

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting
26 November 2015

Time of Meeting
3:30 pm

Place of Meeting
BDO
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 2015 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, 38 Station Street, Subiaco Western Australia on 26 November 2015 at 3:30 pm (**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 annual financial report, together with the Directors' and Auditor's reports for the financial year ended 30 June 2015.

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 2015 Annual Report be adopted."

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

Voting Prohibition: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**the voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-election of Mr Geoff Jones 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 purpose of clause 13.1 of the Constitution and for all other purposes, Mr Geoff Jones 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 Grant of Performance Rights to Mr Stephen Stone

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 10.11 of the Listing Rules of the ASX and section 208 of the Corporations Act and for all other purposes the Directors be and are hereby authorised to grant 6,000,000 Performance Rights, to Mr Stephen Stone, or his nominee, for nil consideration on the terms and conditions as set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Stone and any Associate of Mr Stone. However, the Company need not disregard a vote if the vote 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 the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Approval of Grant of Performance Rights to Mr Michael Atkins

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 10.11 of the Listing Rules of the ASX and section 208 of the Corporations Act and for all other purposes the Directors be and are hereby authorised to grant 1,500,000 Performance Rights, to Mr Michael Atkins, or his nominee, for nil consideration on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Atkins and any Associate of Mr Atkins. However, the Company need not disregard a vote if the vote 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 the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Approval of Grant of Performance Rights to Mr Geoff Jones

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 10.11 of the Listing Rules of the ASX and section 208 of the Corporations Act and for all other purposes the Directors be and are hereby authorised to grant 750,000 Performance Rights, to Mr Geoff Jones, or his nominee, for nil consideration on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Jones and any Associate of Mr Jones. However, the Company need not disregard a vote if the vote 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 the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – 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 on this Resolution by any person who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any Associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a 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 person chairing the meeting as a proxy for a person who is entitled to vote (in accordance with the directions 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 6 and the Explanatory Statement accompanying this Notice, the following definitions apply:

"**10% Placement Facility**" has the meaning given in Section 4.1 of the Explanatory Statement;

"**10% Placement Period**" has the meaning given in Section 4.2(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 2015;

"**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;

"**Chairman**" or "**Chair**" means the persons elected by the Directors to the office of Chairman from time to time in accordance with Company's Constitution;

"**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;

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

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

"**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) of the Company;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Meeting**" has the meaning in the introductory paragraph of the Notice;

"**Notice**" means this Notice of annual general meeting;

"**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;

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

"**Shareholder**" means the holder of a Share;

"**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 the 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 3:30 pm WST on 24 November 2015 by:

- (i) facsimile to the Company at (08) 9481 4417 (International +61 8 9481 4477) or to Security Transfer Registrars Pty Limited at (08) 9315 2233 (International: +61 8 9315 2233); or
- (ii) delivery to the registered office of the Company at Ground Floor, 20 Kings Park Road, West Perth, Western Australia 6005 or Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross Western Australia 6153; or
- (iii) mail to the Company at PO Box 1153, West Perth, Western Australia 6872 or Security Transfer Registrars Pty Ltd, PO Box 535, Applecross, Western Australia 6953.

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 5:00 pm WST on 24 November 2015 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.

REVOCATION 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 Chairman of the Meeting 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 of Directors



Dennis Wilkins
Company Secretary
Date: 20 October 2015

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.

2015 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 2015.

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.

Resolution 1 – 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.

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting 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 2014 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2016 annual general meeting, this may result in the re-election of the Board.

The Chairman 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

In accordance with the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies how the proxy is to vote on this Resolution; or
- (b) the voter is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman'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.

Resolution 2 – Re-election of Mr Geoff Jones as a Director

2.1 General

Mr Geoff Jones was appointed as Non-Executive Director on 20 October 2009. The Board considers Mr Jones to be an independent director.

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Directors (other than the managing director) retire from office at each AGM.

These requirements for a Director to retire do not apply to a managing director.

Accordingly, Mr Geoff Jones 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 Jones is a Fellow of the Institution of Engineers, Australia, with a Bachelor of Engineering (Civil) degree. He has over 30 years' experience in the evaluation, design, development, commissioning and operation of major resource projects in Australia and overseas, especially in Africa, including Ghana.

He spent over six years as Group Project Engineer for ASX-listed Resolute Limited with responsibility for the successful development of its Obotan Gold Project in Ghana, Golden Pride Gold Project in Tanzania, as well as the Chalice and Bullabulling Gold Projects in Western Australia. For all of these projects, his involvement ranged from feasibility study preparation through to development, commissioning and start-up operations.

Mr Jones has operated his own project management and engineering consultancy, JMG Projects Pty Ltd, servicing the mining industry. In this capacity Mr Jones has completed works on gold and base metal projects for Australian and overseas based mining groups. Mr Jones is currently employed with GR Engineering Services Limited as the Managing Director.

