

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 MARCH 2016

HIGHLIGHTS

ALACRÁN PROJECT

- Resource drill-out of Mesa de Plata silver discovery completed with maiden JORC Mineral Resource Estimate due shortly
- New gold-rich zone identified at Loma Bonita with drill holes intersecting significant near-surface gold and silver mineralisation
 - 20.0m @ 1.52g/t Au & 62g/t Ag from surface in MDPD-007
 - 7.5m @ 1.05g/t Au & 130g/t Ag from 2.0m in MDPD-008
- Diamond drill program continuing over 600–800m extent of Loma Bonita ridge
- New northern area of high grade silver identified at Mesa de Plata Norte
 - Strong surface sampling results including rock chips up to 1,902g/t Ag
 - Drilling to commence in coming weeks

PROMONTORIO PROJECT

- Geophysical data evaluation and interpretation completed with porphyry copper targets identified
- Diamond drilling program commenced with three holes completed to date and a fourth in progress
- Drilling continues

Azure's Managing Director, Mr Tony Rovira commented: *"We have made excellent progress during the last quarter, in particular the completion of the Mesa de Plata resource drill out. The Mineral Resource is in the final stage of estimation and is expected to be released shortly. Azure has rapidly progressed Mesa de Plata from first discovery in September 2015 and we are confident that the resource estimate will demonstrate the significance of the Project.*

"However this is only the first step forward in what we believe will be a gold and silver project of some significance.

"We have been delighted that the initial drilling at Loma Bonita, located only a few hundred metres from Mesa de Plata, is indicating a potentially large gold and silver mineralised zone. Drilling will continue at Loma Bonita and nearby areas throughout the coming quarter."

ALACRÁN PROJECT

(Azure can earn 100% ownership from a subsidiary of Teck Resources Limited (“Teck”), subject to an underlying back-in right retained by Teck and a 2% NSR retained by Grupo Mexico)

Further strong progress was made on the Alacrán Project during the quarter, with the resource drilling completed at Mesa de Plata and new areas of mineralisation identified via sampling and drilling at Mesa de Plata Norte and Loma Bonita (for location, see Figure 1).

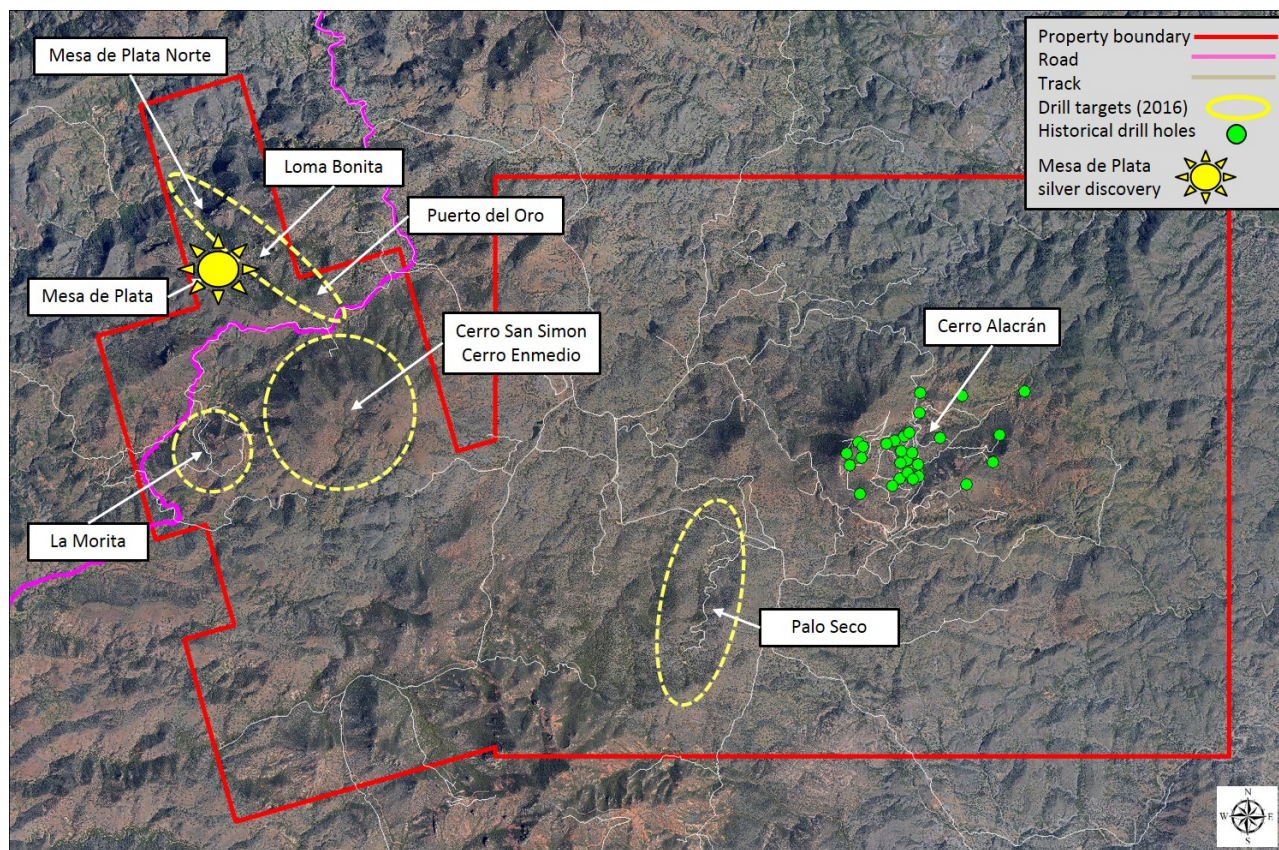


Figure 1: Aerial photograph of Alacrán property, showing drill targets

MESA DE PLATA RESOURCE DRILLING

During the Quarter Azure completed the drill-out of the Mesa de Plata silver discovery, and commenced the calculation of a maiden Mineral Resource Estimate, which is due for release in May.

The resource drill-out consisted of two Reverse Circulation (RC) and one diamond core drilling programs, totalling 61 RC holes and 5 diamond holes for a total of 6,350m (see Figure 2 for drill hole locations). Drill hole spacing was on a 50m x 50m pattern covering a northwest-southeast extent of 1,000m and a width of up to 200m. All RC holes were drilled vertically to depths of about 90m and diamond holes were also drilled vertically to depths of between 75m and 205m.

Silver mineralisation at Mesa de Plata is hosted in silicified volcanic rocks and residual quartz (vuggy silica) which crop out extensively along the ridge. Drilling has confirmed that mineralisation starts at surface with true thicknesses up to 60m, and extends throughout the Mesa de Plata ridge with excellent internal continuity of mineralisation.

The central zone of high grade silver mineralisation, which averages greater than 200g/t Ag over a vertical thickness of approximately 20m, extends over an area of approximately 400m x 150m, and is located at or very near to surface. This is surrounded and underlain by, a larger zone of moderate grade silver mineralisation (averaging 40-80g/t Ag) up to 60m thick, extending over an area of about 1,000m x 150-200m (ASX: 25 January 2016).

The overall mineralised body dips gently to the northeast, and is confined to the southwest (up-dip) and northeast (down-dip) by erosional contacts forming valleys.

