

ASX RELEASE

20 JANUARY 2022

EXPLORATION UPDATE

BARTON GOLD PROJECT (100% Azure)

- Initial 3,000m Reverse Circulation drilling program is underway
- Target is gold mineralisation at Daisy Corner, immediately adjacent to Genesis Minerals' new Puzzle North gold discovery
- Reconnaissance aircore drilling program to follow up untested, soil-covered structurally-controlled gold targets

ANDOVER NICKEL-COPPER PROJECT (60% Azure / 40% Creasy Group)

- Diamond drilling has recommenced focused on defining the nickel-copper (Ni-Cu) sulphide mineralisation at VC-07 West
- Additional drilling at Skyline and VC-23 will delineate Ni-Cu sulphide zones and test other regional targets such as VC-18 and VC-41

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to announce that the Company has commenced its maiden drilling program at the Barton Gold Project, located in the world-class Leonora-Laverton gold province of Western Australia's Eastern Goldfields. The initial 3,000m Reverse Circulation (RC) drilling program will target extensions of Genesis Minerals' new gold discovery at Puzzle North.

Azure is also pleased to announce that diamond drilling has restarted on its flagship Andover Nickel-Copper Project, located in the West Pilbara region of WA, following the Christmas break.

BARTON GOLD PROJECT

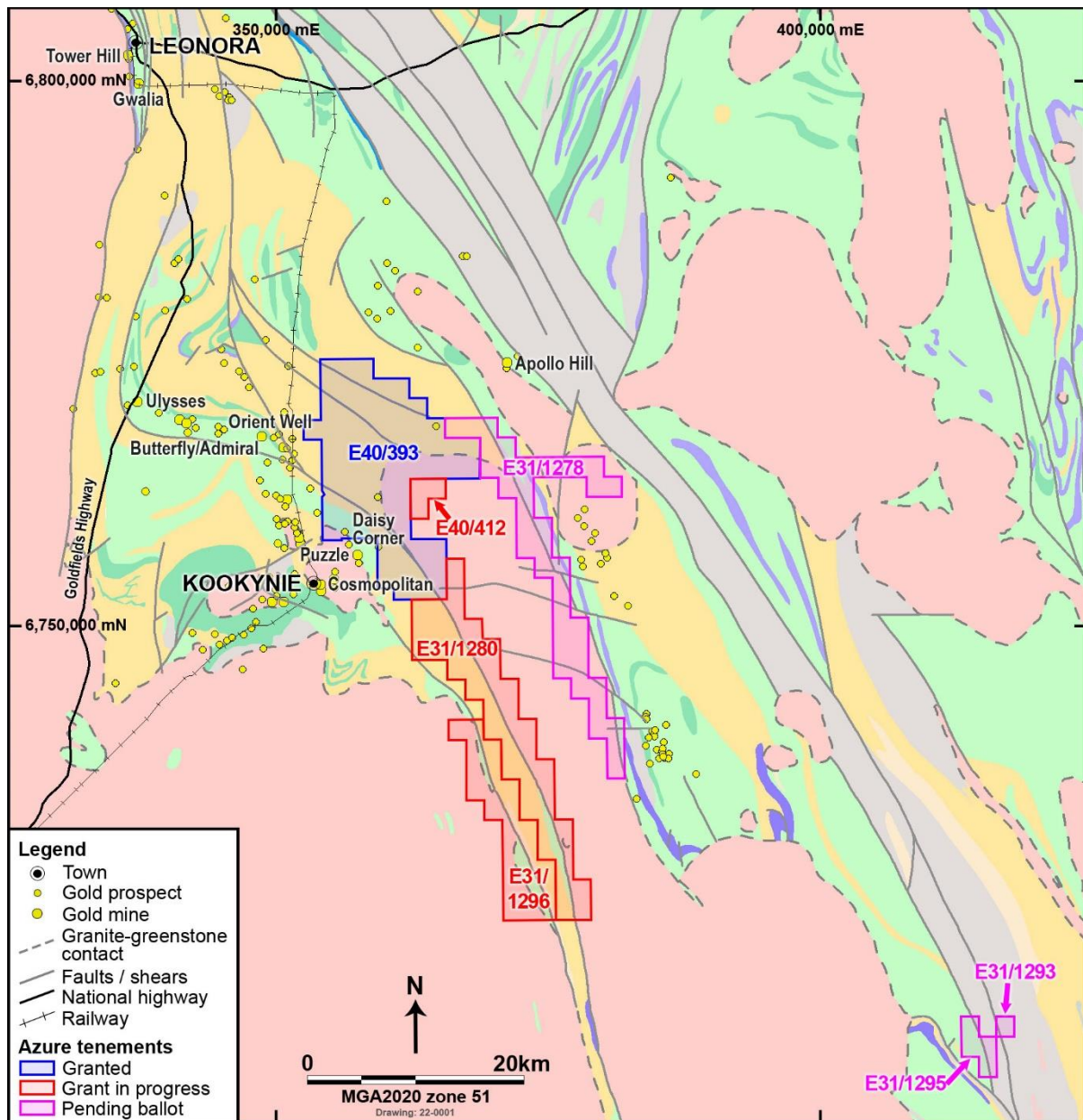
Azure holds 100% ownership of a large strategic landholding (see **Figure 1**) in the gold-rich Kookynie Gold District (ASX: 4 October 2021 for details). This sizeable land package hosts numerous prospective, yet under-explored mineralised trends covering greenstone belts, adjacent granite margins and favourable structural settings that are considered highly prospective for hosting significant gold mineralisation.

Barton is adjacent to several growing gold deposits and significant gold projects, including:

- Genesis Minerals Ltd (ASX: GMD): Ulysses Gold Project (1,608,000oz gold resource);
- Genesis' Puzzle North gold discovery which adjoins Azure's southern tenement boundary; and
- Saturn Metals Ltd (ASX: STN): Apollo Hill Gold Project (944,000oz gold resource).

Azure's first drill program at Barton has started with 3,000m of RC drilling following up historical gold intersections at Daisy Corner and testing for northern extensions of the gold mineralisation drilled by Genesis Minerals at Puzzle North (see **Figure 2**).

Figure 1: Barton Project with underlying geology and gold occurrences



As reported by Genesis Minerals (ASX: Quarterly Report dated 26 October 2021), gold mineralisation at Puzzle North is hosted by granite immediately adjacent to an east-dipping granite-greenstone contact. The mineralisation is associated with quartz veining within hematite-sericite altered granite in a zone 40m to 100m wide which dips east parallel to the granite-greenstone contact and extends for over 600m in a northerly direction towards Azure's tenement.

Multiple holes drilled by previous explorers at Daisy Corner intersected anomalous gold mineralisation in mafic rocks to the east of the granite-greenstone contact, with a best result of **7m @ 1.26g/t Au from 42m in hole YAB13** (ASX: 4 September 2020). This drilling was restricted to the mafic rocks with no drill holes testing the potentially mineralised granite to the west of the granite-greenstone contact (see **Figure 3**).

Azure's initial 20 hole / 3,000m RC drilling program is focused on testing along-strike extensions of the Puzzle North granite-hosted gold mineralisation, with the first holes collared immediately to the north of the Azure-Genesis tenement boundary (see **Figure 3**).

