

QUARTERLY ACTIVITIES REPORT

FOR PERIOD ENDED 30 SEPTEMBER 2020

OVERVIEW

Azure Minerals Limited (ASX: AZS) (“Azure” or “the Company”) is pleased to report this summary on progress across its Australian and Mexican asset portfolio.

The COVID-19 pandemic in Mexico has had a severe and ongoing impact on exploration and mining operations throughout the country and, given the uncertainty for ongoing fieldwork, Azure sought gold and nickel projects in Western Australia to enable the Company to continue exploration activities.

The Company reached agreement to acquire four nickel and gold projects from Mr Mark Creasy and the Creasy Group, enabling Azure to reduce risk by diversifying across commodities and jurisdictions. These projects have strong potential due to historical exploration results, underlying geology and project locations, and give shareholders exposure to the exciting Mallina gold district and an advanced nickel-copper project in the Pilbara region of Western Australia.

Azure’s projects in Mexico remain an important core business for the Company, however these new projects are an exceptional opportunity to explore quality ground in partnership with a proven world-class mine-finder.

CORPORATE

- **Acquired four West Australian nickel and gold projects from the Creasy Group**
 - **Andover Nickel Project (60% Azure / 40% Creasy Group)**
 - **Layered mafic-ultramafic intrusive complex hosts nickel and copper sulphide mineralisation discovered by the Creasy Group**
 - **Significant grades and widths of nickel and copper intersected in 2018 drilling program, including: ADRC002: 7m @ 2.62% Ni & 0.65% Cu within 26m @ 1.03% Ni & 0.46% Cu from 43m (refer ASX: 17 July 2020)**
 - **Turner River Gold Project (70% Azure / 30% Creasy Group)**
 - **Located adjacent and along strike to De Grey Mining’s (ASX:DEG) Mallina Pproject – host to 2.2Moz gold resources and the Hemi gold discovery**
 - **Meentheena and Coongan Gold Projects (70% Azure / 30% Creasy Group)**
- **Azure further expanded its WA portfolio, agreeing to purchase 100% of the Barton Gold Project located in the Kookynie Gold District**
- **Successful completion of \$4m share placement to sophisticated and institutional investors**

- General Meeting following the transaction with the Creasy Group and share placement was held on Wednesday 26th August, with all resolutions passed
- Cash balance at 30 September 2020 was \$3.0 million

ANDOVER NICKEL-COPPER PROJECT (Western Australia)

- Field exploration activities commenced including surface electromagnetic (EM) surveying and an initial 12-hole, 3,000m diamond drilling program
- Subsequent to the end of the quarter, Azure announced that the first three drill holes (ANDD0001, 0002 and 0003) intersected significant nickel and copper sulphide mineralisation (refer ASX: 12, 16 & 27 October 2020)
- Early stage drilling confirmed massive, semi-massive and matrix sulphides coincide with strong electromagnetic (EM) conductors identified by surface and downhole surveying
- Hole ANDD0004 currently underway to test the down-dip extensions of mineralisation intersected in first three drill holes and associated EM conductors

ALACRÁN SILVER-GOLD PROJECT (Mexico) - 100% Azure

- Samples of high-grade silver mineralisation from three drill holes in the Mesa de Plata silver deposit were despatched to the AMTEL laboratory in Ontario, Canada for advanced gravity separation testwork, including (refer ASX: 4 March and 19 August 2020):
 - MDPC-150: 6.0m @ 1,284g/t Ag from 12.0m
 - MDPC-151: 3.0m @ 1,832g/t Ag from 39.0m
 - MDPC-152: 3.0m @ 1,006g/t Ag from 1.5m

Corporate

During the September Quarter Azure completed the purchase of a 60% interest in the Andover Nickel-Copper Project (“Andover”) and 70% interests in the Turner River, Meentheena and Coongan Gold Projects, all located in the Pilbara region of Western Australia (see **Figure 1**), from prominent mining prospector Mr Mark Creasy (“Creasy Group”).

The acquisition consideration of 40,000,000 fully paid ordinary shares in Azure was approved by shareholders at a General Meeting held on 26 August. Following completion of the acquisition, the Creasy Group became Azure’s largest shareholder with a 19.1% interest.

Azure successfully completed a \$4M share placement (before costs) at \$0.10 per share to sophisticated and institutional investors with the funds raised to support exploration activities across the West Australian project portfolio.

The Company also added to its newly acquired Western Australian project portfolio through an exclusive and binding agreement to acquire 100%-ownership of the Barton Gold Project (“Barton”), a single Exploration License Application (ELA 40/393) from local company 30 Well Pty Ltd. Total consideration for the acquisition is 1,150,000 fully paid ordinary Azure shares and A\$20,000, payable upon grant of the tenement.

Cash balance at 30 September 2020 was A\$3.0 million.

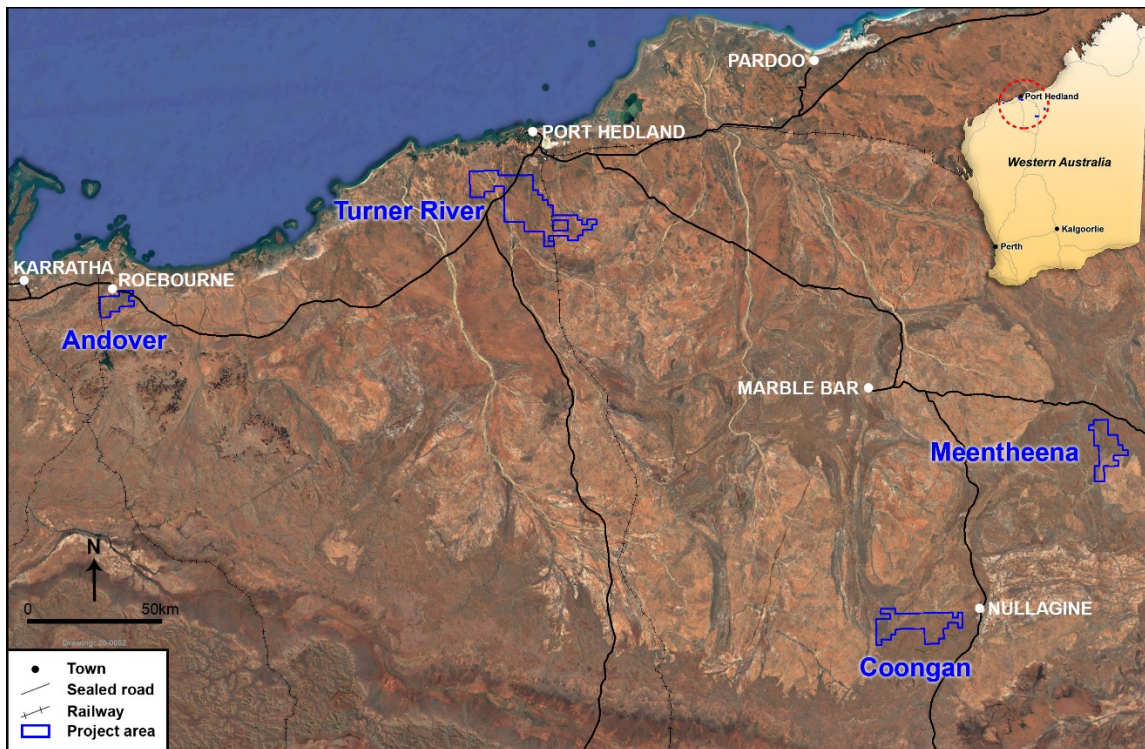


Figure 1: Location of Azure's Pilbara projects

AUSTRALIA

Andover Nickel-Copper Project (Azure 60% / Creasy Group 40%)

Azure's recently acquired West Australian asset package includes the Andover Ni Project in the Pilbara region. Andover hosts nickel-copper sulphide mineralisation drilled by the Creasy Group in 2018. Three drill holes testing two separate targets intersected significant nickel and copper sulphide mineralisation at shallow depths (see Figure 2).

