



ASX: AZS

4 September 2015

DRILLING COMPLETED AT ALACRÁN

Azure Minerals Limited (ASX: AZS) (“Azure” or “the Company”) is pleased to advise that it has completed the Reverse Circulation (RC) drilling program at the Alacrán Project, located in the northern Mexican state of Sonora.

Key Points:

- **Maiden drilling program comprising 14 holes for 2,073m completed**
- **Precious metals (silver-gold) targets were tested at Mesa de Plata, San Simon, Puerto del Oro and Palo Seco**
- **Copper target tested at La Morita**
- **Samples have been submitted to the laboratory and assays are awaited**

DETAILS

Azure’s maiden drilling program on the Alacrán property has been completed, with drill holes targeting base and precious metal mineralisation in the central and western parts of the project area (see Figure 1).

A total of 14 RC dill holes were completed for 2,073 metres (see Appendix 1 for details). All samples have been submitted to the laboratory and assay results are expected to be delivered within the next few weeks.

Prospects tested include La Morita, where potential exists for porphyry-related copper mineralisation, and Mesa de Plata, San Simon, Puerto del Oro and Palo Seco, which have potential for silver-gold mineralisation in structurally-controlled, stratabound or epithermal settings. Each of the prospects was tested with one or more holes, depending upon potential style, size and geometry of the mineralisation.

Six holes were drilled at La Morita, testing in the vicinity of the old mine workings (holes LM-03, 03b & 04), the surface copper-in-soil geochemical anomaly (LM-05 & 11), and the buried Induced Polarisation (IP) chargeability anomaly (LM-10).

Four vertical holes (LM-06 to LM-09) were drilled at Mesa de Plata to test beneath the widely distributed silver anomalism identified in soil and outcrop sampling.

Two holes (PS-01 & 02) were drilled at Palo Seco to test for zinc-silver mineralisation beneath and adjacent to the historical mine workings. Single holes were drilled at Puerto del Oro and San Simon to test for gold-silver mineralisation.

Azure will release analytical results when they are received from the laboratory.