Figure 2: Barton Project showing areas of gold prospectivity on E40/393

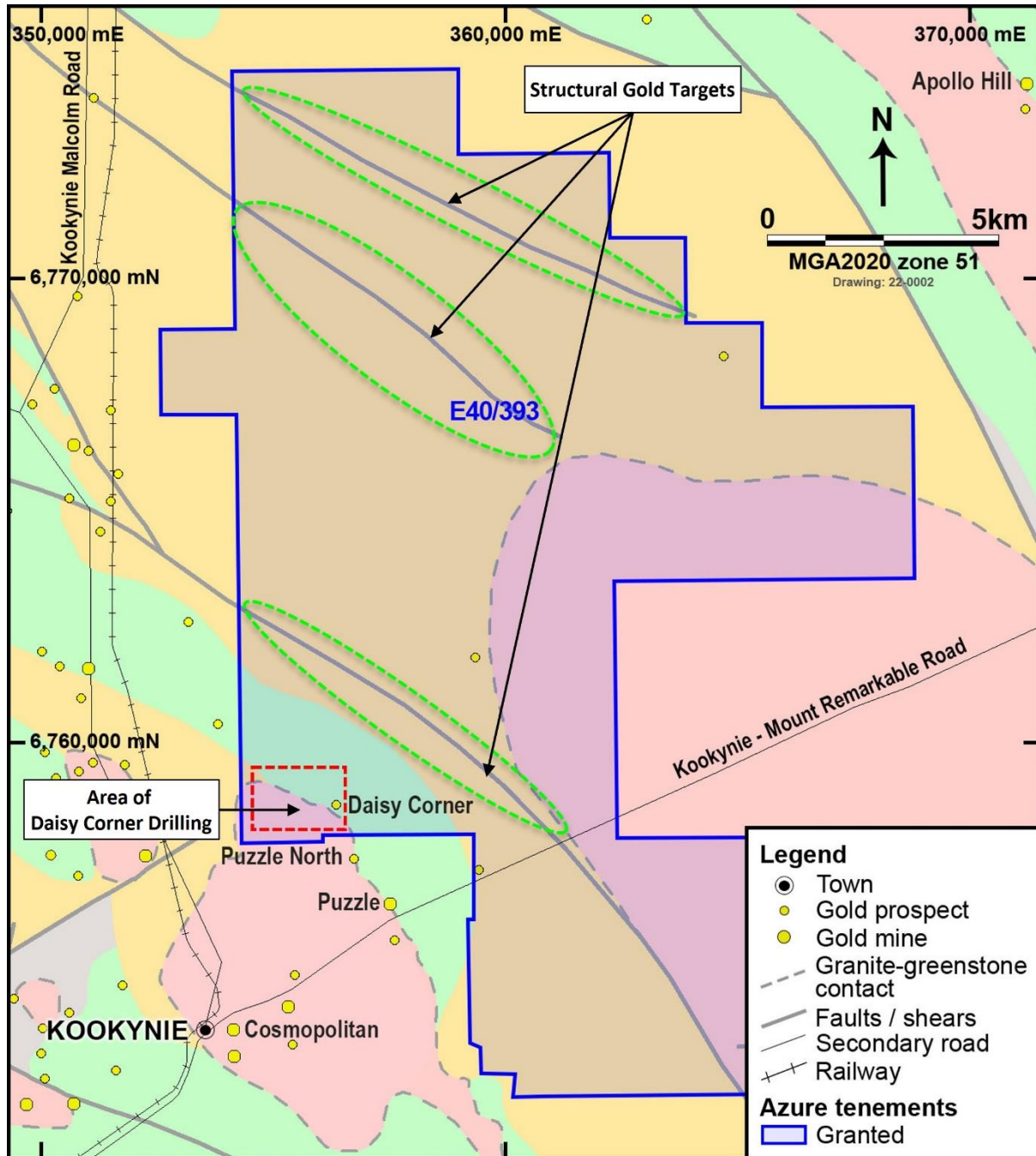
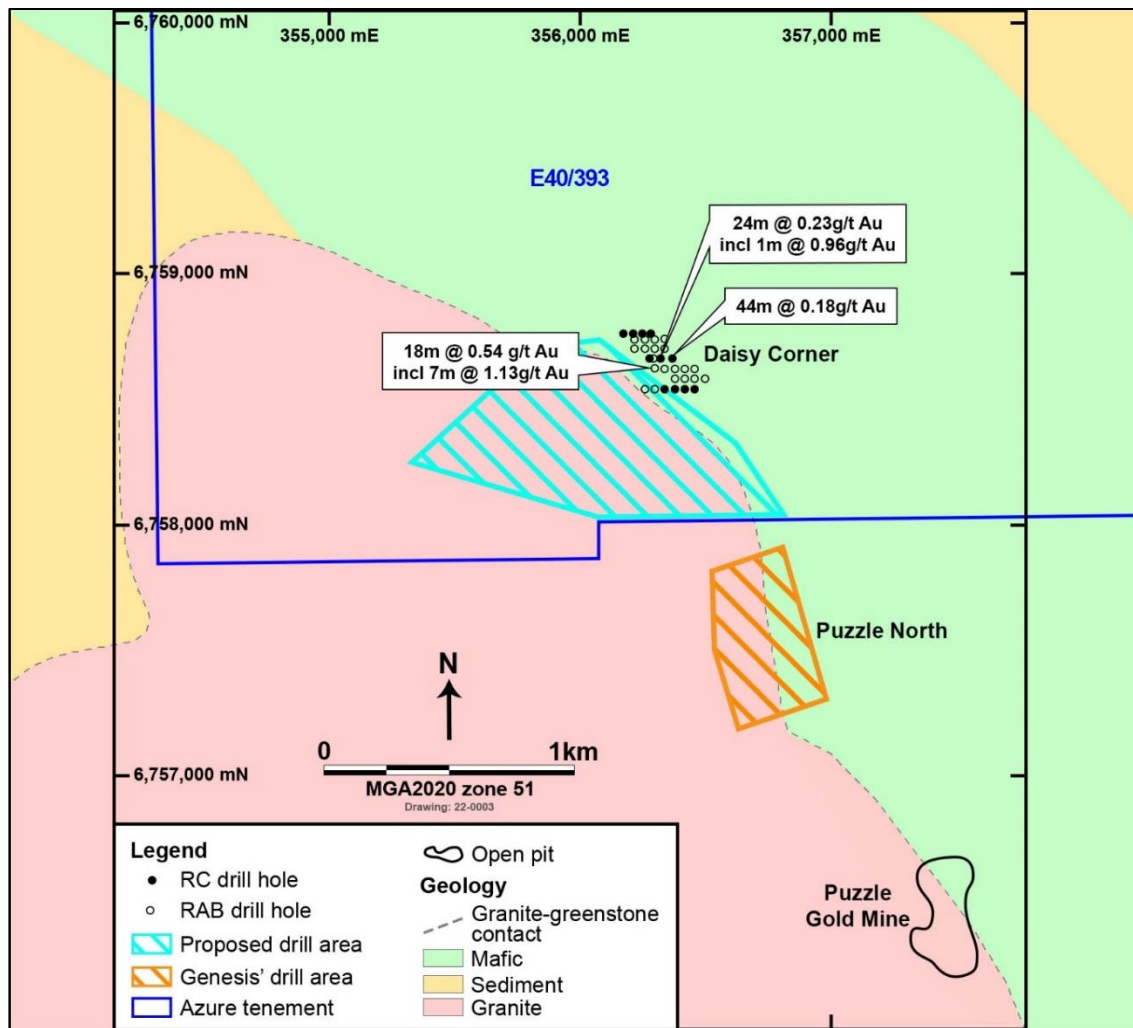


