AZUMAH RESOURCES LIMITED

ABN: 72 112 320 251

ANNUAL REPORT

for the year ended 30 June 2018

CORPORATE INFORMATION

ABN 72 112 320 251

Directors
Michael Atkins (Non-executive Chairman)
Stephen Stone (Managing Director)
Debra Bakker (Non-executive Director, appointed 18 July 2018)
Linton Putland (Non-executive Director, appointed 18 July 2018)

Company Secretary
Dennis Wilkins

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WEST PERTH WA 6005

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Bankers
National Australia Bank Limited
1232 Hay Street
WEST PERTH WA 6005

Barclays Bank of Ghana Ltd
High Street
Accra GHANA

Share Register
Security Transfer Australia Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: 1300 992 916
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Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Stock Exchange Listing
Azumah Resources Limited shares are listed on the Australian Securities Exchange (ASX code: AZM).

Internet: www.azumahresources.com.au

CONTENTS

CHAIRMAN'S LETTER

Dear Fellow Shareholders

I am pleased to report that considerable progress has been made at the Company's Wa Gold Project, Ghana (Project), which is now fully-funded by and is operating very effectively under the project management of joint venture partner, Ibaera Capital (Ibaera).

This year has seen a resumption and sustained uplift in exploration activities as part of Ibaera's total $US13.5mill funding arrangement that would see Azumah's interest reduce to an initial 57.5%, and subject to Azumah's election, to a minimum of 52.5%.

Building upon Azumah's exploration successes achieved under a much tighter funding regime, Ibaera's exploration team led by renowned geologist, Dr Jon Hronsky, has achieved a number of geological breakthroughs leading to the generation of many new anomalies and the successful testing of existing targets.

Of particular note was the successful testing for a depth extension to and the confirmation of a 'feeder-zone' at the Kunche Deposit with one hole returning drill intercept of 44m at 5.37 g/t Au from 99m. This is likely to have positive implications for the deepening of the existing Kunche pit design and introduces the possibility for below-pit underground mining.

A great deal of excitement has been created by a very recent VTEM geophysical survey that has identified two very large targets at Wa East that have a very similar signature to the existing 6km strike Julie deposit and mineralised system. We look forward to drilling these targets in the upcoming months.

In parallel, the Ibaera Project management team has been busy on delivering an interim Study update benchmarked against Azumah's 2015 Feasibility Study. The main focus is on building Ore Reserves and we are optimistic that there will be a step-up in these when the report is completed later this calendar year. A fully revised Feasibility Study and a further Ore Reserve statement is due Q3 2019.

Azumah's Project is in a very strong position to become one of the next gold mines to be funded and developed in West Africa. The joint venture with Ibaera, which itself is backed by a major +billion-dollar North American private equity fund, and the strong possibility for further discoveries and resource - reserve upgrades, considerably raises these expectations.

On any current metric, Azumah's shares have remained undervalued, particularly as the Ibaera transaction implies a project valuation much higher than the Company's market capitalisation. Azumah also has ~A$2 million working capital and no need for any major raisings, it being fully-funded through to a development decision. As we progressively de-risk the Project and bring it closer to development we would expect to see your Company's valuation positively rerated.

As a result of our considerable input into the local communities we continue to receive strong support from our stakeholders in Ghana and in particular in the Wa region. The Ghanaian Government has also provided very active support.

The small but dedicated Azumah team continues its relentless drive to unlock the value viewed as being compressed into Azumah's extremely modest valuation. The recent addition of Linton Putland and Debra Bakker to the Board brings some very important new skills to assist the Company as it transitions from explorer to developer.

We must also express our great appreciation for the very constructive contribution made over many years by Geoff Jones, who retired as a non-executive director after year-end.

The tremendous and continuing support of shareholders is highly valued and is a strong motivator for the Company's Board and management. The upcoming year is going to be a very exciting one with a lot of news flow as we move towards a development decision and continue our intensive exploration campaigns.

Michael Atkins
Chairman

DIRECTORS' REPORT

Your directors submit their report on the consolidated entity (referred to hereafter as "the Group") consisting of Azumah Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2018.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows.

Where applicable, all current and former directorships held in listed public companies over the past three years have been detailed below.

Directors were in office for this entire period unless otherwise stated.

Michael Atkins

B.Comm, Non-Executive Chairman (Chairperson of audit (until 16 August 2018 and then member) and member of remuneration committees)

Mr Atkins is a Fellow of the Australian Institute of Company Directors.

He was a founding partner of a national Chartered Accounting practice from 1979 to 1987 and was a Fellow of the Institute of Chartered Accountants in Australia until resigning in June 2011.

Between 1987 and 1998 he was a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, USA, South East Asia and Africa. From 1990 to 1995 he was Managing Director and later a non-executive director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction, and then remained as a Non-Executive Director until 1995. He was also founding Executive Chairman of Gallery Gold Ltd until 1998, and remained a Non-Executive Director until 2000.

Since February 2009 Mr Atkins has been a Director - Corporate Finance at Patersons Securities Limited where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

He is currently non-executive Chairman of ASX listed public companies Castle Minerals Limited and Legend Mining Ltd, and a non-executive director of Global Construction Services Limited (and a director of SRG Global Limited (formerly called Structural Systems Limited) which is no longer listed on ASX following its merger with Global Construction Services Limited). Mr Atkins has not held any former public company directorships in the last three years.

Stephen Stone

BSc (Hons) Mining Geology, MAusIMM, FAICD, Managing Director (Member of audit committee until 16 August 2018)

Mr Stone graduated with honours in Mining Geology from University of Wales, Cardiff and has since gained more than 30 years' operating, project evaluation, executive management and corporate development experience in the international mining and exploration industry.

Mr Stone worked for several years at the large open pit and underground copper mines of the Zambian Copperbelt. He came to Australia in 1986 and since then has been involved in the formation and management of several junior ASX listed exploration companies.

He joined Azumah Resources Limited as Non-Executive Chairman in November 2006, was appointed Executive Chairman in December 2007 and Managing Director in October 2009.

Mr Stone is a Member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Australian Institute of Company Directors and a member of the Editorial Board of International Mining Magazine.

He is currently also a director of ASX listed public company Castle Minerals Limited (executive). During the previous three years Mr Stone was also a director of Alto Metals Limited (non-executive).

Debra Bakker
Appointed as a director on 18 July 2018.

GAICD, M. App.Fin., B.Bus. (Chairperson of audit and member of remuneration committees)

Ms Bakker is an experienced financier and deal maker in the resources industry with significant international experience. She has a deep and very broad understanding of most aspects of the resources industry and services to industry. Her depth of experience in corporate advisory, negotiation at all levels, cross-border, JV's and partnerships, project finance and M&A is drawn from all areas of banking in the natural resources sector, covering clients from junior explorers to investment grade majors.

Ms Bakker's career has spanned Sydney, London, Chicago, New York and, since 2003, Perth, Western Australia. She maintains a strong network at the highest levels within the mining and resources sector world-wide through the Auramet International global network as well as through friendships forged over decades in this global industry, and her non-executive director roles with Independence Group NL and Capricorn Metals Limited. Ms Bakker has not held any former public company directorships in the last three years.

Leaving full time employment in 2013, Ms Bakker and her husband have built a mid-scale sustainable farming business focused on exotic fruit production and white dorper sheep in the Margaret River region of WA.

Ms Bakker is also active in the not for profit sector via her Board roles with Access Housing and the Lishman Health Foundation and is Director/Treasurer for the Margaret River Regional Producers Association.

In February 2018, the Department of Mines, Industry Regulation and Safety invited Ms Bakker to join the Selection Panel for the Golden Gecko Award for Environmental Excellence, a three year appointment which she accepted.

Linton Putland
Appointed as a director on 18 July 2018.

B.Eng (Mining), MSc (MinEc), GAICD (Chairperson of remuneration and member of audit committees)

Mr Putland is a mining professional with more than 30 years' experience in technical, operational and managerial roles centred on open pit and underground operations covering a wide range of commodities in Australia and overseas, including several campaigns in Africa.

As a consultant, he now provides advice on due diligence, business development, project planning and implementation, operational improvement and mentoring, various levels of project assessment studies, and tenders and contracts for a range of mining and mining-associated companies.

Mr Putland is also an independent Non-Executive Director with Pacific Energy Limited and was, for five years until 2017, the Principal Technical Adviser to private equity group, Pacific Road Capital Management.

He is a 1988 B.Eng graduate of the Western Australia School of Mines from where he also gained an MSc. Mineral Economics and is a Graduate of the AICD Company Directors course. Mr Putland also holds a Western Australia First Class Mine Managers Certificate (1991).

Geoffrey Jones
Mr Jones was a director from the beginning of the year until 18 July 2018.

BE (Civil), FIE Aust, CP Eng (Chairperson of remuneration and member of audit committees)

Mr Jones is a Fellow of the Institution of Engineers, Australia, with a Bachelor of Engineering (Civil) degree. He has over 30 years' experience in the evaluation, design, development, commissioning and operation of major resource projects in Australia and overseas, especially in Africa, including Ghana.

Mr Jones spent over six years as Group Project Engineer for ASX-listed Resolute Limited with responsibility for the successful development of its Obotan Gold Project in Ghana, Golden Pride Gold Project in Tanzania, as well as the Chalice and Bullabulling Gold Projects in Western Australia. For all of these projects, his involvement ranged from feasibility study preparation through to development, commissioning and start-up operations.

Mr Jones has operated his own project management and engineering consultancy, JMG Projects Pty Ltd, servicing the mining industry. In this capacity Mr Jones has completed works on gold and base metal projects for Australian and overseas based mining groups. Mr Jones is currently employed by GR Engineering Services Limited as Managing Director.

Mr Jones is also a director of GR Engineering Services Limited, Marindi Metals Limited (formerly Brumby Resources Limited) and Ausgold Limited. During the previous three years Mr Jones was also a director of Energy Metals Limited.

William (Bill) LeClair
Mr LeClair was a director from the beginning of the year until 5 October 2017.

COMPANY SECRETARY

Dennis Wilkins
B.Bus., AICD, ACIS (Member of remuneration committee)

Mr Wilkins is the founder and principal of DWCorporate Pty Ltd, a privately held corporate advisory firm servicing the natural resources industry.

Since 1994 Mr Wilkins has been a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the group. He was also founding director and advisor to Atlas Iron Limited at the time of Atlas' initial public offering in 2006.

Since July 2001 Mr Wilkins has been running DWCorporate Pty Ltd where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

He is currently non-executive director of Australian listed company Key Petroleum Limited (since 5 July 2006) and an alternate director of Middle Island Resources Limited (since 1 May 2010). During the previous three years he was also a non-executive director of Shaw River Manganese Ltd *(resigned December 2015)*.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares of Azumah Resources Limited were:

	Ordinary Shares	**Options over Ordinary Shares**
Michael Atkins	2,642,061	10,000,000
Stephen Stone	11,696,725	20,000,000
Debra Bakker	400,000	-
Linton Putland	-	-

PRINCIPAL ACTIVITIES

Azumah Resources Limited is a Perth-based mineral exploration company focused on exploring and developing its regional-scale Wa Gold Project in the Upper West Region of Ghana, West Africa.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

REVIEW OF OPERATIONS

Azumah Resources Limited is a Perth-based, 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, Kunche Northwest, Yagha, Julie West, Danyawu, Alpha/Bravo, Josephine and Collette have also been discovered and delineated.

To date, the Company has estimated a JORC 2012 Mineral Resource of 2.5Moz of gold grading 1.6g/t Au, including 1.6Moz Measured and Indicated grading 1.8g/t Au, with these evenly distributed between the Kunche-Bepkong and Wa East (Julie deposit etc) camps.

A 2015 Feasibility Study defined an Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au)(JORC 2012). The Feasibility Study is being reviewed and updated with delivery scheduled for Q3 2019.

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. These encompass large tracts of prospective Birimian terrain, the rocks that host the majority of West Africa's gold mines.

Much of the tenure is covered in soil, alluvium or laterite so most discoveries have been 'blind'. Azumah anticipates Mineral Resources will grow substantially as it continues to generate and test its large pipeline of targets.

Azumah's exploration strategy is primarily driven by its need to increase Ore Reserves to improve funding capability and underpin a development decision.

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

All of Azumah's Ghana interests are held through its wholly owned Ghana subsidiary, Azumah Resources Ghana Limited (AZG).

On 1 September 2017 Azumah executed a transformative Earn-In and Shareholders Agreement (EISA) with Perth managed private equity group, Ibaera Capital GP Limited (Ibaera), whereby Ibaera can initially earn a 42.5% interest in AZG and therefore the Wa Gold Project by spending US$11.5M over two years.

If Azumah elects not to co-contribute pro-rata thereafter, Ibaera may increase its interest to a maximum of 47.5% for a total minimum expenditure of US$13.5 million (~A$17M).

Ibaera is backed by a US-based +US$1 billion natural resources focused investment fund. Prior to committing to the Project, Ibaera reviewed many other international resource projects and, having selected the Azumah Project, undertook an extremely thorough due diligence prior to committing to the EISA.

The terms of the EISA set out the basis for the parties to increase Mineral Resources, Ore Reserves and to deliver a feasibility level study supporting a decision to proceed to production (refer ASX release dated 2 September 2017).

Ibaera's principals and management are all very experienced geologists, engineers and financiers and, pursuant to the EISA, are now managing most facets of the Project.

OPERATIONS OVERVIEW

EXPLORATION:

Azumah's excellent track record of discovery, its enviable regional-scale footprint of prospective Birimian geological terrain, the large number of quality target areas awaiting evaluation and generally the underexplored status of much of its landholding, confirms that there remains considerable opportunity to increase Mineral Resources and Ore Reserves well beyond present levels.

These are some of the attributes that attracted Ibaera to the Project as well as knowing that there is a direct correlation between funds applied to exploration and discovery rates. The broader implication is that once mining is established there is every likelihood that Ore Reserves will be able to be replaced as they are mined.

Ibaera's geological team is headed by renowned orogenic gold specialist, Dr Jon Hronsky, and Paul L'Herpiniere, both of whom bring enormous experience and capability to the Project. This is in addition to the site based Ibaera Chief Geologist and Azumah's highly-trained, long-serving senior geologists and technical support team.

Following the Ibaera transaction there has been a marked increase in across-the-board exploration activity. This has ranged from systematic wide-spaced and infill geochemical sampling campaigns using the Company's and contracted in power auger rigs, detailed prospect-scale mapping and trenching, and geophysical surveys. A great deal of the stored and recently obtained diamond core has been re-logged to provide new insights into alteration, mineralisation styles and structural controls. The bulk of exploration expenditure has been directed into aircore, RC and diamond core drilling.

At the four existing deposits for which designed open-cut mines already exist (Kunche, Bepkong, Aduane and Julie), drilling was especially targeted at identifying resource extensions that would enable the pits to be deepened and the possibility of underground considered.

Kunche Camp

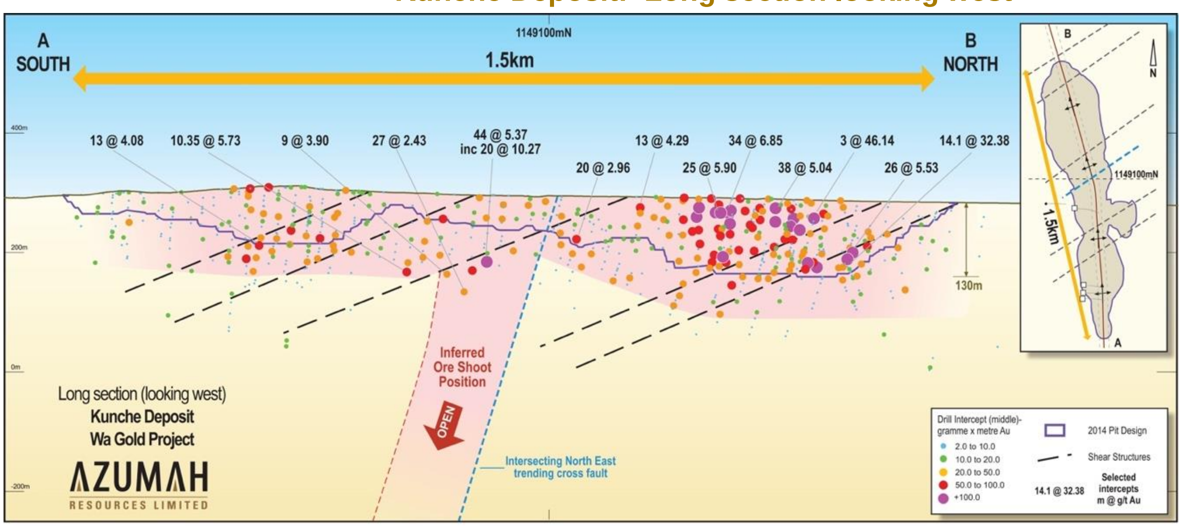
The currently designed Kunche and Bepkong pits extend to a maximum depth of 128m and 105m respectively and host Ore Reserves of 309,000oz (4.97Mt at 1.94g/t Au) and 113,000oz (1.9Mt at 1.85g/t Au) respectively. These are contained within substantial Measured, Indicated and Inferred Mineral Resources extending to twice these depths. Until the latest drilling by Ibaera, the Kunche-Bepkong area was last drilled several years ago.

At Kunche, an additional focus was to confirm the presence of a structurally controlled, high-grade zone characteristic of structurally controlled, orogenic gold deposits worldwide many of which are mined to in excess of 1,000m depth. An RC drilling programme to test this hypothesis successfully intersected a particularly high-grade mineralised zone approximately 40m below the base of the previously planned open pit.

Hole KRC831 returned one of the best mineralised intercepts ever obtained at the 1.5km strike Kunche orebody. It comprised an interval of 44m at 5.37g/t Au from 99m (0.5g/t Au cut-off)(true width ~25m).

This newly defined zone of high-grade mineralisation was confirmed by two other drill-holes that returned 27m at 2.43g/t Au from 137m (KRC817); and 9m at 3.90g/t Au from 142m (KRC832).

Kunche Deposit: Long section looking west



The high-grade zone is closely associated with the intersection of the most prominent northeast-trending cross-fault into the Kunche Main Lode. The intersection of these two structures is believed to provide a favourable location for high-grade mineralisation and is an obvious target for follow-up drilling planned for the forthcoming field season.

The inference is that there may be other high-grade zones within the Kunche deposit that are associated with other northeast-trending cross-faults. These would also become targets for steeper-plunging ore-shoots that extend to depth. Importantly, it is hoped that this will be replicated at other deposits.

Kunche Pit North, East and South

Drilling to provide support for the possible broadening of the current Kunche pit perimeter, extended mineralisation down-plunge at the northern end of the Kunche pit region whilst an aircore drilling programme at Kunche East confirmed zones of shallow oxide mineralisation proximal to the eastern perimeter.

At the southern end of the Kunche pit, a new zone of above ore grade mineralisation was confirmed ~ 80m beneath the base of the previously designed shallow open pit.

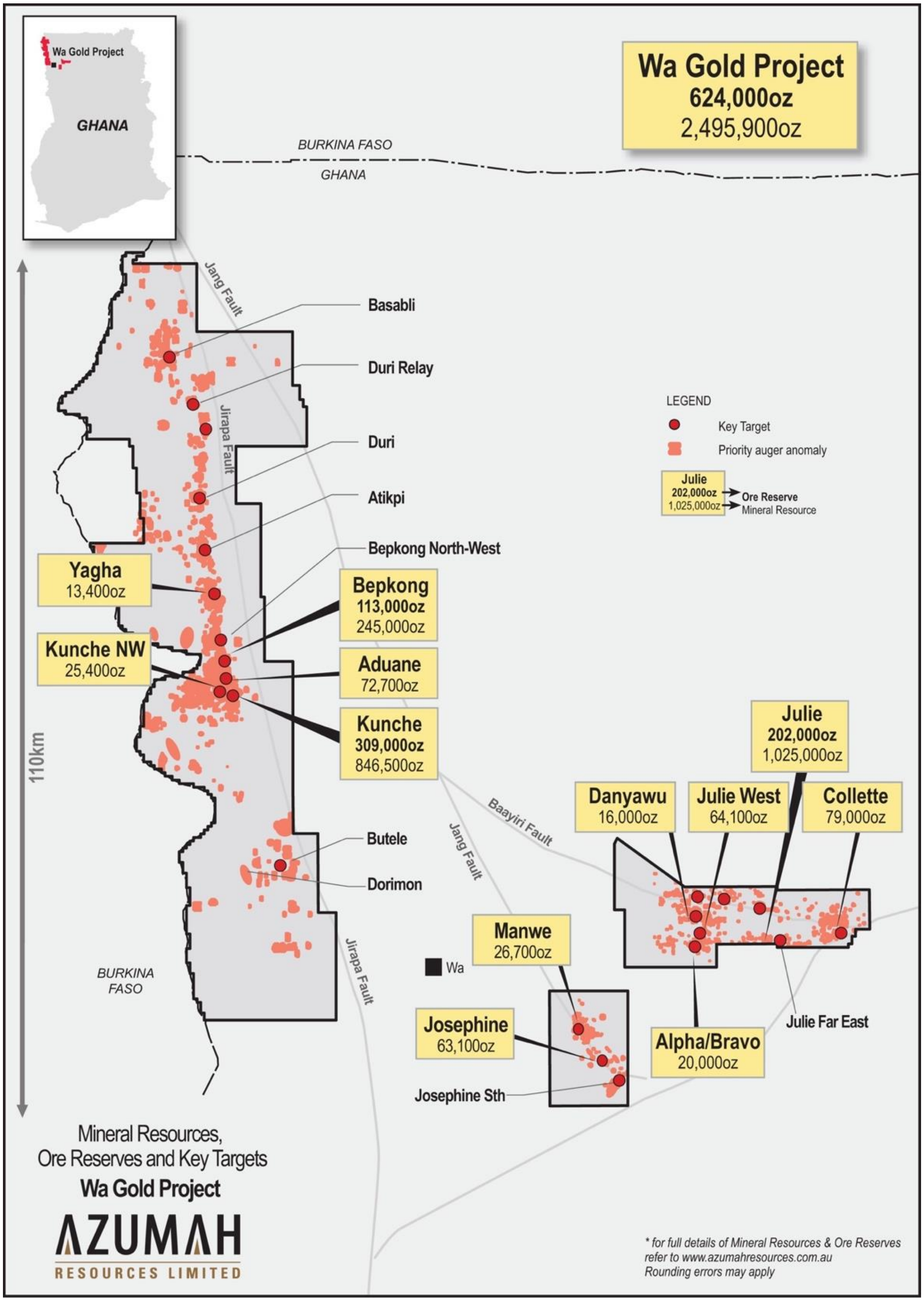
Kunche Northwest

At the Kunche Northwest prospect, RC drilling infilled and confirmed mineralisation over a ~200m strike. At least two, 5m – 10m wide mineralised shoots averaging 1 – 2g/t Au occur within a broader 20m – 40m wide, consistently mineralised halo grading 0.3 to 1g/t Au.

Bepkong

At the Bepkong deposit, RC drilling (including one hole with a diamond tail) tested for depth and strike extensions to mineralisation immediately north, northwest and further to the northwest of the proposed open pit. Mixed results were obtained.

Wa Gold Project: Deposits, Prospects, Mineral Resources and Ore Reserves as at September 2018



Aduane

Depth extensions to the current Mineral Resource was the focus of RC drilling at the satellite Aduane deposit located between the Kunche and Bepkong deposits. The holes were positioned to the south of zones of existing mineralisation and returned narrow ore-grade intercepts.

Yagha

At the Yagha North, a relatively narrow trend of modest-grade mineralisation within a broader mineralised halo has been confirmed by infill RC drilling.

Butele North

To the south of the Wa-Lawra trend, the Butele North mineralisation, which lies within a ~6km anomalous trend, appears to be hosted within the core of a regional anticline, with a major northeast trending fault cutting through the centre of the target area; a geological setting analogous to that at the Kunche deposit. This opens up the possibility of more mineralisation to the north of the currently defined prospect. Drilling to date has returned a number of economic grade intercepts associated with multiple, shallow-plunging ore shoots within northwest-trending shear zone including most recently 3m at 23.69g/t Au from surface (BUAC059). However, continuity to the mineralisation has yet to be confirmed.

Wa East Camp

The Wa East camp, which includes the Julie, Collette, Julie West and Josephine licences is generally considered the region with the most 'low-hanging' fruit and so has also been the subject of considerable exploration attention during 2018.

Julie Deposit

At the flagship Julie deposit, RC drilling successfully demonstrated the continuity of ore-grade mineralisation and extended this down-dip by up to 80m. Better intercepts comprised 2.44m at 7.12g/t Au from 106m and 20.4m at 1.44g/t Au from 121m (JURD796) plus 3.15m at 5.98g/t Au from 128m (JURD797)

A review of Julie diamond core and a subsequent reinterpretation of the geology and structural controls also highlighted some new zones and possible trends. This includes the strong possibility of a northwest trend to mineralisation, that has subsequently been supported by an extremely prominent EM anomaly (see below).

Julie Far East

At the Julie Far East prospect, RC drilling to infill and extend mineralisation previously identified in 2016 successfully intersected the target zone approximately 40m down-dip of and 115m along strike of previous intercepts.

Danyawu

Mineralisation at the Danyawu prospect occurs as two, narrow, parallel lodes dipping ~40° to the northeast. A fence of holes successfully extended mineralisation 25m down-dip to the northeast

Josephine South

On the Josephine licence, an aircore programme at the Josephine South target defined a new, pronounced, highly anomalous 2km x 40m wide prospective shear zone controlled by a granite-greenstone contact. Subsequent RC drilling was designed to test the geochemically anomalous granite-greenstone contact and granite-hosted quartz-stockwork mineralisation that has been the focus of artisanal mining activities. Granite-hosted mineralisation was characterised by broad zones of relatively low grade (0.1 – 1.0g/t Au) material, with narrow higher-grade zones. Further drilling is required to test if the stockwork zones broaden beneath the largest area of artisanal workings.

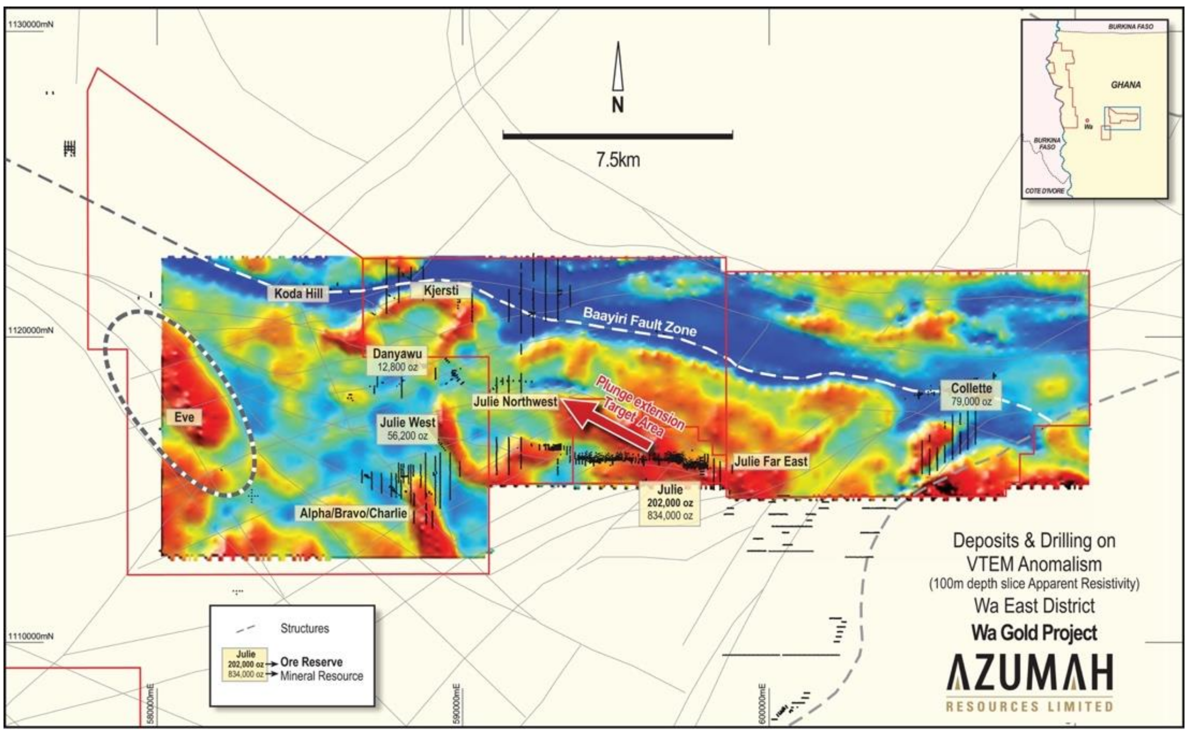
On the same licence, aircore drilling at the Manwe prospect defined six prospective shear zones with a cumulative strike of 5km. The mineralisation at Manwe is hosted by quartz veins within north-south dilational zones associated with a major northwest trending shear. Three discrete mineralised zones have been defined with a cumulative 600m strike. Follow-up RC drilling intersected mineralisation in all holes; 10m at 4.35g/t Au from 48m (JORC097) including 1m at 14.23g/t Au and 1m at 17.87g/t Au.

Wa East Airborne EM survey

A recently completed heli-borne VTEM (electromagnetic) geophysical survey over the Wa East camp identified several new robust targets that will provide high-priority drivers for exploration and resource growth in this region during the coming exploration season.

Wa East VTEM geophysical survey image over key deposits, prospects and drilling

(Note the large undrilled Eve EM anomaly and the previously unrecognised northwest plunging vector to the large EM anomaly over the drill-defined east-west Julie mineralised system)



The survey identified a major new target, named Eve, on the western edge of the Julie West licence. It is closely associated with the intersection of a regionally prominent, northwest-trending splay off the Baayiri Fault and a major northeast trending Tarkwaian structure. Minimal but strongly anomalous geochemical sampling supports the EM target but no drilling has been undertaken in this general area.

Encouragingly, the EM response that delineates Eve is of similar scale and intensity to the one which encompasses the flagship Julie mineralised system.

At Julie, in addition to the strong response over the Julie mineralisation itself, a previously unrecognised, prominent structural component extending for several kilometres northwest away from the drill-defined resources is consistent with the same arising from the aforementioned structural re-interpretation of the east-west trending Julie deposit. This new proximal zone has never been drilled.

Drilling Statistics

During the year a total of 3,902 holes were drilled for 42,214m:

Drilling Type	Holes	Metres
Diamond	2	205
RC/Diamond	11	2,049
RC	118	11,342
Aircore	384	8,940
Auger	3,387	19,678
TOTAL	**3,902**	**42,214**

Feasibility Study Update

A comprehensive technical and costs review indicated that 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 remains on-track for delivery in Q3 2019.

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.

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 who has in place a tight schedule for key deliverables.

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.

Licencing

The Joint Venture continually reviews its licence holdings to ensure that only areas of enhanced prospectivity are retained and various area-based annual fees are minimised.

Ore Reserve Statement

Ore Reserves remained at 624,000oz Au (9.08Mt at 2.14g/t Au) as at 30 June 2018. They will be updated along with the financial metrics for the Project when an interim study update is provided before the end of 2018 (Table 1).

Table 1: Ore Reserves Summary – JORC Code 2012 – as at 30 June 2018

	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 – 30 June 2018	**7.00**	**1.92**	**2.09**	**2.85**	**9.08**	**2.14**	**624,000**
Total – 30 June 2017	**7.00**	**1.92**	**2.09**	**2.85**	**9.08**	**2.14**	**624,000**

Values have been rounded.

Mineral Resource Statement

The Company's Mineral Resources as at 30 June 2018 were unchanged from the Mineral Resources as at 30 June 2017 (Table 3). Following the extensive drilling by Ibaera, the Project Manager commissioned the re-estimation of several existing Mineral Resources and maiden estimates for five new prospects. Combined Mineral Resources increased by 21% and 433,900oz to 2.5Moz (49.2Mt at 1.6g/t Au) (Table 2), as announced on 28 September 2018. Refer to the Company's ASX announcement dated 28 September 2018 for further information.

Table 2: Mineral Resource Estimate – JORC Code 2012 – as at 28 September 2018

		Measured			Indicated			Inferred			Grand Total		
Deposit	Cutoff Au g/t	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces
Wa-Lawra:													
Kunche	0.5	8,835	1.6	446,000	3,404	1.3	145,000	7,616	1.0	255,700	19,855	1.3	846,500
Bepkong*	0.5	2,220	1.8	128,000	1,700	1.3	73,000	1,170	1.2	44,000	5,090	1.5	245,000
Aduane	0.5				322	1.2	12,800	1,491	1.3	59,900	1,812	1.3	72,700
Kunche NW	0.5							694	1.1	25,400	694	1.1	25,400
Yagha	0.5							333	1.3	13,400	333	1.3	13,400
Wa East:													
Julie	0.5	1,490	2.1	101,000	9,300	1.9	572,100	6,360	1.7	352,000	17,150	1.9	1,025,000
Collette*	0.5							1,690	1.5	79,000	1,690	1.5	79,000
Julie West	1.0				455	4.0	58,900	68	2.4	5,100	523	3.8	64,100
Danyawu	1.0				105	4.2	14,200	38	1.5	1,800	143	3.5	16,000
Alpha/Bravo	1.0							148	4.2	20,000	148	4.2	20,000
Josephine	1.0				709	1.5	34,500	580	1.5	28,600	1,290	1.5	63,100
Manwe	1.0				257	2.1	17,300	192	1.5	9,400	450	1.9	26,700
Total		**12,545**	**1.7**	**675,000**	**16,252**	**1.8**	**927,800**	**20,380**	**1.4**	**894,300**	**49,178**	**1.6**	**2,496,900**

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

* Bepkong and Collette resources from ASX announcement 2 September 2014.

The Mineral Resources summary applicable to the Wa Gold Project were as follows:

Table 3: Mineral Resource Estimate – JORC Code 2012 – as at 30 June 2017

		Measured			Indicated			Inferred			Grand Total		
Deposit	Cutoff Au g/t	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces
Wa-Lawra:													
Kunche	0.5	8,420	1.7	468,000	2,240	1.4	99,000	4,860	1.2	183,000	15,520	1.5	751,000
Bepkong	0.5	2,220	1.8	128,000	1,700	1.3	73,000	1,170	1.2	44,000	5,090	1.5	245,000
Aduane	0.5							1,770	1.5	85,000	1,770	1.5	85,000
Wa East:													
Julie	0.5	890	1.4	41,000	10,600	1.6	507,000	5,980	1.5	286,000	16,930	1.5	834,000
Collette	0.5							1,690	1.5	79,000	1,690	1.5	79,000
Julie West	1.0				380	4.2	52,000	30	4.0	4,000	410	4.2	56,000
Danyawu	1.0				70	5.5	13,000				70	5.5	13,000
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.

Ore Reserves and Mineral Resources

Table 1 notes the Company's Ore Reserves as at 30 June 2018. There has been no change to the Company's Ore Reserves since 30 June 2017.

Table 2 and Table 3 compare the Company's Minerals Resources as at 28 September 2018 (Table 2) against those at 30 June 2017 (Table 3).

Review of material changes

As at 30 June 2018, the Company's Minerals Resources were the same as those stated at 30 June 2017. As at 28 September 2018, the Company's combined Mineral Resources for its Wa Gold Project, Ghana increased by 21% and 433,900oz to 2.5Moz (49.2Mt at 1.6g/t Au) (Table 2).

Measured and Indicated Mineral Resources increased by 16% to 1.6Moz (28.8Mt at 1.8g/t) and Inferred Mineral Resources increased by 31% to 0.9Moz (20.4Mt at 1.4g/t Au) (Table 2). These Mineral Resources are evenly distributed across the Kunche-Bepkong and the Wa East development camps.

Drilling down-dip and strike extensions at the flagship Julie deposit saw Mineral Resources lifted by 191,000oz to 1,025,000oz, while drilling has lifted Mineral Resources by 95,500oz to 846,500oz at the flagship Kunche deposit.

Maiden estimates for the emerging Kunche Northwest, Yagha, Josephine, Manwe and Alpha-Bravo satellite prospects accounted for a combined 212,700oz increase in Mineral Resources, with several of these yet to be fully closed-off.

Governance controls

Azumah Resources Limited has a firm policy to only utilise the services of external independent consultants to estimate Mineral Resources and Ore Resources. The Company also has established practices and procedures to monitor the quality of data applied in Mineral Resource and Ore Reserve estimation, and to commission and oversee the work undertaken by external independent consultants.

The Mineral Resource and Ore Reserve estimates have been calculated by a suitably qualified consultant and overseen by suitably qualified Azumah Resource Limited employee and/or consultant.

Competent Persons' Statements

The information in this Annual Report that relates to Ore Reserves is extracted from the Company's ASX announcement dated 2 September 2014 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed.

The information in this Annual Report that relates to Mineral Resources for the Julie, Kunche, Aduane, Kunche NW, Yagha, Julie West, Danyawu, Alpha/Bravo, Josephine and Manwe deposits is extracted from the Company's ASX announcement dated 28 September 2018 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed.

The information in this Annual Report that relates to Mineral Resources for the Bepkong and Collette deposits is extracted from the Company's ASX announcement dated 2 September 2014 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed.

The information in this Annual Report that relates to the geology of the deposits and Exploration Results is extracted from the Company's ASX announcements dated:

- 27 August 2018;
- 20 August 2018;
- 16 July 2018;
- 3 July 2018;
- 8 May 2018;
- 21 March 2018;
- 6 March 2018;
- 23 January 2018;
- 24 July 2017; and
- 24 May 2017,

which are available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements.

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.

FINANCE REVIEW

The Group began the financial year with a cash reserve of $750,912. The Group raised funds during the year via a placement totalling 81,945,452 ordinary shares to professional and sophisticated investors, and an entitlements issue of 116,513,192 ordinary shares. Total gross funds raised during the year were $4,133,064. An additional 1,128,500 ordinary shares were issued in satisfaction of fees to the value of $24,827. Funds were used to actively advance the Group’s projects located in Ghana, West Africa.

During the year the Group received revenue totalling $26,735 and realised a gain on deconsolidation of subsidiaries of $4,391,357. Total exploration expenditure incurred by the Group amounted to $636,698. In line with the Company’s accounting policies, all exploration expenditure was written off as incurred. Total Administration expenditure of $1,028,961, Impairment recognised of $61,185, Salaries and Employee Benefits of $655,415, and non-cash expenses total amounted to $471,572 were incurred for the same period. Additionally, the Group’s share of net losses of associate and joint venture accounted for using the equity method was $3,661,051. This has resulted in an operating loss after income tax for the year ended 30 June 2018 of $2,096,790 (2017: $3,493,883).

At 30 June 2018 cash and cash equivalents totalled $2,323,713.

OPERATING RESULTS FOR THE YEAR

Summarised operating results are as follows:

	2018	
	Revenues $	Net Loss $
Consolidated entity revenues and loss from ordinary activities before income tax expense	4,418,092	(2,096,790)

RISK MANAGEMENT

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report no significant changes in the state of affairs of the Group occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 18 July 2018 the Company appointed Ms Debra Bakker and Mr Linton Putland as non-executive directors, and Mr Geoffrey Jones resigned as non-executive director.

No other matter or circumstance has arisen since 30 June 2018, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles Used to Determine the Nature and Amount of Remuneration

Remuneration Governance and Policy

As at 30 June 2018 the Remuneration Committee consisted of Geoffrey Jones (Chairperson), Michael Atkins and Dennis Wilkins (appointed November 2017). Prior to his passing in October 2017, William LeClair was chairman of the Remuneration Committee. Following Board changes subsequent to the reporting date the Remuneration Committee has been reconstituted and currently consists of Linton Putland (Chairperson), Michael Atkins and Debra Bakker. The Corporate Governance Statement provides further information on the role of this committee. The remuneration policy of Azumah Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term and short-term incentives. The board of Azumah Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. The board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

Where required, the executive directors and executives receive a superannuation guarantee contribution required by the government, which was 9.5% in the reporting period, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using an option pricing methodology depending on the terms of the options.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Non-executive director fees are set to levels which compensate directors for 2 days commitment to the affairs of the Company per month. Days spent by non-executive directors in excess of two days per month are paid per diem at $2,000. In addition, directors are eligible for ad hoc discretionary cash bonuses in circumstances where special exertion has been demonstrated. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $500,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance based remuneration

The Company does not have a formal short-term incentive scheme for executives, directors or other key management personnel. The board may exercise discretion to award cash bonuses to individuals where their special exertion results in positive outcomes for the Company and its shareholders.

During the 2018 financial year the Remuneration Committee proposed cash bonuses be paid to the Managing Director and Non-Executive Chairman based on their exceptional performance in raising funds and completing the Earn-In and Shareholders Agreement with Ibaera. The bonus was approved by the board and paid during the 2018 financial year.

Company performance, shareholder wealth and directors' and executives' remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance as the Directors do not consider it appropriate due to the Company still being in the exploration phase.

The table below shows the gross revenue, losses and earnings per share for the last five years for the listed entity.

	2018 $	2017 $	2016 $	2015 $	2014 $
Revenue	4,418,092	73,195	246,907	405,893	650,784
Net loss	(2,096,790)	(3,493,883)	(4,054,840)	(4,149,118)	(3,400,604)
Loss per share (cents)	(0.3)	(0.6)	(1.0)	(1.1)	(1.0)
Share price at year end (cents)	2.5	2.5	4.5	2.2	4.3

No dividends have been paid.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2018.

Voting and comments made at the Company's 2017 Annual General Meeting

The Company received approximately 92% of "yes" votes on its remuneration report for the 2017 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of Remuneration

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

The key management personnel of the Group include the directors as per pages 4 to 6 above and the following executive officer who had authority and responsibility for planning, directing and controlling activities within the Group:

- Paul Amoako-Atta – *Mineral Licence Manager* (ceased to be a member of key management personnel on 3 November 2017 upon deconsolidation of subsidiaries)

Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

	Short-Term			Long-Term	Post-Employment		Share-based Payments		
	Salary & Fees	Cash Bonus	Non-Monetary	Leave Entitlements	Super-annuation	Retirement benefits	Options & Performance Rights[1]	Total	Percentage Performance Related
	$	$	$	$	$	$	$	$	%
Directors									
Michael Atkins									
2018	**85,500**	**50,000**	**3,123**	**-**	**12,873**	**-**	**107,000**	**258,496**	**19.3**
2017	75,000	-	2,433	-	7,125	-	(5,811)	78,747	-
Stephen Stone									
2018	**273,973**	**100,000**	**3,123**	**21,075**	**26,027**	**-**	**214,000**	**638,198**	**15.7**
2017	273,973	-	2,433	10,439	26,027	-	(30,992)	281,880	-
Geoffrey Jones									
2018	**41,250**	**-**	**3,123**	**-**	**3,919**	**-**	**53,500**	**101,792**	**-**
2017	41,250	-	2,433	-	3,919	-	(2,905)	44,697	-
William LeClair (ceased 5 October 2017)									
2018	**12,319**	**-**	**782**	**-**	**-**	**-**	**-**	**13,101**	**-**
2017	49,275	-	2,433	-	-	-	-	51,708	-
Other key management personnel									
Paul Amoako-Atta (ceased 3 November 2017)									
2018	**11,937**	**-**	**-**	**-**	**-**	**-**	**-**	**11,937**	**-**
2017	39,276	-	-	-	-	-	-	39,276	-
Total key management personnel compensation									
2018	**424,979**	**150,000**	**10,151**	**21,075**	**42,819**	**-**	**374,500**	**1,023,524**	
2017	478,774	-	9,732	10,439	37,071	-	(39,708)	496,308	

(1) Performance rights previously granted to the Directors expired without vesting on 30 December 2016. The previously expensed amounts were reversed during the 2017 financial year in accordance with the requirements of AASB 2: Share Based Payments.

Service Agreements

The details of service agreements of the key management personnel of the Group are as follows:

Stephen Stone, Managing Director and Chief Executive Officer:

- Term of agreement – Employment commencing 1 July 2012 continuing until employment is terminated.
- Total remuneration package of $300,000 consisting of a base salary of $273,973 (gross) and a superannuation contribution of $26,027.
- The agreement may be terminated by the Company giving 9 months' notice in writing, or by Mr Stone giving 3 months' written notice, or applicable shorter periods upon breach of contract by either party. There are no benefits payable on termination other than entitlements accrued to the date of termination.

The non-executive directors have entered into engagement letters containing terms and conditions which are considered standard for the appointments and are in line with common industry practice. None of the other key management personnel have service agreements in place.

Share-Based Compensation

Options

Options are issued to directors and executives as part of their remuneration. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company.

The following options were granted to or vesting with key management personnel during the year, there were no options forfeited during the year:

	Grant Date	Granted Number	Vested Number	Date Vesting & Exercisable	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)(1)	Exercised Number	% of Remuneration
Directors									
Michael Atkins	22/11/2017	10,000,000	10,000,000	22/11/2017	13/11/2021	3	1.1	Nil	41.4
Stephen Stone	22/11/2017	20,000,000	20,000,000	22/11/2017	13/11/2021	3	1.1	Nil	33.5
Geoffrey Jones	22/11/2017	5,000,000	5,000,000	22/11/2017	13/11/2021	3	1.1	Nil	52.6

(1) The value at grant date in accordance with AASB 2: Share Based Payments of options granted during the year as part of remuneration. For options granted during the current year, the valuation inputs for the Black-Scholes option pricing model were as follows:

	Underlying Share Price (cents)	Exercise Price (cents)	Volatility	Risk Free Interest Rate	Valuation Date	Expiration Date
Directors	2	3	84.95%	1.91%	22/11/2017	13/11/2021

There were no ordinary shares in the Company provided as a result of the exercise of remuneration options during the year.

Equity Instruments Held by Key Management Personnel

Option Holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Azumah Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2018	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested & exercisable	Unvested
Directors of Azumah Resources Limited							
Michael Atkins	-	**10,000,000**	-	-	**10,000,000**	**10,000,000**	-
Stephen Stone	-	**20,000,000**	-	-	**20,000,000**	**20,000,000**	-
Geoffrey Jones	-	**5,000,000**	-	-	**5,000,000**	**5,000,000**	-
William LeClair	-	-	-	-	-(1)	-	-
Other key management personnel of the Group							
Paul Amoako-Atta	-	-	-	-	-(1)	-	-

(1) Balance held at date of cessation as a member of key management personnel.

Share Holdings

The numbers of shares in the Company held during the financial year by each director of Azumah Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2018	Balance at start of the year	Received during the year on the vesting of performance rights/exercise of options	Other changes during the year	Balance at end of the year[1]
Directors of Azumah Resources Limited				
Ordinary shares				
Michael Atkins	**1,690,910**	**-**	**951,151**	**2,642,061**
Stephen Stone	**9,747,270**	**-**	**1,949,455**	**11,696,725**
Geoffrey Jones	**465,910**	**-**	**93,182**	**559,092**
William LeClair	**-**	**-**	**-**[2]	**-**
Other key management personnel of the Group				
Ordinary shares				
Paul Amoako-Atta	**4,100,000**	**-**	**(4,100,000)**[2]	**-**

(1) At year end there are no nominally held shares.

(2) Balance held at date of cessation as a member of key management personnel.

Loans to Key Management Personnel

There were no loans to key management personnel during the year.

Other Transactions with Key Management Personnel

Castle Minerals Limited, an Australian publicly listed company of which Messrs Atkins and Stone are directors, was on-charged rent and administration support expenses by Azumah Resources Limited during the year totalling $54,547 (2017: $43,368). The amounts on-charged were at cost to the Company and are included as a reduction of administration or salaries and employee benefits expenses. At 30 June 2018 there was $87,026 (including GST) (2017: $79,781) owed by Castle Minerals Limited. In accordance with the Julie West Prospecting Licence sale, the Group also reimbursed Castle $26,344 (2017: nil) for tenement expenditure incurred in keeping the tenement in good standing.

In relation to the Company's 1 for 5, fully underwritten, non-renounceable rights issue completed during September 2017, the underwriter entered into a sub-underwriting agreement with Windamurah Pty Ltd ATF The Atkins Superannuation Fund (Sub-Underwriter), an entity controlled by the Company's Chairman, Mr Atkins, to sub-underwrite 1,763,191 Shares ($35,263). The underwriter paid the Sub-Underwriter an underwriting fee of $441 (equating to 1.25% of the amount sub-underwritten) for the Sub-Underwriter's sub-underwriting commitment.

End of Audited Remuneration Report

DIRECTORS' MEETINGS

During the year the Company held six meetings of directors. The attendance of directors at meetings of the board was:

	Directors Meetings		Committee Meetings			
			Audit		Remuneration	
	A	B	A	B	A	B
Michael Atkins	6	6	2	2	1	1
Stephen Stone	6	6	1	1	*	*
Geoffrey Jones	6	6	2	2	1	1
William LeClair (ceased 5 October 2017)	2	2	1	1	-	-

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

* – Not a member of the relevant committee.

During the year the Directors also met on numerous occasions informally outside of formal meetings and addressed other matters by circular resolution.

SHARES UNDER OPTION

Unissued ordinary shares of Azumah Resources Limited under option at the date of this report are as follows:

Date options issued	Expiry date	Exercise price (cents)	Number of options
22 Nov 2017	13 Nov 2021	3.0	35,000,000
5 Apr 2018	30 Jun 2020	3.0	3,000,000
Total number of options outstanding at the date of this report			**38,000,000**

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Azumah Resources Limited issued during the year ended 30 June 2018, and up to the date of this report, on the exercise of options.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Azumah Resources Limited paid a premium to insure the directors and secretary of the Company. The total amount of insurance contract premiums paid was $10,065. The amount has been included in the compensation amounts disclosed for key management personnel elsewhere in this report and in the notes to the financial statements.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, BDO Audit (WA) Pty Ltd or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

BDO Corporate Tax (WA) Pty Ltd and BDO Audit (WA) Pty Ltd received or are due to receive the following amounts for the provision of non-audit services:

	2018 $	2017 $
Taxation compliance services	**7,140**	11,390

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 27.

Signed in accordance with a resolution of the directors.

Stephen Stone
Managing Director

Perth, 28 September 2018

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF AZUMAH RESOURCES LIMITED

As lead auditor of Azumah Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Azumah Resources Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2018

CORPORATE GOVERNANCE STATEMENT

Azumah Resources Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Azumah Resources Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2018 Corporate Governance Statement was approved by the Board on 28 September 2018 and is current as at 28 September 2018. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.azumahresources.com.au.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2018	Notes	2018 $	2017 $
REVENUE	4(a)	**26,735**	32,791
Other income	4(b)	**-**	40,404
Net gain on deconsolidation of subsidiaries	9(c)	**4,391,357**	-
EXPENDITURE			
Depreciation expense		**(93,616)**	(252,462)
Salaries and employee benefits expense		**(655,415)**	(417,058)
Exploration expenditure		**(636,698)**	(2,348,531)
Impairment expense	5	**(61,185)**	(96,934)
Administration expenses		**(1,028,961)**	(458,575)
Finance costs	5	**-**	(40,537)
Share-based payments income/(expense)	21	**(377,956)**	45,567
Share of net profit/(loss) of joint venture and associate accounted for using the equity method	8(b)	**(3,661,051)**	1,452
LOSS BEFORE INCOME TAX		**(2,096,790)**	(3,493,883)
INCOME TAX EXPENSE	6	**-**	-
LOSS AFTER INCOME TAX FOR THE YEAR ATTRIBUTABLE TO OWNERS OF AZUMAH RESOURCES LIMITED		**(2,096,790)**	(3,493,883)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(60,957)**	(40,766)
Share of joint venture's and associate's exchange differences on translation of foreign operations		**(10,214)**	(3,415)
Items that have been reclassified to profit or loss			
Exchange differences realised on deconsolidation of foreign operations		**(1,307,001)**	-
Other comprehensive income for the year, net of tax		**(1,378,172)**	(44,181)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF AZUMAH RESOURCES LIMITED		**(3,474,962)**	(3,538,064)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)		**(0.3)**	(0.6)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018	Notes	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	7	**2,323,713**	750,912
Trade and other receivables		**191,914**	181,563
TOTAL CURRENT ASSETS		**2,515,627**	932,475
NON-CURRENT ASSETS			
Investments accounted for using the equity method	8	**363,270**	126,931
Property, plant and equipment	10	**9,499**	1,491,358
TOTAL NON-CURRENT ASSETS		**372,769**	1,618,289
TOTAL ASSETS		**2,888,396**	2,550,764
CURRENT LIABILITIES			
Trade and other payables	11	**157,561**	645,644
TOTAL CURRENT LIABILITIES		**157,561**	645,644
TOTAL LIABILITIES		**157,561**	645,644
NET ASSETS		**2,730,835**	1,905,120
EQUITY			
Contributed equity	12	**107,284,327**	103,361,606
Reserves	13	**4,677,004**	5,677,220
Accumulated losses		**(109,230,496)**	(107,133,706)
TOTAL EQUITY		**2,730,835**	1,905,120

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2018	Notes	Contributed Equity $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
BALANCE AT 1 JULY 2016		98,337,406	4,358,111	1,408,857	(103,639,823)	464,551
Loss for the year		-	-	-	(3,493,883)	(3,493,883)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	(40,766)	-	(40,766)
Share of associate's exchange differences on translation of foreign operations		-	-	(3,415)	-	(3,415)
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR		-	-	(44,181)	(3,493,883)	(3,538,064)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	12	5,228,503	-	-	-	5,228,503
Share issue transaction costs	12	(204,303)	-	-	-	(204,303)
Share-based payments expense	21	-	(45,567)	-	-	(45,567)
BALANCE AT 30 JUNE 2017		103,361,606	4,312,544	1,364,676	(107,133,706)	1,905,120
Loss for the year		**-**	**-**	**-**	**(2,096,790)**	**(2,096,790)**
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		**-**	**-**	**(60,957)**	**-**	**(60,957)**
Share of associate's exchange differences on translation of foreign operations		**-**	**-**	**(10,214)**	**-**	**(10,214)**
Exchange differences realised on deconsolidation of foreign operations		**-**	**-**	**(1,307,001)**	**-**	**(1,307,001)**
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR		**-**	**-**	**(1,378,172)**	**(2,096,790)**	**(3,474,962)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	12	**4,157,891**	**-**	**-**	**-**	**4,157,891**
Share issue transaction costs	12	**(235,170)**	**-**	**-**	**-**	**(235,170)**
Share-based payments income	21	**-**	**377,956**	**-**	**-**	**377,956**
BALANCE AT 30 JUNE 2018		**107,284,327**	**4,690,500**	**(13,496)**	**(109,230,496)**	**2,730,835**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

YEAR ENDED 30 JUNE 2018	Notes	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(1,648,022)**	(932,808)
Interest received		**19,836**	32,425
Interest paid		**-**	(40,328)
Expenditure on exploration interests		**(629,936)**	(2,140,697)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	20(a)	**(2,258,122)**	(3,081,408)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash disposed on deconsolidation of subsidiaries		**(10,556)**	-
Loans to joint venture and associate		**(49,229)**	(250,000)
Repayment of loan by associate		**-**	250,000
Payments for security deposits		**-**	(20,000)
Payments for property, plant and equipment		**(7,214)**	(20,914)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		**(66,999)**	(40,914)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		**-**	(1,000,000)
Proceeds from issues of ordinary shares		**4,133,064**	4,046,685
Payments of share issue transaction costs		**(235,170)**	(204,303)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**3,897,894**	2,842,382
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,572,773**	(279,940)
Cash and cash equivalents at the beginning of the financial year		**750,912**	1,031,143
Effects of exchange rate changes on cash and cash equivalents		**28**	(291)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	**2,323,713**	750,912

The above Consolidated Statement of Cashflows should be read in conjunction with the Notes to the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Azumah Resources Limited and its subsidiaries. The financial statements are presented in the Australian currency. Azumah Resources Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 28 September 2018. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Azumah Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Azumah Resources Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current annual reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

The Group has also adopted a new accounting policy for joint arrangements (refer note 1 (b)(iii)) to account for events and transactions that occurred during the year.

(iii) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2017.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivatives) at fair value through the profit or loss.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Principles of consolidation (cont'd)

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. However, refer to note 9 for details of an investee classified as an associate even though the Group holds less than 20% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has acquired an interest in a joint venture during the current reporting period.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated statement of financial position. Refer to note 9 for details of the joint venture entity.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1(h).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Principles of consolidation (cont'd)

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Azumah Resources Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Azumah Resources Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Foreign currency translation (cont'd)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(f) Government grants

The Research and Development Tax Incentive Grant received from the Australian Taxation Office is recognised in profit or loss in the period in which it becomes receivable, with the amount included in other income.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Income tax (cont'd)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

(j) Financial assets

Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value and subsequently at amortised cost less impairment. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Financial assets (cont'd)

Collectability of loans and receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables or in an otherwise timely manner. The amount of the impairment allowance is the difference between the asset's carrying amount and the estimated future cash flows. None of the Group's loans and receivables has an applicable interest rate hence the cash flows are not discounted.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within impairment expenses. When a loan or receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Details on how the fair value of financial investments is determined are disclosed in note 2.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Exploration and evaluation costs

Exploration and evaluation costs are expensed (and not capitalised) in the year they are incurred.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are paid on normal commercial terms.

(m) Employee benefits

Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'), refer to note 21.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at the reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Performance rights are also granted to employees. The fair value of performance rights granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and allocated over the period during which the employees become unconditionally entitled to the performance rights. The fair value of the performance rights is determined by fair market value of share at the date of grant.

(n) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

The Group's transactions in Ghana are subject to VAT administered by the Value Added Tax Service of the Republic of Ghana. Revenues, expenses and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the Value Added Tax Service. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented on a gross basis. The GST and VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the respective taxation authorities, are presented as operating cash flows.

(p) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below. New standards and interpretations not mentioned are considered unlikely to impact on the financial reporting of the Group.

AASB 9 *Financial Instruments* (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. AASB 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date and will not restate comparative information. Based on the Group's current operations and financial assets and liabilities currently held, the Group does not anticipate any material impact on the financial statements upon adoption of this standard. The Group does not presently engage in hedge accounting.

AASB 15 *Revenue from Contracts with Customers* (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 15 will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer and establishes a five-step model to account for revenue arising from contracts with customers. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group plans to adopt the new standard on the required effective date using the full retrospective method. There will be no material impact on the Group's financial position or performance from the adoption of this new standard.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

AASB 16 *Leases* (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The Group plans to adopt the new standard on the required effective date. The Group continues to assess the potential impact of AASB 16 on its consolidated financial statements.

(q) Critical accounting estimates and judgements

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- Judgement on the classification of an investee as an associate where the voting rights held is less than 20% - note 8;
- Judgement on the fair value of loan receivable from an investee – note 8;
- Judgement on the classification of joint control – note 9;
- Estimation on fair value on initial recognition of joint venture – note 9; and
- Estimation and judgement on valuation of share-based payments – note 21.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Managing Director has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the statement of financial position as investments accounted for using the equity method. Given the current level of operations, the Group is not currently exposed to commodity price risk.

The Group's equity investments are publicly traded on the ASX, with the investments being made for strategic purposes identified by the Board of Directors. The price risk is monitored by the Board and evaluated in accordance with these strategic outcomes.

2. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

(b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

As the Group does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

3. SEGMENT INFORMATION

For management purposes, the Group has identified only one reportable segment being exploration activities undertaken in Ghana, West Africa. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in this geographic location.

Segment performance matches the Group's financial statements.

