

ASX & Media Release

ASX Code – AZM

29<sup>th</sup> April 2016



[www.azumahresources.com.au](http://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 2,800km<sup>2</sup> with >150km strike of prospective Birimian terrain.
- 19.99% strategic investment in neighbour, Castle Minerals Limited (~10,000km<sup>2</sup>)
- Board and management team of successful explorers, mining and corporate professionals

**Issued Capital:**

439.7M ordinary shares  
17.20M 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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# Activities Report

## Quarter Ending 31<sup>st</sup> March 2016

### Wa Gold Project, Ghana

#### Exploration

- ▶ Confirmed from 1m split results, excellent grades from Phase 1 drilling at Manwe discovery including 12m @ 5.28g/t Au from 49m (JORC057) and 32m @ 2.18g/t Au from surface (JORC056).
- ▶ Extended Manwe mineralisation envelope to 600m via a follow-up phase 2 RC programme. Remains open-ended.
- ▶ Completed auger programme at Manwe to delineate next drilling targets. Results awaited.
- ▶ Identified in reconnaissance aircore drilling at Duri strongly anomalous mineralisation in two areas within a 5km geochemical anomaly.
- ▶ Completed Bepkong North auger programme. Results awaited.

#### Wa Gold Project

- ▶ Acquired 69,000oz high-grade Julie West project.
- ▶ Progressed project funding and development discussions with several international groups.
- ▶ Concluded repricing of Project capital inputs. Manager GR Engineering Services Limited to report shortly.
- ▶ Advanced through Government processes a term sheet to secure Project fiscal concessions.
- ▶ Progressed environmental permitting.

#### Corporate

- ▶ Retained \$894,000 working capital (excl. 19.9% holding in listed Ghana neighbour, Castle Minerals Limited)
- ▶ Received \$137,234 R&D refund subsequent to end-Quarter.
- ▶ Extended to end-July 2016 the \$2M unsecured Converting Note with Ausdrill Limited and to August 2017 its Preferred Contractor status. Accrued interest to be satisfied in shares.

*"The March Quarter has seen excellent progress on several exploration, project and corporate development fronts whilst a firmer gold price and improved market sentiment towards gold developers bodes well for the future development of the Company and its Wa Gold Project" said Azumah Managing Director, Mr Stephen Stone.*

## NEXT QUARTER

In the June 2016 Quarter Azumah plans to:

### Exploration:

- Continue to evaluate Manwe with mapping, auger drilling and possible RC drilling;
- Assess and follow-up auger sampling results from Bepkong North extension; and
- Integrate Julie West datasets and commence evaluation to extend existing resources and discover new targets;

### Project Development:

- Progress discussions with parties interested in participating in Project finance and development;
- Incorporate repriced establishment capital costs from GR Engineering Services Limited into Project financial model;
- Consider and assess alternative plant configuration options;
- Advance discussions with the Ghana Government on securing material fiscal concessions;
- Progress applications for EPA licences for the Kunche-Bepkong and Julia project sites;
- Evaluate with neighbour, Castle Minerals Limited, opportunities for cost reductions and exploration efficiencies leveraging Azumah's and Castle's Ghana infrastructure; 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](http://www.azumahresources.com.au)

### Stephen Stone

Managing Director

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### About Azumah

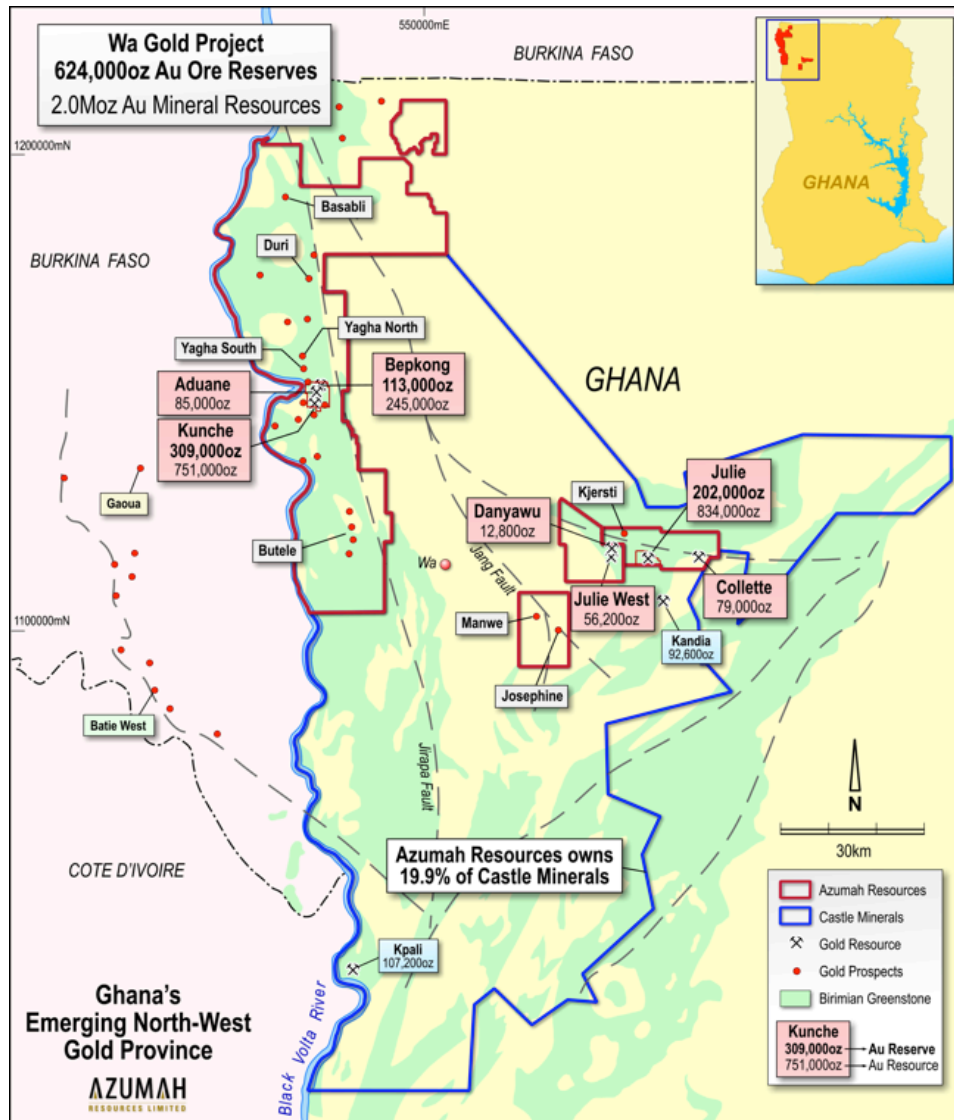
*Azumah Resources Limited is a Perth-based, ASX-listed (ASX: AZM) company focused on exploring and developing its Wa Gold Project in the Upper West Region of Ghana, West Africa.*

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

### Wa Gold Project – Licences, Key Deposits and Prospects



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 19.99% interest in its neighbour and junior Ghana explorer, Castle Minerals NL which has ~10,000km<sup>2</sup> of licences adjacent to Azumah. Azumah has also assumed management responsibility for Castle.

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
<b>Total</b>	<b>7.00</b>	<b>1.92</b>	<b>2.09</b>	<b>2.85</b>	<b>9.08</b>	<b>2.14</b>	<b>624,000</b>

Values have been rounded. 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												
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
<b>Total</b>	<b>11.52</b>	<b>1.72</b>	<b>637,000</b>	<b>14.00</b>	<b>1.51</b>	<b>679,000</b>	<b>15.47</b>	<b>1.36</b>	<b>677,000</b>	<b>40.99</b>	<b>1.51</b>	<b>1,994,000</b>

Values have been rounded. Excludes Julie West 2004 JORC resource

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 10/13 Julie West	-	Assignment
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

## Competent Persons' Statements

The scientific and technical information in this report that relates to the geology of the deposits and exploration results is based on information compiled by **Mr Stephen Stone**, who is a full-time employee (Managing Director) of Azumah Resources Ltd. Mr Stone is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stone is the Qualified Person overseeing Azumah's exploration projects and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the geology of the deposits and exploration results.

The scientific and technical information in this report that relates to the in-situ **Mineral Resource estimates for the Bepkong and Collette deposits** is based on information compiled by **Mr David Williams**, who is a geological consultant employed by CSA Global Pty Ltd. Mr Williams is a Member of the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Williams has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the Bepkong and Collette Mineral Resource estimate.

The scientific and technical information in this report that relates to the in-situ **Mineral Resource estimates for the Kunche and Aduane deposits** is based on information compiled by **Mr Dmitry Pertel**, who is a full-time employee (Manager - Resources) of CSA Global Pty Ltd. Mr Pertel is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pertel has reviewed and approved the disclosure of the relevant scientific or technical information contained in this announcement that relates to the Kunche and Aduane Mineral Resource estimates.

The scientific and technical information in this report that relates to **Mineral Resources estimates for the Julie deposit** is based on information compiled by **Mr Brian Wolfe**, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Wolfe is a consultant to Azumah Resources Limited and is not an employee of the Company. Mr Wolfe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wolfe consents to the inclusion in the report of the Julie Mineral Resources in the form and context in which it appears.

The scientific and technical information in this report that relates to **Ore Reserves estimates for the Kunche, Bepkong and Julie deposits** is based on information compiled by **Mr Linton Kirk**, an independent consultant to Azumah Resources Limited. Mr Kirk is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Kirk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kirk consents to the inclusion in the report of the matters related to the Ore Reserve estimate in the form and context in which it appears.

The scientific and technical information in this report that relates to **Process Metallurgy** is based on information compiled by **Mr Ian Thomas**, an independent process consultant to Azumah Resources Limited. Mr Thomas is a member of the Australasian Institute of Mining and Metallurgy. Mr Thomas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Thomas consents to the inclusion in the report of the matters related to the metallurgy, specifically the data represented in Table 3 in ASX release dated 2<sup>nd</sup> September 2014, in the form and context in which it appears.

## Forward-Looking Statement

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

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