

DRILLING CONTINUES TO RETURN HIGH GRADES AT OPOSURA

Mineral Resource upgrade expected in Q1 2019

- Resource infill drilling confirms good internal continuity of mineralised zones:
 - OPDH-184: 5.25m @ 24.4% Zn+Pb from 48.35m; incl 3.05m @ 39.3% Zn+Pb
 - OPDH-185: 8.65m @ 11.4% Zn+Pb from 61.15m; incl 4.55m @ 19.6% Zn+Pb
 - OPDH-194: 6.00m @ 11.7% Zn+Pb from 39.00m; incl 2.95m @ 21.9% Zn+Pb
- High-grade mineralisation extended further into the Central Zone:
 - OPDH-187: 3.60m @ 15.5% Zn+Pb from 108.45m; incl 2.45m @ 20.5% Zn+Pb
- Drilling is continuing

Azure Minerals Limited (“Azure” or “the Company”) (ASX: AZS) is pleased to announce that resource infill and extension drilling at its 100%-owned Oposura project, located in Sonora Mexico (refer Figure 1), has returned further high-grade mineralisation over substantial widths. Highlights include:

Mineral Resource infill drilling in the East Zone:

- OPDH-184 5.25m @ 24.4% Zn+Pb & 34g/t Ag incl 3.05m @ 39.3% Zn+Pb & 54g/t Ag
- OPDH-185: 8.65m @ 11.4% Zn+Pb & 17g/t Ag incl 4.55m @ 19.6% Zn+Pb & 29g/t Ag
- OPDH-194: 6.00m @ 11.7% Zn+Pb & 13g/t Ag incl 2.95m @ 21.9% Zn+Pb & 23g/t Ag

Resource extension drilling into the Central Zone:

- OPDH-187 3.60m @ 15.5% Zn+Pb & 26g/t Ag incl 2.45m @ 20.5% Zn+Pb & 34g/t Ag

These latest results follow on from the previously announced near-surface, high-grade mineralisation intersected in the Central Zone and East Zone in drill holes OPDH-158 to OPDH-178 (refer ASX announcement dated 24 October 2018).

Commenting on the continued success of the ongoing drill program at Oposura, Azure’s Managing Director, **Mr Tony Rovira** said: “Oposura continues to deliver with exceptional drilling results. The continued success of the resource infill drilling program confirms our strong confidence in the width, grade and internal continuity of the East Zone mineralisation. This drilling will enable the Company to upgrade most of the East Zone Mineral Resource to Indicated status and, thereby, further de-risk the proposed Oposura mining operations.

“Particularly interesting is the confirmation of very high-grade, zinc-rich mineralisation in the western part of the East Zone which extends into the lightly drilled Central Zone. We are continuing to evaluate the potential of this area.”

To date, drilling in this Phase 2 program has comprised 53 holes (OPDH-158 to OPDH-210) for a total of 4,225.7m, and drilling is continuing. The Company has received assay results for 47 holes (up to and including OPDH-204). All significant results from the latest batch of drill results (OPDH-179 to OPDH-204) are listed in Table 1 and details of holes reported in this announcement are included in Table 2.

The East Zone resource infill drilling (refer Figure 2) is being undertaken to upgrade areas of the Mineral Resource from JORC Inferred classification to JORC Indicated classification. JORC Indicated resources can be considered for conversion to JORC Probable Reserves, and this will be undertaken as part of the Oposura Feasibility Study which is demonstrating strong progress.

Certain areas of the open pit mining inventory in Years 1 and 2 of the proposed mining schedule were identified in the Scoping Study (refer ASX announcement dated 15 October 2018) as JORC Inferred resources. The current drilling is designed to upgrade the resources in these areas to JORC Indicated status which will increase the confidence of production early in the mine life, and further de-risk what the Scoping Study has already identified as a financially robust project.

The resource extensional drilling is designed to delineate and expand a zone of very high-grade (+20% Zn+Pb) zinc-rich mineralisation located around Tunnel D (refer Figures 2 & 3) within the western part of the East Zone Mineral Resource and extending further to the west into the Central Zone.

Drill hole OPDH-187 provides the latest extensional drilling results from this area:

- **OPDH-187: 3.60m @ 15.5% Zn+Pb from 108.45m**

This latest intersection follows on from the previously announced results from this high-grade zone (refer ASX announcement dated 24 October 2018) which included:

- **OPDH-159: 4.80m @ 19.3% Zn+Pb & 122g/t Ag from 107.05m**
- **OPDH-163: 4.15m @ 25.8% Zn+Pb & 148g/t Ag from 97.40m**
- **OPDH-165: 2.90m @ 21.1% Zn+Pb & 148g/t Ag from 95.90m**
- **OPDH-166: 6.95m @ 38.7% Zn+Pb & 365g/t Ag from 68.15m**
- **OPDH-171: 4.40m @ 20.4% Zn+Pb & 294g/t Ag from 99.05m**
- **OPDH-177: 4.55m @ 36.9% Zn+Pb & 138g/t Ag from 107.55m**

This high-grade mineralised zone remains open to the west as shown in the section in Figure 3, with the nearest drill holes in the Central Zone located approximately 250m to the west of OPDH-187 (refer ASX announcement dated 24 October 2018):

- **OPDH-173: 4.10m @ 12.5% Zn+Pb and 43g/t Ag**
- **OPDH-178: 9.50m @ 18.9% Zn+Pb and 22g/t Ag**

Azure is undertaking further work to assess the potential for early development of this mineralisation.

Drilling will continue into 2019 with the final East Zone resource infill holes expected to be completed by the end of the year and additional resource extensional holes in the Central Zone currently being planned. Also, several drill holes have been designed as “condemnation” or “sterilisation” holes to be drilled within the footprints of the proposed processing plant site and the Tailings Storage Facility.

Figure 1: Plan of Mexico showing location of Oposura Project and Azure Minerals' other projects



Figure 2: Plan of the Oposura East Zone showing locations of Phase 2 drill holes

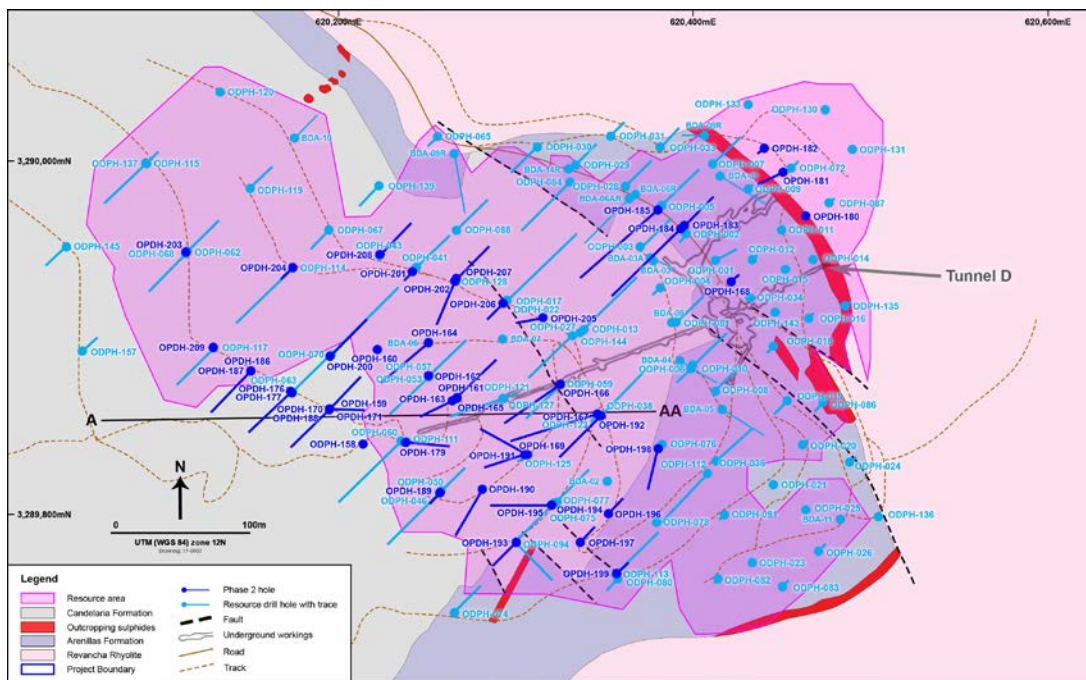


Figure 3: Cross Section through the Tunnel D High Grade Zone

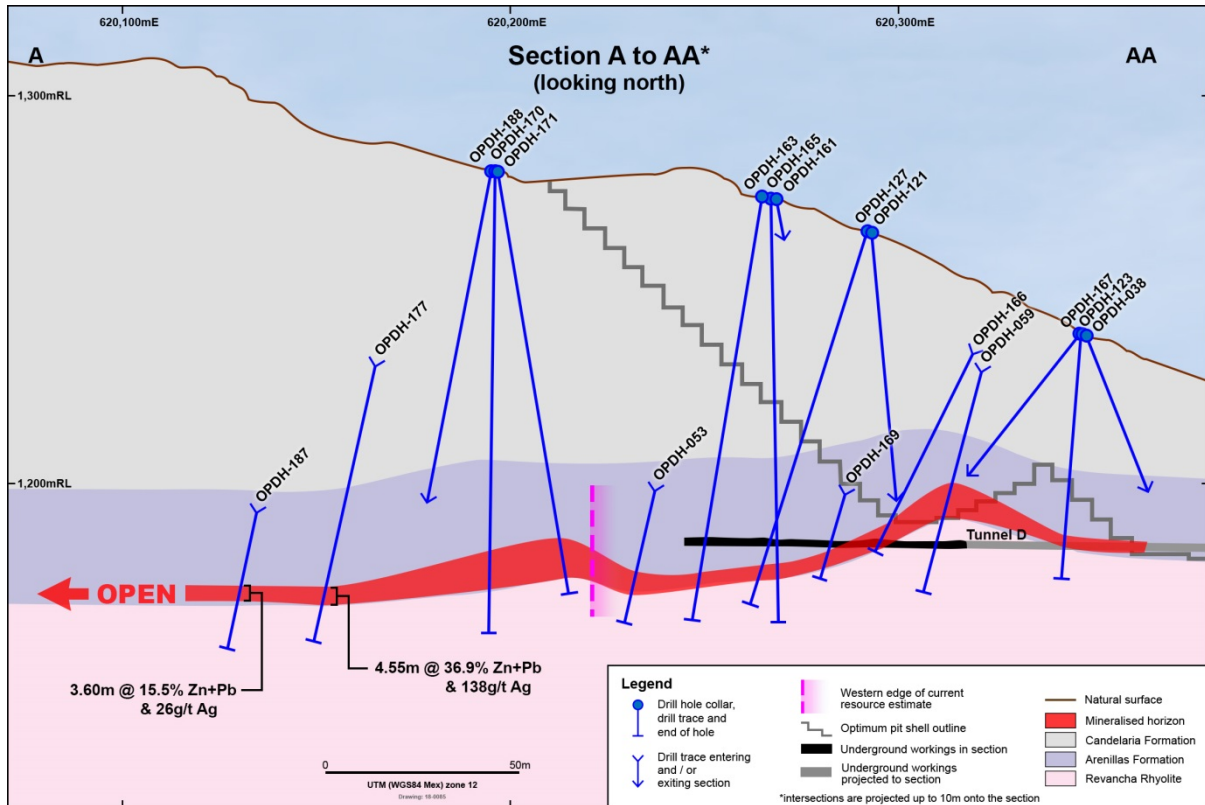


TABLE 1: Significant mineralised drill intercepts for holes reported (OPDH-179 to OPDH-204)

