16 JANUARY 2018

NEAR-SURFACE, HIGH-GRADE ZINC & LEAD RESULTS EXTEND MINERALISED ZONE AT OPOSURA

HIGHLIGHTS:

- **More near-surface, high-grade zinc & lead mineralisation intersected in the East Zone, including:**
  - **OPDH-036 2.0m @ 42.6% Zn+Pb from 37.5m**
  - **OPDH-023 2.9m @ 16.1% Zn+Pb from 18.9m**
  - **OPDH-025 2.1m @ 15.4% Zn+Pb from 27.9m**
  - **OPDH-026 2.2m @ 14.2% Zn+Pb from 15.2m**
- **OPDH-036 has extended the high-grade mineralisation south of the previously reported hole OPDH-008 (16.6m @ 22.0% Zn+Pb including 9.3m @ 36.9% Zn+Pb)**
- **Mineralisation extended 170 metres to the west of surface outcrop by drill hole OPDH-027 (2.65m @ 10.4% Zn+Pb), the mineralised horizon remains open in that direction**
- **Drilling with three drill rigs is proceeding smoothly on both the East and West Zones and further assay results are expected in the near future**
- **Azure remains on track to deliver an initial mineral resource estimate by April 2018**

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to report additional near-surface, high-grade zinc and lead drill results have extended the mineralisation previously reported on its flagship Oposura Project ("Oposura"), located in the northern Mexican state of Sonora (see Figure 1).

Commenting on the drilling campaign, **Azure's Managing Director, Mr Tony Rovira** said, *"The latest results from the Oposura East Zone continue to be encouraging, with high grade zinc and lead mineralisation being consistently intersected, confirming the continuity of the near to surface, massive sulphide mineralised horizon. While drilling initially focused on the East Zone, drilling is now being conducted concurrently in both the East and West Zones, and results continue to be regularly received.*

"The resource drill-out is proceeding smoothly and is on time to be completed in February, enabling a maiden mineral resource estimate to be released by April 2018. Further drilling to test possible resource extensions and additional exploration potential is in planning."

DRILLING DETAILS

By the conclusion of 2017, Azure's first drilling campaign at Oposura had completed 72 diamond drill holes for 4,424m, the majority of which were focused on the Oposura East Zone (see Figures 3 & 4). Following the end-of-year break, drilling has recommenced and is now being undertaken concurrently on both the East and West Zones and further results are expected to be reported shortly.

The latest round of drill results has extended the high-grade mineralised zone to the south and west of previously reported near-surface, high-grade mineralisation in the East Zone (refer ASX announcement of 13 December 2017). Drill hole **OPDH-008 intersected 16.62m at 14.09% Zn and 7.95% Pb including 9.32m at 23.89% Zn and 13.03% Pb**. Drill holes OPDH-036, OPDH-023 and OPDH-026 have extended this flat-lying, near-surface, high-grade mineralisation approximately 100m to the south of drill hole OPDH-008. Mineralised intervals include:

- **OPDH-036: 2.05m at 21.33% Zn and 21.23% Pb from 37.5 metres**
- **OPDH-023: 2.90m at 9.68% Zn and 6.45% Pb from 18.9 metres**
- **OPDH-026: 2.15m at 8.73% Zn and 5.47% Pb from 15.2 metres**

Mineralisation remains open to the south and west of OPDH-036, OPDH-023 and OPDH-026 and further drilling is planned for this area.

Encouragingly, OPDH-027, which tested a part of the East Zone where no historical drilling occurred, intersected flat-lying, high-grade mineralisation including an interval of **2.65m at 9.53% Zn and 0.87 % Pb** from 80.10 metres downhole. This mineralisation is located approximately 20m to the north of and at the same level as the massive sulphide zone observed in the historical Tunnel D, as shown in Figure 4, confirming continuity of mineralisation in this area.

Most of Azure's holes along the eastern part of the deposit have intersected fresh, unoxidized, massive sulphides within 10m of surface. This is consistent with sampling of near surface mineralisation in the historical underground workings and augurs well for an initial open pit mining operation in this area.

Historically, more than 100 diamond core holes were drilled by previous explorers at Oposura, with the majority intersecting significant zinc and lead mineralisation. Azure's resource drill-out coincides with the previously drilled mineralised zone, and many of the Company's holes are either "twinning" or are being drilled close to historical holes. To date, Azure has observed that its drill holes closely replicate the sulphide intercepts achieved in the historical holes, which provides confidence that a substantial resource will be confirmed.

The Company is aiming to conclude the resource drill-out in February 2018 and to complete the Company's maiden mineral resource estimate by April 2018. Once the current resource drill-out program is complete, drilling will continue to expand the area of currently defined mineralisation and, ultimately, the resource, and to explore for repetitions and extensions of the mineralised zones elsewhere within the property.