4. REVENUE AND OTHER INCOME

	2018 $	2017 $
(a) Revenue		
Other revenue		
Interest	**26,735**	32,791
(b) Other income		
Gain on modification of converting notes	**-**	40,404

5. EXPENSES

	2018 $	2017 $
Loss before income tax includes the following specific expenses:		
Minimum lease payments relating to operating leases	**58,080**	58,080
Defined contribution superannuation expense	**52,210**	45,407
Foreign exchange losses	**4,858**	4,035
Finance costs		
Interest and accretion on converting notes	**-**	40,537
Total finance costs	**-**	40,537
Impairment expense		
Impairment of trade and other receivables of a subsidiary prior to deconsolidation	**2,013**	96,934
Impairment of loan to joint venture (note 19(e))	**59,172**	-
Total impairment expense	**61,185**	96,934

6. INCOME TAX

(a) Numerical reconciliation of income tax benefit to prima facie tax payable

	2018 $	2017 $
Loss from continuing operations before income tax benefit	**(2,096,790)**	(3,493,883)
Prima facie tax benefit at the Australian tax rate of 30% (2017: 30%)	**(629,037)**	(1,048,165)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	**113,387**	(13,670)
Balances related to the Ibaera transaction and deconsolidation of subsidiaries	**(219,092)**	-
Sundry items	**123,387**	119,697
	(611,355)	(942,138)
Movements in unrecognised temporary differences	**(9,688)**	37,576
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**642,274**	1,021,895
Foreign tax rate differential	**(21,231)**	(117,333)
Income tax benefit	**-**	-

(b) Unrecognised temporary differences

	2018 $	2017 $
Deferred Tax Assets (at 30%)		
On Income Tax Account		
Capital raising costs	**87,827**	49,642
Provision for impairment	**26,808,038**	-
Accruals and other provisions	**32,495**	24,309
Carry forward foreign losses	**-**	22,553,519
Carry forward tax losses (revenue and capital)	**3,985,099**	3,455,971
	30,913,459	26,083,441
Deferred Tax Liabilities (at 30%)	**-**	-

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Group's ability to use losses in the future is subject to the companies in the Group satisfying the relevant tax authority's criteria for using these losses.

	2018 $	2017 $
7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	**323,713**	131,809
Short-term deposits	**2,000,000**	619,103
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**2,323,713**	750,912

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

8. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Set out below are the associates and joint ventures of the Group as at 30 June 2018.

	% of ownership interest		Quoted fair value		Carrying amount	
	2018	2017	2018	2017	2018	2017
Name of entity	%	%	$	$	$	$
Castle Minerals Limited(1)	**12.5**	16.3	**443,600**	471,325	**-**	126,931
Azumah Resources GH Ltd(2)	**86.7**	100.0	**- ***	- *	**363,270**	-
Total equity accounted investments					**363,270**	126,931

(1) Castle Minerals Limited (**CDT**) is classified as an associate and the investment is measured using the equity method. CDT has share capital consisting solely of ordinary shares, which are held directly by the Group. CDT was incorporated in Australia, which is also their principal place of business. The proportion of ownership interest is the same as the proportion of voting rights held.

CDT is an ASX listed exploration company with minerals interests in Ghana. It is a strategic investment which utilises the Group's knowledge and expertise and compliments the Group's mineral interests held in Ghana.

(2) Azumah Resources GH Ltd (**ARG**) has been classified as a joint venture during the current financial year (refer note 9) and the investment is measured using the equity method. Previously ARG was classified as a subsidiary and consolidated in accordance with the accounting policy at note 1(b). ARG has share capital consisting of ordinary shares and redeemable convertible preference shares, refer to note 9. ARG was incorporated in Ghana, which is also their principal place of business. The proportion of ownership interest is the same as the proportion of voting rights held. The percentage of ownership is diluted in the proportion that the contributed funding by Ibaera bears to the Initial Earn-In Funding.

ARG is a private exploration company with minerals interests in Ghana. It is a strategic investment which holds the Group's primary Wa Gold Project.

* Private entity – no quoted price available.

(a) Significant judgements

Classification of investee as an associate

The Group has made a significant judgement about the classification of an investee as an associate where the voting rights held is less than 20%. During the 2016 financial year the Company had two of its directors, Messrs Atkins and Stone, appointed to the board of CDT, an entity of which the Group held 12.5% (2017: 16.3%) of the voting rights at the reporting date, represented by a holding of 27,725,024 ordinary shares (2017: 27,725,024). This representation on the board of the investee, and ability to participate in the policy-making processes of the investee, has led to the determination that the Group has significant influence over the investee. From the date of the director appointments, the Group has accounted for the investee using the equity method. Prior to this date the investee was classified as an available-for-sale financial asset and accounted for at fair value through other comprehensive income.

8. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (cont'd)

(b) Significant judgements (cont'd)

Loan receivable from associate

As disclosed in note 9, advances from Ibaera through AGR during the funding period ultimately gives rise to a loan receivable from AGR in Azumah's books. The total funding received from Ibaera from inception of the earn-in to date is US$2,707,977 is recognised at a fair value of nil. The fair value was determined on a discounted basis reflecting the risk of the project being in the exploration stages and the indeterminate timeframe for repayment being not to occur until after production from the Wa project has commenced.

(b) Summarised financial information for associate and joint venture

The tables below provide summarised financial information for the Group's associate (CDT) and joint venture (ARG). The information disclosed reflects the amount presented in the financial statements of CDT and ARG and not Azumah Resources Limited's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method.

	Azumah Resources GH Ltd		Castle Minerals Limited	
	2018 $	2017 $	2018 $	2017 $
Summarised statement of financial position				
Current assets				
Cash and cash equivalents	**14,486**	-	*****	*
Other current assets	**46,595**	-	*****	*
Total current assets	**61,081**	-	**716,845**	308,792
Non-current assets	**1,475,058**	-	**13,829**	34,922
Total assets	**1,536,139**	-	**730,674**	343,714
Current liabilities	**1,396,549**	-	**144,581**	324,443
Non-current liabilities	**87,621,980**	-	**-**	-
Total liabilities	**89,018,529**	-	**144,581**	324,443
Net assets/(liabilities)	**(87,482,390)**	-	**586,093**	19,271
Summarised statement of profit or loss and other comprehensive income				
Revenue and other income	**1,686**	-		563,827
Interest income	**-**	-	*****	*
Depreciation	**(267,784)**	-	*****	*
Interest expense	**-**	-	*****	*
Income tax expense	**-**	-	*****	*
Profit/(loss) for the period	**(4,303,155)**	-	**(1,615,493)**	8,911
Other comprehensive income	**(32,446)**	-	**164**	(20,948)
Total comprehensive loss	**(4,335,601)**	-	**(1,615,329)**	(12,037)
Dividends received from associate	**-**	-	**-**	-

* Disclosure not applicable for associates.

8. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (cont'd)

(b) Summarised financial information for associate and joint venture (cont'd)

	Azumah Resources GH Ltd		Castle Minerals Limited	
	2018	2017	2018	2017
	$	$	$	$
Reconciliation of value of investment:				
Opening carrying amount	**-**	-	**126,931**	128,894
Addition of investment in Azumah Resources GH Ltd (note 9)	**3,918,300**	-	**-**	-
Exchange differences	**(9,943)**	-	**-**	-
Share of joint venture's and associate's other comprehensive income	**(3,545,087)**	-	**(126,931)**	(1,963)
Closing carrying amount	**363,270**	-	**-**	126,931

(c) Contingent liabilities in respect of associate and joint venture

Castle Minerals Limited

There are no material contingent liabilities or contingent assets of CDT at reporting date.

Azumah Resources GH Ltd

The Group shares in the following contingent liabilities incurred jointly with other investors of the joint venture:

Ghanaian Government's Rights to Participation in Mining Projects

The Government is entitled to a 10% interest in any mineral operations in respect of mineral rights held in Ghana without the payment of compensation. However, it is not usual for the Government to exercise this option in relation to the holder of reconnaissance rights.

The Government also has the option of acquiring an additional 20% interest in the rights and obligations in any mineral operations where any mineral is discovered in commercial quantities. The acquisition of this further 20% interest must be on terms agreed upon between the holder of the mining lease and the Government. Since the law was passed in 1986, the Government has never exercised this option.

9. DECONSOLIDATION OF SUBSIDIARIES AND EARN-IN BY IBAERA

(a) Description

On 1 September 2017 the Group executed an Earn-In and Shareholders Agreement (**EISA**) with private equity group Ibaera Capital GP Limited (**Ibaera**), whereby Ibaera can earn in two stages over two years up to a 47.5% direct interest in the Group's Wa Gold Project for an expenditure of US$13.5 million. An Amended EISA dated 30 October 2017 was subsequently executed, under which the Commencement Date was 3 November 2017.

The EISA provides for Azumah to retain a 57.5% ownership interest and Ibaera the ability to obtain a 42.5% ownership interest in ARG by spending US$11.25 million (**Initial Earn-In Funding**) (or the completion of a feasibility study). An additional 5% ownership interest may be obtained (in defined circumstances) by Ibaera spending a further US$2.25 million. From the commencement date Ibaera have been issued Series A Redeemable Convertible Preference Shares (**RCPS**) in ARG that will convert to ordinary shares in ARG upon satisfaction of the Initial Earn-In Funding. The RCPS have participative and voting rights in the proportion that the contributed funding bears to the Initial Earn-In Funding. At 30 June 2018 this equated to a 13.3% interest in ARG.

The contractual rights contained in the EISA include the appointment of two members to ARG's board of directors by Ibaera (Azumah have two appointees also, including the chairman who has a casting vote except in those instances designated as requiring a unanimous vote over the relevant activities of ARG), and unanimous voting requirements over the relevant activities of ARG. These rights have created a situation whereby Azumah and Ibaera, from the Commencement Date, have joint control of ARG, thereby creating a joint venture. Hence, from the Commencement Date, Azumah has deconsolidated its former subsidiary ARG, and the two other entities within the ARG consolidated group.

9. DECONSOLIDATION OF SUBSIDIARIES AND EARN-IN BY IBAERA (cont'd)

(a) Description (cont'd)

Azumah's continuing investment in the joint venture will be treated as an investment accounted for using the equity method. The fair value upon initial recognition of this investment has been determined as the amount of the Initial Earn-In Funding that Ibaera is committed to spend prior to having the option of voluntarily withdrawing from the EISA. This amount is US$3 million. Subsequently, Azumah will recognise its share of the joint venture's profit or loss and other comprehensive income in accordance with the Group's existing accounting policies.

Contemporaneously with the execution of the EISA, Azumah also entered a Loan Assignment Deed with Ibaera whereby 42.5% of the benefits of Azumah's loan to ARG have been assigned to Ibaera for consideration of US$1. The loan is USD denominated, unsecured, interest free (until the commencement of project development), with repayment set for 31 October 2027. The loan balance on the Commencement Date was US$63,433,908 (A$81,178,674), with that amount fully impaired by Azumah as at that date. If the EISA is terminated or Ibaera withdraw, the benefit of the loan assignment is transferred back to Azumah for US$1.

The fair value of Azumah's financial liability to Ibaera upon initial recognition of the loan assignment has been determined as the US$1 that Azumah is contractually obligated to deliver if the EISA is terminated or Ibaera withdraw.

Total increase in the loan advances from Ibaera into ARG from the inception of the earn-in to 30 June 2018 amounted to $3,494,644 (US$2,707,977).

Until such time that ARG has the financial resources to repay the loan (i.e. when it goes into production) and any future advances from Ibaera into ARG (which creates a loan receivable by ARG to Azumah) and the corresponding Azumah financial liability to Ibaera, will have a fair value of nil.

(b) Critical accounting estimates and judgements

Accounting for this transaction has required management to exercise a high degree of judgement over the following areas:

Classification of joint control

From the Commencement Date of the EISA, Azumah and Ibaera have two appointee's each on the board of directors of ARG. The EISA also stipulates decisions of ARG's board that require unanimous approval, which the Group has determined creates substantive rights over the relevant activities of ARG. This has resulted in joint control over ARG, resulting in deconsolidation by Azumah of the ARG consolidated group, and the subsequent recognition of an investment in a joint venture.

Fair value on initial recognition of joint venture

The fair value on initial recognition of the Group's retained interest in ARG, which was 100% at date of disposal, has been determined using management's judgement on the contractual provisions of the EISA. Ibaera is committed to a minimum spend of US$3 million, after which time it is possible for them to voluntarily withdraw from the EISA with no further obligation. This has been determined as being representative of the fair value of the Group's investment in ARG.

(c) Details of the gain on deconsolidation of subsidiaries

	2018 $	2017 $
Fair value of investment retained in AZG	**3,918,300**	-
Carrying amount of net assets disposed[(1)]	**(833,944)**	-
Gain on deconsolidation before income tax and reclassification of foreign currency translation reserve	**3,084,356**	-
Reclassification of foreign currency translation reserve	**1,307,001**	-
Income tax	**-**	-
Net gain on deconsolidation of subsidiaries	**4,391,357**	-

9. DECONSOLIDATION OF SUBSIDIARIES AND EARN-IN BY IBAERA (cont'd)

(c) Details of the gain on deconsolidation of subsidiaries (cont'd)

The carrying amounts of assets and liabilities as at the date of deconsolidation (3 November 2017) were:

	3 November 2017 $
Cash	**10,556**
Other receivables	**22,671**
Property, plant and equipment	**1,390,328**
Total assets	**1,423,555**
Trade and other payables	**(589,611)**
Total liabilities	**(589,611)**
Net assets	**833,944**

(1) The net assets disposed excludes intercompany loans payable to Azumah by the former subsidiaries as these loans receivable were fully written down to nil by Azumah.

10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Freehold Buildings $	Plant and Equipment $	Total $
At 1 July 2016			
Cost	1,938,875	1,699,180	3,638,055
Accumulated depreciation	(229,711)	(1,632,862)	(1,862,573)
Net book amount	1,709,164	66,318	1,775,482
Year ended 30 June 2017			
Opening net book amount	1,709,164	66,318	1,775,482
Exchange differences	(52,294)	(282)	(52,576)
Additions	-	20,914	20,914
Depreciation charge	(213,476)	(38,986)	(252,462)
Closing net book amount	1,443,394	47,964	1,491,358
At 30 June 2017			
Cost	1,875,100	1,674,313	3,549,413
Accumulated depreciation	(431,706)	(1,626,349)	(2,058,055)
Net book amount	1,443,394	47,964	1,491,358
Year ended 30 June 2018			
Opening net book amount	**1,443,394**	**47,964**	**1,491,358**
Exchange differences	**1,895**	**(7,024)**	**(5,129)**
Additions	**-**	**7,214**	**7,214**
Depreciation charge	**(76,490)**	**(17,126)**	**(93,616)**
Disposal on deconsolidation of subsidiaries	**(1,368,799)**	**(21,529)**	**(1,390,328)**
Closing net book amount	**-**	**9,499**	**9,499**
At 30 June 2018			
Cost	**-**	**294,515**	**294,515**
Accumulated depreciation	**-**	**(285,016)**	**(285,016)**
Closing net book amount	**-**	**9,499**	**9,499**

11. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2018 $	2017 $
Trade payables	**39,022**	133,337
Other payables and accruals	**118,539**	512,307
	157,561	645,644

All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

12. CONTRIBUTED EQUITY

	Notes	2018 Number of shares	2018 $	2017 Number of shares	2017 $
(a) Share capital					
Ordinary shares fully paid	12(b), (e)	**782,153,101**	**107,284,327**	582,565,957	103,361,606
Total contributed equity			**107,284,327**		103,361,606
(b) Movements in ordinary share capital					
Beginning of the financial year		**582,565,957**	**103,361,606**	464,727,332	97,777,406
Issued during the year:					
– Issued on vesting of performance rights(1)		**-**	**-**	2,700,000	-
– Issued on conversion of convertible notes(2)		**-**	**-**	22,727,273	1,181,818
– Transferred from other equity securities on conversion of convertible notes(3)		**-**	**-**	-	560,000
– Issued for cash via entitlements issue		**116,513,192**	**2,330,264**	-	-
– Issued for cash at 2.2 cents per share		**81,945,452**	**1,802,800**	-	-
– Issued for cash via share purchase plan		**-**	**-**	71,506,802	3,146,299
– Issued for cash at 4.4 cents per share(4)		**-**	**-**	20,904,550	900,386
– Issued as consideration for consulting fees(5)		**1,128,500**	**24,827**	-	-
Less transaction costs		**-**	**(235,170)**	-	(204,303)
End of the financial year		**782,153,101**	**107,284,327**	582,565,957	103,361,606

(1) 2,700,000 employee performance rights vested on 30 June 2016 for which the shares were not issued until 1 July 2016. The value of the share/rights was recognised in contributed equity during the 2016 financial year.

(2) These shares were issued on conversion of converting notes with a face value of $1,000,000, in accordance with the terms and conditions of the converting notes.

(3) The value of conversion rights recorded upon initial recognition of the convertible notes was transferred to ordinary share capital at the time of their redemption.

(4) An amount of $19,400 was received prior to the reporting date for 440,909 shares that were issued on 1 July 2016.

(5) These shares were valued at the fair value of the services received as invoiced by the supplier, inclusive of GST.

12. CONTRIBUTED EQUITY (cont'd)

	Number of Performance rights 2018	Number of Performance rights 2017
(c) Movements in performance rights on issue		
Beginning of the financial year	**-**	5,875,000
Expired 30 December 2016	**-**	(5,875,000)
End of the financial year	**-**	-

	Number of options 2018	Number of options 2017
(d) Movements in options on issue		
Beginning of the financial year	**-**	-
Issued, exercisable at $0.03, expiry 13 November 2021	**35,000,000**	-
Issued, exercisable at $0.03, expiry 30 June 2020	**3,000,000**	-
End of the financial year	**38,000,000**	-

(e) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(f) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital positions of the Group at 30 June 2018 and 30 June 2017 are as follows:

	2018 $	2017 $
Cash and cash equivalents	**2,323,713**	750,912
Trade and other receivables	**191,914**	181,563
Trade and other payables	**(157,561)**	(645,644)
Working capital position	**2,358,066**	286,831

13. RESERVES

(a) Reserves

Foreign currency translation reserve	**(13,496)**	1,364,676
Share-based payments reserve	**4,690,500**	4,312,544
	4,677,004	5,677,220

(b) Nature and purpose of reserves

(i) Foreign currency translation reserve

Exchange differences arising on translation of the net investments in foreign entities are recognised in other comprehensive income as described in note 1(d) and accumulated within a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

	Consolidated 2018 $	Consolidated 2017 $

14. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Audit services

	2018 $	2017 $
BDO Audit (WA) Pty Ltd – audit and review of financial reports	**32,743**	29,722
Non-related audit firm for the audit or review of financial reports of Group subsidiary entities	**-**	19,904
Total remuneration for audit services	**32,743**	49,626

(b) Non-audit services

	2018 $	2017 $
BDO Corporate Tax (WA) Pty Ltd – taxation compliance services	**7,140**	11,390
Total remuneration for other services	**7,140**	11,390

15. CONTINGENCIES

There are no material contingent assets of the Group at reporting date. The Group has the following contingent liability in relation to a tenement purchase:

Under the terms of the sale agreement for the Julie West Prospecting Licence ("tenement") between CDT and the Group, the Group is required to make a final payment of $250,000 upon completion. Completion is dependent upon obtaining the consent of the Minister in Ghana responsible for the administration of the Minerals and Mining Act, (2006) Ghana to the transfer of all of the legal and beneficial interest in the tenement to the Group.

16. COMMITMENTS

Lease commitments: Group as lessee

	2018 $	2017 $
Operating leases (non-cancellable):		
Minimum lease payments		
within one year	**29,040**	29,040
later than one year but not later than five years	**-**	-
Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities	**29,040**	29,040

The property lease is a non-cancellable lease with a twelve-month term, with rent payable monthly in advance. The rent payable is fixed for the duration of the term. The lease allows for subletting of all lease areas.

17. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Azumah Resources Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 18.

(c) Key management personnel compensation

	2018 $	2017 $
Short-term benefits	**585,130**	488,506
Long-term benefits	**21,075**	10,439
Post-employment benefits	**42,819**	37,071
Share-based payments	**374,500**	(39,708)
	1,023,524	496,308

Detailed remuneration disclosures are provided in the remuneration report on pages 19 to 24.

	Consolidated 2018 $	Consolidated 2017 $

17. RELATED PARTY TRANSACTIONS (cont'd)

(d) Transactions and balances with other related parties

Expense on-charges and purchases of goods and services

	2018 $	2017 $
Various administration expenses on-charged to an associate	**54,547**	43,368
Reimbursement of exploration expenditure to an associate in relation to a tenement acquisition	**26,344**	-
Sub-underwriting fee (paid by the underwriter) to an entity controlled by the Chairman, Mr Atkins, in relation to the Company's non-renounceable rights issue	**441**	-

(e) Loans to/from related parties

Azumah Resources Limited has provided an unsecured, interest free (until the commencement of project development) loan to Azumah Resources GH Ltd. Refer to note 9, ARG was formerly a subsidiary of Azumah, but is now a joint venture that is accounted for using the equity method. The loan is denominated in USD and is not repayable until 31 October 2027. The balance of the loan at 30 June 2018 was $89,360,127 and has been fully impaired by Azumah.

Refer to note 9, Ibaera have contributed the majority of the loan funding from the establishment of the joint venture and are also entitled to 42.5% of the balance per the Loan Assignment Deed. Total increase in the loan advances from Ibaera into ARG from the inception of the earn-in to 30 June 2018 amounted to $3,494,644 (US$2,707,977).

The movement in the carrying value of the loan for contributions made by Azumah for the period from deconsolidation of subsidiaries to the reporting date is shown below:

	2018 $	2017 $
Opening value at deconsolidation of subsidiaries	**-**	-
Loans advanced	**59,172**	-
Impairment charge	**(59,172)**	-
Closing value	**-**	-

18. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b)(vi):

Name	Country of Incorporation	Class of Shares	Equity Holding[1] 2018 %	Equity Holding[1] 2017 %
Azumah Resources Ghana Ltd	Ghana	Ordinary	- [2]	100
Phoenix Resources Ltd	Ghana	Ordinary	- [2]	100
Azumah Metals (Ghana) Ltd	Ghana	Ordinary	- [2]	100

(1) The proportion of ownership interest is equal to the proportion of voting power held.

(2) Refer to note 9, ARG (and its subsidiary entities Phoenix Resources Ltd and Azumah Metals (Ghana) Ltd) was formerly a subsidiary of Azumah, but is now a joint venture that is accounted for using the equity method

19. EVENTS OCCURRING AFTER THE REPORTING DATE

On 18 July 2018 the Company appointed Ms Debra Bakker and Mr Linton Putland as non-executive directors, and Mr Geoffrey Jones resigned as non-executive director.

No other matter or circumstance has arisen since 30 June 2018, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

20. CASH FLOW INFORMATION

	2018 $	2017 $
(a) Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(2,096,790)**	(3,493,883)
Non-Cash Items		
Depreciation of non-current assets	**93,616**	252,462
Share of net loss/(profit) of associate accounted for using the equity method	**3,661,051**	(1,452)
Share-based payment expense/(income)	**377,956**	(45,567)
Net exchange differences	**(53,795)**	5,636
Shares issued as consideration for consulting fees	**24,827**	-
Accrued interest and fair value adjustment on converting notes	**-**	209
Gain on modification of converting notes	**-**	(40,404)
Net gain on deconsolidation of subsidiaries	**(4,391,357)**	-
Impairment of loan to associate	**59,172**	-
Change in operating assets and liabilities, net of effects from deconsolidation of subsidiaries		
(Increase) in trade and other receivables	**(32,943)**	(26,469)
Increase in trade and other payables	**100,141**	268,060
Net cash outflow from operating activities	**(2,258,122)**	(3,081,408)

(b) Non-cash investing and financing activities

During the 2018 financial year, 1,128,500 ordinary shares were issued at a deemed cost of $24,827 (including GST) as consideration for consulting fees. This amount was included in 'Administration expenses' on the statement of profit or loss and other comprehensive income of the Group.

During the 2017 financial year, a total of 22,727,273 ordinary shares were issued on conversion of converting notes with a face value of $1,000,000, in accordance with the terms and conditions of the converting notes. This amount is included in 'Contributed equity' on the statement of financial position of the Group.

21. SHARE-BASED PAYMENTS

(a) Employees' and contractors' performance rights

The Group has previously provided benefits to employees (including directors) and contractors of the Group in the form of share-based payment transactions, whereby performance rights over ordinary shares were issued as an incentive to improve employee and shareholder goal congruence. The most recent performance rights previously on issue expired unvested on 30 December 2016.

Performance rights granted carry no dividend or voting rights. When each performance condition is satisfied, each performance right is converted into one ordinary share of the Company with full dividend and voting rights.

Set out below are summaries of the performance rights granted:

	2018	2017
Outstanding at the beginning of the year	**-**	5,875,000
Granted	**-**	-
Forfeited/cancelled	**-**	-
Exercised	**-**	-
Expired	**-**	(5,875,000)
Outstanding at year-end	**-**	-

There were no rights granted during the 2018 or 2017 financial years.

(b) Employees' and contractors' options

The Group provides benefits to employees (including directors) and contractors of the Group in the form of share-based payment transactions, whereby options to acquire ordinary shares are issued as an incentive to improve employee and shareholder goal congruence. The exercise price of all options granted is 3 cents per option. All options granted have expiry dates ranging from 30 June 2020 to 13 November 2021.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

Set out below are summaries of the options granted:

	Consolidated			
	2018		2017	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	**-**	**-**	-	-
Granted	**38,000,000**	**3.0**	-	-
Forfeited/cancelled	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Expired	**-**	**-**	-	-
Outstanding at year-end	**38,000,000**	**3.0**	-	-
Exercisable at year-end	**38,000,000**	**3.0**	-	-

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 3.3 years (2017: N/A), and the exercise price is 3 cents.

21. SHARE-BASED PAYMENTS (cont'd)

(b) Employees' and contractors' options (cont'd)

The weighted average fair value of options granted during the year was 1.0 cents (2017: n/a). The prices were calculated by using the Black-Scholes European Option Pricing Model for the 35,000,000 options granted to Directors, and a Trinomial Barrier Option Pricing Model for the 3,000,000 options granted to a consultant, applying the following inputs:

	Black-Scholes Model	Trinomial Barrier Model
Exercise price (cents)	**3.0**	**3.0**
Barrier price (cents)	**N/A**	**6.0**
Life of the option (years)	**4.0**	**2.2**
Underlying share price (cents)	**2.0**	**2.2**
Expected share price volatility	**84.9%**	**35.0%**
Risk-free interest rate	**1.9%**	**2.0%**

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

The life of the options is based on historical exercise patterns, which may not eventuate in the future.

(c) Shares issued to suppliers

During the 2018 financial year, 1,128,500 ordinary shares were issued at a deemed cost of $24,827 (including GST) as consideration for consulting fees. This amount was included in 'Administration expenses' on the statement of profit or loss and other comprehensive income of the Group.

(d) Critical accounting estimates and judgements

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or fair market value of share (right) at the date of grant, using the assumptions detailed above. If any of these assumptions were to change, there may be an impact on the amounts reported.

(e) Expenses arising from share-based payment transactions

	Consolidated	
	2018	2017
	$	$
Total expenses arising from share-based payment transactions recognised during the period were as follows:		
Performance rights issued to employees and contractors	**-**	(45,567)
Options issued to employees and contractors	**377,956**	-
Shares issued to suppliers ('Administration expenses')	**24,827**	-
	402,783	(45,567)

22. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Azumah Resources Limited, at 30 June 2018. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2018 $	2017 $
Current assets	**2,515,627**	893,612
Non-current assets	**372,769**	155,144
Total assets	**2,888,396**	1,048,756
Current liabilities	**157,561**	143,879
Total liabilities	**157,561**	143,879
Contributed equity	**107,284,327**	103,361,606
Reserves		
Foreign Currency Translation Reserve	**(13,496)**	(3,282)
Share-Based Payments	**4,690,500**	4,312,544
Accumulated losses	**(109,230,496)**	(106,765,991)
Total equity	**2,730,835**	904,877
Loss for the year	**(2,464,505)**	(2,969,175)
Total comprehensive loss for the year	**(2,474,719)**	(2,972,590)

The parent entity did not have any contingent liabilities as at 30 June 2018 or 30 June 2017.

As at 30 June 2018 the parent entity had lease commitments, as disclosed at note 18, totalling $29,040 (2017: $29,040).

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements comprising the statements of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows and accompanying notes set out on pages 29 to 56 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2018, comply with Section 300A of the *Corporations Act 2001*; and

(d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Stephen Stone
Managing Director

Perth, 28 September 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of Azumah Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Azumah Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deconsolidation of Subsidiaries and Earn-In by Ibaera

Key audit matter	How the matter was addressed in our audit
As disclosed in note 9, on 1 September 2017 Azumah executed a transformative Earn-In and Shareholders Agreement (EISA) with Perth managed private equity group, Ibaera Capital GP Limited (Ibaera), whereby Ibaera can earn in two stages over two years up to a 47.5% direct interest in Azumah's Wa Gold Project held through Azumah's wholly owned subsidiary Azumah Resources GH Ltd (ARG) for an expenditure of US$13.5 million (~A$17M). From the commencement date of the EISA being 3 Novermber 2017, Azumah and Ibaera have two appointee's each on the board of directors of ARG. The EISA also stipulates decisions of ARG's board that require unanimous approval, which the Group has determined creates substantive rights over the relevant activities of ARG. This has resulted in joint control over ARG, resulting in deconsolidation by Azumah of the ARG consolidated group, and the subsequent recognition of an investment in an associate. The group recognised a significant net gain on deconsolidation of the subsidiaries in the statement of profit or loss. Given the accounting complexity in determining the impact of the earn-in, this transaction represents a key audit matter.	Our procedures included but were not limited to: • reading the EISA and loan assignment deed and checking that the transactions had been recorded and disclosed in accordance with the terms of the respective agreements • assessing managements application of relevant accounting standards in relation to the basis for loss of outright control and accounting for the deconsolidation of the subsidiary; • reviewing the reasonableness of management's assessment of the fair value of the retained investment in ARG against the relevant accounting standards; • performed cut-off procedures to assess the completeness and accuracy of the assets and liabilities derecognised at the date of disposal; • examined the adequacy and accuracy of the disclosure of the transaction within the financial report including the reported gain on disposal and the classification as an investment in associate; and • assessing the appropriateness of the related disclosures included in Note 8 to the financial statements

Accounting for Investment in Associate

Key audit matter	How the matter was addressed in our audit
As at 30 June 2018, the carrying value of the Group's investment in associate as disclosed in Note 8 of the financial report was accounted for using the equity method of accounting. In accordance with the terms of the executed Earn-in Shareholders Agreement (EISA), the ownership percentage Azumah holds in ARG is diluted to the extent of Ibaera's total spend on exploration. In addition, Azumhah is required to account for its share of ARG post acquisition profit or loss in accordance with relevant accounting standards. Due to the quantum of this asset and, as well as the complexity in calculation of the carrying value we have determined this is a key audit matter.	Our procedures included but was not limited to the following procedures: • verifying the profit or loss and net assets of the associate and checking the calculations for the recognition of the associate loss for the period.; • reviewing managements assessment and calculation of the dilution of interest in ARG in accordance with the terms and conditions in the EISA; and • assessing the appropriateness of the related disclosures included in Note 8 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 16 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Azumah Resources Limited, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 28 September 2018

ASX ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 13 September 2018.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	164	82,498
1,001	-	5,000	656	2,089,385
5,001	-	10,000	470	3,931,337
10,001	-	100,000	1,391	53,624,743
100,001		and over	683	722,425,138
			3,364	782,153,101
The number of shareholders holding less than a marketable parcel of shares are:			1,872	16,028,135

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	HSBC Custody Nominees Aust Ltd	68,103,876	8.71
2	Caitlyn Ltd	54,952,416	7.03
3	Audrill International Pty Ltd	36,629,810	4.68
4	Zero Nominees Pty Ltd	21,157,630	2.71
5	Citicorp Nominees Pty Ltd	20,508,206	2.62
6	BNP Paribas Nominees Pty Ltd <IB Au Noms Retail>	15,502,498	1.98
7	David Harper	12,500,000	1.60
8	Whitesman Investments Pty Ltd <Whitesman S/F A/C>	12,354,197	1.58
9	J P Morgan Nominees Aust Ltd	11,720,649	1.50
10	Lewis Hutchins	9,708,578	1.24
11	Richard Arthur Lockwood	9,651,818	1.23
12	William Henry Hernstadt	9,272,727	1.19
13	Gladstone Super Pty Ltd <Gladstone S/F A/C>	9,160,360	1.17
14	Qingtao Zeng	8,381,099	1.07
15	Daei Feng	8,000,000	1.02
16	Continental Global Inv Ltd	7,936,240	1.01
17	Redstar Resources Ltd	7,521,875	0.96
18	Goldfire Enterprises Pty Ltd	7,209,092	0.92
19	Kaos Investments Pty Ltd	7,000,000	0.89
20	Bunda Holdings Pty Ltd	6,000,000	0.77
		343,271,071	43.88

Note: Nominee holders hold shares on behalf of a number of beneficial holders

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(d) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares
Caitlyn Ltd	50,000,000
Agnivesh Agarwal[(1)]	50,000,000
J P Morgan Nominees Australia Ltd	32,041,127
HSBC Custody Nominees Australia Ltd	24,568,324
CDS & Co	18,883,250
Citicorp Nominees Pty Ltd	17,549,530

(1) Agnivesh Agarwal has a relevant interest in the shares held by Caitlyn Limited (Caitlyn) pursuant to section 608(3) Corporations Act 2001 (Cth) as the sole shareholder of Caitlyn.

(e) Unquoted Securities

Class	Number of Securities	Number of Holders	Holders of 20% or more of the class: Holder Name	Holders of 20% or more of the class: Number of Securities
3 cent options, expiry 30 June 2020	3,000,000	1	Cornerstone Advisors Pty Ltd	3,000,000
3 cent options, expiry 13 November 2021	35,000,000	3	Stephen Stone ATF <The Pearlstone Family Account>	20,000,000
			Michael William Atkins	10,000,000

(f) Schedule of interests in mining tenements[(i)]

Location	Tenement	Percentage held / earning
Kunche, Ghana	ML 10/1	90[(ii)]
Julie, Ghana	ML 10/5[(iii)]	90[(ii)]
Collette, Loggo, Ghana	PL 10/4[(iii)]	100
Julie near Du, Ghana	PL 10/5[(iii)]	100
Josephine, Du, Ghana	PL 10/9[(iii)]	100
Julie West, Ghana	PL 10/13	Assignment
Vapor, Ghana	PL 10/12	100
Basabli, Ghana	PL 10/13	100
Duri, Ghana	PL 10/14	100
Butele, Ghana	PL 10/18	100
Vapor West, Ghana	PL 10/19	100
Vapor South, Ghana	PL 10/20	100
Dorimon West, Ghana	PL 10/35	100
Tangasia, Ghana	PL 10/36	100
Zadong South, Ghana	PL 10/37	100
Dorimon, Ghana	PL 10/38	100
Vapor S/West, Ghana	PL 10/39	100
Lawra North, Ghana	PL 10/41	100
Tangasia North, Ghana	PL 10/42	50
Samoa S/West, Ghana	PL 10/43[(iii)]	50

(i) As announced to the ASX on 1 September 2017, Azumah executed an Earn-In and Shareholders Agreement (EISA) with 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 (~$17M). All tenements included in the table above are within the scope of the EISA.

(ii) Ghana Government 10% Free Carried Interest (payable through dividends) and 5% Gross Royalty.

(iii) Held by Phoenix Resources Ltd. All other tenements held by Azumah Resources Ghana Ltd.

Prospecting Licence (PL): A Prospecting Licence gives the holder the exclusive right to search for specific minerals (or commodities) by the conduct of geological and geophysical investigations and to determine the extent and economic value of any deposit within the licence area.