

# Developing High Grade Projects in Mexico



ASX: AZS



@AzureMinerals

[www.azureminerals.com.au](http://www.azureminerals.com.au)

**Tony Rovira**  
Managing Director  
Azure Minerals Ltd

# The Azure Advantage

**Assets:** High quality, advanced-stage projects

**Location:** Sonora, Mexico – a world-class mining province

**People:** Successful explorers & mine developers

**Funding:** Strong cash position: >A\$6M



# 100% owner of 4 high quality projects

- Oposura:** Advanced-stage **Zn-Pb-Ag** deposit on pathway to mine development & production
- Alacrán:** Azure free-carried by Teck on **Ag-Au-Cu** project
- Sara Alicia:** High grade **Au-Co** mineralisation
- Promontorio:** Epithermal **Cu-Au-Ag** deposits overlying porphyry copper discovery

# Assets Safe & Secure



# Experienced Board and Management

## **CHAIRMAN: Mr Peter Ingram**

Geologist with +50 years experience  
+30 years public company management  
+20 years CEO of mid-tier gold mining company

## **MANAGING DIRECTOR: Mr Tony Rovira**

Geologist with +30 years experience  
Founding director of Azure Minerals  
Discovered 3 gold deposits & 2 nickel deposits  
– all became mines  
Winner of Australian Prospector of the Year

## **NON-EXEC DIRECTOR: Dr Wolf Martinick**

Environmental scientist with +40 years  
experience in exploration and mining operations  
+ water, social & community issues

## **PROJECT MANAGER: Mr Glenn Jardine**

Mining engineer with +30 years experience  
Feasibility, development & operation of 6 gold &  
nickel mines in Africa & Australia

## **CFO: Mr Brett Dickson**

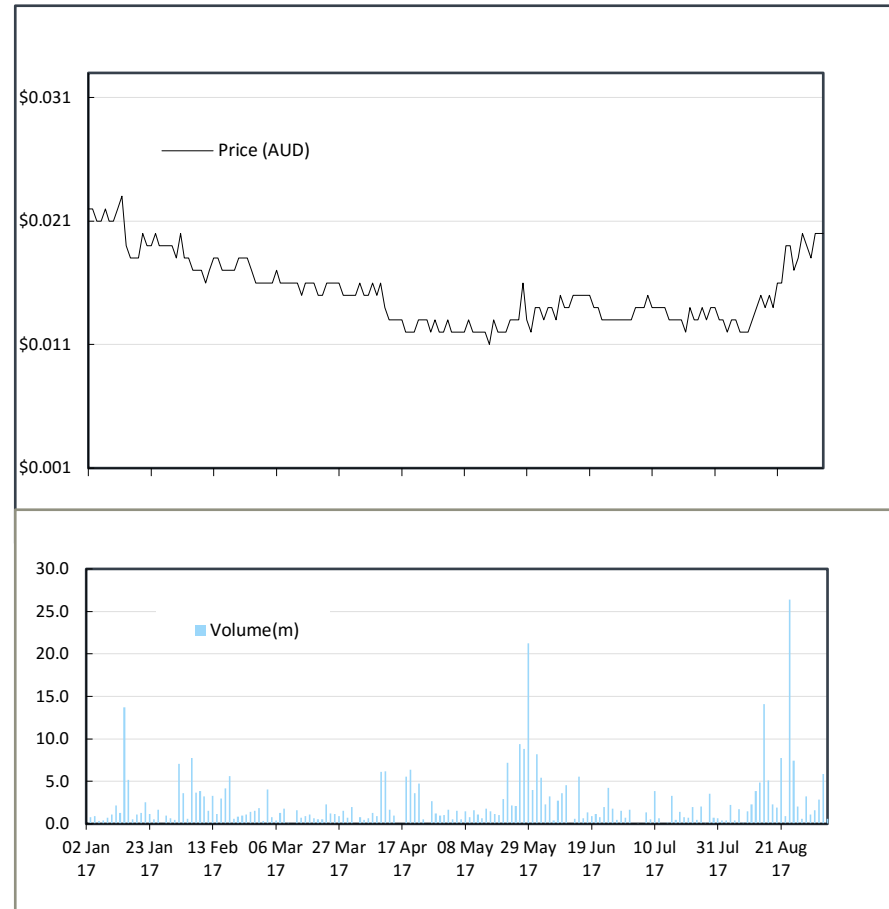
CFO & Company Secretary with +30 years  
experience in financial management of public  
companies specialising in the resources sector

## **VP-EXPLORATION: Mr Brent Hendrickson**

Geologist with +30 years experience, including  
+20 years in Latin America  
Led Azure's team to discovery of 4 silver, gold,  
copper deposits in Mexico

# Corporate Overview

ASX Code	AZS
Share Price	A\$0.020
Shares	1,672M
Market Cap	>A\$33M
Cash	>A\$6M
Share Spread	Australian ~80% North American ~20%
Top 20	37%



# The Mexican Advantage

## WORLD CLASS MINING REGION

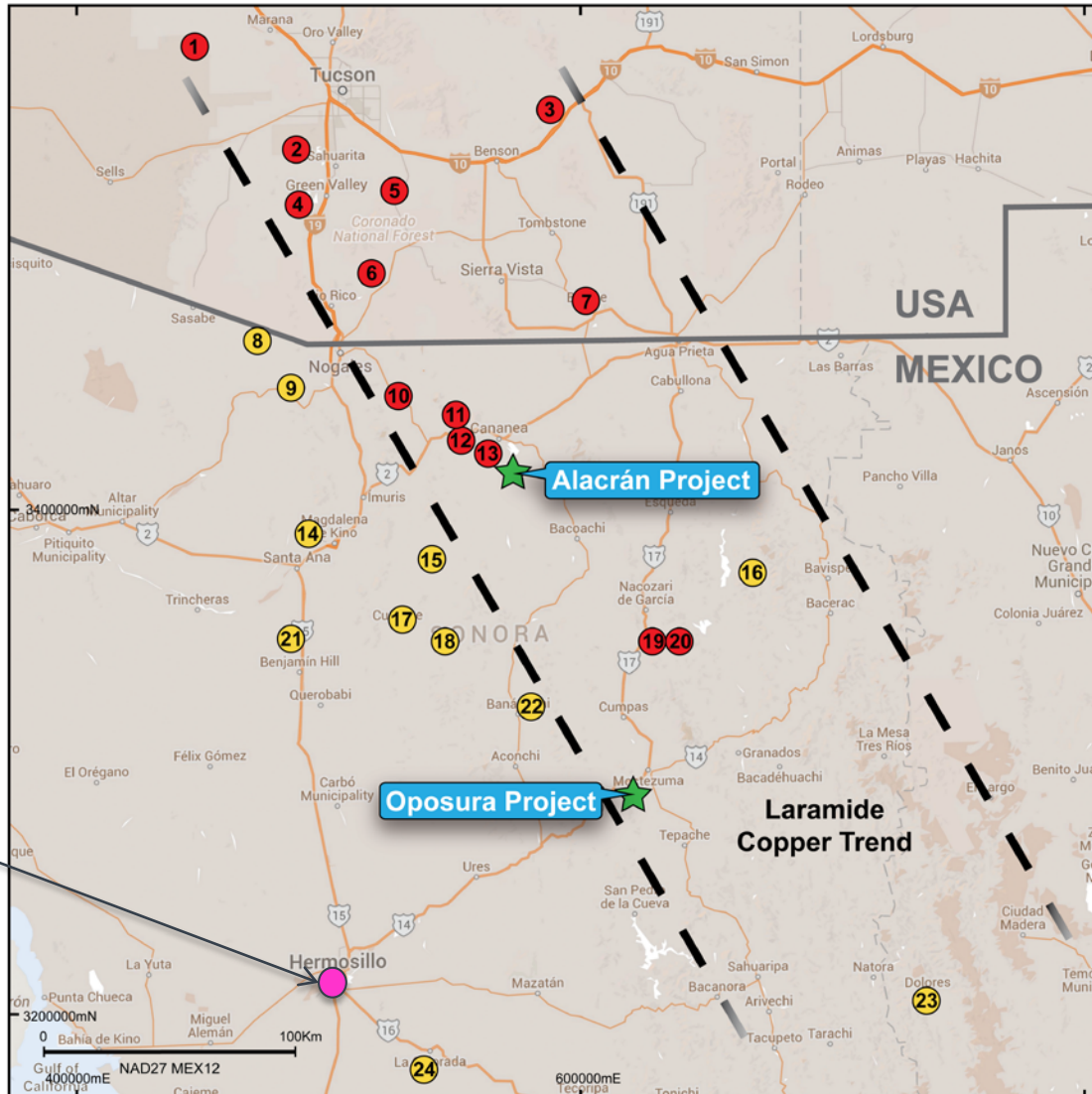
- +500 years of continuous mining history
- Low cost, highly skilled pro-mining country
- World-leading minerals producer

## LOW SOVEREIGN RISK

- Stable democratic government
- Modern mining legal system >> secure mining titles
- 100% profit repatriation & no withholding taxes



# Oposura & Alacrán Projects



## Sonora-Arizona

Gold-Silver Mines / Deposits



Copper Mines / Deposits



Azure Minerals Project



- 1 Silver Bell (ASARCO)
- 2 Mission (ASARCO)
- 3 Johnson Camp (Excelsior)
- 4 Sierrita (Freeport-McMoRan)
- 5 Rosemont (Hudbay)
- 6 Red Mountain (Kerr-McGee)
- 7 Bisbee (Phelps Dodge)
- 8 La Bolsa (Pan American)
- 9 Planchas de Plata (Pan American)
- 10 El Pilar (Grupo México)
- 11 Milpillas (Peñoles)
- 12 Maria (Minera Frisco)
- 13 Cananea (Grupo México)
- 14 Lluvia de Oro - La Jojoba (NWM)
- 15 Santa Gertrudis (GoGold)
- 16 El Tigre (El Tigre Silver)
- 17 Cerro Prieto (Goldgroup)
- 18 Mercedes (Premier Gold)
- 19 Pilares (Grupo México)
- 20 La Caridad (Grupo México)
- 21 San Francisco (Timmins Gold)
- 22 Santa Elena (First Majestic)
- 23 Dolores (Pan American)
- 24 La Colorada (Argonaut Gold)



Azure office  
Hermosillo





# Oposura - Location Location Location

690 hectare property

10km from highway, water & power supplies

30km from nearest town & available workforce

Very positive upside for further exploration success

Area is suitable for mining & processing infrastructure

# Advanced stage project

High grade Zn-Pb-Ag sulphide mineralisation

➤ Mineralisation grading up to 68% Zn+Pb<sup>#</sup>

Near-surface horizontal manto (3m average width)