Figure 3: Area of initial gold drilling at Daisy Corner



Following the initial RC drilling at Daisy Corner, Azure will then undertake an aircore drilling program on E40/393 to test under the extensive soil cover for structurally-controlled, bedrock-hosted gold mineralisation associated with cross-cutting shears and fault zones identified by the aeromagnetic survey (see **Figure 2**). Importantly, extensions of some of these structures host significant gold mineralisation on neighbouring properties, which augurs well for Azure's exploration.

ANDOVER NICKEL-COPPER PROJECT

As the Company previously announced (ASX: 9 December 2021), drilling at the VC-07 West mineralised system has intersected several zones containing nickel and copper sulphide mineralisation. Importantly, these mineralised zones coincide with the modelled locations of electromagnetic (EM) conductors identified by surface fixed-loop and downhole EM surveys.

To date, two separate zones of massive, semi-massive and matrix Ni-Cu sulphides have been identified at VC-07 West, with several recent holes intersecting significant visible mineralisation. Assays for these holes are awaited however an earlier hole, ANDD0045, returned high grades of nickel and copper mineralisation in both zones (ASX: 2 August 2021), including:

**ANDD0045: 4.5m @ 3.95% Ni, 0.80% Cu and 0.16% Co from 486.6m downhole; and
3.4m @ 2.01% Ni, 0.43% Cu and 0.09% Co from 605.2m downhole;**

Drilling is continuing at VC-07 West to define these mineralised zones and potentially move into a mineral resource drill-out phase.

