



ASX: AZS

23 September 2015

Azure secures funding to advance Mexican silver discovery

HIGHLIGHTS

- **Mr Mark Creasy increases shareholding in Azure via A\$1 million share placement**
- **Additional A\$500,000 in funding secured from New York-based resources fund**
- **Funding will allow Azure to rapidly progress Mesa de Plata silver discovery**

Azure Minerals Limited (ASX: AZS) (“Azure” or “the Company”) is pleased to advise that it has secured funding of A\$1.5 million to fast-track the recently announced high grade silver discovery at Mesa de Plata, on its Alacrán Project in Mexico.

Existing Azure shareholder Mr Mark Creasy, one of Australia’s most successful mining prospectors and resources investors, has agreed, through his private company Yandal Investments Pty Ltd, to subscribe to a placement of 62.5 million Azure shares at 1.6c to raise A\$1 million.

In addition, a significant New York-based resources fund that has previously invested in Azure has agreed to subscribe to 31.25 million shares at 1.6c to raise an additional A\$500,000.

The capital raising will allow the company to immediately pursue further assessment of the Mesa de Plata prospect, where initial drilling intersected thick zones of high grade silver mineralisation commencing from surface and extending to depths of 70 metres.

In commenting on the placement **Mr Creasy said:** *“This discovery with high grade silver mineralisation, in a flat layer on top of a hill means any mining should be relatively easy and low cost. I am delighted to be able to continue backing the Company to progress this discovery as rapidly as possible and I look forward to further substantial drilling results as exploration continues.”*

Azure’s Managing Director, Tony Rovira said the additional funding would allow the company to rapidly advance the high grade silver discovery at Mesa de Plata. *“We are very pleased that Mr Creasy has agreed to increase his shareholding in Azure, and also welcome the ongoing support of the US fund which has further increased its investment in the Company on the back of the previous funding announcement of 16 July 2015. This support and additional investment is a significant endorsement of the recent success at Alacrán. We are now well-positioned to undertake the close-spaced drilling program at Mesa de Plata and to drill test new silver targets that our ongoing exploration is identifying”*

Azure has submitted an application for environmental approval for sufficient drill sites to enable a close-spaced drill program to be undertaken covering Mesa de Plata. Approval of this application is expected to within 4-6 weeks and the next phase of RC drilling will commence as soon as practicable.

Meanwhile, Azure is continuing to carry out surface exploration, identifying new areas considered prospective for silver mineralisation. The Company's geologists are currently undertaking an extensive program of mapping and sampling to the east and north of Mesa de Plata where there is outcropping vuggy silica similar to that discovered at Mesa de Plata.

The placements will be made under the Company's existing 15% regulatory cap and do not require shareholder approval.

Tectonic Advisory Partners LLC (acting through Ecoban Securities Corporation) served as North American placement agent to Azure on the transaction.

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. This is one of Mexico's premier mining districts, with world class production of copper together with significant amounts of gold, silver and molybdenum.

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-

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

Information in this report that relates to previously reported Exploration Results has been cross-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.