Simple open pit followed by room & pillar mining methods

High grade ore immediately available via existing mine workings

Project fully permitted for 100tpd mining & processing operation



# Spectacular high grades<sup>#</sup>

# Reported to ASX on 4 September 2017

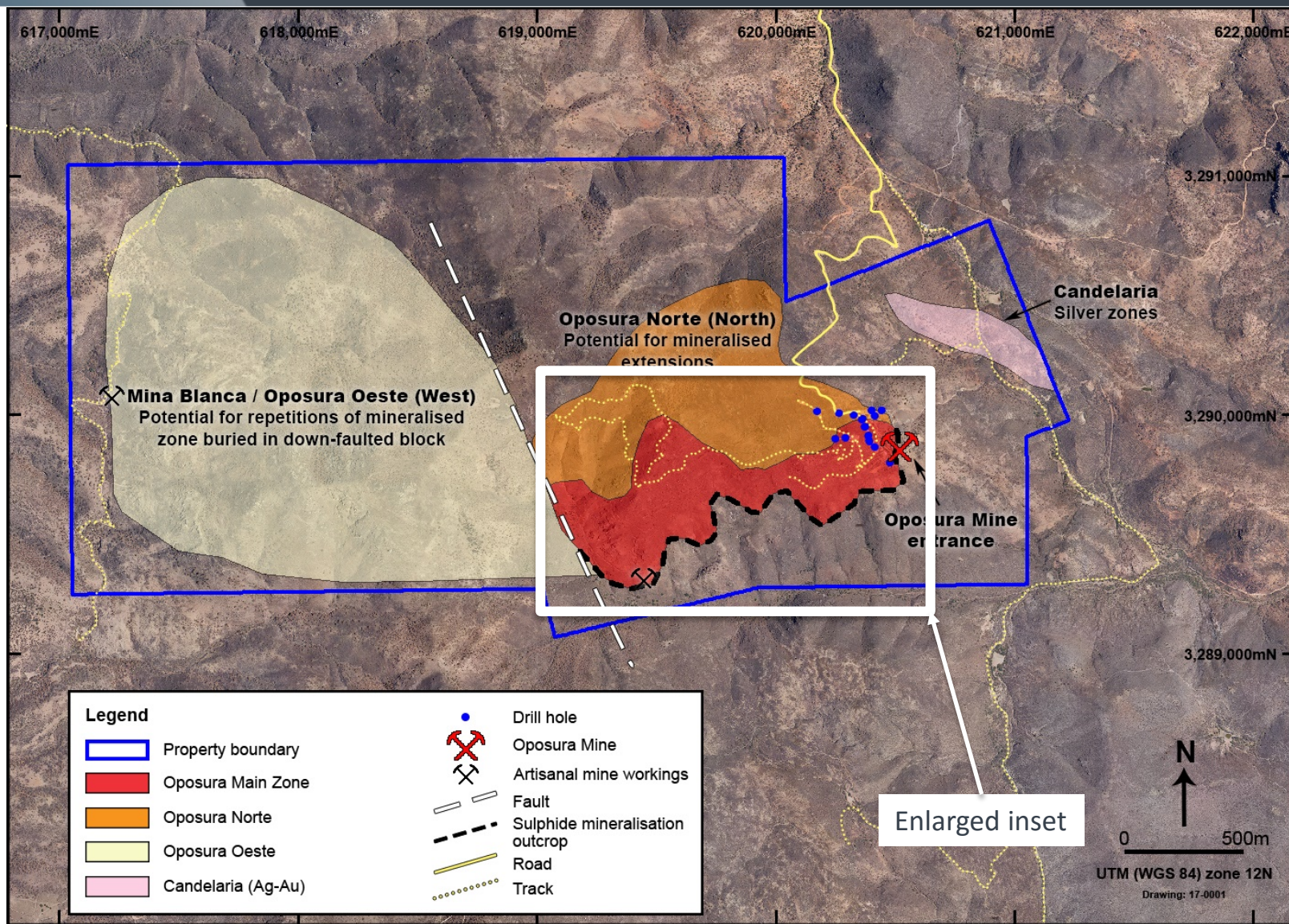
<b>DRILL HOLE</b>	<b>HIGH GRADE ZONE <sup>1</sup></b>	<b>OVERALL MINERALISED ZONE <sup>2</sup></b>
<b>BDA-01</b>	<b>1.85m @ 22.3% Zn+Pb</b> from 14.5m	<b>4.40m @ 13.0% Zn+Pb</b> from 13.8m
<b>BDA-03</b>	<b>2.85m @ 33.1% Zn+Pb</b> from 36.0m	<b>9.30m @ 11.4% Zn+Pb</b> from 29.6m
<b>BDA-04</b>	<b>1.35m @ 24.6% Zn+Pb</b> from 46.9m	<b>2.50m @ 14.5% Zn+Pb</b> from 45.7m
<b>BDA-6AR</b>	<b>1.70m @ 42.6% Zn+Pb</b> from 29.4m	<b>7.40m @ 13.7% Zn+Pb</b> from 24.5m
<b>BDA-07</b>	<b>1.10m @ 38.8% Zn+Pb</b> from 55.7m	<b>3.40m @ 13.9% Zn+Pb</b> from 53.4m
<b>BDA-07</b>	<b>1.50m @ 52.5% Zn+Pb</b> from 67.5m	<b>3.00m @ 29.2% Zn+Pb</b> from 66.3m
<b>BDA-08</b>	<b>4.60m @ 24.6% Zn+Pb</b> from 47.0m	<b>6.65m @ 18.8% Zn+Pb</b> from 45.9m