Hole No	Depth (m)		Intercept Length (m)	Grade			
	From	To		Zn (%)	Pb (%)	Zn+Pb (%)	Ag (g/t)
OPDH-179	94.85	95.80	0.95	2.38	1.67	4.05	3.60
	99.35	101.95	2.60	2.63	2.37	5.00	14.63
						x	
OPDH-180	6.10	6.90	0.80	0.87	3.71	4.58	25.70
OPDH-181	15.65	16.40	0.75	1.91	0.15	2.06	0.90
	19.30	21.90	2.60	3.22	1.94	5.16	6.26
including	20.90	21.90	1.00	6.10	3.97	10.07	8.80
OPDH-182			No significant results				
OPDH-183	24.30	27.80	3.50	1.54	1.11	2.65	6.09
	33.20	36.70	3.50	1.78	1.12	2.90	4.92
	46.95	50.80	3.90	3.33	1.94	5.27	7.98
OPDH-184	25.00	25.75	0.75	8.32	0.46	8.78	20.00
	35.80	36.60	0.80	1.58	1.13	2.71	9.90
	41.15	44.45	2.65	1.40	1.01	2.41	9.23
	48.35	53.60	5.25	12.32	12.09	24.40	34.24
including	48.35	51.40	3.05	19.21	20.06	39.27	53.89
	59.80	60.30	0.50	3.74	1.45	5.19	13.30
	62.80	64.80	2.00	3.12	3.86	6.97	11.55
including	64.30	64.80	0.50	6.85	6.25	13.10	13.10
	67.70	68.45	0.75	2.22	3.18	5.40	16.60
OPDH-185	22.70	25.35	2.65	3.94	1.21	5.15	23.78
including	22.70	23.15	0.45	9.21	3.42	12.63	42.00
	50.20	50.95	0.75	1.02	1.07	2.09	3.75
	51.70	52.45	0.75	1.08	1.07	2.15	3.60
	61.15	69.80	8.65	6.94	4.48	11.43	17.02
including	61.45	66.00	4.55	11.82	7.79	19.61	29.00
OPDH-186	108.55	108.85	0.30	2.18	1.65	3.83	3.30
OPDH-187	96.60	97.60	1.00	2.61	1.96	4.57	7.35
including	96.60	96.75	0.15	8.06	6.04	14.10	10.40
	108.45	112.05	3.60	14.67	0.81	15.48	25.69

including	109.05	111.50	2.45	19.37	1.11	20.48	34.38
OPDH-188	75.35	76.30	0.95	1.51	0.88	2.39	1.80
OPDH-189			No significant results				
OPDH-190	45.95	46.60	0.65	2.07	1.46	3.53	5.50
	75.55	77.50	1.95	4.05	4.30	8.35	14.02
including	75.55	75.85	0.30	8.31	5.57	13.88	15.20
and	76.60	77.50	0.90	4.99	6.51	11.50	21.20
OPDH-191	35.40	36.05	0.65	9.29	4.03	13.32	16.40
	38.30	39.10	0.80	1.42	1.22	2.64	2.60
	61.70	64.00	2.30	1.82	1.42	3.25	3.22
OPDH-192	49.20	49.80	0.60	5.82	4.85	10.67	20.70
	53.15	53.85	0.70	23.76	15.44	39.20	65.90
OPDH-193	10.55	12.20	1.65	1.89	1.60	3.49	6.30
	20.20	21.65	1.45	0.92	1.33	2.25	1.85
	48.50	49.10	0.60	1.60	1.13	2.73	1.90
	52.55	53.90	1.35	2.30	1.55	3.85	3.04
OPDH-194	13.45	16.05	2.60	1.66	0.45	2.11	4.33
	17.60	18.55	0.95	1.38	0.75	2.13	1.70
	23.65	24.65	1.00	2.90	1.90	4.79	8.70
	39.00	45.00	6.00	6.88	4.87	11.75	13.04
including	41.60	44.55	2.95	12.93	9.01	21.95	23.32
OPDH-195	9.20	16.10	6.90	1.59	1.87	3.46	5.97
	55.55	56.70	1.15	1.37	1.18	2.55	4.49
OPDH-196			No significant results				
OPDH-197	28.60	29.45	0.85	2.54	1.69	4.23	2.80
	32.00	33.75	1.75	2.81	2.46	5.27	5.77
OPDH-198			No significant results				
OPDH-199	16.75	21.05	4.30	2.05	2.75	4.80	6.76
including	19.20	20.10	0.90	4.51	7.30	11.81	14.40

OPDH-200	79.35	80.25	0.90	1.79	1.14	2.92	1.45
	95.60	96.05	0.45	1.80	1.97	3.77	6.60
	103.95	104.30	0.35	1.40	0.65	2.05	1.70
OPDH-201	42.50	43.15	0.65	2.55	2.71	5.26	19.90
OPDH-202	50.90	55.70	4.80	2.03	1.56	3.59	1.46
	59.70	61.35	1.65	7.83	4.51	12.33	24.51
OPDH-203	61.65	62.05	0.40	1.61	1.18	2.79	6.40
	62.85	63.10	0.25	1.05	1.18	2.23	7.90
	65.05	65.50	0.45	2.83	2.12	4.95	9.20
	70.10	72.40	2.30	3.45	2.68	6.13	13.66
	83.90	84.85	0.95	1.78	1.36	3.14	3.50
OPDH-204			No significant results				

Table 2: Location data for holes drilled (OPDH-179 to OPDH-209)

HOLE No.	EAST	NORTH	ELEVATION	AZIMUTH	DIP	TOTAL DEPTH
	(m)E	(m)N	(m)ASL			(m)
OPDH-179	620237	3289840	1279.5	095	-78	108.25
OPDH-180	620461	3289969	1187.8	025	-89	21.35
OPDH-181	620451	3289992	1185.3	246	-60	30.50
OPDH-182	620438	3290009	1184.5	231	-77	21.35
OPDH-183	620394	3289963	1205.4	045	-64	51.85
OPDH-184	620392	3289961	1205.5	226	-46	76.25
OPDH-185	620379	3289972	1205.6	228	-44	80.80
OPDH-186	620149	3289881	1277.5	174	-89	126.55
OPDH-187	620149	3289881	1277.5	224	-75	125.05
OPDH-188	620192	3289858	1277.1	225	-75	112.85
OPDH-189	620255	3289811	1263.4	227	-84	80.80
OPDH-190	620277	3289813	1260.4	209	-71	80.80
OPDH-191	620304	3289834	1254.4	250	-72	70.15
OPDH-192	620346	3289857	1237.7	225	-55	56.40
OPDH-193	620298	3289785	1239.4	225	-71	57.40
OPDH-194	620320	3289805	1239.7	062	-89	50.30
OPDH-195	620320	3289805	1239.7	269	-55	61.00
OPDH-196	620353	3289800	1228.2	045	-76	48.80
OPDH-197	620337	3289782	1226.2	046	-80	36.60
OPDH-198	620381	3289837	1224.4	194	-65	56.40
OPDH-199	620357	3289765	1215.3	046	-77	39.65
OPDH-200	620194	3289890	1262.3	044	-76	105.20
OPDH-201	620243	3289937	1236.4	224	-86	70.15
OPDH-202	620264	3289931	1239.4	202	-73	82.35
OPDH-203	620115	3289946	1275.1	267	-89	89.95
OPDH-204	620174	3289939	1245.0	225	-81	65.55
OPDH-205	620315	3289911	1245.5	260	-80	86.90
OPDH-206	620292	3289919	1243.7	225	-82	88.80
OPDH-207	620266	3289933	1239.5	045	-70	74.70
OPDH-208	620222	3289947	1234.9	045	-63	54.90
OPDH-209	620128	3289894	1277.0	000	-90	108.25
OPDH-210	620188	3289889	1263.8	000	-72	100.65

-ENDS-

For enquiries, please contact:

Tony Rovira
Managing Director
Azure Minerals Limited
Ph: +61 8 9481 2555

Media & Investor Relations
Michael Weir / Cameron Gilenko
Citadel-MAGNUS
Ph: +61 8 6160 4903

or visit www.azureminerals.com.au

Competent Person Statements:

Information in this report that relates to Exploration Results 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.

Information in this report that relates to previously reported Exploration Results 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.

Information in this report that relates to Mineral Resources for the Oposura Project is extracted from the report "Azure Delivers Robust Initial Mineral Resource at Oposura" created and released to the ASX on 4 July 2018 and is available to view on www.asx.com.au. Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

Information in this report that relates to the Scoping Study for the Oposura Project is extracted from the report "Oposura Scoping Study Delivers Outstanding Economics" created and released to the ASX on 15 October 2018 and is available to view on www.asx.com.au. Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Targets were sampled by diamond core drilling. Drill core was sampled at 0.10m to 1.55m intervals guided by changes in geology.</p> <p>Drill hole collar locations were initially determined by hand-held GPS and with final drill hole collar positions surveyed by 2 channel differential GPS.</p> <p>Sample preparation was undertaken at Bureau Veritas Laboratories (BVL) in Hermosillo, Sonora, Mexico. Samples were weighed, assigned a unique bar code and logged into the BVL tracking system. Samples were dried and each sample was fine crushed to >70% passing a 2mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75 micron screen.</p> <p>Envelopes containing the 250g sample pulps were sent via courier to BVL in Vancouver, Canada for analysis.</p> <p>The analytical technique, MA300, for all samples initially involved a four-acid digest followed by multi-element ICP-ES analysis producing results for silver and base metals. This technique is considered a total digest for all relevant minerals.</p> <p>Over-limit assays were re-analysed by:</p> <ul style="list-style-type: none"> • Method MA370 (by ICP-ES for base metals grading >1%); • Method GC816 (by Classical Titration for zinc grading >40%); • Method GC817 (by Classical Titration for lead grading >10%); • Method FA530 (by fire assay with gravimetric finish for silver grading >200ppm).
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>Drilling technique for all holes was diamond drilling with HQ-size (63.5mm diameter) or HQ3-size (61.1mm diameter) core.</p> <p>Drill core in angled holes is being oriented for structural interpretation</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>Diamond core was reconstructed into continuous runs. Depths were measured from the core barrel and checked against marked depths on the core blocks. Core recoveries were logged and recorded in the database.</p> <p>Sample recoveries were high with >85% of the drill core having recoveries of ≥90%.</p> <p>There is no discernible relationship between recovery and grade, and therefore no sample bias.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p>	<p>Detailed core logging was carried out with recording of weathering, lithology, alteration, veining, mineralisation, structure, mineralogy, RQD and core recovery.</p>

	<p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>Drill core was photographed, wet and without flash, in core trays prior to sampling. Each photograph includes an annotated board detailing hole number and depth interval.</p> <p>All holes were logged in full.</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Drill core was sawn in half using a core saw. All samples were half core and were collected from the same side of the core.</p> <p>The sample preparation followed industry best practice. Samples were prepared at BVL in Hermosillo, Sonora, Mexico. Samples were weighed, assigned a unique bar code and logged into the BVL tracking system.</p> <p>The sample was dried and the entire sample was fine crushed to >70% passing a 2mm screen. A 250g split was pulverised using a ring and puck system to >85% passing 75micron screen.</p> <p>Envelopes containing the 250g sample pulps were sent via courier to BVL in Vancouver, Canada for base metal analysis.</p> <p>Duplicate, standard and blank check samples were submitted with drill core samples.</p> <p>The sample sizes are considered appropriate to the grain size of the material being sampled.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>The analytical technique, MA300, for all samples initially involved a four-acid digest followed by multi-element ICP-ES analysis producing results for silver and base metals. This technique is considered a total digest for all relevant minerals. Over-limit assays were re-analysed by:</p> <ul style="list-style-type: none"> • Method MA370 (by ICP-ES for base metals grading >1%); • Method GC816 (by Classical Titration for zinc grading >40%); • Method GC817 (by Classical Titration for lead grading >10%); • Method FA530 (by fire assay with gravimetric finish for silver grading >200ppm).
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>	<p>Senior technical personnel from the Company (Project Geologists) collected and inspected the samples.</p> <p>Approximately 20% of historical drill holes are being twinned.</p> <p>Primary data was collected by employees of the Company at the project site. All measurements and observations were recorded onto hard copy templates and later transcribed into the Company's digital database.</p> <p>Digital data storage, verification and validation are managed by an independent data management company.</p> <p>No adjustments or calibrations have been made to any assay data.</p>
Location of data points	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p>	<p>Drill hole collar locations were initially determined by hand-held GPS and with final drill hole collar positions surveyed by 2 channel differential GPS.</p>

	<p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>The grid system used is WGS84 Mexico UTM Zone 12N for easting, northing and RL.</p>
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>As this drilling program is for the purposes of mineral resource estimation, an initial drill hole spacing of 50m x 50m was implemented. Additional drilling to infill the hole spacing to 25m x 25m was implemented in some areas.</p> <p>When completed, the data spacing and distribution will be sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation procedures.</p> <p>No sample compositing has been applied.</p>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>The mineralised zone is predominantly a horizontal layer of massive and banded sulphide mineralisation.</p> <p>Geological controls and orientations of the mineralised zone are unknown at this time and therefore all mineralised intersections are reported as “intercept length” and may not reflect true width.</p> <p>No sampling bias is believed to have been introduced.</p>
Sample security	<p><i>The measures taken to ensure sample security.</i></p>	<p>Assay samples were placed in poly sample bags, each with a uniquely numbered ticket stub from a sample ticket book. Sample bags were marked with the same sample number and sealed with a plastic cable tie. Samples were placed in woven polypropylene “rice bags” and a numbered tamper-proof plastic cable tie was used to close each bag. Company personnel delivered the rice bags directly to BVL for sample preparation. The numbers on the seals were recorded for each shipment. BVL audited the arriving samples and reported any discrepancies back to the Company. No such discrepancies occurred.</p>
Audits or reviews	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>All digital data is subject to audit by the independent data manager.</p>

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>The Oposura Project comprises eleven mineral concessions, 10 granted and one in application, totalling 771 hectares in area.</p> <p>All tenements are 100% owned by Minera Piedra Azul SA de CV, a wholly-owned subsidiary of Azure Minerals Limited.</p> <p>A 2.5% NSR royalty on production is payable to the previous owners.</p> <p>The tenements are secure and in good standing. There are no known impediments to obtaining a licence to operate in the area.</p> <p>Nine of the tenements have an expiry date of 3 May 2037 and the tenth tenement has an expiry date of 9 January 2055. The eleventh tenement is still at the application stage.</p>
Exploration done by other parties	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>Peñoles and Anaconda carried out diamond core drilling, underground exploratory mine development and metallurgical testwork in the 1970's. Minero Puma SA de CV conducted exploration in 2017 comprising underground mapping and sampling of historical workings and drilling of 16 surface drill holes.</p> <p>Azure Minerals acquired 100% ownership of the project in August 2017 through its wholly-owned Mexican subsidiary company Minera Piedra Azul SA de CV.</p>
Geology	<p><i>Deposit type, geological setting and style of mineralisation.</i></p>	<p>Carbonate replacement and/or skarn style of mineralisation forming horizontal mantos of massive sulphides containing zinc, lead and silver.</p>
Drill hole information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>Refer to tables in the report and notes attached thereto which provide all relevant details.</p>
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>No weighted averaging techniques were used.</p> <p>No maximum and/or minimum grade truncations (eg cutting of high grades) or cut-off grades were applied.</p> <p>High grade intervals internal to broader mineralised zones are reported as included zones - refer to drill intercept and detail tables.</p> <p>No metal equivalents were reported.</p> <p>Reported zinc and lead mineralised intersections for the drilling are based on intercepts using a lower grade cut-off of 2.0% Zn+Pb for the overall mineralised zones and 10.0% Zn+Pb for the included high grade mineralised zones.</p>

		A maximum of 2m of consecutive internal dilution at <2.0% Zn+Pb has been applied to all mineralised intercepts.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	Geological controls and orientations of the mineralised zone are unconfirmed at this time and therefore all mineralised intersections are reported as "intercept length" and may not reflect true width.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to Figures in attached report
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	The Company believes that the ASX announcement is a balanced report with all material results reported.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	This announcement makes no reference to previous exploration results.
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</i>	Planned further work to better understand the mineralisation systems in the project area will comprise geological mapping and sampling, geophysical surveys and drilling.