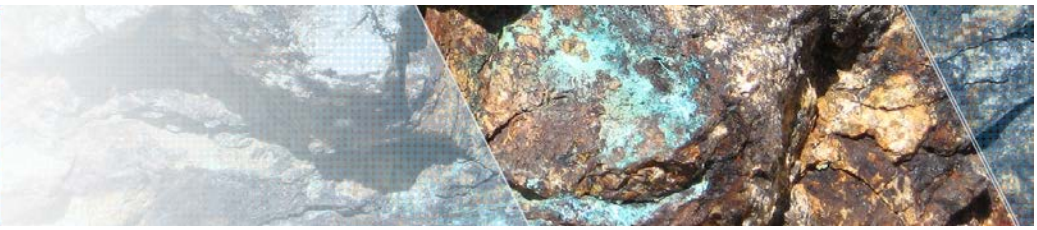

ASX: AZS **16 September 2015**

SIGNIFICANT HIGH GRADE SILVER DISCOVERY

HIGHLIGHTS:

- **Significant intercepts, including: 9m @ 1,235g/t Ag (from 3.0m depth) within 39m @ 347g/t Ag from surface**
- **Mineralisation is contained in a thick horizontal layer, capping flat-topped hills, over at least 500m of strike length and up to 300m in width**
- **Mineralisation starts at surface and continues consistently and uninterrupted for thicknesses of up to 70m**

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to advise that it has made a significant high grade silver discovery at its Alacrán Project in Mexico.

Four holes drilled at the Mesa de Plata prospect, part of a 14-hole Reverse Circulation (RC) program over the wider Alacrán property, have intersected thick zones of high grade silver mineralisation commencing from surface, and extending to depths of up to 70 metres.

Azure's Managing Director, Tony Rovira described the results as "exceptional" and said further follow-up work was already being planned on what was potentially a "large, economically significant silver deposit".

High Grade Silver Zones Intercepted at Mesa De Plata

DRILL HOLE	HIGH GRADE ZONE[1] Interval Length	OVERALL MINERALISED ZONE[2] Interval Length
LM-06	**21.0m @ 513g/t Ag** from 28.5m	**70.5m @ 197g/t Ag** from surface
LM-07	**18.0m @ 408g/t Ag** from 3.0m	**45.0m @ 204g/t Ag** from surface
LM-09	**18.0m @ 698g/t Ag** from 1.5m	**39.0m @ 347g/t Ag** from 1.5m
	Including: ***9.0m @ 1,235g/t Ag*** *from 3.0m*	

[1] High Grade Zones use a 100g/t Ag lower grade cut-off and no top cut; with included zones using a 200g/t Ag lower grade cut-off and no top cut.
[2] Overall Mineralised Zones use a 40g/t Ag lower grade cut-off and no top cut.

Mr Rovira, said, *"I'm thrilled to be able to present these exceptional results to our shareholders. This is the first drilling program to be carried out at Mesa de Plata, and to find large thicknesses of strong and consistent silver mineralisation starting from surface, including internal zones of very high grade silver, is an excellent achievement.*

"This is a significant discovery, and is a credit to the perseverance and technical skills of our team in Mexico.

"Obviously more drilling is required, but with the thickness of the mineralised layer, the high grade of the mineralisation, and its location forming the top of a hill, I believe that Mesa de Plata has excellent potential to be a large, economically significant, silver deposit."

DETAILS

Azure's maiden drilling program at the Alacrán Project has discovered a potentially large zone of high grade silver mineralisation at the Mesa de Plata prospect, located in the northwest of the project area (see Figure 1).

