

# 100% OWNERSHIP OF 32Moz SILVER PROJECT SECURED

## HIGHLIGHTS:

- Azure regains 100% ownership of the Alacrán silver-gold project from Teck Resources
- Teck Resources becomes a substantial (19.9%) shareholder of Azure
- Resources of 32.2Moz of silver & 150,000oz of gold
- Silver and gold exploration will test upside potential; drilling expected in Q4, 2019

Azure Minerals Limited (ASX: AZS) (“Azure” or the “Company”) is pleased to advise that the agreement between the Company and Minera Teck S.A. de C.V. (“Teck”) for Azure’s acquisition of all of Teck’s rights and interests in the Alacrán Project has been executed. Teck is a 100%-owned subsidiary of Canada’s largest diversified resource company, Teck Resources Limited.

Azure’s previous exploration on Alacrán discovered the near-surface, high-grade Mesa de Plata silver deposit (refer to Table 1 for Mineral Resource) and the adjacent Loma Bonita gold-silver deposit (refer to Table 2 for Mineral Resource) (see Figure 1).

These resources total:

### Mesa de Plata (ASX: 1 December 2016):

**27.4Moz silver in 10.5Mt @ 82g/t Ag**

- Includes an at-surface high-grade zone of: **15.5Moz silver in 1.8Mt @ 275g/t Ag**

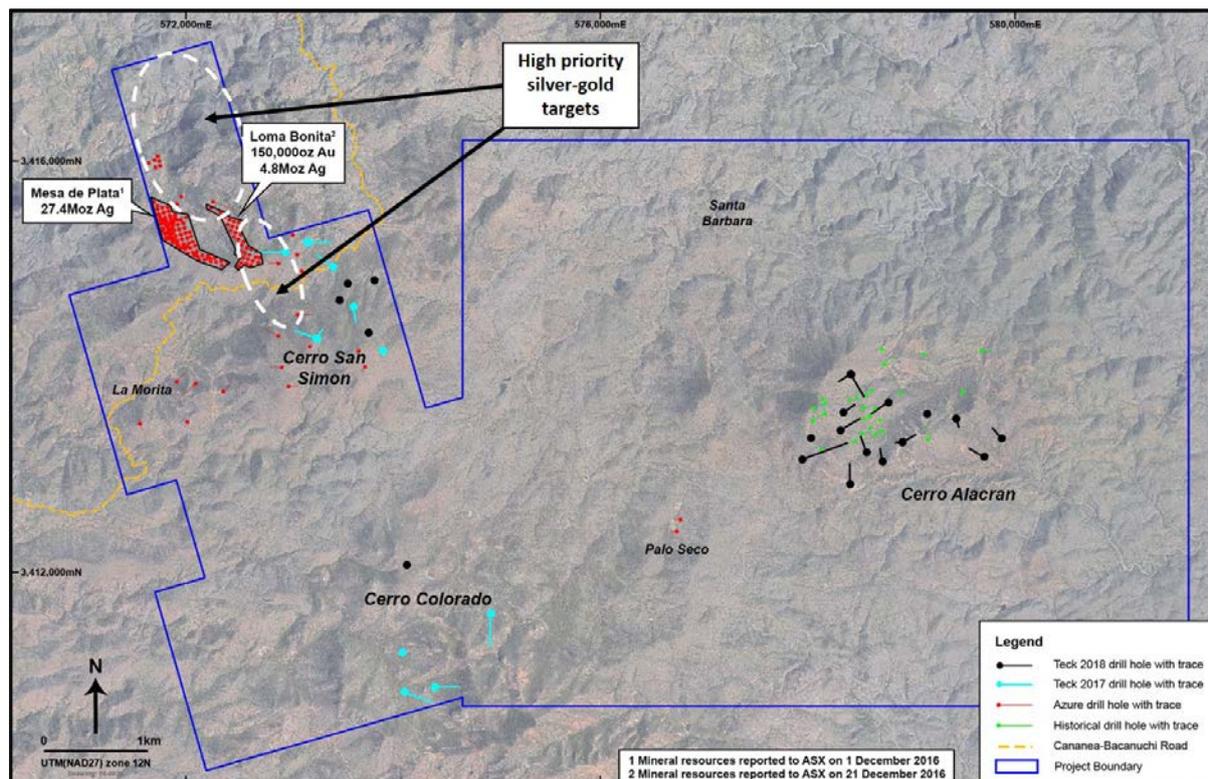
### Loma Bonita (ASX: 21 December 2016):

**150,000oz gold & 4.8Moz silver in 5.4Mt @ 0.9g/t Au & 28g/t Ag**

Commenting on regaining 100% control and ownership of the Alacrán project, Azure’s Managing Director, Mr. Tony Rovira, said: *“Given the recent positive sentiment for gold and silver, regaining full control of this major precious metals project is a significant milestone for the Company.*

*“Azure’s discoveries of the Mesa de Plata and Loma Bonita deposits, which together contain resources of more than 32 million ounces of silver and 150,000 ounces of gold, confirm the strong potential of the project. I am confident that, with our very successful exploration team back on the ground, there are further silver and gold discoveries to be made at Alacrán.”*

**Figure 1: Locations of Mesa de Plata and Loma Bonita deposits and areas of priority exploration**



## **BACKGROUND**

In December 2014, Azure and Teck entered into an agreement whereby Azure could acquire 100% ownership of the Alacrán Project from Teck by sole-funding US\$5 million of exploration expenditure over a four-year period. Teck would retain a back-in right which could be exercised within two months of Azure reaching the earn-in milestone.

Within two years, in October 2016, Azure announced that the Company had met the expenditure requirements and thereby earned 100% ownership of the Alacrán Project. During this period, Azure discovered two precious metal deposits; the Mesa de Plata silver deposit and the Loma Bonita gold-silver deposit.

In December 2016, Teck exercised its right to earn back a 51% interest in the project by sole-funding US\$10 million of exploration expenditure over a four-year period between 2017 to 2020. Teck's focus was to explore for significant copper deposits and, while porphyry-hosted copper mineralisation was confirmed at Cerro Alacrán (refer ASX: 6 May 2019), it did not meet Teck's expectations for further testing.

In May 2019, Azure announced that it had accepted a right of first offer proposal from Teck for Azure to acquire all of Teck's rights and interests in the Alacrán Project. With execution of the sale and purchase agreement, Azure has regained 100% ownership and control of Alacrán by issuing to Teck 27,545,566 common shares that results in Teck (and its affiliates) owning 19.9% of Azure's outstanding shares on a post-issuance basis, a 0.5% NSR royalty on the project, and a participation right on the proceeds of any sale of the project within a five year period (refer ASX 16 May 2019 for full details of the transaction).

-ENDS-

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#### Competent Person Statements:

*Information in this report that relates to previously reported Exploration Results has been cross-referenced in this report to the date that it was originally 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.*

*The information in this report that relates to Mineral Resources for the Mesa de Plata and Loma Bonita deposits on the Alacrán Project are extracted from the respective reports "Mesa de Plata Mineral Resource Upgraded" and "Loma Bonita Mineral Resource" created and released to the ASX on 1 December 2016 and 21 December 2016 respectively and are available to view on [www.asx.com.au](http://www.asx.com.au). Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.*

**Table 1: Mesa de Plata Mineral Resource (in accordance with the 2012 JORC Code)**

Zone	Measured Mineral Resource			Indicated Mineral Resource			Total Mineral Resource		
	Tonnes (Mt)	Silver		Tonnes (Mt)	Silver		Tonnes (Mt)	Silver	
		(g/t Ag)	(Moz)		(g/t Ag)	(Moz)		(g/t Ag)	(Moz)
High Grade	1.21	307.4	12.0	0.54	201.7	3.5	1.75	274.7	15.5
Mid-Grade	8.43	43.0	11.7	0.28	36.2	0.3	8.71	42.8	12.0
<b>Total</b>	<b>9.64</b>	<b>76.2</b>	<b>23.6</b>	<b>0.82</b>	<b>145.4</b>	<b>3.8</b>	<b>10.46</b>	<b>81.6</b>	<b>27.4</b>

Note: for details refer to ASX announcement dated December 1, 2016

**Table 2: Loma Bonita Mineral Resource (in accordance with the 2012 JORC Code)**

Cut-Off Grade (g/t Au)	JORC Code Classification	Tonnes (Mt)	Gold		Silver	
			(g/t)	(kOz)	(g/t)	(Moz)
≥ 0.5	Indicated Mineral Resource	2.87	1.25	115.7	33.9	3.14
	Inferred Mineral Resource	0.5	1.0	15	18	0.3
	<b>Total</b>	<b>3.4</b>	<b>1.2</b>	<b>131</b>	<b>32.0</b>	<b>3.4</b>
≥ 0.21	Indicated Mineral Resource	4.20	0.95	128.5	30.1	4.07
	Inferred Mineral Resource	1.2	0.6	22	18	0.7
	<b>Total</b>	<b>5.4</b>	<b>0.9</b>	<b>150</b>	<b>28</b>	<b>4.8</b>

Note: for details refer to ASX announcement dated December 21, 2016