4 SEPTEMBER 2020

Azure acquires large gold project in Kookynie – Ulysses Gold Corridor

- **Azure has expanded its WA portfolio by agreeing to buy 100% of the 200km^2 Barton Gold Project**
- **The project is located within the Kookynie Gold District close to several large and growing gold deposits / projects**
- **Barton is mostly soil-covered and has undergone very little historical exploration**
- **Best drill intersection on the property is: 7m @ 1.26g/t Au within 18m @ 0.77g/t Au**

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to advise that it has entered into an exclusive and binding agreement to acquire 100%-ownership of the Barton Gold Project, a single Exploration Licence Application (ELA 40/393) from local company 30 Well Pty Ltd. Consideration for the acquisition is 1,150,000 fully paid ordinary Azure shares and A$20,000, payable upon grant of the tenement, with no additional payments or royalties.

The Barton Gold Project covers 200.5km^2 of the Kookynie Gold District (see Figure 1) and adjoins several growing gold deposits / projects, including:

- Genesis Minerals' Ulysses Gold Project (867,000oz) and their Kookynie Gold Project (414,000oz) (recently acquired for A$10.5M);
- Metalicity's recent high-grade Kookynie gold discoveries (earning 51% by spending $5M); and
- Saturn Minerals' Apollo Hill Gold Project (781,000oz).

Commenting on this acquisition, Azure's Managing Director, Mr. Tony Rovira, said: *"The Barton project is ideally situated within the Kookynie Gold District which is fast developing a reputation as a very exciting exploration and mine development area.*

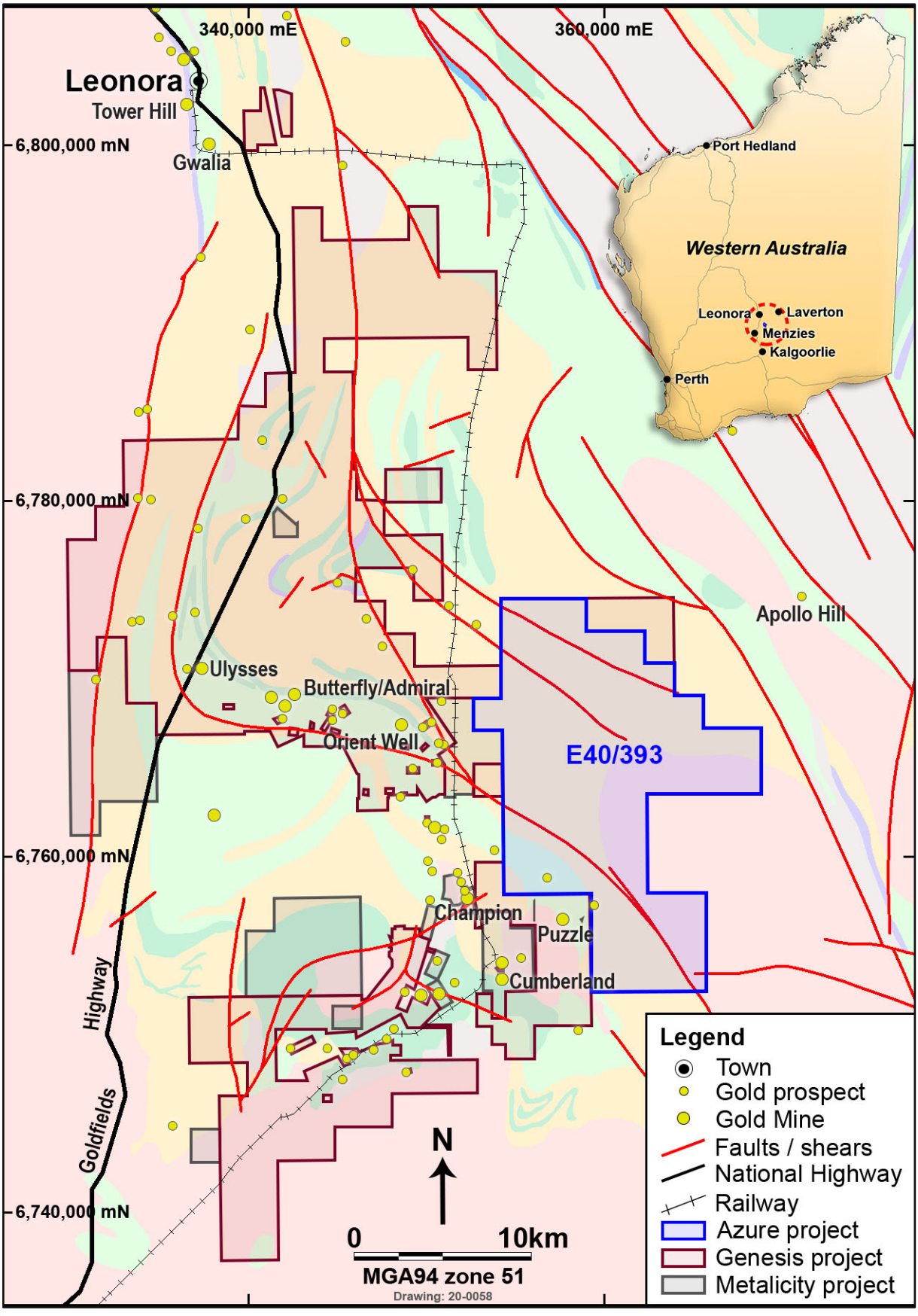
"This purchase adds to Azure's growing portfolio of Western Australian projects which commenced with the recent acquisition of four gold and nickel projects from Mark Creasy and the Creasy Group (ASX: 17 July 2020).

"Building a portfolio of Western Australian projects has reduced Azure's risk profile by diversifying across commodities and jurisdictions. This strategy has now given shareholders exposure to two of WA's most exciting gold exploration areas - the Mallina district in the Pilbara and the reborn Kookynie district - as well as taking on Creasy's nickel-copper discovery in the Andover layered mafic-ultramafic complex.

"Given recent exploration successes in the Kookynie district by other companies, Azure is confident that comprehensive and targeted exploration on the largely unexplored 200km^2 Barton landholding has good potential for the discovery of significant gold mineralisation.

"Meanwhile, we're not neglecting our Mexican assets with target identification and drill planning finalised for the Alacrán silver-gold-copper project and drilling is expected in Q4 2020."

Figure 1: Project location showing Barton Gold Project in blue and nearby gold deposits / projects



BARTON PROJECT OVERVIEW

The Barton project lies adjacent to the historical gold mining town of Kookynie approximately 200km north of Kalgoorlie and 40km south of Leonora in the Eastern Goldfields region of Western Australia.

Since the 1890s, the Kookynie-Orient Well-Ulysses district has produced more than 1.1Moz of gold from open pit and underground mining of high-grade, quartz vein gold deposits and currently hosts additional gold resources of approximately 1.2Moz. Larger mines in the district were:

- Kookynie (combined): ~366,000oz Au; located 4km south of Azure's Barton Project
- Puzzle: ~100,000oz Au; located 1.3km south of Barton
- Orient Well: ~220,000oz Au; located 4km west of Barton
- Admiral / Butterfly: ~320,000oz Au; located 10km west of Barton
- Ulysses: ~50,000oz Au; located 15km west of Barton.

Most historical exploration in the Kookynie district focused on areas of outcrop and shallow soil-covered terrain with little effective exploration undertaken in areas of deeper overburden. Due to extensive soil cover, the limited amount of soil sampling and shallow RAB drilling that has previously been completed over the Barton project area was ineffective in testing for bedrock-hosted gold mineralisation.

The only drilling on Barton that penetrated into bedrock was carried out in the southwest corner at the Daisy Corner prospect within the Kookynie-Orient Well-Ulysses shear corridor between the Orient Well and Puzzle gold deposits (see Figure 2). In 1995-1997, RAB and RC drilling[1] returned best results of:

- 7m @ 1.26g/t Au from 42m within 18m @ 0.77g/t Au;
- 40m @ 0.2g/t Au from 20m; and
- 8m @ 0.53g/t Au from 48m.

No further exploration has been carried out in the vicinity of Daisy Corner. Follow-up drilling to test along strike and for depth extensions is being planned by Azure.

Another area of immediate interest is in the northwest part of the Barton tenement where the Dingo-Kelpie Shear ('DKS') enters the property (see Figure 2). RAB and RC drilling of the DKS zone in 1994-95[2] identified gold mineralisation associated with shear-hosted quartz veining over a 5km-long strike length.

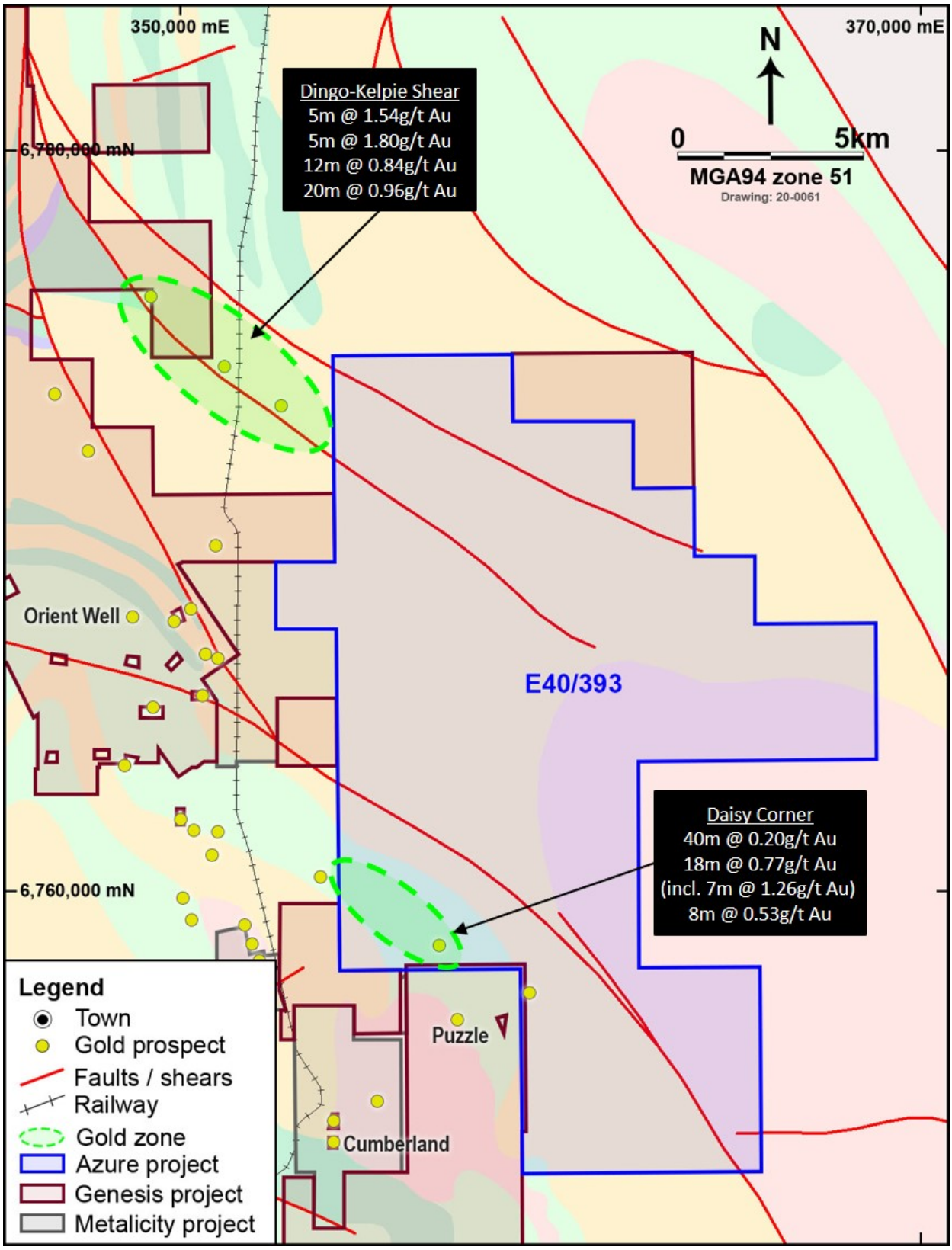
Numerous drill holes along the DKS zone intersected strongly anomalous gold mineralisation over significant widths, with some of the better mineralised intersections being:

- 5m @ 1.54g/t Au from 40m;
- 5m @ 1.80g/t Au from 110m;
- 12m @ 0.84g/t from 39m; and
- 20m @ 0.96g/t Au from 70m.

This historical drilling terminated near the current western tenement boundary of Barton without testing the property, and no further exploration has been undertaken in this area. The DKS mineralised zone remains open to the southeast and aeromagnetics indicate the structure continues for at least another 5km under alluvial cover into the central part of the Barton tenement, and this area remains unexplored.

[1] Refer WAMEX reports: A051019 and A053643
[2] Refer WAMEX reports: A048223 and A095085

Figure 2: Barton Gold Project showing gold prospects



EXPLORATION PROGRAMS GOING FORWARD

Azure will commence exploration on Barton as soon as the tenement is granted. Initially, the Company will focus on aircore and RC drilling of the Daisy Corner and DKS targets to follow-up the historical gold-mineralised drill intersections.

Generative exploration to identify and test additional targets over the remainder of the 200km^2 property will comprise:

- Acquisition and interpretation of geophysical survey data (aeromagnetics and VTEM);
- Systematic, grid-based reconnaissance aircore drilling to penetrate through the alluvial cover and sample for bedrock-hosted mineralisation; and
- Deeper RC drilling to follow-up identified bedrock-hosted gold mineralisation.

Table 1: Location data for historical drill holes 1994-1997

Company	Hole ID	Grid	East (mE)	North (mN)	RL (mASL)	Depth (m)	Dip	Azimuth	Mineralised Intersection
Savage	YAB13	unknown AMG	356160	6758460	400	54	-60	270	7m @ 1.26g/t Au from 42m within 18m @ 0.77g/t Au
Savage	MRB84	unknown AMG	361368	6756000	400	75	-60	270	40m @ 0.2g/t Au from 20m
Savage	MRC3	unknown AMG	356230	6758500	400	80	-60	270	8m @ 0.53g/t Au from 48m
Dalrymple	KMR76	unknown local	50550	74200	not recorded	59	-90	360	5m @ 1.54g/t Au from 40m
Dalrymple	DORC002	unknown local	50675	74200	not recorded	123	-90	360	5m @ 1.80g/t Au from 110m
Dalrymple	DORC004	unknown local	50820	74000	not recorded	120	-90	360	20m @ 0.96g/t Au from 70m
Midas	DKRC001	GDA94z51	351004	6774256	395	134	-60	270	12m @ 0.84g/t from 39m

-ENDS-

Authorised for release by Mr Brett Dickson, Company Secretary.

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COMPETENT PERSON STATEMENT

Information in this report that relates to Exploration Results is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy and fairly represents this information. Mr Rovira has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Rovira is a full-time employee and Managing Director of Azure Minerals Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

REFERENCES

WAMEX reports: A048223; A051019; A053643; A095085

WAMEX reports can be viewed on the Department of Mines, Industry Regulation and Safety website and found at the following address; www.dmp.wa.gov.au/Geological-Survey/Mineral-Exploration-Reports-1401.aspx

Appendix 1

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Reverse circulation (RC) and Rotary Air Blast (RAB) drilling was undertaken on the Barton Gold Project. There is no record of how the drill locations were established at Daisy by Savage Australian Exploration Pty Ltd (Savage) or for the Dalrymple Resources NL (Dalrymple) holes along the Dingo-Kelpie Shear (DKS). The location of Midas Resources Ltd's (Midas) RC drilling at DKS was determined by GPS. The Daisy prospect's RAB and RC drill samples were sent to the lab as approximately 2-3kg 4m composite samples. • The 1996 RAB and 1997 RC samples were sent to Minlabs in Kalgoorlie and were subject to sample method AR25: total sample pulverisation with a 25g sub-sample digested by Aqua Regia and analysed by AAS for Au to 1ppb. • The 1997 RAB samples were sent to Genalysis in Perth for analysis by B/ETA: total sample pulverisation with a sub-sample digested by Aqua Regia with analysis by AAS for Au to 1ppb. • For all results >0.2ppm, ~2kg 1m resamples were taken and analysed by the same method. The DKS's RAB and RC drilling by Dalrymple sent samples to the lab as 5m composites. • The RAB samples were sent to Australian Assay Laboratories (AAL) in Leonora and analysed for Au. The method of analysis and size of the sample is not recorded. Anomalous composite results were resampled at 1m intervals and analysed by the same method. • The unknown-weight 5m composite RC samples were also sent to AAL and analysed for Au by method P640. Midas' RC drilling in the DKS area sent 3m composite samples (collected by spearing the 1m bulk drill spoil bags) to Aurium Laboratories for analysis. • Duplicates and standards every 1 in 20. • Anomalous composite results prompted assaying of 1m split samples that were collected by a rig mounted cone splitter at the time the hole was drilled and stored on site. Also 1 in 20 duplicates and standards.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Blade and hammer RAB drilling and RC drilling (of unknown drill diameters) occurred at the Daisy and DKS prospects.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	At Daisy, RAB drill spoil was collected at 1m intervals in a bucket and stored as 1m piles on the ground. RC spoil was collected via a cyclone and riffle splitter at

	Measures taken to maximise sample recovery and ensure representative nature of the samples. *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	1m intervals and stored in bags. Sample recovery is not recorded, however wet samples were logged. The method of sample collection is not recorded for the Dalrymple DKS drilling however sample recovery is described as either good or poor. Midas' RC drill logs at DKS do not mention sample recovery. The relationship between sample recovery and grade, and therefore to sample bias, cannot be determined.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	Detailed chip logging recorded weathering, lithology, alteration, veining and texture are available. All holes were logged in full. The geological data would be not suitable for inclusion in a Mineral Resource estimate.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	No mention has been made about the method of sampling or quality control that might have occurred by Savage at the Daisy prospect. Dalrymple's work on the DKS area describes RC holes as being riffle-split but does not describe the method of sample collection for RAB holes. Water is noted in the drill logs, but there is no mention how sample collection differs when the sample is wet. There is no mention of quality control samples or procedures. Midas' RC drilling of DKS describes 3m composite samples collected by spearing the bulk 1m drill spoil bags. If a composite returned anomalous results, the 1m split samples (that were collected by a rig mounted cone splitter at the time the hole was drilled and stored on site) were also submitted for analysis. All samples sent to the lab contained a duplicate every 20 samples and a certified standard every 20 samples. The sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	At Daisy, samples were analysed by Aqua Regia with an AAS finish, analysing only for Au to 1ppb. There is no mention of quality control procedures for these samples. • The 1996 RAB and 1997 RC samples were sent to Minlabs in Kalgoorlie and analysed by method AR25 • The 1997 RAB samples were sent to Genalysis in Perth and subject to method B/ETA. RAB drilling undertaken by Dalrymple at DKS were analysed for Au only by AAL in Leonora, but the method of analysis is not recorded. Dalrymple's RC samples were also sent to AAL in Leonora and were analysed by method P640 for Au only. There is no mention of quality control procedures for these samples. The RC drilling at DKS by Midas records analysis at Aurum Laboratories for Au by method AUAR50L (Fire assay with AAS finish) and Ag, As, Co, Ar, Cu, Fe, Mn, Ni, Pb and Zn by AUARBM (Aqua Regia with AAS finish). Samples submitted to the lab include duplicate and certified standards at a rate of 1 in 20 samples for each QAQC sample type. No geophysical or portable analysis tools were used to determine assay values.

Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	No mention of sample verification, hole twinning, data collection, data entry or data storage is recorded in the historical Barton Project data. Dalrymple drill logs are included as printed log reports and assays as faxed laboratory assay reports within the publicly available scanned annual report. Savage and Midas reports contain digital drill log and assay files. The Savage files do not contain header information and are poorly formatted. Midas data is recorded in the format required by Australian Requirements for the Submission Of Digital Exploration Data Version 3 (December 2004). No adjustments or calibrations have been made to any assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	It is unknown how the RAB and RC holes by Dalrymple and Savage were located on the ground and how the angle and direction of the holes were determined. Dalrymple does not record the grid system used to record the drill hole location, however 6-figure eastings and northings indicate a local grid system was implemented. Savage logs record "AMG" in their drill logs, but whether it's AMG66 or AMG84 is unclear. Midas drill collar locations were determined by hand-held GPS in the GDA94 zone 51 grid system, and the downhole dip and azimuth by a Magnetic Single Shot camera.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Due to the reconnaissance nature of the drilling, drill hole spacing is variable. At this time, data spacing and distribution are not sufficient to establish the degree of geological and grade continuity appropriate for a Mineral Resource estimation procedure. Composite samples were collected.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Geological controls and orientations of the mineralised zone are unknown at this time and therefore all mineralised intersections are reported as "intercept length" and may not reflect true width. No sampling bias is believed to have been introduced.
Sample security	*The measures taken to ensure sample security.*	Barton historical reports do not record how samples were sent to laboratories and the method by which they were securely identified.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Auditing and review of sampling techniques and data capture is not mentioned in any of the Barton historical reports.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Barton Gold Project consists of a single exploration license application, E40/393, which is yet to be granted. E40/393 consists of 67 graticular blocks covering an area of 200.5km^2. Although the tenement is yet to be granted, there are no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The project area is mostly covered by widespread alluvial soils of variable depth and historical exploration has been largely ineffective soil sampling and shallow RAB drilling. The only drilling that penetrated into bedrock was a small amount of RAB and RC carried out at the Daisy Corner prospect between 1995 and 1997.
Geology	*Deposit type, geological setting and style of mineralisation.*	Gold mineralisation is associated with shear-hosted quartz veining contained within mafic and felsic volcanics and volcano-sedimentary units of the Malcolm Greenstone Belt with some granites in the south east of the project. Most of the project area is overlain by Cainozoic alluvial cover of variable depths.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer Table 1 in main report
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All reported mineralised intervals have been weighted by length. No top cuts have been applied. Overall mineralised intervals were calculated using a lower grade cut-off of 0.1g/t Au for gold intercepts. No metal equivalencies are reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Geological controls and orientations of the mineralised zones are unknown at this time and therefore all mineralised intersections are reported as "intercept length" and may not reflect true width.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in the accompanying report.

Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Company believes that the ASX announcement is a balanced report with all material results reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	This announcement refers to previous exploration results including geophysics, geochemistry and geology.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive*	Further work to better understand the mineralisation systems in the project area will be determined upon a full analysis and interpretation of historical data.