



Azure Minerals Limited
ABN 46 106 346 918
Notice of General Meeting and
Explanatory Memorandum

Date of Meeting

29 June 2022

Time of Meeting

3:00pm (WST)

Place of Meeting

The Celtic Club
48 Ord Street
West Perth WA 6005

A Proxy Form is enclosed

Please read this Notice of General Meeting and Explanatory Memorandum carefully.

If you are unable to attend the General 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 General Meeting

NOTICE IS GIVEN that a General Meeting of Shareholders of Azure Minerals Limited ABN 46 106 346 918 (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth on 29 June 2022 at 3:00pm (WST) for the purpose of transacting the business referred to in this Notice.

An Explanatory Memorandum containing information in relation to the Resolution accompanies this Notice.

Terms used in the Resolution has the meaning given to them in the glossary in the Explanatory Memorandum.

Agenda

Resolutions

1. Resolution 1 – Sale of Mexican Subsidiaries

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

"That, for the purposes of Listing Rule 11.4.1(b) and for all other purposes, approval is given for the sale of the Mexican Subsidiaries, on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the acquirer of the asset and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder in ordinary securities in the entity) or any associates of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Directors **unanimously recommend** that Shareholders vote in favour of the Resolution.

Other business

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

By order of the Board

Brett Dickson

Company Secretary

Dated: 27 May 2022

How to vote

Voting on the proposed Resolution at the Meeting will be conducted by poll. Under the Constitution, any poll will be conducted as directed by the Chair.

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their Proxy Form online, by mobile, by post or by facsimile.

Voting in person or by attorney

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. A certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to the Company before the Meeting.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder. The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. •Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- A Shareholder who returns their Proxy Form with a direction how to vote, but does not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned with a direction how to vote, but the nominated proxy (who is not Chair of the Meeting) does not attend the Meeting or does not vote on the Resolution, the Chair of the Meeting will act in place of the nominated proxy and vote on a poll in accordance with any instructions.
 - Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support the Resolution proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to the proposed Resolution. These rules are explained in this Notice. However, in exceptional circumstances, the Chair of the Meeting may change his voting intention, in which case an ASX announcement will be made.
 - Proxies must be received by 3:00pm (WST) on 27 June 2022, being 48 hours prior to the commencement of the meeting. Proxies received after this time will be invalid.
 - Proxies may be lodged using any of the following methods:
 - **Online:** www.investorvote.com.au
 - **By mobile:** Scan the QR Code on your proxy form and follow the prompts.
 - **By mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
 - **By Facsimile:**
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555
 - **Custodian voting:** For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions
- For all enquiries call 1300 850 505 (within Australia)
or +61 3 9415 4000 (outside Australia).

Shareholders who are entitled to vote

In accordance with regulation 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00pm (WST) on 27 June 2022.

Azure Minerals Limited

ABN 46 106 346 918

Explanatory Memorandum

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolution contained in the accompanying Notice of General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

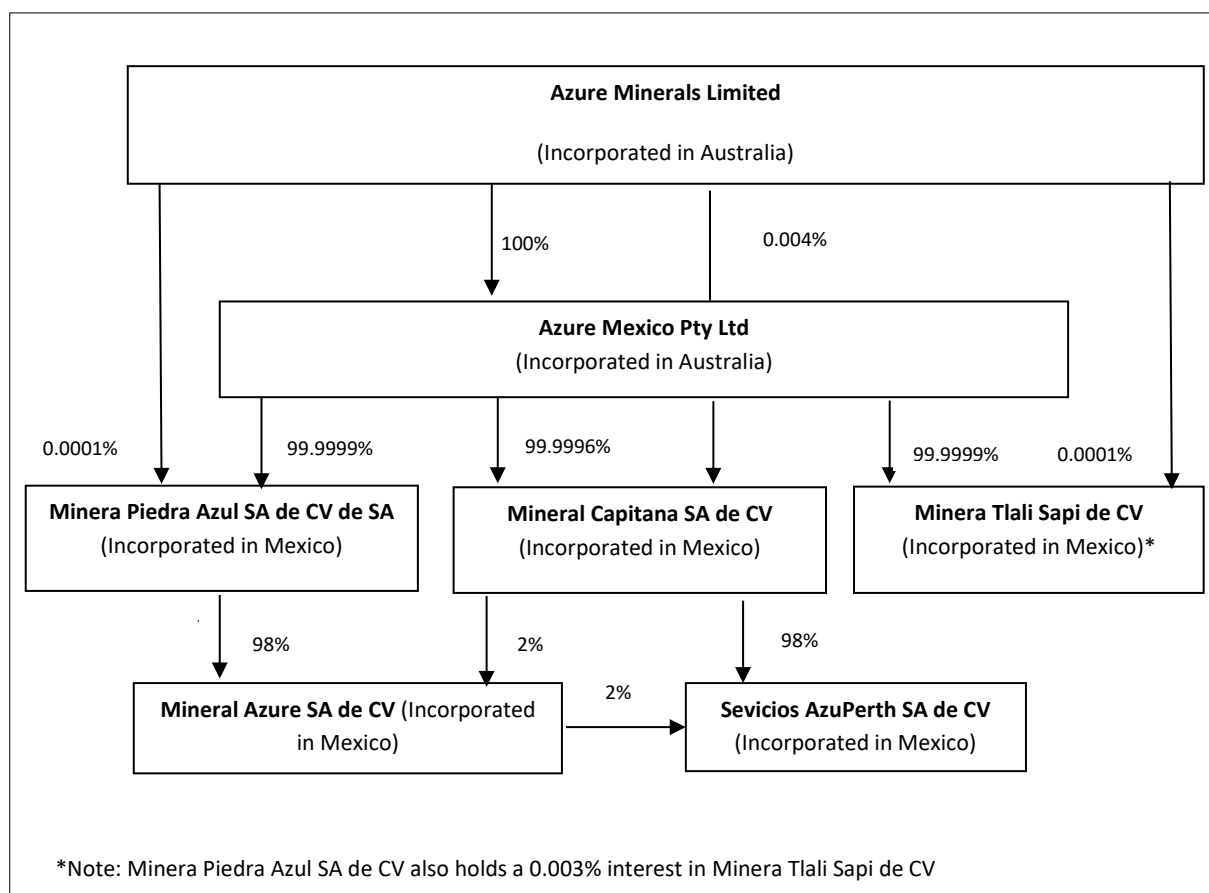
Resolution 1 – Sale of Mexican Subsidiaries

Background

The Company is an ASX-listed mineral exploration company which holds mining projects in Western Australia and Mexico.

The Company's primary focus has been the development and growth of its exploration projects in Western Australia.

The current corporate structure of the Company and its subsidiaries is set out below:



Collectively, the Company and Azure Mexico (a wholly-owned subsidiary of the Company) control all of the issued share capital in:

- Minera Piedra Azul, SA de CV;
- Minera Capitana SA de CV;
- Minera Azure SA de CV; and
- Minera Tlali SAPI de CV,

(Mexican Subsidiaries).

As announced on 30 June 2022, the Company has entered into a Share Purchase Agreement dated 27 May 2022 with Bendito Resources Inc (**Bendito ParentCo**) and its wholly owned subsidiary, Bendito Resources Mexico Inc (**Bendito SubCo**) (collectively, the **Purchasers**) (**Share Purchase Agreement**) under which the Company has agreed to sell to Purchasers all of the shares in Azure Mexico Pty Ltd (**Azure Mexico**) and the single share that Azure Minerals Limited holds in each of Minera Piedra Azul, SA de CV, Minera Capitana SA de CV and Minera Tlali SAPI de CV for aggregate consideration of A\$20 million, comprising of A\$10 million cash and A\$10 million worth of shares in Bendito Resources Inc. (**Transaction**).

In addition to the Mexican Projects, the Company has an interest in the following exploration projects in Western Australia (**WA Projects**):

Project	Owner	Location	Tenements
Andover Project (Nickel-Copper-Cobalt)	Azure Minerals 60% Creasy Group 40%	Roeburne, WA	E 47/2481 E47/4314- (application)
Turner River (Gold)	Azure Minerals 70% Creasy Group 30%	Port Hedland, WA	E 45/2574-(application) E 45/2573-(application)
Coongan (Gold)	Azure Minerals 70% Creasy Group 30%	Nullagine, WA	E46/1156
Meentheena (Gold)	Azure Minerals 70% Creasy Group 30%	Eastern Pilbara, WA	E45/5036
Barton (Gold)	Azure Minerals 100%	Leonora, WA	E40 / 393 & applications E40/412 E31/1278 E31/1280 E31/1281 E31/1293 E31/1295 E31/1296

Mexican Subsidiaries and Mexican Projects

Collectively, the Mexican Subsidiaries own all of the Mexican Projects including all the mineral claims relating to the Mexican Projects which are described in the table below.

Project	Owner	Location in Mexico	Mineral Concessions	Book Value at 31 December 2021
Alacran Project (Silver-Gold-Copper)	Minera Tlali SAPI de CV	Municipality of Cananea, Sonora	166312, 166313, 166314, 166315, 166316, 166317, 166318, 166365, 166366, 166368, 166369, 166370, 166371, 166372, 166373, 166374, 166375, 166376, 166377, 201817	A\$3,297,641
Oposura Project (Zinc-Lead-Silver)	Minera Piedra Azul, SA de CV	Municipality of Moctezuma, Sonora	180473, 180474, 180475, 180476, 180477, 180602, 180603, 180604, 180605, 223473	A\$2,004,691
Promontorio Project (Copper-Gold-Silver)	Currently held by Minera Azure SA de CV but to be transferred to Minera Capitana SA de CV	Municipality of Temosachi, Chihuahua	235269, 235270, 218881	A\$3,359,362
San Agustin (Gold-Silver)	Minera Piedra Azul, SA de CV	Municipality of San Juan del Rio, Durango	238325	A\$11,702
Other Regional Projects	Minera Capitana SA de CV & Minera Piedra Azul, SA de CV	Various	165536, 234586, 212767, 192097	A\$318,124



Figure 1: Project Locations

OPOSURA PROJECT

The Oposura Project occurs within the Laramide (Late Cretaceous to Palaeogene) volcanic and intrusive suite that hosts the major copper porphyry province of northwest Mexico and the southwest US.

Oposura has a history of exploration and small-scale exploratory mining dating back to the early 20th century.

Several companies carried out exploration between the 1920's and 1980's including Anaconda from the 1940's to 1960's and Peñoles in the 1970's and 1980's. All exploration was focused on zinc, lead and silver massive sulphide mineralisation.

The massive sulphide zinc-lead-silver mineralisation at Oposura occurs as stratabound sulphides replacing carbonate units within a lacustrine limestone sequence. The main sulphide-rich mineralised horizon crops out discontinuously over approximately 2km on the eastern, southern and western sides of a mountain and generally dips shallowly to the northwest.

Oposura fits the characteristics of a distal zinc-lead-silver skarn deposit characterised by manganese-rich calc-silicate minerals with strong late stage retrogression.

Oposura Mineral Resource JORC (2012) (ASX: 4 July 2018).				
Category	Tonnage (Mt)	Zn (%)	Pb (%)	Ag (g/t)
Indicated	2.5	5.3	2.9	19
Inferred	0.6	3.4	2.1	15
Total	3.1	5.0	2.7	18
Metal Contained		154kt	84kt	1.8Moz

Table 1: Oposura JORC (2012) Mineral Resource

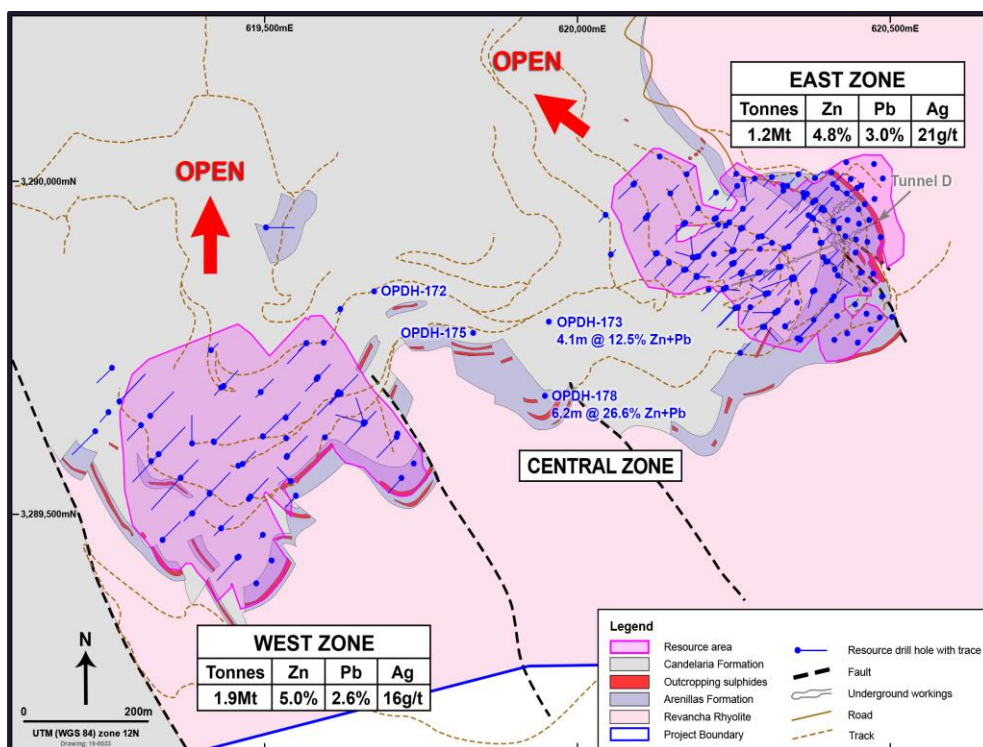


Figure 2: Oposura Zinc-Lead-Silver deposit

The Oposura Project is fully permitted for a small-scale mining, processing and tailings storage operation, up to approximately 100tpd. A scale operation likely can be permitted via a variation to the current permit. CSA Global completed a Scoping Study for the Project in 2018 (**Scoping Study**) which determined a US\$52.4M capex (including 25% contingency) for an IRR of 73-77% and an NPV_{8%} of US\$79.5M - US\$85.1M (ASX: 15 October 2018).

ALACRAN PROJECT

The Alacrán Project is an advanced precious metal exploration and development opportunity with additional significant copper porphyry prospectivity located within North America's most prolific copper-producing district.

The Mesa de Plata and Loma Bonita silver-gold deposits together contain 32Moz of silver and 150,000oz of gold.

Alacrán is situated within the Laramide Copper Province and lies close to several large copper mining operations and only ~12km from the world class giant Cananea copper porphyry mine.

The Alacrán Project hosts numerous exploration targets or prospects including Gregors, Palo Seco, San Simon and Cerro Colorado.

Loma Bonita and Mesa de Plata both have JORC (2012) Mineral Resources as set out below.

Mesa de Plata Mineral Resource JORC (2012) (ASX: 1 December 2016).				
JORC Classification	Estimation Zone	Tonnes (Mt)	Ag (g/t)	Contained Metal (Moz)
Measured	High Grade	1.21	307.4	12.0
	Mid Grade	8.43	43.0	11.7
	Subtotal	9.64	76.2	23.6
Indicated	High Grade	0.54	201.7	3.5
	Mid Grade	0.28	36.2	0.3
	Subtotal	0.82	145.4	3.8
Total		10.46	81.6	27.4

Table 2: Mesa de Plata JORC (2012) Mineral Resource

Loma Bonita Mineral Resource JORC (2012) (ASX: 21 December 2016).						
Cut-Off Grade (g/t Au)	JORC Classification	Tonnes (Mt)	Au (g/t)	Contained Metal (koz)	Ag (g/t)	Contained Metal (Moz)
≥ 0.5	Indicated	2.87	1.25	115.7	33.9	3.14
	Inferred	0.5	1.0	15	18	0.3
	Total	3.4	1.2	131	32.0	3.4
≥0.21	Indicated	4.20	0.95	128.5	30.1	4.07
	Inferred	12	0.6	22	18	07
	Total	5.4	0.9	150	28	4.8

Table 3: Loma Bonita JORC (2012) Mineral Resource

The Alacrán Project area has a history of industrial-scale commercial mining and small-scale artisanal mining dating back to the early 20th century, which ended shortly after the start of the Mexican Revolution in 1910. After the Revolution ended in the 1920's, the property was explored intermittently by companies like The Anaconda Copper Mining Company, Grupo Mexico and Teck Resources.

Various styles of mineralisation occur on the property:

- Epithermal zones, veins and stockworks host silver, lead, zinc, copper and gold in volcaniclastic rocks (Mesa de Plata, Loma Bonita, Cerro San Simon, Cerro Enmedio and Palo Seco).
- Secondary copper oxide and chalcocite mineralisation occur in volcanic rocks (La Morita and Cerro Alacrán).
- Primary copper mineralisation is hosted in porphyry rocks (Cerro Alacrán) and volcanic rocks (Gregors).

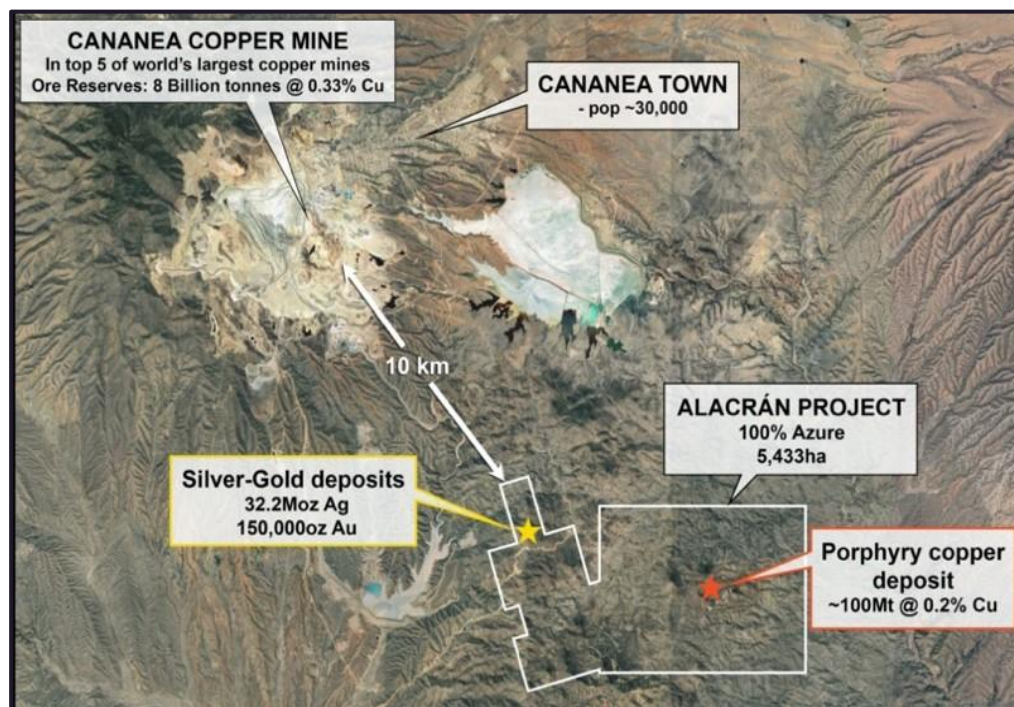


Figure 3: Alacrán Deposits and Proximity to the Cananea Copper Mine

Loma Bonita, as defined by the current Mineral Resource Estimate, extends over 600m north-south, up to 200m east-west, and remains open for expansion. Mineralisation starts at surface and in places the true width / thickness of the mineralised zone exceeds 100m. Based on more recent drilling activities undertaken by the Company, mineralisation intersections were observed to occur up to 150m outside of the current resource boundaries and has led the Company to expect that a revised Mineral Resource Estimate for the Loma Bonita deposit would result in an increase of contained gold ounces.

The Cerro Alacrán porphyry copper deposit is already of substantial size and remains open in all directions and at depth. Zonation studies indicate that there is good potential to identify higher grade zones within the existing mineralised body and in mineralised extensions.

Numerous other exploration targets or prospects have been identified by drilling within the Alacrán Project, including Gregors (copper), Palo Seco (silver-zinc), San Simon (gold-silver) and Cerro Colorado (porphyry copper).

PROMONTORIO PROJECT

Promontorio is situated along the northwest trending Sierra Madre precious metals belt, which throughout history has revealed itself as a host of significant gold and silver mineralisation.

The district surrounding Promontorio is host to several, multi-million-ounce gold-silver mines currently in operation, including the Ocampo, Pinos Altos, Coñicheno, Mulatos and Dolores mines, all of which are located within ~100km of the Project, further highlighting its potential.

Promontorio is made up of three contiguous mineral concessions covering an area of 187ha.

Promontorio hosts two deposits with a combined Mineral Resources of 2.9Mt @ 1.4% Cu for 39.6kt of copper, 1.6g/t Au for 151koz of gold and 35g/t Ag for 3.26Moz of silver.

Cascada Mineral Resource JORC (2012) (ASX: 7 May 2015)							
Total Resource		Grade			Contained Metal		
Classification	Tonnage (tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (tonnes)	Au (oz)	Ag (oz)
Indicated	840,000	1.1	1.4	27	9,200	36,700	740,000
Inferred	1,230,000	0.8	1.8	26	9,500	70,500	1,020,000
Total	2,070,000	0.9	1.6	27	18,700	107,200	1,760,000

Table 4: Cascada Mineral Resource Total within and below the Resource Constraining Shell

Promontorio Mineral Resource JORC (2012) (ASX: 10 May 2013)							
Total Resource		Grade			Contained Metal		
Deposit	Tonnage (tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (tonnes)	Au (oz)	Ag (oz)
Indicated	610,000	2.7	1.7	56	16,700	32,500	1,090,000
Inferred	230,000	1.8	1.5	56	4,100	11,300	410,000
Total	840,000	2.5	1.6	56	20,800	43,800	1,500,000

Table 5: Promontorio Project Mineral Resource

The base metal and gold mineralisation at Promontorio is hosted by north-northeast and north-northwest trending, steeply dipping massive sulphide veins occurring locally within vuggy-silica bodies that are up to 30m thick and can be traced for up to 200m. The main types of mineralisation identified are massive sulphide, disseminated sulphide, and sulphide-rich hydrothermal breccia. Typical sulphide mineralogy is dominated by enargite but also includes chalcocite, chalcopyrite, bornite, tetrahedrite, tennantite, pyrite, sphalerite and galena with gold and silver present as electrum.

The Promontorio Project area has a history of small-scale artisanal mining dating back to the 19th century. Between 1993 and 2008 the property was explored by several companies. From 1993 to 1994, Empresa Minera CanMex conducted exploration and RC drilling. From 1995 to 1997 Sierra Nevada Gold drilled 63 diamond core holes, rehabilitated, mapped and sampled old underground mine workings, carried out metallurgical test work and produced a Mineral Resource estimate. From 2004 to 2005 Dia Bras Exploration undertook geological mapping, prospecting, diamond drilling, geophysics, and prepared a NI43-101 compliant technical report.

SARA ALICIA PROJECT

Sara Alicia is a highly prospective gold-cobalt opportunity located in Sonora, Mexico. To date, 19 diamond core holes have been drilled for 1,607m with several hits exceeding the Company's expectations. Better intersections include: 26.2m @ 9.5g/t Au and 1.26% Co from 13.2m downhole, including 12.6m @ 16.8g/t Au and 6.4m @ 3.57% Co. (ASX: 27 November 2017).

The Sara Alicia mineralisation is hosted in carbonate rocks which have been intruded by a porphyry. Strong alteration and mineralising reactions in the limestones have formed a skarn horizon enriched with garnet, magnetite and base metal sulphides which contain the gold and cobalt mineralisation.

SAN AGUSTIN PROJECT

San Agustin covers an attractive area of 201ha within the heart of the Mexican Silver Belt in the state of Durango, central Mexico. San Agustin is located approximately 16km southwest of Canadian gold producer Argonaut Gold Inc's (**Argonaut**) current gold-silver mining and processing operations at El Castillo and San Agustin. The proximity of Argonaut's project and the signs of similar mineralisation make Azure's San Agustin an attractive exploration asset.

The Company has conducted surface exploration programs comprising mapping and soil and rock chip sampling, highlighting the precious metal prospectivity of this property.

Due to the proximity of Argonaut's San Agustin and El Castillo Mines and location of the concession along the main northwest-southwest mineralisation trend, Azure's San Agustin has favourable and undrilled exploration potential.

PANCHITA PROJECT

Panchita is a promising gold-silver project located in the northwest of Sonora. Having acquired the Project in 2013, the Company's first reconnaissance exploration program comprised surface sampling targeting outcrops, old mine workings and mine dumps, collecting a total of 66 samples. Significant results included (ASX: 15 April 2013):

PAN-1063: 44.9g/t Gold & 33g/t Silver

PAN-1004: 37.8g/t Gold & 71g/t Silver

PAN-1014: 28.7g/t Gold & 124g/t Silver

PAN-1070: 23.8g/t Gold & 3 g/t Silver

PAN-1071: 23.8g/t Gold & 5 g/t Silver

PAN-1001: 20.7g/t Gold & 13g/t Silver

A cursory field review of Panchita discovered visible gold on the project that testifies to the coarse nature of gold mineralization in the region. Small-scale artisanal miners work the Azure ground on an intermittent basis.

Panchita is renowned for being situated in a well mineralised, gold rich district, being home to several previous gold mine operations, including the Fresnillo owned mines Herradura (500,000ozpa gold producer) and Noche-Buena (100,000ozpa gold producer).

EI TECOLOTE PROJECT

El Tecolote is based in Sonora and was identified by the Company due to its potential copper-zinc-silver prospectivity. El Tecolote has historically demonstrated its potential through previous operations in the 1970s and 1980s, where it produced 1.6Mt at significant grades of 1.8% copper, 6.9% zinc and 50g/t silver. El Tecolote boasts significant exploration upside due to the strong brownfields remains for copper-zinc mineralisation. Geophysical studies and drilling conducted by Azure has highlighted the potential for it to potentially contain 2-3Mt of skarn hosted mineralisation at the historical grades in strike and depth extensions, remnant ore in the mine workings and in repetitions.

TELIX PROJECT

Telex is located in the state of Oaxaca in southern Mexico. Telex contains 12.6km² of gneissic rocks that host significant graphite mineralisation throughout. Several historical graphite mines, including Curva 25, Zopilote and Temescal, are hosted within Azure's Telex concession applications. The Telex district has a historical record of producing high quality large flake graphite through the strategically located El Tejon graphite mine and mill, Mexico's only commercial graphite mining and processing operation.

The deposits on the Telex property are reported to host high quality flake graphite similar to that mined at the adjacent La Cucharita Central deposit, which was the principal source of ore for the El Tejon Graphite Mine and Mill.

Bendito Resources Inc

Bendito ParentCo is a public unlisted mineral acquisition and development company incorporated in Canada focused on progressing late-stage exploration and development projects through the feasibility stages to production.

The founders of Bendito ParentCo also founded Elim Mining Inc in 2019 and purchased the Sacaton (Cactus) Mine in Arizona.

During the height of the COVID-19 pandemic, the founders finalised financing of the Sacaton (Cactus) Mine and took a historical non-NI43-101 compliant resource through verification and resource expansion programs to support a PEA level study. Bendito ParentCo has experience in both the financing and technical development of projects and has external partners looking to support suitable projects.

It is the intention of Bendito ParentCo to undertake an initial public offering or some other transaction under which it will become listed on a recognised securities exchange (**Listing**) within 18 months of completion under the Share Purchase Agreement. If successful, it is the current intention that Bendito ParentCo's capital structure on Listing will be as follows:

Bendito ParentCo Proposed Share Structure post-Closing

	Issue Price	No. of shares (million)
Currently on issue	-	30.0
Seed 1 investors	US\$0.25 (A\$0.33)	20.0
Tranche 1 issue to Azure Minerals Limited	US\$0.25 (A\$0.33)	5.4
		55.4

The profiles of the senior management team of Bendito ParentCo are set out below.

John Antwi, President, CEO and Director

John Antwi is a mining executive with 30 years of experience in Mine Technical and Financial Services with a knack for identifying the potential of geologic assets. He has been involved in many transactions: lately he founded Elim Mining Incorporated, British Columbia Corp, acquired the Sacaton (Cactus) mine, and financed the resource development and PEA of the project. He is a value driver with expertise in achieving strategic, operational, and financial goals for junior, mid-tier, and senior mining production companies. John is an innovative senior executive with expertise in implementing portfolio optimization initiatives and recommending project development opportunities to support corporate strategic objectives. He began his career by rendering geological services for AngloGold Ashanti and progressed to top performing executive overseeing growth initiatives, mergers and acquisitions with multi-billion-dollar organizations in the United States and Canada. Until recently John was the President and CEO of Elim Mining Incorporated, now Arizona Sonoran Copper Company.

John is a founder of Bendito ParentCo and has a bachelor's degree in Geological Engineering from KNUST, Ghana and Masters in Mineral Economics from Colorado School of Mines.

Paul Huet, Lead Director

Paul Andre Huet has over 30 years of career experience in the mining industry. He is well recognized for continually transforming, building value for shareholders, and producing positive cash flow for public and private organizations. Paul is a bilingual C-level executive with demonstrated expertise in launching, revitalizing, and leading multimillion dollar organisations to achieve tremendous growth. He is a unique and inspiring leader, who consistently demonstrates the qualities that foster an innovative and engaging company culture, and to persevere despite challenges and complex market conditions. Most recently, Mr. Huet was President/CEO and Director of Klondex Mines from 2012 - 2018, until the acquisition by Hecla Mining Company. Paul has a strong command of capital markets and has served in all levels of engineering and operations of Mining. Paul has been the Chairman and CEO of Karora Resources since 2019 and in his tenure has transformed Karora into a billion-dollar company. He has and continues to serve on several non-profit and publicly traded company boards.

Mr. Huet graduated with Honours from the Mining Engineering Technology program at Haileybury School of Mines in Ontario, and successfully completed the Stanford Executive program at the Stanford School of business. In 2013 Mr. Huet was nominated for the Premiers Award in Ontario for outstanding College graduates; he is currently a member of OACETT as an applied Science Technologist and an Accredited Director.

Anthony Bottrill, Principal Mineral Resource Consultant, Partner

Anthony is Principal Resource Geologist with over 22 years of experience in the mining industry with expertise across several countries and range of commodities: from low tonnage high grade precious metals deposits to bulk tonnage base metals deposits. He provides Resource modeling services for underground and open pit projects, from exploration through production, performing production reconciliations and influencing drill programs. He is a strong advocate for practical geological modeling and a high-level Vulcan user. Anthony pioneered the initial due diligence, 3D geologic review of the Cactus project, and influenced the resource development, building the models that resulted in the economic studies - PEA of the project. He has been heavily involved in the financing of the project from the onset. Until going solo as a consultant, he was the Corporate Mineral Resource Manager for Klondex Mines Limited.

Anthony is the Principal Resource Consultant for InterGEO Resource Consulting based in Brisbane Australia, and a founding partner of Bendito ParentCo. Mr. Bottrill has a bachelor's degree in Geology and a Structural Geology degree from University of Adelaide

Jeff Stieber, Chief Financial Officer

Jeff Stieber has more than 15 years of finance and accounting experience mostly within the mining industry. He has held executive and senior roles at numerous publicly listed companies, including Hycroft Mining, Klondex Mines, Tahoe Resources, and Allied Nevada Gold, during which time he provided financial leadership to formulate and achieve organizational strategies. He has been a key member of transaction teams, successfully closing debt, equity, royalty, and hybrid transactions based on company-specific goals. Mr. Stieber has deep experience in both US GAAP and IFRS accounting and reporting standards, having led the filing compliance and disclosure processes for both Canadian and US listed companies. Most recently, while at Hycroft, Mr. Stieber successfully completed an IPO through a reverse recapitalization with a special purpose acquisition company (SPAC). Jeff has led numerous internal valuation processes and derived methodologies and plans around capital allocation and effectiveness and project reporting.

Jeff is a Certified Public Accountant and graduated from the University of Nevada with distinction. He has also completed graduate-level coursework at the Colorado School of Mines and in the past has served on not-for-profit boards within his community.

Material terms and conditions of Share Purchase Agreement

Under the Share Purchase Agreement, the Purchasers have agreed to purchase all of the shares in Azure Mexico held by the Company and the single share that the Company holds in each of Minera Piedra Azul, SA de CV, Minera Capitana SA de CV and Minera Tlali SAPI de CV for aggregate consideration of A\$20 million, consisting of A\$10 million cash and A\$10 million shares in Bendito ParentCo (**Purchase Price**).

In effect, the Purchase Price is payable in two tranches as follows:

1. On the date that Completion occurs (**Completion Date**):
 - (a) the Purchasers must pay to the Company a cash amount of A\$6 million; and
 - (b) Bendito ParentCo must issue to the Company such number of fully paid ordinary shares in Bendito ParentCo (**Bendito Shares**) equal to 10% of the fully paid share capital of Bendito ParentCo.
2. Within 15 Business Days of the earlier of (**Second Instalment Date**) 18 months after the Completion Date and the date on which the Listing occurs, Bendito ParentCo must:
 - (a) pay to the Company A\$4,000,000 in cash; and
 - (b) issue to the Company such number of Bendito Shares equal to A\$8,000,000.

Completion is subject to a number of conditions precedent under the Share Purchase Agreement that are customary for a transaction of this nature which includes the Company obtaining shareholder approval in the manner sought under the Resolution on or before 31 October 2022.

To the extent that the Resolution is not passed by the End Date, any party to the Share Purchase Agreement may terminate the Share Purchase Agreement.

As announced on 16 May 2019, Teck Resources Limited will be entitled to a percentage of the sale proceeds attributed to the Alacrán project, calculated, on an incremental basis.

The Company has also entered into an agreement with Bendito ParentCo under which the Company has agreed that, to the extent it holds greater than 10% of the issued share capital of Bendito ParentCo, it is required to give notice of any intention to dispose of any Bendito Shares and Bendito ParentCo has the right to procure a third party or third party purchasers for those Bendito Shares.

ASX Guidance Note 13 and Listing Rule 11.4

In accordance with ASX Guidance Note 13, ASX will regard an asset to be a 'major asset' if its disposal will result in a decrease of 25% or more in any of the following measures:

- (a) consolidated total assets;
- (b) consolidated total equity interests;
- (c) consolidated annual revenue, or in the case of a mining exploration entity, oil and gas exploration entity or other entity that is not earning material revenue from operations, consolidated annual expenditure;
- (d) consolidated EBITDA; or
- (e) consolidated annual profit before tax,

or if the value of the consideration received by the listing entity and its security holders for disposing of the asset exceeds 25% of its consolidated assets.

Accordingly, the Mexican Subsidiaries are considered to be a 'major asset'.

Listing Rule 11.4 states that an entity must not:

- (a) dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to offer or issue securities with a view to becoming listed;
- (b) dispose of any of its securities in a child entity that directly or indirectly holds a major asset with a view to the child entity becoming listed; or
- (c) permit a child entity that directly or indirectly holds a major asset to offer to issue securities with a view to the child entity becoming listed.

However, Listing Rule 11.4.1 provides that Listing Rule 11.4 does not apply in either of the following cases:

- (a) The securities, except those to be retained by the entity, are offered, issued or transferred pro rata to the holders of ordinary securities in the entity, or in another way that, in ASX's opinion, is fair in all the circumstances.
- (b) The holders of ordinary securities in the entity approve the transaction without the offer, issue or transfer referred to in (a) being made.

Given the Transaction involves the sale of a major asset and Listing Rule 11.4.1(a) does not apply, the Company is seeking the approval of Shareholders to the Transaction for the purposes of Listing Rule 11.4.1(b).

Technical information required by Listing Rule 14.1A

If the Resolution is passed, the Company will be able to proceed to completion under the Share Purchase Agreement and sell the Mexican Subsidiaries to the Purchasers and continue to focus on the WA Projects.

If the Resolution is not passed, the Company will not be able to proceed to completion under the Share Purchase Agreement, would be required to terminate the Share Purchase Agreement and will retain the Mexican Subsidiaries. The Company would continue to own, and be responsible for, any ongoing liabilities of the Mexican Subsidiaries and the Mexican Projects.

Impact of the Transaction

Annexure A to this Notice contains the pro-forma statement of financial position of the Company which illustrates the financial effect of the Transaction on the Company. Consolidated annual expenditure, consolidated EBITDA and consolidated annual profit(loss) before tax is not expected to be materially impacted by the transaction

The Directors believe that completion of the Transaction:

- (a) will not have a dilution impact on Shareholders;
- (b) will not result in any changes to the Board or the Company's senior management;
- (c) will not result in any changes to the Company's name; and
- (d) result in the Company having additional funds, and reduced monetary liabilities and obligations, to direct towards its ongoing exploration efforts in respect of the WA Projects.

In the event that the Company is issued the Consideration Shares, the Company (and by extension, its Shareholders) will retain an indirect interest in the Mexican Subsidiaries through its shareholding in Bendito.

From a tax perspective, the Company will not seek a private taxation ruling from the Australian Taxation Office seeking demerger relief for income tax purposes given the Transaction is not expected to have any direct tax implications on Shareholders.

Indicative Timetable

The below contains an indicative timetable of the dates relevant to effecting completion of the Transaction.

Event	Date
Execute Share Purchase Agreement	27 May 2022
Company's announcement of Transaction	Pre-market on 30 May 2022
Despatch of Notice of Meeting	30 May 2022
Shareholder Approval under LR 11.4.1(b)	29 June 2022
Completion of Transaction	31 July 2022 (or no later than 31 October 2022)

Recommendation of the Directors

The Directors have assessed the advantages and disadvantages of the Transaction and unanimously recommend Shareholders vote in favour of the Resolution.

Some of the advantages in proceeding with the Transaction include:

- (a) completion of the Transaction will increase the Company's cash position;
- (b) completion of the Transaction will result in the Company no longer holding any ongoing obligations to fund the Mexican Subsidiaries and the Mexican Project, which will free up working capital for the Company to focus on the WA Project;
- (c) consolidating the Company's focus to exploration projects in Australia; and
- (d) if Consideration Shares are issued, this will allow the Company to retain an indirect interests in the Mexican Subsidiaries and the Mexican Projects.

Some of the disadvantages in proceeding with the Transaction include:

- (a) the Transaction will result in the Company divesting a significant asset; and
- (b) the Company has incurred costs in connection with negotiating the Share Purchase Agreement and the Transaction generally, including legal, corporate advisor and tax fees.

Forward looking statements

Some of the statements appearing in this document may be in the nature of forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward looking statements. Indications of guidance on future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward looking statements.

You should be aware that such statements are only predictions and are subject to inherent risk and uncertainties, many of which are outside the Company's control. Those risks and uncertainties include factors and risks specific to the Company such as (without limitation): the status of exploration and mining applications and licences and the risks associated with the non-grant or expiry of those applications and licences; liquidity risk; risks associated with the exploration or developmental stage of projects; native title claims; funding risks; operational risks; climate change regulation; changes to Government fiscal policy; monetary and regulatory policies; the impact of actions of Governments; the potential difficulties in enforcing agreements; protecting assets; alterations to resource estimates and the imprecise nature of resource and reserve statements; any circumstances adversely affecting areas in which the Company operates; fluctuations in the production, volume and price of commodities; any imposition of significant obligations under environmental regulations; fluctuations in exchange rates; the fluctuating industry and commodity cycles; the impact of inflation on operating and development costs; taxation; regulatory issues and changes in law and accounting policies; the adverse impact of wars, terrorism, political, economic or natural disasters; the impact of changes to interest rates; loss of key personnel; delays in obtaining or inability to obtain any necessary Government and regulatory approvals; and insurance and occupational health and safety.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected.

None of the Company, any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

Subject to any continuing obligations under any applicable law or the Listing Rules, the Company expressly disclaim any obligation to give any updates or revisions to any forward looking statements to reflect any change in events, conditions or circumstances on which any such statement is based.

The forward looking statements in this document reflect views held only as at the date of this document.

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.

The information in this report that relates to the Mineral Resource for the Promontorio deposit was prepared and first disclosed to the ASX on 10 May 2013 under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Mineral Resources for the Cascada deposit is extracted from the report "Cascada Mineral Resource Estimate" created and released to ASX on 7 May 2015 and is available to view on www.asx.com.

The information in this report that relates to Mineral Resources for the Mesa de Plata deposit is extracted from the report "Mesa de Plata Mineral Resource" created and released to ASX on 1 December 2016 and is available to view on www.asx.com.

The information in this report that relates to Mineral Resources for the Loma Bonita deposit is extracted from the report "Loma Bonita Mineral Resource" created and released to ASX on 21 December 2016 and is available to view on www.asx.com.

The information in this report that relates to Mineral Resources for the Oposura deposit is extracted from the report "Oposura Mineral Resource" created and released on the ASX on 4 July 2018 and is available to view on www.asx.com.

Information in this report that relates to the Scoping Study for the Oposura Project is extracted from the report "Oposura Scoping Study Delivers Outstanding Economics" created and released to the ASX on 15 October 2018 and is available to view on www.asx.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Glossary

\$ means Australian dollars.

Alacran Project means

Associate has the meaning given in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means current board of Directors.

Chair means the individual elected to chair any meeting of the Company from time to time.

Company means Azure Minerals Limited ABN 46 106 346 918.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Listing Rules means the ASX Listing Rules.

Meeting means the General Meeting convened by the Notice.

Mexican Projects means the Alacran Project, the Oposura Project, the Promontorio Project and the Regional Projects.

Notice means this Notice of General Meeting.

Oposura Project means the Oposura exploration project located in the Municipality of Moctezuma, Sonora, Mexico.

Panchita Project means the Panchita exploration project located in the Municipality of Puerto Peñasco, Sonora, Mexico.

Promontorio Project means the Promontorio exploration project located in the Municipality of Temosachi, Chihuahua, Mexico.

Regional Projects means the Tecolote Project, the San Agustin Project, the Sara Alicia Project, the Telix Project, and the Panchita Project.

Resolution means a resolution contained in the Notice.

San Agustin Project means the San Agustin exploration project located in the Municipality of San Juan del Río, Durango, Mexico.

Sara Alicia Project means the Sara Alicia exploration project located in the Municipality of Alamos, Sonora, Mexico.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Tecolote Project means the Tecolote exploration project located in the Municipality of Piquito, Sonora, Mexico.

Telix Project means the Telix exploration project located in the Municipalities of San Francisco Telixtlahuaca and San Pablo Huitzo in Oaxaca, Mexico.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

WST means Australian Western Standard Time.

ANNEXURE A

Consolidated Statements of Financial Position

	Unaudited As at 31 March 2022	Proforma As at 31 March 2022
ASSETS		
Current Assets		
Cash and cash equivalents	14,510,385	20,467,290
Trade and other receivables	456,170	64,084
Total Current Assets	14,966,555	20,531,374
Non-Current Assets		
Investments	948	2,000,948
Security deposit	4,500	4,500
Office right of use	438,137	438,137
Receivable – deferred consideration	-	12,000,000
Plant and equipment	297,827	266,244
Capitalised exploration expenditure	15,853,974	7,458,182
Total Non-Current Assets	16,595,386	22,168,011
TOTAL ASSETS	31,561,941	42,699,385
LIABILITIES		
Current Liabilities		
Trade and other payables	430,996	382,949
Lease Liability	118,027	118,027
Provisions	218,404	218,404
Total Current Liabilities	767,427	719,380
Non-Current Liabilities		
Provisions	125,119	125,119
Lease Liability	324,955	324,955
Borrowings	-	-
Total Non-Current Liabilities	450,074	450,074
TOTAL LIABILITIES	1,217,501	1,169,454
NET ASSETS	30,344,440	41,529,931
EQUITY		
Contributed equity	143,016,012	143,016,012
Reserves	3,867,590	3,867,590
Accumulated losses	(116,539,162)	(105,353,671)
TOTAL EQUITY	30,344,440	41,529,931



AZS

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

Need assistance?



Phone:

1300 135 401 (within Australia)
+61 3 9415 4658 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00pm (AWST) on Monday, 27 June 2022.**

Proxy Form

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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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

☐

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

XX

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 General Meeting of Azure Minerals Limited to be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005 on Wednesday, 29 June 2022 at 3:00pm (AWST) and at any adjournment or postponement of that meeting.

Step 2

Item 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 Sale of Mexican Subsidiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Step 3

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

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

