

# DRILLING COMMENCES AT ALACRÁN

## **KEY POINTS:**

- **Approximately 5,000m of diamond drilling planned with 2 drill rigs operating**
- **High priority drill targets include Cerro Alacrán and Cerro San Simon**

Azure Minerals Limited (ASX: AZS) (“Azure” or “the Company”) is pleased to advise that project operator Minera Teck S.A. de C.V. (Teck), a 100% owned subsidiary of Canada’s largest diversified resource company, Teck Resources Limited, has commenced its second drilling campaign on the Alacrán Project (“Alacrán” or “project”), located in Sonora State, Mexico.

This year Teck has completed geological mapping, surface sampling, an airborne hyperspectral survey covering the full dimensions of the property and an Induced Polarisation (IP) survey over the Cerro Alacrán prospect.

This work identified Cerro Alacrán as a high priority porphyry copper target for the forthcoming drilling program. Additionally, the positive results returned from the 2017 drilling program at Cerro San Simon warrant further drill testing of this epithermal gold-silver target. See Figure 1 for target locations.

Two diamond drill rigs have now mobilised to site to carry out this 5,000m program and drilling has commenced.

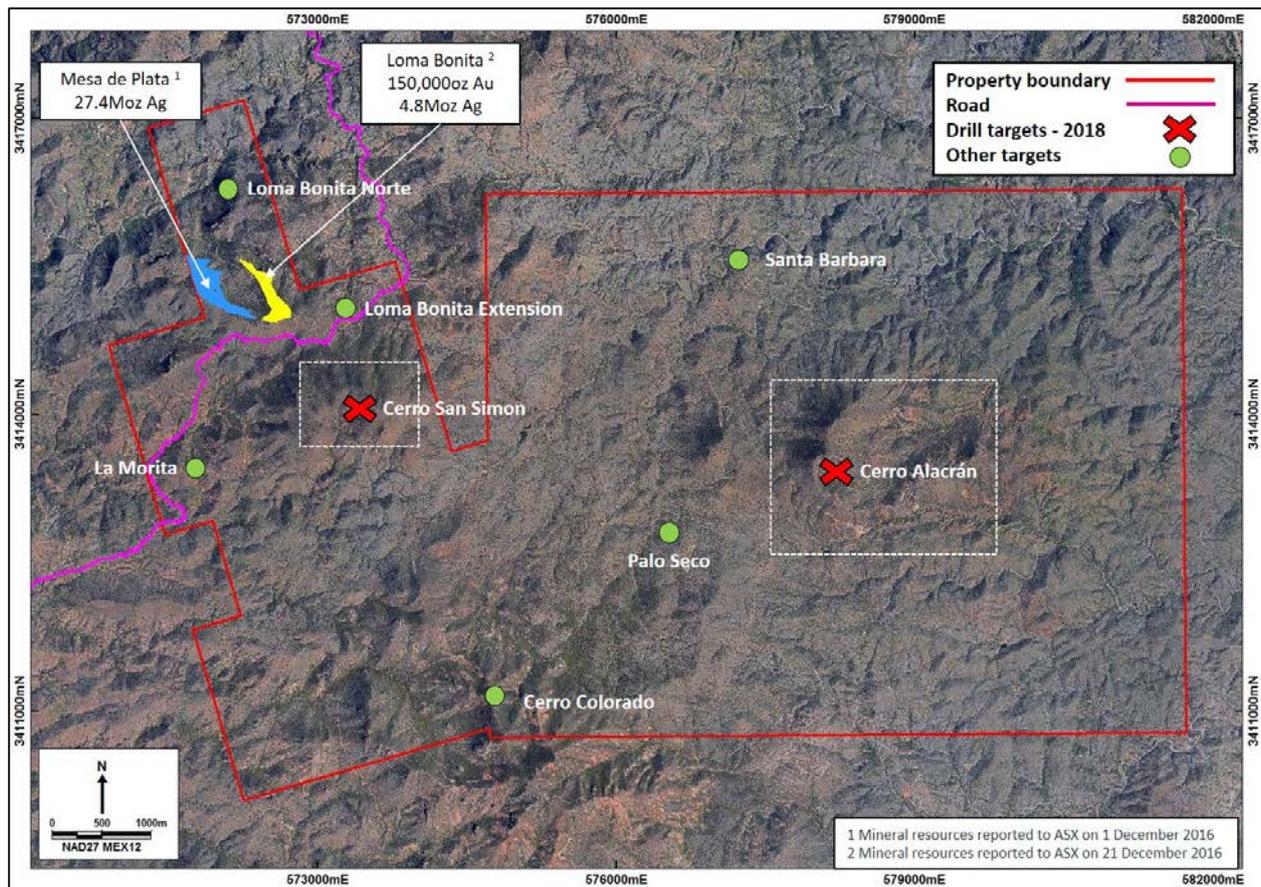
## **BACKGROUND**

Azure earned 100% ownership of the Alacrán project in October 2016. Teck elected in December 2016 to exercise its right to earn back an ownership interest in the Alacrán project.

Work conducted during 2018 represents the second year of activity in a total four-year, US\$10 million program which will entitle Teck to earn back a 51% share in the project.

Upon reaching an initial 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 US\$1.5 million. In this case, Azure will retain a contributing 35% interest in the Alacrán project. Grupo Mexico retains a 2% NSR.

Figure 1: Drill targets for 2018 work program



-ENDS-

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**Competent Person Statements:**

*Information in this report that relates to previously reported Mineral Resources has been cross-referenced in this report to the date that it was 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.*