



News Release

AZURE DYNAMICS CORPORATION ANNOUNCES CDN. \$5,000,000 PRIVATE PLACEMENT

Toronto, Ontario — November 10, 2003

[Azure Dynamics Corporation](#) ([TSX Venture – AZD](#)) (“Azure” or the “Company”) a leading developer of hybrid electric powertrains for commercial vehicles announced today that it has engaged Kingsdale Capital Markets Inc. (“Kingsdale”) to lead a selling group to complete a Cdn. \$5,000,000 private placement offering on a best efforts basis. The offering will consist of 11,904,761 Units of the Company (“Units”) at a price of Cdn. \$0.42 per Unit. Each Unit will consist of one common share and one-half common share purchase warrant (“Warrant”) of the Company. Each whole Warrant will entitle the holder to purchase one common share of Azure at a price of Cdn. \$0.62 per share for up to one year after the closing of the offering. Closing is anticipated to occur on or about November 28, 2003 and is subject to the receipt of regulatory approval.

The Company will grant Kingsdale an over-allotment option exercisable up to thirty days after closing which will permit Kingsdale to sell that number of additional Units equal to 15% of the number of Units issued on closing. If the over-allotment option is fully exercised, a total of 13,690,475 Units would be issued by the Company for total gross proceeds of approximately Cdn. \$5,750,000. The purpose of the financing is to provide the Company with funds needed for immediate liquidity and working capital requirements and to redeem, upon successful completion of the financing, that portion of the Company’s Cdn. \$2,216,000 principal amount of issued and outstanding convertible debentures in those cases where Debenture Holders elect to be repaid in cash as opposed to their right to convert their debentures into common shares at a conversion rate of Cdn. \$0.30 per share.

Under the terms of the offering, the selling group will receive a cash commission equal to 7% of the proceeds that it raises, and Kingsdale, in its capacity as lead agent, will receive an override cash commission equal to 2% of those proceeds that are attributable to other agents. In addition, Azure will issue compensation options to the selling group equivalent to 7% (with a 3% override to Kingsdale in respect of proceeds attributable to other agents) of the number of common shares issued under the financing, exercisable for a period of 12 months after closing, pursuant to which they will be entitled to purchase common shares of the Company at a price of Cdn. \$0.495 per share. The number of common shares that may be issuable upon the exercise of the Compensation Option will be determined at closing – the maximum number of shares to be issued will not exceed 1,369,047 shares.

[Azure Dynamics Corporation](#) is an innovative company that has developed proprietary hybrid electric vehicle technology for the light and medium duty commercial vehicle category. Azure was the recipient of the Canadian Energy Efficiency Award 2003 from Natural Resources Canada in the category of transportation (light duty commercial vehicles) and also received the 2002 Applied Energy Innovation Award from the Canadian Institute of Energy (BC).

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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