

18 September 2017



OPOSURA UPDATE AND EXPLORATION TARGET

Azure Minerals Limited (ASX: AZS) (“Azure” or “the Company”) is pleased to report that preparations for its first drilling program on the Oposura zinc-lead-silver project are complete and drilling will commence as soon as the Company has received the requisite permits, expected in early to mid-October.

The proposed drilling plan comprises about 100 diamond core holes for approximately 5,000 metres. At least two, and possibly three, drill rigs will be mobilised to site in order to complete the program as quickly as possible. The Company plans to use this drilling data, plus historical information, to undertake a maiden mineral resource estimate in the first quarter of 2018.

Drilling by previous explorers of 85 surface holes tested the mineralised zone over an area of approximately 1,400m (east-west) x 400m (north-south) (see Figure 1). Early drilling by Azure will twin some of these historical holes to assess whether they can be used in defining the deposit and estimating the mineral resource.

A comprehensive review of historical drill results and technical reports generated by previous explorers, together with recent work undertaken by Azure, has enabled the Company to derive an initial Exploration Target of:

2.5 - 3.0 million tonnes grading 10.0% - 12.0% Zn+Pb*

*This Exploration Target is conceptual in nature, but is based on reasonable grounds and assumptions. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Azure has constrained the Exploration Target to the eastern half of the project area where zones of massive sulphide mineralisation outcrop extensively over an east-west strike length of approximately 1,400m and where historical drilling and exploratory underground mine development has demonstrated the presence and continuity of the mineralised zone.

Additional mineralisation may also occur in a down-faulted block in the western half of the property (see Figure 2), and this concept will be tested by exploration drilling following the completion of the resource drill-out. Geological reconnaissance in the western part of the property has identified outcropping sediments of the Arenillas Formation, the rock unit that hosts the sulphide mineralisation to the east. Surface sampling has been carried out and results will be released when they become available.

Figure 1: Historical drill hole location and geology plan of eastern Oposura

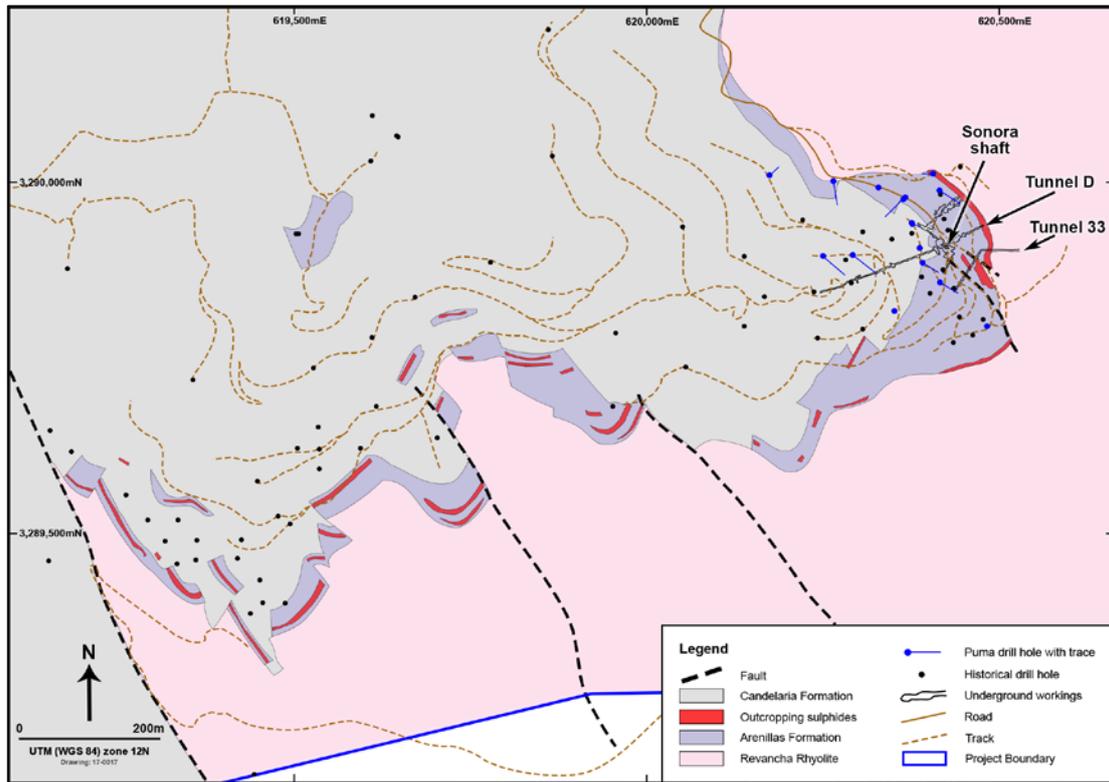
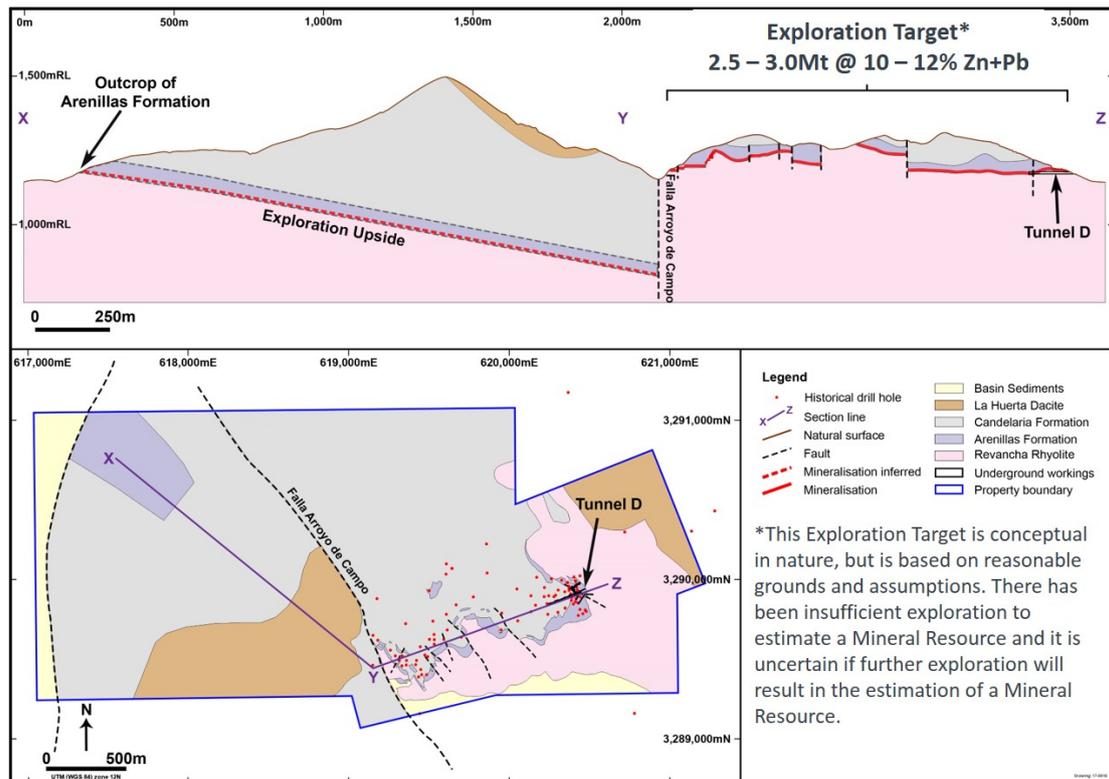


Figure 2: Segmented long section X-Y-Z through Oposura



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Competent Person Statements:

Information in this report that relates to Exploration Results and the Exploration Target for the Oposura Project is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy and fairly represents this information. Mr Rovira has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Rovira is a full-time employee and Managing Director of Azure Minerals Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.