

ASX ANNOUNCEMENT

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Date: 05 July 2023

ANDOVER PROJECT UPDATE

HIGHLIGHTS

- New Exploration Licence (EL) E47/4700 (10 blocks / 32km²) granted; adjoins existing Andover tenement currently being drilled (E47/2481)
- New EL hosts abundant pegmatites prospective for lithium mineralisation
- Azure's granted tenements now completely cover all identified pegmatites in the Andover district
- Lithium-focused drilling continues with two diamond core rigs and three reverse circulation (RC) rigs in operation
- Third diamond rig mobilising to site with the addition of extra rigs being assessed
- Infill drilling to commence shortly for delineation of maiden Mineral Resource Estimate within the AP0009-AP0014 pegmatite area
- Metallurgical testwork program for lithium extraction commenced
- Four Miscellaneous Licence applications for groundwater search were submitted with grant expected in second half of 2023
- All tenements granted or applied for are included in the Heritage Protection Agreement executed between Azure and the Ngarluma Aboriginal Corporation
- Additional heritage surveys to commence shortly over the newly granted E47/4700

Azure Minerals Limited (ASX: AZS) ("Azure" or "the Company") is pleased to provide an update on recent activities on its Andover Project, a joint venture between Azure (60%) and the Creasy Group (40%), located in the West Pilbara region of Western Australia.

TENEMENTS

Exploration Licence (EL) E47/4700 was granted on 26 June 2023 by the Department of Mines, Industry Regulation and Safety. 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 (see Figure 1 with further information provided in Table 1).

Importantly, the addition of E47/4700 adds an extra 32km² of ground that is highly prospective for both lithium-rich pegmatites and nickel-copper-cobalt sulphide mineralisation.

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Commenting on the grant of E47/4700 Azure's Managing Director, Mr Tony Rovira said: "The grant of this tenement allows Azure to extend the exploration for additional large-scale lithium mineralisation into new areas where Azure's early field work identified numerous pegmatite outcrops containing spodumene (ASX: 12 October 2022).

"The strong prospectivity of this new area to host significant lithium deposits is supported by the presence of historical artisanal mine workings from which the associated minerals beryl and tantalite were extracted from pegmatites in the 1950s."

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

All tenements that have been granted or applied for are included in the Andover Heritage Protection Agreement executed between Azure and the Ngarluma Aboriginal Corporation.

DRILLING

Two diamond core rigs and three RC rigs have been drilling along the +2,000m long corridor that hosts the AP0009, AP0010, AP0011, AP0012 and AP0014 pegmatites (see Figure 2). Currently the rigs are testing extensions in the western half of the corridor with sequential step-outs on 200m-spaced sections, successfully intersecting substantial widths of the pegmatites that host the lithium mineralisation (ASX: 30 June 2023).

Going forward, infill drilling on 100m-spaced sections will also be undertaken to ensure rapid delineation of the lithium mineralisation and publication of a maiden Mineral Resource Estimate. Given the significant results to date, the Company is assessing the feasibility of mobilising additional drill rigs to site to accelerate exploration and resource delineation.

METALLURGICAL TESTWORK

Azure has commenced a multi-stage metallurgical testwork program targeting production of a spodumene concentrate, comprising:

- Heavy Liquid Separation (HLS);
- Dense Media Separation (DMS); and
- Flotation.

This initial testwork program is expected to take approximately three months to full completion.

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

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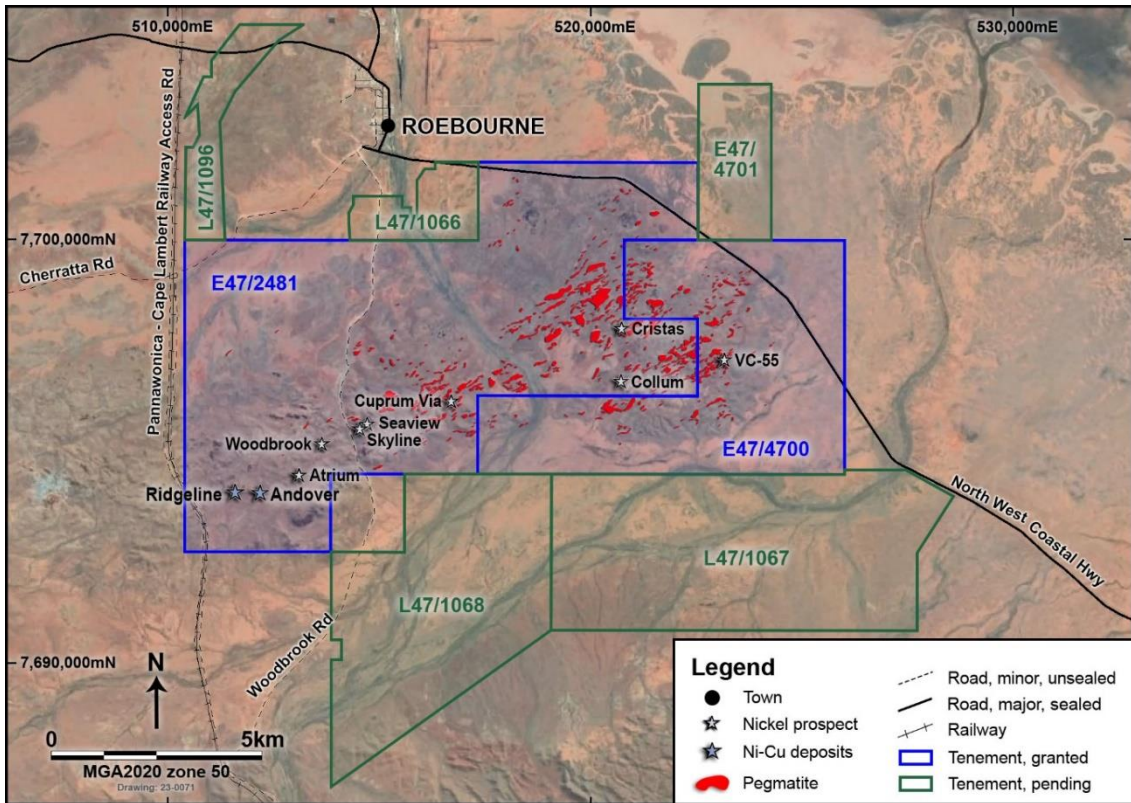


Figure 1: Andover Lithium Project showing new tenements

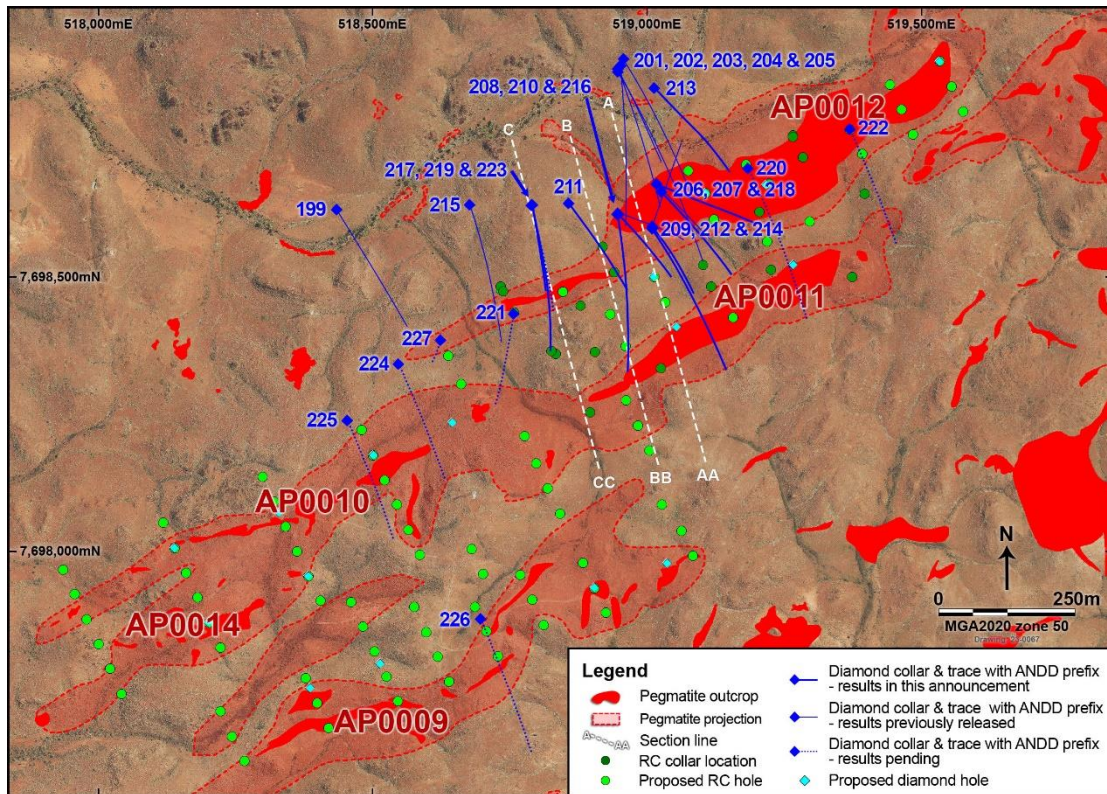


Figure 2: Pegmatite outcrops, drill holes and section lines at AP0009, AP0010, AP0011, AP0012 and AP0014

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COMPETENT PERSON STATEMENT

Information in this report that relates to previously reported Exploration Results has been cross-referenced in this report to the date that it was reported to ASX. Azure Minerals Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcements.