28 September 2016

LOMA BONITA DELIVERS THICK HIGH GRADE GOLD INTERCEPT

Highlights:

- **Drill hole MDPC-096 intersects 67.1m @ 1.56g/t Au & 21g/t Ag from surface, within the oxide zone, including:**
  - **25.9m @ 1.31g/t Au & 17g/t Ag from 3.0m; and**
  - **25.9m @ 2.40g/t Au & 23g/t Ag from 36.6m**
- **Thickest and highest grade part of Loma Bonita gold zone remains open to the east**
- **Diamond core drilling will test beneath the high grade zone for depth extensions and feeders, within both the oxide and sulphide zones**
- **Mineral resource estimate for Loma Bonita to commence following completion of drill program**
- **Additional core samples will be collected for advanced metallurgical testing of Loma Bonita mineralisation**

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to advise that drilling at the Loma Bonita prospect continues to deliver significant intercepts of gold mineralisation.

Azure's Managing Director, Tony Rovira said: *"Drilling continues to expand the footprint of the Loma Bonita mineralised zone with significant widths of gold mineralisation intersected in recent holes.*

"The high grade zone hosted within the widest part of Loma Bonita has potential for depth extensions and feeder zones. We will shortly be mobilising the diamond rig to test these targets and also to drill the open-ended high grade mineralisation to the east of hole MDPD-096.

"The thick zone of oxide gold mineralisation, sometimes in excess of 100m, contains gold grades similar to or greater than many of the open pit heap leach gold mines currently operating in northern Mexico. Based upon the excellent gold recoveries achieved from our earlier metallurgical test work (ASX: 14 July 2016), this augurs well for the definition of a substantial oxide gold deposit at Loma Bonita, which will be a very positive addition to the Mesa de Plata silver deposit."

DETAILS OF LOMA BONITA DRILLING

To date 14 reverse circulation (RC) holes and 12 diamond core holes have been drilled into and around the Loma Bonita gold-silver discovery (see Figure 1). Significant gold and silver mineralisation has been intersected over the 400m north-south length of the Loma Bonita ridge and up to 150m east-west at the southern end of the zone.

Mineralisation is constrained to the west by erosion into the arroyo (valley) and remains open to the east and south where the topography increases in elevation. The greatest thicknesses of gold mineralisation occur in the southern and eastern parts of the drill-tested area. Gold grades and thicknesses tend to increase towards the south whereas silver grades increase towards the north.

Large thicknesses of gold mineralisation, in some holes in excess of 100m, have been intersected in the southern part of Loma Bonita (see Table 1). The thickness and grade of the gold mineralisation is similar to or greater than other currently operating open pit, heap leach gold mining operations in northern Mexico (for further information on this comparison, see AZS conference presentation released to the ASX 12 September 2016 on www.azureminerals.com.au).

Drilling to date has demonstrated the presence of a zone containing consistent high gold grades within the overall mineralised zone, potentially with dimensions in excess of 150m x 100m and with significant thickness. Drill intercepts from this zone include:

MDPC-089	**49.5m @ 1.59g/t Au from 54.0m**
MDPC-090	**30.0m @ 1.56g/t Au from surface**
MDPC-096	**67.1m @ 1.56g/t Au from surface**
MDPD-011	**18.5m @ 1.57g/t Au from surface**
MDPD-012	**48.0m @ 2.68g/t Au from 23.0m**
MDPD-020	**14.0m @ 1.59g/t Au from surface**

This zone may represent the upper part of a high grade feeder system and has potential for significant depth extensions. Further diamond core drilling will be undertaken to assess this potential.

Drilling has been undertaken on a 50m x 50m spacing on eight 50m-spaced section lines. Approximately 10 holes remain to be drilled in the current program which is considered sufficient to complete definition of the lateral extent of the mineralised zone to a depth of approximately 100m and to assess the internal continuity of the mineralisation.

The RC rig was recently relocated from Loma Bonita to the Mesa de Plata deposit to complete the infill drilling program to enable a resource upgrade. This will allow time to receive and evaluate the Loma Bonita assay results and refine the final design for the remainder of the drilling program.

The RC rig, together with the diamond rig which is currently completing a hole at Cerro San Simon, will then be mobilised back to Loma Bonita to complete the drill-out.

Azure intends to commence a mineral resource estimate of the Loma Bonita mineralised system when the current drilling program has been completed.

Additionally, diamond and RC drill samples will be collected for further metallurgical tests to follow up the excellent results achieved from the initial Loma Bonita metallurgical testwork (ASX: 14 July 2016). Studies will include testing combined Loma Bonita and Mesa de Plata samples to simulate a co-treatment production scenario.

Table 1: Significant gold and silver intercepts from RC drilling at Loma Bonita[1]

HOLE No	DEPTH (m)		INTERCEPT LENGTH (m)	GRADE	
	FROM	TO		Au (g/t)	Ag (g/t)
REVERSE CIRCULATION DRILL HOLES					
MDPC-089*	54.0	103.5	49.5	1.59	29
which includes	54.0	88.5	34.5	2.03	34
MDPC-090*	0.0	111.0	111.0	0.81	18
which includes	34.5	64.5	30.0	1.56	15
MDPC-091	15.2	118.9	103.6	0.41	16
MDPC-092	0.0	39.6	39.6	0.31	21
and	77.7	117.3	39.6	0.48	14
MDPC-093	No significant mineralised intercepts				
MDPC-094	No significant mineralised intercepts				
MDPC-095	No significant mineralised intercepts				
MDPC-096	0.0	67.1	67.1	1.56	21
which includes	3.0	28.9	25.9	1.31	17
and	36.6	62.5	25.9	2.40	23
MDPC-097	0.0	15.2	15.2	0.61	35
MDPC-098	105.2	129.6	24.4	0.72	13
MDPC-099	30.5	51.8	21.3	0.49	18
and	80.8	86.9	6.1	1.37	20
MDPC-099B	41.1	54.8	13.7	0.45	16
and	105.2	121.9	16.7	0.63	15
MDPC-100	94.5	109.7	15.2	1.37	11
which includes	94.5	106.7	12.2	1.63	10
MDPC-101	Assays pending				
MDPC-102	Assays pending				
* Results for these holes previously reported (ASX: 25 August 2016)					

[1] See attached JORC Table 1 for calculation and reporting of mineralised intervals

