

March Quarter 2018 Activities Report

Gold explorer and developer, Azumah Resources Ltd (ASX: AZM) is pleased to present its Quarterly Activities report for the period ended 31st March 2018.

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 (Ibaera).

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.

A combined ~47,000m of reverse circulation (RC), diamond, aircore and auger drilling is scheduled to be completed in 2018.

This campaign is well underway on several fronts with results from the first programmes reported in this Quarter and a steady flow of results from successive programmes planned for the June Quarter and beyond.

During this Quarter 258 holes for 8,572m were completed comprising 34 RC holes (4,316m), 204 aircore (4,111m) and 20 auger holes.

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 with four auger rigs now leading the strategy.

Azumah Managing Director Stephen Stone said “The foot was hard down on the exploration pedal during the March Quarter with 258 holes and 8,572m drilled and will be even harder down during the June Quarter with 31,500m of drilling scheduled comprising 1,000m of diamond, 7,500m of RC, 3,000m of aircore and 20,000m of auger in addition to an airborne EM survey, soil sampling and trenching over the Wa East area”.

“That all translates to considerable newsflow over the coming months as the joint venture progresses through this year’s planned \$6 million budget and 27,000m of combined drilling campaigns under the stewardship of Azumah’s funding partner, Ibaera, with the main objective being to reposition the Wa Gold Project for development”.

Exploration Highlights:

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.

ASX & Media Release

30th April 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:

699,079,149 ordinary shares
35,000,000 3c opts exp 13.11.2021
3,000,000 3c opts exp 30.06.2020

Directors & Management:

Chairman:
Michael Atkins

Managing Director:
Stephen Stone

Non-Executive Director:
Geoff M Jones

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- Numerous RAB and aircore holes ended in low-level mineralisation to provide walk-up RC targets.

Kunche-Bepkong-Aduane RC drilling

- Current Kunche and Bepkong pits extend to a maximum depth of 128m and 105m and host Ore Reserves of 309,000oz (4.97Mt at 1.94g/t Au) and 113,000oz (1.90Mt at 1.85g/t Au) respectively. These are contained within substantial Measured, Indicated and Inferred Mineral Resources extending to twice these depths (Tables 1 and 2). The Kunche-Bepkong area was last drilled several years ago.
- During this Quarter a 22-hole, ~4,500m RC drilling programme commenced at the Kunche deposit with the objective of increasing Ore Reserves by extending the pit north, to deepen the mid-pit 'saddle' area and to capture eastern lode mineralisation into pit.
- All 22 holes were completed at Kunche and results will be reported in their entirety following QA/QC, compilation, integration with existing datasets and interpretation.
- Bepkong drilling is underway and is designed to extend pit north and to either capture Bepkong North mineralisation or enable a separate pit to be designed.
- Similar objective of increasing Ore Reserves at satellite Aduane deposit.

Butele North

- First-pass 19 hole, 1,729m RC drilling programme at the new Butele North target returned 6m at 1.9g/t Au from 9m within an intercept of 16m at 1g/t Au from surface (BURC019).
- A very encouraging result at southern end of a robust, coherent largely untested 500m auger anomaly within the broader 1.6km Butele North target area.
- Infill auger sampling and additional RC drilling planned to investigate continuity of mineralised shear zones, especially to the north.
- Overall, these latest aircore and RC drilling results extend the broader area of interest at Butele to at least ~6km and increase its prospectivity status.

Josephine South and Manwe

- An 84-hole, 1,170m aircore programme at Josephine South defined a new, pronounced, highly anomalous 2.0km x 40m wide prospective shear zone controlled by a granite-greenstone contact.
- A 127-hole, 2,589m aircore programme at Manwe defined six prospective shear zones with a cumulative strike of 5km.

Summary Drilling Statistics:

- During the March Quarter the following drilling was completed:

| Drilling Type | Location | Holes | Metres |
|---------------|-----------------|------------|--------------|
| RC | Kunche | 15 | 2,587 |
| | Butele | 19 | 1,729 |
| Aircore | Butele | 34 | 1,125 |
| | Josephine South | 84 | 1,170 |
| | Manwe | 86 | 1,816 |
| Auger | Duri Relay | 20 | 145 |
| TOTAL | | 258 | 8,572 |

General

- The confirmation of mineralisation in yet another new area (Butele North) within Azumah's prospective 2,400km² tenure again highlights the opportunity to make more discoveries and advance the Project to its target of a 1 million ounce Ore Reserve to underpin a development decision.
- A ~5,000-hole, 30,000m auger programme covering the broader Wa Lawra and Wa East areas is now testing the multitude of blind target areas that were identified through recent target generation work. Four auger rigs are now on site spearheading this campaign.

Corporate

- Retained working capital of ~\$773,000 at end of Quarter. Excludes \$269,000 joint venture expenses since reimbursed by Ibaera.
- Received commitments for ~\$1.5 million from new and existing Australian and International institutional / professional investors. As at the date of the Report the Issue is still being closed off.
- Retained 13.4% (27.7M shares) strategic shareholding in Ghana neighbour, Castle Minerals Limited (~\$0.89 million as at 31 December 2017).
- Commenced a process to identify additional growth opportunities.
- Attended the 1-2-1 Mining Conference, Capetown, in early February and was represented in mid-April at the European Gold Forum, Zurich.
- Issued a new corporate presentation (refer website homepage).

NEXT QUARTER

In the June 2018 Quarter, Azumah expects to:

- Report drilling results from the just completed 22-hole, ~4,500m RC drilling programme at the Kunche deposit;
- Complete and report RC drilling at the Bepkong and Aduane deposits and Yagha prospect;
- Commence and complete RC drilling to provide sufficient definition to deliver maiden Mineral Resources for mineralisation occurring along the emerging Josephine-Manwe trend;
- Accelerate the project wide geochemical sampling campaign using contingent of four auger rigs;
- Complete, subject to progressive results and logistics, the following overall drilling programme:

| Drilling Type | Location | Metres |
|---------------|--|---------------|
| Diamond | Kunche, Julie, Josephine, Danyawu | 1,000 |
| RC | Yagha, Bepkong, Bepkong NW, Butele, Kunche, Josephine, Josephine South, Manwe, Julie East, Danyawu and Alpha Bravo Charlie | 7,500 |
| Aircore | Danyawu, Alpha Bravo Charlie, Duri | 3,000 |
| Auger | Butele, Duri, Josephine NW, regional | 20,000 |
| TOTAL | | 31,500 |

- Progress review of Project development options with associated capital and operating costs;
- Advance discussions with the Ghana Government on securing material fiscal concessions;
- Finalise applications for EPA licences for the Kunche-Bepkong and Julie Project Mining Licences;
- Progress strategy to secure a new growth opportunity; and
- Attend and present at the London and Singapore 1-2-1 investor conferences in mid-May and undertake complementary investor and stockbroker presentation roadshows in those cities and within Australia.

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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 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 to a level that will solidly underpin a development decision and improve funding capability.

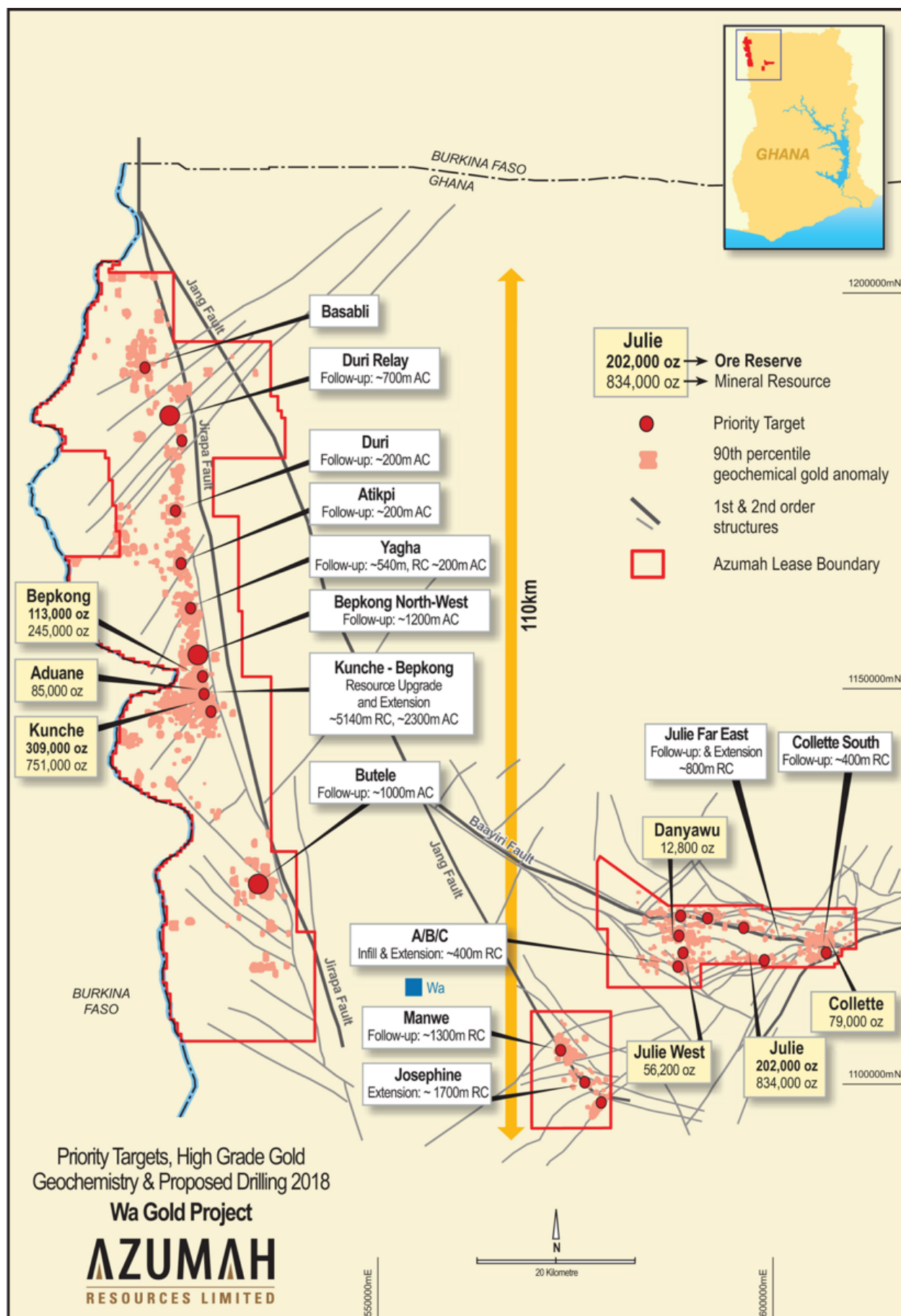
Azumah has two 15-year Mining Leases over its key deposits (Ghana government holds a 10% free carried interest in their 'rights and obligations' and is also entitled to a 5% gross gold royalty).

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 private equity group, Ibaera Capital, 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.

Wa Gold Project: Priority targets and planned drilling in 2018



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 an executive employee 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 (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 | 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.