

# OPOSURA MINING UPDATE

## HIGHLIGHTS:

- **High-grade mining and toll treatment expected to start in the September quarter**
- **Anticipated production rate of 1,500tpm to 3,000tpm grading approximately 15% combined zinc and lead**
- **All regulatory approvals received to enable production**
- **Key in-country mining personnel join Azure's in-house mining executive team**
- **Non-dilutive financing from major shareholder will fully fund production to positive cash flow**

Azure Minerals Limited (“Azure” or the “Company”) (ASX: AZS) is pleased to provide an update of the mining and processing operation planned for its 100%-owned Oposura zinc-lead-silver project, located in Sonora, Mexico.

This fully-funded, near-term production opportunity will exploit easily-accessible, high-grade mineralised material. It is expected to deliver early cash flow to the Company which will support the completion of the Feasibility Study, provide general working capital, and assist in funding the development of the stand-alone processing plant.

Production is on schedule to commence in September 2019, at a rate between 1,500tpm to 3,000tpm (tonnes per month) grading approximately 15% combined zinc and lead. All mineralisation to be mined is classified in the Indicated Mineral Resource category.

All regulatory approvals necessary for the planned mining operation, including open pit and underground mining permits, environmental clearances, explosives permits and surface land-use agreements, have been received.

The mining operation at Oposura will be led by Azure's Chief Operating Officer, Mr. Glenn Jardine. Mr. Jardine has been closely involved with Azure's project and business development activities in Mexico for the past four years.

Mr. Jardine is an experienced mining engineer and executive who has overseen the development of numerous precious and base metals mining projects from discovery through feasibility and construction to production.

To provide on-site management of the mining, geology and processing functions, the Company has employed highly experienced local mining professionals who have worked in the Mexican mining industry for many years. These include a senior mining project manager who will manage the open pit and underground mining operations, senior geologists with relevant mining experience, and a metallurgist. The metallurgist specialises in sulphide flotation and mineral processing and will supervise toll treatment of Oposura ore through the San Javier processing plant.

## **FUNDING**

Azure has secured financing for the mining and processing operation by entering into a binding commitment with the Company's major shareholder, Deutsche Balaton, to provide A\$2,000,000 via a convertible note. This funding will enable the Company to meet start-up costs and working capital requirements.

The issue of the convertible note is subject to shareholder approval which will be sought at a General Meeting of the Company to be held on 19 July 2019. The Notice of Meeting and Explanatory Memorandum were despatched to all shareholders on 19 June 2019.

**-ENDS-**

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### **Cautionary Statement - Production Targets:**

*The proposed mining and processing operation referred to in this announcement is based on lower-level technical and economic assessments of the Trial Mining Study (ASX: 5 June 2019), which is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions will be realised. Furthermore, the Company cautions that there is no certainty that the forecast production targets will be realised. Production targets referred to in this Report are underpinned by Mineral Resource estimates which have been prepared by competent persons in accordance with the requirements of the JORC Code. The production targets in this report are sourced 100% from resources classified in the Indicated Mineral Resource category. The stated production targets are based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions.*

### **Caution Regarding Forward Looking Statements and Forward-Looking Information:**

*This announcement contains forward looking statements and forward-looking information which are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of zinc and lead, the actual results of current exploration, the availability of debt and equity financing, the volatility in global financial markets, the actual results of future mining, processing and development activities, receipt of regulatory approvals as and when required and changes in project parameters as plans continue to be evaluated.*

*Except as required by law or regulation (including the ASX Listing Rules), Azure Minerals undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.*