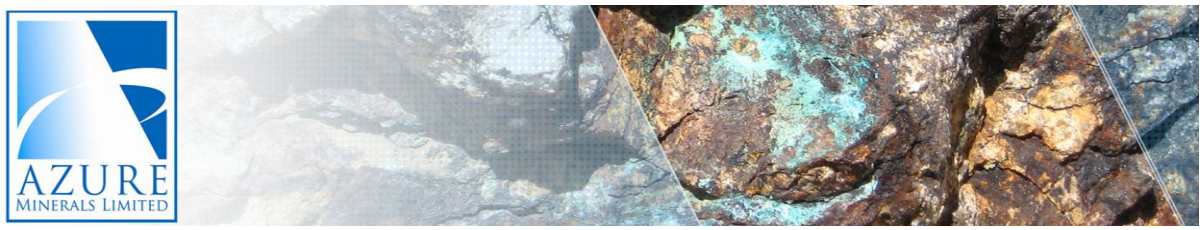

ASX: AZS **13 MAY 2015**

STRONG RESULTS FROM ALACRÁN

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to provide an update on results from recent exploration activities on the Alacrán Project, located in the northern Mexican state of Sonora.

Highlights:

- **Sampling of underground mine workings confirms extensive zones of copper and gold/silver mineralisation, including:**

  105m @ 0.30% Cu and 45m @ 0.79% Cu from La Morita, and

  42.5m @ 1.07g/t AuEq[1] and 18.85m @ 1.25g/t AuEq from San Simon
- **Induced Polarisation (IP) survey at La Morita and San Simon continuing**
- **Detailed soil sampling program in progress over IP survey area**
- **Preparation for drilling at La Morita and San Simon is underway**

Azure's Managing Director, Tony Rovira, stated: *"Our exploration activities at Alacrán continue to generate very positive results for both copper and gold/silver prospects. Some exciting, high quality targets have been identified and we are looking forward to commencing Alacrán's maiden drilling program to test them in the near future."*

EXPLORATION ACTIVITIES

Detailed mapping and sampling from the La Morita and San Simon historical underground mine workings (see Figure 1) returned assays confirming extensive mineralised zones. La Morita contains copper-only mineralisation, while San Simon contains mostly gold and silver mineralisation, possibly indicating different stages of mineralisation by the porphyry system.

Initial reconnaissance was undertaken of the Santa Barbara prospect in the northern part of the property (see Figure 1). This revealed the presence of an old underground mine which is currently flooded with water. Local ranchers have reported it was a copper mine which operated on three levels, however this has yet to be confirmed. In the area around these workings and in the mine dumps, Azure's geologists observed strong alteration and copper oxide mineralisation in gossans and vuggy silica. Samples have been collected and assays are awaited. Azure found no evidence of drilling or other modern exploration activities at Santa Barbara.

[1] See attached JORC Code Table 1 for Gold Equivalency details

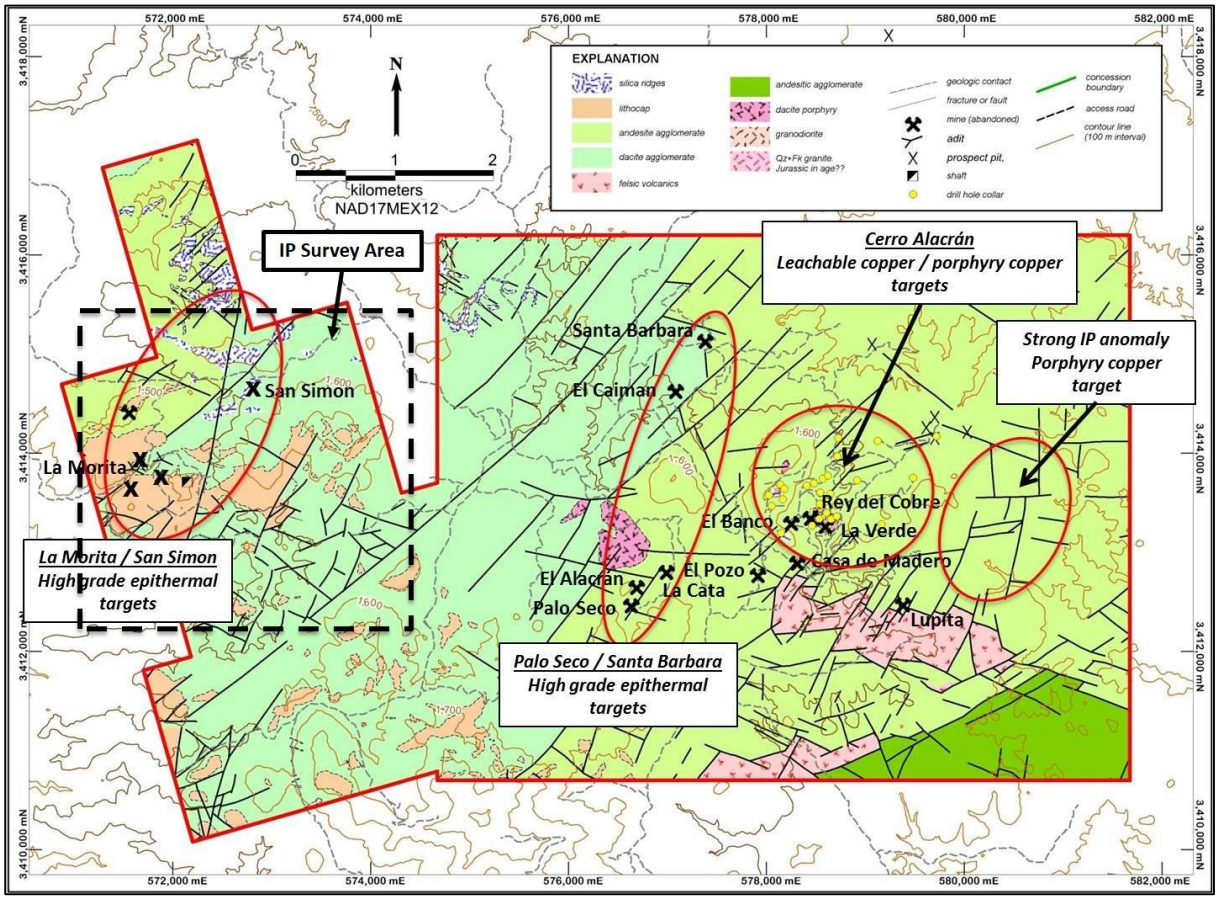

Figure 1: Alacrán geology plan showing locations of historical mines and prospects

La Morita

The La Morita adit is a 271m horizontal tunnel which enters from the side of a hill, and terminates at a depth of about 100m beneath the crest of the hill. Visible copper oxide mineralisation is present throughout most of the tunnel. Within the final 45m of the adit, moderate to abundant exotic copper mineralisation and mixed sulphide mineralisation is prevalent. Several cross-cutting tunnels branch off from the main tunnel in this area, providing exposures of the mineralised zone in several different directions.

Systematic sampling of the entire adit has been completed. Results have been received from about 75% of these samples, with assays confirming the presence of widespread and continuous copper mineralisation (see Figure 2). Sampling comprised continuous chip sampling on a marked line along one wall of the tunnel, with each sample being a three metre long channel.

The main tunnel returned a continuous mineralised length of **105m @ 0.30% Cu**. This mineralised zone remains open, with assay results awaited from samples at either end.

The second zone, containing extensive exotic and sulphide copper mineralisation, returned a continuous length of higher grade mineralisation of **45m @ 0.79% Cu,** with a highest value of **1.81% Cu**. Assay results are still awaited from samples collected from several nearby cross-cutting tunnels which contain strong visual copper mineralisation (see photo in Figure 3).

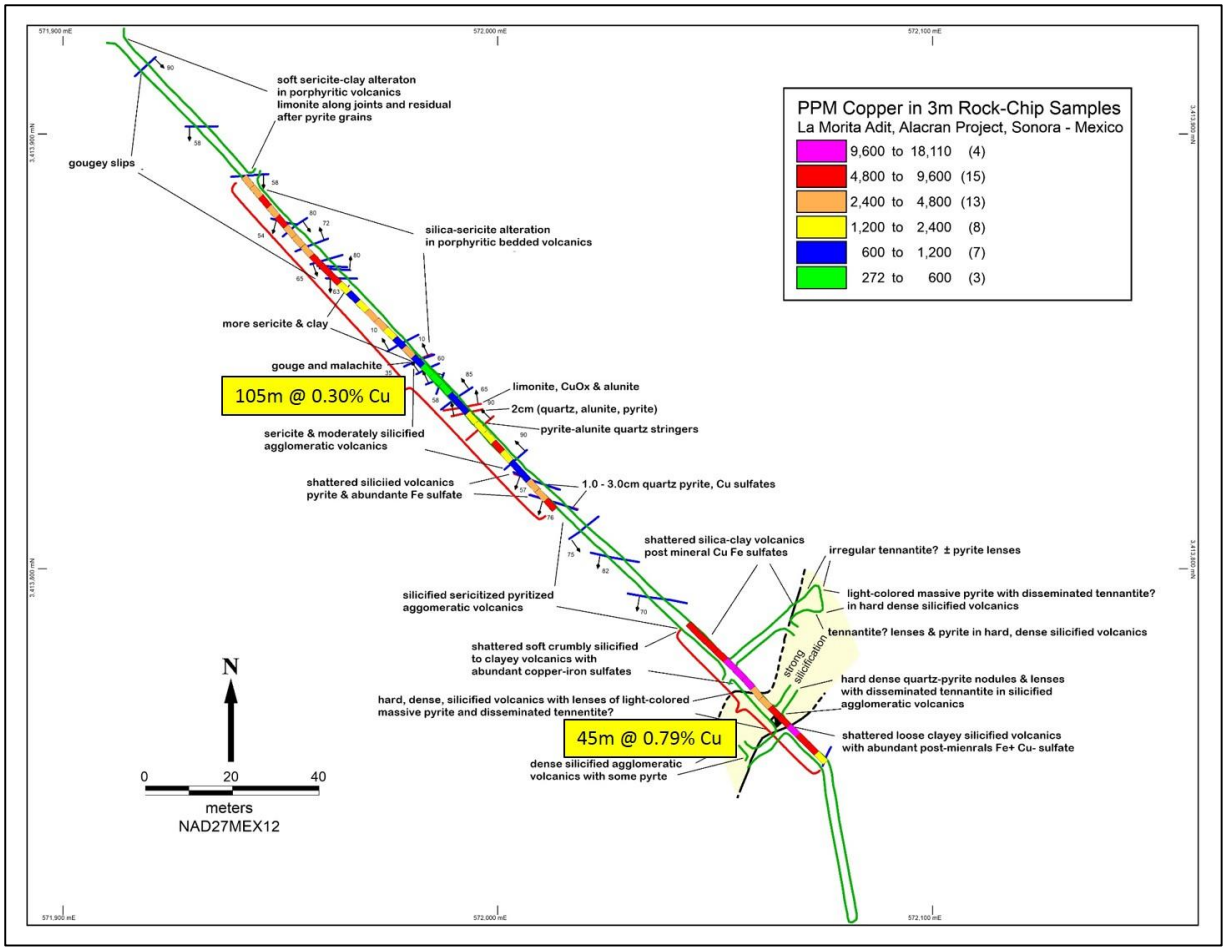

Figure 2: Mapping and sampling results from La Morita underground mine workings

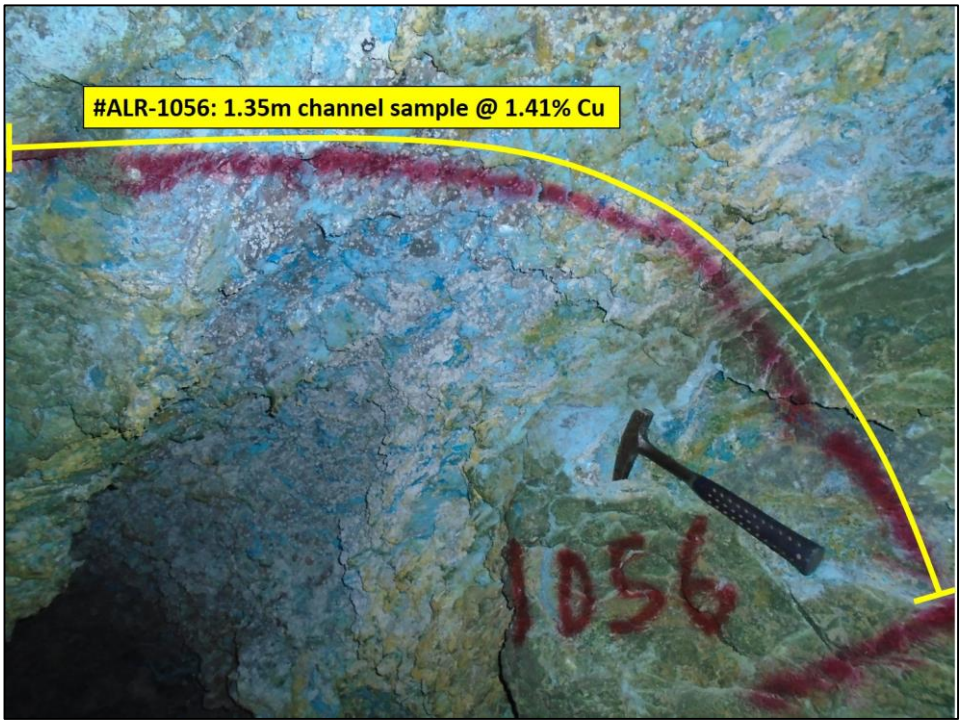

Figure 3: Photo of the back (roof) of the La Morita adit showing abundant blue/green copper mineralisation

Geological controls and orientations of La Morita mineralisation are not confirmed at this time. However the presence of copper mineralisation in the adit and the cross-cutting tunnels indicate that it is extensive in at least two dimensions, with the third dimension down dip to be tested by drilling.

La Morita is a high priority target for Azure and will be drill tested as soon as practicable.

San Simon

Located 1.5km northeast of La Morita is the San Simon prospect, which comprises shallow vertical shafts and two horizontal adits, one about 20m long and the other 105m long. Previous reconnaissance sampling by Azure from in and around the old workings returned elevated gold and silver assays from strongly altered vuggy silica (refer ASX release dated 15/04/15).

Azure recently completed systematic channel sampling of the two adits. Assays for all samples have been received and confirm the presence of significant and continuous gold and silver mineralisation in both adits (see Figure 4). Sampling comprised continuous chip channel sampling on a marked line along one wall of each adit.

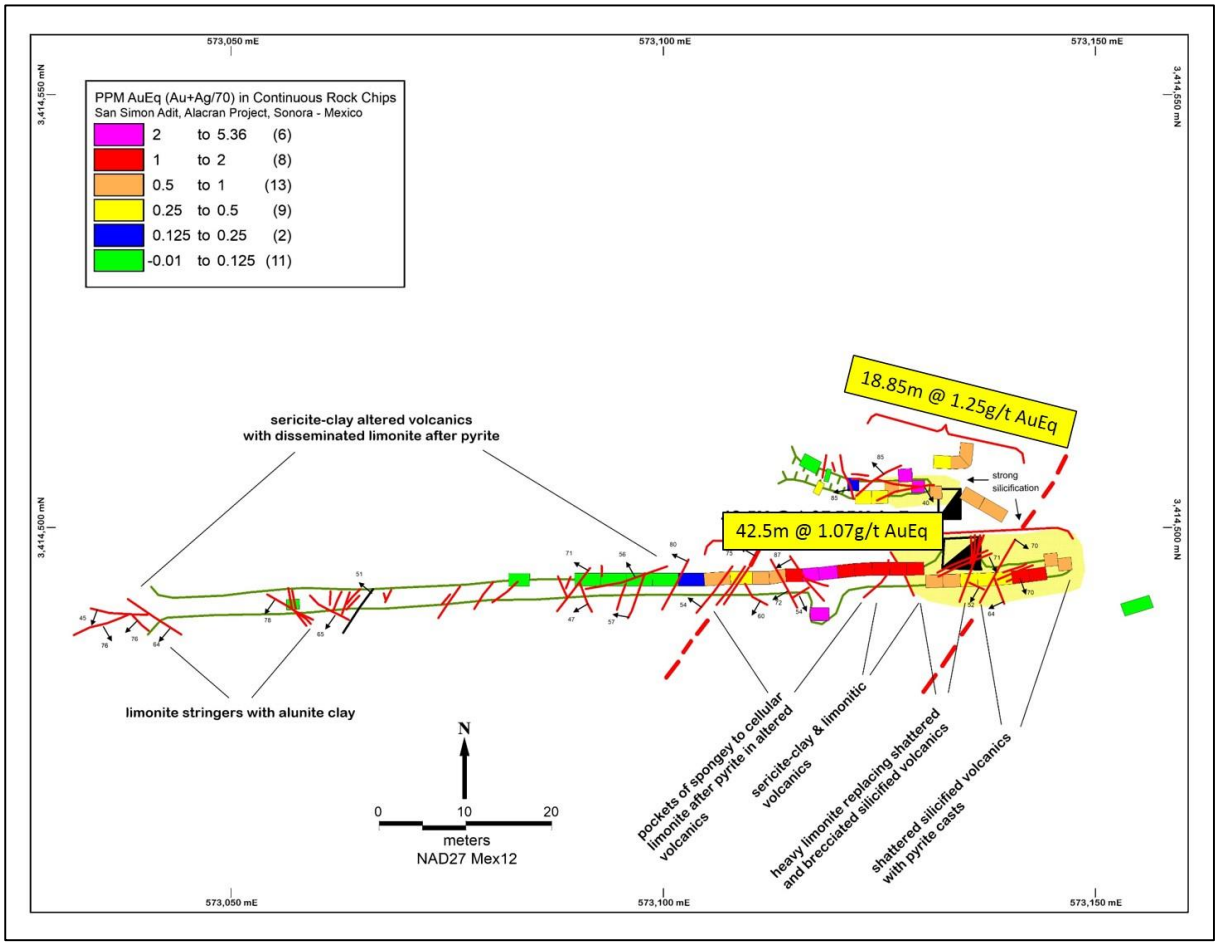

Figure 4: Mapping and sampling results from San Simon underground mine workings

The longer adit returned a continuous mineralised length of:

42.5m @ 1.07g/t AuEq (0.58g/t Au & 34.1g/t Ag)

The shorter adit returned a continuous mineralised length of:

18.85m @ 1.25g/t AuEq (0.47g/t Au & 54.8g/t Ag)

Figure 5: Photo of San Simon underground mine workings with iron-rich vuggy silica

The gold and silver mineralisation at San Simon is hosted in strongly iron-rich, vuggy silica (see photo in Figure 5). Similar material outcrops extensively around the San Simon workings and for over one kilometre further to the north. Previous surface sampling of the vuggy silica near to the workings returned strong mineralisation, including 1.97g/t Au & 100g/t Ag and 1.58g/t Au & 272g/t Ag.

Induced Polarisation Survey

The Induced Polarisation (IP) survey covering the northwestern part of the Alacrán property (see Figure 1), including the La Morita and San Simon prospects, is in progress. The objective is to identify geophysical anomalies indicative of buried sulphide mineralisation. The survey is being undertaken on 200m spaced lines for a total of 33 line kilometres, and Azure expects the survey to be completed within 3-4 weeks.

The IP survey covers a similar area to that which was surveyed with IP by the Mexican Geological Survey in 1981. Although rudimentary in comparison to modern IP technology, the earlier survey did identify strong and coherent chargeability and resistivity anomalies in the vicinity of the La Morita and San Simon mine workings (refer ASX release dated 03/03/15). Due to technical limitations of the equipment used in the historical survey, these anomalies are interpreted to be relatively shallow. Azure's survey will test to depths of several hundred metres.

The presence of strong exotic copper and mixed sulphide mineralisation at La Morita indicates good potential for significant copper sulphide mineralisation at depth, which is likely to be detected by the IP survey as a chargeability anomaly. Similarly, the strong silica alteration

hosting gold and silver mineralisation in and around the old mine workings at San Simon indicates the potential for epithermal precious metal mineralisation, which would present as resistivity anomalies.

Soil Sampling Survey

Azure has commenced a detailed soil sampling survey covering the same area as the IP survey. Soil samples are being collected at 50m intervals along the same 200m spaced lines being used by the geophysical survey crew. Analytical results from this program are awaited.

BACKGROUND

Alacrán is located in northern Mexico approximately 50km south of the USA border. The property covers 54km^2 of highly prospective exploration ground in the middle of the Laramide Copper Province. This is one of North America's most prolific copper-producing districts, extending from northern Mexico into the southern United States.

Alacrán lies in close proximity to several large copper mines, including being 15km from the world class, giant Cananea Copper Mine. Annual copper production capacity at Cananea is expected to reach 510,000 tonnes in 2015.

Azure has signed an Agreement with Minera Teck S.A. de C.V. ("Teck"), a Mexican subsidiary of Teck Resources Limited to acquire 100% of the property, subject to an underlying back-in right retained by Teck and a 2% NSR retained by Grupo Mexico S.A.B.de C.V.; (refer ASX release dated 07/01/15). Teck is Canada's largest diversified resource company. Grupo Mexico is Mexico's largest and one of the world's largest copper producers.

-ENDS-

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Information in this report that relates to Exploration Results is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Rovira is a full-time employee and Managing Director of Azure Minerals Limited. Mr Rovira has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rovira consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

APPENDIX

Table 1: Assay results from sampling of old mine workings at La Morita

LOCATION	SAMPLE NUMBER	SAMPLE TYPE	SAMPLE LENGTH (m)	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	GRADE		
							Cu ppm	Au g/t	Ag g/t
La Morita	ALR-1121	Channel	3.0	571942	3413887	1412	4791	0.01	0.9
La Morita	ALR-1122	Channel	3.0	571947	3413884	1412	6367	0.007	-0.5
La Morita	ALR-1123	Channel	3.0	571949	3413882	1412	2476	0.009	0.7
La Morita	ALR-1124	Channel	3.0	571952	3413880	1412	7849	0.016	0.8
La Morita	ALR-1125	Channel	3.0	571954	3413878	1412	4638	0.009	0.8
La Morita	ALR-1126	Channel	3.0	571956	3413875	1412	4214	0.006	0.8
La Morita	ALR-1127	Channel	3.0	571959	3413873	1412	3877	0.014	0.9
La Morita	ALR-1128	Channel	3.0	571961	3413871	1412	7029	0.008	1.5
La Morita	ALR-1129	Channel	3.0	571963	3413869	1412	4926	0.005	-0.5
La Morita	ALR-1130	Channel	3.0	571965	3413867	1412	4976	-0.005	-0.5
La Morita	ALR-1131	Channel	3.0	571967	3413865	1412	1441	0.014	1.3
La Morita	ALR-1132	Channel	3.0	571969	3413863	1412	1175	0.016	1.4
La Morita	ALR-1133	Channel	3.0	571971	3413861	1412	1470	0.007	1.1
La Morita	ALR-1134	Channel	3.0	571973	3413859	1412	2488	0.017	2.5
La Morita	ALR-1135	Channel	3.0	571975	3413856	1412	3445	0.012	2
La Morita	ALR-1136	Channel	3.0	571977	3413854	1412	1461	0.016	1.2
La Morita	ALR-1137	Channel	3.0	571979	3413852	1412	1142	0.025	2.5
La Morita	ALR-1138	Channel	3.0	571982	3413850	1412	4245	0.029	1.8
La Morita	ALR-1139	Channel	3.0	571984	3413848	1412	990	0.02	1.5
La Morita	ALR-1140	Channel	3.0	571986	3413846	1412	407	0.005	0.8
La Morita	ALR-1141	Channel	3.0	571988	3413844	1412	272	0.006	1.3
La Morita	ALR-1142	Channel	3.0	571990	3413842	1412	324	-0.005	0.9
La Morita	ALR-1143	Channel	3.0	571992	3413840	1412	765	0.006	0.6
La Morita	ALR-1144	Channel	3.0	571994	3413838	1412	782	-0.005	0.9
La Morita	ALR-1145	Channel	3.0	571996	3413835	1412	2253	0.006	0.8
La Morita	ALR-1146	Channel	3.0	571999	3413832	1412	1674	0.006	0.5
La Morita	ALR-1147	Channel	3.0	572001	3413831	1412	2156	0.005	0.8
La Morita	ALR-1148	Channel	3.0	572003	3413829	1412	5435	-0.005	0.6
La Morita	ALR-1149	Channel	3.0	572005	3413827	1412	1597	-0.005	0.8
La Morita	ALR-1150	Channel	3.0	572007	3413825	1412	1192	0.009	0.8
La Morita	ALR-1151	Channel	3.0	572009	3413822	1412	802	0.041	1.3
La Morita	ALR-1152	Channel	3.0	572011	3413820	1412	2410	0.007	0.8
La Morita	ALR-1153	Channel	3.0	572013	3413818	1412	3239	0.015	1.4
La Morita	ALR-1154	Channel	3.0	572015	3413816	1412	8263	0.042	5.7
La Morita	ALR-1155	Channel	3.0	572044	3413785	1412	5563	0.007	0.7
La Morita	ALR-1156	Channel	3.0	572048	3413783	1412	7439	-0.005	0.6
La Morita	ALR-1157	Channel	3.0	572050	3413781	1412	6576	0.006	0.6
La Morita	ALR-1158	Channel	3.0	572052	3413779	1412	6624	0.01	0.6
La Morita	ALR-1159	Channel	3.0	572053	3413776	1412	11320	0.012	0.6
La Morita	ALR-1160	Channel	3.0	572056	3413776	1412	18110	0.014	0.9
La Morita	ALR-1161	Channel	3.0	572059	3413773	1412	10770	0.02	1.4
La Morita	ALR-1162	Channel	3.0	572061	3413771	1412	4397	0.025	2.2

La Morita	ALR-1163	Channel	3.0	572063	3413769	1412	4772	0.014	-0.5
La Morita	ALR-1164	Channel	3.0	572064	3413766	1412	6861	0.008	-0.5
La Morita	ALR-1165	Channel	3.0	572067	3413765	1412	7970	0.01	4.1
La Morita	ALR-1166	Channel	3.0	572069	3413763	1412	11050	0.007	-0.5
La Morita	ALR-1167	Channel	3.0	572071	3413761	1412	8238	0.009	-0.5
La Morita	ALR-1168	Channel	3.0	572073	3413759	1412	6643	0.024	3.7
La Morita	ALR-1169	Channel	3.0	572076	3413757	1412	2382	0.007	0.7

Table 2: Assay results from sampling of old mine workings at San Simon

LOCATION	SAMPLE NUMBER	SAMPLE TYPE	SAMPLE LENGTH (m)	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	GRADE			
							Cu ppm	Au g/t	Ag g/t	AuEq g/t
SAN SIMON Adit #1										
San Simon 1	ALR-1090	Channel	3.0	573106	3414495	1620	84	0.263	34.3	0.753
San Simon 1	ALR-1091	Channel	2.5	573109	3414495	1620	31	0.071	29.7	0.495
San Simon 1	ALR-1092	Channel	2.0	573111	3414495	1620	140	0.131	40.4	0.708
San Simon 1	ALR-1093	Channel	2.0	573113	3414495	1620	25	0.494	25.6	0.860
San Simon 1	ALR-1094	Channel	2.0	573115	3414495	1620	37	0.628	57.6	1.451
San Simon 1	ALR-1095	Channel	2.0	573117	3414495	1620	41	1.864	38.2	2.410
San Simon 1	ALR-1096	Channel	2.0	573119	3414495	1620	25	1.790	21.3	2.094
San Simon 1	ALR-1097	Channel	2.0	573121	3414495	1620	38	0.646	44.5	1.282
San Simon 1	ALR-1098	Channel	2.0	573123	3414496	1620	61	0.669	31.3	1.116
San Simon 1	ALR-1099	Channel	2.0	573125	3414496	1620	113	0.865	32.5	1.329
San Simon 1	ALR-1100	Channel	2.0	573127	3414496	1620	35	1.034	23.3	1.367
San Simon 1	ALR-1101	Channel	2.0	573129	3414496	1620	51	0.868	24.7	1.221
San Simon 1	ALR-1102	Channel	2.0	573131	3414494	1620	44	0.592	25.8	0.961
San Simon 1	ALR-1103	Channel	2.0	573133	3414494	1620	62	0.101	33.9	0.585
San Simon 1	ALR-1104	Channel	2.0	573135	3414494	1620	31	0.036	18.7	0.303
San Simon 1	ALR-1105	Channel	2.0	573137	3414494	1620	19	0.107	19.1	0.380
San Simon 1	ALR-1106	Channel	2.0	573139	3414494	1620	14	0.079	28.6	0.488
San Simon 1	ALR-1107	Channel	2.0	573141	3414494	1620	11	0.493	44.9	1.134
San Simon 1	ALR-1108	Channel	2.0	573143	3414494	1620	11	1.039	61.2	1.913
San Simon 1	ALR-1109	Channel	1.5	573145	3414496	1620	6	0.177	32.8	0.646
San Simon 1	ALR-1110	Channel	1.5	573146	3414496	1620	66	0.240	51.8	0.980
SAN SIMON ADIT #2										
San Simon 2	ALR-1066	Channel	1.40	573130	3414505	1617	1527	2.611	192	5.354
San Simon 2	ALR-1067	Channel	1.35	573127	3414505	1617	287	0.119	39.8	0.688
San Simon 2	ALR-1068	Channel	1.80	573123	3414504	1617	606	0.07	22.5	0.391
San Simon 2	ALR-1076	Channel	2.00	573125	3414504	1617	565	0.124	24.2	0.470
San Simon 2	ALR-1077	Channel	1.60	573128	3414506	1617	757	1.67	177	4.199
San Simon 2	ALR-1079	Channel	1.40	573132	3414504	1617	490	0.292	32.2	0.752
San Simon 2	ALR-1080	Channel	2.00	573133	3414508	1617	38	0.038	25.1	0.397
San Simon 2	ALR-1081	Channel	1.70	573134	3414508	1617	2425	0.279	30.6	0.716
San Simon 2	ALR-1083	Channel	2.50	573136	3414504	1617	693	0.059	38.9	0.615
San Simon 2	ALR-1084	Channel	3.10	573138	3414502	1617	129	0.262	30.1	0.692

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Type of samples collected were: 1. Grab samples of rock material with visible mineralisation or alteration. 2. Continuous chip sampling along a marked channel over a defined length perpendicular across the strike of the observed mineralised zone. Sample locations were determined by hand-held GPS. Samples preparation was undertaken at Acme Laboratories (a Bureau Veritas Group company) in Hermosillo, Sonora,, Mexico. Samples were weighed, assigned a unique bar code and logged into the Acme 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 Acme laboratory in Vancouver, Canada for analysis. Samples were dissolved by four-acid digest and analytical methods used were MA300 (for silver and base metals) and Fire Assay method FA430 for gold.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	This release has no reference to drilling.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	This release has no reference to drilling.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	This release has no reference to drilling. Samples were collected and described by geological personnel. Photographs were taken of samples and sample sites.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	No samples were collected from drilling. The sample preparation followed industry best practice. Samples were prepared at the Acme laboratories in Hermosillo, Sonora, Mexico. Samples were weighed, assigned a unique bar code and logged into the Acme tracking system. The sample was dried and the entire 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 pulps were sent via courier to the Acme laboratory in Vancouver.

	Whether sample sizes are appropriate to the grain size of the material being sampled.	No standard and blank check samples were submitted. The sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The analytical techniques for all elements (other than gold) involved a four-acid digest followed by multi-element ICP-ES analysis. This technique is considered a total digest for all relevant minerals. No geophysical or portable analysis tools were used to determine assay values. Internal laboratory control procedures comprised duplicate sampling of randomly selected assay pulps, as well as internal laboratory standards and blanks.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	Senior technical personnel from the Company (Project Geologists and Exploration Manager) inspected the samples. No drilling was undertaken. Primary data was collected by employees of the Company at the project site. All measurements and observations were recorded onto hard copy templates and later transcribed into the Company's digital database. Digital data storage, verification and validation are managed by an independent data management company. No adjustments or calibrations have been made to any assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Sample locations were determined by hand-held GPS. The grid system used is NAD27 Mexico UTM Zone 12 for easting, northing and RL.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Grab samples were collected on the basis of visual recognition of alteration or mineralisation. Sample spacing was not relevant as this was a reconnaissance program. Channel samples were collected by continuous chip sampling along a marked line on the walls of the underground workings. Data spacing and distribution is insufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation procedures. No composite samples were collected.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Geological controls and orientations of the mineralised zone are unknown at this time and it is not possible to determination potential sampling bias.
Sample security	*The measures taken to ensure sample security.*	Assay samples were placed in poly sample bags, each with a uniquely numbered ticket stub from a sample ticket book. Sample bags were marked with the same sample number and sealed with a plastic cable tie. Samples were placed in woven polypropylene "rice bags" and a numbered tamper-proof plastic cable tie was used to close each bag. The rice bags were delivered by company personnel directly to the Acme laboratory for sample

		preparation. The numbers on the seals were recorded for each shipment. Acme audited the arriving samples and reported any discrepancies back to the Company. No such discrepancies occurred.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	All digital data is subject to audit by the independent data manager.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Alacrán Project comprises 22 mineral concessions 100% owned by Minera Teck SA de CV, a subsidiary of Teck Resources Limited. **CLAIM / FILE / TITTLE** Hidalgo 1794 166374 Hidalgo 2 1796 166369 Hidalgo 3 1797 166368 Hidalgo 4 1798 166366 Hidalgo 5 1799 166370 Hidalgo 6 1800 166371 Hidalgo 7 1801 166373 Hidalgo 8 1802 166372 Hidalgo 9 1803 166375 Kino 2 1886 166313 Kino 3 1887 166312 Kino 4 1888 166314 Kino 8 1892 166315 Kino 9 1893 166316 Kino 10 1894 166317 Kino 11 1895 166318 Kino 15 1899 166365 Kino 16 1800 166367 San Simón 1894 166376 San Simón 2 1895 166377 El Alacrán E.4.1.3/1182 201817 **TOTAL SURFACE** Azure Minerals has an Option to acquire 100% ownership of these concessions by spending US$5 million over four years, subject to Teck having a one-off right to buy back up to 65% ownership. A 2% Net Smelter Royalty is held by Grupo Mexico. The tenements are secure and are in good standing. There are no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	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.
Geology	*Deposit type, geological setting and style of mineralisation.*	Various styles of mineralisation occur on the property. Intermediate sulphidation epithermal veins and stockworks host silver, lead, zinc, copper and gold in volcaniclastic rocks (San Simon, Palo Seco and Alacrán). Secondary copper oxide and chalcocite mineralisation occur in volcanic rocks (La Morita and Cerro Alacrán). Primary copper mineralization is hosted in porphyry rocks.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	This release has no reference to drilling.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	The continuous channel sampling results were calculated by length weighted averaging. No maximum and/or minimum grade truncations (eg cutting of high grades) or cut-off grades were applied. For the San Simon sampling, a gold equivalent was used. The Gold Equivalent (AuEq) calculation used gold and silver prices of 08/05/15 of: • Gold = US$1,190.30 • Silver = US$16.42 The following formula was used to calculate the equivalent grade: AuEq(ppm) = Au(ppm) + Ag(ppm)/70
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Geological controls and orientations of the mineralised zone are unknown at this time.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in attached report
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Company believes that the ASX announcement is a balanced report with all material results reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density,*	This announcement refers to previous exploration results including geophysics, geochemistry and geology.

	groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive*	Further work to better understand the mineralisation systems in the project area will comprise geological mapping, surface and underground sampling, geophysical surveys (IP and magnetics) and drilling.