

ASX: AZS

25 September 2015

SILVER DISCOVERY ENHANCED BY MORE HIGH GRADE SAMPLING RESULTS

HIGHLIGHTS

- Mineralised strike length extended to the north for a further 200-250m, now up to 900m
- Area of outcropping silver mineralisation is estimated at 160,000m²
- Outcrop sampling returns high grade silver assays, including 489g/t Ag, 152g/t Ag & 137g/t Ag
- Mineralisation is contained in the same rock unit as the nearest drill intercept: LM-09: 9m @ 1,235g/t Ag from 3.0m depth

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to advise that excellent results from rock chip sampling has further enhanced the potential of the recently announced high grade silver discovery at its Alacrán Project in Mexico.

The high grade results indicate that the vuggy silica unit which hosts the silver mineralisation at Mesa de Plata (see Figure 1) may extend for at least an additional 200m to 250m to the north, giving a possible strike length of more than 900 metres and a total surface area of approximately 160,000m² (see Figure 2).

Azure's Managing Director, Tony Rovira said the strike length extensions had enlarged the prospective area of the original discovery (refer ASX release 16/9/15) and provided an abundance of drill targets.

"There is clearly a significant body of silver mineralisation here, and we will move quickly to determine the size, scale and economic value of this discovery," he said.

Azure has submitted an application for environmental approval for sufficient drill sites to enable a close-spaced drill program to be undertaken covering Mesa de Plata. Approval of this application is expected within 4-6 weeks and the next phase of RC drilling will commence as soon as practicable.

Meanwhile, Azure is continuing to carry out surface exploration, identifying new areas prospective for silver mineralisation. The Company's geologists are currently undertaking an extensive program of mapping and sampling to the east and north of Mesa de Plata where there is outcropping vuggy silica similar to that discovered at Mesa de Plata.



Figure 1: Sampling of mineralised outcrop at Mesa de Plata

RESULTS

Azure’s very successful maiden drilling program discovered large thicknesses of near-surface silver mineralisation at Mesa de Plata. Subsequent follow-up mapping and outcrop sampling have significantly extended the mineralised zone further to the north (see Figure 2).

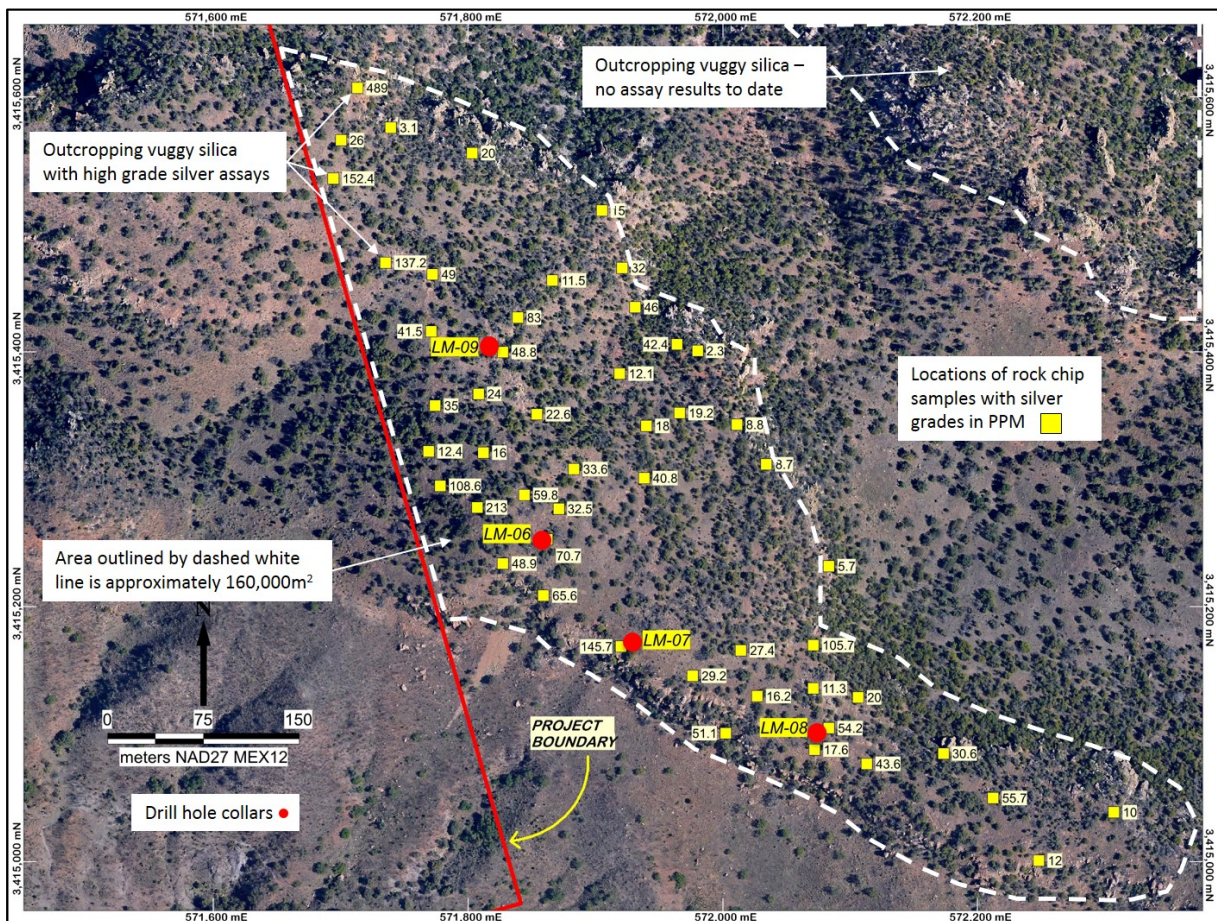


Figure 2: Outcrop sampling results at Mesa de Plata

In this northern area, three samples returned silver assays greater than 100g/t Ag, up to a maximum of **489g/t Ag** in the northernmost sample. This indicates that the high grade mineralisation extends for at least a further 200-250m to the north of drill hole LM-09, which returned **39m @ 347g/t Ag** from surface, including **9m @ 1,235g/t Ag** from 3.0m depth.

Azure has collected a total of 52 rock chip and channel samples from the outcropping flat-lying layer of vuggy silica rock that caps the Mesa de Plata ridge. The most recent program of 28 samples returned anomalous to very high grade silver assays, with a maximum value of **489g/t Ag** (see Table 1).

The four drill holes recently completed by Azure confirm that the silver anomalism occurring at surface is representative of a body of silver mineralisation with similar to higher grades that extends to significant depths (up to 70m below surface).

Drilling indicates the depth of the lower contact of the vuggy silica host rock is at a reasonably consistent elevation, mostly between 1,530m to 1,550mASL (metres above sea level). Using this elevation as the base of mineralisation, the vuggy silica unit extends over an area of approximately 160,000m² with a thickness ranging up to 70m.

TABLE 1: SILVER ASSAY RESULTS FROM OUTCROP SAMPLING

SAMPLE NUMBER	SAMPLE TYPE	SAMPLE LENGTH (m)	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	GRADE Ag (g/t)
ALR-1695	Chip-Channel	4.5	571871	3415277	1594	32.5
ALR-1696	Chip-Channel	3.4	571883	3415308	1585	33.6
ALR-1697	Chip-Channel	3.4	571938	3415301	1577	40.8
ALR-1698	Chip-Channel	3.6	571844	3415288	1595	59.8
ALR-1699	Chip-Channel	4.0	571812	3415321	1587	16.0
ALR-1700	Chip-Channel	4.5	571769	3415322	1579	12.4
ALR-1701	Chip-Channel	3.9	571778	3415295	1584	108.6
ALR-1702	Chip-Channel	5.0	571774	3415358	1575	35.0
ALR-1703	Chip-Channel	4.8	571827	3415400	1571	48.8
ALR-1704	Chip-Channel	4.3	571866	3415456	1558	11.5
ALR-1705	Chip-Channel	4.0	571854	3415351	1577	22.6
ALR-1706	Chip-Channel	5.7	572106	3415129	1582	20.0
ALR-1707	Chip-Channel	3.6	572071	3415136	1586	11.3
ALR-1708	Chip-Channel	3.3	572071	3415170	1575	105.7
ALR-1709	Chip-Channel	2.3	572083	3415232	1557	5.7
ALR-1710	Chip-Channel	3.3	572034	3415312	1564	8.7
ALR-1711	Chip-Channel	3.8	571931	3415435	1538	46.0
ALR-1712	Chip-Channel	1.3	571964	3415406	1550	42.4
ALR-1713	Chip-Channel	3.6	571919	3415383	1555	12.1
ALR-1714	Chip-Channel	3.5	571980	3415401	1554	2.3
ALR-1715	Chip-Channel	4.0	572011	3415343	1559	8.8
ALR-1716	Chip-Channel	2.0	571966	3415352	1562	19.2
ALR-1717	Chip-Channel	3.0	571940	3415342	1566	18.0
ALR-1718	Chip-Channel	3.7	571771	3415416	1567	41.5
ALR-1719	Chip-Channel	3.8	571735	3415470	1563	137.2
ALR-1720	Chip-Channel	4.5	571694	3415536	1567	152.4
ALR-1721	Chip-Channel	4.1	571739	3415576	1553	3.1
ALR-1722	Chip-Channel	3.2	571713	3415607	1560	489.0

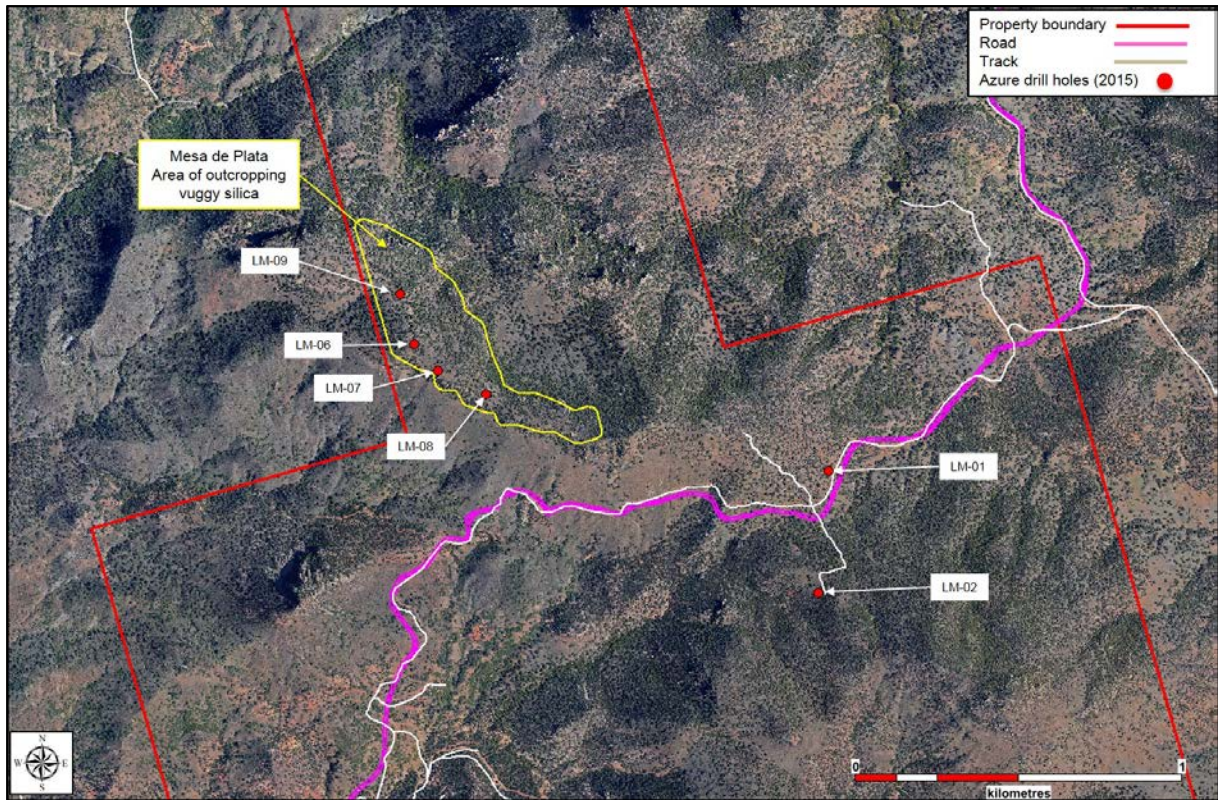


Figure 3: Aerial photograph of Mesa de Plata

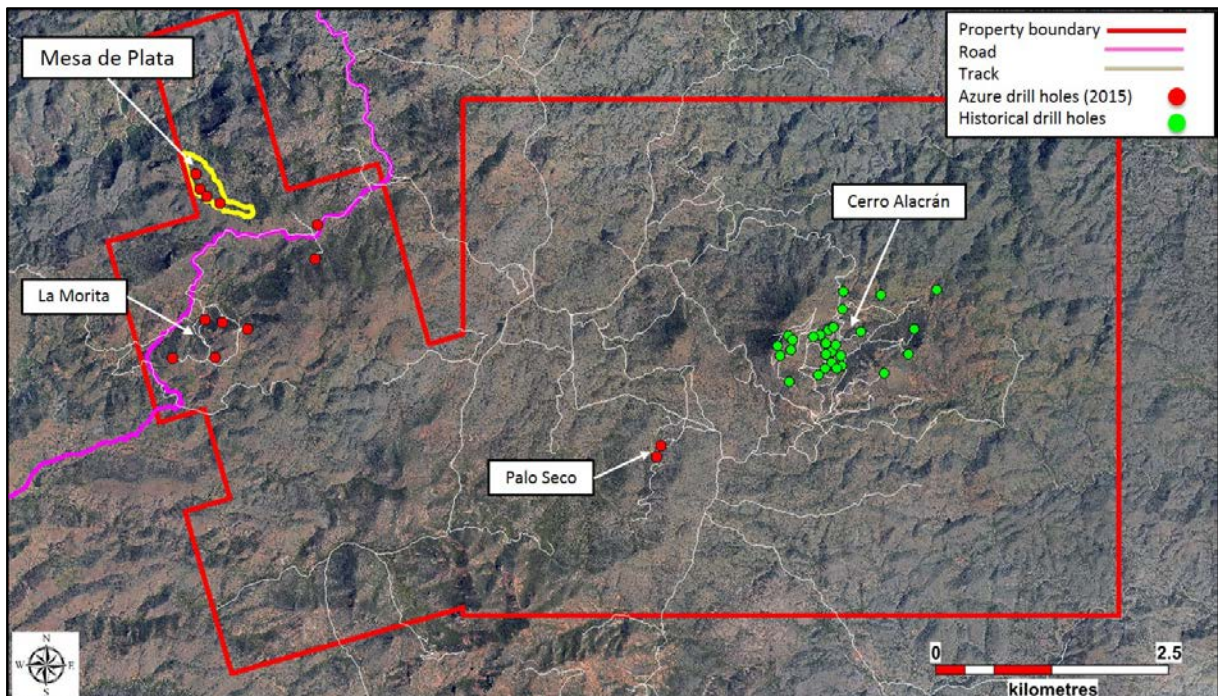


Figure 4: Aerial photograph of Alacrán property with mineral prospects & drill holes

ALACRÁN BACKGROUND

Alacrán is located in northern Mexico approximately 50km south of the USA border. The property covers 54km² 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. This is one of Mexico's premier mining districts, with world class production of copper together with significant amounts of gold, silver and molybdenum.

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-

For further information, please contact:

Tony Rovira
Managing Director
Azure Minerals Limited
Ph: +61 8 9481 2555

Media & Investor Relations
Michael Weir / Richard Glass
Citadel-MAGNUS
Ph:+61 8 6160 4903

or visit www.azureminerals.com.au

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 cross-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.

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>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.</i></p>	<p>Type of samples collected were:</p> <ol style="list-style-type: none"> Chip samples from outcropping rock material. Continuous chip sampling along a marked channel over a defined length. <p>Sample locations were determined by hand-held GPS.</p> <p>Sample 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.</p> <p>Envelopes containing the 250g sample pulps were sent via courier to the Acme laboratory in Vancouver, Canada for analysis.</p> <p>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).</p> <p>Fire Assay method FA430 was used for gold.</p> <p>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).</p>
Drilling techniques	<p><i>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).</i></p>	<p>This release has no reference to drilling.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>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.</i></p>	<p>This release has no reference to drilling.</p>
Logging	<p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>This release has no reference to drilling.</p> <p>Samples were collected and described by geological personnel.</p> <p>Photographs were taken of samples and sample sites.</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling</i></p>	<p>No samples were collected from drilling.</p> <p>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.</p> <p>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</p>

	<p><i>stages to maximise representivity of samples.</i></p> <p><i>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.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>>85% passing 75 micron screen. Envelopes containing the 250g pulps were sent via courier to the Acme laboratory in Vancouver.</p> <p>No duplicate, standard or blank check samples were submitted.</p> <p>The sample sizes are considered appropriate to the grain size of the material being sampled.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>	<p>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. Following the four-acid digest, the analytical method used was MA300 (for silver and base metals by ICP-MS).</p> <p>Fire Assay method FA430 was used for gold.</p> <p>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).</p> <p>Internal laboratory control procedures comprised duplicate sampling of randomly selected assay pulps, as well as internal laboratory standards and blanks.</p>
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>	<p>Senior technical personnel from the Company (Project Geologists and Exploration Manager) inspected the samples.</p> <p>No drilling was undertaken.</p> <p>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.</p> <p>Digital data storage, verification and validation are managed by an independent data management company.</p> <p>No adjustments or calibrations have been made to any assay data.</p>
Location of data points	<p><i>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.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Sample locations were determined by hand-held GPS.</p> <p>The grid system used is NAD27 Mexico UTM Zone 12 for easting, northing and RL.</p>
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>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.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>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.</p> <p>Channel samples were collected by continuous chip sampling perpendicular across the strike of the observed mineralised zone in outcrop.</p> <p>Data spacing and distribution is insufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation procedures.</p> <p>No composite samples were collected.</p>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>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.</i></p>	<p>Geological controls and orientations of the mineralised zone are unknown at this time and it is not possible to determination potential sampling bias.</p>
Sample security	<p><i>The measures taken to ensure sample security.</i></p>	<p>Assay samples were placed in poly sample bags, each with a uniquely numbered ticket stub from a</p>