Figure 1: Location of Azure Minerals' projects

Figure 2: Mineral resource drill-out area and further exploration potential of Oposura Project

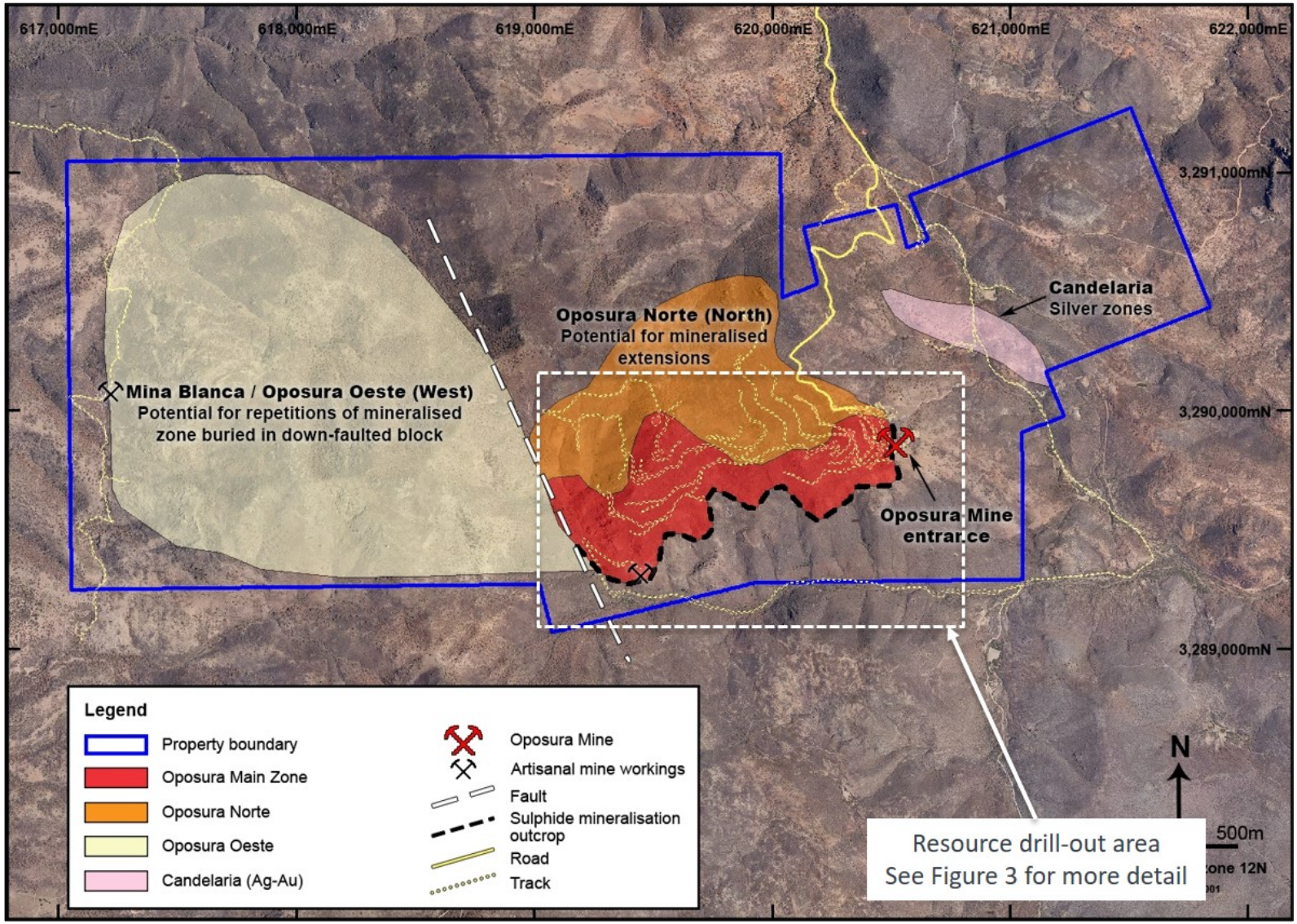

Figure 3: Oposura drill hole locations and geology

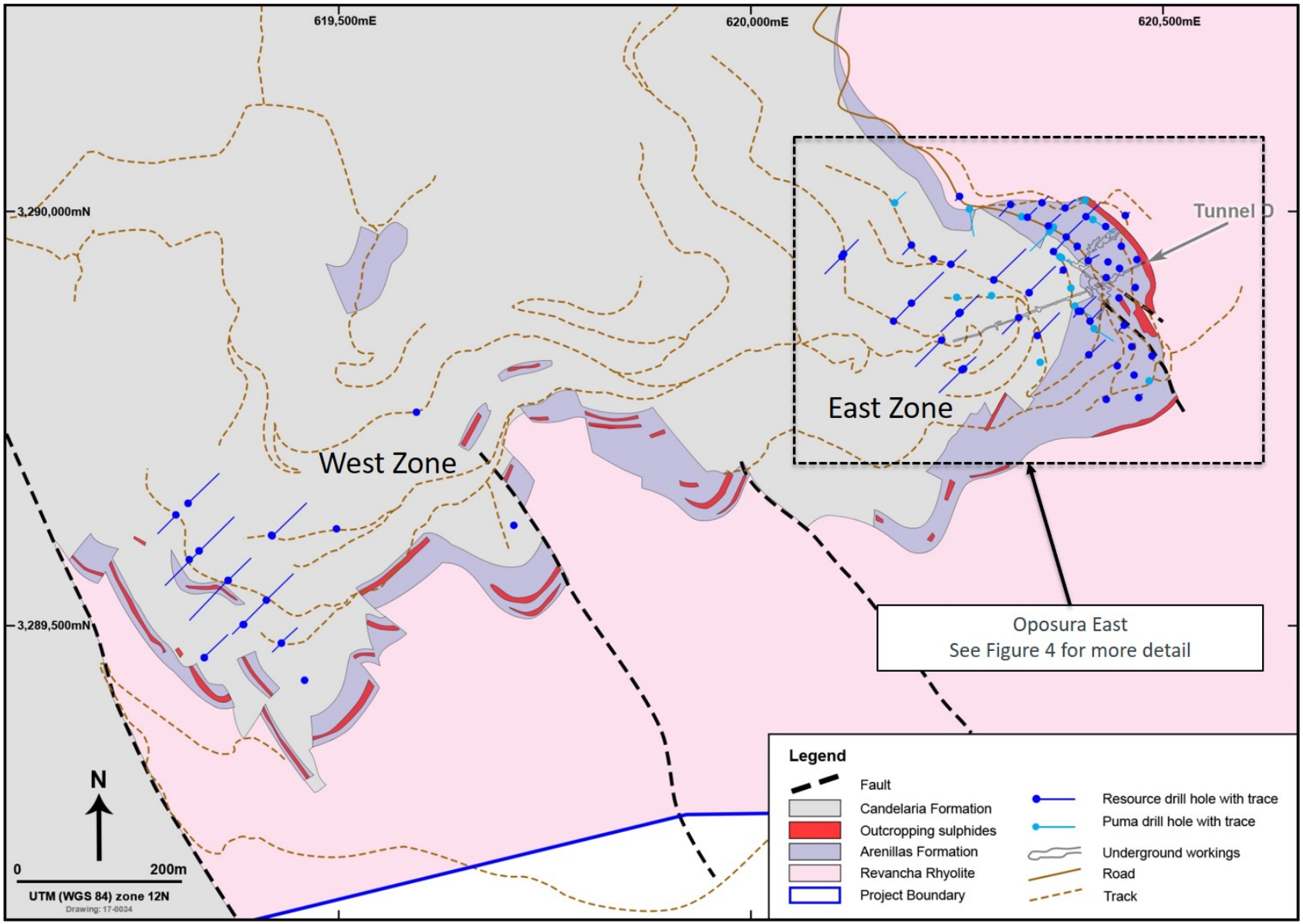

Figure 4: Oposura East Zone drill hole locations and section A-AA location

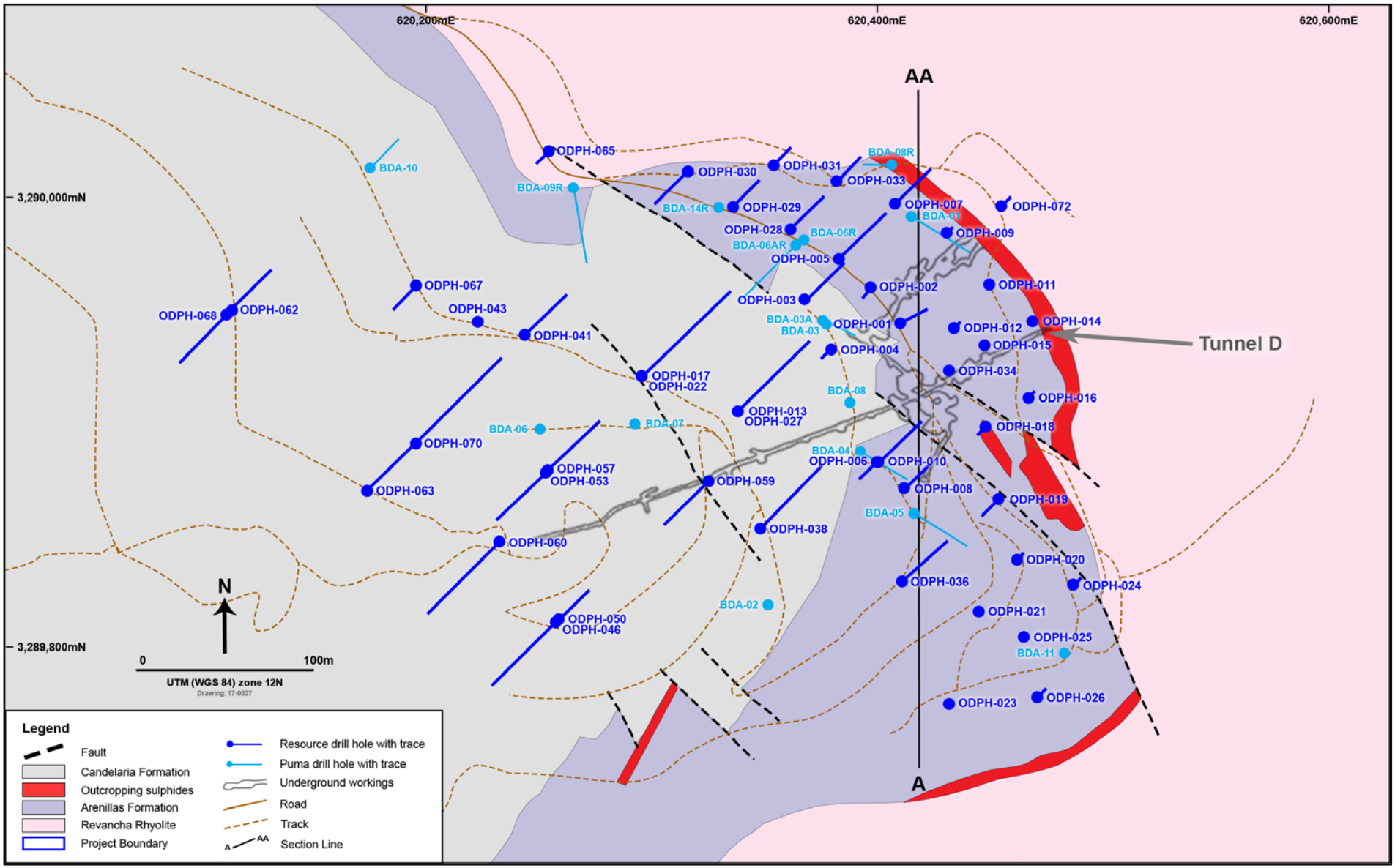

Figure 5: Oposura East Zone section A-AA

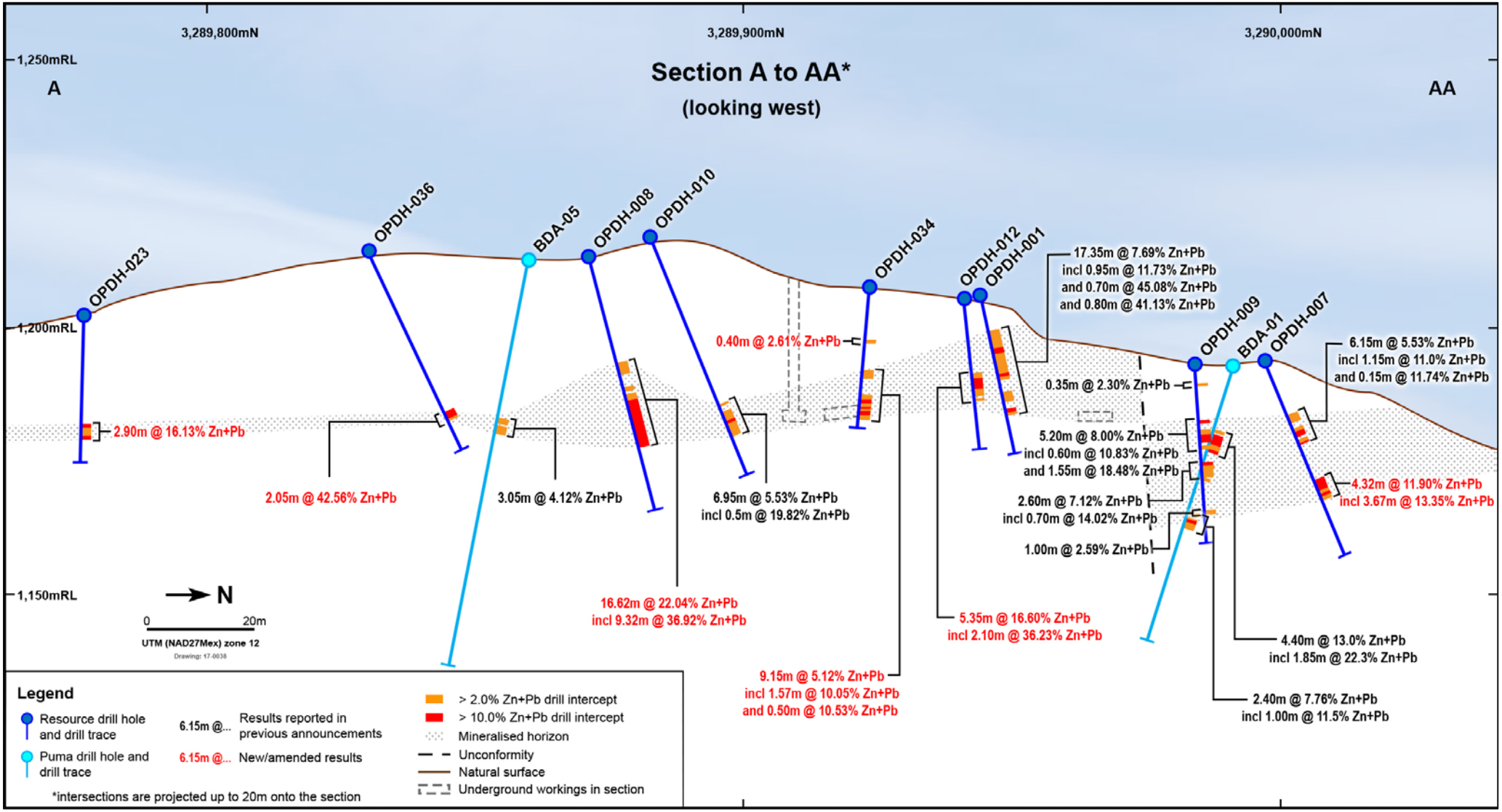

TABLE 1: Significant mineralised drill intercepts

Hole No	Depth (m)		Intercept Length (m)	Grade			
	From	To		Zn (%)	Pb (%)	Zn+Pb (%)	Ag (g/t)
OPDH-001	**7.10**	**24.45**	**17.35**	**3.73**	**3.96**	**7.69**	**17.70**
including	10.90	11.85	0.95	2.16	9.57	11.73	51.20
and	15.80	16.50	0.70	26.21	18.86	45.08	75.87
and	23.05	23.85	0.80	23.99	17.14	41.13	54.32
OPDH-002	**17.35**	**19.65**	**2.30**	**5.35**	**3.88**	**9.23**	**14.56**
including	18.32	18.90	0.58	12.44	8.33	20.77	30.01
	22.75	23.10	0.35	3.15	2.04	5.19	2.20
	27.45	28.40	0.95	1.23	1.12	2.35	BDL
	29.35	30.30	0.95	1.47	0.55	2.02	2.70
	43.38	44.80	1.42	3.60	1.42	5.02	5.15
OPDH-003	**35.97**	**36.15**	**0.18**	**2.80**	**2.19**	**4.99**	**7.30**
	49.95	50.50	0.55	1.81	1.30	3.11	4.30
	53.06	53.68	0.62	4.44	3.37	7.81	11.05
OPDH-004	**42.20**	**49.05**	**6.85**	**9.03[1]**	**4.14[1]**	**13.17[1]**	**39.31**
including	45.40	48.00	2.60	20.11[1]	7.69[1]	27.79[1]	90.54
OPDH-005	21.65	22.65	1.00	2.18	1.83	4.00	13.10
	34.90	35.40	0.50	3.12	2.52	5.64	11.50
	37.75	38.75	1.00	2.37	1.02	3.38	8.22
	49.20	**53.50**	**4.30**	**2.30**	**1.19**	**3.49**	**4.83**
OPDH-006	**40.45**	**41.40**	**0.95**	**4.97**	**3.58**	**8.56**	**9.04**
including	40.45	40.75	0.30	8.30	6.67	14.97	19.75
OPDH-007	**11.15**	**17.30**	**6.15**	**2.88**	**2.65**	**5.53**	**19.05**
including	14.65[2]	15.58[2]	1.15[2]	6.01[2]	4.99[2]	11.00[2]	25.02[2]
and	17.15[2]	17.30[2]	0.15[2]	7.77[2]	3.97[2]	11.74[2]	20.70[2]
	25.23	**29.55**	**4.32**	**6.45**	**5.45[1]**	**11.90[1]**	**25.61**
including	25.23	28.90	3.67	7.18	6.18[1]	13.35[1]	29.19
OPDH-008	**21.20**	**37.82**	**16.62**	**14.09[1]**	**7.95[1]**	**22.04[1]**	**26.90**
including	28.50	37.82	9.32	23.89[1]	13.03[1]	36.92[1]	42.45
OPDH-009	2.40	2.75	0.35	1.17	1.13	2.30	6.80

	9.30	**14.50**	**5.20**	**4.86**	**3.14**	**8.00**	**11.34**
including	9.30	9.90	0.60	7.12	3.71	10.83	14.60
and	12.00	13.55	1.55	11.37	7.11	18.48	21.42
	17.40	**20.00**	**2.60**	**3.96**	**3.17**	**7.12**	**13.62**
including	17.40	18.10	0.70	7.81	6.21	14.02	27.20
OPDH-010	**36.45**	**43.40**	**6.95**	**4.28**	**1.25**	**5.53**	**15.44**
including	40.15	40.65	0.50	12.89	6.93	19.82	24.00
OPDH-011	**2.65**	**6.60**	**3.95**	**4.75**	**5.40[1]**	**10.15[1]**	**25.94**
including	3.15	6.10	2.95	4.95	6.63[1]	11.59[1]	29.69
OPDH-012	**2.65**	**8.00**	**5.35**	**8.79[1]**	**7.80[1]**	**16.60[1]**	**27.20**
including	3.75	5.85	2.10	19.15[1]	17.08[1]	36.23[1]	54.18
OPDH-013	77.70	78.30	0.60	1.83	1.15	2.98	5.20
	88.00	**91.80**	**3.80**	**3.12**	**3.42**	**6.54**	**11.31**