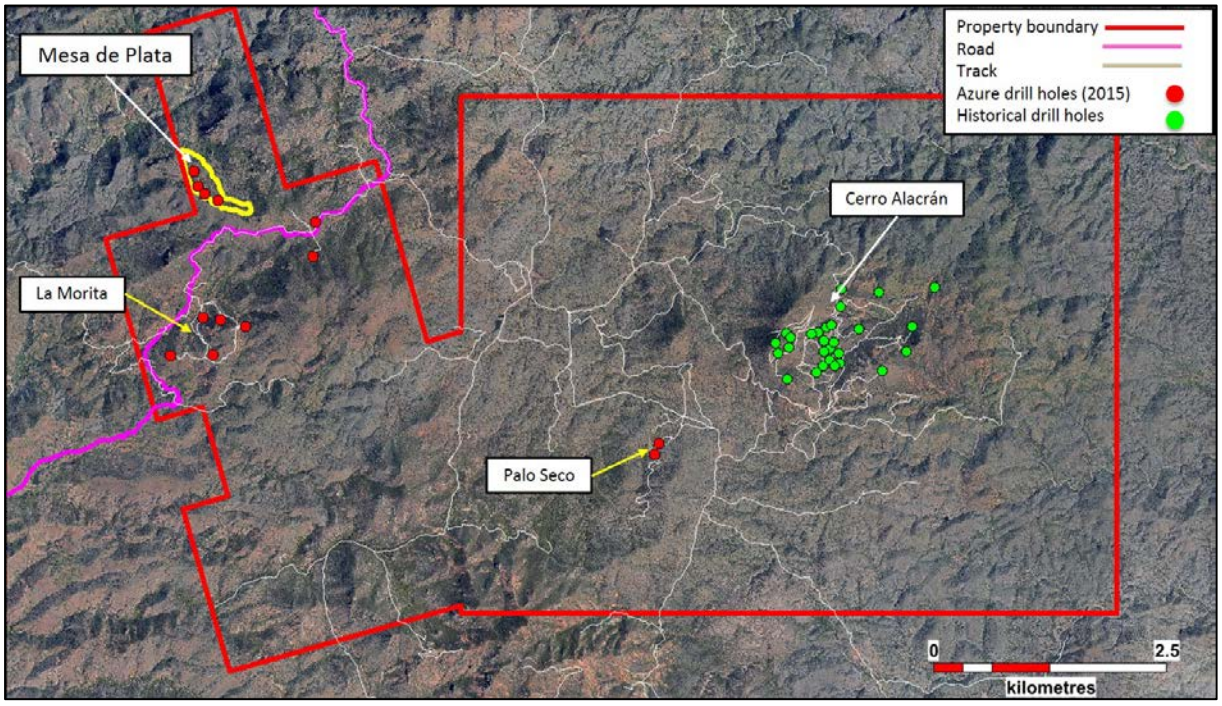

Figure 1: Aerial photograph of Alacrán property, showing drill targets

Drilling at Mesa de Plata was targeted at the widespread silver anomalism identified on surface by Azure's gridded soil sampling and follow-up outcrop sampling programs, where most samples returned silver grades in the 30g/t to 100g/t range, up to a maximum of 213g/t (refer ASX release dated 03/06/15).

The silver is hosted in a flat-lying layer of vuggy silica rock (see Figure 2) that forms the capping on a prominent flat-topped ridge (or mesa, see Figure 4). This mesa extends for at least 500m in strike length, and varies in width from 150m to 400m (see Figure 3).

Based upon its topography, Azure's Mexican geologists have named the prospect Mesa de Plata, which is Spanish for Silver Table.

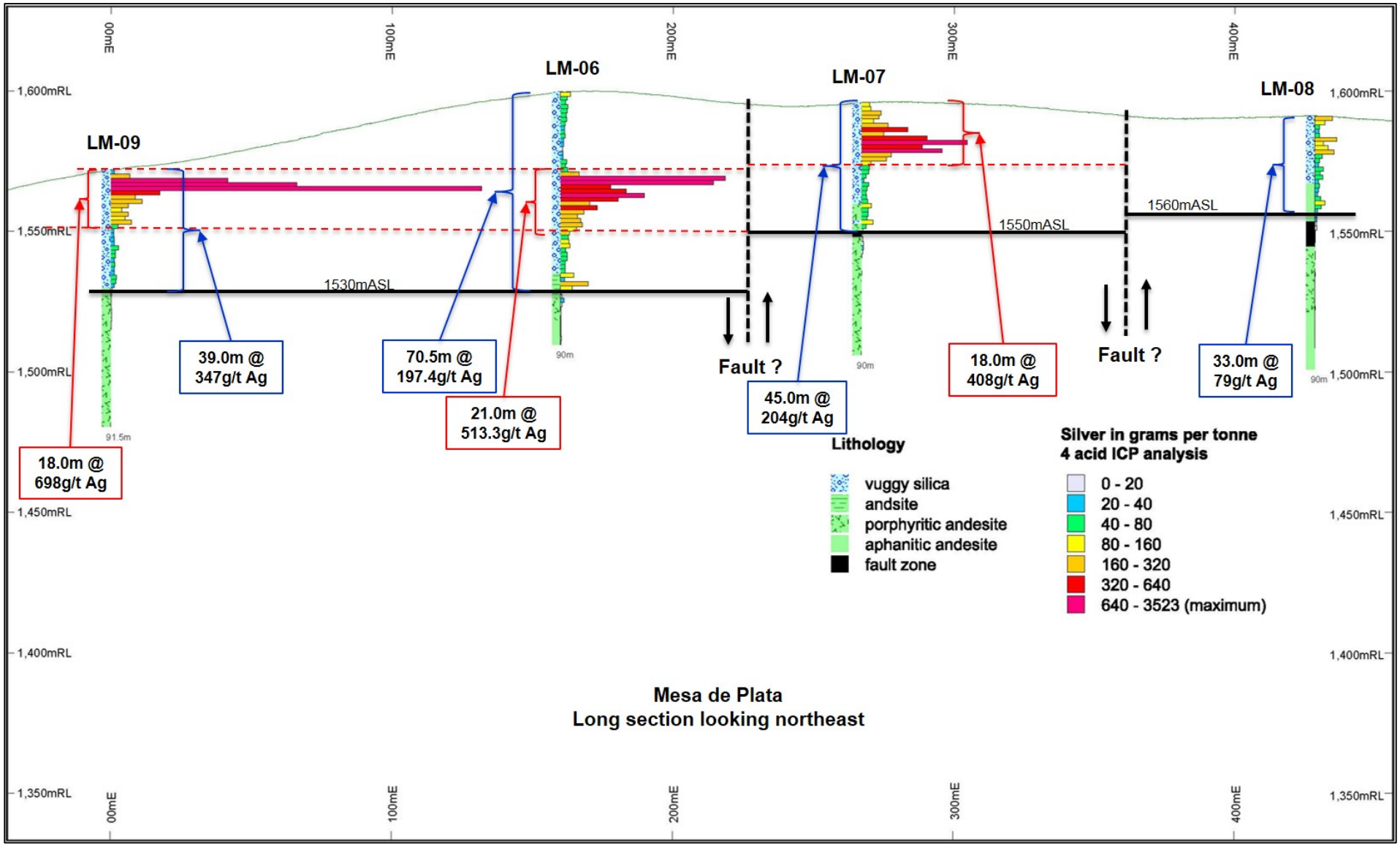

Figure 2: Long section of Mesa de Plata drill holes looking northeast

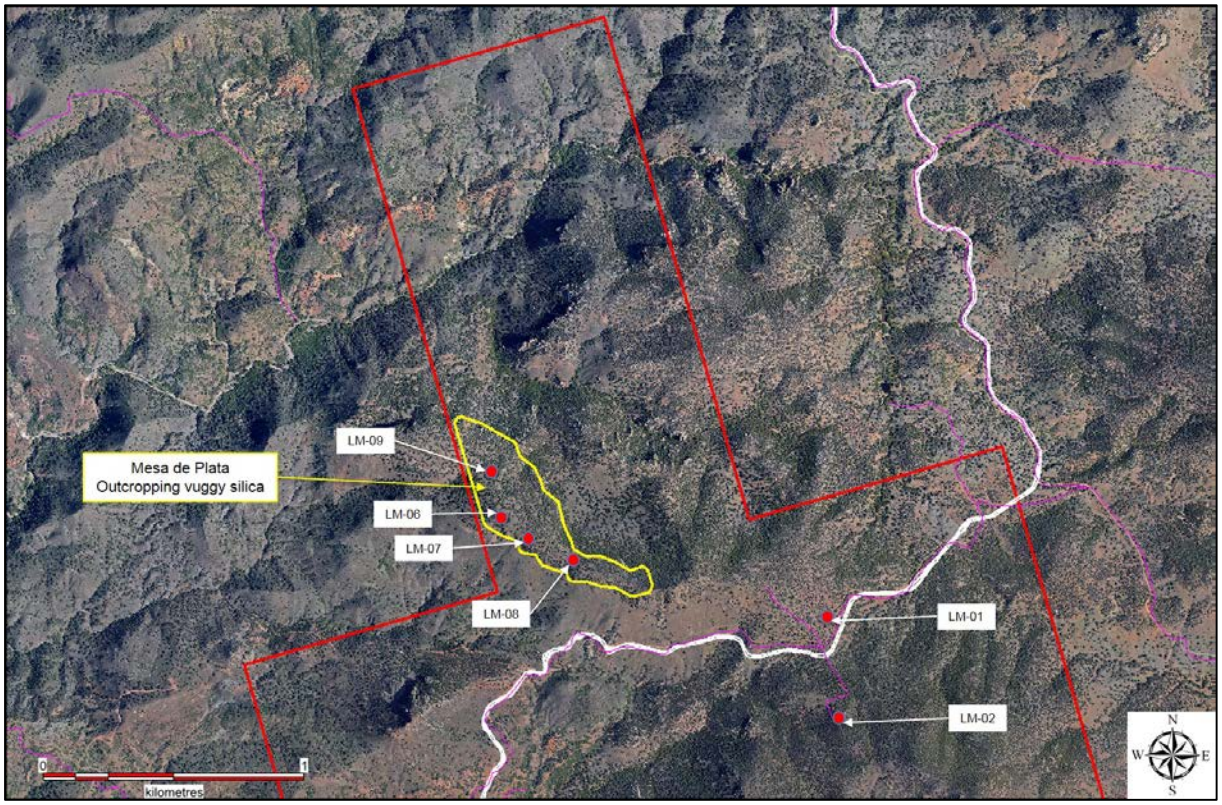

Figure 3: Aerial photograph of Mesa de Plata

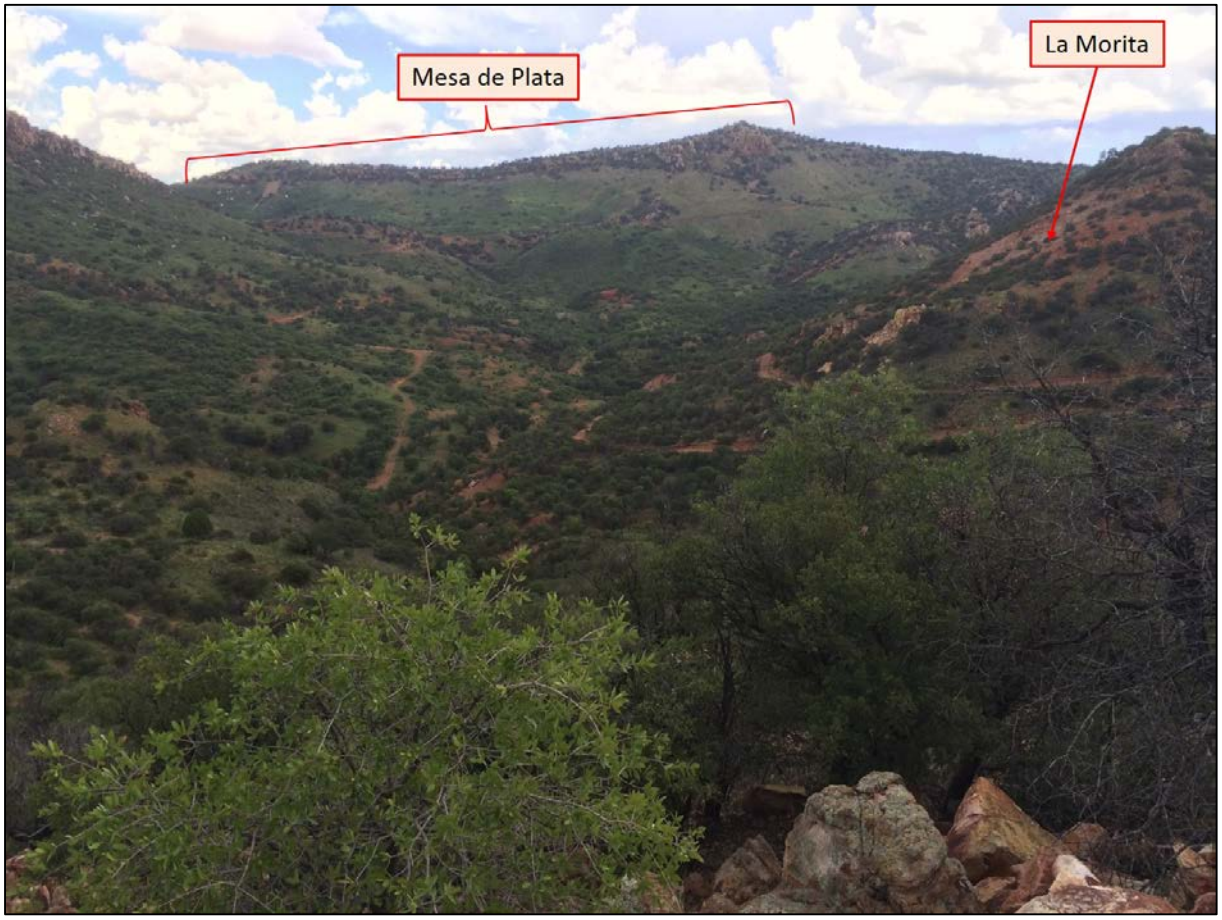

Figure 4: Photograph of Mesa de Plata, looking north

Azure's Induced Polarisation (IP) survey (refer ASX release dated 02/07/15) revealed a strong, electrically resistive, horizontal layer extending from surface to depths of between 40m-60m at Mesa de Plata and in areas further to the east.

This resistivity anomaly was interpreted to represent strongly siliceous rocks that coincided with the surface silver anomalism. Drilling was undertaken to determine whether the anomalous silver was a surface enrichment feature or extended to the depths indicated by the IP survey.

Four vertical RC holes (LM-06 to LM-09) were drilled, spaced between 120m and 160m apart (see Figure 2) along the surface of the mesa. Each hole was drilled to a depth of about 90m and samples were collected over 1.5m intervals.

Drilling demonstrated that the vuggy silica zone extends to between 33m and 70m below surface. The depth to the lower contact, ie the thickness of the vuggy silica layer, is dependent upon the surface elevation of the drill hole collar, as the lower contact has a reasonably consistent elevation, with vertical variations probably due to localised, small-scale faulting (see Figure 2).

In all four drill holes, medium to high grade silver mineralisation is hosted throughout the vuggy silica. Some silver mineralisation is also contained immediately below the vuggy silica layer within the underlying volcanic rocks. The silver mineralisation itself is not visible, however the host vuggy silica rock is easily recognisable in outcrop and in the RC drill cuttings.

Results from the drilling have demonstrated that the silver mineralisation is very consistent throughout the vuggy silica layer. For example within the High Grade Zones, as shown in detail in Table 1, the silver assay for every sample exceeds the lower grade cut-off of 100g/t Ag.

NEXT STAGE AT MESA DE PLATA

The environmental approval which was granted for this first phase of drilling permitted only four drill sites at Mesa de Plata. Azure has commenced a new permitting process to request sufficient drill sites to enable a close-spaced drill program to be undertaken over Mesa de Plata. This environmental permitting process is expected to take between one and two months for approval.

Meanwhile, Azure will continue to undertake further surface exploration to identify new areas prospective for silver mineralisation. The Company has identified other similar-looking mesas to the north and east of Mesa de Plata, within the Alacrán project area, and these have yet to be mapped and sampled. The Company believes there is potential for these to also host significant silver mineralisation, and work in these areas has commenced.

TABLE 1: High Grade Zones at Mesa de Plata – detailed assay information

FROM (m)	TO (m)	INTERCEPT LENGTH (m)	GRADE Ag (g/t)
LM-06			
28.5	30.0	1.5	177.0
30.0	31.5	1.5	1561.0
31.5	33.0	1.5	1450.0
33.0	34.5	1.5	477.0
34.5	36.0	1.5	622.0
36.0	37.5	1.5	794.0
37.5	39.0	1.5	547.0
39.0	40.5	1.5	277.0
40.5	42.0	1.5	350.0
42.0	43.5	1.5	224.0
43.5	45.0	1.5	160.5
45.0	46.5	1.5	190.0
46.5	48.0	1.5	205.0
48.0	49.5	1.5	152.1
LM-06: 21.0m @ 513.3g/t Ag			

FROM (m)	TO (m)	INTERCEPT LENGTH (m)	GRADE Ag (g/t)
LM-07			
3.0	4.5	1.5	190.8
4.5	6.0	1.5	166.5
6.0	7.5	1.5	116.5
7.5	9.0	1.5	257.0
9.0	10.5	1.5	441.0
10.5	12.0	1.5	215.0
12.0	13.5	1.5	627.0
13.5	15.0	1.5	1005.0
15.0	16.5	1.5	582.0
16.5	18.0	1.5	769.0
18.0	19.5	1.5	285.0
19.5	21.0	1.5	240.0
LM-07: 18.0m @ 407.9g/t Ag			

FROM (m)	TO (m)	INTERCEPT LENGTH (m)	GRADE Ag (g/t)
LM-08			
7.5	9.0	1.5	250.0
9.0	10.5	1.5	82.6
10.5	12.0	1.5	123.6
12.0	13.5	1.5	182.0
LM-08: 6.0m @ 159.6g/t Ag			

FROM (m)	TO (m)	INTERCEPT LENGTH (m)	GRADE Ag (g/t)
LM-09			
1.5	3.0	1.5	184.0
3.0	4.5	1.5	1115.0
4.5	6.0	1.5	1770.0
6.0	7.5	1.5	3523.0
7.5	9.0	1.5	467.0
9.0	10.5	1.5	236.0
10.5	12.0	1.5	302.0
12.0	13.5	1.5	169.6
13.5	15.0	1.5	107.4
15.0	16.5	1.5	167.7
16.5	18.0	1.5	136.6
18.0	19.5	1.5	201.0
LM-09: 18m @ 698.3g/t Ag			

DRILLING OF OTHER PROSPECTS AT ALACRÁN

In addition to the drilling at Mesa de Plata, Azure drilled another 10 holes to test La Morita (for porphyry-related copper mineralisation), San Simon and Puerto del Oro (for gold-silver mineralisation), and Palo Seco (for zinc-silver mineralisation).

Two holes (PS-01 & 02) were drilled at Palo Seco to test beneath and adjacent to the historical mine workings. Single holes were drilled at Puerto del Oro (LM-01) and San Simon (LM-02) to test for gold-silver mineralisation identified from surface and underground sampling.

Six holes were drilled at La Morita, testing in the vicinity of the old mine workings (holes LM-03, 03b & 04), the surface copper-in-soil geochemical anomaly (LM-05 & 11), and the buried Induced Polarisation (IP) chargeability anomaly (LM-10).

To date, assays have been received from four holes (PS-01 & 02; LM-01 & 02). Results from the six holes drilled at La Morita are awaited.

TABLE 2: Drill intercepts from RC drilling at Alacrán (other than Mesa de Plata)

HOLE	FROM	TO	INTERCEPT LENGTH (m)	Zn (%)	Ag (ppm)	LOCATION
PS-01	27.0	45.0	18.0	1.82	31.0	Palo Seco
PS-02	No significant intercepts					Palo Seco
HOLE	**FROM**	**TO**	**INTERCEPT LENGTH (m)**	**Au (ppm)**	**Ag (ppm)**	**LOCATION**
LM-01	0.0	16.5	16.5	0.41	25.2	Puerto del Oro
LM-02	36.0	46.5	10.5	0.43	20.0	San Simon

ALACRÁN 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.

There is excellent access to and within the property, via a sealed highway from Hermosillo, capital of the state of Sonora, and existing mine roads and ranch tracks. The nearby town of Cananea is a mining-friendly jurisdiction with experienced exploration and mining services, as well as physical infrastructure including roads, railway, airport, electrical power and water.

Commercial and artisanal mining occurred within the project area in the early 20th century, ending in 1913 due to the Mexican Revolution. Since that time, Alacrán has seen only limited exploration and its potential for hosting large porphyry copper deposits and smaller high grade precious and base metal deposits remains largely untested by modern exploration techniques.

The Anaconda Copper Mining Company explored the property intermittently from the 1930's to the 1960's. Data relating to this work is held in the Anaconda Geological Documents Collection, part of the American Heritage Centre in the University of Wyoming. Azure has visited the library and retrieved copies of numerous technical reports and maps.

Between the 1960's and the early 1980's, the Consejo de Recursos Minerales (Mexican Geological Survey) carried out occasional exploration programs, including drilling 6 holes at the Cerro Alacrán prospect in 1970 and undertaking geophysical surveys over the Palo Seco and La Morita prospects in 1981.

Grupo Mexico S.A.B.de C.V. ("Grupo Mexico") then acquired the project and drilled 26 holes at Cerro Alacrán in the 1990's. This drilling, which was restricted to an area of approximately 50 hectares, outlined a large body of near-surface, copper oxide and chalcocite (copper sulphide) mineralisation. The size, grade and the extent of this mineralised body is yet to be defined as a mineral resource to JORC standards.

Minera Teck S.A. de C.V. ("Teck"), a Mexican subsidiary of Canadian company Teck Resources Limited, acquired the property from Grupo Mexico in 2013 and undertook data compilation and limited surface exploration.

Azure Minerals acquired the rights to the project in December 2014 through its fully owned Mexican subsidiary Minera Piedra Azul S.A. de C.V.

Azure has signed an Agreement with Teck to acquire 100% of the property, subject to an underlying back-in right retained by Teck and a 2% NSR retained by Grupo Mexico. 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.

TABLE 4: Drill hole information

HOLE No.	NORTH (mN)	EAST (mE)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH	LOCATON
PS-01	3412394	576740	1587	270	-45	87.0	Palo Seco
PS-02	3412512	576778	1577	270	-55	120.0	Palo Seco
LM-01	3414870	573120	1594	090	-60	201.0	Puerto del Oro
LM-02	3414500	573086	1606	090	-45	201.0	San Simon
LM-03	3413837	572105	1475	225	-45	55.0	La Morita
LM-03b	3413837	572105	1475	225	-45	250.5	La Morita
LM-04	3413851	571919	1450	045	-45	153.0	La Morita
LM-05	3413444	571565	1513	160	-70	200.0	La Morita
LM-06	3415255	571840	1601	000	-90	90.0	Mesa de Plata
LM-07	3415174	571930	1596	000	-90	90.0	Mesa de Plata
LM-08	3415103	572075	1591	000	-90	90.0	Mesa de Plata
LM-09	3415408	571815	1572	000	-90	91.5	Mesa de Plata
LM-10	3413755	572365	1492	045	-60	294.0	La Morita
LM-11	3413458	572023	1502	000	-90	150.0	La Morita

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Reverse Circulation (RC) percussion drilling was undertaken on the Alacrán Project. A total of 14 holes were drilled for 2,073m. Drill hole collar locations were determined by hand-held GPS. No downhole surveys were undertaken. Samples for each drill hole were collected by passing through a Jones riffle splitter (if dry) or a rotary splitter (if wet) over 1.5m intervals and sent for assay. 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. The analytical techniques for all elements (other than gold) initially involved a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was MA300 (for silver and base metals by ICP-MS). Fire Assay method FA430 was used for gold. Over-limit assays were re-analysed by MA370 (by ICP-ES for base metals grading >1%) and FA530 (by fire assay with gravimetric finish for silver grading >200ppm).
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling technique for all holes was reverse circulation percussion using a face-sampling hammer. Drill hole diameter was 5¼" (133mm).
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	RC drill recoveries were visually estimated from volume of sample recovered. All sample recoveries were above 90% of expected. RC samples were visually checked for recovery, moisture and contamination and notes made in the logs. There is no observable relationship between recovery and grade, and therefore no sample bias.
Logging	*Whether core and chip samples have been geologically 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.*	Detailed geological logs have been carried out on all RC drill holes, but no geotechnical data has been recorded (or is possible to be recorded due to the nature of the sample). The geological data would be suitable for inclusion in a Mineral Resource estimate. Logging of RC chips recorded lithology, mineralogy, mineralisation, weathering, colour, and other sample features. RC chips are stored in plastic RC chip trays. When completed, each plastic chip tray was photographed. All holes were logged in full.
Sub-sampling techniques and	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No drill core.

sample preparation	*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.*	All samples were collected by passing through a Jones riffle splitter (if dry) or a rotary splitter (if wet). The field sample preparation followed industry best practice. This involved collection of sample from the splitter and transfer to a calico bag for despatch to the laboratory. 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. Certified Reference Standards, duplicate samples, and blank samples were routinely inserted at alternate 10m intervals to provide assay quality checks. Review of the standards and blanks are within acceptable limits. The sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The analytical techniques for all elements (other than gold) initially involved a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was MA300 (for silver and base metals by ICP-MS). Fire Assay method FA430 was used for gold. Over-limit assays were re-analysed by MA370 (by ICP-ES for base metals grading >1%) and FA530 (by fire assay with gravimetric finish for silver grading >200ppm). Azure implemented industry standard QAQC protocols to monitor levels of accuracy and precision. Internal laboratory control procedures comprised duplicate sampling of randomly selected assay pulps, as well as internal laboratory standards and blanks. Azure routinely inserted Certified Reference Standards, duplicate samples, and blank samples at alternate 10m intervals to provide assay quality checks. Review of the standards, duplicates and blanks are within acceptable limits. No geophysical or portable analysis tools were used to determine assay values.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	Senior technical personnel from the Company (Project Geologist, Exploration Manager & Managing Director) have all inspected the drilling and sampling. No drill holes were twinned as this was deemed unnecessary at this stage of exploration. Primary data was collected by employees of the Company at the project site. All measurements and observations were recorded onto hard copy templates and later transcribed into the Company's digital database. Digital data storage, verification and validation is managed by an independent data management company. No adjustments or calibrations have been made to any assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.*	Drill hole collar locations were determined by hand-held GPS.

	Quality and adequacy of topographic control.	Final drill hole collar locations will be surveyed by a licensed surveyor using a two frequency differential GPS with accuracy of +/-3cm. No downhole surveys were undertaken. 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.*	Being a reconnaissance exploration drill program, drill hole spacing is variable. Data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for a Mineral Resource estimation procedure. 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 therefore all mineralised intersections are reported as "intercept length" and may not reflect true width. No sampling bias is believed to have been introduced.
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.

		<table><tr><th>CLAIM</th><th>FILE</th><th>TITTLE</th><th>HECTARES</th></tr><tr><td>Hidalgo</td><td>1794</td><td>166374</td><td>99.00</td></tr><tr><td>Hidalgo 2</td><td>1796</td><td>166369</td><td>99.00</td></tr><tr><td>Hidalgo 3</td><td>1797</td><td>166368</td><td>99.00</td></tr><tr><td>Hidalgo 4</td><td>1798</td><td>166366</td><td>99.00</td></tr><tr><td>Hidalgo 5</td><td>1799</td><td>166370</td><td>99.00</td></tr><tr><td>Hidalgo 6</td><td>1800</td><td>166371</td><td>99.00</td></tr><tr><td>Hidalgo 7</td><td>1801</td><td>166373</td><td>99.00</td></tr><tr><td>Hidalgo 8</td><td>1802</td><td>166372</td><td>99.00</td></tr><tr><td>Hidalgo 9</td><td>1803</td><td>166375</td><td>99.00</td></tr><tr><td>Kino 2</td><td>1886</td><td>166313</td><td>100.00</td></tr><tr><td>Kino 3</td><td>1887</td><td>166312</td><td>100.00</td></tr><tr><td>Kino 4</td><td>1888</td><td>166314</td><td>100.00</td></tr><tr><td>Kino 8</td><td>1892</td><td>166315</td><td>100.00</td></tr><tr><td>Kino 9</td><td>1893</td><td>166316</td><td>100.00</td></tr><tr><td>Kino 10</td><td>1894</td><td>166317</td><td>100.00</td></tr><tr><td>Kino 11</td><td>1895</td><td>166318</td><td>100.00</td></tr><tr><td>Kino 15</td><td>1899</td><td>166365</td><td>100.00</td></tr><tr><td>Kino 16</td><td>1800</td><td>166367</td><td>100.00</td></tr><tr><td>San Simón</td><td>1894</td><td>166376</td><td>100.00</td></tr><tr><td>San Simón 2</td><td>1895</td><td>166377</td><td>100.00</td></tr><tr><td>El Alacrán</td><td>E.4.1.3/1182</td><td>201817</td><td>3,442.36</td></tr><tr><td>TOTAL SURFACE</td><td></td><td></td><td>5,433.36</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.
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 (Mesa de Plata, 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.*	Refer to figures and tables in the report which provide all relevant details.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All reported mineralised intervals have been length-weighted. No top cuts have been applied. High grade intervals internal to broader mineralised zones, if existing, are reported as included zones. Overall Mineralised Zones were calculated using a 40g/t Ag lower grade cut-off. High Grade Zones were calculated using a 100g/t Ag lower grade cut-off. Included Zones within the High Grade Zones used a 200g/t Ag lower grade cut-off. No metal equivalent values 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 zones are unknown at this time and therefore all mineralised intersections are reported as "intercept length" and may not reflect true width.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in the accompanying report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Company believes that the ASX announcement is a balanced report with all material results reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	This announcement refers to previous exploration results including geophysics, geochemistry and geology.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive*	Further work to better understand the mineralisation systems in the project area will be determined upon a full analysis and interpretation of results.