

ASX & Media Release

ASX Code – AZM

30th October 2015



www.azumahresources.com.au

Investment Highlights:

Wa Gold Project:

- Feasibility Study Completed
- 2.0Moz Mineral Resource including 1.3Moz Measured & Indicated
- 624,000oz Ore Reserves at 2.14 g/t plus 28,500oz 'mining inventory'
- Initial 7yr mine-life at +/- 90,000oz pa
- Excellent Infrastructure (grid power, water, established roads, airport)
- Mining Leases granted
- Exploration licenses of 2,800km² 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:

397.347M ordinary shares
7.525M 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

Contact:

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Activities Report

Quarter Ending 30th September 2015

Wa Gold Project, Ghana

Wa Gold Project

- ▶ Feasibility Study review indicates material capital and operating cost savings achievable which will enhance returns and financing of Project
- ▶ Regional specific development agreement being sought with the Ghana Government to secure fiscal concessions that will also assist financing and accelerate payback
- ▶ Environmental permitting process advancing
- ▶ Project funding and development discussions progressing with several international groups conducting due diligence

Exploration

- ▶ Auger sampling programmes continue to identify new and enhance existing anomalies
- ▶ RC drilling programmes planned to test high-priority targets

Corporate

- ▶ \$1.6M working capital cash (excl. listed investments)

Perth-based gold explorer and developer Azumah Resources Limited (ASX:AZM) ("Azumah" or "the Company") provides the following summary of progress made during the Quarter ended 30th September 2015 at its Wa Gold Project, northwest Ghana, West Africa (the "Project").

WA GOLD PROJECT DEVELOPMENT

The Company continued to advance Project pre-development activities using the platform of the Feasibility Study ("Study") (refer ASX release dated 23rd March 2015) which confirmed a technically robust Project producing ~90,000oz per year over an initial seven years.

Capital and operating cost reduction initiatives

To enhance returns and to facilitate funding, Project capital and operating costs continue to be reviewed. A number of material savings have been identified reflecting increased competitiveness amongst equipment suppliers and service providers since the Study inputs were locked-in during August 2014.

A formal re-estimate of capital costs on the basis of the Study configuration is not planned at this stage as several Project reconfiguration and construction options are still being evaluated.

Environmental permitting and community approval process progressing

During the reporting period, revised scoping reports for planned mining operations at both Kunche-Bepkong and Julie were submitted to the Ghana EPA and have now been advertised to obtain stakeholder feedback.

The revised scoping reports were necessary due to the expanded size of the operation at Julie where substantially larger mineral resources have been defined and for Kunche where the plant has been expanded and augmented with a flotation and regrind circuit to enhance Julie gold recoveries. A membrane lining of the tailings dam has also been added to comply with EPA requirements.

Following feedback from the public consultation process, the terms of reference for the draft EIS will be provided to the Company by the EPA.

Azumah's wide community and stakeholder engagement programmes are continuing in parallel with the formal EPA permitting process.

Regional Development Agreement

Azumah is presently drafting and will shortly be submitting to the Ghana Government a proposal for regional specific project development concessions to remove or defer several fiscal payments that, if secured, will reduce establishment capital costs and accelerate Project payback.

Project Financing

Azumah is continuing discussions with a range of international project finance, institutional and corporate groups to identify and develop funding options for the Project.

Several Confidentiality Agreements have been executed and access to Project data provided to enable the parties to conduct due diligence.

EXPLORATION

Azumah's mapping and auger sampling programmes highlight the strong prospectivity throughout its 2,800km² Wa Gold Project and the opportunity to discover additional Mineral Resources to further underpin the development of the Project.

Exploration continues to identify new gold anomalies and to better define others. This work has been undertaken in the broader Wa Lawra area (which contains the Kunche, Bepkong and Aduane deposits) and in the Wa East area (which hosts the Julie and Collette deposits)(refer ASX release dated 15th July 2015).

An RC drilling programme to test a number of advanced priority targets has been designed. These targets are at **Piiri** (Wa Lawra, Duri area), **Butele / Belandiri** (30km south of Kunche), **Julie Far East** (Wa East) and **Manwe** (Wa East).

CORPORATE

As at 30th September 2015, Azumah had working capital of A\$1.6M and a 15% shareholding in Castle Minerals Limited (\$0.2M).

NEXT QUARTER

In the December 2015 Quarter Azumah plans to:

- Progress discussions with parties interested in participating in Project finance and development;
- Evaluate Project operating and capital costs reductions;
- Consider alternative plant configuration options;
- Advance discussions with the Ghana Government on fiscal concessions;

- Confirm with the EPA the terms of reference for the draft EIS as part of EPA licencing process;
- Continue low-cost auger sampling to generate new and to firm-up existing targets;
- Commence RC drilling of selected high-priority targets; and
- Maintain prudent control of expenditure.

For further information on Azumah Resources Limited and its Wa Gold Project 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).

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

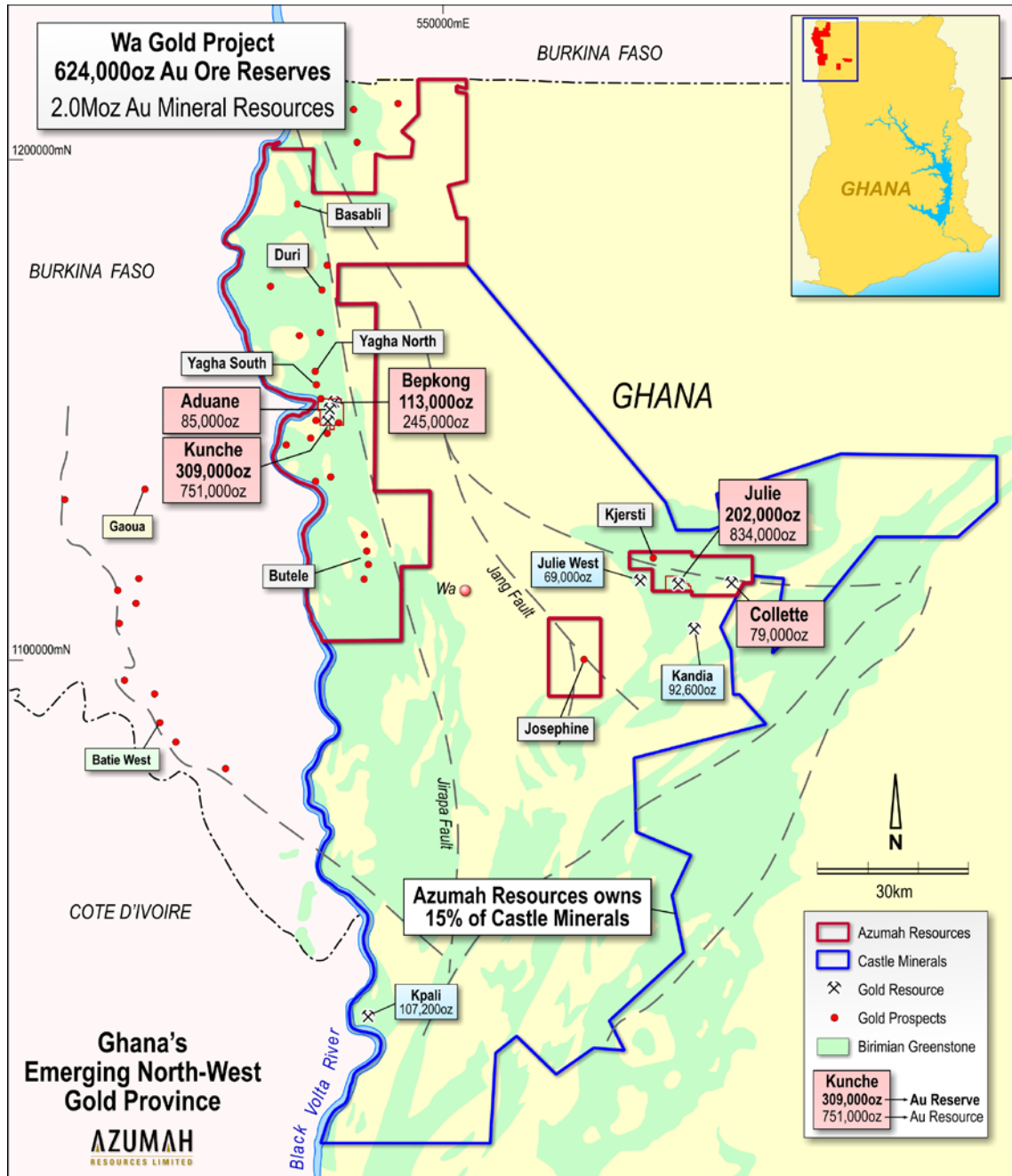
A JORC Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au) has been defined based on recent studies. With the addition of Inferred mineralisation contained in designed and optimised pits the total Mining Inventory is 652,500oz gold. Extensive metallurgical test work has been undertaken to confirm a high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

Azumah holds a 15% interest in its neighbour and junior Ghana explorer, Castle Minerals NL which has ~10,000km² of licences adjacent to Azumah.

Wa Gold Project – Key Deposits and Prospects



Wa Gold Project – Key Prospects, Targets and Areas of Interest

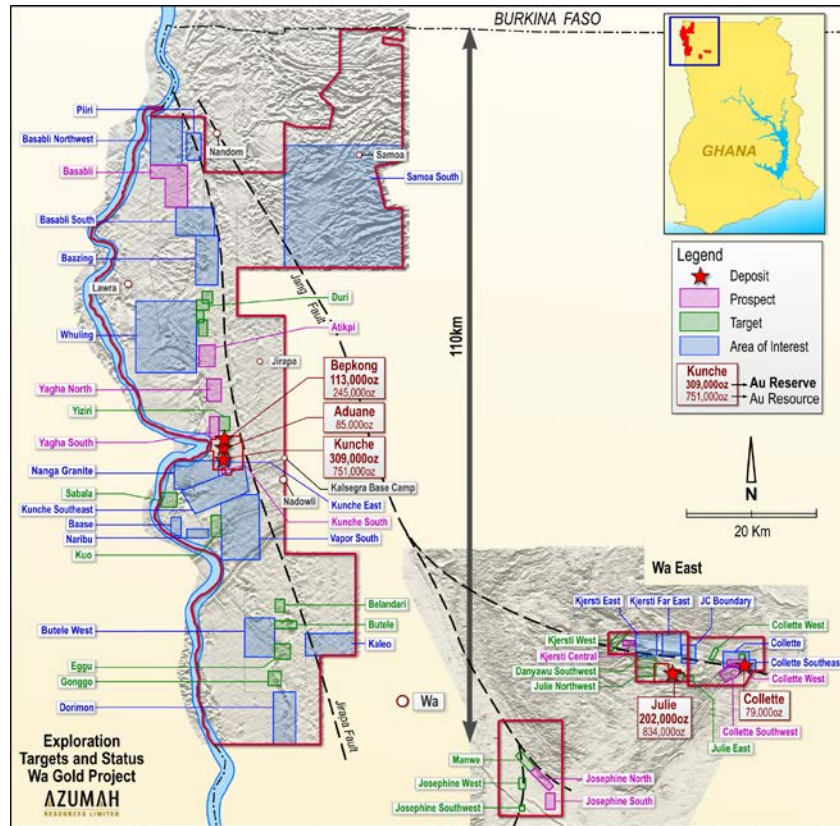


Table 1: Ore Reserves Summary - August 2014

Ore Reserves Summary							
(As at August 2014)	Proved		Probable		Total		Gold To Mill
	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Oz Au
Kunche	4.91	1.92	0.05	3.11	4.97	1.94	309,000
Bepkong	1.79	1.84	0.11	1.97	1.90	1.85	113,000
Julie	0.29	2.45	1.93	2.89	2.21	2.84	202,000
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 - August 2014

Cut-off	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
0.5 g/t Au	8.42	1.73	468,000	2.24	1.38	99,000	4.86	1.17	183,000	15.52	1.50	751,000
	2.22	1.79	128,000	1.70	1.33	73,000	1.17	1.17	44,000	5.09	1.49	245,000
							1.77	1.50	85,000	1.77	1.50	85,000
	0.89	1.44	41,000	10.06	1.57	507,000	5.98	1.49	286,000	16.93	1.53	834,000
							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