New High-Grade 'Blind' Discovery at Bepkong East

AZUMAH RESOURCES LIMITED

- **Semi-continuous 93m mineralised zone grading 2.33g/t Au from 261m (BRCD487. EOH 460m)**
- **Includes 9.9m at 8.42g/t Au from 295m, 2.16m at 21.17g/t Au from 303m and 0.5 at 88.71g/t Au from 338m**
- **A new 'blind' discovery at Bepkong East adding to the already substantial near-surface Bepkong mineralisation**
- **Infers presence of a mineralising fluid conduit system that is likely to extend to considerable depth**
- **Complementary holes, BRDC485 (EOH 381m) and BRDC486 (EOH 444m), completed with visible gold observed in former at a depth of 180.9m. Awaiting results**
- **Volume of mineralised rock at Bepkong has been substantially increased, as has the likelihood of underground mining**
- **BRCD487 is the first hole in a 40,000m drilling campaign that will continue well into 2019**
- **Drill rig now at Kunche deposit to follow-up May 2018 intercepts which included 44m at 5.37g/t Au from 99m**
- **Ore Reserves and Study update now scheduled January 2019**

West African gold explorer and developer Azumah Resources Limited (ASX: AZM) ("Azumah") advises that the first of three RC/DDH holes, BRCD487, drilled beneath the Bepkong deposit at its Wa Gold Project, Ghana ('Project') has discovered a new 'blind' high-grade eastern lode.

The hole intersected a semi-continuous, **93m mineralised zone grading 2.33g/t Au** from 261m (no lower cut-off applied) including **9.9m at 8.42g/t Au** from 295m, and **2.16m at 21.17g/t Au** from 303m and **0.5 at 88.71g/t Au** from 338m (1.0g/t Au cut off)(Figs 1, 2 and 3. Photo 1. Appendix).

The Bepkong East lode is associated with a major structurally controlled 'fluid conduit' system that could extend mineralisation to considerable depth. Its discovery adds to the already substantial near-surface mineralisation at Bepkong (201,100oz Measured and Indicated; 44,000oz Inferred; 113,000oz Proved and Probable)(Refer Tables 1 and 2 for details).

ASX & Media Release

12 December 2018

ASX: AZM

www.azumahresources.com.au

Wa Gold Project:

Value

2.5Moz Mineral Resource

2,400km² fertile terrain

624,000oz, 2.14g/t Au Ore Reserve

Upside

Growing resources and reserves

Widespread anomalism

Numerous priority targets

Activity

~40,000m drilling and

Feasibility update underway

Fully Funded

<A$17M over 2yrs

Ibaera Capital earning 47.5% directly in Project

Issued Capital:

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

Directors & Management:

Chairman:
Michael Atkins

Managing Director:
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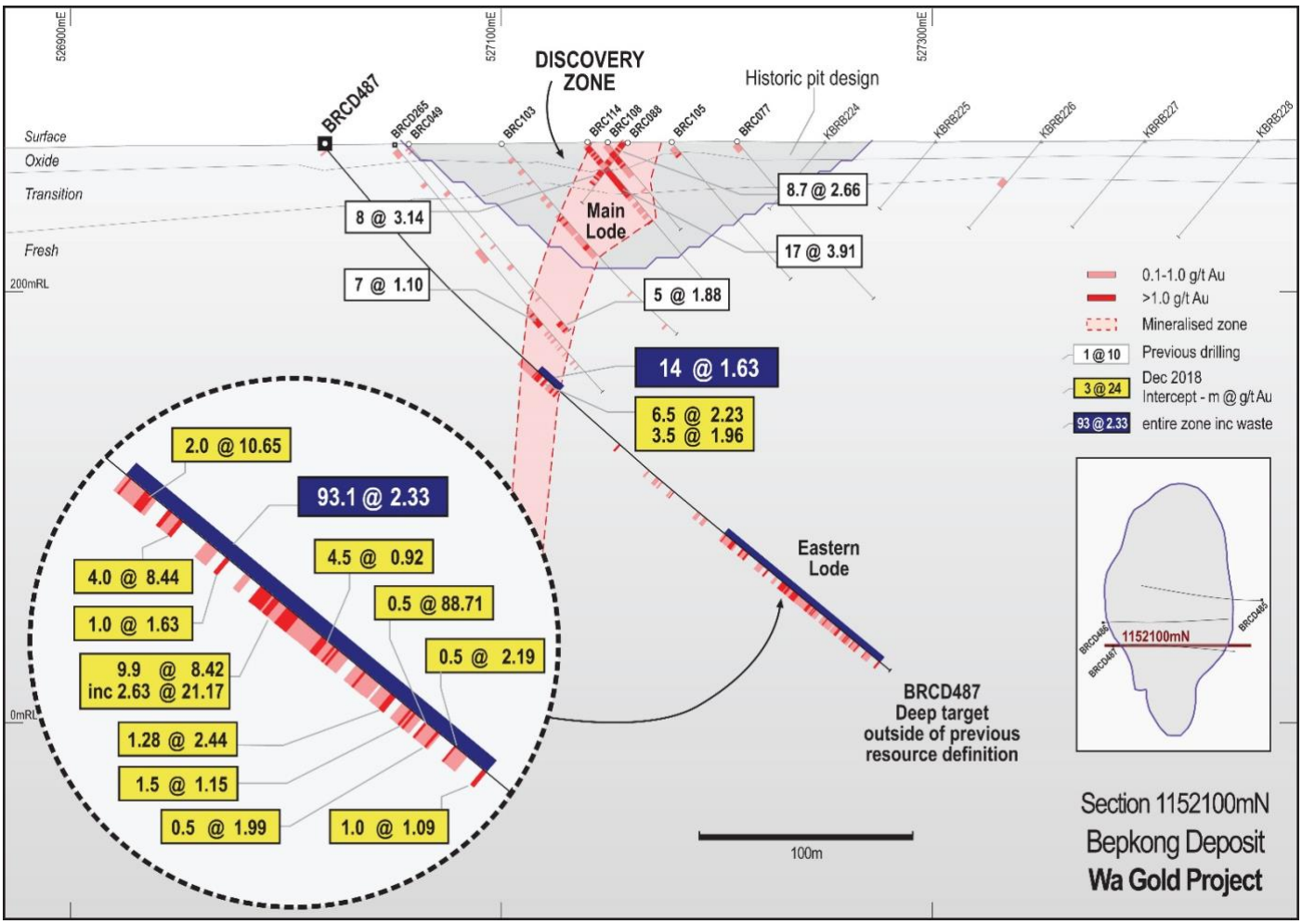
At present, the Bepkong East mineralisation remains unconstrained at depth and along strike.

