



# Azure Minerals Ltd

## *Mexican Copper – an Exciting Growth Story*

Investor Presentation – May 2015

ASX Code: AZS



@AzureMinerals

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

# Corporate Overview

## Key Statistics

ASX Code	AZS
Share Price	\$0.015
Shares	995,020,107
Options	25M @ 5.8c 26M @ 4.5c
Market Capitalisation	\$15M
Cash	\$2.0M

## Share Price Chart



## Board & Management

Chairman	Peter Ingram
Managing Director	Tony Rovira
Non-Executive Director	Wolf Martinick
Chief Financial Officer	Brett Dickson
VP Exploration Mexico	Brent Hendrickson

## Shareholders

Drake Private Investments	10.5%
Yandal Investments	2.9%
Directors	1.7%
Top 20 Shareholders	25.1%

# Azure Minerals Ltd

## Objective

*To be a low cost, high margin copper producer*

## Strategy

*Developing our high quality mineral assets in partnership with major resource companies*

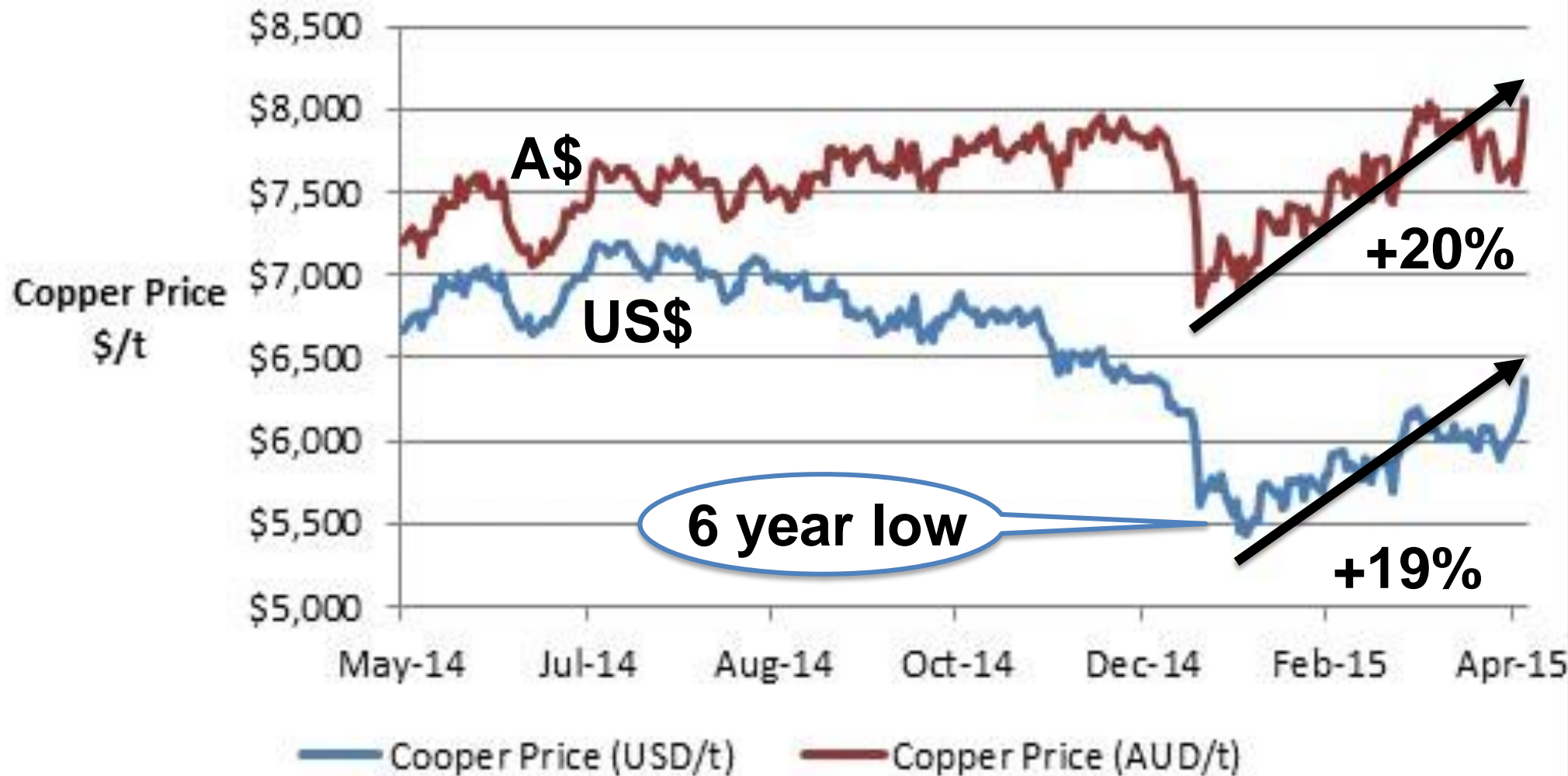
## Why Mexico?

*A mineral-rich, low cost, mining friendly country*



# Commodity Focus – Copper

## Copper Price



# Our Assets in Mexico

## Azure Minerals Ltd

### Alacrán

Located in North America's premier copper mining province

Historical mining of high grade copper

Contains many high grade precious metal / base metal targets

Little modern exploration

### Promontorio

JORC resources total  
2.9Mt @ 2.5% CuEq

JV exploration by Rio Tinto for giant copper deposits

Rio Tinto can earn 80%

Azure free-carried for 1<sup>st</sup>  
US\$245M spend

### Non-core Projects

El Tecolote  
*Copper-zinc*

Loreto  
*Copper*

Panchita  
*Gold*

Telix  
*Graphite*

# Competitive Advantages of Mexico

## **One of the world's best mining destinations**

- Mineral-rich, mining friendly country: >500 years mining history
- Favourable Mining Act with pro-mining government
- Skilled and experienced local workforce in a low cost environment

