

ASX & Media Release

ASX Code – AZM

20th June 2016



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.
- 19.99% strategic investment in neighbour, Castle Minerals Limited (~10,000km²)
- Board and management team of successful explorers, mining and corporate professionals

Issued Capital:

451.532M ordinary shares
13.325M 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:

Stephen Stone
Mb: +61 (0) 418 804 564
stone@azumahresources.com.au

OVERSUBSCRIBED PLACEMENT & SHARE PURCHASE PLAN

Azumah Resources Limited (**Azumah or Company**) is pleased to announce that it has received binding commitments for a share placement to raise \$800,000 before costs (**Placement**).

The Company will also be conducting a Share Purchase Plan to existing eligible shareholders to raise \$1,200,000 (**SPP**).

The new shares will be issued at a price of 4.4 cents which represents a 20% discount to the volume weighted average price over the last five days of trade prior to the Company's trading halt on 16 June 2016. The SPP is fully underwritten.

The additional funds will be applied primarily to test compelling exploration targets that have been delineated at Manwe, at the recently acquired Julie West project and at several other prospects at its Wa Gold Project, Ghana.

Placement

Under the Placement, the Company will issue a total of 18,181,819 new shares (\$800,000) to sophisticated and professional investors using the placement capacity available under ASX Listing Rule 7.1 and 7.1A. The new shares will be issued on the same terms as, and will rank equally in all respects with, the existing fully paid ordinary shares in the Company.

Of the Placement Shares issued, 4,002,042 shares will be issued in accordance with the provisions of ASX Listing Rule 7.1A (additional 10% placement capacity) and otherwise in accordance with the approval obtained at Azumah's AGM on 26 November 2015.

In accordance with ASX Listing Rule 3.10.5A Azumah has appended details of the Placement under Listing Rule 7.1A to this announcement.

Patersons Securities Limited acted as Lead Manager to the Placement.

SPP

The SPP will enable existing shareholders to participate in the capital raising at the same issue price as the Placement and without incurring any brokerage fees or other transaction costs.

Eligible shareholders (being those holders of fully paid and partly paid shares with an address in Australia or New Zealand as at 5.00pm WST on 15 June 2016) will have the opportunity to apply for up to \$15,000 worth of fully paid ordinary shares in the Company.

If an eligible shareholder holds shares as a 'custodian' (as that term is defined in ASIC Class Order [CO 09/425]), the offer under the SPP will be made to the 'custodian' and, subject to a number of conditions, the 'custodian' will have the discretion to extend the offer to the relevant beneficiaries.

The SPP is intended to raise \$1,200,000 and is to be fully underwritten by Patersons Securities Limited, who is also acting as Lead Manager.

There are over 3,500 eligible shareholders, so those shareholders wishing to apply are encouraged to do so as soon as possible.

As well as an opportunity to increase their shareholding at a substantial discount to the last traded price and without incurring brokerage fees, the SPP also offers an opportunity for those shareholders holding less than a marketable parcel of Shares (i.e. a holding where the current value is less than \$500) to increase their shareholding to a marketable parcel.

The SPP is currently scheduled to close on 15 June 2016. However the timetable is subject to change therefore shareholders are encouraged to lodge their applications ahead of the advertised closing date. An indicative timetable is provided below.

Event	Date
Record Date (for determining shareholders' entitlements to participate in the SPP)	17 June 2016
Announcement of SPP	20 June 2016
Despatch of SPP documentation	23 June 2016
Opening Date of SPP	23 June 2016
Closing Date of SPP	15 July 2016
Allotment and issue of SPP shares	22 July 2016

All new shares issued under the SPP will rank equally with all fully paid ordinary shares on issue.

Full details of the SPP will be contained within documentation to be despatched to shareholders on or around 23 June 2016. The documentation should be read carefully.

Application of Funds Raised

Azumah began 2016 on a strong footing and of particular note is the delineation of a 3km gold anomaly at Manwe on the Josephine licence and the subsequent discovery by RC drilling of a zone of high-grade mineralisation within that anomaly. There are good prospects for the discovery of more high-grade zones at Manwe and generally on the Josephine lease.

Azumah's systematic and proven approach to exploration has also delineated anomalies and finessed targets at a number of other prospects on the Josephine licence, at Yagha and at Bepkong North.

All of these targets need further work including aircore and/or drill testing. Every ounce that can be added to the existing 2.0Moz Mineral Resources and 652,000oz Mining Inventory at the Wa Gold Project (**Project**) will have a positive impact on the Project's financial performance and therefore its ability to secure development finance.

In May 2016 Azumah acquired the rights to purchase the high-grade Julie West project, adjacent to Azumah's Julie deposit. In addition to its 69,000oz, 4.4g/t Au Mineral Resource, the 146km² Julie West licence also presents a number of interesting new targets for Azumah's geologists to evaluate in the near-term.

Recently the Company released the results of a review of Project establishment capital needs and was able to report a US\$54M reduction in the upfront funding of the Project. This will greatly improve the Project's chance of development.

Stephen Stone
Managing Director
 Tel: +61 (0)418 804 564
stone@azumahresources.com.au

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

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 19.99% interest in its neighbour and junior Ghana explorer, Castle Minerals NL which has ~10,000km² of licences adjacent to Azumah.

Appendix – Additional information

In accordance with the requirements of Listing Rule 3.10.5A, the following information is provided:

- (a) The dilution to existing shareholders as a result of the issue under Listing Rule 7.1A is 0.89%;
- (b) The issue is in addition to an SPP being conducted on the same terms. The issue will broaden the shareholder base of the Company. In this instance, it was considered a more efficient method of raising additional capital without the uncertainty created by the additional time period required under a pro rata issue to shareholders.
- (c) There were no underwriting arrangements in relation to the Placement. For clarity, the SPP mentioned in this release is fully underwritten to \$1.2m as detailed above.
- (d) A Management Fee (5%) and Selling Fee (1.5%) (plus GST) will be paid on the funds raised. Administrative costs will be incurred for the Placement and the incremental amount related directly to the portion of the Placement that is issued under LR7.1A is unable to be determined but considered to be immaterial.