

13 March 2023

SQM COMPLETES A\$20M INVESTMENT

Increases interest in Azure to 19.99%

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- **SQM's investment is a strong endorsement of Azure and the significant lithium potential of the Andover Project**
 - **SQM's funding and technical expertise is supporting Azure's accelerated lithium exploration and development program**
 - **Azure is well-funded to progress the Andover Project, giving shareholders strong exposure to the high-value battery metals of lithium, nickel, copper and cobalt**
 - **Lithium-focused diamond core drilling has commenced**
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Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to announce that global lithium company Sociedad Química y Minera de Chile S.A., via its wholly-owned subsidiary SQM Australia Pty Ltd ("**SQM**"), has completed its cornerstone investment of A\$20 million to acquire a 19.99% interest in Azure in a two-stage transaction (the "Transaction").

This strategic investment by SQM is a strong endorsement of the lithium potential of the Andover Project (60% Azure / 40% Creasy Group) and highlights the upside potential for Andover to grow into a globally significant lithium mining and processing operation.

THE TRANSACTION

In the first tranche of the Transaction, as announced to ASX on 11 January 2023, SQM subscribed for 16,381,720 ordinary shares in Azure at a subscription price of A\$0.2564 per share, raising A\$4,200,00 for Azure, giving SQM a 4.99% shareholding in Azure (ASX: 11 January 2023).

Completion of the second tranche of the Transaction was subject to the satisfaction of a number of conditions precedent, including:

- SQM having notified Azure that it had completed and was satisfied with its due diligence investigations into Azure; and
- SQM and Azure having entered into an offtake agreement under which SQM is entitled to an offtake right in respect of up to 25% of all lithium product from mining projects in which Azure has an interest ("Offtake Agreement") on arm's length and commercially competitive terms.

The conditions precedent for the second tranche of the Transaction have been met, and SQM has subscribed to an additional 61,626,471 ordinary shares in Azure at the same subscription price of A\$0.2564 per share as for the first tranche, raising a further A\$15,800,000 for Azure.

Following completion of the Transaction, SQM has invested A\$20 million in Azure, holds 19.99% of Azure's issued capital, and has become Azure's largest shareholder.

ASX ANNOUNCEMENT

ASX:AZS



ABOUT SQM

SQM is a global mining and chemical company with operations in Chile and Western Australia. It is a global leader in lithium, potassium nitrate, iodine and thermo-solar salts markets.

SQM is one of the world's largest lithium producers. In Western Australia, SQM and Wesfarmers Limited (ASX:WES) are joint venture partners in the Mt. Holland lithium project, which will be a unique, fully-integrated operation producing battery-quality lithium hydroxide. The joint venture comprises a mine and concentrator at Mt Holland and a refinery at Kwinana capable of producing approximately 50,000 tonnes of lithium hydroxide per year.

LOOKING FORWARD AT THE ANDOVER PROJECT

Azure is using the funds raised under the Transaction to undertake an accelerated growth strategy to advance the Company's multi-commodity opportunity on the Andover Project.

Lithium exploration is being fast-tracked with substantial diamond and Reverse Circulation drilling being carried out to determine the scale of the high grade lithium mineralisation already mapped and sampled at surface.

Nickel exploration and mine development studies on the Andover and Ridgeline Deposits will also continue through 2023.

-ENDS-

This announcement is authorised for release by the Board of Directors of Azure Minerals Ltd.

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