

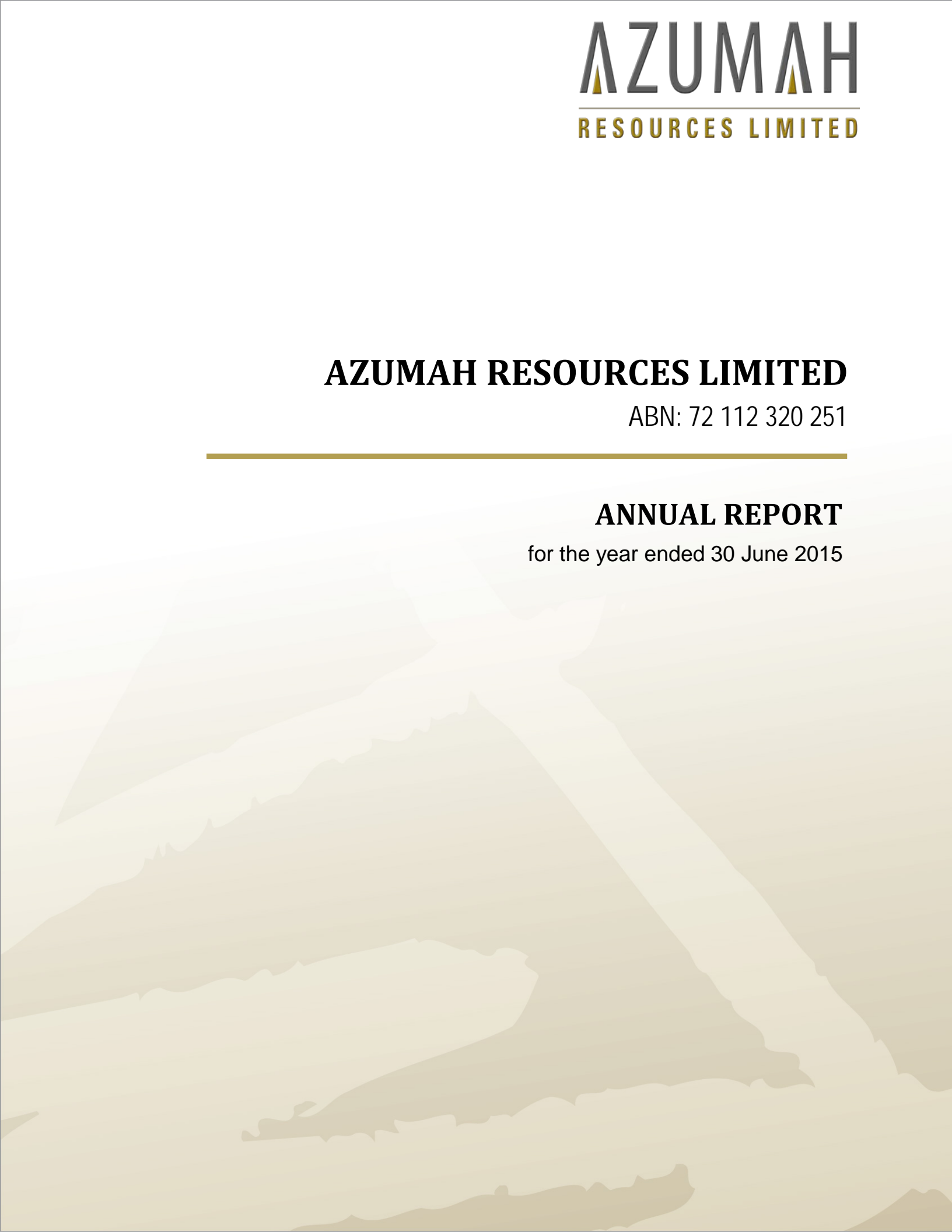
# **AZUMAH RESOURCES LIMITED**

ABN: 72 112 320 251

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## **ANNUAL REPORT**

for the year ended 30 June 2015

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## CORPORATE INFORMATION

**ABN 72 112 320 251**

### **Directors**

Michael Atkins (Non-executive Chairman)  
Stephen Stone (Managing Director)  
Geoffrey Jones (Non-executive Director)  
William LeClair (Non-executive Director)

### **Company Secretary**

Dennis Wilkins

### **Registered Office**

Ground Floor, 20 Kings Park Road  
WEST PERTH WA 6005

### **Principal Place of Business**

Suite 2, 11 Ventnor Avenue  
WEST PERTH WA 6005  
Telephone: +61 89486 7911  
Facsimile: +61 8 9486 4417

### **Solicitors**

Gilbert + Tobin  
1202 Hay Street  
WEST PERTH WA 6005

### **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 Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153  
Telephone: (08) 9315 2333  
Facsimile: (08) 9315 2233

### **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](http://www.azumahresources.com.au)

**CONTENTS**

Chairman's Letter	3
Directors' Report	4
Review of Operations	6
Auditor's Independence Declaration	24
Corporate Governance Statement	25
Consolidated Statement of Profit or Loss and Other Comprehensive Income	26
Consolidated Statement of Financial Position	27
Consolidated Statement of Changes in Equity	28
Consolidated Statement of Cash Flows	29
Notes to the Consolidated Financial Statements	30
Directors' Declaration	60
Independent Auditors' Report	61
ASX Additional Information	63

## CHAIRMAN'S LETTER

Dear Fellow Shareholders

I am very pleased to report on sound progress by your Company on several fronts despite the very challenging operating environment.

In February 2015 Azumah completed a Feasibility Study for its Wa Gold Project ('Project'). This marks the culmination of many years work commencing in 2006 with very early stage exploration when the Company first acquired the Project and subsequently listed on ASX.

Over the years Azumah has discovered and delineated over 2.0Moz of gold Mineral Resources in what is an essentially new gold province. Importantly, it continues to highlight new targets within its expansive, prospective and still largely under-explored landholdings and is confident that it will continue its track record of resource expansion.

The Feasibility Study is founded on Ore Reserves that will sustain a 90,000ozpa gold operation for an initial seven years. The Company has substantially de-risked most aspects of the Project and there only remain some standard regulatory matters to attend to for development to be given the green light.

Timing is everything in the resources industry and it is unfortunate that a number of uncontrollable factors are not conducive to the easy financing of what is an excellent Project that will generate substantial post-tax cash flows.

Reducing establishment capital costs is one way in which management believes that the Project can be reconfigured to be more compatible with present capital markets constraints.

This requires a collaborative approach with its stakeholders not least the Ghana Government whose strong support has been evident through the granting of two Mining Leases and the installation of grid power to what will be the mine gate. This is a major advantage for any project in West Africa with power available at effectively 50% of the self-generation price.

In parallel, management has identified a number of quality international groups that have expressed an interest in working with Azumah to develop the Project. Their participation may be structured in a number of ways with a key objective being always to maximise the realisation of value for Azumah's shareholders.

All of this activity has been conducted in an environment of strict fiscal discipline in order to preserve the Company's precious working capital.

As you can see, Azumah remains very determined to achieve its primary goal of establishing the first viable commercial gold operation in the Upper West region of Ghana.

Your Board and management team look forward to your continuing support over the next year as they continue to work hard to enhance shareholder wealth by unlocking the enormous inherent value of the Company's quality assets and to have that fully reflected in the Company's market valuation.



**Michael Atkins**

Chairman

25 September 2015

## 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 2015.

### 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 (Member of audit and 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 company, Legend Mining Ltd, and a non-executive director of Structural Systems Limited. During the previous three years he was also non-executive Chairman of Westgold Resources Ltd (*resigned 19 October 2012*) and non-executive director of Enterprise Uranium Limited (*resigned 31 March 2014*). He is a member of the Audit Committee of Azumah.

#### **Stephen Stone,**

BSc (Hons) Mining Geology, MAusIMM, FAICD, Managing Director

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 as its Non-Executive Chairman in November 2006, was appointed its 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.

**Geoffrey Jones**

BE (Civil), FIE Aust, CP Eng (Member of audit and remuneration 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.

He 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 with GR Engineering Services Limited as the Managing Director.

Mr Jones is also a director of GR Engineering Services Limited, Marindi Metals Limited (formerly Brumby Resources Limited) and Energy Metals Limited.

**William (Bill) LeClair**

BComm, FCA (Member of audit and remuneration committees)

Mr LeClair is a Chartered Accountant and a resident of Canada. He has many years of financial and mining experience and an extensive background in North American markets as a past executive and director of several Toronto Stock Exchange (TSX) listed companies.

He was President and CEO of TSX-listed Crew Gold Corporation, prior to it being taken over in 2010. Crew Gold employed up to 3,000 staff in operating mines and exploration projects in multiple jurisdictions, including West Africa where it operated the 250,000-ounce per year LEFA gold mine in Guinea.

Currently Mr LeClair is also a director and Chairman of the Audit Committee of Copper North Ltd. and Qwick Media Inc., both Vancouver based companies listed on the TSX. He is the chairman of the Audit Committee of Azumah and a member of the Remuneration Committee. Previously Mr LeClair was a director of Goldbrook Ventures Inc. and the CRO of Veris Gold Corp., both Vancouver based and TSX listed mining companies.

**COMPANY SECRETARY****Dennis Wilkins**

B.Bus., AICD, ACIS

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

Since 1994 he 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 a running DW Corporate 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 companies Key Petroleum Limited (since 5 July 2006), Shaw River Manganese Ltd (since 30 June 2015), TSX listed Mawson West Ltd (since 3 August 2015), and an alternate director of Middle Island Resources Ltd (since 1 May 2010). During the previous three years he was also a non-executive director of Minemakers Limited (*resigned 4 December 2012*), Duketon Mining Limited (*resigned 18 November 2014*) and A1 Consolidated Gold Limited (*resigned 11 May 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 and performance rights of Azumah Resources Limited were:

	Ordinary Shares	Performance Rights
Michael Atkins	600,000	1,000,000
Stephen Stone	7,633,633	2,000,000
Geoffrey Jones	-	500,000
William LeClair	-	500,000

#### PRINCIPAL ACTIVITIES

Azumah Resources Limited is a Perth-based mineral exploration company entirely focused on exploring and developing its 100%-owned Wa Gold Project in northwest 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 Wa Gold Project in the Upper West Region of Ghana, West Africa.

Three main deposits have been discovered and extensively drilled at Kunche and Bepkong, adjacent to the Black Volta River and Ghana's border with Burkina Faso, and at Julie ~80km to the east. Several satellite deposits, including Aduane and Collette, have also been delineated.

To date the Company has defined a JORC Mineral Resource of 2.0Moz of gold grading 1.5g/t Au including 1.3Moz Measured and Indicated grading 1.6g/t Au with these evenly distributed between Kunche-Bepkong and Wa East (Julie).

Mineral Resources have grown progressively through systematic exploration of the Company's 2,800km<sup>2</sup> licence holdings which encompass large tracts of prospective Birimian terrain, the rocks that host the majority of West Africa's gold mines. Azumah anticipates Mineral Resources will continue to grow through the systematic testing of its pipeline of specific targets, prospects and many areas of interest.

Azumah has recently completed a Feasibility Study for a mining operation based on an initial seven-year life and producing ~90,000oz Au per year from the open pit mining and treatment of ore through a nominal 1.2 million tonnes per year carbon-in-leach (CIL) processing plant (1.8Mtpa treating softer oxide material). The plant will be located adjacent to the Kunche deposit and incorporate a flotation and regrind circuit to treat Julie primary and some transitional ore which will be hauled by road to the processing plant.

A JORC Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au) has been defined based on recent studies. With the addition of Inferred mineralisation contained in designed and optimised pits the total Mining Inventory is 652,500oz Au.

Extensive metallurgical test work has been undertaken to confirm a high average overall gold recovery of ~92% for the Kunche, Bepkong and Julie deposits.

Azumah has had two 15-year Mining Leases granted 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) and is now moving to obtain environmental operating permits necessary to allow development to proceed.

No technical, social or environmental impediments to development have been identified and there is strong support from stakeholders for the Project. Whilst the region has no other major industry, the Project benefits from excellent regional infrastructure including grid power to site, good quality bituminised and non-bituminised roads, good access to water, a sealed airstrip at the regional centre of Wa and good general communications.

Key investors in Azumah include Macquarie Bank (Metals & Energy Capital Division), mining services group Ausdrill Limited and Caitlyn Limited which is associated with Emirates based gold refiner Fujairah Gold FZE, a wholly owned subsidiary of global mining group, Vedanta Resources plc.

Azumah holds a 15% interest in its neighbour and junior Ghana explorer, Castle Minerals NL which has 10,000km<sup>2</sup> of licences adjacent to Azumah.

## Exploration

Exploration continues to identify new gold anomalies and to better define others. This work has been undertaken in the broader Wa Lawra area (which contains the Kunche, Bepkong and Aduane deposits) and in the Wa East area (which hosts the Julie and Collette deposits). During the year Azumah:

**Completed** several campaigns of high-effective low-cost soil and auger sampling to better define and confirm areas of interest and elevate them to target status across Azumah's 2,800km<sup>2</sup> of prospective Birimian greenstone terrain. A total of 3,586 auger holes for 14,080m were completed;

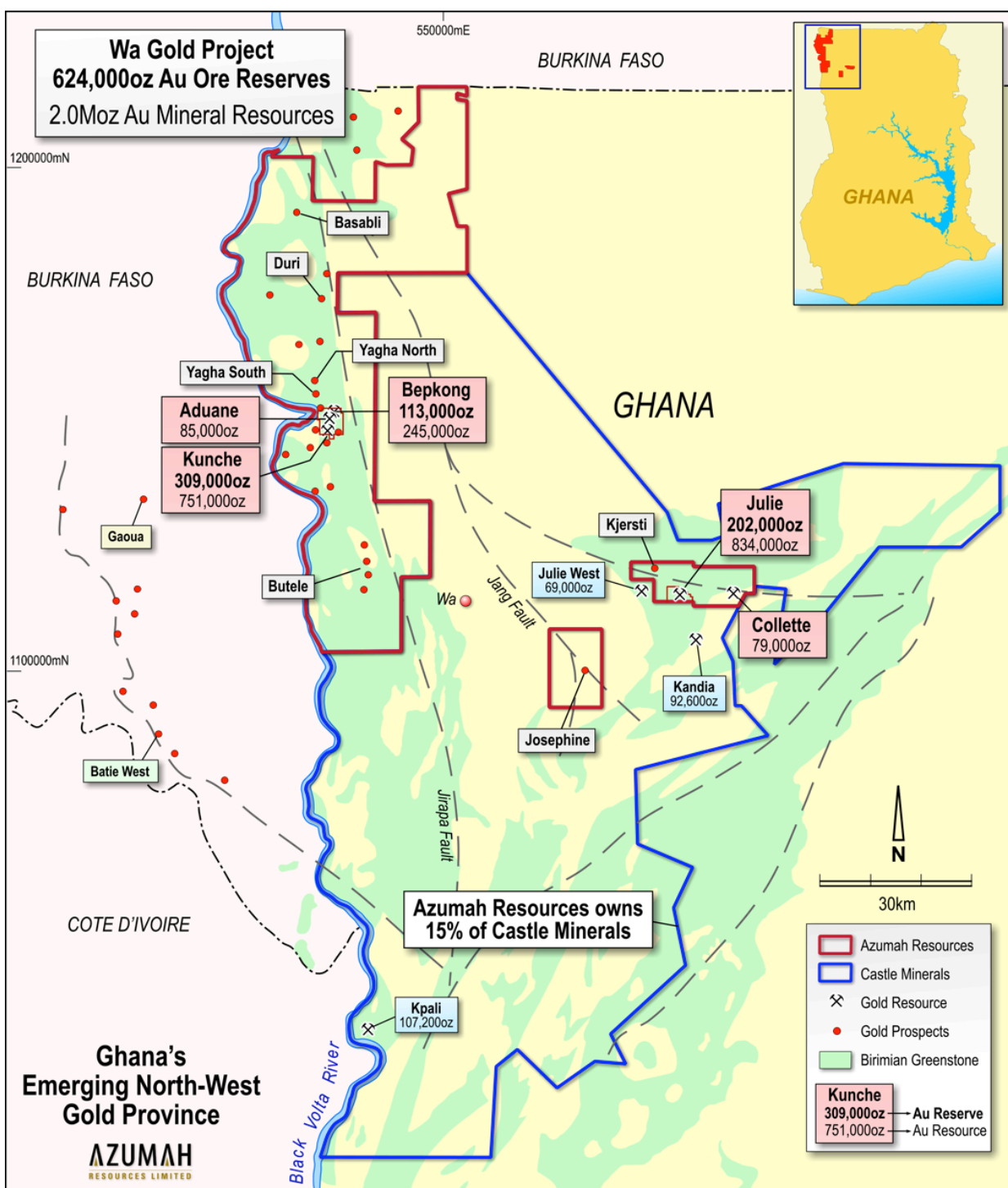
**Received** excellent results from recent auger drilling programmes at Piiri, Butele - Belandri, Julie Far East and Manwe that reinforce overall prospectivity and the opportunity to increase Mineral Resources. Specifically:

- **Piiri** (Wa Lawra, Duri area): Extensions to and higher definition of anomalies up to 0.75km strike obtained in structural setting strongly analogous to Kunche deposit. The target is unusually outside of Kunche mineralised 'corridor' and also adjacent to the major and supposedly unmineralised Jirapa Fault but where Azumah has obtained an intriguing 845ppb Au result.
- **Butele / Belandiri** (30km south of Kunche): Several north-south trending anomalies delineated with peak values to 624ppb Au to complement previous rock chip samples of up to 11.5g/t Au and RC drilling of up to 1m at 19g/t Au.

- **Julie Far East (Wa East):** Anomaly extended by 30% to 1.0km with peak value of 632ppb Au, in addition to previous 9.3g/t Au in rock chips. It is located on the important tonalite – monzodiorite ‘marker’ contact closely associated with the 834,000oz Julie Mineral Resource.
- **Manwe (Wa East):** An open-ended 1.2km anomaly identified, including values of 1136ppb, 236ppb, 208ppb and 180ppb Au, which corresponds with the northwest trending Josephine Fault.

**Planned** several “ready-to-go” RC drilling programmes to test high-priority targets.

### *Wa Gold Project – Key Deposits and Prospects*



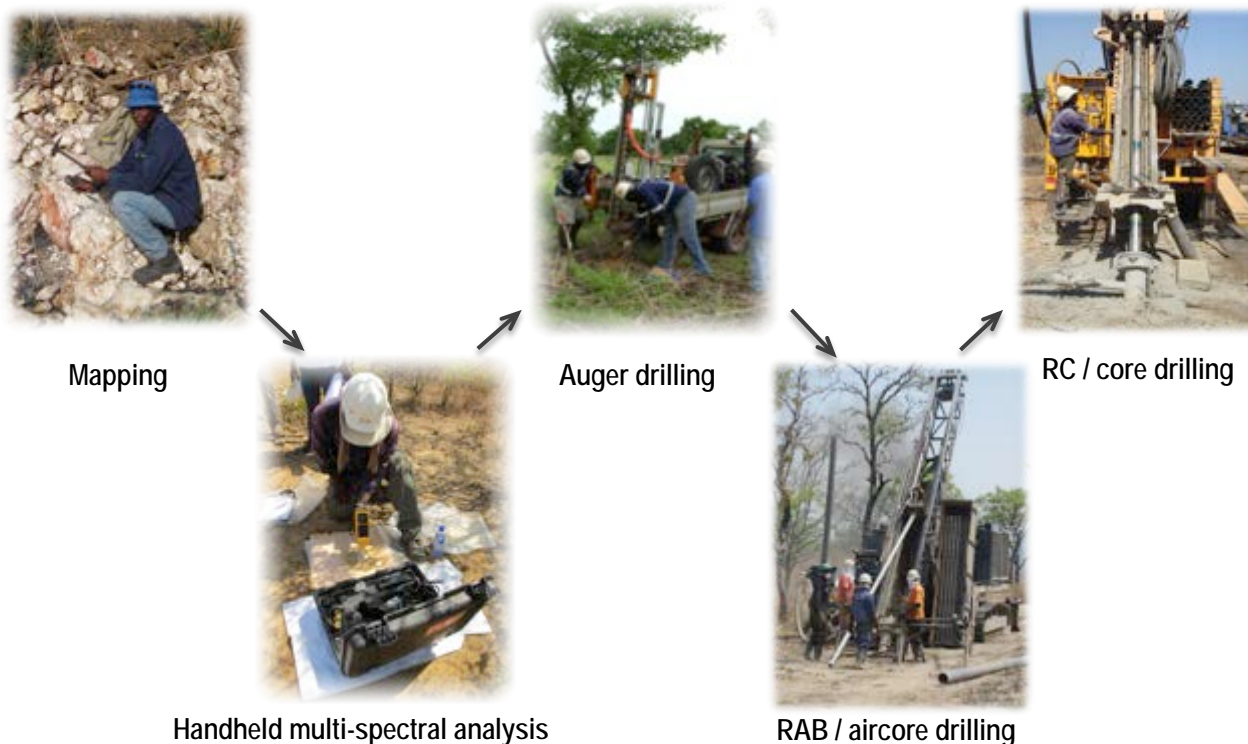
### Systematic exploration the key to discovery in covered terrain

Azumah has established an excellent track-record of growing Mineral Resources. When it acquired the Project the Kunche target was an isolated, small outcropping anomaly within the Company's extensive tenure encompassing over 110km north-south strike of prospective Birimian terrain - the same rocks that host most of West Africa's major gold deposits. Kunche has since been developed into a 751,000oz Mineral Resource.

The 'blind' 245,000oz Bepkong discovery, 2km north of Kunche, and several other smaller but similarly obscured satellite deposits such as the 85,000oz Aduane Mineral Resource provide strong encouragement that other orebodies will be discovered to add to the 2.0Moz Mineral Resources and 652,500oz Mining Inventory that Azumah has already delineated (*Tables 1 and 2*).

The broad expanse, lack of outcrop, regolith complexity and already identified widespread anomalism create challenges as well as enormous opportunities that require a rigorous, systematic approach to exploration. Along with its counterparts in the region, including those in Burkina Faso, Mineral Resources of ~5Moz have now been discovered and there is undoubtedly much more to be identified.

