

Clear Pathway Ahead to Completion of Feasibility Study for Wa Gold Project

- **Final phase of Feasibility Study commenced**
- **At US\$1,500/oz, the WA Gold Project becomes an even more economically robust and compelling development proposition**

West African gold explorer and developer Azumah Resources Limited (ASX: AZM) (“Azumah” or the “Company”) advises that the final phase of works to complete the Feasibility Study (“Study”) for the Wa Gold Project, Ghana (“Project”) has commenced, with the funding and a well-defined programme now in place for an expected early-2020 delivery.

Following Azumah’s election to allow joint venture partner, Ibaera Capital (“Ibaera”), to sole fund the remaining US\$2.25 million budget to complete the Feasibility Study, the partners have agreed that Ibaera may increase its direct interest in the Project by 4%, to a total of 46.5%. Azumah will retain a majority ownership of 53.5%.

As previously announced in the Feasibility Study progress update (refer ASX release 30 January 2019), based on open-pit optimisations and revenue estimates undertaken using a US\$1,300/oz gold price, the 1.03 million ounce Ore Reserve Project is expected to have an estimated pre-tax, post-Government royalty net cash flow of US\$270 million, NPV_{5%} of US\$177 million, IRR of 35% and an establishment capital pay-back period of 1.6 years¹.

At an assumed gold price of US\$1,500/oz, and with all other inputs and assumptions unchanged, it is estimated that the Project’s pre-tax, post-Government royalty net cash flow could increase to US\$448 million, the NPV_{5%} to approximately US\$309 million and the IRR to approximately 54% (Table 1).

Table 1

	US\$1,300/oz Gold ¹	US\$1,500/oz Gold ¹
Net cash flow	US\$270 million	US\$448 million
NPV_{5%}	US\$177 million	US\$309 million
IRR	35%	54%

This excludes any benefits arising from the development of the Bepkong underground deposit for which a Scoping Study was recently completed. Using a gold price of US\$1,300/oz, the Scoping Study estimated that an additional US\$32 million pre-tax, post-Government royalty cash flow would be generated from a production target of 154,000oz contained gold (refer ASX release 5 August 2019).

¹ Refer ASX release 30 January 2019. The Feasibility Study is not yet completed. The Ore Reserve estimation and estimates undertaken included a sensitivity analysis at a range of -30% to +30% on a series of key inputs, including the gold price. Net cash flow, NPV and IRR are pre-tax, post-Government royalty. The exchange rate applied was USD/AUD 0.75. All outputs could change. Refer Forward looking Statements below.

Exploration

Any incremental Ore Reserves delineated within a reasonable trucking distance from the proposed 1.8Mtpa regional processing facility at Kunche are also likely to have a materially positive impact on Project returns. Following the imminent cessation of seasonal rains, the geological team will be remobilised back to site to recommence target generation and evaluation work across the Project's 2,400km² prospective licence holdings.

Government

Discussions are progressing with the Ghana Government on a fiscal stability agreement. The Ghana Government has already demonstrated its strong support for the Project by granting two 15-year mining leases over the Kunche-Bepkong and Julie deposits. In addition, it has already installed a 161kV powerline to the proposed mine gate at no cost to the Project.

The Ghana EPA is presently evaluating final submissions for the issue of EPA licences for the Kunche-Bepkong and the Julie deposits.

Looking Ahead

Azumah will make additional announcements as the Project is further de-risked and progressed towards completion of the Feasibility Study.

Azumah Managing Director, Stephen Stone, said *"It's a particularly exciting time right now for Azumah and the Wa Gold Project as we are on the home straight to deliver an economically robust, long-life gold mine development for Ghana's Upper West region, fully supported by the local community and Ghanaian Government at all levels.*

"Assuming a gold price of US\$1,500 per ounce and with all other inputs being the same as were used in the 30 January 2019 Feasibility Study progress update, the estimated pre-tax post-Government Royalty NPV and IRR could increase to approximately US\$309 million and 54% respectively, illustrating the considerable gold price leverage that is inherent in the Project.

For further information, please contact:

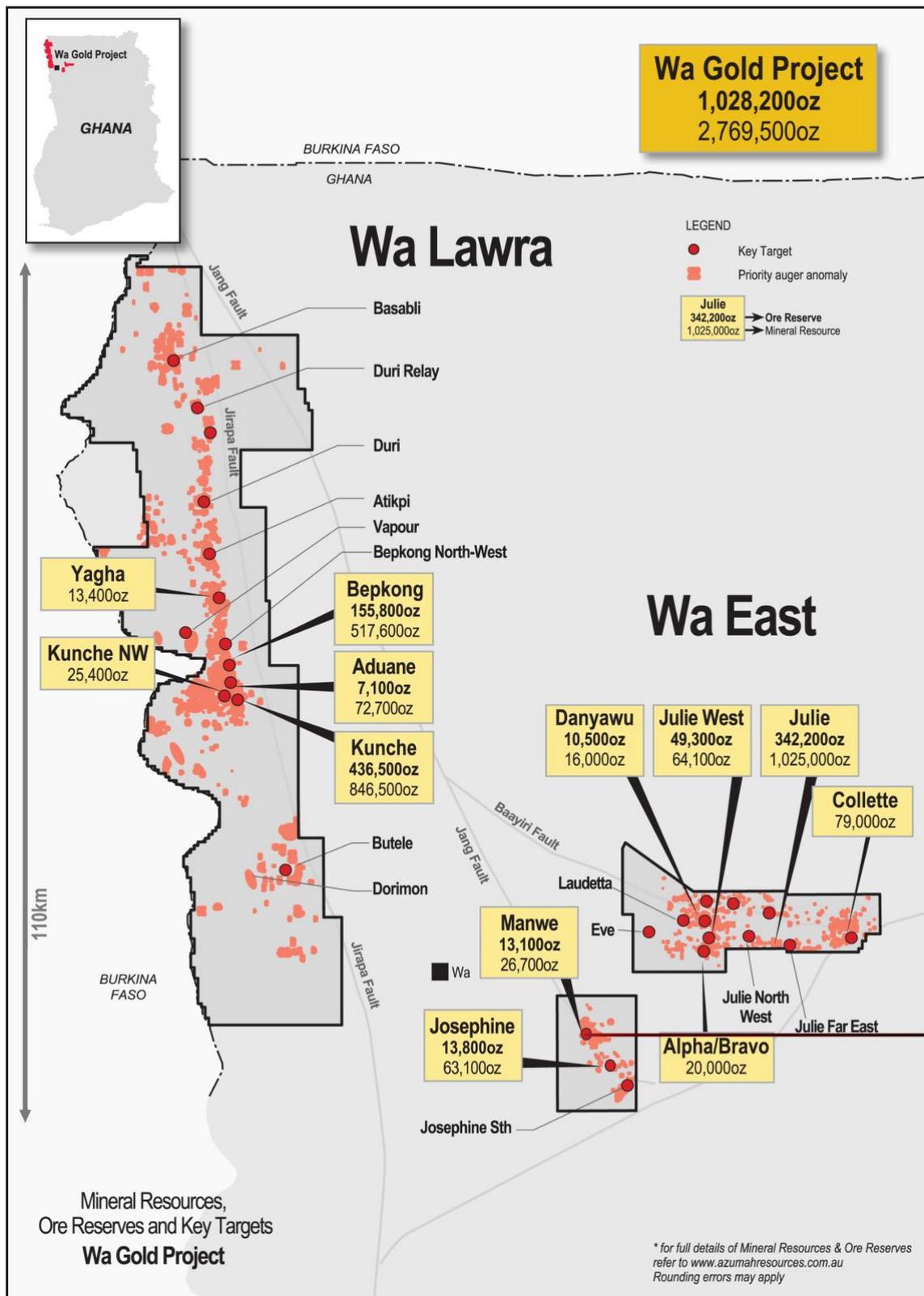
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Wa Gold Project: Mineral Resources, Ore Reserves, Key Targets and Prospects



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 2.8Moz of gold grading 1.7g/t Au, including 1.8Moz Measured and Indicated grading 1.8g/t Au. These are evenly distributed between the Kunche-Bepkong and Wa East (Julie deposit etc.) camps.

In January 2019, an Ore Reserve estimate of 1,028,000oz (18Mt at 1.77g/t Au)(JORC 2012) was reported. A Feasibility Study is scheduled for finalisation in early-2020 and a development decision soon after.

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 the 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 substantially grow as it continues to generate and test its extensive pipeline of targets.

Azumah has two 15-year Mining Leases over its principal 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 Ghana subsidiary, Azumah Resources Ghana Limited (AZG).

In 2017 Azumah executed a transformative Earn-In and Shareholders Agreement (EISA) with 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\$11.25M over two years (ASX release 1 September 2017). On 11 July 2019 Azumah advised that Ibaera had provided the Initial Earn-In Funding and would become entitled to ownership of a 42.5% interest in AZG. On 24 July 2019 Azumah advised that it had elected to allow Ibaera to sole fund the next approved US\$2.25M budget and programme that would see the Feasibility Study completed ("Additional Earn-In Funding"). Upon completion Ibaera will have earned an additional 4% interest, total 46.5%, with Azumah retaining majority ownership at 53.5%.

Before committing to the Project, Ibaera reviewed many other international resource projects and, having selected the Azumah Project, undertook comprehensive due diligence before committing to the EISA.

Ibaera's owners, principals and management are all highly regarded geologists, engineers and financiers and, pursuant to the EISA, are now managing all facets of the Project.

