

AZURE MINERALS LIMITED
ABN 46 106 346 918

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

Date of Meeting

17 November 2015

Time of Meeting

12:00 noon (WST)

Place of Meeting

The Celtic Club
48 Ord Street
WEST PERTH WA

This Notice of Annual General Meeting and the accompanying Explanatory Memorandum should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from their accountant, solicitor or other professional adviser prior to voting. A Proxy Form is enclosed. If you are unable to attend the Meeting, please complete and return the enclosed Proxy Form in accordance with the specified directions.

AZURE MINERALS LIMITED
ABN 46 106 346 918
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2015 Annual General Meeting of Shareholders of Azure Minerals Limited ("**Company**") will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on 17 November 2015 at 12:00 noon (WST) for the purpose of transacting the following Business.

ORDINARY BUSINESS

2015 Financial Statements

To receive the financial statements of the Company for the year ended 30 June 2015, consisting of the Annual Financial Report, the Directors' Report and Auditor's Report.

Resolution 1 – Re-election of Mr. Peter Ingram as a Director

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That Mr. Peter Ingram having retired as a director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election be re-elected as a director of the Company."

Resolution 2 – Adoption of Remuneration Report

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2015 be adopted".

Note: The vote on Resolution 2 is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

Votes must not be cast, and the Company will disregard any vote cast on Resolution 2 by, or on behalf of a member of the Company's Key Management Personnel and their Closely Related Parties unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit, even though it is connected directly or indirectly with remuneration of the Company's Key Management Personnel.

Resolution 3 – Ratification of Prior Share Issue 1

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 10,154,346 Shares at an issue price of \$0.0098 per Share, issued to the persons and on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice of General Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by a person (and any associates of such a person) who participated in the issue.

However, the Company need not disregard a vote cast on Resolution 3 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Ratification of Prior Share Issue 2

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 95,312,500 Shares at an issue price of \$0.016 per Share, issued to the persons and on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice of General Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by a person (and any associates of such a person) who participated in the issue.

However, the Company need not disregard a vote cast on Resolution 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Issue of Options to a Director – Mr Anthony Rovira

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given to grant and issue 10,000,000 Director Options to Mr Anthony Rovira or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

Voting Exclusion Statement

The Company will disregard any vote cast on Resolution 5 by Mr Rovira and any associate of Mr Rovira.

However, the Company need not disregard a vote cast on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, the Company will disregard votes on Resolution 5 cast by a member of the Key Management Personnel (or any of their Closely Related Parties) as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the Meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this resolution, even though it is connected with the remuneration of Key Management Personnel.

Resolution 6 – Issue of Options to a Director – Dr Wolf Martinick

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given to grant and issue 5,000,000 Director Options to Dr Wolf Martinick or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

Voting Exclusion Statement

The Company will disregard any vote cast on Resolution 6 by Dr Martinick and any associate of Dr Martinick.

However, the Company need not disregard a vote cast on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, the Company will disregard votes on Resolution 6 cast by a member of the Key Management Personnel (or any of their Closely Related Parties) as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the Meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this resolution, even though it is connected with the remuneration of Key Management Personnel.

Resolution 7 - Issue of Options to a Director - Mr Peter Ingram

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given to grant and issue 5,000,000 Director Options to Mr Peter Ingram or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

Voting Exclusion Statement

The Company will disregard any vote cast on Resolution 7 by Mr Ingram and any associate of Mr Ingram.

However, the Company need not disregard a vote cast on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, the Company will disregard votes on Resolution 7 cast by a member of the Key Management Personnel (or any of their Closely Related Parties) as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the Meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this resolution, even though it is connected with the remuneration of Key Management Personnel.

For further information please refer to the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

By order of the Board of Directors



Brett Dickson
Company Secretary

Date: 29 September 2015

Important information for Shareholders

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it. The glossary at the end of the Explanatory Statement contains definitions of capitalised terms used in this Notice of Meeting and the Explanatory Statement.

Required majorities

The resolutions in this Notice of Meeting are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the resolution.

Proxies

All Shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder. Shareholders holding two or more shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise.

To vote by proxy, please complete and return the proxy form enclosed with this Notice of Meeting as soon as possible. To be effective, a completed proxy form or online proxy instructions must be received by **no later than 12.00 noon (WST) on 15 November 2015**, being not less than 48 hours prior to the commencement of the meeting.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in the same way as the proxy form.

