

ASX ANNOUNCEMENT

ASX:AZS



Date: 8 April 2024

EGM and Scheme Meeting – Chairperson’s address and presentation

Azure Minerals Limited (ASX: AZS) (“**Azure**”) provides the following update in relation to the proposed acquisition of 100% of the shares in Azure by SH Mining Pty Ltd, a bid vehicle jointly owned by Sociedad Química y Minera de Chile S.A. (through its subsidiary SQM Australia Pty Ltd) and Hancock Prospecting Pty Ltd (through its subsidiary Hannrine Future Metals Pty Ltd), by way of scheme of arrangement (“**Scheme**”) and a fall-back conditional off-market takeover offer should the Scheme not be successful.

In accordance with ASX Listing Rule 3.13.3, attached to this announcement are copies of the Chairperson’s address and presentation to Azure shareholders for each of:

- the extraordinary general meeting (“**EGM**”), which will be held at 10.00am (Perth time) today; and
- the Scheme meeting, which will be held at 10.30am (Perth time) today or immediately after the conclusion of the EGM (whichever is later).

Azure shareholders (or their appointed proxies, attorneys or corporate representatives) may attend, participate and vote at the EGM and the Scheme Meeting in person at the Celtic Club, 48 Ord Street, West Perth WA 6005.

The voting results from the EGM and the Scheme meeting will be announced to the ASX shortly after the conclusion of the meetings.

This ASX announcement has been approved by Azure’s Board of Directors and authorised for release by Azure’s Managing Director, Tony Rovira.

ENDS

For enquiries, please contact:

Tony Rovira
Managing Director
Azure Minerals Limited
Ph: +61 8 6187 7500
E: admin@azureminerals.com.au
or visit www.azureminerals.com.au

Media & Investor Relations
David Tasker
Chapter One Advisors
Ph: +61 433 112 936
E: dtasker@chapteroneadvisors.com.au

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Azure Minerals Limited

Monday, 8 April 2024

Chair's address

Introductory Remarks

Welcome

Good morning, ladies and gentlemen. I am Brian Thomas, the non-executive chair of Azure Minerals Limited.

I begin by acknowledging the Traditional Owners of all lands on which we are meeting today. I also pay my respects to Elders past, present and emerging.

I would like to welcome you to and thank you for your attendance. I would also like to acknowledge my fellow board members, the management, staff, and shareholders for their commitment to the company over the past few years.

In the event of an emergency please take direction from the staff of the Celtic Club.

As outlined in Azure's transaction booklet dated 4 March 2024, there will be two separate meetings today. The meetings will be held in the following order:

1. the extraordinary general meeting, or EGM, of shareholders; and
2. the scheme meeting.

For ease of reference and brevity, the use of any defined terms at today's meetings are, unless the context otherwise requires, references to the corresponding term as defined in the Transaction Booklet.

At the EGM, shareholders will be asked to vote on the Section 611 item 7 Resolution.

The Scheme Meeting, at which shareholders will be asked to vote on a proposed scheme of arrangement in relation to the proposed acquisition of Azure, will follow the conclusion of the EGM.

Company representatives

In addition to myself, the following representatives from Azure are in attendance at today's meetings and join me up the front:

- Anthony Rovira, Managing Director;
- Annie Guo, Non-Executive Director; and
- Brett Dickson, CFO and Company Secretary.

Non-Executive Director Hansjörg Plaggemars is unable to join us today and has given his apology.

Overview of the Transaction

Before opening the meetings, I will provide a brief overview of the proposed Transaction and an update as to the satisfaction or otherwise of conditions precedent to the Transaction.

On 19 December 2023, Azure entered into a Transaction Implementation Deed in relation to the proposed acquisition of 100% of the Azure Shares by SH Mining Pty Ltd, a bid vehicle jointly owned by SQM and Hancock Prospecting, by way of a scheme of arrangement for cash consideration of \$3.70 per Azure Share and a fall-back conditional off-market takeover offer for cash consideration of \$3.65 per Azure Share.

SQM is a globally diversified chemical and mining company with operations in Western Australia, Chile and China and is one of the world's largest lithium producers.

Hancock is a privately held Australian company that has a long and important association with Australia's mining sector. It has diversified interests across iron ore, gas, lithium, coal, beef and dairy, as well as mineral exploration and development.

SQM and Hancock (among others) entered into a joint bidding deed which governs how the Transaction will be managed as between them.

Directors' recommendation

The Azure Directors have carefully considered the Transaction and, while conducting an extensive review of the alternatives available to Azure, have concluded that the Transaction will realise significant value for Azure Shareholders.

The Azure Directors unanimously recommend that you:

1. vote in favour of the Section 611 item 7 Resolution to be considered at the EGM; and
2. vote in favour of the Scheme Resolution to be considered at the Scheme Meeting,

in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Azure Shareholders.

I can confirm that the Independent Expert, Deloitte, has concluded that the Scheme is fair and reasonable and therefore in the best interests of Azure Shareholders in the absence of a Superior Proposal. This remains the Independent Expert's conclusion today. A copy of the Independent Expert's Report is included in Annexure 1 of the Transaction Booklet.

I can also confirm that, at present, no Superior Proposal has been received by Azure and the Board is not aware of any Competing Proposal that is likely to emerge.

Reasons to support the Transaction

The Azure Board has identified several reasons for why you should support the Transaction and, for balance, factors which may lead you to vote against it. These are all explained in detail in the Transaction Booklet and are summarised on the current slide.

Having regard to the Azure Board's responsibility to act in the best interests of all shareholders, your Directors believe the advantages of the Transaction outweigh the disadvantages.

Status of Conditions

Both the Scheme and Takeover Offer are conditional on Azure Shareholders approving the Section 611 item 7 Resolution at the EGM.

Implementation of the Scheme is also conditional upon (among other things):

- approval by Azure Shareholders of the Scheme Resolution to be considered at the Scheme Meeting;
- receipt of approval by the Foreign Investment Review Board;
- the Supreme Court of Western Australia approving the Scheme; and
- no person other than SH Mining, SQM or Hancock acquiring, after the execution of the Transaction Implementation Deed, more than 15% of Azure's shares.

The Scheme was also subject to certain competition law approvals being received. On 28 February 2024, Azure announced that the relevant approvals had been obtained and this condition had been satisfied.

There are a number of other customary conditions to the Scheme set out in the Transaction Implementation Deed and the Transaction Booklet. With the exception of Azure Shareholder, FIRB and Court approval, the other conditions have now been met or are expected to be met before the Second Court Hearing.

As announced to the ASX on 3 April 2024, the Foreign Investment Review Board has requested, and SH Mining has agreed, to an extension to the statutory deadline to obtain FIRB approval for the Transaction. This extension is to 30 April 2024.

This is a standard extension request and Azure is not aware of any reason that the required FIRB approval will not be received.

As a result of this extension request, there have been changes to the initial timetable contained in the Transaction Booklet. These changes were announced to ASX on 5 April 2024 with the revised key dates being:

- The Second Court Hearing to seek approval of the Scheme is now scheduled for 4.00pm (Perth time) on Wednesday, 1 May 2024.

- Assuming the Court approves the Scheme, the Scheme is expected to become Effective and binding on Azure Shareholders on Thursday, 2 May 2024. This is the same day that Azure Shares are expected to be suspended from official quotation on the ASX from close of trading.
- The record date for participation in the Scheme is then expected to be 5pm (Perth time) on Monday, 6 May 2024. Azure Shareholders who hold Azure Shares at this time, on this date, will be entitled to receive the Scheme Consideration.
- The Scheme Consideration of \$3.70 per share will be paid on the Implementation Date, expected to be Thursday, 9 May 2024.

These dates are indicative only as they will depend on factors including those outside the control of Azure, SQM, Hancock and SH Mining and including the satisfaction of the outstanding Scheme conditions. Any changes to these dates will be announced to ASX. Further details in relation to the Transaction are set out in the Transaction Booklet which has been made available to shareholders.

Procedures

[proceed to formal business of the meetings]



AZURE
MINERALS LIMITED

EGM and Scheme Meeting

Monday, 8 April 2024

ASX: AZS

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This presentation has been prepared by Azure Minerals Limited (**Company**). Unless otherwise defined in this disclaimer, capitalised terms have the meaning given in the Transaction Booklet dated 4 March 2024.

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Chairperson's Address

Overview of the Transaction

- On 19 December 2023, Azure entered into a Transaction Implementation Deed (**TID**)
- The TID is in relation to the proposed acquisition of 100% of the Azure Shares by SH Mining Pty Ltd, a bid vehicle jointly owned by SQM and Hancock, by way of a scheme of arrangement (**Scheme**) and a fall-back conditional off-market takeover offer (**Takeover Offer**)
- The Scheme is for cash consideration of \$3.70 per Azure share and the Takeover Offer is for \$3.65 per Azure share

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Directors' Unanimous Recommendation

The Azure Directors unanimously recommend that you:

1. **vote in favour** of the Section 611 item 7 Resolution at the EGM; and
2. **vote in favour** of the Scheme Resolution at the Scheme Meeting,

in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Azure shareholders

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Directors' Unanimous Recommendation (cont.)

Key Reasons for the Azure Board Recommendation

- The Independent Expert concluded the Scheme is in the best interests of Azure Shareholders and the Section 611 item 7 Resolution is fair and reasonable to Azure Shareholders
- The cash consideration of \$3.70 per Azure share under the Scheme represents a significant premium to the price of Azure shares on a number of measures
- The all-cash consideration delivers certain and immediate value for your Azure shares
- Every vote in favour of the Scheme increases the likelihood of Azure shareholders receiving the additional \$0.05 of value per Azure share under the Scheme compared to the Takeover Offer
- The transaction structure provides Azure shareholders with the opportunity to consider accepting the Takeover Offer in the event the Scheme does not proceed thereby providing a liquidity event for those Azure shareholders not wanting to remain as a minority shareholder of Azure in what is expected to be a very tightly held share register
- No superior proposal has emerged to date
- The future market value of Azure shares is uncertain and Azure shares may trade at a lower price if the Scheme is not implemented, the Takeover Offer is withdrawn or lapses and no superior proposal emerges
- As a result of various parties obtaining meaningful shareholdings in Azure, Azure shares are now relatively illiquid. If the Scheme does not proceed and the Takeover Offer is not accepted, Azure shareholders risk becoming a small minority in a publicly listed company with low liquidity
- There are a number of risks associated with remaining an Azure shareholder

Reasons why you may choose to vote against the Section 611 item 7 Resolution and the Scheme

- You may disagree with the Azure Directors' unanimous recommendation or the Independent Expert's conclusion
- You may believe it is in your best interests to maintain your current investment and risk profile
- You may prefer to realise the potential value of Azure over the long term, and may consider that the transaction does not capture Azure's long-term potential
- You may want to sell your Azure shares on-market if you expect the net proceeds to be higher or that you will be paid sooner
- You may believe a superior proposal for Azure may materialise in the future
- The potential tax consequences of the transaction may not suit your current financial position or tax circumstances

You may also choose to vote in favour of the Section 611 item 7 Resolution, but against the Scheme if you want the Takeover Offer to proceed (but not the Scheme)

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Status of Conditions

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Section 611 item 7 resolution	<ul style="list-style-type: none">▪ The Scheme and Takeover Offer both remain conditional on Azure shareholders approving the Section 611 item 7 Resolution at the EGM
Shareholder approval	<ul style="list-style-type: none">▪ The Scheme remains subject to approval by Azure shareholders of the resolution to be considered at the Scheme Meeting
FIRB approval	<ul style="list-style-type: none">▪ The Scheme and Takeover Offer both remain conditional on receipt of approval by the Foreign Investment Review Board
No competing interest	<ul style="list-style-type: none">▪ The Scheme remains conditional on no third party acquiring a relevant interest in more than 15% of Azure shares
Court approval	<ul style="list-style-type: none">▪ The Scheme remains subject to the Supreme Court of Western Australia approving the Scheme
Competition law approvals	<ul style="list-style-type: none">▪ The relevant competition law approvals for the Scheme and Takeover Offer have been obtained and this condition has been satisfied
Other customary conditions	<ul style="list-style-type: none">▪ The Transaction Implementation Deed and the Transaction Booklet outline a number of other customary conditions that must be satisfied or waived for the transaction to be implemented



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Formal Business *Extraordinary General Meeting*



Section 611 Item 7 Resolution

That, for the purposes of section 611, item 7, of the Corporations Act, and as outlined in the Transaction Booklet accompanying this notice of meeting, approval is given for the acquisition by SH Mining, SQM and Hancock (and their respective Associates) of a Relevant Interest in each other's Azure Shares arising out of entry into the Joint Bidding Arrangements as more particularly summarised in the Transaction Booklet of which this notice of meeting forms part

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Q&A

Extraordinary General Meeting



Proxy Results

Valid proxy instructions received by the Company as at proxy close were directed as follows:

	Number of proxy votes cast	% of proxy votes cast
For	204,976,193	98.42%
Open ¹	325,987	0.15%
Against	2,972,978	1.43%
Total	208,275,158	100.00%
Abstain ²	113,323	-
Requisite majority for Section 611 item 7 Resolution to pass	More than 50%	

¹ Open proxies in favour of the Chairperson will be voted in favour of the resolution.

² Voting relating to a shareholder who abstains from voting are not counted in the requisite majority.



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Formal Business *Scheme Meeting*



Scheme Resolution

That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (as defined in the Transaction Booklet incorporating this notice), the terms of which are contained in and more particularly described in the Transaction Booklet (of which this notice forms part) is agreed to (with or without alterations or conditions as approved by the Court to which Azure and SH Mining agree), and the Directors of Azure are authorised, subject to the terms of the Transaction Implementation Deed to agree to such alterations or conditions, and subject to approval by the Court, to implement the Scheme with any such alterations or conditions

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Indicative Timetable

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Event	Date
EGM	10.00am (Perth time) on Monday, 8 April 2024
Scheme Meeting	10.30am (Perth time) or immediately after the EGM (whichever is later) on Monday, 8 April 2024
Second Court Hearing*	4.00pm (Perth time) on Wednesday, 1 May 2024
Effective Date and last day of trading*	Thursday, 2 May 2024
Scheme Record Date*	5.00pm (Perth time) on Monday, 6 May 2024
Implementation Date*	Thursday, 9 May 2024

* Assuming the Section 611 item 7 Resolution and Scheme Resolution are approved by Azure Shareholders and other conditions to the Scheme are satisfied or waived.



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Q&A *Scheme Meeting*



Proxy Results

Valid proxy instructions received by the Company as at proxy close were directed as follows:

	Number of proxy votes cast	% of proxy votes cast	Number of shareholders ³	% of shareholders ³
For	205,549,377	98.33%	498	82.45%
Open ¹	238,099	0.11%	27	4.47%
Against	3,262,198	1.56%	79	13.08%
Total	209,049,674	100.00%	604	100.00%
Abstain ²	20,873	-	6	-
Requisite majority for Scheme resolution to pass	At least 75%		More than 50%	

¹ Open proxies in favour of the Chairperson will be voted in favour of the resolution.

² Voting relating to a shareholder who abstains from voting are not counted in the requisite majority.

³ Indicative only.

Thank You



Level 1, 34 Colin Street

West Perth WA 6005

T: +61 8 6187 7500

E: admin@azureminerals.com.au

www.azureminerals.com.au



@AZUREMINERALS