

COMPANY AND OPERATIONS UPDATE

Azure Minerals Limited (“Azure” or “the Company”) (ASX: AZS) provides an update on its Mexican operations, with the Company implementing several important changes to ensure workplace safety and balance sheet preservation in response to the COVID-19 pandemic.

COVID-19 is an unprecedented event, which continues to cause a high-level of global uncertainty and volatility. As such, Azure has acted quickly to ensure the wellbeing and safety of all employees and contractors by implementing the following steps:

- **Suspension of drilling and all field exploration at the Company’s projects**
- **Suspension of the trial processing program of high-grade ore from Oposura with the bulk concentrates bagged into bulker bags which have been stored in the Company’s warehouse**
- **Field crews demobilised to their home bases**
- **Implemented required policies and procedures which include “no travel”, “no congregating in groups”, “social distancing” and “working from home”**

The current environment requires a diligent focus on capital expenditure and management of the balance sheet. Therefore, in addition to the measures outlined above, the Board of Azure has implemented immediate salary reductions of between 25-40% for Azure directors and senior executives and deferrals of certain pay outs for a period of the next six months, or such longer time as the Directors see fit.

Azure has also reduced the size of the technical team in Mexico which, along with the recent resignation of the Company’s Chief Operating Officer Mr Glenn Jardine, has significantly decreased the Company’s overall payroll. Additionally, the use of third-party contractors and consultants has been significantly reduced or eliminated and discretionary expenditure has been cut.

These steps were taken by the Board in order to immediately reduce costs and minimise cash outflows for the company during these uncertain times to ensure protection of Azure’s high-quality assets. However, with the recent discovery of the Gregors copper prospect on the flagship Alacrán Project, the Company has a new and exciting challenge ahead. The slimmed-down technical team will undertake a data review and assessment of results in preparation for the resumption of field activities when economic circumstances permit

Azure will continue to monitor the situation and implement further steps, as required, to best protect the Company, its employees, and shareholders.

-ENDS-

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