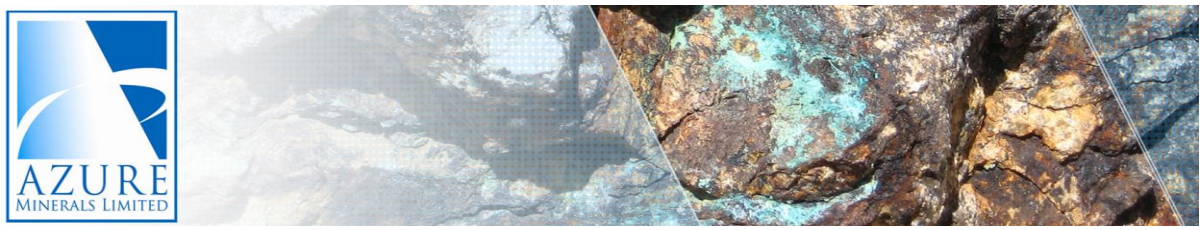

ASX: AZS **3 JUNE 2015**

BONANZA ASSAYS FROM ALACRÁN PROJECT

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to report exceptional results from the ongoing sampling program on the Alacrán Project, located in the northern Mexican state of Sonora.

Highlights:

- **Channel sampling of La Morita underground mineralised zones returns:**
  - **17m @ 4.3% Cu (includes 2.5m @ 20.5% Cu; 2.2m @ 2.7% Cu & 1.5m @ 3.1% Cu); and**
  - **117m @ 0.33% Cu[1]**
- **Surface sampling at several new areas returned bonanza silver grades plus high grades in other metals, including:**

Silver	Other High Grade Metals	Sample Type
2,191 g/t	3.1g/t Gold 7.5% Lead 1.7% Zinc	5.0m mine dump trench sample
886 g/t	4.9% Copper	4.0m mine dump trench sample
401 g/t	5.8% Copper	Mine dump grab sample
215 g/t	-	1.9m rock chip channel sample
213 g/t	-	Outcrop rock chip sample – Mesa de Plata
187 g/t	2.5% Copper	0.8m channel sample
186 g/t	1.0g/t Gold	Mine dump grab sample
161 g/t	46.3% Lead	1.5m mine dump trench sample

- **Multiple high grade silver values (up to 213g/t Ag) returned from systematic outcrop sampling across Mesa de Plata zone**

Azure's Managing Director, Tony Rovira, stated: *"While the IP and soil sampling surveys are in progress at La Morita and San Simon, we've continued our exploration activities across the wider Alacrán property. Results continue to exceed our expectations, with several new areas returning strong precious and base metal mineralisation which we are following up.*

"Specifically, at the Mesa de Plata prospect, which is located nearby to San Simon, we've discovered an extensive new zone of high grade silver mineralisation at surface, where almost every sample returned silver grades in the 30g/t to 100g/t range, and even up to 213g/t.

"In addition, high silver, copper, lead and zinc assays, including bonanza silver grades, have been returned from sampling around newly identified, artisanal mine workings in the north and east of the Alacrán project area.

"La Morita, San Simon, Mesa de Plata and Palo Seco are all exciting drill targets. We will start drilling there as soon as all the necessary approvals are received, which are expected in July."

[1] Extension of previously reported zone (refer ASX release dated 13/05/15)

EXPLORATION ACTIVITIES

Surface mapping and sampling continued across the Alacrán property, identifying several new areas prospective for precious and base metal mineralisation (see Figures 1 & 2).

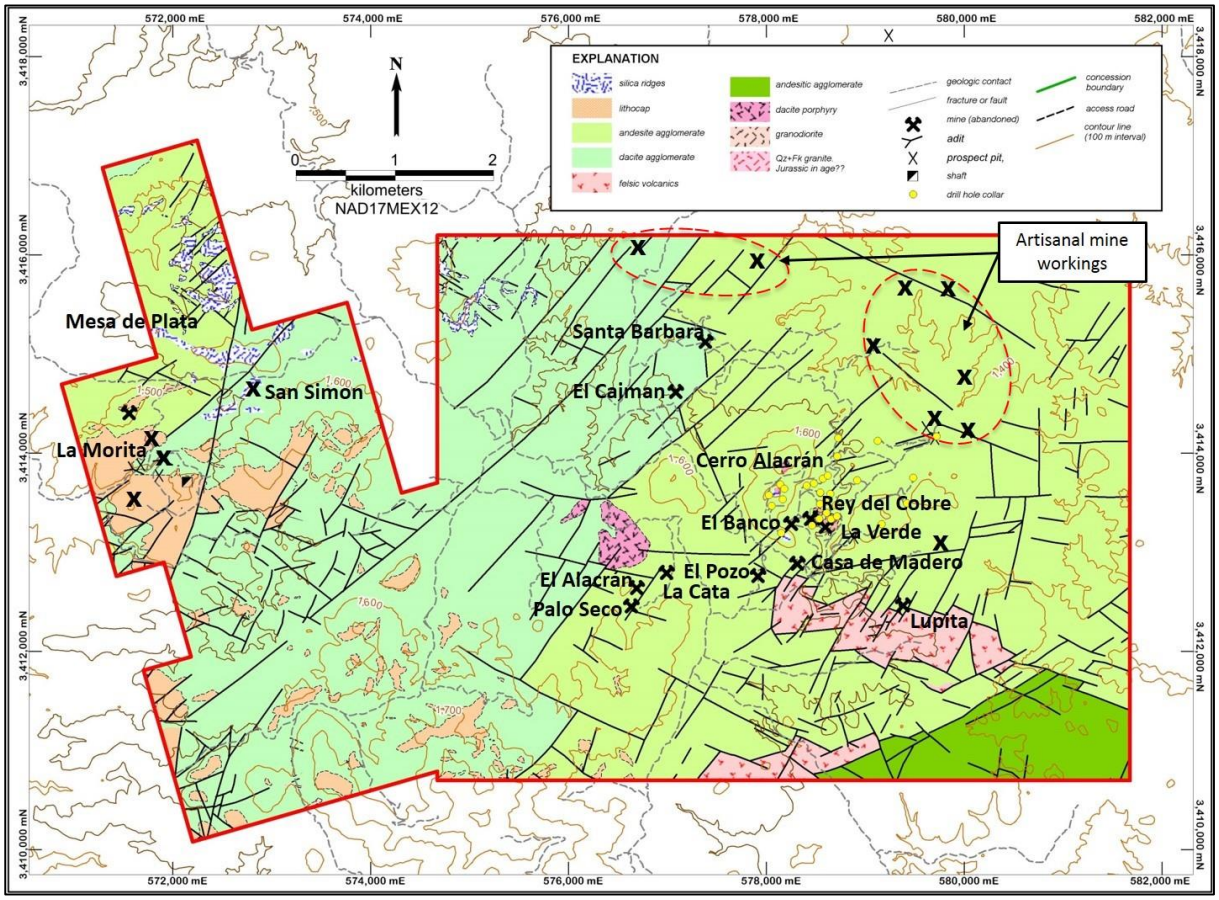

Figure 1: Alacrán geology plan showing locations of historical mines and prospects

Mesa de Plata

Mesa de Plata is located approximately one kilometres northwest of San Simon, and forms a large plateau of outcropping vuggy silica. Its prospectivity was initially identified by grid soil sampling, with 50 metre spaced samples on 200 metre spaced lines.

Portable XRF analyser readings of soil samples returned strongly elevated values of silver (up to **64ppm Ag**), lead (up to **5,929ppm Pb**) antimony (up to **5,251ppm Sb**) and bismuth (up to **877ppm Bi**)[2]. These are all pathfinder elements indicative of epithermal mineralisation.

A 500 metre long traverse, collecting 15 channel samples of outcrop across the plateau, was undertaken to follow-up the anomalous soil samples. Consistently high grades of silver were returned from all samples, ranging from **16g/t Ag to 213g/t Ag, and averaging 63g/t Ag** (see Figure 3).

Similarly, elevated levels of the pathfinder elements were returned from the outcrop sampling (up to **1.13% Pb, >4,000ppm Sb and 1107ppm Bi**).

[2] The portable XRF analyser provides guidance to expected results but should not be regarded as a substitute for properly conducted laboratory sample preparation and analyses. Results from laboratory analyses of rock chip samples (ALR-1200-1206 & ALR1262-1269) collected from the same area confirm the XRF readings.

The vuggy silica outcrop that caps the plateau is an intensely silicified, flat-lying volcanic unit, approximately 20 metre to 30 metre thick and covering about 15 hectares in area. Similar silica-capped ridges occur further to the north, and Azure is currently undertaking exploration in these areas by extending the soil sampling grid and undertaking additional outcrop sampling.

The Company is currently planning a drill program to test the grade, thickness and lateral extent of this vuggy silica unit.

No historical mine workings or evidence of modern exploration activities have been observed in the Mesa de Plata area.

La Morita

Final assays have been received from the systematic sampling of the La Morita underground mine workings (see Figure 6).

Sampling of the northeast-trending off-shoot tunnel near the end of the adit returned high grade copper assays from exposures hosting moderate to abundant exotic copper mineralisation and mixed sulphide mineralisation. This tunnel returned **17m @ 4.26% Cu**, with the better individual channel samples returning **2.5m @ 20.48% Cu, 2.2m @ 2.71% Cu** and **1.5m @ 3.12% Cu**.

In addition, final assays from sampling of the main tunnel extended the continuous mineralised length to **117m @ 0.33% Cu**. This mineralised zone contains variable amounts of copper oxide mineralisation.

Geological controls and orientations of La Morita mineralisation are not confirmed at this time. However the presence of significant lengths and widths of copper mineralisation in the adit and the cross-cutting tunnels indicate that it is extensive in at least two dimensions.

The next stage of exploration at La Morita will comprise drill testing down dip extensions of the mineralised zones.

North East Alacrán

Reconnaissance exploration was extended out from the Santa Barbara prospect in the northern and eastern parts of the property. This identified several occurrences of old artisanal mine workings containing visible alteration and base metal mineralisation in and around the workings and on the old mine dumps.

Grab and channel sampling around these workings returned some very high silver assays (up to **2,191g/t Ag**), with strong grades of copper (up to **5.8% Cu**), lead (up to **46.34% Pb**) and zinc (up to **3.38% Zn**) (see Figures 3, 4 & 5).

Further detailed mapping and sampling work is required to determine the prospectivity for significant mineralisation in these areas.

Induced Polarisation and Soil Sampling

The Induced Polarisation (IP) survey and detailed soil sampling program covering the northwestern part of the Alacrán property have been completed and final results are awaited. These results, together with results from the mapping and surface sampling, will be used to target drill holes in the upcoming drill program.

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.

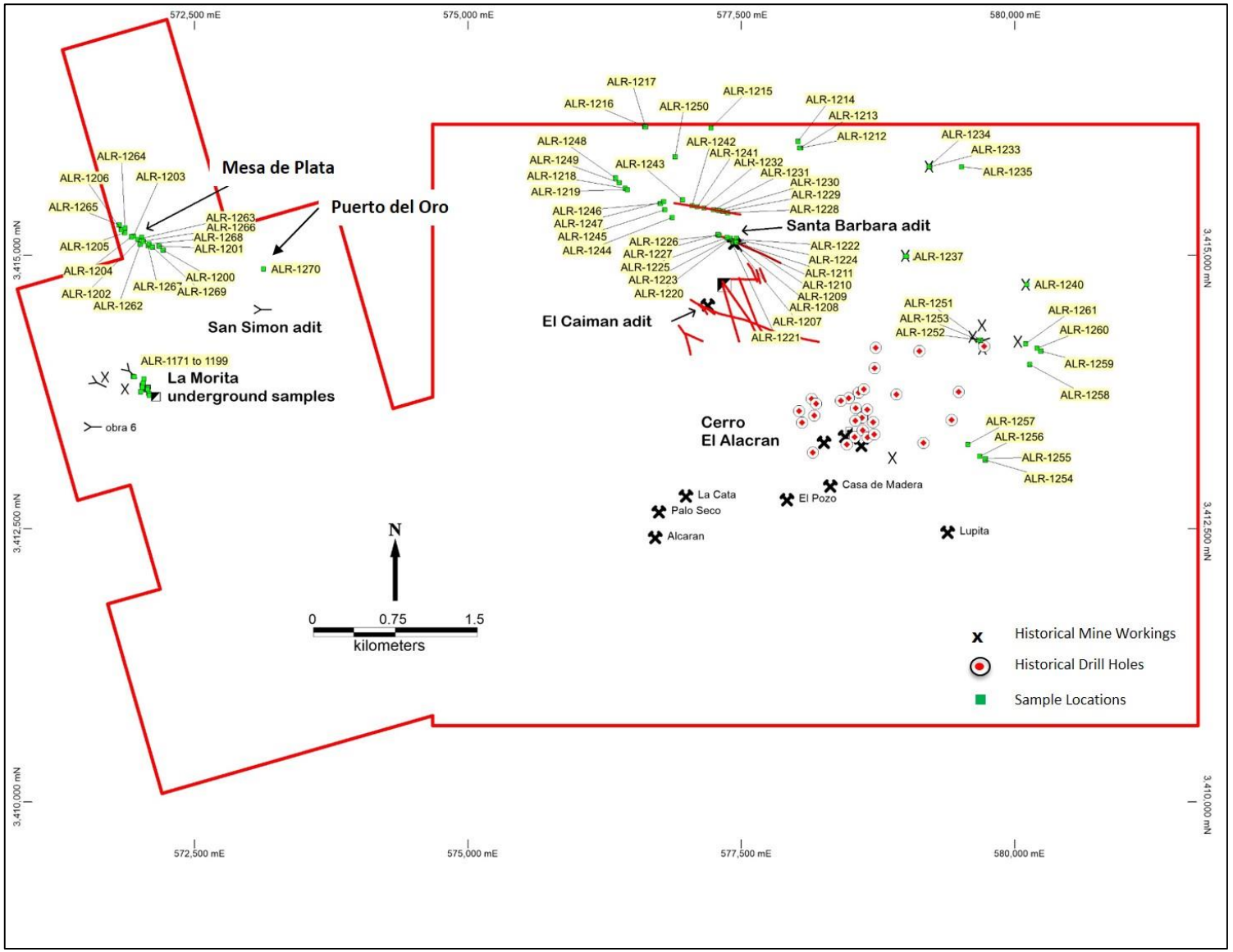

Figure 2: Surface sample locations

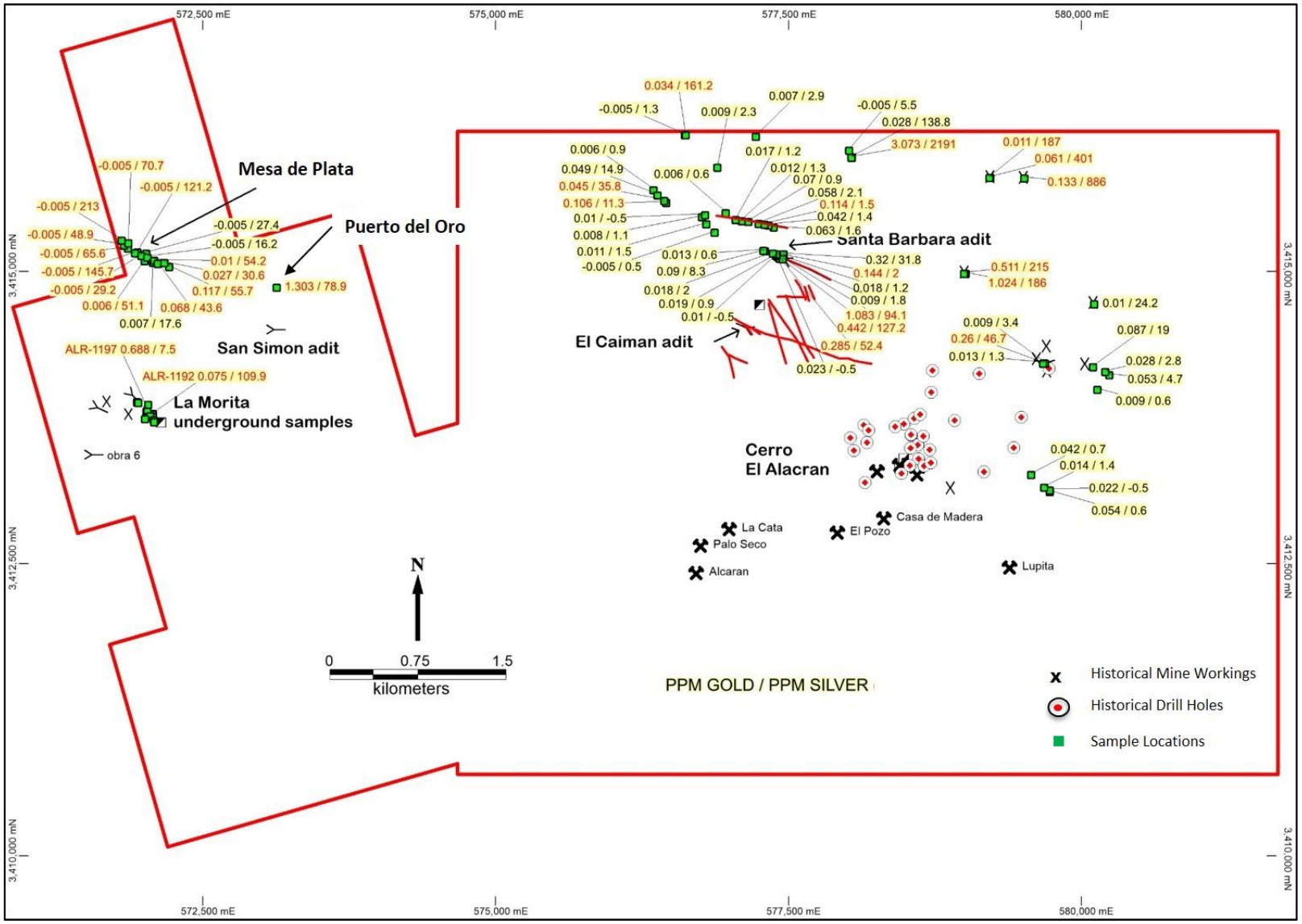

Figure 3: Surface sample locations with gold and silver values

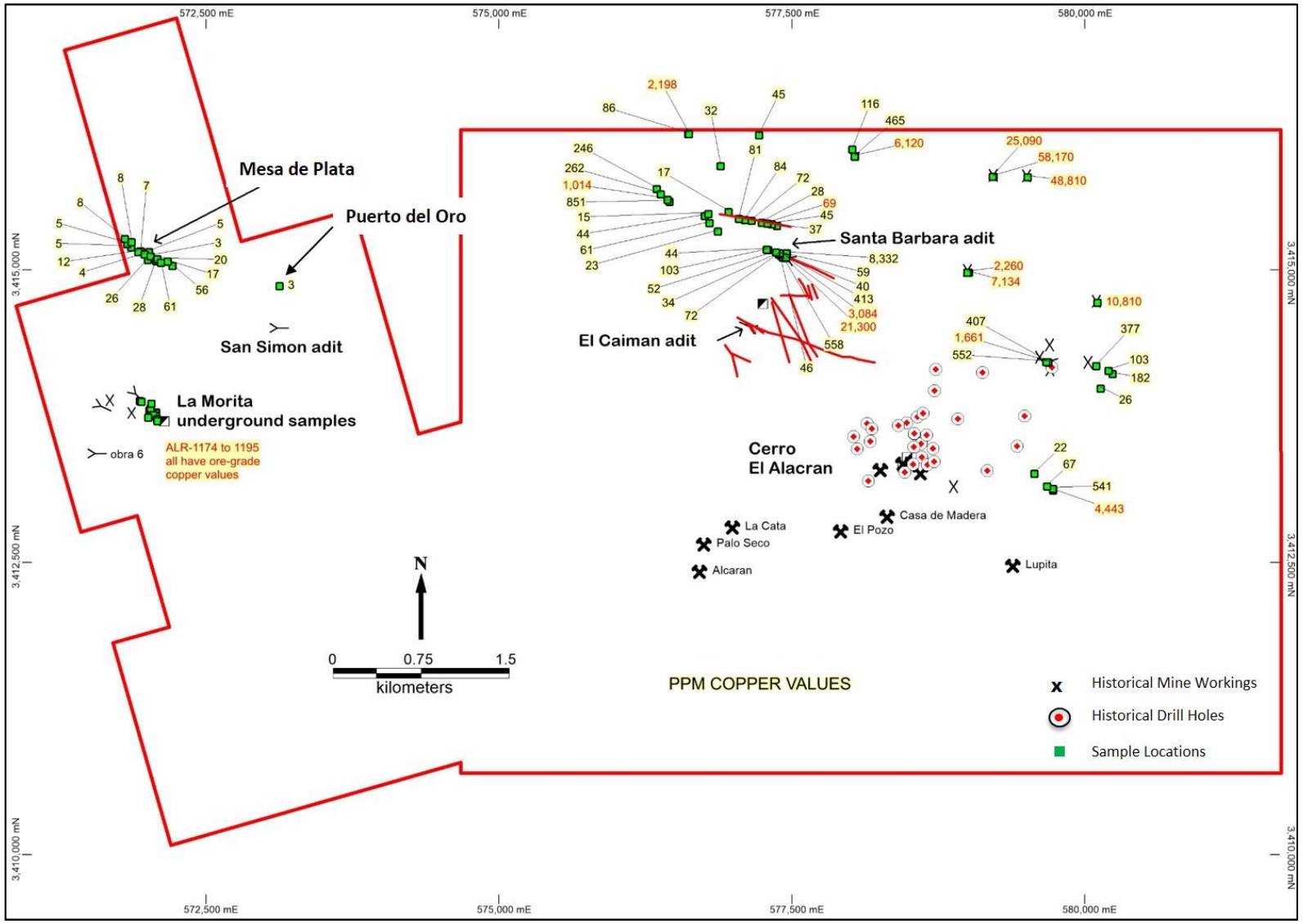

Figure 4: Surface sample locations with copper values

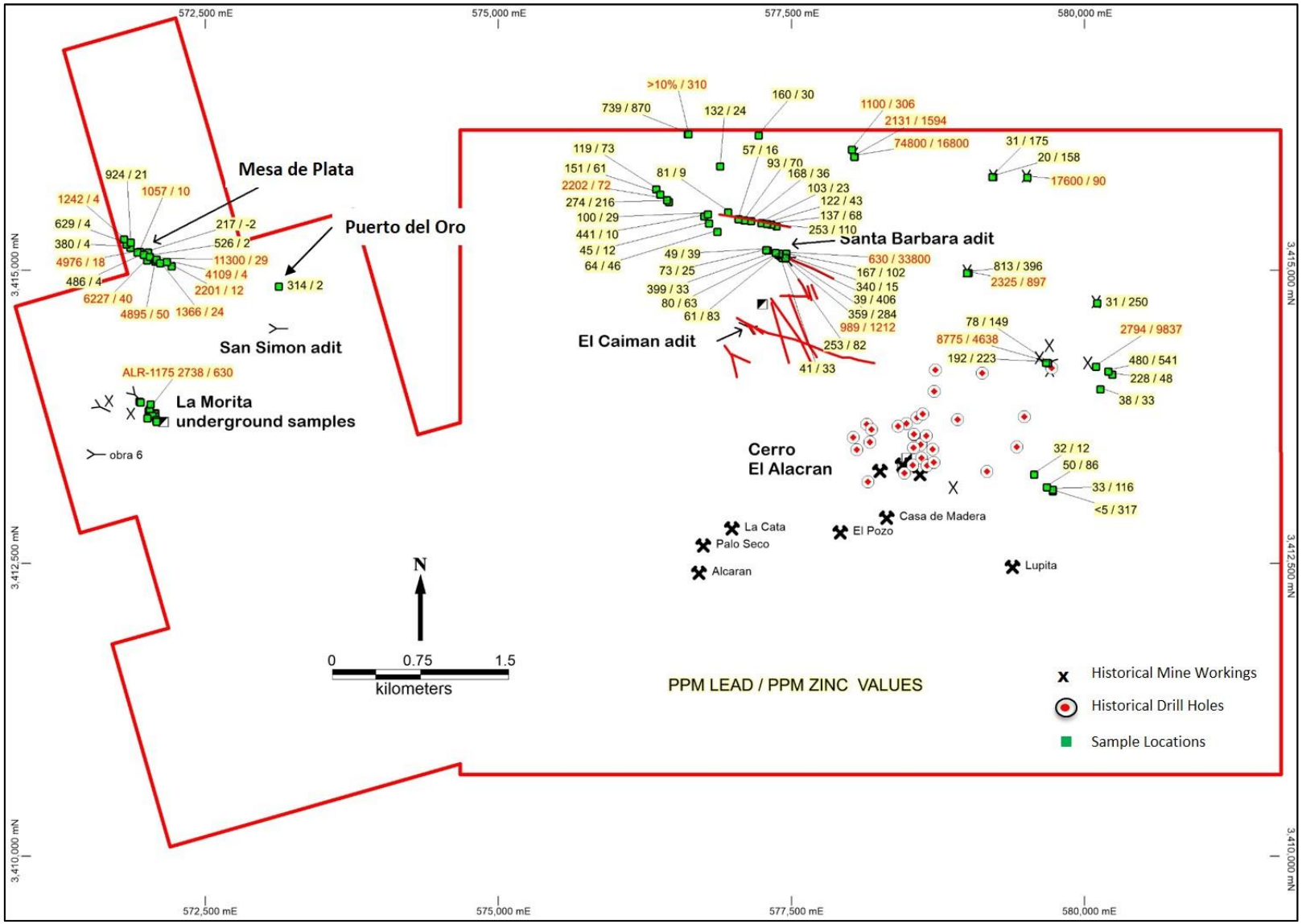

Figure 5: Surface sample locations with lead and zinc values

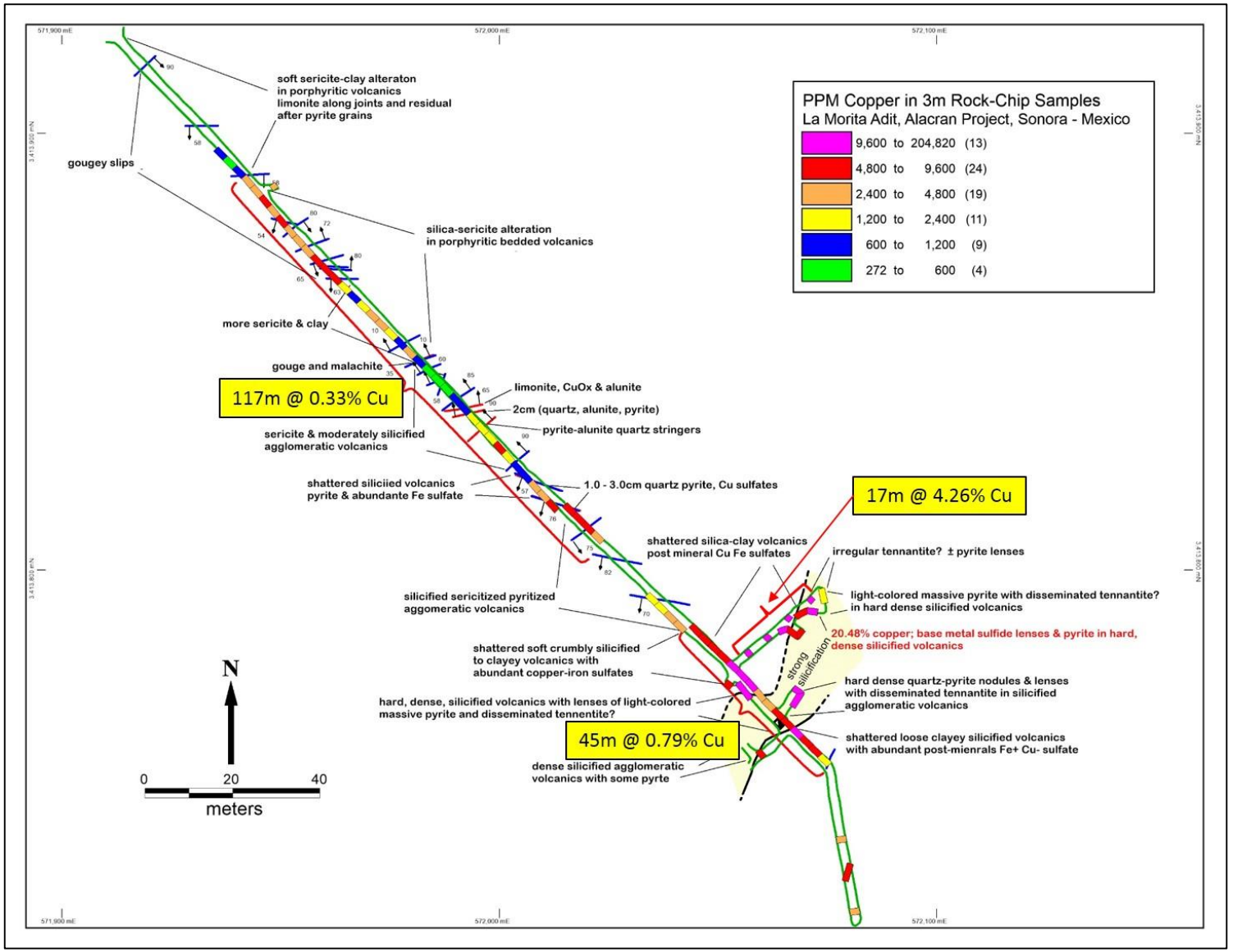

Figure 6: Updated sampling results from La Morita underground mine workings

APPENDIX

TABLE OF ASSAY RESULTS

SAMPLE NUMBER	SAMPLE TYPE	SAMPLE LENGTH (m)	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	GRADE				
						Cu ppm	Au g/t	Ag g/t	Pb ppm	Zn ppm
ALR-1171	Channel	3.0	571936	3413894	1412	917	0.008	<0.5	169	150
ALR-1172	Channel	3.0	571939	3413892	1412	310	0.017	<0.5	57	113
ALR-1173	Channel	3.0	571941	3413890	1412	694	0.007	<0.5	174	129
ALR-1174	Channel	1.4	571948	3413889	1412	4085	0.008	<0.5	124	306
ALR-1175	Channel	3.0	572018	3413814	1412	7495	0.006	1.5	2738	630
ALR-1176	Channel	3.0	572020	3413812	1412	7304	<0.005	<0.5	730	253
ALR-1177	Channel	3.0	572022	3413810	1412	6566	0.006	<0.5	84	241
ALR-1178	Channel	3.0	572024	3413808	1412	3463	<0.005	<0.5	30	208
ALR-1179	Channel	3.0	572036	3413793	1412	1555	0.011	0.7	105	241
ALR-1180	Channel	3.0	572038	3413791	1412	1905	0.011	0.7	33	166
ALR-1181	Channel	3.0	572040	3413789	1412	2720	0.005	0.5	24	275
ALR-1182	Channel	3.0	572042	3413787	1412	4175	<0.005	<0.5	53	376
ALR-1183	Channel	1.8	572051	3413773	1412	7976	0.008	<0.5	36	15
ALR-1184	Channel	1.6	572057	3413782	1412	12410	0.011	<0.5	33	21
ALR-1185	Channel	1.5	572061	3413785	1412	31170	0.005	<0.5	18	24
ALR-1186	Channel	2.2	572065	3413788	1412	27130	0.011	<0.5	33	24
ALR-1187	Channel	2.8	572067	3413787	1412	9034	0.016	0.6	74	15
ALR-1188	Channel	2.0	572069	3413786	1412	9027	0.025	1.1	72	50
ALR-1189	Channel	1.4	572071	3413794	1412	16370	0.032	<0.5	24	18
ALR-1190	Channel	3.5	572074	3413795	1412	1705	0.054	2.4	69	21
ALR-1191	Channel	3.0	572069	3413791	1412	6828	0.042	0.6	65	7
ALR-1192	Channel	2.5	572072	3413791	1412	204820	0.075	109.9	75	146
ALR-1193	Channel	3.8	572069	3413771	1412	12150	0.041	5.2	113	72
ALR-1194	Channel	1.5	572079	3413739	1412	3816	0.007	1.2	191	858
ALR-1195	Channel	1.5	572082	3413722	1412	3051	0.01	<0.5	48	59
ALR-1196	Channel	4.1	572034	3413870	1412	88	<0.005	0.6	78	<2
ALR-1197	Channel	3.0	572027	3413829	1504	317	0.688	7.5	39	72
ALR-1198	Channel	4.0	572020	3413794	1513	80	0.013	1.7	69	7
ALR-1199	Channel	5.0	572004	3413751	1530	55	0.045	2.8	205	10
ALR-1200	Channel	4.8	572212	3415050	1611	56	0.117	55.7	2201	12
ALR-1201	Channel	4.0	572173	3415085	1594	17	0.027	30.6	4109	4
ALR-1202	Channel	5.0	572014	3415166	1593	5	<0.005	27.4	217	<2
ALR-1203	Channel	5.0	571941	3415176	1602	7	<0.005	121.2	1057	10
ALR-1204	Channel	5.0	571920	3415169	1598	12	<0.005	145.7	4976	18
ALR-1205	Channel	6.0	571859	3415209	1600	5	<0.005	65.6	380	4
ALR-1206	Channel	4.0	571827	3415234	1603	5	<0.005	48.9	629	4
ALR-1207	Channel	2.1	577413	3415132	1454	558	0.285	52.4	253	82
ALR-1208	Channel	7.0	577422	3415120	1451	21200	0.442	127.2	989	1212
ALR-1209	Channel	5.0	577456	3415158	1452	8332	0.32	31.8	630	33800
ALR-1210	Channel	1.3	577447	3415118	1439	3084	1.083	94.1	359	284
ALR-1211	Channel	1.1	577450	3415119	1439	413	0.009	1.8	39	406
ALR-1212	Channel	5.0	578040	3415984	1409	6120	3.073	2191	74800	16800

SAMPLE NUMBER	SAMPLE TYPE	SAMPLE LENGTH (m)	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	GRADE				
						Cu ppm	Au g/t	Ag g/t	Pb ppm	Zn ppm
ALR-1213	Channel	0.8	578035	3415984	1408	465	0.028	138.8	2131	1594
ALR-1214	Channel	2.0	578016	3416044	1417	116	<0.005	5.5	1100	306
ALR-1215	Channel	2.5	577220	3416165	1482	45	0.007	2.9	160	30
ALR-1216	Channel	3.8	576615	3416178	1492	86	<0.005	1.3	739	870
ALR-1217	Channel	1.5	576622	3416177	1494	2198	0.034	161.2	463400	310
ALR-1218	Channel	2.4	576437	3415614	1478	1014	0.045	35.8	2202	72
ALR-1219	Channel	2.3	576456	3415599	1471	851	0.106	11.3	274	216
ALR-1220	Channel	2.1	577391	3415146	1469	72	0.01	<0.5	61	83
ALR-1221	Channel	2.1	577393	3415149	1466	46	0.023	<0.5	41	33
ALR-1222	Channel	2.5	577394	3415151	1467	40	0.018	1.2	340	15
ALR-1223	Channel	2.5	577395	3415153	1470	34	0.019	0.9	80	63
ALR-1224	Channel	1.1	577398	3415157	1468	59	0.144	2	167	102
ALR-1225	Channel	2.0	577365	3415164	1484	52	0.018	2	399	33
ALR-1226	Channel	0.6	577297	3415185	1497	103	0.09	8.3	73	25
ALR-1227	Channel	1.0	577286	3415189	1499	44	0.013	0.6	49	39
ALR-1228	Channel	0.8	577373	3415390	1490	37	0.063	1.6	253	110
ALR-1229	Channel	0.9	577329	3415405	1496	45	0.042	1.4	137	68
ALR-1230	Channel	1.9	577293	3415411	1491	69	0.114	1.5	122	43
ALR-1231	Channel	1.6	577245	3415419	1486	28	0.058	2.1	103	23
ALR-1232	Channel	1.1	577155	3415435	1472	72	0.07	0.9	168	36
ALR-1233	Grab	0.0	579222	3415810	1373	58170	0.061	401	20	158
ALR-1234	Channel	0.8	579216	3415812	1371	25090	0.011	187	31	175
ALR-1235	Channel	4.0	579512	3415809	1344	48810	0.133	886	17600	90
ALR-1236	Channel	1.9	578997	3414992	1383	2260	0.511	215	813	396
ALR-1237	Grab	0.0	579010	3414991	1384	7134	1.024	186	2325	897
ALR-1240	Channel	0.3	580110	3414733	1401	10810	0.01	24.2	31	250
ALR-1241	Channel	1.1	577097	3415443	1458	84	0.012	1.3	93	70
ALR-1242	Channel	1.3	577047	3415453	1468	81	0.017	1.2	57	16
ALR-1243	Channel	4.0	576961	3415509	1483	17	0.006	0.6	81	9
ALR-1244	Channel	3.0	576867	3415345	1471	23	<0.005	0.5	64	46
ALR-1245	Channel	3.0	576797	3415416	1489	61	0.011	1.5	45	12
ALR-1246	Channel	2.0	576758	3415476	1498	44	0.008	1.1	441	10
ALR-1247	Channel	1.1	576788	3415493	1490	15	0.01	<0.5	100	29
ALR-1248	Channel	1.4	576347	3415707	1489	246	0.006	0.9	119	73
ALR-1249	Channel	0.6	576380	3415663	1481	262	0.049	14.9	151	61
ALR-1250	Channel	2.2	576893	3415901	1471	32	0.009	2.3	132	24
ALR-1251	Channel	1.4	579681	3414227	1415	407	0.009	3.4	78	149
ALR-1252	Channel	1.5	579688	3414223	1415	552	0.013	1.3	192	223
ALR-1253	Channel	5.0	579671	3414225	1430	1661	0.26	46.7	8775	4638
ALR-1254	Grab	0.0	579730	3413128	1432	4443	0.054	0.6	<5	317
ALR-1255	Channel	4.0	579728	3413141	1435	541	0.022	<0.5	33	116
ALR-1256	Channel	2.0	579680	3413164	1447	67	0.014	1.4	50	86
ALR-1257	Grab	0.0	579569	3413272	1473	22	0.042	0.7	32	12
ALR-1258	Grab	0.0	580136	3414001	1482	26	0.009	0.6	38	33
ALR-1259	Channel	1.1	580236	3414124	1475	182	0.053	4.7	228	48

SAMPLE NUMBER	SAMPLE TYPE	SAMPLE LENGTH (m)	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	GRADE				
						Cu ppm	Au g/t	Ag g/t	Pb ppm	Zn ppm
ALR-1260	Channel	1.8	580202	3414152	1458	103	0.028	2.8	480	541
ALR-1261	Grab	0.0	580097	3414193	1446	377	0.087	19	2794	9837
ALR-1262	Channel	4.5	572002	3415101	1586	26	0.006	51.1	6227	40
ALR-1263	Channel	5.0	571976	3415146	1599	4	<0.005	29.2	486	4
ALR-1264	Channel	1.5	571862	3415253	1604	8	<0.005	70.7	924	21
ALR-1265	Grab	0.0	571807	3415278	1597	8	<0.005	213	1242	4
ALR-1266	Channel	3.2	572027	3415130	1595	3	<0.005	16.2	526	2
ALR-1267	Channel	3.1	572072	3415088	1592	28	0.007	17.6	4895	50
ALR-1268	Grab	0.0	572083	3415105	1591	20	0.01	54.2	11300	29
ALR-1269	Grab	0.0	572113	3415077	1593	61	0.068	43.6	1366	24
ALR-1270	Grab	0.0	573128	3414875	1596	3	1.303	78.9	314	2

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. Soil samples were collected on a grid spacing of 50m by 200m. 2. Grab samples of rock material with visible mineralisation or alteration. 3. Continuous chip sampling along a marked channel over a defined length perpendicular across the strike of the observed mineralisation. 4. Continuous mine dump trench sampling Sample locations were determined by hand-held GPS. Soil samples of residual weathered material were collected, sieved, and -1mm material retained in plastic bags. Portable XRF readings were taken of each sample. Normally, in the laboratory, XRF samples are prepared by crushing and pulverising to nominal P80/75um and then preparation of a pressed powder completed prior to XRF determination. In the case of these field samples that preparation step has not been undertaken (being field samples), so the heterogeneous particle size distribution and non-compressed nature of the samples will have a deleterious effect on the accuracy and precision of the portable XRF analyser readings. Preparation of grab, trench and channel samples 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*	This release has no reference to drilling. Samples were collected and described by geological personnel. Photographs were taken of samples and sample sites.

	intersections logged.	
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 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. 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. Portable XRF analyser readings were taken of each soil sample. Given that samples did not receive normal laboratory crushing, pulverisation and homogenisation, the portable XRF analyser readings will lack the accuracy and precision of laboratory assays. 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 or perpendicular across the strike of the observed mineralised zone in outcrop. 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

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>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.</td><td>The Alacrán Project comprises 22 mineral concessions 100% owned by Minera Teck SA de CV, a subsidiary of Teck Resources Limited.

<table>
<tr><th>CLAIM</th><th>FILE</th><th>TITTLE</th></tr>
<tr><td>Hidalgo</td><td>1794</td><td>166374</td></tr>
<tr><td>Hidalgo 2</td><td>1796</td><td>166369</td></tr>
<tr><td>Hidalgo 3</td><td>1797</td><td>166368</td></tr>
<tr><td>Hidalgo 4</td><td>1798</td><td>166366</td></tr>
<tr><td>Hidalgo 5</td><td>1799</td><td>166370</td></tr>
<tr><td>Hidalgo 6</td><td>1800</td><td>166371</td></tr>
<tr><td>Hidalgo 7</td><td>1801</td><td>166373</td></tr>
<tr><td>Hidalgo 8</td><td>1802</td><td>166372</td></tr>
<tr><td>Hidalgo 9</td><td>1803</td><td>166375</td></tr>
<tr><td>Kino 2</td><td>1886</td><td>166313</td></tr>
<tr><td>Kino 3</td><td>1887</td><td>166312</td></tr>
<tr><td>Kino 4</td><td>1888</td><td>166314</td></tr>
<tr><td>Kino 8</td><td>1892</td><td>166315</td></tr>
<tr><td>Kino 9</td><td>1893</td><td>166316</td></tr>
<tr><td>Kino 10</td><td>1894</td><td>166317</td></tr>
<tr><td>Kino 11</td><td>1895</td><td>166318</td></tr>
<tr><td>Kino 15</td><td>1899</td><td>166365</td></tr>
<tr><td>Kino 16</td><td>1800</td><td>166367</td></tr>
<tr><td>San Simón</td><td>1894</td><td>166376</td></tr>
<tr><td>San Simón 2</td><td>1895</td><td>166377</td></tr>
<tr><td>El Alacrán</td><td>E.4.1.3/1182</td><td>201817</td></tr>
<tr><td>TOTAL SURFACE</td><td></td><td></td></tr>
</table>

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.</td></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>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.</td></tr>
<tr><td>Geology</td><td>Deposit type, geological setting and style of mineralisation.</td><td>Various styles of mineralisation occur on the property.</td></tr>
</table>

		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. 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').*	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, 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 comprise additional geological mapping, surface and underground sampling, geophysical surveys (IP and magnetics) and drilling.