



Azure Minerals Ltd

ASX Code: **AZS**



@AzureMinerals

www.azureminerals.com.au

Tony Rovira – Managing Director

Azure Minerals Ltd

Objective

To be a low cost, high margin copper producer

Strategy

Developing our high quality mineral assets in partnership with resource majors

Commodity Focus

Copper + gold + silver

Why Mexico?

A mineral-rich, low cost, mining friendly country

Corporate Overview

Key Statistics

ASX Code	AZS
Share Price	\$0.02
Shares	817,457,869
Options	25M @ 5.8c 26M @ 4.5c
Market Capitalisation	\$16M
Cash	\$0.5M

Share Price Chart



Board & Management

Chairman	Peter Ingram
Managing Director	Tony Rovira
Non-Executive Director	Wolf Martinick
Chief Financial Officer	Brett Dickson

Shareholders

Drake Private Investments	12.0%
Yandal Investments	3.6%
Directors	1.5%
Top 40 Shareholders	37.5%

Investment Thesis

Advanced-stage Promontorio Project sole-funded by Rio Tinto

- JV with Rio Tinto highlights quality of project and promotes accelerated exploration and development

Advanced-stage Alacrán Copper Project

- Contains large body of near-surface, leachable copper mineralisation within a world-class mining district
- Numerous target opportunities for precious and base metal deposits on underexplored property

Experience and Reputation of Management

- Extensive experience operating in-country and very positive reputation and relationships with Mexican Government, local communities and workforce

Near term catalysts for uplift in valuation

- Promontorio exploration results
- Alacrán exploration results

Why Mexico?

Mineral-rich, mining friendly country:>500 years mining history

Azure has established presence and extensive in-country experience

Favourable Mining Act with pro-mining government & bureaucracy

Skilled and experienced local workforce in a low cost environment

Democratic government - ranked #5 in the world for favourable mining investment*

1st World country

- Member of G20 - 14th Largest Economy in the World
- Member of NAFTA
- Modern legal, financial, accounting and taxation systems



