

Activities Report

June 2019 Quarter

West African focused gold explorer and developer, Azumah Resources Ltd (ASX: AZM or 'Azumah') presents its Activities Report for the Quarter ended 30 June 2019 and in particular developments at its Wa Gold Project, Ghana ("Project")(Figures 1 to 3. Tables A and B).

Operations:

Bepkong deposit:

- A maiden Mineral Resource of 279,700oz (2.4Mt at 3.59g/t Au)(Table A) was reported for the Bepkong 'Underground' mineralisation (refer ASX release 2 July 2019).
- This maiden Mineral Resource includes a Measured and Indicated Mineral Resource of 167,500oz at 4.05g/t Au hosting several coherent zones of higher-grade mineralisation along the confirmed 300m strike and also to depth.
- Drilling has confirmed mineralisation to 580m below surface where it is still open.
- Total Bepkong Mineral Resources more than doubled to 517,600oz and grade lifted 59% to 2.38g/t Au (Tables B).
- Total Wa Gold Project Mineral Resources increased by 11% to 2,770,000oz of which 65% is Measured and Indicated (Table B).
- Bepkong underground mineralisation is not included in the current 1,028,200oz Ore Reserve or the Project Feasibility Study - scheduled for completion by end of 2019 (Table A).
- A Scoping Study to evaluate the technical and economic viability for a possible underground operation is to be reported shortly.
- An underground operation would only need to cover incremental development capital and associated operating costs as the Project establishment capital is paid-back by prior open pit mining (ASX release 30 January 2019).

Kunche deposit:

- Exceptionally high-grade intercepts with visible gold were returned from widely-spaced, deep holes probing for depth extensions to Kunche mineralisation (refer ASX release 15 May 2019):
 - 0.5m at 168.3g/t Au (over 5oz Au per tonne) from 650.5m (KRCD855) and 0.5m at 89.39g/t Au (nearly 3oz Au per tonne) from 613.5m (KRCD853).
- Mineralisation was extended up to 500m below surface and raises expectations for multiple mineralised lodes associated with feeder conduits extending below the planned 1.5km long Kunche open pit.
- Drilling at the **Kunche Northwest** and **Aduane prospects** also intersected depth extensions to near-surface mineralisation.

Joint Venture:

- Azumah reported that Joint venture partner Ibaera Capital ("Ibaera") had expended US\$11.25 million and, pursuant to the Earn-In and Shareholders Agreement ("EISA") became entitled to ownership of 42.5% of the ordinary issued capital of Azumah Resources Ghana Limited ("AZG"), the ultimate holder of all mineral licences comprising the Project (refer ASX release 11 July 2019).

ASX & Media Release

29 July 2019

ASX: AZM

www.azumahresources.com.au

Wa Gold Project:

Value

2.77Moz Mineral Resource
1.0Moz Ore Reserve
Advanced Feasibility Study
2,400km² fertile terrain

Upside

Growing resources and reserves
Widespread anomalism
Numerous priority targets

Issued Capital

978.6M ordinary shares
45M 3c opts exp 13.11.2021
3M 3c opts exp 30.06.2020
1.5M 3c opts exp 31.01.2021

Directors & Management

Chairman:
Michael Atkins

Managing Director:
Stephen Stone

Non-Executive Director:
Debra Bakker
Linton Putland

Contact

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- Subsequently, Azumah elected to allow Ibaera to sole fund the next approved programme and budget (US\$2.25 million) to complete the Feasibility Study, scheduled for year-end 2019 (refer ASX release 24 July 2019).
- By sole funding Ibaera is able to earn up to an additional 5% interest in the Project with the actual percentage to be determined having regard to the current value of the Project.

Corporate:

- Azumah initiated and completed a fully underwritten Share Purchase Plan (“SPP”) to raise \$2 million plus a Top-Up placement for an additional \$750,000 (Total \$2.75 million raised before expenses). Azumah subsequently issued 196.4 million new ordinary shares at a price of \$0.014 each (refer ASX release 12 July 2019).
- Azumah retains working capital of A\$3.2 million as at the date of this Report.
- The Company holds a 13.4% (27.7M shares) strategic shareholding in Ghana neighbour, Castle Minerals Limited (~\$0.2 million as at 31 June 2019).
- Azumah presented at a series of focused investor events in London, Sydney, Melbourne and Perth as well as to numerous investment funds and family investment offices.

NEXT QUARTER

In the September 2019 Quarter, Azumah expects to:

- Advance and update shareholders on outstanding key components of the Project Feasibility Study.
- Report a Scoping Study on the technical and economic viability of a possible underground mining operation at Bepkong underground mining.
- Advance applications for and secure EPA licences for the Kunche-Bepkong and Julie Project Mining Licences.
- Update on the status of discussions with the Ghana Government on securing a stability agreement.
- Progress a strategy to identify and secure a new growth opportunity.
- Intensify engagement with retail and institutional investors.

Azumah’s Managing Director, Stephen Stone, said: “The June Quarter was extremely productive for Azumah on several fronts with the highlight being an 11% increase in Mineral Resources to 2.77 million ounces following the estimation of a maiden Mineral Resource of 279,700oz for the recently discovered Bepkong ‘Underground’ mineralisation.

“Drilling also confirmed that mineralisation at the Kunche deposit extends up to 500m below surface, which raises our expectations for multiple mineralised lodes extending below the planned 1.5km long Kunche open pit.

“We elected for our joint venture partner Ibaera Capital to sole fund the Wa Gold Project through to completion of the Feasibility Study and strengthened Azumah’s balance sheet by successfully completing a shareholder purchase plan and top-up placement.

“Azumah continues to work closely with Ibaera Capital to finalise the Project Feasibility Study by the end of the year and to evaluate several opportunities to enhance returns, the most notable of which is the recently discovered Bepkong underground mineralisation which is yet to be incorporated into our development plans.”

Fig 1: Bepkong Block Model – Section 1152180mN

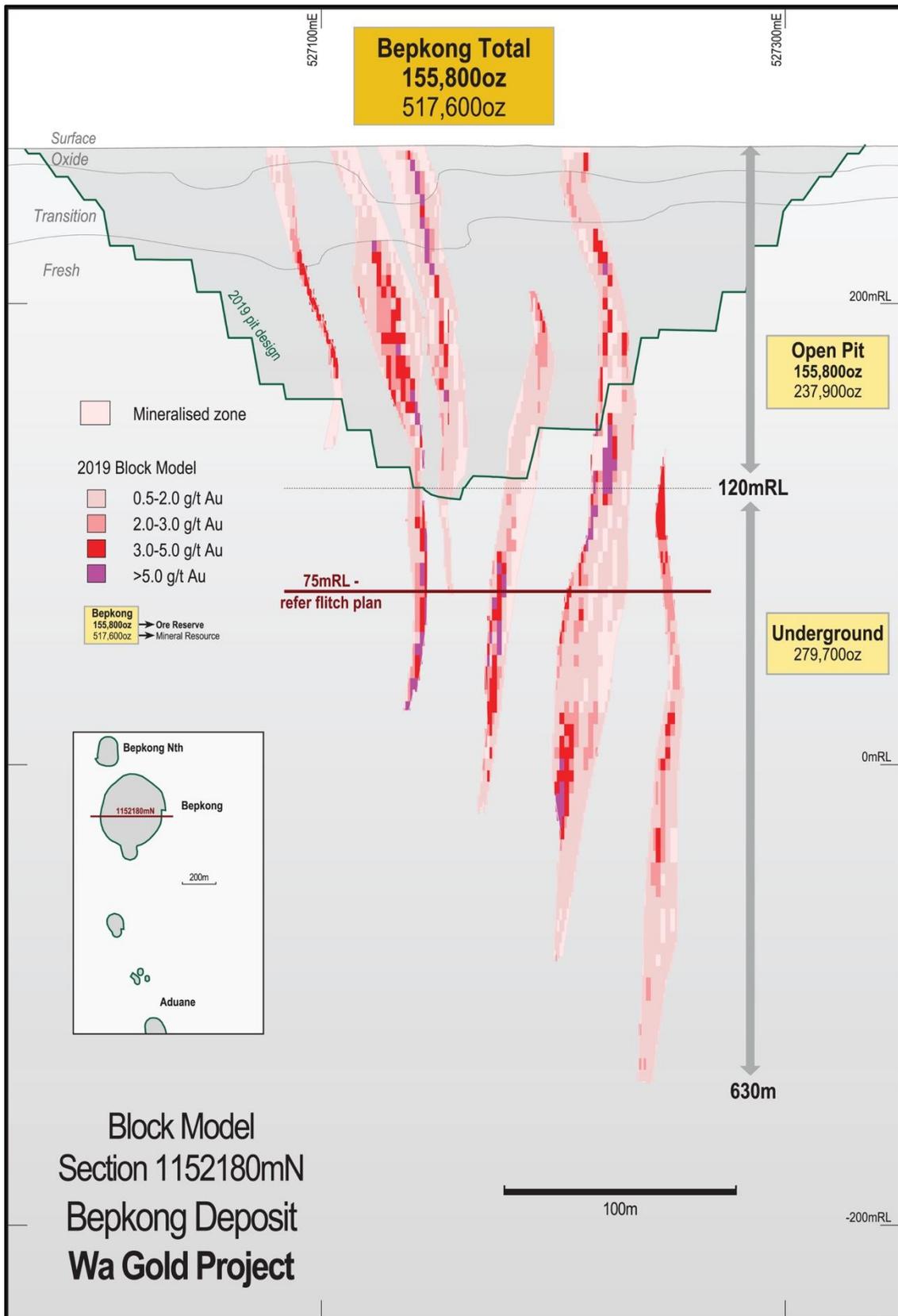


Fig 2: Bepkong Block Model – Flitch Plan at 75mRL

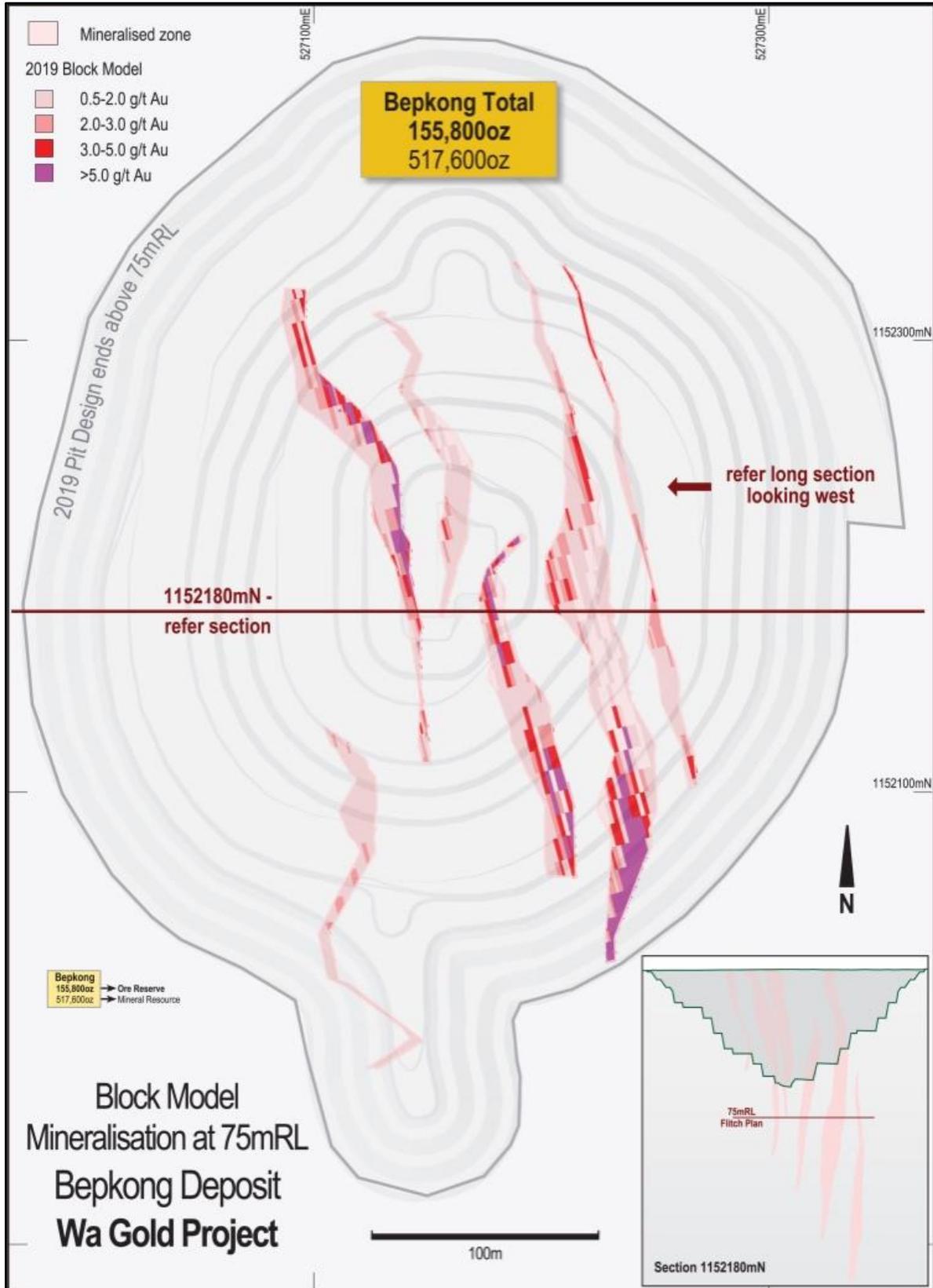
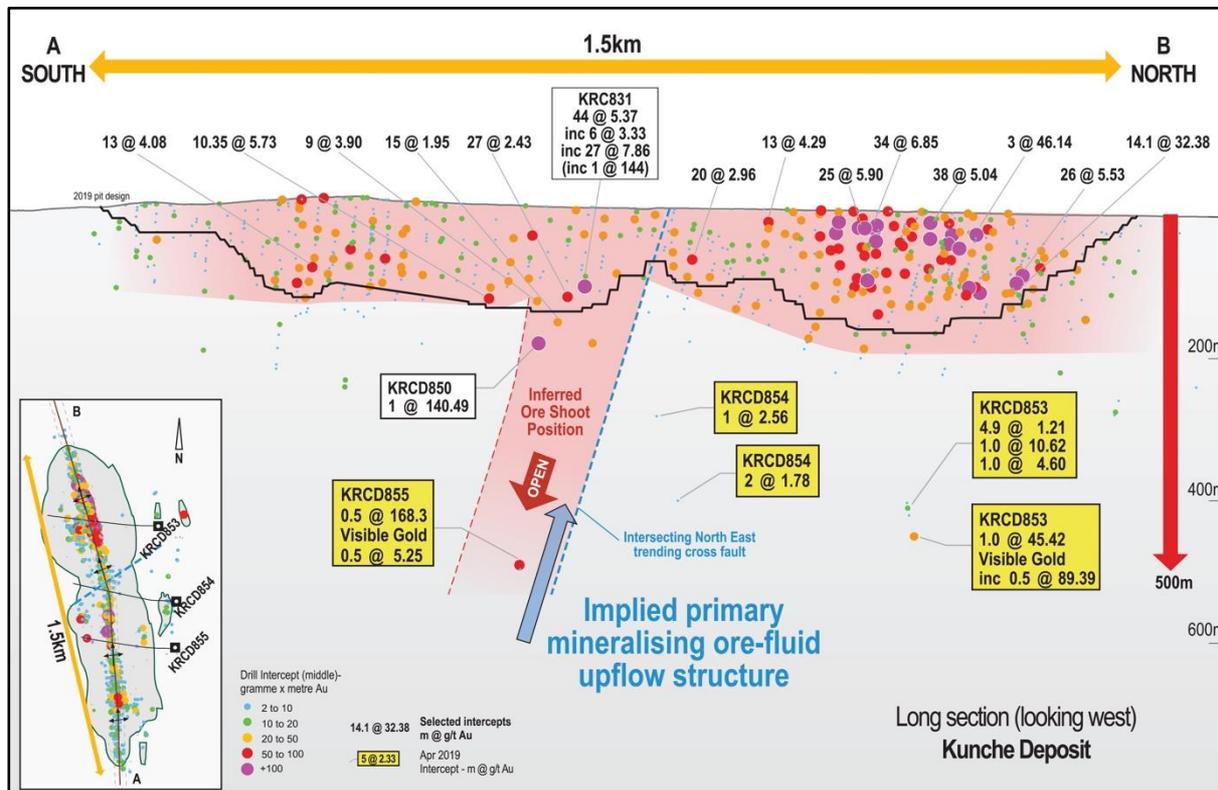


Fig 3: Kunche Deposit long section (looking west)



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About Azumah Resources Limited

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

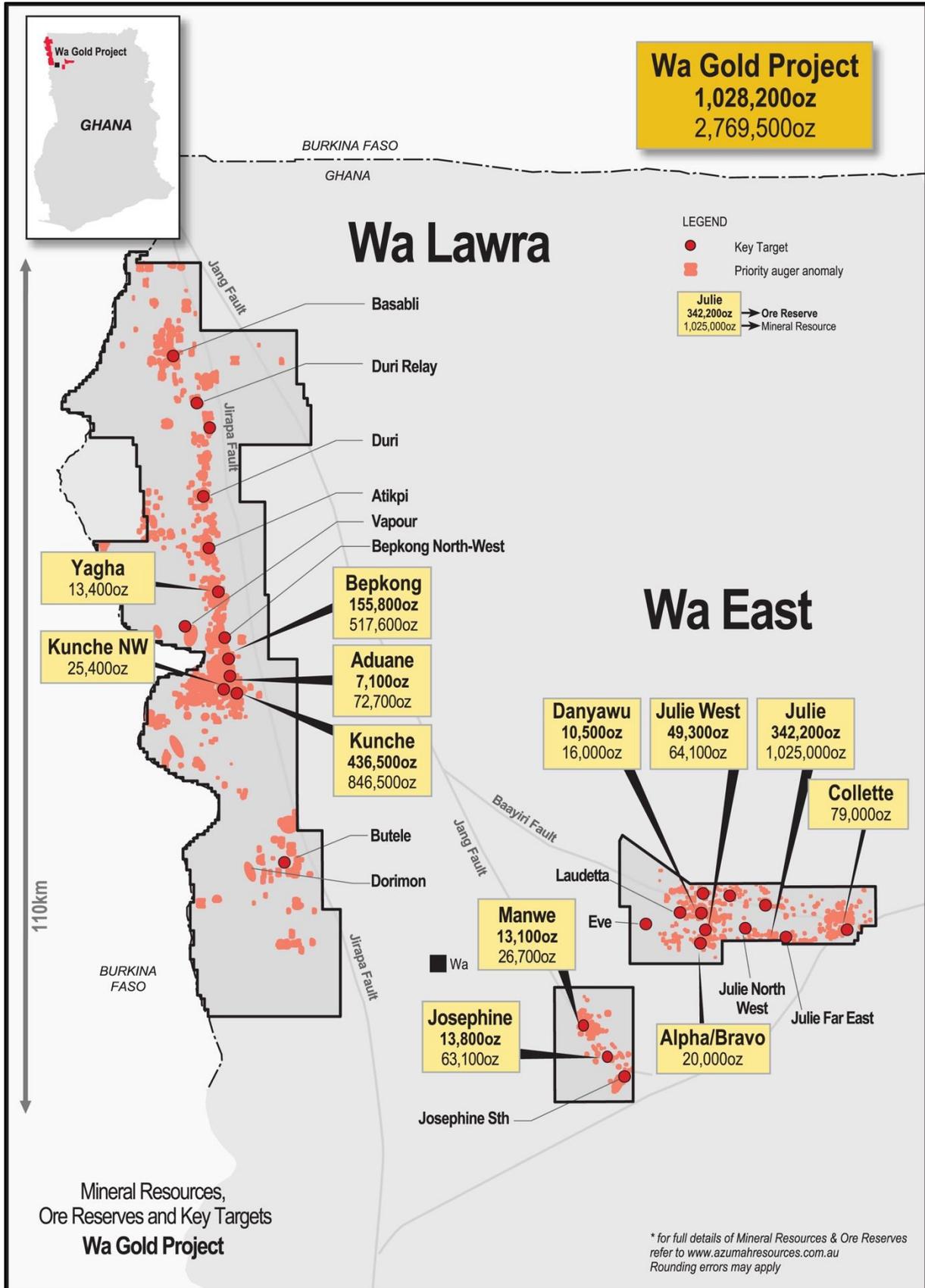
Three main deposits have been discovered and extensively drilled at Kunche and Bepkong, adjacent to the Black Volta River and Ghana's border with Burkina Faso, and at Julie approximately 80km to the east.

Several satellite deposits including Aduane, Kunche Northwest, Yagha, Julie West, Danyawu, Alpha/Bravo, Josephine and Collette have also been discovered and delineated.

To date, the Company has estimated a JORC 2012 Mineral Resource of 2.8Moz of gold grading 1.7g/t Au, including 1.8Moz Measured and Indicated grading 1.8g/t Au. These are evenly distributed between the Kunche-Bepkong and Wa East (Julie deposit etc.) camps.

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

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



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

Mineral Resources have been progressively grown through a focused, systematic approach to the exploration of the Company's 2,400km² licence holdings. These encompass large tracts of prospective Birimian terrain, the rocks that host the majority of West Africa's gold mines.

Much of the tenure is covered in soil, alluvium or laterite, so most discoveries have been 'blind'. Azumah anticipates Mineral Resources will substantially grow as it continues to generate and test its extensive pipeline of targets.

Azumah has two 15-year Mining Leases over its principal deposits (Ghana government holds a 10% free carried interest in their 'rights and obligations' and is also entitled to a 5% gross gold royalty).

No technical, social or environmental impediments to development have been identified, no communities need to be relocated and rehoused, and there is strong support from key stakeholders for the Project.

The Project benefits from excellent regional infrastructure including grid power to site; good quality bituminised and non-bituminised roads, easy access to water, a 2km sealed airstrip at the regional centre of Wa and good general communications.

Ibaera Funding Transaction

All of Azumah's Ghana interests are held through its Ghana subsidiary, Azumah Resources Ghana Limited (AZG).

In 2017 Azumah executed a transformative Earn-In and Shareholders Agreement (EISA) with Perth managed private equity group, Ibaera Capital GP Limited (Ibaera), whereby Ibaera can initially earn a 42.5% interest in AZG, and therefore the Wa Gold Project, by spending US\$11.5M over two years (ASX release 2 September 2017). On 11 July 2019 Azumah advised that Ibaera had provided the Initial Earn-In Funding and would become entitled to ownership of a 42.5% interest in AZG. On 24 July 2019 Azumah advised that it had elected to allow Ibaera to sole fund the next approved US\$2.25M budget and programme that would see the Feasibility Study completed ("Additional Earn-In Funding") and to earn up to an additional 5% interest, to a maximum of 47.5%.

Ibaera is backed by a US-based +US\$2 billion natural resources focused investment fund. Before committing to the Project, Ibaera reviewed many other international resource projects and, having selected the Azumah Project, undertook comprehensive due diligence before committing to the EISA.

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

Previously reported information

This report includes information that relates to Ore Reserves, Mineral Resources, Pre-Feasibility Study results, production targets and forecast financial information derived from production targets and exploration results which were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:

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

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements

continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

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

Forward-Looking Statement

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

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

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

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

Numbers have been rounded

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

Deposit	Cut-Off Au g/t	Measured			Indicated			Measured + Indicated			Inferred			Grand Total		
		Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces
Wa-Lawra:																
Kunche	0.5	8,835	1.6	446,000	3,404	1.3	145,000	12,239	1.5	591,000	7,616	1.0	255,700	19,855	1.3	846,500
Bepkong o/c	0.5	3,163	1.8	185,000	728	1.4	33,000	3,704	1.7	218,000	462	1.4	20,000	4,354	1.7	237,900
Bepkong u/g	2.0	16	4.3	2	1,270	4.1	165,000	1,286	4.1	168,000	1,138	3.1	112,000	2,424	3.6	279,700
Aduane	0.5				322	1.2	12,800	322	1.2	12,800	1,491	1.3	59,900	1,812	1.3	72,700
Kunche NW	0.5										694	1.1	25,400	694	1.1	25,400
Yagha	0.5										333	1.3	13,400	333	1.3	13,400
Wa East:																
Julie	0.5	1,490	2.1	101,000	9,300	1.9	572,100	10,790	1.9	673,000	6,360	1.7	352,000	17,150	1.9	1,025,000
Collette	0.5										1,690	1.5	79,000	1,690	1.5	79,000
Julie West	1.0				455	4.0	58,900	455	4.0	58,900	68	2.4	5,100	523	3.8	64,100
Danyawu	1.0				105	4.2	14,200	105	4.2	14,200	38	1.5	1,800	143	3.5	16,000
Alpha/Bravo	1.0										148	4.2	20,000	148	4.2	20,000
Josephine	1.0				709	1.5	34,500	709	1.5	34,500	580	1.5	28,600	1,290	1.5	63,100
Manwe	1.0				257	2.1	17,300	257	2.1	17,300	192	1.5	9,400	450	1.9	26,700
Total		13,504	1.7	732,002	16,550	2.0	1,052,800	29,867	1.8	1,787,700	20,810	1.5	982,300	50,866	1.7	2,769,500

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