

AZURE REACHES EXPENDITURE MILESTONE ON ALACRÁN PROJECT

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to announce that the Company has delivered notice ("Notice") to the project owner Minera Teck S.A. de C.V. ("Teck"), the Mexican subsidiary of Teck Resources Limited that it has completed the US\$5 million aggregate expenditure on the Alacrán Project ("Alacrán" or "the Project"). In addition, pursuant to the terms of the Alacrán Option/Shareholders Agreement ("the Agreement") between Azure and Teck, Azure has issued Teck 400,000 fully paid shares in the Company.

"This is an exciting milestone for Alacrán and Azure," says Tony Rovira, Managing Director for Azure. "We look forward to moving this project forward."

Pursuant to the terms of the Agreement, Azure has earned a 100% legal and beneficial interest in the project.

Teck retains a back-in right to re-acquire a 51% interest by sole funding US\$10 million of expenditures over a four year period, and by making cash payments totalling US\$0.5 million to Azure. Teck has 60 days from the date of the Notice in which it can elect to exercise its back-in right.

Additionally, upon reaching its 51% interest, Teck may further increase its interest to 65% by sole funding an additional US\$5 million of expenditures, and by making cash payments totalling US\$1.5 million to Azure.

BACKGROUND

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 signed an Agreement with Minera Teck S.A. de C.V. ("Teck"), the Mexican subsidiary of Teck Resources Limited 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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