

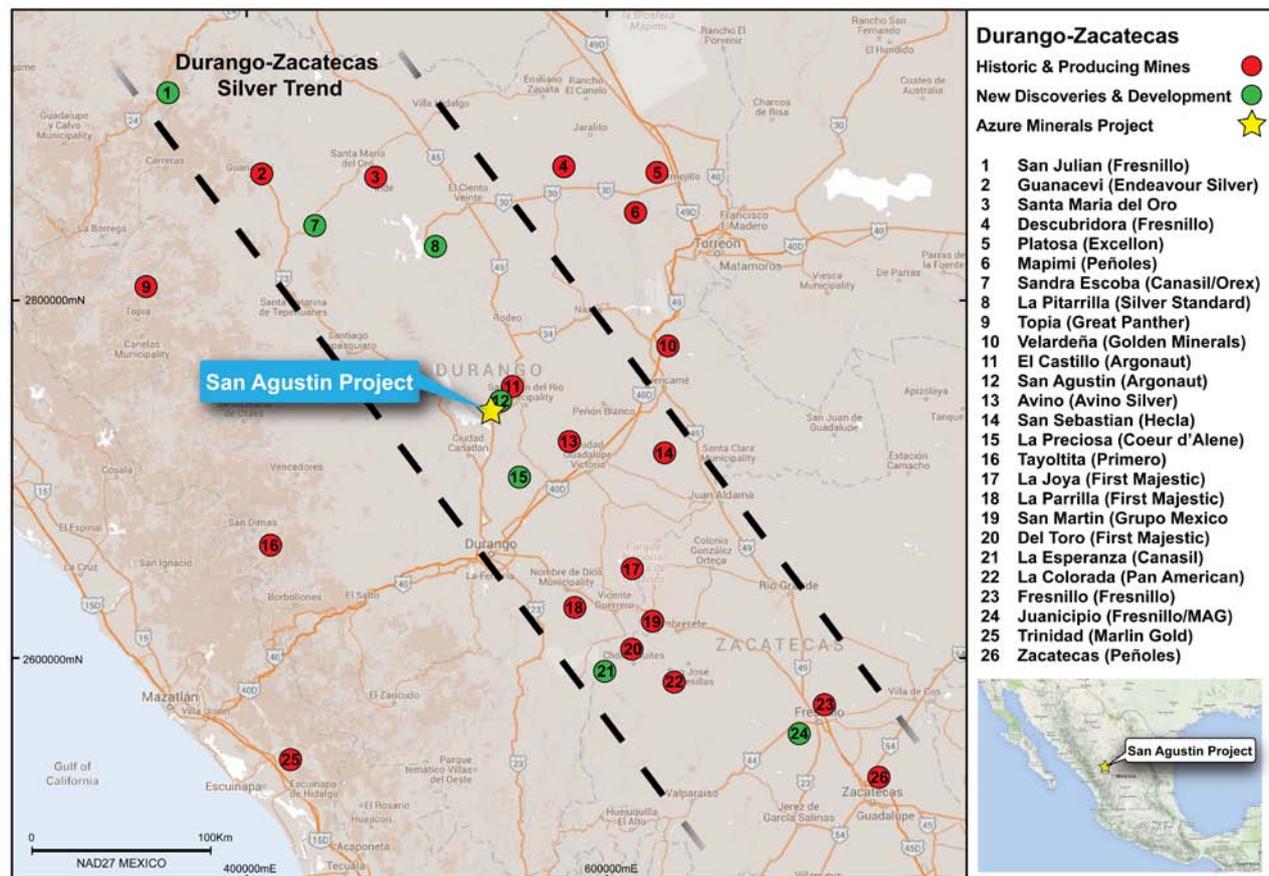
AZURE ACQUIRES SAN AGUSTIN GOLD-SILVER PROJECT

Azure Minerals Limited (ASX: AZS) (“Azure” or “the Company”) is pleased to announce that it has acquired 100% ownership of the San Agustin Project, located in the central Mexican state of Durango.

HIGHLIGHTS:

- Azure acquires immediate 100% ownership of San Agustin gold-silver project
- San Agustin is located in the heart of the Mexican Silver Belt, Mexico’s premier silver producing region
- San Agustin is ideally positioned in an emerging gold-silver mining district
- No known exploration has been undertaken on San Agustin and Azure will commence exploration later in 2016

Figure 1: Plan showing location of San Agustin Project



Azure Managing Director Mr Tony Rovira said, *“It’s very exciting that we were approached and offered this exciting new prospect. While our focus is clearly on advancing our Alacrán silver and gold discoveries, this new project provides us with an unexplored foothold in the middle of the hottest silver district in Mexico. Recent silver and gold discoveries and current mine developments within this district are major reasons for Azure to take a presence here.*

“Given the success we have already had in the country, we’re very keen to get onto the ground at San Agustin and see what its potential may be.”

Project Summary

Covering 201 hectares, the San Agustin claim is located in the heart of the Mexican Silver Belt. This district hosts many major operating silver and gold mines (see Figure 1), with some also producing significant quantities of by-product minerals, including zinc, lead and copper.

Importantly, the area immediately around Azure’s San Agustin property is an emerging gold-silver district, with one operating gold mine and a second gold-silver deposit being considered for development.

Canadian company Argonaut Gold¹ is operating the El Castillo open pit, heap leach gold mine, located 16km northeast of Azure’s property, which produced 80,000oz in 2015 at a mined head grade of 0.3g/t Au.

Argonaut also owns a gold-silver project of the same name as Azure’s project (San Agustin) located 3km northeast of Azure’s San Agustin. Argonaut’s project hosts resources of 850,000 ounces of gold (resource grade of 0.3g/t Au) and 28 million ounces of silver (resource grade of 11g/t Ag). Argonaut will make a production decision on an open pit, heap leach operation in the second half of 2016.

Both of Argonaut’s deposits are predominantly gold-rich and are described as intermediate sulphidation systems hosted by calcareous clastic rocks. Similar rocks have been described on Azure’s San Agustin property.

San Agustin is located 80km north of the city of Durango (population >600,000) in the state of Durango. An international airport services the city with daily flights connecting directly to destinations within México and connections to the United States. The property is served by highways and roads (located 7km from Federal Highway #45) with nearby infrastructure that includes the state power grid, local labour and logistical support.

No prior exploration has been undertaken on this project. Azure will commence reconnaissance exploration later in 2016.

Key terms of the Agreement

Azure, through its wholly-owned Mexican subsidiary company Minera Piedra Azul SA de CV, has acquired immediate 100% ownership of San Agustin. Commercial terms for this acquisition are:

1. Azure paid the vendor US\$10,000; and
2. The vendor retains a 1% Net Smelter Royalty over future mineral production from San Agustin.

-ENDS-

¹ All references to Argonaut Gold and information in respect of that company’s Mexican assets are sourced from the Argonaut Gold website: <http://www.argonautgold.com/>

For further information:

Tony Rovira

Managing Director

Phone: +61 8 9481 2555

Media & Investor Relations

Michael Weir or Richard Glass

Citadel-MAGNUS

+61 8 6160 4903