

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

14 November 2019

Time of Meeting

12:00pm

Place of Meeting

BDO
Hay Room
Ground Floor, 38 Station Street
Subiaco WA 6008

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

The **2019 Annual Report** may be viewed on the Company's website at www.azumahresources.com.au

Notice is hereby given that the **Annual General Meeting** of Shareholders of Azumah Resources Limited (**Company**) will be held at BDO, Hay Room, Ground Floor, 38 Station Street, Subiaco Western Australia on 14 November 2019 at 12:00pm (**Meeting**) for the purpose of transacting the following business in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, together with the Directors' Report and Auditor's Report for the financial year ended 30 June 2019.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2019 Annual Report be adopted."

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

Voting Prohibition: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (b) by a person who is a member of the Key Management Personnel at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 1:

- (a) in accordance with a direction as to how to vote on the proxy; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF MR LINTON PUTLAND AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That for the purposes of clause 13.2 of the Constitution and for all other purposes, Mr Linton Putland retires by rotation as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."

RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

"That in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person.

However, the Company need not disregard a vote 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 Chair 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 ISSUE OF SHARES

To consider and, if thought fit, to pass with or without amendment, the following Resolution 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 69,857,143 Shares to exempt investors, for the purposes and on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) any person who participated in the issue; or
- (b) an Associate of that person.

However, the Company need not disregard a vote 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 Chair 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.

OTHER BUSINESS

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

DEFINITIONS

For the purpose of Resolutions 1 to 4 and the Explanatory Statement accompanying this Notice, the following definitions apply:

10% Placement Facility has the meaning given in Section 3.1 of the Explanatory Statement;

10% Placement Period has the meaning given in Section 3.2(f) of the Explanatory Statement;

AGM means an annual general meeting;

Annual Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2019;

Associate has the same meaning as defined in section 11 and sections 13 to 17 of the Corporations Act;

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

Auditor's Report means the auditor's report on the Financial Report;

Board means the board of Directors;

Chair means the chairperson of the Meeting;

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth);

Company means Azumah Resources Limited ABN 72 112 320 251;

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

Convertible Security means a security of the Company which is convertible into Shares;

Corporations Act means Corporations Act 2001 (Cth);

Director means a director of the Company;

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

Equity Securities has the same meaning as in the Listing Rules;

Explanatory Statement means the explanatory statement accompanying this Notice;

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise);

Listing Rules means the Listing Rules of ASX;

Meeting has the meaning in the introductory paragraph of this Notice;

Notice or **Notice of Meeting** means this notice of annual general meeting;

Option means an option to acquire a Share;

Placement Shares means 69,857,143 Shares issued on 12 July 2019 at \$0.014 per Share pursuant to the Company's share purchase plan shortfall and the top up placement (refer to the Company's ASX announcement dated 12 July 2019 for more information on the capital raising);

Proxy Form means the proxy form attached to this Notice;

Remuneration Report means the remuneration report of the Company contained in the Directors' Report;

Resolution means a resolution contained in this Notice;

Section means a section of the Explanatory Statement;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means the holder of a Share;

Strike has the meaning set out in Section 1.1 of the Explanatory Statement;

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

WST means Australian Western Standard Time.

Capitalised terms referred to in this Notice are defined in the Explanatory Statement.

Shareholders are referred to the Explanatory Statement for more information with respect to the matters to be considered at the Meeting.

PROXIES

A Proxy Form is attached to this Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying Proxy Form and return it in accordance with its instructions prior to 12:00pm WST on 12 November 2019 by:

1. post to Security Transfer Australia Pty Ltd, PO Box 52, Collins Street West VIC 8007;
2. facsimile to Security Transfer Australia Pty Ltd at (08) 9315 2233 (International: +61 8 9315 2233);
3. email at registrar@securitytransfer.com.au; or
4. online at www.securitytransfer.com.au.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00pm WST on 12 November 2019 will be entitled to attend and vote at the AGM.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

ELECTRONIC COMMUNICATION

All Shareholders may elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

REVOCAION OF PROXIES

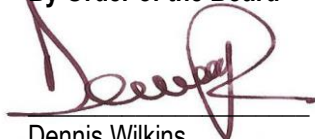
A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chair on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING OF PROXIES

The Proxy Form accompanying this Explanatory Statement confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the appointment of Proxy Form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

By Order of the Board



Dennis Wilkins
Company Secretary
Date: 7 October 2019

AZUMAH RESOURCES LIMITED
ABN 72 112 320 251
EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the matters set forth in the Notice for approval at the Meeting. The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision regarding the matters set forth in the Notice.

2019 FINANCIAL STATEMENTS

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- (a) discuss the Annual Report, which is available online from the Company's website www.azumahresources.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about:
 - (i) the preparation and content of the Auditor's Report;
 - (ii) the conduct of the audit;
 - (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, Shareholders may provide written questions to the Company's auditor if the question is relevant to:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Annual Report to be considered at the AGM,

which may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report, which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, Shareholders will have the opportunity to remove the whole Board, except the managing director, if any, if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGMs.

Where a resolution on the Remuneration Report receives a Strike at two consecutive AGMs, the Company will be required to put to Shareholders at the second AGM a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2018 AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2020 AGM, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

1.2 Voting on the Remuneration Report

Please refer to the voting prohibition set out in the Notice for the persons who are not entitled to vote on Resolution 1.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is to act as your proxy (whether by appointment or default) and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

2. RESOLUTION 2 – RE-ELECTION OF MR LINTON PUTLAND AS A DIRECTOR

2.1 General

Mr Linton Putland was appointed as a non-executive Director on 18 July 2018. The Board considers Mr Putland to be an independent director.

Clause 13.2 of the Constitution requires that one third of the Directors (other than the managing director) retire from office at each AGM. A Director who retires in accordance with this clause is eligible for re-election.

Accordingly, Mr Linton Putland will retire by rotation at this Meeting and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's Biography and Experience

Mr Putland is a mining professional with more than 30 years' experience in technical, operational and managerial roles centred on open pit and underground operations covering a wide range of commodities in Australia and overseas, including several campaigns in Africa.

As a consultant, he now provides advice on due diligence, business development, project planning and implementation, operational improvement and mentoring, various levels of project assessment studies, and tenders and contracts for a range of mining and mining-associated companies.

Mr Putland is also an independent non-executive director with Pacific Energy Limited (ASX: PEA), Breaker Resources NL (ASX: BRB) and a private resource company, WA Kaolin. For five years until 2017, he was Principal Technical Adviser to private equity group, Pacific Road Capital Management.

He is a 1988 B.Eng graduate of the Western Australia School of Mines from where he also gained an MSc. Mineral Economics and is a Graduate of the AICD Company Directors course. Mr Putland also holds a Western Australia First Class Mine Managers Certificate (1991).

2.3 Directors' Recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors (except Mr Putland, who has an interest in this Resolution) consider that Resolution 2 is in the best interests of the Company, as Mr Putland has a wealth of experience and expertise which is valuable to the Company. All the Directors, except Mr Putland, who has an interest in this Resolution, recommend that Shareholders vote in favour of Resolution 2.

Each Director has indicated that she or he intends to vote the Shares she or he owns or controls in favour of Resolution 2. The Chair intends to exercise all available proxies in favour of Resolution 2.

3. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY

3.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Based on the closing price of Shares on 7 October 2019, the market capitalisation of the Company is \$27,400,292. As the Company is not included in the S&P/ASX 300 Index, the Company qualifies as an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) below).

3.2 Description of Listing Rule 7.1A

(a) *Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an AGM, requiring a 75% majority vote to be cast in favour of the Resolution for the Resolution to be approved.

(b) *Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue four classes of Equity Securities, being quoted Shares and three classes of unlisted Options.

(c) *Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of fully paid shares on issue 12 months before the issue date or date of agreement to issue:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with shareholder approval under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 978,581,840 Shares and, assuming Shareholders approve Resolutions 3 and 4, has a capacity to issue:

- (i) 146,787,276 Equity Securities under Listing Rule 7.1; and
- (ii) 97,858,184 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) above).

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 Trading Days (on which trades in that class were recorded) immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

3.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

3.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days (on which trades in that class were recorded) immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Convertible Securities, only if the Convertible Securities are converted into Shares). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of the Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer), or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.014 50% decrease in Issue Price	\$0.028 Issue Price	\$0.056 100% increase in Issue Price
Current Variable A 978,581,840 Shares	10% voting dilution	97,858,184 Shares		
	Funds raised	\$1,370,015	\$2,740,029	\$5,480,058
50% increase in current Variable A 1,467,872,760 Shares	10% voting dilution	146,787,276 Shares		
	Funds raised	\$2,055,022	\$4,110,044	\$8,220,087
100% increase in current Variable A 1,957,163,680 Shares	10% voting dilution	195,716,368 Shares		
	Funds raised	\$2,740,029	\$5,480,058	\$10,960,117

The table has been prepared on the following assumptions:

- (i) Shareholders approve Resolutions 3 and 4.
- (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (iii) No Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (viii) The issue price is \$0.028 being the closing price of Shares on the ASX on 7 October 2019.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities to raise funds for making (or to secure the right to make) one or more acquisitions and/or to further its existing projects and/or for general working capital purposes, so that the Company has the necessary working capital and flexibility to consider, and if thought fit, to make (or to secure the right to make) one or more acquisitions and/or to further its existing projects.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (g) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an Associate of a related party of the Company.
- (h) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its AGM held on 16 November 2018.

In accordance with Listing Rule 7.3A.6, as at the date of the Notice, the total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 206,428,739 representing 25.12% of the Equity Securities on issue at the commencement of the 12 month period.

As at the date of the Notice, the Company has issued the following Equity Securities in the 12 months preceding the date of the Meeting:

Date of Issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Issued to	Current valuation
06/12/2018	10,000,000	Unlisted Options, exercise price \$0.03 expiry 13/11/21	Nil	N/A	Nil	Directors	\$115,000 (Black and Scholes valuation as at 7 October 2019)
12/07/2019	126,571,596	Fully paid ordinary shares	\$0.014	12.5%	\$1,772,000	Existing Shareholders pursuant to a share purchase plan (refer ASX release 12 July 2019)	\$3,544,005 (at Share price of \$0.028 as at 7 October 2019)
12/07/2019	69,857,143	Fully paid ordinary shares	\$0.014	12.5%	\$978,000	Investors unrelated to the Company & exempt pursuant to section 708 Corporations Act (refer ASX release 12 July 2019)	\$1,956,000 (at Share price of \$0.028 as at 7 October 2019)
TOTAL	206,428,739				\$2,750,000		

The Company has yet to spend any of the funds it has raised as a result of the issue of Equity Securities in the 12 months preceding the date of the Notice.

The Company intends to spend the funds raised to service and advance the Company's interests in the Wa Gold Project, Ghana, West Africa as it is progressed towards completion of its Feasibility Study and for general working capital purposes, including corporate expenses.

- (i) A voting exclusion statement is included in the Notice.
- (j) At the date of the Notice, the Company has not approached any particular existing Shareholder, security holder or an identifiable class of existing security holder to participate in the issue of Equity Securities pursuant to the 10% Placement Facility. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

3.5 Directors' Recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 3. The Directors have formed this view as the passing of the Resolution will provide greater flexibility when considering future capital raising opportunities.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Each Director has indicated that she or he intends to vote the Shares she or he owns or controls in favour of Resolution 3. The Chair intends to exercise all available proxies in favour of Resolution 3.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES

4.1 General

On 12 July 2019, the Company concluded a capital raising consisting of a share purchase plan (**SPP**) and top up placement (**Top-Up Placement**). The SPP was intended to raise \$2,000,000 and was fully underwritten by Patersons Securities Limited (**Patersons**) pursuant to an underwriting agreement entered into between the Company and Patersons (**Underwriting Agreement**). The Company received \$1,772,000 from eligible Shareholders pursuant to the SPP, with the issue price being \$0.014 per Share (**Issue Price**). The Issue Price represented a 20% discount to the 5 day volume weighted average price of Shares trading on ASX over the last 5 trading days on which Shares were traded immediately before the allotment date of 12 July 2019, rounded up to the nearest \$0.001. Patersons proceeded with the Top-Up Placement of \$750,000 pursuant to the Underwriting Agreement as well as arranging for nominees to subscribe for the remaining \$228,000 of the underwritten amount at the Issue Price. In total, 69,857,143 Shares were issued on 12 July 2019 at the Issue Price pursuant to the SPP shortfall and the Top-Up Placement (**Placement Shares**). Refer to the Company's ASX announcement dated 12 July 2019 for more information on the SPP and Top-Up Placement.

The Placement Shares were issued in accordance with Listing Rule 7.1 and the Company now seeks, pursuant to Resolution 4, to ratify the allotment and issue of the Placement Shares.

Listing Rule 7.1 provides that a company must not (subject to certain exceptions) issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying the issue the subject of Resolution 4, the base figure (i.e. variable "A") in which the Company's 15% and 10% annual placement capacities are calculated under Listing Rule 7.1 and Listing Rule 7.1A will be a higher number which, in turn, will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

The Company proposes Resolution 4 to ratify a previous issue of securities in accordance with Listing Rule 7.4. The Company confirms that the issue and allotment of the Placement Shares the subject of Resolution 4 did not breach Listing Rule 7.1.

4.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 69,857,143 Placement Shares were allotted and issued by the Company pursuant to Listing Rule 7.1.
- (b) The issue price per Placement Share was \$0.014.
- (c) The Placement Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue.
- (d) The Placement Shares were allotted to exempt investors pursuant to section 708 of the Corporations Act who are not related parties of the Company.
- (e) The funds raised of \$978,000 are being used to service and advance the Company's interests in the Wa Gold Project, Ghana, West Africa, as it is progressed towards the completion of its Feasibility Study, and for general working capital purposes, including corporate expenses.
- (f) A voting exclusion statement is included in the Notice.

4.3 Directors' Recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities.

Each Director has indicated that she or he intends to vote the Shares she or he owns or controls in favour of Resolution 4. The Chair intends to exercise all available proxies in favour of Resolution 4.

OTHER BUSINESS

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice.

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AZUMAH RESOURCES LIMITED

ACN: 112 320 251

REGISTERED OFFICE:

UNIT 2
11 VENTNOR AVE
WEST PERTH WA 6005

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52

Collins Street West VIC 8007

Suite 913, Exchange Tower

530 Little Collins Street

Melbourne VIC 3000

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«EFT_REFERENCE_NUMBER»

«Company_code» «Sequence_number»

«Holder_name»

«Address_line_1»

«Address_line_2»

«Address_line_3»

«Address_line_4»

«Address_line_5»

Code:

AZM

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.

2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson 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, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 12:00pm WST on Thursday 14 November 2019 at BDO, Hay Room, Ground Floor, 38 Station Street, Subiaco WA 6008 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Adoption of Remuneration Report⁺

For

Against

Abstain*

2. Re-election of Mr Linton Putland as a Director

3. Approval of 10% Placement Facility

4. Ratification of Issue of Shares

+ If no directions are given on Resolution 1, I/we expressly authorise the Chairperson to exercise my/our proxy

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 12:00pm WST on Tuesday 12 November 2019.

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AZM

AZMPX1141119

+



My/Our contact details in case of enquiries are:

Name:

Number:

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

