

OPOSURA DRILLING UPDATE

KEY POINTS:

- **Three diamond drill rigs operating with resource drill-out progressing smoothly and intersecting mineralisation as expected**
- **More than 50 drill holes exceeding 2,665m completed to date**
- **First assay results expected to be released in early December**
- **New tenement application increases project area by 12% to 771 hectares**

Azure Minerals Limited (ASX: AZS) (“Azure” or “the Company”) is pleased to provide an update of activities and progress on the Company’s flagship, high-grade Oposura zinc-lead-silver deposit, located in the northern Mexican state of Sonora.

Drilling is proceeding well and since the start of the drill campaign in mid-October, a total of 51 holes, of the 120 planned, have been completed for 2,665m. Processing of the core samples is proceeding smoothly and samples from 37 holes have been submitted to the Bureau Veritas Laboratories in Vancouver, Canada. Results from the first batches of holes are expected to be reported to the market shortly.

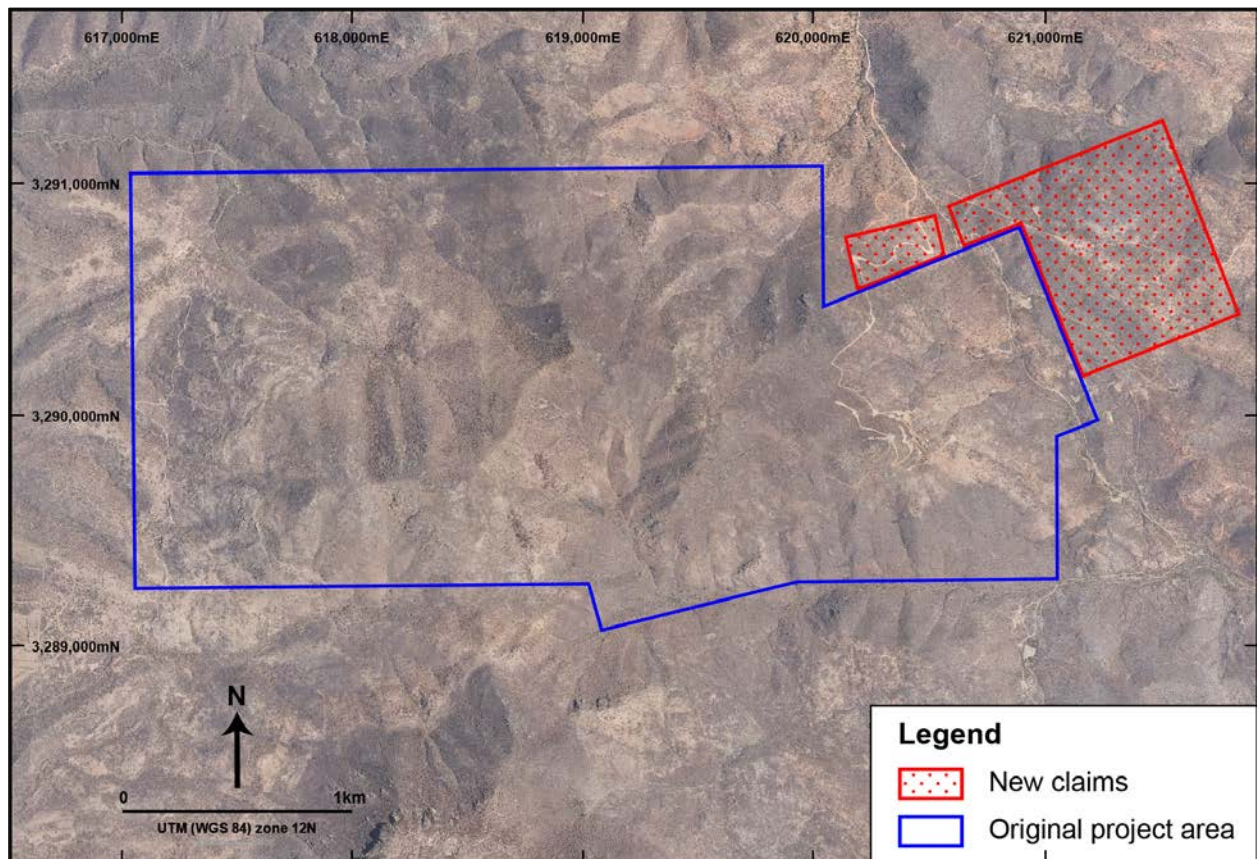
More than 100 diamond drill holes were drilled by previous explorers at Oposura, with the majority intersecting significant zinc and lead mineralisation. As Azure’s resource drill-out area coincides with the previously identified mineralised zone, many of the Company’s holes are either “twinning” or are being drilled close to the historical holes. To date, Azure has observed that its drill holes are closely replicating the sulphide intercepts achieved in the historical holes.

The Company is aiming to conclude the resource drill-out in February 2018 and to complete the Company’s maiden mineral resource estimate by March-April 2018. Once the current resource drill-out is complete, drilling will continue to be undertaken to expand the area of currently defined mineralisation and, ultimately, the resource, and to explore for repetitions and extensions of the mineralised zones elsewhere within the property.

INCREASE OF PROJECT AREA

While investigating the ownership of the area immediately surrounding the Oposura property, the Company identified areas not covered by existing concessions. Azure has staked a claim covering these vacant areas and the application is currently being processed. Consequently, the total Oposura project area will increase by 81 hectares to 771 hectares (see Figure 1).

Figure 1: Plan showing original Oposura project area and new tenement applications



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