# Visible ore

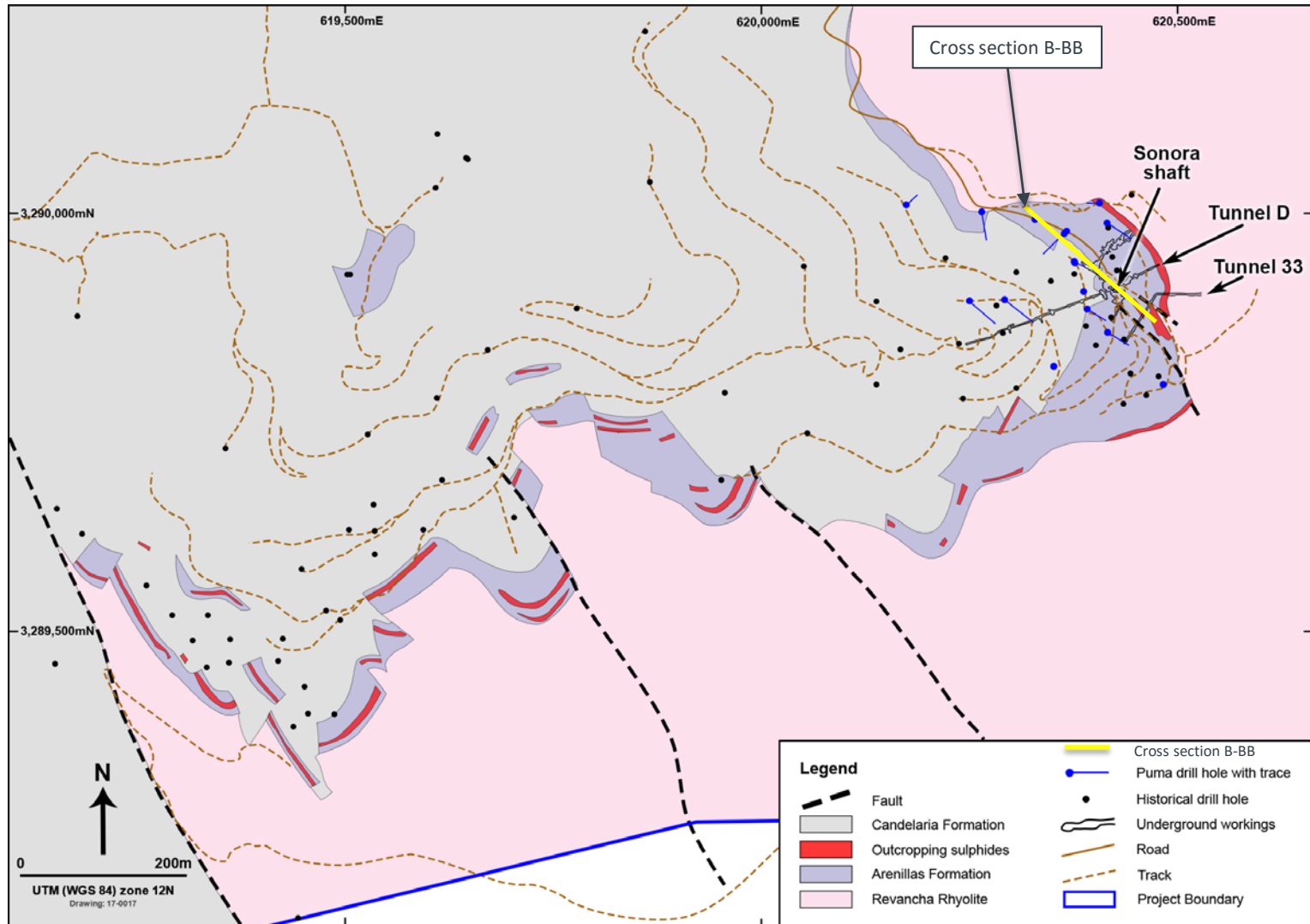


**BDA-03 @ 31.0m:  
0.75m @ 17.9% Zn & 10.8% Pb & 50g/t Ag**

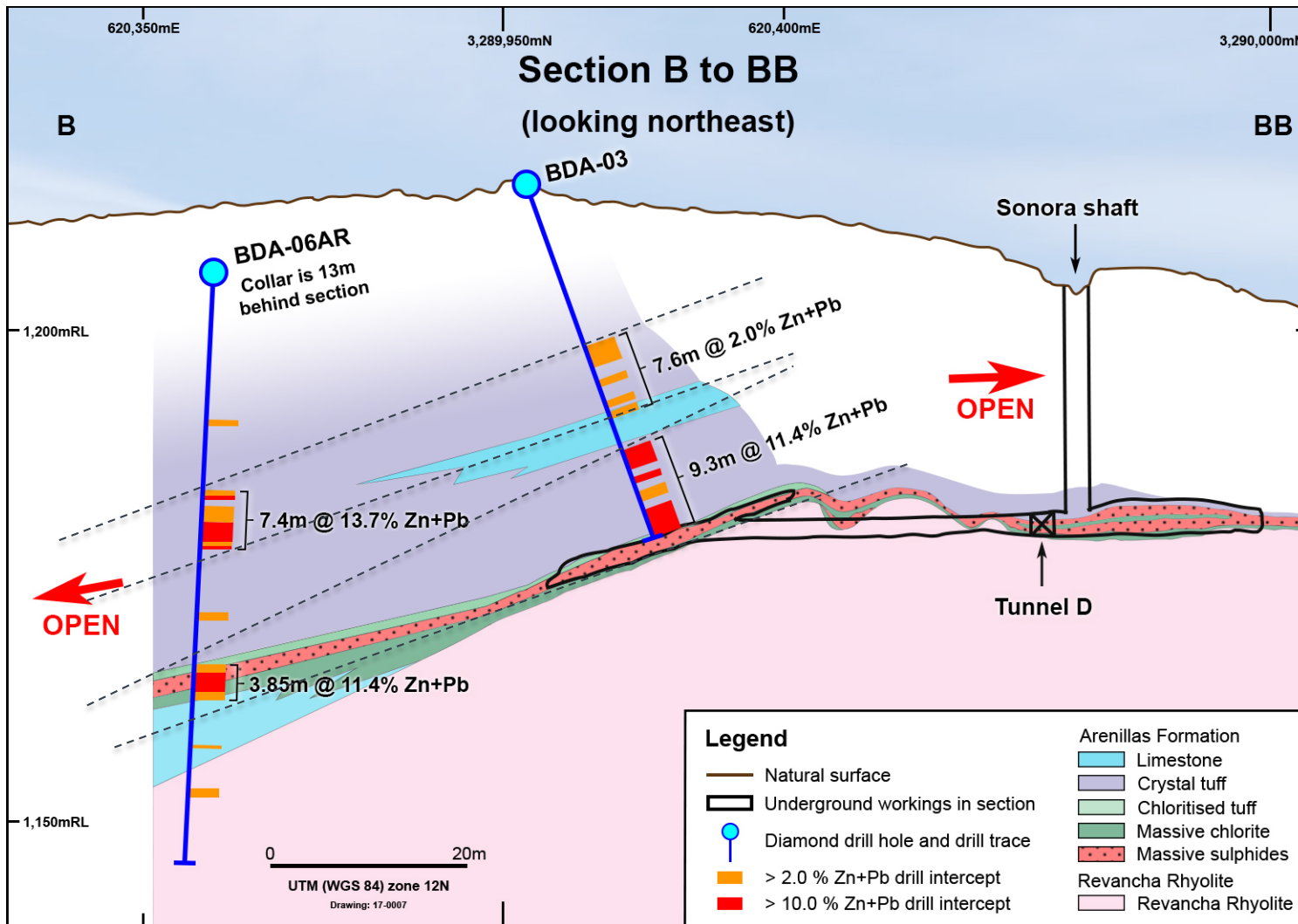
# Near-term development potential



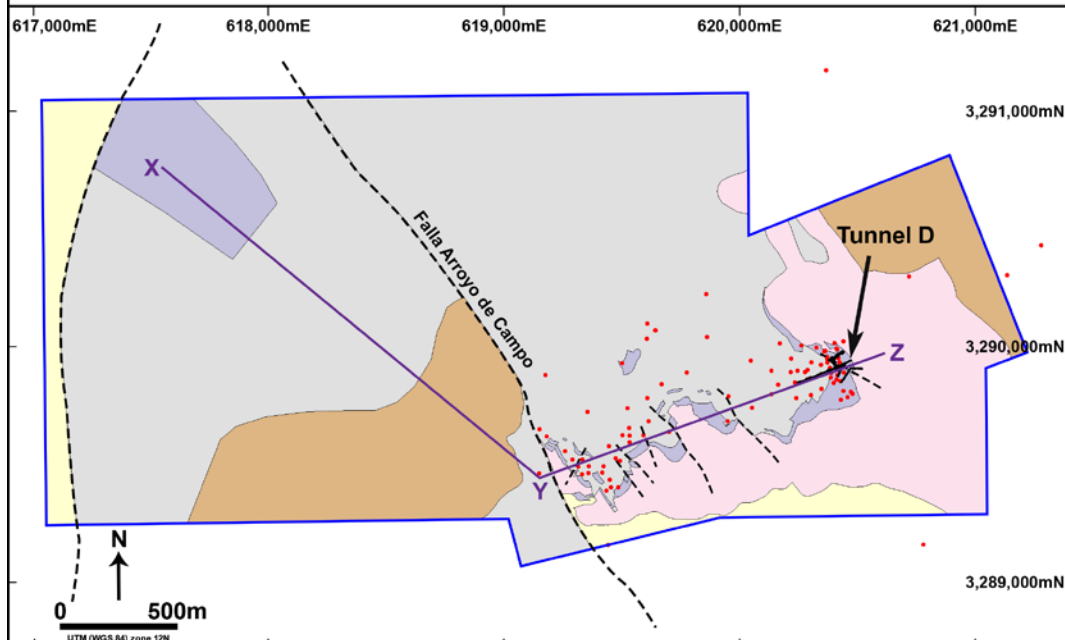
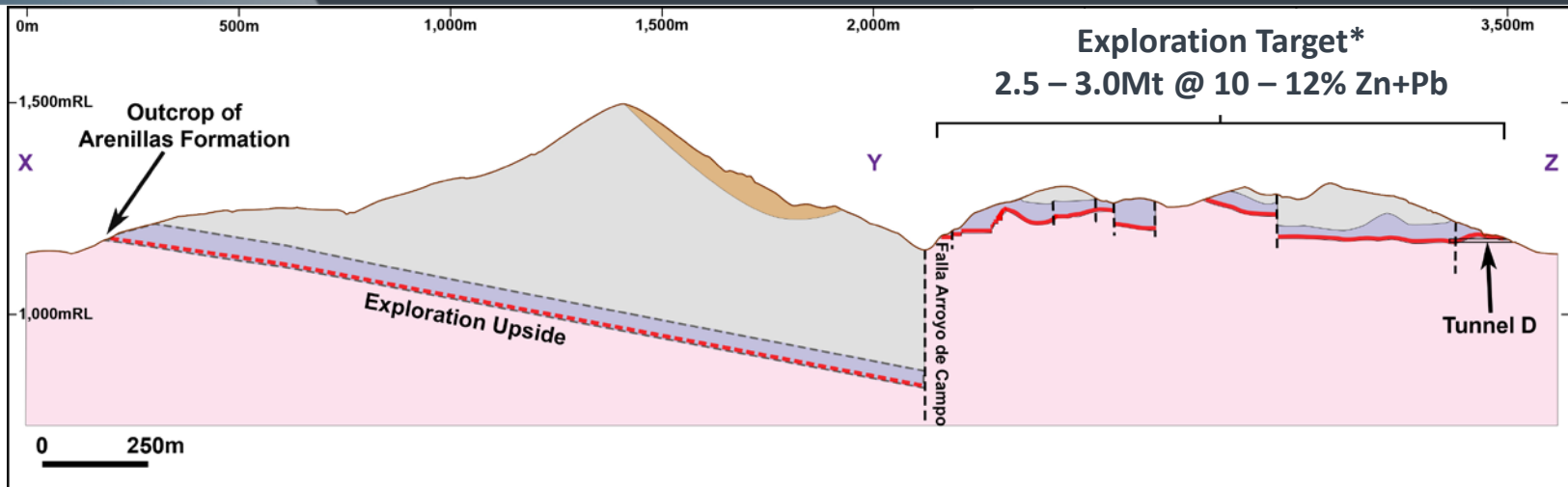
# Sound knowledge base



# Near surface & high grade



# Exploration Target + upside potential



**Legend**

<span style="color: red;">•</span> Historical drill hole	<span style="background-color: yellow;"> </span> Basin Sediments
<span style="color: purple;">X</span> <span style="color: blue;">Z</span> Section line	<span style="background-color: orange;"> </span> La Huerta Dacite
<span style="color: brown;">—</span> Natural surface	<span style="background-color: grey;"> </span> Candelaria Formation
<span style="color: black;">- - -</span> Fault	<span style="background-color: purple;"> </span> Arenillas Formation
<span style="color: red;">- - -</span> Mineralisation inferred	<span style="background-color: pink;"> </span> Revancha Rhyolite
<span style="color: red;">—</span> Mineralisation	<span style="border: 1px solid black;"> </span> Underground workings
	<span style="border: 2px solid blue;"> </span> Property boundary

\*This Exploration Target is conceptual in nature, but is based on reasonable grounds and assumptions. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Reported to ASX on 18 September 2017.