Mr Jones is also a director of GR Engineering Services Limited, Marindi Metals Limited (formerly Brumby Resources Limited) and Energy Metals Limited.

2.3 Directors' Recommendation

All the Directors except Mr Jones who has an interest in this Resolution recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

Resolutions 3, 4 and 5 – Approval of Grant of Performance Rights to Directors

3.1 Performance Rights to Directors

The Company proposes to grant a total of 8,250,000 Performance Rights to Messrs Stone, Atkins and Jones or their nominees, for nil consideration as follows:

Name	Number of Performance Rights	Vesting	Expiry Date
Stephen Stone	2,000,000	on completion of a material transaction including any transaction involving equity, debt, any other funding or a combination of each, including but not limited to: <ul style="list-style-type: none"> • a takeover bid for the Company where the bidder gains at least 50% of the issued capital of the company; or, • securing finance that has the reasonable expectation of leading to the development of the Wa Gold Project in preparation for commercial production; • sale of at least a 50% interest in the Wa Gold Project; or, • the introduction of joint venture partners with the reasonable expectation that the joint venture would lead to the development of the Wa Gold Project in preparation for commercial production. 	30 December 2016
	2,000,000	volume weighted average share price exceeding 5c per share calculated over any 20 consecutive trading days during the period from issue date to expiry date.	30 December 2016
	2,000,000	a >20% increase in JORC resource and/or reserves	30 December 2016
Michael Atkins	750,000	on completion of a material transaction including any transaction involving equity, debt, any other funding or a combination of each, including but not limited to: <ul style="list-style-type: none"> • a takeover bid for the Company where the bidder gains at least 50% of the issued capital of the 	30 December 2016

Name	Number of Performance Rights	Vesting	Expiry Date
		company; or, <ul style="list-style-type: none"> • securing finance that has the reasonable expectation of leading to the development of the Wa Gold Project in preparation for commercial production; • sale of at least a 50% interest in the Wa Gold Project; or, • the introduction of joint venture partners with the reasonable expectation that the joint venture would lead to the development of the Wa Gold Project in preparation for commercial production. 	
	750,000	on volume weighted average share price exceeding 5c per share calculated over any 20 consecutive days during the period from issue date to expiry date.	30 December 2016
Geoff Jones	375,000	on completion of a material transaction including any transaction involving equity, debt, any other funding or a combination of each, including but not limited to: <ul style="list-style-type: none"> • a takeover bid for the Company where the bidder gains at least 50% of the issued capital of the company; or, • securing finance that has the reasonable expectation of leading to the development of the Wa Gold Project in preparation for commercial production; • sale of at least a 50% interest in the Wa Gold Project; or, • the introduction of joint venture partners with the reasonable expectation that the joint venture would lead to the development of the Wa Gold Project in preparation for commercial production. 	30 December 2016
	375,000	on volume weighted average share price exceeding 5c per share calculated over any 20 consecutive days during the period from issue	30 December 2016

Name	Number of Performance Rights	Vesting	Expiry Date
		date to expiry date.	

The Directors face considerable ongoing responsibilities and challenges in their roles within the Company. The grant of these Performance Rights will provide a long term incentive for outstanding performance.

The Performance Rights will be granted as soon as possible following the Meeting.

Subject to the achievement of the performance conditions, one share will be issued for each Performance Right that has vested.

3.2 Chapter 2E of the Corporations Act – Related Party Transactions

The issue of Performance Rights to the Director constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

Chapter 2E of the Corporations Act – Related Party Benefits

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

- a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Each of Messrs Stone, Atkins and Jones are related parties of the Company by virtue of section 228(2) of the Corporations Act and the granting of Performance Rights would constitute the giving of a financial benefit. As none of the exceptions set out in the Corporations Act apply, the grant of Performance Rights to the Directors requires Shareholder approval.

Information for Shareholders in respect of Chapter 2E

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the grant of the Performance Rights to each of Messrs Stone, Atkins and Jones under Resolutions 3, 4 and 5.

Identity of the related party

The related party of the Company to which a financial benefit may be given under Resolution 3 is Mr Stephen Stone, Resolution 4 is Mr Michael Atkins and Resolution 5 is Mr Geoff Jones, all Directors of the Company.

Nature of, reasons for and basis for the financial benefit

The financial benefits to be provided are Performance Rights. A copy of the rules of the PRP is annexed as Annexure A. There will not be a requirement to make any payment for the grant of the Performance Rights or on the exercise of a vested Performance Right. The maximum number of Performance Rights that could vest, and hence Shares that could be issued to the DirectorS under Resolutions 3 – 5 are set out in Table 1.

The Performance Rights form part of the Directors' incentive for past and future efforts. Performance Rights are considered to be an appropriate incentive at the Company's current size and stage of development, being an exploration company with limited cash reserves. In order to derive any value from the Performance Rights, the Company must achieve the specified performance hurdles. As the Company has not yet achieved the performance hurdles the Performance Rights represent an incentive to the Directors to achieve these significant milestones in the Company's development, which may result in an increase in Shareholder value.

The Company reviewed the practices of other exploration companies of a similar size and stage of development to determine the number of Performance Rights required to be issued to attract and retain senior directors. Based on that review, the independent Board member and the Company Secretary determined the number of Performance Rights proposed in Resolutions 3 – 5 to be appropriate.

Directors' recommendations to members and reasons

Mr Le Clair (who has no interest in the outcome of Resolutions 3 - 5) recommends that Shareholders vote in favour of Resolutions 3 - 5 as he believes the granting of these Performance Rights will align rewards with the long-term creation

of value for Shareholders. Each of Messrs Stone, Atkins and Jones has a material personal interest in the outcome of Resolution 3, 4 and 5 respectively and have abstained from any deliberation and voting or making a recommendation in relation to Resolutions 3 - 5.

Directors' interests in the outcome of the Resolutions

If Resolutions 3 - 5 are passed, Messrs Stone, Atkins and Jones will become entitled to the Performance Rights as set out in Table 1 together with the rights and entitlements associated with being a holder of such Performance Rights. The other member of the Board, Mr le Clair, has no relevant interest in the outcome of Resolutions 3 - 5.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.

- (a) The proposed Resolutions would have the effect of giving power to the Directors to grant 6,000,000 Performance Rights to Mr Stone or his nominee, 1,500,000 Performance Rights to Mr Atkins or his nominee and 750,000 Performance Rights to Mr Jones or his nominee
- (b) The grant of the Performance Rights is subject to the rules of the PRP as set out in Annexure A and as otherwise mentioned above;
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value of the Performance Rights, based upon the assumptions outlined in Table 3. The valuation cannot be finalised until the grant date of the Performance Rights;
- (d) The total value of the Performance Rights to be issued is outlined in Table 1. If Performance Rights are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders;
- (e) As at the date of this Notice, the issued capital of the Company comprised 397,347,143 Shares. If all Performance Rights granted as proposed above are exercised, assuming all existing Performance Rights on issue have vested, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares & Performance Rights
Shares	397,347,143
Performance Rights	7,525,000
Resolutions 3 – 5 Performance Rights to be Granted	8,250,000
New Total	413,122,143
Dilutionary Effect	2.04%

- (f) Messrs Stone's, Atkins' and Jones' current interests in securities of the Company are detailed in Table 2;
- (g) The Performance Rights will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since January 2006. In the twelve months prior to the date of this Notice the Shares have traded in the range of 1.8 cents to 4.0 cents, the most recent closing price prior to the date of this Notice was 3.7 cents. The Performance Rights are capable of vesting to Shares once the specified performance hurdle has been met;
- (h) Mr Stone currently receives a salary of \$300,000 (including statutory superannuation), Messrs Atkins and Jones received annual directors' fees of \$75,000 and \$41,250 respectively (excluding statutory superannuation).
- (i) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Performance Rights in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company, or benefits foregone by the Company, in granting the Performance Rights to the Directors or his nominees pursuant to Resolutions 3 - 5 ; and
- (j) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

3.3 Additional Information

The following information in relation to the Performance Rights to be granted pursuant to Resolution 3 - 5 is provided to Shareholders:

- (a) the Performance Rights will be granted to Messrs Stone, Atkins and Jones, or their nominees, as noted above;
- (b) the maximum number of Performance Rights to be granted pursuant to Resolutions 3 - 5 is 8,250,000;
- (c) the Performance Rights will be allotted and granted on a date which will be no later than 1 month after the date of the AGM;
- (d) the Performance Rights will be granted for no consideration and accordingly no funds will be raised by the grant of the Performance Rights; and
- (e) the terms and conditions of the Performance Rights are set out in this Explanatory Statement.

Table 1 - Details of Performance Rights to be issued to a Related Party

Name	Relationship	Number of Performance Rights	Vesting	Value	Expiry Date
Stephen Stone	Director	6,000,000	Refer Clause 3.1 above	\$222,000	31 December 2016
Michael Atkins	Director	1,500,000	Refer Clause 3.1 above	\$55,500	31 December 2016
Geoff Jones	Director	750,000	Refer Clause 3.1 above	\$27,750	31 December 2016

Table 2 - Details of current holdings of securities in the Company

Director	Share Holding	Performance Rights Holding
Stephen Stone	7,633,633	2,000,000
Michael Atkins	600,000	1,000,000
Geoff Jones	-	500,000

Table 3 – Performance Rights Valuation details

Details	Input
Share price	\$0.037*
Conversion Price	Nil
Valuation Date	20 October 2015
Expiry Date	31 December 2016
Value per Performance Right	\$0.037

* Based on the current Share price at the date of this Notice

Resolution 6 – Approval of 10% Placement Facility

4.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its 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. The Company qualifies as an eligible entity. The Company's market capitalisation is approximately \$11.9m (397,347,143 shares on issue multiplied by the closing price of \$0.03 on 14 October 2015).

