

# Quick Comment

## Azure Minerals Ltd (AZS \$0.25) Speculative buy

Analyst	Date	Price Target
Michael Scantlebury	25 <sup>th</sup> August 2021	\$0.75/sh

### Working towards a maiden resource at Andover

#### Key Points

AZS has announced visuals on a further 30 diamond holes from its +40,000m infill drill program at its Andover Ni-Cu project (60% AZS / 40% Creasy Group).

- The holes were largely located on the VC-07 East, with some of the better intercepts including visuals of:
  - 19m of Ni-Cu sulphides from 378m
    - Massive to disseminated sulphides (45% sulphide)
  - 38m of Ni-Cu sulphides from 313m
    - Semi massive to disseminated sulphides (25% sulphide)
- Based on the visual logs of the mineralisation we would expect grades to be in-line with previous assay results (Ni-Cu content has been confirmed with XRF).
- The Company is progressing with 3 diamond drill rigs towards a maiden mineral resource estimate for VC-07 East in early CY22, delayed from late CY21 due to laboratory backlogs.
- We expect the maiden resource from VC-07 East to continue to grow over time once the Company includes VC-07 West, after drill density is improved.
- Drilling will then be focussed on expanding the mineralised system to the west, along with testing the regional targets (VC-23, VC-18, VC-41), although the Company is awaiting heritage and statutory approvals.
- AZS remains well funded, finishing the JunQ with A\$30m in cash.

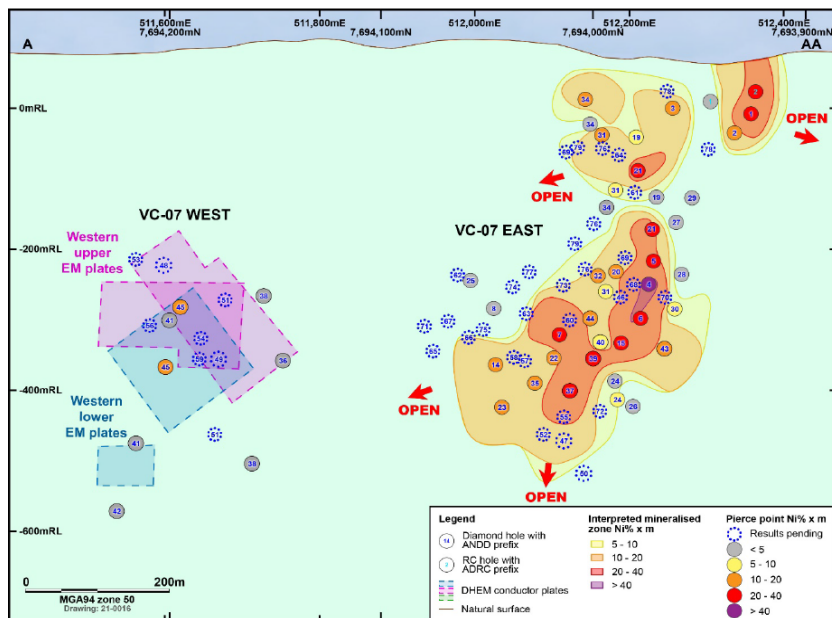


Figure 2: VC-07 long section A-AA showing mineralised intersections

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### Investment Thesis

Azure Minerals Limited is infilling drilling its VC-07 conductor within its Andover project (60% AZS, 40% Creasy) in the Pilbara, WA. The Company is well funded (-A\$30m in cash) to execute a high impact 40,000m drill program in CY21. AZS is working towards a maiden mineral resource estimate for VC-07 East in early CY22, which we expect to grow over time with the inclusion of VC-07 West. We look forward to the testing of the regional targets VC-23, VC-18, VC-41 once drill approvals are received.

### Azure Minerals Ltd (AZS)

Share Price	0.25	A\$/sh	Enterprise Value	47	A\$m
Price Target	0.75	A\$/sh	Debt	0	A\$m
Valuation	0.75	A\$/sh	Cash	30	A\$m
Shares on issue	309	m	Largest SH	Deutsche Bal	18.3%
Market Capitalisation	77	A\$m			

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