Azumah's high-resolution aeromagnetic survey data plus remote sensing information and other regional datasets provide a backdrop for its exploration strategy. Areas of broad interest or known anomalism are then field assessed, mapped, ranked and where warranted subjected to several phases of auger sampling before being recommended for aircore and/or RC drilling.



### Feasibility Study

- ▶ **Completed** the Project Feasibility Study;
- ▶ **Commenced** a comprehensive review of capital and operating costs consistent with recent increased competitiveness in international equipment, services and supplies markets; and
- ▶ **Evaluated** several reconfiguration options for the Project to further reduce start-up establishment capital costs.

### Environmental Permitting and Social Engagement

- ▶ **Commenced** an update of an environmental impact study for the Project to reflect the higher plant throughput and enlarged Julie deposit as part of the EPA licencing process; and
- ▶ **Continued** a high level of community and stakeholder engagement for both development activities and general exploration site access.

### Project Funding

- ▶ **Identified** several quality international groups, executed Confidentiality Agreements and progressed due diligence reviews ahead of possible discussions for their participation in the development of the Project; and
- ▶ **Advanced** discussions with a range of Australian and international project finance, institutional and private equity corporate groups to identify and develop other or complementary Project funding options.

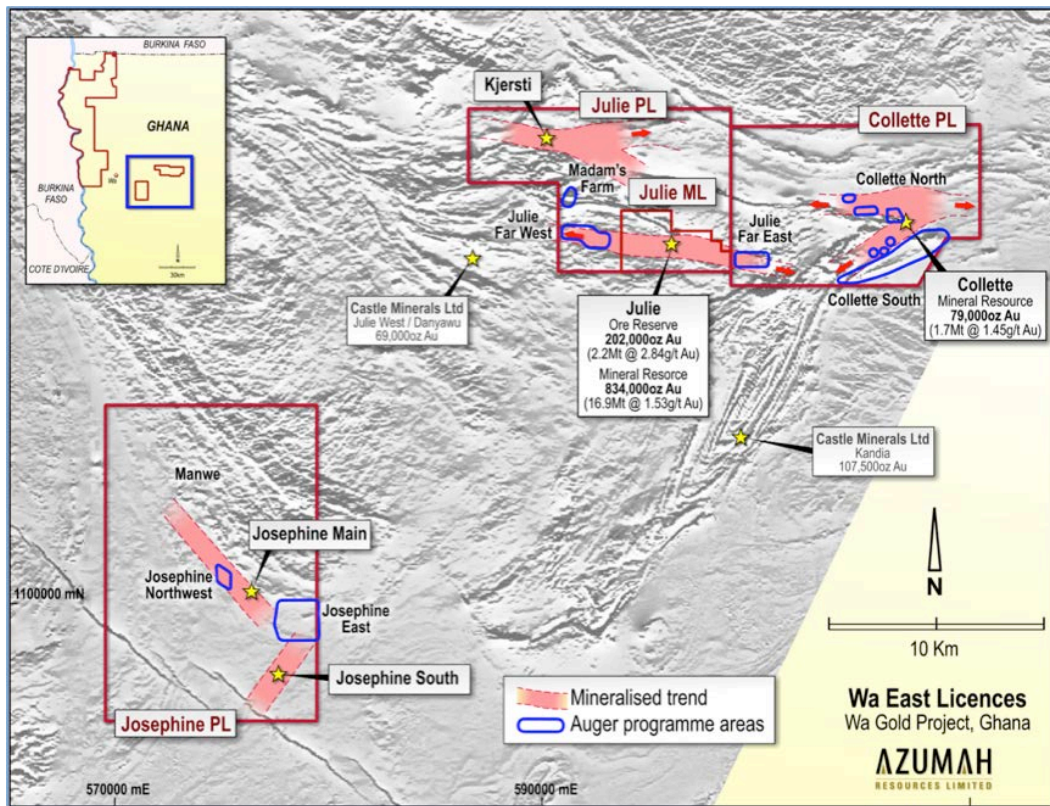
### Licencing

- ▶ Azumah continually reviews its extensive licence holdings to ensure that only areas of enhanced prospectivity are retained and various area-based annual fees minimised. Partial relinquishments have been applied for on two prospecting licences and others are pending as-and-when they fall due for extensions or renewals. These will result in substantial annual cost savings.

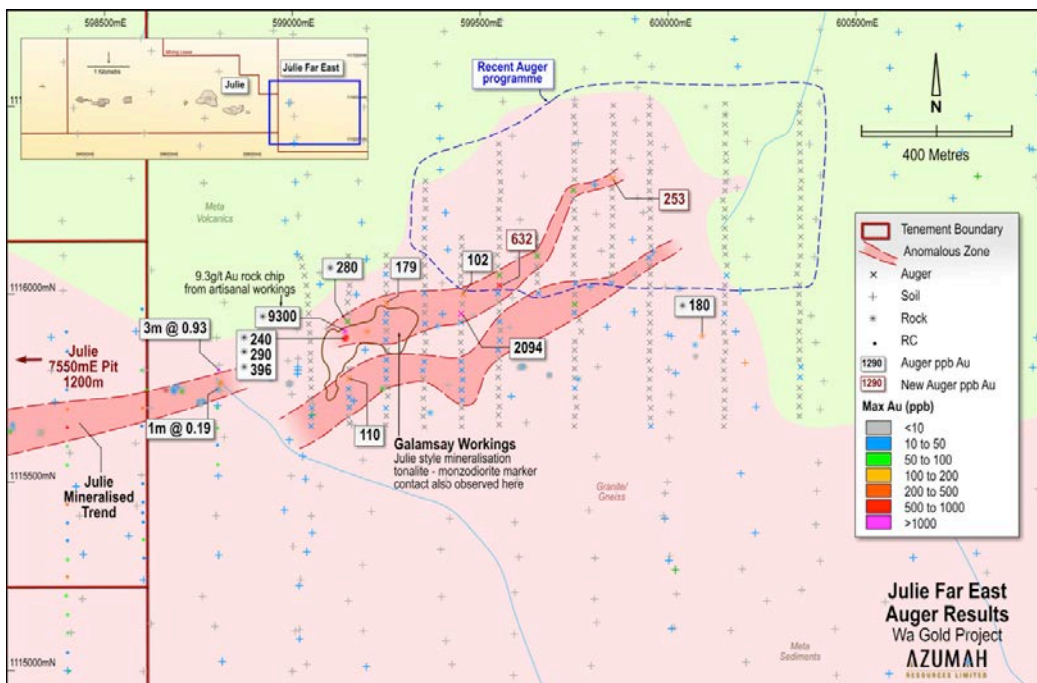
### Corporate

- ▶ **Completed** a placement of 30,000,000 new ordinary shares to Caitlyn Limited to raise \$1.2M;
- ▶ **Received** \$0.32 million as a rebate from the Australian Taxation Office (net of fees) relating to 2014 qualifying research and development expenditure under the Innovation Australia initiative; and
- ▶ **Retained** cash as of 30 June 2015 of \$2.2 million plus a 15% (\$0.19 million) investment in neighbouring licence holder, Castle Minerals Limited.

### Wa East Licences, Deposits, Prospects and 2015 Auger Programmes



### Julie Far East Geology and Anomalous Zones



## Duri Region Geology, Anomalous Zones and Piiri Results

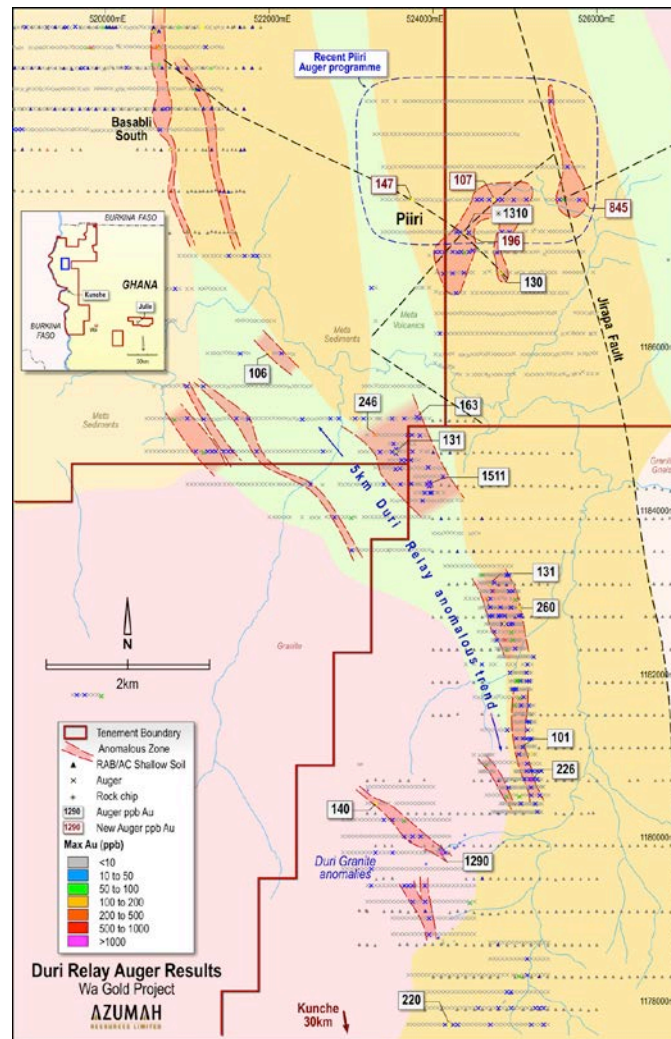


Table 1: Mineral Resource Estimate

Cut-off	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold
0.5 g/t Au	(M)	g/t Au	Oz	(M)	g/t Au	Oz	(M)	g/t Au	Oz	(M)	g/t Au	Oz
Kunche	8.42	1.73	468,000	2.24	1.38	99,000	4.86	1.17	183,000	15.52	1.50	751,000
Bepkong	2.22	1.79	128,000	1.70	1.33	73,000	1.17	1.17	44,000	5.09	1.49	245,000
Aduane							1.77	1.50	85,000	1.77	1.50	85,000
Julie	0.89	1.44	41,000	10.06	1.57	507,000	5.98	1.49	286,000	16.93	1.53	834,000
Collette							1.69	1.45	79,000	1.69	1.45	79,000
Total	11.52	1.72	637,000	14.00	1.51	679,000	15.47	1.36	677,000	40.99	1.51	1,994,000

\* Values have been rounded

Table 2: Ore Reserve Summary

Ore Reserves Summary							
(As at August 2014)	Proved		Probable		Total		Gold To Mill
	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Oz Au
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
<b>Total</b>	<b>7.00</b>	<b>1.92</b>	<b>2.09</b>	<b>2.85</b>	<b>9.08</b>	<b>2.14</b>	<b>624,000</b>

\* Values have been rounded

### 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 a full-time employee (Managing Director) of Azumah Resources Ltd. 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.

The scientific and technical information in this report that relates to the in-situ **Mineral Resource estimates for the Bepkong and Collette deposits** is based on information compiled by **Mr David Williams**, who is a geological consultant employed by CSA Global Pty Ltd. Mr Williams is a Member of the Australian Institute of Geoscientists and 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 Williams has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the Bepkong and Collette Mineral Resource estimate.

