

**OPOSURA PROJECT, MOCTEZUMA, SONORA, MÉXICO, A HIGH
GRADE ZN-PB, AG (CU, MO), ADVANCED STAGE, SKARN
DEPOSIT ⁽³⁴⁾**

Expositor	Día	Hora	Sala
Cruz Paez	Viernes 26	12:30 – 13:00	Sala A

Cruz Enrique Paez

Minera Piedra Azul SA De CV, Javier de Leon 707, Colonia Pitic, Hermosillo Sonora.
crucitopaez@gmail.com

The 690 hectare Oposura property is located 135 km northeast of Hermosillo, the capital of Sonora and 15 km to the southwest of the town of Moctezuma, on privately held land. Existing infrastructure is favorable with access to the property from Hermosillo via 150 km of paved, dual lane highway and 6.5 km of gravel road in good condition.

Oposura is situated within the Laramide Copper Trend which extends from Arizona to central Mexico. This highly mineralized province hosts many porphyry, skarn, carbonate replacement and epithermal mineral deposits like the Cananea and La Caridad world class copper deposits and the Mesa de Plata and Loma Bonita silver-gold deposits on Azure's 100% owned Alacran Próject.

Exploration and exploratory mining was carried out at Oposura mainly by the Anaconda Copper Company and Industrias Peñoles in the period of 1940s to 1980s. This included the development of ~500 meters of mine tunnels and stopes within the eastern mineralized zone and 20 small adits along 1.4 km of outcropping near surface high grade mineralization for exploratory and small scale purposes. Historical exploration drilling campaigns of surface and underground drill holes consisted of 5,655 meters distributed in 103 core holes ranging in depth from 1.5 to 261 m depth.

In 2017 Minera Piedra Azul SA. de CV (MPA), a wholly owned subsidiary of Azure Minerals Limited acquired the property from a private Mexican exploration company to immediately commence evaluation and exploration and develop of the project with the objective of defining an economical resource.

The regional context of the Oposura region within the Sierra Madre Occidental (SMO) geological province is dominated by chalcoalcaline intermediate and felsic composition volcanic tuffaceous, volcanoclastic and lava flows with interlayered

calcareous and sedimentary sequences of the Lower Volcanic Group (LVG) overlies by felsic pyroclastic material typical of the flare-up Ignimbrite rocks of the Upper Volcanic Complex (UVC) and these in turn by younger Baucarit Formation and Basalts.

The tectonic regional setting is dominated by NW-SE and subsidiary E-W faults typically of the Basin & Range province. The rocks of the Oposura Group at project scale correlate with the LVG and were subdivided in three informal local formations:

(1) the Lower Lithic Tuff, a basal sequence of dark colored dacitic fragmental lithic tuff

(2) the Revancha Fm., a creamy – white, dense and siliceous pyroclastic with fiamme like fragments zones porphyritic texture, underlain by

(3) the Arenillas Fm., composed of interlayered sequences of limestone, lenticular calcareous laminated sediments, fine grain tuffs and semiporphyritic crystal rich lava flows or tuffs (4) the Candelaria Fm., a green colored coarse and fine grain (sandstone) pyroclastic – epiclastic volcanic sequence with occasionally black feldespatic vitric tuff horizons.

The Oposura Group Unit is overlain by La Huerta Formation, a volcanic felsic tuffaceous and flows texture. The Arenillas formation is considered the most important unit and hosted the massive – semimassive sulfides mineralization at Oposura,

The mineralization is stratigraphically controlled and hosted in limestone and calcareous sediments and consists of different ratios of sphalerite, galena, rhodonite and pyrite with minor chalcopyrite in:

(1) Massive sulfides replacement 40 – 90% sulfides replacement mantos, usually with high magnetite

(2) semi-massive banded to irregular patches replacement 15 – 40% sulfides, interlayered with chlorite > epidote, and pink colored replacement bands of manganese

(3) disseminated – irregular patchy 5 – 15% sulfides in moderate to strong chlorite-epidote altered rocks.