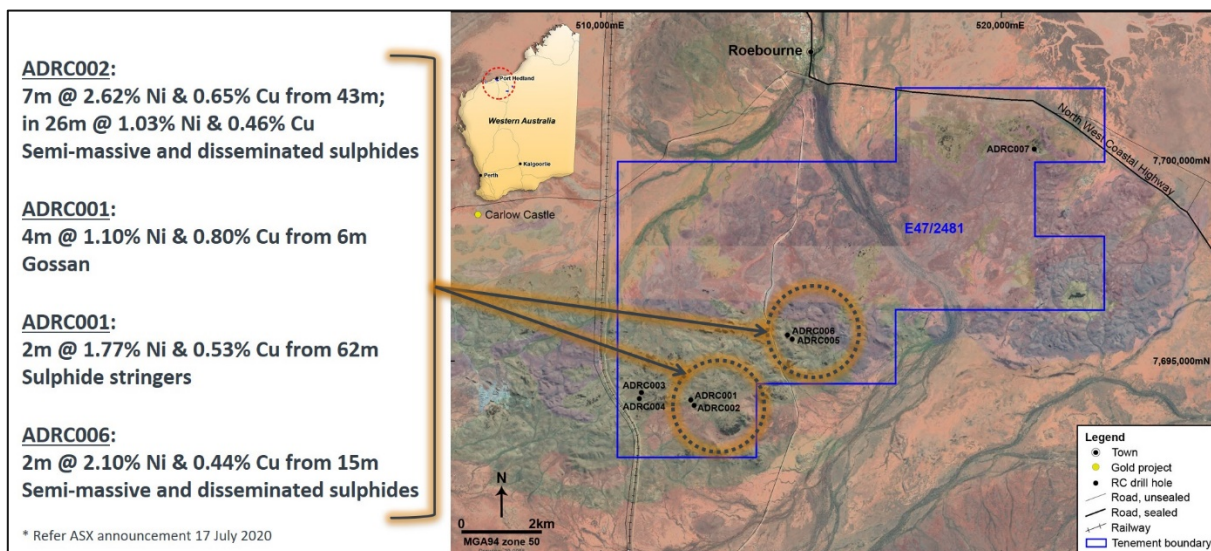


Figure 2: Andover Project showing Creasy Group drill hole locations and mineralised intersections

Following completion of the acquisition in August, Azure immediately commenced its exploration programs at Andover comprising:

- Surface electromagnetic surveys (FLTEM) covering at least 12 separate targets;
- Diamond core drilling of 12 holes for $\approx 3,000\text{m}$; and
- Downhole EM (DHTEM) surveying of the drill holes.

FLTEM surveying was undertaken over 12 separate geophysical anomalies identified by an historical airborne electromagnetic (VTEM) survey. The FLTEM confirmed the presence of numerous high-quality conductor anomalies. Importantly, the Andover project area does not appear to host sulphidic sediments, black shales, conductive overburden or other properties that may generate false positives for the EM surveys, suggesting that these electromagnetic conductors represent bedrock-hosted sulphide bodies.

Subsequent to the end of the quarter, an initial 12-hole, 3,000m diamond drilling program commenced.

The first three holes drilled and reported by the Company (ANDD0001, 0002 and 0003) (refer ASX: 12, 16 and 27 October 2020) contain wide intervals of nickel and copper sulphide mineralisation in the form of massive, semi-massive, matrix, blebby and disseminated pentlandite (nickel sulphide), chalcopyrite (copper sulphide) and pyrrhotite (iron sulphide) hosted in gabbro and similar mafic rocks (see **Table 1 and Figure 3**).

The fourth diamond drill hole, ANDD0004, is in progress and is targeting a strong and extensive conductor plate which is interpreted to represent the west/northwest down-dip extensions of the sulphide mineralisation intersected in the first three holes.



Figure 3: Massive, semi-massive and blebby nickel and copper sulphides in ANDD0003: $\sim 79\text{m}$ downhole

Table 1: Summary drill log of mineralised intersections

HOLE No.	INTERVAL	SULPHIDE FORM	SULPHIDE TYPE	SULPHIDE % (Visual Estimate)
ANDD0001	81.80 – 82.20	Matrix	Pyrrhotite-pentlandite-chalcopryrite	20-40%
	82.70 – 83.00	Blebby	Pyrrhotite-pentlandite-chalcopryrite	5-10%
	85.80 – 86.50	Blebby	Pyrrhotite-pentlandite-chalcopryrite	5-10%
	88.00 – 88.80	Blebby	Pyrrhotite-pentlandite-chalcopryrite	5-10%
	94.50 – 98.50	Massive	Pyrrhotite-pentlandite-chalcopryrite	>80%
	100.40 – 100.65	Semi-Massive	Pyrrhotite-pentlandite-chalcopryrite	40-80%
	103.75 – 104.00	Stringers	Pyrrhotite-pentlandite-chalcopryrite	10-20%
	116.30 – 116.80	Massive	Pyrrhotite-pentlandite-chalcopryrite	>80%
	118.00 – 119.00	Matrix	Pyrrhotite-pentlandite-chalcopryrite	20-40%
ANDD0002	104.50-110.00	Disseminated to Blebby	Pyrrhotite-pentlandite-chalcopryrite	5-10%
	110.00-110.50	Blebby to Semi-Massive	Pyrrhotite-pentlandite-chalcopryrite	20-40%
	110.50-113.35	Disseminated	Pyrrhotite-pentlandite-chalcopryrite	1-5%
	113.35-117.40	Matrix to Semi-Massive	Pyrrhotite-pentlandite-chalcopryrite	20-80%
	117.40-119.00	Disseminated	Pyrrhotite-pentlandite-chalcopryrite	1-5%
ANDD0003	41.20 – 41.95	Disseminated & stringers	Pyrrhotite-pentlandite-chalcopryrite	5-10%
	41.95 – 42.45	Massive	Pyrrhotite-pentlandite-chalcopryrite	>80%
	42.45 – 43.45	Disseminated	Pyrrhotite-pentlandite-chalcopryrite	1-5%
	43.45 – 43.70	Semi-Massive	Pyrrhotite-pentlandite-chalcopryrite	40-80%
	62.80 – 72.05	Disseminated & blebby	Pyrrhotite-pentlandite-chalcopryrite	5-20%
	78.30 – 78.70	Blebby to matrix	Pyrrhotite-pentlandite-chalcopryrite	20-40%
	78.70 – 80.60	Semi-massive to massive	Pyrrhotite-pentlandite-chalcopryrite	40-80%
	80.60 – 83.45	Blebby to matrix	Pyrrhotite-pentlandite-chalcopryrite	20-40%
	83.45 - 85.95	Disseminated & stringers	Pyrrhotite-pentlandite-chalcopryrite	5-10%
93.90 – 94.80	Disseminated & stringers	Pyrrhotite-pentlandite-chalcopryrite	10-20%	

In relation to the disclosure of visual mineralisation, the Company cautions that visual estimates of sulphide and oxide material abundance should never be considered a proxy or substitute for laboratory analysis. Laboratory assay results are required to determine the widths and grade of the visible mineralisation reported in preliminary geological logging. The Company will update the market when laboratory analytical results become available.

Field readings by portable XRF (pXRF) indicate the presence of significant nickel and copper grades in the sulphide-rich intervals. In order to support and confirm the pXRF readings, the Company submitted two samples of drill core from holes ANDD0001 and ANDD0002 containing semi-massive, matrix and stringer nickel and copper sulphides to be analysed by Portable Spectral Services utilising the Bruker M4 TORNADO.

The resulting images (see **Figures 4 and 5**) clearly identify the presence of substantial amounts of pentlandite (Ni) and chalcopyrite (Cu) sulphides. Importantly, the textural characteristics of the sulphide species and, particularly in the ANDD0002 sample, the linear orientation of the sulphide grains present in the spectral scans, indicate that the sulphide mineralisation has been re-mobilised to its current location.

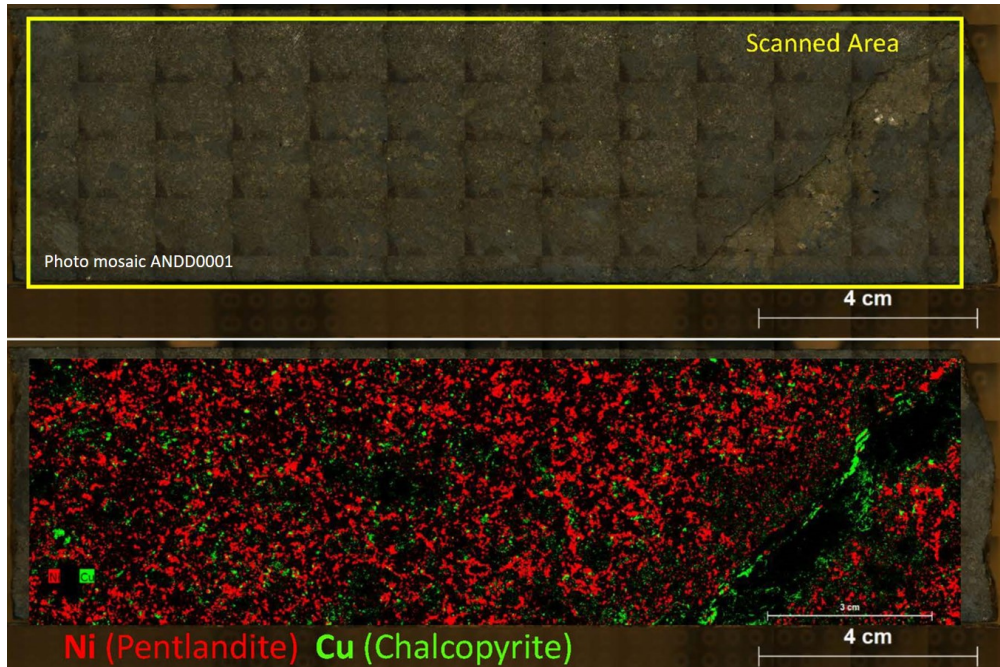


Figure 4: Spectral scan of semi-massive and matrix Ni-Cu sulphides in ANDD0001; 95.20m – 95.40m

