

AZUMAH RECOMMENDS INCREASED OFFER OF 3.3 CENTS

- Azumah Directors unanimously recommend that shareholders **ACCEPT** Ibaera's Increased Offer of 3.3 cents per share, in the absence of a superior proposal.
- The Increased Offer of 3.3 cents per Azumah share represents a compelling premium:
 - 136% premium to the closing price of Azumah shares prior to the announcement of the Offer
 - 18% premium to the initial offer made by Ibaera of 2.8 cents per Azumah share
 - Premium to the implied value of Azumah shares represented by the recent minority interest transaction between Azumah and Ibaera for the Wa Gold Project.
- The Directors of Azumah intend to accept the Increased Offer in the absence of a superior proposal.
- The Increased Offer is now scheduled to close at 7.00pm (Sydney time) on 3 December 2019, unless extended

Azumah Resources Limited (**Azumah**) (ASX: AZM) is pleased to announce that IGIC Pte Ltd (an affiliate of Ibaera Capital Fund GP as manager for and on behalf of private equity group, Ibaera Capital Fund GP Limited) (**Ibaera**) has agreed with Azumah to increase its off-market cash takeover offer for all your shares in Azumah to 3.3 cents per share (**Increased Offer**). Ibaera has declared the Increased Offer to be its last and final offer for Azumah ordinary shares.

The Directors of Azumah unanimously recommend shareholders **ACCEPT** the Increased Offer in the absence of any superior proposal. Each of the Azumah Directors who hold or control Azumah shares intend to accept the Increased Offer in relation to those shares in the absence of a superior proposal.

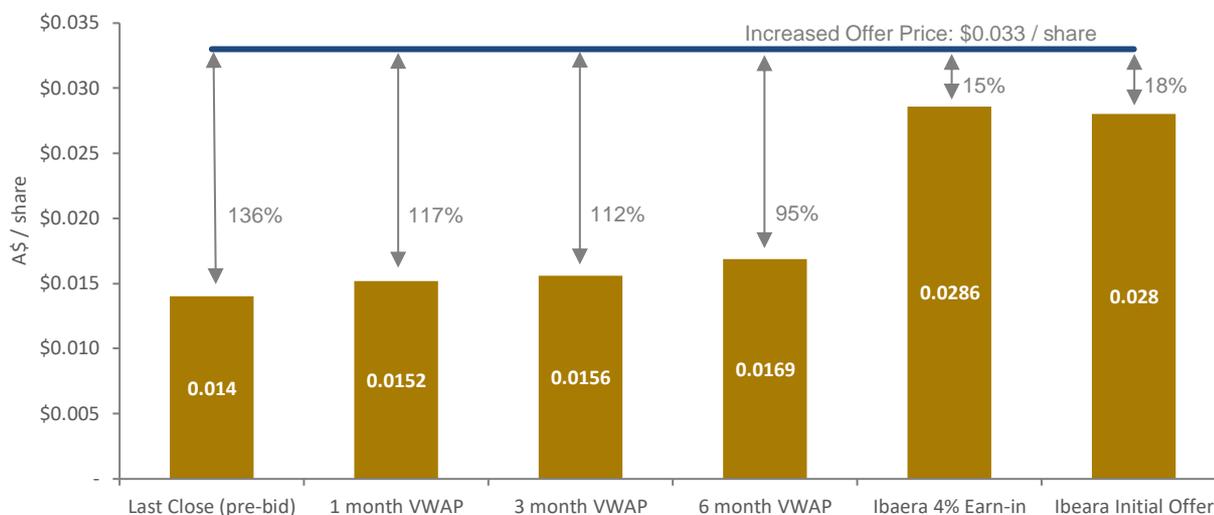
Azumah Chairman Michael Atkins said "The Increased Offer was a good result for shareholders, given the significant premium offered to the Azumah share price immediately prior to the Offer being announced, as well as being a premium to the implied value per Azumah share represented by the recent minority 4% interest earn-in transaction entered into with Ibaera in respect to the Wa Gold Project.

"The Increased Offer price and consequent premium paid to Azumah shareholders is one we believe to be a fair recognition of both Azumah and Ibaera's respective control over the development of the Wa Gold Project through the existing joint venture arrangements, particularly where key decisions over future progress require the unanimous agreement of both parties.

"We recognise that some shareholders may have preferred to realise the ultimate vision of successfully bringing the Wa Gold Project into production but after balancing the increased price now on offer for Azumah shares against the inherent future risks of successfully completing financing, construction and entering into steady state production, as a Board we unanimously believe that accepting the Increased Offer is the best path forward for shareholders."

In connection with increasing the Offer, Ibaera has agreed to shorten the payment terms to 10 business days after acceptance of the Increased Offer. The Increased Offer is now scheduled to close at 7.00pm (Sydney time) on 3 December 2019, unless extended.

Azumah shareholders who may have previously accepted the Offer are also entitled to receive the increased Offer consideration of 3.3 cents per share, not 2.8 cents. Shareholders who may have sold their Azumah shares on-market during the Offer period will not receive any further consideration in respect to their Azumah shares.

Figure 1: Increased Offer Price Metrics¹


In connection with the Increased Offer, Azumah has agreed to:

- In the event that Ibaera acquires a relevant interest in at least 30% of Azumah's shares, appoint a nominee of Ibaera to the Azumah Board, at which point one of the existing non-executive Directors of Azumah will resign from the Board;
- In the event that Ibaera acquires a relevant interest in at least 40% of Azumah's shares, appoint an additional independent non-executive Director, nominated by Ibaera but independent of Ibaera, to the Azumah Board; and
- In the event that Ibaera acquires a relevant interest in at least 50% of Azumah's shares, appoint an additional nominee of Ibaera to the Azumah Board (which will provide Ibaera with a total of two nominees on the Azumah Board), at which point Azumah's existing Managing Director will be made redundant and will retire from the Azumah Board.

Ibaera has also agreed to pay an amount (calculated based on a Black-Scholes pricing model) for the Azumah options currently on issue in consideration of those options (at Ibaera's election) either being cancelled or exercised and accepted into the Increased Offer. All of the Azumah Directors have agreed to accept any such offer made in respect to those Azumah options.

Azumah has also agreed to cease any current discussions or negotiations relating to any transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Increased Offer. Whilst Azumah has been in discussions with third parties regarding a potential alternative transaction, no superior proposal has emerged to date.

Azure Capital is acting as financial advisor and Corrs Chambers Westgarth as legal advisor to Azumah.

For further information please contact:

Stephen Stone

Managing Director

Mb +61 (0) 418 804 564

stone@azumahresources.com.au

Shane Murphy

Senior Director – FTI Consulting

Mb +61 (0) 420 945 291

Shane.Murphy@fticonsulting.com

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¹ See section 1.1 of the Target's Statement dated 16 October 2019 issued by Azumah Resources Limited in relation to the Offer for further details regarding the calculation of the implied value of an Azumah share implied by the minority 4% earn-in interest transaction.