



Gold, Silver & Base Metals in Mexico



ASX: AZS



@AzureMinerals

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**Alacrán
Ag-Au-Cu**

Fanchita

SONORA

ALACRÁN

Oso Negro

El Tecolote

OPOSURA

CHIHUAHUA

**Oposura
Zn-Pb-Ag**

Hermosillo

Chihuahua City

Port of Guaymas

Promontorio

Sara Alicia

Azure office

DURANGO

Torreón

San Agustín

NORTHERN MEXICO FOCUS

Safe, stable, supportive jurisdiction

Tier 1 mining province

>500 years of mining history

Strong mining culture

Competitive tax rates

0 500km

USA

MEXICO

Mexico City

Port of Manzanillo

Telix

OAXACA

Gold, silver & base metals in Tier 1 district

Alacrán: silver & gold

JORC resources¹: **32Moz Ag & 150,000oz Au**

Includes High Grade resource at surface of:

- **15.5 million ounces Silver @ 275g/t Ag**

Oposura: zinc, lead & silver

JORC resources²: **153,000t Zn & 84,000t Pb**

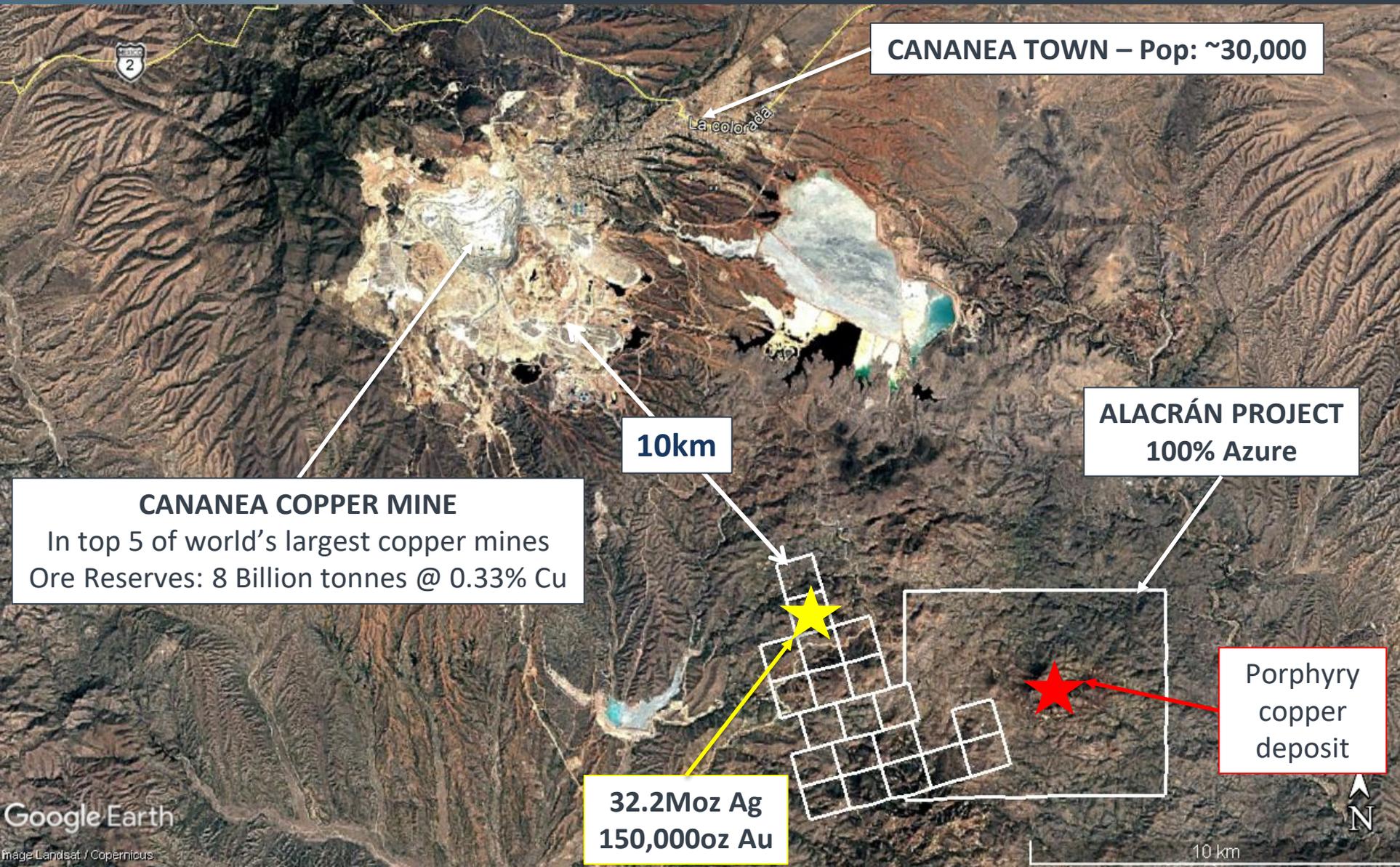
Small-scale mining³: **6,100t @ 13.4% Zn & 10.7% Pb**