Figure 4: Locations of VC-07 West drilling and VC-07 East Ni-Cu Sulphide Deposit

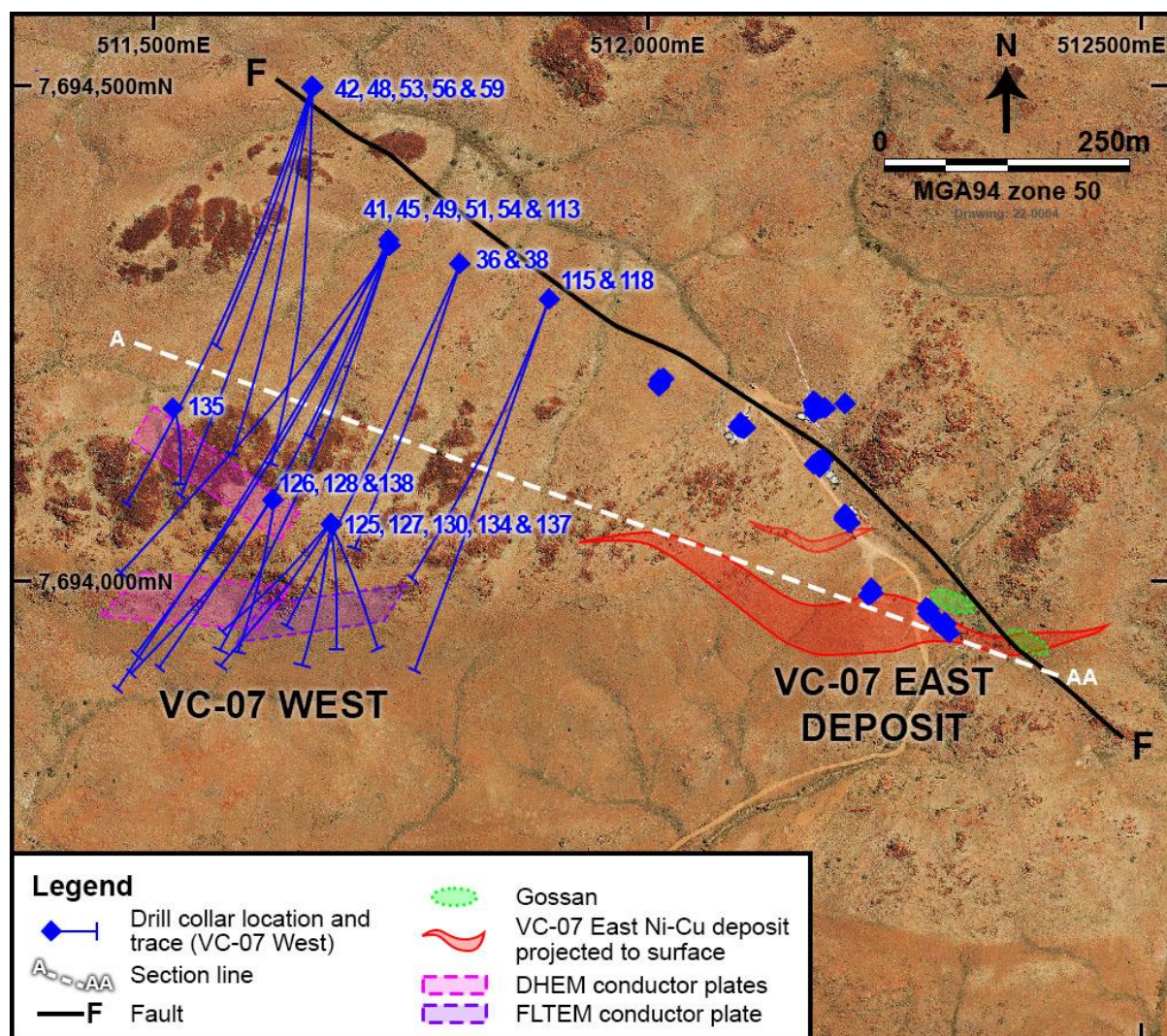
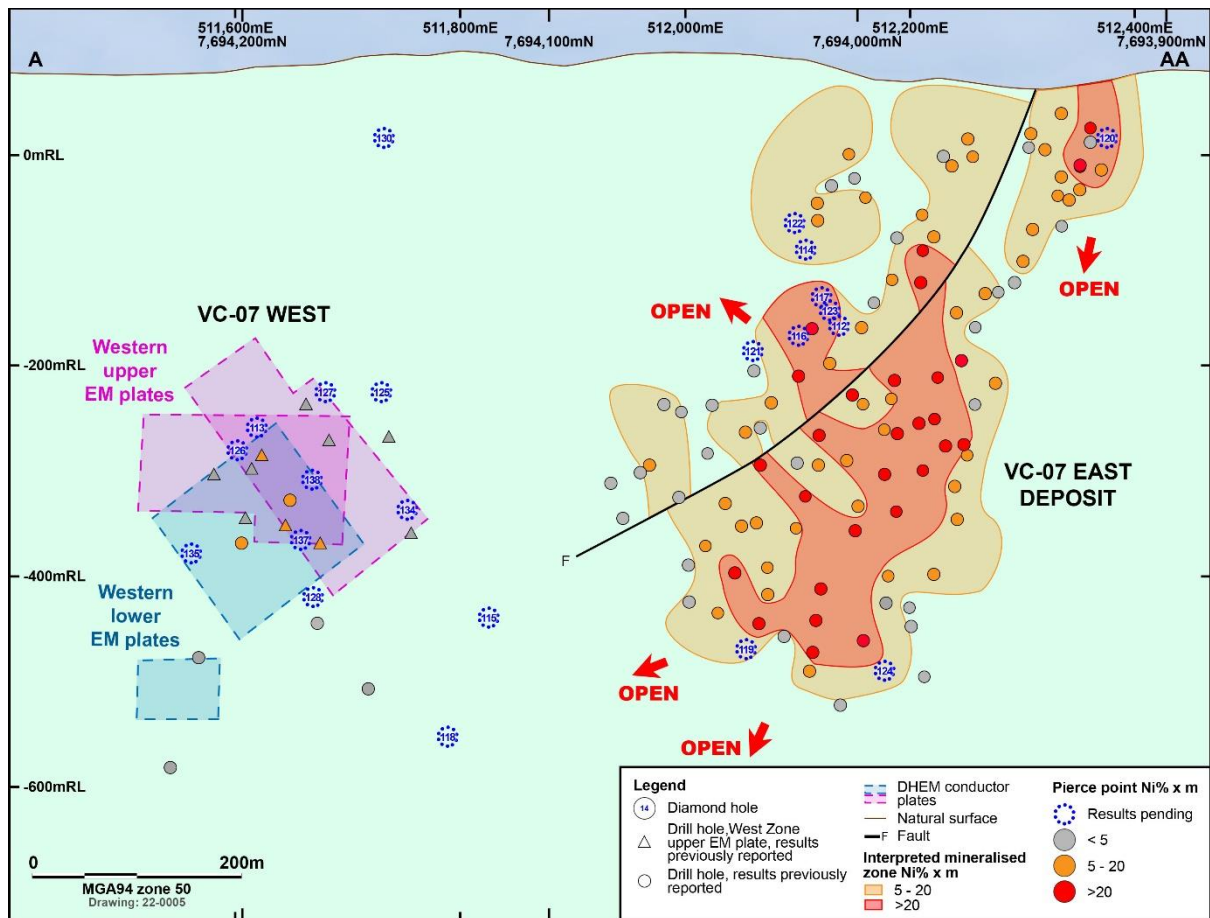


