

29 July 2022

## QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 JUNE 2022

### CORPORATE

- Post quarter-end, completion of the sale of Azure's Mexican projects for A\$20 million, comprising A\$10m in cash and shares valued at A\$10 million in two separate tranches
- Sale is to North American-domiciled, private equity-backed, Bendito Resources Inc as their key assets for a planned Toronto Stock Exchange listing
- Post the listing, Azure expects to own approximately 20% of Bendito Resources
- Transaction approved by Azure shareholders at the General Meeting held on 29 June 2022
- Azure is well-funded with approximately \$14 million in cash following completion of the Mexican sale

### ANDOVER NICKEL-COPPER-COBALT PROJECT

- Identification of a potentially +10km-long, nickel-rich mineralised belt, named the Southern Mineralised Corridor ("SMC")
- SMC contains a visually distinctive intrusive rock which hosts all nickel-copper-cobalt (Ni-Cu-Co) sulphide mineralisation discovered to date; including:
  - Andover – maiden JORC 2012 Ni-Cu-Co Mineral Resource: 75,000 tonnes of combined contained metal (ASX: 30 March 2022)
  - Ridgeline – mineral resource drill-out continuing, delivering excellent results, with three vertically extensive mineralised shoots identified, including (ASX: 18 July 2022):
    - **3.3m @ 2.80%Ni, 0.55%Cu & 0.13%Co from 418.0m in ANDD0138**
    - **3.2m @ 2.53%Ni, 1.75%Cu & 0.12%Co from 517.0m in ANDD0139**
    - **7.6m @ 2.08%Ni, 0.78%Cu & 0.08%Co from 509.6m in ANDD0159**
  - Skyline & Seaview – Ni-Cu-Co sulphides previously intersected (ASX: 29 March 2022 & 7 April 2021) with follow-up drilling currently in progress at Skyline
- SMC remains under-explored; extensive mapping, sampling and surface EM surveys in progress to define additional targets with drilling to follow

### BARTON GOLD PROJECT

- Multiple drill holes from maiden drilling program at Barton intersected anomalous gold mineralisation at Daisy Corner
- Gold mineralisation extends for 800m along strike to the northwest of Genesis Minerals' Puzzle and Puzzle North gold deposits
- Follow-up work includes mapping and soil sampling prior to the next phase of drilling

**Azure Minerals Limited** (ASX: AZS) ("Azure" or "the Company") is pleased to provide an overview on key activities completed in and subsequent to the June quarter.

### SALE OF MEXICAN ASSETS

Further to its announcement of 30 May 2022 and shareholder approval received at the General Meeting held on 29 June 2022, Azure has completed the sale of its Mexican precious and base metals projects to Bendito Resources Inc ("Bendito") for a combination of cash and shares valued at A\$20 million (the "Transaction") (ASX: 27 July 2022).

At the closing of the Transaction ("Closing"), Azure received an immediate cash payment of A\$4 million and was issued 11,200,000 Bendito shares (valued at A\$4 million and equivalent to approximately 20% of the issued capital of Bendito at Closing).

A second tranche of A\$6 million in cash and A\$6 million worth of Bendito shares is payable to Azure within 18 months of Closing.

### ANDOVER PROJECT (60% AZURE / 40% CREASY GROUP)

With two diamond drill rigs operating, Azure completed 19 drill holes for a total of 8,566m during the quarter. Most of the holes targeted the Ridgeline Ni-Cu-Co sulphide deposit (see **Figure 1**), undertaking extensional and infill drilling for resource definition purposes, which will be the second mineral resource for the Andover Project.

Subsequent to the quarter, Azure reported (ASX: 18 July 2022) positive assay results from several Ridgeline drill holes and the visual identification of numerous significant mineralised intersections (for which assays are awaited).

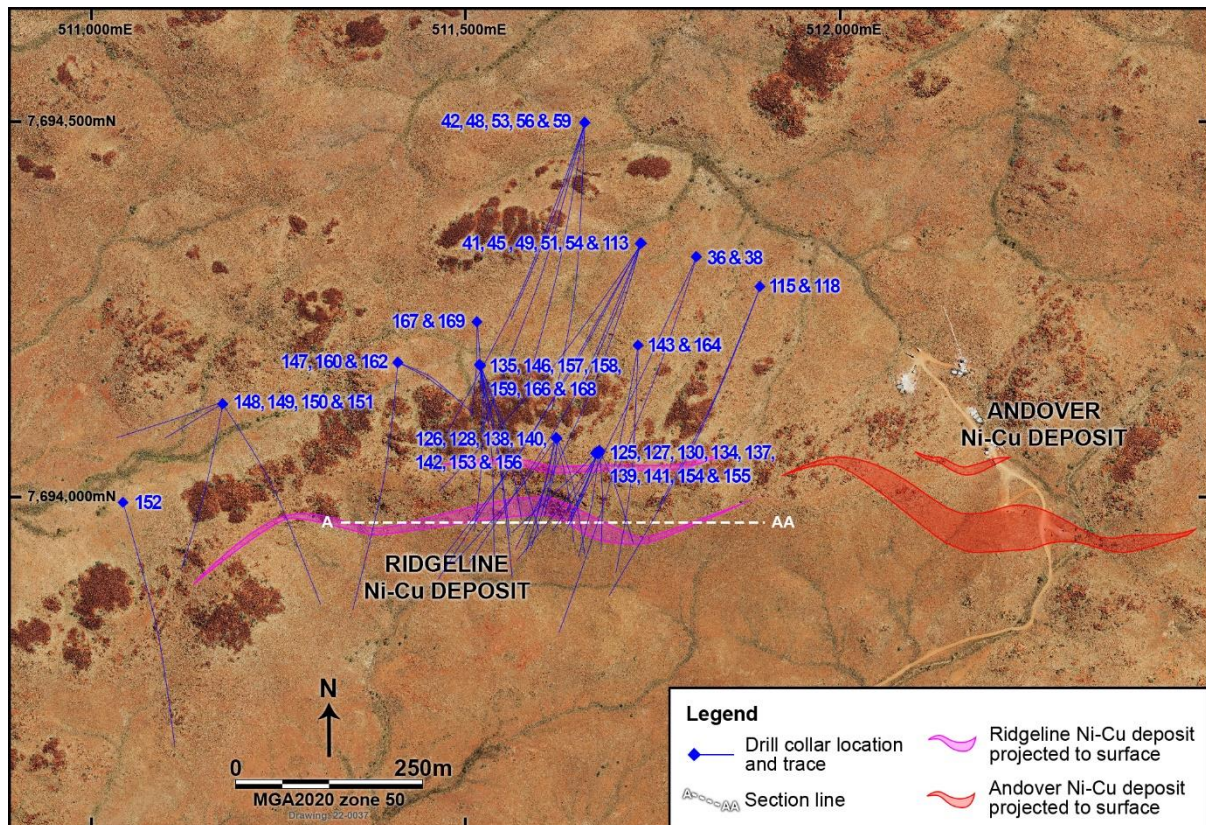
Additionally, exploration continues to generate and define more drill targets. Project-wide geological mapping and rock chip sampling programs and surface electromagnetic surveys are in full swing, focused on detailed exploration of the Southern Mineralised Corridor between Andover and Seaview and reconnaissance exploration to better define this prospective horizon further to the northeast.

### Strong Drilling Results from Ridgeline

The Ridgeline mineralised system comprises at least two mineralised horizons (see **Figure 1**), that have been intersected over an east-west strike length of more than 500m and to depths between 200m and 500m below surface.

In the southern horizon, drilling has identified two parallel, northwest-plunging shoots of semi-massive to massive sulphides containing high grade nickel mineralisation. Both shoots host thick central cores of sulphide accumulation that represent structurally-controlled depositional sites. Widths and grades of mineralisation increase towards the centre of each shoot.

Additionally, a third shoot of high grade massive and semi-massive nickel and copper sulphide mineralisation has been intersected in the northern horizon.



**Figure 1: Andover and Ridgeline Ni-Cu-Co deposits and Ridgeline drill holes**

Extensional and infill drilling at the Ridgeline deposit continues to return intersections of Ni-Cu-Co sulphide mineralisation (see **Table 1**) containing high grades of nickel and copper, including:

ANDD0135

- **2.9m @ 1.34% Ni, 0.53% Cu & 0.07% Co from 456.2m downhole.**

ANDD0137

- **0.5m @ 2.43% Ni, 0.23% Cu & 0.11% Co from 106.8m downhole.**
- **1.6m @ 1.17% Ni, 0.50% Cu & 0.06% Co from 494.2m downhole.**

ANDD0138

- **6.3m @ 1.68% Ni, 0.46% Cu & 0.08% Co from 417.0m downhole, including**
  - **3.3m @ 2.80% Ni, 0.55% Cu & 0.13% Co from 418.0m downhole.**

ANDD0139

- **4.3m @ 1.99% Ni, 1.37% Cu & 0.09% Co from 516.4m downhole, including**
  - **3.2m @ 2.53% Ni, 1.75% Cu & 0.12% Co from 517.0m downhole.**

ANDD0140

- **3.8m @ 1.14% Ni, 0.27% Cu & 0.05% Co from 505.0m downhole.**

ANDD0141

- **0.4m @ 1.87% Ni, 0.79% Cu & 0.10% Co from 139.7m downhole.**

ANDD0142

- **4.5m @ 1.16% Ni, 0.56% Cu & 0.05% Co from 465.8m downhole.**

ANDD0143

- **12.6m @ 1.06% Ni, 0.41%Cu & 0.05%Co from 519.8m downhole.**

ANDD0147

- **2.8m @ 1.11% Ni, 0.14% Cu & 0.06% Co from 528.9m downhole.**

ANDD0159

- **21.2m @ 1.24% Ni, 0.64% Cu & 0.06% Co from 498.8m downhole, including**
  - **7.6m @ 2.08% Ni, 0.78% Cu & 0.08% Co from 509.6m downhole.**

**Table 1: Significant mineralised drill intersections from the Ridgeline Ni-Cu-Co deposit**

HOLE No	DEPTH (m)		INTERCEPT LENGTH (m)	ESTIMATED TRUE WIDTH (m)	GRADE		
	FROM	TO			Ni (%)	Cu (%)	Co (%)
<b>ANDD0135</b>	456.2	459.1	2.9	1.1	1.34	0.53	0.07
<b>ANDD0137</b>	106.8	107.3	0.5	0.3	2.43	0.23	0.11
	494.2	495.8	1.6	1.0	1.17	0.50	0.06
Incl	494.6	494.9	0.3	0.2	5.05	0.11	0.26
<b>ANDD0138</b>	417.0	423.3	6.3	3.3	1.68	0.46	0.08
Incl	418.0	421.3	3.3	1.7	2.80	0.55	0.13
<b>ANDD0139</b>	516.4	520.7	4.3	2.5	1.99	1.37	0.09
Incl	517.0	520.2	3.2	1.9	2.53	1.75	0.12
<b>ANDD0140</b>	505.0	508.8	3.8	1.7	1.14	0.27	0.05
<b>ANDD0141</b>	139.7	140.0	0.3	0.2	1.87	0.79	0.10
<b>ANDD0142</b>	465.8	470.3	4.5	2.3	1.16	0.56	0.05
<b>ANDD0143</b>	519.8	532.4	12.6	8.0	1.06	0.41	0.05
<b>ANDD0147</b>	528.9	531.7	2.8	1.2	1.11	0.14	0.06
<b>ANDD0159</b>	498.8	520.0	21.2	16.0	1.24	0.64	0.05
Incl	509.7	517.3	7.6	5.7	2.08	0.78	0.08
Mineralised intersections calculated using a 0.4% Ni grade cut-off for overall zones and 1.0% Ni for included high grade zones.							

Additionally, multiple holes have intersected substantial quantities of visible disseminated, heavily disseminated, matrix, semi-massive and massive nickel and copper sulphide mineralisation for which assays are awaited (see **Table 2**).

Visually, the sulphide mineralisation consists of pyrrhotite-pentlandite-chalcopyrite and spot readings utilising the handheld pXRF confirm the presence of nickel and copper.

Some of the more visually significant mineralised intersections include:

ANDD0157

- **6.9m of heavily disseminated, matrix and semi-massive Ni-Cu sulphide mineralisation from 446.9m**

ANDD0160

- **7.9m of disseminated Ni-Cu sulphide mineralisation from 415.0; and**
- **7.1m of heavily disseminated, matrix and semi-massive Ni-Cu sulphide mineralisation from 422.8m**

ANDD0166



- **15.9m of disseminated, heavily disseminated, semi-massive and massive Ni-Cu sulphide mineralisation from 508.8m**

ANDD0167

- **4.5m of disseminated, heavily disseminated and massive Ni-Cu sulphide mineralisation from 456.5m**

ANDD0168

- **18.2m of disseminated, heavily disseminated, matrix, semi-massive and massive Ni-Cu sulphide mineralisation from 478.3m; and**
- **2.3m of heavily disseminated and semi-massive Ni-Cu sulphide mineralisation from 501.7m**

ANDD0169

- **5.6m of disseminated, heavily disseminated and massive Ni-Cu sulphide mineralisation from 485.1m**

ANDD0172

- **24.6m of heavily disseminated, matrix, semi-massive and massive Ni-Cu sulphide mineralisation from 434.1m; which includes:**
  - **12.1m of heavily disseminated, matrix and disseminated Ni-Cu sulphide mineralisation from 434.1m; and**
  - **8.3m of heavily disseminated, matrix, disseminated, massive and semi-massive Ni-Cu sulphide mineralisation from 450.4m**

**Table 2: Significant visible mineralisation observed in recent drilling at Ridgeline**

HOLE	INTERVAL (m)			MINERALISATION DESCRIPTION SULPHIDE % (Visual Estimate)
	FROM	TO	LENGTH	
ANDD0157	444.4	446.9	2.5	Disseminated sulphides in gabbro (Po-Pn-Cpy) 5%
ANDD0157	446.9	447.5	0.6	Matrix sulphides in gabbro (Po-Pn-Cpy) 50%
ANDD0157	447.5	450.1	2.6	Heavily disseminated sulphides in gabbro (Po-Pn-Cpy) 10%
ANDD0157	450.1	452.7	2.6	Disseminated sulphides in gabbro (Po-Pn-Cpy) 5%
ANDD0157	452.7	453.8	1.1	Semi-massive sulphides (Po-Pn-Cpy) 65%
ANDD0157	453.8	460.7	6.9	Disseminated sulphides in gabbro (Po-Pn-Cpy) 2%
ANDD0160	415.0	422.8	7.8	Disseminated sulphides in gabbro (Po-Pn-Cpy) 5%
ANDD0160	422.8	423.1	0.3	Matrix sulphides in gabbro (Po-Pn-Cpy) 40%
ANDD0160	423.1	424.4	1.3	Heavily disseminated sulphides in gabbro (Po-Pn-Cpy) 15%
ANDD0160	424.4	424.9	0.5	Semi-massive sulphides (Po-Pn-Cpy) 65%
ANDD0160	424.9	425.6	0.7	Disseminated sulphides in gabbro (Po-Pn-Cpy) 5%
ANDD0160	425.6	425.9	0.3	Matrix sulphides in gabbro (Po-Pn-Cpy) 50%
ANDD0160	425.9	426.7	0.8	Disseminated sulphides in gabbro (Po-Pn-Cpy) 10%
ANDD0160	426.7	427.0	0.3	Matrix sulphides in gabbro (Po-Pn-Cpy) 40%
ANDD0160	427.0	427.3	0.3	Disseminated sulphides in gabbro (Po-Pn-Cpy) 5%
ANDD0160	427.3	428.2	0.9	Semi-massive sulphides (Po-Pn-Cpy) 60%
ANDD0160	428.2	429.9	1.7	Matrix sulphides in gabbro (Po-Pn-Cpy) 40%
ANDD0166	508.8	509.5	0.7	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 15%
ANDD0166	509.5	510.7	1.15	Semi-massive sulphides (Po-Pn-Cpy) 70%
ANDD0166	510.7	511.7	1	Matrix sulphides in websterite (Po-Pn-Cpy) 40%
ANDD0166	511.7	512.6	0.9	Disseminated sulphides in websterite (Po-Pn-Cpy) 10%
ANDD0166	512.6	520.7	8.1	Disseminated sulphides in gabbro (Po-Pn-Cpy) 1%

ANDD0166	520.7	522.8	2.1	Heavily disseminated sulphides in gabbro (Po-Pn-Cpy) 15%
ANDD0166	522.8	523.7	0.9	Disseminated sulphides in gabbro (Po-Pn-Cpy) 1%
ANDD0166	523.7	524.0	0.4	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 20%
ANDD0166	524.0	524.7	0.7	Massive sulphides (Po-Pn-Cpy) 90%
ANDD0167	456.5	458.1	1.6	Disseminated sulphides in gabbro (Po-Pn-Cpy) 2%
ANDD0167	458.1	459.4	1.3	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 35%
ANDD0167	459.4	461.0	1.6	Massive sulphides (Po-Pn-Cpy) 80%
ANDD0168	478.3	481.0	2.7	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 25%
ANDD0168	481.0	483.2	2.2	Matrix sulphides in websterite (Po-Pn-Cpy) 45%
ANDD0168	483.2	492.0	8.8	Disseminated sulphides in gabbro and websterite (Po-Pn-Cpy) 10%
ANDD0168	492.0	493.3	1.3	Matrix sulphides in websterite (Po-Pn-Cpy) 50%
ANDD0168	493.3	494.6	1.3	Disseminated sulphides in websterite (Po-Pn-Cpy) 10%
ANDD0168	494.6	496.5	1.9	Massive sulphides (Po-Pn-Cpy) 80%
ANDD0168	496.5	501.7	5.2	Disseminated sulphides in gabbro (Po-Pn-Cpy) 2%
ANDD0168	501.7	503.2	1.5	Semi-massive sulphides (Po-Pn-Cpy) 70%
ANDD0168	503.2	504.0	0.8	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 15%
ANDD0169	485.1	488.6	3.5	Disseminated sulphides in gabbro (Po-Pn-Cpy) 7%
ANDD0169	488.6	489.0	0.4	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 30%
ANDD0169	489.0	490.70	1.7	Massive sulphides (Po-Pn-Cpy) 80%
ANDD0172	434.1	435.4	1.3	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 30%
ANDD0172	435.4	436.2	0.8	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 30%
ANDD0172	436.2	440.0	3.8	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 30%
ANDD0172	440.0	441.7	1.7	Matrix sulphides in websterite (Po-Pn-Cpy) 50%
ANDD0172	441.7	443.5	1.8	Disseminated sulphides in websterite (Po-Pn-Cpy) 10%
ANDD0172	443.4	446.2	2.8	Matrix sulphides in websterite (Po-Pn-Cpy) 40%
ANDD0172	446.2	450.4	4.2	Disseminated sulphides in gabbro and websterite (Po-Pn-Cpy) 1%
ANDD0172	450.4	451.1	0.7	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 30%
ANDD0172	451.1	451.9	0.8	Massive sulphides (Po-Pn-Cpy) 80%
ANDD0172	451.9	453.4	1.5	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 20%
ANDD0172	453.4	454.2	0.8	Disseminated sulphides in websterite (Po-Pn-Cpy) 1%
ANDD0172	454.2	454.8	0.6	Semi-massive sulphides (Po-Pn-Cpy) 70%
ANDD0172	454.8	455.4	0.6	Disseminated sulphides in websterite (Po-Pn-Cpy) 3%
ANDD0172	455.4	456.4	1.0	Matrix sulphides in websterite (Po-Pn-Cpy) 50%
ANDD0172	456.4	456.9	0.5	Disseminated sulphides in websterite (Po-Pn-Cpy) 10%
ANDD0172	456.9	457.9	1	Heavily disseminated sulphides in websterite (Po-Pn-Cpy) 20%
ANDD0172	457.9	458.7	0.8	Matrix sulphides (Po-Pn-Cpy) 60%
ANDD0172	458.7	460.3	1.6	Disseminated sulphides in gabbro and websterite (Po-Pn-Cpy) 1%
ANDD0172	460.3	461.1	0.8	Heavily disseminated sulphides in gabbro and websterite (Po-Pn-Cpy) 15%

ANDD0172	461.1	465.5	4.4	Disseminated sulphides and sulphide veins in websterite (Po-Pn-Cpy) 5%
ANDD0172	465.5	465.6	0.1	Semi-massive sulphides (Po-Pn-Cpy) 60%
Po = Pyrrhotite Pn = Pentlandite Cpy = Chalcopyrite Py = Pyrite				

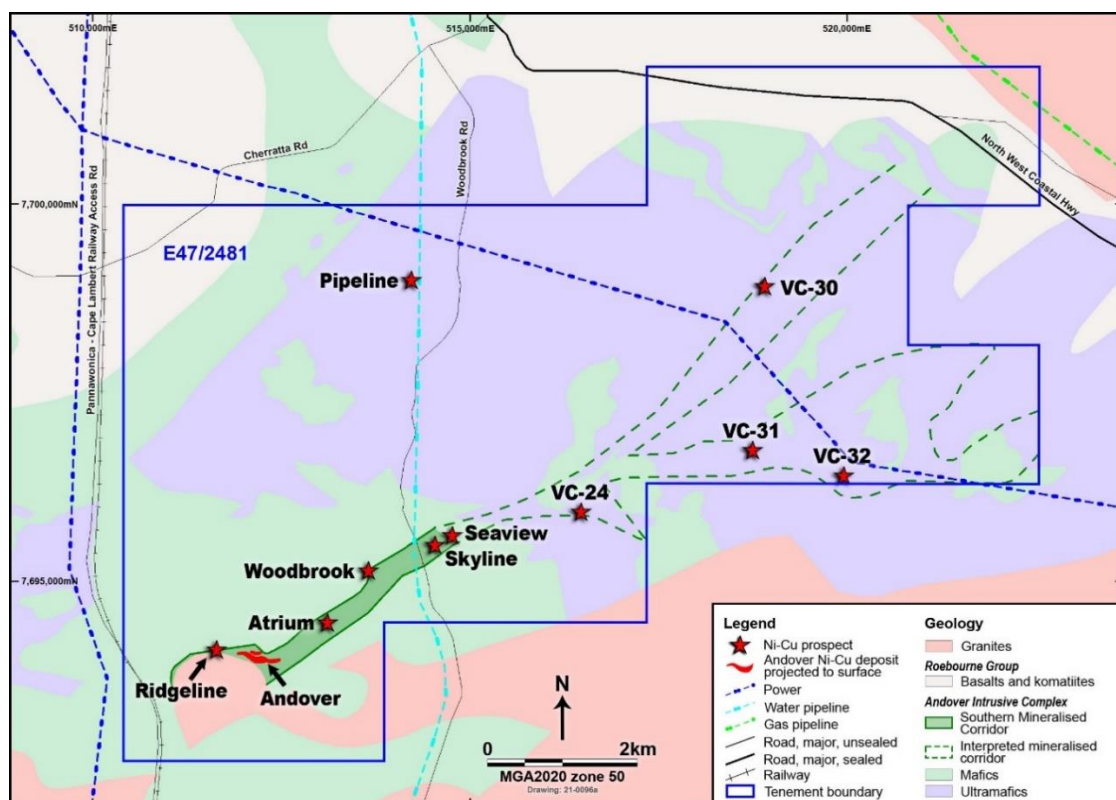
The information in Table 2 above is based solely on visual logging of the drill core which is yet to be assayed. The presence of nickel and copper mineralisation is supported by in-field pXRF readings but is considered indicative only. The Company cautions that visual estimates of sulphide abundance should never be considered a proxy or substitute for laboratory analysis and laboratory assay results are required to determine the widths and grade of the visible mineralisation reported in preliminary geological logging. The Company will update the market when laboratory analytical results become available.

### Southern Mineralised Corridor

Geological mapping, surface geochemical sampling and diamond drilling (approximately 175 holes to date) are defining a >4km-long, strongly mineralised fairway between the Ridgeline deposit in the west and the Seaview prospect in the east (see **Figures 2, 3 and 4**). Azure has named this mineralised system as the Southern Mineralised Corridor ("SMC").

The SMC is highly prospective for hosting multiple nickel-copper-cobalt (Ni-Cu-Co) sulphide deposits. The SMC hosts the Ridgeline Ni-Cu-Co deposit in the west where mineral resource drilling is continuing, the Andover Ni-Cu-Co deposit (refer ASX: 30 March 2022 for details of the Mineral Resource), and the Skyline and Seaview prospects in the east. Diamond drilling has intersected significant Ni-Cu-Co sulphide mineralisation at all four of these prospects.

Identification of the SMC demonstrates the large scale of the nickel deposit-forming system within the Andover Project, with strong potential for further growth through the discovery of additional deposits.



**Figure 2: Andover Ni-Cu-Co deposits and prospects**



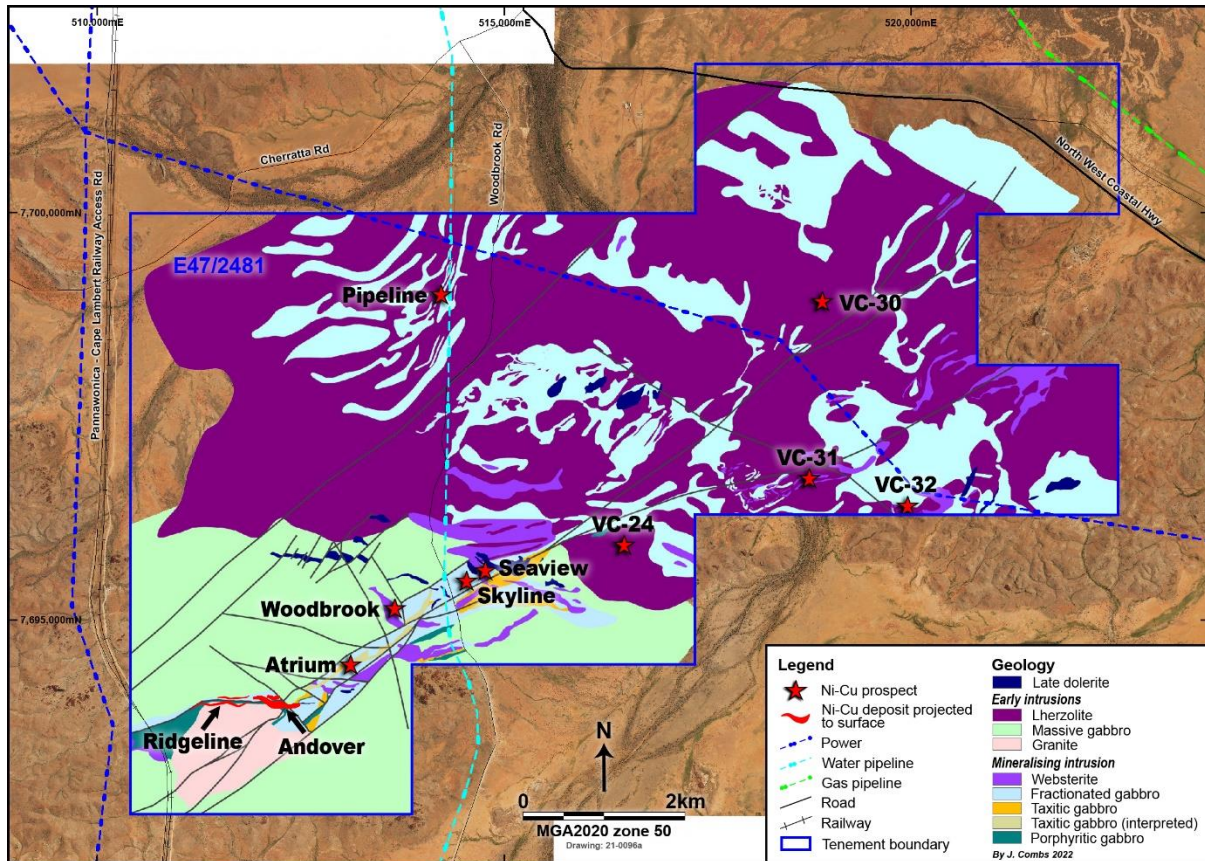


Figure 3: Andover Ni-Cu-Co deposits, prospects and geology

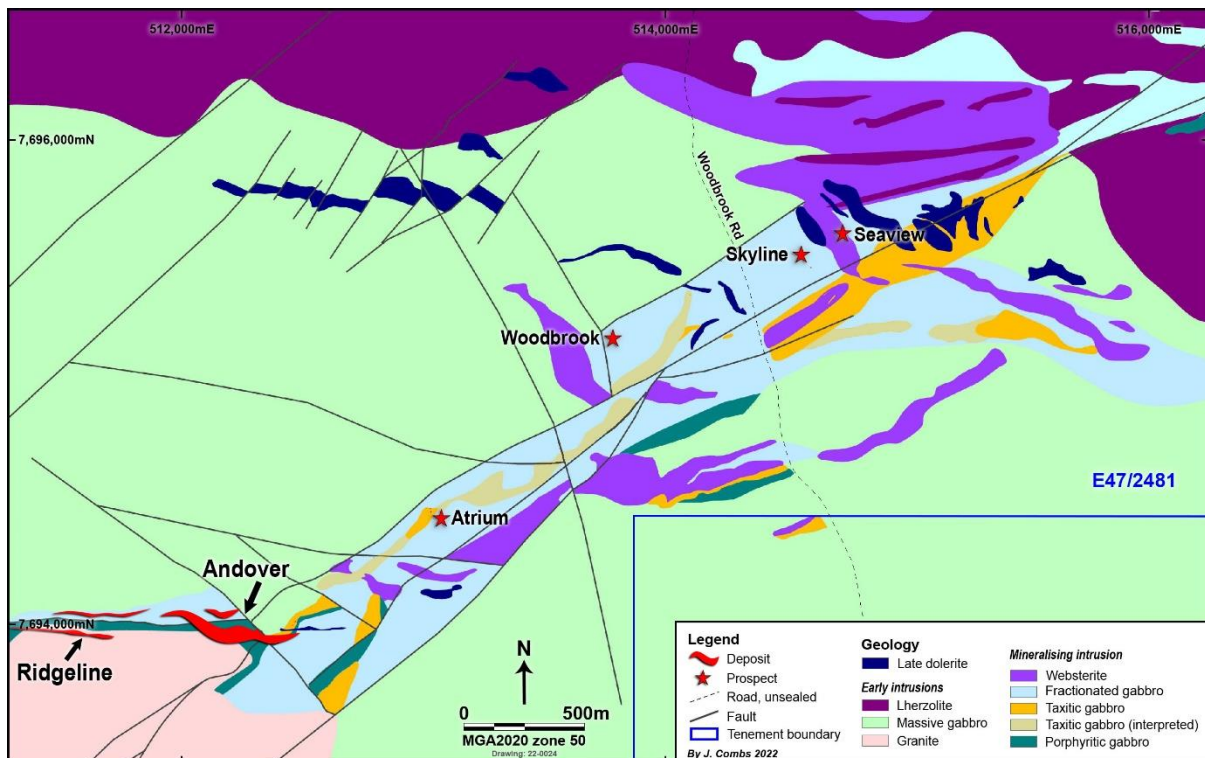


Figure 4: Detailed geological map of the Southern Mineralised Corridor



While exploring the SMC to the east of the Andover deposit, Azure's exploration team discovered outcropping gossans at Atrium, Woodbrook, Skyline and Seaview and several other locations, some with visible copper mineralisation. Even though these gossans outcrop prominently at surface, they are mostly undisturbed, indicating that they have not been identified and tested by previous explorers.

Following heritage approvals, access tracks and drill sites have been prepared at several locations, and drilling will start testing these targets when the resource definition drilling at Ridgeline has been completed.

### Looking Ahead at Andover

Drilling continues to focus on extending and defining the Ridgeline deposit, to support the production of a Mineral Resource Estimate.

Following completion of the Ridgeline drill-out, drilling will recommence at other known occurrences of Ni-Cu-Co sulphide mineralisation at Seaview and Skyline and follow up anomalism at Atrium and Pipeline.

Meanwhile, field work continues to generate and refine additional exploration targets. Project-wide geological mapping and rock chip sampling programs and surface electromagnetic surveys are in full swing, focused on better defining the SMC between Andover and Seaview and reconnaissance exploration to better define this prospective horizon further to the northeast.

### BARTON GOLD & BASE METALS PROJECT (100% AZURE)

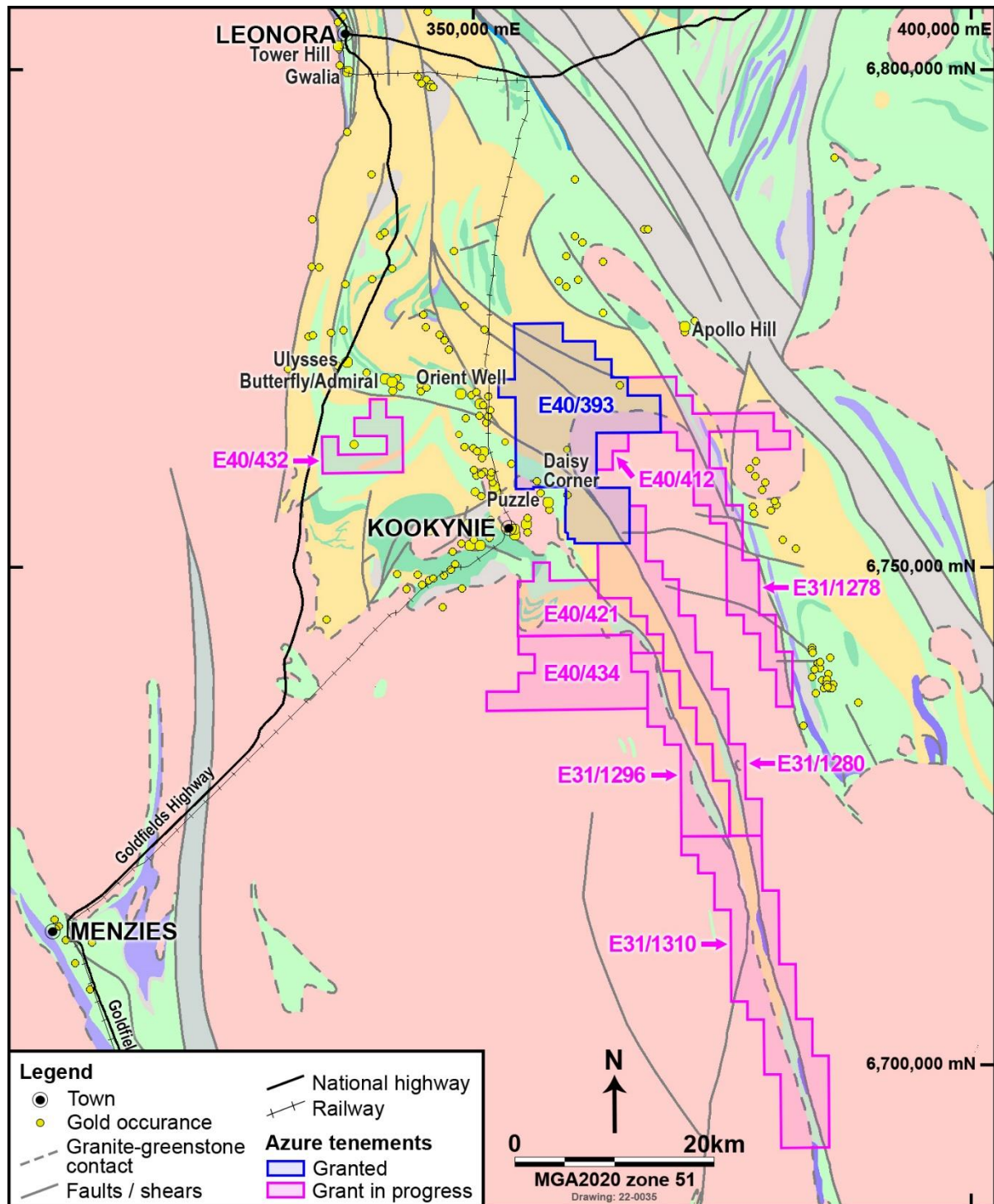
Azure's 100%-owned Barton Project lies adjacent to the historical gold mining town of Kookynie, approximately 40km south of Leonora in the Eastern Goldfields region of Western Australia.

Azure holds a large (888km<sup>2</sup>) and mostly contiguous, strategically-situated portfolio of nine tenements within the gold-rich Kookynie district (see **Figure 5**). The landholding comprises:

- One granted Exploration Licence (E40/393: 198km<sup>2</sup>); and
- Eight Exploration Licence Applications (totalling 690km<sup>2</sup>) where Azure is the sole applicant and the tenements are in the granting process.

This sizeable land package covers a contiguous 88km of north-south strike length of the prime Kookynie greenstone sequence which hosts many historical gold mines and numerous gold deposits currently being assessed. Azure's holding covers multiple under-explored mineralised trends comprising greenstone belts, adjacent granite margins, and favourable structural settings that are considered prospective for hosting both gold and base metals mineralisation.

The Company has undertaken bedrock-focused drilling to test for gold mineralisation at Daisy Corner and several other prospective structural settings associated with cross-cutting shears and fault zones.



**Figure 5: Barton Project**

### Maiden Drill Program Completed

Azure's first drilling program at Barton comprised 21 Reverse Circulation (RC) holes for 3,473m. The target was Daisy Corner, situated 300m north of Genesis Minerals' Puzzle North gold deposit (maiden mineral resource estimate of 232,000oz Au; ASX: 29 March 2022).

Drilling tested 800m of the prospective granite-greenstone contact to the northwest of the Azure-Genesis tenement boundary on section lines spaced 100m to 200m apart. Both granite

and greenstone rocks were intersected with shearing, quartz-veining, iron oxides and disseminated pyrite present in most holes.

Assays indicate that the mineralised system identified at Puzzle North continues into Azure's tenement where gold mineralisation was intersected in most holes. Significantly mineralised drill intersections (using a minimum grade of 0.20g/t Au and a minimum 2m width) included:

**BTRC0001:**

- 14.0m @ 0.23g/t Au from 37.0m

**BTRC0002:**

- 4.0 m @ 0.68g/t Au from 31.0m - within 9.0m @ 0.38g/t Au from 29.0m

**BTRC0004:**

- 9.0m @ 0.21g/t Au from 34.0m

**BTRC0005:**

- 14m @ 0.22g/t Au from 26.0m
- 4.0m @ 0.27g/t Au from 92.0m
- 2.0m @ 0.46g/t Au from 151.0m

**BTRC0008:**

- 4.0m @ 0.30g/t Au from 178.0m

**BTRC0009:**

- 2.0m @ 1.58g/t au from 56.0m - within 10.0 m @ 0.44g/t Au from 55.0m

**BTRC0010:**

- 1.0m @ 3.98g/t Au from 46.0m - within 10.0m @ 0.52g/t Au from 39.0m
- 3.0 m @ 0.25g/t Au from 74.0m
- 1.0m @ 1.93g/t Au from 133m - within 8.0 m @ 0.59g/t Au from 127.0m

**BTRC0012:**

- 8.0m @ 0.35g/t Au from 36.0m
- 7.0m @ 0.35g/t Au from 97.0m

**BTRC0014:**

- 1.0m @ 3.44g/t Au from 2.0m - within 5.0m @ 0.92g/t from 1.0m
- 4.0m @ 0.25g/t from 19.0m
- 3.0m @ 0.63g/t from 54.0m
- 9.0m @ 0.20g/t from 155.0m

**BTRC0015:**

- 2.0m @ 0.68g/t Au from 30.0m
- 7.0m @ 0.32g/t Au from 85.0m

**BTRC0017:**

- 5.0m @ 0.21g/t Au from 83.0m
- 8.0m @ 0.24g/t Au from 91.0m

**BTRC0018:**

- 6.0m @ 0.27g/t Au from 18.0m
- 4.0m @ 0.32g/t Au from 144.0m



**BTRC0019:**

- 3.0m @ 0.33g/t Au from 62.0m

**BTRC0020:**

- 20.0m @ 0.43g/t Au from 17.0m; including:
  - 2.0m @ 0.88g/t Au from 27.0m, and
  - 2.0m @ 0.86g/t Au from 31.0m
- 4.0m @ 0.22g/t Au from 105.0m

**BTRC0021:**

- 3.0m @ 0.33g/t Au from 26.0m

**Looking Forward at Barton**

With significant shearing and quartz-veining observed in both the granites and the greenstones at Daisy Corner, the gold mineralisation is likely to be structurally controlled and not limited to just the granite-greenstone contact. This structural complexity is likely to enhance the size potential of the mineralising system and allows Azure to broaden the exploration search area.

The Company is encouraged by the results of the maiden drill program at Daisy Corner, with most holes intersecting anomalous gold mineralisation.

Surface exploration is continuing, utilising geological mapping, soil sampling and structural interpretation of the airborne magnetic data to refine the model of the mineralised system. The next phase of drilling is expected to be carried out in Q3 or Q4 of 2022.

**TURNER RIVER GOLD PROJECT (Azure 70% / Creasy Group 30%)**

No activity - two Exploration Licence applications are awaiting grant.

**COONGAN (Azure 70% / Creasy Group 30%)**

No activity.

**MEENTHEENA (Azure 70% / Creasy Group 30%)**

No activity.

**CORPORATE****Azure Sells Mexican Assets for A\$20 million**

During the quarter (ASX: 30 May 2022), Azure entered into binding, conditional sale agreements to sell its subsidiary companies that owned and operated its Mexican precious and base metals projects to Bendito Resources Inc ("Bendito") for a combination of cash and shares valued at A\$20 million (the "Transaction").

Subsequent to quarter-end (ASX: 27 July 2022), Azure announced the completion of the Transaction ("Closing"). Upon Closing, Azure received an immediate cash payment of A\$4 million and was issued 11,200,000 Bendito shares (valued at A\$4 million and equivalent to approximately 20% of the issued capital of Bendito).

A second tranche of A\$6 million in cash and A\$6 million worth of Bendito shares is payable to Azure within 18 months of Closing.

For completeness, Azure notes that subsequent to the announcement of 30 May 2022 and shareholder approval on 29 June 2022, Azure and Bendito agreed a variation to the structure of

the consideration payable to Azure. The variation had the effect of bringing forward A\$2 million of the Bendito share component to Closing, and deferring A\$2 million of the cash component to be paid in the second tranche (within 18 months of Closing).

There was no change to the aggregate consideration payable in connection with the Transaction.

Bendito is planning to advance both the Alacrán and Oposura projects through intensive drilling, ahead of its intention to list on the Toronto Stock Exchange within 18 months of completion of the Transaction ("Listing"), with the Alacrán and Oposura projects forming the core assets of company. It is anticipated that the issue of the second tranche of shares by Bendito to Azure will result in Azure owning approximately 20% of the issued capital of Bendito post the Listing.

Bendito is a mineral acquisition and development company focused on progressing late-stage exploration and development projects through the feasibility stages to production. The founders and principals of Bendito have experience in both the financing and technical development of projects and have external partners looking to support suitable projects.

The Bendito Board is headed by experienced geological engineer Mr John Antwi as President and Chief Executive Officer. Also on the Bendito Board as Lead Director is mining engineer Mr Paul Huet, current Chairman and CEO of TSX-listed Australian-focused gold and nickel miner Karora Resources Inc.

### Other

Cash balance at 30 June 2022 was A\$10.6million (prior to completion of the sale of the Mexican assets).

During the quarter the company expensed \$2.86 million on exploration and testwork activities described herein.

Payments to related parties of the entity and their associates totalled \$150,000 and consisted of Executive Service fees of \$110,000 and Director's fees of \$40,000.

No mineral exploration tenements were acquired or disposed of during the period;

**-ENDS-**

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

### COMPETENT PERSON STATEMENT

*Information in this report that relates to previously reported Exploration Results has been crossed-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.*

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

**Name of entity**

Azure Minerals Limited

**ABN**

46 106 346 918

**Quarter ended ("current quarter")**

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1 Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for	-	-
(a) exploration & evaluation	(2,862)	(16,179)
(b) development	-	-
(c) production	-	-
(d) staff costs	(664)	(1,693)
(e) administration and corporate costs	(249)	(1,790)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,775)</b>	<b>(19,660)</b>
<b>2 Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	(331)
(c) property, plant and equipment	(12)	(47)
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	101
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other - GST recovered/(paid) on project acquisitions	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(12)</b>	<b>(277)</b>

<b>3 Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	393
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>393</b>

<b>4 Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	14,510	30,267
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,775)	(19,660)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(12)	(277)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	393
4.5 Effect of movement in exchange rates on cash held	(122)	(122)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>10,601</b>	<b>10,601</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
<b>5</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	10,543	14,452
5.2	Call deposits	58	58
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,601</b>	<b>14,510</b>

<b>6</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	150
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.		

<b>7</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Current quarter \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other - Convertible Notes	-	-
7.4	<b>Total financing facilities</b>	<b>-</b>	<b>-</b>
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(3,775)
8.2 (payments for exploration & evaluation classified as investing activities)(item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(3,775)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	10,601
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	10,601
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.81
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:  1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? <div data-bbox="220 725 1433 831" style="border: 1px solid black; padding: 5px;">Answer: N/A</div> 2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? <div data-bbox="220 938 1433 1043" style="border: 1px solid black; padding: 5px;">Answer: N/A</div> 3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? <div data-bbox="220 1128 1433 1234" style="border: 1px solid black; padding: 5px;">Answer: N/A</div>	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered</i>	



## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: Brett Dickson, Company Secretary

## Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

**Annexure 1**  
**Schedule of Interests in Mining Tenements**

<b>Australian Projects</b>	<b>Common Name</b>	<b>Mineral</b>	<b>Tenement</b>	<b>Percentage held</b>	<b>Status</b>
Andover	Andover	All Minerals	E47/2481	60%	Granted
Barton	Barton	All Minerals	E40/393	100%	Granted
Coongan	Coongan	All Minerals	E46/1156	70%	Granted
Meentheena	Meentheena	All Minerals	E45/5036	70%	Granted

<b>*Mexican Projects</b>	<b>Common Name</b>	<b>Mineral</b>	<b>Tenement</b>	<b>Percentage held</b>	<b>Status</b>
Oposura	El Monstruo De Plomo	All Minerals	180473	100%	Granted
	Don Genaro	All Minerals	180474	100%	Granted
	El Crestón De Plomo	All Minerals	180475	100%	Granted
	Candelaria	All Minerals	180476	100%	Granted
	El Hueco	All Minerals	180477	100%	Granted
	Campo De Plomo	All Minerals	180602	100%	Granted
Sara Alicia	Oposura Número 2	All Minerals	180603	100%	Granted
	Oposura Número 4	All Minerals	180604	100%	Granted
	Oposura Número 6	All Minerals	180605	100%	Granted
	El Encinal	All Minerals	223473	100%	Granted
	Sara Alicia	All Minerals	165539	100%	Granted
	El Tecolote III	All Minerals	234586	100%	Granted
Promontorio	Hidalgo	All Minerals	235270	100%	Granted
Panchita	Panchita	All Minerals	212767	100%	Granted
	Dona Panchita	All Minerals	192097	100%	Granted
San Augustin	San Augustin1	All Minerals	238325	100%	Granted
Alacran1	Kino 3	All Minerals	166312	100%	Granted
	Kino 2	All Minerals	166313	100%	Granted
	Kino 4	All Minerals	166314	100%	Granted
	Kino 8	All Minerals	166315	100%	Granted
	Kino 9	All Minerals	166316	100%	Granted
	Kino 10	All Minerals	166317	100%	Granted
	Kino 11	All Minerals	166318	100%	Granted
	Kino 15	All Minerals	166365	100%	Granted
	Hidalgo No. 4	All Minerals	166366	100%	Granted
	Kino 16	All Minerals	166367	100%	Granted
	Hidalgo No. 3	All Minerals	166368	100%	Granted
	Hidalgo No. 2	All Minerals	166369	100%	Granted
	Hidalgo No. 5	All Minerals	166370	100%	Granted
	Hidalgo No. 6	All Minerals	166371	100%	Granted
	Hidalgo No. 8	All Minerals	166372	100%	Granted
	Hidalgo No. 7	All Minerals	166373	100%	Granted
	Hidalgo	All Minerals	166374	100%	Granted
	Hidalgo No. 9	All Minerals	166375	100%	Granted
	San Simon	All Minerals	166376	100%	Granted
	San Simon No. 2	All Minerals	166377	100%	Granted
	El Alacran	All Minerals	201817	100%	Granted

\*Note: As announced to the ASX on 30 May 2022, Azure has entered into an agreement to sell its Mexican Projects.