ASX: AZS **9 May 2016**

AZURE BUOYED BY MESA DE PLATA RESOURCE

Total Mineral Resource of:

25.9 million ounces of Silver contained in 9.6 million tonnes @ 84g/t Ag

including a High Grade Zone of:

15.3 million ounces Silver contained in 2.2 million tonnes @ 219g/t Ag

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") has delivered a key milestone in the advancement of the Mesa de Plata silver deposit in Mexico with the release of a near-surface, multi-million ounce JORC Mineral Resource, located in Sonora, Mexico, (see Figure 1)

Highlights

- **Mesa de Plata is estimated to contain 25.9 million ounces of silver metal (refer to Table 1)**
- **15.3 million ounces of this silver is within the near-surface High Grade Zone**
- **100% of the resources are JORC Code reportable Indicated Mineral Resources**
- **Mineralisation, including the High Grade Zone, is open to the northwest and northeast**
- **Drill hole MDPD-014 (located 75m to the northeast and outside of the Mineral Resource) has intersected:**
  - **17.3m @ 45g/t Ag from surface; and a further**
  - **19.5m @ 68g/t Ag from 26.5m**
- **Potential high-grade extension at Mesa de Plata Norte will be drilled shortly**

Table 1: Mesa de Plata JORC Code Indicated Mineral Resource

Estimation Zone	Tonnes (millions)	Ag (g/t)	Ag Metal (million troy ounces)
High Grade	2.17	219.3	15.3
Mid-Grade	7.42	44.3	10.6
TOTAL	9.59	83.9	25.9

Notes: The total Mineral Resource estimate is reported using a ≥20 g/t Ag block cut-off grade based on capped grades estimates. Note the high grade part of the estimate is exclusive of the medium grade so the total resource is the sum of the two estimation domains.

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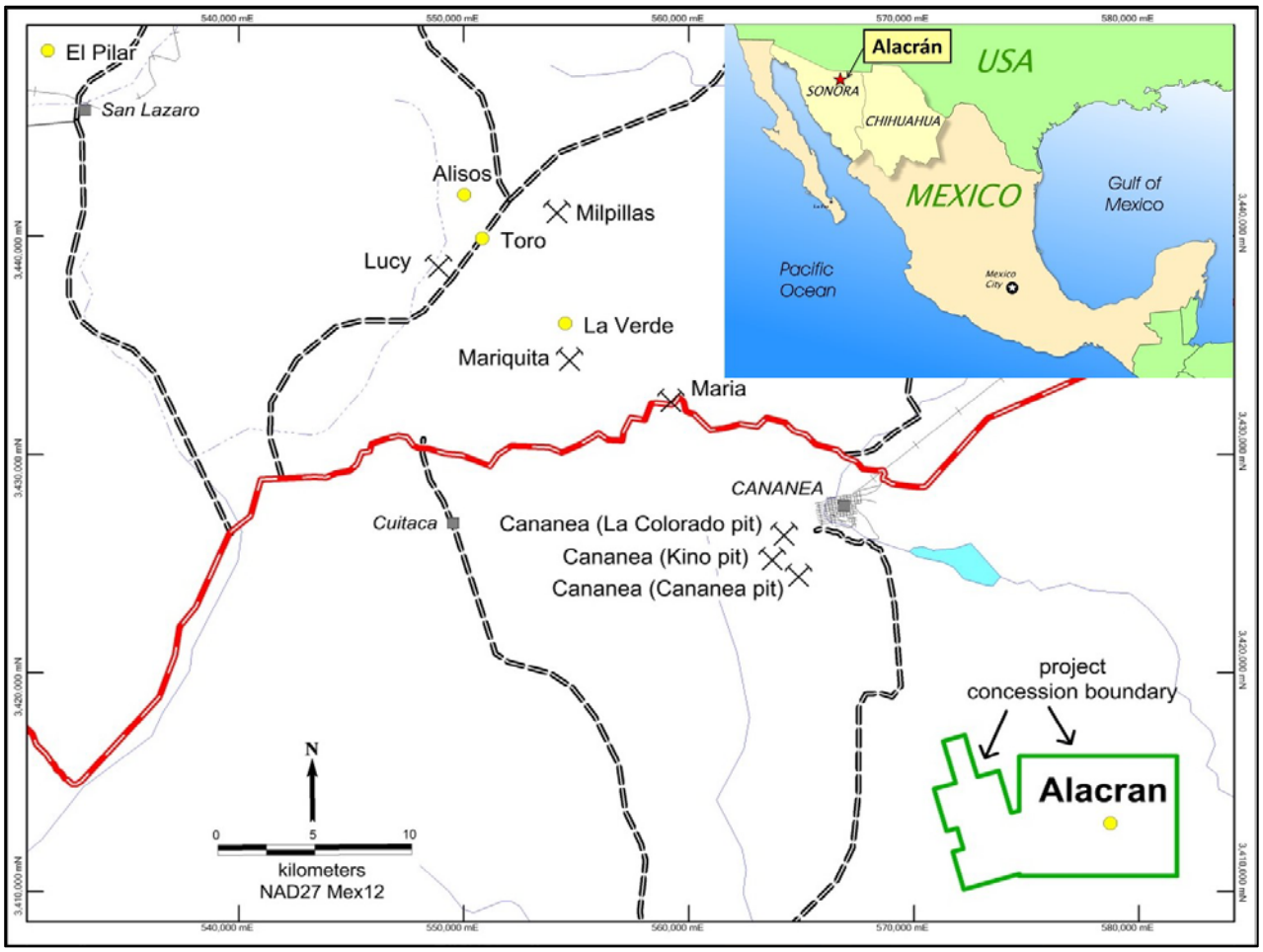
Azure's Managing Director, Tony Rovira, commented: *"I'm very pleased to present this first Mineral Resource for the Mesa de Plata silver deposit. In particular, the High Grade Zone presents an attractive near-term development option, and we're currently investigating this possibility. Additionally, I'm very confident that our recent exploration successes at the nearby Loma Bonita prospect, which has both gold and silver mineralisation, will significantly enhance the overall project."*

Figure 1: Alacrán Project Location Plan

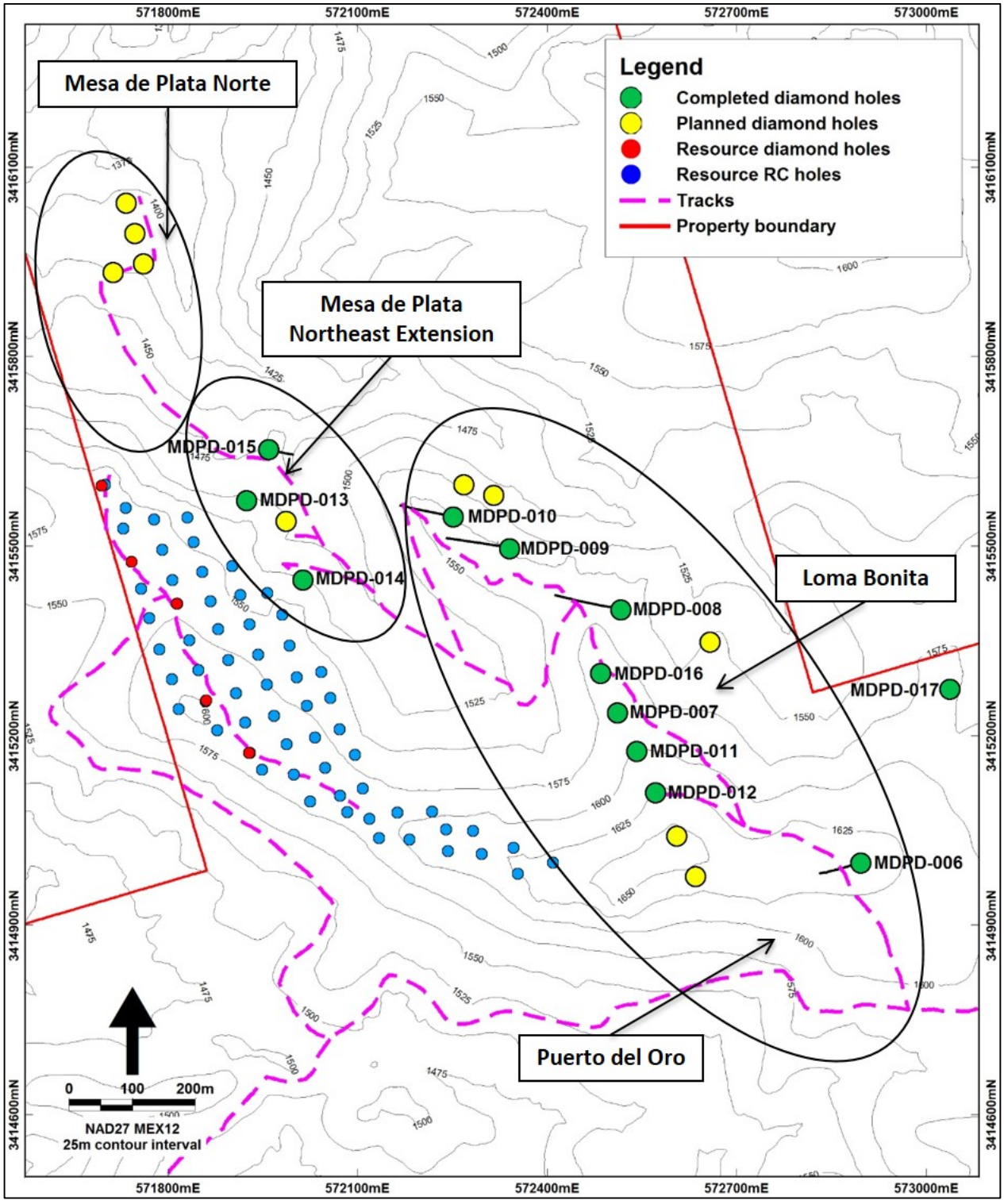


The completion of this Mineral Resource paves the way for Azure to continue to rapidly progress the Mesa de Plata project by:

- Drilling to expand the known Mineral Resource:
  - Immediately to the northeast of the deposit (potential already evident from MDPD-014);
  - 300m to the north at Mesa de Plata Norte where high grade silver mineralisation is present in outcropping rocks similar to those that host the Mesa de Plata deposit;
- Infill drilling to upgrade the High Grade Zone confidence to the Measured Resource category;
- Large diameter core drilling to collect bulk samples for metallurgical test work; and
- Early-stage development work to fully assess the potential development options.

Additionally, exploration drilling will continue at the nearby Loma Bonita and Puerto del Oro gold-silver prospects (see Figure 2), and other areas where ongoing reconnaissance is identifying new targets.

Figure 2: Drill hole plan for exploration targets at Mesa de Plata - Loma Bonita



Notes: Red bold line is the project's tenement boundary. Red and blue circles are the collar locations of the Mineral Resource drill holes. Green circle symbols are the collar locations of diamond core holes in the Mesa de Plata Extension (holes MDP-013 to -015) and Loma Bonita Prospects (holes MDP-006 to -012 and -016). Yellow circle symbols are holes planned to be drilled in the near future.

MESA DE PLATA MINERAL RESOURCE ESTIMATE

The Mesa de Plata Mineral Resource estimate has been prepared in accordance with the requirements and guidelines of the JORC Code (2012), and is detailed in the JORC Code summary tables appended to this release.

Mr Mark P. Murphy, Technical Director of Mining and Geology of Amec Foster Wheeler of Perth Western Australia, has prepared the Mineral Resource Estimate. Mr Murphy qualifies as a Competent Person, as defined under the JORC Code.

Geological Setting

Silver mineralisation at Mesa de Plata is hosted in a unit of sub-horizontal to gently northeast dipping volcanic strata. The mineralised host rock crops out extensively along a 1,000m long by up to 300m wide ridge.

The deposit was formed through high-sulphidation epithermal processes which preferentially altered and mineralised a favourable horizon, resulting in the mineralisation being hosted in a unit of silicified volcanic rocks and residual quartz (vuggy silica). The contact zone between the mineralised siliceous zone and the underlying footwall andesite, which can be up to 5m wide, comprises weakly mineralised andesite which gradationally changes to a barren andesite.

Potential Extensions

Drilling completed after the Mineral Resource estimation process (holes MDPD-013 & 014) has identified significant silver mineralisation to the northeast of the resource limits (refer to Table 2 & Figure 2). Significantly, diamond drill hole MDPD-014 has intersected two thick zones of silver mineralisation of 17.3m grading 45g/t Ag and 19.5m grading 68g/t Ag, both being approximate true thicknesses. Azure considers that these results indicate that there is potential for extending the Mesa de Plata resource to the northeast.

Table 2: Significant silver intercepts from MDPD-013 & 014

HOLE No	DEPTH (m)		WIDTH (m)	GRADE	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	AZIMUTH	DIP
	FROM	TO		Ag (g/t)					
MDPD-013	0.0	3.0	3.0	32	571925	3415572	1,505	000	-90
MDPD-014	0.0	17.3	17.3	45	572014	3415446	1,526	000	-90
and	26.5	46.0	19.5	68					
which includes	31.7	35.4	3.7	168					

Dimensions and Geometry

Mineral Resource definition drilling has confirmed that silver mineralisation within the Mesa de Plata deposit starts from surface and that the overall mineralised zone has a true vertical thickness of up to 70m (see Figure 5). The mineralisation extends throughout Mesa de Plata with good internal continuity of silver grades.

The High Grade Zone of silver mineralisation commences at or very close to surface, and extends over a surface area of approximately 400m x 150m, with a true vertical thickness ranging from 20m to 50m. The High Grade zone is encapsulated within the larger Mid-Grade Zone of silver mineralisation which extends along the full length and width of the Mesa de Plata ridge, which in places is 300m wide and has a strike length of over 1km (refer to Figure 4).

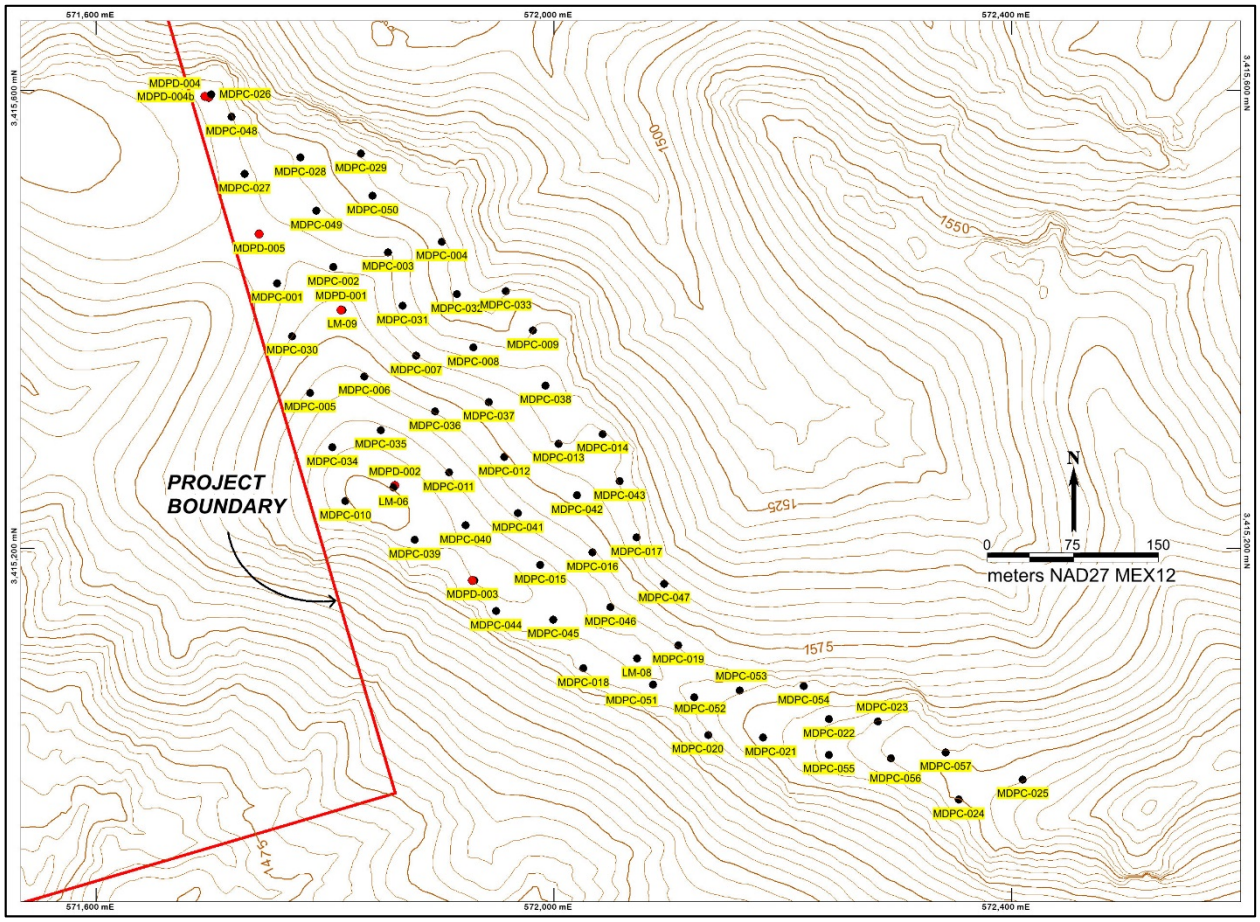
Sampling Details

The Mineral Resource definition drilling involved two Reverse Circulation (RC) programs and one diamond core drill program, totalling 61 RC holes (for 5,504.7m of sampling) and seven diamond holes (for 852.2m of sampling – see Figure 3 for the drill hole collar locations). Only one diamond hole has been used for the Mineral Resource estimate to avoid clustering issues in the estimation process, but core measurements from the other diamond holes have been used to estimate the rock density. There are 3,746 assayed samples in the Mineral Resource database.

The Mineral Resource definition RC drill hole spacing is on a 50m x 50m pattern covering a northwest-southeast extent of 1,000m and a width of up to 300m. All RC holes were drilled vertically to depths of up to 90m. Samples of RC cuttings were collected over 1.5m intervals and passed through a Jones riffle splitter to produce a 1/4 split sub samples with an average mass of 6kg. All samples were collected in dry ground conditions.

Three of the diamond holes (MDPD-001, 002 and 004b) twinned RC holes and two (MDPD-003 and 005) were inserted into the 50m x 50m pattern. A further two diamond holes (MDPD-002a and 004) were terminated early due to difficult drilling conditions. All diamond holes were drilled vertically to depths of between 75m and 203m, and all holes were surveyed for down-hole deviation with surveys taken at 30m intervals and at bottom of hole. Drill core was saw-cut longitudinally and quarter core samples were collected for assay. Sample lengths for assay purposes were guided by changes in geology and varied from 0.15m to 1.5m.

Figure 3: Drill Hole Locations for Mesa de Plata Mineral Resource Estimate



Notes: Black circle symbols indicate the location of RC drill holes and red circle symbols indicate the locations of diamond core holes, which is some cases twin RC drill holes. Grid coordinates are in metres in the NAD27 MEX12 projection and datum. Brown lines are topographic 5 m elevation contours.

Sample Preparation and Assaying

Sample preparation was undertaken by 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 then dried and each sample was crushed to sub 2mm before a 250g sub sample was collected for pulverising to sub 75 microns. The 250g sample pulps were then dispatched via courier to Acme Laboratory in Vancouver, Canada for silver analysis.

The analytical technique for silver comprised four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for silver. Following the four-acid digest, the analytical method used was MA300 which is an ICP-MS method with a maximum detection limit for silver of 200 g/t. ICP-MS over-limit results (> 200 g/t Ag) were re-analysed by assay method FA530, which is a 30g charge fire assay with gravimetric finish.

Metallurgical Test Results

A composite metallurgical sample was prepared from the RC drilling cuttings, and shipped to Xstrata Process Support for preliminary mineralogical evaluation using QEMSCAN and EPMA techniques. The sample was found to be predominantly quartz (80% by mass), with alunite and various iron oxides making up a further 14% of the sample mass. Two silver-bearing species were identified, namely:

- Bromian Chloroargyrite – (BrCl)Ag – containing up to 70% of the silver metal; and
- Sb-Pb-Fe oxides, contain up to 30% of the silver.

Preliminary test results indicate for a CIL-flotation process approach, 62% to 76% silver recoveries (ASX: 17 December 2015). Heap leach processing, albeit with lower and as yet undetermined recovery, is an option that is under investigation.

Density

A total of 153 density measurements were collected by Azure personnel from drill core selected from seven diamond holes. The volume of each core piece was measured using a 3D scanner typically used in industry to reverse engineer parts intended for 3D printing. The scans are extremely accurate and provide an accurate volume for the scanned material. Azure calculated density for these core samples by dividing the dry weight of the sample by the scanned volume.

Geological Estimation Domains

For the Mineral Resource estimation control, four estimation domains were identified, based upon silver grade thresholds. The volumes of the domains were modelled using conventional digital wireframing methods and the wireframe models were used to code a digital block model as follows:

- High Grade Zone – defined using a nominal >90g/t Ag grade cut-off and identified by an abrupt spike in silver grades. This is a distinct zone of very high grade silver in the center and upper part of the deposit in some areas, and presents as a narrow flat lying sheet in other areas.
- Mid-Grade Zone – defined as being between a lower grade cut-off of 20g/t Ag and an upper grade cut-off of 90g/t Ag. This zone forms a halo surrounding, below and occasionally above the High Grade Zone.
- Low Grade Zone – defined as being between a lower grade cut-off of 5g/t Ag and a medium grade cut-off of 20g/t Ag. This zone forms a narrow transition zone between the Mid-Grade

Zone and the Waste Zone at depth, and also in the overburden on the northern and western flanks of the mesa.

- Waste Zone – comprised of andesite, this zone underlies the entire deposit and forms a barren footwall to the Mesa de Plata deposit. There is also barren overburden in some areas.

Sub blocks were included in the block model to closely honour the estimation domain boundaries and the topographic surface.

Reporting Cut-off Grade

The 20g/t Ag Mineral Resource reporting cut-off was selected based upon order of magnitude cost estimates from current silver mining and heap leach processing operations in northern Mexico, heap leach recovery inferred from current metallurgical tests, and assumed mining and metal pricing parameters. More details are given in the JORC Table 1 Section 3 appended to this ASX release.

Grade Caps

To reduce the spatial influence of extreme sample grades (some of which exceed 1,000s of g/t Ag), and based on decile analysis and probability plots, 1.5 m long estimation composite grades were capped to the following maximum values prior to block grade estimation:

- High Grade Zone – 1,450 g/t Ag (5 out of 275 composites capped)
- Mid-Grade Zone – 100 g/t Ag (18 out of 981 composites capped)

The caps selected that were applied to the estimation-sample composites are typically between the 98th and 99th percentile of the respective domain composite populations.

Criteria used for classification

The criteria used for JORC Code classification included, data quality, geological understanding, data spacing, estimation methodology and validation, with data spacing being the primary consideration give the data quality is good and geological understanding is robust. Only mineralisation within the High and Mid-Grade domains was considered reasonable to include in the JORC Code reportable Mineral Resource.

Refer to the Table 1 summaries in the appendix for full details.

Estimation and Validation Methodology

Using the estimation-domain coded block model, the capped silver grades were estimated from the capped composites using ordinary block kriging into a parent block sizes of 12.5mE by 12.5mN and 5m in elevation, with sub block grades estimated using parent block assumptions. The composite search routine for each block estimate was set to search horizontally and find three composites from the four nearest drill holes, so that the block reflected the kriging weighted average of 12 capped composites. A multi-pass search strategy with expanding search after each pass was used ensure estimates were made for all blocks.

The model was validated by on-screen visual inspection and statistical comparisons of (composite) input and (block estimate) output mean grades on a global and local basis. The block model grade validation results were deemed to be acceptable by the Competent Person.

Modifying Factor Assumptions

In terms of key modifying factors, it has been assumed that the deposit could be exploited by conventional truck and shovel open pit mining with ore processed either by heap leach methods or by CIL-flotation processes, with the metallurgical recoveries indicated by preliminary metallurgical test results. Using these assumptions and reasonable public forecast ranges of future silver prices a block reporting cut-off grade of 20g/t Ag was selected as a reasonable optimistic basis for reporting the Mineral Resource. Azure has further assumed that given the long history of mining in the Sonora region of Mexico that there are reasonable expectations that a mine and process operation could be developed at Mesa de Plata should (or when) future studies result in the definition of an Ore Reserve.

Figure 4: Plan Showing Limits of MRE and drilling, and location of "A-B" cross section

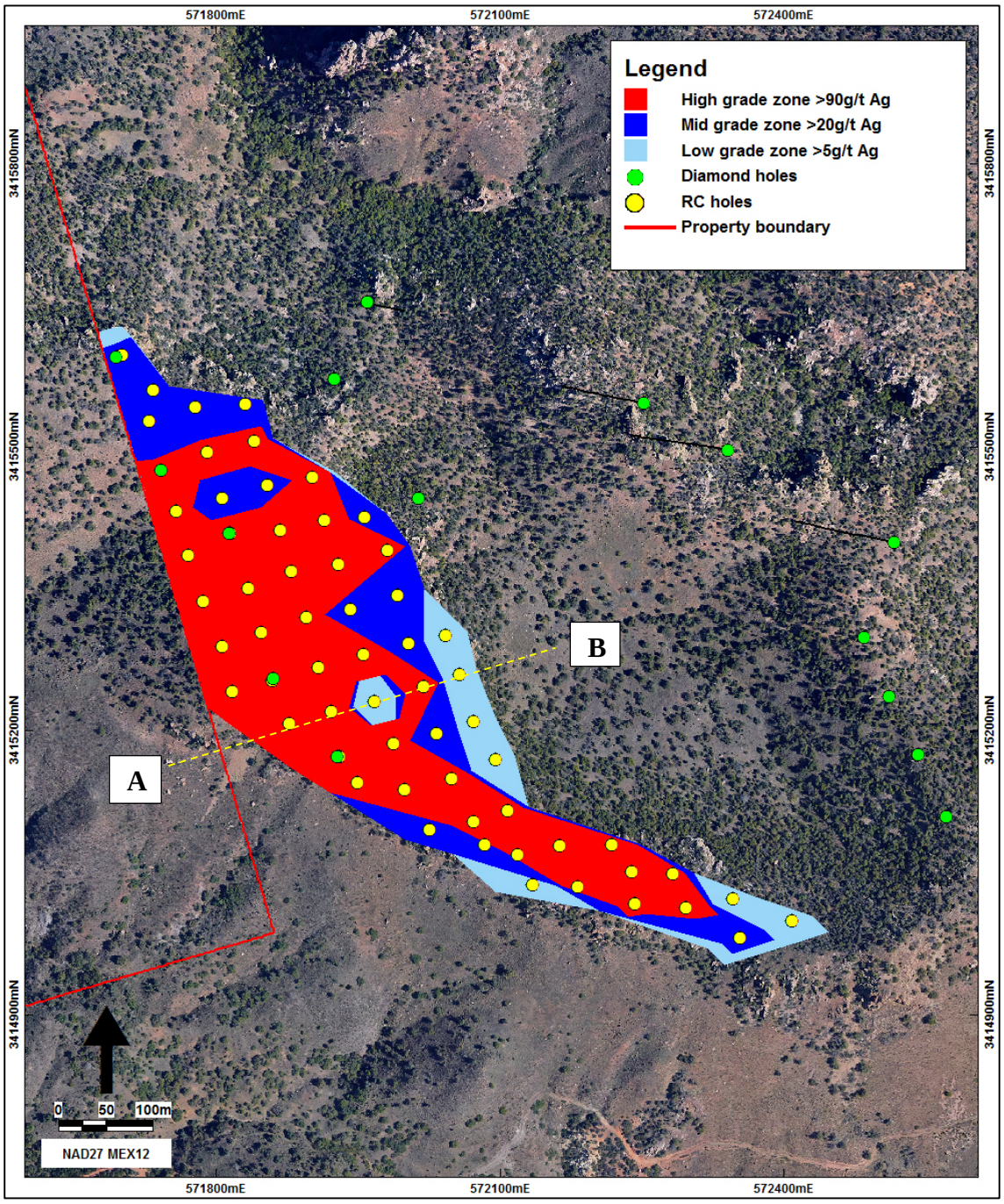
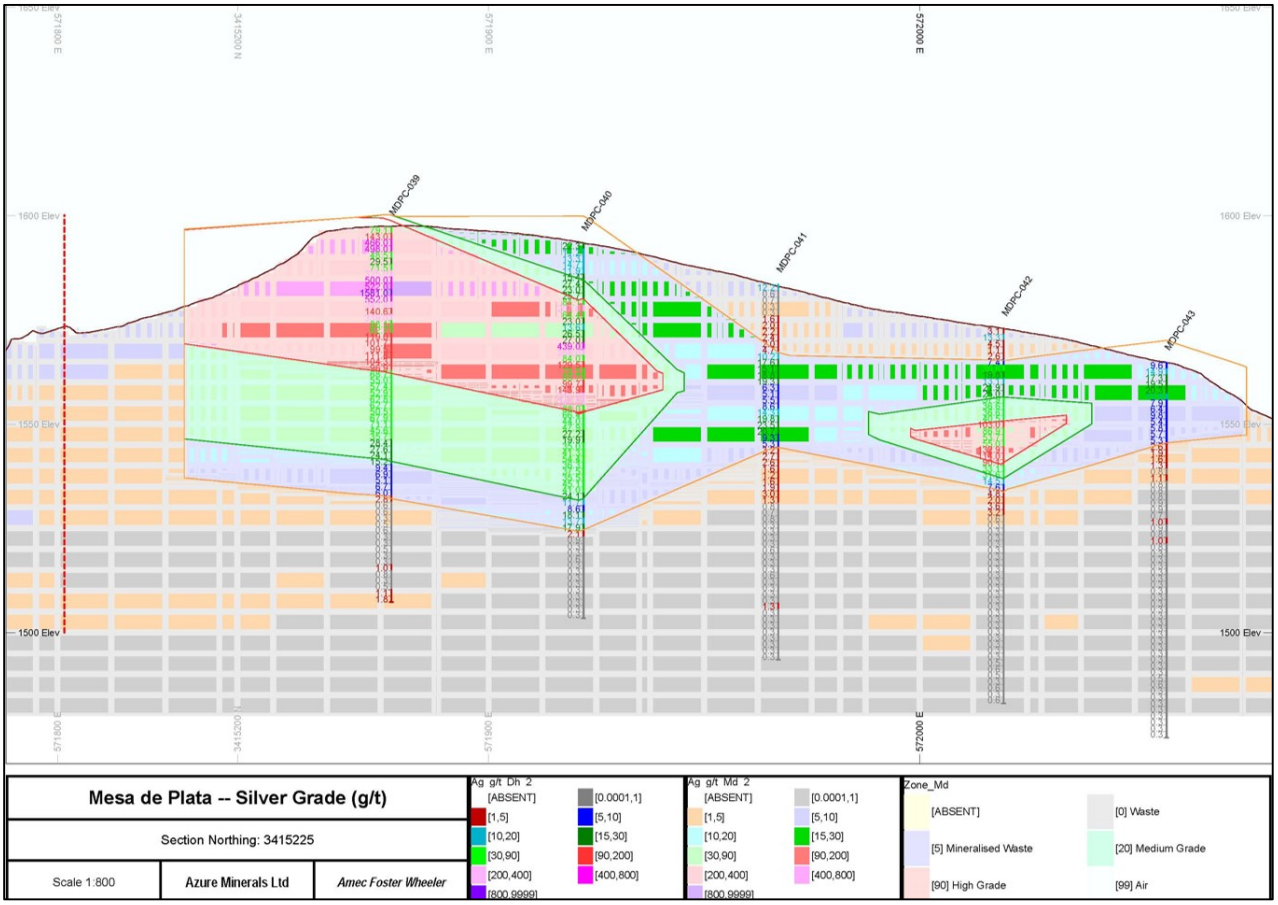


Figure 5: Cross Section "A-B", representative of Mesa de Plata Block Model



Notes: Section centred on 3,415,225 mN looking north with a ±20 m view window (Section A to B in Figure 4) . The red outline on the section is the High-Grade zone and the green outline is the Mid-grade Zone. The orange outline is the limit of low grade. The background colour is the estimation domain coded in the block model which is colour coded by the 'Zone Md' legend. The bold red dotted line is the tenement boundary. Drill hole paths are coded by silver grade according to the 'Ag g/t Dh 2' legend, with assay values (uncapped) plotted on the left side of the drill hole path. The foreground blocks are the estimated silver grades (by ordinary kriging) colour coded according to the 'Ag g/t Md 2' legend. Note that the parent blocks are 12.5 m wide and 5 m high but are plotted with gaps to reveal the background domain shading. The grid is NAD27 UTM Zone 12.

-ENDS-

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Competent Person Statements:

Information in this document that relates to the Mesa de Plata Mineral Resource is based on information compiled by Mr Mark P Murphy, who is a Registered Professional Geoscientist and Member of the Australian Institute of Geoscientists. Mr Murphy is Technical Director of Mining and Geology in Amec Foster Wheeler's Perth Office in Western Australia. Mr Murphy has sufficient experience which is relevant to the style of mineralisation and type 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 Murphy 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 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 A: ALACRÁN BACKGROUND

Alacrán is located in the northern Mexican state of Sonora 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 is close 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 Alacrán 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 1930s to the 1960s. 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 1960s and the early 1980s, 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 1990s. 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 Code 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 Resources Limited is Canada's largest diversified resource company. Grupo Mexico is Mexico's largest and one of the world's largest copper producers.

Appendix B: JORC Table 1

This appendix contains JORC Table 1 prepared by the Competent Person to supporting Public Reporting of the Mesa de Plata MRE.

Section 1 – Sampling Techniques and Data

This section of Table 1 applies to all succeeding sections

Item	Comments
Sampling techniques	• The main sampling technique Azure Minerals Limited (Azure) has used to collect data for the Mesa de Plata Mineral Resource Estimate (MRE) is reverse circulation percussion (RCP) drilling and sub sampling of the RCP chips. Azure has also used diamond core drilling (DCD) to collect core samples for in situ density estimation and as a cross-check method on the RCP sampling. The full details of the drilling and associated sub sampling and assayed are described in relevant sub sections of this table further below. • The primary measures taken to ensure sample representativity has been the use of face sampling bits in RCP drilling and DCD to cross check the RCP results. Dry ground conditions have assisted the RCP chip recovery. • Only one DCD hole has been included in the MRE database – see the section further below regarding twin holes. • Two DCD holes (MPPD-013 and MDPD-014) are included in this Public Report as Exploration Results. However these two holes are not included in the MRE being Publicly Reported. • The Competent Persons for this Public Report (one for the MRE and one for the Exploration Results) consider that there are no other material aspects of the mineralisation that are not discussed in the following relevant sections of this JORC Table 1.
Drilling techniques	• The MRE drill hole database used for silver grade estimation includes 61 RCP drill holes (totalling 5,504.7 m of sampling) and 1 DCD hole (having 75 m of sampling). • The DCD drill hole database, which was used as the basis for in situ density estimates, contains seven DCD holes for a total length of 852.2 m. The density measurements includes 153 volume and mass measurement of 10 cm lengths of half core. • The RCP drilling was completed using a 133 mm (5 ¼") diameter face-sampling bit with holes collared on a ≈ 50 m × 50 m square grid. The drill grid is oriented along strike (bearing ≈ 140°) and across the strike (bearing ≈ 70°) of the zone of mineralisation. All RCP drilling has been completed in dry ground conditions. • Apart from the one DCD hole included in the MRE database (MDPD-005), the DCD holes were drilled to twin RCP holes at 6 locations through the deposit MRE area. The core diameter for all DCD is 63.5 mm (HQ size). Two for the DCD holes were abandoned at shallow depths due to broken ground conditions, but all other DCD holes penetrated the full thickness of the zone of mineralisation. • The Exploration Results reported for MPPD-013 and MDPD-014 are from HQ diameter DCD holes, which are drilled to the east of the MRE – refer to the collar plan in the body of this Public Report.

Item	Comments
Logging	• Azure's RCP and DCD logging is qualitative in nature with key geological features captured such as rock type, textures, key minerals, oxidation, colour and so on. • Azure has taken photographic records of all drill core. • Azure has quantitatively logged rock quality designation and core recovery in DCD holes. • The total lengths of all drill holes relevant to this Public Report have been logged. • The Competent Person reporting the MRE in this Public Report considers that all drill holes relevant to the MRE have been logged geologically to a level of detail that is appropriate to support MRE work, and any future metallurgical and mining studies.
Drill sample recovery	• For DCD drilling, Azure has estimated core recovery as the recovered core length divided by drill run length, with core blocks in the core trays used as the records of run length. • Core recovery in the DCD hole included in the MRE (MDPD-005) averaged 92% with a minimum recovery of 48%, maximum of 100% and with a recovery standard deviation of 11.5%. • Core recovery for the Exploration Result holes included in the report (MPPD-013 and MDPD-014) average 99%, with minimum recovery of 75%, maximum recovery of 100% and a recovery standard deviation of 1.29% (MDPD-013) and 4.14% (MDPD-014). • Sample recovery for RCP MRE drilling is logged qualitatively as being good, fair or poor. Generally the qualitative RCP recovery was logged as good. • The MRE Competent Person found that Azure's designated sample preparation laboratory captures the masses of RCP received, with the average mass received being 6 kg to 6.5 kg with a mass-received standard deviation of 2 kg. The mean mass-received is consistent with expectations for a quarter-split from a 1.5 m long sample from a 133 mm diameter drill hole, and average deposit density of 2.3 t/m^3. • The Competent Persons have found that there is no correlation between silver grade and recovery in the RCP or DCD drilling.
Sub-sampling techniques and sample preparation	• Azure has sub sampled the RCP drill hole cuttings over 1.5 m interval. The primary 1.5 m lot mass is $\approx$ 48 kg and is reduced to a $\approx$ 6 kg sub sample using three successive passes through a single tiered Jones riffle splitter. • As ground conditions are dry, all RCP chips were split dry. • For DCD holes, Azure has targeted a core sampling interval of 1.5 m, but with samples of longer or shorter length were collected as necessary to honour geological features of interest. o The minimum sample length collected in the one DCD hole in the MRE database (MDPD-005) is 0.5 m, with an average sample length of 0.99 m. o The sample lengths for the Exploration Result DCD holes (MPPD-013 and MDPD-014) range from 0.15m to 1.5m with an average length of 1.10m • Azure sub samples DCD core by cutting the core in half (with a wet diamond saw blade) along the core axis to prepare a ½-core sample. The ½-core sub sample is then wet cut along the core axis to prepare a ¼-core sub sample for laboratory dispatch. The second

Item	Comments
	half of core and residual ¼ core is retained in core trays and may be used for density measurements. • The Competent Persons consider that the methods of sub sampling employed by Azure are consistent with good industry standards for the style of mineralisation under consideration, albeit the sub sampling of diamond core is problematic when fine grained valuable minerals could be washed from the core by diamond drilling fluids during drilling or by water in the core cutting processes. • For sub sampling and assay quality control monitoring Azure: o Submits replicate DCD ¼-cores anonymously to the laboratory in order to monitor the precision of this sub sample type. o Instructs the sample preparation laboratory to collect replicate riffles splits of samples received, in order to monitor the precision of samples prior to crushing. o Instructs the laboratory to collect and assay replicates of pulp samples in order to monitor the precision of the pulp material dispatched for assay. o Submits known grade value pulp references anonymously to the laboratory in order to monitor the accuracy of grades reported. o Submits a nominal barren 'blank' samples anonymously to the laboratory in order to monitor potential cross contamination between samples during sample preparation. • Azure has not completed any heterogeneity tests to estimate the theoretical sampling precision of the sub-sample sizes relative to the grain sizes of the materials being sampled at each sub sampling stage. However the MRE Competent Person considers that sub sample sizes collected by Azure are appropriate to support MRE work given replicate monitoring results demonstrate acceptable levels of repeat sampling precision.
Quality of assay data and laboratory tests	• Azure dispatches all field samples in batches of 60 to 70 samples to a Bureau Veritas Laboratory in Hermosillo (BVL-H), Mexico, which is accredited with an ISO 9001:2008 registered Quality Management System. • BVL-H dries, weighs and then crushes the whole sample received so that at least 70% of the particles in the lot (by mass) has a particle diameter smaller than 2 mm. BVL-H then collects a 250 g sub sample (using a riffle splitter or rotary splitter) from each sample. This sub sample is then pulverised so that at least 85% of the particles in the lot (by mass) has a particle diameter less than 75 µm. The pulp sample in then stored in a bar-coded paper packet for assay dispatch. • BVL-H dispatches the 250 g pulps described above to Bureau Veritas Laboratory in Vancouver (BVL-V), Canada for final analysis. This analysis involves a four-acid digestion of an aliquot from the pulp (collected by spatula) then analysis of the re-dissolved digestion salts using inductively coupled mass spectroscopy (ICP-MS) – method MA300. The lower detection limit of the MA300 method for silver is 0.5 ppm and the upper precision limit 200 ppm. • Where results from MA300 analyses are found to exceed 200 ppm, BVL-V takes a second aliquot from the pulp to be analysed using method FA530-Ag, which is a 30 g charge fire

Item	Comments
	assay that has a 50 ppm detection limit and gravimetric analysis of the silver in the FA prills. • The Competent Persons consider that all the assay analysis methods described above can be considered to achieve total extraction of silver. • Quality control samples (as described in the previous section of this table) confirm that acceptable levels of precision and accuracy for silver grades have been demonstrated.
Verification of sampling and assaying	• For the MRE DCD twin-holes, Azure found that the core silver assays were biased negatively when compared twin RCP holes. o Specifically comparison of the silver grade in DCD holes to twinned RCP holes reveals on average that the DCD grades are 17% lower than the RCP grades over similar mineralised intervals. o This bias is hypothesised to be due to the washing of fine silver-bearing minerals from vuggy and/or porous core during DCD drilling or core cutting. o As such, only one DCD hole (MPDD-005) was included in the MRE database, because no twin RCP hole was available at that location. o More work is needed to test and confirm this DCD bias phenomena. However it is possible this negative bias (under reporting of grade) effect may have affected the Exploration Results drill holes (MPPD-013 and MDPD-014) reported in this Public Report. • Zones of significant silver mineralisation have been inspected and reviewed by Senior Azure Geological Staff and also by an USA-based Amec Foster Wheeler geologist, who visited site in April 2016 – refer to the section below regarding site visits. • The MRE Competent Person has also supervised hand-held XRF analyses of a selection of core specimens from the Mesa de Plata deposit and found that the cores contained silver concentrations with the same order of magnitude determined from assays of the other core half or quarter samples. • Geoscientific data capture on site is via hard copy logging templates for geology, sample numbers, recovery and so on. The data are then entered on site into an industry recognised geoscientific data management system (DataShed). All digital data are stored on Azure's company servers and backed up off site to a cloud provider. • For MRE purposes, the MRE Competent Person set below detection limit values of silver grades to half detection limit. Over-range samples have been replaced in the MRE database with higher detection limit assay methods where available.
Location of data points	• All MRE database drill collars have been located in three dimensions by a licensed surveyor using differential GPS equipment. The surveyor downloads the results into MS Excel files for loading into the central database. The survey accuracy is considered better than 10 cm in three dimensions. • RCP drill holes are all vertical and no down hole path surveys have been completed as the RCP hole path deviation for relatively short holes (<100 m) is assumed by Azure to be negligible. The MRE Competent Person agrees with this assumption. • DCD holes do have down hole path surveys, which have been captured at 20 m to 30 m down hole intervals using industry standard down hole survey tools (Reflex). The

Item	Comments
	Competent Person notes that the deviations in DCD holes are minor and has set the dip of the one DCD hole included in the MRE dataset to vertical. • The grid system of the data and the MRE is datum NAD27 and projection UTM Zone 12N (EPSG: 26712) for easting and northing, which is also known as Mex12. • Azure engaged a reputable contractor to prepare a LiDAR based digital terrain model (DTM) of Azure's tenement holdings. The resulting DTM has in theory centimetre-scale precision in three dimensions. The Competent Person found that the MRE drill hole collar surveys agreed with the DTM model and the DTM has been used to model the topography over the MRE area. • The MRE Competent Person has made no adjustments to the survey database provided, as the level of survey precision is considered more than acceptable to support estimation of Indicated Mineral Resources. • The locations of the Exploration Results drill holes have been recorded with hand-held GPS and will be located with higher precision in due course.
Data spacing and distribution	• The MRE drill holes are collared on a 50 m by 50 m square grid, with the grid oriented approximately along and across strike of the zone of mineralisation – refer to the collar map in the main body of this Public Report. • Vertical sample intervals are nearly all 1.5 m long, with shorter samples collected in the DCD drill holes. • The Competent Person reporting the MRE, considers that data spacing for the MRE drill hole data set, is sufficient to establish the degree of geological and grade continuity for MRE work. • Sample compositing (to 1.5 m) has been applied to the MRE dataset within estimation domains to ensure constant sample support for the few cases of shorter sample intervals found in the DCD hole.
Orientation of data in relation to geological structure	• The general trend of the geology and mineralisation is flat-lying and as such, vertical drill holes give robust estimates of the true mineralised thicknesses. • The Competent Persons consider that there is low likelihood of a sampling biases occurring due the relationship between sampling orientation and geological structure for the style of deposit under consideration. • In relation to exploration drill holes MDPD-013 and -014, 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.
Sample security	• At the drill sites, Azure's sampling teams collect RCP riffle split samples into labelled calico sample bags, with the ticket-book method used to track samples and ensure the calico-bag samples are correctly labelled. • The team then places the RCP sub samples into larger polywoven plastic bags and these bags are tied with a numbered tamper-proof seal, which are then used to track sample dispatches.

Item	Comments
	• The polywoven bags are then transported by Azure's sampling teams to an interim storage facility (core yard) in the nearby town of Cananea, where BVL-H personnel regularly collect the samples for transport to BVL-H in Hermosillo. • DCD cores are collected into plastic sample trays, which are labelled for drill hole name, intervals, then secured with a core tray lid and ties before transport to the Cananea core-yard for cutting and sample dispatch. Once cut, cores undergo the same sample transport and security protocols as the RCP samples. • BVL-H and Azure cross check sample dispatch information to ensure all samples are received as expected (according to dispatch sheets) before assay preparation commences. • Core is stored at Cananea in a fenced and secured core yard. Crusher reject and pulp reject samples are stored in the core yard facility in a well organised manner on under cover shelving and racks. • The Competent Person considers Azure implements robust security controls to ensure that samples are tracked, not lost, or accidentally or deliberately. • BVL-H has a robust sample management system based on bar coding, LIMS and other controls expected for an ISO certified laboratory. Pulp sample from BVL-H to BVL-V are transported by a reputable commercial courier.
Audits and reviews	• Azure's senior geological staff have regularly visited site during drilling programs to ensure correct sampling protocols are being followed. • A USA-based Amec Foster Wheeler geologist visited site during April 2016 to independently review the site geology, geomorphology, sampling protocols and data systems in order to provide the MRE Competent Person with an independent review of the key aspects of sampling and data. The key finding of this review was that sampling and geological control was in good order. • The Competent Person for the MRE report, has completed a number of reviews as part of the MRE process including conversations and Q&A with Azure's senior geological staff in Perth, email communications with Azure's site personnel, review of quality data and original data records.

Section 2 – Reporting Exploration Results

Item	Comments
Mineral tenement and land tenure status	• The MRE for Mesa de Plata deposit is located wholly within the mining concessions of Kino 10 (Title No. 166317) and Kino 15 (Title No. 166365). These tenements are included in a parcel of 22 tenements making up the 'Alacrán' project with all tenements 100% owned by a Mexican entity named Minera Teck SA de CV ('Teck'), which is a subsidiary of Teck Resources Limited. • On 15 Dec 2014, Azure entered into an agreement with Teck with whereby: o Azure acquired an Option to acquire 100% ownership of Alacrán concessions by spending USD 5 million on exploration over four years. To date Azure has spent approximately USD 2.5 million.

Item	Comments
	○ Azure has no further obligations other than to issue Teck 400,000 shares in Azure at the time Azure advises Teck that the USD 5 million has been spent on exploration. ○ Teck retains a back-in right to re-acquire a 51% interest by sole funding USD 10 million of expenditure over a four year period, including a USD 0.5 million cash reimbursement to Azure. ○ Additionally, Teck may increase its interest to 65% by sole funding a further USD 5 million of expenditure within another two years, including a USD 1.5 million cash reimbursement to Azure. ○ Teck's back-in right extends for a 60 day period following the date Azure meets its earn-in obligation. • A 2% Net Smelter Royalty (for all minerals) is held by a prior tenement holder named Grupo Mexico. • At the time of the preparation of this Table 1, Azure provided the MRE Competent Person, written confirmation that as at 29 Apr 2016 that all obligations in relation to statutory reporting requirements and statutory payments have been met and are current for Kino 10 and Kino 15. • As such, the MRE Competent Person considers that the tenement is in good standing and no known impediments exist to obtaining a licence to operate on Kino 10 and Kino 15 , or to develop and progress to the grant of mining tenure and approvals should an Ore Reserve be defined in the future.
Exploration done by other parties	• The Sonora State of Mexico has a history of industrial-scale commercial mining and small-scale artisanal mining dating back to the early 20th century. However activity ceased during the Mexican Revolution, which spanned the decade from 1910 to 1920. • Several companies carried out exploration over the Alacrán property between the 1930's and 2013 (Anaconda 1930s-1960s, Consejo de Recursos Minerales [Mexican Geological Survey] 1960s-1970s, Grupo Mexico 1970s-1990s, Teck 2010s). In every case, exploration was focused on copper with little exploration undertaken for silver. No work was carried out over the Mesa de Plata deposit. In 2013, Minera Teck S.A. de C.V., a Mexican subsidiary of Teck Resources Limited acquired the property and undertook preliminary surface exploration. • In 2014, Azure acquired the rights to the project under the terms and conditions described in the previous section of this summary table.
Geology	• Mesa de Plata is located in the northwest of Sonora State of northern Mexico, ≈50 km south of USA border. The region is within the western Mexican Basin and Range tectonic zone, which is characterised by north-west trending mountain ranges consisting of Paleozoic to Mesozoic meta-sedimentary rocks, which are overlain by Mesozoic to Cenozioic volcanic rocks. North-trending, elongate plutons of Laramide-age intrude the volcanic rocks. The valleys between mountain ranges are filled with Tertiary conglomerates, volcanics, and Quaternary gravels. • The giant Cananea porphyry copper style deposit (7Bt grading 0.4% Cu) is 15km to the northwest of the Alacrán project area.

Item	Comments
	• Mesa de Plata is hosted by the Cretaceous-age Mesa Formation, which consists of an upper dacite member that extends from Cananea to the Sonora River in northern Mexico. Below the base of the Mesa Formation dacite is a crystal tuff unit up to 100m thick, which is the outfall from a caldera that was active around 66 Ma ago. • On a local scale, the silver mineralisation at Mesa de Plata is hosted by a zone of intense but variable silicification that has formed within the tuff unit below the Mesa Formation dacite. The silicified zone which hosts the silver mineralisation varies in texture from massive silica to vuggy silica, and is underlain by a basal unit of andesite. Overall, the local stratigraphy is sub-horizontal to gently north to northeasterly dipping. • The siliceous alteration zone has been resistant to weathering and the geomorphology of the deposit presents as a distinct mesa with 10 to 15 m high cliff faces along the edges of the mesa. • QEMSCAN analyses on composites of chip samples and on one polished section have identified that the silver in Mesa de Plata mineralisation is present as several minerals, with bromian chloroargyrite – Ag (Br,Cl) and Sb-Pb-Fe oxides containing the bulk of the silver metal. • Based on alteration mineralogy, Mesa de Plata fits the characteristics of high-sulphidation epithermal style deposits. Vuggy quartz, a common quartz texture in high sulphidation systems is observed and inferred to be the product of alteration by low pH hydrothermal fluids, whereby only quartz remains immobile. Pervasive quartz-alunite alteration is also a characteristic alteration assemblage in these systems and the presence of alunite has been confirmed by the QEMSCAN analyses. The inferred source for low pH hydrothermal fluids in high-sulphidation epithermal systems is from the condensation of magmatic volatiles to produce low pH hydrothermal fluids at relatively shallow levels. Zones of relatively high permeability resulting from the acidic alteration event may become sites for subsequent fluid flow and deposition of mineralisation. • The high-grade silver mineralisation is weakly correlated with elevated lead and antimony concentrations in the order of 0.2 to 0.5 wt%.
Drill hole information	• The drill hole information supporting the MRE reported in this Public Report is not listed. Investors should refer to previous Public Reports by Azure for examples of significant intercept results relating to the MRE. • Drill hole information for the Exploration Results includes: MDPD-013: ▪ Location: 3415572mN, 571925mE, 1,505mElev. ▪ Dip/Azimuth/Hole Length: 090°, 000° and 28m total depth ▪ Significant intercepts: • 3.0m grading 32 g/t Ag from surface MDP-014: ▪ Location: 3415446mN, 572014mE, 1,526mElev. ▪ Dip/Azimuth/Hole Length: 090°, 000° and 65m total depth ▪ Significant intercepts: • 17.3 m grading 45 g/t Ag from surface • 19.5 m grading 68g/t Ag from 26.5m

Item	Comments
Data aggregation methods	• No data aggregation criteria are relevant for the drill holes included in the MRE. • For the exploration results reported above, the data aggregation is length-weighted averaging with no grade caps applied. • No metal equivalent values are reported for the MRE or exploration results.
Relationships between mineralisation widths and intercept lengths	• The Competent Persons have found no relationships between the thickness of mineralisation in Mesa de Plata and the intercept lengths.
Diagrams	• The body of this Public Report includes a plan of the drill holes used for the MRE as well as the exploration results drill holes. The report body also includes an example cross section of the deposit MRE model.
Balanced Reporting	• The MRE includes all available drilling information and as such the MRE Competent Person considers the report is balanced in this respect. • The Exploration Results report in this Public Report are balanced by results from prior Azure Public Reports. The main aspiration of reporting these result is to demonstrate the potential extension of the MRE to the north and east of the currently defined limits.
Other substantive exploration data	• Azure have completed preliminary metallurgical tests to demonstrate the metallurgical amenability and potential recovery methods of Mesa de Plata silver mineralisation. More detail is given further below relating to assumptions for metallurgical modifying factors for the MRE.
Further work	• The MRE Competent Person has made recommendations to Azure with respect to the data spacing and additional geoscientific investigations that need to be completed to upgrade the confidence in the MRE so parts of the deposit could be reported as Measured Mineral Resources in future updates.

Section 3 – Estimation and Reporting of Mineral Resources

Item	Comments
Database Integrity	• Azure's geological teams log the drill hole information onto paper templates, with the geological data and sample number data subsequently entered into the central digital database on site. Refer to the previous relevant section regarding logging information captured. • The assay results from the laboratory are then merged with the previously entered information using unique sample number as the matching key. The database import routines capture all the important metadata, such as assay method, detection limit, date of assay and so on, into the database tables. • The MRE Competent Person carried out a check of the assay data in the database provided by comparing the database results to the results in the original laboratory files, and found perfect correspondence for silver assays between the database provided for the MRE work and the original laboratory data files.

Item	Comments
	• During the site visit (see below), Amec Foster Wheeler's geologist reviewed the data entry system and database interface and found the processes used to be in good order. Collar locations of 12 of the MRE RCP collars and MDPD-005 were also checked during the site visit, with a hand held GPS and all were found to be within a few metres of the database coordinates. • The MRE Competent Person is satisfied that the database accuracy is acceptable for MRE estimation purposes.
Site visits	• The MRE Competent Person did not visit site in order to expedite the MRE work to meet Azure's project schedule. • However, to verify and accept Azure's field work records, the Competent Person arranged for a USA-based Amec Foster Wheeler geologist to carry out a site visit to independently review the site geology and geomorphology, as well as prepare a report detailing the sampling and dispatch protocols, data capture and data entry methods, survey control methods and sample storage protocols. The outcome of this site visit was that the independent geological reviewer found that Azure's processes and procedures relating to geoscientific data collection, are consistent with good industry practices.
Geological interpretation	• The geological controls on the mineralisation are not fully understood, other than that the mineralisation is almost entirely hosted by a tuffaceous unit altered during the HS epithermal event to massive and vuggy silica. The exception is a narrow zone (<5m) of low grade mineralisation hosted in the uppermost part of the underlying andesite footwall. One of the major controls on vuggy quartz development in HS epithermal systems is primary lithology. The volcanic facies within the Mesa de Plata tuffaceous unit are not well enough understood to determine whether there is a strong facies control on silver distribution. • An important feature of the deposit is extreme non-stationarity (rapid grade changes) of silver grades in that there are clearly zones of steps in silver grade resulting in a zoned 'onion-skin' distribution of silver grades, with significant changes in silver grades over short distances at thresholds of ≈ 5 g/t Ag, ≈ 20 g/t Ag and ≈ 90 g/t Ag. • In particular: o The lower 5 g/t threshold marks the approximate onset of mineralisation at depth in the contact zone between the basal andesite and the siliceous mineralised zone. It also demarcates a zone of waste near surface on the northern flanks of the mesa. o The 20 g/t Au threshold is consistent with the reporting cut-off grade discussed further below. o The 90 g/t Ag outlines very high grade zones which are mostly flat-lying to gently northeast dipping. o Below the 5 g/t threshold the material is considered waste.