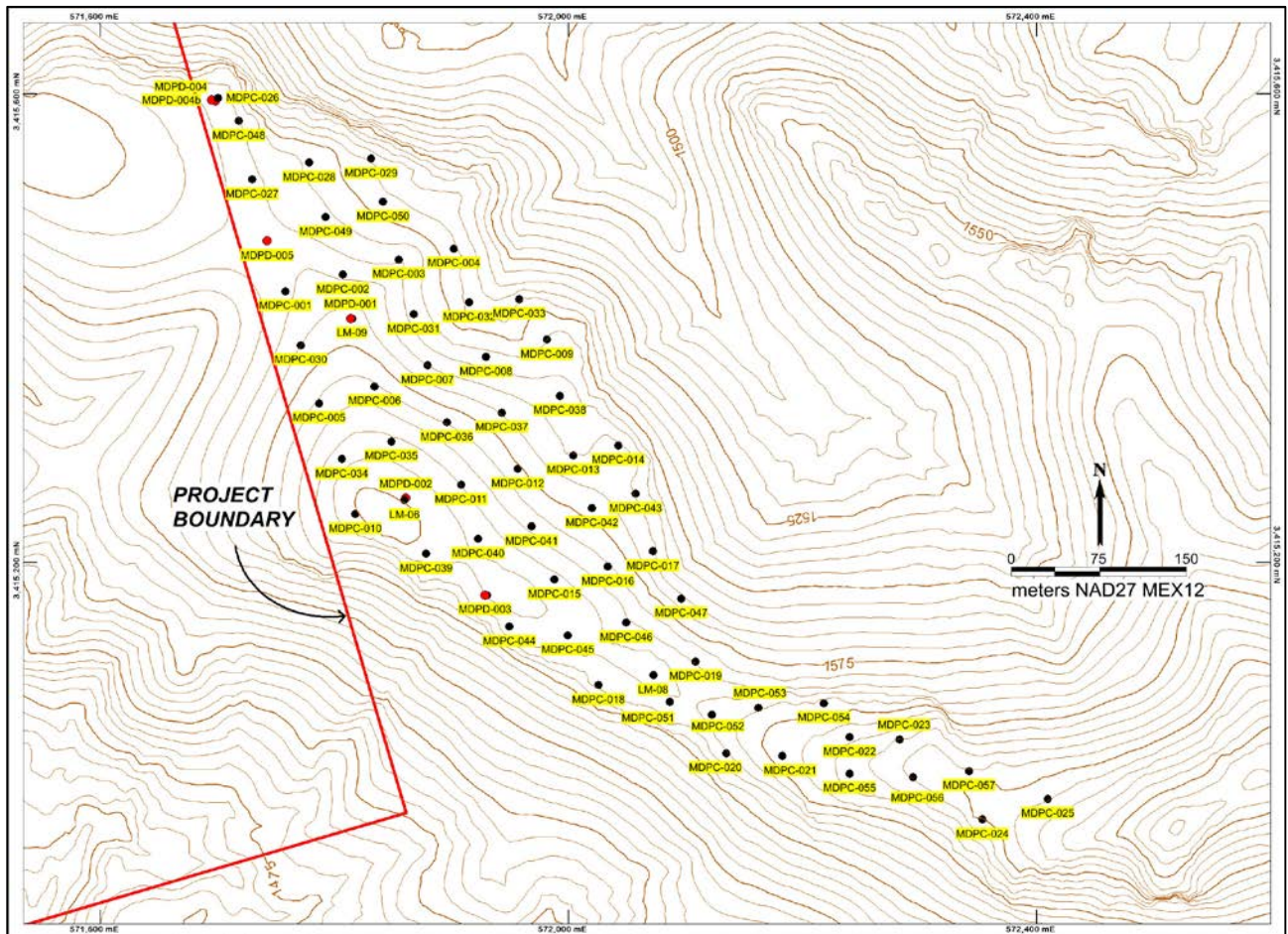


Figure 2: Drill hole location plan for Mesa de Plata mineral resource drill-out

Metallurgy

Drilling to collect large diameter core samples for an advanced metallurgical testwork program of the mineralised zone at Mesa de Plata was planned for the March Quarter. However this activity was postponed to enable the exploration drilling program on the Loma Bonita prospect to be undertaken.

EXPLORATION DRILLING

Located between 200m and 500 meters to the east of the Mesa de Plata silver discovery lie the Loma Bonita and Puerto del Oro prospects. Outcrop occurs as sub-horizontal to shallow north-dipping volcanic strata consisting of vuggy silica with zones of siliceous hydrothermal breccia. Anomalous to high grade gold and silver mineralisation is present at surface throughout the 800m-1,200m long Loma Bonita Ridge and presents a large and highly prospective target zone for drilling.

Exploration diamond drilling recommenced during the quarter with 11 holes completed to date (MDPD-006 to 016) for a total of 1,962.9m. Targets tested have included Puerto del Oro, Loma Bonita and the northeast extension of the Mesa de Plata silver zone (see Figure 3).

Azure believes Loma Bonita has the potential to host a large system of gold and silver mineralisation, and further diamond drilling is underway on a number of high priority targets.

Drill Hole MDPD-006:

MDPD-006 is located near Puerto del Oro approximately 450m southeast of Mesa de Plata. The hole was designed to test coincident chargeability and resistivity anomalies identified in Azure's Induced Polarisation (IP) survey (ASX: 2 July 2015). These geophysical anomalies are situated at +300m below surface.

The hole was drilled to a depth of 539m with varying intensities of silicification, brecciation and quartz stockwork veining. Variable, and in some locations, significant quantities of disseminated pyrite are contained within the breccia matrix in the lower 300m of the hole, which is interpreted to explain the IP anomalies.

Assays demonstrate significant geochemical anomalism in copper, molybdenum, gold and silver at various positions within the hole. Significant mineralised intercepts and maximum values are shown in Table 1 (ASX: 17 March 2016).

Table 1: Significant mineralised intercepts and assays from MDPD-006

FROM	TO	INTERCEPT (m)	MAXIMUM VALUE	COMMENTS
0.0	9.0	10.5m @ 39g/t Ag	50g/t Ag	At surface - strongly silicified dacite with disseminated oxidised pyrite
260.25	261.25	1.0m @ 3.66g/t Au	3.66g/t Au	Intense hydrothermal breccia zone with strong sulphide content (pyrite to 15%)
304.10	324.85	20.75m @ 0.37% Cu	2.75% Cu	Intermixed zone of vuggy silica and silicified andesite with pyrite to 20% and visible copper sulphide mineralisation
Including:		3.0m @ 584ppm Mo	1,416ppm Mo	Silicified andesite with pyrite to 20% and visible copper sulphide mineralisation
321.85	324.85	3.0m @ 1.80% Cu	2.75% Cu	

Drill Hole MDPD-007:

This hole is located mid-way along the north-south trending Loma Bonita ridge in an area characterised by outcropping vuggy silica, silicified volcanic rocks and siliceous hydrothermal breccias containing significant gold and silver assays (ASX: 16 & 21 October 2015). MDPD-007 was drilled vertically due to the sub-horizontal to shallow northeast dip of the strata.

The upper 20m of the hole is within the oxide zone, characterised by strongly weathered rocks containing consistent gold and silver mineralisation (see Table 2) (ASX: 17 March 2016).

Table 2: Significant gold and silver intercepts from MDPD-007

HOLE No	DEPTH (m)		WIDTH (m)	GRADE	
	FROM	TO		Au (g/t)	Ag (g/t)
MDPD-007	0.00	20.00	20.00	1.52	62.4
which includes	0.00	10.70	10.70	2.76	66.3
and	158.50	161.65	3.15	1.71	11.5

Drill Holes MDPD-008, 009 & 010:

On the northern part of the Loma Bonita ridge, the sub-horizontal strata is cut by several vertical north-easterly trending “ribs” of siliceous breccia. At surface these structures are up to 40m in width and surface sampling returned significant gold and silver assays (ASX: 16 & 21 October 2015).

Three holes, MDPD-008, 009 and 010, were drilled to test the surface gold and silver anomalism and the vertical structures. All holes were drilled along a section orientated approximately north-northwest (290°) to drill perpendicular to the strike of the silicified structures.

In the near-surface zone, all three holes intersected significant gold and silver mineralisation (see Table 3) hosted in vuggy silica and siliceous hydrothermal breccia. The entire length of hole MDPD-009 was drilled in strongly anomalous silver mineralisation, returning 200.2m @ 42g/t AgEq.

Table 3: Significant gold and silver intercepts from MDPD-008, 009 & 010

HOLE No	DEPTH (m)		WIDTH (m)	GRADE		
	FROM	TO		Au (g/t)	Ag (g/t)	AgEq (g/t)
MDPD-008	2.0	9.5	7.5	1.05	130	214
MDPD-009	0.0	200.2	200.2	0.09	34	42
including	1.8	24.1	22.3	0.32	62	87
which includes	13.9	23.2	9.3	0.30	106	130
	117.6	193.5	75.9	0.10	50	57
MDPD-010	0.0	15.0	15.0	0.11	41	50
	80.1	91.5	11.4	0.06	53	58
	123.0	129.0	6.0	0.12	35	45
	135.0	145.2	10.2	0.13	40	50

Each hole demonstrates intense weathering and oxidation from surface to 50m-80m downhole, with the rock being very hematitic (iron-rich) in this zone. Variable amounts of disseminated pyrite (iron sulphide) mineralisation are present in each hole. The rocks mostly consist of hydrothermal breccia hosting fragments of silicified andesite and vuggy silica. The intensity of the silicification and brecciation in these holes is strong (ASX: 18 April 2016).

Drill holes MDPD-011, 012 & 016:

These holes were drilled to follow-up the strong gold and silver mineralisation intersected in hole MDPD-007. All holes are complete and assays are awaited. If further gold and silver mineralisation

is identified in these holes, Azure will initiate a more extensive drilling program to define the extents of the mineralisation in this area.

Drill holes MDPD-013, 014 & 015:

These holes were collared on the northeastern flank of the Mesa de Plata mineralised zone to test for extensions of the silver mineralisation in this direction. All holes have been completed and assays are awaited.

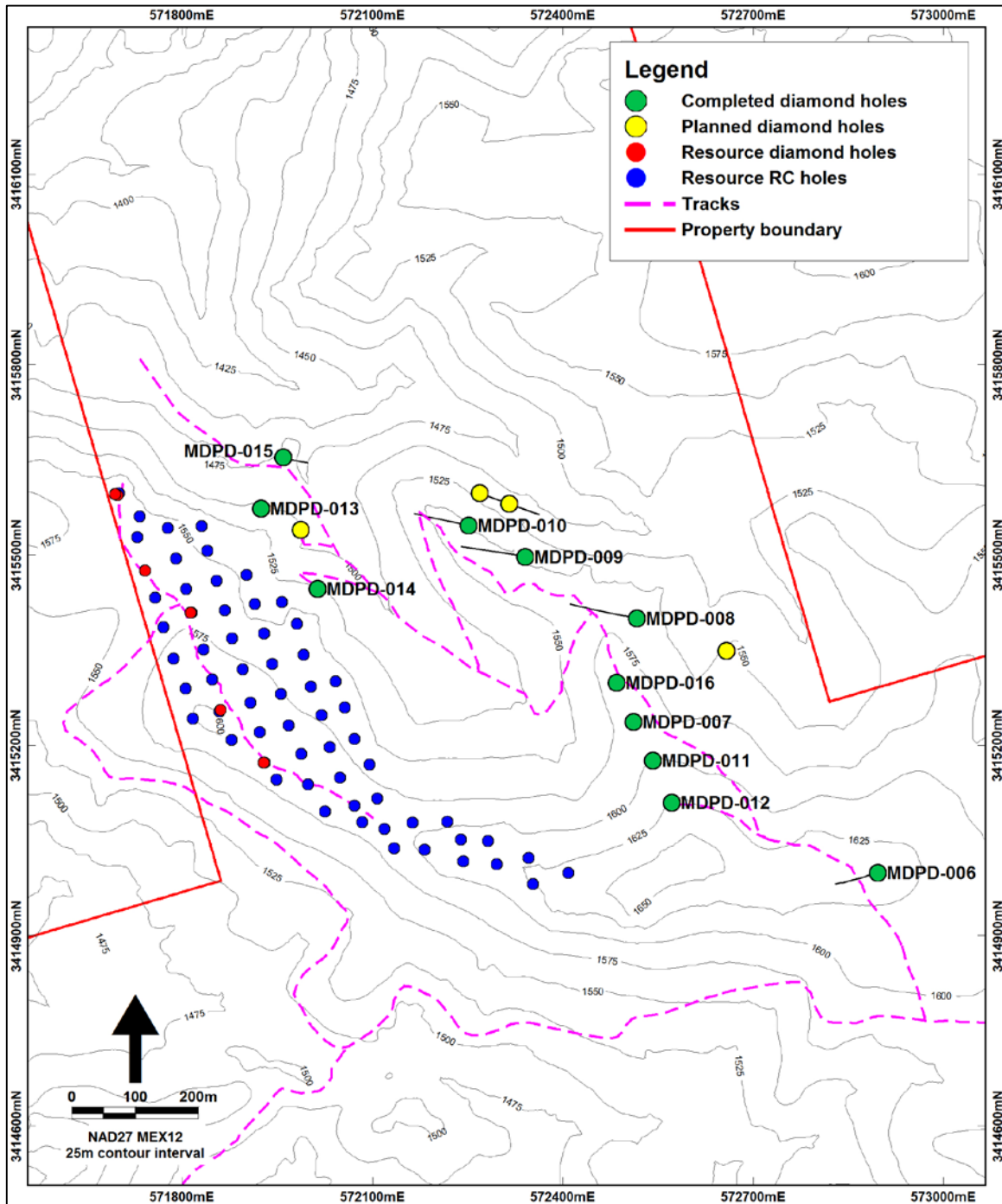


Figure 3: Loma Bonita drill hole location plan

PROMONTORIO PROJECT

(Azure 100%; Kennecott may earn up to an 80% interest)

During the quarter, Kennecott Exploration Mexico S.A. de C.V. ("Kennecott") continued its evaluation and interpretation of all geophysical, geochemical and geological data, and a drilling program was designed to test for porphyry-related copper mineralisation.

The diamond drilling program designed to test these targets commenced and to date a total of three holes have been completed and a fourth hole is in progress for a total of 2,950m.