Figure 1: Drill hole location plan for Loma Bonita

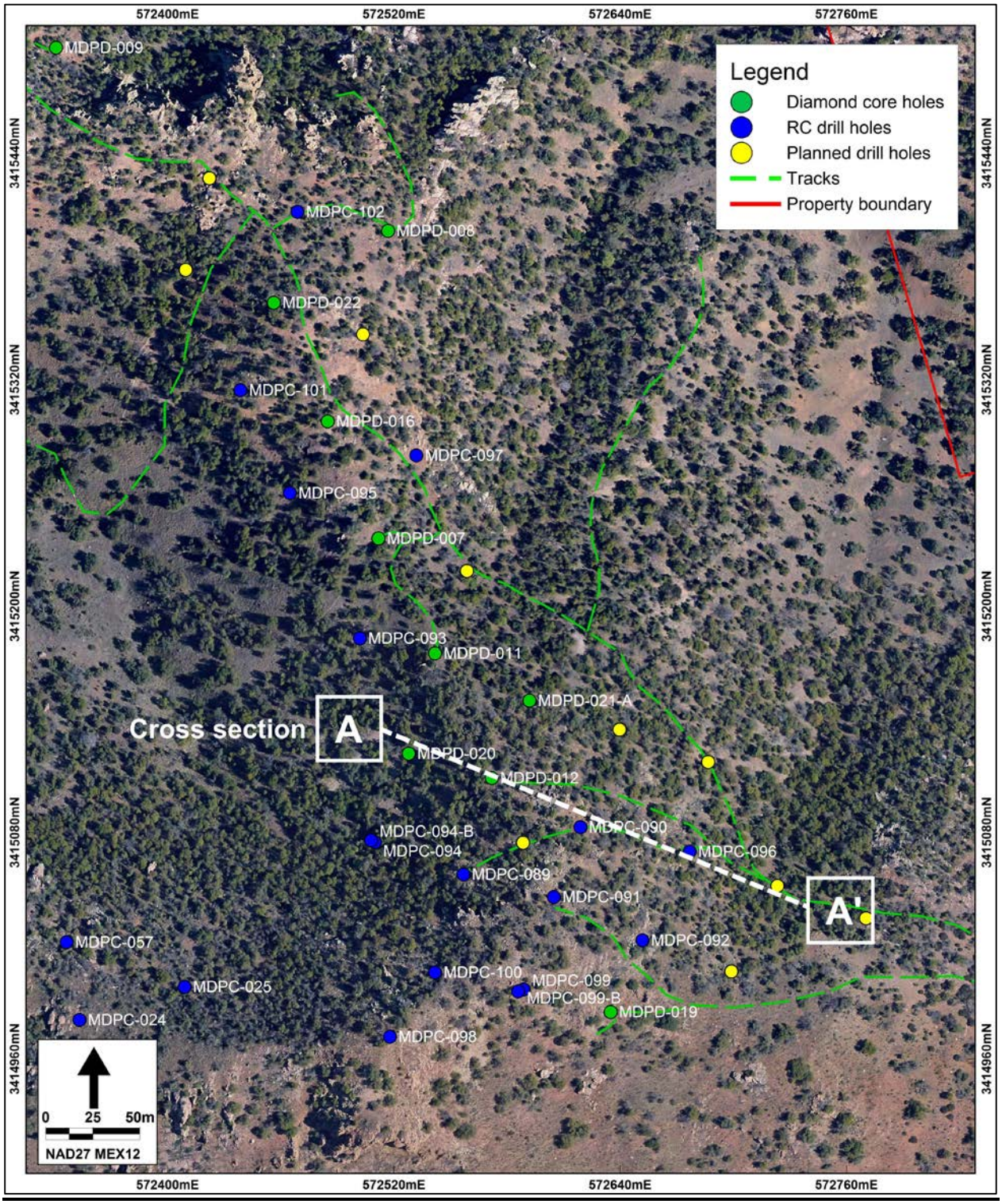
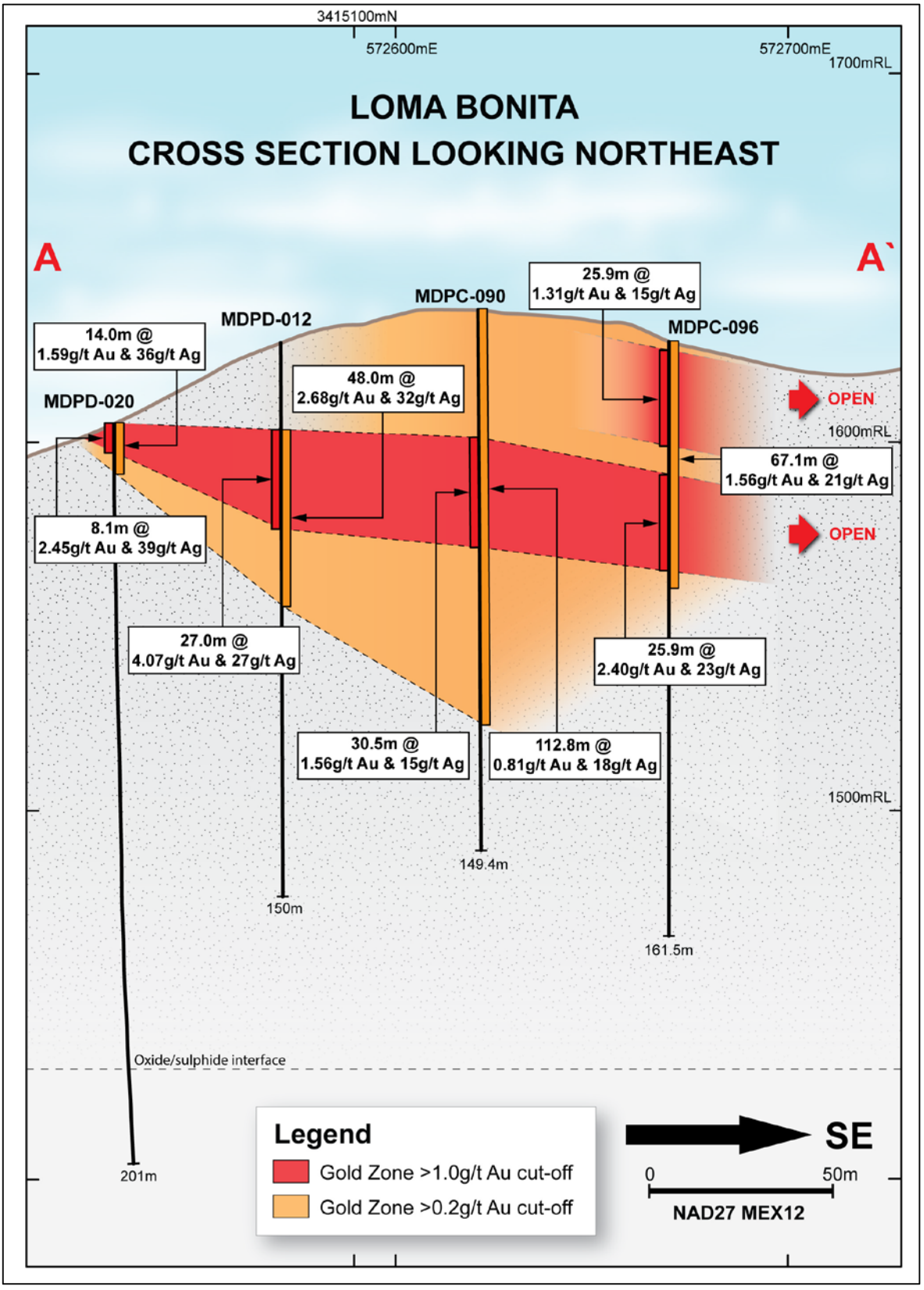


Figure 2: Cross section A-A' through Loma Bonita gold zone (see Figure 1 for location)



EXPLORATION DRILLING

Cerro San Simon and Cerro Enmedio

Precious and base metal targets have been identified at Cerro San Simon and Cerro Enmedio by surface geochemical sampling, geological mapping and the Induced Polarisation (IP) survey.

Diamond drilling is testing these prospects with hole MDPD-025 completed and MDPD-035 in progress at Cerro San Simon and MDPD-029, 032, 033 and 034 completed at Cerro Enmedio.

BACKGROUND

The Mesa de Plata Silver Deposit and the Mesa de Plata Norte prospect are located on the Company's Alacrán Project, 10 kilometres to the southeast of the Cananea Copper Mine in Sonora, Mexico. The Loma Bonita Gold Prospect is located 200 metres to the east of the Mesa de Plata Silver Deposit.

Azure acquired the rights to the Alacrán Project in December 2014 through its fully owned Mexican subsidiary Minera Piedra Azul S.A. de C.V. Azure signed an Agreement with Minera Teck S.A. de C.V. ("Teck"), the Mexican subsidiary of Teck Resources Limited 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.

Table 2: RC drill hole information for Loma Bonita

HOLE No.	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH (m)	LOCATION
MDPC-089	572557	3415058	1,639	000	-90	189.0	Loma Bonita
MDPC-090	572619	3415083	1,636	000	-90	149.4	Loma Bonita
MDPC-091	572605	3415046	1,654	000	-90	166.1	Loma Bonita
MDPC-092	572652	3415023	1,649	000	-90	199.6	Loma Bonita
MDPC-093	572502	3415183	1,585	000	-90	192.0	Loma Bonita
MDPC-094	572510	3415075	1,613	000	-90	204.2	Loma Bonita
MDPC-095	572465	3415260	1,573	000	-90	185.9	Loma Bonita
MDPC-096	572677	3415070	1,625	000	-90	161.5	Loma Bonita
MDPC-097	572532	3415280	1,580	000	-90	170.7	Loma Bonita
MDPC-098	572518	3414972	1,666	000	-90	189.0	Loma Bonita
MDPC-099	572586	3414996	1,656	000	-90	179.9	Loma Bonita
MDPC-100	572541	3415011	1,653	000	-90	172.2	Loma Bonita
MDPC-101	572441	3415317	1,557	000	-90	143.3	Loma Bonita
MDPC-102	572469	3415409	1,568	000	-90	152.4	Loma Bonita

Table 3: Diamond drill hole information

HOLE No.	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH (m)	LOCATION
MDPD-006	572897	3414998	1,631	270	-80	539.0	Puerto del Oro
MDPD-007	572512	3415236	1,587	000	-90	165.0	Loma Bonita
MDPD-008	572517	3415399	1,566	290	-60	213.0	Loma Bonita
MDPD-009	572341	3415496	1,547	290	-60	200.2	Loma Bonita
MDPD-010	572252	3415546	1,548	290	-60	172.0	Loma Bonita
MDPD-011	572542	3415175	1,602	000	-90	149.9	Loma Bonita
MDPD-012	572572	3415109	1,627	000	-90	150.0	Loma Bonita
MDPD-013	571925	3415572	1,505	000	-90	28.0	Mesa de Plata
MDPD-014	572014	3415446	1,526	000	-90	65.0	Mesa de Plata
MDPD-015	571960	3415653	1,475	110	-60	80.0	Mesa de Plata
MDPD-016	572485	3415298	1,578	000	-90	200.8	Loma Bonita
MDPD-017	573038	3415273	1,580	000	-90	150.0	Puerto del Oro
MDPD-018	573093	3415074	1,589	000	-90	330.0	Puerto del Oro
MDPD-019	572635	3414985	1,644	000	-90	201.3	Loma Bonita
MDPD-020	572528	3415122	1,605	000	-90	201.0	Loma Bonita
MDPD-021	572592	3415150	1,609	000	-90	150.0	Loma Bonita
MDPD-022	572456	3415361	1,574	000	-90	150.0	Loma Bonita
MDPD-023	571715	3415933	1,426	000	-90	102.0	Mesa de Plata Norte
MDPD-024	571760	3415948	1,421	000	-90	100.0	Mesa de Plata Norte
MDPD-025	573733	3413995	1,712	210	-70	175.15	Cerro San Simon
MDPD-026	571747	3415998	1,412	000	-90	50.0	Mesa de Plata Norte
MDPD-027	571737	3416043	1,411	000	-90	50.0	Mesa de Plata Norte
MDPD-028	571647	3415977	1,420	000	-90	50.0	Mesa de Plata Norte
MDPD-029	573006	3413799	1,662	090	-75	378.1	Cerro Enmedio
MDPD-030	571705	3416002	1,404	000	-90	50.0	Mesa de Plata Norte
MDPD-031	572268	3415592	1,505	110	-45	315.15	Loma Bonita
MDPD-032	572900	3414298	1,612	300	-60	319.65	Cerro Enmedio
MDPD-033	572930	3414000	1,648	270	-70	300.6	Cerro Enmedio
MDPD-034	573200	3414190	1,661	000	-90	376.25	Cerro Enmedio
MDPD-035	573675	3414149	1,791	000	-90	In progress	Cerro San Simon

