

December Quarter 2017 Activities Report

Gold explorer and developer, Azumah Resources Ltd (ASX: AZM) is pleased to present its Quarterly Activities report for the period ended 31 December 2017.

The Quarter has been an extremely active one as the Company moved into the full implementation phase of its transformative A\$17 million Project funding arrangement with Perth based private equity group, Ibaera Capital GP Limited.

Ibaera has budgeted for 2018 a A\$6 million, multi-target, high-intensity exploration campaign with the aim of boosting existing Mineral Resources and Ore Reserves to reposition the Project for funding and development.

With gold anomalism extremely widespread throughout the 2,400km² Project and an already large pipeline of targets at various stages of advance, Ibaera is applying a fresh approach to target generation, prioritisation and testing.

A combined ~47,000m of reverse circulation (RC), diamond, aircore and auger drilling is planned in 2018 and the first phase of that, a 940-hole auger programme has just been completed at Duri and Butele.

At Manwe and Josephine South a 3,000m aircore programme is nearly completed, with results available soon, whilst at Butele a 2,000m aircore and 2,000m RC programme will commence in early February.

“Investors can look forward to a considerable amount of drilling activity and newsflow in the March 2018 Quarter as the technical team at Azumah’s funding partner, Ibaera, hits full throttle” said Azumah Managing Director, Stephen Stone.

“A material increase in Azumah’s share price since the beginning of the year is believed evidence of a market revaluation underway in recognition of the considerable value already inherent in the Company and expectations of this being unlocked and added to through the innovative and active Ibaera partnership”.

Exploration:

Duri and Butele

- ▶ 940 auger holes delineated high-tenor, 2km and 1.6km long, open-ended geochemical anomalies at Duri and Butele with exceptional peak values to 1.51g/t Au (Duri) and 1.68g/t Au (Butele) obtained.
- ▶ Size, continuity, structural and lithological settings analogous to Kunche-Bepkong flagship deposits.

Bepkong North-West

- ▶ Bepkong North-West status substantially elevated with characteristics of a possible multi-deposit, orogenic gold camp recognised.
- ▶ Numerous RAB and aircore holes ending in low-level mineralisation to provide walk-up RC targets.

ASX & Media Release

30 January 2018

ASX: AZM

www.azumahresources.com.au

Wa Gold Project:

Value

2.1Moz Mineral Resource
2,400km² Fertile terrain
624,000oz, 2.14g/t Au Ore Reserve

Upside

Growing resources
Widespread anomalism
Numerous priority targets

Activity

~47,000m drilling in 2018

Fully Funded

<A\$17M over 2 yrs
Ibaera Capital Fund LP earning 47.5% in Project
Strong technical team

Issued Capital:

699M ordinary shares
35M 3c opts exp 13.11.2021

Directors & Management:

Chairman:
Michael Atkins

Managing Director:
Stephen Stone

Non-Executive Director:
Geoff M Jones

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Corporate

- ▶ With the Wa Gold Project effectively fully-funded by Ibaera for the next two years, Azumah has commenced a process to identify additional growth opportunities.
- ▶ Retained working capital of ~\$1.139 million.
- ▶ Expanded Issued capital to 699M ordinary shares; and
- ▶ 13.4% (27.7M shares) strategic shareholding in Ghana neighbour, Castle Minerals Limited (~\$0.89 million as at 31 December 2017).

NEXT QUARTER

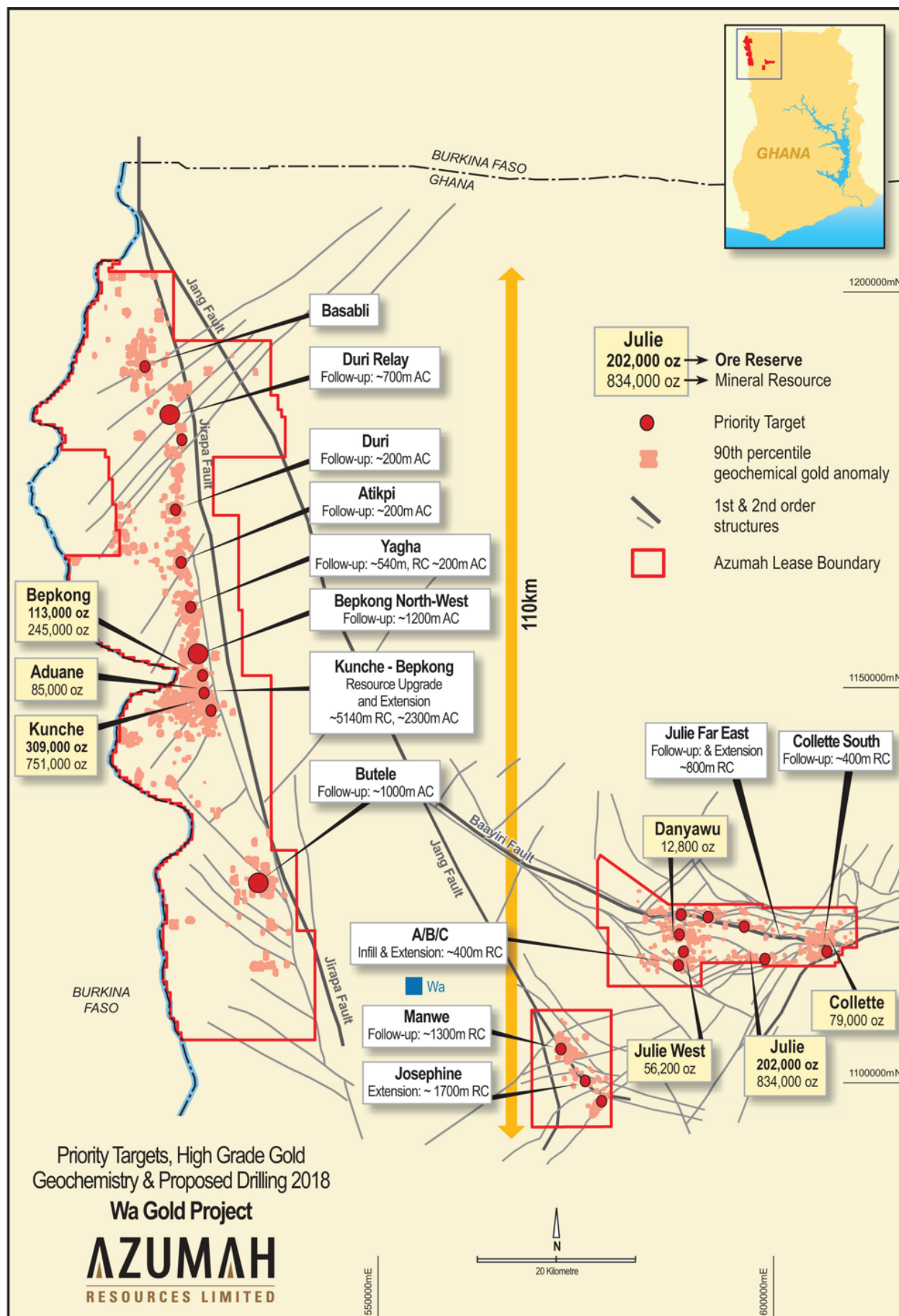
In the March 2018 Quarter, Azumah expects to:

- ▶ Complete and report in early February results from a 3,000m aircore drilling programme at Manwe and Josephine South;
- ▶ Commence and/or complete in February at Butele, a 2,000m aircore and a 2,000m RC programme;
- ▶ Commence and/or complete a series of additional auger, aircore and RC drilling programmes 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;
- ▶ Commence a thorough review of all facets 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;
- ▶ Progress its strategy to secure a new growth opportunity; and
- ▶ Attend and present in early February at the Capetown 1-2-1 mining conference and attend the concurrent Capetown Indaba conference.

For further information please contact:

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Wa Gold Project: Priority targets and planned drilling in 2018



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 confirmed 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.

Azumah's exploration strategy is primarily 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.

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.

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.

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

	Measured			Indicated			Inferred			Total		
Deposit	Tonnes	Grade g/t Au	Gold oz	Tonnes (M)	Grade g/t Au	Gold oz	Tonnes	Grade	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.