

DRILLING RESTARTS AT SARA ALICIA

KEY POINTS:

- Stage 2 drilling campaign has commenced
- High-grade gold and cobalt mineralisation targeted along strike and down-dip from previously reported drill intersections, which included:
 - DSA-03: 26.2m @ 9.5g/t Au & 1.26% Co
 - including* 12.6m @ 16.8g/t Au & 6.35m @ 3.57% Co
- Geophysical and geochemical surveys have outlined gold and cobalt mineralised body covering 300m x 150m
- High-quality targets to be tested by initial 10-12 hole / 1,000m drill program
- Further drilling is planned

Following its very successful over-subscribed share placement and capital raising, Azure Minerals Limited (**ASX: AZS**) (**Azure** or the **Company**) is pleased to advise that the Company has commenced its second diamond drilling campaign on its 100%-owned, highly prospective Sara Alicia gold and cobalt project in the northern Mexican state of Sonora (refer Figure 1).

The drilling will follow up on the Company's very successful 2017 maiden drilling program, in which all six drill holes intersected high grades of gold and cobalt mineralisation at shallow depths (refer ASX announcements dated 27 November and 7 December 2018).

The best intersection from the 2017 program returned an exceptional:

26.2m @ 9.5g/t Au and 1.26% Co from 0.60m depth, which includes:

12.6m @ 16.8g/t Au & 6.35m @ 3.57% Co

The first phase of this current campaign will comprise 10-12 diamond core holes for approximately 1,000m and is expected to take about six weeks to complete. It is designed to

target along-strike and down-dip extensions of the high-grade mineralisation intersected in the 2017 program. Based upon anticipating further success, a second phase of drilling is currently being planned to complete a 50m x 50m drill pattern over the mineralised body.

The Sara Alicia mineralised zone consists of carbonate rocks intruded by a porphyry. This intrusive event caused strong alteration and mineralising reactions in the limestones to form a skarn body which hosts massive and semi-massive sulphides containing the cobalt and gold mineralisation (refer Photo 1).

The mineralised body has a strong and identifiable magnetic signature extending over an area of approximately 300m (NW-SE) x 150m (NE-SW) (refer Figure 2). Encouragingly, modelling of the magnetic data indicates that **the magnetic body which represents the mineralisation has considerable vertical depth extent**, particularly to the north and northeast, providing excellent down-dip targets to extend the gold and cobalt mineralisation in those directions.

Photo 1: Drill cores from 2017 program containing high grade gold and cobalt mineralisation



Figure 1: Plan showing location of Sara Alicia Project

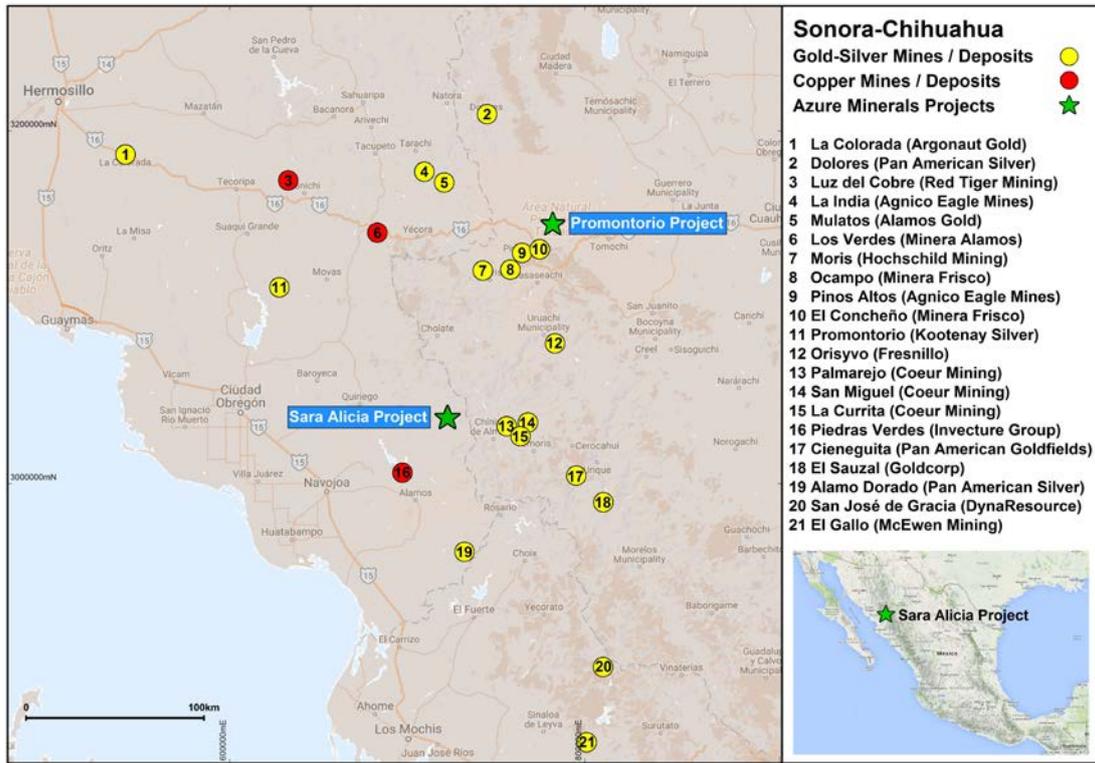
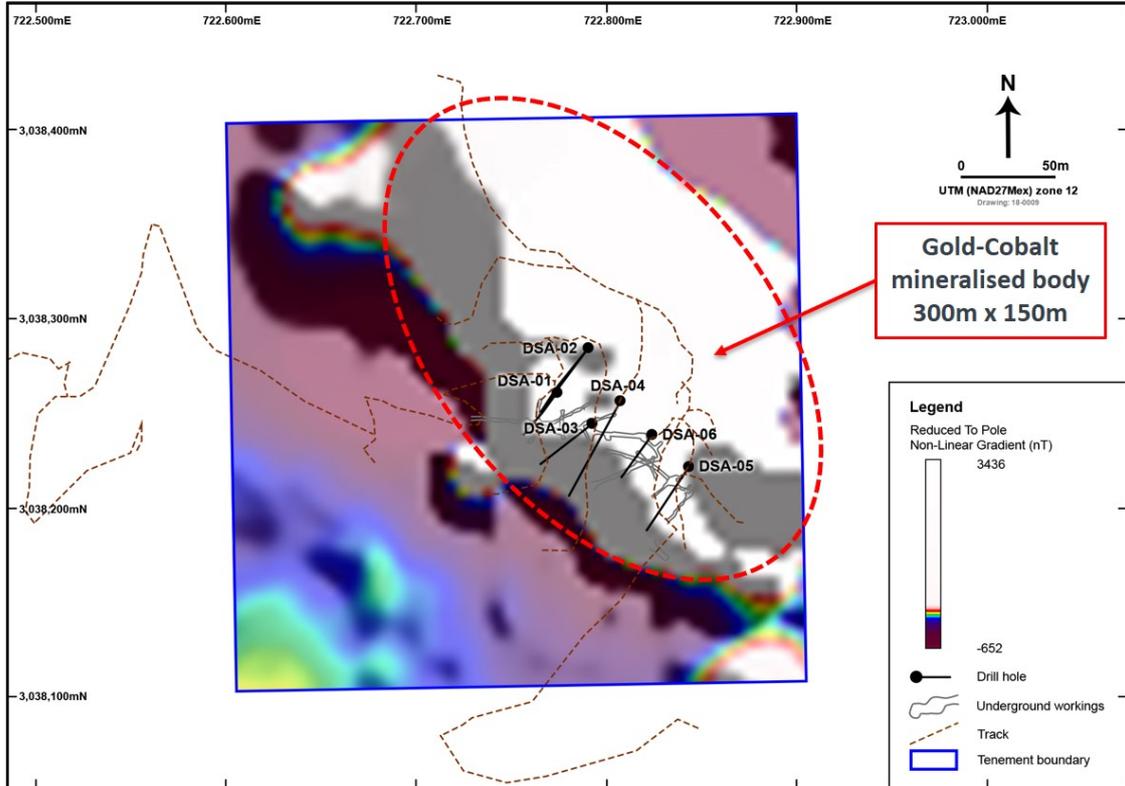


Figure 2: Ground magnetic image with drill hole locations from 2017 program



-ENDS-

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Information in this report that relates to previously reported Exploration Results has been cross-referenced in this report to the date that it was originally reported to ASX. Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcements.