



ASX: AZS

23 May 2016

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## **AZURE RAISES \$15 MILLION TO ACCELERATE ALACRÁN PROJECT DEVELOPMENT**

### **HIGHLIGHTS**

- **A\$15 million placement to underpin further exploration and development studies at Alacrán, focusing on recent exciting silver and gold discoveries**
- **New shares to be issued at \$0.038 per share in two tranches, with second tranche subject to shareholder approval**
- **Significant support from major North American, European and Australian institutions**
- **Existing shareholders offered opportunity to participate through a Share Purchase Plan (SPP) to raise additional \$3 million**

**Azure Minerals Limited** (ASX: AZS) (“Azure” or “the Company”) is pleased to advise that it has secured funding of approximately A\$15 million (before costs) through a placement to institutional and sophisticated investors to enable the Company to accelerate its development studies and to continue its aggressive exploration campaign at its Alacrán Project in northern Mexico.

A total of 395 million fully paid ordinary shares will be issued at a price of \$0.038, which represents a 9% discount to the VWAP of the last five trading days of Azure’s shares. In addition, one option exercisable at \$0.055 and expiring after three years will be offered for every two shares subscribed. The Company will also undertake a Share Purchase Plan (SPP) to existing shareholders to raise a further \$3 million.

**Azure’s Managing Director, Mr Tony Rovira**, said the strong investor support had significantly strengthened the balance sheet.

*“I am very pleased with the support shown from both existing shareholders and institutions in North America, Europe and Australia. The Alacrán project is one of the most exciting projects I have been involved with and I am looking forward to being able to accelerate both our development and exploration programs,”* he said.

## Placement Details

The placement will be conducted in two tranches.

The first tranche of 181 million shares will be issued under the Company's existing 15% placement capacity to raise approximately \$6.88 million.

The second tranche of 214 million shares, representing approximately \$8.14 million, will be issued subject to receiving shareholder approval at a meeting to be held in late June 2016. Shareholders will be sent a notice of meeting shortly.

Patersons Securities Limited and Tectonic Advisory Partners LLC (acting through Ecoban Securities Corporation) are acting as Joint Lead Managers to the placement.

## Share Purchase Plan Details

Azure will offer eligible shareholders the opportunity to apply for up to \$15,000 worth of new, fully paid ordinary shares (**New Shares**) in Azure at the same price offered in the placement (being \$0.038) under a Share Purchase Plan (the SPP).

The SPP will aim to raise \$3 million, and Azure reserves the right to expand the size of the Plan (subject to the ASX Listing Rules) and to scale back acceptances at their discretion.

New Shares issued under the SPP will be issued without incurring brokerage or other transaction costs.

The Directors have determined that offers under the Plan will be made to eligible shareholders, being those who are the registered holders of fully paid ordinary shares in the Company as at 5.00pm AEST on 20 May 2016 (**Record Date**), and whose address in the Company's register is located in Australia or New Zealand.

## Use of Funds

Funds raised under the share placement and the SPP will be used to:

- advance the development of the exciting silver and gold discoveries on the Alacrán Project, located in northern Mexico;
- fund ongoing exploration activities by the Company; and
- provide general working capital.

## Indicative Timetable for the SPP

Event	Date
Record Date	5.00pm (WST) on 20 May 2016
Announcement Date	23 May 2016
Dispatch of Offer and Application Forms to Eligible Shareholders	25 May 2016
Opening date for acceptances	25 May 20156
Closing date for acceptances ( <b>Closing Date</b> )	5.00pm (WST) on 20 June 2016
Issue Date	27 June 2016
Dispatch of holding statements	28 June 2016

The timetable is indicative only and subject to change. The Company reserves the right to change the timetable at any time or cancel the Plan at any time before the Issue Date, subject to applicable regulatory requirements.

Full details of the SPP and an application form will be set out in a letter to shareholders. A copy will also be lodged with ASX.

If you have any enquiries in relation to the SPP, please call the Company Secretary on +61 8 9481 2555

**.-ENDS-**

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