

ASX & Media Release

ASX: AZM

8 January 2018



www.azumahresources.com.au

Investment Highlights:

Wa Gold Project:

- 2.1Moz Mineral Resource
- 624,000oz, 2.14g/t Au Ore Reserve
- 2,400km² regional-scale footprint in fertile Birimian terrain
- Widespread anomalism, numerous early to advanced stage targets
- Ibaera Capital Fund LP earning up to a 47.5% direct project interest
- Excellent infrastructure incl. grid power to gate
- 13.4% of Ghana neighbour, Castle Minerals Limited (ASX: CDT)(~10,000km²)

Issued Capital:

699M ordinary shares
35M 3c options exp 13.11.2012

Directors & Management:

Chairman:

Michael Atkins

Managing Director:

Stephen Stone

Non-Executive Director:

Geoff M Jones

Company Secretary:

Dennis Wilkins

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- Strong results driven news flow planned for 2018
- Budget includes:
 - 20,000m of RC and diamond drilling;
 - ~7,000m of aircore drilling;
 - ~20,000m of auger drilling;
 - Ground geophysical and geochemical surveys; and
 - Mine and processing optimisation.
- Key objectives are Mineral Resource and Mineral Reserve increases and repositioning of project for development
- Next two years fully funded and managed by earn-in partner, Ibaera

“With Ibaera having commenced the sole funding of the Wa Gold Project for the next two years, Azumah’s investors can look forward to a strong results driven news flow in 2018 with the focus being on rapidly boosting Minerals Resources and Ore Reserves and repositioning the Project for funding and development” said recently appointed Project Manager and Ibaera executive, Peter Hairsine.

“There is an enormous opportunity to add considerable value to what is already a very solidly positioned project, a view supported by Ibaera’s highly regarded Partner - Global Targeting and Research, Dr Jon Hronsky, who sees an exciting opportunity for discoveries and extensions to existing deposits”.

Azumah Resources Limited (ASX: AZM) advises that multiple, high-impact exploration and drilling campaigns have commenced at Azumah’s Wa Gold Project, Ghana, with investors able to look forward to a strong, results driven news flow throughout 2018.

A work plan comprising ~20,000m of reverse circulation (RC) and diamond drilling, ~7,000m of aircore drilling, ~20,000m of auger drilling, ground geophysical and geochemical surveys along with mine and processing optimisation studies is being fully funded by earn-in partner, Ibaera Capital Fund LP (Ibaera) under a transformative deal struck late in 2017.

Ibaera's team of accomplished geologists and engineers have designed a highly focused, systematic programme of exploration and development work designed to boost the existing Mineral Resource and Ore Reserve base of the Project.

The first phase drilling programme is aimed at increasing Mineral Resources in close proximity to the flagship Kunche, Bepkong and Julie deposits while also providing sufficient definition to deliver a maiden Mineral Resource for deposits occurring along the emerging Josephine-Manwe trend (Figures 1, 2 and 3).

Additional RC drilling will follow-up the many high-grade intercepts obtained by Azumah at a multitude of other targets including Julie West, Julie East, Danyawu and Alpha-Bravo-Charlie.

Concurrent target generation work is aimed at upgrading several targets to drill-ready status and will include ground geophysics, soil geochemical surveys, auger and aircore drilling. It is expected that many of these earlier-stage targets will be drill tested during the subsequent RC drilling phase.

On the Project development front, early work will be focused on options analysis, open pit mine optimisation, processing optimisation and initial scoping level studies on the possibility of underground mining at both the Julie and Kunche deposits where there are clearly zones of robust mineralisation directly underlying the currently proposed pit bottoms (refer ASX release dated 22 November 2017 – London Investor Presentation, slides 12 to 15).

Ibaera Funding Transaction

On 1 September 2017 Azumah executed a transformative Earn-In and Shareholders Agreement (EISA) with Perth managed private equity group, Ibaera Capital GP Limited, whereby Ibaera can earn in two stages over two years up to a 47.5% direct interest in Azumah's Wa Gold Project for an expenditure of US\$13.5 million (~A\$17M). The terms of the EISA set 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 (refer ASX release dated 2 September 2017). Ibaera's investment in the Project was preceded by a review of some two hundred other international resource projects and a very thorough due diligence on the Project itself over several months. Ibaera does not presently hold and will not earn any equity in Azumah Resources Limited.

For further information please contact:

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Managing Director

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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 delineated 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). Within this a JORC 2012 Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au) has been defined.

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.

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.

Figure 1: Outline of high-priority targets areas (with selected historical intercepts) generated by 2017 CSA Targeting Study (Refer Table 1 for Mineral Resource details)

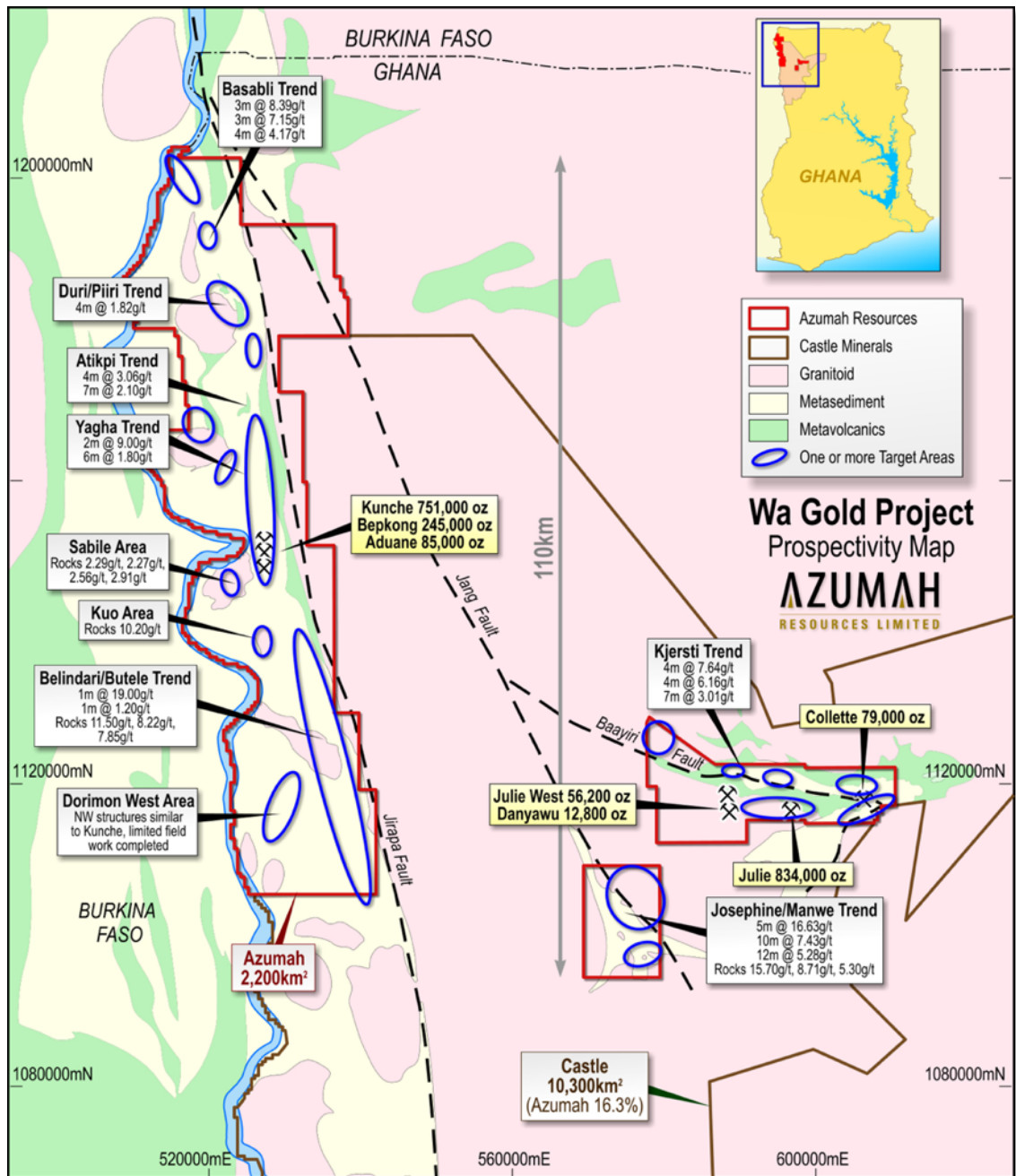


Figure 2: Widespread geochemical anomalism at Kunche - Bepkong mining camp (Refer Tables 1 and 2 for Ore Reserve and Mineral Resource details)

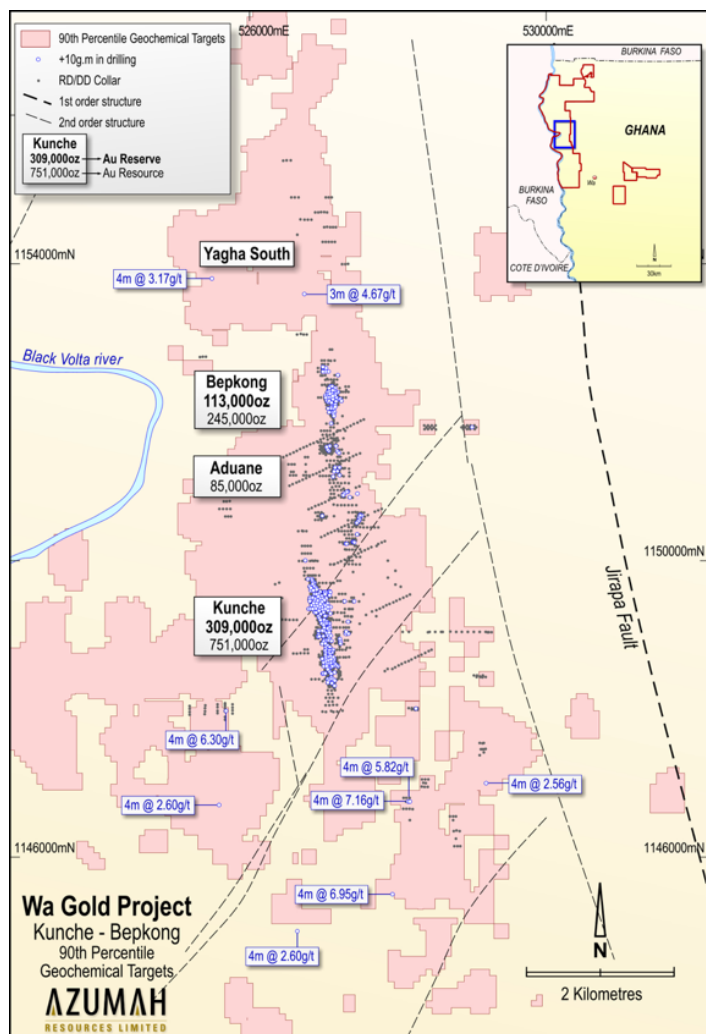
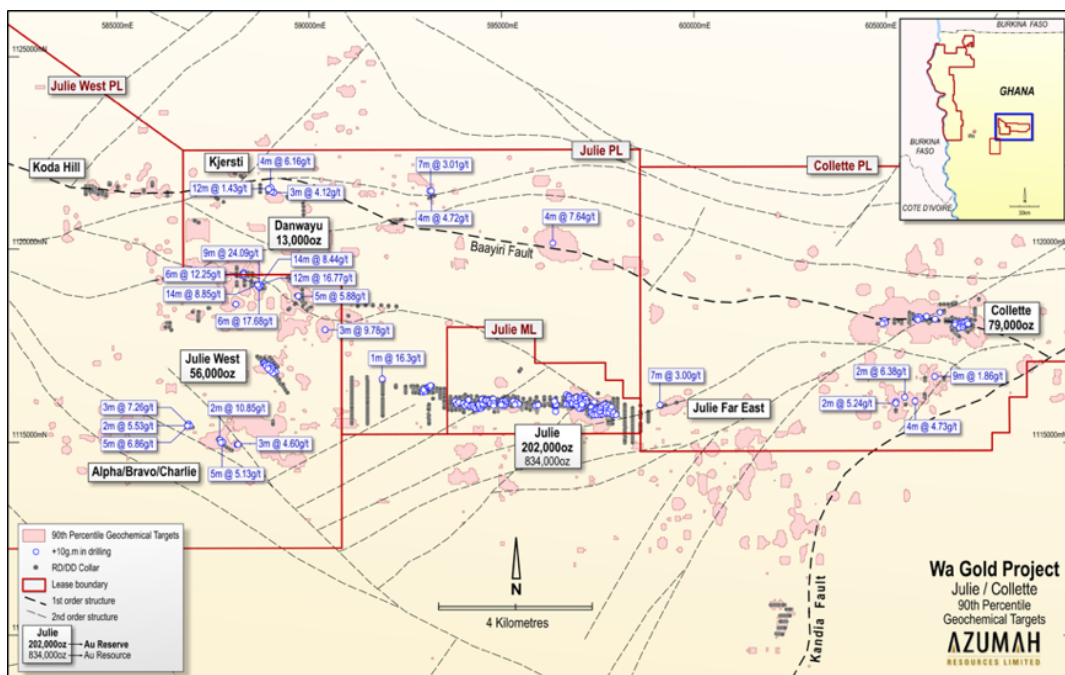


Figure 3: Widespread geochemical anomalism at Julie mining camp (Refer Tables 1 and 2 for Ore Reserve and Mineral Resource details)



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.

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).

No technical, social or environmental impediments to development have been identified, no communities need to be relocated and rehoused and there is strong support from key 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.

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

(As at August 2014)	Proved		Probable		Total		Gold To Mill
	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.

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

Deposit	Measured			Indicated			Inferred			Total		
	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	2,063,000

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.