Two additional holes (BRCD485 and BRCD486 - drilled 50m and 100m north of BRCD487) designed with the same objective of testing for down-plunge extensions to high-grade mineralisation intersected in historic drillholes BRCD451 and BRCD452A, have just been completed. Visible gold was observed in the latter at a depth of 180.9m (Photo 2).

Fig 1: Bepkong Deposit - Cross Section showing BRCD487 and location of Eastern Lode discovery



Combined with historic drillholes, the volume of mineralised rock identified at Bepkong has been substantially increased. This is likely to have a materially positive impact on the overall Project including increasing the likelihood of underground mining.

Azumah Managing Director, Stephen Stone, said **"This magnificent drill intercept, from the very first hole drilled of a new 40,000m multi-target drilling campaign, is further proof that the Wa Gold Project has so much more to deliver as it transitions towards development. It is a credit to our entire geological team.**

"In coming weeks, we are looking forward to receiving drilling results from two other complementary deep-targeted holes just completed at Bepkong, along with two others underway at the Kunche deposit, where last April we also demonstrated the presence of high-grade mineralisation at depth.

"This latest development is consistent with the structurally controlled orogenic-style of mineralisation that hosts the Wa Gold Project and which we know can extend to considerably greater depths than we have been drilling to date."

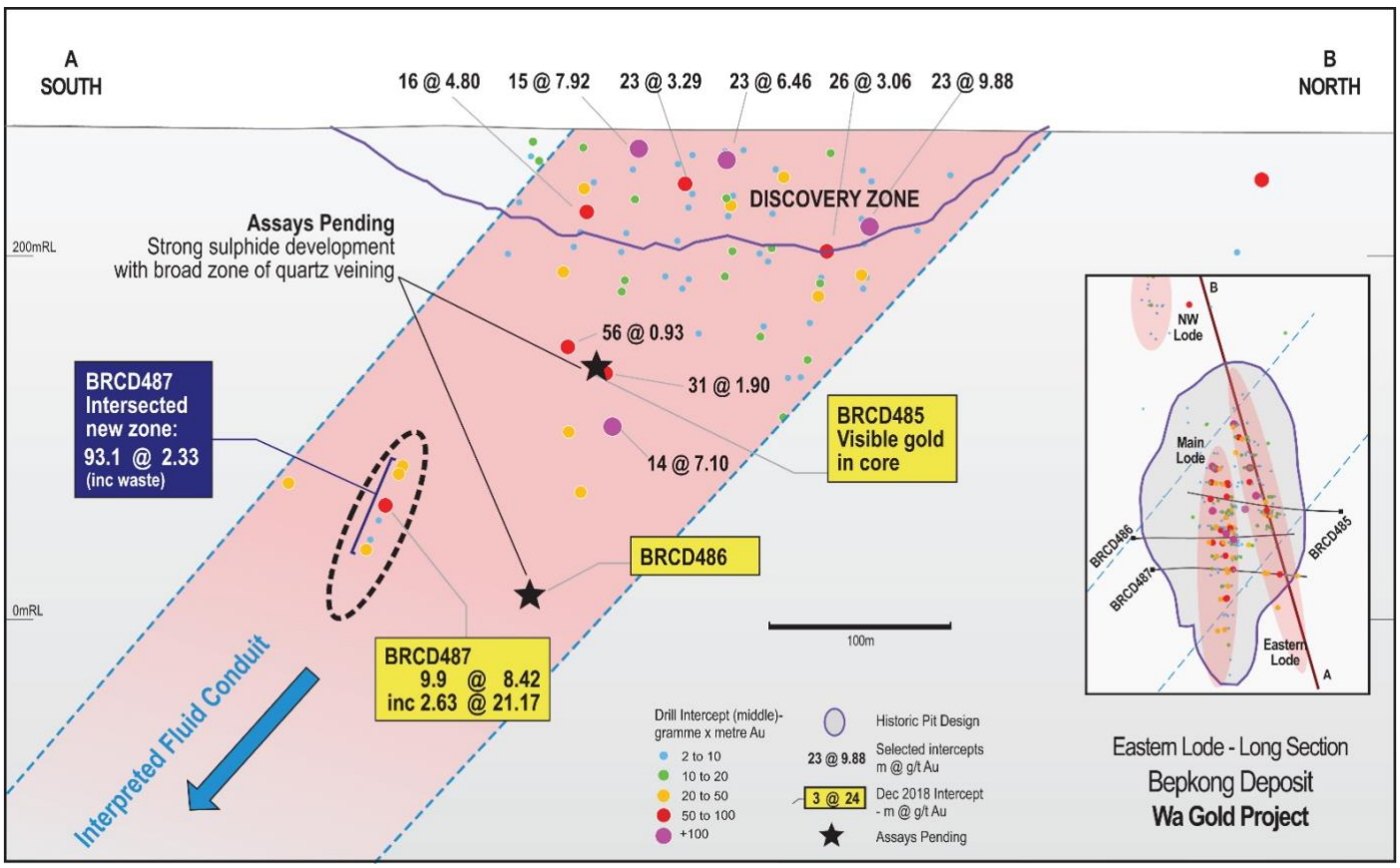
40,000m drilling campaign

The current drilling is part of a recently commenced 40,000m, A$4 million multi-target drilling campaign aimed at lifting Mineral Resources and Ore Reserves at the Project where the primary objective is to deliver a commercially robust, development-ready Project by Q3 2019.

The drill rig has now moved to the Kunche deposit where it is drilling two deep holes to follow-up recent high-grade intercepts including 44m at 5.37g/t Au from 99m (refer ASX release 8 May 2018).

The exploration programme has been developed by renowned orogenic gold specialist, Dr Jon Hronsky, and Exploration Manager, Paul L'Herpiniere, who are founding partners of Azumah's joint venture partner, Ibaera Capital. Ibaera is sole-funding and managing the Project through to a development decision, expected to be delivered in Q3 2019.

Fig 2: Bepkong Deposit - Long Section through interpreted Eastern Lode zone



Geology

This new deep mineralisation at Bepkong is associated within an intercalated shale and siltstone unit which has provided a rheological contrast that has focussed the mineralising fluids. This results in a visibly intense set of translucent quartz veins with associated strong wallrock sulphide development within the higher grade zones of the conduit and moderate to weakly veined and disseminated sulphide wallrock alteration in the footwall to the higher grade mineralised zones. The emplacement of the veins at Bepkong appears to have been controlled by the pre-existing graphitic ductile shear zone. Mineralisation is associated with arsenopyrite and a calcium carbonate-graphite-silica alteration assemblage.

Fig 3: Bepkong Deposit – Plan showing recent and historical drilling results

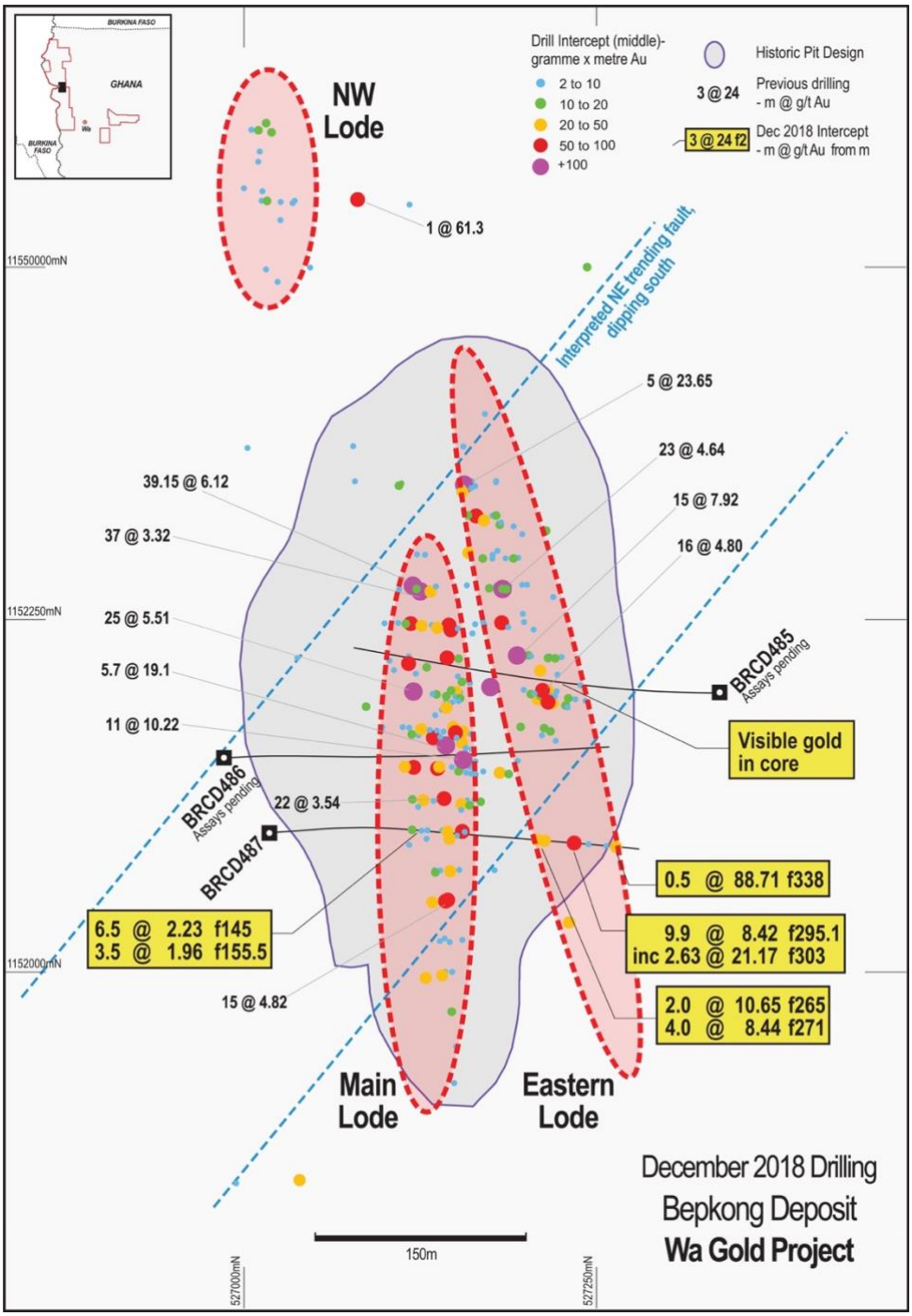


Photo 1: BRCD487 – Core run 297.88m to 304.0m

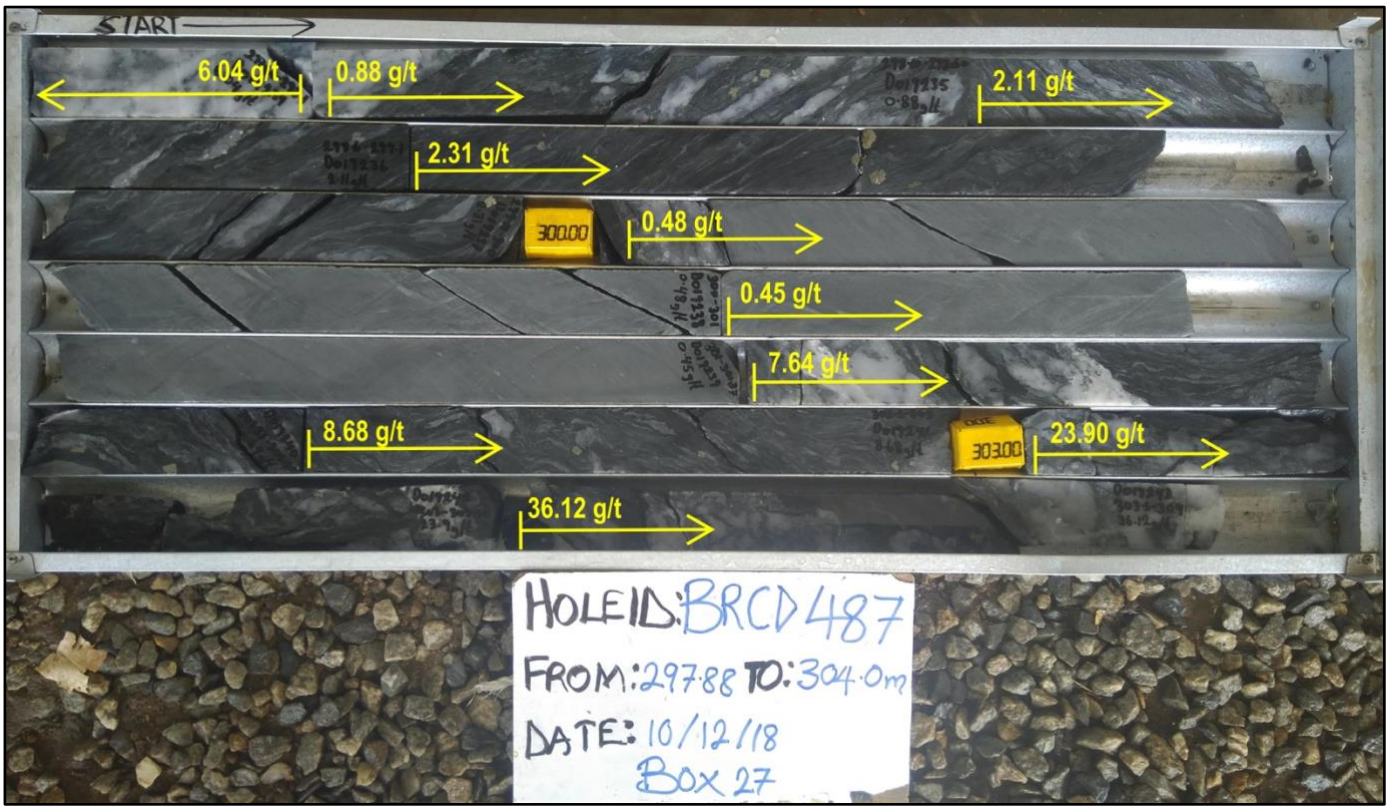


Photo 2: BRCD485 – Visible gold at 180.9m. Awaiting assays.

Ore Reserves and Feasibility Study progress

The Ore Reserves and Feasibility Study progress update is now likely to be released in January 2019.

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About Azumah Resources Limited

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 approximately 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 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 2,400km^2 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.

