

From explorer to miner in Mexico



ASX: AZS



@AzureMinerals

www.azureminerals.com.au

Latin America Down Under
Perth
15 May 2019

Tony Rovira
Managing Director
Azure Minerals Ltd

Disclaimer – Forward Looking Statements

This presentation has been prepared by Azure Minerals Limited. It contains background information about Azure Minerals Limited current at the date of this presentation. The presentation is in summary form and does not purport be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this presentation.

This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

This presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction.

This presentation does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, Azure Minerals Limited, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this presentation. No responsibility for any errors or omissions from this presentation arising out of negligence or otherwise is accepted.

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Azure Minerals Limited. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Azure Minerals Limited does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward looking statement is based.



Disclaimer – Scoping Study Cautionary Statement

The Scoping Study (Study) results were released to the ASX on 15 October 2018. The Study was undertaken to determine the potential viability of a combined open pit and underground mine with a conventional crushing, milling and flotation circuit to produce zinc and lead-silver sulphide concentrates onsite at the Oposura Project, and to provide Azure Minerals Limited with the confidence to continue with its ongoing feasibility study. The results should not be considered a profit forecast or a production forecast.

The Study is a preliminary technical and economic study of the potential viability of the Oposura Project. In accordance with the ASX Listing Rules, the Company advises it is based upon low-level technical and economic assessments (+/- 35%) that are not sufficient to support the estimation of Ore Reserves, or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Study will be realised.

Further evaluation work including infill drilling, metallurgical testwork and appropriate studies are in progress and required before Azure will be in a position to estimate ore reserves and to provide assurance of an economic development case.

In accordance with ASX and ASIC guidance, the Production Target referred to in this announcement is based upon JORC Mineral Resources which are classified as approximately 75% Indicated and 25% Inferred. The Company has concluded that it has reasonable grounds for disclosing this Production Target.

The Study is based upon material assumptions outlined in the ASX announcement dated 15 October 2018. These include assumptions about the availability of funding. While Azure considers all of the material assumptions to be based upon reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Study will be achieved.

To achieve the outcomes indicated in the Study, funding in the order of A\$70 million (US\$52.5 million) is likely to be required. Investors should note that there is no certainty that Azure will be able to raise funding when needed. It is also possible funding may only be available on terms that may be dilutive to or otherwise affect the value of Azure's existing shares. It is also possible that Azure could pursue other "value realisation" strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce Azure's proportionate ownership of the Project.

The Company has concluded it has a reasonable basis for providing the forward-looking statements included in the announcement and believes that it has a reasonable basis to expect it will be able to fund the development of the Project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Study.



Corporate snapshot

ASX code	AZS	
Share Price	A\$0.11	
Shares on issue	111 million	
Market Cap	A\$12M	
Cash (at 31/3/2019)	A\$1.7M	
Debt	Nil	
Share Spread	Australia	63%
	North America	17%
	Europe	20%
Top 20	48.2%	

Mexico focus



Sonora, Mexico

**Safe, stable, supportive
jurisdiction**

Tier 1 mining province

**>500 years of mining
history**

Strong mining culture

**Experienced workforce
readily available**



All projects 100% Azure-owned

Assets:

- **Oposura:** Feasibility Study in progress
JORC resource = 153,000t Zn & 84,000t Pb¹
- **Alacrán:** Teck earning 65%, Azure free-carried for US\$15M
JORC resource = 32Moz Ag & 150,000oz Au²
- **Promontorio**
JORC resource = 40,000t Cu, 151,000oz Au & 3.2Moz Ag³

Management: Track record of discovery & developing mines



1. Refer ASX 8 May 2019 & Appendices 2 & 3 for details
2. Refer ASX 1 December 2016, 21 December 2016 & Appendix 4 for details
3. Refer ASX 10 May 2013, 7 May 2015 & Appendices 5 & 6 for details

Oposura zinc-lead-silver deposit





Oposura development time-line

Acquired:	✓	August 2017
Mineral Resource:	✓	July 2018
Scoping Study:	✓	October 2018
PFS:		Q3 2019
Feasibility Study:		Q1 2020
Production:		Q4 2020 / Q1 2021

Oposura highlights

- JORC resource = **3.1Mt @ 5.0% Zn & 2.7% Pb¹**
- Upside: potential to double mineral resources
- Simple mining: ~5-6 years @ 500,000tpa (1,500tpd):
 - Open pit (3 years)
 - Underground room & pillar mining (3 years)
- Standard processing by sulphide flotation



Standard sulphide flotation

Milling & flotation @ 295,000tpa (800tpd)

DMS / Ore Sorting increases mill feed grade by 40%

High-grade concentrates:

- **Zinc (+53%)**
- **Lead (+60%) + Silver (+320g/t)**

Clean concentrates: no deleterious elements

Annual metal production of: **19,000t Zinc**

10,000t Lead

145,000oz Silver

Good access to markets



Oposura investment case¹

EBITDA = US\$178m	NPV₈ = US\$84m	IRR = 76%
--------------------------	----------------------------------	------------------

Mine CAPEX: \$0

- Mining ore immediately
- No open pit pre-strip
- No decline development

Plant & infrastructure CAPEX = US\$52m

C1 cash costs (LOM) = US\$0.42/lb of zinc²

- Lowest cost quartile of world zinc producers
- C1 cash cost in Year 1 = US\$0.14/lb of zinc²

