

EXCELLENT GOLD RECOVERIES FROM PRELIMINARY METALLURGICAL TESTWORK AT LOMA BONITA

Highlights:

- Testwork on oxide mineralisation shows gold is amenable to cyanide leaching with recoveries averaging:
 - 93% on ground samples (simulating conventional milling)
 - 73% on crushed samples (simulating heap leach processing)
- Metallurgical program shows good gold recoveries and work is continuing to identify mineral processing options
- Results demonstrate potential for Loma Bonita to add significant value to any future combined production with the silver from Mesa de Plata
- Step-out drilling is continuing to define the extent of Loma Bonita gold zone and additional metallurgical testwork will be undertaken on future samples

Azure's Managing Director, Mr Tony Rovira said: "The discovery of gold at Loma Bonita in such close proximity to the Company's Mesa de Plata silver deposit was very exciting. These positive metallurgical test results are highly encouraging and indicate that Loma Bonita has the potential to add significant value to any future combined production with Mesa de Plata.

"We're progressing this prospect as fast as we can with additional drilling underway to expand the current footprint of the mineralised zone and to provide additional samples for optimising the mineral processing route."

TESTWORK DETAILS

Azure Minerals Limited (**Azure** or the **Company**) is pleased to announce the results of preliminary metallurgical testwork for its Loma Bonita Gold Prospect.

Industry standard bottle roll tests have been undertaken at the laboratories of Kappes, Cassiday and Associates in Reno, Nevada, USA. The testwork focused on two different size fractions, comprising ground (average size of ground samples is +80% passing 80 micron) and crushed (average size of crushed samples is 80% passing 11.3mm) particle sizes. These sizes are being tested to simulate gold recoveries that might be expected to be achieved from conventional milling (eg carbon-in-pulp or carbon-in-leach processing) and heap leach gold processing, respectively.

Tests were conducted on 20 core samples (10 fine ground and 10 coarse crushed), collected and composited from diamond drill holes MDPD-007, MDPD-011, MDPD-012 and MDPD-016. Gold grades of these composite samples ranged between 0.25g/t Au and 3.1g/t Au and were sourced from depths varying from surface to 74 metres below surface. These samples are considered to be representative of the currently known grade range of the gold mineralisation, and the strike and depth extents of the Loma Bonita mineralised zone.

Excellent gold recoveries of between 88% and 97% were achieved on the ground material, with an overall average recovery of greater than 93% (refer Table 1). Tests on the crushed material achieved gold recoveries of between 42% and 89%, with an overall average recovery of more than 73% (refer Table 2).

Leach kinetics were excellent with rapid recoveries. Final recoveries on the ground material were achieved within a 24 hour period, and over a period of 192 hours (8 days) on the crushed material.

**Table 1: Loma Bonita Gold Recovery
Preliminary bottle roll cyanidation tests of ground samples**

Hole Number	Composited Sample Interval (metres)		Particle Size p80 (mm)	Sample Weight (kg)	Head Assay of Composited Interval (g/t Au)	Gold Recovery (%)
	From	To				
MDPD-007	0.00	10.70	0.049	1.0	2.18	88
	10.70	23.85	0.061	1.0	0.25	91
MDPD-011	0.00	6.00	0.059	1.0	0.96	95
	6.00	17.35	0.057	1.0	1.84	92
MDPD-012	32.05	50.15	0.057	1.0	3.08	97
	50.15	60.70	0.124	1.0	0.49	93
	60.70	63.85	0.056	1.0	1.39	94
	63.85	73.95	0.101	0.5	0.63	91
MDPD-016	0.00	6.00	0.112	0.5	0.56	95
	15.00	24.00	0.141	0.5	1.08	95

**Table 2: Loma Bonita Gold Recovery
Preliminary bottle roll cyanidation tests of crushed samples**

Hole Number	Composited Sample Interval (metres)		Particle Size p80 (mm)	Sample Weight (kg)	Head Assay of Composited Interval (g/t Au)	Gold Recovery (%)
	From	To				
MDPD-007	0.00	10.70	11.94	5.0	2.18	42
	10.70	23.85	10.05	5.0	0.25	60
MDPD-011	0.00	6.00	12.35	5.0	0.96	78
	6.00	17.35	7.37	5.0	1.84	89
MDPD-012	32.05	50.15	12.23	5.0	3.08	69
	50.15	60.70	10.74	4.0	0.49	76
	60.70	63.85	12.36	5.0	1.39	69
	63.85	73.95	11.94	3.0	0.63	81
MDPD-016	0.00	6.00	12.93	1.5	0.56	87
	15.00	24.00	10.84	4.0	1.08	82

BACKGROUND

The Loma Bonita Gold Prospect is located on the Company's Alacrán Project, 10 kilometres to the southeast of Cananea in Sonora, Mexico and 200 metres to the east of the Company's 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 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.

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For further information, please contact:

Tony Rovira

Managing Director
Azure Minerals Limited
Ph: +61 8 9481 2555

Media & Investor Relations

Michael Weir / Richard Glass
Citadel-MAGNUS
Ph:+61 8 6160 4903

or visit www.azureminerals.com.au