Exciting Project Pipeline

Rio Tinto JV

Promontorio – Copper-Gold-Silver

**Advanced
Projects**

Alacrán – Copper-Molybdenum-Gold
El Tecolote – Copper-Zinc

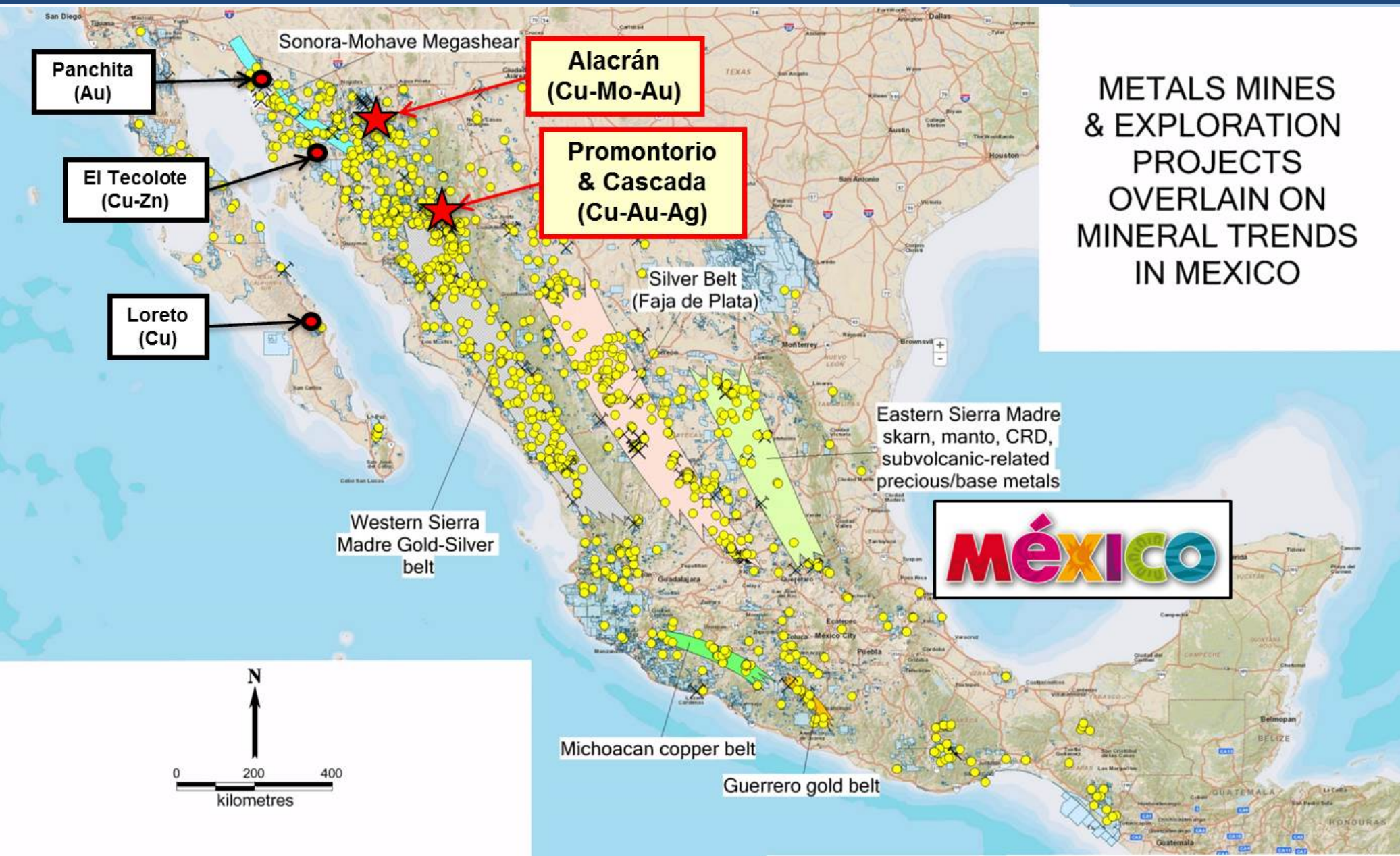
**Emerging
Projects**

Panchita – Gold
Loreto – Copper-Gold

New Projects

Always looking for new opportunities

Projects



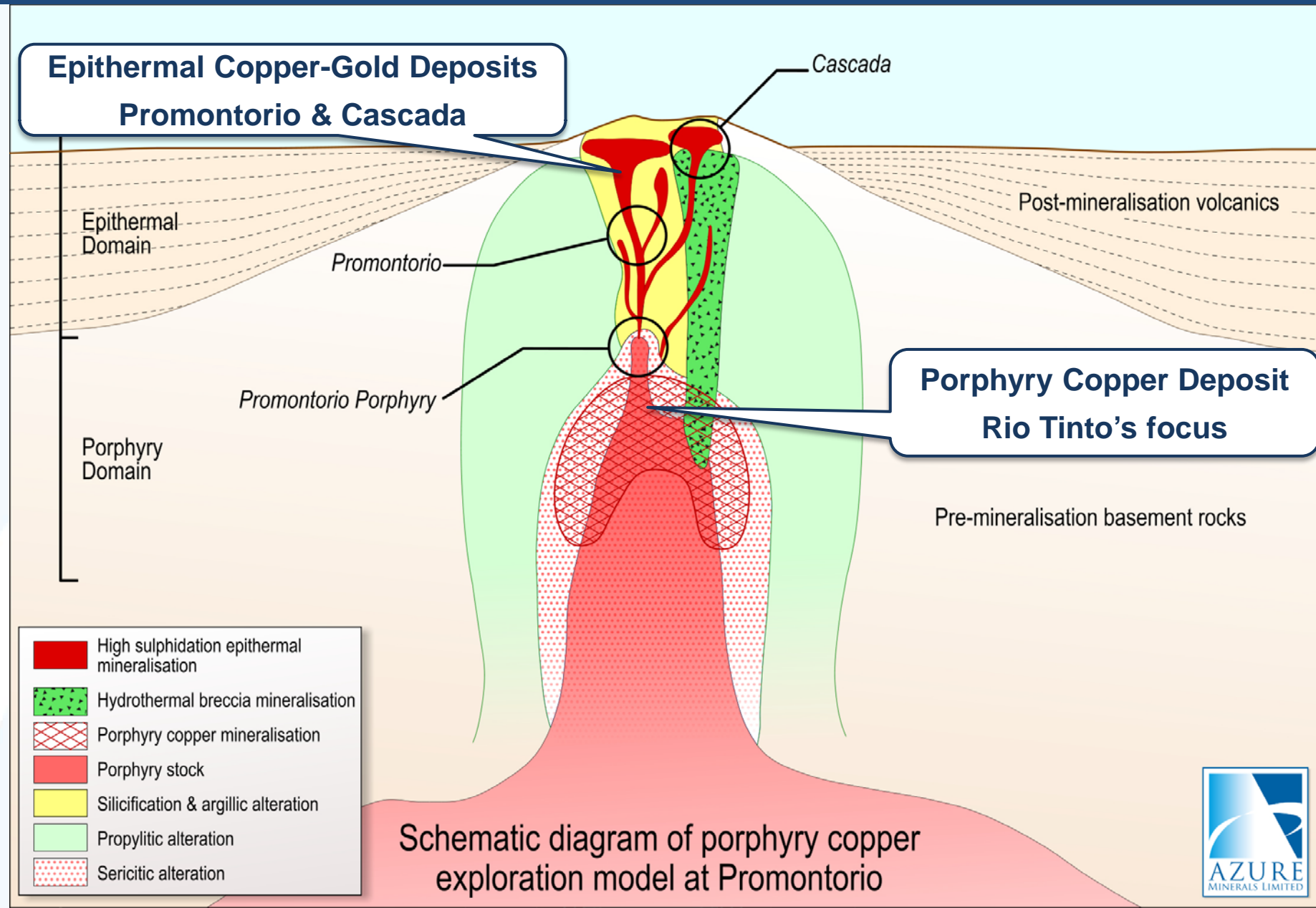
Promontorio Project

105km² hectare property

Near-surface, high grade epithermal copper-gold-silver deposits with deeper porphyry copper mineralisation

- **Promontorio Deposit:** Copper-gold-silver deposit with JORC Mineral Resource and positive Pre-Feasibility Study completed
- **Cascada Deposit:** Copper-gold-silver deposit, Mineral Resource underway
- **Porphyry:** Porphyry-hosted copper mineralisation discovered beneath Cascada & Promontorio – attracts the interest of Rio Tinto
- **Rio Tinto returns to Mexico:** Large earn-in / JV underway on Promontorio
- **Excellent regional potential:** Limited exploration to date

Promontorio Exploration Model



Rio Tinto Joint Venture – a landmark deal

Landmark agreement: Rio Tinto returns to Mexico

Rio can earn 80% project interest

Azure free-carried for up to first **US\$245M** expenditure

Exploration has commenced - sole-funded by Rio Tinto

Rio Tinto targeting copper deposit >1 million tonnes Cu

Result = accelerated exploration & development

Promontorio Joint Venture – key terms

Upon Signing

- Rio Tinto paid Azure **US\$250,000**

Stage 1

- Rio Tinto sole-funds **US\$2M** exploration in 2015

Stage 2

- Rio Tinto can earn **51%** interest by spending **US\$20M** (in total)

Stage 3

- Rio Tinto can earn **80%** interest by spending **US\$45M** (in total)

At 80:20 JV, with US\$50m credit, Azure will not contribute until Rio Tinto has spent US\$245m

