

# Study Review Indicating Material Improvements to Wa Gold Project

- Higher plant throughput with reduced capital and operating costs
- Study, Ore Reserves and financials update on schedule for end-2018 delivery
- Fully updated Feasibility Study scheduled for Q3 2019 delivery
- Project fully-funded to a development decision by Ibaera Capital

West African gold explorer and developer **Azumah Resources Limited (ASX: AZM)** (**'Azumah'**) advises that a comprehensive technical and costs review underway at its Wa Gold Project in Ghana (**'Project'**) is indicating a higher plant throughput is achievable, whilst capital and operating costs can be materially lowered.

This review, inclusive of an Ore Reserve update and revised financial metrics, will be completed by the end of 2018.

A fully updated Feasibility Study is on-track for delivery in Q3 2019.

Total Ore Reserves for the Project presently stand at 624,000oz grading 2.14g/t Au. Based on the technical and costs improvements being achieved, the successful drilling campaigns conducted during 2018 and expectations for planned drilling campaigns in 2019, the Project's partners are hopeful of reporting a series of material step-ups in Ore Reserves and delivering a Project that will be strongly positioned for development (refer Table 1).

A re-estimation of Mineral Resources at existing deposits plus maiden estimates for several new prospects drilled during this year will be reported shortly.

The review work and update to Azumah's 2015 Feasibility Study is being managed and is fully-funded by Joint Venture partner and Project Manager, Ibaera Capital (**'Ibaera'**).

Commenting on the recent work, Azumah Managing Director Stephen Stone said: **"There is renewed momentum around the Wa Gold Project as a result of the joint venture with Ibaera Capital and its highly-motivated technical team.**

**"We have a clear path and are fully funded to a development decision in Q3 2019, with a tight schedule for key deliverables.**

## ASX & Media Release

24<sup>th</sup> September 2018

ASX: AZM

[www.azumahresources.com.au](http://www.azumahresources.com.au)

## Wa Gold Project:

### Value

2.1Moz Mineral Resource  
2,400km<sup>2</sup> fertile terrain  
624,000oz, 2.14g/t Au Ore Reserve

### Upside

Growing resources and reserves  
Widespread anomalism  
Numerous priority targets

### Activity

~47,000m drilling in 2018  
Feasibility Study

### Fully Funded

<A\$17M over 2yrs  
Ibaera Capital earning 47.5%  
directly in Project  
Ibaera technical team managing  
Project

### Issued Capital:

782M ordinary shares  
35M 3c opts exp 13.11.2021  
3M 3c opts exp 30.06.2020  
1.5M 3c opts exp 31.01.2021

### Directors & Management:

Chairman:  
Michael Atkins

Managing Director:  
Stephen Stone

Non-Executive Director:  
Debra Bakker  
Linton Putland

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**“With capital and operating costs already heading in the right direction, our main focus is to increase Ore Reserves. With many new and established targets to test during the remainder of 2018 and into 2019, we are optimistic in that regard. Drilling will recommence shortly after the annual break for seasonal rains.**

**“The Ghana Government is extremely keen to see the first gold mine established in the Upper West region and is actively supporting the Project on several fronts”.**

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### **About Azumah Resources Limited**

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 2,400km<sup>2</sup> 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.