The scientific and technical information in this report that relates to the in-situ **Mineral Resource estimates for the Kunche and Aduane deposits** is based on information compiled by **Mr Dmitry Pertel**, who is a full-time employee (Manager - Resources) of CSA Global Pty Ltd. Mr Pertel is a Member of the Australian Institute of Geoscientists 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 Pertel has reviewed and approved the disclosure of the relevant scientific or technical information contained in this announcement that relates to the Kunche and Aduane Mineral Resource estimates.

The scientific and technical information in this report that relates to **Mineral Resources estimates for the Julie deposit** is based on information compiled by **Mr Brian Wolfe**, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Wolfe is a consultant to Azumah Resources Limited and is not an employee of the Company. Mr Wolfe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Wolfe consents to the inclusion in the report of the Julie Mineral Resources in the form and context in which it appears.

The scientific and technical information in this report that relates to **Ore Reserves estimates for the Kunche, Bepkong and Julie deposits** is based on information compiled by **Mr Linton Kirk**, an independent consultant to Azumah Resources Limited. Mr Kirk is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Kirk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Kirk consents to the inclusion in the report of the matters related to the Ore Reserve estimate in the form and context in which it appears.

The scientific and technical information in this report that relates to **Process Metallurgy** is based on information compiled by **Mr Ian Thomas**, an independent process consultant to Azumah Resources Limited. Mr Thomas is a member of the Australasian Institute of Mining and Metallurgy. Mr Thomas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Thomas consents to the inclusion in the report of

the matters related to the metallurgy, specifically the data represented in Table 3 in ASX release dated 2<sup>nd</sup> September 2014, in the form and context in which it appears.

### Forward-Looking Statement

This release contains forward-looking information. Such forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect” and “intend”, and statements that an event or result “may”, “will”, “should”, “could”, or “might” occur or be achieved, and other similar expressions. In providing the forward-looking information in this news release, the Company has made numerous assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) that the results of the feasibility study continue to be positive; and (iv) that future exploration results are as anticipated.

Management believes that these assumptions are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking information. Forward-looking information is based on estimates and opinions of management at the date the statements are made.

## FINANCE REVIEW

The Group began the financial year with a cash reserve of \$3,932,027. The Group raised funds during the year via a placement of 30,000,000 ordinary shares to Caitlyn Limited. Total gross funds raised during the year were \$1,200,000. Funds were used to actively advance the Group’s projects located in Ghana, West Africa.

During the year the Group received a research and development grant refund of \$319,536, and other revenue and income totalling \$86,357. Total exploration expenditure incurred by the Group amounted to \$2,178,937. In line with the Company’s accounting policies, all exploration expenditure was written off at year end. Total Administration expenditure of \$658,196, Impairment expenditure of \$349,084, Salaries and Employee Benefits of \$471,969, Finance costs of \$618,872 and non-cash expenditure total amounted to \$277,953 were incurred for the same period. This has resulted in an operating loss after income tax for the year ended 30 June 2015 of \$4,149,118 (2014: \$3,400,604).

At 30 June 2015 cash and cash equivalents totalled \$2,198,304.

### OPERATING RESULTS FOR THE YEAR

Summarised operating results are as follows:

	2015 Revenues \$	Results \$
Consolidated entity revenues and loss from ordinary activities before income tax expense	405,893	(4,149,118)

### 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 3 August 2015 the Company issued 3,496,504 ordinary shares as consideration for interest due on the converting notes.

On 21 August 2015 the Company issued a total of 3,450,000 performance rights to employees in accordance with the terms of the Company's Performance Rights Plan.

No other matter or circumstance has arisen since 30 June 2015, 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***

The Remuneration Committee consists of William LeClair, Michael Atkins and Geoffrey Jones (Chairman). 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. 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 Group has recently introduced short term incentives into executive remuneration packages, upon the satisfaction of specific performance goals. The performance goals are based on the Group delineating JORC Code gold resources of specific sizes and grades with the criteria set individually for the executives in their respective service agreements. No bonuses have been paid during the 2015 financial year based on the satisfaction of contractual performance goals. The Board believes that the use of gold resources as a means of calculating incentives is appropriate for a gold exploration company as there is a correlation between the size of a Company's resource base and its share price.

The Group does not currently have any long term incentives included in executive remuneration.

### ***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.

	2015	2014	2013	2012	2011
	\$	\$	\$	\$	\$
Revenue	405,893	650,784	730,013	694,921	1,035,527
Net loss	(4,149,118)	(3,400,604)	(19,128,990)	(23,895,460)	(21,790,944)
Loss per share (cents)	(1.1)	(1.0)	(5.7)	(7.9)	(8.7)
Share price at year end (cents)	2.2	4.3	2.7	18.5	54.0

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 2015.

### Voting and comments made at the Company's 2014 Annual General Meeting

The Company received approximately 99% of "yes" votes on its remuneration report for the 2014 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 and company secretary as per pages 4 to 6 above and the following executive officers who have authority and responsibility for planning, directing and controlling activities within the Group:

#### Paul Amoako-Atta – Mineral Licence Manager

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			Post-Employment		Share-based Payments		Percentage Relevant to Share-based Payments	Percentage Performance Related
	Salary & Fees \$	Cash Bonus \$	Non- Monetary \$	Super- annuation \$	Retirement benefits \$	Options & Performance Rights \$	Total \$	%	%
<b>Directors</b>									
Michael Atkins									
2015	75,000	-	2,317	7,125	-	7,839	92,281	8.5	-
2014	75,000	-	2,806	6,938	-	(69,323)	15,421	(1)	-
Stephen Stone									
2015	273,973	-	2,317	26,027	-	50,150	352,467	14.2	-
2014	274,652	-	2,806	25,405	-	(109,430)	193,433	(1)	-
Geoffrey Jones									
2015	41,250	-	2,317	3,919	-	3,920	51,406	7.6	-
2014	41,250	-	2,806	3,816	-	(69,323)	(21,451)	(1)	-
William LeClair									
2015	49,275	-	2,317	-	-	3,920	55,512	7.1	-
2014	49,163	-	2,806	-	-	(4,440)	47,529	(1)	-
<b>Other key management personnel</b>									
Dennis Wilkins									
2015	96,545	-	-	-	-	-	96,545	-	-
2014	76,590	-	-	-	-	-	76,590	-	-
Paul Amoako-Atta									
2015	42,946	-	-	-	-	-	42,946	-	-
2014	30,497	-	-	-	-	-	30,497	-	-
<b>Total key management personnel compensation</b>									
2015	578,989	-	9,268	37,071	-	65,829	691,157		
2014	547,152	-	11,224	36,159	-	(252,516)	342,019		

(1) Due to decreases in the Board's estimates of the probability of applicable performance conditions being met, there has been a write-back to previously recognised share-based payments expensed during the prior reporting period.

### 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 \$274,600 (gross) and a superannuation contribution of \$25,400.
- ▶ 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.

Dennis Wilkins, Company Secretary:

- ▶ Term of agreement – Ongoing, with 3 months' notice of termination required.
- ▶ Mr Wilkins' firm, DWCorporate Pty Ltd, is engaged to provide accounting and company secretarial services. The agreement provides for a monthly retainer of \$1,750 (which DWCorporate has agreed to reduce by 50% effective from 1 July 2014) with additional fees charged on an hourly basis, and all amounts are included in Mr Wilkins' remuneration. There are no benefits payable on termination other than entitlements accrued to the date of termination.

None of the other directors or key management personnel has 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 terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

	Grant Date	Granted Number	Vested Number	Date Vesting & Exercisable	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Exercised Number	% of Remuneration
<b>Directors</b>									
Michael Atkins	30/11/2011	1,000,000	Nil	(1)	30/11/2014	60	26.3	N/A	(1)
Geoffrey Jones	30/11/2011	1,000,000	Nil	(1)	30/11/2014	60	26.3	N/A	(1)
William LeClair	19/11/2012	1,000,000	Nil	(1)	30/11/2014	26	3.0	N/A	(1)

- (1) These options had a performance vesting condition, being obtainment of Project Finance to establish the Company's first gold production operation. These options expired without vesting on 30 November 2014. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

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

### **Performance Rights**

Performance rights are issued to directors and executives as part of their remuneration, following the approval by shareholders of the Company's Performance Rights Plan at the 2011 Annual General Meeting.

The terms and conditions of each grant of performance rights affecting remuneration in the current or a future reporting period are as follows, there were no performance rights forfeited during the year:

	Grant Date	Granted Number	Vested Number	Date Vesting & Exercisable	Expiry Date	Value per right at grant date (cents) <sup>(1)</sup>	% of Remuneration
<b>Directors</b>							
Michael Atkins	08/10/2014	1,000,000	Nil	(3)	30/06/2016	1.9	8.5
Stephen Stone	08/10/2014	2,000,000	Nil	(3)	30/06/2016	1.9	9.8
Stephen Stone	08/10/2014	2,000,000	Nil	(2)	30/06/2015	1.7	4.4
Stephen Stone	30/11/2011	2,000,000	Nil	(4)	30/11/2014	41.5	-
Geoffrey Jones	08/10/2014	500,000	Nil	(3)	30/06/2016	1.9	7.6
William LeClair	08/10/2014	500,000	Nil	(3)	30/06/2016	1.9	7.1

- (1) The value at grant date in accordance with AASB 2: Share Based Payments of performance rights granted during the year as part of remuneration. The value is the closing share price on grant date.
- (2) These rights were to vest if the Company's volume weighted average share price, calculated over 20 consecutive trading days any time up to and including the Expiry Date, was \$0.07 or above. These rights expired without vesting on 30 June 2015
- (3) These rights will vest if the Company's volume weighted average share price, calculated over 20 consecutive trading days any time up to and including the Expiry Date, is \$0.11 or above.
- (4) The performance conditions for these rights were:
  - ▶ Half to vest upon Project Finance to establish the Company's first gold production operation.
  - ▶ The other half to vest upon obtainment of Practical Completion of plant and associated infrastructure required to establish the Company's first gold production operation.

These rights expired without vesting on 30 November 2014.

## 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:

2015	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested & exercisable	Unvested
<b>Directors of Azumah Resources Limited</b>							
Michael Atkins	1,000,000	-	-	(1,000,000)	-	-	-
Stephen Stone	-	-	-	-	-	-	-
Geoffrey Jones	1,000,000	-	-	(1,000,000)	-	-	-
William LeClair	1,000,000	-	-	(1,000,000)	-	-	-
<b>Other key management personnel of the Group</b>							
Dennis Wilkins	-	-	-	-	-	-	-
Paul Amoako-Atta	-	-	-	-	-	-	-

All vested options are exercisable at the end of the year.

### Performance Rights Holdings

The numbers of performance rights 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:

2015	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested & exercisable	Unvested
<b>Directors of Azumah Resources Limited</b>							
Michael Atkins	-	1,000,000	-	-	1,000,000	-	1,000,000
Stephen Stone	2,000,000	4,000,000	-	(4,000,000)	2,000,000	-	2,000,000
Geoffrey Jones	-	500,000	-	-	500,000	-	500,000
William LeClair	-	500,000	-	-	500,000	-	500,000
<b>Other key management personnel of the Group</b>							
Dennis Wilkins	-	-	-	-	-	-	-
Paul Amoako-Atta	-	-	-	-	-	-	-

## 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.

2015

	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year <sup>(1)</sup>
<b>Directors of Azumah Resources Limited</b>				
<b>Ordinary shares</b>				
Michael Atkins	600,000	-	-	600,000
Stephen Stone	7,633,633	-	-	7,633,633
Geoffrey Jones	-	-	-	-
William LeClair	-	-	-	-
<b>Other key management personnel of the Group</b>				
<b>Ordinary shares</b>				
Dennis Wilkins	2	-	-	2
Paul Amoako-Atta	3,250,000	-	-	3,250,000

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

## Loans to Key Management Personnel

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

## Other Transactions with Key Management Personnel

GR Engineering Services Limited, an Australian publicly listed company of which Mr Jones is a director, provided engineering consultancy services to Azumah Resources Limited during the year totalling \$186,260. The amounts paid were on arm's length commercial terms, and were expensed as exploration expenditure. At 30 June 2015 there was nil owing to G R Engineering Services.

DWCorporate Pty Ltd, a business of which Mr Wilkins is principal, provided company secretarial and other corporate services to Azumah Resources Limited during the year totalling \$96,545. The amounts paid were on arm's length commercial terms and are included as part of Mr Wilkins' compensation, and were expensed as administration expenses. At 30 June 2015 there was nil owing to DWCorporate Pty Ltd.

## 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		Remuneration	
	A	B	Audit		A	B
Michael Atkins	6	6	2	2	1	1
Stephen Stone	6	6	*	*	*	*
Geoffrey Jones	6	6	2	2	1	1
William LeClair	5	6	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.

## SHARES UNDER OPTION

There are no unissued ordinary shares of Azumah Resources Limited under option at the date of this report.

## SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Azumah Resources Limited issued during the year ended 30 June 2015, 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 \$8,913. 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.

## 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:

	2015	2014
	\$	\$
Taxation compliance services	7,140	9,397

## 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 24.

Signed in accordance with a resolution of the directors.



Stephen Stone  
Managing Director

Perth, 25 September 2015

## DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF AZUMAH RESOURCES LIMITED

As lead auditor of Azumah Resources Limited for the year ended 30 June 2015, 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.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 25 September 2015

## **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 (3<sup>rd</sup> edition) published by the ASX Corporate Governance Council.

The 2015 Corporate Governance Statement was approved by the Board on 16 June 2015 and is current as at 25 September 2015. 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](http://www.azumahresources.com.au).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2015

	Notes	Consolidated	
		2015 \$	2014 \$
<b>REVENUE</b>	4(a)	76,501	123,537
Other income	4(b)	329,392	527,247
<b>EXPENDITURE</b>			
Depreciation expense		(255,447)	(292,427)
Salaries and employee benefits expense		(471,969)	(788,901)
Exploration expenditure		(2,178,937)	(2,060,607)
Impairment expense	5	(349,084)	(16,328)
Administration expenses		(658,196)	(817,569)
Finance costs	5	(618,872)	(228,837)
Share-based payments expense	24	(22,506)	153,281
<b>LOSS BEFORE INCOME TAX</b>		(4,149,118)	(3,400,604)
<b>INCOME TAX EXPENSE</b>	6	-	-
<b>LOSS AFTER INCOME TAX FOR THE YEAR ATTRIBUTABLE TO OWNERS OF AZUMAH RESOURCES LIMITED</b>		(4,149,118)	(3,400,604)
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be reclassified to profit or loss</i>			
Net loss on revaluation of financial assets		-	(367,000)
Impairment of financial assets included in loss for the year		347,685	-
Exchange differences on translation of foreign operations		534,025	(61,884)
Other comprehensive income/(loss) for the year, net of tax		881,710	(428,884)
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF AZUMAH RESOURCES LIMITED</b>		(3,267,408)	(3,829,488)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)	23	(1.1)	(1.0)

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****AT 30 JUNE 2015**

	Notes	2015 \$	Consolidated 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	2,198,304	3,932,027
Trade and other receivables	8	131,547	182,152
Available-for-sale financial assets	9	193,159	193,159
<b>TOTAL CURRENT ASSETS</b>		<b>2,523,010</b>	<b>4,307,338</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	1,904,742	1,761,725
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,904,742</b>	<b>1,761,725</b>
<b>TOTAL ASSETS</b>		<b>4,427,752</b>	<b>6,069,063</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	334,793	562,573
Borrowings	12	2,058,351	1,668,837
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,393,144</b>	<b>2,231,410</b>
<b>TOTAL LIABILITIES</b>		<b>2,393,144</b>	<b>2,231,410</b>
<b>NET ASSETS</b>		<b>2,034,608</b>	<b>3,837,653</b>
<b>EQUITY</b>			
Contributed equity	13	96,142,775	94,683,918
Reserves	14	5,476,816	4,589,600
Accumulated losses		(99,584,983)	(95,435,865)
<b>TOTAL EQUITY</b>		<b>2,034,608</b>	<b>3,837,653</b>

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 2015**

	Notes	Contributed Equity \$	Share-Based Payments Reserve \$	Fair Value Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
<b>Consolidated</b>							
<b>BALANCE AT 1 JULY 2013</b>		93,046,418	4,493,803	-	755,462	(92,035,261)	6,260,422
Loss for the year		-	-	-	-	(3,400,604)	(3,400,604)
<b>OTHER COMPREHENSIVE INCOME</b>							
Net loss on revaluation of financial assets		-	-	(367,000)	-	-	(367,000)
Exchange differences on translation of foreign operations		-	-	-	(61,884)	-	(61,884)
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR</b>		-	-	(367,000)	(61,884)	(3,400,604)	(3,829,488)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>							
Shares issued during the year	13	1,077,500	(77,500)	-	-	-	1,000,000
Value of conversion rights on converting notes	13	560,000	-	-	-	-	560,000
Share-based payments expense	24	-	(153,281)	-	-	-	(153,281)
<b>BALANCE AT 30 JUNE 2014</b>		94,683,918	4,263,022	(367,000)	693,578	(95,435,865)	3,837,653
Loss for the year		-	-	-	-	(4,149,118)	(4,149,118)
<b>OTHER COMPREHENSIVE INCOME</b>							
Impairment of financial assets included in loss for the year		-	-	347,685	-	-	347,685
Exchange differences on translation of foreign operations		-	-	-	534,025	-	534,025
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR</b>		-	-	347,685	534,025	(4,149,118)	(3,267,408)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>							
Shares issued during the year	13	1,458,857	-	-	-	-	1,458,857
Share-based payments expense		-	5,506	-	-	-	5,506
<b>BALANCE AT 30 JUNE 2015</b>		96,142,775	4,268,528	(19,315)	1,227,603	(99,584,983)	2,034,608

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 2015****Notes****Consolidated****2015**  
**\$****2014**  
**\$****CASH FLOWS FROM OPERATING ACTIVITIES**

Payments to suppliers and employees

(1,142,077)

(1,667,397)

Interest received

84,967

114,771

Expenditure on mining interests

(2,195,389)

(2,148,565)

Income taxes refunded

319,536

1,007,591

**NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES**

22

**(2,932,963)****(2,693,600)****CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sale of property, plant and equipment

-

10,881

Proceeds on sale of available-for-sale financial assets

1,232

-

Payments for purchases of available-for-sale financial assets

(928)

-

Payments for property, plant and equipment

(3,213)

(3,045)

**NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES****(2,909)****7,836****CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from issues of ordinary shares

1,200,000

1,000,000

Proceeds from borrowings

-

2,000,000

**NET CASH INFLOW FROM FINANCING ACTIVITIES****1,200,000****3,000,000****NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS****(1,735,872)****314,236**

Cash and cash equivalents at the beginning of the financial year

3,932,027

3,619,098

Effects of exchange rate changes on cash and cash equivalents

2,149

(1,307)

**CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR**

7

**2,198,304****3,932,027**

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 25 September 2015. 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 and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the first time for the annual reporting period commencing 1 July 2014 that are relevant to the Group include:

- AASB 2013-3 *Amendment to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*;
- AASB 2014-1 *Amendments to Australian Accounting Standards*.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior years. However, the above standards have affected the disclosures in the notes to the financial statements.

##### (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 2014.

##### (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 and loss.

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

### (a) Basis of preparation (cont'd)

#### (v) Change in accounting policy for Research and Development Incentives

The Group previously accounted for refundable R&D tax incentives as an income tax benefit. The Group has determined that these incentives are more akin to government grants because they are not conditional upon earning taxable income and has therefore made a voluntary change in accounting policy during the reporting period. Refundable tax incentives are now accounted for as government grants under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* because the directors consider this policy to provide more relevant information to meet the economic decision-making needs of users, and to make the financial statements more reliable.

The only impact of the change in accounting policy has been a reclassification on the consolidated statement of profit or loss and other comprehensive income as follows:

	Year Ended 30 June 2014 \$	Increase/(Decrease) \$	Year Ended 30 June 2014 Restated \$
Statement of Profit or Loss and Other Comprehensive Income (Extract)			
Other income	-	527,247	527,247
LOSS BEFORE INCOME TAX	(3,927,851)	527,247	(3,400,604)
INCOME TAX EXPENSE/(BENEFIT)	527,247	(527,247)	-
LOSS AFTER INCOME TAX FOR THE YEAR ATTRIBUTABLE TO OWNERS OF AZUMAH RESOURCES LIMITED	(3,400,604)	-	(3,400,604)

### (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.

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) 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.

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

### (b) Principles of consolidation (cont'd)

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.

#### *(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.

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

### (d) Foreign currency translation (cont'd)

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.

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.

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

### (g) Income tax (cont'd)

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) Leases

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 18). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

### (i) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- ▶ fair values of the assets transferred;
- ▶ liabilities incurred;
- ▶ equity interests issued by the Group;
- ▶ fair value of any asset or liability resulting from a contingent consideration arrangement; and
- ▶ fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of:

- ▶ consideration transferred;
- ▶ amount of any non-controlling interest in the acquired entity; and
- ▶ acquisition-date fair value of any previous equity interest in the acquired entity;

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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

### (i) Business combinations (cont'd)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

### (j) 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.

### (k) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 8).

### (l) 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.

### (m) Financial assets

#### **Classification**

The Group classifies its financial assets in the following categories: loans and receivables; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

#### *(i) 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)

### (m) 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.

#### *(ii) Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

#### **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.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

#### **Measurement**

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

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss and other comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss and other comprehensive income as part of revenue from continuing operations when the Group's right to receive payments is established.

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

### (m) Financial assets (cont'd)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

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. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

#### *(i) 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.

#### *(ii) Assets classified as available-for-sale*

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

### (n) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

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

### (n) Property, plant and equipment (cont'd)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The rate of depreciation for property is 2.5% and for plant and equipment the rates vary between 20% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

### (o) Exploration and evaluation costs

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

### (p) 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.

### (q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

The fair value of the liability portion of the converting notes was determined as the proceeds less the value of the conversion rights. The liability is subsequently recognised at fair value until extinguished on conversion or maturity of the notes. The value of conversion rights is recognised in shareholders' equity, and not subsequently remeasured.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### (r) Employee benefits

#### (i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

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

### (r) Employee benefits (cont'd)

#### *(ii) 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 24.

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.

### (s) 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.

### (t) Earnings per share

#### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

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

### (t) Earnings per share (cont'd)

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (u) 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.

### (v) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 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, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments, AASB 2014-1 Amendments to Australian Accounting Standard: Part E Financial Instruments, 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014), AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) (effective from 1 January 2018)*

AASB 9 replaces the multiple classification and measurement models in AASB 139 *Financial instruments: Recognition and measurement* with a single model that has only two classification categories: amortised cost and fair value.

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

### (v) New accounting standards and interpretations not yet adopted (cont'd)

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A 'simple' debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other financial assets, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the income statement, except for equity investments that are not traded, which may be recorded in the income statement or in reserves.

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules that were released in December 2013 align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, AASB 9 is now complete. The changes introduce:

- ▶ a third measurement category (FVOCI) for certain financial assets that are debt instruments; and
- ▶ a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for lease and trade receivables. On initial recognition, entities will record a day-1 loss equal to the twelve month ECL (or lifetime ECL for trade receivables), unless the assets are considered impaired.

For financial years commencing before 1 February 2015, entities can elect to apply AASB 9 early for any of the following:

- ▶ the own credit risk requirements for financial liabilities;
- ▶ classification and measurement (C&M) requirements for financial assets;
- ▶ C&M requirements for financial assets and financial liabilities; or
- ▶ The full current version of AASB 9 (C&M requirements for financial assets and liabilities and hedge accounting).

After 1 February 2015, the new rules must be adopted in their entirety.

Based on the financial assets and liabilities currently held, the Group does not anticipate any impact on the financial statements upon adoption of this standard. The Group does not presently engage in hedge accounting.

None of the other amendments or Interpretations are expected to affect the accounting policies of the Group.

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

### (w) 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:

#### *VAT recoverability*

The Group pays VAT on invoices from Ghana, with the amount receivable from the Ghanaian revenue authority being fully provided for until such time as the Group goes into production and can recover the past 12 months' VAT incurred prior to production commencing.

#### *Impairment of available-for-sale financial assets*

The Group has made a significant judgement about the impairment of its available-for-sale financial assets. To determine if the available-for-sale financial assets is impaired, the Group evaluates the duration and extent to which the fair value of the asset is less than its cost, and the financial health of and short-term business outlook for the investee. Impairment has been recognised during the current period, refer to note 9. Refer to note 2 for a sensitivity analysis on equity price movements relating to the available-for-sale financial assets.

#### *Estimated fair value of borrowings*

The initial fair value of the liability portion of converting notes was determined as the proceeds less the value of the conversion rights. The liability is subsequently recognised at fair value until extinguished on conversion or maturity of the notes, with the fair value at maturity estimated based on management's view of the most likely conversion outcome. The value of conversion rights is recognised in shareholders' equity, and not subsequently remeasured, and was calculated using the Black-Scholes European Option Pricing Model on the issue date using the assumptions detailed in note 12. If any of these assumptions or estimates were to change, there may be an impact on the amounts reported.

#### *Share based payment transactions*

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 in note 24. If any of these assumptions, including probability of achieving the performance hurdle, were to change, there may be an impact on the amounts reported.

## 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, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

### (a) Market risk

#### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	30 June 2015 USD	30 June 2014 USD
Trade and other receivables	24,355	35,804
Trade and other payables	(150,947)	(38,102)

#### *Sensitivity analysis*

Based on the financial instruments held at 30 June 2015, had the Australian dollar weakened / strengthened by 10% against the US dollar with all other variables held constant, the post-tax loss for the Group would have been \$16,532 lower/higher (2014: \$244 lower/higher), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the above table. The group's exposure to other foreign exchange movements is not material.

#### (ii) 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 available-for-sale. 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.

#### *Sensitivity analysis*

At 30 June 2015, if the value of the equity instruments held had increased/decreased by 15% with all other variables held constant, post-tax loss for the Group would not have changed and equity would have been \$28,974 higher/lower as a result of gains/losses on equity securities classified as available-for-sale (2014: \$28,974 higher/lower).

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## 2. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk (cont'd)

#### *(iii) Interest rate risk*

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

#### *Sensitivity analysis*

At 30 June 2015, if interest rates had changed by +/- 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been \$33,354 lower/higher (2014:-/+ 100 basis points, \$40,248 lower/higher) as a result of lower/higher interest income from cash and cash equivalents. The directors believe that in the current economic environment a 1% increase in interest rates is reasonable given comments made by the Reserve Bank of Australia.

### (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.

### (d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The equity investments held by the Group are classified as available-for-sale. The market value of all equity investments represents the fair value based on quoted prices on active markets (ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as level 1 financial instruments.

## 2. FINANCIAL RISK MANAGEMENT (CONT'D)

### (d) Fair value estimation (cont'd)

The carrying amounts and estimated fair values of financial assets and financial liabilities are as follows:

	Consolidated	
	2015	2014
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	2,198,304	3,932,027
Trade and other receivables	131,547	182,152
Available-for-sale financial assets	193,159	193,159
Total Financial Assets	2,523,010	4,307,338
<b>Financial Liabilities</b>		
Trade and other payables	334,793	562,573
Total Financial Liabilities	334,793	562,573

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

#### **Cash**

The carrying amount is fair value due to the liquid nature of these assets.

#### **Receivables/payables**

Due to the short term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

#### **Available for sale financial assets**

The current bid price as at 30 June 2015 is used to determine the carrying value of the available for sale financial assets and any movement is taken to the reserve. An impairment loss of available for sale financial assets is taken to the statement of profit or loss and other comprehensive income.

#### **Fair value measurements of financial instruments**

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

#### *Fair value hierarchy*

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 2. FINANCIAL RISK MANAGEMENT (CONT'D)

### (d) Fair value estimation (cont'd)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>30 June 2015</b>				
Available-for-sale financial asset	<b>193,159</b>	-	-	<b>193,159</b>
<b>Total as at 30 June 2015</b>	<b>193,159</b>	-	-	<b>193,159</b>
<b>30 June 2014</b>				
Available-for-sale financial asset	193,159	-	-	193,159
<b>Total as at 30 June 2014</b>	<b>193,159</b>	-	-	<b>193,159</b>

Due to their short term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

## 3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. 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 is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Group's accounting policies.

	Consolidated	
	2015 \$	2014 \$
<b>Exploration segment</b>		
Segment revenue	-	-
Reconciliation of segment revenue to total revenue and other income before tax:		
Interest revenue	<b>76,501</b>	123,537
Foreign exchange gains	<b>9,552</b>	-
Net gain on sale of available-for-sale financial assets	<b>304</b>	-
Research and development grant refund	<b>319,536</b>	527,247
<b>Total revenue and other income</b>	<b>405,893</b>	650,784
Segment results	<b>(1,522,096)</b>	(1,531,552)
Reconciliation of segment result to net loss before tax:		
Depreciation	<b>(30,516)</b>	(48,695)
Other corporate and administration	<b>(2,596,506)</b>	(1,820,357)
<b>Net loss before tax</b>	<b>(4,149,118)</b>	(3,400,604)
Depreciation included in segment result above	<b>224,930</b>	243,732

30 June 2015

## Consolidated

2015  
\$2014  
\$**3. SEGMENT INFORMATION (CONT'D)**

Segment operating assets	1,922,920	1,754,679
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	2,504,832	4,314,384
<b>Total assets</b>	<b>4,427,752</b>	<b>6,069,063</b>
Total assets includes additions to property, plant and equipment:		
Exploration segment	19,238	-
Other corporate and administration	1,998	3,045
	<b>21,236</b>	<b>3,045</b>
Segment operating liabilities	246,848	414,486
Reconciliation of segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	2,146,296	1,816,924
<b>Total liabilities</b>	<b>2,393,144</b>	<b>2,231,410</b>

**4. REVENUE AND OTHER INCOME****(a) Revenue**

Other revenue		
Interest	76,501	123,537

**(b) Other income**

Foreign exchange gains	9,552	-
Net gain on sale of available-for-sale financial assets	304	-
Research and development grant refund	319,536	527,247
	<b>329,392</b>	<b>527,247</b>

**5. EXPENSES****Loss before income tax includes the following specific expenses:**

Minimum lease payments relating to operating leases	134,736	194,678
Defined contribution superannuation expense	44,782	47,737
Foreign exchange losses	-	16,620
<i>Finance costs</i>		
Interest and accretion on converting notes	618,872	228,837
Total finance costs	<b>618,872</b>	<b>228,837</b>
<i>Impairment expense</i>		
Impairment of trade and other receivables (note 8(a))	1,399	16,328
Impairment of available-for-sale financial assets (note 9)	347,685	-
Total impairment expense	<b>349,084</b>	<b>16,328</b>

30 June 2015

## Consolidated

2015  
\$2014  
\$**6. INCOME TAX****(a) Income tax (benefit)/expense**

Current tax	-	-
Deferred tax	-	-
	-	-

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

Loss from continuing operations before income tax benefit	(4,149,118)	(3,400,604)
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Prima facie tax benefit at the Australian tax rate of 30% (2014: 30%)

(1,244,735)	(1,020,181)
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Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Share-based payments

6,752	(45,984)
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Sundry items

309,653	154,683
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(928,330)	(911,482)
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Movements in unrecognised temporary differences

(23,120)	(55,014)
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Tax effect of current year tax losses for which no deferred tax asset has been recognised

1,027,555	1,043,075
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Foreign tax rate differential

(76,105)	(76,579)
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Income tax benefit

-	-
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**(c) Unrecognised temporary differences****Deferred Tax Assets (at 30%)***On Income Tax Account*

Capital raising costs	18,264	63,274
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Accruals and other provisions	36,339	34,438
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Carry forward foreign losses	21,152,712	20,619,978
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Carry forward tax losses (revenue and capital)	4,477,955	2,828,058
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25,685,270	23,545,748
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**Deferred Tax Liabilities (at 30%)**

-	-
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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.

30 June 2015

Consolidated

2015  
\$2014  
\$**7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

Cash at bank and in hand	787,379	684,430
Short-term deposits	1,410,925	3,247,597
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	<b>2,198,304</b>	<b>3,932,027</b>

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. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES**

Government taxes receivable	6,208,703	5,082,196
Allowance for impairment (note (a))	(6,208,703)	(5,046,455)
Sundry receivables	131,547	146,411
	<b>131,547</b>	<b>182,152</b>

Sundry receivables are not past due nor impaired, and based on history are expected to be fully recoverable. Refer to note (a) below for further details on Government taxes receivable.

**(a) Impaired receivables**

As at 30 June 2015 the VAT receivable from the Group's operations in Ghana, with a nominal value of \$6,208,703 (2014: \$5,046,455), has been provided for in full. The VAT may only be recoverable once the Group's operations are producing revenue in Ghana.

Movements in the provision for impairment of receivables are as follows:

Balance at the beginning of the year	5,046,455	5,188,355
Provision for impairment recognised during the year	1,399	16,328
Foreign exchange movements	1,160,849	(158,228)
	<b>6,208,703</b>	<b>5,046,455</b>

**9. CURRENT ASSETS - AVAILABLE-FOR-SALE FINANCIAL ASSETS**

Australian listed equity securities		
Opening value	193,159	560,159
Additions	1,232	-
Disposals	(928)	-
Gain on sale recognised in profit or loss	(304)	-
Impairment through profit and loss	(347,685)	-
Revaluation adjustment through equity	347,685	(367,000)
Closing value	<b>193,159</b>	<b>193,159</b>

All available-for-sale financial assets are denominated in Australian currency. For an analysis of the sensitivity of available-for-sale financial assets to price risk refer to note 2.

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

	Freehold Buildings \$	Plant and Equipment \$	Total \$
<b>At 1 July 2013</b>			
Cost	1,576,380	1,482,934	3,059,314
Accumulated depreciation	(68,653)	(849,918)	(918,571)
Net book amount	1,507,727	633,016	2,140,743
<b>Year ended 30 June 2014</b>			
Opening net book amount	1,507,727	633,016	2,140,743
Exchange differences	(44,832)	(39,890)	(84,722)
Additions	-	3,045	3,045
Disposals	-	(4,914)	(4,914)
Depreciation charge	(39,180)	(253,247)	(292,427)
Closing net book amount	1,423,715	338,010	1,761,725
<b>At 30 June 2014</b>			
Cost	1,528,440	1,374,319	2,902,759
Accumulated depreciation	(104,725)	(1,036,309)	(1,141,034)
Net book amount	1,423,715	338,010	1,761,725
<b>Year ended 30 June 2015</b>			
Opening net book amount	1,423,715	338,010	1,761,725
Exchange differences	323,687	53,541	377,228
Additions	-	21,236	21,236
Depreciation charge	(43,189)	(212,258)	(255,447)
Closing net book amount	1,704,213	200,529	1,904,742
<b>At 30 June 2015</b>			
Cost	1,879,995	1,652,924	3,532,919
Accumulated depreciation	(175,782)	(1,452,395)	(1,628,177)
Net book amount	1,704,213	200,529	1,904,742

30 June 2015

Consolidated

2015	2014
\$	\$

## 11. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	116,951	179,753
Other payables and accruals	217,842	382,820
	<b>334,793</b>	<b>562,573</b>

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

## 12. CURRENT LIABILITIES - BORROWINGS

Convertible notes	<b>2,058,351</b>	1,668,837
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The parent issued 2,000,000 8% converting notes for \$2,000,000 on 29 January 2014. The notes are convertible into ordinary shares of the parent entity at any time prior to the expiry date (1 February 2016), at the option of the holder, at \$0.05 per share. Azumah has the option to repay the notes on expiry, and pay periodic interest, in cash or by the issue of ordinary shares. The issue price of shares required to settle interest payments is 90% of the 15 day volume weighted average price (VWAP) of Azumah's shares traded on ASX prior to the interest payment date. The issue price of shares at expiry upon Azumah's election to convert is the greater of (i) \$0.014, or (ii) 90% of the 30 day VWAP of Azumah's shares preceding the expiry date. Azumah also has the right to require conversion prior to expiry at \$0.05 per share if the 30 day VWAP of Azumah's shares exceeds \$0.075.

Face value of notes issued	<b>2,000,000</b>	2,000,000
Other equity securities – value of conversion rights (note 13(b))	<b>(560,000)</b>	(560,000)
	<b>1,440,000</b>	1,440,000
Fair value adjustment*	<b>391,721</b>	162,207
Interest paid	<b>226,630</b>	66,630
	<b>2,058,351</b>	1,668,837

\* Interest expense is calculated by applying the effective interest rate of 27% to the liability component. The effective interest rate is the rate that exactly discounts estimated future cash payments (in this case \$2,222,222) through the expected life of the financial instrument (in this case 2 years) to the net carrying amount of the financial liability (in this case \$1,440,000).

The initial fair value of the liability portion of the notes was determined as the proceeds less the value of the conversion rights. The liability is subsequently recognised at fair value until extinguished on conversion or maturity of the notes, with the fair value at maturity estimated to be \$2,222,222 being the face value plus the premium to recognise conversion at 90% of VWAP. The value of conversion rights is recognised in shareholders' equity, and not subsequently remeasured, and was calculated using the Black-Scholes European Option Pricing Model on the issue date applying the following inputs:

Exercise price (cents)	5.0
Life of the option (years)	2.0
Underlying share price (cents)	3.4
Expected share price volatility	94.06%
Risk free interest rate	2.64%

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

**13. CONTRIBUTED EQUITY**

30 June 2015

		2015		2014	
	Notes	Number of shares	\$	Number of shares	\$
<b>(a) Share capital</b>					
Ordinary shares fully paid	13(c),(f)	<b>393,850,639</b>	<b>95,582,775</b>	356,189,096	94,123,918
<b>(b) Other equity securities</b>					
Value of conversion rights – converting notes	13(g)		<b>560,000</b>		560,000
Total contributed equity			<b>96,142,775</b>		94,683,918
<b>(c) Movements in ordinary share capital</b>					
Beginning of the financial year		<b>356,189,096</b>	<b>94,123,918</b>	334,064,096	93,046,418
Issued during the year:					
– Issued on vesting of performance rights		<b>500,000</b>	<b>17,000</b>	2,125,000	77,500
– Issued for cash at 4 cents per share		<b>30,000,000</b>	<b>1,200,000</b>	-	-
– Issued as consideration for consulting services <sup>(1)</sup>		<b>500,000</b>	<b>12,500</b>	-	-
– Issued as consideration for interest payable on converting notes <sup>(2)</sup>		<b>6,661,543</b>	<b>229,357</b>	-	-
– Issued for cash at 5 cents per share		-	-	20,000,000	1,000,000
End of the financial year		<b>393,850,639</b>	<b>95,582,775</b>	356,189,096	94,123,918

(1) These shares were valued at the closing price of the Company's shares traded on ASX on the date of issue, being 6 November 2014.

(2) These shares were valued at the respective closing prices of the Company's shares traded on ASX on the dates of issue. 2,127,823 shares were issued on 14 July 2014, and 4,533,720 shares were issued on 30 January 2015.

	Number of options	
	2015	2014
<b>(d) Movements in options on issue</b>		
Beginning of the financial year	<b>3,000,000</b>	8,000,000
Expired, exercisable at 26 cents, 30 Nov 2014	<b>(1,000,000)</b>	-
Expired, exercisable at 60 cents, 30 Nov 2014	<b>(2,000,000)</b>	-
Expired, exercisable at 26 cents, 15 Dec 2013	-	(4,500,000)
Expired, exercisable at 92.4 cents, 15 Dec 2013	-	(500,000)
End of the financial year	-	3,000,000

	Number of Performance rights	
	2015	2014
<b>(e) Movements in performance rights on issue</b>		
Beginning of the financial year	<b>4,325,000</b>	3,150,000
Issued, expiry 30 Nov 2014	-	4,000,000
Issued, expiry 30 Jun 2015	<b>2,000,000</b>	-
Issued, expiry 30 Jun 2016	<b>4,000,000</b>	-
Vested, expiry 30 Nov 2014	<b>(500,000)</b>	(2,000,000)
Vested, expiry 30 Nov 2015	-	(125,000)
Expired/cancelled, expiry 30 Nov 2014	<b>(3,500,000)</b>	(600,000)
Cancelled, expiry 30 Nov 2015	<b>(250,000)</b>	(100,000)
Expired 30 Jun 2015	<b>(2,000,000)</b>	-
End of the financial year	<b>4,075,000</b>	4,325,000

### 13. CONTRIBUTED EQUITY (cont'd)

#### (f) 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.

#### (g) Other equity securities

The amount shown for other equity securities is the value of the conversion rights relating to the 8% converting notes, details of which are shown in note 12.

#### (h) 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 2015 and 30 June 2014 are as follows:

	Consolidated	
	2015	2014
	\$	\$
Cash and cash equivalents	2,198,304	3,932,027
Trade and other receivables	131,547	182,152
Available-for-sale financial assets	193,159	193,159
Trade and other payables	(334,793)	(562,573)
Borrowings	(2,058,351)	(1,668,837)
Working capital position	129,866	2,075,928

### 14. RESERVES

#### (a) Reserves

Foreign currency translation reserve	1,227,603	693,578
Share-based payments reserve	4,268,528	4,263,022
Fair value reserve	(19,315)	(367,000)
	5,476,816	4,589,600

#### (b) Nature and purpose of reserves

##### (i) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity 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 of.

##### (ii) Share-based payments reserve

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

##### (iii) Fair value reserve

Changes in the fair value of investments classified as available-for-sale financial assets are recognised in other comprehensive income as described in note 1(m) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

## 15. DIVIDENDS

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

## 16. REMUNERATION OF AUDITORS

	Consolidated	
	2015	2014
	\$	\$
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:		
<b>(a) Audit services</b>		
BDO Audit (WA) Pty Ltd – audit and review of financial reports	32,727	38,403
Non-related audit firm for the audit or review of financial reports of Group subsidiary entities	24,208	14,127
Total remuneration for audit services	56,935	52,530
<b>(b) Non-audit services</b>		
BDO Corporate Tax (WA) Pty Ltd – taxation compliance services	7,140	9,397
Total remuneration for other services	7,140	9,397

## 17. CONTINGENCIES

### 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.

### Ghanaian Tenement Fees

The Group holds exploration areas of interest in Ghana for which various prospecting license, administration fees, reconnaissance licences, annual mineral rights fees and other fees are periodically levied to the Group. At 30 June 2015, all invoices received for the fees from the Ghanaian authorities have been paid or accrued as liabilities, however due to the timeframes in receiving some invoices from local authorities, there may be amounts which the Group may be required to settle in the future which have not been taken up as liabilities at 30 June 2015. The amounts and the timing of payment are not able to be determined at the period end and accordingly, no liability has been recognised for the contingent liability.

## 18. COMMITMENTS

### Lease commitments: Group as lessee

*Operating leases (non-cancellable):*

Minimum lease payments

within one year

30,720 73,549

later than one year but not later than five years

- -

Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities

30,720 73,549

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. An option exists to renew the lease at the end of the twelve month term for an additional term of twelve months. The lease allows for subletting of all lease areas.

## 19. 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 20.

### (c) Key management personnel compensation

	Consolidated	
	2015	2014
	\$	\$
Short-term benefits	588,257	558,376
Post-employment benefits	37,071	36,159
Share-based payments	65,829	(252,516)
	<b>691,157</b>	<b>342,019</b>

Detailed remuneration disclosures are provided in the remuneration report on pages 15 to 21.

### (d) Transactions and balances with other related parties

#### *Purchases of goods and services*

Purchases of various goods and services from entities controlled by key management personnel	186,260	24,408
Outstanding balances included in current payables for purchases of goods and services from entities controlled by key management personnel	-	19,750

The Group acquired the following goods and services from entities that are controlled by members of the Group's key management personnel:

- Engineering consultancy services;
- Company secretarial and other corporate services; and
- In-country exploration, geological and field personnel and support services, and tenement management services.

### (e) Loans to/from related parties

There were no loans to or from related parties, including key management personnel, during the year.

## 20. 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):

Name	Country of Incorporation	Class of Shares	Equity Holding <sup>(1)</sup>	
			2015	2014
			%	%
Azumah Resources Ghana Ltd	Ghana	Ordinary	100	100
Phoenix Resources Ltd	Ghana	Ordinary	100	100
Azumah Metals (Ghana) Ltd	Ghana	Ordinary	100	100

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

## 21. EVENTS OCCURRING AFTER THE REPORTING DATE

On 3 August 2015 the Company issued 3,496,504 ordinary shares as consideration for interest due on the converting notes.

On 21 August 2015 the Company issued a total of 3,450,000 performance rights to employees in accordance with the terms of the Company's Performance Rights Plan.

No other matter or circumstance has arisen since 30 June 2015, 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.

	Consolidated	
	2015	2014
	\$	\$
<b>22. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of net loss after income tax to net cash outflow from operating activities</b>		
Net loss for the year	(4,149,118)	(3,400,604)
<b>Non-Cash Items</b>		
Depreciation of non-current assets	255,447	292,427
Loss on disposal of property, plant and equipment	-	4,914
Share-based payment expense	22,506	(153,281)
Net exchange differences	155,210	8,590
Shares issued as consideration for consulting expenses	12,500	-
Accrued interest and fair value adjustment on converting notes	618,871	228,837
Impairment of available-for-sale financial assets	347,685	-
Gain on sale of available-for-sale financial assets	(304)	-
<b>Change in operating assets and liabilities</b>		
Decrease in trade and other receivables	41,325	492,923
(Decrease) in trade and other payables	(237,085)	(167,406)
Net cash outflow from operating activities	<u>(2,932,963)</u>	<u>(2,693,600)</u>

## (b) Non-cash investing and financing activities

During the year, 500,000 ordinary shares were issued at a deemed cost of \$12,500 as consideration for consulting services received. This amount was included in 'Exploration expenditure' on the statement of profit or loss and other comprehensive income of the Group.

During the year, a total of 6,661,543 ordinary shares were issued at a deemed cost of \$229,357 as consideration for interest payable on the converting notes, in accordance with the terms and conditions of the converting notes as described at note 12. This amount was included in 'Finance costs' on the statement of profit or loss and other comprehensive income of the Group.

30 June 2015

Consolidated

2015	2014
\$	\$

**23. LOSS PER SHARE****(a) Reconciliation of earnings used in calculating loss per share**

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share

<b>(4,149,118)</b>	<b>(3,400,604)</b>
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<b>Number of shares</b>	<b>Number of shares</b>
-------------------------	-------------------------

**(b) Weighted average number of shares used as the denominator**

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

<b>384,468,432</b>	<b>347,494,233</b>
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**(c) Information on the classification of options**

As the Group has made a loss for the year ended 30 June 2015, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future. The converting notes are also considered antidilutive for the year ended 30 June 2015 as their potential impact would be to reduce the basic loss per share. The converting notes could potentially dilute basic earnings per share in the future.

**24. SHARE-BASED PAYMENTS****(a) 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 the options outstanding at the reporting date range from 26 cents to 60 cents per option. All options on issue expire on 30 November 2015.

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			
	2015		2014	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	3,000,000	48.7	8,000,000	38.7
Granted	-	-	-	-
Forfeited/cancelled	-	-	-	-
Exercised	-	-	-	-
Expired	(3,000,000)	48.7	(5,000,000)	32.6
Outstanding at year-end	-	-	3,000,000	48.7
Exercisable at year-end	-	-	-	-

There were no options outstanding at the end of the financial year. The weighted average remaining contractual life of share options outstanding at the end of the 2014 financial year was 0.42 years, and the exercise prices ranged from 26 cents to 60 cents.

There were no options granted during the 2015 or 2014 financial years.

## 24. SHARE-BASED PAYMENTS (cont'd)

### (b) Employees and contractors performance rights

The Group provides benefits to employees (including directors) and contractors of the Group in the form of share-based payment transactions, whereby performance rights over ordinary shares are issued as an incentive to improve employee and shareholder goal congruence. The expiry dates of the performance rights outstanding at the reporting date range from 30 November 2015 to 30 June 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:

	2015	2014
Outstanding at the beginning of the year	4,325,000	3,150,000
Granted	6,000,000	4,000,000
Forfeited/cancelled	(250,000)	(700,000)
Exercised	(500,000)	(2,125,000)
Expired	(5,500,000)	-
Outstanding at year-end	4,075,000	4,325,000

The weighted average fair value of performance rights granted during the 2015 financial year was 1.8 cents (2014: 3.4 cents). The fair value was calculated by reference to the closing share price on the date of each grant of performance rights.

### (c) Shares issued to suppliers

During the year, 500,000 ordinary shares were issued at a deemed cost of \$12,500 as consideration for consulting services received. This amount was included in 'Exploration expenditure' on the statement of profit or loss and other comprehensive income of the Group.

During the year, a total of 6,661,543 ordinary shares were issued at a deemed cost of \$229,357 as consideration for interest payable on the converting notes, in accordance with the terms and conditions of the converting notes as described at note 12. This amount was included in 'Finance costs' on the statement of profit or loss and other comprehensive income of the Group.

### (d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	Consolidated	
	2015	2014
	\$	\$
Options and performance rights issued to employees and contractors	22,506	(153,281)
Shares issued to suppliers ('Exploration expenditure')	12,500	-
Shares issued to suppliers ('Finance costs')	229,357	-
	264,363	(153,281)

30 June 2015

2015

2014

\$

\$

**25. PARENT ENTITY INFORMATION**

The following information relates to the parent entity, Azumah Resources Limited, at 30 June 2015. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

Current assets	<b>2,478,947</b>	4,259,982
Non-current assets	<b>38,140</b>	63,744
<b>Total assets</b>	<b>2,517,087</b>	4,323,726
Current liabilities	<b>2,196,023</b>	2,190,958
<b>Total liabilities</b>	<b>2,196,023</b>	2,190,958
Contributed equity	<b>96,142,775</b>	94,683,918
Reserves		
Fair Value	<b>(19,315)</b>	(367,000)
Share-Based Payments	<b>4,268,528</b>	4,263,022
Accumulated losses	<b>(100,070,924)</b>	(96,447,172)
<b>Total equity</b>	<b>321,064</b>	2,132,768
<b>Loss for the year</b>	<b>(3,623,752)</b>	(3,252,910)
<b>Total comprehensive loss for the year</b>	<b>(3,276,067)</b>	(3,619,910)

## 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 26 to 59 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 Company's and the consolidated entity's financial position as at 30 June 2015 and of their 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 2015, 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, 25 September 2015

## INDEPENDENT AUDITOR'S REPORT

To the members of Azumah Resources Limited

### Report on the Financial Report

We have audited the accompanying financial report of Azumah Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### Directors' Responsibility 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 Note 1(a)(i), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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



#### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Azumah Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

#### Opinion

In our opinion:

- (a) the financial report of Azumah Resources Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a)(i).

#### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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.

#### Opinion

In our opinion, the Remuneration Report of Azumah Resources Limited for the year 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over a faint blue 'BDO' logo.

Glyn O'Brien

Director

Perth, 25 September 2015

## 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 22 September 2015.

### (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	182	103,218
1,001	- 5,000	921	2,976,056
5,001	- 10,000	684	5,794,281
10,001	- 100,000	1,607	56,435,009
100,001	and over	374	332,038,579
		3,768	397,347,143
The number of shareholders holding less than a marketable parcel of shares are:		2,238	15,389,842

### (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	Caitlyn Ltd	50,000,000	12.58
2	HSBC Custody Nominees Australia Ltd	44,685,206	11.25
3	Macquarie Bank Ltd <Metals & Energy CA>	38,940,705	9.80
4	J P Morgan Nominees Australia Ltd	15,231,178	3.83
5	Ausdrill International Pty Ltd	10,158,047	2.56
6	Citicorp Nominees Pty Ltd	9,930,955	2.50
7	Gladstone Super Pty Ltd <Gladstone S/F A/C>	7,633,633	1.92
8	Redstar Resources Ltd	7,521,875	1.89
9	BNP Paribas Nominees Pty Ltd <DRP>	4,920,000	1.24
10	Brett McCarthy	4,459,818	1.12
11	Yandal Investments Pty Ltd	4,000,000	1.01
12	Paul Amoako-Atta	3,250,000	0.82
13	S & C Yamashita <Citius S/F A/C>	3,008,060	0.76
14	Shoredown Ltd <Harper Family Account>	2,614,687	0.66
15	Siro Yamashita	2,500,000	0.63
16	Nefco Nominees Pty Ltd	2,050,000	0.52
17	Brian William Hanna	2,000,000	0.50
18	Whitesman Investments Pty Ltd <Whitesman S/F A/C>	1,940,265	0.49
19	National Nominees Ltd	1,778,554	0.45
20	G & L Rodaughan <L&G Rodaughan Investment>	1,661,195	0.42
		218,284,178	54.95

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

**(c) 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 <sup>(1)</sup>	50,000,000
Azumah Resources Ltd <sup>(2)</sup>	50,000,000
J P Morgan Nominees Australia Ltd	32,041,127
Macquarie Bank Ltd	26,440,705
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.
- (2) Azumah Resources Limited (Azumah) has a relevant interest in the shares held by Caitlyn pursuant to section 608(8) Corporations Act 2001 (Cth) as a result of the support obligation set out in clause 2.3 of a deed between Caitlyn and Azumah dated 12 September 2014 which contains obligations concerning the voting and disposal of certain shares in Azumah.

**(d) Voting rights**

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

**(e) Schedule of interests in mining tenements**

Location	Tenement	Percentage held / earning
Kunche, Ghana	ML 10/1	90 <sup>(i)</sup>
Julie, Ghana	ML 10/5 <sup>(ii)</sup>	90 <sup>(i)</sup>
Collette, Loggo, Ghana	PL 10/4 <sup>(ii)</sup>	100
Julie near Du, Ghana	PL 10/5 <sup>(ii)</sup>	100
Josephine, Du, Ghana	PL 10/9 <sup>(ii)</sup>	100
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
Tangasia S/East, Ghana	PL 10/40	100
Lawra North, Ghana	PL 10/41	100
Tangasia North, Ghana	PL 10/42	100
Samoa S/West, Ghana	PL 10/43 <sup>(ii)</sup>	100
Samoa South, Ghana	PL 10/44 <sup>(ii)</sup>	100
Samoa North, Ghana	PL 10/45 <sup>(ii)</sup>	100
Samoa, Ghana	PL 10/46 <sup>(ii)</sup>	100

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

(ii) 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.

#### (f) Unquoted Securities

Class	Number of Securities	Number of Holders	Holders of 20% or more of the class	
			Holder Name	Number of Securities
Unlisted Performance Rights, Expiry 30 November 2015	75,000	1	Hector Nyinaku	75,000
Unlisted Performance Rights, Expiry 30 June 2016	4,000,000	4	Stephen Stone ATF <The Pearlstone Family Account>	2,000,000
			Michael Atkins	1,000,000
Unlisted Performance Rights, Expiry 30 June 2016	3,450,000	10	Kofi Ansah	750,000