

## **AZURE COMPLETES \$4.0 MILLION PLACEMENT TO RELAUNCH ALACRÁN SILVER & GOLD EXPLORATION**

### **HIGHLIGHTS**

- **\$4.0 million placement to support exploration and development studies at the Company's Alacrán silver and gold project**
- **Strong support from European and Australian institutional investors**
- **Field work is currently underway ahead of drilling program to commence in the near term**

**Azure Minerals Limited** (ASX: AZS) ("Azure" or "the Company") is pleased to advise that it has raised \$4.0 million (before costs) through a placement to institutional and sophisticated investors to relaunch an aggressive exploration push on the Alacrán silver and gold project.

A total 23,529,412 fully paid ordinary shares will be issued at a price of \$0.17. Patersons Securities Limited acted as sole Lead Manager and Bookrunner to the placement.

**Azure's Managing Director, Mr Tony Rovira**, said the strong investor support for exciting silver and gold opportunities would enable the Company to restart exploration and development on its 100%-owned Alacrán project in northern Mexico.

*"We are delighted with the strong support for the Placement from Europe and Australia and we welcome several new Australian institutions to our Company's register. This fundraising places Azure in a strong position moving forward, as we seek to increase the existing 32 million ounces of silver resources and 150,000 ounces of gold already identified at Alacrán. We'll also be undertaking additional greenfields exploration to discover and develop more precious metals deposits on this very exciting project.*

*"It's great to have 100% of this project back in our portfolio and we are very pleased to return to Alacrán after a three-year hiatus."*

### **Exploration Plans**

Proceeds from the Placement will enable Azure to undertake advanced-stage exploration at Alacrán, with the highest priority on increasing the silver and gold resource base at Mesa de Plata and Loma Bonita, whilst continuing greenfields exploration and target delineation for additional drilling.

Over several years, Azure's exploration at Alacrán has been very successful, discovering several significant occurrences of silver, gold and base metals mineralisation. The most prominent discoveries are the Loma Bonita gold-silver deposit and the Mesa de Plata silver deposit. Together these two adjacent deposits contain resources of 32.2Moz silver and 150,000oz gold (ASX: 1 and 21 December 2016; refer to Appendix 1, Tables 1 & 2 for Mineral Resources).

Azure's resource drilling on the Loma Bonita gold-silver deposit was suspended in late-2016 when previous partner, Teck Resources Limited, exercised a back-in right to earn back into the project. With Azure now having acquired all of Teck's rights and regained 100% project ownership, the Company will undertake further drilling to increase the initial Loma Bonita mineral resource estimate of 150,000oz gold & 4.8Moz silver in 5.4Mt @ 0.9g/t Au & 28g/t Ag. Drilling is awaiting environmental approval and is expected to commence in the current quarter.

### **Use of Funds**

Funds raised under the share placement will be used to:

- Undertake drilling to increase mineral resources at the Loma Bonita gold-silver deposit. This program is being finalised and further information will be released shortly.
- Continue greenfields exploration and target identification programs on the project and follow up positive results.
- Restart metallurgical testwork on the Mesa de Plata silver and Loma Bonita gold-silver mineralisation along with further development studies.
- Provide general working capital.

### **Placement Details**

The Company has received binding commitments from institutional and sophisticated investors to raise \$4.0 million (before costs) through the issue of 23,529,412 fully paid ordinary shares at an issue price of \$0.17 per share, representing a 23.4% discount to the volume weighted average price (VWAP) over the past 15 trading days and an 8.8% discount to the 30-day VWAP of Azure's shares. It is intended that 9,779,410 shares will be issued under the Company's existing 15% placement capacity in accordance with Listing Rule 7.1 and 13,750,002 shares issued under Listing Rule 7.1A.

Settlement of the Placement is scheduled to occur on Wednesday 9<sup>th</sup> October.

**-ENDS-**

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## COMPETENT PERSON STATEMENTS:

### Exploration Results

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.

### Alacrán Mineral Resources

The information in this report that relates to Mineral Resources for the Mesa de Plata and Loma Bonita deposits on the Alacrán Project are extracted from the respective reports "Mesa de Plata Mineral Resource Upgraded" and "Loma Bonita Mineral Resource" created and released to the ASX on 1 December 2016 and 21 December 2016 respectively and are available to view on [www.asx.com.au](http://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.

## APPENDIX 1

### ALACRÁN MINERAL RESOURCE ESTIMATES

**Table 1: Loma Bonita Mineral Resource (in accordance with the 2012 JORC Code)**

Cut-Off Grade (g/t Au)	JORC Code Classification	Tonnes (Mt)	Gold		Silver	
			(g/t)	(kOz)	(g/t)	(Moz)
≥ 0.5	Indicated Mineral Resource	2.87	1.25	115.7	33.9	3.14
	Inferred Mineral Resource	0.5	1.0	15	18	0.3
	<b>Total</b>	<b>3.4</b>	<b>1.2</b>	<b>131</b>	<b>32.0</b>	<b>3.4</b>
≥ 0.21	Indicated Mineral Resource	4.20	0.95	128.5	30.1	4.07
	Inferred Mineral Resource	1.2	0.6	22	18	0.7
	<b>Total</b>	<b>5.4</b>	<b>0.9</b>	<b>150</b>	<b>28</b>	<b>4.8</b>

Note: for details refer to ASX announcement dated December 21, 2016

**Table 2: Mesa de Plata Mineral Resource (in accordance with the 2012 JORC Code)**

Zone	Measured Mineral Resource			Indicated Mineral Resource			Total Mineral Resource		
	Tonnes (Mt)	Silver		Tonnes (Mt)	Silver		Tonnes (Mt)	Silver	
		(g/t Ag)	(Moz)		(g/t Ag)	(Moz)		(g/t Ag)	(Moz)
High Grade	1.21	307.4	12.0	0.54	201.7	3.5	1.75	274.7	15.5
Mid-Grade	8.43	43.0	11.7	0.28	36.2	0.3	8.71	42.8	12.0
<b>Total</b>	<b>9.64</b>	<b>76.2</b>	<b>23.6</b>	<b>0.82</b>	<b>145.4</b>	<b>3.8</b>	<b>10.46</b>	<b>81.6</b>	<b>27.4</b>

Note: for details refer to ASX announcement dated December 1, 2016