

ASX & Media Release

ASX Code – AZM

31 October 2017



www.azumahresources.com.au

Investment Highlights:

Wa Gold Project:

- Feasibility Study Completed
- 2.1Moz Mineral Resource including 1.4Moz (67%) Measured & Indicated
- 624,000oz Ore Reserve at 2.14 g/t Au
- Initial 7yr mine-life at ~90,000oz pa
- Excellent Infrastructure (grid power, water, established roads, airport)
- Mining Leases granted
- Exploration licenses of 2,400km² with >150km strike of prospective Birimian terrain.
- 13.4% strategic investment in Ghana neighbour, Castle Minerals Limited (~10,000km²)
- Board and management team of successful explorers, mining and corporate professionals

Issued Capital:

699M ordinary shares

Directors & Management:

Chairman:

Michael Atkins

Managing Director:

Stephen Stone

Non-Executive Director:

Geoff M Jones

Company Secretary:

Dennis Wilkins

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Gold explorer and developer, Azumah Resources Ltd (ASX: AZM) is pleased to present its Quarterly Activities report for the period ended 30 September 2017.

The September Quarter has been an extremely busy, highly productive and transforming period for the Company and its flagship Wa Gold Project located in the Upper West Region of Ghana, West Africa (Project).

"Azumah is now extremely well positioned to move its Wa Gold Project forward having boosted working capital via a fully underwritten Rights Issue, struck a landmark project earn-in arrangement with private equity group, Ibaera Capital GP Limited, subsequently received Ghana Government consent to that and recently welcomed on board Ibaera's highly experienced technical team" said Managing Director, Stephen Stone.

"The Ibaera transaction implies a value for the Wa Gold Project and Azumah itself well above the Company's current market capitalisation and we look forward to investors now recognising that and the additional value that we are confident will flow from the partnership with Ibaera".

"October was also a particularly sad month for the Company with the sudden passing of Canada based Non-Executive Director, Bill LeClair".

Corporate

- ▶ Executed on 1 August 2017 a binding Term Sheet with Ibaera Capital GP Limited (Ibaera), whereby Ibaera can earn in two stages, over two years, up to a 47.5% direct interest for an expenditure of US\$13.5 million (~US\$17 million) in the Company's Wa Gold Project;
- ▶ Executed on 1 September 2017 an Earn-In and Shareholders Agreement (EISA) with Ibaera embodying in detail the terms and conditions of the Term Sheet which sets out the basis for the parties to boost Mineral Resources, Ore Reserves and to deliver a study supporting a decision to proceed to production within the next two years;
- ▶ Announced and completed on 6 September 2017 a fully underwritten 1-for-5 non-renounceable Rights Issue at a price of \$0.02 per share that raised \$2.33 million (before costs);
- ▶ Received on 18 October 2017 Ghana Government consent to the EISA with Ibaera;
- ▶ Announced on 18 October that Ibaera's highly experienced and accomplished technical team is now on board and finalising programmes and budgets including for drilling aimed at boosting Mineral Resources, Ore Reserves and ultimately the delivery of a revised blueprint for funding and development of the Project.

- ▶ Advanced documentation to give full effect to the EISA including the restructuring of Azumah Resources (Gh) Limited consistent with its terms;
- ▶ Submitted to Ghana EPA a revised draft Environmental Impact Statement (EIS) towards the securing of an EPA operating permit; and
- ▶ Continued throughout the Quarter auger drilling, rock-chip sampling and mapping campaigns across Azumah's extensive and prospective tenure.

Other

- ▶ Retained working capital of ~\$2.275 million;
- ▶ Expanded Issued capital to 699M ordinary shares; and
- ▶ Held a 13.4% (27.7M shares) strategic shareholding in Ghana neighbour, Castle Minerals Limited (~\$1.25 million)(as at 28th October 2017).

NEXT QUARTER

In the December 2017 Quarter, Azumah expects to (subject to finalisation of all requirements under the EISA):

- ▶ Commence drilling of existing and new targets;
- ▶ Commence a thorough review of all aspects of the existing Feasibility Study;
- ▶ Advance discussions with the Ghana Government on securing material fiscal concessions;
- ▶ Progress applications for EPA licences for the Kunche-Bepkong and Julie Project Mining Licences; and
- ▶ Attend and present in late November at the London 1-2-1 and Mines and Money mining conferences.

For further information please contact:

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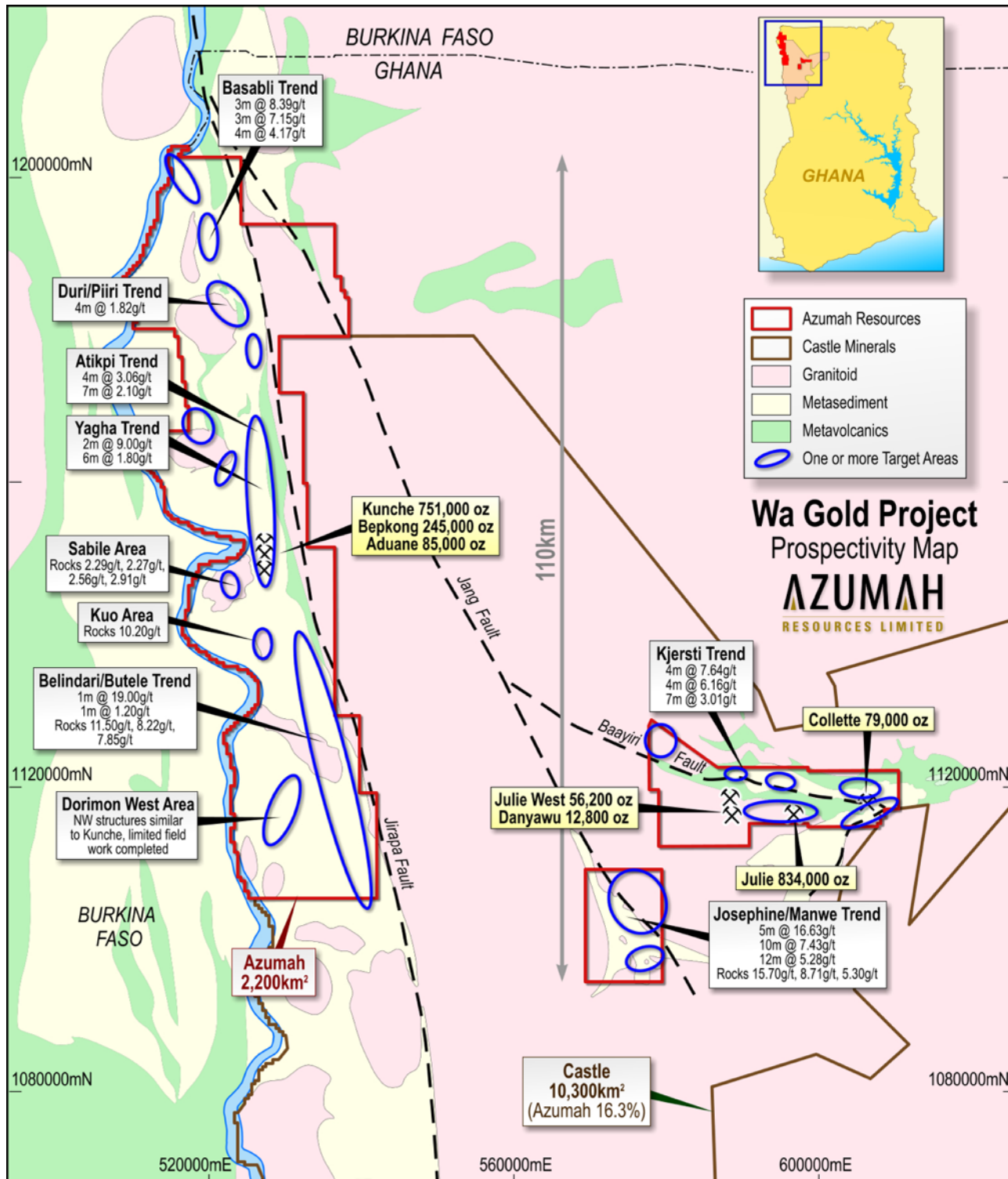
About Azumah

Azumah Resources Limited is an ASX-listed (ASX: AZM) company focused on exploring and developing its regional scale Wa Gold Project in the Upper West Region of Ghana, West Africa.

Three main deposits have been discovered and extensively drilled at Kunche and Bepkong, adjacent to the Black Volta River and Ghana's border with Burkina Faso, and at Julie ~80km to the east. Several satellite deposits, including Aduane and Collette, have also been delineated.

To date, the Company has defined a JORC 2012 Mineral Resource of 2.1Moz of gold grading 1.5g/t Au, including 1.4Moz Measured and Indicated grading 1.7g/t Au, with these evenly distributed between Kunche-Bepkong and Wa East (Julie deposit).

**Wa Gold Project: Outline of high-priority targets areas (with selected historical intercepts)
generated by 2017 CSA Targeting Study**



Mineral Resources have been progressively grown through a focused, systematic approach to exploration of the Company's 2,400km² licence holdings, which encompass large tracts of prospective Birimian terrain, the rocks that host the majority of West Africa's gold mines. Much of

this is covered in soil, alluvium or laterite so most discoveries have been 'blind'. Azumah anticipates Mineral Resources will grow substantially as it continues to test its large pipeline of target areas and specific prospects within these.

Azumah completed in 2015 a Feasibility Study for a mining operation based on an initial seven-year life and producing ~90,000oz Au per year from the open pit mining and treatment of ore through a nominal 1.2 million tonnes per year carbon-in-leach (CIL) processing plant (1.8Mtpa treating softer oxide material). The plant will be located adjacent to the Kunche deposit and incorporate a flotation and regrind circuit to treat Julie primary and some transitional ore which will be hauled by road to the processing plant.

A JORC 2012 Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au) has been defined with the designed optimised pits also containing Inferred Resources of 28,000oz Au. Extensive metallurgical test work has been undertaken to confirm a high average overall gold recovery of ~92% for the combined Kunche, Bepkong and Julie deposits.

No technical, social or environmental impediments to development have been identified, no communities need to be rehoused and there is strong support from all stakeholders for the Project. The Project benefits from excellent regional infrastructure including grid power to site, good quality bituminised and non-bituminised roads, easy access to water, a 2km sealed airstrip at the regional centre of Wa and good general communications.

Azumah has two 15-year Mining Leases over its key deposits (Ghana government holds a 10% free carried interest in their 'rights and obligations' and is also entitled to a 5% gross gold royalty).

Azumah's exploration strategy has been driven by its need to boost Mineral Resources to increase the existing Ore Reserve base from 624,000oz towards 1.0Moz. This would more solidly underpin a development decision and improve funding capability, in particular through an effective reduction in the development capital intensity per reserve ounce.

Work has focused around laterally extending existing resources, identifying new target areas and at specific prospects within these areas.

References

All references to Mineral Resources and Ore Reserves pertain to ASX releases dated 2 September 2014, 23 March 2015 and 12 October 2016 respectively. Also refer to Tables 1 and 2 herein. The Company confirms that all material assumptions underpinning the production targets and forecast information continue to apply and have not materially changed other than a positive material reduction in capital costs (refer ASX release dated 9 May 2016). For further information on Azumah Resources Limited and its Wa Gold Project please visit its website at www.azumahresources.com.au which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

Competent Persons' Statements

The scientific and technical information in this report that relates to the geology of the deposits and exploration results is based on information compiled by Mr Stephen Stone, who is a full-time employee (Managing Director) of Azumah Resources Limited. Mr Stone is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stone is the Qualified Person overseeing Azumah's exploration projects and has reviewed and approved the

disclosure of all scientific or technical information contained in this announcement that relates to the geology of the deposits and exploration results.

Table 1: Ore Reserves Summary – JORC Code 2012

	Proved		Probable		Total		Gold To Mill
(As at August 2014)	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Gold oz
Kunche	4.91	1.92	0.05	3.11	4.97	1.94	309,000
Bepkong	1.79	1.84	0.11	1.97	1.90	1.85	113,000
Julie	0.29	2.45	1.93	2.89	2.21	2.84	202,000
Total	7.00	1.92	2.09	2.85	9.08	2.14	624,000

Values have been rounded. NB: The Ore Reserve excludes 28,000oz inferred gold deemed 'Mining Inventory'

Table 2: Mineral Resource Estimate – JORC Code 2012 – Updated October 2016

	Measured			Indicated			Inferred			Total		
Deposit	Tonnes (M)	Grade g/t Au	Gold oz	Tonnes (M)	Grade g/t Au	Gold oz	Tonnes (M)	Grade g/t Au	Gold oz	Tonnes (M)	Grade g/t Au	Gold oz
Kunche	8.42	1.7	468,000	2.24	1.4	99,000	4.86	1.2	183,000	15.52	1.5	751,000
Bepkong	2.22	1.8	128,000	1.70	1.3	73,000	1.17	1.2	44,000	5.09	1.5	245,000
Aduane							1.77	1.5	85,000	1.77	1.5	85,000
Julie	0.89	1.4	41,000	10.06	1.6	507,000	5.98	1.5	286,000	16.93	1.5	834,000
Julie West				0.38	4.2	52,000	0.03	4.0	4,000	0.41	4.2	56,000
Danyawu				0.07	5.5	13,000				0.07	5.5	13,000
Collette							1.69	1.5	79,000	1.69	1.5	79,000
Total	11.52	1.7	637,000	14.45	1.6	744,000	15.50	1.4	681,000	41.49	1.5	2,063,00

Note: Values have been rounded. A lower cut-off of 0.5g/t Au was used for Kunche, Bepkong, Aduane, Julie and Collette, and a lower cut-off of 1.0g/t Au was used for Julie West and Danyawu.

Statements of Competent Persons for the various Mineral Resource Estimates, Ore Reserve Estimates and Process Metallurgy can all be found on the Company's website at: http://www.azumahresource.com.au/projects-competent_persons.php

Forward-Looking Statement

All statements other than statements of historical fact included on this website including, without limitation, statements regarding future plans and objectives of Azumah, are forward-looking statements. Forward-looking statements can be identified by words such as 'anticipate', 'believe', 'could', 'estimate', 'expect', 'future', 'intend', 'may', 'opportunity', 'plan', 'potential', 'project', 'seek', 'will' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Azumah that could cause Azumah's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained on this website will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Azumah does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained on this website, except where required by applicable law and stock exchange listing requirements.