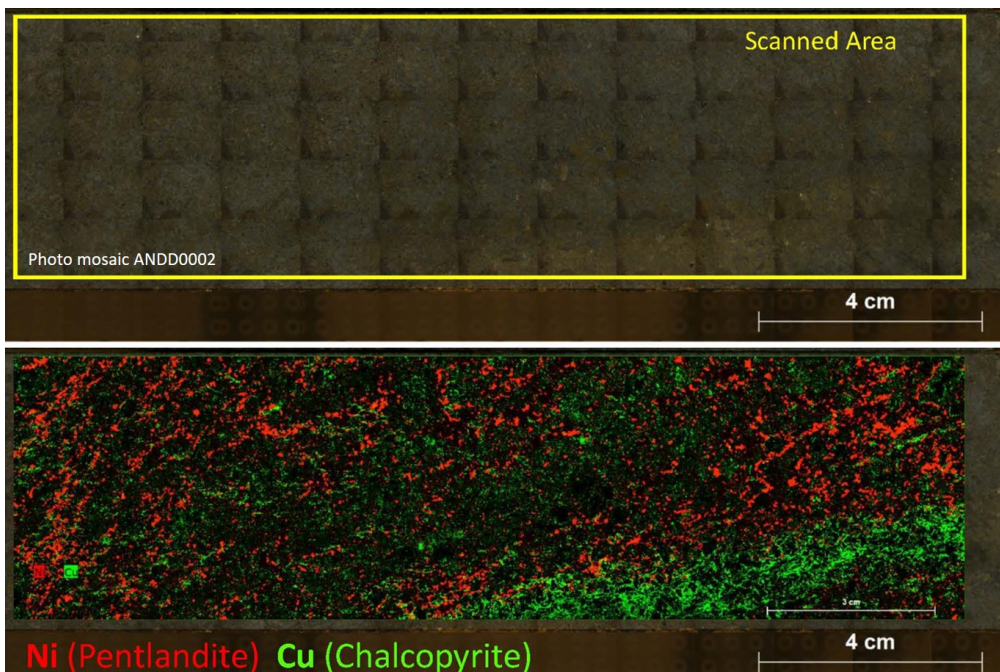


Figure 5: Spectral scan of matrix and stringer Ni-Cu sulphides in ANDD0002; 116.30m – 116.50m

Barton Gold Project (100% Azure on completion)

Azure agreed to purchase 100%-ownership of Barton, a single 67 block Exploration Licence Application (ELA 40/393), from local company 30 Well Pty Ltd. Total consideration for the acquisition is 1,150,000 fully paid ordinary Azure shares and A\$20,000, payable upon grant of the tenement.

The Barton Gold Project lies adjacent to the historical gold mining town of Kookynie approximately 40km south of Leonora in the Eastern Goldfields region of Western Australia. It covers approximately 200km² of the Kookynie Gold District (see **Figure 6**) and adjoins several growing gold deposits / projects, including:

- Genesis Minerals' Ulysses Gold Project (1,281,000oz);
- Saturn Minerals' Apollo Hill Gold Project (781,000oz); and
- Metalicity's recent high-grade Kookynie gold discoveries.

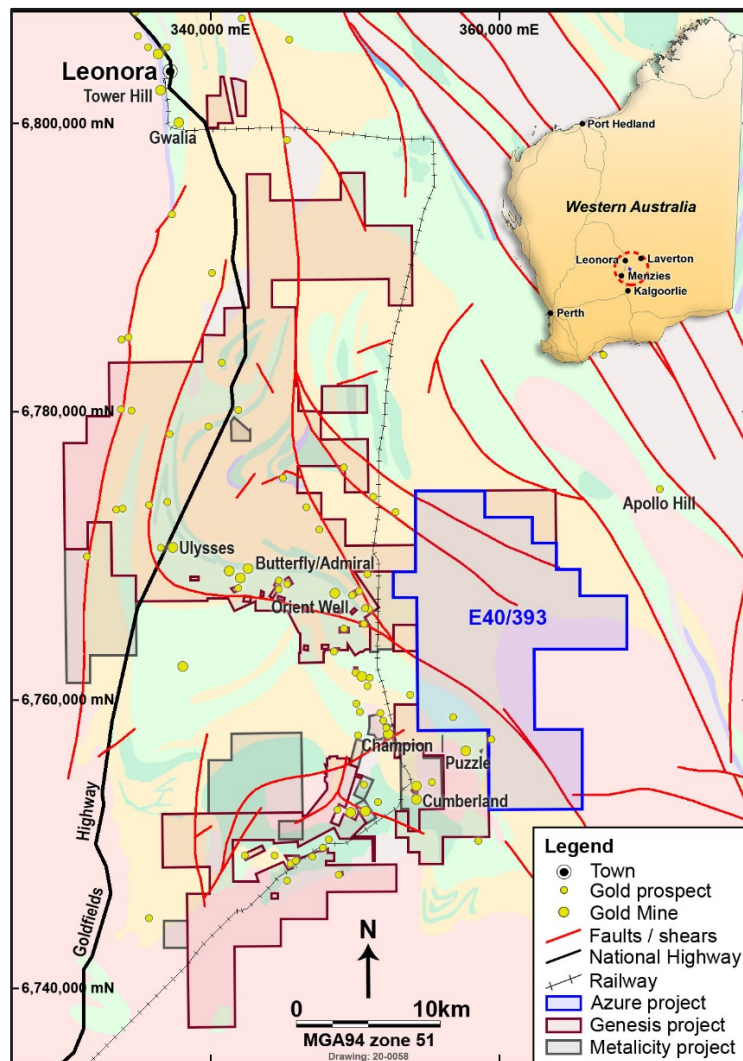


Figure 6: Barton Gold Project in blue with nearby gold deposits / projects

Since the 1890s, the Kookynie-Orient Well-Ulysses district has produced more than 1.1Moz of gold from open pit and underground mining of high-grade, quartz vein gold deposits and currently hosts additional gold resources of more than 1.2Moz. Historically the larger mines in the district were:

- Kookynie (combined): ~366,000oz Au; located 4km south of Azure's Barton Project
- Puzzle: ~100,000oz Au; located 1.3km south of Barton
- Orient Well: ~220,000oz Au; located 4km west of Barton
- Admiral / Butterfly: ~320,000oz Au; located 10km west of Barton
- Ulysses: ~50,000oz Au; located 15km west of Barton.

Most historical exploration in the Kookynie district focused on areas of outcrop and shallow soil-covered terrain. Due to extensive soil cover, most soil sampling and drilling previously undertaken within the Barton project area was ineffective in testing for bedrock-hosted gold mineralisation.

The only drilling that penetrated into bedrock was in the southwest at the Daisy Corner prospect within the Kookynie-Orient Well-Ulysses shear corridor between the Orient Well and Puzzle gold deposits (see **Figure 7**). In 1995-1997, RAB and RC drilling returned best results of (refer ASX: 4 September 2020):

- 7m @ 1.26g/t Au from 42m within 18m @ 0.77g/t Au;
- 40m @ 0.2g/t Au from 20m; and
- 8m @ 0.53g/t Au from 48m.

No further exploration has been carried out in the vicinity of Daisy Corner. Follow-up drilling to test along strike and for depth extensions is being planned by Azure.

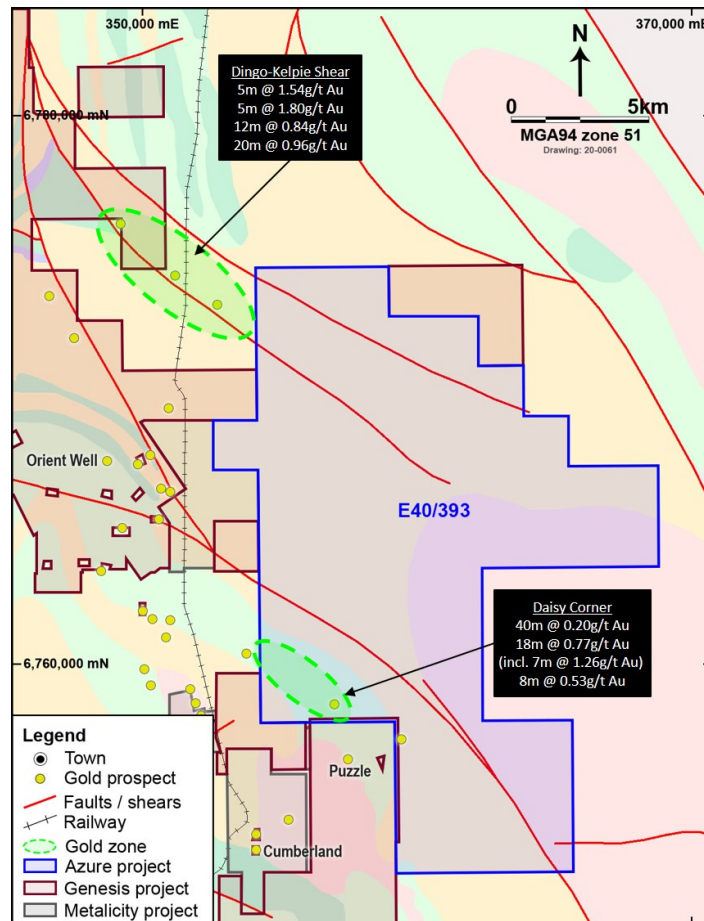


Figure 7: Barton Gold Project showing areas of gold prospectivity

MEXICO

Azure has a portfolio of 100%-owned precious and base metal assets in Mexico with three advanced-stage exploration projects containing JORC (2012) Mineral Resources. See the Company's website for details of projects and resources (www.azureminerals.com.au).



Figure 8: Location of Azure's projects in Mexico

Azure has a local operating team of geologists and administrators in Mexico. However, access to the Company's projects has been restricted since April due to the serious and ongoing COVID-19 situation.

During this period, Azure designed and implemented strict health, safety and hygiene standards at the Company's office in Hermosillo and in the field, to minimise infection risks amongst its employees, contractors and members of local communities.

The Company also used the isolation period to carry out detailed data analysis and interpretation to evaluate and prioritise targets for further testing, with the focus on the Alacrán silver-gold project.

Alacrán Silver-Gold Project (Azure 100%)

During the March quarter, three Reverse Circulation holes (MDPC-150 to 152) were drilled into the Mesa de Plata silver deposit specifically to collect samples containing high-grade silver mineralisation (refer ASX: 4 March 2020).

During the September quarter, selected intervals of high-grade silver mineralisation were collected from these holes and dispatched to the AMTEL laboratory in Ontario, Canada for advanced metallurgical testwork to optimise the process flowsheet for a Mesa de Plata mining and processing operation (refer ASX: 19 August 2020).

The selected drillhole intervals and silver grades are:

- MDPC-150: 6.0m @ 1,284g/t Ag from 12.0m
- MDPC-151: 3.0m @ 1,832g/t Ag from 39.0m
- MDPC-152: 3.0m @ 1,006g/t Ag from 1.5m

Previous metallurgical studies completed by Azure on the Mesa de Plata silver mineralisation (refer ASX: 17 December 2015) demonstrated that while a majority (up to 76%) is recoverable by a combination of flotation followed by cyanide leaching of the tailings stream, a proportion of the silver is not captured by either of these processing methods. Subsequent testing demonstrated that a dense, silver-rich mineral called romeite is recoverable by gravity separation methods into a high-grade silver concentrate.

The metallurgical program currently underway is carrying out multiple gravity separation tests, processing the high-grade mineralisation through Knelson concentrators to maximise romeite recoveries into a high-grade, silver-rich concentrate. The tailings from the gravity separation will then undergo grinding, flotation and cyanide leaching to maximise the overall silver recovery.

Oso Negro Gold-Silver Project (previously Azure 100% - now sold)

During the quarter, Azure completed the sale of the Oso Negro project to a private Canadian company. Consideration totals US\$175,000, with US\$25,000 paid on signing (10 July 2020), US\$50,000 to be paid on or before 10 January 2021, and a final payment of US\$100,000 is due on or before 10 January 2022.

OTHER

During the quarter, the company expensed some \$529,000 on the exploration activities reported above. Payments to related parties of the entity and their associates totalled \$81,000 and consisted of Executive Service fees.

Refer to table 2 below for details of tenements acquired or relinquished during the quarter.

Table 2: Details of tenements acquired and relinquished during the quarter

	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Interests in mining tenements and petroleum tenements acquired or increased	Andover (WA) E47/2481	Owned	0%	60%
	Turner River (WA) E45/2573	Application	0%	70%*
	E45/2574	Application	0%	70%*
	Meentheena (WA) E45/5036	Owned	0%	70%
	Coongan (WA) E46/1156	Owned	0%	70%
Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Promontorio (Mexico) 245495	Relinquished	100%	0%
	245496	Relinquished	100%	0%
	245497	Relinquished	100%	0%
	245505	Relinquished	100%	0%
	245500	Relinquished	100%	0%
	245498	Relinquished	100%	0%
	245506	Relinquished	100%	0%
	245507	Relinquished	100%	0%
	245501	Relinquished	100%	0%
	245499	Relinquished	100%	0%
	245502	Relinquished	100%	0%
	245503	Relinquished	100%	0%
	245504	Relinquished	100%	0%
	Oso Negro (Mexico) El Sahuaro 243322	Sold	100%	0%
	Oso Negro (Application)	Sold	100%	0%

*Upon grant of tenements Azure will be entitled to a 70% interest in these tenements

Authorised for release by Mr Brett Dickson, Company Secretary.

-ENDS-

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Competent Person Statements:

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Azure Minerals Limited

ABN

46 106 346 918

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for	-	-
(a) exploration & evaluation	(529)	(529)
(b) development	-	-
(c) production	-	-
(d) staff costs	(166)	(166)
(e) administration and corporate costs	(289)	(289)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	37	37
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(946)	(946)
2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(4)	(4)
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	36	36
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other - GST recovered/(paid) on project acquisitions	(660)	(660)
2.6	Net cash from / (used in) investing activities	(628)	(628)
3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,000	4,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(180)	(180)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - Convertible Note Interest	(125)	(125)
3.10	Net cash from / (used in) financing activities	3,695	3,695
4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	850	850
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(946)	(946)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(628)	(628)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,695	3,695
4.5	Effect of movement in exchange rates on cash held	(6)	(6)
4.6	Cash and cash equivalents at end of period	2,965	2,965

Consolidated statement of cash flows		Current quarter \$A'000	Previous quarter \$A'000
5	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	2,907	792
5.2	Call deposits	58	58
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,965	850

6 Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</p>		

7 Financing facilities		Total facility amount at quarter end \$A'000	Current quarter \$A'000
<p>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</p>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other - Convertible Notes	2,000	-
7.4	Total financing facilities	2,000	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

* 2 million Convertible Notes have been issued to Deutsche Balaton Aktiengesellschaft (\$1 million) and A130nd Delphi Unternehmensberatung Aktiengesellschaft (\$1 million) each with a face value of \$1 convertible into 13,793,103 ordinary shares in Azure Minerals at a conversion price of \$0.145 per share. The notes were issued on 19 July 2019, have a term of 2 years and accrue interest at a rate 12.5% pa paid in arrears every 6 months after issue.

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(946)
8.2 (payments for exploration & evaluation classified as investing activities)(item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(946)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,965
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,965
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.13
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2020

Authorised by: Brett Dickson, Company Secretary

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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Annexure 1
Schedule of Interests in Mining Tenements

Australian Projects	Common Name	Mineral	Tenement	Percentage held
Andover	Andover	All Minerals	E47/2481	60%
Coongan	Coongan	All Minerals	E46/1156	70%
Meentheena	Meentheena	All Minerals	E45/5036	70%
Turner River	Turner River	All Minerals	ELA45/2573	70%
Turner River	Turner River	All Minerals	ELA45/2574	70%
Barton	Barton	All Minerals	ELA40/393	100%

Mexican Projects	Common Name	Mineral	Tenement	Percentage held
Oposura	El Monstruo De Plomo	All Minerals	180473	100%
	Don Genaro	All Minerals	180474	100%
	El Crestón De Plomo	All Minerals	180475	100%
	Candelaria	All Minerals	180476	100%
	El Hueco	All Minerals	180477	100%
	Campo De Plomo	All Minerals	180602	100%
	Oposura Número 2	All Minerals	180603	100%
	Oposura Número 4	All Minerals	180604	100%
	Oposura Número 6	All Minerals	180605	100%
	El Encinal	All Minerals	223473	100%
Sara Alicia	Sara Alicia	All Minerals	165539	100%
	El Tecolote III	All Minerals	234586	100%
Promontorio	Hidalgo	All Minerals	235270	100%
Panchita	Panchita	All Minerals	212767	100%
	Dona Panchita	All Minerals	192097	100%
San Augustin	San Augustin	All Minerals	238325	100%
Alacran	Kino 3	All Minerals	166312	100%
	Kino 2	All Minerals	166313	100%
	Kino 4	All Minerals	166314	100%
	Kino 8	All Minerals	166315	100%
	Kino 9	All Minerals	166316	100%
	Kino 10	All Minerals	166317	100%
	Kino 11	All Minerals	166318	100%
	Kino 15	All Minerals	166365	100%
	Hidalgo No. 4	All Minerals	166366	100%
	Kino 16	All Minerals	166367	100%
	Hidalgo No. 3	All Minerals	166368	100%
	Hidalgo No. 2	All Minerals	166369	100%
	Hidalgo No. 5	All Minerals	166370	100%
	Hidalgo No. 6	All Minerals	166371	100%
	Hidalgo No. 8	All Minerals	166372	100%
	Hidalgo No. 7	All Minerals	166373	100%
	Hidalgo	All Minerals	166374	100%
	Hidalgo No. 9	All Minerals	166375	100%
	San Simon	All Minerals	166376	100%
	San Simon No. 2	All Minerals	166377	100%
El Alacran	All Minerals	201817	100%	