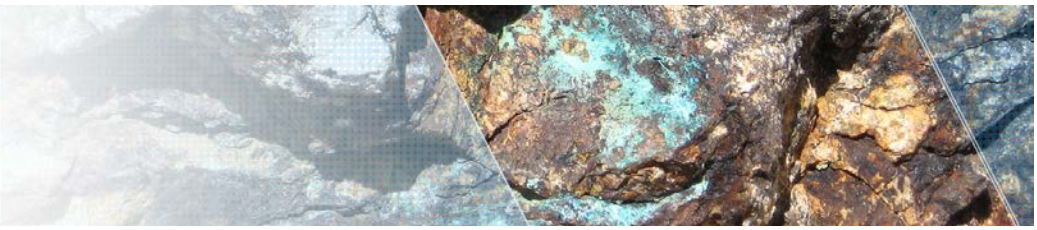

**ASX: AZS** **6 October 2015**

# DIAMOND DRILLING UNDERWAY AT MESA DE PLATA

**Key Points:**

- **Mesa De Plata: Diamond drilling underway to test high-grade silver discovery**
- **La Morita: Assay results identify wide zones of anomalous copper mineralisation**

**Azure Minerals Limited** (ASX: AZS) ("Azure" or "the Company") is pleased to advise that diamond core drilling is underway on the Mesa de Plata silver prospect, part of the Alacrán Project, located in the northern Mexican state of Sonora

Following the successful discovery of extensive, high grade silver mineralisation in the maiden Reverse Circulation (RC) drilling program (refer ASX release of 16 September 2015), a follow-up diamond core drilling program has commenced at Mesa de Plata. Four holes are planned for approximately 800m of drilling, and hole locations are shown in Figure 1.

The purpose of this drilling is to provide drill core for mineralogical and metallurgical studies of the high grade silver mineralisation, and to provide a comparison between diamond core results versus RC results for mineral resource estimation purposes.

The first three holes will twin the three RC drill holes with strongest silver mineralisation (LM-06, 07 & 09). A summary of the intersections in these holes is shown in Table 1.

**Table 1: Silver mineralised drill intercepts from maiden RC drilling program**

| 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.

The fourth hole will be drilled in the northern part of the Mesa de Plata zone, where surface sampling returned high silver grades up to 489g/t Ag, (refer ASX release 25 September 2015) in order to test the northern extent of the Mesa de Plata deposit.

The diamond drill program is expected to take four weeks to complete, and Azure will provide an update when results are available. Azure is also awaiting approval for a close-spaced RC drilling program to be undertaken covering Mesa de Plata.