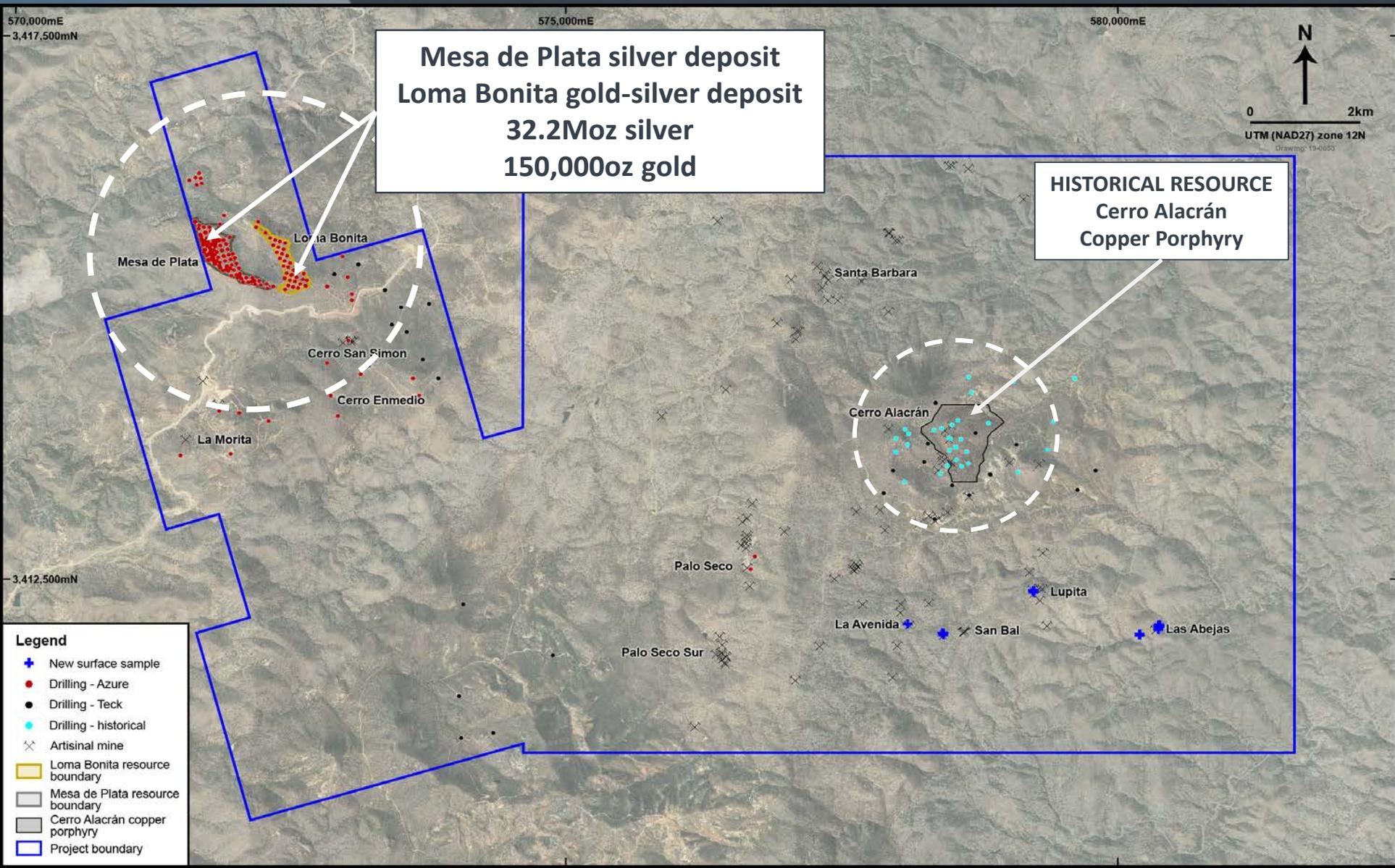
Trial processing underway

1. Refer ASX 1 December 2016 & 21 December 2016
2. Refer ASX 8 May 2019
3. Refer ASX 23 September 2019

Alacrán: the best of locations



Azure's silver & gold discoveries



Significant practical advantages

Hilltop silver & gold deposits, including:

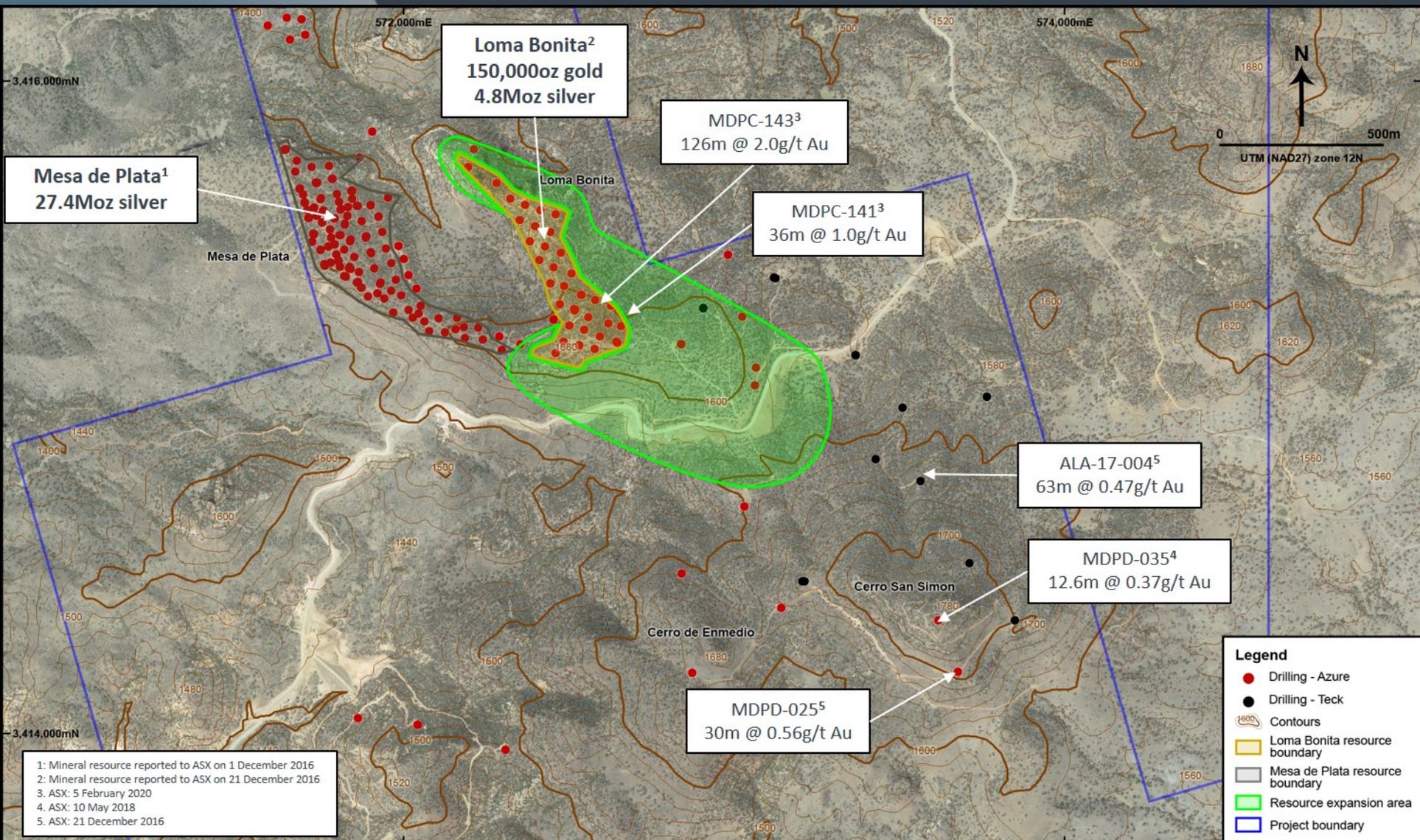
- **High Grade Zone: 15.5Moz silver (1.8Mt @ 275g/t Ag)**

No overburden = simple open pit mining

Favourable metallurgy: amenable to flotation, heap leach and CIL extraction

➤ Potential simple, high-grade, low-cost, profitable mine

Resource expansion drilling underway



Alacrán: Near-term upside catalysts

Drilling in progress to expand gold-silver resources at Loma Bonita

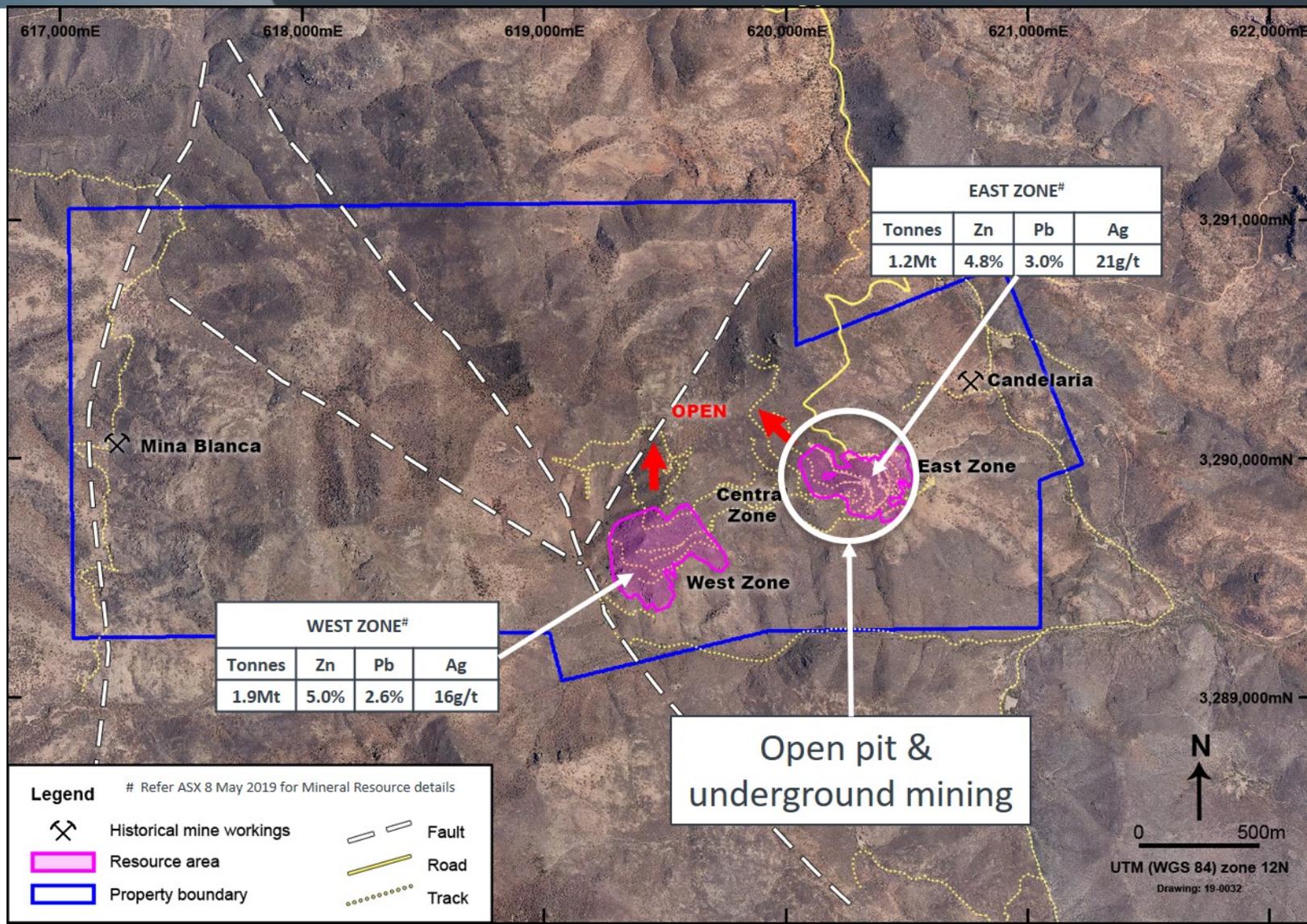
Loma Bonita resource upgrade

Drilling planned for greenfields exploration targets

Advanced metallurgical studies for Loma Bonita & Mesa de Plata



Oposura zinc-lead-silver deposit



Oposura development time-line

- Acquired: ✓ August 2017
- Mineral Resource: ✓ July 2018
- PEA / Scoping Study: ✓ October 2018
- Resource upgrade: ✓ May 2019
- Small-scale mining: ✓ Phase 1 complete
- Trial processing: Started November 2019

Key highlights

JORC resource = **3.1Mt @ 5.0% Zn 2.7% Pb 18g/t Ag¹**

Near-surface, high-grade massive sulphide deposit

Simple geology, simple mining & simple metallurgy

Fully permitted for small-scale mining & processing

1st phase mining completed²:

- **6,100t @ 13.4% Zn & 10.7%Pb**
- Includes: **2,100t @ 24.0% Zn & 18.3% Pb²**

Toll processing in trial batches for optimisation ongoing



1. Refer ASX 8 May 2019
2. Refer ASX 23 September 2019

Successful open pit mining



**Oposura trial processing:
Sulphide flotation producing bulk zinc-lead concentrate**



Azure: a positive & exciting future

Drilling to grow silver & gold resources at **Alacrán**

Drilling of greenfields silver & gold targets at **Alacrán**

Oposura: Complete trial processing and optimise bulk concentrate production to generate cash flow from small-scale mining





Thank you



For enquiries, please contact:
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Appendix 1: 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 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



1. Refer ASX announcement dated 8 May 2019

Competent Person Statements

OPOSURA

Information in this report that relates to Mineral Resources for the Oposura Project is extracted from the report “Azure Expands Oposura Mineral Resource” created and released to the ASX on 8 May 2019 and is available to view on www.asx.com.au. 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 estimates in the announcement continue to apply and have not materially changed.

Information in this report that relates to the Scoping Study for the Oposura Project is extracted from the report “Oposura Scoping Study Delivers Outstanding Economics” created and released to the ASX on 15 October 2018 and is available to view on www.asx.com.au. 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 estimates in the announcement continue to apply and have not materially changed.

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. 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 estimates in the announcement continue to apply and have not materially changed.

EXPLORATION RESULTS

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 announcements.



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.

