ASX ANNOUNCEMENT
ASX:AZS

15 MARCH 2023

SPODUMENE-RICH PEGMATITE DRILLED AT ANDOVER

HIGHLIGHTS

- **Pegmatites with visible spodumene intersected in first two lithium-focused drill holes (see Image 1 and Figure 1):**
  - **ANDD0201: 22m-wide pegmatite from 187.0m downhole (~151m vertical depth)**
  - **ANDD0202: 27m-wide pegmatite from 197.4m downhole (~140m vertical depth)**
- **Mapping of nearby outcropping pegmatites confirmed extensive visible spodumene mineralisation, including over the 900m x 100m AP0012 prospect (see Figure 2)**
- **Heritage and environmental approvals to drill other outcropping, lithium-rich pegmatites are pending**

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to announce that the first two holes of its lithium-focused exploration drilling program have intersected substantial widths of spodumene-bearing pegmatite at the Company's Andover Project (Azure 60% / Creasy Group 40%), located in the West Pilbara region of Western Australia.

Image 1: Quartz-feldspar-spodumene pegmatite in hole ANDD0201

Commenting on the latest drilling news Azure's Managing Director, Mr Tony Rovira said: *"It's highly encouraging that the first two holes of our lithium-focused drilling campaign successfully intersected substantial widths of pegmatite containing spodumene. This gives us an exciting start to the Andover lithium exploration story, confirming that the widespread, lithium-rich pegmatites observed at surface extend to depth, providing significant volume potential."*

TECHNICAL DISCUSSION

Lithium-focused diamond drilling is proceeding to test beneath outcropping pegmatites in the central part of the Andover project area.

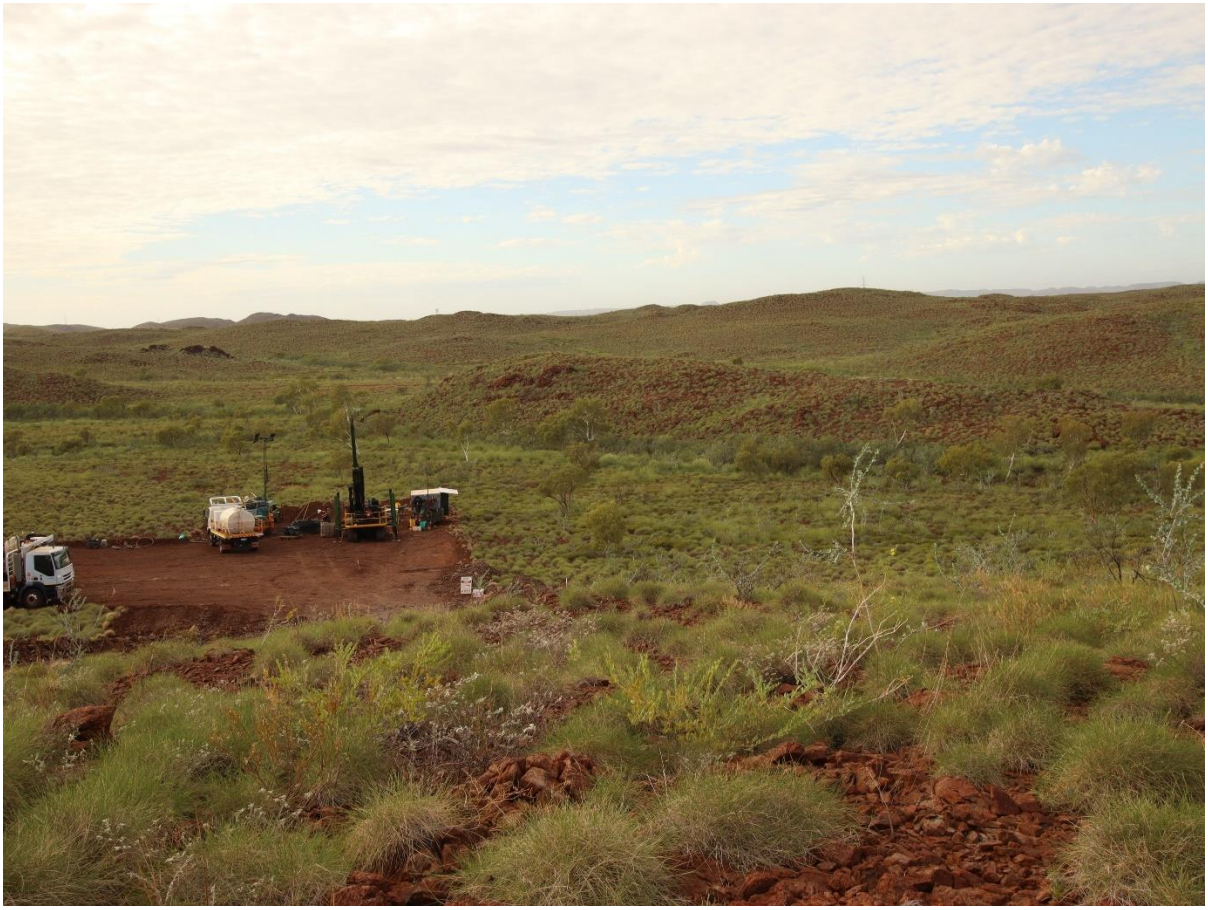
Early holes are targeting the down-dip extensions of outcropping pegmatites that dip shallowly to the north. Significant amounts of spodumene have been observed within these pegmatite outcrops with assay results from the surface sampling confirming the presence of high grades of lithium in the range of 3% - 4% Li_2O (ASX: 12 & 19 October 2022 and 20 January 2023).