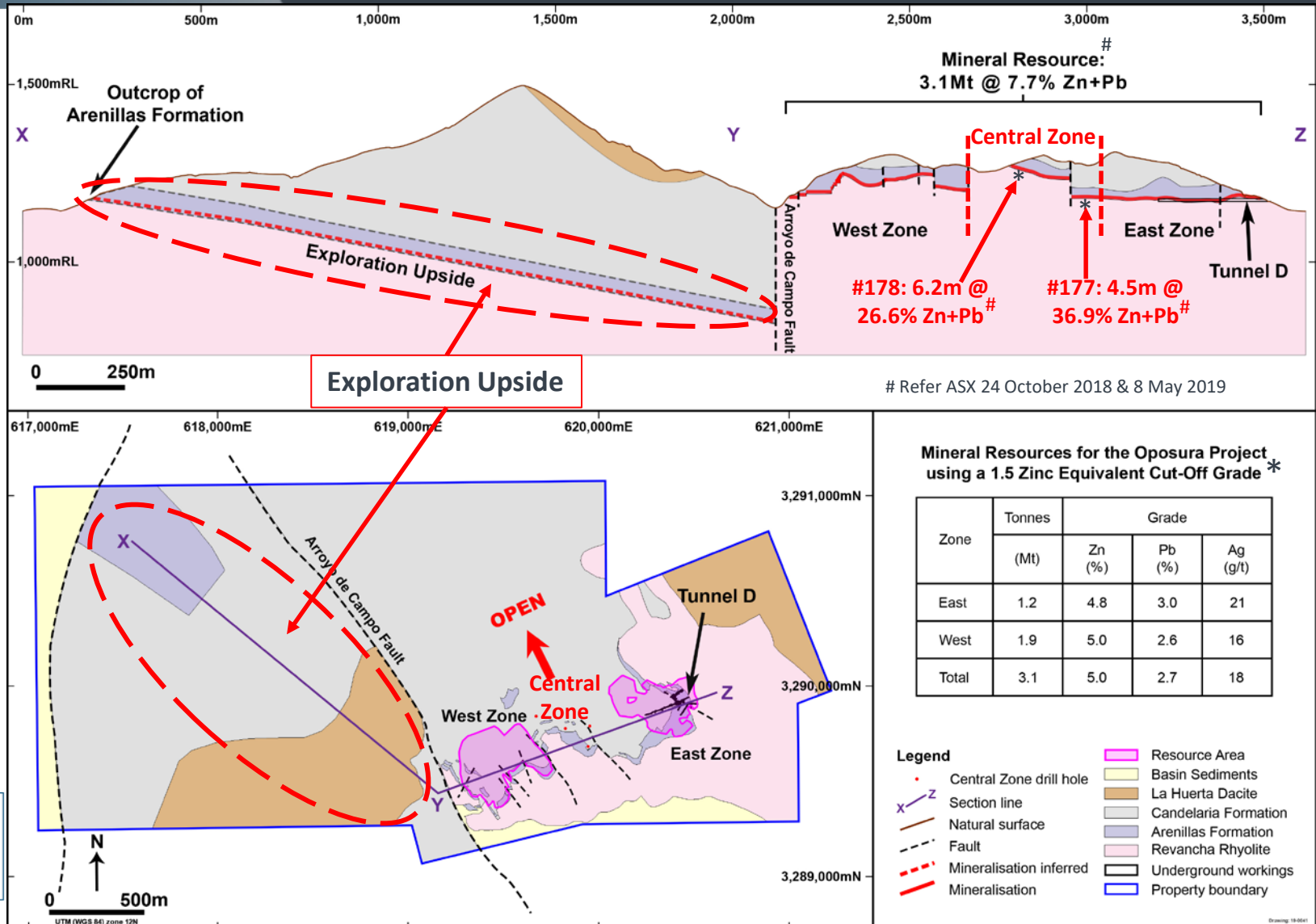


1. Refer ASX 15 October 2018 & Appendices 1 & 3 for details.

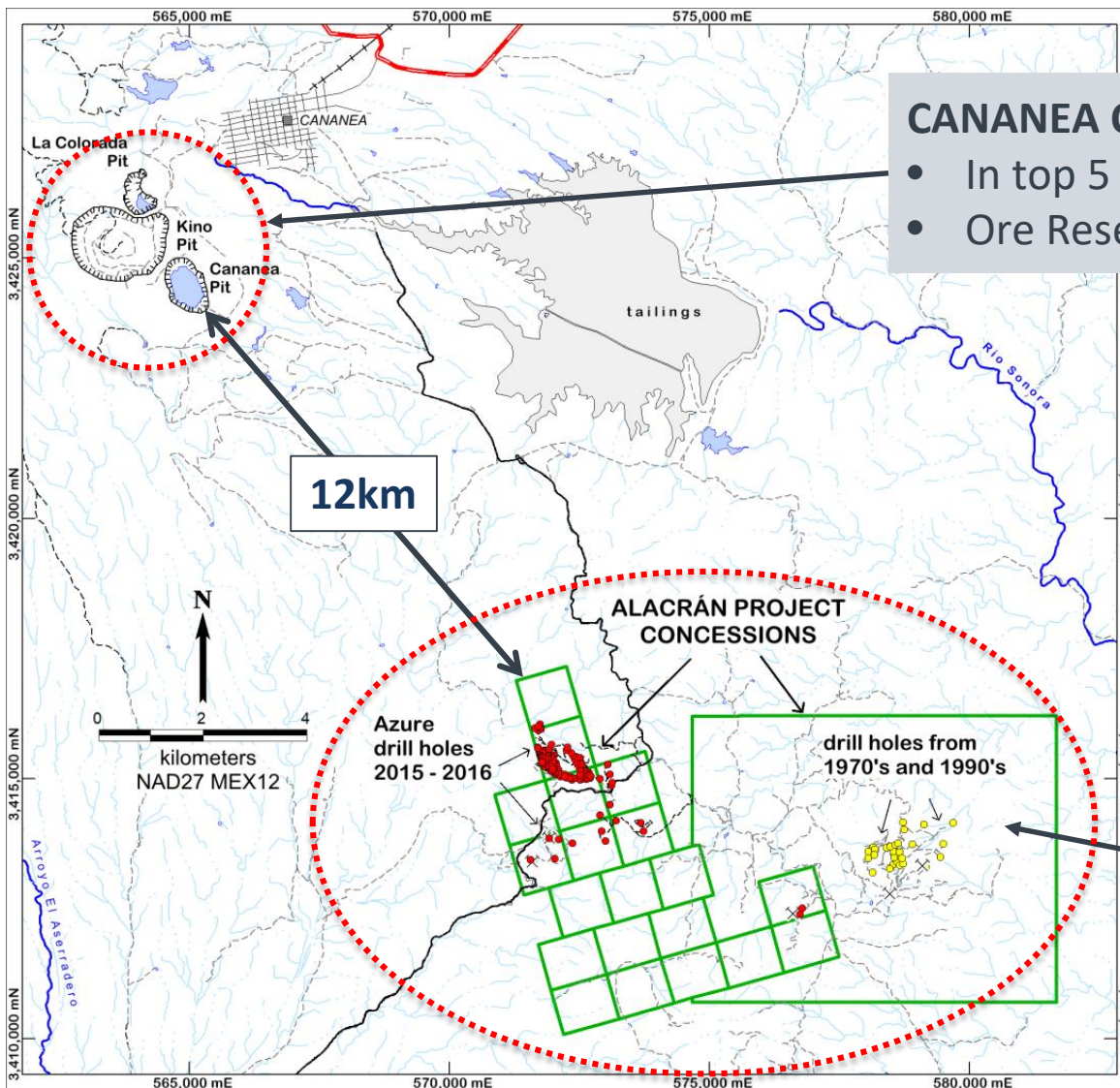
Note Cautionary Statements regarding Scoping Studies and Forward Looking Statements. Estimate is accurate to $\pm 35\%$.

2. After by-product (Pb & Ag) credits

Oposura: good exploration upside



Alacrán: next to a Tier 1 copper mine



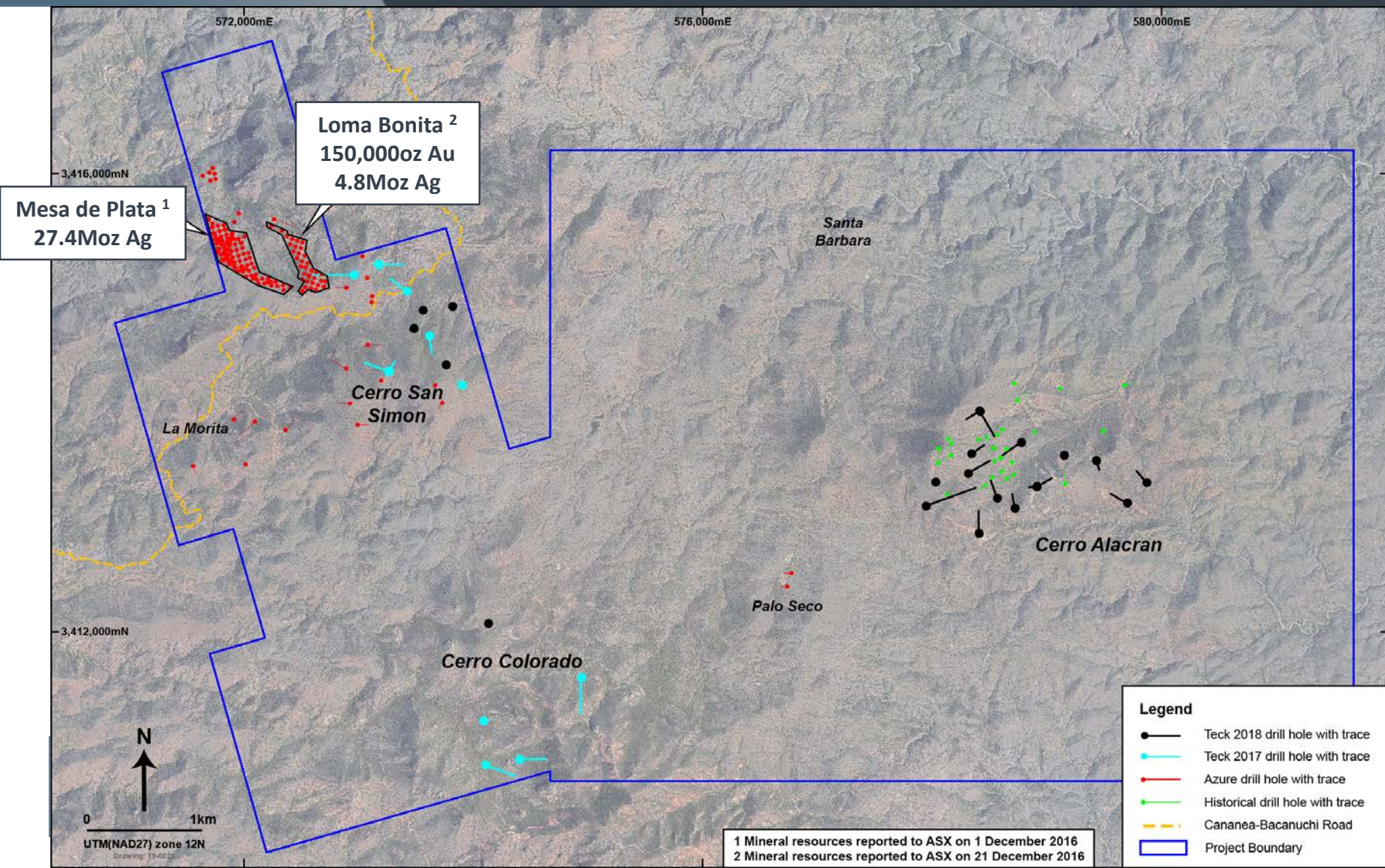
CANANEA COPPER MINE

- In top 5 largest copper mines in the world
- Ore Reserves = 8 Billion tonnes @ 0.33% Cu

ALACRÁN PROJECT - 54km²

- Mineral Resources[#] of:
 - 32Moz Ag & 150,000oz Au
- Potential for more silver, gold & copper deposits

Substantial exploration success



Mesa de Plata silver deposit

Measured & Indicated Mineral Resources¹

27.4 million ounces of Silver @ 82g/t Ag

including a High Grade resource of:

15.5 million ounces Silver @ 275g/t Ag



Loma Bonita gold-silver deposit

Indicated & Inferred Mineral Resources¹

150,000 ounces of Gold @ 0.9g/t Au

&

4.8 million ounces Silver @ 28g/t Ag

Azure - growing strongly & building value

Right commodities: Oposura & Alacrán
Zn-Pb-Ag **Ag-Au-Cu**

Targeting Oposura for mine development in 2020/21

Free-carried on Alacrán by Teck Resources

Exciting blue sky potential for both projects





Thank you



For enquiries, please contact:
Tony Rovira, Managing Director
admin@azureminerals.com.au

Appendix 1: Oposura production metrics¹

1. Refer ASX announcement dated 15 October 2018

2. Refer to Appendix 3 for price assumptions

Base Case: EBITDA = US\$178m

NPV₈ = US\$84m

IRR = 76%

KEY PRODUCTION & FINANCIAL METRICS (pre-tax)			
Mining, crusher & DMS throughput rate	500,000 tpa (1,500 tpd)		
Mill & flotation throughput rate (post-DMS)	295,000 tpa (800 tpd)		
Initial mine life	5.3 years		
	Base Case Prices ²	Current Prices ²	
NPV ₈	US\$84m	UD\$59m	
IRR	76%	57%	
EBITDA (LOM)	US\$178m	US\$145m	
Payback period	16 months	21 months	
Pre-production CAPEX	US\$52.4m	US\$52.4m	
Average LOM C1 costs	US\$0.42/lb	US\$0.47/lb	
Year 1 C1 costs	US\$0.14/lb	US\$0.20/lb	
Average annual production (metal in concentrate)	19,000t Zinc	10,000t Lead	145,000oz Silver



Appendix 2: Oposura Mineral Resource Estimate¹

	Tonnes	Zn	Pb	Ag
JORC	Mt	%	%	g/t
Indicated	2.5	5.3	2.9	19
Inferred	0.6	3.4	2.1	15
TOTAL	3.1	5.0	2.7	18
Contained Metal		153,000t	84,000t	1.8Moz

Appendix 3: Oposura Price Assumptions

	Base Case Prices ¹	Current Prices ²
Zinc	US\$3,108/t	US\$2,815/t
Lead	US\$2,411/t	US\$2,150/t
Silver	US\$16.20/t	US\$15.60/oz
Exchange rate	0.75	0.72

Appendix 4: Alacrán Mineral Resource Estimate

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	1.2	307.4	12.0	0.5	201.7	3.5	1.8	274.7	15.5
Mid-Grade	8.4	43.0	11.7	0.3	36.2	0.3	8.7	42.8	12.0
Total	9.6	76.2	23.6	0.8	145.4	3.8	10.5	81.6	27.4

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)
≥ 0.5	Indicated Mineral Resource	2.9	1.25	116	34	3.1
	Inferred Mineral Resource	0.5	1.0	15	18	0.3
	Total	3.4	1.2	131	32	3.4
≥ 0.21	Indicated Mineral Resource	4.2	0.95	128	30	4.1
	Inferred Mineral Resource	1.2	0.6	22	18	0.7
	Total	5.4	0.9	150	28	4.8

Appendix 5: Promontorio Mineral Resource Estimate

Promontorio Resource ¹		Grade				Contained Metal			
Classification	Tonnage (tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (tonnes)	Au (oz)	Ag (oz)	CuEq (tonnes)
Indicated	610,000	2.7	1.7	56	4.4	16,700	32,500	1,090,000	26,500
Inferred	230,000	1.8	1.5	56	3.3	4,100	11,300	410,000	7,700
Total	840,000	2.5	1.6	56	4.1	20,800	43,800	1,500,000	34,200

Cascada Resource ²		Grade				Contained Metal			
Classification	Tonnage (tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (tonnes)	Au (oz)	Ag (oz)	CuEq (tonnes)
Indicated	840,000	1.1	1.4	27	1.9	9,200	36,700	740,000	16,300
Inferred	1,230,000	0.8	1.8	26	1.8	9,500	70,500	1,020,000	22,300
Total	2,060,000	0.9	1.6	27	1.9	18,800	107,200	1,760,000	38,600



1. Refer ASX announcement dated 10 May 2013 (Promontorio)
2. Refer ASX announcement dated 7 May 2015 (Cascada)

Appendix 6: Promontorio total mineral resources

Total Resource ¹		Grade				Contained Metal			
Deposit	Tonnage (tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (tonnes)	Au (oz)	Ag (oz)	CuEq (tonnes)
Promontorio	840,000	2.5	1.6	56	4.1	20,800	43,800	1,500,000	34,200
Cascada	2,060,000	0.9	1.6	27	1.9	18,800	107,200	1,760,000	38,600
Total	2,900,000	1.4	1.6	35	2.5	39,600	151,000	3,260,000	72,800

Competent Person Statements

OPOSURA

The information in this report that relates to Mineral Resources for the Oposura Project are extracted from the report “Azure Delivers Robust Initial Mineral Resource at Oposura” created and released to the ASX on 3 May 2019 and is available to view on www.asx.com.au.

ALACRÁN

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.

EXPLORATION RESULTS

Information in this report that relates to previously reported Exploration Results has been cross-referenced in this report to the date it was first reported to the ASX.

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.