including	88.50	89.00	0.50	7.38	6.51	13.89	37.30
	100.00	100.50	0.50	2.10	0.77	2.87	10.00
OPDH-014	**2.15**	**5.40**	**3.25**	**4.42**	**5.87[1]**	**10.29[1]**	**20.18**
including	3.75	4.75	1.00	6.85	11.18[1]	18.03[1]	38.70
OPDH-015	**1.50**	**7.90**	**6.40**	**10.78[1]**	**11.40[1]**	**22.18[1]**	**42.17**
including	3.05	7.90	4.85	13.98[1]	14.50[1]	28.48[1]	45.78
OPDH-016	**4.85**	**6.45**	**1.60**	**3.69**	**2.51**	**6.20**	**15.08**
OPDH-017	**81.72**	**87.00**	**5.28**	**3.40**	**2.57**	**5.97**	**14.94**
including	82.60	83.45	0.85	6.85	5.18	12.03	27.20
	90.85	92.65	1.80	2.04	1.47	3.51	8.40
OPDH-018	**7.85**	**11.86**	**4.01**	**2.98**	**1.91[1]**	**4.89[1]**	**9.05**
including	11.73	11.86	0.13	8.77	10.43[1]	19.20[1]	43.80
OPDH-019	**0.30**	**2.30**	**2.00**	**1.34**	**2.46**	**3.79**	**11.00**
	15.75	**19.70**	**3.95**	**8.93[1]**	**7.67[1]**	**16.59[1]**	**49.03**
OPDH-020	**19.70**	**24.20**	**4.50**	**1.45**	**1.06**	**2.51**	**6.62**
OPDH-022	**57.50**	**63.05**	**5.55**	**1.52**	**1.10**	**2.61**	**3.58**

OPDH-023	**18.90**	**21.80**	**2.90**	**9.68**	**6.45**	**16.13**	**19.41**
OPDH-024	**7.70**	**8.10**	**0.40**	**1.40**	**0.71**	**2.11**	**10.1**
OPDH-025	**6.75**	**7.60**	**0.85**	**0.96**	**1.81**	**2.77**	**8.90**
	27.74	31.15	3.41	6.46	4.81	11.26	19.57
including	27.89	30.00	2.11	9.14	6.24	15.37	25.75
OPDH-026	**5.55**	**6.25**	**0.70**	**1.31**	**1.23**	**2.54**	**6.8**
	7.65	8.45	0.80	1.38	0.95	2.33	8.40
	10.00	11.65	1.65	1.19	2.89	4.08	9.52
	15.20	17.35	2.15	8.73	5.47	14.20	17.99
including	16.60	17.35	0.75	20.23	11.48	31.70	27.42
OPDH-027	**67.90**	**68.55**	**0.65**	**1.45**	**0.76**	**2.21**	**5.85**
	80.10	82.75	2.65	9.53	0.87	10.40	62.92
including	81.02	81.80	0.78	24.32	0.46	24.78	46.40
OPDH-034	**3.56**	**3.96**	**0.40**	**1.01**	**1.60**	**2.61**	**5.70**
	9.15	18.30	9.15	3.67	1.46	5.12	22.84
including	14.65	16.22	1.57	5.58	4.47	10.05	50.79
and	16.80	17.30	0.50	10.29	0.24	10.53	3.70
OPDH-036	**37.50**	**39.55**	**2.05**	**21.33**	**21.23**	**42.56**	**58.05**
including	37.50	38.90	1.40	30.78	29.29	60.07	80.27

[1] Denotes assay result has changed since the previous announcement with the inclusion of over-limit assay results

[2] Denotes results that were not included in the previous announcement

Table 2: Location data for Azure Minerals' holes drilled to date on the Oposura Project

HOLE No.	EAST (m)E	NORTH (m)N	ELEVATION (m)ASL	AZIMUTH	DIP	TOTAL DEPTH (m)	LOCATION
OPDH-001	620,410.0	3,289,944.0	1,205.7	060	-65	32.0	Oposura East
OPDH-002	620,397.0	3,289,960.0	1,205.7	225	-85	51.1	Oposura East
OPDH-003	620,367.6	3,289,954.6	1,215.5	045	-70	70.0	Oposura East
OPDH-004	620,379.6	3,289,932.6	1,217.9	225	-85	61.9	Oposura East
OPDH-005	620,383.0	3,289,972.6	1,205.2	045	-60	55.5	Oposura East
OPDH-006	620,399.0	3,289,882.0	1,217.3	225	-80	50.4	Oposura East
OPDH-007	620,407.8	3,289,997.2	1,193.0	045	-60	41.3	Oposura East
OPDH-008	620,412.0	3,289,871.0	1,213.2	045	-70	50.4	Oposura East
OPDH-009	620,430.8	3,289,984.4	1,191.9	045	-85	32.2	Oposura East
OPDH-010	620,400.7	3,289,882.0	1,217.0	045	-70	51.4	Oposura East
OPDH-011	620,449.7	3,289,961.3	1,188.9	045	-85	20.8	Oposura East
OPDH-012	620,434.0	3,289,942.0	1,194.0	225	-80	16.8	Oposura East
OPDH-013	620,338.0	3,289,905.0	1,242.0	045	-67	109.2	Oposura East
OPDH-014	620,469.0	3,289,945.0	1,186.7	045	-85	10.7	Oposura East
OPDH-015	620,447.6	3,289,934.2	1,192.4	225	-80	14.6	Oposura East
OPDH-016	620,467.0	3,289,911.0	1,192.8	045	-80	19.8	Oposura East
OPDH-017	620,295.2	3,289,920.7	1,243.9	045	-60	109.6	Oposura East
OPDH-018	620,448.0	3,289,898.0	1,199.5	225	-80	25.9	Oposura East
OPDH-019	620,453.6	3,289,865.8	1,201.6	225	-70	30.5	Oposura East
OPDH-020	620,462.3	3,289,839.3	1,202.0	045	-85	30.5	Oposura East
OPDH-021	620,445.0	3,289,816.0	1,203.0	045	-85	26.0	Oposura East
OPDH-022	620,295.2	3,289,920.7	1,243.9	045	-80	91.3	Oposura East
OPDH-023	620,432.0	3,289,775.0	1,201.0	000	-90	26.0	Oposura East
OPDH-024	620,487.0	3,289,828.0	1,198.0	045	-80	21.4	Oposura East
OPDH-025	620,465.0	3,289,805.0	1,200.0	000	-90	41.2	Oposura East
OPDH-026	620,471.0	3,289,778.0	1,194.0	045	-75	21.2	Oposura East
OPDH-027	620,338.0	3,289,905.0	1,242.0	045	-83	95.4	Oposura East
OPDH-028	620,361.4	3,289,985.9	1,205.7	045	-55	36.6	Oposura East
OPDH-029	620,335.8	3,289,996.0	1,207.2	045	-62	35.1	Oposura East
OPDH-030	620,315.9	3,290,011.6	1,203.1	225	-47	30.5	Oposura East
OPDH-031	620,354.0	3,290,014.4	1,196.4	045	-65	24.2	Oposura East
OPDH-032	619,338.0	3,289,463.0	1,223.5	000	-90	39.8	Oposura West
OPDH-033	620,382.3	3,290,007.2	1,192.9	045	-55	26.0	Oposura East
OPDH-034	620,432.0	3,289,923.0	1,201.1	225	-85	19.9	Oposura East
OPDH-035	619,338.0	3,289,463.0	1,223.5	045	-45	54.0	Oposura West
OPDH-036	620,411.1	3,289,829.4	1,214.9	045	-55	45.8	Oposura East
OPDH-037	619,320.0	3,289,581.0	1,267.1	000	-90	85.4	Oposura West
OPDH-038	620,348.0	3,289,853.0	1,238.0	045	-60	77.7	Oposura East
OPDH-039	619,431.5	3,289,480.5	1,239.0	225	-75	54.5	Oposura West
OPDH-040	619,419.5	3,289,609.3	1,308.9	000	-90	106.8	Oposura West
OPDH-041	620,243.3	3,289,939.0	1,236.4	045	-65	62.5	Oposura East
OPDH-042	619,431.5	3,289,480.5	1,239.0	045	-65	61.2	Oposura West
OPDH-043	620,222.0	3,289,946.0	1,253.0	000	-90	61.0	Oposura East
OPDH-044	619,366.9	3,289,556.3	1,270.5	225	-51	107.0	Oposura West
OPDH-045	619,497.7	3,289,617.6	1,301.5	000	-90	83.9	Oposura West
OPDH-046	620,257.3	3,289,811.6	1,263.6	225	-68	103.6	Oposura East
OPDH-047	619,366.9	3,289,556.3	1,270.5	045	-60	74.7	Oposura West

OPDH-048	619,713.4	3,289,621.6	1,260.0	000	-90	74.8	Oposura West
OPDH-049	619,366.9	3,289,556.3	1,270.5	000	-90	76.1	Oposura West
OPDH-050	620,258.5	3,289,812.6	1,263.5	045	-77	77.8	Oposura East
OPDH-051	619,459.5	3,289,437.8	1,223.5	000	-90	39.7	Oposura West
OPDH-052	619,385.5	3,289,505.0	1,242.0	225	-75	54.7	Oposura West
OPDH-053	620,252.7	3,289,877.5	1,269.2	225	-73	108.5	Oposura East
OPDH-054	619,595.0	3,289,760.9	1,355.9	000	-90	134.2	Oposura West
OPDH-055	619,385.5	3,289,505.0	1,242.0	045	-50	52.4	Oposura West
OPDH-056	619,331.0	3,289,591.0	1,275.2	225	-55	96.1	Oposura West
OPDH-057	620,254.2	3,289,879.1	1,267.9	045	-76	112.9	Oposura East
OPDH-058	619,331.0	3,289,591.0	1,275.2	045	-50	90.0	Oposura West
OPDH-059	620,325.0	3,289,874.0	1,249.0	225	-70	80.9	Oposura East
OPDH-060	620,232.0	3,289,847.0	1,279.0	225	-66	109.8	Oposura East
OPDH-061	619,304.1	3,289,635.7	1,261.5	225	-65	76.25	Oposura West
OPDH-062	620,113.3	3,289,950.5	1,275.1	045	-70	80.85	Oposura East
OPDH-063	620,173.5	3,289,869.5	1,276.7	045	-76	126.60	Oposura East
OPDH-064	619,318.1	3,289,649.6	1,274.1	000	-90	71.70	Oposura West
OPDH-065	620,253.7	3,290,020.1	1,210.2	225	-70	21.35	Oposura East
OPDH-066	619318.4	3289650.0	1,274.1	045	-53	81.7	Oposura West
OPDH-067	620195.1	3289960.8	1,234.8	225	-73	51.85	Oposura East
OPDH-068	620110.8	3289947.8	1,276.4	225	-73	96.05	Oposura East
OPDH-069	619413.0	3289532.0	1,261.0	045	-50	68.65	Oposura West
OPDH-070	620195.0	3289890.7	1,262.7	045	-60	106.75	Oposura East
OPDH-071	619420.5	3289610.5	1,309.4	045	-60	106.75	Oposura West
OPDH-072	620455.0	3289996.0	1,184.0	045	-80	30.5	Oposura East

-ENDS-

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Competent Person Statements:

Information in this report that relates to Exploration Results for the Oposura Project is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy and fairly represents this information. Mr Rovira has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Rovira is a full-time employee and Managing Director of Azure Minerals Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

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 30g 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.*	Targets were sampled by diamond core drilling. Drill core was sampled at intervals of between 0.05m to 3.05m, guided by changes in geology. Drill hole collar locations were initially determined by hand-held GPS and with final drill hole collar positions surveyed by 2 channel differential GPS. Sample preparation was undertaken at Bureau Veritas Laboratories (BVL) in Hermosillo, Sonora, Mexico. Samples were weighed, assigned a unique bar code and logged into the BVL tracking system. Samples were dried and each sample was fine crushed to >70% passing a 2mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75micron screen. Envelopes containing the 250g sample pulps were sent via courier to BVL in Vancouver, Canada for base metal analysis. The analytical techniques for all holes initially involved a four-acid digest followed by multi-element ICP-ES analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was: • Method MA300 (by ICP-ES for silver and base metals) Over-limit assays were re-analysed by: • Method MA370 (by ICP-ES for base metals grading >1%) • Method GC816 (by Classical Titration for zinc grading >20%) • Method GC817 (by Classical Titration for lead grading >10%) • Method FA530 (by fire assay with gravimetric finish for silver grading >200ppm)
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling technique is diamond drilling with either HQ-size (63.5mm diameter) or HQ3 (61.1mm diameter) core. Drill core in angled holes is being oriented for structural interpretation.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *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.*	All samples came from diamond core drilling. Core was reconstructed into continuous runs. Depths were measured from the core barrel and checked against marked depths on the core blocks. Core recoveries were logged and recorded in the database. Sample recoveries were high with >90% of the drill core having recoveries of >90%. There is no discernible 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.
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.*	Drill core was sawn in half using a core saw. Most samples were half core and were collected from the same side of the core. Samples nominated for duplicate analysis were cut to ¼ core for both primary and duplicate samples. No non-core samples were collected. The sample preparation followed industry best practice. Samples were prepared at BVL in Hermosillo, Sonora, Mexico. Samples were weighed, assigned a unique bar code and logged into the BVL tracking system. The sample was dried and the entire sample was fine crushed to >70% passing a 2mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75micron screen. Envelopes containing the 250g sample pulps were sent via courier to BVL in Vancouver, Canada for base metal analysis. Duplicate, standard and blank check samples are submitted. 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 initially involved a four-acid digest followed by multi-element ICP-ES analysis. This technique is considered a total digest for all relevant minerals. Following the four-acid digest, the analytical method used was: • Method MA300 (by ICP-ES for silver and base metals) Over-limit assays were re-analysed by: • Method MA370 (by ICP-ES for base metals grading >1%) • Method GC816 (by Classical Titration for zinc grading >20%) • Method GC817 (by Classical Titration for lead grading >10%) • Method FA530 (by fire assay with gravimetric finish for silver grading >200ppm) Internal laboratory control procedures comprised duplicate sampling of randomly selected assay pulps, as well as internal laboratory standards and blanks.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.*	Senior technical personnel from the Company (Project Geologists, Exploration Manager and Chief Operating Officer) inspected the samples.

	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. *Discuss any adjustment to assay data.*	Approximately 20% of historical drill holes are being twinned. 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. An independent data management company manages all digital data storage, verification and validation. 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. The grid system used is WGS84 Mexico UTM Zone 12N for easting, northing and RL. A photogrammetric company collected high resolution stereo aerial photos and LiDAR topographic data over the project area in June 2017 to create a 1m interval contour map and a colour orthophoto with 20cm pixels.
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.*	As this drilling program is for the purposes of mineral resource estimation, an initial drill hole spacing of 50m x 50m was implemented. Additional drill to infill the hole spacing to 25m x 25m was implemented in some areas. When completed, the data spacing and distribution will be sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation procedures. No sample compositing has been applied.
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.*	The mineralised zone is predominantly a horizontal layer of massive and banded sulphide mineralisation. 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. Company personnel delivered the rice bags directly to BVL for sample preparation. The numbers on the seals were recorded for each shipment. BVL audited the arriving samples and reported any discrepancies back to the Company. No such discrepancies occurred.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	All digital data is subject to audit by the independent data manager.

Section 2: Reporting of Exploration Results

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 Oposura Project comprises eleven mineral concessions, 10 granted and one in application, totalling 771 hectares in area. All tenements are 100% owned by Minera Piedra Azul SA de CV, a wholly-owned subsidiary of Azure Minerals Limited. A 2.5% NSR royalty on production is payable to the previous owners. The tenements are secure and in good standing. There are no known impediments to obtaining a licence to operate in the area. Nine of the tenements have an expiry date of 3 May 2037 and the tenth tenement has an expiry date of 9 January 2055. The eleventh tenement is still at the application stage.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Peñoles and Anaconda carried out diamond core drilling, underground exploratory mine development and metallurgical testwork in the 1970's. Minero Puma SA de CV conducted exploration in 2017 comprising underground mapping and sampling of historical workings and drilling of 16 surface drill holes. Azure Minerals acquired 100% ownership of the project in August 2017 through its wholly-owned Mexican subsidiary company Minera Piedra Azul SA de CV.
Geology	*Deposit type, geological setting and style of mineralisation.*	Carbonate replacement and/or skarn style of mineralisation forming horizontal mantos of massive sulphides containing zinc, lead and silver.
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 tables in the report and notes attached thereto 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 maximum and/or minimum grade truncations (eg cutting of high grades) or cut-off grades were applied. No top cuts have been applied. High grade intervals internal to broader mineralised zones are reported as included zones - refer to drill intercept and detail tables. No metal equivalents were reported.

		Reported zinc and lead mineralised intersections are based on intercepts using a lower grade cut-off of 2.0% Zn+Pb for the overall mineralised zones and 10.0% Zn+Pb for the included high grade mineralised zones. A maximum of 2m of consecutive internal dilution at <2.0% Zn+Pb has been applied to all mineralised intercepts.
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 zone are unconfirmed 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 attached 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 makes no reference to previous exploration results.
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 interpretations and future drilling areas, provided this information is not commercially sensitive*	Further work to delineate the mineralised zones will comprise geological mapping and sampling, geophysical surveys and drilling.