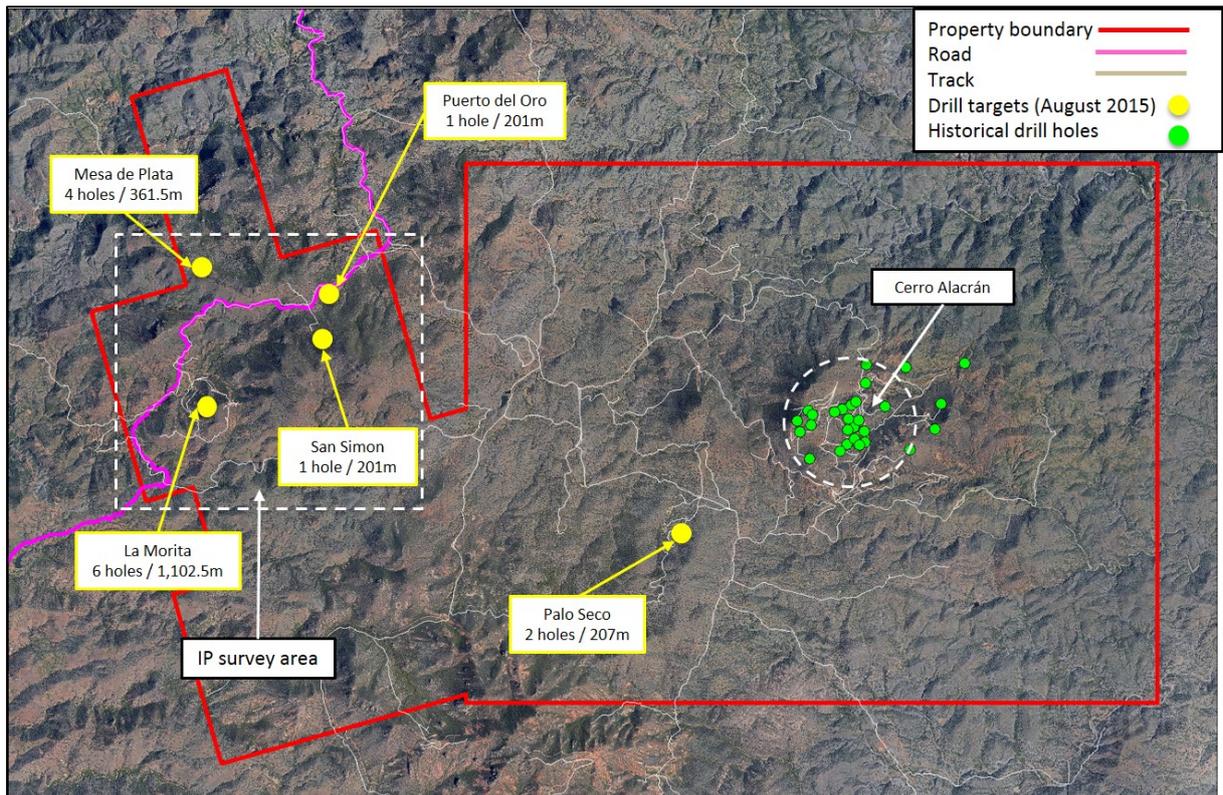


Figure 1: Aerial photograph of Alacrán property, showing drill target locations

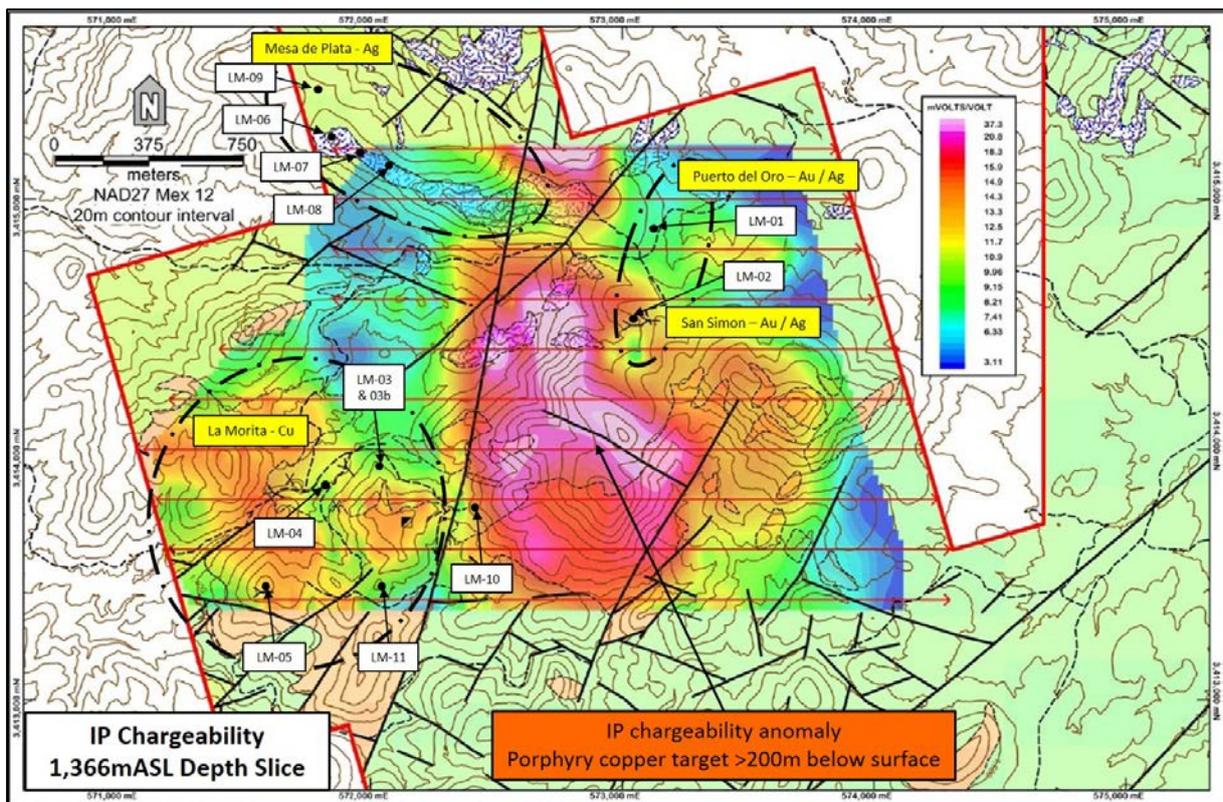


Figure 2: Drill holes at La Morita overlying IP chargeability at 1,366mASL depth slice (Refer ASX release date 02/07/15)

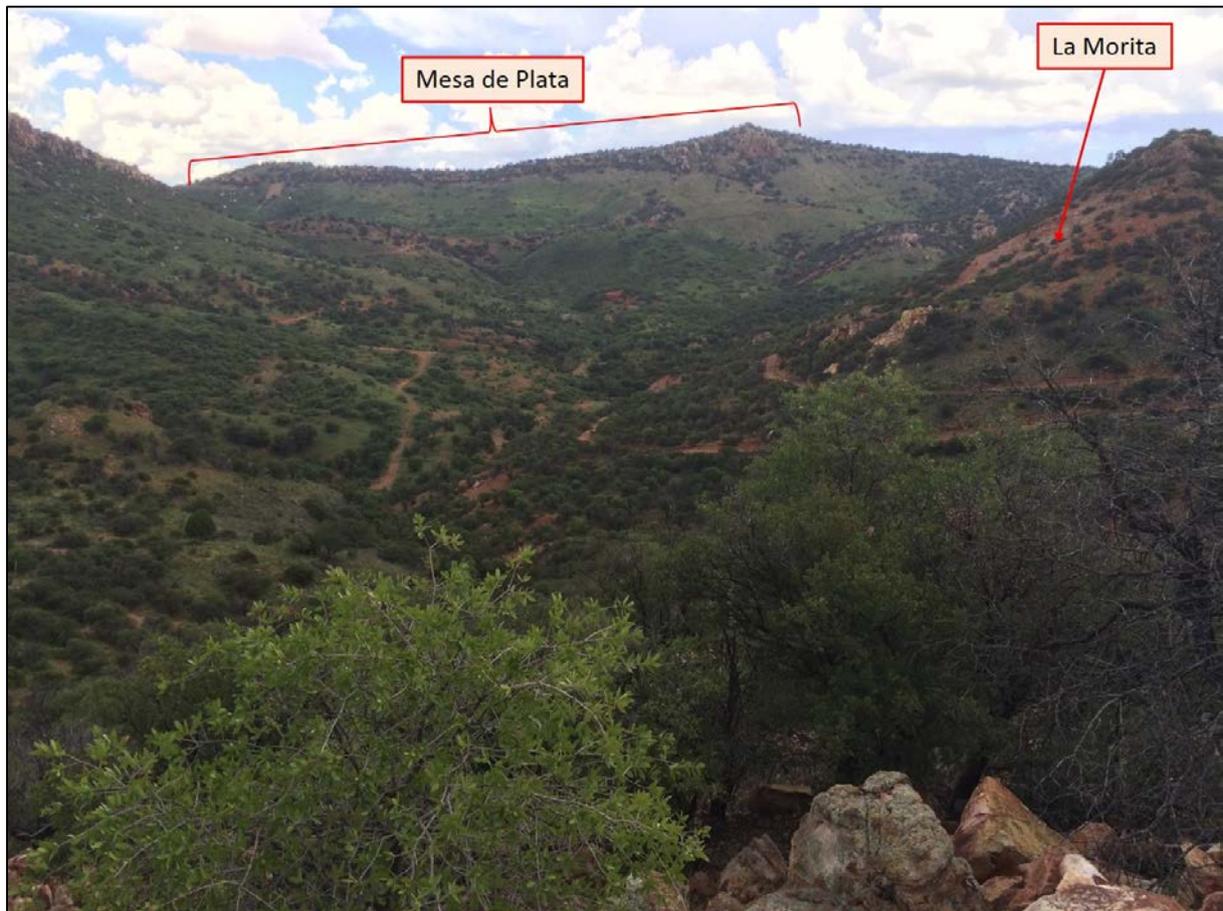


Figure 3: Photograph of La Morita and Mesa de Plata, looking north

ALACRÁN BACKGROUND

Alacrán is located in northern Mexico approximately 50km south of the USA border. The property covers 54km² of highly prospective exploration ground in the middle of the Laramide Copper Province. This is one of North America's most prolific copper-producing districts, extending from northern Mexico into the southern United States. Alacrán lies in close proximity to several large copper mines, including being 15km from the world class, giant Cananea Copper Mine operated by Grupo Mexico.

There is excellent access to and within the property, via a sealed highway from Hermosillo, capital of the state of Sonora, and existing mine roads and ranch tracks. The nearby town of Cananea is a mining-friendly jurisdiction with experienced exploration and mining services, as well as physical infrastructure including roads, railway, airport, electrical power and water.

Commercial and artisanal mining occurred within the project area in the early 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 1930's to the 1960's. Data relating to this work is held in the Anaconda Geological Documents Collection, part of the American Heritage Centre in the University of Wyoming. Azure has visited the library and retrieved copies of numerous technical reports and maps.

Between the 1960's and the early 1980's, the Consejo de Recursos Minerales (Mexican Geological Survey) carried out occasional exploration programs, including drilling 6 holes at the Cerro Alacrán prospect in 1970 and undertaking geophysical surveys over the Palo Seco and La Morita prospects in 1981.

Grupo Mexico S.A.B.de C.V. ("Grupo Mexico") then acquired the project and drilled 26 holes at Cerro Alacrán in the 1990's. This drilling, which was restricted to an area of approximately 50 hectares, outlined a large body of near-surface, copper oxide and chalcocite (copper sulphide) mineralisation. The size, grade and the extent of this mineralised body is yet to be defined as a mineral resource to JORC standards.

Minera Teck S.A. de C.V. ("Teck"), a Mexican subsidiary of Canadian company Teck Resources Limited, acquired the property from Grupo Mexico in 2013 and undertook data compilation and limited surface exploration.

Azure Minerals acquired the rights to the project in December 2014 through its fully owned Mexican subsidiary Minera Piedra Azul S.A. de C.V.

Azure has signed an Agreement with Teck to acquire 100% of the property, subject to an underlying back-in right retained by Teck and a 2% NSR retained by Grupo Mexico. Teck is Canada's largest diversified resource company. Grupo Mexico is Mexico's largest and one of the world's largest copper producers.

-ENDS-

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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 announcement.

APPENDIX 1: Drill hole information

HOLE No.	NORTH (mN)	EAST (mE)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH	LOCATON
PS-01	3412394	576740	1587	270	-45	87.0	Palo Seco
PS-02	3412512	576778	1577	270	-55	120.0	Palo Seco
LM-01	3414870	573120	1594	090	-60	201.0	Puerto del Oro
LM-02	3414500	573086	1606	090	-45	201.0	San Simon
LM-03	3413837	572105	1475	225	-45	55.0	La Morita
LM-03b	3413837	572105	1475	225	-45	250.5	La Morita
LM-04	3413851	571919	1450	045	-45	153.0	La Morita
LM-05	3413444	571565	1513	160	-70	200.0	La Morita
LM-06	3415255	571840	1601	000	-90	90.0	Mesa de Plata
LM-07	3415174	571930	1596	000	-90	90.0	Mesa de Plata
LM-08	3415103	572075	1591	000	-90	90.0	Mesa de Plata
LM-09	3415408	571815	1572	000	-90	91.5	Mesa de Plata
LM-10	3413755	572365	1492	045	-60	294.0	La Morita
LM-11	3413458	572023	1502	000	-90	150.0	La Morita