

BACK-IN RIGHT NOTICE ON ALACRÁN PROJECT

Azure Minerals (ASX: AZS) ('Azure' or the 'Company') reports that it has been advised by Minera Teck S.A. de C.V. (Teck), ultimately a 100% owned subsidiary of Teck Resources Limited, Canada's largest diversified resource company, that Teck intends to exercise its right to earn back an ownership interest in the Alacrán Project (the "Project") in Mexico.

This decision by Teck demonstrates its belief that the Project could host a significant copper deposit, in addition to the epithermal silver and gold deposits discovered by Azure at Mesa de Plata and Loma Bonita respectively.

Pursuant to the terms of the original agreement between Azure and Teck, Azure has earned a 100% legal and beneficial interest in the project and, upon delivery of a back-in notice, Teck may re-acquire a 51% interest in the Project by sole funding US\$10 million in expenditures on the Project over the next 4 years and making cash payments to Azure of US\$0.5 million.

Upon reaching a 51% interest in the Project, Teck may further increase its interest to 65% by sole funding a further US\$5 million in expenditures on the Project and making cash payments to Azure of an additional US\$1.5 million.

Azure's Managing Director, Tony Rovira said, *"The decision by Teck confirms Azure's belief that the Alacrán property is highly prospective for hosting significant base and precious metal deposits. We've had considerable exploration success in the two years that we've managed the project, and that momentum will now continue with Teck sole-funding further exploration."*

The 2017 work program will be determined in conjunction with Teck early in the New Year.

Meanwhile, Azure is finalising and will shortly report on recent activities at the Project, including the estimation of the Loma Bonita gold resource.

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