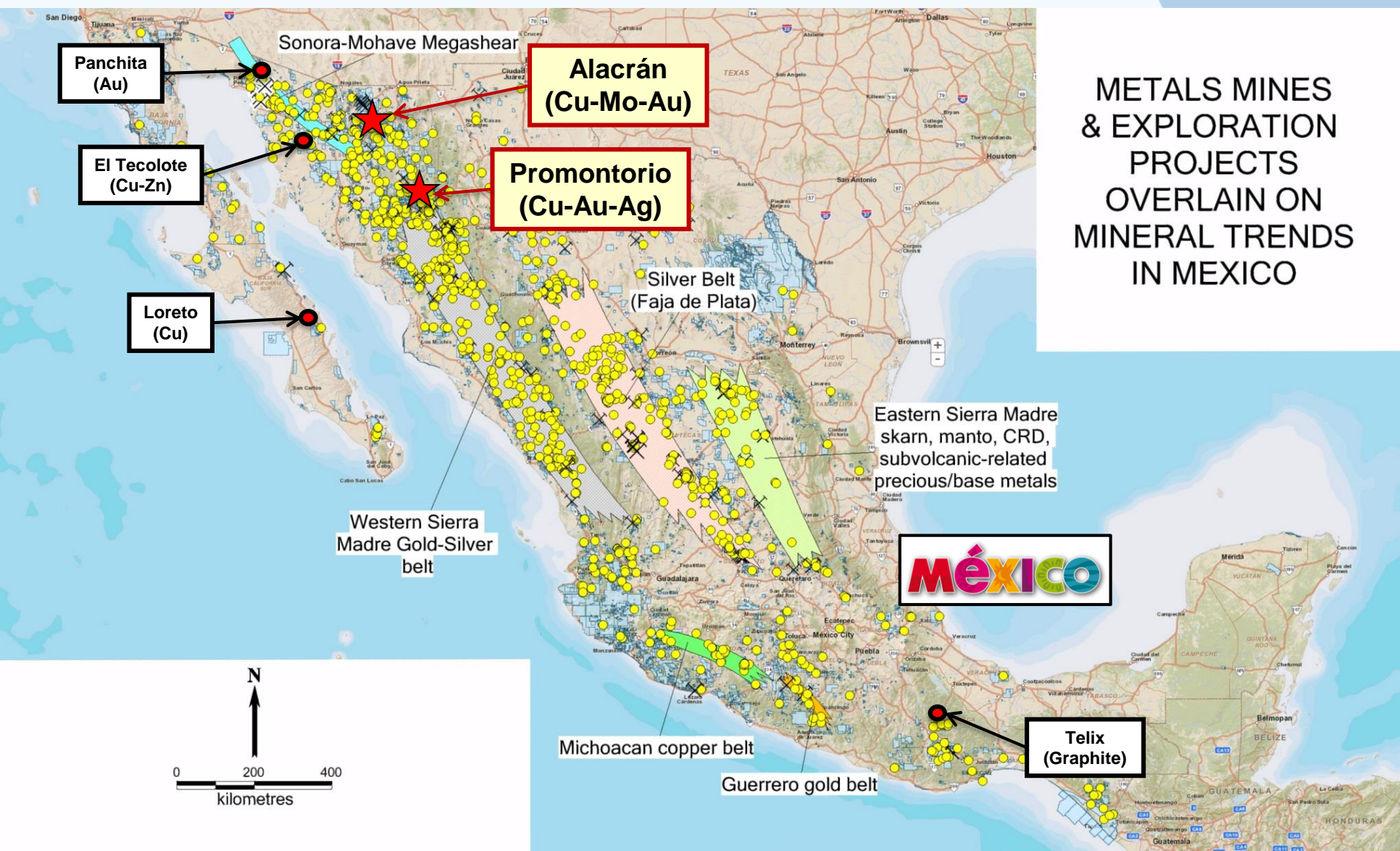
## **Experience and Reputation of Management**

- Extensive experience operating in-country
- Positive reputation and strong relationships with Mexican Government & local communities

## **Near term catalysts for uplift in valuation**

- Generating exploration results throughout 2015 from Promontorio JV with Rio Tinto and exciting Alacrán Project

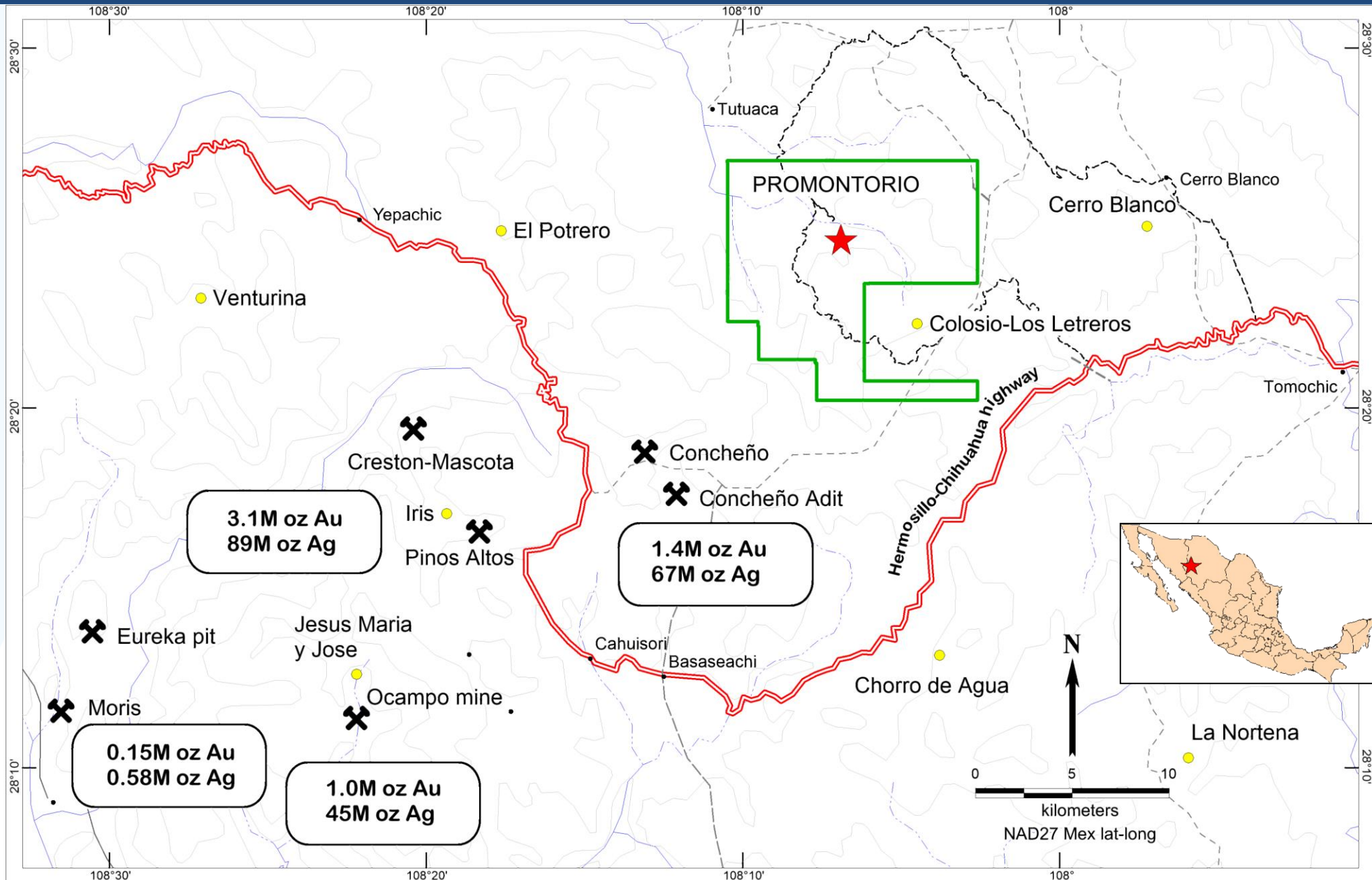
# Projects



METALS MINES  
& EXPLORATION  
PROJECTS  
OVERLAIN ON  
MINERAL TRENDS  
IN MEXICO



# Promontorio Project - 105km<sup>2</sup>





# Promontorio – strong copper potential

## Promontorio & Cascada Deposits:

- Total JORC resources:

**= 2.9Mt @ 2.5% CuEq (1.4% Cu, 1.6g/t Au & 35g/t Ag)\***

**= ~40,000t Copper, 150,000oz Gold & 3.25Moz Silver**

**Porphyry copper potential attracts the interest of Rio Tinto**

**Landmark Earn-In and Joint Venture Agreement with Rio Tinto**

**Excellent regional potential for giant porphyry copper deposits**

\* Refer ASX release dated 7 May 2015

# Rio Tinto Joint Venture – a landmark deal

Rio Tinto targeting giant porphyry copper deposits

Exploration sole-funded by Rio: **US\$2M** exploration in 2015



Azure is project manager, receives **10%** management fee

Rio can earn 80% project interest by spending **US\$45M**

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

**Result = accelerated exploration & development**

# Promontorio Activity Update – Stage 1

ACTIVITY	TIMING
Regional mapping & sampling	
Airborne LiDAR survey, aerial photography & DTM	
Aeromagnetic, radiometric and electromagnetic survey	In progress
Ground IP survey	June/July
Environmental approvals for drilling	In progress
Diamond drilling	2 <sup>nd</sup> Half 2015





USA

Laramide Copper Belt  
North America's Premier  
Copper Province

Alacrán  
Project

SONORA

CHIHUAHUA

MEXICO

Gulf of  
Mexico

Pacific  
Ocean

Mexico  
City

La Paz

# Alacrán - 54km<sup>2</sup> in excellent location

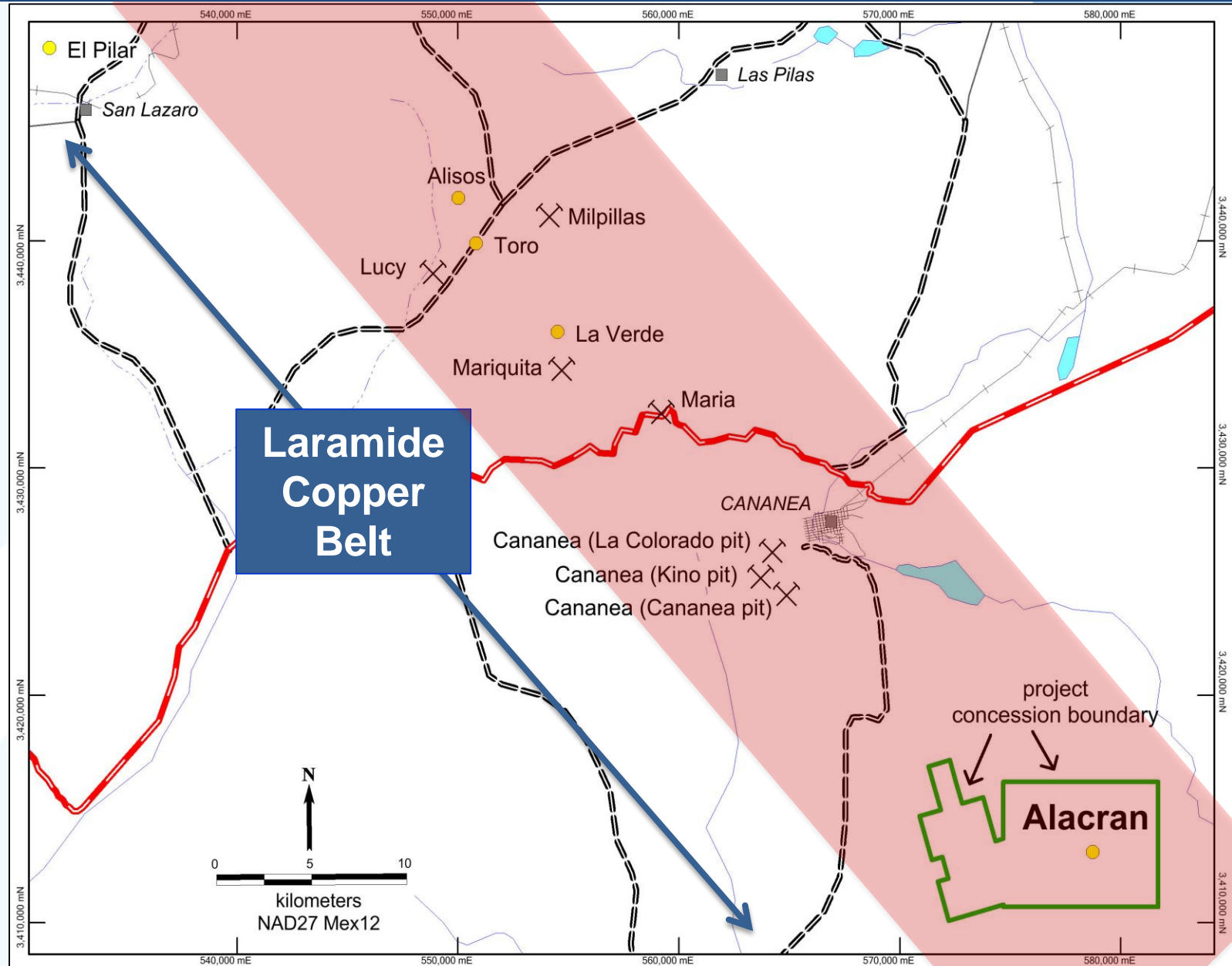
## Laramide Copper Belt

- North America's largest copper producing district
- +75 million tonnes of copper produced (1870's – 2011)
- +295 million tonnes of total copper endowment

## Located 15km from the giant Cananea Copper Mine

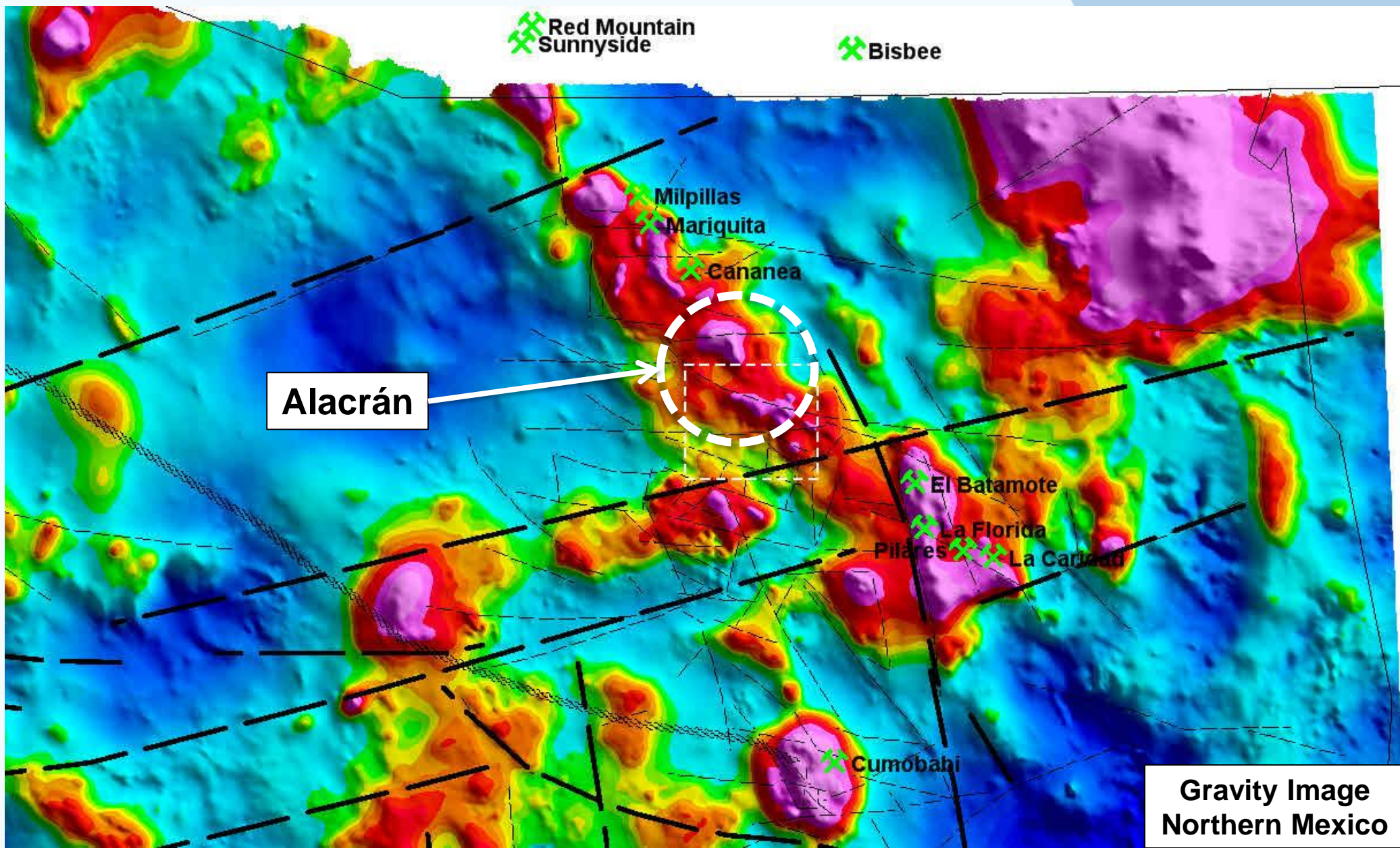
- Ore Reserves = 8 billion tonnes @ 0.33% Cu (>26Mt copper)
- Annual copper production capacity of 510,000 tonnes in 2016

# “Best under-explored copper project in Mexico”





# Middle of Mexico's Major Copper Mines



# Past, Present & Future

## HISTORICAL MINING:

- High grade copper mined with concentrates exported to the USA
- Production ceased in 1913 due to the Mexican Revolution
- Very little modern exploration

## ACQUISITION TERMS:

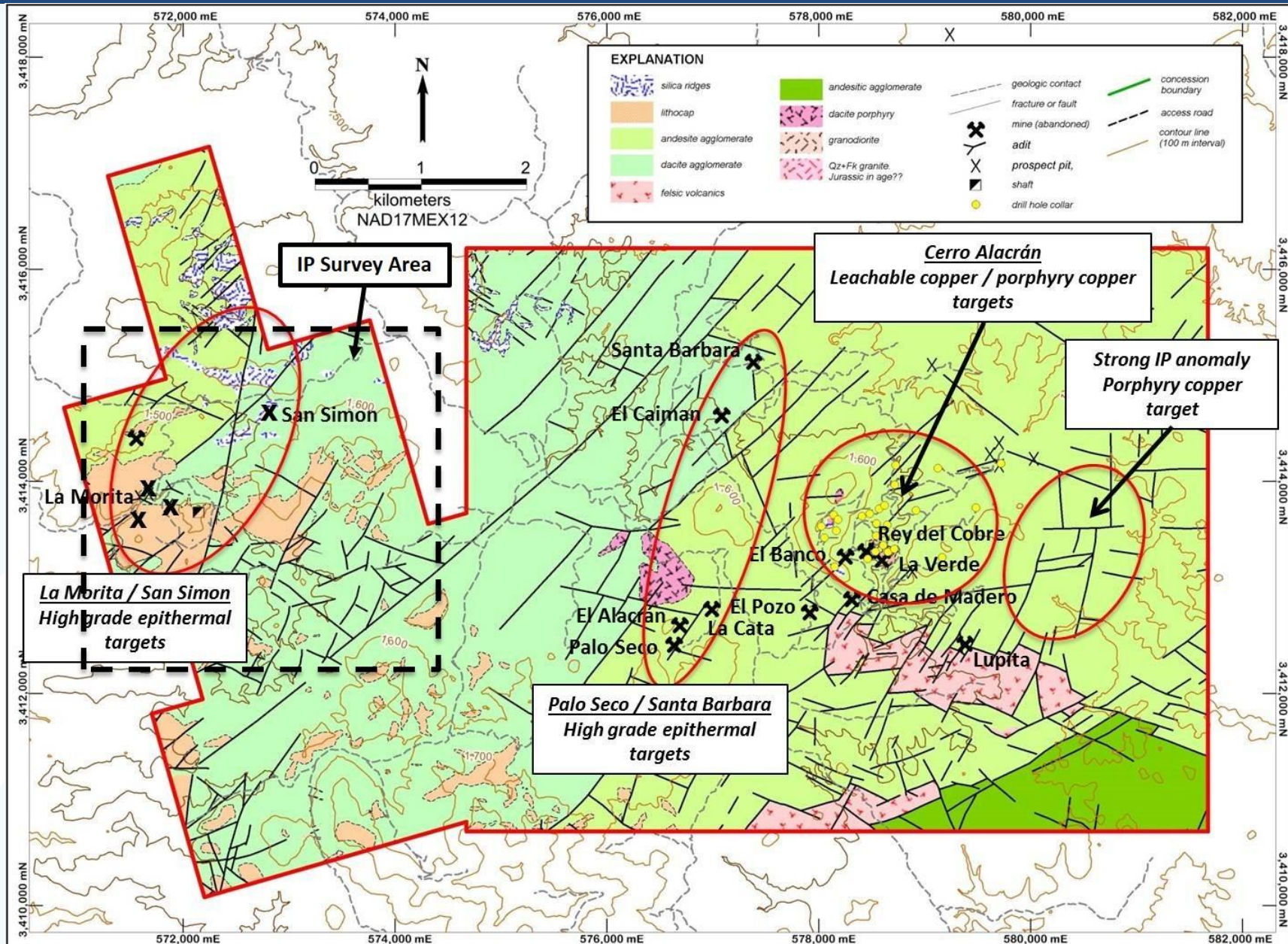
- Azure can acquire 100% of Alacrán from Teck Resources by spending US\$5M over 4 years
- Teck has a one-off right to buy back up to 65% for US\$15M

## POTENTIAL:

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

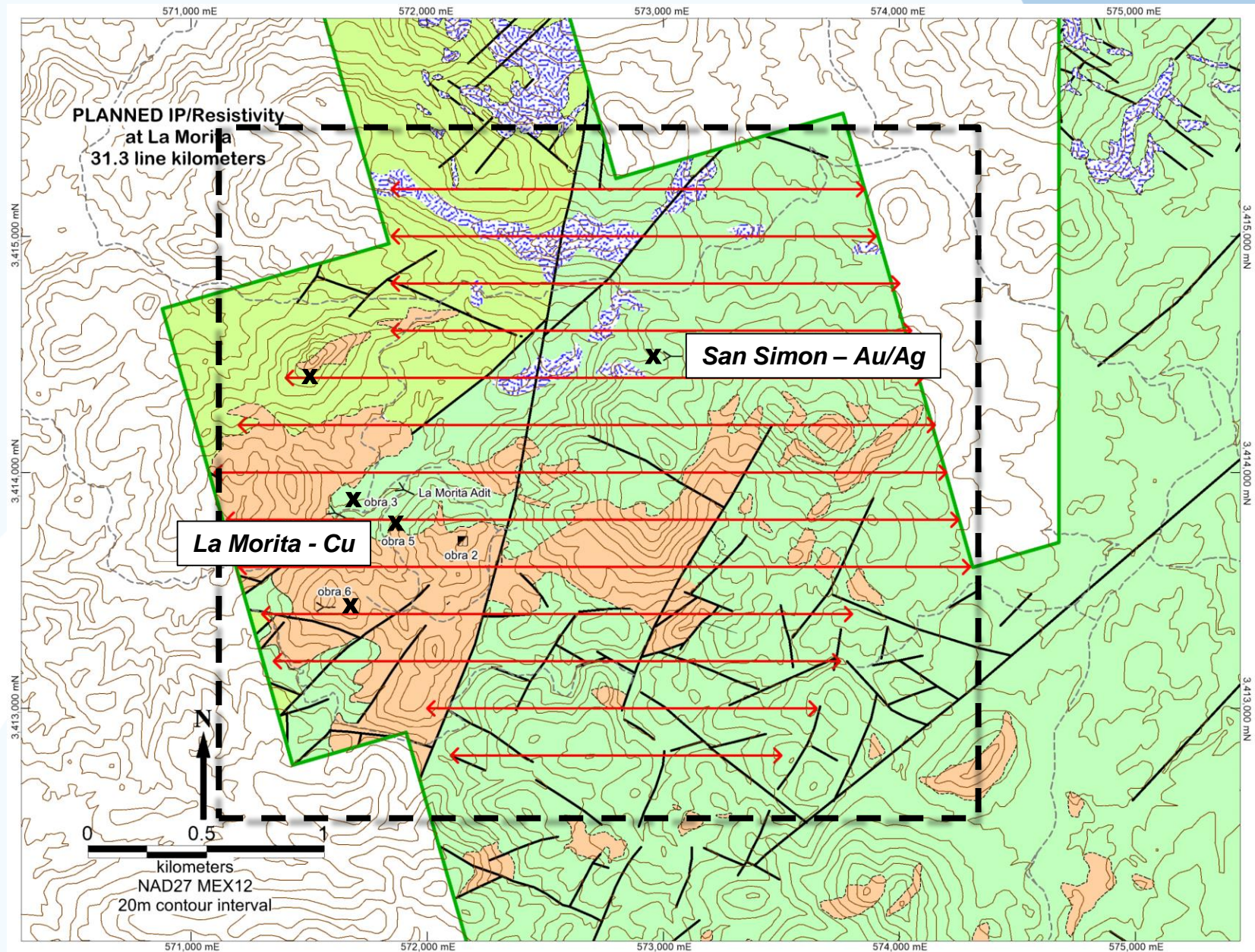


# Many Untested Targets



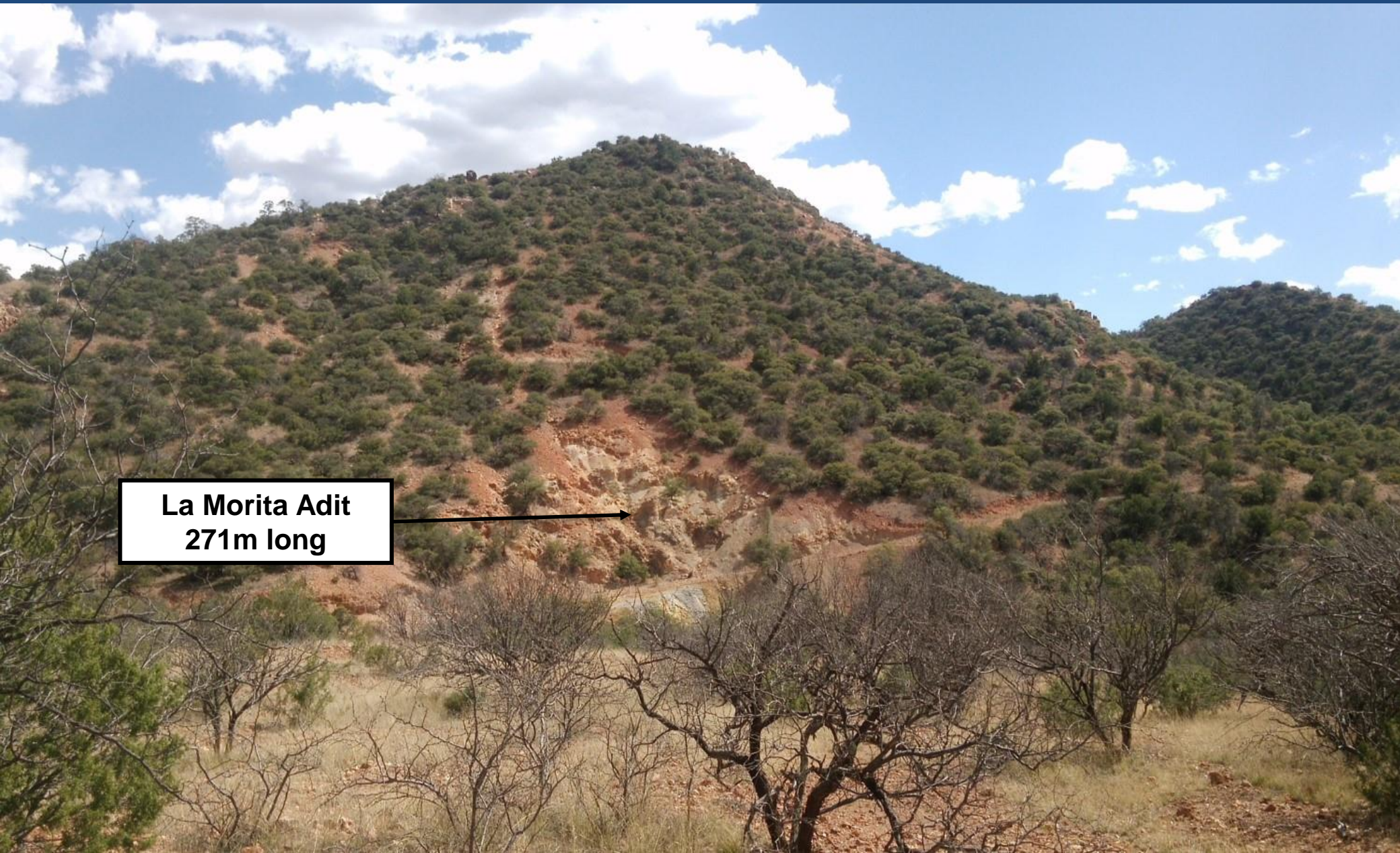


# La Morita & San Simon





# La Morita – high grade copper potential

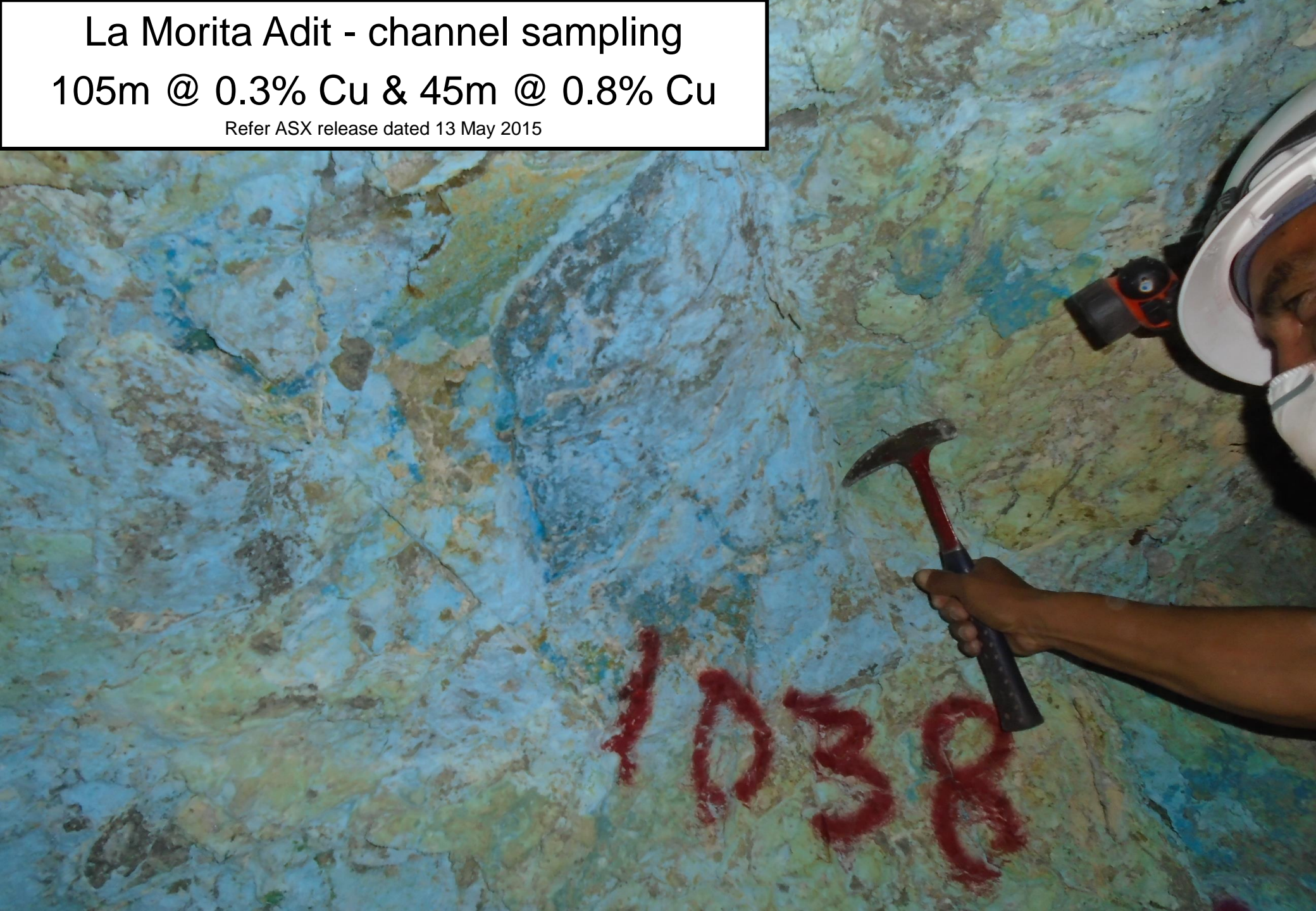


**La Morita Adit  
271m long**



La Morita Adit - channel sampling  
105m @ 0.3% Cu & 45m @ 0.8% Cu

Refer ASX release dated 13 May 2015





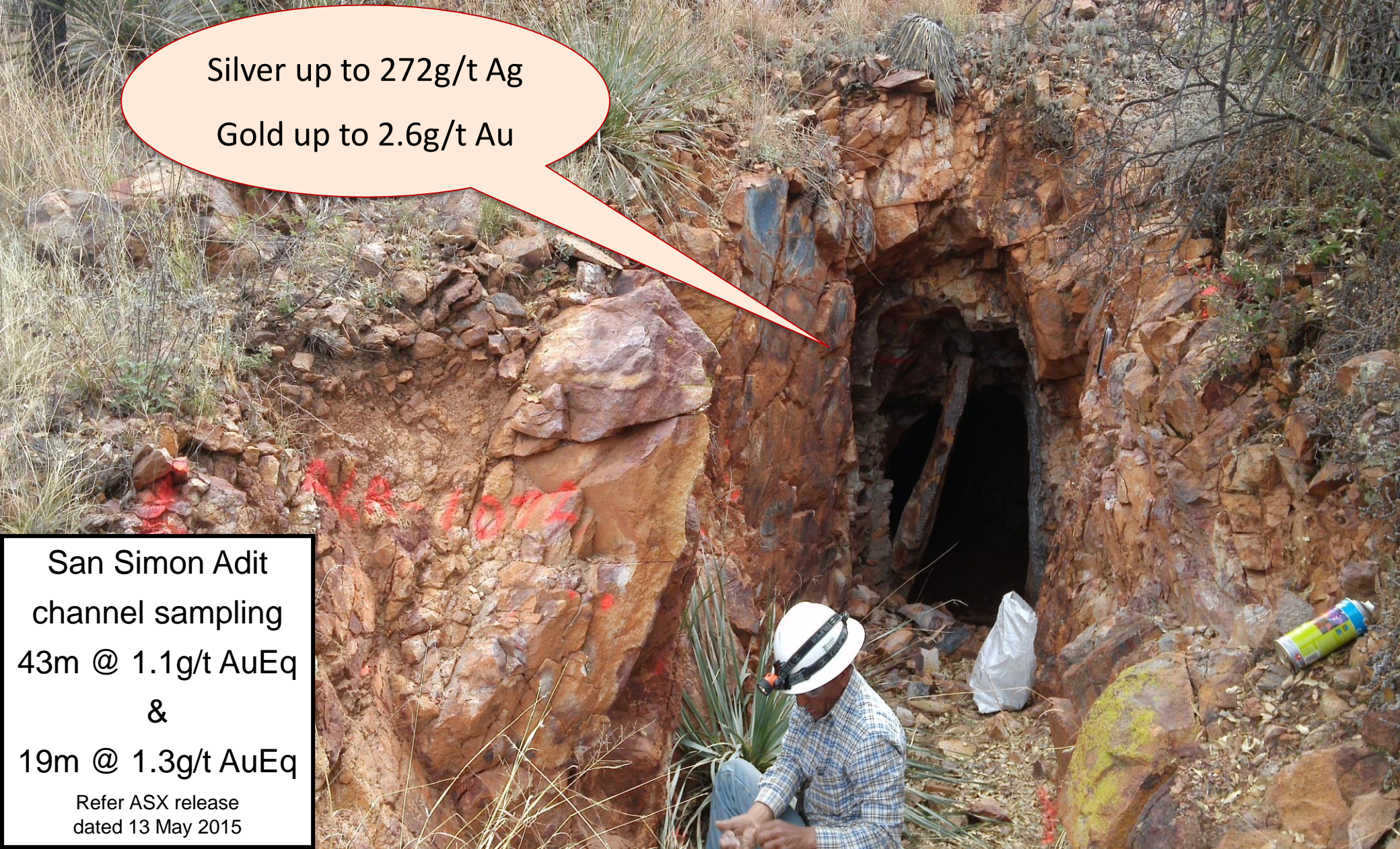
# San Simon – widespread gold & silver

Silver up to 272g/t Ag

Gold up to 2.6g/t Au

San Simon Adit  
channel sampling  
43m @ 1.1g/t AuEq  
&  
19m @ 1.3g/t AuEq

Refer ASX release  
dated 13 May 2015







# Cerro Alacrán – large copper potential

**Deposit open in  
all directions**



Cerro Alacrán hosts an historical, drill-defined resource of:  