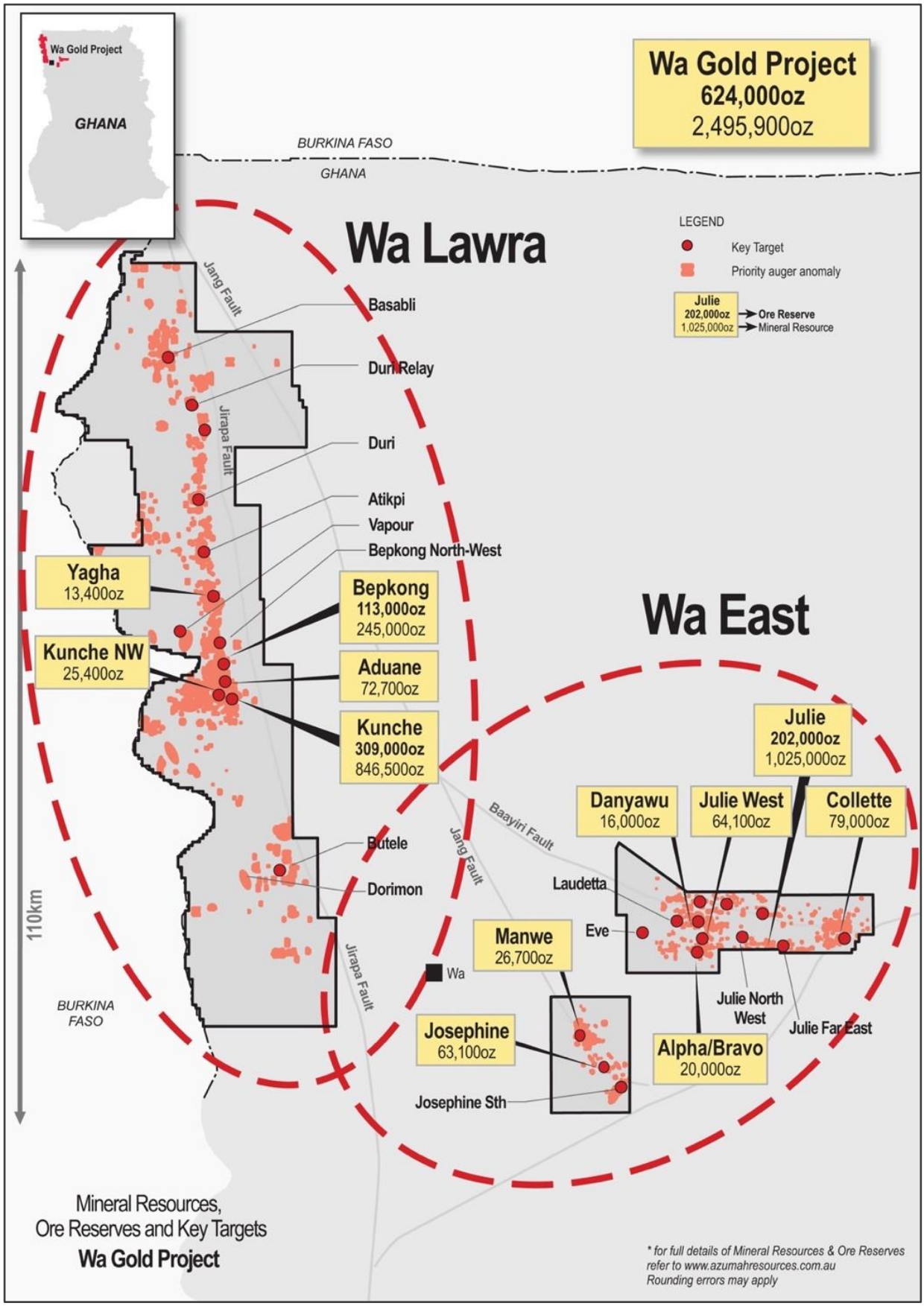
Azumah's current exploration strategy is primarily driven by its aim to materially increase its existing Ore Reserve base and demonstrate attractive project economics. This will enhance funding capability and solidly underpin a development decision.

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.

Wa Gold Project: Deposits, Prospects, Mineral Resources and Ore Reserves



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 boost 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 owners, principals and management are all very experienced geologists, engineers and financiers and, pursuant to the EISA, are now managing all facets of the Project.

References

All references to Mineral Resources and Ore Reserves pertain to ASX releases dated 2 September 2014, 23 March 2015 and 12 October 2016 respectively. Also refer to Tables 1 and 2 herein. The Company confirms that all material assumptions underpinning the production targets and forecast information continue to apply and have not materially changed other than a positive material reduction in capital costs (refer ASX release dated 9 May 2016). For further information on Azumah Resources Limited and its Wa Gold Project please visit its website at www.azumahresources.com.au which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

'Competent Persons' Statements

The scientific and technical information in this report that relates to the geology of the deposits and exploration results is based on information compiled by Mr Stephen Stone, who is an executive employee of Azumah Resources Limited. Mr Stone is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stone is the Qualified Person overseeing Azumah's exploration projects and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the geology of the deposits and exploration results.

Table 1: Ore Reserves Summary – JORC Code 2012

	Proved		Probable		Total		Gold To Mill
(As at August 2014)	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Gold oz
Kunche	4.91	1.92	0.05	3.11	4.97	1.94	309,000

Bepkong	1.79	1.84	0.11	1.97	1.90	1.85	113,000
Julie	0.29	2.45	1.93	2.89	2.21	2.84	202,000
Total	**7.00**	**1.92**	**2.09**	**2.85**	**9.08**	**2.14**	**624,000**

Values have been rounded.

Table 2: Mineral Resource Estimate – JORC Code 2012 – Updated September 2018

		Measured			Indicated			Inferred			Grand Total		
Deposit	**Cutoff Au g/t**	**Tonnes (Kt)**	**Grade g/t Au**	**Gold oz**	**Tonnes (Kt)**	**Grade g/t Au**	**Gold oz**	**Tonnes (Kt)**	**Grade g/t Au**	**Gold oz**	**Tonnes (Kt)**	**Grade g/t Au**	**Gold oz**
Wa-Lawra													
Kunche	0.5	8,835	1.6	446,000	3,404	1.4	145,000	7,616	1	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		12,800	1,491	1.3	59,900	1,812	1.3	**72,700**
Kunche NW	0.5					1.6		694	1.1	25,400	694	1.1	**25,400**
Yagha	0.5					4.2		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				455	4	58,900	68	2.4	5,100	523	3.8	**64,100**
Danyawu	1				105	4.2	14,200	38	1.5	1,800	143	3.5	**16,000**
Alpha/Bravo	1							148	4.2	20,000	148	4.2	**20,000**
Josephine	1				709	1.5	34,500	580	1.5	28,600	1,290	1.5	**63,100**
Manwe	1				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, Bepkong, Aduane, Julie and Collette, and a lower cut-off of 1.0g/t Au was used for Julie West and Danyawu

The information in this report that relates to a Mineral Resource estimate for the Julie deposit is based on and fairly reflects information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the Australian Institute of Geoscientists (#4176) and Mr Mark Glassock, a Competent Person, who is an employee of Extomine Pty Ltd and a member of the AusIMM (#202048). Mr Williams assumes responsibility for the interpretation and the grade estimation and Mr Glassock assumes responsibility for the input data. Mr Williams and Mr Glassock have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Williams and Mr Glassock consent to the disclosure of information in this report in the form and context in which it appears.

The information in this report that relates to a Mineral Resource estimate for the Kunche, Aduane, Kunche NW, Yagha, Julie West, Danyawu, Alpha/Bravo, Josephine and Manwe deposits is based on and fairly reflects information compiled by Mr Mark Glassock, a Competent Person, who is an employee of Extomine Pty Ltd and a member of the AusIMM (#202048). Mr Glassock has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Glassock consents to the disclosure of information in this report in the form and context in which it appears.

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.

Appendix: *Wa Gold Project - JORC Code 2012 Edition – Table 1*

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The following information relates to reverse circulation (RC) and diamond (DD) drilling conducted in November and December 2018. A total of 3 holes were drilled for 1185m. This included 430m of RC pre-collar, and 755m diamond tails. Currently, assays are only available for BRCD487.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Drillholes were located by handheld GPS, using coordinate system WGS84 UTM Zone30N RC samples were collected at 1m intervals. Each 1m RC sample was split into two 1 kg samples. The remaining sample was collected in large green bags and used to create a 4m composite sample. RC sample weights averaged 20 kg in oxide material and 30 kg in fresh material. DD samples were taken at 0.1–1.1m intervals. The sample quality and recovery of DD core from fresh and oxidised rock was good.

Criteria	JORC Code explanation	Commentary
		Appropriate quality assurance/quality control (QAQC) protocols were followed, including submission of field duplicates and insertion of commercial standards for all types of drilling. RC and DD samples are analysed by fire assay method FA50/AAS which has a detection level of 0.001 ppm Au. Appropriate quality assurance/quality control (QAQC) protocols were followed, including submission of field duplicates and insertion of commercial standards for all types of drilling.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information	RC holes were drilled with a 5.25 inch hammer bit and collected via cyclone. Every metre drilled was collected via cyclone into a plastic bag, then placed in rows of 20. The samples were composited into 4m composites using a PVC spear, then sent to the laboratory for analysis, except in zones of obvious mineralisation, where the single metre rifle split sample was sent for analysis. DD holes were drilled at NQ size (47.6mm). Sampling intervals were based on lithology and/or alteration changes. The core was cut in half longitudinally using a core saw. Laboratory Sample preparation of samples included: • Drying the sample at 105°C for 4 hours. • Grinding the sample to less than -6mm. • Splitting the sample using a riffle splitter. • Pulverising the sample for 4 minutes to achieve 85% of sample passing -75µm in grain size. Gold analysis was carried out by fire assay with atomic absorption spectroscopy method (FA50/AAS) which has a detection level of 0.001 ppm Au.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	RC and DD drilling was conducted by Geodrill Ghana Limited with a 900-15 or 900-16 multi-purpose rig.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Drill sample recovery was visually assessed and considered to be acceptable within the mineralised zones.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The quality of drill samples was very good.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Sample recovery is generally very high within the mineralised zones. No significant bias is expected, and any potential bias is not considered material.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resources*	All drilling has been geologically logged in detail over the entire hole length (at 1m intervals for RC & AC drilling). Colour, lithology, degree of oxidation and water table depth etc were recorded.

Criteria	JORC Code explanation	Commentary
		DD was geotechnically logged for recovery and rock quality designation. Structure type and orientation are recorded in the database. DD core and RC chip trays are stored in the Kalsegra Exploration Base and the Julie Field Camp for Julie and Collette drilling.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Geological logging is qualitative in nature based on a qualified geologists observation. This includes records of lithology, oxidation state, colour, mineralisation, alteration and veining.
	The total length and percentage of the relevant intersections logged.	All holes were geologically logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Diamond drilling core samples were sawn in half, with half the sample sent for analysis and half kept on site. The entire length of BRCD487 core was analysed by the laboratory. Sampling of the core of BRCD486 and BRCD485 was based on the visual observations of the mineralised zones.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples were collected on the rig using a cyclone, then passed through a riffle splitter to collect a smaller sub-sample in a calico bag. The remaining sample was collected in a plastic bag and placed in rows of 20. Samples were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples were dried and ground to 85% passing 75 microns using laboratory mills for fire assay (FA50 or FA51) analysis. The resultant prill is dissolved in aqua regia and gold content is determined by flame atomic absorption spectroscopy (AAS).
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field QA/QC procedures included insertion of field duplicates and commercial standards of Certified Reference Material (CRM) in every batch (1 per 50 samples). Laboratory QA/QC procedures included: • Every 50th sample was screened to check grinding results (% passing 2mm and 75 microns). • 1 reagent blank was inserted every 50 samples, 1 preparation process blank was inserted every 50 samples and 1 weighed replicate was inserted every 50 samples. • 1 preparation duplicate (re-split) every 50 samples and 2 certified reference materials (CRMs) every 50 samples. Repeat analyses are completed whenever an analytical batch fails to meet the laboratory standards or when requested by a client. No repeats were warranted on this sampling.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling	Duplicate samples are taken for all drilling except DD. Where the duplicate versus original sample differ, both samples were re-assayed to check the analysis.
	Whether sample sizes are appropriate to the grain size of the material being sampled	Sample size is considered appropriate.
Quality of assay data and	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The analytical technique used was fire-assay with an atomic-absorption finish (FA50 or FA51/AAS) which is industry standard for Au.

Criteria	JORC Code explanation	Commentary
laboratory tests	*For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	Downhole samples have been scanned with a hand-held XRF device. This data is qualitative and used as a guide to potential mineralisation. The device used is an Innovex Delta XRF with 40Kv Tube and silicon drift detector (SDD). It is used in soil test mode for 90 seconds per test at 30 seconds for each beam. No calibration factors are applied.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Field QA/QC procedures included the insertion of field duplicates, blanks and CRM at a rate of 1 to 50.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The verification of significant intersections by independent or alternative company personnel has not occurred.
	The use of twinned holes.	No twinned holes were drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Field data was all recorded as hard copies. Geological logging and sample intervals were recorded in digital form using a logging computer or Excel templates. This data was imported into a SQL database for validation and QC. The analytical data was imported into SQL database with all related metadata and QA/QC information.
	Discuss any adjustment to assay data.	No adjustments were made, other than for values below the assay detection limit. These values have been entered as the negative of the detection limit.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	The collar locations of all holes were located using a hand-held GPS (accurate to ±2m).
	Specification of the grid system used.	The grid system is WGS84 Zone 30 North.
	Quality and adequacy of topographic control.	The topographic surfaces of all properties were created using a GeoEye image and Digital Surface Model. This was corrected and validated using DGPS drill hole points collected in the field.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The RC/DD drill holes at Bepkong were planned individually to test for a proposed depth extension of the Eastern Lode
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The RC drilling at Kunche, Kunche Northwest, Bepkong, Aduane and Yagha North was at variable spacing, based on increasing confidence in the ore body interpretation to allow an upgrade in Resource Estimation calculation.
	Whether sample compositing has been applied.	For the RC pre-collars, samples were assayed in 1m intervals in zones of interpreted mineralisation, or 4m composites. Diamond core was sampled based on visual observations, with sample lengths of 1m or less.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Drilling fences are orientated perpendicular to the interpreted strike of the mineralisation.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No orientation based sampling bias has been identified in the data based on the interpreted mineralised structures.
Sample security	*The measures taken to ensure sample security.*	Chain of Custody is managed by Azumah staff (geologists and technicians). Samples are stored on site and delivered to the Intertek Laboratory at Tarkwa Samples submission sheets are in place to track the progress of every batch of samples.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sampling techniques are consistent with industry good practice. Data was validated by CSA Global during loading into the database. Checks included Depth from Depth to, sample interval hole depth and overlapping sample intervals. Any data which failed the checking process is returned to Azumah for validation. Global consistency was also checked at a later stage by plotting holes on sections using the database and reconciling assays against the geology.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Project area is located in the Upper West Region in the north-west corner of Ghana. All leases are held 100% by Azumah Resources Ltd (Ghana) or its wholly owned subsidiary Phoenix Resources.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing with no known impediments.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Previous mapping and exploration works were completed by BHP-Utah (1990's), AGEM (late 1990's) and Semafo (late 1990's). All exploration activities have been completed by Azumah since 2006.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Wa Gold Project covers approximately 70% of the Palaeoproterozoic Upper and Lower Birimian units, typically known as the Wa-Lawra greenstone belt, within Ghana. Gold mineralisation at deposits within the Project occurs as follows: **Kunche**: Brittle quartz lode/breccia-hosted with higher grade Au mineralisation associated with zones of intense silicification, smoky quartz veins, arsenopyrite and pyrrhotite.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>Bepkong and Aduane: Increased ductile shearing and dismemberment of quartz veins. Greater than 1 g/t Au mineralisation occurs within translucent quartz veins and arsenopyrite.

Julie: Quartz veining and lodes within sheared granodiorite host. Au mineralisation is associated with silicification, pyrite, chalcopyrite, carbonate, sericite and haematite alteration.

Collette: Quartz veining with at least 3 orientations. Au mineralisation is associated with silicification, arsenopyrite, pyrite, haematite alteration and glassy translucent quartz veining.</td></tr>
<tr><td>Drill Hole Information</td><td>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
easting and northing of the drill hole collar
elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.
If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td>Collar Details:
<table><tr><th>Hole</th><th>East</th><th>North</th><th>RL</th><th>Az</th><th>Dip</th><th>Depth</th><th>RC</th><th>DD</th></tr><tr><td>BRCD485</td><td>527337</td><td>1152198</td><td>267</td><td>270</td><td>-50</td><td>381m</td><td>130m</td><td>251m</td></tr><tr><td>BRCD486</td><td>526986</td><td>1152152</td><td>267</td><td>90</td><td>-60</td><td>444m</td><td>150m</td><td>294m</td></tr><tr><td>BRCD487</td><td>527017</td><td>1152099</td><td>268</td><td>90</td><td>-50</td><td>360m</td><td>150m</td><td>210m</td></tr></table>Significant Intercepts:
<table><tr><th>Hole_ID</th><th>From</th><th>To</th><th>Intercept Description</th></tr><tr><td>BRCD487</td><td>145</td><td>151.5</td><td>6.50m @ 2.23g/t</td></tr><tr><td>BRCD487</td><td>155.5</td><td>159</td><td>3.50m @ 1.96g/t</td></tr><tr><td>BRCD487</td><td>195.8</td><td>196.8</td><td>1.00m @ 1.79g/t</td></tr><tr><td>BRCD487</td><td>265</td><td>267</td><td>2.00m @ 10.65g/t</td></tr><tr><td>BRCD487</td><td>271</td><td>275</td><td>4.00m @ 8.44g/t</td></tr><tr><td>BRCD487</td><td>286</td><td>287</td><td>1.00m @ 1.63g/t</td></tr><tr><td>BRCD487</td><td>295.1</td><td>305</td><td>9.90m @ 8.42g/t</td></tr><tr><td></td><td>303</td><td>305.63</td><td>Incl 2.63m @21.17g/t</td></tr><tr><td>BRCD487</td><td>311</td><td>315.5</td><td>4.50m @ 0.92g/t</td></tr><tr><td>BRCD487</td><td>329</td><td>330.28</td><td>1.28m @ 2.44g/t</td></tr><tr><td>BRCD487</td><td>334</td><td>335.5</td><td>1.50m @ 1.15g/t</td></tr><tr><td>BRCD487</td><td>338</td><td>338.5</td><td>0.50m @ 88.71g/t</td></tr><tr><td>BRCD487</td><td>341</td><td>341.5</td><td>0.50m @ 1.99g/t</td></tr><tr><td>BRCD487</td><td>345.5</td><td>346</td><td>0.50m @ 2.19g/t</td></tr><tr><td>BRCD487</td><td>346</td><td>347</td><td>1.00m @ 1.39g/t</td></tr><tr><td>BRCD487</td><td>353</td><td>354</td><td>1.00m @ 1.09g/t</td></tr></table>Weighted average, based on assays greater than 1g/t gold, with maximum internal dilution of 2m consecutive waste.

Zones of Mineralisation:
<table><tr><th>Hole_ID</th><th>From</th><th>To</th><th>Intercept Description</th></tr><tr><td>BRCD487</td><td>145</td><td>159</td><td>14m @ 1.63g/t</td></tr><tr><td>BRCD487</td><td>260.9</td><td>354</td><td>93.1m @ 2.33g/t</td></tr></table>Weighted average, based on broad zones of mineralisation with no lower or upper cut and includes waste material (<1g/t).</td></tr>
<tr><td>Data aggregation methods</td><td>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</td><td>All assays greater 1g/t Au have been averaged based on a weighted average, with a maximum of 2m consecutive internal waste. No top cut has been used.</td></tr>
<tr><td></td><td>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure</td><td>Not relevant.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not relevant.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	All holes were designed to be drilled perpendicular to the interpreted orientation of mineralisation.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Mineralisation Bepkong striking north-south and is vertical to sub-vertical. All drillholes are oriented east or west – perpendicular to the strike of mineralisation, and angled at -50° or -60°
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to diagrams in body of text.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Summary results of drilling to date is presented in the body of the text and in the tables above.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful and material exploration data has been referred to in the body of the text or on accompanying figures. **Induced Polarisation:** SAGAX Afriques completed a gradient induced polarisation survey (IP) over the Kunche and Bepkong deposits. The anomalies were interpreted to be caused by disseminated sulphides and quartz veining. The IP survey outlined several linear zones with a similar geophysical response, particularly a prominent linear anomaly west of Kunche. Three dominant orientations were interpreted as a dextral reverse shear model. Several other geophysical targets were identified and require drill testing. **Metallurgical Test Work:**

Criteria	JORC Code explanation	Commentary
		Extensive metallurgical test work has been undertaken on the Kunche, Bepkong and Julie deposits. There has been only minor work completed on Collette and no work on Aduane. Metallurgical test work performed on the Kunche, Bepkong and Julie ores has included: • Comprehensive head analysis. • Comminution. • Gravity concentration. • Direct cyanide leaching. • Carbon kinetics. • Thickening. • Rheology. • Oxygen uptake. • Cyanide detoxification. • Variability testing. In addition for Julie ore test work has included: • Bulk sulphide flotation. • Ultra-fine grinding (UFG) of concentrate. • Cyanide leaching of UFG flotation concentrate and of flotation tailings. • QEM*SCAN® analysis of Julie concentrate products. • Collette testing only includes: • Gravity concentration. • Direct cyanide leaching. **Potential Deleterious Substances:** Both Kunche and Bepkong mineralisation contains small quantities of organic carbon, arsenic in the form of arsenopyrite, and other sulphide mineralisation. In general, this does not appear to have a significant deleterious effect on gold extraction. The limited number of Kunche primary variability composites that do exhibit a reduction in extraction have been included in the correlation equation for gold recovery. Preliminary testing indicates the flotation/regrind circuit designed for the Julie primary ore may also benefit some of the Kunche primary ore and further test work is planned on some Kunche primary ore samples. Julie mineralisation contains sulphides which is predominantly pyrite and relatively unreactive. Approximately 35% of the gold is associated with pyrite which can be recovered by flotation and fine grinding of concentrate prior to extraction by cyanide.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Diamond drilling at Bepkong has identified a significant intercept of mineralization that has not previously been included in resource calculations. Assays from the Diamond Tails of the next two holes drilled at Bepkong are expected within the coming weeks. Follow up infill and extension drilling will be planned to test the geometry and extensions of this zone.
	Diagrams clearly highlighting the areas of possible extensions,	Refer to diagrams in body of text.

Criteria	JORC Code explanation	Commentary
	including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	