ASX ANNOUNCEMENT
ASX:AZS

13 February 2022

HIGH GRADE LITHIUM DRILL HIT AT ANDOVER

1.51% Li_2O over 7.2m in lithium-rich pegmatite

HIGHLIGHTS

- ***Diamond hole ANDD0199 drilled through a lithium-rich pegmatite while testing near the VC-30 VTEM nickel target***
- ***Mineralised pegmatite intersection returned 7.2m @ 1.51% Li_2O with an internal high grade zone of 3.1m @ 1.87% Li_2O***
- ***Significant quantities of visible spodumene identified in drill core***
- ***Further drill holes intersected pegmatites containing anomalous lithium***
- ***Results to date confirm extensive lithium prospectivity across the Andover Project***

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to announce that several diamond holes drilled in late 2022, testing nickel targets on its Andover Project ("Andover") (Azure 60% / Creasy Group 40%), intersected lithium-bearing pegmatites.

A highly significant lithium result was returned from hole ANDD0199 which tested a nickel target near the VC-30 airborne electromagnetic (VTEM) anomaly. The hole entered a quartz-spodumene pegmatite (see Images 1 and 2) at a downhole depth of 313.9m, returning a strong lithium intersection of ***1.51% Li_2O over 7.2m***, including an internal high grade zone of ***1.87% Li_2O over 3.1m***.

Image 1: Coarse-bladed spodumene in quartz in hole ANDD0199. This sample returned 1.0m @ 1.52% Li_2O between 317m-318m

Level 1, 34 Colin Street, West Perth, Western Australia, 6005
T +61 8 6187 7500 | F +61 8 6187 7599 | E Admin@azureminerals.com.au
ABN 46 106 346 918 | ASX AZS

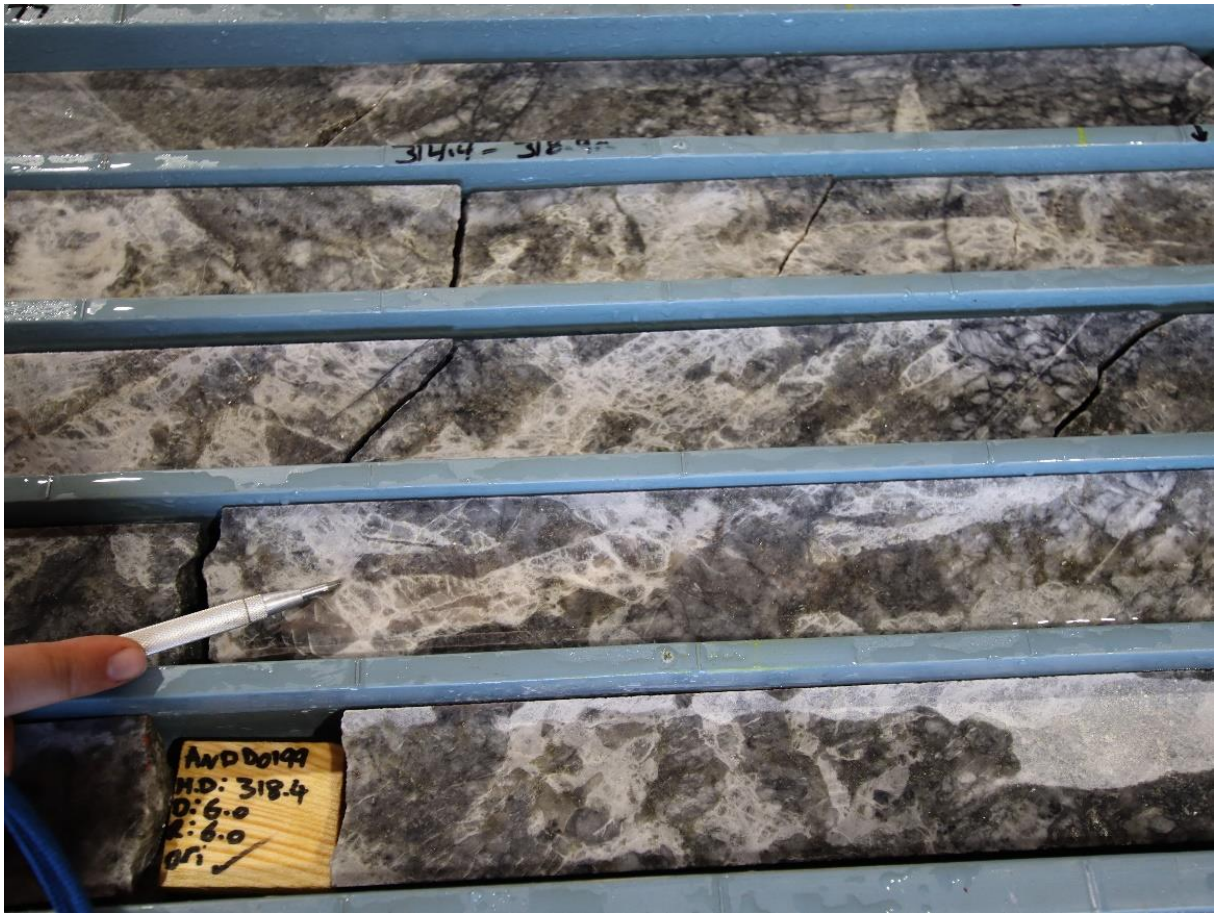

Image 2: Spodumene (white) and quartz (grey) in pegmatite from hole ANDD0199

Commenting on this maiden lithium drill intersection, Azure's Managing Director Mr Tony Rovira said: "The *Andover Project continues to deliver very positive results. Having defined two nickel deposits hosting robust mineral resources and then identifying multiple lithium-bearing pegmatites at surface, we have now intersected high grade lithium mineralisation in a drill hole that was specifically testing a nickel target. This is further evidence of the substantial mineral endowment of Andover as a battery metals project hosting nickel, copper, cobalt and now lithium."*

DETAILS

As previously reported (ASX: 14 November 2022), Azure accelerated the lithium exploration program by drilling near nickel sulphide targets in areas where outcropping pegmatites were present and where drilling approvals had already been received.

Drill holes ANDD0196, 0197, 0198 and 0199 targeted extensions of the Southern Mineralized Corridor proximal to the VC-30, VC-31 and VC-32 VTEM anomalies (see Figure 2). Pegmatites outcrop in the vicinity of each target, and all four holes intersected pegmatites containing lithium mineralisation varying from anomalous to high grade.

ANDD0199 returned the highest grade lithium intercept of ***1.51% Li_2O over 7.2m from 313.9m***. This hole was collared in an area where Azure's exploration had sampled numerous outcropping pegmatites containing visible coarse-bladed spodumene. Recently received assays returned high lithium grades from many of these samples (see Figure 1)(ASX: 20 January 2023), including:

APRK00940	***3.55% Li_2O***	***AP0010 prospect***
APRK00942	***3.96% Li_2O***	***AP0010 prospect***
APRK00944	***3.98% Li_2O***	***AP0010 prospect***
APRK00947	***3.57% Li_2O***	***AP0010 prospect***
APRK 01012	***3.83% Li_2O***	***AP0012 prospect***

Recent follow-up mapping around the AP0010, 0011 and 0012 prospects has confirmed that spodumene-rich pegmatites outcrop more extensively than previously recognised, enhancing the potential for this area to host a sizeable body of lithium mineralisation.

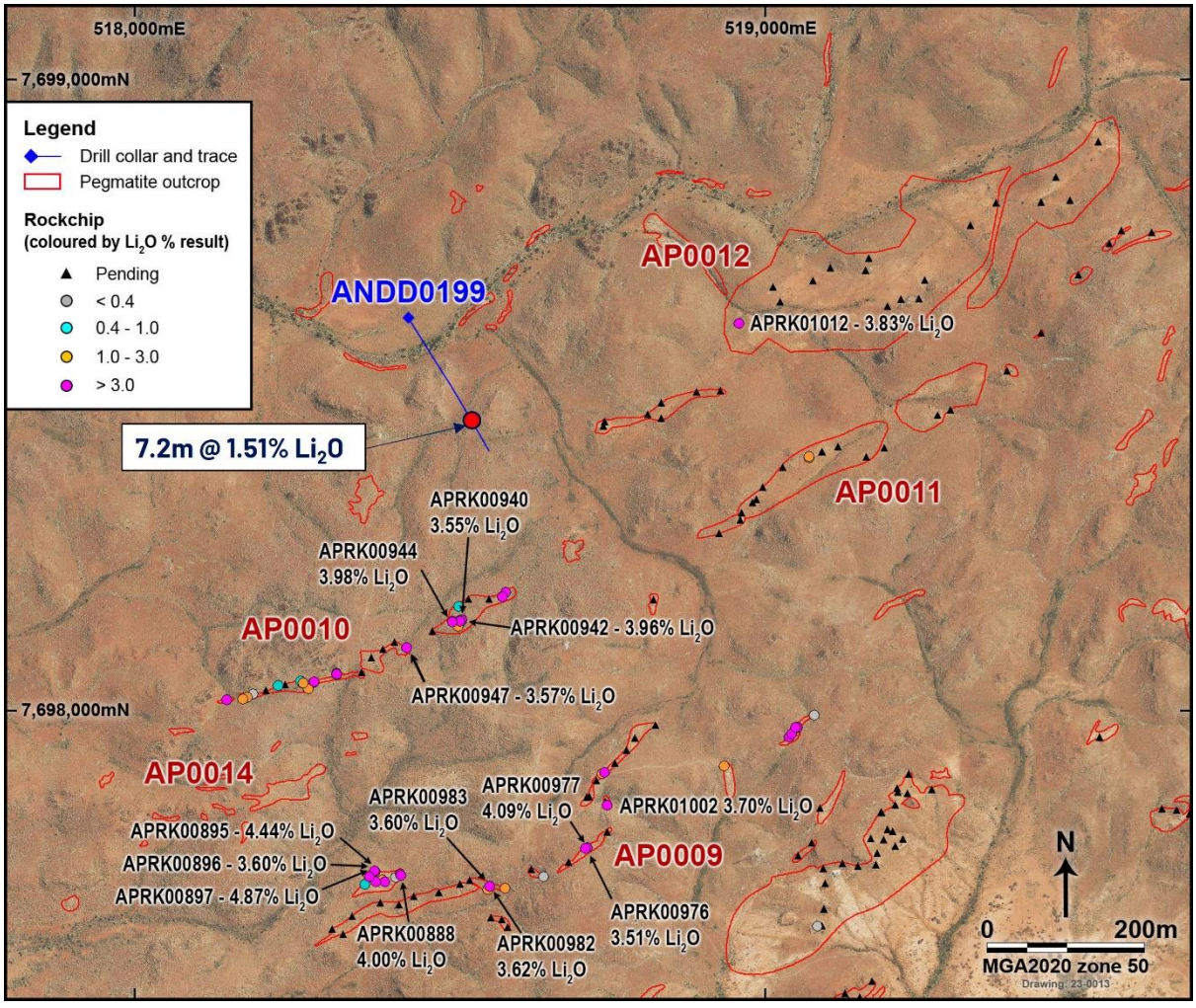

Figure 1: ANDD0199 drill hole location and pegmatite sampling

The thickest pegmatite intersection was in hole ANDD0198 at VC-31, which drilled a 200m-wide interval of pegmatite with the hole terminating in pegmatite at a downhole depth of 360.6m. Several intervals of anomalous lithium were returned, including ***7.4m @ 0.13% Li_2O from 158.6m***. At VC-32, holes ANDD0196 and ANDD0197 both intersected several shallow pegmatites containing similar levels of lithium mineralisation.

All four holes intersected abundant disseminated magnetite within the host ultramafic rocks, explaining the weak VTEM anomalism and indicating low nickel prospectivity at these localities.

