

ASX: AZS

10 FEBRUARY 2016

# **NEW SILVER ZONE FOUND NORTH OF MESA DE PLATA**

## **HIGHLIGHTS**

- A new zone of high grade silver mineralisation over an area of 350m x 150m has been identified north of Mesa de Plata
- The zone remains open along strike to the north
- Better silver assays from surface sampling include:

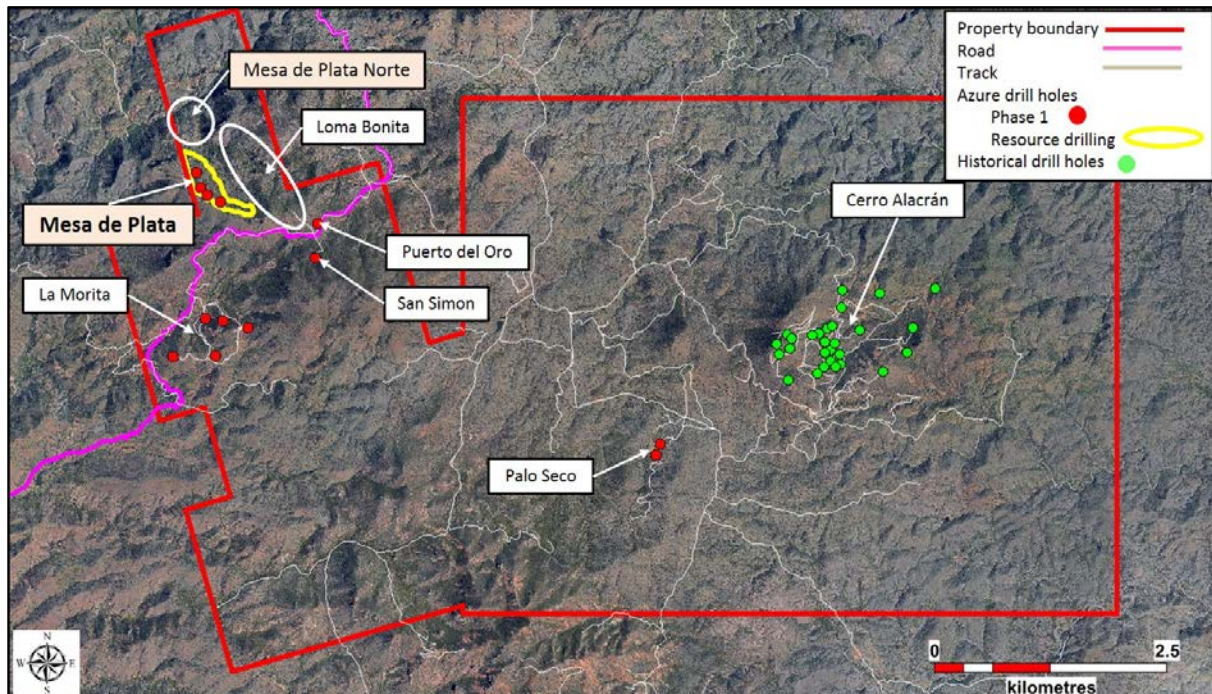
<b><u>Sample No.</u></b>	<b><u>Sample Length</u></b>	<b><u>Sample Type</u></b>	<b><u>Silver (g/t)</u></b>
ALR-2569	4.5m	Rock chip channel sample	1,902
ALR-2570	3.2m	Rock chip channel sample	1,511
ALR-2568	2.7m	Rock chip channel sample	698
ALR-2578	2.3m	Rock chip channel sample	449
ALR-2572	3.5m	Rock chip channel sample	323
ALR-2587	2.7m	Rock chip channel sample	180
ALR-2603	2.5m	Rock chip channel sample	154
ALR-2584	2.4m	Rock chip channel sample	152
ALR-2577	3.7m	Rock chip channel sample	133

- Mineralisation appears to be consistent across the plateau, with 37 of 56 samples grading >30g/t Ag and 12 samples grading > 100g/t Ag
- Planning for a drill program to test this new zone is underway

Azure's Managing Director, Tony Rovira, stated: "Our ongoing exploration activities throughout the Alacrán property continue to generate positive results for additional silver and gold prospects. In this case, sampling to the north of Mesa de Plata has returned some of the highest silver grades so far encountered at Alacrán. We've submitted permit applications and we're looking forward to drilling this exciting prospect as soon as possible."

## SURFACE SAMPLING RESULTS

Mapping and surface sampling activities are ongoing in several areas across the Alacrán project. This report provides information on high grade silver assays returned from an area located to the north of the Mesa de Plata silver mineralised zone (see Figure 1).



**Figure 1: Alacrán project showing prospect locations, including Mesa de Plata Norte**

This new prospect, locally-termed Mesa de Plata Norte (MDP Norte), appears to form a northerly continuation of Mesa de Plata (see Figure 2), where silver mineralisation is hosted in silicic rocks that form a prominent ridge.

Resource drilling at Mesa de Plata terminated at the northern end of the ridge where a steep slope drops more than 75m in elevation. At the base of this slope, a gentle north-sloping plateau is formed, covering an area of at least 350m (north-south) by 150m (east-west).

Like the Mesa de Plata ridge, the MDP Norte plateau is erosion-resistant, characterised by large outcrops of residual silica, silicified breccia and silicified volcanic rocks (see photos in Figures 4 & 5).

Azure has completed a two-stage sampling program across these outcrops, collecting 56 rock chip channel samples within an area of 350m x 150m (see Figure 3). The majority of the samples returned high grade silver assays (37 of 56 samples returned silver grades >30g/t Ag with 12 samples returning >100g/t Ag). Encouragingly, silver mineralisation is present throughout the MDP Norte plateau and the tenor of silver grades are significantly higher than those returned from surface sampling of the nearby Mesa de Plata ridge.

The Company has designed a reconnaissance drilling program to test the MDP Norte prospect and application for the necessary permit has been submitted.