# Fast-tracking Oposura

Metallurgical testwork – in progress

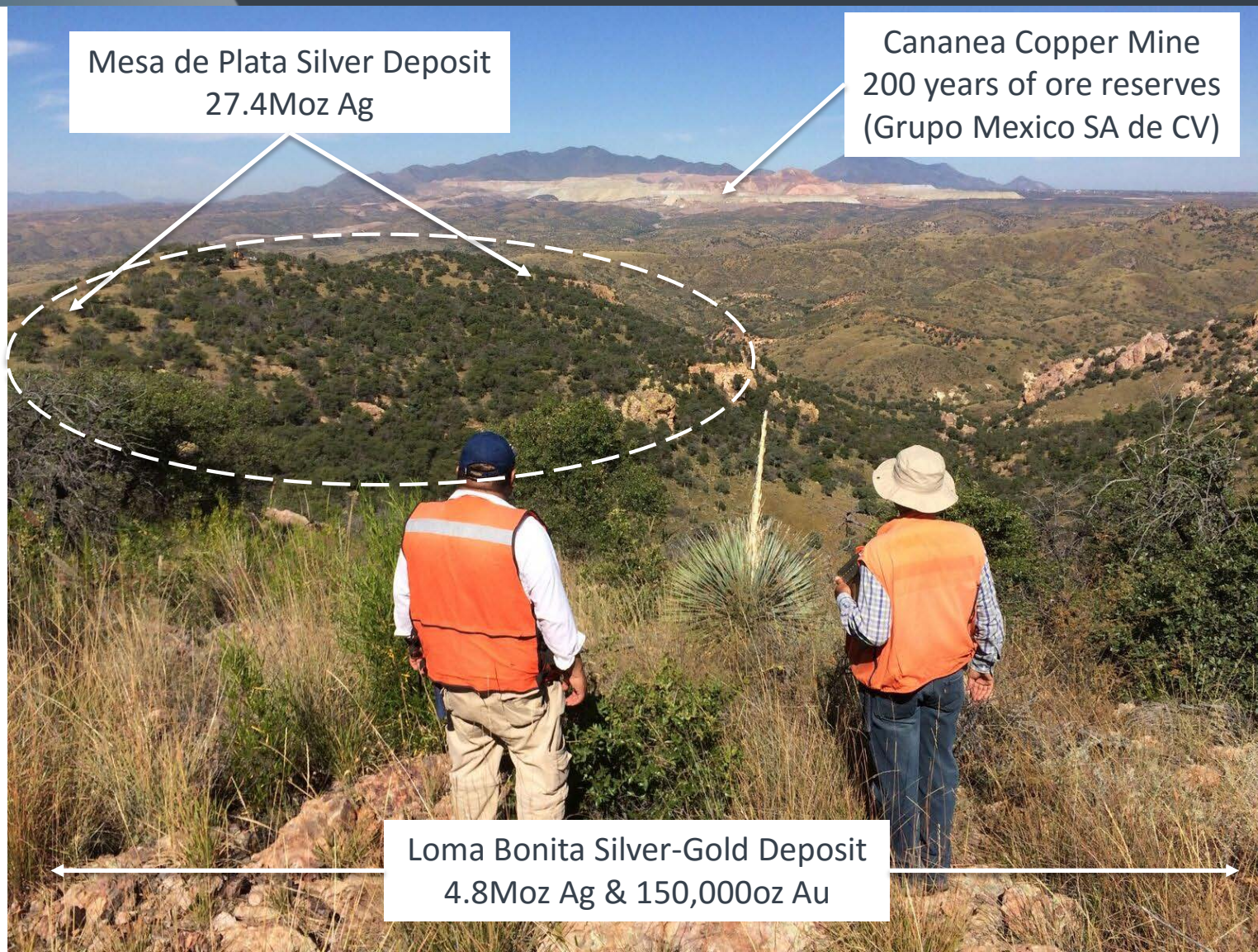
Resource drill-out starting in October

Mineral resource estimate – Q2 2018

Scoping study – Q3 2018



# Alacrán – great location & promise



Mesa de Plata Silver Deposit  
27.4Moz Ag

Cananea Copper Mine  
200 years of ore reserves  
(Grupo Mexico SA de CV)

Loma Bonita Silver-Gold Deposit  
4.8Moz Ag & 150,000oz Au

# Potential for multiple deposits

- 100%-owned by Azure – 5,433 hectare property
- 2 silver-gold deposits with JORC resources discovered by Azure<sup>#</sup>
  - **Mesa de Plata = 27.4Moz silver**
  - **Loma Bonita = 4.8Moz silver & 150,000oz gold**
- Good potential for more gold & silver resources
- Strong upside for large copper porphyry deposits

