

31 July 2023

QUARTERLY ACTIVITIES REPORT

FOR PERIOD ENDED 30 JUNE 2023

Company-defining quarter with numerous +100m-wide zones of lithium mineralisation intersected at the Andover Project

ANDOVER PROJECT

- Major drill intersections include:
 - 105.0m @ 1.26% Li₂O from 256.3m in ANDD0208 (~89.0m True Width), including:
 - 42.1m @ 2.51% Li₂O
 - 112.4m @ 1.05% Li₂O from 263.3m in ANDD0215 (~110.7m True Width), including:
 - 59.0m @ 1.24% Li₂O
 - 100.2m @ 1.24% Li₂O from 101.5m in ANDD0221 (~92.0m True Width), including:
 - 28.0m @ 1.86% Li₂O (~26.0m True Width)
 - 101.3m @ 1.21% Li₂O from 264.7m in ANDD0223 (~95.5m True Width), including:
 - 64.1m @ 1.63% Li₂O (~60.4m True Width)
 - 90.2m @ 1.23% Li₂O from 172.1m in ANDD0214 (~77.4m True Width), including:
 - 25.8m @ 1.53% Li₂O
 - 63.7m @ 1.15% Li₂O from 101.5m in ANDD0210 (~53.4m True Width), including:
 - 34.7m @ 1.59m Li₂O
- Results confirm mineralised zones extend for more than 1,500m along strike and down-dip from surface to vertical depths in excess of 350m in Target Area 1
- 100,000m drilling campaign continues unabated, with 4 diamond core rigs and 2 RC rigs on site
- Many additional targets remain untested within the pegmatite swarm which extends over 9km x 5km (see Figure 1)
- Exploration Licence E47/4700 (10 blocks / 32km²) granted, expanding Azure's Andover Project footprint by 30%

CORPORATE

- Well-funded to continue major exploration campaign with cash at quarter-end of \$17.4million



ASX ANNOUNCEMENT

ASX:AZS



Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to provide the activities report for the June quarter, in which the Company confirmed the presence of broad zones of high-grade lithium mineralisation at its Andover Project (Azure 60% / Creasy Group 40%), located in the West Pilbara region of Western Australia.

Commenting on the quarter, Managing Director Tony Rovira said: "Delivering a series of +100m-wide lithium-rich drill intersections has significantly up-sized the potential of the Andover project to host substantial volumes of lithium mineralisation.

"Our lithium exploration activity only started to accelerate when drilling commenced in March following a successful mapping and sampling program that identified multiple outcropping mineralised pegmatites. These exceptional results validate our strategic decision to incorporate lithium into the overall exploration program at Andover and I am very pleased that the market is recognizing our success."

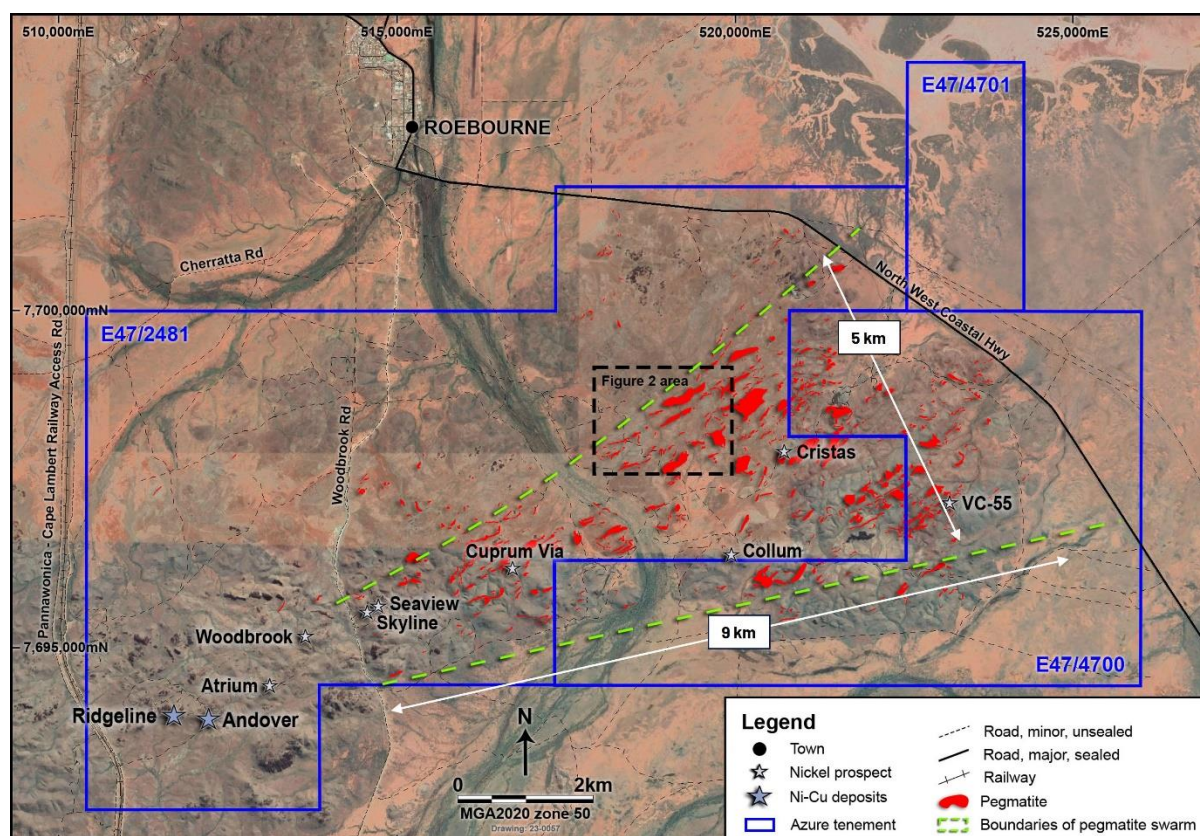


Figure 1: Andover Lithium Project showing area of current drilling (see Figure 2 for detail)

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

Drilling

Throughout the period, the Company has been very active undertaking intensive exploration and resource definition drilling, as well as starting metallurgical testwork and other scoping programs.

ASX ANNOUNCEMENT

ASX:AZS



During the quarter, Azure completed 32 diamond core holes for 9,224m, 36 Reverse Circulation (RC) holes for 6,393m, and two RC holes with diamond core tails for 588m of RC and 267m of core.

Drilling continues to test along the +2,000m strike extent of the corridor containing the AP0009, AP0010, AP0011, AP0012 and AP0014 pegmatites, and the location of diamond and RC drill holes completed to date are shown in Figure 2.

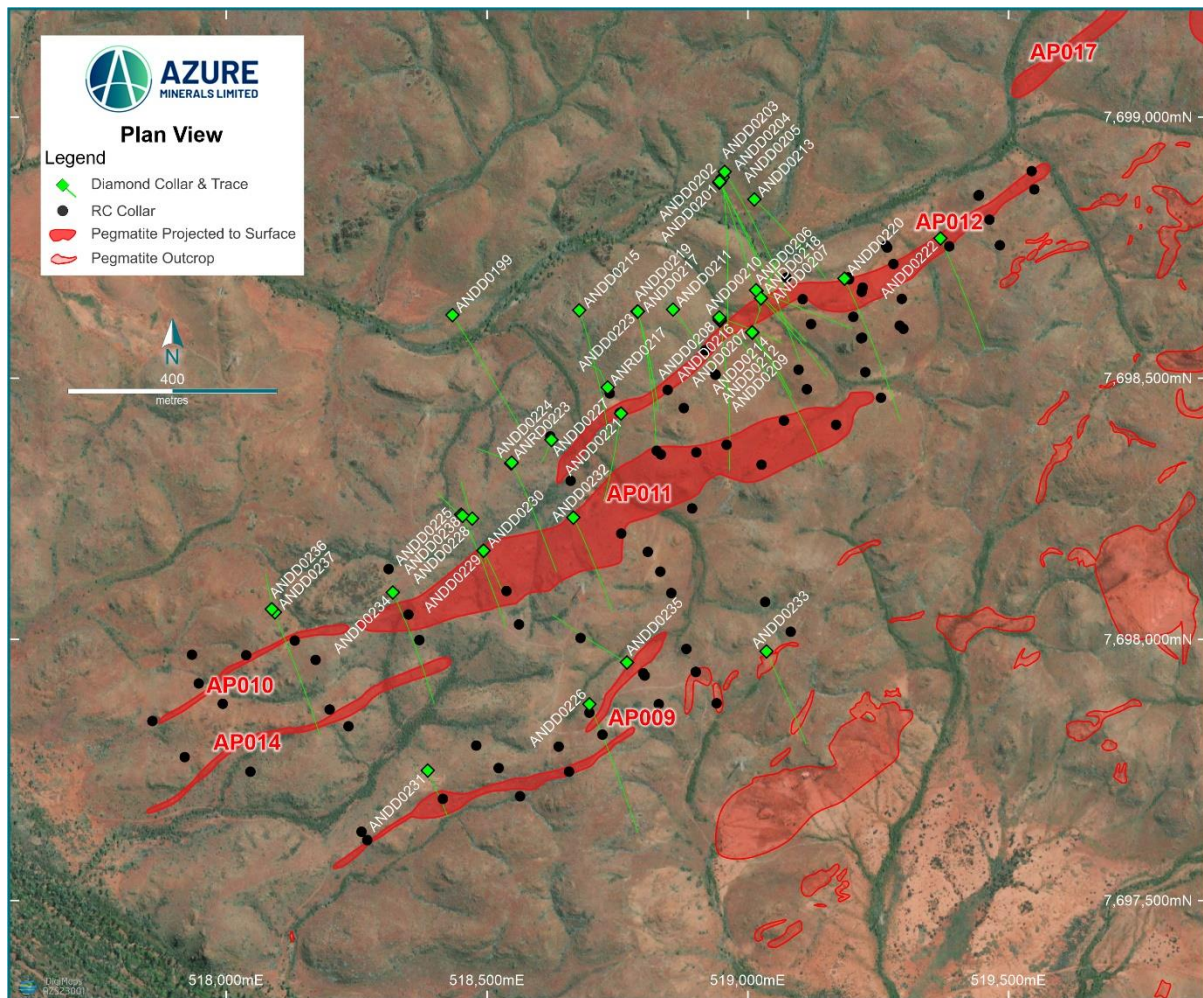


Figure 2: Pegmatite outcrops, diamond drill holes and RC drill hole collar locations in Target Area 1

In April, Azure delivered its first intersections in the lithium-focused drilling program, encountering thick zones containing substantial quantities of visible spodumene mineralisation beneath the outcropping AP0012 and AP0011 pegmatites¹.

The drilling program was further accelerated in May with Azure announcing two RC rigs had arrived at Andover for an initial 40,000m drilling program² to support the two diamond drill rigs already on site. Currently, this number has increased again with the Company now operating four diamond rigs and two RC rigs.

¹ See ASX Announcement dated: 5 April 2023

² See ASX Announcement dated: 31 May 2023

ASX ANNOUNCEMENT

ASX:AZS



The first batch of assay results from the diamond drilling were received in June, with mineralised intersections from eight diamond holes reported.

Results highlighted an exceptional series of thick, high-grade lithium-rich intersections within the pegmatites. Broader mineralised intersections included³:

- 105.0m @ 1.26% Li₂O from 256.3m in ANDD0208 including:
 - 42.1m @ 2.51% Li₂O from 259.0m, which includes
 - 22.8m @ 3.57% Li₂O
- 54.4m @ 1.07% Li₂O from 310.5m in ANDD0206 including:
 - 7.4m @ 1.93% Li₂O from 357.5m
- 52.1m @ 0.91% Li₂O from 22.3m in ANDD0208 including:
 - 14.4m @ 1.59% Li₂O from 22.3m and:
 - 8.6m @ 1.56% Li₂O from 65.8m
- 38.0m @ 0.97% Li₂O from 442.0m in ANDD0202 including:
 - 17.5m @ 1.35% Li₂O from 442.5m, which includes
 - 8.9m @ 1.72% Li₂O

These exceptional results were shortly followed by a second batch of assays which identified some of the widest lithium intercepts to date⁴, indicating a mineralised strike length in excess of 400m. Highlights from this next batch of assays include:

- 112.4m @ 1.05% Li₂O from 263.3m in ANDD0215 including:
 - 30.3m @ 1.18% Li₂O from 263.3m, which includes:
 - 13.5m @ 1.55% Li₂O from 280.1m
 - 59.0m @ 1.24% Li₂O from 316.7m, which includes:
 - 10.1m @ 1.70% Li₂O from 330.4m and:
 - 16.5m @ 1.57% Li₂O from 353.5m
- 52.5m @ 1.36% Li₂O from 14.1m in ANDD0210 including:
 - 28.3m @ 1.83% Li₂O from 14.8m which includes:
 - 3.6m @ 3.21% Li₂O from 14.8m

³ See ASX Announcement dated: 13 June 2023

⁴ See ASX Announcement dated: 20 June 2023



ASX ANNOUNCEMENT

ASX:AZS



More broad lithium intersections were reported by Azure at the end of June which demonstrated excellent continuity of mineralisation⁵ over a strike length of more than 600m.

These results included:

- 90.2m @ 1.23% Li₂O from 172.1m in ANDD0214 including:
 - 8.1m @ 1.91% Li₂O from 172.1m, and:
 - 25.8m @ 1.53% Li₂O from 210.4m, and:
 - 7.0m @ 1.58% Li₂O from 250.5m, and:
- 63.7m @ 1.15% Li₂O from 218.8m in ANDD0210 including:
 - 34.7m @ 1.59% Li₂O from 220.2m, which includes:
 - 8.0m @ 2.65% Li₂O from 220.2m, and also:
 - 7.8m @ 2.00% Li₂O from 235.0m:
- 32.7m @ 1.32% Li₂O from 255.6m in ANDD0217 including:
 - 20.7m @ 1.67% Li₂O from 256.0m which includes:
 - 7.8m @ 1.90% Li₂O from 256.0m, and also:
 - 4.1m @ 2.19% Li₂O from 272.5m
- 28.0m @ 1.12% Li₂O from 224.6m in ANDD0216 including:
 - 11.9m @ 1.57% Li₂O from 240.7m

Notably, holes ANDD0214 and ANDD0210 successfully demonstrated strong continuity of mineralisation up-dip from the previously reported broad high-grade intersection in hole ANDD0208.

Excellent lateral continuity of mineralisation was also demonstrated in the central part of the AP0011 pegmatite. Infill holes ANDD0216 and ANDD0217 confirmed continuous mineralisation between the eastern intersections of ANDD0206 and ANDD0202 and the westernmost intersection in ANDD0215.

Post quarter-end, Azure announced further drilling success with its latest batch of lithium assays identifying additional +100m intersections⁶. The results confirmed the broad mineralised zones extend for more than 1,200m along strike and down-dip from surface to vertical depths in excess of 350m. Highlights included:

- 101.3m @ 1.21% Li₂O from 264.7m in ANDD0223 (~95.5m True Width), including:
 - 64.1m @ 1.63% Li₂O from 284.8m (~60.4m True Width)
- 100.2m @ 1.24% Li₂O from 101.5m in ANDD0221 (~92.0m True Width), including:

⁵ See ASX Announcement dated: 30 June 2023

⁶ See ASX Announcement dated: 14 July 2023

ASX ANNOUNCEMENT

ASX:AZS



- 28.0m @ 1.86% Li₂O from 126.9m (~26.0m True Width), and
- 31.7m @ 1.44% Li₂O from 170.0m (~29.0m True Width)
- Hole ANDD0220 drilled near-surface mineralisation in AP0012 pegmatite:
 - 39.5m @ 1.06% Li₂O from 2.0m (~33.6m True Width), including:
 - 9.9m @ 1.70% Li₂O from 22.0m (~8.4m True Width)

Additional significant mineralised intersections include:

- 13.6m @ 1.12% Li₂O from 153.7m, and
- 41.2m @ 0.90% Li₂O from 177.4m in ANDD0224
- 32.0m @ 1.50% Li₂O from 150.7m in ANDD0225, including:
 - 10.6m @ 2.34% Li₂O from 160.2m

These results are very encouraging, given the +100m-wide intersection at ANDD0223 remains open to the southwest through hole ANDD0221 which is approximately 130m up-dip from the mineralised intersection of 112.4m @ 1.05% Li₂O in hole ANDD0215, providing significant upside for a substantial volume of mineral resources along strike to the southwest.

ANDD0220 encountered lithium in the northeast of the AP0012 pegmatite from a downhole depth of 2.0m (~1.5m below surface). This broad intersection of near-surface mineralisation extends the mineralised strike of the AP0012 pegmatite for a further 200m to the northeast from several previously reported mineralised holes.

The strongly mineralised intersections in holes ANDD0224 and ANDD0225 confirm the lithium mineralisation remains open along strike to the southwest, and further drilling is currently being undertaken in this direction.

Exploration Licence E47/4700

On 26 June 2023, the WA Department of Mines, Industry Regulation and Safety (DMIRS) granted Azure Minerals Exploration Licence E47/4700.

The Andover Project now comprises two granted ELs covering 102km². A third EL application (E47/4701 – 2 blocks / 6 km²) is expected to be granted in the second half of 2023.

E47/4700 adds an extra 32km² of ground that is highly prospective for both lithium-rich pegmatites and nickel-copper-cobalt sulphide mineralisation. Azure's granted tenements now completely cover all identified pegmatites in the Andover district.

In addition to the ELs, four applications have been submitted for Miscellaneous Licences (see Figure 3 and Table 1) for the purposes of searching for groundwater. These Miscellaneous Licences are expected to be granted in the second half of 2023.



Table 1: Andover Project Tenement Information

Tenement No.	Status	Minerals	Blocks	Area (Ha)
E47/2481	Granted	All Minerals	22	7,037.3
E47/4700	Granted	All Minerals	10	3,198.6
E47/4701	Application	All Minerals	2	639.9
L47/1066	Application	Search for Groundwater	N/A	410.7
L47/1067	Application	Search for Groundwater	N/A	3,294.5
L47/1068	Application	Search for Groundwater	N/A	2,546.9
L47/1096	Application	Search for Groundwater	N/A	6,570.0

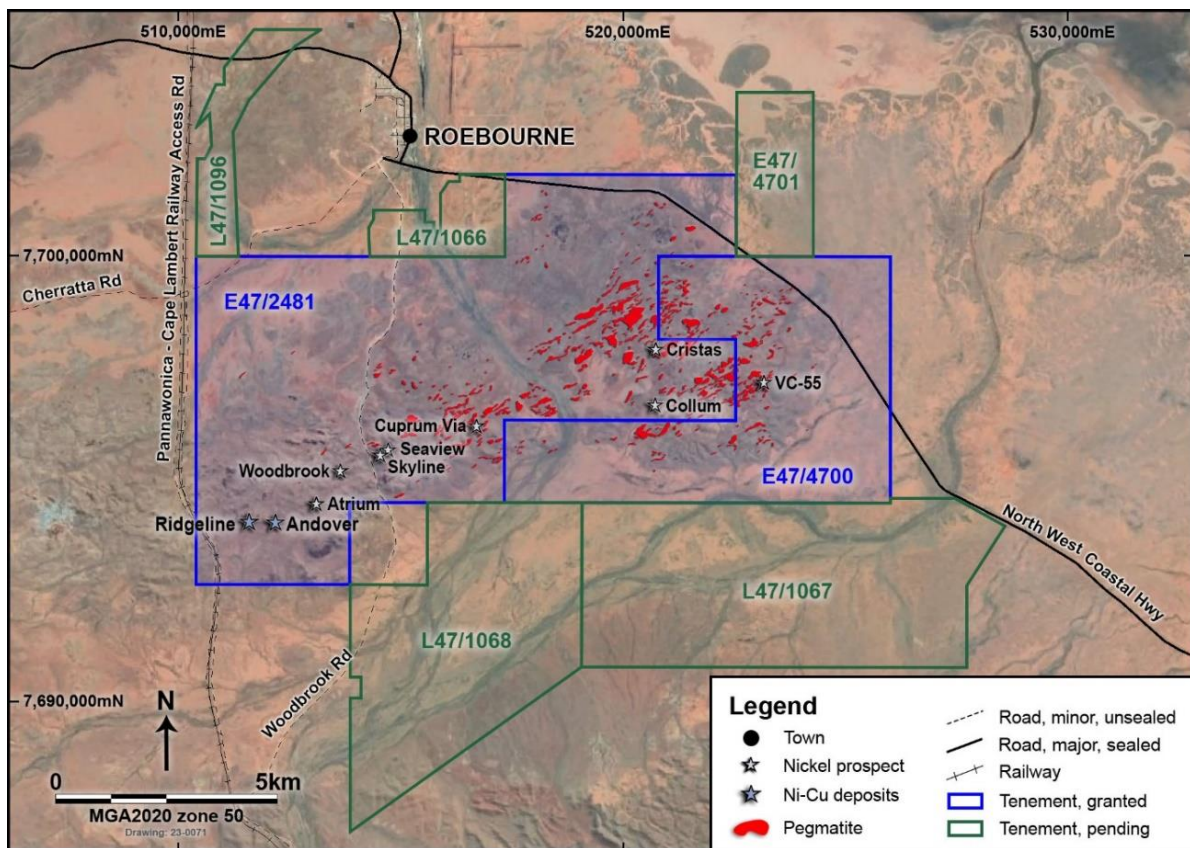


Figure 3: Andover Lithium Project showing new tenements

ASX ANNOUNCEMENT

ASX:AZS



Metallurgical Testwork

Azure has commenced a detailed, multi-stage metallurgical testwork program on the Andover lithium mineralisation, comprising:

- Comminution testwork
- Material characterisation
- Beneficiation

Results from this testwork program are expected in September 2023.

BARTON GOLD PROJECT (100% AZURE MINERALS)

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

During the quarter, 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").

Better drilling intersections include:

Daisy Corner

- BTRC0034: 26.0m @ 0.63 g/t Au from 16.0m
 - including 10m @1.03 g/t Au from 31m
- BTRC0037: 16.0m @ 0.54 g/t Au from 32.0m (4m composites)
- BTRC0039: 20.0m @ 0.41 g/t Au from 20.0m (4m composites)
 - including 8m @ 0.71 g/t Au from 24m
- BTRC0040: 8.0m @ 1.62g/t Au from 84.0m (4m composites)
- BTRC0056: 2.0m @ 2.62 g/t Au to EOH (2m composite)

Daisy West

- BTRC0050: 4.0m @ 0.53g/t Au from 48.0m (4m composite)

Trevan Well

- BTRC0030: 1.0m @ 1.18 g/t Au from 53.0m, and
 - 1.0m @ 1.05 g/t Au from 57.0m

The assay results are highly encouraging, particularly at the Daisy Corner prospect. Daisy Corner is located 300m north of Genesis Minerals Limited's Puzzle North deposit (maiden gold resources estimate of 232,000oz – ASX:GMD release dated 29 March 2022).

The Company drilled 16 holes at the prospect, totalling 1,771m. Results confirm the Puzzle and Puzzle North mineral system continues into Azure's tenement with gold mineralisation intersected in several holes.

⁷ See ASX Announcement dated: 27 April 2023



ASX ANNOUNCEMENT

ASX:AZS



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.

Eight holes for 1,086m were also drilled at Daisy West to test for Puzzle North-style mineralisation along the interpreted granite-greenstone contact with associated as well structurally controlled targets.

Azure also drilled 11 holes for 1,126m at Trevan Well, which is located approximately 6.5km southeast of Daisy Corner. Drilling targeted a northwest trending surface gold and copper anomaly identified in previous surface sampling programs. Anomalous gold was intersected in two drill holes coincident with the surface gold anomaly trend but were low-grade and similar to grades sampled at surface.

CORPORATE

Cash at quarter-end of \$17.4 million.

During the quarter the company expensed \$4.6 million on exploration and testwork activities described herein.

Payments to related parties of the entity and their associates totalled \$166,000 and consisted of Executive Service fees of \$126,000 and Director's fees of \$40,000.

Mineral exploration tenements acquired or disposed of during the period are set out in Annexures A and B:

Annexure A - Tenements acquired

Project	Activity	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Andover	Tenement Granted	E47/4700	-	60%
Barton	Tenement Granted	E31/1278	-	100%

Annexure B - Tenements sold or relinquished

Project	Activity	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Barton	Application Relinquished	E31/1296	100%	-
Barton	Application Relinquished	E31/1310	100%	-
Barton	Application Relinquished	E40/412	100%	-
Barton	Application Relinquished	E40/421	100%	-
Barton	Application Relinquished	E40/434	100%	-

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

-ENDS-

ASX ANNOUNCEMENT

ASX:AZS



For enquiries, please contact:

Tony Rovira

Managing Director

Azure Minerals Limited

Ph: +61 8 6187 7500

E: admin@azureminerals.com.au

Media & Investor Relations

David Tasker

Chapter One Advisors

Ph: +61 433 112 936

E: dtasker@chapteroneadvisors.com.au

or visit www.azureminerals.com.au

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.

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 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for	-	-
(a) exploration & evaluation	(4,583)	(12,994)
(b) development	-	-
(c) production	-	-
(d) staff costs	(429)	(1,290)
(e) administration and corporate costs	(477)	(2,230)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	31
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(5,469)	(16,483)
2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(299)	(420)
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	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	-	-
2.6	Net cash from / (used in) investing activities	(299)	3,076

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	-	-
3.10	Net cash from / (used in) financing activities	-	20,266

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	23,247	10,601
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,469)	(16,483)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(299)	3,076
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	20,266
4.5	Effect of movement in exchange rates on cash held	(23)	(4)
4.6	Cash and cash equivalents at end of period	17,456	17,456

Consolidated statement of cash flows		Current quarter \$A'000	Previous quarter \$A'000
5	Reconciliation of cash and cash equivalents 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	17,398	23,189
5.2	Call deposits	58	58
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,456	23,247

6 Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	166
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.

7 Financing facilities <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>		Total facility amount at quarter end \$A'000	Current quarter \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other - Convertible Notes	-	-
7.4	Total financing facilities	-	-
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)	(5,469)
8.2	(payments for exploration & evaluation classified as investing activities)(item	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(5,469)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	17,456
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	17,456
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.19
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: 31 July 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

Project	Mineral	Tenement	Status	Percentage Held
Andover	All Minerals	E47/2481	Granted	60
Andover	All Minerals	E47/4700	Granted	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
Andover	Search for Groundwater	L47/1066	Application	100
Andover	Search for Groundwater	L47/1067	Application	100
Andover	Search for Groundwater	L47/1068	Application	100
Andover	Search for Groundwater	L47/1096	Application	100
Barton	All Minerals	E31/1278	Granted	100
Barton	All Minerals	E31/1280	Granted	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	E40/432	Granted	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	E45/6295	Application	70
Turner River	All Minerals	E45/6296	Application	70
Turner River	All Minerals	E45/6297	Application	70
Turner River	All Minerals	E45/2573	Application	70
Turner River	All Minerals	E45/2574	Application	70