**106Mt @ 0.21% Cu = 225,000 tonnes of leachable copper**

# Alacrán Activity Update – Year 1

ACTIVITY	TIMING
Aerial photography & DTM	
Aeromagnetics	
Mapping & reconnaissance sampling	On-going
IP survey – La Morita / San Simon	In progress
Soil sampling survey – La Morita / San Simon	In progress
Environmental approvals for drilling	In progress
Drilling	June/July >>>

# Azure in 2015

## Promontorio:

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

## Alacrán:

- Systematic exploration for the first time in the modern era
- Excellent potential for copper and gold/silver discoveries with first stage of exploration

# Newsflow in 2015

Quarter	Promontorio	Cascada
June	<ul style="list-style-type: none"><li>• Mapping &amp; sampling</li><li>• Aeromagnetic, radiometric &amp; EM survey</li></ul>	<ul style="list-style-type: none"><li>• Mapping &amp; sampling</li><li>• IP survey</li></ul>
September	<ul style="list-style-type: none"><li>• Mapping &amp; sampling</li><li>• IP survey</li></ul>	<ul style="list-style-type: none"><li>• Drilling</li><li>• Mapping &amp; sampling</li><li>• IP survey</li></ul>
December	<ul style="list-style-type: none"><li>• Drilling</li></ul>	<ul style="list-style-type: none"><li>• Drilling</li></ul>





**Thank You**

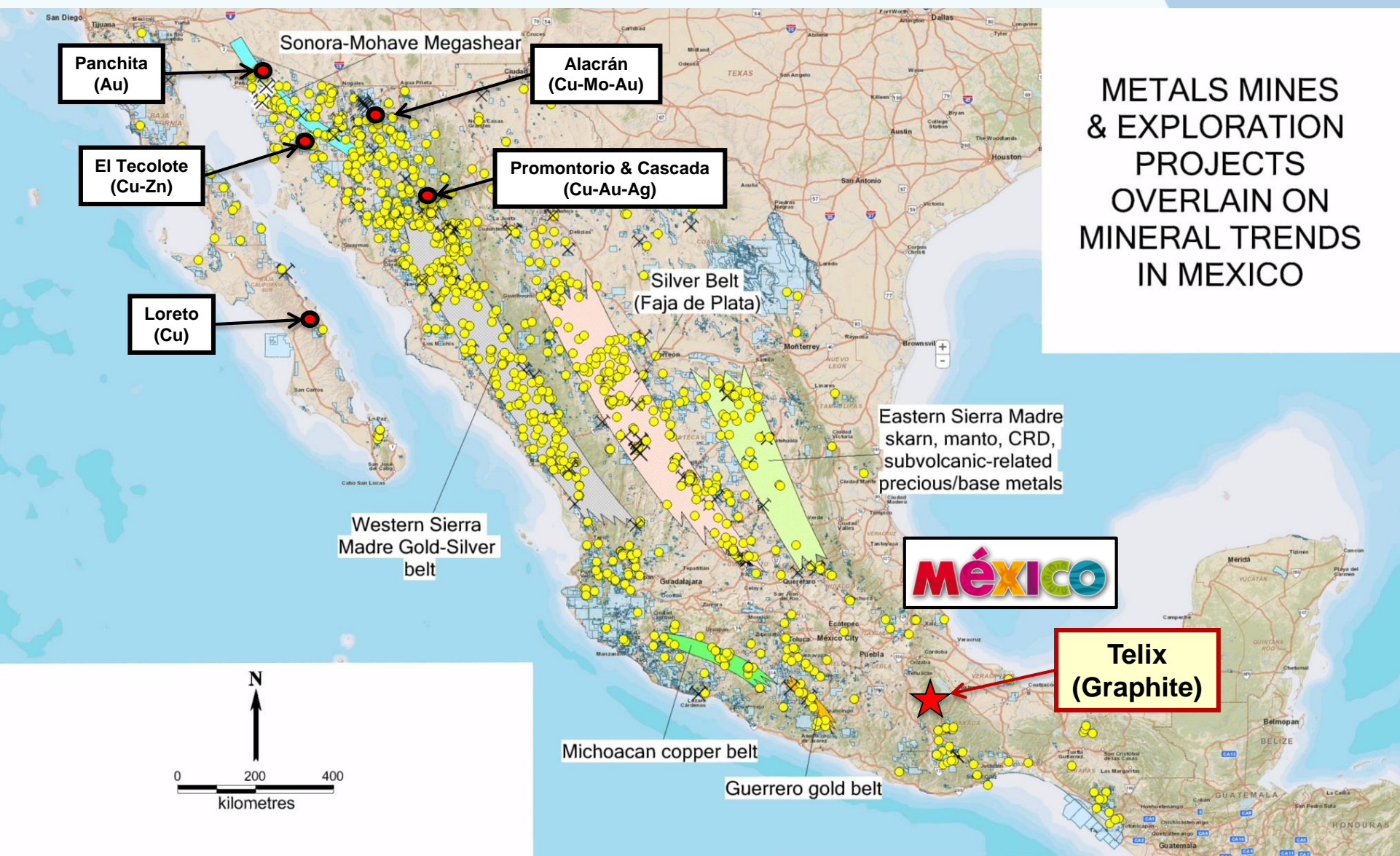
**Tony Rovira**  
**Managing Director**  
**Azure Minerals Limited**  
**Ph: +61 8 9481 2555**  
**[tony@azureminerals.com.au](mailto:tony@azureminerals.com.au)**

**Media & Investor Relations**  
**Rupert Dearden**  
**Citadel-MAGNUS**  
**Ph: +61 8 6160 4903**  
**Mob: +61 422 209 889**

# **Appendix – Further Information**



# Telix Graphite Project

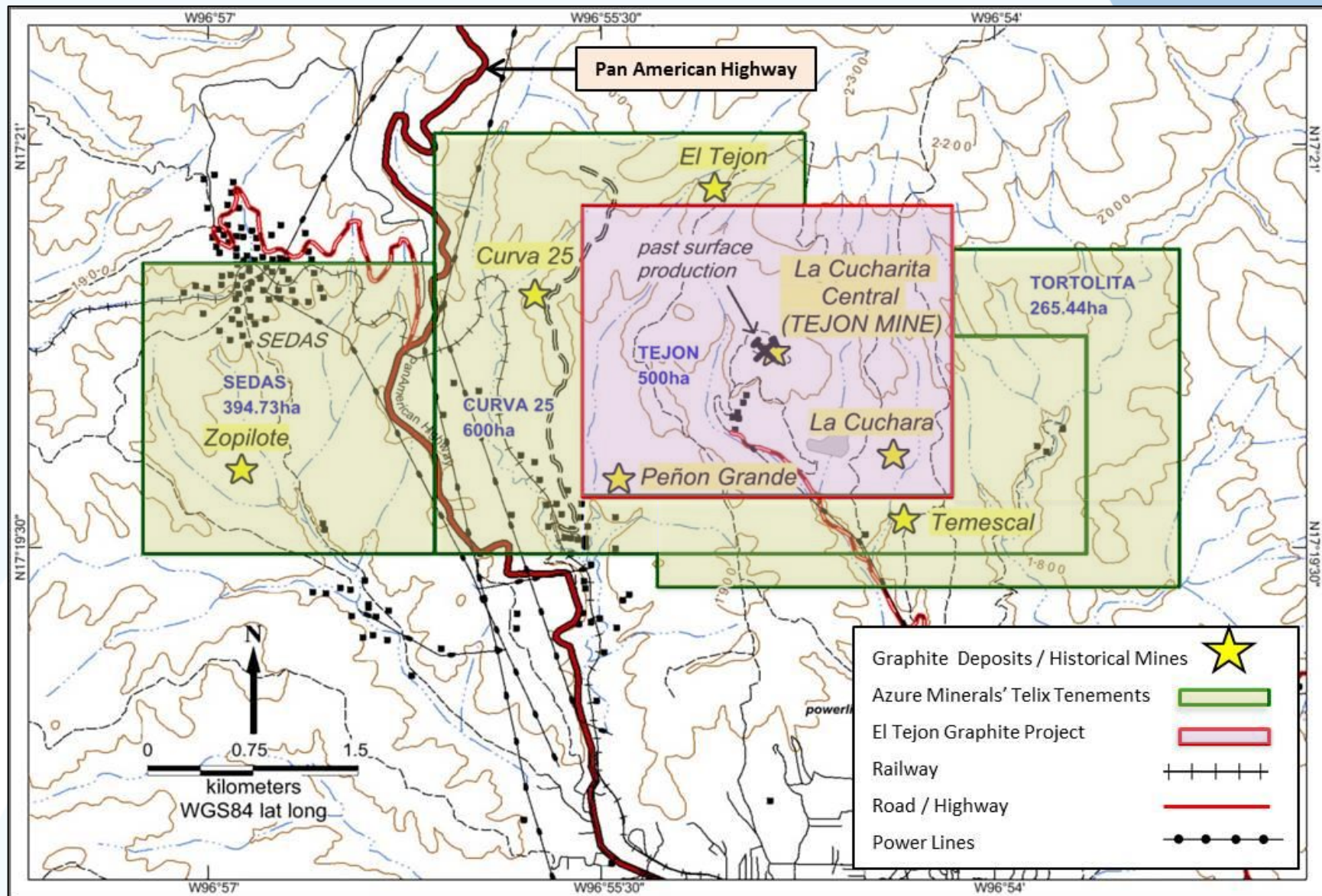


# Telix – a strategic play

- Three large 100%-owned mineral concessions in proven graphite mining district
- Contains several historical graphite mines
- Excellent potential for commercial quantities of high quality flake graphite



# Excellent Location & Infrastructure



# Telix - a growth opportunity?

- Low entry cost & low holding costs
- Strategically important landholding
- Surrounds the El Tejon Graphite Mine and Mill - Mexico's only bulk tonnage, commercial producer of flake graphite
- El Tejon is being re-commissioned for production by Canadian company Big North Graphite – seeking mill feed

**SYNERGIES ???**

**Evaluate co-development potential with El Tejon**

# Promontorio Project Resources

Promontorio Resource <sup>(1)</sup>		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
<b>Total</b>	<b>840,000</b>	<b>2.5</b>	<b>1.6</b>	<b>56</b>	<b>4.1</b>	<b>20,800</b>	<b>43,800</b>	<b>1,500,000</b>	<b>34,200</b>

Cascada Resource <sup>(2)</sup>		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
<b>Total</b>	<b>2,060,000</b>	<b>0.9</b>	<b>1.6</b>	<b>27</b>	<b>1.9</b>	<b>18,800</b>	<b>107,200</b>	<b>1,760,000</b>	<b>38,600</b>

(1) See ASX release dated 10 May 2013 (Promontorio)

(2) See ASX release dated 7 May 2015 (Cascada)



# Promontorio Total Resources

Total Resource <sup>(1)</sup>		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

## *Metallurgical Test Results <sup>(2)</sup>*

	Copper		Gold		Silver	
Concentrate	Grade (%)	Recovery (%)	Grade (ppm)	Recovery (%)	Grade (ppm)	Recovery (%)
Promontorio	39.5	94	9.6	54	773	88
Cascada	37.7	93	15.2	75	470	83

(1) See ASX releases dated 10 May 2013 (Promontorio) and 7 May 2015 (Cascada)

# Metal Equivalency Statements

## **Copper Equivalency Statement – Promontorio:**

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 2 April 2013: 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: 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:  $\text{CuEq (\%)} = (\text{Cu\%} \times 0.979) + (\text{Au (g/t)} \times 0.6077) + (\text{Ag (g/t)} \times 0.0120)$ .

## **Copper Equivalency Statement – Cascada:**

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 of 30 October 2014: US\$3.40/lb for Cu, US\$1,470/oz for Au and US\$25.00/oz for Ag.

The CuEq grade accounts for the following metal recoveries: 95.0% for Cu, 75.0% for Au, and 85.0% 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:  $\text{CuEq (\%)} = (\text{Cu\%} \times 0.95) + (\text{Au (g/t)} \times 0.4729) + (\text{Ag (g/t)} \times 0.0091)$

## **Gold Equivalency Statement – San Simon:**

Gold Equivalent (AuEq) was based on the following assumed metal prices that were guided by the three year averages at the data cut-off date of 8 May 2015: US\$1,190.30/oz for Au and US\$16.42/oz for Ag.

The following formula was used to calculate the Copper Equivalent grade:  $\text{AuEq (\%)} = (\text{Au (ppm)} + (\text{Ag (ppm)}/70))$

Based upon other gold/silver mining operations in the district, it is Azure's belief that all elements included in the metal equivalent calculation have a reasonable potential to be recovered.

# Competent Persons Statements

## **Competent Person Statements:**

*The information in this report that relates to the Mineral Resource for the Promontorio deposit 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.*

*Information in this report that relates to previously reported Exploration Results and the Cascada Mineral Resource 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, and that all material assumptions and technical parameters underpinning the results and estimates in the relevant market announcements continue to apply and have not materially changed.*