

ASX Announcement : 28 February 2013

MD on Promontorio Drilling Results

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Open Briefing interview with Managing Director Tony Rovira

Azure Minerals Limited (AZS) is an Australian mineral exploration company focused on developing mining projects in the Sierra Madre Occidental mining province in northern Mexico. Azure's key properties are the high grade Promontorio copper-gold-silver project

Market Capitalisation: \$42 million

In this Open Briefing®, Tony discusses

- Promontorio high grade results
- Project mineralisation
- LaTortuga and Loreto projects

Record of interview:

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Azure Minerals Limited (ASX: AZS) recently released drilling results from a 33 hole program at its Promontorio Copper-Gold-Silver Project (AZS 100%) in the state of Chihuahua, Mexico. With all assays now completed, what do these results indicate about the Promontorio mineralisation and what are the next steps in your exploration program?

MD Tony Rovira

It was an extremely successful program for Azure with three very important results, the first being the successful testing of extensions of mineralised veins outside the current mineral resource boundaries. Some very high grade copper, gold and silver intersections were returned, confirming the potential for the updated mineral resource to be significantly larger than the current resource. The new resource is expected to be completed in April 2013.

However, probably the most exciting and significant results came from the last two holes, which were testing exploration targets away from the Promontorio deposit.

A hole drilled at the Cascada prospect, located 200 m northwest of Promontorio, returned a very significant intercept – 70 m at 2.7% CuEq, including 35 m at 4.8% CuEq. This is by far the biggest and best copper intercept that Azure has ever had in Mexico and suggests the possibility of Cascada hosting a large copper deposit.

A second exploration hole was drilled into the Risco Dorado target, returning an intercept of 11 m at 2.1% CuEq. For a first-up drill hole into a new area 600 m north of Promontorio this result is very encouraging and further drilling will definitely be undertaken here.

Importantly, with the discovery of the two new copper zones at Cascada and Risco Dorado, Azure has identified the northwest trend of the overall Promontorio mineralised system. This gives us added confidence that even more discoveries can be made on this project.

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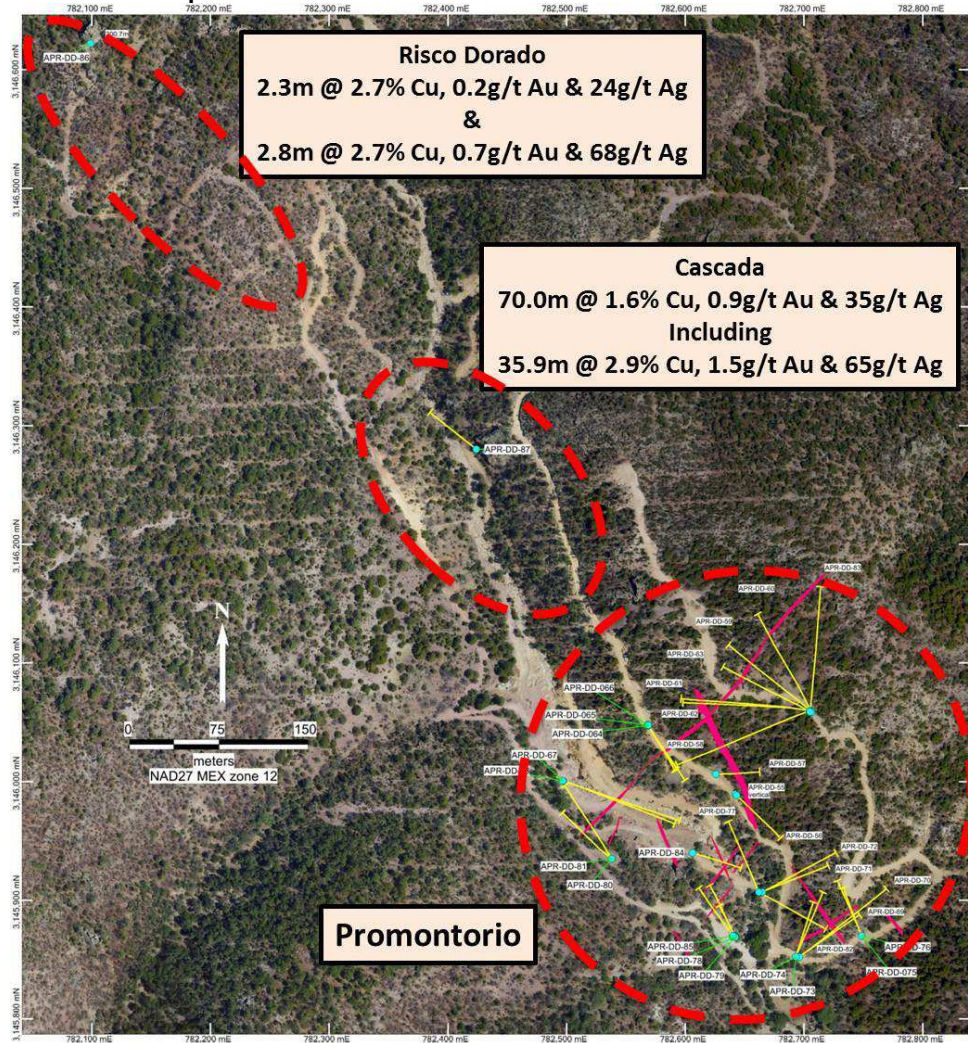
The drill hole at Cascada intersected disseminated, vein and massive copper sulphide mineralisation over the total downhole length of 70 m, from a depth of 41.9 m. With the mineralisation open at depth, what else does this tell you about Cascada?

MD Tony Rovira

We're very excited about this discovery. To achieve such a large drill intercept of copper mineralisation is very unusual, and the fact that the copper grades were consistently present throughout the 70 m interval gives us confidence that Cascada could host a very substantial body of copper mineralisation.

At this time the mineralised zone is open in all directions, so we're uncertain as to just how big this could be, and further drilling will be carried out to quantify the size of the mineralised body. But even at this early stage it appears there is strong potential for Cascada to be either a large extension of the nearby Promontorio deposit or a stand-alone deposit in its own right. The next round of drilling will provide us with the answer, but either way, the discovery of the Cascada copper zone has changed the ball game for the Promontorio Project. This discovery deserves another drilling program as a matter of high priority.

Promontorio exploration area



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In light of the rest of the Promontorio drill results, what is the outlook for project's 'exploration target of 1 to 2 million tonnes at 4 to 5% CuEq?

MD Tony Rovira

You must remember this exploration target was only for the Promontorio deposit as we knew it, before the drill intercepts at Cascada and Risco Dorado. These two discoveries change the picture and increase the resource potential of the overall project.

The resource expansion drilling program was designed to test the along-strike and higher elevation extensions of the Promontorio vein system, and we've been very encouraged by the results. Multiple intercepts of economically significant copper, gold and silver mineralisation were made in all areas tested. This gives us confidence that we'll substantially add to the current resource base of the project and we're confident that our exploration target is achievable.

We're currently updating the geological model of the deposit which will be followed by the calculation of the new Mineral Resource, which is expected to be completed in April.

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The current pre-feasibility study indicates a life of mine (LOM) of 4.5 years at a cash cost, net of credits, of US\$1.16/lb copper from JORC resources of 502,000 tonnes at 4.7% copper, 2.1 g/t gold and 99 g/t silver. What impact will the drilling results have on Promontorio's Feasibility Study?

MD Tony Rovira

Any increase of the mineral resource will extend the mine life and enhance the already attractive economics of the project. Our drill results suggest potential for a substantial increase of the resource, and if we're successful in doubling the resource, leading to a nine year mine life, there will be a very significant increase in the cash returns and financial strength of the project. Of course this will have a very positive impact on the feasibility study.

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Will the high grade discoveries at Cascada and Risco Dorada change your exploration priorities in 2013?

MD Tony Rovira

We're obviously very excited by these two new discoveries and further exploration, including drilling, is a very high priority for us. It's likely we'll run the twin paths of continuing with the Promontorio feasibility study whilst simultaneously carrying out follow-up exploration at Cascada and Risco Dorado.

Azure project locations



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Exploration on Azure's LaTortuga Project which is a joint venture with the Japanese Government organisation JOGMEC (51% right on \$3 million expenditure), is underway with a gravity survey due for completion by the end of February. Once completed, what will be the next exploration steps on this target?

MD Tony Rovira

The progress at La Tortuga is very pleasing, with geophysical exploration identifying coincident aeromagnetic, magnet-telluric and gravity anomalies. The data indicates the presence of an intrusive

body that could potentially be a large porphyry copper deposit. We aim to test this target with a deep diamond drill hole as soon as possible. If this hole successfully intersects mineralisation, then it is very likely that additional drilling will continue.

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Earlier this month the Mexican government awarded Azure Minerals the Loreto Copper Project (AZS 100%), situated in the state of Baja, for US\$137,000 plus 1% net smelter return (NSR). What was the rationale for acquiring this early stage project and what is the exploration plan for the project?

MD Tony Rovira

Government geologists from the Mexican Geological Survey have undertaken considerable exploration at Loreto. Large amounts of copper oxide mineralisation was observed on surface and over 400 samples were collected, returning assays up to 10% copper and 7g/t gold. We consider that the property is prospective for large copper deposits similar to others currently being developed on the Baja California peninsula. We've already started our exploration program even though the project was only awarded to us in January.

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Thank you Tony.

For more information about Azure Minerals, visit www.azureminerals.com.au or call Tony Rovira on +61 8 9481 2555.

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¹ The potential quantity and grade of the Exploration 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