Alteration close to the mineralization horizon consists of strong chlorite replacement and small bands or irregular patches of fine green-brown garnet mass, grading to chlorite – epidote to chlorite-epidote smectite altered rocks. The underlying rocks of the Revancha formation are generally altered to different grades of quartz – sericite – pyrite alteration controlled by small (< 1 – 5 mm wide) quartz or quartz sulfides veins.

Based on the observed geological setting, alteration mineralogy, and mineralization and ore textures, Oposura fits the characteristics of a distal skarn, carbonate replacement style deposit. Mineralization and skarn replaces limestone and calcareous horizons in the Arenillas Formation.

The current exploration program managed by MPA includes high resolution orthophotos and topography, surface mapping over the main East and West zones, surface and underground rock chip sampling along the mineralized structures, also surface helicopter transported magnetic and radiometric survey.

The resource – exploration drilling program 2017 – 2018 consisted of 11,108.6 meters, distributed in 173 Diamond Drill holes (DDH) with depths ranging from 10 to 135 meters drilled in NE-SW sections.

The initial Mineral Resource Estimate reported by Azure Minerals Ltd for Oposura in July 2018 is 2.9 million tonnes @ 5% Zn + 2.8% Pb and 17.0 g/t Ag for both East and West Zones, as shown in the table 3. The metallurgical test work on Oposura successfully demonstrates good recovery results of 87.5% for zinc, 85% lead and 76.1% silver into very clean, separate zinc and lead commercial grade concentrates.

Table 1: Oposura Mineral Resource Estimate*

	Tonnes	Zn	Pb	Zn+Pb	Ag
	Mt	%	%	%	g/t
Indicated	2.1	5.3	2.9	8.2	17.2
Inferred	0.8	4.3	2.5	6.8	16.5
TOTAL	2.9	5.0	2.8	7.8	17.0

*Refer to <http://azureminerals.com.au/> for full details of the Mineral Resource

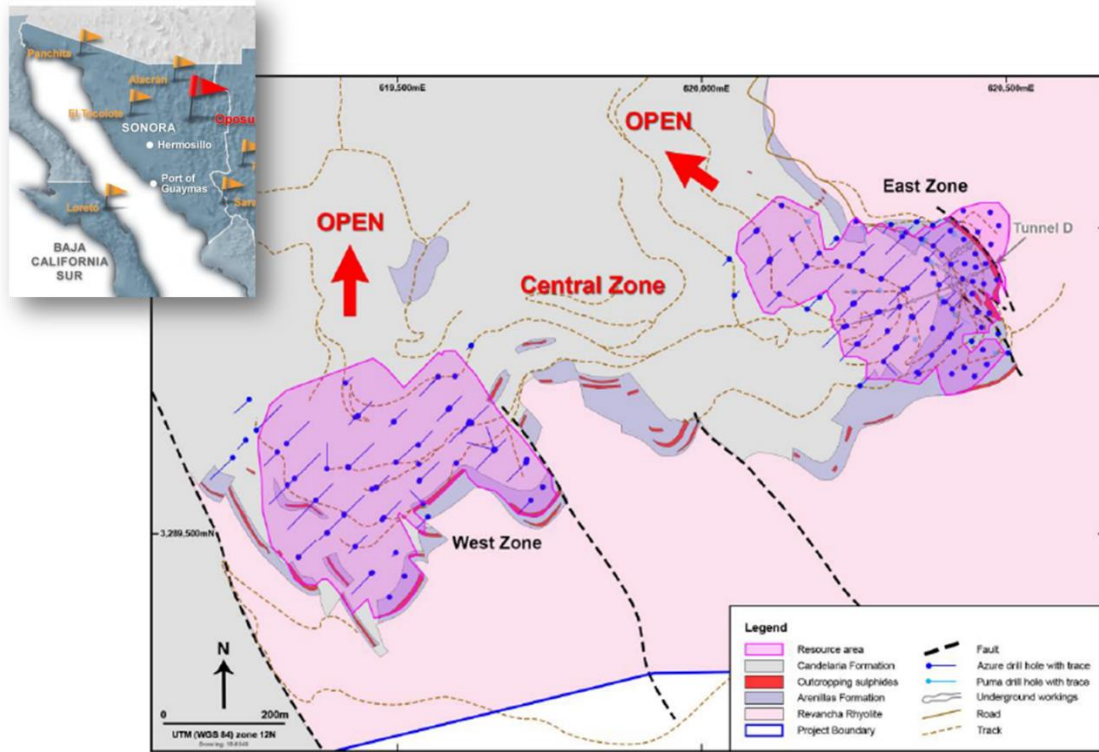


FIGURE 1. Mineral Resource Outlines and collars for Oposura East and West Zones.

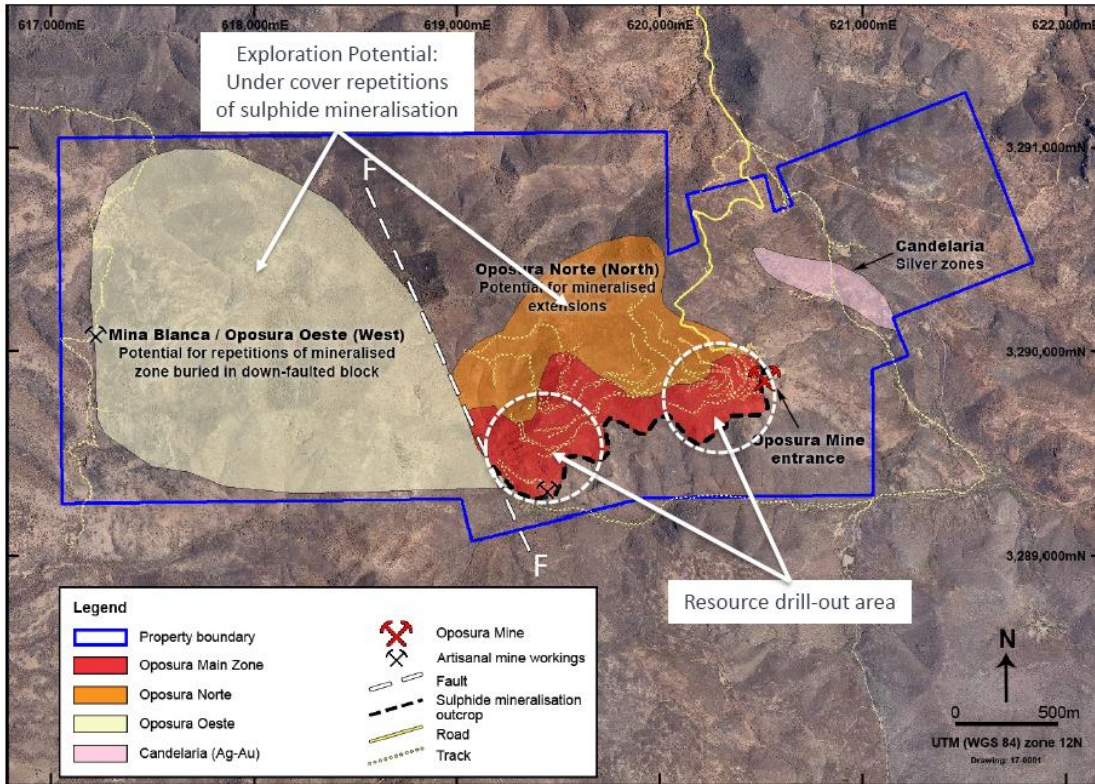


FIGURE 2 showing good Exploration Potential for Oposura.

<http://congresominerosonora.com/es/inicio/>