

PROPOSED CONSOLIDATION OF CAPITAL

Azure Minerals Limited (**ASX: AZS**) (**Azure** or the **Company**) wishes to announce that the Board proposes to seek shareholder approval for a consolidation of the issued capital of the Company through the conversion of every twenty (20) existing shares into one (1) share (**Consolidation**).

Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting. The Company will soon dispatch a Notice of Annual General Meeting to shareholders of the Company which will include a resolution seeking this approval.

The Board considers that the consolidation of its share capital is important and necessary as it continues to progress its mineral projects. The Company has a large number of shares on issue due to historical equity-based capital raisings that have provided the working capital to explore and develop the Company's projects. The Company believes the consolidation will provide the best platform for continued growth, a capital structure that is more in line with the Company's size and a share price level that is more attractive to institutional investors, particularly those based in North America who have traditionally been strong supporters of Azure.

Effect of Consolidation

The current capital structure of the Company comprises:

Ordinary Shares:	1,672,653,595
Unlisted Options:	37,000,000 exercisable at \$0.060, each on or before 30 November 2018
	41,000,000 exercisable at \$0.047, each on or before 30 November 2019
	194,508,539 exercisable at \$0.055, each on or before 11 July 2019

If the Consolidation of existing shares is approved, the number of the Company's shares on issue will be reduced from 1,672,653,595 existing shares to 83,632,680 shares.

As the Consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of shares (subject only to the rounding up of fractions). It follows that the Consolidation will have no material effect on the percentage interest of each individual Shareholder.

Similarly, the aggregate value of each shareholder's holding (and the Company's market capitalisation) should not materially change as a result of the consolidation – other than minor changes as a result of rounding – as a result of the share consolidation alone (and assuming no other market movement or impacts occur). The price per share should logically increase in proportion to reflect the reduced number of shares on issue. However, as this is a market issue, no definite forecast can be provided.

Options

If the share consolidation is approved, the Company's options to acquire shares (**Options**) will also be reorganised in accordance with their terms and conditions and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options will be consolidated in the same ratio as the shares and the exercise price will be amended in inverse proportion to that ratio. The expiry dates of Options will not change.

For example, a holding of 1,000,000 Options with an exercise price of \$0.06 each prior to the share consolidation would result in a holding of 50,000 options with an exercise of \$1.20 each after the Consolidation.

After the Consolidation, there will be unlisted Options, comprising:

- a) 1,850,000 exercisable at \$1.20, each on or before 30 November 2018;
- b) 2,050,000 exercisable at \$0.94, each on or before 30 November 2019.
- c) 9,725,427 exercisable at \$1.10, each on or before 31 July 2019.

The Consolidation will not result in any change to the substantive rights and obligations of existing holders of Options.

Rounding

Where the consolidation of a Shareholder's holding results in an entitlement to a fraction of a Share, the fraction will be rounded up to the nearest whole number of Shares.

Timetable

The indicative timetable for the Consolidation is set out below.

Date	Event
20 November 2017	Shareholder approval. Company tells ASX that Shareholders have approved the Consolidation.
21 November 2017	Last day for trading in pre-organised securities.
22 November 2017	Trading commences in the reorganised securities on a deferred settlement basis.
23 November 2017	Record date. Last day for Company to register transfers on a pre-Consolidation basis.
24 November 2017	First day for the Company to send a notice to each security holder. In the case of Shares, first day for the Company to register securities on a post re-organisation basis and first day for issue of holding statements. In the case of Options, first day for the Company to issue new certificates. From now on, the Company must reject transfers accompanied by an option certificate that was issued before the Consolidation.
30 November 2017	Deferred settlement market ends. Last day for the Company to send notice to all Shareholders. Last day for securities to be entered into the holders' security holdings. Last day for Company to send new certificates to Optionholders.

Further details in relation to the proposed Consolidation will be set out in the Notice of Annual General Meeting dispatched to shareholders.

-ENDS-

Tony Rovira
Managing Director
Azure Minerals Limited