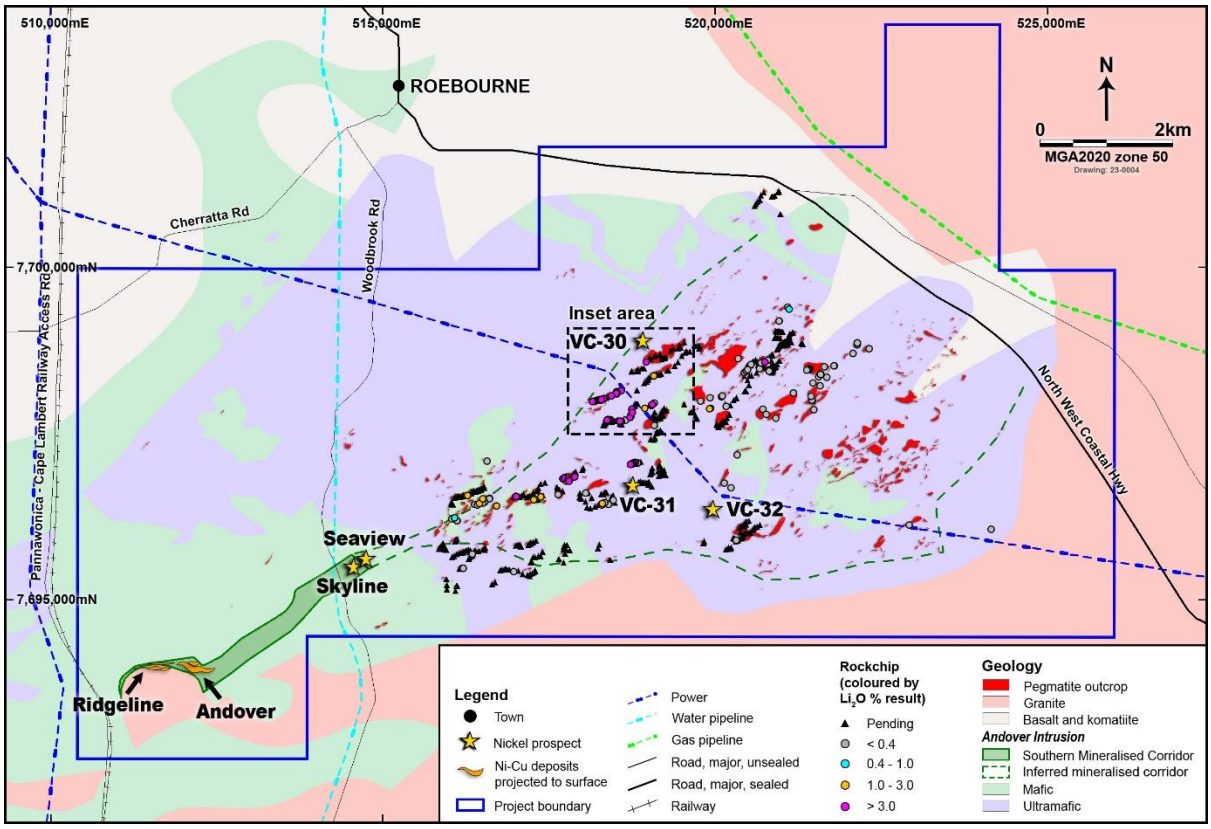

Figure 2: Andover Project – geology and pegmatite sampling

MOVING THE ANDOVER LITHIUM PROJECT FORWARD

The Andover pegmatite swarm contains more than 700 outcropping pegmatites occurring in a zone approximately 9km long and up to 4km wide in the central and eastern parts of the project area (see Figure 2). The pegmatite bodies typically trend in a southwest to northeast orientation and are generally horizontal to shallow north-dipping. Surface exposures range in size up to several hundred metres across and up to a kilometre in length.

Azure has embarked on an accelerated growth strategy to advance the Company's multi-commodity opportunity on the Andover Project.

The lithium exploration is being fast-tracked with a team of geologists and technicians dedicated to the operation. An initial drilling program of 30,000m of Reverse Circulation and 10,000m of diamond core drilling will be undertaken to determine the scale and depth potential of the lithium mineralisation already mapped and sampled at surface.

Highest priority drill targets are pegmatite outcrops containing high lithium grades at surface and which demonstrate potential for significant volumes of mineralisation.

With analytical results from 600 pegmatite samples still pending, it is very likely that many more attractive targets will be identified over the coming months for priority drill testing. Additionally, project-wide geological mapping and rock chip sampling of the, as yet unsampled pegmatites will continue in 2023 and are expected to define further drill targets.

Early stage metallurgical, heritage, environmental, hydrological, and flora and fauna studies will also be undertaken.

Table 1: Individual sample assays for lithium intersection in hole ANDD0199

Sample No	From (m)	To (m)	Width (m)	Li (%)	Li_2O (%)
AAD14381	313.9	315.0	1.1	0.85	1.82
AAD14382	315.0	316.0	1.0	0.91	1.96
AAD14383	316.0	317.0	1.0	0.86	1.85
AAD14384	317.0	318.0	1.0	0.71	1.52
AAD14386	318.0	319.0	1.0	0.02	0.03
AAD14387	319.0	320.1	1.1	0.70	1.52
AAD14388	320.1	321.1	1.0	0.86	1.85
Overall intersection			***7.2***	***0.70***	***1.51***

Table 2: Location data for drill holes ANDD0196 to ANDD0199

HOLE No.	TARGET	EAST (mE)	NORTH (mN)	ELEVATION (mASL)	AZIMUTH	DIP	TOTAL DEPTH (m)
ANDD0196	VC-32	519829	7696470	24	208	-51	287.9
ANDD0197	VC-32	519870	7696490	24	137	-59	310.1
ANDD0198	VC-31	518903	7696871	21	025	-66	360.6
ANDD0199	VC-30	518434	7698622	23	147	-48	359.2

-ENDS-

For enquiries, please contact:

Tony Rovira
Managing Director
Azure Minerals Limited
Ph: +61 8 6187 7500

Media & Investor Relations
Michael Weir / Cameron Gilenko
Citadel-MAGNUS
Ph: +61 8 6160 4903

or visit www.azureminerals.com.au

COMPETENT PERSON STATEMENT

Information in this report that relates to Exploration Results for the Andover Project is based on information compiled by Mr Graham Leaver, who is a Member of The Australasian Institute of Mining and Metallurgy, and fairly represents this information. Mr Leaver 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 Leaver is a full-time employee 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.

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.

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.*	Samples are taken from diamond drill core (HQ or NQ2) that is sawn into halves or quarters. Sample intervals are determined according to the geology logged in the drill holes. Sample preparation was undertaken at Bureau Veritas Minerals, Canning Vale laboratory, where the samples received were sorted and dried. Primary preparation crushed each sample in its entirety to 10mm and then to 3mm. Larger samples were split with a riffle splitter and all samples were pulverised via robotic pulveriser. The resultant pulverised material was placed in a barcoded sample packet for analysis. The barcoded packet is scanned when weighing samples for their respective analysis. Internal screen sizing QAQC is done at 90% passing 75um. Samples were digested by mixed acid digest & peroxide fusion and analysed by ICPMS & ICPOES for 61 elements. The technique is considered a total digest for all relevant minerals.
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).*	Drilling technique for all holes was diamond drilling with HQ-size (63.5mm diameter) from surface and NQ2-size (50.6mm diameter) core to the final depth. Drill holes are angled and core is being oriented for structural interpretation.
Drill Sample Recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	Diamond core was reconstructed into continuous runs. Depths were measured from the core barrel and checked against marked depths on the core blocks. Core recoveries were logged and recorded in the database. Core recoveries are very high with >90% of the drill core having recoveries of >98%.

Section 1: Sampling Techniques and Data		
	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.	There is no discernible relationship between recovery and grade, and therefore no sample bias.
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 core logging was carried out with recording of weathering, lithology, alteration, veining, mineralisation, structure, mineralogy, RQD and core recovery. Drill core logging is qualitative. Drill core was photographed, wet and dry without flash, in core trays prior to sampling. Core from the entire drill hole was logged.
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*	Drill core was sawn in half or quarter using a core saw and samples were collected from the same side of the core. The sample preparation followed industry best practice. Sample preparation was undertaken at Bureau Veritas Minerals, Canning Vale laboratory, where the samples received were sorted and dried. Primary preparation crushed each entire sample to 10mm and then to 3mm. Samples >2.5kg were split with a riffle splitter and all samples were pulverised via robotic pulveriser. The resultant pulverised material was placed in a barcoded sample packet for analysis. The barcoded packet is scanned when weighing samples for their respective analysis. Internal screen size QAQC is done at 90% passing 75um. 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.*	Samples were analysed by methods: • MA101 - mixed acid digestion with results determined by ICP-OES for Ca, Co, Cu, K, Mn, Na, Ni, P, S, Sc, V & Zn. • MA102 - mixed acid digestion with results determined by ICP-MS for Ag, As, Ba, Be, Bi, Cd, Ce, Cs, Dy, Er, Eu, Ga, Gd, Hf, Ho, In, La, Li, Lu, Mo, Nb, Nd, Pb, Pr, Rb, Re, Sb, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Tl, Tm, U, W, Y, Yb & Zr. • IPC104 - sodium peroxide fusion with results determined by ICP-OES for Al, B, Cr, Fe, Mg, Si & Ti.

Section 1: Sampling Techniques and Data		
	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.	These techniques are considered a total digest for all relevant minerals. Duplicate, standard and blank check samples were submitted with drill core samples, making up 8% of samples submitted.
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*	Senior technical personnel from the Company (Project Geologists +/- Exploration Manager) logged and verified significant intersections. Primary data was collected by employees of the Company at the project site. All measurements and observations were recorded digitally and entered into the Company's database. Data verification and validation is checked upon entry into the database. Digital data storage is managed by an independent data management company. 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 downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Drill holes were pegged by Company personnel using a handheld GPS, accurate to ± 3m. The grid system used is MGA2020 Zone 50 for easting, northing and RL. Available state contour data and GPS recorded RL has been used which is adequate given the early stage of the project.
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*	Holes were individually drilled into electromagnetic targets and were not setup on a regular spacing. Downhole sample interval spacings are selected based on identification of intersected mineralisation. The project is at early exploration drilling stage, geological and grade continuity is not yet established. No sample compositing has been applied.
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*	Drilling was designed to intersect the modelled EM targets and geological features were not factored at this early stage of exploration. No sampling bias has been identified due to the early stage of the project.

Section 1: Sampling Techniques and Data		
	should be assessed and reported if material.	
Sample security	*The measures taken to ensure sample security*	Assay samples were placed in calico sample bags, each is pre-printed with a unique sample number. Calico bags were placed in a poly weave bag and cabled tied closed at the top. Poly weave bags were placed inside a large bulka bag prior to transport. Samples were picked up and delivered to the laboratory by a transport contractor.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits have been completed. Review of QAQC data has been carried out by company geologists

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.*	Exploration Licence E47/2481 is a Joint Venture between Azure Minerals Ltd (60%) and Croydon Gold Pty Ltd (40%), a private subsidiary of the Creasy Group. The tenement is centred 35km southeast of the major mining/service town of Karratha in northern WA. The tenement is approximately 12km x 6km in size with its the northern boundary located 2km south of the town of Roebourne. Approximately 30% of the tenement area is subject to either pre-existing infrastructure, Class "C" Reserves and registered Heritage sites. Written permission is required to access these areas which are outside the current areas of exploration focus. The tenement has been kept in good standing with all regulatory and heritage approvals having been met. There are no known impediments to operate in the area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Limited historical drilling has been completed within the Andover Complex. The following phases of drilling works with results have been undertaken: 1986-1987: Greater Pacific Investment; 6 core holes. Intersected elevated values of nickel (up to 1.0% Ni) and copper (up to 0.41% Cu). No PGEs were detected. 1996-1997: Dragon Mining; Stream sediment sampling, 5 RC holes in the NE at Mt Hall Ni-Cu target. Zones of noted sulphides (in sediments & gabbro) were selectively sampled with no anomalous results. Rare intervals of ultramafics were sampled. 1997-1998: BHP Minerals; 2 RC/DD holes were drilled within the Andover project area. Both holes intersected strongly magnetic serpentinite containing elevated values of nickel but no anomalous PGE's. 2012-2018: Croydon Gold; VTEM Survey, soil, and rock chip sampling, 7 RC holes tested 4 geophysical / geological targets. Significant Ni-Cu-Co sulphide mineralisation was intersected in two locations.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Andover Complex is an Archean-age mafic-ultramafic intrusion covering an area of about 200km^2 that intruded the West Pilbara Craton. The Andover Complex comprises a lower layered ultramafic zone 1.3km thick and an overlying 0.8km gabbroic layer intruded by dolerites. Ni-Cu-Co sulphide mineralisation occurs at lithological boundaries, either between different

Section 2: Reporting of Exploration Results		
		types of gabbro's, or between mafics and ultramafics. The current interpretation of the mineralized sulphides suggests a magmatic origin heavily overprinted by one or several hydrothermal events.
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 to tables in the report and notes attached thereto which provide all relevant details.
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.*	Length weighted average grade calculations have been applied to reported assay intervals. No maximum and/or minimum grade truncations (eg cutting of high grades) or cut-off grades were applied. High grade intervals internal to broader mineralised zones are reported as included zones - refer to drill intercept and detail tables. No metal equivalents were reported. Reported lithium mineralised intersections for the drilling are based on intercepts using a lower grade cut-off of 0.4% Li_2O for the overall mineralised zone.
Relationship between mineralisation widths and	*These relationships are particularly important in the reporting of Exploration Results.*	Geological controls and orientations of the mineralised zone are unconfirmed at this time and therefore all mineralised intersections are reported as "intercept length" and may not reflect true width.

Section 2: Reporting of Exploration Results		
intercept lengths	*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 (eg 'down hole length, true width not known').*	Geological features have not been factored at this early stage of exploration. The true direction of mineralisation is not determined at this stage.
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 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.*	Everything meaningful and material is disclosed in the body of the report. Geological observations have been factored into the report.
Further work	*The nature and scale of planned further work (eg tests for lateral 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.*	Additional diamond and RC drilling to test for the presence of lithium bearing pegmatites.