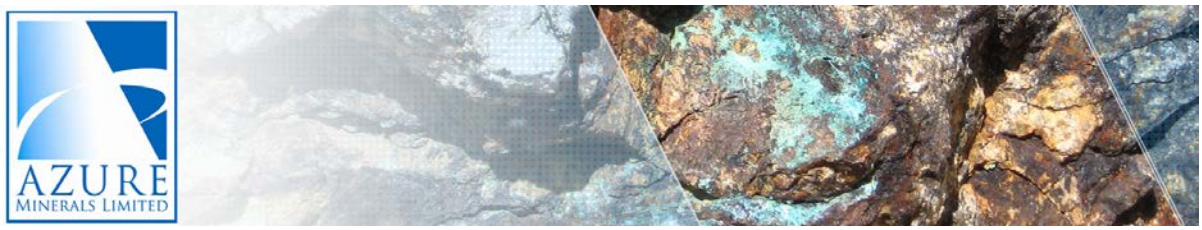

ASX: AZS **24 JUNE 2015**

POSITIVE SOIL SAMPLING RESULTS ENHANCE ALACRÁN POTENTIAL

- **Portable XRF analysis of soil samples identifies strong and coherent geochemical anomalies**
- **Anomalies are indicative of porphyry copper and associated deposit styles**
- **Results confirm strong potential for significant copper, silver and gold mineralisation at La Morita, San Simon and Mesa de Plata**
- **Preparation continuing towards drilling at these prospects in late July**
- **Induced Polarisation (IP) survey completed with results due shortly**

Azure's Managing Director, Tony Rovira, stated: *"This is the first modern exploration undertaken over this part of the Alacrán property, and the systematic and technical approach is delivering excellent results. The combination of geology, geochemistry and geophysics has identified several highly prospective targets with potential for porphyry copper and porphyry-related precious and base metal mineralisation.*

"Results from the IP survey are expected shortly which, when combined with other data we have generated, will enable detailed positioning of the drill holes to be finalised. We expect to start drilling late July, when all environmental and drilling approvals are in place."

EXPLORATION ACTIVITIES

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to provide portable XRF results from the recently completed soil sampling survey on the Alacrán Project, located in the northern Mexican state of Sonora.

Detailed soil sampling over the northwestern part of the Alacrán project area (see Figure 1) was completed, with samples collected at 50m spacing along thirteen 200m spaced lines covering an area of approximately 2.4km x 2.4km. Each sample was tested by a portable XRF analyser reading 35 different elements[1], and select check samples were sent to the laboratory for comparative geochemical analysis.

[1] Azure considers portable XRF results to be semi-quantitative, and while indicative of general metal concentrations are not regarded as a substitute for properly conducted laboratory sample preparation and analyses. Thirty randomly selected soil samples from this soil sampling program were dispatched to the laboratory for check analyses and provided an excellent correlation with the results obtained by the portable XRF analyser.

