

CORPORATE & ACTIVITY UPDATE

Azure Minerals (ASX: AZS) ('Azure' or the 'Company') is pleased to provide an update on its project portfolio in Mexico and its planned activities for 2017.

One of Azure's key strengths is its ability to identify and acquire highly prospective resources projects, at both early and advanced stages, and then use its proven technical expertise to add value through targeted and strategic exploration. The Company's strategy for 2017 and beyond continues to be aligned with these strengths.

Azure Minerals' Managing Director, Tony Rovira, commented: *"Our Company is in a very sound position, with a strong cash balance, two high quality projects in Alacrán and Promontorio, and a proactive and successful exploration and evaluation team.*

"Our reputation as an active and successful explorer brings numerous opportunities to the Company and we are currently reviewing a number of these to determine whether they provide the upside that Azure requires. I emphasise that we are seeking the right project, not necessarily the first or second one that comes along, and I look forward to updating the market as opportunities come to fruition."

Alacrán Project – Teck to commence exploration activity

As announced in December 2016, Minera Teck S.A. de C.V., ("Teck") a subsidiary of the Canadian-major Teck Resources Limited, provided Notice to Azure thereby exercising its right to earn back an ownership interest in the Project. Teck's decision clearly demonstrates its belief in the prospectivity and potential of Alacrán.

Under the terms of the agreement, Teck can earn back an initial 51% interest by sole funding US\$10 million of expenditures over the next 4 years.

Teck and Azure are currently discussing the specific work program for 2017, which includes minimum expenditures of US\$2 million in the first year to maintain its Option in good standing.

Promontorio Project – Azure back in control and attracting new partner interest

Azure announced in January 2017 that it had resumed control of the Promontorio Project following the decision by Kennecott Exploration Mexico S.A. de C.V. (part of the Rio Tinto Group) to withdraw from the next stage of the Earn-in and Joint Venture Agreement.

Kennecott actively explored Promontorio for two years from early 2015 at no cost to Azure. Results from these programs advanced the Project and provided a substantial data set which will form the basis of the next phase of exploration activity. Promontorio remains highly prospective for large porphyry copper deposits, as well as high grade epithermal copper-gold-silver deposits, and Azure intends to continue to build on the substantial work already conducted.

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Following Kennecott's decision to withdraw, Azure has received expressions of interest from several major mining companies to become involved in the Project. Discussions are progressing, with a number of parties currently conducting due diligence.

New Projects – Multiple opportunities to acquire new projects

Consistent with the strategy of leveraging our technical and exploration abilities, and with a strong cash balance of approximately A\$11 million, Azure is conducting due diligence on several precious and base metal project opportunities in Mexico and in other jurisdictions.

A number of these new opportunities have been proactively identified by Azure, while others have been offered to Azure by third parties attracted by the Company's proven track record of adding value to mineral projects through exploration success.

Azure is assessing these acquisition opportunities and will act quickly if the project meets the Company's strict criteria.

The Company will keep shareholders updated on progress throughout what is shaping up as another exciting year for Azure.

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