-ENDS-

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Information in this report that relates to Exploration Results is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Rovira is a full-time employee and Managing Director of Azure Minerals Limited. Mr Rovira has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rovira 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 announcement.

APPENDIX 1

ALACRÁN DRILL HOLE DATA

Table 4: Diamond drill hole location information

HOLE No.	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH	LOCATION
MDPD-001	571813	3415408	1572	000	-90	126.2	Mesa de Plata
MDPD-002	571860	3415255	1599	000	-90	203.0	Mesa de Plata
MDPD-003	571928	3415172	1595	000	-90	200.0	Mesa de Plata
MDPD-004	571698	3415594	1563	000	-90	33.5	Mesa de Plata
MDPD-004b	571694	3415594	1563	000	-90	203.5	Mesa de Plata
MDPD-005	571742	3415474	1563	000	-90	75.0	Mesa de Plata
MDPD-006	572897	3414998	1,631	270	-80	539.0	Puerto del Oro
MDPD-007	572512	3415236	1,587	000	-90	165.0	Loma Bonita
MDPD-008	572517	3415399	1,566	290	-60	213.0	Loma Bonita
MDPD-009	572341	3415496	1,547	290	-60	200.2	Loma Bonita
MDPD-010	572252	3415546	1,548	290	-60	172.0	Loma Bonita
MDPD-011	572542	3415175	1,602	000	-90	149.9	Loma Bonita
MDPD-012	572572	3415109	1,627	000	-90	150.0	Loma Bonita
MDPD-013	571925	3415572	1,505	000	-90	28.0	Mesa de Plata
MDPD-014	572014	3415446	1,526	000	-90	65.0	Mesa de Plata
MDPD-015	571960	3415653	1,475	110	-60	80.0	Loma Bonita
MDPD-016	572485	3415298	1,578	000	-90	200.8	Loma Bonita

Table 5: Mineralised intercepts from Mesa de Plata mineral resource diamond drilling

HOLE	FROM	TO	INTERVAL	GRADE
	(metres)	(metres)	(metres)	(g/t Ag)
MDPD-001	2.0	20.0	18.0	655.3
MDPD-002	28.9	47.6	18.7	529.7
MDPD-003	0.0	45.2	45.2	130.7
including	0.0	21.5	21.5	216.3
MDPD-004	0.0	48.0	47.0	40.7
MDPD-005	0.0	57.0	57.0	43.9

Table 6: Mineralised intercepts from Mesa de Plata mineral resource RC drilling

HOLE	FROM	TO	INTERVAL	GRADE
	(metres)	(metres)	(metres)	(g/t Ag)
MDPC-001	0.0	42.0	42.0	57.7
MDPC-002	19.5	40.5	21.0	29.1
MDPC-003	6.0	51.0	45.0	24.1
MDPC-004	25.5	36.0	10.5	95.3
including	25.5	34.5	9.0	102.4
MDPC-005	0.0	48.0	48.0	37.7
including	33.0	40.5	7.5	102.3
MDPC-006	0.0	51.0	51.0	80.9
including	10.5	30.0	19.5	109.9
MDPC-007	6.0	57.0	51.0	83.3
including	13.5	45.0	31.5	113.4
MDPC-008	10.5	43.5	33.0	32.5
MDPC-009	7.5	70.5	63.0	50.8
including	19.5	22.5	3.0	205.4
MDPC-010	0.0	61.5	61.5	79.5
including	13.5	40.5	27.0	212.8
MDPC-011	0.0	48.0	48.0	127.2
including	1.5	13.5	12.0	261.7
MDPC-012	4.5	25.5	21.0	57.7
including	6.0	13.5	7.5	123.1
MDPC-013	7.5	33.0	25.5	54.8
MDPC-014	No significant intercept			
MDPC-015	10.5	43.5	33.0	98.0
including	10.5	27.0	16.5	164.0
MDPC-016	0.0	28.5	28.5	47.1
MDPC-017	No significant intercept			
MDPC-018	0.0	25.5	25.5	29.7
MDPC-019	0.0	28.5	28.5	45.8
including	6.0	12.0	6.0	98.7
MDPC-020	No significant intercept			
MDPC-021	0.0	31.5	31.5	60.1
including	3.0	13.5	10.5	100.0
MDPC-022	0.0	42.0	42.0	72.7
including	7.5	13.5	6.0	178.1
MDPC-023	15.0	46.5	31.5	36.4
MDPC-024	22.5	61.5	39.0	26.1
MDPC-025	No significant intercept			
MDPC-026	1.5	30.0	28.5	69.9
MDPC-027	15.0	39.0	24.0	22.5