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 4.2(c) below).

4.2 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.

(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 seven classes of Equity Securities, (i) being quoted Shares and three classes of unlisted Performance Rights.

(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 shares on issue 12 months before the date of issue or agreement:

- (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 and 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 date of the issue or 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 this Notice, the Company has on issue 397,347,143 Shares and therefore has a capacity to issue:

- (i) 59,027,071 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 6, 39,684,714 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 4.2(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 VWAP 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).

4.3 Listing Rule 7.1A

The effect of Resolution 6 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.

4.4 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 VWAP 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 6 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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		
		\$0.0185 50% decrease in Issue Price	\$0.037 Issue Price	\$0.074 100% increase in Issue Price
Current Variable A 397,347,143 Shares	10% voting dilution	39,734,714 Shares		
	Funds raised	\$735,092	\$1,470,184	\$2,940,369

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0185 50% decrease in Issue Price	\$0.037 Issue Price	\$0.074 100% increase in Issue Price
50% increase in current Variable A 596,020,714 Shares	10% voting dilution	59,602,071 Shares		
	Funds raised	\$1,102,638	\$2,205,277	\$4,410,553
100% increase in current Variable A 794,694,286 Shares	10% voting dilution	79,469,428 Shares		
	Funds raised	\$1,470,184	\$2,940,369	\$5,880,738

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) 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.
 - (iii) 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%.
 - (iv) 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 this Meeting.
 - (v) 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.
 - (vi) 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.
 - (vii) The issue price is \$0.037 being the closing price of Shares on the ASX on 20 October 2015.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 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 for the following purposes:
- (i) for cash consideration, in which case the Company may use the funds raised towards making (or to securing the right to make) one or more acquisitions and/or to further its existing projects; and/or general working capital; so that the Company has the necessary working capital and flexibility to consider, and if thought fit, to put in a stronger position to make (or to secure the right to make) one or more acquisitions and/or to further its existing projects; or
 - (ii) non-cash consideration for the acquisition of (or securing the right to make acquisitions of) new projects and investments or to further its existing projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (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 this 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.

Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (h) The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its AGM held on 20 November 2014.

In accordance with Listing Rule 7.3A.6, the total number of Equity Securities issued in the 12 months preceding the date of this meeting is 11,480,224 representing 2.86% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following Equity Securities in the 12 months preceding the date of this meeting:

Date of Issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Basis of allotment
30/01/2015	4,533,720	Fully paid ordinary shares	\$0.0178	38.6%	Interest due and payable – current value of shares issued is \$167,748 (based on closing price of Shares on the ASX on 20 October 2015)	As consideration for interest due and payable in accordance with the terms and conditions of the Converting Note Agreement dated 24 January 2014
03/08/2015	3,496,504	Fully paid ordinary shares	\$0.0227	1.3%	Interest due and payable – current value of shares issued is \$129,371 (based on closing price of Shares on the ASX on 20 October 2015)	As consideration for interest due and payable in accordance with the terms and conditions of the Converting Note Agreement dated 24 January 2014
21/08/2015	3,450,000	Performance rights, expiring 30 June 2016	Nil	100%	Nil	In accordance with the Company's Performance Rights Plan

The Company did not raise any funds from the issue of Securities in the 12 months preceding the date of this Notice.

- (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 or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

4.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

Resolution 6 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).

The Chairman intends to exercise all available proxies in favour of Resolution 6.

OTHER BUSINESS

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



Annexure A

Performance Rights Plan Rules

Azumah Resources Limited

ACN 112 320 251

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1. Definitions and Interpretations

1.1 Definitions

In this Plan, unless the context otherwise requires:

Applicable Laws means any one or more or all, as the context requires of:

- (a) the Corporations Act;
- (b) the ASX Listing Rules;
- (c) the TSX Rules;
- (d) the constitution of the Company;
- (e) Taxation Laws;
- (f) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), (c) (d) and (e) above; and
- (g) any other legal requirement that applies to the Plan.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.

ASIC Class Order has the meaning given to it in rule 6.

ASX Listing Rules means the official Listing Rules of the ASX, as they apply to the Company from time to time.

Board means the Board of the Directors of the Company, a committee appointed by such board of Directors or any person or body to which the Board has delegated powers under this Plan.

Company means Azumah Resources Limited ACN 112 320 251.

Corporations Act means the Corporations Act 2001 (Cth) as amended from time to time.

Director has the meaning given in section 9 of the Corporations Act.

Eligible Employee means a full or part-time employee (including a Director of the Company) of a Group Company who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan.

Expiry Date means, in relation to a Performance Right, the date determined by the Board prior to the offer of the relevant Performance Right, subject to any restriction in the Corporations Act from time to time but in any event no longer than 5 years from the Grant Date.

Grant Date, in relation to a Performance Right, means the date from which the Performance Right takes effect.

Group Company means the Company, its Subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Plan.

Insider has the meaning given in the TSX Rules.

Participant means a person who has been granted a Performance Right under the Plan.

Performance Condition means one or more conditions which must be satisfied or circumstances which must exist before a Performance Right can vest.

Performance Right means a right to acquire a Share in the manner set out in this Plan.

Plan means the Azumah Resources Limited Performance Rights Plan as set out in these rules, subject to any amendments or additions made under rule 11.

Restricted Shares has the meaning given to it in rule 9.1.

Restriction Period has the meaning given to it in rule 9.1.

Securities has the meaning given in the ASX Listing Rules (except where otherwise specified in these rules).

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

Subsidiary has the meaning given in section 9 of the Corporations Act.

Takeover Bid has the meaning given in section 9 of the Corporations Act.

Taxation Laws means the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth), each as amended from time to time.

TSX means the Toronto Stock Exchange.

TSX Rules means the TSX Company Manual and any rules and policies of the TSX, as they apply to the Company from time to time.

1.2 Interpretation

In this Plan, headings are for convenience only and do not affect the interpretation of the Plan and, unless the context otherwise requires:

- (a) any words importing the singular include the plural and vice versa;
- (b) any words importing a gender include any gender;
- (c) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamation, ordinances and by-laws issued under that statute;
- (d) a reference to the ASX Listing Rules or the TSX Rules includes any variation, consolidation or replacement of those rules (as applicable) and is to be taken to be subject to any waiver or exemption granted to the Company from compliance with those rules;
- (e) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings; and
- (f) a reference in the Plan to a party to a document includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation.

2. Invitation to Participate

2.1 The Board may issue invitations to Eligible Employees

- (a) The Board may from time to time, in its absolute discretion, issue invitations in writing (in such form as the Board decides) to Eligible Employees inviting applications for the grant of Performance Rights on the terms set out in the Plan and on such additional terms and Performance Conditions as the Board determines (which may include granting the Performance Rights in tranches) for up to the number of Performance Rights specified in the invitation.
- (b) Unless the Board otherwise determines, no amount is payable by an Eligible Employee in relation to the grant of a Performance Right or on vesting of a Performance Right.

2.2 Number of Performance Rights

The number of Performance Rights specified in each invitation will be determined by the Board in its absolute discretion.

2.3 Information in Invitation

The Board will advise each Eligible Employee who is issued an invitation of the following information relevant to the Performance Rights that may be granted under the Plan pursuant to that invitation:

- (a) the number of Performance Rights which may be granted (each Performance Right entitling its holder to one Share on that Performance Right vesting);
- (b) the date and time by which the application for Performance Rights must be received by the Company;
- (c) the date on which, subject to these rules, the Performance Rights will vest (in accordance with rule 5);
- (d) any applicable Performance Conditions attaching to the Performance Rights;
- (e) the Expiry Date and
- (f) any other relevant conditions to be attached to the Performance Rights or Shares (including, for example, any restrictions on transfer of the Shares).

3. Applications For Performance Rights

3.1 Eligible Employee may apply for Performance Rights

Following receipt of an invitation, application for the Performance Rights specified in that invitation may be made by the Eligible Employee.

3.2 Application for number of Performance Rights specified in invitation

The Eligible Employee may apply for up to the number of Performance Rights specified in the invitation by sending to the person nominated by the Company an application (in the form included with the invitation) duly completed and signed, which must include an agreement by the Eligible Employee to be bound by these rules.

3.3 When Company must receive application

The application must be received by the Company within the period for acceptance specified in the invitation, unless otherwise determined by the Board.

4. Grant of Performance Rights

4.1 Company to grant or procure grant of Performance Rights

On acceptance of a duly signed and completed application for Performance Rights, the Company may grant Performance Rights to the Eligible Employee, with effect from such dates as the Board determines or as may be determined in accordance with a resolution of the Board, on the terms set out in the Plan and additional terms as the Board determines.

4.2 Performance Rights are not transferable

- (a) Subject to rule 4.2(b), a Performance Right granted under the Plan is not capable of being transferred by the Participant, except with prior written consent of the Board, and will lapse immediately if it is transferred.

- (b) Rule 4.2(a) will not apply to the transmission of Performance Rights to a legal personal representative of a Participant following the Participant's death.

5. Grant of Performance Rights to Insiders

The aggregate of either:

- (a) the number of Shares issuable to Insiders pursuant to the grant of Performance Rights or pursuant to grants under any of the Company's other security based compensation arrangements; and
- (b) the number of Shares issued to Insiders pursuant to the grant of Performance Rights or pursuant to grants under any of the Company's other security based compensation arrangements, within any one year period,

may not exceed 10% of the Company's issued and outstanding Shares.

6. Limit on grant of Performance Rights

The number of Shares to be issued on exercise of the Performance Rights when aggregated with:

- (a) the number of Shares which would be issued were each outstanding invitation, Performance Right or option, being an invitation made or Performance Rights or options granted pursuant to the Plan or any other employee incentive scheme extended only to employees or Directors of the Company, exercised; and
- (b) the number of Shares issued during the previous 5 years pursuant to the Plan or any other employee incentive scheme extended only to employees or Directors of the Company;

but disregarding any invitation made, or Performance Rights or options acquired or Share issued by way of or as a result of:

- (a) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (b) an "excluded offer" or "excluded invitation" (each as defined in the Corporations Law as in force prior to the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act 1999 (Cth));
- (c) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (d) an offer made under a disclosure document,

must not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Corporations Act) of the total number of issued Shares as at the time of the invitation.

7. Overriding restrictions on grant and upon vesting

Notwithstanding any provision of these rules or the terms of any Performance Right, no Performance Rights may be offered or may vest if to do so would contravene:

- (a) the Corporations Act, the ASX Listing Rules or the TSX Rules; or
- (b) the local laws or customs of an Eligible Employee's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

8. Lapse of a Performance Right

8.1 Vesting

- (a) Subject to these rules, each Performance Right issued to a Participant will vest on the date specified in the invitation.
- (b) The vesting of a Performance Right under this rule 8.1(a) is conditional on the satisfaction of the Performance Conditions attaching to the Performance Right.
- (c) Notwithstanding rule 8.1(b) and subject to the ASX Listing Rules and the TSX Rules:
 - (i) the Board may vest some or all of a Participant's Performance Rights even if a Performance Condition has not been satisfied, if the Board considers that to do so would be in the interests of the Company to do so; and
 - (ii) the vesting of a Participant's Performance Rights may be subject to such further conditions as determined by the Board.

8.2 Lapse of a Performance Right

An unvested Performance Right will lapse on the earliest to occur of:

- (a) the Performance Right lapsing in accordance with a provision of this rule 8;
- (b) the Performance Right lapsing in accordance with rule 4.2(a);
- (c) the applicable Performance Conditions not being achieved within any prescribed period;
- (d) the Expiry Date; or
- (e) any date set out in an invitation by which it is stated that the Performance Right will automatically lapse.

8.3 Vesting in specific circumstances

Where a Participant ceases to be an employee of any Group Company in any of the circumstances referred to below and at that time the Participant continues to satisfy all Performance Conditions, the Board may determine that any Performance Rights granted under the Plan vest during such period whether or not the date for vesting has been attained. If no determination is made by the Board within 6 months of the Participant ceasing to be an employee, all Performance Rights held by a Participant will automatically lapse. The circumstances are:

- (a) total and permanent disability
- (b) death; and
- (c) such other circumstances as the Board may determine.

8.4 Performance Rights lapse if cease to be an employee

- (a) Subject to this rule 8.4(b), if a Participant ceases to be an employee of any Group Company in circumstances other than those referred to in rule 8.3, any Performance Rights granted to the Participant under the Plan will automatically lapse on the cessation of the Participant's employment.
- (b) A Participant will not be treated for the purposes of rule 8.4(a) as ceasing to be an employee of a Group Company until such time as the Participant is no longer an employee of any of the Group Companies.

8.5 Performance Rights lapse on a winding up

If a resolution is passed to wind up the Company, the Performance Rights lapse automatically on the passing of the resolution.

8.6 Fraudulent or dishonest actions

Where, in the opinion of the Board, a Participant acts fraudulently or dishonestly or is in breach of his or her obligations to any Group Company then the Board may deem any unvested Performance Rights of the Participant to have lapsed.

8.7 Performance Rights may be cancelled if Participant consents

Notwithstanding any other provisions of the Plan, and subject to the ASX Listing Rules and the TSX Rules, if a Participant and the Board have agreed in writing that some or all of the unvested Performance Rights granted to that Participant may be cancelled on a specified date or on the occurrence of a particular event, then the Board may cancel those Performance Rights on the relevant date or on the occurrence of the particular event (as the case may be).