Item	Comments
	• The MRE Competent Person interpreted closed digital volumes using conventional wireframing methods, for the three thresholds described above, nesting the higher grade zones inside the lower grade zones. • A key assumption of this modelling approach is approximate horizontal connectivity of high and medium grade zones between drill holes. The MRE Competent Person has high confidence in the connectivity of the medium grade domain throughout the deposit. For the high grade zone the connectivity confidence is good in some areas of the deposit and more tenuous in thinner areas. • Grade continuity analyses (variography) indicate that additional close-spaced drilling is required to improve silver grade confidence, however the MRE Competent Person considers that the level of grade connectivity confidence is acceptable for the estimation of Indicated Mineral Resource. • The effect of not having a domain encapsulating extreme silver grades would be that the extreme silver grades (many being 1,000s of g/t Ag) would be potentially spread over larger volumes giving an estimate with an over-smoothed view of the grade tonnage distribution of the deposit. • The main factors affecting grade and continuity appear to be some form of small-scale horizontal geological control, possibly related to fluid pathways and vuggier silicification due to variations in the primary volcanic facies. However the MRE Competent Person has found that silver grade distribution is the best guide to silver grade connectivity.
Dimensions	• The MRE dimensions are: o ≈ 1.1 km along strike (approximately NE trend). o ≈ 100 m to 300 m wide with the narrower widths in the south-eastern tail of the deposit, and in the extreme north. o ≈ 30 m to 50 m thick in terms of the medium grade zone encapsulating the high grade zone o ≈ 3 m to 30 m thick in terms of the high grade zone. • The mineralisation is shallow extending from surface in places to a depth of 50 m. Some zones are covered by up to 20 m of low grade (5 g/t Ag to 20 g/t Ag) or waste (<5 g/t Ag). • The silver mineralisation is closed-off at depth by drilling and thins to the north and south. • The mineralisation is open to the east and west in the northern half of the MRE area, and more drilling is required to close-off (or extend) these artificial limits. • Importantly, high and medium grade mineralisation abuts the tenement boundary to the west over a distance of 485 m.
Estimation and modelling techniques	• The MRE Competent Person prepared a digital block model and estimated block grades for silver using the ordinary block kriging algorithms implemented in Datamine Studio geoscientific software (Version 3.24.73.0).

Item	Comments
	• Sample search controls were set to select three 1.5 m long composites from the nearest four drill holes for each block estimate (12 composites in total), using a horizontally oriented ellipsoidal search. • The silver grades in each estimation domain (high-grade, medium-grade, low-grade and waste) were capped to limit the influence of extreme values. The caps applied were generally close the 98th percentile of the respective estimation domain silver grade distributions. • No prior estimates are available as prior check estimates and there are no mine production records. • A check estimate run with uncapped grades revealed that there was only a minor increase in grade using uncapped grades and as such, the geological modelling and capping approach had suitably controlled the influence of extreme values. • At this time, no by-products or potentially deleterious elements related to the anticipated metallurgical processing methods that could be applied to the deposit under consideration have been confirmed. Further metallurgical testwork is required to determine whether the presence of elevated levels of antimony and lead may be a factor to consider. • As only one variable (silver) was estimated for Public Reporting, consideration of any correlations between variables is unnecessary. • Grades have been estimated into blocks of target dimensions of 12.5 m by 12.5 m in the horizontal (approximately ¼ of the collar spacing) and 5 m in the vertical (the anticipated mining bench height). Estimation boundaries have been treated as hard boundaries during the estimation. • Smaller sub-blocks were prepared to honour the estimation contacts and volume with sub block dimensions set to 2.5 m in the horizontal and 0.1 m in the vertical. • The MRE Competent Person validated the block grade estimates by: o Completing on-screen inspections of the MRE model in section and plan to visually compare the model inputs (drill hole composite silver grades) to model outputs (block silver grades) – all results were found to be as expected. o Comparing the mean grades of the input and output silver grades for each estimation domain – the mean comparisons of output were found to be within ± 2% relative to the inputs. o Comparing input and output means on moving window trend plots (swath plots) – the input data trends were reproduced in the model blocks. • The MRE Competent Person found the MRE validation results acceptable for the level of JORC Code classification being applied and for style of mineralisation under consideration.
Moisture	• Moisture has not been estimated. • Estimates reported are for dry tonnage.

Item	Comments
Cut-off Parameters	• The MRE Competent Person's methodology used to select the reporting cut-off for the MRE is as follows: o The deposit under consideration is relatively shallow with grade declining with depth and as such, a pit optimisation limit of the MRE is not necessary – this is the purpose of an Ore Reserve study. o All potentially economically viable Mineral Resource should be included in the reported MRE so as to be included in an Ore Reserve study. o The cost of heap leach processing should be considered as the control on break-even grade, with heap leach silver producers in Mexico reporting cash costs (inclusive of process costs) in the range 6 to 12 USD/t. o Preliminary metallurgical tests indicate silver recoveries in the range 55% to 65% of in situ silver grade, and that the mineralisation should be amenable to heap leach processing. o Public forecasts of silver price range from 17 to 19 USD/tr.oz o Combining the assumptions above the Competent Person found that a ≥20 g/t Au block cut-off grade grade for MRE reporting was consistent with the assumptions of potential future: ▪ Silver metal prices of 18 USD/tr.oz. ▪ Dump leach costs of ≈7.5 USD/t, and ▪ Metallurgical recoveries of 55%
Mining factors and assumptions	• Given the style of the deposit under consideration, the MRE Competent Person has assumed that mining of Mesa de Plata would be by conventional truck and backhoe shovel, with drill and blast over 5 m high benches and possible flitch mining of half the blast height. • The MRE Competent Person has assumed the sub-block MRE model will be regularised to a 12.5 mE × 12.5 mN by 5 mZ block in order to model the estimation domain boundary dilution effects that will occur during mining. The current Mineral Resource model incorporates allowances for internal dilution, but not contact dilution. • The report MRE abuts a tenement boundary, but the Competent Person considers that Azure has reasonable expectations that this boundary will not limit exploitation of the MRE assuming ground access could be negotiated, or if not, a mining/geotechnical study needs to be completed to assess the effect of this boundary or expectations for mining. These are Ore Reserve estimation issues.
Metallurgical factors or assumptions	• Azure has completed a preliminary laboratory scale metallurgical test on a composite sample of RC chips. This indicates metallurgical recovery in the order of 65% for high grade material, and 55% for lower grade material for dump heap leach and possibly 62%-76% for CIL and flotation concentration methods. • The assumption of 55% metallurgical recovery has been applied in assessing a reasonable break-even cut-off grade for MRE reporting on the basis of a dump leach process method.

Item	Comments
Environmental factors or assumptions	• The determination of potential environmental impacts is at an early stage and Azure is yet to carry out a detailed environmental assessment. However given region has a long history of mining, the MRE Competent person accepts Azure's assurances that there are reasonable expectations that approvals for a mine development would be given if Azure follows all statutory processes regarding permitting.
Bulk Density	• Azure has measured the density of 153 ≈ 10 cm long DCD 1/2 -core specimens using a laser scanning method to determine the core volume, and then weighing the dry core to determine the specimen mass. From these two measures the in situ density can be calculated as mass on volume. The scanning method accounts for possible voids in the specimen volume. • For MRE work there are 49 results available within the medium grade domain and 5 results available in the high grade domain. • The MRE Competent Person found that the mean density for the low grade domain average 2.30 t/m^3 and the mean for the high grade domain (when one high value, an apparent outlier, was capped) was 2.32 t/m^3. • The MRE Competent Person has recommended Azure collect more density data from the high grade domain as a back calculation analysis based on RCP masses suggest the high grade density assigned may be conservative.
Classification	• The MRE Competent Person has classified the entire MRE as Indicated Mineral Resource based on: o Assessment of the data quality – in that the base data has quantified and acceptable levels of precision accuracy and lack of cross-contamination. o Geological control and continuity – there is confident geological control, low silver nugget effects and while ranges of silver continuity in variography are currently only partially confirmed, the results support the JORC Code requirement that continuity can be reasonable assumed between data points for Indicated Resources. o Only one DCD drill hole has been included in the MRE due to concerns regarding potential downward bias in DCD samples, and the need to remove clustered data from the MRE dataset. o Data spacing and extrapolation – no part of the reported MRE is outside a boundary constructed as the 25 m expansion of the convex hull of drill collars in plan view. o Quality of estimation and validation of block model estimation results – all validations confirmed good correspondence of inputs and outputs. o Reasonable (no overly optimistic) assumptions as to eventual potential economic extraction for a 20 g/t Au block cut-off grade – refer to the cut-off grade discussion above. • The MRE Competent Person considers all relevant factors have been considered and the estimate reflects the MRE Competent Person's view regarding controls and confidence in the MRE.

Item	Comments
Audits and reviews	• The MRE that is the subject of the Public Report has been reviewed internally by Amec Foster Wheeler's independent reviewer and by Azure's senior geological staff.
Discussion of relative confidence	• No specific geostatistical studies have been completed to estimate the local accuracy or degree of grade smoothing in the MRE. • No production data is available to reconcile the MRE. • The Competent Person considers the MRE has good global accuracy and a level of local accuracy that is sufficient to support mine planning studies aimed at preparing Probable Ore Reserve Estimates. • Infill drilling, further metallurgical testing, collection of additional density data, and an update the MRE will be required to support estimation of Proved Ore Reserves.