Corporate representatives

A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company. An appointment form is included with the meeting materials.

Voting entitlements

The Board has determined that, for the purpose of voting at the Meeting, Shareholders are those persons who are the registered holders of the Company's shares at 12.00 noon (WST) on 15 November 2015.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders in Azure Minerals Limited ABN 46 106 346 918 (“**Company**”) with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Meeting.

Financial Reports

The Corporations Act requires the Company to lay before the Annual General Meeting the Financial report, Directors’ report (including the remuneration report) and the Auditor’s report for the last financial year that ended before the Annual General Meeting.

No resolution is required for this item, but Shareholders will be given an opportunity to ask questions in relation to the accounts of the Company at the Meeting. The full financial accounts (including the Financial Statements, Directors’ Report and Auditor’s Report) of the Company are included as part of the 2015 Annual Report which is available on the Company’s website at www.azureminerals.com.au.

As a Shareholder, you are entitled to submit a written question to the auditor prior to the Meeting provided that the question relates to the content of the Auditor’s Report or the conduct of the audit in relation to the accounts.

All written questions must be received by the Company no later than 10 November 2015. All questions must be sent to the Company and may not be sent direct to the auditor. The Company will then forward all questions to the auditor.

The Company’s auditor will be present at the Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor’s Report, the accounting policies adopted by the Company in preparing its financial statements, and the independence of the auditor.

Resolution 1 – Re-election of Mr Peter Ingram as a Director

Pursuant to Rule 13.2 of the Company’s Constitution, Mr. Peter Ingram, being a director of the Company, retires by way of rotation only, and being eligible, offers himself for re-election as a director of the Company.

Mr. Ingram is a geologist with over forty years’ experience in the mining and mineral exploration industries within Australia, including over thirty years’ experience in public company management. He was the founding Chairman and Managing Director of Universal Resources Limited (now Altona Mining Limited).

Mr Ingram was a founding councillor and past President of the Association of Mining and Exploration Companies (AMEC) and has been made an Honorary Life Member in recognition of his services to AMEC. He was also a founding director of the Australian Gold Mining Industry Council. He has served on the board of management of the WA School of Mines at Curtin University and was instrumental in the establishment of the Chair of Mineral Economics and Mine Management within that institution.

Mr Ingram’s previous directorships include: Managing Director of Metana Minerals NL and Eastmet Limited; Executive Chairman of Australia Oriental Minerals NL and Glengarry Resources Limited; and Non-executive Director of Dragon Mining Limited, Metana Petroleum Limited and Carnarvon Petroleum Limited.

The Directors (other than Mr. Ingram) recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 – Adoption of the Remuneration Report

In accordance with Section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Annual Report. The vote on Resolution 2 is advisory only and does not bind the Directors or the Company. The Company’s Remuneration Report is set out in the Director’s Report section of the Annual Report and is also available on the Company’s website at www.azureminerals.com.au.

By way of summary, the Remuneration Report explains the Board’s policies in relation to the nature and level of remuneration paid to the Directors, sets out the remuneration details for each Director and any service agreements and sets out the details of any Share-based compensation.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. While not a binding resolution, the Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies going forward.

The Directors recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Ratification of Prior Share Issue 1

Background

On 16 July 2015 the Company advised that it had entered into an agreement with a leading New York-based investment fund (“Investor”) with a strong presence and background in the natural resources sector.

The agreement provides Azure with the right to secure an equity investment from the Investor of a minimum of \$100,000 each month, and up to \$250,000 subject to certain conditions, over the next 24 months at a price equal to 80% of the average 5 daily volume weighted average price per Share as selected by the Investor in its sole discretion, during the twenty consecutive Trading Days immediately prior to the Investment Date. The Investment Date is the date that Azure provides an Investment Notice to the Investor.

When drawn the funding, of up to A\$3.25 million, will be used to continue the Company's exploration on the Alacrán Project in Mexico.

Since entering into the agreement the company has completed one drawdown of \$100,000 resulting in the issue of 10,154,346 shares on 5 August 2015. The Company had the capacity to undertake the issue without the approval of Shareholders under Listing Rule 7.1.

Listing Rule 7.4 allows a company to seek subsequent approval from shareholders for a prior issue of securities so that the issue of securities does not count towards the company's 15% Placement Capacity. This approval is being sought from Shareholders at the Meeting.