Promontorio Stage 1 Program - 2015

Rio Tinto paid Azure **US\$250,000** on signing

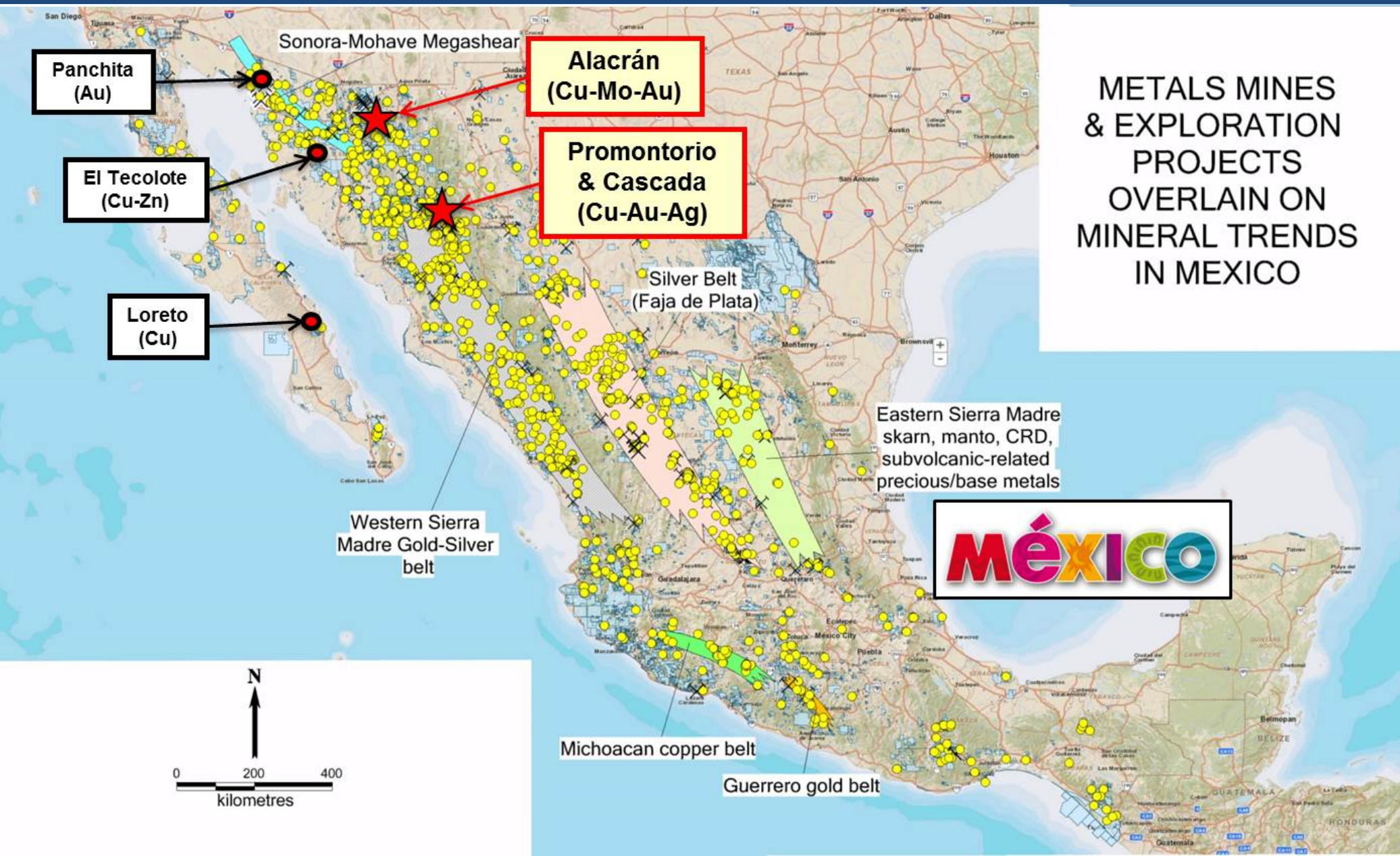
Rio Tinto funding **US\$2M** exploration in 2015

- Geophysical surveys
- Diamond drilling

Azure to manage Stage 1 exploration program

- Azure receives management fee of 10% of expenditure

Projects



Exciting New Acquisition - Alacrán Copper

Historical drilling identified large, near-surface body of leachable copper mineralisation

Covers 54km² in North America's premier copper province

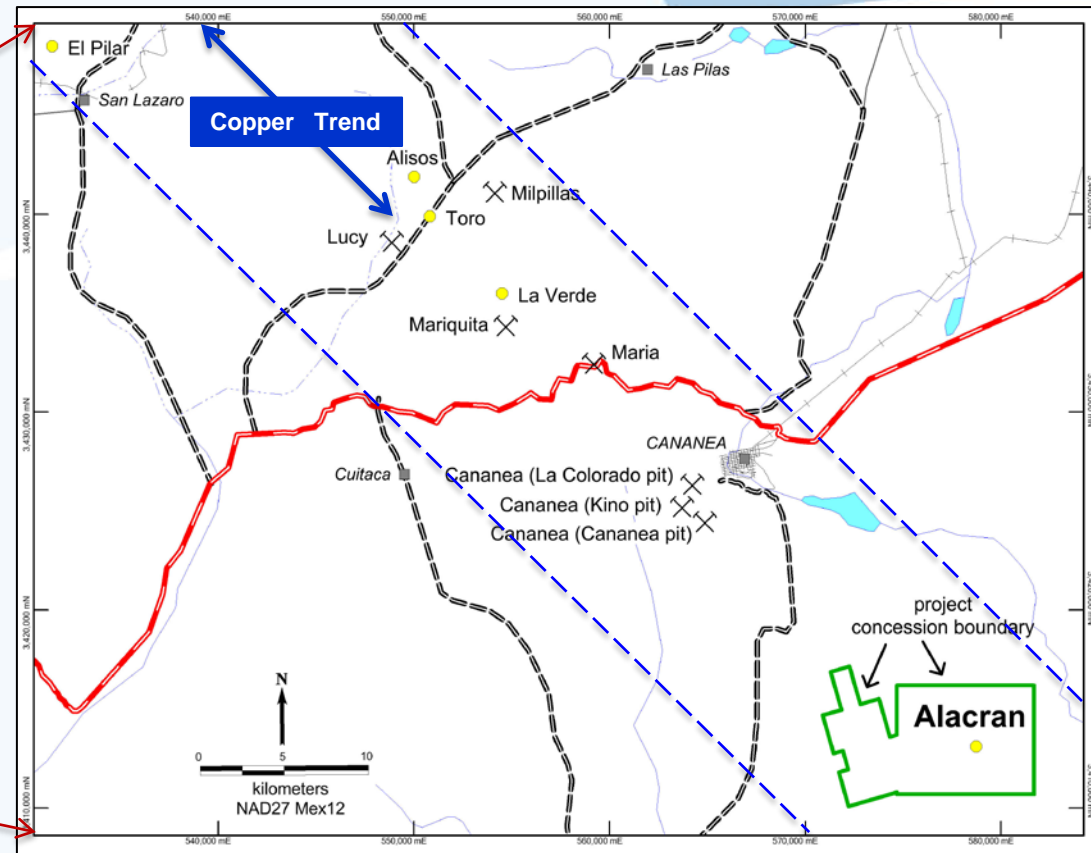
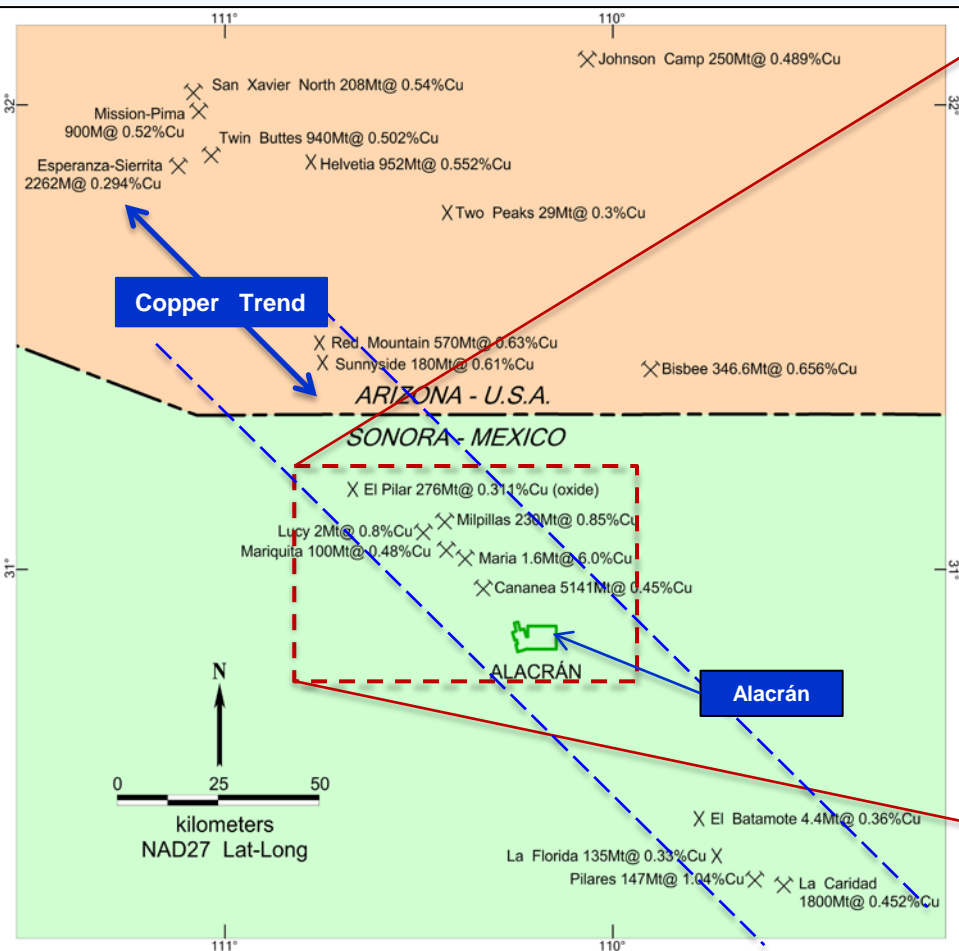
- +75 million tonnes of copper produced (1870's – 2011)
- +295 million tonnes of total copper endowment

Situated adjacent to the world class Cananea Copper Mine

- Ore Reserves of 8 billion tonnes @ 0.33% Cu (26 million tonnes copper)
- Annual production capacity increasing to 510,000 tonnes of copper in 2015

“Best under-explored copper project in Mexico”

Alacrán – in North America's Premier Copper Belt



Best Under-Explored Copper Project in Mexico

Little previous exploration

Historical mining (1900-1913) focused on high grade silver-copper, and was stopped by Mexican Revolution

Alacrán has potential for:

1. **High grade polymetallic sulphide deposits**
2. **Mid-grade porphyry-style sulphide copper deposits**
3. **Low grade supergene, leachable chalcocite copper deposits**

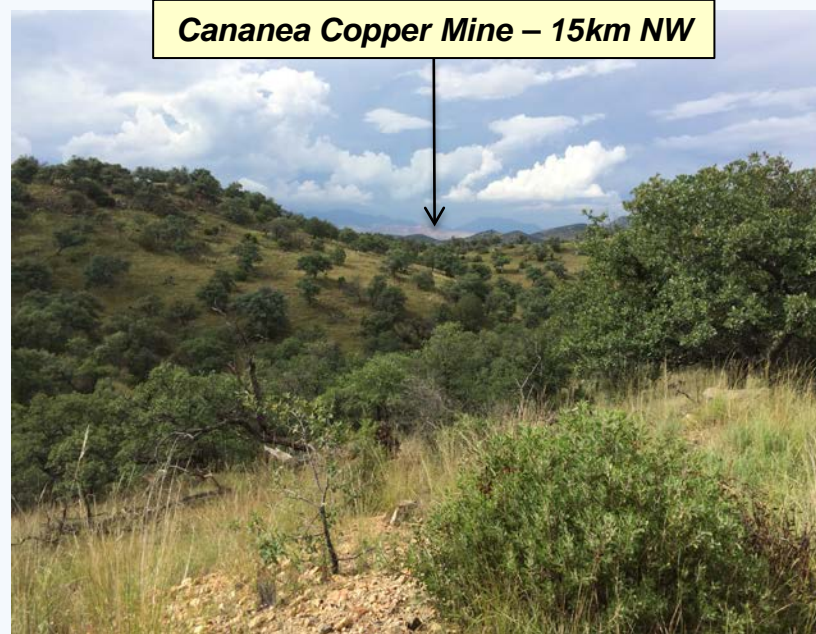
TERMS

Azure to acquire 100% of Alacrán Copper Project from Teck by spending US\$5M over 4 years

Teck has right to buy back up to 65% for US\$15M

Alacrán – Early Exploration Results

Cananea Copper Mine – 15km NW



Palo Seco Processing Plant Site



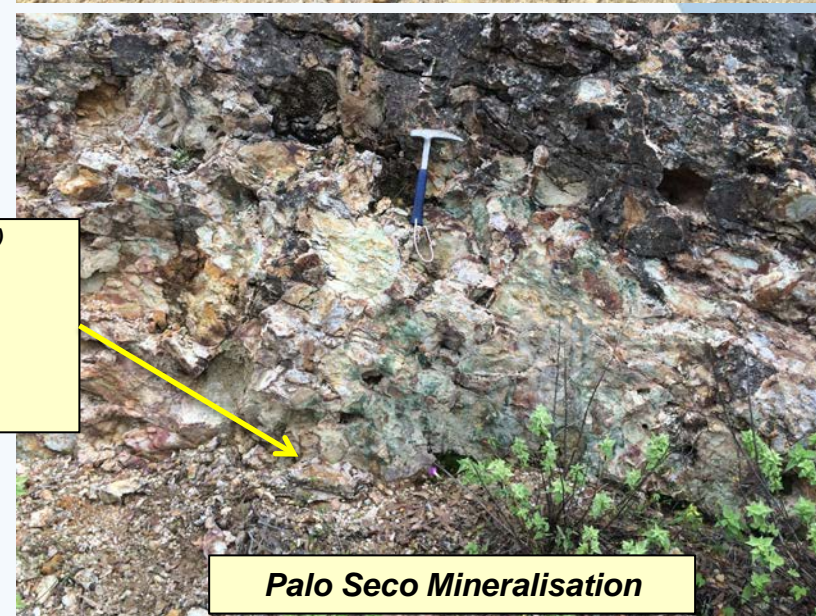
Continuous channel sample⁽¹⁾
12m @ 118g/t Silver



Palo Seco Open Cut

Rock chip sample⁽¹⁾
309g/t Silver
14.9% Zinc
1.4% Lead
1.5g/t Gold

⁽¹⁾ See ASX release dated
19 January 2015



Palo Seco Mineralisation

Alacrán Stage 1 Program - 2015

Mapping and sampling – in progress

Geophysical surveys – being quoted

Exploration drilling – in planning

Resource drilling

Azure in 2015

Promontorio:

Fully-funded exploration underway with Rio Tinto
spending US\$2M in accelerated program

Alacrán:

To be systematically explored for the first time in the
modern era – excellent potential for large copper
resource with early stage exploration



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Appendix - Promontorio Project

Further information on Promontorio Project

Promontorio Deposit

JORC Mineral Resource ⁽¹⁾ (@ 0.5% CuEq cut off)

	Tonnes	CuEq ⁽²⁾ (%)	Cu (%)	Au (g/t)	Ag (g/t)
Indicated	610,000	4.4	2.7	1.7	56
Inferred	230,000	3.3	1.8	1.5	56
TOTAL	840,000	4.1	2.5	1.6	56

Metallurgical Test Results ⁽³⁾

	Copper		Gold		Silver	
	Grade (%)	Recovery (%)	Grade (ppm)	Recovery (%)	Grade (ppm)	Recovery (%)
Concentrate	39.5	94	9.6	54	773	88

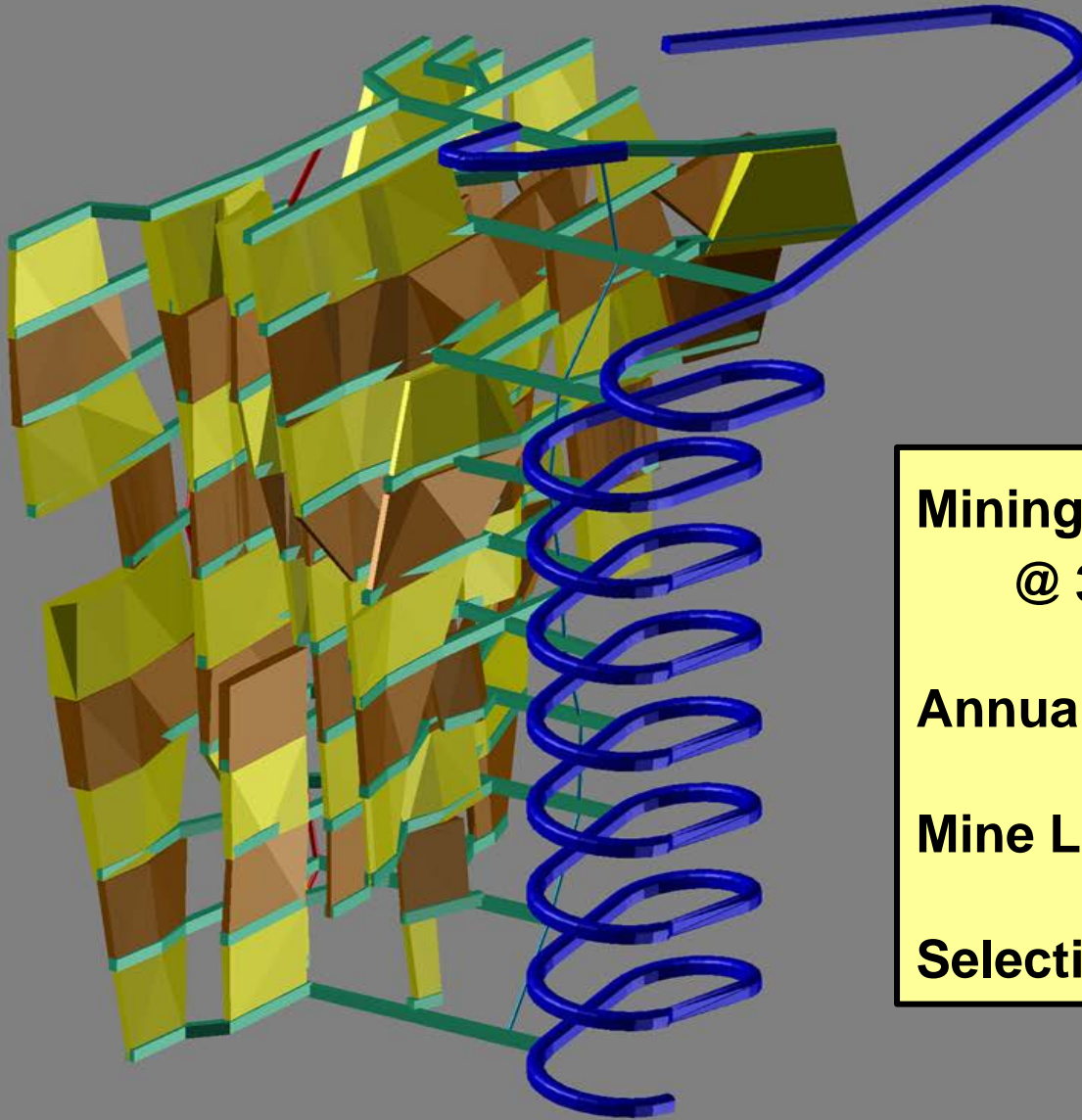
(1) See ASX release dated 10 May 2013
 (2) See Appendix for Copper Equivalency (CuEq) Statement
 (3) See ASX release dated 22 August 2012

Promontorio – *Positive results from 2012 PFS*⁽¹⁾

Selective underground mining & sulphide flotation to produce high grade copper concentrate

- Gross revenue = US\$195 Million
- Free cash = US\$54 Million
- C1 cash costs = US\$1.16 / lb Copper
- NPV (10%) = US\$32 Million
- IRR = 42%
- Capex = US\$34.5 Million
- Total metal production
 - 19,400t Copper
 - 14,900oz Gold
 - 1,220,000oz Silver

Promontorio – *underground mining model*



Mining Inventory = 656,000t

@ 3.2% Cu, 1.4g/t Au & 67g/t Ag

Annual Mine Production = 150,000t

Mine Life = 4½ years

Selective UG mining operation

Cascada Deposit

- High grade, near surface epithermal copper-gold-silver deposit
- JORC mineral resource in progress
- Located 200m from Promontorio Deposit
- Better copper intercepts⁽¹⁾: 36m @ 2.9% Cu 28m @ 4.5% Cu 19m @ 6.8% Cu
- Better gold intercepts⁽²⁾: 153m @ 1.1g/t Au 150m @ 1.5g/t Au 114m @ 2.4g/t Au
- Potential for either bulk-tonnage open pit or selective underground mine

Favourable metallurgy - Excellent results from bulk sample test work⁽³⁾

	Copper		Gold		Silver	
	Grade (%)	Recovery (%)	Grade (ppm)	Recovery (%)	Grade (ppm)	Recovery (%)
Concentrate	37.7	93	15.2	75	470	83

(1) See ASX release dated 5 July 2013
 (2) See ASX release dated 12 February 2014
 (3) See ASX release dated 14 May 2014

DISCLAIMER

Competent Person Statements:

The information in this report that relates to Mineral Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, and is based on information compiled by Mr Tony Rovira who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Rovira has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Rovira is a full time employee of the Company and 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.

Copper Equivalency Statement:

Copper Equivalent (CuEq) was based on the following assumed metal prices that were guided by the three year averages at the data cut-off date: US\$3.25/lb for Cu, US\$1,450/oz for Au and US\$27.50/oz for Ag.

The CuEq grade accounts for the following metal recoveries, which were based on metallurgical testwork completed on the adjacent Promontorio deposit by independent metallurgical laboratories AMDEL and Ammttec, under the supervision of Coffey Mining Pty Ltd: 97.9% for Cu, 93.4% for Au, and 97.0% for Ag.

It is Azure’s belief that all elements included in the metal equivalent calculation have a reasonable potential to be recovered.

The following formula was used to calculate the Copper Equivalent grade: $\text{CuEq (\%)} = (\text{Cu\%} \times 0.979) + (\text{Au (g/t)} \times 0.6077) + (\text{Ag (g/t)} \times 0.0120)$