

ASX & Media Release

ASX Code – AZM

12th October 2016



www.azumahresources.com.au

Investment Highlights:

Wa Gold Project:

- Feasibility Study Completed
- 2.1Moz Mineral Resource including 1.4Moz (67%) Measured & Indicated
- 624,000oz Ore Reserve at 2.14 g/t Au
- Initial 7yr mine-life at +/- 90,000oz pa
- Excellent Infrastructure (grid power, water, established roads, airport)
- Mining Leases granted
- Exploration licenses of 2,400km² with >150km strike of prospective Birimian terrain.
- 16.5% strategic investment in Ghana neighbour, Castle Minerals Limited (~10,000km²)
- Board and management team of successful explorers, mining and corporate professionals

Issued Capital:

559.82M ordinary shares
5.875M performance rights

Directors & Management:

Chairman:
Michael Atkins

Managing Director:
Stephen Stone

Non-Executive Directors:
Geoff M Jones
Bill LeClair

Company Secretary:
Dennis Wilkins

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Julie West and Danyawu JORC 2012 Updates Add 69,000oz High-Grade Mineral Resources

- Combined Wa Gold Project Mineral Resources increased by 69,000oz grading 4.4g/t Au to 2,063,000oz
- Outcropping Julie West and Danyawu mineralisation only 7km from 830,000oz Julie deposit and granted Mining Lease
- Likely to be incorporated into proposed plans for ~90,000oz per year gold operation
- 5,500m multi-target drilling campaign nearing completion with results available in coming weeks
- Key objective is to advance Manwe and Josephine prospects towards maiden Mineral Resource estimates

“The outcropping Julie West and Danyawu Mineral Resources totaling 69,000oz at 4.4g/t Au are expected to provide high-value incremental ounces to Azumah’s existing 624,000oz Ore Reserve and enhance the Company’s already advanced plans for the development of an initial seven-year, 90,000oz per year gold operation” Azumah Managing Director, Mr Stephen Stone, said.

Ghana focused gold explorer and developer Azumah Resources Limited (ASX:**AZM**) (“Azumah” or “the Company”) advises that combined Mineral Resources for its Wa Gold Project, Ghana (‘Project’), have been increased by 69,000oz at 4.4g/t Au to 2,063,000oz following an update to JORC 2012 compliance of the recently acquired Julie West and Danyawu gold deposits (Tables A, B and 2) (Appendix: Sections 1, 2 and 3)(refer ASX release dated 27th April 2016).

The shallow depth Julie West and Danyawu Mineral Resources are particularly high-grade at 4.2g/t Au and 5.5g/t Au respectively. They lie just 7-8km west of the 834,000oz Julie deposit for which a mining licence has been granted.

The Julie West and Danyawu resources are likely to be incorporated into a Feasibility Study update once technical work to bring them to the same status as Azumah’s existing Project Ore Reserves of 624,000oz grading 2.14g/t Au is completed.

In addition, Azumah is nearing the end of a multi-target, 5,500m, combined aircore and reverse circulation drilling campaign investigating several new zones of anomalism and with a key objective of advancing the Josephine and Manwe prospects closer to maiden resource estimates.

The JORC 2012 update of the Julie West and Danyawu resources was undertaken by Perth based independent consultants, RungePincocKMinarco Limited ('RPM') using a 1.0g/t Au cut off, the same as it used for the original JORC 2004 estimates (*refer Competent Persons statements*).

Stephen Stone

Managing Director

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Additional information as required by ASX Listing Rules para 5.8 when reporting a Mineral Resource for the first time (Also refer to Appendix 1, 2 and 3):

Table A: Julie West October 2016 Mineral Resource Estimate (1.0g/t Au Cut-off)

Type	Indicated			Inferred			Total		
	Tonnes (t)	Grade g/t Au	Gold oz	Tonnes (t)	Grade g/t Au	Gold oz	Tonnes (t)	Grade g/t Au	Gold oz
Transitional	67,000	3.8	8,000	3,000	7.8	1,000	70,000	4.0	9,000
Fresh	316,000	4.3	44,000	28,000	3.5	3,000	345,000	4.3	47,000
Total	383,000	4.2	52,000	32,000	4.0	4,000	415,000	4.2	56,000

Note:

- Totals may differ due to rounding. Mineral Resources reported on a dry in-situ basis.
- The Statement of Estimates of Mineral Resources has been compiled by Mr. Shaun Searle who is a full-time employee of RPM and a Member of the AIG. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012).
- All Mineral Resources figures reported in the table above represent estimates at 12th October, 2016. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
- Reporting cut-off grade selected based on the results of the Wa Gold Project Feasibility Study announced to the ASX on 23rd March 2015. The Feasibility Study indicated that a break-even cut-off grade for the Project Mineral Resources is approximately 1.0g/t Au, assuming a gold price of US\$1,300, a metallurgical recovery of 91% and an open pit mining method. The Mineral Resources are contained within 100m of the surface.

Table B: Danyawu October 2016 Indicated Mineral Resource Estimate (1.0g/t Au Cut-off)

Type	Indicated		
	Tonnes (t)	Grade g/t Au	Gold oz
Oxide	1,000	2.5	100
Transitional	5,000	3.6	500
Fresh	67,000	5.7	12,000
Total	72,000	5.5	13,000

Table notes as above.

Geology and Geological Interpretation

The Julie West gold mineralisation is almost exclusively confined to a moderately dipping (-50°) quartz reef, with only subordinate grades being reported in the host diorite. The primary vein dips to the east (local grid) and varies in thickness from 1m to 9m with an average of approximately 3.5m. The mineralised vein has a north-south extent of 560m.

The Danyawu gold mineralisation is defined by a zone of quartz veining with minor pyrite alteration within a host granodiorite. This zone has a moderately shallow north dip with the mineralisation exhibiting a well-defined 40° plunge to the northeast. The primary vein varies in thickness from 1m to 16m with an average of approximately 8m. The mineralised vein currently has a drill defined north-south extent of 120m.

Sampling and Sub-Sampling Techniques

Samples were collected at 1m intervals via a riffle splitter at the time of drilling and then stored off site. These were used to prepare 5m 'spear' composites which were submitted to the laboratory. If the 5m composite returned an assay greater than 0.1g/t Au, the individual 1m samples in the interval were assayed. The exception was the logged quartz vein, where the original riffle split 1m sample was sent directly to the laboratory.

Drilling Techniques

All drilling was completed using reverse circulation (RC) with a face sampling hammer.

Mineral Resource Classification Criteria

The Mineral Resources were classified as Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 20m by 20m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 20m by 20m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

Sample Analysis Method

Samples were sent to Transworld Laboratory in Tarkwa, Ghana for analysis. Analysis for Au was by 50g Fire Assay with an atomic absorption spectrometry (AAS) finish.

Estimation Methodology

The block models were created and estimated in Surpac using Ordinary Kriging ("OK") grade interpolation. The mineralisation was constrained by Mineral Resource outlines based on mineralisation envelopes prepared using a nominal 0.5g/t Au cut-off grade for Julie West and 0.3g/t Au for Danyawu.

Top-cuts were applied to the data based on statistical analysis of individual lodes. Top cuts ranging between 2.5g/t Au to 50g/t Au were determined by statistical analysis and applied to the 1m composite data within certain lodes, resulting in nine samples being cut.

The block dimensions used in the model were 10m NS by 5m EW by 5m vertical with sub-cells of 1.25m by 0.625m by 0.625m for Julie West and 10m NS by 10m EW by 5m vertical with sub-cells of 1.25m by 1.25m by 0.625m for Danyawu. Bulk densities applied in the block models were based on measurements obtained from the nearby Julie deposit. Average bulk densities ranging between 2.0t/m³ and 2.75t/m³ were assigned in the block model dependent on weathering.

Cut-off Grades

The Mineral Resources are reported at a cut-off of 1.0g/t Au. Reporting cut-off parameters were selected based on the results of the Wa Gold Project Feasibility Study announced to the ASX on 23rd March 2015. The Feasibility Study indicated that a break-even cut-off grade for the Project Mineral Resources is approximately 0.5g/t Au, assuming a gold price of US\$1,300 per ounce, a metallurgical recovery of 91% and an open pit mining method. A cut-off grade of 1.0g/t Au was selected to allow for up front capital costs and the increased transportation distance from Julie West and Danyawu to the processing plant. The Mineral Resources are contained within 100m of the surface at each deposit.

Mining and Metallurgical Methods and Parameters

The Julie West and Danyawu deposits would be mined using open pit techniques. No metallurgical test work has been conducted at Julie West or Danyawu. It is assumed the processing recoveries would be around 90% using a standard CIL flowsheet, based on the results of the adjacent Julie deposit.

References

All references to Mineral Resources and Ore Reserves pertain to ASX releases dated 2nd September 2014, 23rd March 2015 and 12th October 2016 respectively. Also refer to Tables 1 and 2 herein.

The Company confirms that all material assumptions underpinning the production targets and forecast information continue to apply and have not materially changed other than a positive material reduction in capital costs (refer ASX release dated 9th May 2016).

For further information on Azumah Resources Limited and its Wa Gold Project please visit its website at www.azumahresources.com.au which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

About Azumah

Azumah Resources Limited is a Perth-based, ASX-listed (ASX:AZM) company focused on exploring and developing its regional scale Wa Gold Project in the Upper West Region of Ghana, West Africa.

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

To date the Company has defined a JORC 2012 Mineral Resource of **2.1Moz of gold grading 1.5g/t Au** including 1.4Moz Measured and Indicated grading 1.7g/t Au with these evenly distributed between Kunche-Bepkong and Wa East (Julie)(Table 2).

The Julie West licence, acquired from Castle Minerals Limited (ASX:CDT)(refer AZM ASX release dated 27th April 2016) hosts the Julie West and Danyawu prospects for which an update to JORC 2012 standard has confirmed for Julie West a Mineral Resource of 52,000oz Au Indicated and 4,000oz Au Inferred and for Danyawu a Mineral Resource of 13,000oz Au Inferred.

Mineral Resources have grown progressively through focused exploration of the Company's **2,400km²** 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 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.

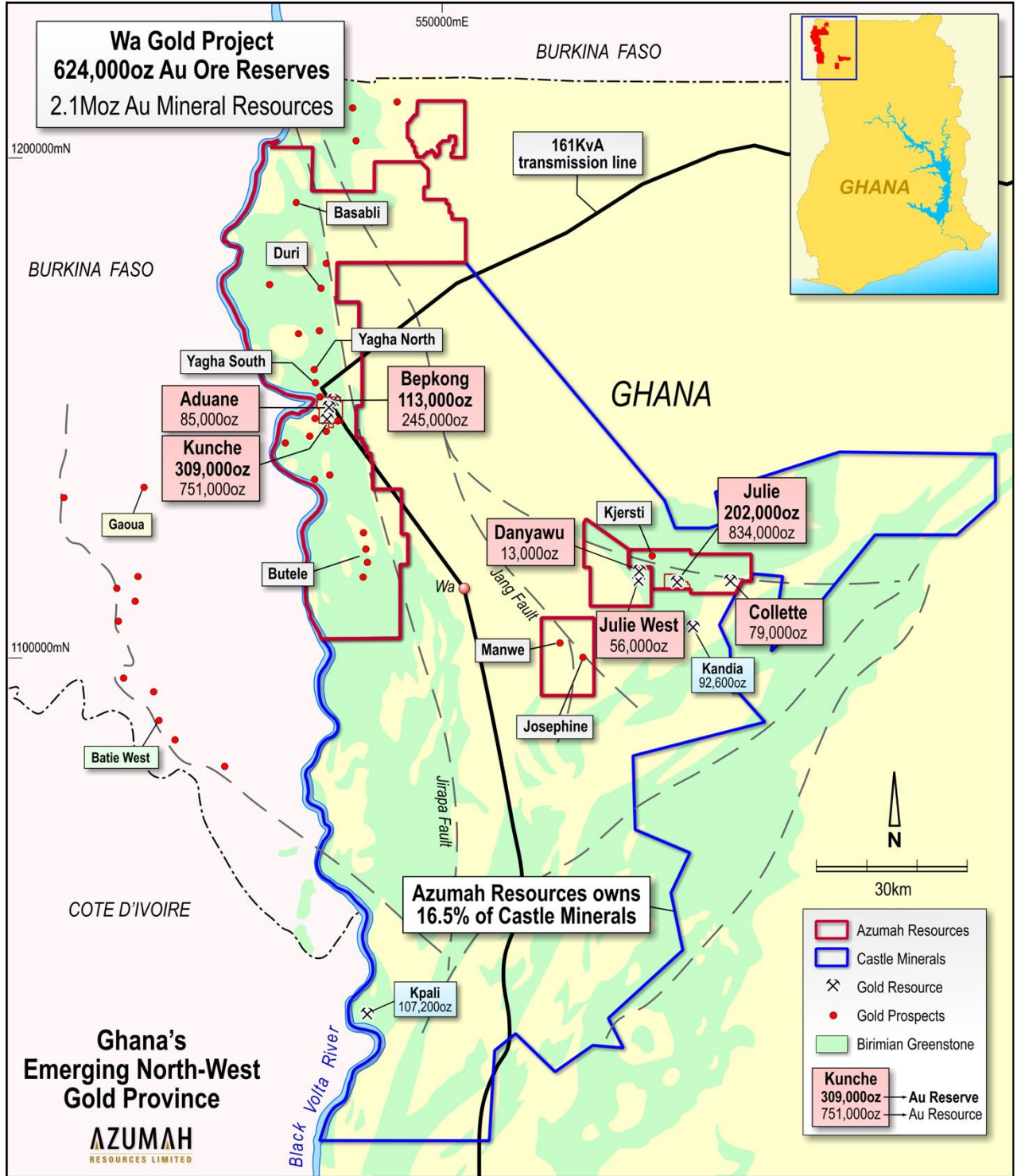
A JORC 2012 Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au) has been defined based on recently completed studies. The designed optimised pits also contain Inferred Resources of 28,000oz Au. Extensive metallurgical test work has been undertaken to confirm a high average overall gold recovery of **~92%** for the Kunche, Bepkong and Julie deposits (Table 1).

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.

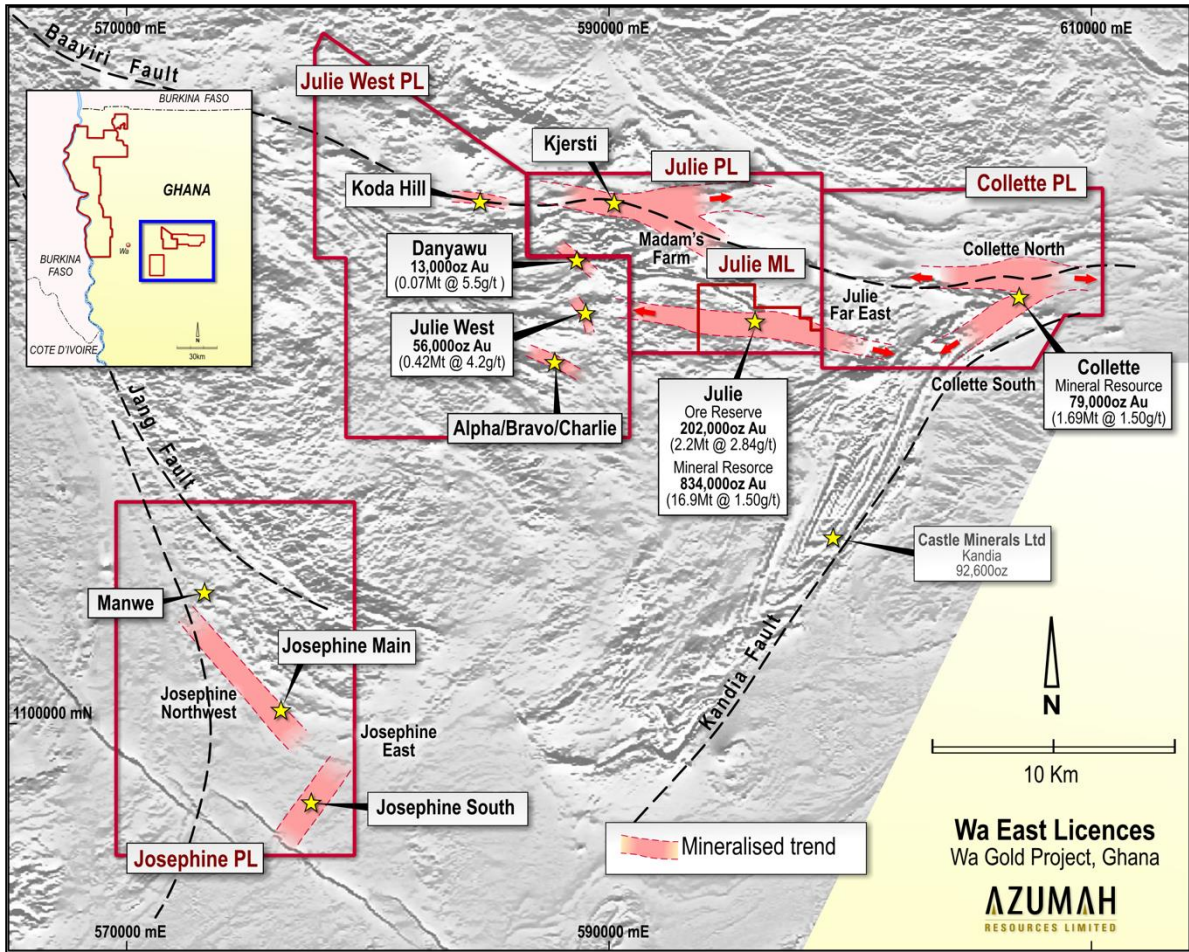
No technical, social or environmental impediments to development have been identified, no communities need to be rehoused and there is a generally strong support from stakeholders for the Project. Whilst the region has no other major industry, the Project benefits from excellent regional infrastructure including **grid power to site**, good quality bituminised and non-bituminised roads, easy access to water, a 2km sealed airstrip at the regional centre of Wa and good general communications.

Azumah holds a **16.5%** interest in its neighbour and junior Ghana explorer, **Castle Minerals NL** which has **~10,000km²** of licences adjacent to Azumah

Wa Gold Project – Licences, Key Deposits and Prospects (Refer also to Tables 1 and 2)



Wa East Licences and Key Prospects (Refer also to Tables 1 and 2)



Julie and Julie West Licences (Refer also to Tables 1 and 2)

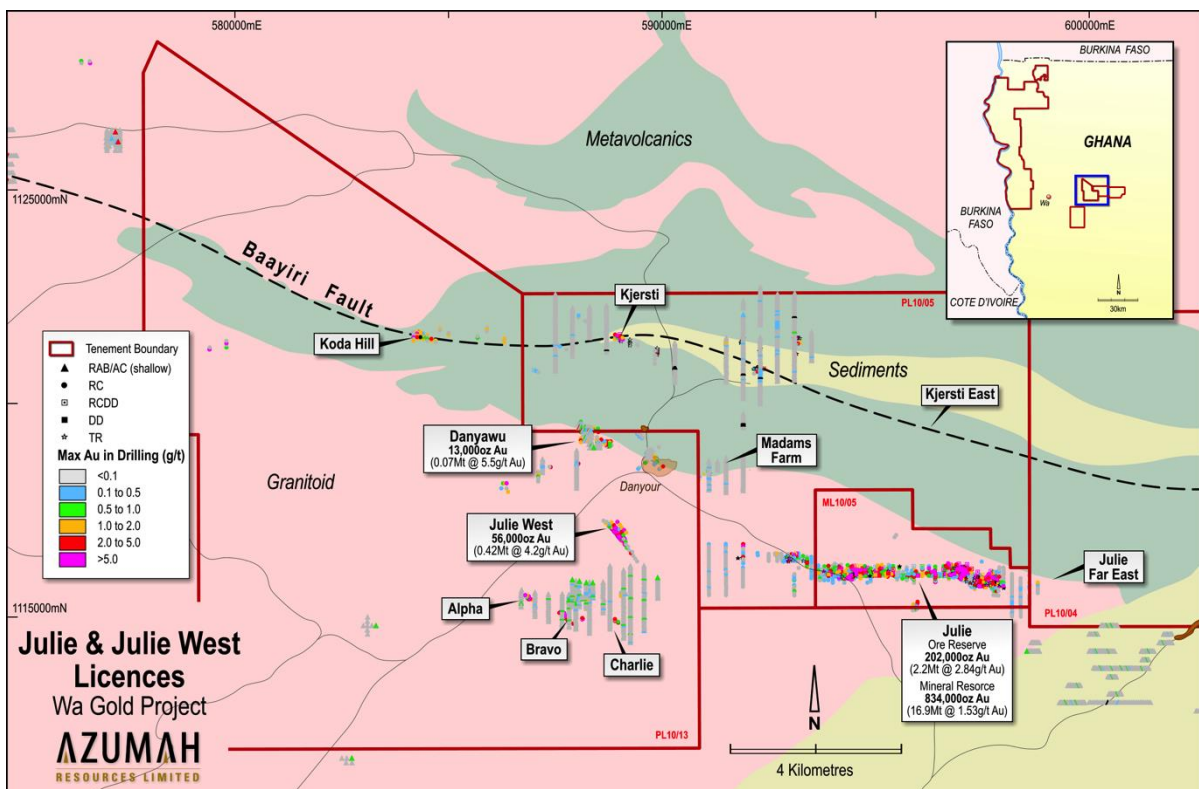


Table 1: Ore Reserves Summary – JORC Code 2012

(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	Gold oz
Kunche	4.91	1.92	0.05	3.11	4.97	1.94	309,000
Bepkong	1.79	1.84	0.11	1.97	1.90	1.85	113,000
Julie	0.29	2.45	1.93	2.89	2.21	2.84	202,000
Total	7.00	1.92	2.09	2.85	9.08	2.14	624,000

Values have been rounded. NB: The Ore Reserve excludes 28,000oz inferred gold deemed 'Mining Inventory'

Table 2: Mineral Resource Estimate – JORC Code 2012 – Updated October 2016

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes (M)	Grade g/t Au	Gold oz	Tonnes (M)	Grade g/t Au	Gold oz	Tonnes (M)	Grade g/t Au	Gold oz	Tonnes (M)	Grade g/t Au	Gold oz
Kunche	8.42	1.7	468,000	2.24	1.4	99,000	4.86	1.2	183,000	15.52	1.5	751,000
Bepkong	2.22	1.8	128,000	1.70	1.3	73,000	1.17	1.2	44,000	5.09	1.5	245,000
Aduane							1.77	1.5	85,000	1.77	1.5	85,000
Julie	0.89	1.4	41,000	10.06	1.6	507,000	5.98	1.5	286,000	16.93	1.5	834,000
Julie West				0.38	4.2	52,000	0.03	4.0	4,000	0.41	4.2	56,000
Danyawu				0.07	5.5	13,000				0.07	5.5	13,000
Collette							1.69	1.5	79,000	1.69	1.5	79,000
Total	11.52	1.7	637,000	14.45	1.6	744,000	15.50	1.4	681,000	41.49	1.5	2,063,000

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

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 Mineral Resource estimates for the Julie West and Danyawu deposits is based on information compiled by **Mr Shaun Searle** who is a Member of the Australasian Institute of Geoscientists. Mr Searle is a full time employee of RungePincockMinarco Limited (RPM). Mr Searle is the Competent Person for the Julie West and Danyawu Mineral Resource estimate and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Searle has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the Julie West and Danyawu Mineral Resource estimate.

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

Forward-Looking Statement

All statements other than statements of historical fact included on this website including, without limitation, statements regarding future plans and objectives of Azumah, are forward-looking statements. Forward-looking statements can be identified by words such as ‘anticipate’, ‘believe’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘intend’, ‘may’, ‘opportunity’, ‘plan’, ‘potential’, ‘project’, ‘seek’, ‘will’ and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Azumah that could cause Azumah’s actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained on this website will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Azumah does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained on this website, except where required by applicable law and stock exchange listing requirements.

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The Julie West and Danyawu deposits have been sampled by reverse circulation (RC) drilling. All drilling was conducted by CDT. Drilling and sampling procedures were reviewed by RPM at the time of resource estimation are were considered to be of industry standard. Information contained in this appendix is derived from the Mineral Resource reports by RPM and from digital information supplied to AZM from CDT. <p>Julie West:</p> <ul style="list-style-type: none"> 90 holes, for 5,471m, were drilled at Julie West, between 2008 and 2010. Holes were drilled at -50° towards 270°, or vertical (-90°). A total of 61 RC holes, for 2,662m, were used in the estimate. <p>Danyawu:</p> <ul style="list-style-type: none"> 50 holes for 3,557m, were drilled at Danyawu between 2010 and 2012. Holes were drilled at -50° towards 180°, -50° towards 270° and vertical (-90°). A total of 27 RC holes, for 276m, were used in the estimate. Drilling samples were collected at 1m intervals via a riffle splitter at the time of drilling and then stored off site. These were used to prepare 5m ‘spear’ composites which were submitted to the laboratory. If the 5m composite returned an assay of greater than 0.1g/t Au, the individual 1m samples in the interval were assayed. The exception was the logged quartz vein, where the original riffle split 1m sample was sent directly to the laboratory. Quality Control (QC) samples were collected on a regular basis. RC drilling was used to obtain representative samples. Samples were prepared by drying, crushing to -6mm and then pulverising to 75 microns (-200 mesh). Analysis for Au was by 50g Fire Assay with an atomic absorption spectrometry (AAS) finish.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> All holes were drilled by reverse circulation (RC) using a standard face sampling hammer by Minerex and Geodrill. Hole diameter was not been recorded. Down hole surveys were using a single shot Eastman camera.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred 	<ul style="list-style-type: none"> Recoveries from the RC drilling are unknown. It is assumed that no relationship exists between sample recovery and grade.

Criteria	JORC Code explanation	Commentary
	<i>due to preferential loss/gain of fine/coarse material.</i>	
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> RC drill chips were logged in detail every metre. Colour, lithology, degree of oxidation, etc were recorded. Logging was qualitative and included records of lithology, oxidation state, colour, mineralisation, alteration and veining. All drill holes were logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No core was collected. RC samples were collected on the rig using riffle splitter. Samples were generally dry. Samples were prepared by drying, crushing to -6mm and then pulverising to 75 microns (-200 mesh). Analysis for Au was by 50g Fire Assay with an atomic absorption spectrometry (AAS) finish. The sample preparation techniques are considered to be appropriate for gold. Quality control samples were collected on a regular basis. For Julie West, standards and blanks were inserted at a rate of 1:50 and duplicates at a rate of approximately 1:20. QA/QC results were reviewed by RPM and deemed satisfactory. Sample size is considered appropriate for gold analysis.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The analytical technique used was fire-assay with an atomic-absorption finish (FAA505) which is industry standard for Au. No geophysical tools, XRF instruments etc were used to determine any element concentrations used in the resource estimates. Field QA/QC procedures included the insertion of field duplicates, blanks and commercial standards.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> The Julie West deposit was visited by David Price of RPM in March/April 2009 to verify project data. The location of drill collars were verified with respect to each other using the marked plugs. No errors were identified with the collar positions, with all collars clearly marked with a concrete plug and corresponding to the database position The Julie West Deposit was visited by Andrew Chubb on behalf of AZM in September 2016. The drilling and geology reported by Castle Minerals is considered to be consistent with the field observations and drill collars located. No twin holes were drilled, however infill drilling by CDT confirmed mineralisation thickness and tenor. Details for field data collection and digitisation are not available. CDT stored data digitally in the 'George' database programme. Data for exploration conducted on the Julie West PL was extracted and merged with the AZM SQL database, with all related metadata and QA/QC information available. Assay values that were below detection limit were adjusted to equal half of the detection limit value prior to estimation.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Drill holes were surveyed by Coffey Mining using a Sokkia Stratus DGPS to an accuracy of 10mm. The grid system is WGS84, Zone 30 North. The topographic surfaces of all AZM properties were created using a GeoEye image and Digital Surface Model. This was corrected and validated using DGPS drill hole points collected in the field.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient 	<p>Julie West</p> <ul style="list-style-type: none"> Drilling density at Julie West varies from 20m by 20m

Criteria	JORC Code explanation	Commentary
	<p>to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <ul style="list-style-type: none"> Whether sample compositing has been applied. 	<p>to 40m by 40m over the deposit.</p> <p>Danyawu</p> <ul style="list-style-type: none"> Drilling density at Danyawu varied from 20m by 10m to 40m by 20m over the deposit. The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code. Samples have been composited to 1m lengths using best fit techniques.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>Julie West</p> <ul style="list-style-type: none"> All drilling at Julie West is oriented 230° at -50°, which is perpendicular to the strike of the mineralisation. <p>Danyawu</p> <ul style="list-style-type: none"> Drilling at Danyawu is oriented towards 270° at -50°, 180° at -50° or vertical (-90°). No orientation based sampling bias has been identified in the data based on the interpreted mineralised structures.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Sample security measures were not recorded for CDT drilling.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Sampling techniques are consistent with standard industry practice. Data supplied by CDT was validated by CSA Global Pty Ltd during database upload. Checks included depth from - depth to, sample interval hole depth and overlapping sample intervals. Any data which failed the validation process was returned to AZM for validation. Global consistency was also checked at a later stage by plotting holes on sections using the database and reconciling assays against the geology.

Section 2 : Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> The Julie West and Danyawu deposits are both located within the Julie West PL10/13. AZM has purchased the right to acquire the Julie West PL from Bunda Resources Pty Ltd via a 'Put Option and Sale Agreement'. The tenements are in good standing with no known impediments.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> CDT is the only company to conduct drilling at the Julie West and Danyawu deposits.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Julie district is at the termination of the trans-current Baayiri Fault, which manifests as a classic horsetail system. Various structures in this horsetail host the Julie, Collette and Kjersti mineralisation within the Wa Project. Locally the Baayiri fault is manifest as a series of east-west trending thrusts and strike/dip-slip faults with cross cutting/antithetic structures that tend northeast and northwest; both Danyawu and Julie West are located at junction of these structures. The Julie West vein is outcropping, while Danyawu is 'blind' and lies some 20m below surface. Both deposits are hosted within granodiorite. Julie West Gold mineralisation at Julie West is almost exclusively confined to a moderately dipping (-50°) quartz reef, with only subordinate grades being reported in the host diorite. The primary vein dips to the northeast and varies in thickness from 1m to 9m with an average of approximately 3.5m. The mineralised vein has a north-south extent of 560m. Danyawu Gold mineralisation at Danyawu is defined by a zone of quartz veining with minor pyrite alteration within a host

Criteria	JORC Code explanation	Commentary
		granodiorite. This zone has a moderately shallow north dip with the mineralisation exhibiting a well-defined 40° plunge to the northeast. The primary vein varies in thickness from 1m to 16m with an average of approximately 8m. The mineralised vein currently has a drill defined north-south extent of 120m.
Drill hole information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Exploration results are not being reported. A table of all drill hole collars with all the listed information is shown in the Appendices. All information has been included in the appendices. No drill hole information has been excluded.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Exploration results are not being reported. Not applicable as a Mineral Resource is being reported. Metal equivalent values have not been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Mineralisation at Julie West is almost exclusively confined to a northwest striking quartz vein that dips -50° to the northeast. The mineralised zone at Danyawu has a shallow north dipping, with a well-defined 40° plunge to the northeast. All drill holes were drilled at -50° or -90°, and oriented to drill perpendicular to the strike and dip of the mineralisation. It is unlikely there is any significant sampling bias.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Relevant diagrams have been included within the Mineral Resource report main body of text.
Balanced Reporting	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Drill holes were surveyed by Coffey Mining using a Sokkia Stratus DGPS to an accuracy of 10mm. Down hole surveys were using a single shot Eastman camera. Exploration results are not being reported.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> All interpretations for Julie West and Danyawu mineralisation are consistent with observations made and information gained during drilling.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> A desktop review of each deposit is required to determine the potential of discovering additional mineralisation. The Julie West deposit is open along strike and down dip. The Danyawu deposit is open down plunge. Refer to diagrams in the body of text within the Mineral Resource report.

Section 3 : Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> The database was systematically audited by a CDT geologist. All CDT drilling data was verified as part of a continuous validation procedure. Once a drill hole is imported into the data base a report of the collar, down-hole survey, geology, and assay data is produced. This was then checked by an AZM geologist and any corrections were completed by the data base manager.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> A site visit was undertaken in September 2016 by Andrew Chubb of Obsidian Geological (a representative of the Competent Person) to review the project and deposit geology, and verify collar coordinates. No major issues were encountered. A site visit was conducted, therefore not applicable.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> The confidence in the geological interpretation is considered to be good and is based on visual confirmation in outcrop and within the artisanal workings. Geochemistry and geological logging has been used to assist identification of lithology and mineralisation. The deposits consist of moderately dipping/plunging quartz veins within a shear zone. Mineralisation is mostly confined to the quartz veins. Infill drilling has supported and refined the model and the current interpretation is considered robust. Outcrops of mineralisation and host rocks confirm the geometry of the mineralisation. Infill drilling has confirmed geological and grade continuity.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> The Julie West Mineral Resource has a 560m strike extent from 19,660mN to 20,220mN. The vertical extent is 100m from surface at 280mRL to 180mRL. The Danyawu Mineral Resource has a 90m strike extent from 588,670mE to 588,760mE with a vertical extent of 90m from surface at 260mRL to 170mRL.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	<ul style="list-style-type: none"> Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Julie West and Danyawu Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 40m down-dip. This was one drill hole spacing in this region of the deposit. Maximum extrapolation was generally half drill hole spacing. Areas of extrapolation have been classified as Inferred Mineral Resource. No mining has occurred at either the Julie West or Danyawu deposits, therefore reconciliation could not be conducted. No recovery of by-products is anticipated. Only Au was interpolated into the block model. The block dimensions used in the Julie West model were 10m NS by 5m EW by 5m vertical with sub-cells of 2.5 m by 0.625 m by 0.625 m. The block dimensions used in the Danyawu model were 10m NS by 10m EW by 5m vertical with sub-cells of 1.25 m by 1.25 m by 0.625 m. The parent block size dimension was selected based on half the predominant drill hole spacing. An oriented 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography derived from Object 1 for Julie West. Up to three passes were used for each domain. For Julie West, the first pass had a range of 60m, with a minimum of 8 samples. For the second pass, the range was extended to 80m, with a minimum of 8 samples. For the third pass, the range was extended

Criteria	JORC Code explanation	Commentary
		<p>to 100m, with a minimum of 4 samples. A maximum of 40 samples was used for all three passes. For Danyawu, the first pass had a range of 30m, with a minimum of 10 samples. For the second pass, the range was extended to 60m, with a minimum of 6 samples. A maximum of 20 samples was used for each pass.</p> <ul style="list-style-type: none"> • No assumptions were made on selective mining units. • Only Au assay data was available, therefore correlation analysis was not possible. • For Julie West, wireframes were constructed using cross sectional interpretations based on a nominal 0.5g/t Au cut-off grade and the percentage of observed quartz. For Danyawu, wireframes were constructed using cross sectional interpretations based on a nominal 0.3g/t Au cut-off grade and the percentage of observed quartz. The wireframes were applied as hard boundaries in the estimate. • Statistical analysis was carried out on data from all lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the objects suggested that top cuts were required if linear grade interpolation was to be carried out. As a result, variable top cuts between 2.5g/t and 50g/t Au were applied, resulting in a total of nine samples being cut. • Validation of the model included detailed comparison of composite grades and block grades by strike panel and elevation. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	<ul style="list-style-type: none"> • Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> • Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	<ul style="list-style-type: none"> • The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> • The Mineral Resources are reported at a cut-off of 1.0g/t Au. Reporting cut-off parameters were selected based on the results of the Wa Gold Project Feasibility Study announced to the ASX on 23rd March 2015. The Feasibility Study indicated that a break-even cut-off grade for the Project Mineral Resources is approximately 1.0g/t Au, assuming a gold price of US\$1,300, a metallurgical recovery of 91% and an open pit mining method.
Mining factors or assumptions	<ul style="list-style-type: none"> • Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> • RPM has assumed that the deposit could be mined using open pit techniques, as the Mineral Resources are contained within 100m of the surface at each deposit. •
Metallurgical factors or assumptions	<ul style="list-style-type: none"> • The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> • No metallurgical testwork has been conducted at Julie West or Danyawu. It is assumed the recoveries would be around 90% using a standard CIL flowsheet, based on the results of the adjacent Julie deposit.
Environmental factors or assumptions	<ul style="list-style-type: none"> • Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, 	<ul style="list-style-type: none"> • No assumptions have been made regarding environmental factors. AZM will work to mitigate environmental impacts as a result of any future mining or mineral processing.

Criteria	JORC Code explanation	Commentary
	<p>particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</p>	
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> AZM collected 57 density measurements from the adjacent Julie deposit from the various weathered zones. Values were assigned in the Julie West and Danyawu block models based on these results. Bulk density derived from the Julie deposit is measured. Moisture is accounted for in the measuring process and measurements were separated for lithology and mineralisation. It is assumed there are minimal void spaces in the rocks at Julie West and Danyawu. The densities applied in the block models are based on values derived from the adjacent Julie deposit.
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The Mineral Resources were classified as Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 20m by 20m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 20m by 20m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> The lode geometry and continuity has been adequately interpreted to reflect the applied level of Indicated and Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses. The Mineral Resource statement relates to global estimates of tonnes and grade. No mining has occurred at either the Julie West or Danyawu deposits, therefore reconciliation could not be conducted.