Regulatory information

The following information in relation to Resolution 3 is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 10,154,346 Shares were issued on 5 August 2015. Approval for the ratification of this issue is sought under Resolution 3.
- (b) The Shares were issued at a price of \$0.0098 each.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) The Shares were issued to SBI Investments (PR) LLC a New York Resources Investment Firm residing outside of Australia and unrelated to the Company.
- (e) The funds raised from the Placement were used to fund continuing exploration activities at the Company's Alacrán Project in Mexico.

The Directors recommend that Shareholders vote in favour of Resolution 3.

Resolution 4 – Ratification of Prior Share Issue 2

Background

On 23 September 2015 the Company advised that it had agreed to place approximately 95.3 million Shares at \$0.016 per share to raise approximately \$1.52 million before costs (**Placement**). The Placement was to professional and sophisticated investors, all unrelated parties of the Company. The Company had the capacity to undertake the Placement without the approval of Shareholders under Listing Rule 7.1.

Listing Rule 7.4 allows a company to seek subsequent approval from shareholders for a prior issue of securities so that the issue of securities does not count towards the Company's 15% Placement Capacity. This approval is being sought from Shareholders at the Meeting.

Regulatory information

The following information in relation to Resolution 4 is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 95,312,500 were issued on 24 September 2015. Approval for the ratification of this issue is sought under Resolution 4.
- (b) The Shares were issued at a price of \$0.016 each.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) The Shares were issued as follows:
 - 62,500,000 to Yandal Investments Pty Ltd;
 - 31,250,000 to SBI Investments (PR) LLC; and
 - 1,562,500 to Stephen John Lowe & Suzanne Lee Low <Tahlia Family Trust>each of them unrelated parties of the Company.
- (e) The funds raised from the Placement are to be used to fund continuing exploration activities at the Company's Alacrán Project in Mexico.

The Directors recommend that Shareholders vote in favour of Resolution 4.

Resolutions 5, 6 and 7 – Approval of Grant of Director Options

Shareholder approval is being sought in Resolutions 5, 6 and 7 to grant a total of 20,000,000 Director Options to the Directors of the Company –

- Mr Anthony Rovira, the Managing Director - 10,000,000 Director Options;
- Dr Wolf Martinick, a Non-Executive director - 5,000,000 Director Options; and
- Mr Peter Ingram, the Chairman - 5,000,000 Director Options.

Each Director Option will be exercisable at a 50% premium to the 30 day VWAP (for the 30 day period prior to the date of receiving shareholder approval for the appropriate Resolutions) on or before 30 November 2018.

The full terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

The grant of Director Options is in acknowledgement of the workload placed on the Directors and designed to encourage them to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth, and prosperity of the Company through share ownership. The Directors recognise that the issue of options to non-executive directors does not meet best practice corporate governance guidelines. However, under the Company's current circumstances the Directors consider that the incentive intended for them, represented by the issue of these Director Options, is a reasonable, cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation or the award of share rights.

The number and exercise price of the Director Options to be granted has been determined based upon a consideration of:

- their cash remuneration as a Director or executive;
- the current competitive environment in the minerals industry for experienced professionals;
- the Directors' wish to ensure that the remuneration offered is competitive with the Company's peers. The Directors consider the proposed number of Director Options to be issued will ensure that the overall remuneration is in line with market standards; and
- incentives that are given by other listed mineral exploration companies to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

Over the last 12 month period, the highest closing price of Shares was \$0.038 on 28 September 2015 and the lowest closing price was \$0.009 on 2 September 2015. The closing price of Shares on 28 September 2015 was \$0.035. In respect of the Director Options to be granted (subject to Shareholder approval), the exercise price will be a 50% premium to the volume weighted average closing Share price on the ASX over the 30 trading days preceding the date of receiving shareholder approval.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

The grant of the Director Options constitutes a "financial benefit" as defined in the Corporations Act. Further, the Directors are related parties of the Company as defined under the Corporations Act because they are Directors. Accordingly, the proposed grant of Director Options to Directors pursuant to Resolutions 5, 6 and 7 constitutes the provision of a financial benefit to related parties of the Company that requires shareholder approval.

Information Requirements

For the purposes of section 219 of the Corporations Act the following information is provided to Shareholders.

The related party to whom the proposed resolution would permit the financial benefit to be given

Subject to Shareholder approval the related parties to whom the proposed Resolutions would permit the financial benefit to be given are Mr Anthony Rovira, Dr Wolf Martinick and Mr Peter Ingram, or their respective nominee(s). All are Directors of the Company.

The nature of the financial benefit

The proposed financial benefit to be given is the grant of Director Options for no monetary consideration to Mr Rovira, Dr Martinick and Mr Ingram, or their respective nominee(s), as noted above. The terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

Directors' recommendation

Resolutions 5, 6 and 7 seek Shareholder approval to grant the Directors Options to each of the Directors personally. It is therefore arguable that even though the resolutions are not inter-dependent, each Director has an interest in each of the resolutions to the extent they are a proposed recipient of Director Options under one of those resolutions.

Therefore, all the Directors are of the view that it is inappropriate for them to make a recommendation on Resolutions 5, 6 and 7.

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors

Resolutions 5, 6 and 7 would have the effect of giving authority to the Company to grant a total of 20,000,000 Director Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company presently has the following securities on issue:

- 1,100,486,953 Shares;
- 25,000,000 unlisted options exercisable at \$0.058 (expiring 30 June 2017); and
- 25,924,075 unlisted options exercisable at \$0.045 (expiring 30 November 2016)

If all Director Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of then Shareholders by approximately 1.7%. The market price of the Company's Shares during the period of the Director Options will normally determine whether or not Mr Rovira, Dr Martinick and Mr Ingram exercise the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise of the Director Options, the Shares may be trading at a price which is higher than the exercise price of the Director Options.

Current Holdings

Set out below are details of Directors' relevant interest in the securities of the Company as at the date of this Notice:

	Direct and Indirect Holdings and those of Associates		
	Mr Rovira	Dr Martinick	Mr Ingram
Ordinary fully paid Shares	7,125,255	3,935,253	6,206,364
Options			
exercisable at \$0.058, expire 30 Jun 2017	9,000,000	3,000,000	3,000,000

The Directors' base fees per annum and the total financial benefit to be received by them in this current period as a result of the grant of Director Options the subject of Resolutions 5, 6 and 7 are:

Director	Base salary p.a. (\$)	Superannuation p.a. (\$)	Value of Director Options (\$)	Total Financial Benefit (\$)
Mr Rovira	300,000	28,500	193,000	521,500
Dr Martinick	45,000	4,160	96,500	145,660
Mr Ingram	50,000	4,748	96,500	151,248

Valuation of Director Options

The Company has valued the Director Options to be granted to the Directors, or their respective nominee(s), using the Binomial Model. The value of an option calculated by the Binomial Model is a function of a number of variables. The Company's assessment of the value of the Director Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.035
Exercise price	\$0.0525
Risk free interest rate	1.89%
Volatility	100%
Time (years) to expiry	3.0 years

For the purposes of this valuation the Company has assumed 29 November 2015 as the issue date of the Director Options. For the Share price, the Company has assumed \$0.035 as this was a recent Share price on ASX on 28 September 2015. The Company has also assumed a volatility level of 100%. Taking these factors into account, the term of the Director Options (3.0 years) and its past Share prices the estimated value of one Director Option is 1.38 cents.

The estimated value of the 20,000,000 Director Options proposed to be granted to Mr Rovira, Dr Martinick and Mr Ingram pursuant to Resolutions 5, 6 and 7 is \$386,000.

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods commencing from 1 July 2005 means that, under AASB2 Share-based Payment, equity based compensation will be recognised as an expense in respect of the services received. Other than as set out in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by the Company in granting the Director Options pursuant to Resolutions 5, 6 and 7. Apart from the information set out in this Explanatory Memorandum, neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions 5, 6 and 7.

Listing Rules Requirements

Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including the grant of options) to a related party of the Company. If Resolutions 5, 6 and 7 are passed, the Director Options will be granted to Mr Rovira, Dr Martinick and Mr Ingram, or their nominee. They are related parties of the Company by virtue of being Directors.

Accordingly, approval for the grant of the Director Options to Mr Rovira, Dr Martinick and Mr Ingram is required pursuant to Listing Rule 10.11. Shareholder approval pursuant to Listing Rule 7.1 is not required in order to grant the Director Options as approval is being obtained under Listing Rule 10.11. Shareholders should note that the grant of the Director Options with approval under Listing Rule 10.11 will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purpose of Listing Rule 10.13, the following information is provided to Shareholders:

- (a) the Director Options will be granted to Mr Anthony Rovira (10,000,000), Dr Wolf Martinick (5,000,000) and Mr Ingram (5,000,000) or their nominee(s);
- (b) the maximum number of Director Options to be granted is 20,000,000;
- (c) the Director Options will be granted on a date which will be no later than one month after the date of this Meeting;
- (d) the Director Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Director Options (though the Directors will be required to pay the relevant exercise price on exercise of the Director Options); and
- (f) the terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

Given their interests in these Resolutions, the Directors do not make a recommendation in respect of Resolutions 5, 6 and 7.

GLOSSARY

"ASX"	means the Australian Securities Exchange or ASX Limited, as appropriate;
"Board"	means the board of Directors of the Company;
"Closely Related Parties"	means those parties of the Key Management Personnel are as defined in the Corporations Act and include certain of their family members, dependents and companies they control;
"Company" or "Azure"	means Azure Minerals Limited ABN 46 106 346 918;
"Corporations Act"	means Corporations Act 2001 (Cth);
"Director"	means a director of the Company;
"Director Option"	means an Option the subject of Resolutions 5, 6 and 7;
"Explanatory Memorandum"	means the explanatory memorandum accompanying this Notice;
"Key Management Personnel"	means the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, as set out in the Company's most recent Remuneration Report.
"Listing Rules"	means the listing rules of ASX;
"Meeting"	means the General Meeting the subject of the Notice;
"Notice" or "Notice of Meeting"	means the notice of General Meeting which accompanies this Explanatory Memorandum;
"Option"	means an option to acquire a Share;
"Resolution"	means a resolution proposed pursuant to the Notice;
"Share"	means a fully paid ordinary share in the capital of the Company;
"Shareholder"	means a holder of a Share;
"WST"	means Western Standard Time; and
"VWAP"	means volume weighted average price.

ANNEXURE A

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

1. No monies will be payable for the issue of the Director Options.
2. The Director Options shall expire at 5.00pm (WST) on 30 November 2018 (“**Expiry Date**”). In addition the options (if not yet exercised) will automatically lapse should the director voluntarily cease employment, for whatever reason, with the Company.
3. Subject to conditions 12 and 13, each Director Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company (“**Share**”).
4. Subject to condition 11, the exercise price for each Director Option shall be a 50% premium to the volume weighted average closing Share price on the ASX over the 30 trading days preceding the date of shareholder approval for the grant of the Director Options (“**Exercise Price**”).
5. Subject to condition 11, the Exercise Price of the Director Options shall be payable in full on exercise of the Director Options.
6. Director Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
 - (a) exercise all or a specified number of Director Options; and
 - (b) pay the Exercise Price in full for the exercise of each Director Option.

The notice must be accompanied by a cheque made payable to the Company for the exercise price for the Director Options. An exercise of only some Director Options shall not affect the rights of the option holder to the balance of the Director Options held by him.

7. The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Director Option.
8. Subject to the requirements of the Corporations Act 2001 (Cwlth), the Director Options shall be transferable only to related parties but will not be listed on the Australian Securities Exchange (“**ASX**”).
9. Shares allotted pursuant to an exercise of Director Options shall rank, from the date of allotment, equally with existing Shares in all respects.
10. The Company shall within five business days of any exercise of the Director Options apply for official quotation on the ASX of the Shares allotted pursuant to the exercise of any of the Director Options.
11. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Director Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

- O' = the new exercise price of the Director Option
- O = the old exercise price of the Director Option
- E = the number of underlying securities into which one Director Option is exercisable
- P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.
12. In the case of a bonus issue the number of Shares over which the Director Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Director Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
 13. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Director Options or the exercise price of the Director Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
 14. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.



000001 000 AZS
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

Alternatively you can fax your form to
 (within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
 (custodians) www.intermediaryonline.com

For all enquiries call:
 (within Australia) 1300 135 401
 (outside Australia) +61 3 9415 4658

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 12:00 noon (WST) Sunday, 15 November 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Azure Minerals Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Azure Minerals Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Tuesday, 17 November 2015 at 12:00 noon (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2 and 5-7 (except where I/we have indicated a different voting intention below) even though Resolutions 2 and 5-7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2 and 5-7 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Mr. Peter Ingram as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Share Issue 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Share Issue 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to a Director – Mr Anthony Rovira	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Options to a Director – Dr Wolf Martinick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Options to a Director – Mr Peter Ingram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /