



**Exploring & Developing Mining Projects In Mexico**

**Tony Rovira – Executive Chairman**

**SEPTEMBER 2010**



*USA*

*SONORA*

*CHIHUAHUA*

*MEXICO*

*Gulf of Mexico*

*Pacific Ocean*

*Mexico City* ★

*La Paz*

# This Presentation

- **Why Mexico?**
- **Our Projects**
- **Timetable & Milestones**

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# Exploration Strategy – Why Mexico ?

**Accessible, under-explored, world class mineral province**

**Contains many large precious and base metal deposits**

**Low sovereign risk**

- **a stable country with established mining culture and public acceptance of mining**
- **strong mining legal system**
- **contemporary taxation system – NAFTA**
- **no mining royalties**
- **no “Super Profits Tax” or “Resource Rent Tax”**

**Access to experienced geoscientists and technicians**

**Good local infrastructure**

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# Mexico – A Respected Mineral-Rich Country

	<b>COUNTRY</b>	<b>EXPLORATION BUDGETS*</b>
1	Canada	19%
2	Australia	14%
3	United States	7%
<b>4</b>	<b>MEXICO</b>	<b>6%</b>
5	Peru	5%
6	Russia	5%
7	Chile	4%
8	Brazil	3%
9	South Africa	3%
10	China	3%
	Other Countries	31%

- Source: Metals Economics Group, 2009  
1,912 companies' budgets totaling US\$12.6B



Nogales

USA

Cananea

El Llano del Nogal

Estacion Llano

San Francisco

La Caridad

San Eduardo

Tecolote

La Tortuga

Los Nidos

Los Chinos

Cumobabi

Tabisco

San Juan

Hermosillo

SONORA

La Colorada

Pozo de Nacho

Dolores

Mulatos

Pinos Altos

Ocampo

Palmarejo

Piedras Verdes

Alamos

El Sauzal

Bismark

Corralitos

Cinco de Mayo

CHIHUAHUA

Chihuahua

Terrazas

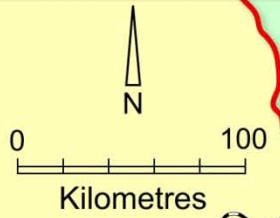
Santa Eulalia

Naica

Parral

St Barbara

Adargas



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**12 PROJECTS = 1,070km<sup>2</sup>**

- AZS 100% Projects
- Gold/Silver Mine
- Base Metal Mine

# Project Potential

PROJECT	STATUS
Promontorio	High grade Copper-Gold-Silver deposit in Pre-Feasibility Study
La Tortuga	Porphyry Copper JV - JOGMEC earning 51% for US\$3M expenditure
San Eduardo	Porphyry Copper JV - OZ Minerals earning 70% for US\$13M expenditure
Tecolote	Gold project - Exploration in progress
Estacion Llano	Gold Project - Exploration in progress Contains extensions of +1.3Moz operating San Francisco Gold Mine
Pozo de Nacho	Molybdenum deposit – further drilling required

# Promontorio – JORC Resource

<b>CLASSIFICATION</b>	<b>Kt</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Contained Cu (Kt)</b>	<b>Contained Au (Koz)</b>	<b>Contained Ag (Koz)</b>
<b>INDICATED</b>	<b>290</b>	<b>4.2</b>	<b>2.1</b>	<b>94</b>	<b>12.1</b>	<b>20</b>	<b>873</b>
<b>INFERRED</b>	<b>212</b>	<b>5.3</b>	<b>2.1</b>	<b>106</b>	<b>11.3</b>	<b>14</b>	<b>724</b>
<b>TOTAL</b>	<b>502</b>	<b>4.7</b>	<b>2.1</b>	<b>99</b>	<b>23.4</b>	<b>34</b>	<b>1,598</b>

## **Competent Person Statement – Exploration Results and Mineral Resources**

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# Promontorio – Promising Metallurgy

	Copper		Silver		Gold	
	Grade (%)	Rec (%)	Grade (ppm)	Rec (%)	Grade (ppm)	Rec (%)
<b>Concentrate</b>	<b>39.5</b>	<b>94.2</b>	<b>773</b>	<b>88.2</b>	<b>9.6</b>	<b>54.2 #</b>

**Optimum Grind Size : P80 @ 75µm (Medium)**

**Rod & Ball Mill Work Index : Moderate**

**Abrasion Index : Moderate**

## **Indicative Processing Route:**

**Conventional crushing, grinding & flotation – low risk, proven technology**

**Produce very high grade copper concentrate with gold & silver credits**

**Transport and sell copper concentrate to 3<sup>rd</sup> party smelter.**

**Discussions with smelters re off-take agreement have commenced**

**Project has potential to produce a separate pyrite concentrate with 7g/t gold credit #**

# Promontorio – Positive Financials

Scoping Study  
Metals Prices @ September 2010

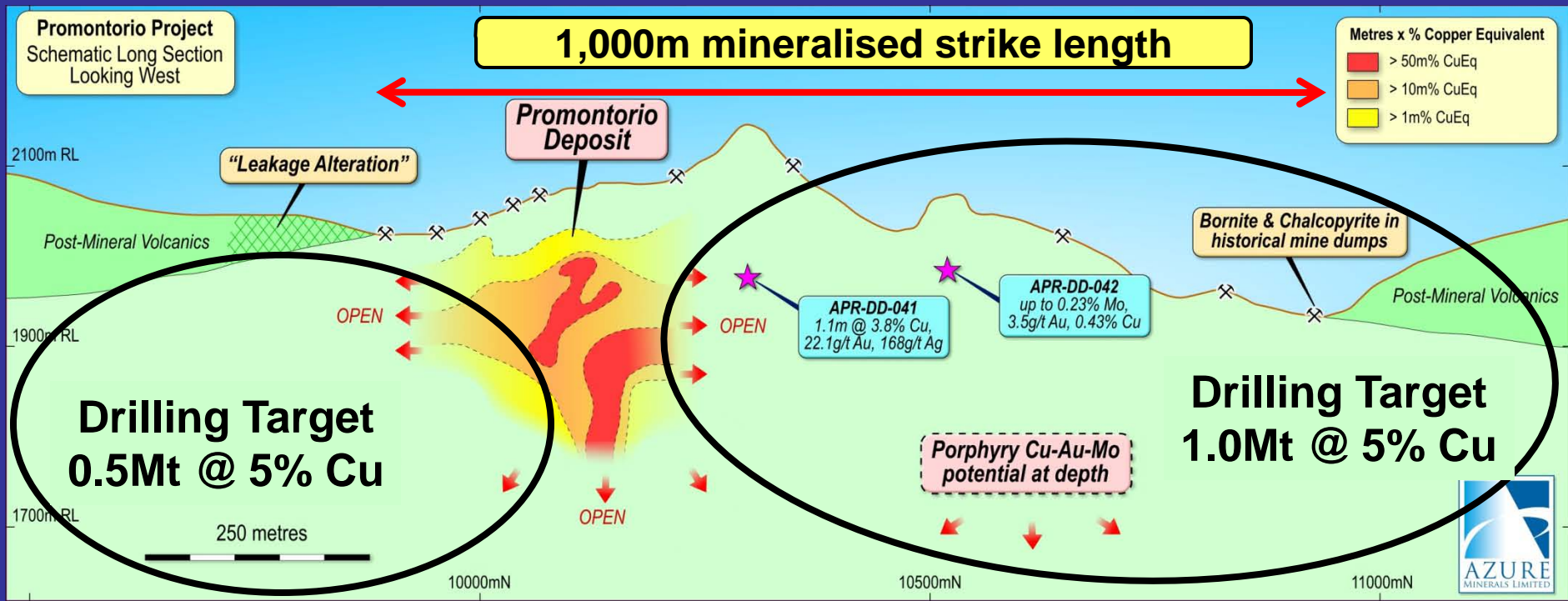
Comments

**Resource of 502,000 tonnes @ 4.7% Cu, 2.1g/t Au & 99g/t Ag**

Copper	\$7,600 / tonne	
Gold	\$1,250 / ounce	
Silver	\$20.00/ ounce	
CAPEX	\$27M	150,000tpa plant + start-up costs
Operating Costs	\$111 / tonne	Mining, treatment, admin, transport, TC's & RC's
Revenue	\$393 / tonne	Produce 20,000tpa of concentrate @ 40% Cu 9.6g/t Au 773g/t Ag
Free Cash	<b>\$58 Million</b>	<b>FINANCIALLY ROBUST PROJECT</b>

**Financial modelling shows significant profit increase with increased resources**

# Promontorio – Further Potential



Deposit drilled over 200m strike length & to 150m depth

Mineralisation remains open along strike and to depth

Mineralised zone outcrops over 1,000m strike length

Target: **1-2Mt @ 5% Cu + Au + Ag**

Drill intercepts confirm mineralisation extends into northern zone

The potential quantity and grade of the Target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource

# Promontorio – 2010-2011

## DRILLING TO INCREASE PROMONTORIO RESOURCE

- **Strike & depth extensions to identify 1-2Mt high grade Cu-Au-Ag deposit**
- **30 - 40 drill holes = 6,000 – 8,000m**

## PRE - FEASIBILITY STUDY

- **Metallurgical testwork – *Stage 1 complete***
- **Off-take agreement – *in negotiation***
- **Environmental Studies – *in progress***
- **Social & Community negotiations - *commenced***
- **Geotechnical drilling & Mine planning**
- **Plant & Infrastructure design**

## EXPLORATION & DRILLING ON REGIONAL LEASE

- **Epithermal gold at Cascada, Creston Colorado & Sehue**
- **10 – 15 holes = 2,000 – 3,000m**

# Other Azure Projects

**10 other projects in Sonora**

**All 100% owned by Azure Minerals**

**Prospective for:**

- **Copper**
- **Gold**
- **Silver**
- **Lead**
- **Zinc**
- **Molybdenum**

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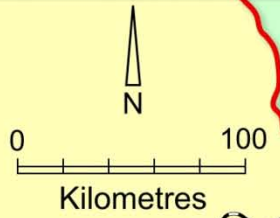
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- Gold/Silver Mine
- Base Metal Mine



**OZ Minerals & JOGMEC JV's**

- ★ AZS 100% Projects
- ★ Gold/Silver Mine
- ★ Base Metal Mine

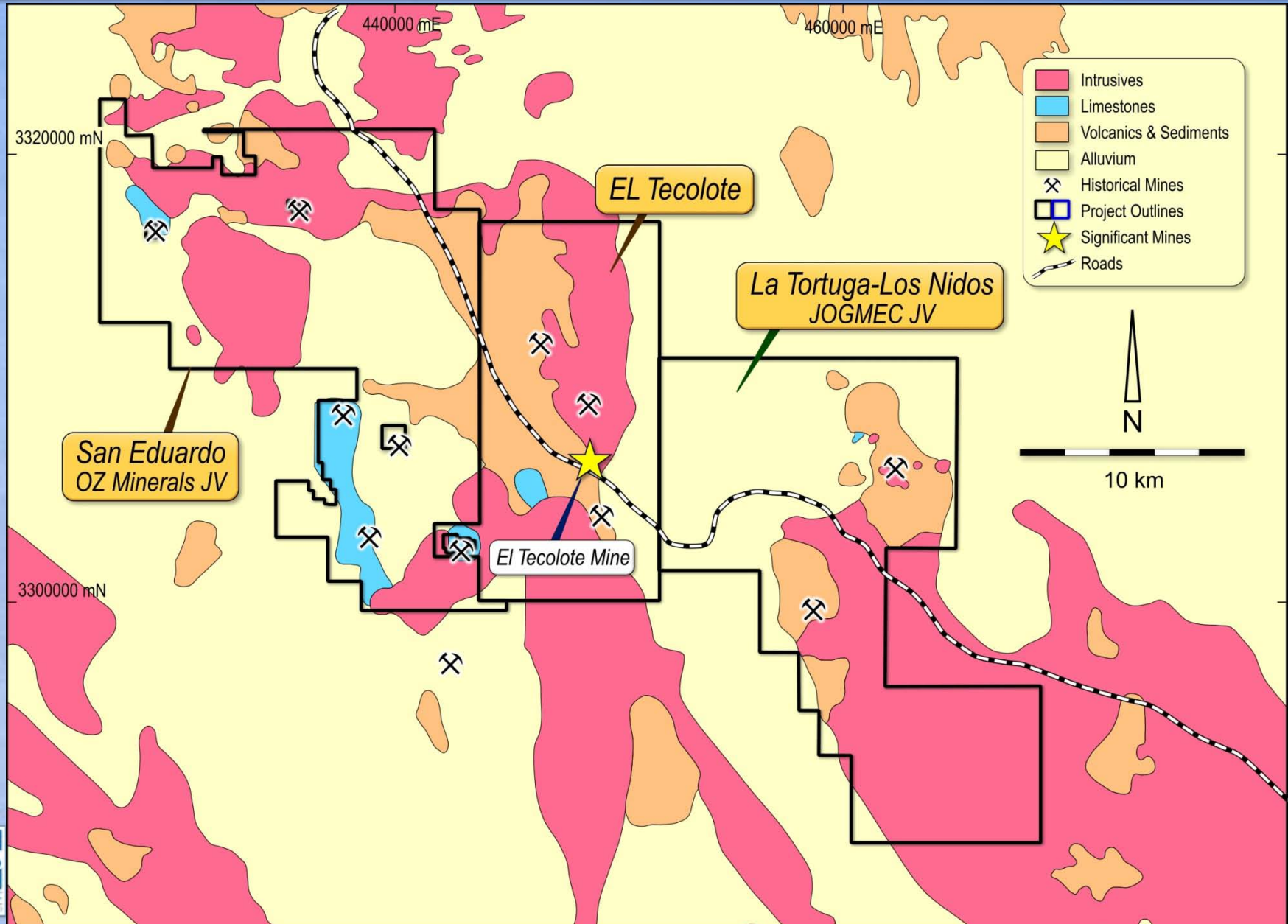
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**Promontorio**

# Tecolote District –Copper & Gold Potential





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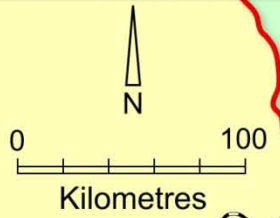
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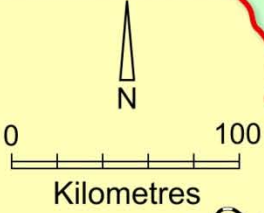
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GULF of CALIFORNIA

Guaymas



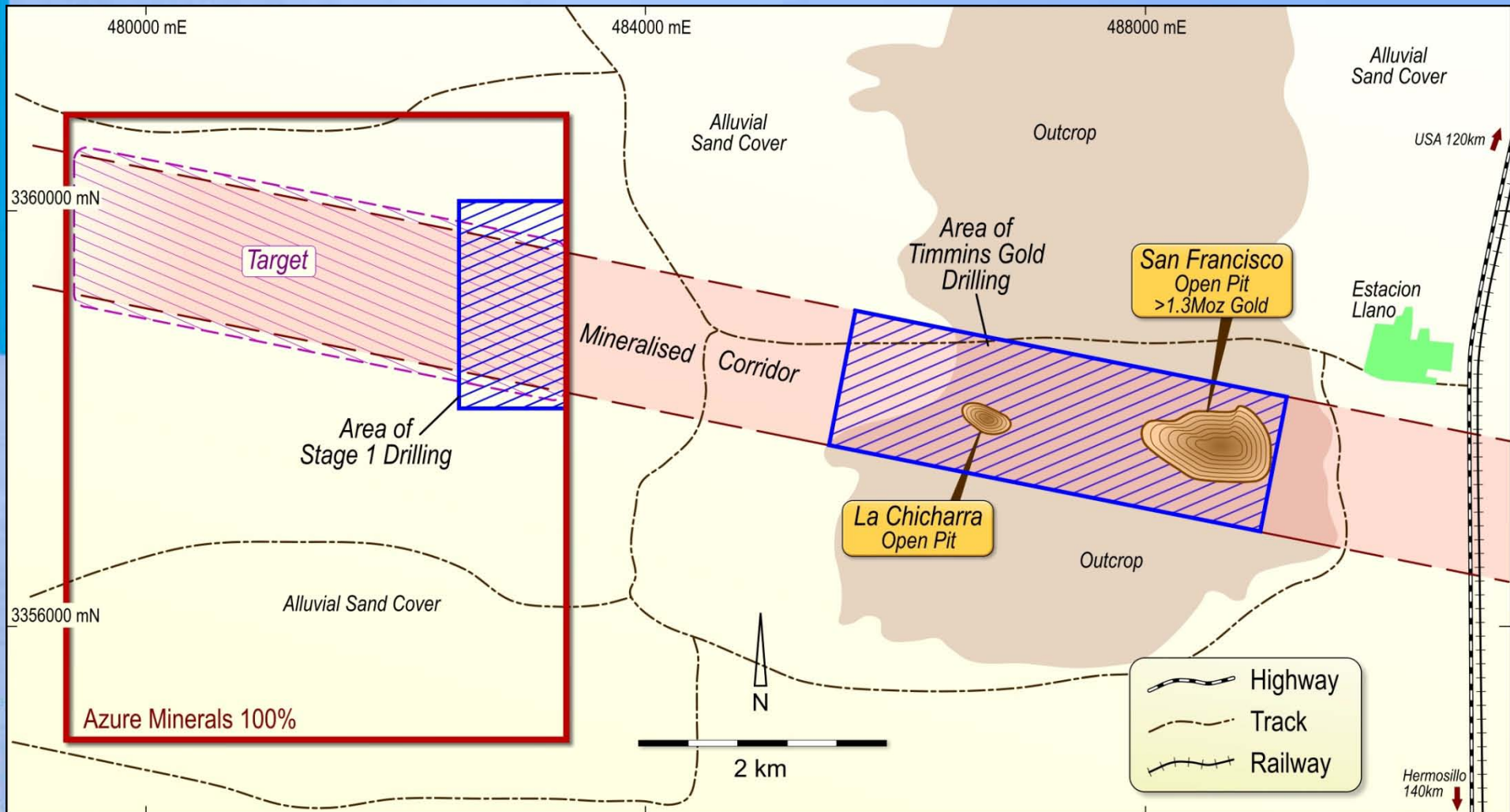
# Estacion Llano Gold Project



- ★ AZS 100% Projects
- ★ Gold/Silver Mine
- ★ Base Metal Mine

# Estacion Llano Gold Project

**Drill extensions of San Francisco Gold Mine (>1.3Moz Gold)  
Potential for a large gold deposit**



# Timetable & Milestones

## Promontorio – (Copper-Gold-Silver)

- **Drilling to expand resources: 2010 – 2011**
- **Drilling of epithermal gold targets: 2011**
- **Feasibility Study & Permitting: 2011 to 2012**
- **Development & Construction: 2012 to 2013**
- **Commence Production: 2013**

## San Eduardo JV & La Tortuga JV – (Copper)

- **Exploration & Drilling: 2010 to 2011**

## Estacion Llano & Tecolote – (Gold)

- **Exploration & Drilling: 2010 to 2011**

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# Mexico – The Land of Opportunity

