

ASX & Media Release

ASX Code – AZM

27th January 2015



www.azumahresources.com.au

Investment Highlights:

Wa Gold Project:

- 2.0Moz Mineral Resource including 1.3Moz Measured & Indicated
- 624,000oz Ore Reserves at 2.14 g/t plus 28,500oz 'mining inventory'
- Feasibility Study well advanced
- Initial 7yr mine-life at +/- 100,000oz pa
- Excellent Infrastructure (grid power, water, established roads, airport)
- Mining Leases granted
- 2,800km² licenses with >150km strike of prospective Birimian terrain.
- 15% strategic investment in neighbour, Castle Minerals Limited (~10,000km²)
- Board and management team of successful explorers, mining and corporate professionals

Issued Capital:

389.3M ordinary shares
6.1M performance rights
2.0M \$1.00 Converting Notes

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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- Feasibility Study Completion Imminent
- Exploration Drilling Scheduled For H1 2015

Perth-based gold explorer and developer Azumah Resources Limited (ASX:AZM) ("Azumah" or "the Company") provides the following summary of activities undertaken during the Quarter ended 31st December 2014 including an update on the progress of its Feasibility Study ("Study") for the Wa Gold Project, northwest Ghana, West Africa (the "Project") (Figure 1).

The Project comprises a nominal 1.2Mtpa (primary ore) CIL gold plant located adjacent to the flagship Kunche deposit with an initial seven-year mine life producing ~100,000oz pa in the initial years.

There are excellent prospects to extend and expand production at Wa through successful exploration on the Company's 2,800km² of prospective Birimian terrain.

A high level of activity continued on several fronts in the Quarter during which Azumah:

FEASIBILITY STUDY

- **Reconfigured** the mining schedule to defer Julie ore resulting in a material reduction in establishment capital costs and some operating cost overheads. These primarily include deferral of construction of the Julie haul road and the dedicated Julie flotation treatment circuit plus the removal of duplication in some operating cost overheads such as camp costs, administrative and supervisory staff;
- **Finalised** capital cost estimates reflecting the reconfigured mining schedule;
- **Revisited** and updated several key mining and processing operating cost inputs where recent and generally favourable developments have occurred since the obtaining of indicative quotes mid-2014;
- **Completed** project layouts and design of the tailings storage facility;
- **Extended** metallurgical test work on Julie ore to better define operating and recovery parameters;
- **Continued** to update various inputs into the Environmental Impact Study as part of the process of procuring environmental development and operating permits. Most of the update is to reflect the larger-scale Julie operations, the modified and larger throughput processing plant, the new tailings storage facility design and the results of Azumah's extensive community consultation work over the past three years;
- **Initiated** and progressed discussions with the Ghana government aimed at identifying areas of co-operation that could materially impact on Project returns; and

- Progressed discussions with a range of financial institution covering senior debt, equity and other project financing options.

Overall, whilst slightly delaying the delivery of the Study, this recent work will place the Project on a much stronger footing.

EXPLORATION

- **Continued** to undertake well-focused, low-cost, auger drilling based geochemical sampling to grow and refine the pipeline of targets within the Company's 2,800km² of highly prospective licences. The most recent programmes were undertaken to test for northwest extensions to the Kunche deposit, for new targets on the margins of the Duri granite and for eastern extensions to the Julie deposit; and
- **Planned** drilling programmes to test high-priority drilling targets north and south of the Kunche-Bepkong deposits on the Wa-Lawra belt and at Wa East.

CORPORATE

- **Submitted** to ATO a return for \$0.3M from its R&D Tax Incentive claim facility; and,
- **Retained** cash of \$3.1M plus a 15% strategic investment in its Ghana neighbour, Castle Minerals Limited, valued at \$0.2M (19.3M shares @ \$0.011)(both as at 31st December 2014).

NEXT QUARTER

In the March 2015 Quarter Azumah will:

- **Complete** the Study and report results to ASX;
- **Advance** discussions with independent power providers;
- **Continue** discussions with the Ghana Government on project development cooperation options;
- **Progress** the Environmental Impact Study towards the procurement of environmental development and operating permits;
- **Maintain** a high level of community and social engagement, including exploration access arrangements and Project consultations;
- **Continue** low-cost auger drill-based geochemical sampling programmes to confirm and/or better define anomalies;
- **Commence** a series of aircore and RC drilling programmes to test high-priority targets and extend existing mineralisation;
- **Advance** corporate and project financing options; and
- **Maintain** a prudent control of expenditures whilst ensuring that the Company is able to achieve its key Project, exploration and corporate objectives.

For further information on Azumah Resources Limited and its projects please visit its website at www.azumahresources.com.au

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About Azumah

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 gold** with these evenly distributed between Kunche-Bepkong and Wa East (Julie & Collette).*

Mineral Resources have grown progressively through systematic exploration of the Company's 2,800km² 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 is currently completing a Feasibility Study for a mining operation based on an **initial seven-year life and producing in the initial years ~100,000oz 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 gold**. 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 itself holds a 15% interest in its neighbour and junior Ghana explorer, Castle Minerals NL which has 10,000km² of licences adjacent to Azumah.

Figure 1: Wa Gold Project – Key Deposits and Prospects

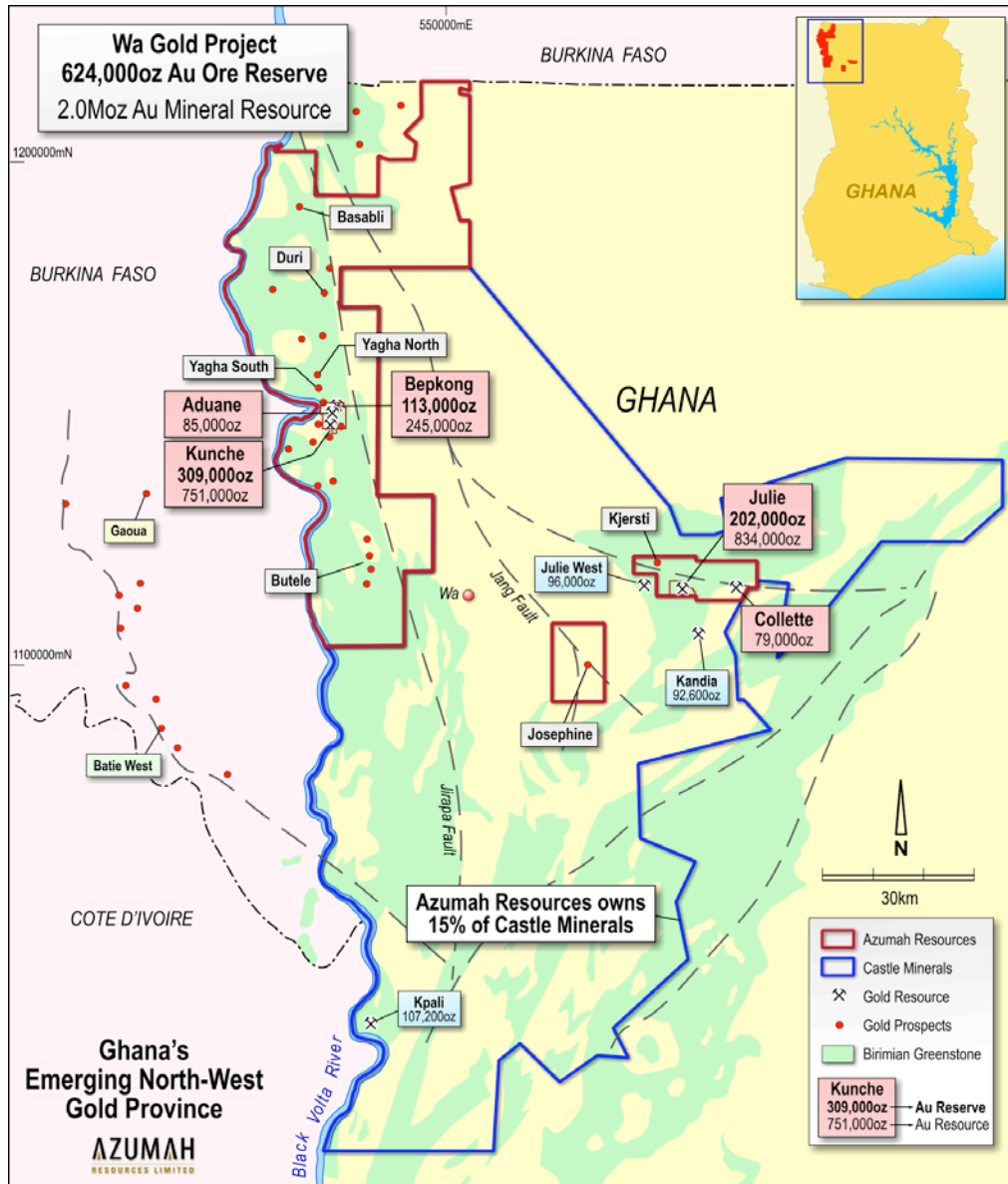


Table 1: Ore Reserves Summary – August 2014

Ore Reserves Summary							
(As at August 2014)	Proved		Probable		Total		Gold To Mill Oz Au
	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t 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
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 gold deemed 'Mining Inventory'

Table 2: Mineral Resource Estimate - August 2014

Cut-off 0.5 g/t Au	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	1.73	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

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 2nd 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.

Table 3: Change in Interests in Mining Tenements

Tenement reference and location	Interest at beginning of Quarter	Interest at end of Quarter
ML 10/1 Kunche	90%	90%*
ML 10/5 Julie	90%	90%*
PL 10/4 Collette, Loggo	100%	100%
PL 10/5 Julie near Du	100%	100%
PL 10/9 Josephine, Du	100%	100%
PL 10/12 Vapor	100%	100%
PL 10/13 Basabli	100%	100%
PL 10/14 Duri	100%	100%
PL 10/18 Butele	100%	100%
PL 10/19 Vapor West	100%	100%
PL 10/20 Vapor South	100%	100%
PL 10/35 Dorimon West	100%	100%
PL 10/36 Tangasia	100%	100%
PL 10/37 Zadong South	100%	100%
PL 10/38 Dorimon	100%	100%
PL 10/39 Vapor S/West	100%	100%
PL 10/40 Tangasia S/East	100%	100%
PL 10/41 Lawra North	100%	100%
PL 10/42 Tangasia North	100%	100%
PL 10/43 Samoa S/West	100%	100%
PL 10/44 Samoa South	100%	100%
PL 10/45 Samoa North	100%	100%
PL 10/46 Samoa	100%	100%

*Ghana 10% Free Carried Interest and 5% Gross Royalty