro San Simon, Cerro Enmedio and Palo Seco). Secondary copper oxide and chalcocite mineralisation occur in volcanic rocks (La Morita and Cerro Alacrán).

		Primary copper mineralization is hosted in porphyry rocks (Cerro Alacrán).
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer to figures and tables in the report which provide all relevant details.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All reported mineralised intervals have been length-weighted. No top cuts have been applied. High grade intervals internal to broader mineralised zones, if existing, are reported as included zones. Mineralised Zones were calculated using 0.2g/t Au lower grade cut-offs. No metal equivalents were reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The general trend of the geology and mineralisation is flat-lying and, as such, vertical drill holes give robust estimates of the true mineralised thicknesses.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in the accompanying report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Company believes that the ASX announcement is a balanced report with all material results reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	This announcement refers to previous exploration results including geophysics, geochemistry and geology.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive*	Further work to better understand the mineralisation systems in the project area will be determined upon a full analysis and interpretation of results.