The first drill hole (ANDD0201) intersected a 22m-wide pegmatite from 187.0m downhole (approximately 151m below surface). The second hole (ANDD0202), drilled to test the up-dip extension, intersected a 27m-wide pegmatite from 197.4m downhole (approximately 140m below surface), indicating that the pegmatite dips shallowly down to the north (see Figure 1). Spodumene has been visually identified within both pegmatite intersections (see Image 1).

Upcoming drill holes will follow up these intersections to define the orientation, continuity and dimensions of this pegmatite.

Drilling to determine the scale and depth potential of lithium mineralisation identified in other outcropping pegmatites across the project area will be undertaken following receipt of requisite heritage clearances and environmental approvals. The highest priority drill targets are pegmatite outcrops hosting visible significant quantities of spodumene with high lithium grades, and which demonstrate potential for significant volumes of mineralisation.

Image 2: Drilling of hole ANDD0201 towards AP0012 pegmatite



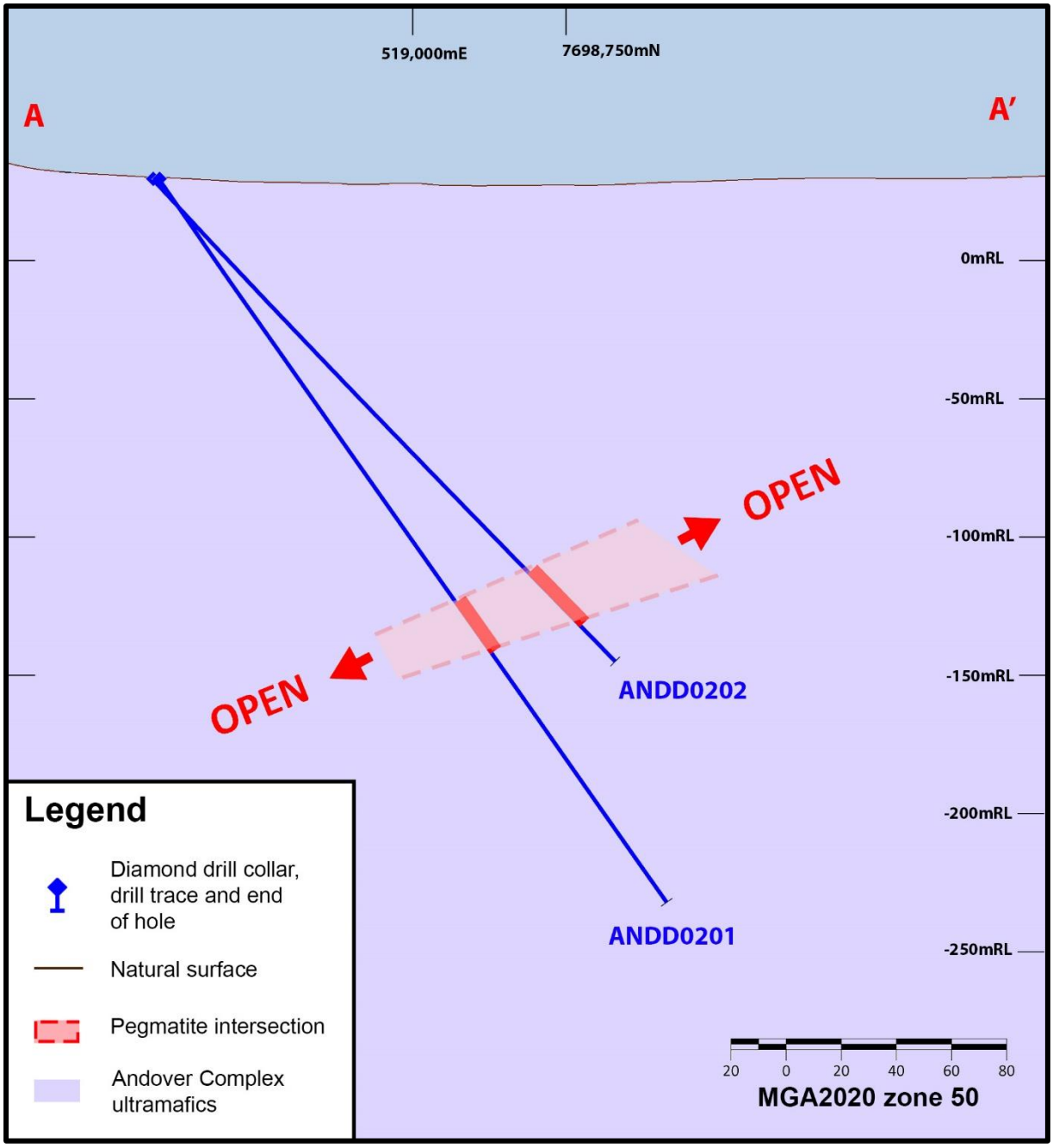


Figure 1: Cross section showing spodumene-bearing pegmatite intersections in drill holes ANDD0201 and ANDD0202

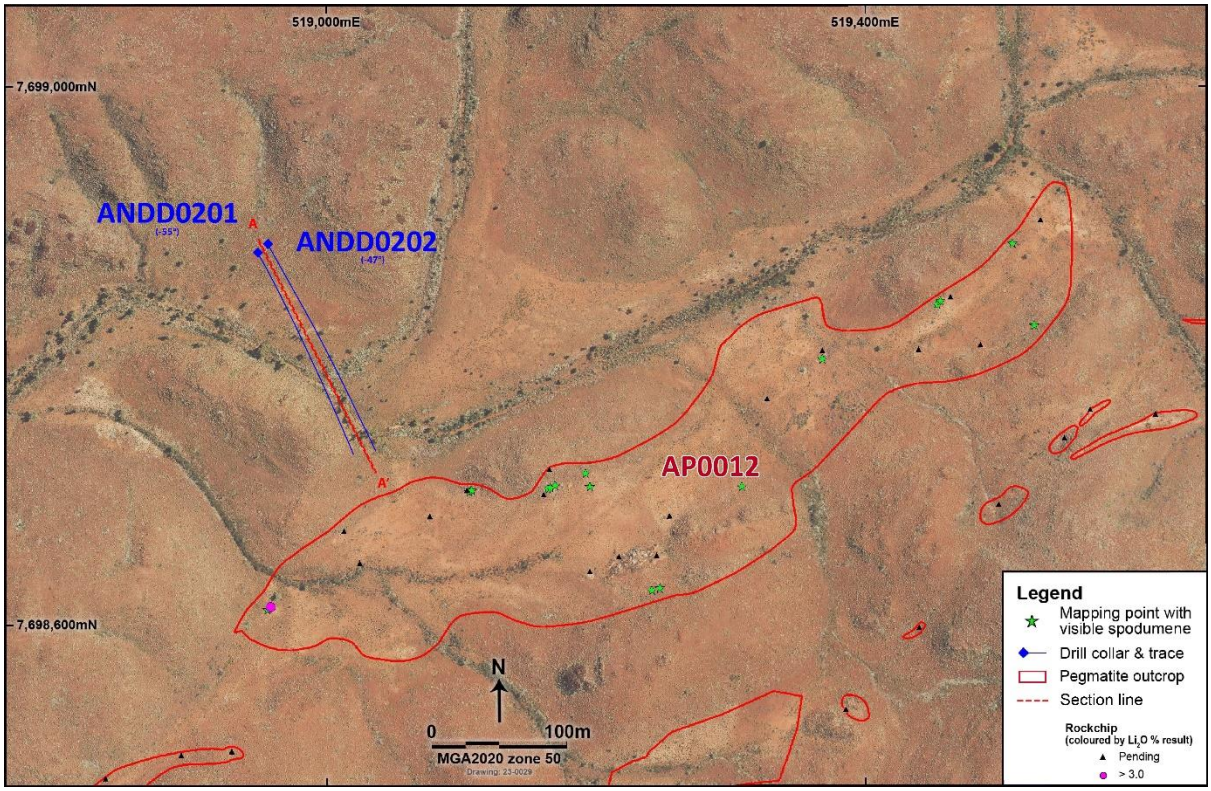


Figure 2: AP0012 prospect showing drill holes and cross section line, locations of rock chip samples and visible spodumene in outcrop

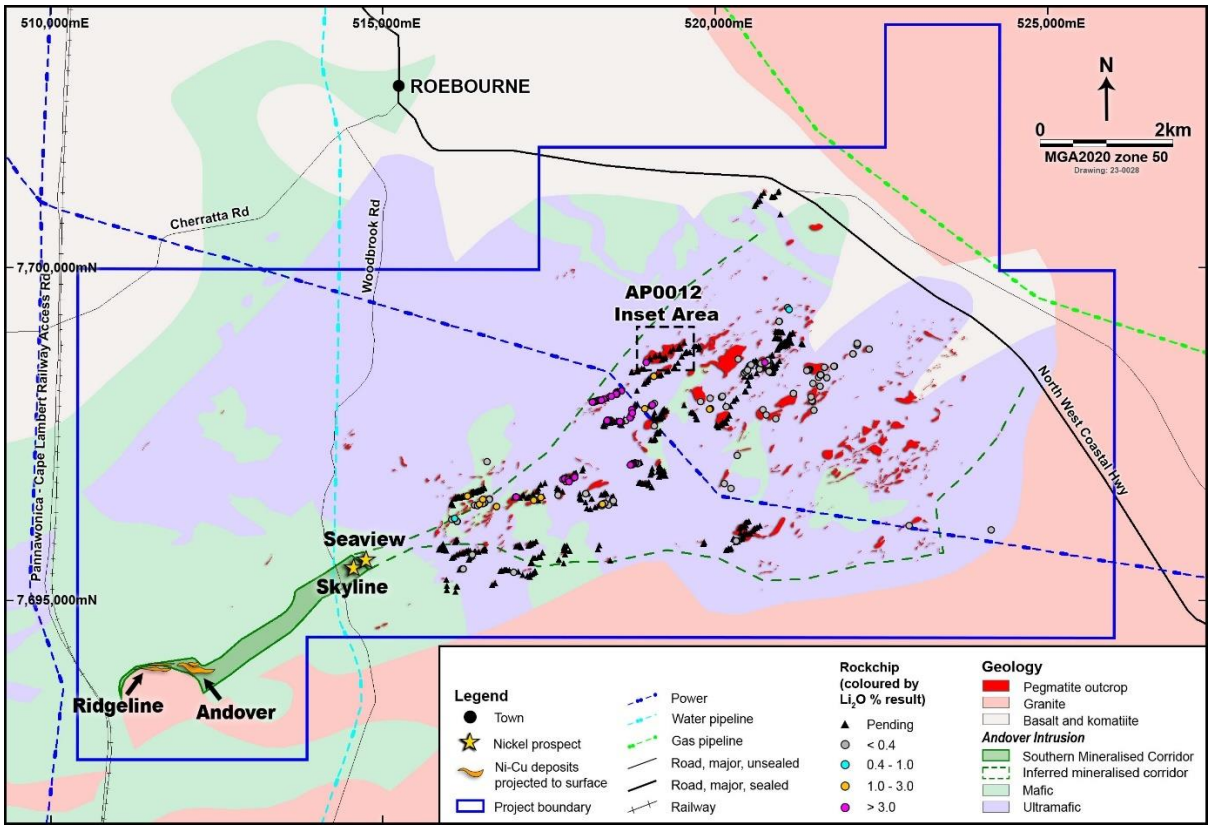


Figure 3: Andover Lithium Project showing the AP0012 area

ABOUT THE PROJECT

Azure has embarked on an accelerated growth strategy to advance the Company's multicommodity opportunity on the Andover Project. The lithium exploration is being fast-tracked with a team of geologists and technicians dedicated to the operation.

The Andover pegmatite swarm contains more than 700 individual 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 3). The pegmatite bodies typically trend in a southwest to northeast orientation and are generally shallowly dipping. Surface exposures range in size up to several hundred metres across and over a kilometre in length.

Numerous other attractive targets containing high-grade lithium have been identified from the ongoing project-wide geological mapping and rock chip sampling program and planning to drill these targets is underway.

Table 1: Location data of lithium-focused drill holes

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	241.9

-ENDS-

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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.*	Not applicable.
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).*	Diamond drilling with HQ-size (63.5mm diameter) from surface and NQ2-size (50.6mm diameter) core from the depth the rock is considered competent to the final depth. Drill holes are angled and core is 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.* *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.*	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%.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource*	Detailed core logging was carried out, recording weathering, lithology, alteration, veining, mineralisation, structure, mineralogy, RQD and core recovery. Drill core logging is qualitative. Drill core was photographed, wet

	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.*	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*	Not applicable
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.*	Not applicable
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*	Not applicable

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 hole collar locations were surveyed using handheld GPS with the expected relative accuracy of 5m for easting, northing, and elevation coordinates. The grid system used is MGA2020. Topographic orthographic digital terrain model (DTM) data was provided by Azure based on 4 m spaced contours in MGA2020 Zone 50 Grid. The DTM file is dated 26 May 2021. Downhole surveys were completed every 20 m using an Axis Champ Navigator gyro or every 5 m using a Reflex Ez-GyroN after completion of drilling. Downhole azimuth and dip data is recorded in the database to two decimal places (i.e., 0.01° accuracy).
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*	This release reports on a single drill hole which is not considered sufficient to establish the degree of geological and grade continuity appropriate for a Mineral Resource and Ore Reserve estimation.
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.*	Not applicable.
Sample security	*The measures taken to ensure sample security*	Not applicable.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been conducted in relation to the current drilling program.

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 Licences E47/2481, E47/4700 & E47/4701 are a Joint Venture between Azure Minerals Ltd (60%) and Croydon Gold Pty Ltd (40%), a private subsidiary of the Creasy Group. The project is centred 35km southeast of the major mining/service town of Karratha in northern WA. The tenement area is approximately 15.6km x 7.5km in size with its the northern boundary located 2km south of the town of Roebourne. Approximately 20% of the tenement area is subject to either pre-existing infrastructure, Class "C" Reserves and registered Heritage sites. The tenements are 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 have been undertaken: 1997-1998: BHP Minerals Two RC/DD holes were drilled within the Andover Project area (ARD01 & ARD02). ARD02 intersected 21m of Felsic Intrusive from 24m. 2012-2018: Croydon Gold VTEM Survey, soil, and rock chip sampling, seven RC holes tested four geophysical / geological targets. Significant Ni-Cu-Co sulphide mineralisation was intersected in two locations. Several minor historical excavations within the tenement area extracted beryl, tantalite and cassiterite found within pegmatite bodies of the Mount Hall Pegmatites.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Andover Complex is an Archean-age mafic-ultramafic intrusive complex covering an area of approximately 200km^2 that intruded the West Pilbara Craton. The Andover Complex comprises a lower ultramafic zone 1.3 km thick and an overlying 0.8 km gabbroic layer intruded by dolerites. The magmatic Ni-Cu-Co sulphide mineralisation at the Andover Deposit is hosted in a fractionated, low MgO gabbro with taxitic textures (± websterite xenoliths) proximal to the mineralisation. Later pegmatite bodies have intruded the Andover Mafic-Ultramafic Complex along pre-existing structures. Based on field observations, the pegmatites range up to 500m in length with surface exposures up to 100m across. The pegmatites are currently mapped over an approximate 9km strike length within the tenements.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a*	Refer to tables in the report and notes attached thereto which provide all relevant details.

	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.*	
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.*	No data aggregation techniques have been applied.
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 (eg 'down hole length, true width not known').*	Drillhole ANDD0201 intersected a 22m wide zone pegmatite from 187m downhole. ANDD0202 intersected a 27m interval of pegmatite from 197m down hole. Base don current drilling the true thickness of the pegmatite is 22-23m. Visible spodumene has been observed within various zones of the pegmatite in both holes. Visual estimates of spodumene are difficult given the varying grain sizes within the pegmatite intersection.
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 body of the text.

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.*	Drilling continues at the AP0012 prospect with a third hole planned to test for the pegmatite intersected in ANDD0201 and ANDD0202 at a shallower depth and along strike. Drill testing of priority target areas across the tenement area will commence following additional heritage and regulatory approvals.