		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	<i>The results of any audits or reviews of sampling techniques and data.</i>	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	<p><i>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.</i></p> <p><i>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.</i></p>	<p>The Alacrán Project comprises 22 mineral concessions 100% owned by Minera Teck SA de CV, a subsidiary of Teck Resources Limited.</p> <table border="1"> <thead> <tr> <th>CLAIM</th> <th>FILE</th> <th>TITLE</th> <th>HECTARES</th> </tr> </thead> <tbody> <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> </tbody> </table> <p>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 back-in up to 65% ownership.</p> <p>A 2% Net Smelter Royalty is held by Grupo Mexico.</p> <p>The tenements are secure and are in good standing. There are no known impediments to obtaining a licence to operate in the area.</p>	CLAIM	FILE	TITLE	HECTARES	Hidalgo	1794	166374	99.00	Hidalgo 2	1796	166369	99.00	Hidalgo 3	1797	166368	99.00	Hidalgo 4	1798	166366	99.00	Hidalgo 5	1799	166370	99.00	Hidalgo 6	1800	166371	99.00	Hidalgo 7	1801	166373	99.00	Hidalgo 8	1802	166372	99.00	Hidalgo 9	1803	166375	99.00	Kino 2	1886	166313	100.00	Kino 3	1887	166312	100.00	Kino 4	1888	166314	100.00	Kino 8	1892	166315	100.00	Kino 9	1893	166316	100.00	Kino 10	1894	166317	100.00	Kino 11	1895	166318	100.00	Kino 15	1899	166365	100.00	Kino 16	1800	166367	100.00	San Simón	1894	166376	100.00	San Simón 2	1895	166377	100.00	El Alacrán	E.4.1.3/1182	201817	3,442.36	TOTAL SURFACE			5,433.36
CLAIM	FILE	TITLE	HECTARES																																																																																											
Hidalgo	1794	166374	99.00																																																																																											
Hidalgo 2	1796	166369	99.00																																																																																											
Hidalgo 3	1797	166368	99.00																																																																																											
Hidalgo 4	1798	166366	99.00																																																																																											
Hidalgo 5	1799	166370	99.00																																																																																											
Hidalgo 6	1800	166371	99.00																																																																																											
Hidalgo 7	1801	166373	99.00																																																																																											
Hidalgo 8	1802	166372	99.00																																																																																											
Hidalgo 9	1803	166375	99.00																																																																																											
Kino 2	1886	166313	100.00																																																																																											
Kino 3	1887	166312	100.00																																																																																											
Kino 4	1888	166314	100.00																																																																																											
Kino 8	1892	166315	100.00																																																																																											
Kino 9	1893	166316	100.00																																																																																											
Kino 10	1894	166317	100.00																																																																																											
Kino 11	1895	166318	100.00																																																																																											
Kino 15	1899	166365	100.00																																																																																											
Kino 16	1800	166367	100.00																																																																																											
San Simón	1894	166376	100.00																																																																																											
San Simón 2	1895	166377	100.00																																																																																											
El Alacrán	E.4.1.3/1182	201817	3,442.36																																																																																											
TOTAL SURFACE			5,433.36																																																																																											
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>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.</p> <p>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.</p> <p>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</p>																																																																																												

		<p>surveys over the Palo Seco and La Morita prospects in 1981.</p> <p>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).</p> <p>Minera Teck S.A. de C.V., a Mexican subsidiary of Teck Resources Limited acquired the property in 2013 and undertook limited surface exploration.</p> <p>Azure Minerals acquired the rights to the project in December 2014 through its fully owned Mexican subsidiary company Minera Piedra Azul SA de CV.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>Various styles of mineralisation occur on the property.</p> <p>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).</p> <p>Secondary copper oxide and chalcocite mineralisation occur in volcanic rocks (La Morita and Cerro Alacrán).</p> <p>Primary copper mineralization is hosted in porphyry rocks.</p>
Drill hole information	<p><i>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:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> <p><i>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.</i></p>	<p>This release has no reference to drilling.</p>
Data aggregation methods	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>The continuous channel sampling results were calculated by length weighted averaging.</p> <p>No maximum and/or minimum grade truncations (eg cutting of high grades) or cut-off grades were applied.</p> <p>No metal equivalents were reported.</p>
Relationship between mineralisation widths and intercept lengths	<p><i>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').</i></p>	<p>Geological mapping and logging of cuttings from RC drill holes indicate that the silver mineralisation is hosted in a horizontal layer of vuggy silica rock that forms the capping on the ridge.</p> <p>Previously reported RC drill holes were drilled with a vertical dip.</p>
Diagrams	<p><i>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.</i></p>	<p>Refer to Figures in attached report</p>
Balanced reporting	<p><i>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.</i></p>	<p>The Company believes that the ASX announcement is a balanced report with all material results reported.</p>

Other substantive exploration data	<i>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.</i>	This announcement refers to previous exploration results including geophysics, geochemistry and geology.
Further work	<i>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</i>	Further work to better understand the mineralisation systems in the project area will comprise additional geological mapping and sampling, geophysical surveys (IP and magnetics) and drilling.