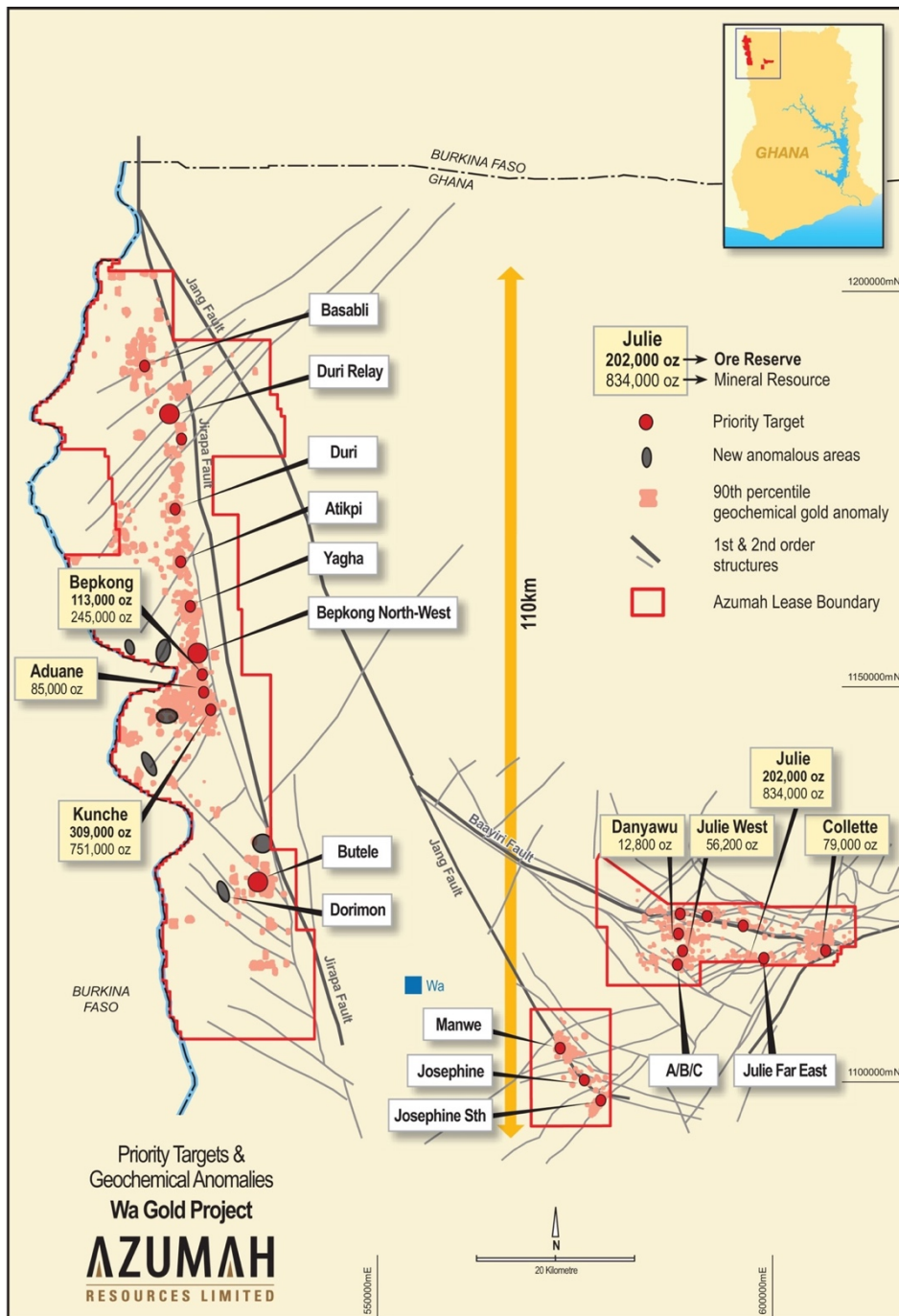
Azumah has two 15-year Mining Leases over its key deposits (Ghana government holds a 10% free carried interest in their ‘rights and obligations’ and is also entitled to a 5% gross gold royalty).

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.

**Wa Gold Project: Deposits and Priority Targets**



## 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](http://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**

(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
<b>Kunche</b>	4.91	1.92	0.05	3.11	4.97	1.94	309,000
<b>Bepkong</b>	1.79	1.84	0.11	1.97	1.90	1.85	113,000
<b>Julie</b>	0.29	2.45	1.93	2.89	2.21	2.84	202,000
<b>Total</b>	<b>7.00</b>	<b>1.92</b>	<b>2.09</b>	<b>2.85</b>	<b>9.08</b>	<b>2.14</b>	<b>624,000</b>

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
<b>Kunche</b>	8.42	1.7	468,000	2.24	1.4	99,000	4.86	1.2	183,000	<b>15.52</b>	<b>1.5</b>	<b>751,000</b>
<b>Bepkong</b>	2.22	1.8	128,000	1.70	1.3	73,000	1.17	1.2	44,000	<b>5.09</b>	<b>1.5</b>	<b>245,000</b>
<b>Aduane</b>							1.77	1.5	85,000	<b>1.77</b>	<b>1.5</b>	<b>85,000</b>
<b>Julie</b>	0.89	1.4	41,000	10.06	1.6	507,000	5.98	1.5	286,000	<b>16.93</b>	<b>1.5</b>	<b>834,000</b>
<b>Julie West</b>				0.38	4.2	52,000	0.03	4.0	4,000	<b>0.41</b>	<b>4.2</b>	<b>56,000</b>
<b>Danyawu</b>				0.07	5.5	13,000				<b>0.07</b>	<b>5.5</b>	<b>13,000</b>
<b>Collette</b>							1.69	1.5	79,000	<b>1.69</b>	<b>1.5</b>	<b>79,000</b>
<b>Total</b>	<b>11.52</b>	<b>1.7</b>	<b>637,000</b>	<b>14.45</b>	<b>1.6</b>	<b>744,000</b>	<b>15.50</b>	<b>1.4</b>	<b>681,000</b>	<b>41.49</b>	<b>1.5</b>	<b>2,063,000</b>

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](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.