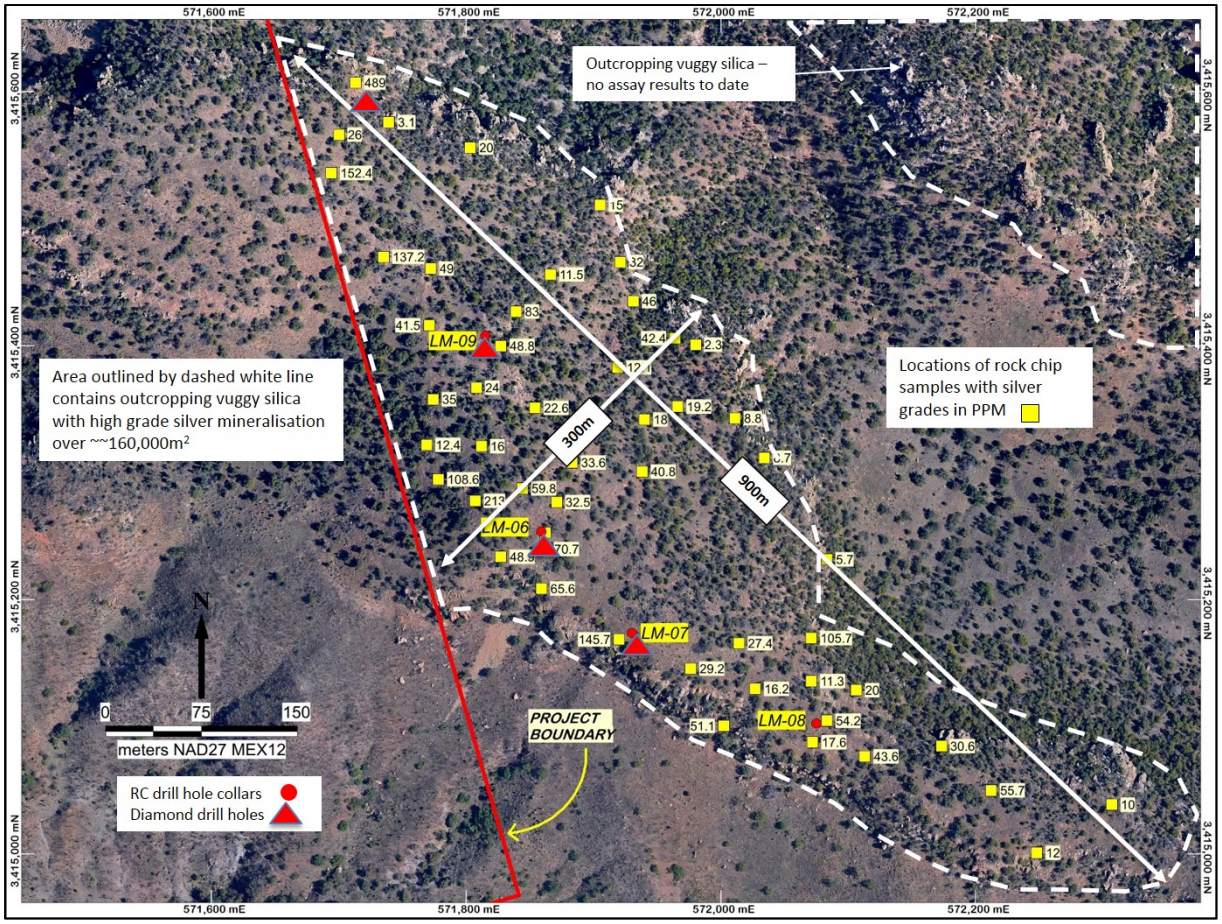


**Figure 1: Aerial photograph of Mesa de Plata showing planned locations of diamond core drill holes, RC drill holes and surface sampling results (refer ASX releases dated 16/09/15 and 25/09/15)**

## DRILLING RESULTS FROM LA MORITA

Azure has received final assays from the six RC holes drilled to test the La Morita prospect for porphyry-related copper mineralisation. Five of the six holes targeted geochemical anomalies presenting as secondary copper mineralisation located at surface and within the underground mine workings (refer ASX releases 3 June and 24 June 2015). These anomalies were considered potentially indicative of a blanket of supergene copper or primary, porphyry-hosted copper sulphide mineralisation.

All six drill holes intersected wide zones of highly anomalous copper values (up to 0.5% Cu), which are similar to the grades identified at surface. However no primary porphyry mineralisation nor supergene mineralisation blanket was intersected.

The anomalism encountered does not sufficiently explain the source of the secondary copper mineralisation or the high grade copper mineralisation sampled within the La Morita adit. The source may occur at depth in association with the strong chargeability anomaly identified by the Induced Polarisation (IP) survey (refer ASX release dated 02/07/15), and further investigation is required.

One hole (LM-10) targeted the southern edge of the chargeability anomaly, but due to limitations with the drill rig, the hole was terminated at a down-hole depth of 290m, well short of the 500m target. Importantly, the hole intersected rocks with potassic alteration, significant quantities of pyrite mineralisation, and abundant quartz veinlets. These features suggest the nearby presence of porphyry style mineralisation, and further geochemical analysis will be undertaken to test this possibility.

In order to test the strongest area within the IP chargeability anomaly for porphyry copper mineralisation, an application for a permit to construct access roads into the area and drill pads has been submitted.

In the short term, given the significance of the new silver discovery at Mesa de Plata, and the high priority, intensive exploration and development activities planned for that project, further exploration to determine the source of the copper mineralisation encountered at La Morita, including deep diamond drilling, will take place at a later date.

**TABLE 2: Drill Hole Information - Completed in 2015 by Azure**

| 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 |

**-ENDS-**

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

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

**APPENDIX 1:**

## 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. 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 20$^{th}$ 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.

# 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.*<br><br>*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br><br>*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.<br><br>Drill hole collar locations were determined by hand-held GPS.<br><br>No downhole surveys were undertaken.<br><br>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.<br><br>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.<br><br>Envelopes containing the 250g sample pulps were sent via courier to the Acme laboratory in Vancouver, Canada for analysis.<br><br>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.<br><br>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.<br><br>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.*<br><br>*Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br><br>*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.<br><br>RC samples were visually checked for recovery, moisture and contamination and notes made in the logs.<br><br>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.*<br><br>*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br><br>*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.<br><br>Logging of RC chips recorded lithology, mineralogy, mineralisation, weathering, colour, and other sample features. RC chips are stored in plastic RC chip trays.<br><br>When completed, each plastic chip tray was photographed.<br><br>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.*<br><br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br><br>*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br><br>*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.*<br><br>*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).<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.*<br><br>*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.*<br><br>*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.<br><br>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.<br><br>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).<br><br>Azure implemented industry standard QAQC protocols to monitor levels of accuracy and precision.<br><br>Internal laboratory control procedures comprised duplicate sampling of randomly selected assay pulps, as well as internal laboratory standards and blanks.<br><br>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.<br><br>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.<br><br>The use of twinned holes.<br><br>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.<br><br>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.<br><br>No drill holes were twinned as this was deemed unnecessary at this stage of exploration.<br><br>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.<br><br>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.*<br><br>*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.<br><br>No downhole surveys were undertaken.<br><br>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.*<br><br>*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.*<br><br>*Whether sample compositing has been applied.* | Being a reconnaissance exploration drill program, drill hole spacing is variable.<br><br>Data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for a Mineral Resource estimation procedure.<br><br>Data spacing and distribution is insufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation procedures.<br><br>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.*<br><br>*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.<br><br>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

<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.<br><br>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.<br><br>
<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>
<br>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.<br><br>A 2% Net Smelter Royalty is held by Grupo Mexico.<br><br>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.<br><br>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.<br><br>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.<br><br>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).<br><br>Minera Teck S.A. de C.V., a Mexican subsidiary of Teck Resources Limited acquired the property in 2013 and undertook limited surface exploration.<br><br>Azure Minerals acquired the rights to the project in December 2014 through its fully owned Mexican subsidiary company Minera Piedra Azul SA de CV.</td></tr>
<tr><td>Geology</td><td>Deposit type, geological setting and style of mineralisation.</td><td>Various styles of mineralisation occur on the property.<br><br>Intermediate sulphidation epithermal veins and stockworks host silver, lead, zinc, copper and gold in</td></tr>
</table>

| | | |
|---|---|---|
| | | volcaniclastic rocks (Mesa de Plata, San Simon, Palo Seco and Alacrán).<br><br>Secondary copper oxide and chalcocite mineralisation occur in volcanic rocks (La Morita and Cerro Alacrán).<br><br>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:*<br><br>• *easting and northing of the drill hole collar*<br>• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>• *dip and azimuth of the hole*<br>• *down hole length and interception depth*<br>• *hole length.*<br><br>*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.*<br><br>*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.*<br><br>*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.<br><br>High grade intervals internal to broader mineralised zones, if existing, are reported as included zones.<br><br>Overall Mineralised Zones were calculated using a 40g/t Ag lower grade cut-off.<br><br>High Grade Zones were calculated using a 100g/t Ag lower grade cut-off.<br><br>Included Zones within the High Grade Zones used a 200g/t Ag lower grade cut-off.<br><br>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).*<br>*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. |