8.8 Vesting procedure

- (a) Subject to these rules, each Performance Right entitles the Participant to one Share upon vesting.
- (b) Upon the vesting of Performance Rights, the Participant becomes entitled to be issued, transferred or allocated the relevant Shares not later than 21 days after the date of vesting pursuant to the provisions of rule 8.8(c).
- (c) Within 21 days after a Performance Right under the Plan has vested, the Board must issue to or procure the transfer to the Participant or his or her personal representative (as the case may be) of one Share in respect of each Performance Right of the Participant which has vested, provided that the Company will not be entitled to issue Shares to Directors of the Company without any shareholder approval that may be required under the ASX Listing Rules or the TSX Rules first being obtained.
- (d) All Shares issued, acquired or allocated on the vesting of Performance Rights (as the case may be) under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue, acquired or allocated except:
 - (i) as regards any rights attaching to the Shares by reference to a record date prior to the date of their issue, acquisition or allocation; or
 - (ii) in respect of any restrictions on disposal or otherwise dealing in the Shares determined pursuant to rule 9.1.
- (e) The Company and any person nominated by the Company from time to time are irrevocably appointed jointly and severally by each Participant as attorney to do all things necessary considered by the Company appropriate to effect a transfer, issue or allocation of Shares upon vesting of a Performance Right, including agreeing to become a member of the Company on the Participant's behalf.

8.9 Quotation of Performance Rights

Performance Rights will not be quoted on ASX, the TSX or any other securities exchange.

8.10 Shares to be quoted on ASX and TSX

If Shares of the same class as those issued, acquired or allocated (as the case may be) under the Plan are quoted by the ASX or the TSX, the Company will apply to the ASX or the TSX (as applicable) within the period required by ASX or the TSX Rules (as applicable) for those Shares to be quoted.

8.11 Takeover

- (a) In the event of a Takeover Bid, any Performance Rights granted will vest where, in the Board's absolute discretion, the Performance Conditions applicable to those Performance Rights have been satisfied on a pro rata basis over the period from the Grant Date to the date of the Takeover Bid.
- (b) Any Performance Right referred to in rule 8.11(a) which the Board determines will not vest will automatically lapse, unless the Board determines otherwise.

8.12 Takeover, compromise or arrangement

- (a) The Board may, in its absolute discretion, vest all or a specified number of a Participant's Performance Rights where the Board is satisfied that the Performance Conditions applicable to those Performance Rights have been satisfied on a pro rata basis over the period from the Grant Date to the date where:
 - (i) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
 - (ii) any person becomes bound or entitled to acquire Shares in the Company under:
 - (A) section 414 of the Corporations Act (upon a scheme of arrangement being approved); or
 - (B) Chapter 6A of the Corporations Act (compulsory acquisition following a Takeover Bid).
- (b) If no determination is made under rule 8.11(a) or if the Board determines that some or all of a Participant's Performance Rights shall not vest, those Performance Rights will automatically lapse, unless the Board determines otherwise.

9. Restriction on disposal of Shares

9.1 Restriction Period

Where the Board issues an invitation to an Eligible Employee inviting an application for the grant of Performance Rights, the Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued or transferred to a Participant, following vesting of their Performance Rights (**Restricted Shares**) (**Restriction Period**).

9.2 Waiver of restriction period

The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period determined pursuant to rule 9.1.

9.3 No disposal of Shares while restricted

A Participant must not dispose of or otherwise deal with any Shares issued, transferred to the Participant under the Plan while they are Restricted Shares.

9.4 Enforcement of Restriction Period

The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Restricted Shares issued for as long as those Shares are Restricted Shares.

9.5 Lapse of restrictions attaching to Shares

When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under these rules will cease.

10. Bonus issues and reconstructions

10.1 Bonus issue

- (a) If Securities are issued by way of a “bonus issue” (as that term is defined in the ASX Listing Rules) to the holders of Shares, a Participant is entitled, upon vesting of a Performance Right, to receive in addition to the Share in respect of which the Performance Right vests and without the payment of any further consideration, the number of Securities which the Participant would have received if the Performance Right had vested before the record date for the bonus issue.
- (b) Any additional Securities to which a Participant becomes entitled under rule 10.1(a) will, until those additional Securities are issued or allocated to the Participant, be regarded as additional Securities into which the Performance Rights may vest for the purposes of any application of this rule 10.1.

10.2 Reorganisation

- (a) In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled will be changed in accordance with the ASX Listing Rules (if applicable) or the TSX Rules (if applicable).
- (b) Any additional Securities to which a Participant becomes entitled under rule 10.2(a) will, until those additional Securities are issued or allocated to the Participant, be regarded as additional Performance Rights to which the Participant is entitled for the purpose of any application of this rule 10.2.

10.3 Advice

The Company must give notice to each Participant of any adjustment to the number of Shares which the Participant is entitled to subscribe for or be issued upon vesting of a Performance Right.

10.4 Limited right to participate in new issues

Subject to rules 10.1 and 10.2, a Performance Right does not confer on a Participant the right to participate in any new issue of Securities of the Company.

10.5 Fairness in application

In the application of this rule 10, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other Securities in the Company subject to the ASX Listing Rules (if applicable) or the TSX Rules (if applicable).

11. Amendments

11.1 Board may amend

Subject to rules 11.2 to 11.5 and the ASX Listing Rules (if applicable) or the TSX Rules (if applicable), the Board may at any time by resolution amend, add to, revoke or substitute (**amend**) all or any of the provisions of the rules (including this rule) of the Plan, or the terms of any Performance Rights granted under it, in any respect.

11.2 Shareholder approval for certain amendments

Notwithstanding rule 11.1, and subject to and without limiting the provisions of the Corporations Act, the ASX Listing Rules or the TSX Rules, the approval of shareholders of the Company will be required for any amendment that:

- (a) changes a Performance Condition of a Performance Right held by an Insider;
- (b) extends the expiry date of any Performance Right held by an Insider;
- (c) increases the number of Shares which may be issued upon vesting of Performance Rights granted under the Plan (other than pursuant to rules 10.1 and 10.2);
- (d) allows a Participant to transfer Performance Rights other than where the transfer is effected by force of law on death or bankruptcy of the Participant to the Participant's legal personal representative or trustee in bankruptcy, as applicable;
- (e) would have the potential to broaden or increase Insider participation in the Plan; or
- (f) extends the term of any outstanding Performance Right to a date beyond the latest vesting date currently stipulated in the Rules;
- (g) increases in the maximum number of Shares permitted to be issued on the exercise of Performance Rights; or
- (h) amends the amending provisions contained in this rule 11.

11.3 Restrictions on amendments

Without the consent of the Participant, no amendment may be made to the terms of any granted Performance Right which, in the opinion of the Board, materially reduces the rights of the Participant in respect of that Performance Right, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans; or
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to Taxation Laws (including an official announcement by the Commonwealth of Australia) and / or changes in the interpretation of Taxation Laws by a Court or competent jurisdiction; or
- (d) to enable any Group Company to comply with the Applicable Laws.

11.4 Notice of amendments

As soon as reasonably practicable after making any amendment under rule 11.1, the Board must give notice in writing of the amendment to any affected Participant.

11.5 Retrospective effect

- (a) The Board may determine that any amendment to these rules or the terms of Performance Rights granted under the Plan made in accordance with this rule 11, be given retrospective effect.
- (b) Amendment of these rules or the terms and conditions upon which Performance Rights are granted under the Plan by the Board shall be of immediate effect unless otherwise determined by them.

12. Miscellaneous

12.1 Terms of employment not affected by Plan

- (a) The rights and obligations of any Participant under the terms of their office or employment with a Group Company are not to be affected by their participation in the Plan and these rules will not form part of or be incorporated into any contract of engagement or employment of any employee with a Group Company.
- (b) No Participant will have any rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever in so far as those rights arise or may arise from their ceasing to have rights under the Plan as a result of such termination.

12.2 Board to administer

- (a) The Plan is administered by the Board which has power to:
 - (i) determine appropriate procedures for administration of the Plan consistent with these rules; and
 - (ii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in the Plan and the ASX Listing Rules or the TSX Rules, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan or any Performance Rights under the Plan and in the exercise of any power or discretion under the Plan.

12.3 Board power to waive

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any additional terms or conditions (including any Performance Condition) in relation to any Performance Rights granted to any Participant.

12.4 Board decision is final

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Performance Rights granted under it, the decision of the Board is final and binding.

12.5 Compliance with Applicable Laws

Notwithstanding anything in this Plan, the terms of Performance Rights granted under the Plan and all things done under the Plan must comply with all applicable requirements of Applicable Laws.

12.6 Termination

The future operation of the Plan may be suspended or terminated at any time at the discretion of the Board.

12.7 Notices

- (a) Any notice or other communication under or in connection with the plan may be given by personal delivery or by sending the same by post or facsimile, in the case of a company to its registered office, and in the case of an individual's last notified address, or, where a Participant is a Director or employee of a Group Company, either to the Participant's last known address or to the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office or employment.
- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other

communication is given by facsimile, it is deemed to have been received on completion of transmission.

12.8 Governing Law

The Plan and any Performance Rights issued under it are governed by the laws of Western Australia.

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AZUMAH RESOURCES LIMITED

ACN: 112 320 251

REGISTERED OFFICE:

GROUND FLOOR
20 KINGS PARK ROAD
WEST PERTH WA 6005

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«EFT_REFERENCE_NUMBER»

«Company_code»«Sequence_number»«Address_unknown»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

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.

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 3:30pm WST on Thursday 26 November 2015 at BDO, 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 Geoff Jones as a Director

3. Approval of Grant of Performance Rights to Mr Stephen Stone

4. Approval of Grant of Performance Rights to Mr Michael Atkins

5. Approval of Grant of Performance Rights to Mr Geoff Jones

6. Approval of 10% Placement Facility

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 Azumah Resources Limited no later than 3:30pm WST on Tuesday 24 November 2015.

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