MDPC-028	9.0	33.0	24.0	32.1
MDPC-029	6.0	33.0	27.0	20.8
MDPC-030	3.0	45.0	42.0	50.5
MDPC-031	9.0	49.5	40.5	92.3
including	9.0	24.0	15.0	141.1
and	42.0	48.0	6.0	131.7
MDPC-032	15.0	39.0	24.0	53.7
including	15.0	18.0	3.0	117.8
MDPC-033	0.0	27.0	27.0	24.1
and	57.0	72.0	15.0	31.5
MDPC-034	0.0	58.5	58.5	225.4
including	0.0	13.5	13.5	738.4
MDPC-035	0.0	63.0	63.0	86.8
including	21.0	27.0	6.0	396.2
MDPC-036	0.0	66.0	66.0	43.6
MDPC-037	7.5	39.0	31.5	34.4
MDPC-038	12.0	45.0	33.0	35.0
MDPC-039	0.0	57.0	57.0	185.5
including	1.5	34.5	33.0	283.8
MDPC-040	7.5	61.5	54.0	84.2
including	24.0	39.0	15.0	185.2
MDPC-041	No significant intercept			
MDPC-042	9.0	36.0	27.0	53.5
MDPC-043	No significant intercept			
MDPC-044	9.0	27.0	18.0	130.1
MDPC-045	1.5	36.0	34.5	39.7
MDPC-046	0.0	34.5	34.5	95.0
including	3.0	16.5	13.5	180.0
MDPC-047	No significant intercept			
MDPC-048	21.0	42.0	21.0	34.0
MDPC-049	3.0	49.5	46.5	58.9
including	34.5	40.5	6.0	140.5
MDPC-050	3.0	43.5	40.5	42.5
MDPC-051	0.0	33.0	33.0	32.7
MDPC-052	0.0	25.5	25.5	58.3
including	6.0	12.0	6.0	137.2
MDPC-053	0.0	30.0	30.0	35.2
MDPC-054	0.0	30.0	30.0	44.4
MDPC-055	0.0	36.0	36.0	45.0
MDPC-056	16.5	55.5	39.0	51.4
MDPC-057	No significant intercept			
MDPC-058	0.0	10.5	10.5	38.7
MDPC-059	0.0	18.0	18.0	28.6

APPENDIX 2

ALACRÁN BACKGROUND

Alacrán is located in the northern Mexican state of Sonora approximately 50km south of the USA border. The property covers 54km² of highly prospective exploration ground in the middle of the Laramide Copper Province. This is one of North America's most prolific copper-producing districts, extending from northern Mexico into the southern United States.

Alacrán lies in close proximity to several large copper mines, including being 15km from the world class, giant Cananea Copper Mine operated by Grupo Mexico. This is one of Mexico's premier mining districts, with world class production of copper together with significant amounts of gold, silver and molybdenum.

There is excellent access to and within the property, via a sealed highway from Hermosillo, capital of the state of Sonora, and existing mine roads and ranch tracks. The nearby town of Cananea is a mining-friendly jurisdiction with experienced exploration and mining services, as well as physical infrastructure including roads, railway, airport, electrical power and water.

Commercial and artisanal mining occurred within the project area in the early 20th century, ending in 1913 due to the Mexican Revolution. Since that time, Alacrán has seen only limited exploration and its potential for hosting large porphyry copper deposits and smaller high grade precious and base metal deposits remains largely untested by modern exploration techniques.

The Anaconda Copper Mining Company explored the property intermittently from the 1930's to the 1960's. Data relating to this work is held in the Anaconda Geological Documents Collection, part of the American Heritage Centre in the University of Wyoming. Azure has visited the library and retrieved copies of numerous technical reports and maps.

Between the 1960's and the early 1980's, the Consejo de Recursos Minerales (Mexican Geological Survey) carried out occasional exploration programs, including drilling 6 holes at the Cerro Alacrán prospect in 1970 and undertaking geophysical surveys over the Palo Seco and La Morita prospects in 1981.

Grupo Mexico S.A.B.de C.V. ("Grupo Mexico") then acquired the project and drilled 26 holes at Cerro Alacrán in the 1990's. This drilling, which was restricted to an area of approximately 50 hectares, outlined a large body of near-surface, copper oxide and chalcocite (copper sulphide) mineralisation. The size, grade and the extent of this mineralised body is yet to be defined as a mineral resource to JORC standards.

Minera Teck S.A. de C.V. ("Teck"), a Mexican subsidiary of Canadian company Teck Resources Limited, acquired the property from Grupo Mexico in 2013 and undertook data compilation and limited surface exploration.

Azure Minerals acquired the rights to the project in December 2014 through its fully owned Mexican subsidiary Minera Piedra Azul S.A. de C.V.

Azure has signed an Agreement with Teck to acquire 100% of the property, subject to an underlying back-in right retained by Teck and a 2% NSR retained by Grupo Mexico. Teck is Canada's largest diversified resource company. Grupo Mexico is Mexico's largest and one of the world's largest copper producers.



Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

Azure Minerals Limited

ABN

46 106 346 918

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(1,242)	(3,657)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(511)	(1,422)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	21	28
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(1,732)	(5,051)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	8	(182)
	(b) equity investments	-	-
	(c) other fixed assets	(80)	(111)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – JV Advances	334	1,291
Net investing cash flows		262	998
1.13	Total operating and investing cash flows (carried forward)	(1,470)	(4,053)

Appendix 5B
Mining Exploration Entity Quarterly Report



1.13	Total operating and investing cash flows (brought forward)	(1,470)	(4,053)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	6,561
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	6,561
	Net increase (decrease) in cash held	(1,470)	2,508
1.20	Cash at beginning of quarter/year to date	5,690	1,775
1.21	Exchange rate adjustments to item 1.20	(8)	(71)
1.22	Cash at end of quarter	4,212*	4,212*

* Note that cash at the end of the quarter includes \$254,762 which has been advanced by Kennecott Exploration and is quarantined for use solely on the Promontorio project.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	108
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

-

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

During the quarter Kennecott Exploration Mexico, SA. De C.V. advanced US\$250,000 as part of its earn in commitment on The Promontorio project.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,300
4.2 Development	-
4.3 Production	-
4.4 Administration	500
Total	1,800

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,154	5,632
5.2 Deposits at call	58	58
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,212	5,690

Changes in interests in mining tenements

Refer to Annexure 1 for full list of mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-



Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions	1,245,486,953	1,245,486,953		
7.3 +Ordinary securities				
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	25,000,000	Nil	\$0.058	30/06/17
	25,924,075	Nil	\$0.045	30/11/16
	31,200,000	Nil	\$0.060	30/11/18
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				



Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 29 April 2016
(Director/Company secretary)

Print name: Brett Dickson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Annexure 1
Schedule of interests in mining tenements

Project	Common Name		Tenement	Percentage held
El Tecolote	El Tecolote	All Minerals	230771	100%
	El Tecolote III	All Minerals	234586	100%
Promontorio ³	Hidalgo ¹	All Minerals	235270	-
	Promontorio	All Minerals	235269	100%
	El Magistral	All Minerals	218881	100%
	Promontorio Regional	All Minerals	234447	100%
Panchita	Panchita	All Minerals	212767	100%
	Dona Panchita	All Minerals	192097	100%
Loreto	Loreto	All Minerals	TBA	100%
Alacran ²	Kino 3	All Minerals	166312	-
	Kino 2	All Minerals	166313	-
	Kino 4	All Minerals	166314	-
	Kino 8	All Minerals	166315	-
	Kino 9	All Minerals	166316	-
	Kino 10	All Minerals	166317	-
	Kino 11	All Minerals	166318	-
	Kino 15	All Minerals	166365	-
	Hidalgo No. 4	All Minerals	166366	-
	Kino 16	All Minerals	166367	-
	Hidalgo No. 3	All Minerals	166368	-
	Hidalgo No. 2	All Minerals	166369	-
	Hidalgo No. 5	All Minerals	166370	-
	Hidalgo No. 6	All Minerals	166371	-
	Hidalgo No. 8	All Minerals	166372	-
	Hidalgo No. 7	All Minerals	166373	-
	Hidalgo	All Minerals	166374	-
	Hidalgo No. 9	All Minerals	166375	-
	San Simon	All Minerals	166376	-
	San Simon No. 2	All Minerals	166377	-
El Alacran	All Minerals	201817	-	

1. Azure has an option to purchase 100%
2. Azure has acquired an option to purchase 100%
3. Kennecotte Exploration Mexico S.A. de C.V. has an option to earn up to an 80% interest in the Promontorio project.