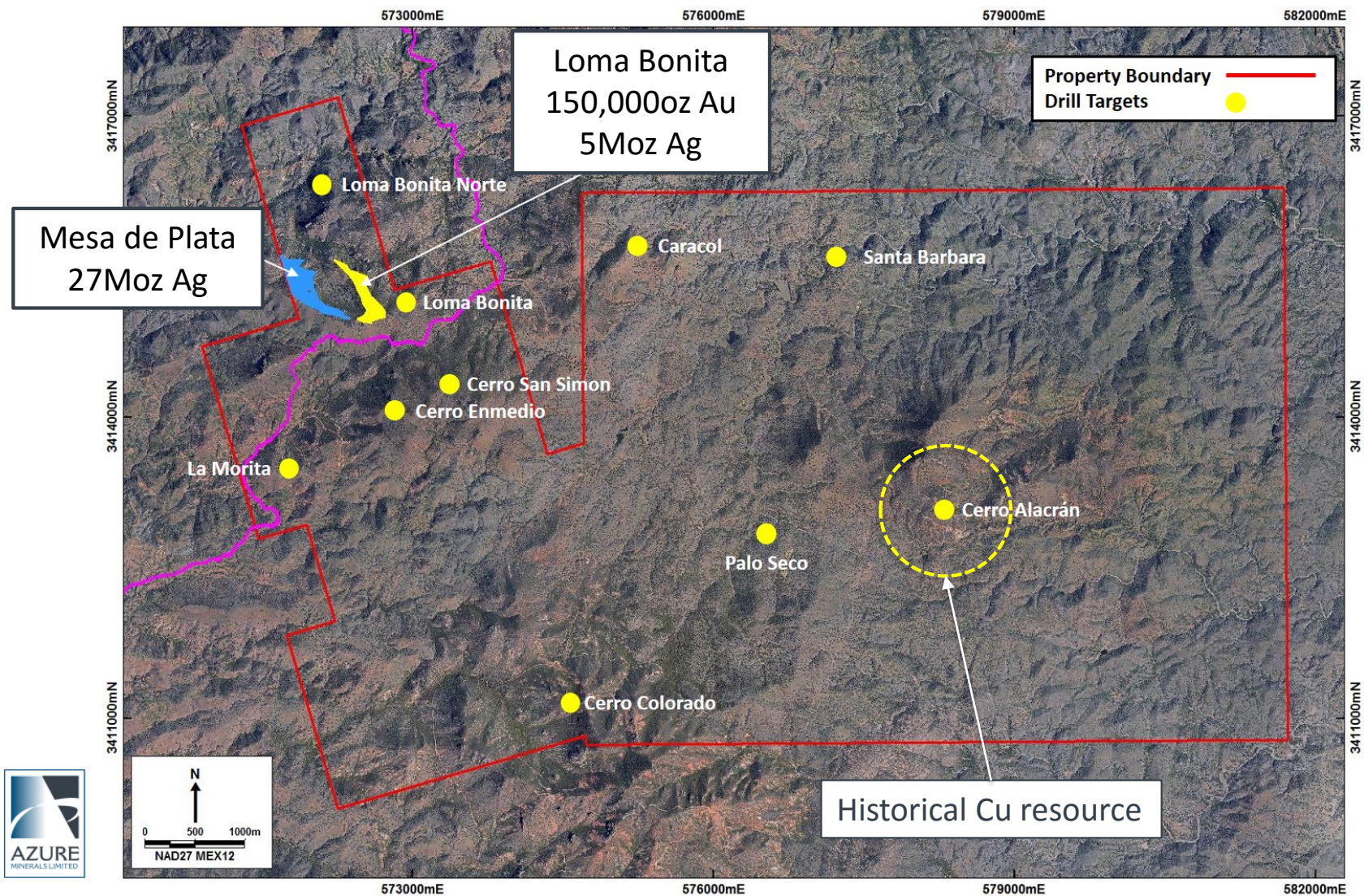


# A free ride for Azure

- Teck Resources can earn 51% by spending \$10M
- Annual \$2M - \$3M spending commitment over 4 years
- Azure free-carried
- 5,000m drilling planned for September-December 2017

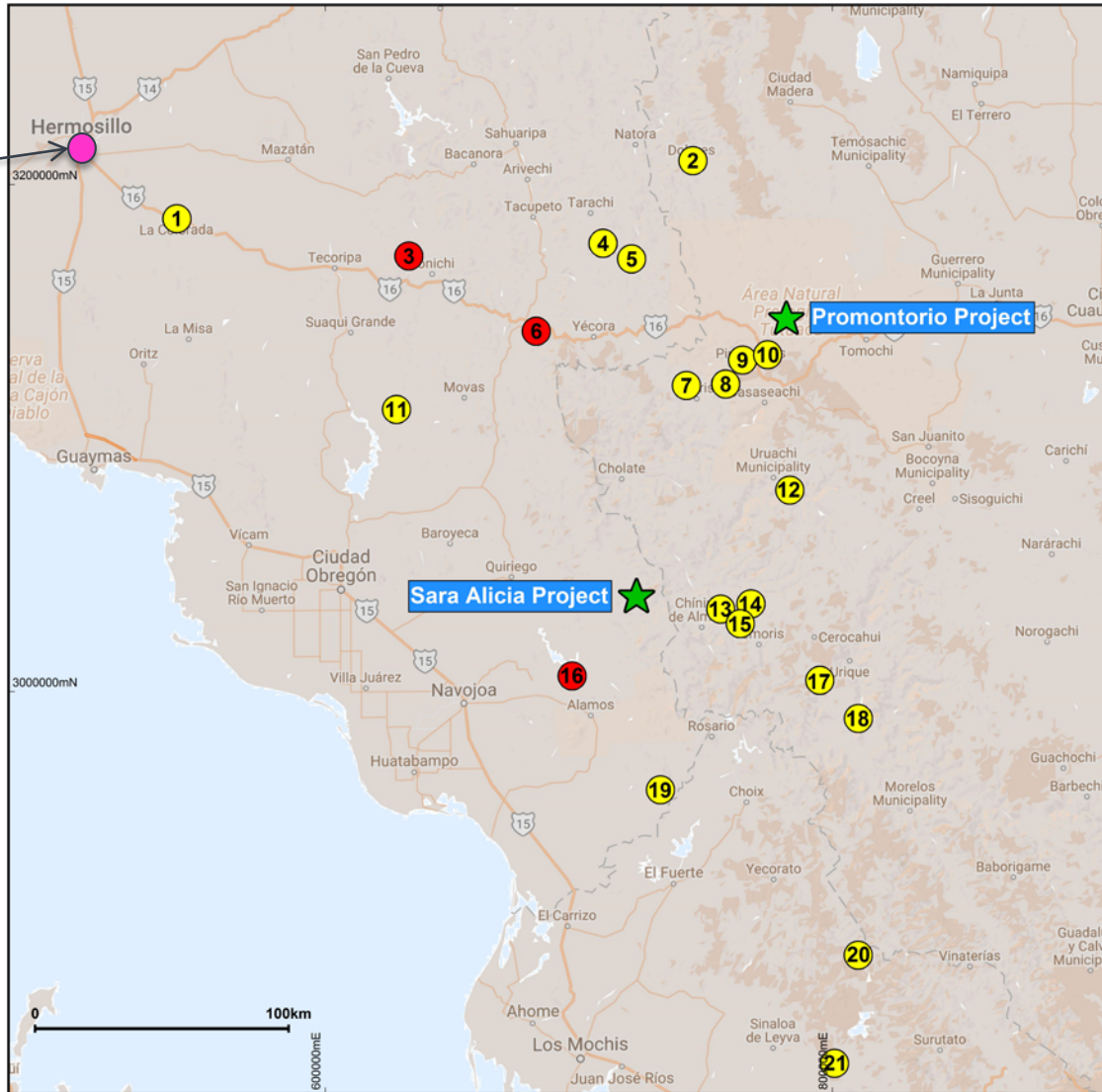


# Exploration by Teck – significant upside



# Sara Alicia & Promontorio

Azure office  
Hermosillo



- Sonora-Chihuahua**
- Gold-Silver Mines / Deposits ●
  - Copper Mines / Deposits ●
  - Azure Minerals Projects ★
- 1 La Colorada (Argonaut Gold)
  - 2 Dolores (Pan American Silver)
  - 3 Luz del Cobre (Red Tiger Mining)
  - 4 La India (Agnico Eagle Mines)
  - 5 Mulatos (Alamos Gold)
  - 6 Los Verdes (Minera Alamos)
  - 7 Moris (Hochschild Mining)
  - 8 Ocampo (Minera Frisco)
  - 9 Pinos Altos (Agnico Eagle Mines)
  - 10 El Concheño (Minera Frisco)
  - 11 Promontorio (Kootenay Silver)
  - 12 Orisyvo (Fresnillo)
  - 13 Palmarejo (Coeur Mining)
  - 14 San Miguel (Coeur Mining)
  - 15 La Currita (Coeur Mining)
  - 16 Piedras Verdes (Invecture Group)
  - 17 Cieneguita (Pan American Goldfields)
  - 18 El Sauzal (Goldcorp)
  - 19 Alamo Dorado (Pan American Silver)
  - 20 San José de Gracia (DynaResource)
  - 21 El Gallo (McEwen Mining)



# Sara Alicia – super high grade

- Historical small-scale underground gold-cobalt mine
- Spectacular high grade assays returned<sup>#</sup>:
  - **39.0g/t Au & 6.07% Co over 2.5m**
  - **12.5g/t Au & 6.94% Co over 2.5m**
  - **5.74g/t Au & 2.36% Co over 3.0m**
- Separate copper-zinc-silver mineralised zones<sup>#</sup>:
  - **5.20% Cu, 2.51% Zn & 170g/t Ag over 2.5m**
  - **3.38% Cu, 3.07% Zn & 124g/t Ag over 1.0m**
  - **2.15% Cu, 4.22% Zn & 54g/t Ag over 3.5m**
- Drilling planned for Q4 2017

# Growth & Outlook





# Strongly Positioned for Growth

Experienced technical & management team - proven mineral discovery and mine building credentials

High quality projects undergoing exploration and development studies

Company well-funded with treasury of **>A\$6M**

Azure free-carried on Alacrán with Teck Resources sole-funding **US\$10M** for 51%



# Azure's Pathway

**Oposura:** Advanced-stage Zn-Pb-Ag project progressing via development studies & further exploration

**Sara Alicia:** Growing high grade Au-Co project with 2017 drilling program

**Alacrán:** Azure free-carried in partnership with Teck drilling in Q4 2017

**Promontorio:** Available for sale or JV



# Thank you



For enquiries, please contact:  
Tony Rovira, Managing Director  
[admin@azureminerals.com.au](mailto:admin@azureminerals.com.au)

# Statements

## **Competent Person Statements:**

*The information in this report that relates to Mineral Resources for the Mesa de Plata and Loma Bonita deposits are extracted from the respective reports “Mesa de Plata Mineral Resource Upgraded” and “Loma Bonita Mineral Resource” created and released to 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).*

*The information in this report that relates to Mineral Resources for the Promontorio and Cascada deposits are extracted from the respective reports “Promontorio Resource Update” and “Cascada Resource” created and released to ASX on 10 May 2013 and 7 May 2015 respectively and are available to view on [www.asx.com.au](http://www.asx.com.au).*

*Information in this report that relates to previously reported Exploration Results for the Oposura Project was first reported to the ASX on 15 August 2017.*

*Information in this report that relates to previously reported Exploration Results for the Sara Alicia Project was first reported to the ASX on 23 August 2017.*

*Azure Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.*



# Alacrán Mineral Resources

## Appendix 1

**Table 1: Mesa de Plata Mineral Resource (ASX: 1 December 2016)**

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>

**Notes**

Reported using a block model cut-off grade of  $\geq 20$  g/t Ag using capped silver grade estimates  
 Numbers in this table have been rounded to one decimal for silver grade and two decimals for tonnage

**Table 2: Loma Bonita Mineral Resource (ASX: 21 December 2016)**

Cut-Off Grade (g/t Au)	JORC Code Classification	Tonnes (Mt)	Gold		Silver	
			(g/t Au)	(kOz)	(g/t Ag)	(Moz)
$\geq 0.5$	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>
$\geq 0.21$	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>

**Notes**

Block cut-off grade of  $\geq 0.21$  g/t Au equates to gold price assumption of 1,466 USD/troy ounce.  
 Cut-off grade does not consider the value of silver credits.  
 Gold and silver grades capped (98<sup>th</sup> percentile).  
 Numbers may not sum precisely due to rounding assumptions (two decimal places for Indicated Resources and one decimal place for Inferred Resources, as the latter are reported using a lower precision to convey the higher level of uncertainty).  
 The JORC Code reportable estimate using the  $\geq 0.21$  g/t Au is inclusive of the  $\geq 0.5$  g/t Au estimate. The  $\geq 0.5$  g/t Au estimate is provided for information purposes to highlight that the bulk of the contained metal is within a higher grade zone.

# Promontorio Mineral Resources

## Appendix 2

**Table 3: Promontorio Deposit Mineral Resource (ASX: 10 May 2013)**

Total Resource		Grade			Contained Metal		
Classification	Tonnes	Copper (%)	Gold (g/t)	Silver (g/t)	Copper (tonnes)	Gold (oz)	Silver (oz)
Indicated	610,000	2.7	1.7	56	16,700	32,500	1,090,000
Inferred	230,000	1.8	1.5	56	4,100	11,300	410,000
<b>TOTAL</b>	<b>840,000</b>	<b>2.5</b>	<b>1.6</b>	<b>56</b>	<b>20,800</b>	<b>43,800</b>	<b>1,500,000</b>

**Table 4: Cascada Deposit Mineral Resource (ASX: 17 May 2015)**

Total Resource		Grade			Contained Metal		
Classification	Tonnes	Copper (%)	Gold (g/t)	Silver (g/t)	Copper (tonnes)	Gold (oz)	Silver (oz)
Indicated	840,000	1.1	1.4	27	9,200	36,700	740,000
Inferred	1,230,000	0.8	1.8	26	9,500	70,500	1,020,000
<b>TOTAL</b>	<b>2,060,000</b>	<b>0.9</b>	<b>1.6</b>	<b>27</b>	<b>18,800</b>	<b>107,200</b>	<b>1,760,000</b>

**Table 5: Total Promontorio Project Mineral Resources (summary of Table 3 & 4)**

Deposit	Tonnes	Grade			Contained Metal		
		Copper (%)	Gold (g/t)	Silver (g/t)	Copper (t)	Gold (Oz)	Silver (oz)
Promontorio	840,000	2.5	1.6	56	20,800	43,800	1,500,000
Cascada	2,060,000	0.9	1.6	27	18,800	107,200	1,760,000
<b>TOTAL MINERAL RESOURCES</b>	<b>2,900,000</b>	<b>1.4</b>	<b>1.6</b>	<b>35</b>	<b>39,600</b>	<b>151,000</b>	<b>3,260,000</b>