Previously reported information

This report includes information that relates to Ore Reserves, Mineral Resources, Pre-Feasibility Study results, Production Targets and forecast financial information derived from Production Targets and Exploration Results which

were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:

- Kunche exploration results: 7 May 2018 "Game Changer 44m at 5.37g/t at Kunche"
- Bepkong East Lode mineralisation: 9 April 2019 "Drilling Extends Bepkong Mineralisation 580m Below Surface"
- Kunche Northwest mineralisation: 3 July 2018 "Kunche-Bepkong Exploration Update"
- Aduane previous intercept: 29 February 2012 "1.5km Anomalous Gold Trend Confirmed between Flagship Deposits"
- Mineral Resources: 2 September 2014 "Azumah Increases Ore Reserves 45%"
- Mineral Resources: 28 September 2018 "Mineral Resources Increased 21% to 2.5Moz"
- Ore Reserves: 30 January 2019 "Ore Reserve and Study Progress Update"
- Bepkong East mineralisation: 19 February 2019 "Substantial mineralised system with high-grade shoots confirmed at Bepkong East Lode"
- Bepkong East mineralisation: 9 April 2019 "Drilling Extends Bepkong mineralisation to 580m below surface"
- Kunche mineralisation: 15 May 2019 "Exceptionally high grades at Kunche as mineralisation extended to 500m below surface"
- Mineral Resources: 2 July 2019 "Maiden Bepkong Underground Mineral Resource of 279,700oz at 3.59g/t Au"
- Scoping Study: 5 August 2019 "Bepkong Underground Scoping Study"

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

Statements of Competent Persons for the various Mineral Resource Estimates and Ore Reserve Estimates can all be found on the Company's website at: http://www.azumahresource.com.au/projects-competent_persons.php

Forward-Looking Statements

All statements other than statements of historical fact included in this document including, without limitation, statements regarding 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 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.

Table A: Mineral Resource Estimate – JORC Code 2012 – Updated 19 June 2019

Deposit	Measured				Indicated			Measured + Indicated			Inferred			Grand Total		
	Cut-Off 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	Tonnes (Kt)	Au g/t	Ounces
Wa-Lawra:																
Kunche	0.5	8,835	1.6	446,000	3,404	1.3	145,000	12,239	1.5	591,000	7,616	1.0	255,700	19,855	1.3	846,500
Bepkong o/c	0.5	3,163	1.8	185,000	728	1.4	33,000	3,704	1.7	218,000	462	1.4	20,000	4,354	1.7	237,900
Bepkong u/g	2.0	16	4.3	2	1,270	4.1	165,000	1,286	4.1	168,000	1,138	3.1	112,000	2,424	3.6	279,700
Aduane	0.5				322	1.2	12,800	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	10,790	1.9	673,000	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	455	4.0	58,900	68	2.4	5,100	523	3.8	64,100
Danyawu	1.0				105	4.2	14,200	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	709	1.5	34,500	580	1.5	28,600	1,290	1.5	63,100
Manwe	1.0				257	2.1	17,300	257	2.1	17,300	192	1.5	9,400	450	1.9	26,700
Total		13,504	1.7	732,002	16,550	2.0	1,052,800	29,867	1.8	1,787,700	20,810	1.5	982,300	50,866	1.7	2,769,500

- Note: Values have been rounded.
- A lower cut-off of 0.5g/t Au was used for Kunche, Bepkong o/c (open-cut), Aduane, Julie and Collette, and a lower cut-off of 1.0g/t Au was used for Julie West and Danyawu. A lower cut-off of 2.0g/t was used for Bepkong u/g (underground).
- Mineral Resources are inclusive of Ore Reserves in Table B.

Table B: Ore Reserve Summary – JORC Code 2012 – Updated 30 January 2019

(As at January 2019)	Proved			Probable			Total		
	Tonnes (Mt)	Grade g/t Au	Gold oz	Tonnes (Mt)	Grade g/t Au	Gold Oz	Tonnes (Mt)	Grade g/t Au	Gold oz
Kunche	8.0	1.51	388,600	0.9	1.65	47,900	8.9	1.52	436,500
Bepkong	2.4	1.65	124,400	0.7	1.41	31,300	3.0	1.59	155,800
Aduane				0.2	1.11	7,100	0.2	1.11	7,100
Julie	1.2	2.11	83,600	3.6	2.24	258,600	4.8	2.21	342,200
Julie West				0.4	3.59	49,300	0.4	3.59	49,300
Danyawu				0.1	4.63	10,500	0.1	4.63	10,500
Josephine				0.3	1.29	13,800	0.3	1.29	13,800
Manwe				0.2	1.91	13,100	0.2	1.91	13,100
Total	11.6	1.60	596,700	6.4	2.09	431,500	18.0	1.77	1,028,200

Note: Values have been rounded