-ENDS-

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

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

Appendix

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Diamond core and Reverse Circulation (RC) drilling is being undertaken on the Alacrán Project. Initial drill hole collar locations were determined by hand-held GPS. All diamond drill holes were surveyed for down-hole deviation, with surveys undertaken at 30m intervals and at bottom of hole. No downhole surveys were undertaken in the RC drill holes. Drill core was sampled at 0.15m to 1.5m intervals guided by changes in geology. RC drilling uses 10 foot long rods (=3.048m). Two samples were collected per rod (ie each sample length = 1.524m). All RC samples were dry. Samples for each RC drill hole were collected by passing through a Jones riffle splitter over 1.5m intervals and sent for assay. Samples preparation was undertaken at Acme Laboratories (a Bureau Veritas Group company) in Hermosillo, Sonora,, Mexico. Samples were weighed, assigned a unique bar code and logged into the Acme tracking system. Samples were dried and each sample was fine crushed to >70% passing a 2 mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75 micron screen. Envelopes containing the 250g sample pulps were sent via courier to the Acme laboratory in Vancouver, Canada for analysis. The analytical techniques for all elements (other than gold) initially involved a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was MA300 (for silver and base metals by ICP-MS). Fire Assay method FA430 was used for gold. Over-limit assays were re-analysed by MA370 (by ICP-ES for base metals grading >1%) and FA530 (by fire assay with gravimetric finish for silver grading >200ppm and gold grading >10ppm).
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Diamond drilling was HQ-size (63.5mm diameter) core from surface. Drill core was not orientated. Drilling technique for all holes was reverse circulation percussion using a face-sampling hammer. Drill hole diameter was 5¼" (133mm).
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Drill core was reconstructed into continuous runs. Depths were measured from the core barrel and checked against marked depths on the core blocks.

	Measures taken to maximise sample recovery and ensure representative nature of the samples. *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Core recoveries were logged and recorded in the database. Sample recoveries from the cored holes were high with >85% of the drill core having recoveries of >90%. There is no observable relationship between core recovery and grade, and therefore no sample bias. RC samples were visually checked for recovery, moisture and contamination and notes made in the logs. RC recoveries were visually estimated from volume of sample recovered. All sample recoveries were estimated to be above 90% of expected. There is no observable relationship between recovery and grade, and therefore no sample bias.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	Detailed core logging was carried out with recording of weathering, lithology, alteration, veining, mineralisation, structure, mineralogy, RQD and core recovery. Drill core was photographed, wet and without flash, in core trays prior to sampling. Each photograph includes an annotated board detailing hole number and depth interval. All holes were logged in full. Geological logging was carried out on all RC drill holes, but no geotechnical data has been recorded (or is possible to be recorded due to the nature of the sample). Logging of RC chips recorded lithology, mineralogy, mineralisation, weathering, colour, and other sample features. All holes were logged in full. RC chips are stored in plastic RC chip trays. When completed, each plastic chip tray was photographed. The geological data would be suitable for inclusion in a Mineral Resource estimate.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Azure sub-samples drill 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 half of core and residual ¼ core is retained in core trays and may be used for further testwork. All RC samples were dry. Samples for each RC drill hole were collected by passing through a Jones riffle splitter over the 1.524m (= 5 foot) intervals and sent for assay. The sample collection and preparation for RC and core samples followed industry best practice. Samples were prepared at the Acme laboratories in Hermosillo or Chihuahua, Mexico. Samples were weighed, assigned a unique bar code and logged into the Acme tracking system. The sample was dried and the entire sample was fine crushed to >70% passing a 2 mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75 micron screen. Envelopes containing the 250g pulps were sent via courier to the Acme laboratory in Vancouver. Certified Reference Standards, replicate samples, pulp duplicate samples, and blank samples were routinely inserted alternately at intervals of every 10 samples, and also immediately following visually identified mineralised intercepts to provide assay quality checks. For sub sampling and assay quality control monitoring Azure:

		• Submits replicate DCD ¼-cores anonymously to the laboratory in order to monitor the precision of this sub sample type. • Instructs the laboratory to collect and assay replicates of pulp samples in order to monitor the precision of the pulp material dispatched for assay. • Submits known grade value pulp references anonymously to the laboratory in order to monitor the accuracy of grades reported. • Submits a nominal barren 'blank' samples anonymously to the laboratory in order to monitor potential cross contamination between samples during sample preparation. The sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The analytical techniques for all elements (other than gold) initially involved a four-acid digest followed by multi-element ICP-MS analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was MA300 (for silver and base metals by ICP-MS). Fire Assay method FA430 was used for gold. Over-limit assays were re-analysed by MA370 (by ICP-ES for base metals grading >1%) and FA530 (by fire assay with gravimetric finish for silver grading >200ppm and gold grading >10ppm). Azure implemented industry standard QAQC protocols to monitor levels of accuracy and precision. Internal laboratory control procedures comprised duplicate sampling of randomly selected assay pulps, as well as internal laboratory standards and blanks. Azure routinely inserted Certified Reference Standards, replicate samples, duplicate samples, and blank samples at alternate sample intervals to provide assay quality checks. Review of the standards, duplicates and blanks are within acceptable limits. No geophysical or portable analysis tools were used to determine assay values.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	Senior technical personnel from the Company (Project Geologist & Exploration Manager) and an independent technical consultant have inspected the drilling, sampling procedures and significant intersections. Primary data was collected by employees of the Company at the project site. All measurements and observations were recorded onto hard copy templates and later transcribed into the Company's digital database. Digital data storage, verification and validation is managed by an independent data management company. No adjustments or calibrations have been made to any assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Drill hole collar locations were determined by hand-held GPS. Final drill hole collar locations will be surveyed by a licensed surveyor using a two frequency differential GPS with accuracy of +/-3cm.

		All drill holes were surveyed for down-hole deviation, with surveys undertaken at 30m intervals and at bottom of hole. The grid system used is NAD27 Mexico UTM Zone 12 for easting, northing and RL.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Drill hole spacing is variable however a pattern of 50m x 50m has commenced. At this time, data spacing and distribution are not sufficient to establish the degree of geological and grade continuity appropriate for a Mineral Resource estimation procedure. No composite samples were collected.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Geological controls and orientations of the mineralised zone are unknown at this time and therefore all mineralised intersections are reported as "intercept length" and may not reflect true width. No sampling bias is believed to have been introduced.
Sample security	*The measures taken to ensure sample security.*	Assay samples were placed in poly sample bags, each with a uniquely numbered ticket stub from a sample ticket book. Sample bags were marked with the same sample number and sealed with a plastic cable tie. Samples were placed in woven polypropylene "rice bags" and a numbered tamper-proof plastic cable tie was used to close each bag. The rice bags were delivered by company personnel directly to the Acme laboratory for sample preparation. The numbers on the seals were recorded for each shipment. ACME audited the arriving samples and reported any discrepancies back to the Company. No such discrepancies occurred.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	All digital data is subject to audit by the independent database manager.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Alacrán Project comprises 22 mineral concessions 100% owned by Minera Teck SA de CV, a subsidiary of Teck Resources Limited.

		<table><tr><th>CLAIM</th><th>FILE</th><th>TITTLE</th><th>HECTARES</th></tr><tr><td>Hidalgo</td><td>1794</td><td>166374</td><td>99.00</td></tr><tr><td>Hidalgo 2</td><td>1796</td><td>166369</td><td>99.00</td></tr><tr><td>Hidalgo 3</td><td>1797</td><td>166368</td><td>99.00</td></tr><tr><td>Hidalgo 4</td><td>1798</td><td>166366</td><td>99.00</td></tr><tr><td>Hidalgo 5</td><td>1799</td><td>166370</td><td>99.00</td></tr><tr><td>Hidalgo 6</td><td>1800</td><td>166371</td><td>99.00</td></tr><tr><td>Hidalgo 7</td><td>1801</td><td>166373</td><td>99.00</td></tr><tr><td>Hidalgo 8</td><td>1802</td><td>166372</td><td>99.00</td></tr><tr><td>Hidalgo 9</td><td>1803</td><td>166375</td><td>99.00</td></tr><tr><td>Kino 2</td><td>1886</td><td>166313</td><td>100.00</td></tr><tr><td>Kino 3</td><td>1887</td><td>166312</td><td>100.00</td></tr><tr><td>Kino 4</td><td>1888</td><td>166314</td><td>100.00</td></tr><tr><td>Kino 8</td><td>1892</td><td>166315</td><td>100.00</td></tr><tr><td>Kino 9</td><td>1893</td><td>166316</td><td>100.00</td></tr><tr><td>Kino 10</td><td>1894</td><td>166317</td><td>100.00</td></tr><tr><td>Kino 11</td><td>1895</td><td>166318</td><td>100.00</td></tr><tr><td>Kino 15</td><td>1899</td><td>166365</td><td>100.00</td></tr><tr><td>Kino 16</td><td>1800</td><td>166367</td><td>100.00</td></tr><tr><td>San Simón</td><td>1894</td><td>166376</td><td>100.00</td></tr><tr><td>San Simón 2</td><td>1895</td><td>166377</td><td>100.00</td></tr><tr><td>El Alacrán</td><td>E.4.1.3/1182</td><td>201817</td><td>3,442.36</td></tr><tr><td>TOTAL SURFACE</td><td></td><td></td><td>5,433.36</td></tr></table> Azure Minerals has an Option to acquire 100% ownership of these concessions by spending US$5 million over four years, subject to Teck having a one-off right to buy back up to 65% ownership. A 2% Net Smelter Royalty is held by Grupo Mexico. The tenements are secure and are in good standing. There are no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The project area has a short history of industrial-scale commercial mining and small-scale artisanal mining dating back to the early 20th century, which ended shortly after the start of the Mexican Revolution in 1910. After the Revolution ended in the 1920's, the property was explored intermittently. The Anaconda Copper Mining Company is known to have done some exploration, including drilling, on the property prior to the late 1960's. Data relating to this work has been located but has yet to be reviewed. Between 1969 and the early 1980's, the Consejo de Recursos Minerales (Mexican Geological Survey) carried out occasional exploration programs, including drilling 6 holes in 1970 and undertaking geophysical surveys over the Palo Seco and La Morita prospects in 1981. Grupo Mexico acquired the project after the CRM completed their drilling. Grupo Mexico drilled an additional 26 holes on the project in two phases. The first phase was done in 1991 (24 holes) and the second phase was done in 1997 and 1998 (two holes). Minera Teck S.A. de C.V., a Mexican subsidiary of Teck Resources Limited acquired the property in 2013 and undertook limited surface exploration. Azure Minerals acquired the rights to the project in December 2014 through its fully owned Mexican subsidiary company Minera Piedra Azul SA de CV.
Geology	*Deposit type, geological setting and style of mineralisation.*	Various styles of mineralisation occur on the property. Epithermal zones, veins, breccias and stockworks host silver, lead, zinc, copper and gold in volcaniclastic rocks

		(Mesa de Plata, Loma Bonita, Cerro San Simon, Cerro Enmedio and Palo Seco). Secondary copper oxide and chalcocite mineralisation occur in volcanic rocks (La Morita and Cerro Alacrán). Primary copper mineralization is hosted in porphyry rocks (Cerro Alacrán).
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer to figures and tables in the report which provide all relevant details.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All reported mineralised intervals have been length-weighted. No top cuts have been applied. Overall mineralised intervals were calculated using a lower grade cut-off of 0.2g/t Au. High grade mineralised intervals were calculated using a grade cut-off of 1.0g/t Au. No metal equivalencies are reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Geological controls and orientations of the mineralised zones are unknown at this time and therefore all mineralised intersections are reported as "intercept length" and may not reflect true width.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in the accompanying report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Company believes that the ASX announcement is a balanced report with all material results reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	This announcement refers to previous exploration results including geophysics, geochemistry and geology.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological*	Further work to better understand the mineralisation systems in the project area will be determined upon a full analysis and interpretation of results.

	interpretations and future drilling areas, provided this information is not commercially sensitive	