Figure 5: Long section A-AA showing VC-07 West drilling and VC-07 East Ni-Cu Sulphide Deposit



Azure's ongoing regional exploration program at Andover, which comprises geological mapping, geochemical sampling, surface EM surveying and drilling is showing very promising results, and will continue in 2022.

Numerous bedrock-hosted EM conductors representing high-priority drill targets have been identified by the regional program, including:

- **Skyline**, where Azure recently intersected multiple zones of Ni-Cu sulphide mineralisation in all three holes drilled (ASX: 9 December 2021);
- **VC-23**, where Azure has drilled eight diamond core holes, five of which intersected significant nickel and copper sulphide mineralisation (ASX: 22 January, 8 March and 7 April 2021);
- **VC-18**, which is represented by a 3.5 kilometre-long, bedrock-hosted EM conductor; and
- **VC-41**, which is an attractive geophysical target represented by two strong EM conductors.

Drilling of these targets, and others on the property, will continue in 2022.

- ENDS -

Authorised for release by the Board of Directors of Azure Minerals Ltd.

For enquiries, please contact:

Tony Rovira
Managing Director
Azure Minerals Limited
Ph: +61 8 9481 2555

Media & Investor Relations
Michael Weir / Cameron Gilenko
Citadel-MAGNUS
Ph: +61 8 6160 4903

or visit www.azureminerals.com.au

COMPETENT PERSON STATEMENT

Information in this report that relates to previously reported Exploration Results has been cross-referenced in this report to the date that it was reported to ASX. Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcements.