

# AZURE MINERALS LTD

*Australia's Leading Explorer in Mexico*

ASX: AZS

9 JANUARY 2014

## **PROMONTORIO PROJECT UPDATE**

### **DRILLING RECOMMENCES AT CASCADA**

#### **HIGHLIGHTS**

- *Hole APR-DD-109 recommences from pre-Christmas depth of 300m*
- *Lowermost 40m of hole 109 contains quartz-pyrite veinlets hosted in intrusive porphyry rock*
- *Initial assay results expected within the next week*

Mexican-focused **Azure Minerals Limited** ("Azure" or "the Company") is pleased to advise that drilling operations have recommenced at the Company's flagship Promontorio Project, located in the state of Chihuahua Mexico, following the Christmas-New Year break.

The drill rig has re-entered hole APR-DD-109 at Cascada and drilling will continue from the 300m depth reached prior to the Christmas break. This hole is designed to test for southern extensions of the Cascada deposit as well as the buried porphyry copper target.

In the lowermost 40 metres of the core (from 260m to 300m), the Company's geologists have logged moderate amounts of quartz-pyrite veinlets hosted in an intrusive porphyry rock. An initial target depth of 500m has been estimated for hole 109 to test the zone where the IP survey identified two strong coincident anomalies, represented by high chargeability and low resistivity.

**Azure's Managing Director, Tony Rovira, commented:** *"I am encouraged by what our geologists have observed so far in the drill holes at Cascada, particularly the presence of quartz-pyrite veining in a porphyry host rock in hole 109. Although no significant copper sulphide mineralisation has been logged over that particular interval, the presence of this style of alteration and mineralisation is positive and augurs well for the overall porphyry copper model we are pursuing."*

Assay results from the first three completed holes are expected to be available for release within the next week. Results from the additional holes drilled post the Christmas-New Year period will be released as they are received.

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### **BACKGROUND**

The current drill program has been designed to test:

- around and beneath the Cascada deposit with the aim of expanding the mineralised zone and enabling a Mineral Resource to be estimated;
- an interpreted porphyry copper body beneath Cascada and Promontorio; and
- interpreted feeder zones connecting the buried porphyry body and the near-surface Cascada and Promontorio deposits.

The Promontorio and Cascada copper-gold-silver deposits form separate parts of a high-sulphidation, epithermal system comprising massive, semi-massive and disseminated copper sulphides hosted in vuggy silica and silicified host rocks.

High sulphidation epithermal deposits form above porphyry copper bodies with feeder zones connecting the porphyry and the overlying epithermal system. These types of deposits are common in northern Mexico and south-western US.

Azure believes that beneath Cascada and Promontorio is a porphyry copper body which was the source of the copper, gold and silver mineralisation and is likely to be mineralised in its own right. This makes the Promontorio Project an exciting porphyry copper exploration target in addition to the high grade epithermal mineralisation already identified.

The Promontorio deposit contains a JORC-compliant (2004 Code) Mineral Resource<sup>1</sup> (see Table 1) of:

**TABLE 1: Promontorio Mineral Resource**

Resource Classification	Tonnes	CuEq <sup>2</sup> (%)	Cu (%)	Au (ppm)	Ag (ppm)
<b>Reported Above 0.5% CuEq cut-off</b>					
Indicated	610,000	4.4	2.7	1.7	56
Inferred	230,000	3.3	1.8	1.5	56
<b>Total</b>	<b>840,000</b>	<b>4.1</b>	<b>2.5</b>	<b>1.6</b>	<b>56</b>

**-ENDS-**

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<sup>1</sup> Details of the resources classification and estimation methodologies are contained in Azure's ASX announcement, released on 10<sup>th</sup> May 2013.

<sup>2</sup> See Copper Equivalency Statement in Appendix to this report.

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### APPENDIX

**TABLE 2: Drill Hole Information**

HOLE No.	NORTH (mN)	EAST (mE)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH	COMMENTS
APR-DD-106	3,146,227	782,375	2,023	000	-90	251.3	Step out hole to the south.
APR-DD-107	3,146,283	782,335	2,028	180	-70	200.8	Step out hole to the west.
APR-DD-108	3,146,337	782,373	1,964	000	-90	300.6	Step out hole to the north.
APR-DD-109	3,146,216	782,433	1,985	000	-90	299.6*	Step out hole to the southeast. * Continuing

#### **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 by independent metallurgical laboratories AMDEL and Ammtec, under the supervision of Coffey Mining Pty Ltd: 97.9% for Cu, 93.4% for Au, and 97% for Ag.
- The following formula was used to calculate the equivalent grade:  $CuEq (\%) = (Cu\% \times 0.979) + (Au (g/t) \times 0.6077) + (Ag (g/t) \times 0.0120)$
- It is Azure's belief that all elements included in the metal equivalent calculation have a reasonable potential to be recovered.

#### **Competent Person Statement**

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 is a full-time employee of Azure Minerals Limited. 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.