

28 April 2023

# QUARTERLY ACTIVITIES REPORT

## FOR PERIOD ENDED 31 MARCH 2023

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### ANDOVER PROJECT

#### Lithium

- Global lithium company SQM completed its cornerstone investment of A\$20 million to acquire a 19.99% interest in Azure
- 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
- Diamond hole ANDD0199 drilled through a pegmatite while testing the VC30 VTEM nickel target, returning a lithium-rich intersection of **7.2m @ 1.51% Li<sub>2</sub>O**, including an internal higher grade zone of **3.1m @ 1.87% Li<sub>2</sub>O**
- Ongoing surface sampling continues to return high grades of lithium from spodumene-rich pegmatites at multiple prospects, **up to a maximum value of 4.67% Li<sub>2</sub>O**
- To date, Azure has identified 13 high priority pegmatite targets across the Project area
- 10,000m diamond core drilling program commenced, initially testing pegmatite target AP0012:
  - Four holes completed during the quarter, each intersecting pegmatites containing variable amounts of visible spodumene<sup>1</sup> - assays pending
  - Second diamond drill rig mobilised to site in mid-April with drilling underway
- 30,000m Reverse Circulation drilling program to commence following receipt of requisite environmental and heritage approvals

#### Nickel-Copper-Cobalt

- Ridgeline deposit Mineral Resource Estimate ("MRE") of **1.3Mt @ 1.11% Ni, 0.46% Cu and 0.05% Co**, for **14,700t of contained Nickel, 6,100t of contained Copper and 640t of contained Cobalt at a cut-off grade of 0.5% Ni (JORC 2012)** (ASX: 8 February 2023)
- 28% uplift in total MRE for the Project, including both the Andover and Ridgeline deposits, to **6Mt @ 1.11% Ni, 0.47% Cu and 0.05% Co for 66,400t of contained Nickel, 27,800t of contained Copper and 3,100t of contained Cobalt**

### CORPORATE

- Cash at quarter-end of \$23.2 million

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<sup>1</sup> Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses and potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. Additionally, the presence of spodumene does not necessarily equate to lithium mineralisation until confirmed by laboratory analysis where turnaround time for receipt of assay results is currently approximately 8 weeks.

**Azure Minerals Limited** (ASX: AZS) (“Azure” or “the Company”) is pleased to provide an overview on key activities completed in the March quarter.

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

### ANDOVER LITHIUM PROJECT

#### *SQM completes A\$20m investment into Azure*

Global lithium company Sociedad Química y Minera de Chile S.A., via its wholly-owned subsidiary SQM Australia Pty Ltd (“SQM”), 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 and highlights the upside potential for Andover to grow into a globally significant lithium mining and processing operation.

Andover is located in the West Pilbara region of Western Australia.

#### 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 and 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.

#### The Transaction

In the first tranche of the Transaction, 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.

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 Azure’s interest of all lithium product from mining projects in which Azure has an interest on arm’s length and commercially competitive terms.

The conditions precedent for the second tranche of the Transaction were met and SQM 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.

### Drilling

Azure has embarked on an accelerated growth strategy to rapidly advance the Company's multi-commodity opportunity at Andover, with the major focus on assessing the lithium potential while still progressing the nickel sulphide project through exploration and development studies.

The Andover pegmatite swarm contains more than 700 individual outcropping pegmatites occurring in a zone approximately 9km long and up to 5km wide in the central and eastern parts of the Project area. The pegmatite bodies typically trend in a southwest to northeast orientation and are generally shallowly dipping towards the northwest. Surface exposures range in size up to several hundred metres across and over a kilometre in length.

In 2022, Azure commenced the lithium exploration program by drilling near nickel targets in areas where outcropping pegmatites were present and where environmental and heritage approvals for drilling had already been received.

Drill holes ANDD0196, 0197, 0198 and 0199 targeted the nickel anomalies VC-30, VC-31 and VC-32 (see **Figure 1**). Pegmatites outcrop in the vicinity of each target, and all four holes intersected pegmatites containing lithium mineralisation varying from anomalous to high grade.

The most significant lithium result from these drill holes was returned from ANDD0199, which tested the VC-30 nickel target situated close to the AP0010, AP0011 and AP0012 pegmatites (see **Figure 2**). The hole entered a quartz-spodumene pegmatite (see **Image 1**) at a downhole depth of 313.9m (210.0m vertical depth below surface), returning a strongly mineralised lithium intersection of 1.51% Li<sub>2</sub>O over 7.2m, including an internal higher grade zone of 1.87% Li<sub>2</sub>O over 3.1m (ASX: 13 February 2023).



**Image 1: Coarse-bladed spodumene (white crystals) in grey quartz in hole ANDD0199. This sample returned 1.0m @ 1.52% Li<sub>2</sub>O in an overall mineralised intersection of 7.2m @ 1.51% Li<sub>2</sub>O.**

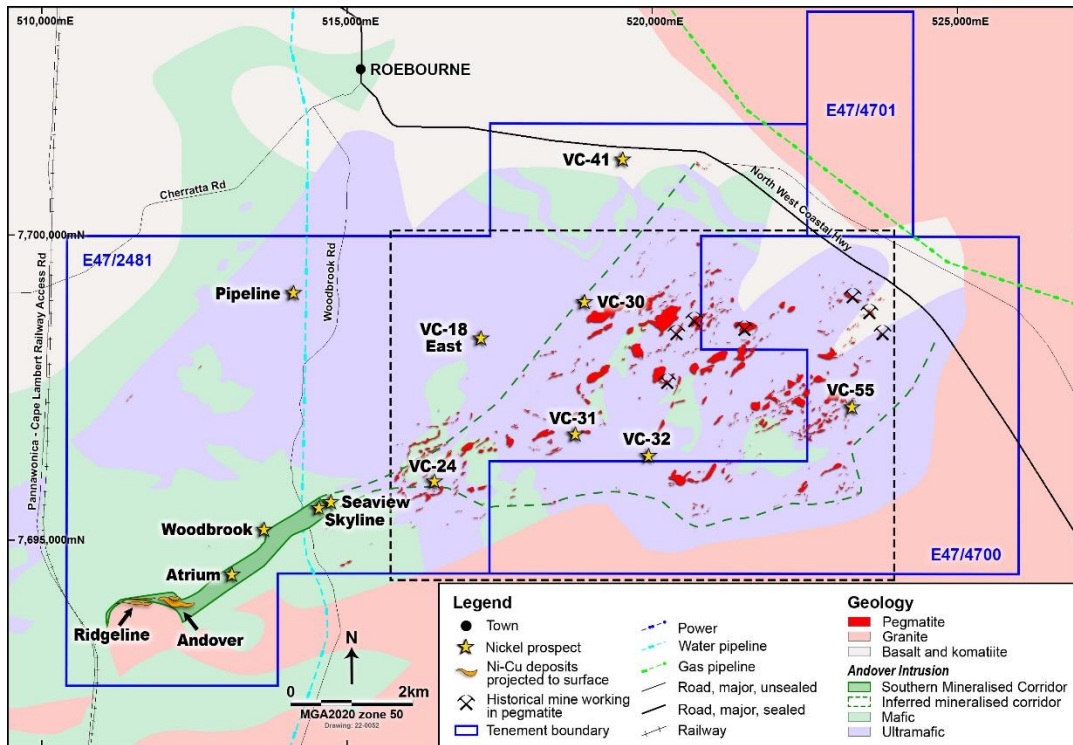


Figure 1: Andover Project – geology and pegmatite surface sampling

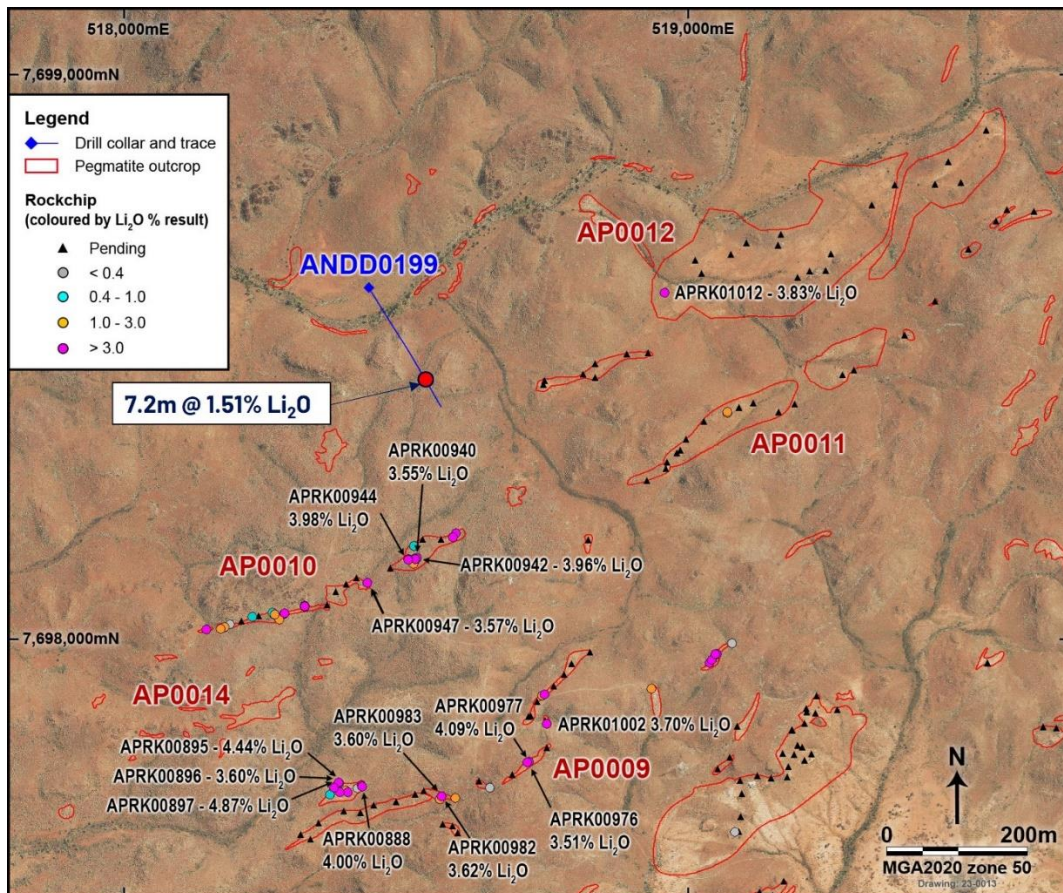


Figure 2: ANDDD0199 drill hole location and results of nearby pegmatite sampling

Commencing in early March, diamond drilling is currently focused on testing beneath outcropping pegmatites at the AP0011 and AP0012 prospects, where surface sampling returned numerous high grade lithium assays between 2% - 4% Li<sub>2</sub>O (ASX: 20 January 2023 and 21 March 2023), and where Azure has existing heritage clearance and environmental approvals in place.

By quarter end, four diamond core holes were completed for 1,353.6m (see **Figure 3**).

The first two holes (ANDD0201 and ANDD0202) each intersected a single pegmatite of 22m and 27m in width respectively. Both pegmatites host narrow zones containing minor to moderate amounts of spodumene<sup>2</sup>.

The following two holes each intersected two pegmatites, with ANDD0203 drilling 12.1m and 52.9m-wide pegmatites and ANDD0204 drilling 29.7m and 39.6m-wide pegmatites. In both of these holes, the upper pegmatite contained only minor visible spodumene, while significant quantities of coarse-grained spodumene was prevalent in the lower pegmatite (see **Figure 4**).

Subsequently, hole ANDD0202 was re-entered and extended, successfully intersecting the lower pegmatite over a downhole length of 31.7m, containing zones of visible coarse-bladed spodumene (see **Image 2**).



**Image 2: Abundant coarse-bladed spodumene (white crystals) hosted in grey quartz matrix in pegmatite in hole ANDD0202ext at downhole depths of 333.2m (L) and 333.6m (R)**

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<sup>2</sup> Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses and potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. Additionally, the presence of spodumene does not necessarily equate to lithium mineralisation until confirmed by laboratory analysis where turnaround time for receipt of assay results is currently approximately 8 weeks.

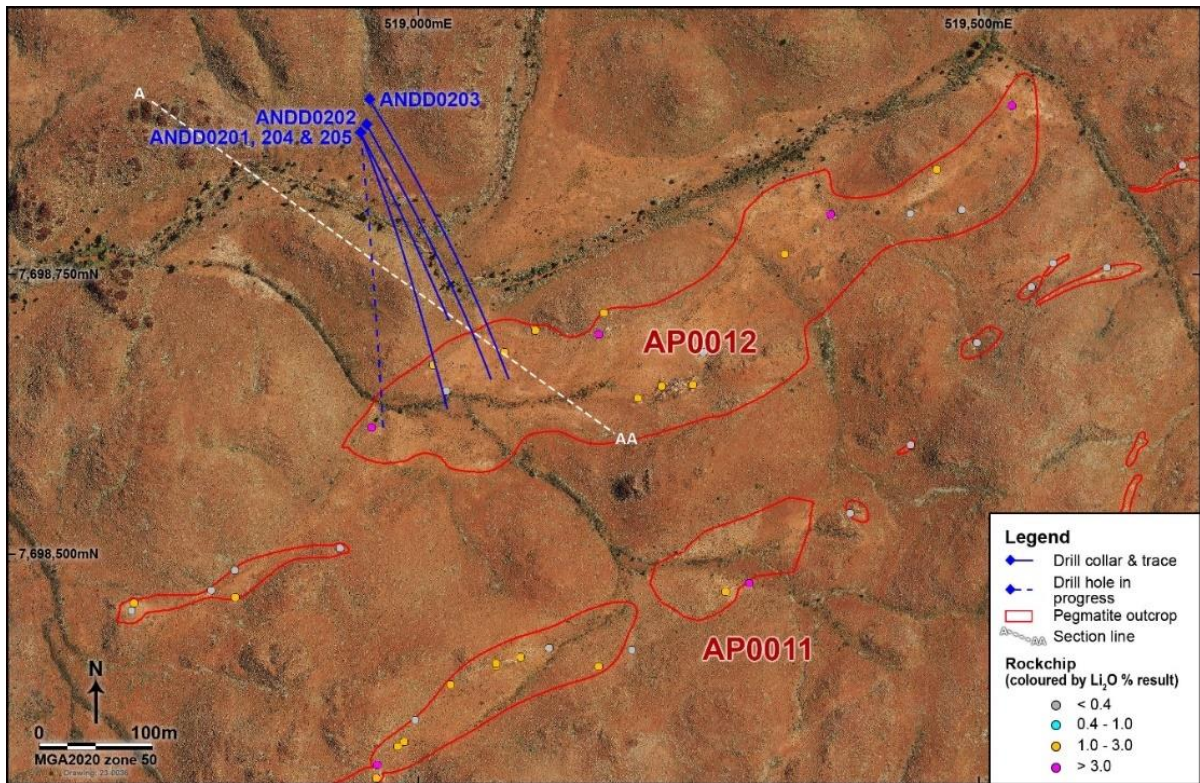


Figure 3: AP0011 and AP0012 prospects showing drill holes and cross section line

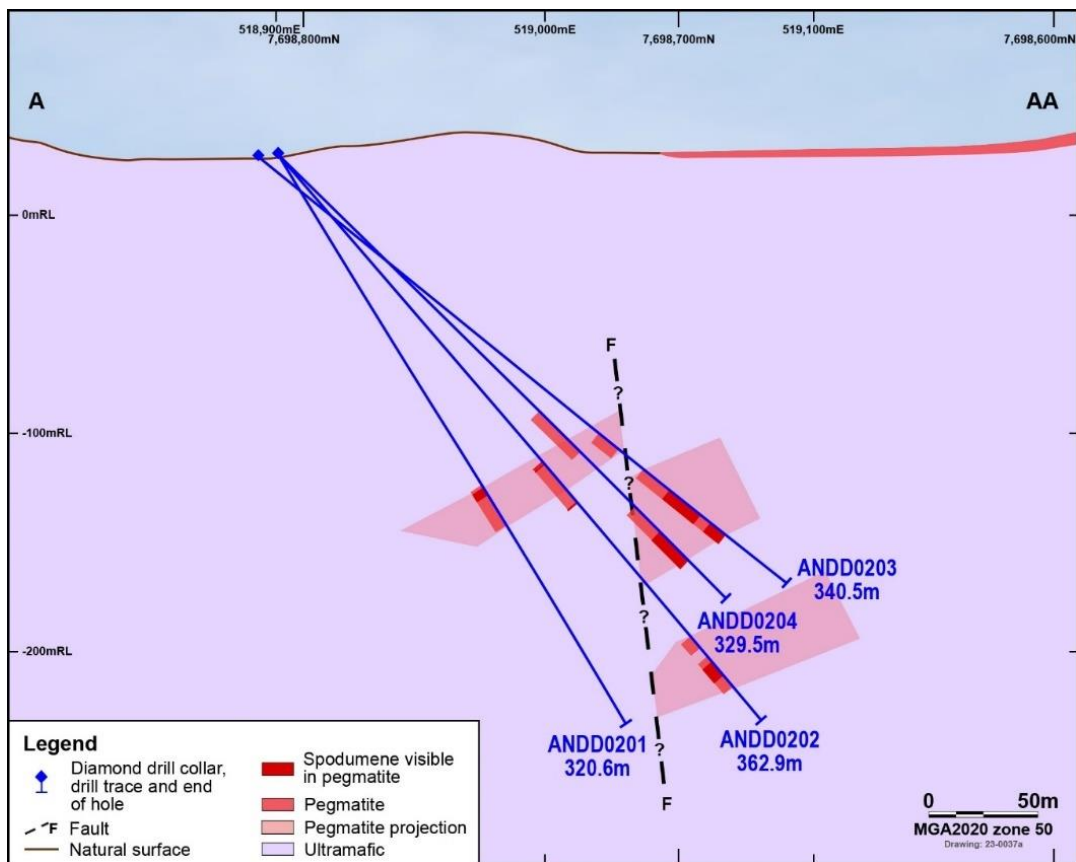


Figure 4: Cross section showing drill intersections of spodumene-bearing pegmatites

Drilling is now targeting the mineralised AP0011 and AP0012 pegmatites closer to surface to determine the relationship between the drill intersections of the spodumene-bearing pegmatites and the outcropping pegmatites that host high lithium grades at surface. Exploration has been accelerated with the addition of a second diamond drill rig which commenced drilling in mid-April.

The drilling program will be expanded with the addition of Reverse Circulation (RC) drill rigs following receipt of requisite heritage clearances and environmental approvals. The targets will be other pegmatite outcrops that visually host spodumene, returned high lithium grades, and which demonstrate potential for significant volumes of mineralisation.

### *Surface sampling and mapping*

As part of its lithium-focused exploration, Azure collected a total of 793 surface samples in 2022 by helicopter-supported and ground-based sampling programs. Most of the assays were received in the March quarter, with 181 samples returning grades of more than 1% Li<sub>2</sub>O and 75 exceeding 3% Li<sub>2</sub>O (ASX: 12 & 19 October 2022, 20 January and 21 March 2023).

The identification of abundant outcropping spodumene-rich pegmatites (see **Image 3** for example of outcropping pegmatite at AP0001) containing high grades of lithium at numerous prospects across the project area confirms the potential for Andover to host substantial lithium resources. Project-wide geological mapping and rock chip sampling of numerous as yet unsampled pegmatites is continuing and this work is expected to identify further drill targets.



**Image 3: Spodumene-bearing pegmatite at prospect AP0001, returned lithium assays grading up to 4.52% Li<sub>2</sub>O**

**Table 1: Location data of lithium-focused drill holes at AP0011 and AP0012 prospects**

HOLE No.	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH (m)
ANDD0201	518949	7698876	29	150	-55	320.6
ANDD0202	518956	7698883	29	153	-47	362.9
ANDD0203	518957	7698905	29	149	-37	340.5
ANDD0204	518949	7698876	29	160	-40	329.6
ANDD0205	518949	7698876	29	175	-37	364.0
ANDD0206						
ANDD0207						
ANDD0208						

## ANDOVER NICKEL-COPPER-COBALT PROJECT

### *Maiden Resource Delivered for the Ridgeline Nickel Deposit*

A maiden Mineral Resource Estimate (MRE) of **1.3Mt @ 1.11% Ni, 0.46% Cu and 0.05% Co**, for **14,700t of contained Nickel, 6,100t of contained Copper and 640t of contained Cobalt** at a cut-off grade of 0.5% Ni (JORC 2012) (see **Table 2**) was defined for the Ridgeline Deposit.

The MRE is current to 23 January 2023 and reported by classification in Table 3.

**Table 2: Ridgeline Mineral Resource Estimate by classification reported above a 0.5% Ni cut-off (23 January 2023)**

Classification	Tonnes (Mt)	Ni (%)	Cu (%)	Co (%)	S (%)	NiEq (%)	Ni metal (kt)	Cu metal (kt)	Co metal (kt)	Density (t/m <sup>3</sup> )
Indicated	0.4	1.13	0.48	0.05	6.63	1.51	4.8	2.0	0.21	3.17
Inferred	0.9	1.09	0.45	0.05	6.57	1.45	9.9	4.1	0.43	3.16
<b>Total</b>	<b>1.3</b>	<b>1.11</b>	<b>0.46</b>	<b>0.05</b>	<b>6.59</b>	<b>1.47</b>	<b>14.7</b>	<b>6.1</b>	<b>0.64</b>	<b>3.16</b>

#### Notes:

- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
- Data is reported to significant figures and differences may occur due to rounding.
- Mineral Resources have been reported above a cut-off grade of 0.5% Ni.
- The NiEq calculation represents total metal value for each metal summed and expressed in equivalent nickel grade and ounces. Commodity prices assumed in the calculation are US\$: nickel \$19,366.6/t; copper \$9,089.8/t; cobalt \$63,107.9/t.
- The following metallurgical recovery assumptions are based on metallurgical testwork, and Azure considers they have a reasonable potential to be recovered and sold: 80% nickel recovery; 77% copper recovery; 77% cobalt recovery.
- NiEq formula =  $Ni(\%) + (Cu(\%) \times (Cu\ \$/t \times Cu\ recovery \times 0.01) / (Ni(\%) \times Ni\ recovery \times 0.01)) + (Co(\%) \times ((Co\ \$/t \times Co\ recovery \times 0.01) / (Ni\ \$/t \times Ni\ recovery \times 0.01)))$ .

This is the second MRE to be defined on the Andover Nickel Project (see **Figure 5**) following the release of the MRE for the Andover Deposit (ASX: 30 March 2022).

Global mineral resources for the Project, including both the Andover Deposit and the Ridgeline Deposit, now stand at **6Mt @ 1.11% Ni, 0.47% Cu and 0.05% Co** for **66,400t of contained Nickel**,



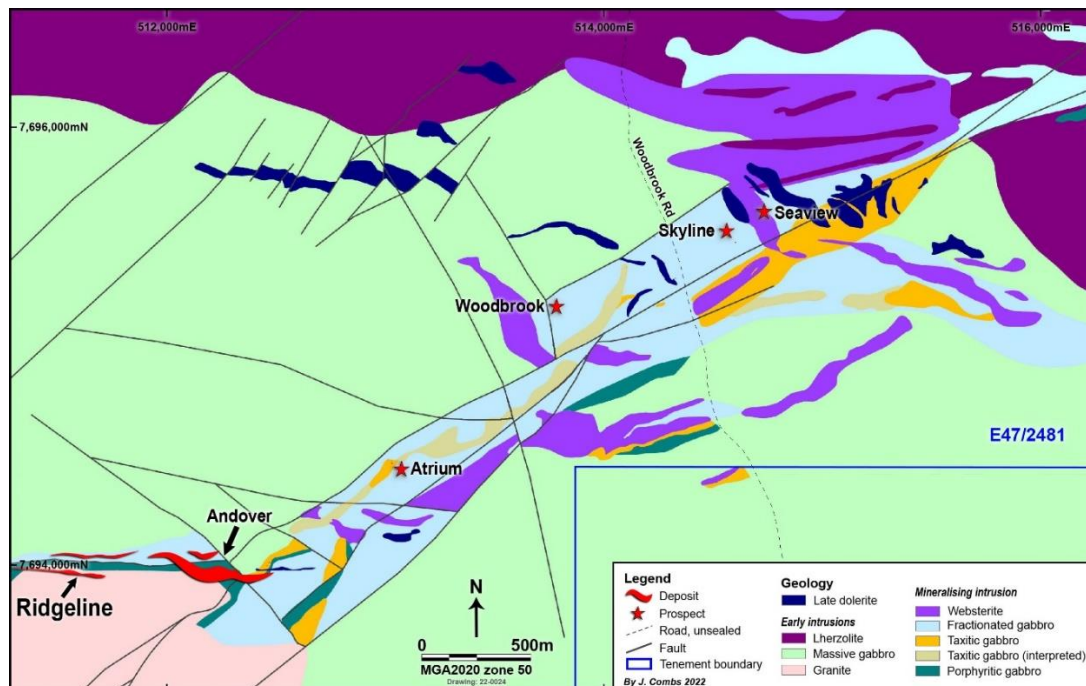
27,800t of contained Copper and 3,100t of contained Cobalt at a cut-off grade of 0.5% Ni (JORC 2012)(see Table 3).

**Table 3: MRE for the Andover Project by classification reported above a 0.5% Ni cut-off**

Classification	Tonnes Mt	Ni %	Cu %	Co %	S %	NiEq. %	Ni Metal kt	Cu Metal kt	Co Metal kt
<b>Andover Deposit</b>									
Indicated	3.8	1.16	0.47	0.05	8.23	1.51	43.9	17.9	2.1
Inferred	0.9	0.89	0.44	0.04	6.33	1.2	7.7	3.8	0.4
<b>Total</b>	<b>4.7</b>	<b>1.11</b>	<b>0.47</b>	<b>0.05</b>	<b>7.87</b>	<b>1.41</b>	<b>51.7</b>	<b>21.7</b>	<b>2.4</b>
<b>Ridgeline Deposit</b>									
Indicated	0.4	1.13	0.48	0.05	6.63	1.51	4.8	2.0	0.2
Inferred	0.9	1.09	0.45	0.05	6.57	1.45	9.9	4.1	0.4
<b>Total</b>	<b>1.3</b>	<b>1.11</b>	<b>0.46</b>	<b>0.05</b>	<b>6.59</b>	<b>1.47</b>	<b>14.7</b>	<b>6.1</b>	<b>0.6</b>
<b>Global Resource</b>									
Indicated	4.2	1.16	0.47	0.05	8.06	1.51	48.7	19.9	2.3
Inferred	1.8	0.99	0.45	0.04	6.45	1.33	17.6	7.9	0.8
<b>Total</b>	<b>6.0</b>	<b>1.11</b>	<b>0.47</b>	<b>0.05</b>	<b>7.58</b>	<b>1.45</b>	<b>66.4</b>	<b>27.8</b>	<b>3.1</b>

The MRE was completed by CSA Global Pty Ltd (“CSA Global”) and based on 58 Diamond Drill (DD) holes drilled between 2021 and 2022, for a total of 33,065.3m. All holes were assayed where they intersected mineralisation lodes, and for any internal waste and external lengths for several metres outside the lodes. This yielded 5,550 assay records, of which 4,313 intercepted mineralisation.

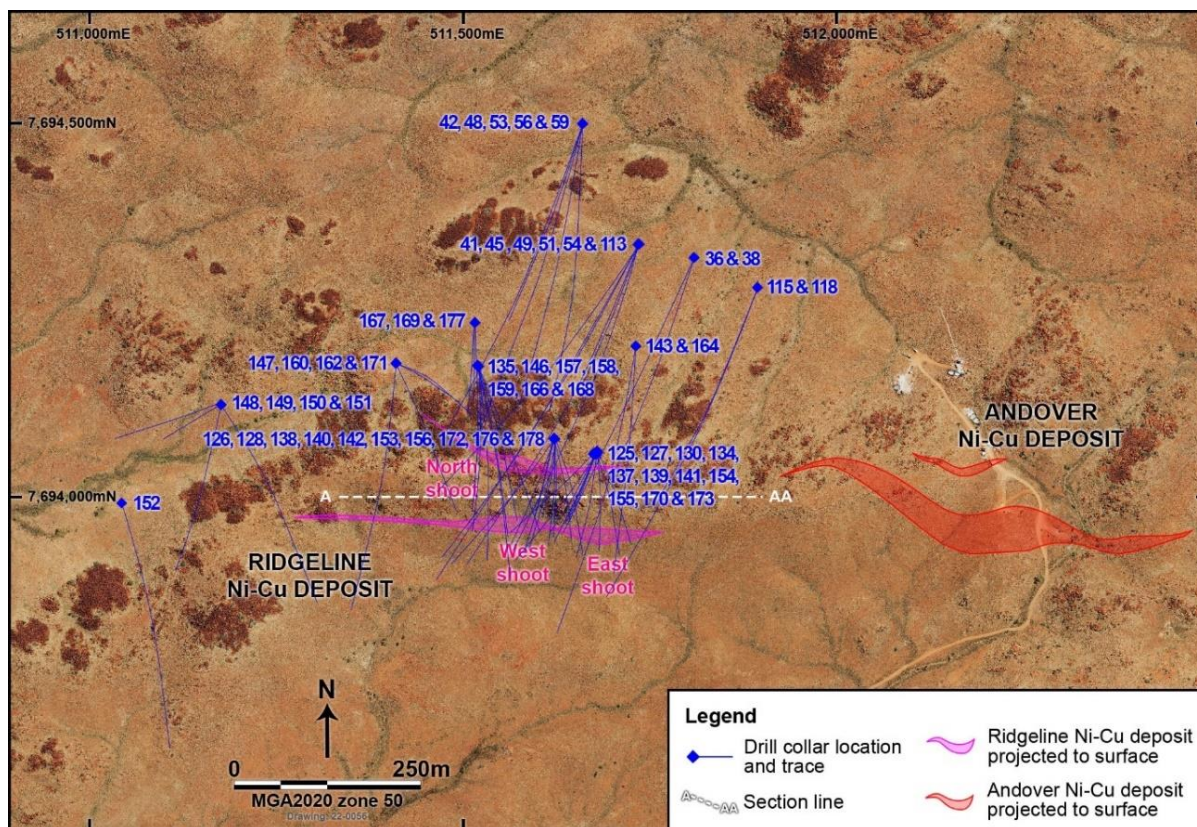
Drillholes were nominally spaced 50m x 50m, with most holes typically oriented within 020° of orthogonal to the interpreted dip and strike of mineralisation. Several holes were drilled at less optimal azimuths due to site access constraints or to test for alternative mineralisation orientations. No relationships between hole angles and grade or true thickness of the mineralisation were established.



**Figure 5: Geological map of the Ridgeline Deposit and surroundings**

The Mineral Resource is classified as Indicated and Inferred based on the guidelines specified in the JORC Code (2012). The classification level is based upon assessment of the geological understanding of the Ridgeline Deposit, geological and mineralisation continuity, drillhole spacing, quality control results, search and interpolation parameters, and analysis of available density information.

The Ridgeline Deposit shows good continuity of mineralisation within well-defined geological constraints. Drillholes are located at a nominal spacing of 50m x 50m (see **Figure 6**). The drill spacing is sufficient to allow the geology and mineralisation zones to be modelled into coherent wireframes for each domain. Reasonable consistency is evident in the orientation and thickness and grades of the mineralised zones.



**Figure 6: Ridgeline Deposit surface expression**

The Mineral Resource is classified as Indicated where, in the Competent Person's opinion, sufficient data exists to assume geological and mineralisation continuity. The Indicated classification generally represents areas of the primary mineralisation zone with 50m x 50m spacing and with estimation quality Slope of Regression (SOR) greater than 0.6.

The Mineral Resource is classified as Inferred where, there is sufficient evidence to imply but not verify geological and grade continuity. The Inferred blocks are generally around the periphery and depth extent of the major mineralisation domains and in smaller domains with limited samples. The Inferred classification generally represents areas with greater than 50 m x 50 m but less than 100m x 100m drillhole spacing, and estimation quality SOR less than 0.6.

The Mineral Resource blocks classified as Indicated and Inferred are illustrated in plan and long section view in **Figure 7**. Nickel and copper distributions are shown in **Figures 8** and **9** respectively.

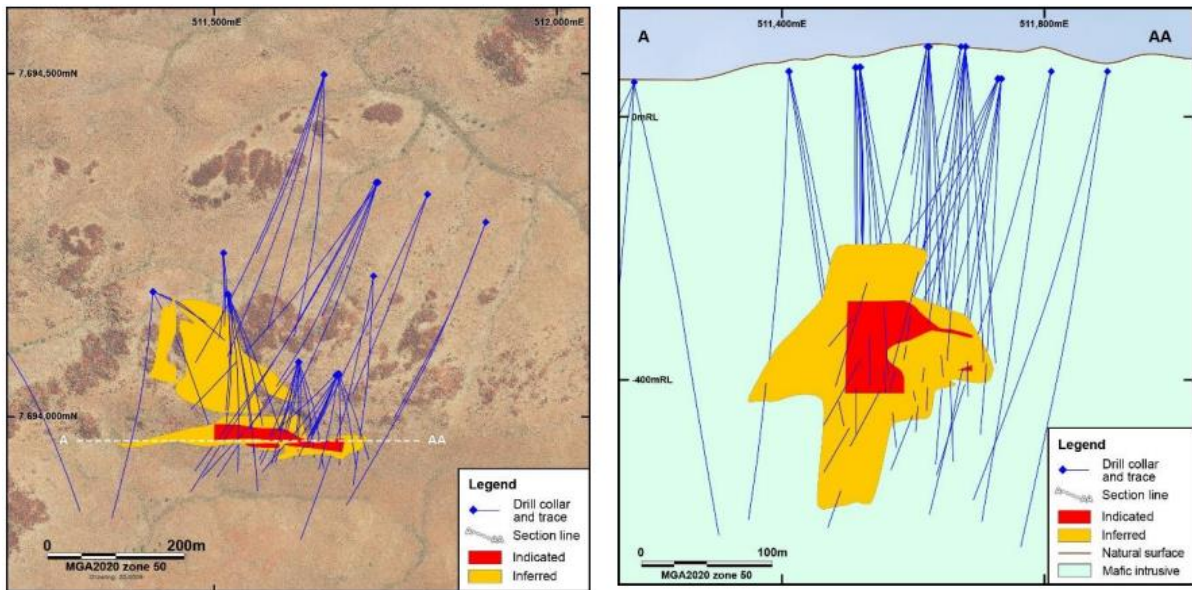


Figure 7: Ridgeline resource classification (red blocks – Indicated and orange blocks – Inferred) – left image plan view and right image long section looking north

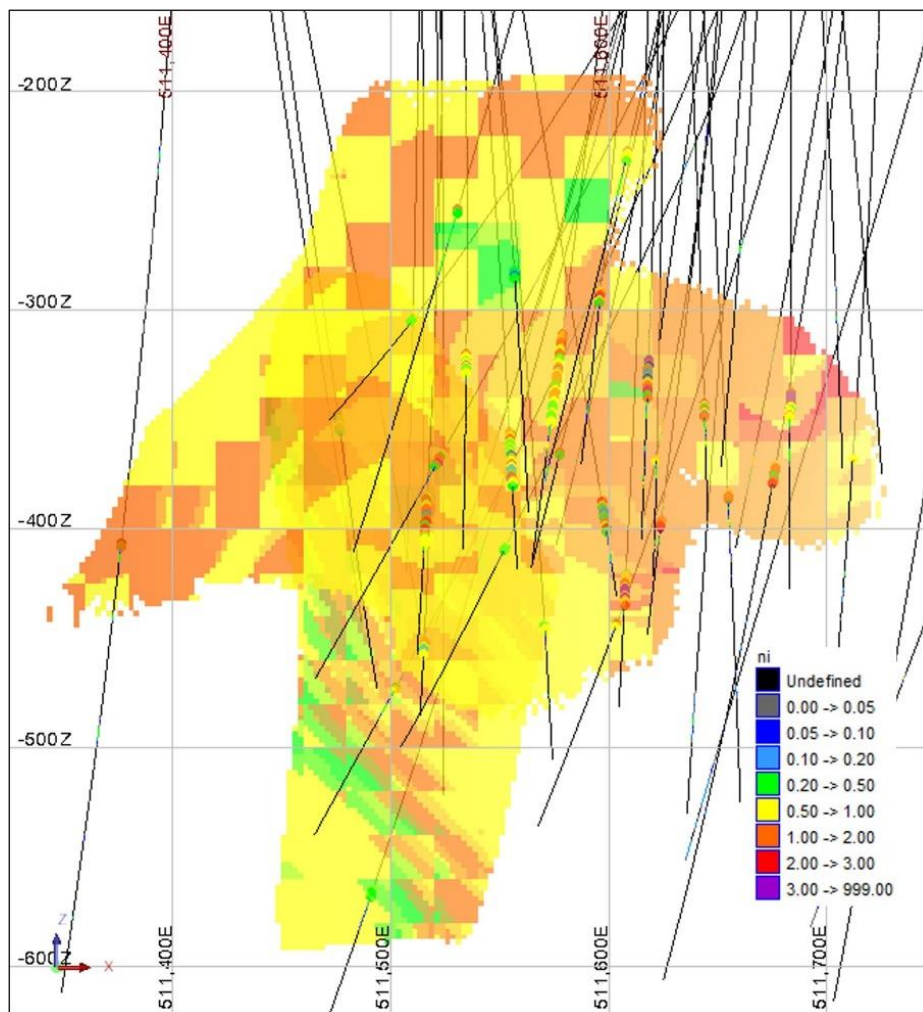


Figure 8: Long section of block model showing nickel looking north

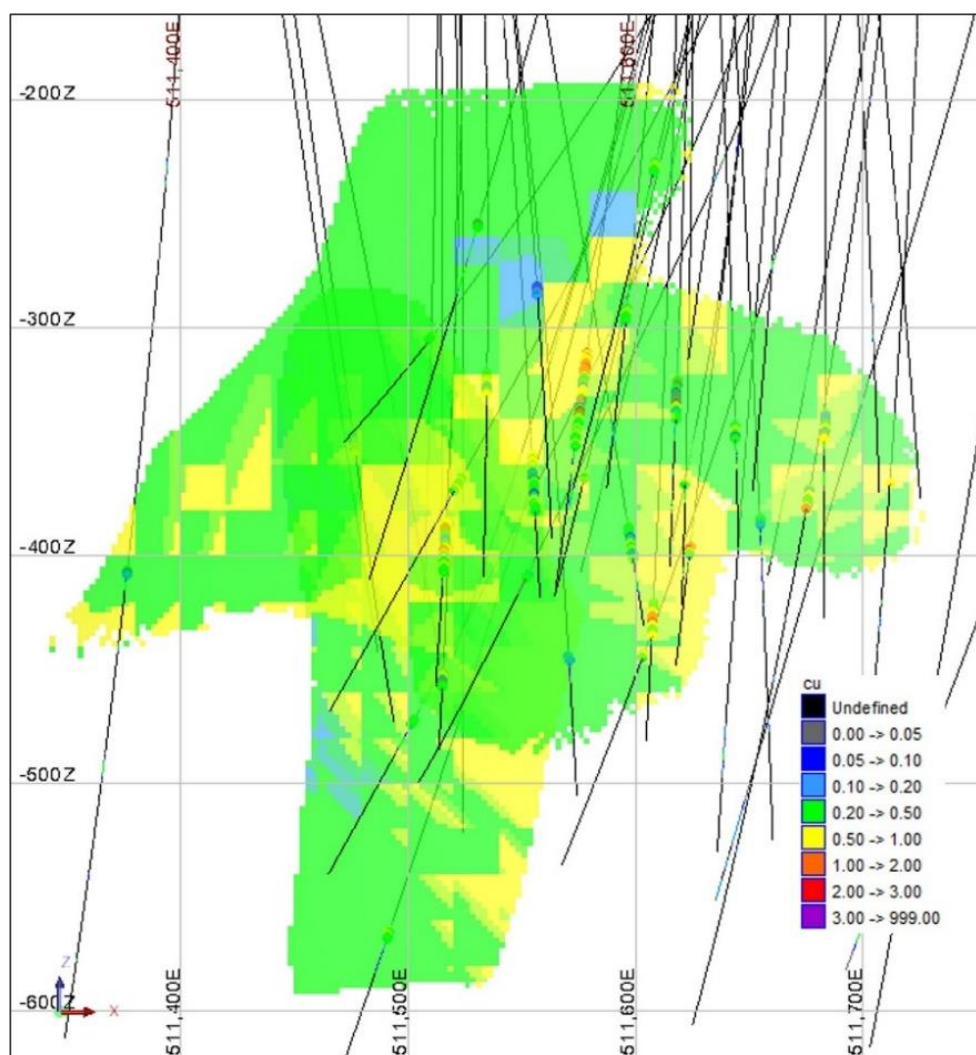


Figure 11: Long section of block model showing copper looking north

For reporting, a nickel cut-off grade of 0.5% was applied to the block model. The 0.5% Ni cut-off grade was based on assessing global grade-tonnage plots for nickel and copper and based on similar peer underground nickel mines. The tonnage and grade are not very sensitive to the nickel cut-off grade as the classified material is primarily mineralisation that was modelled in domains above 0.5% Ni.

Nickel equivalence (NiEq) is reported for comparison purposes only. NiEq was calculated by a weighted average of the three components of nickel, copper and cobalt (see **Table 4**) using two-year average commodity price predictions from Consensus Economics Report, dated 14 February 2022, which are consistent with those used for the Andover Deposit, and metallurgical recoveries as indicated by testwork.

The formula for the NiEq is:

$$NiEq \text{ equation} = Ni (\%) + (Cu (\%) \times ((Cu \text{ } \$/t \times Cu_{\text{recovery}} \times 0.01) / (Ni \text{ } \$/t \times Ni_{\text{recovery}}))) + (Co (\%) \times ((Co \text{ } \$/t \times Co_{\text{recovery}} \times 0.01) / (Ni \text{ } \$/t \times Ni_{\text{recovery}})))$$

$$\text{Simplifies to: } NiEq \text{ equation} = Ni (\%) + Cu (\%) \times 0.45 + Co (\%) \times 3.15$$

Table 4: NiEq Calculation Derivation for Ridgeline Deposit

Element	Price (US\$)	Realised price per unit	Unit	Recovery %	In situ unit price	Unit_1	NiEq factor
Ni	19,366.6	153.8	\$/t	80%	154.9	\$/t	1
Cu	9,089.8	64.0	\$/t	77%	70.0	\$/t	0.45
Co	63,107.9	427.2	\$/t	77%	488.5	\$/t	3.15

Grade tonnage tables were generated for the Ridgeline Deposit according to classification. The grade tonnage table for the Mineral Resource is shown in Table 5 and the grade tonnage curves are shown in Figure 12.

Table 5: Ridgeline grade – tonnage table

Ni cut-off %	Total Resources				Indicated Resources				Inferred Resources			
	Tonnes 000't	Ni %	Cu %	Co %	Tonnes 000't	Ni %	Cu %	Co %	Tonnes 000't	Ni %	Cu %	Co %
0	1458	1.04	0.45	0.05	435	1.12	0.48	0.05	1023	1.01	0.43	0.04
0.1	1458	1.04	0.45	0.05	435	1.12	0.48	0.05	1023	1.01	0.43	0.04
0.2	1458	1.04	0.45	0.05	435	1.12	0.48	0.05	1023	1.01	0.43	0.04
0.3	1452	1.05	0.45	0.05	435	1.12	0.48	0.05	1018	1.01	0.44	0.04
0.4	1398	1.07	0.45	0.05	435	1.12	0.48	0.05	964	1.05	0.44	0.05
0.5	1328	1.11	0.46	0.05	424	1.13	0.48	0.05	904	1.09	0.45	0.05
0.6	1196	1.17	0.48	0.05	408	1.16	0.49	0.05	788	1.17	0.48	0.05
0.7	1096	1.22	0.49	0.05	393	1.18	0.49	0.05	702	1.24	0.49	0.05
0.8	1007	1.26	0.50	0.05	354	1.23	0.51	0.05	653	1.28	0.50	0.06
0.9	867	1.33	0.52	0.06	308	1.28	0.51	0.06	559	1.35	0.52	0.06
1	694	1.42	0.52	0.06	248	1.36	0.51	0.06	446	1.45	0.53	0.06

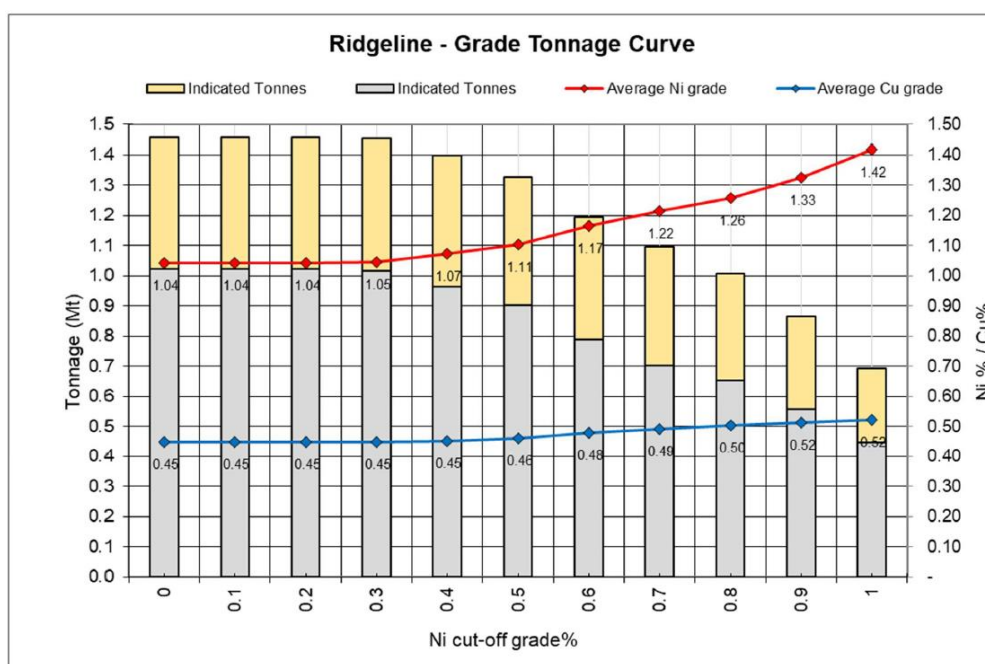


Figure 12: Grade-tonnage curve by nickel

## **BARTON GOLD PROJECT (100% AZURE MINERALS)**

Final assay results were received from the late-2022 exploration drilling program at the Daisy Corner and Trevan Well prospects in the Company's 100%-owned Barton Project ("Barton") (ASX: 27 April 2023).

Barton is located in the Kookynie Gold District within the world-class Leonora-Laverton gold province in the Eastern Goldfields region of Western Australia.

### *Program Details*

The Daisy Corner prospect is located 300m north of Genesis Minerals Limited's Puzzle North deposit (232,000oz gold resources - ASX release 29 March 2022). Drilling comprised 16 holes totalling 1,771m. Results confirm that the Puzzle and Puzzle North mineralising system continues into Azure's tenement with gold mineralisation intersected in several holes. Gold mineralisation is typically associated with quartz veins within both the greenstone and granitic lithologies. Structural controls appear to be complex and further work is required to determine its influence on the mineralisation.

At Daisy Corner, significant anomalous gold mineralisation included:

- BTRC0034 - **26.0m @ 0.63 g/t Au from 16.0m, including 10m @ 1.03 g/t Au from 31m**; and
- BTRC0039 - **20.0m @ 0.41 g/t Au from 20.0m** [4m composites].

Together with the previously reported mineralised intersection (ASX: 17 May 2022):

- BTRC0009 - **40m @ 0.65 g/t Au from 24m**,

the trend of anomalous gold mineralisation at Daisy Corner has been extended to more than 350m in strike length and it remains open to the northwest and southeast.

Several other drill holes in the Daisy Corner prospect intersected anomalous gold including BTRC0056 which terminated (due to excessive ground water) in **2m @ 2.62 g/t Au from 32m**, along strike from BTRC0040 which intersected **8.0m @ 1.62g/t Au from 84.0m**.

At Daisy West, minor anomalous gold mineralisation was intersected in three holes, with a best result of **8m @ 0.49g/t Au from 44.0m** in BTRC0050.

Treva Well drilling intersected anomalous gold in two holes. The best result was in BTRC0030 which intersected **1.0m @ 1.18 g/t Au from 53.0m** and **1.0m @ 1.05 g/t Au from 57.0m**. Overall, the results were somewhat disappointing, considering the strong alteration and anomalous gold identified at surface. However, the mineralisation remains open to the north and further drilling will be required to follow up this gold trend.

## **CORPORATE**

Cash at quarter-end of \$23.2 million.

During the quarter the company expensed \$1.257 million on exploration and testwork activities described herein.

Payments to related parties of the entity and their associates totalled \$154,000 and consisted of Executive Service fees of \$114,000 and Director's fees of \$40,000.

There have been no mineral exploration tenements acquired or disposed of during the period.

**ENDS-**

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

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**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.*

*The information in this report that relates to Mineral Resource Estimates for the Andover Deposit was first released to the ASX on 30 March 2022 and for the Ridgeline Deposit it was first released to the ASX on 8 February 2023. Both are available to view on [www.asx.com.au](http://www.asx.com.au). Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.*



## 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")**

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1 Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for	-	-
(a) exploration & evaluation	(1,257)	(8,411)
(b) development	-	-
(c) production	-	-
(d) staff costs	(271)	(861)
(e) administration and corporate costs	(711)	(1,753)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	11
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>(2,234)</b>	<b>(11,014)</b>
<b>2 Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(41)	(121)
(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 (9 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities	96	3,496
(b) tenements	-	-
(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>55</b>	<b>3,375</b>

<b>3 Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	20,000	20,000
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	266
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>20,000</b>	<b>20,266</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	5,407	10,601
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,234)	(11,014)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	55	3,375
4.4 Net cash from / (used in) financing activities (item 3.10 above)	20,000	20,266
4.5 Effect of movement in exchange rates on cash held	19	19
<b>4.6 Cash and cash equivalents at end of period</b>	<b>23,247</b>	<b>23,247</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	23,189	5,349
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>23,247</b>	<b>5,407</b>

<b>6 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	154
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 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.		

<b>8</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,234)
8.2	(payments for exploration & evaluation classified as investing activities)(item	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,234)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	23,247
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	23,247
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>10.41</b>
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?	
	Answer: N/A	
	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?	
	Answer: N/A	
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: NA	

## 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: 28 April 2023

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>Project</b>	<b>Mineral</b>	<b>Tenement</b>	<b>Status</b>	<b>Percentage Held</b>
Andover	All Minerals	E47/2481	Granted	60%
Andover	All Minerals	E47/4700	Application	60%
Andover	All Minerals	E47/4701	Application	60%
Andover	All Minerals	E47/4761	Application	60%
Andover	All Minerals	E47/4763	Application	60%
Andover	All Minerals	E47/4892	Application	60%
Barton	All Minerals	E31/1278	Application	100%
Barton	All Minerals	E31/1280	Granted	100%
Barton	All Minerals	E31/1296	Application	100%
Barton	All Minerals	E31/1310	Application	100%
Barton	All Minerals	E31/1336	Application	100%
Barton	All Minerals	E31/1337	Application	100%
Barton	All Minerals	E31/1338	Application	100%
Barton	All Minerals	E40/393	Granted	100%
Barton	All Minerals	E40/412	Application	100%
Barton	All Minerals	E40/421	Application	100%
Barton	All Minerals	E40/432	Granted	100%
Barton	All Minerals	E40/434	Application	100%
Barton	All Minerals	E40/436	Application	100%
Barton	All Minerals	E40/437	Application	100%
Barton	All Minerals	E40/438	Application	100%
Coongan	All Minerals	E46/1156	Granted	70%
Turner River	All Minerals	E45/2573	Application	70%
Turner River	All Minerals	E45/2574	Application	70%
Turner River	All Minerals	E45/6295	Application	70%
Turner River	All Minerals	E45/6296	Application	70%
Turner River	All Minerals	E45/6297	Application	70%