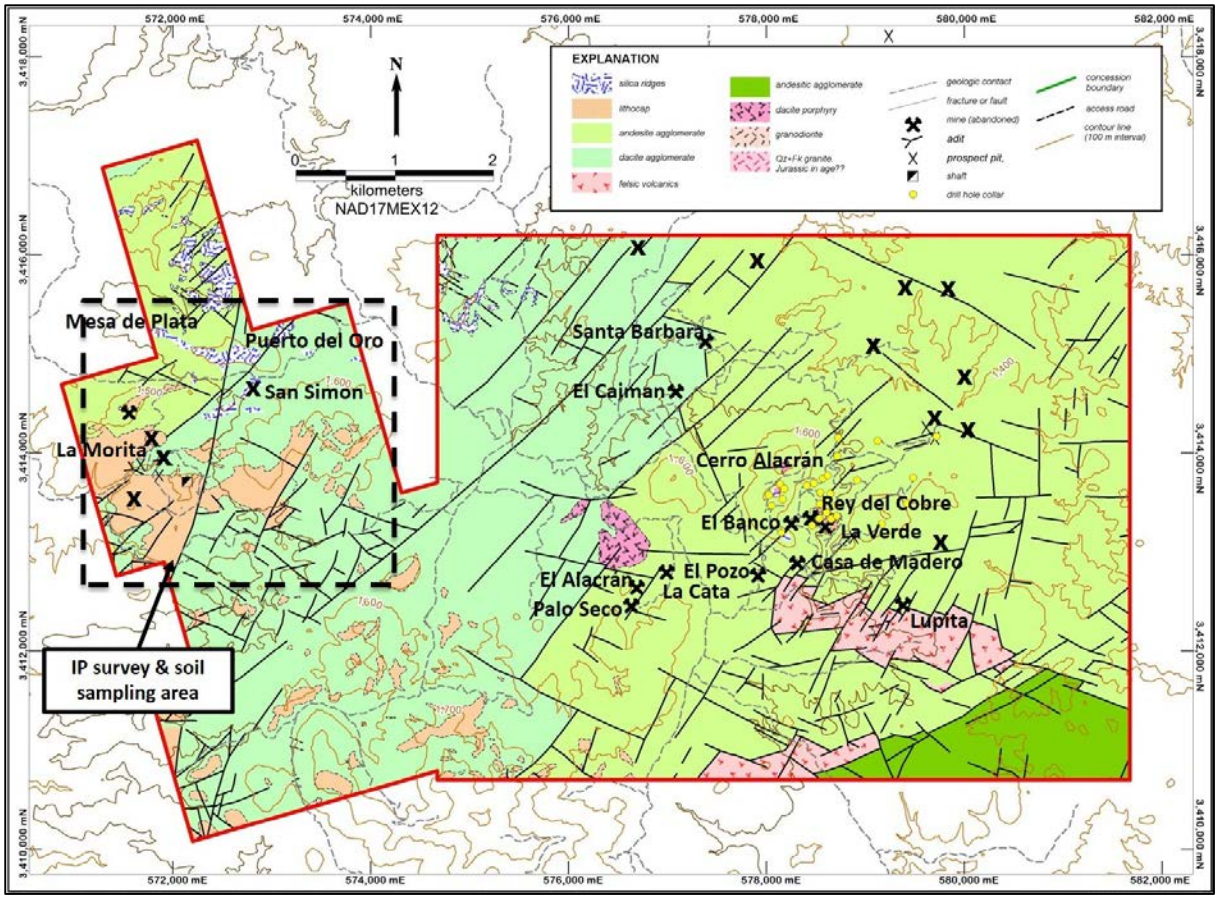

Figure 1: Alacrán geology plan showing area of soil sampling survey

Geochemical signatures derived from the soil sampling indicate that there are several distinct domains, interpreted to represent alteration and mineralisation patterns typical of a porphyry copper environment. Images of elemental distribution are shown in Figures 2 to 5.

La Morita is represented by a strong and coherent copper anomaly, with values consistently exceeding 100ppm Cu up to a maximum of 1,203ppm Cu, and extending over an area of approximately 1,000m x 800m (see Figure 3). Evaluation of copper grades and elemental ratios from the soil sampling, together with high copper assays and visible mineralisation at surface and in the underground mine workings (refer ASX releases dated 03/03/15, 13/05/15 and 03/06/15), confirm the prospectivity of La Morita for porphyry-style copper mineralisation.

Mesa de Plata and San Simon have potential for structurally-controlled or stratabound polymetallic sulphide mineralisation - specifically for silver deposits with zinc and lead enrichment. Both prospects host mineralisation in flat-lying, silicified volcanic and volcano-sedimentary units that outcrop as elevated ridges or plateaus of vuggy silica.

Portable XRF analyser readings of soil samples from Mesa de Plata 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**). Laboratory assaying of follow-up rock chip sampling from this area returned consistently high grades of silver, ranging from **16g/t Ag to 213g/t Ag, and averaging 63g/t Ag**, together with elevated levels of lead (up to **1.13% Pb**), antimony (up to **>5,266ppm Sb**) and bismuth (up to **1,107ppm Bi**) (refer ASX release dated 03/06/15). These are pathfinder elements typically associated with polymetallic mineralisation. The Company will undertake drilling to test the grade, thickness and lateral extent of these vuggy silica units.

INDUCED POLARISATION SURVEY

The IP survey, which covers the same area as the soil sampling survey (see Figure 1) is complete. The Company is currently waiting for data modelling and interpretation to be finalised by the independent geophysical consultant.

The objective of this survey is to identify geophysical anomalies indicative of buried sulphide mineralisation, which will be used in conjunction with the mapping and geochemical sampling results to generate drill targets.

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 operated by Grupo Mexico.

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.

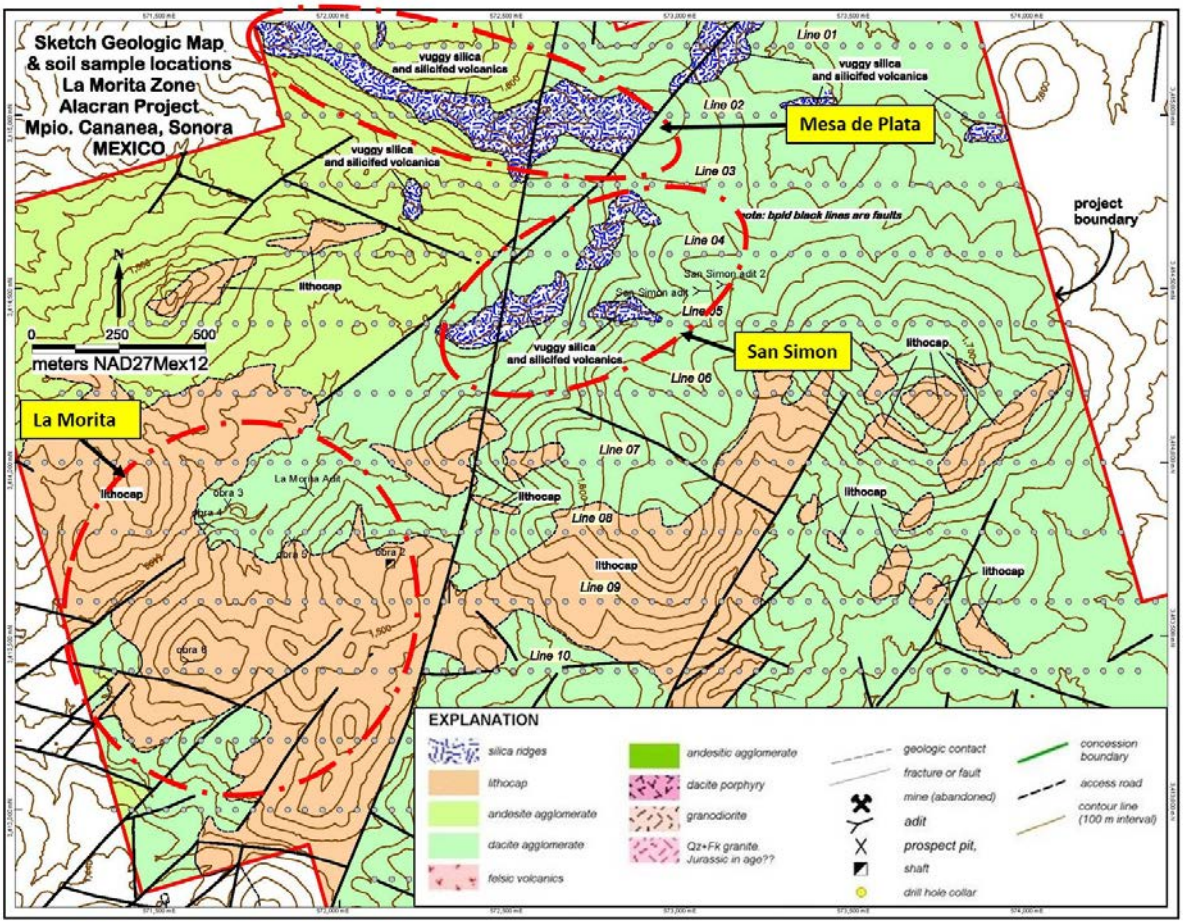

Figure 2: Geology, soil sample locations and targets

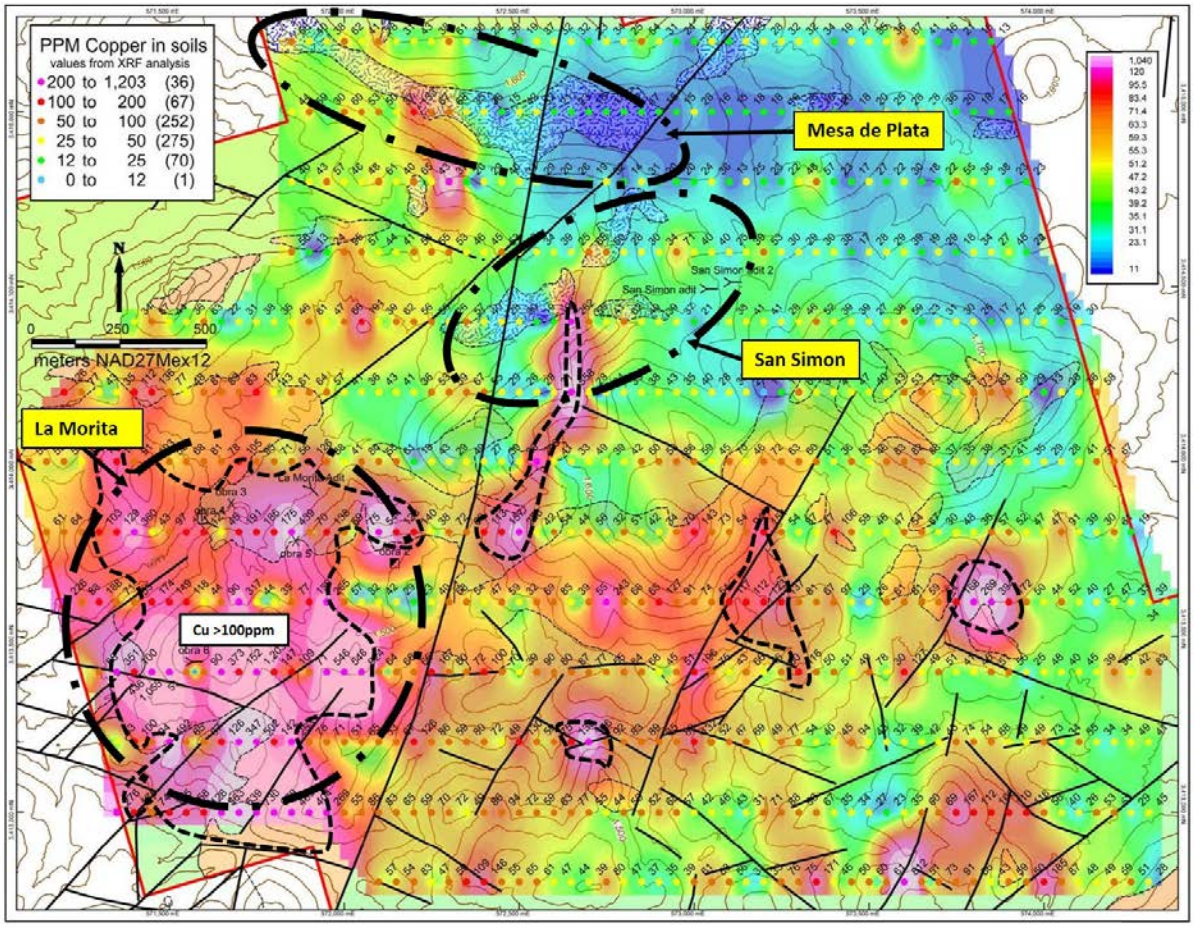

Figure 3: XRF Copper in soils with anomalous (>100ppm Cu) outline

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Azure Minerals Limited ABN 46 106 346 918

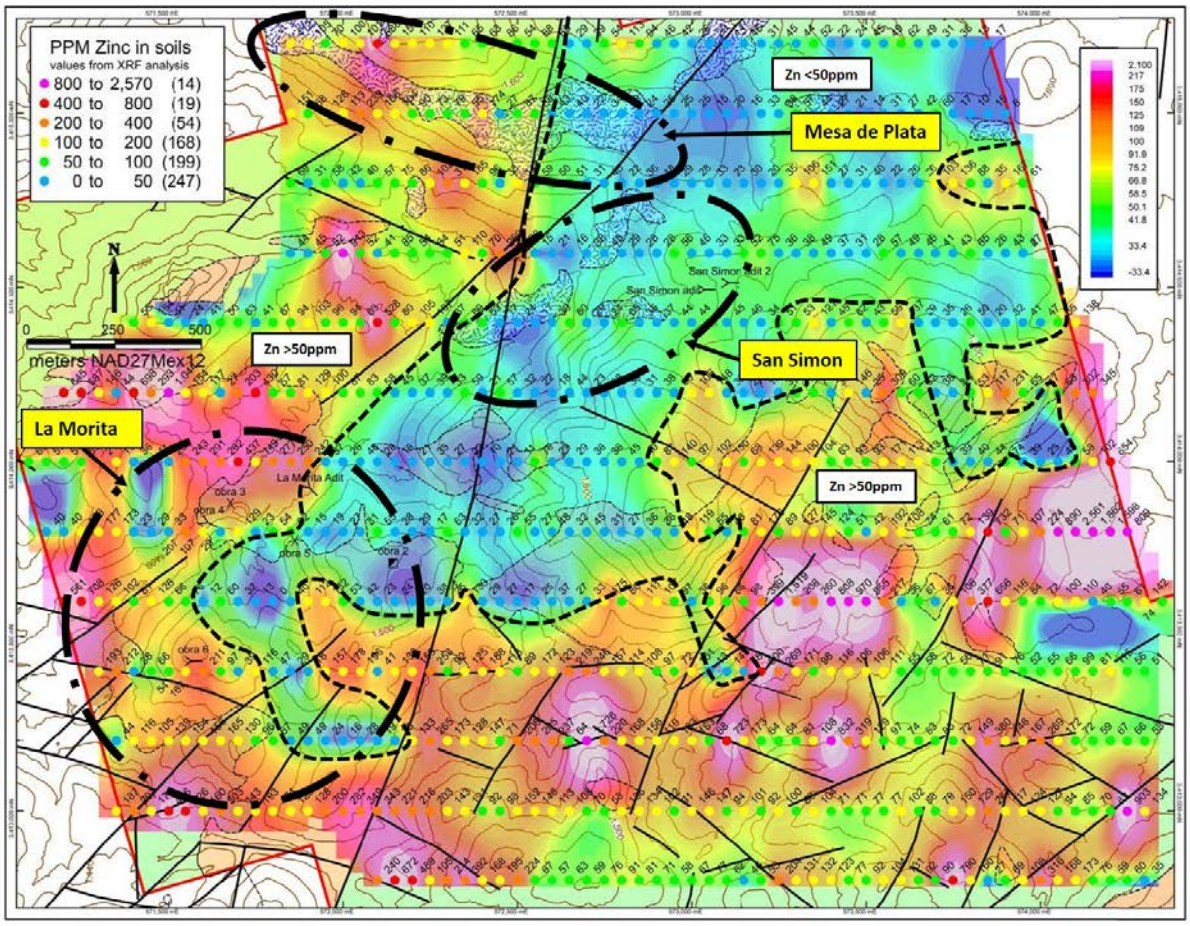

Figure 4: XRF Zinc in soils with anomalous (>50ppm Zn) outline

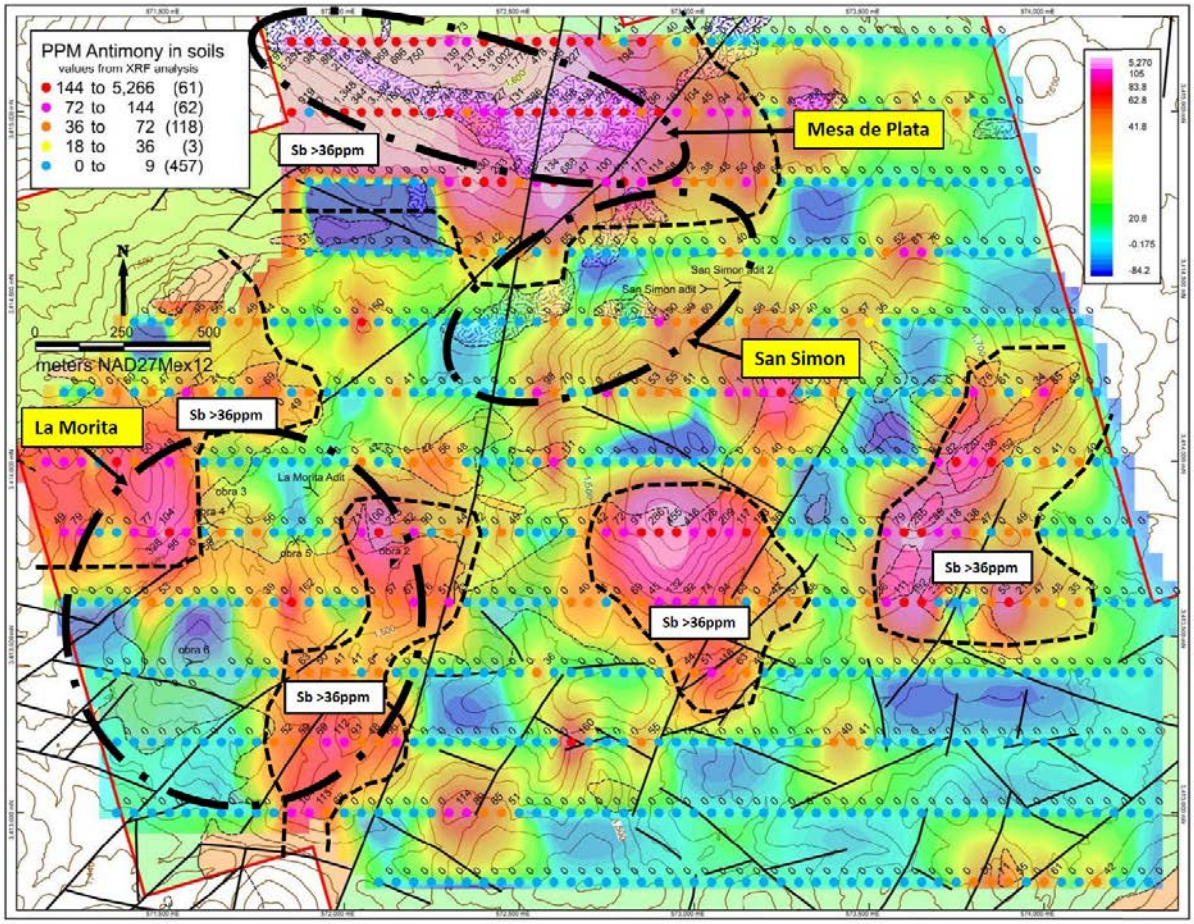

Figure 5: XRF Antimony in soils with anomalous (>36ppm Sb) outline

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Phone: 08 9481 2555 **Fax:** 08 9485 1290 **Email:** admin@azureminerals.com.au **Website:** www.azureminerals.com.au

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.*	Soil samples of residual weathered material were collected, sieved, and -1mm material retained in plastic bags. Samples were collected on a grid spacing of 50m by 200m with sample locations determined by hand-held GPS. 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. Thirty randomly selected soil samples were despatched to Acme Laboratories (a Bureau Veritas Group company) for check analyses. Preparation of soil samples was undertaken 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.
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.*	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

	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.*	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 prior to despatch to the laboratory. 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) collected and 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.*	Soil samples of residual weathered material were collected, sieved, and -1mm material retained in plastic bags. Samples were collected on a grid spacing of 50m by 200m with sample locations determined by hand-held GPS. 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*	Geological controls and orientations of the mineralised zone are unknown at this time and it is not possible to determination potential sampling bias.

	have introduced a sampling bias, this should be assessed and reported if material.	
Sample security	*The measures taken to ensure sample security.*	Samples selected for assay 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>Lot</th><th>Title</th><th>Hectares</th></tr>
<tr><td>Hidalgo</td><td>166374</td><td>99</td></tr>
<tr><td>Hidalgo 2</td><td>166369</td><td>99</td></tr>
<tr><td>Hidalgo 3</td><td>166368</td><td>99</td></tr>
<tr><td>Hidalgo 4</td><td>166366</td><td>99</td></tr>
<tr><td>Hidalgo 5</td><td>166370</td><td>99</td></tr>
<tr><td>Hidalgo 6</td><td>166371</td><td>99</td></tr>
<tr><td>Hidalgo 7</td><td>166373</td><td>99</td></tr>
<tr><td>Hidalgo 8</td><td>166372</td><td>99</td></tr>
<tr><td>Hidalgo 9</td><td>166375</td><td>99</td></tr>
<tr><td>Kino 2</td><td>166313</td><td>100</td></tr>
<tr><td>Kino 3</td><td>166312</td><td>100</td></tr>
<tr><td>Kino 4</td><td>166314</td><td>100</td></tr>
<tr><td>Kino 8</td><td>166315</td><td>100</td></tr>
<tr><td>Kino 9</td><td>166316</td><td>100</td></tr>
<tr><td>Kino 10</td><td>166317</td><td>100</td></tr>
<tr><td>Kino 11</td><td>166318</td><td>100</td></tr>
<tr><td>Kino 15</td><td>166365</td><td>100</td></tr>
<tr><td>Kino 16</td><td>166367</td><td>100</td></tr>
<tr><td>San Simón</td><td>166376</td><td>100</td></tr>
<tr><td>San Simón 2</td><td>166377</td><td>100</td></tr>
<tr><td>El Alacrán</td><td>201817</td><td>3,442</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)</td></tr>
</table>

		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. 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.*	No weighted averaging techniques were used. 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*	Planned further work to better understand the mineralisation systems in the project area will comprise geological mapping and sampling, geophysical surveys and drilling.