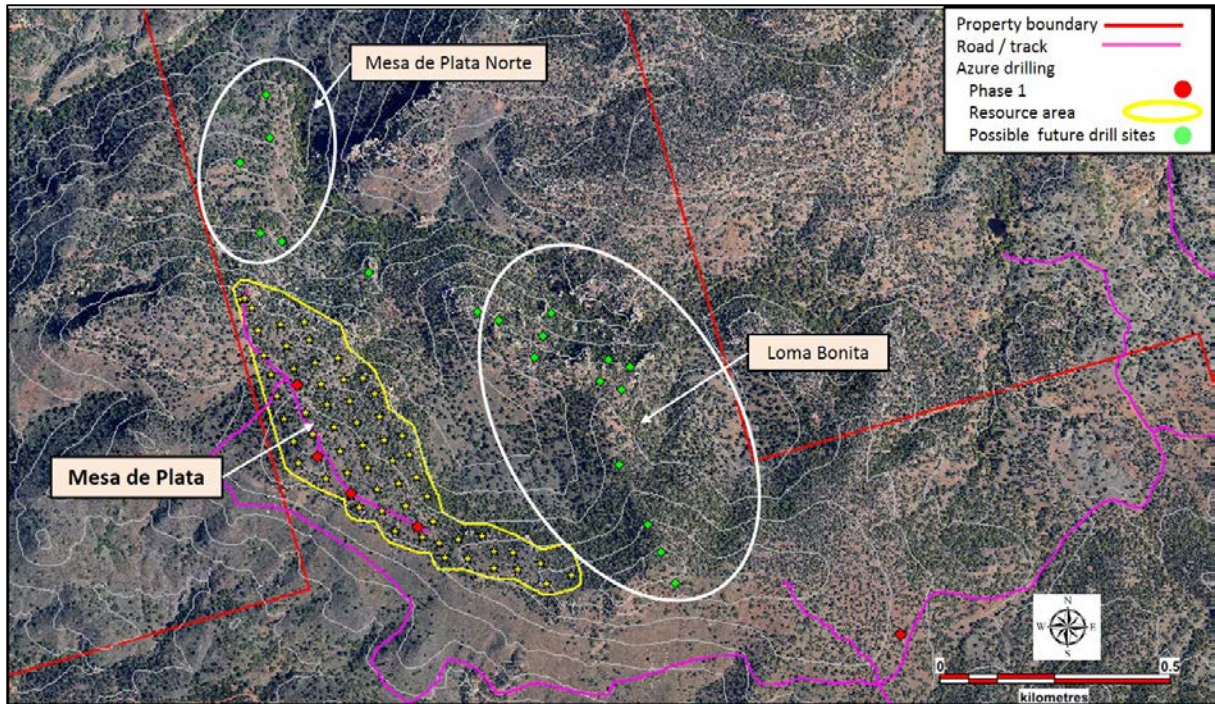


Figure 2: Prospect locations, northwest Alacrán

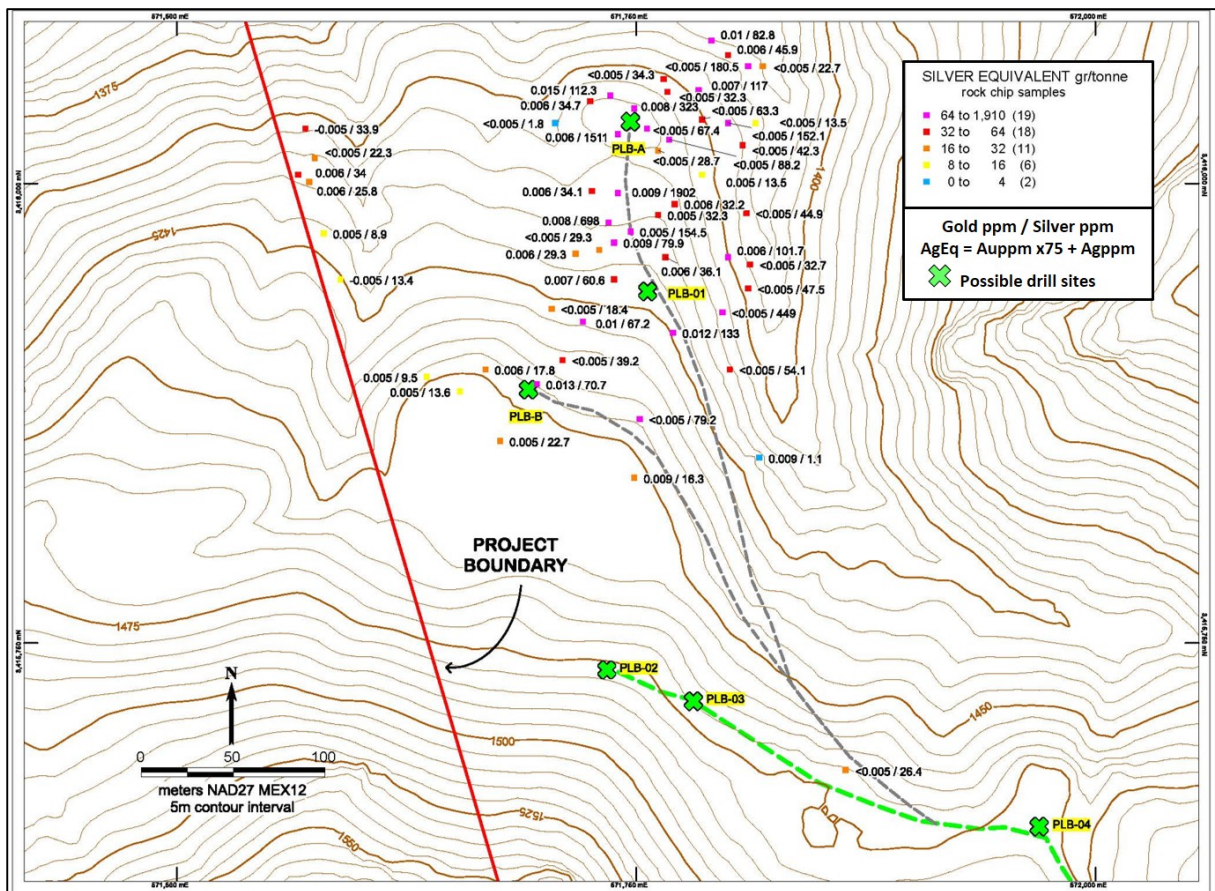


Figure 3: Sample locations and gold/silver assay results from Mesa de Plata Norte



**Figure 4: Outcrop containing high grade silver mineralisation at Mesa de Plata Norte  
(Sample No. ALR-2569: 1,902g/t Ag)**



**Figure 5: Outcrop containing high grade silver mineralisation at Mesa de Plata Norte  
(Sample No. ALR-2570: 1,511g/t Ag)**

**-ENDS-**

**For further information, please contact:**

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

**Media & Investor Relations**  
Rupert Dearden  
Citadel-MAGNUS  
Ph:+61 8 6160 4903  
Mob: +61 422 209 889

or visit [www.azureminerals.com.au](http://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.*

**APPENDIX 1**

**Table of silver assay results from sampling of Mesa de Plata Norte**

SAMPLE NUMBER	SAMPLE TYPE	SAMPLE LENGTH (m)	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	GRADE
						Ag (g/t)
ALR-2550	Rock chip channel	2.5	571864	3415681	1468	9.5
ALR-2561	Rock chip channel	3.8	571593	3415889	1450	8.9
ALR-2562	Rock chip channel	2.9	571580	3415973	1446	22.3
ALR-2563	Rock chip channel	3.0	571575	3416014	1439	18.4
ALR-2564	Rock chip channel	3.3	571704	3415932	1426	67.2
ALR-2565	Rock chip channel	2.1	571721	3415925	1427	60.6
ALR-2566	Rock chip channel	2.5	571738	3415948	1426	79.9
ALR-2567	Rock chip channel	3.4	571738	3415968	1412	<b>698.0</b>
ALR-2568	Rock chip channel	2.7	571735	3415979	1410	<b>1902.0</b>
ALR-2569	Rock chip channel	4.5	571740	3415995	1411	<b>1511.0</b>
ALR-2570	Rock chip channel	3.2	571740	3416027	1343	67.4
ALR-2571	Rock chip channel	3.5	571756	3416030	1340	<b>323.0</b>
ALR-2572	Rock chip channel	3.5	571749	3416041	1344	32.2
ALR-2573	Rock chip channel	3.3	571771	3415989	1358	36.1
ALR-2574	Rock chip channel	2.8	571766	3415960	1361	16.3
ALR-2575	Rock chip channel	2.5	571749	3415840	1384	79.2
ALR-2576	Rock chip channel	2.2	571752	3415872	1374	<b>133.0</b>
ALR-2577	Rock chip channel	3.0	571770	3415919	1353	<b>449.0</b>
ALR-2578	Rock chip channel	2.3	571797	3415930	1340	54.1
ALR-2579	Rock chip channel	3.2	571801	3415899	1355	34.3
ALR-2580	Rock chip channel	3.2	571765	3416057	1347	<b>117.0</b>
ALR-2581	Rock chip channel	2.1	571784	3416051	1345	32.3
ALR-2582	Rock chip channel	2.6	571767	3416050	1328	63.3
ALR-2583	Rock chip channel	2.6	571786	3416035	1396	<b>152.1</b>
ALR-2584	Rock chip channel	2.4	571800	3416033	1391	42.3
ALR-2585	Rock chip channel	2.8	571808	3416021	1393	13.5
ALR-2586	Rock chip channel	1.2	571815	3416033	1394	<b>180.5</b>

ALR-2587	Rock chip channel	2.7	571811	3416064	1398	22.7
ALR-2588	Rock chip channel	1.0	571819	3416064	1404	45.9
ALR-2589	Rock chip channel	2.0	571800	3416070	1412	82.8
ALR-2590	Rock chip channel	2.8	571791	3416078	1411	88.2
ALR-2591	Rock chip channel	1.9	571768	3416024	1397	28.7
ALR-2592	Rock chip channel	1.4	571762	3416018	1397	13.5
ALR-2593	Rock chip channel	1.9	571786	3416005	1388	44.9
ÁLR-2594	Rock chip channel	4.5	571810	3415984	1378	32.7
ALR-2595	Rock chip channel	2.2	571812	3415956	1382	47.5
ALR-2596	Rock chip channel	0.3	571811	3415943	1387	<b>101.7</b>
ALR-2597	Rock chip channel	2.2	571800	3415960	1392	32.3
ALR-2598	Rock chip channel	1.8	571762	3415983	1408	34.1
ALR-2599	Rock chip channel	3.5	571726	3415996	1417	<b>112.3</b>
ÁLR-2600	Rock chip channel	1.0	571736	3416048	1386	34.7
ALR-2601	Rock chip channel	1.8	571725	3416045	1404	1.8
ALR-2602	Rock chip channel	2.8	571706	3416033	1398	<b>154.5</b>
ALR-2603	Rock chip channel	2.5	571747	3415974	1411	29.3
ALR-2604	Rock chip channel	2.6	571730	3415964	1418	29.3
ALR-2605	Rock chip channel	2.1	571717	3415962	1429	39.2
ALR-2606	Rock chip channel	2.9	571710	3415904	1453	70.7
ALR-2607	Rock chip channel	2.6	571696	3415891	1459	22.7
ALR-2608	Rock chip channel	1.2	571676	3415860	1445	13.6
ALR-2609	Rock chip channel	1.3	571654	3415887	1445	17.8
ALR-2611	Rock chip channel	1.7	571575	3415948	1419	13.4
ALR-2615	Rock chip channel	4.4	571564	3415979	1445	25.8
ALR-2617	Rock chip channel	2.0	571557	3416007	1407	34.0
ALR-2618	Rock chip channel	1.8	571566	3416005	1404	33.9
ALR-2619	Rock chip channel	3.1	571570	3416030	1398	1.1
ALR-2620	Rock chip channel	2.5	571817	3415851	1427	9.5

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## **APPENDIX 2**

### **ALACRÁN BACKGROUND**

Alacrán is located in the northern Mexican state of Sonora approximately 50km south of the USA border. The property covers 54km<sup>2</sup> 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<sup>th</sup> 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	<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 continuous rock chip sampling along a marked channel over a defined length perpendicular across the strike of the observed mineralised zone.</p> <p>Sample locations were determined by hand-held GPS.</p> <p>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 &gt;70% passing a 2 mm screen. A 250g split was pulverised using a ring and puck system to &gt;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.</p> <p>Following the four-acid digest, the analytical method used was MA300 (for silver and base metals by ICP-MS). When undertaken, 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 &gt;1%) and FA530 (by fire assay with gravimetric finish for silver grading &gt;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>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 &gt;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>&gt;85% passing 75 micron screen. Envelopes containing the 250g pulps were sent via courier to the Acme laboratory in Vancouver.</p> <p>No standard and 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) initially involved a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals.</p> <p>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.</p> <p>Over-limit assays were re-analysed by MA370 (by ICP-ES for base metals grading &gt;1%) and FA530 (by fire assay with gravimetric finish for silver grading &gt;200ppm).</p> <p>No geophysical or portable analysis tools were used to determine assay values.</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>Rock chip channel samples were collected by continuous chip sampling along a marked line across the 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 sample ticket book. Sample bags were marked with the same sample number and sealed with a plastic</p>

		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><b>TOTAL SURFACE</b></td> <td></td> <td></td> <td><b>5,433.36</b></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 buy back 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	<b>TOTAL SURFACE</b>			<b>5,433.36</b>
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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																																																																																											
<b>TOTAL SURFACE</b>			<b>5,433.36</b>																																																																																											
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 20<sup>th</sup> 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 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>Epithermal veins and stockworks host silver, lead, zinc, copper and gold in volcanoclastic 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"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> </ul> <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>	This release has no reference to drilling.
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>All assays reported are from individual samples and no length weighted averaging was undertaken. No maximum and/or minimum grade truncations (eg cutting of high grades) or cut-off grades were applied.</p> <p>No metal equivalent values were reported.</p>
Relationship between mineralisation widths and intercept lengths	<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>	Geological controls and orientations of the mineralised zone are unknown at this time.
Diagrams	<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>	Refer to Figures in attached report
Balanced reporting	<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>	The Company believes that the ASX announcement is a balanced report with all material results reported.
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,</i>	This announcement refers to previous exploration results including geophysics, geochemistry and geology.

	<i>groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
Further work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>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></p>	Further work to better understand the mineralisation systems in the project area will comprise drilling.