

AZM

ASX & Media Release

27th July 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
- Initial 7yr mine-life at +/- 90,000oz pa
- Excellent Infrastructure (grid power, water, established roads, airport)
- Mining Leases granted
- Exploration licenses of 2,400km² 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:

559.84M ordinary shares
5.875M 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 June 2016

Wa Gold Project, Ghana

“Azumah is on an even stronger footing in a much more favourable operating environment following continued exploration success, a repositioning of Project establishment costs and with working capital boosted to approximately \$5 million after a strongly supported placement and shareholders purchase plan. Next Quarter shareholders can look forward to a steady flow of drilling results and hopefully material advances towards the development of the Wa Gold Project” said Azumah Managing Director, Mr Stephen Stone.

Exploration

- ▶ Extended Manwe main mineralised zone to 4km with up to 27g/t Au rock chip samples and 4.2g/t Au and 2.4g/t Au peak auger soil samples recorded from new areas.
- ▶ Obtained 91.1g/t Au assay and observed visible gold in rock chips from Madam’s farm.
- ▶ Identified new targets at recently acquired Julie West licence.
- ▶ Commenced trenching programme at Kjersti.
- ▶ Planned multiple aircore and RC drilling campaigns (5,000m) at high-priority targets and commencing as soon as seasonal rains abate.

Wa Gold Project

- ▶ Reported US\$54M reduction in establishment cost to US\$142M (US\$128M excluding Ghana VAT).
- ▶ Progressed Project funding and development joint venture discussions with several corporates.
- ▶ Advanced through Government a term sheet to secure material Project fiscal concessions.
- ▶ Progressed environmental permitting and commenced preparations for late August EPA Public Forum.

Corporate

- ▶ Boosted working capital by \$4.65M (less costs) through oversubscribed placement and share purchase plan.
- ▶ Working capital of ~\$5M and 559.84M shares on issue as of the date of this Report.
- ▶ 19.9% shareholding in Ghana neighbour, Castle Minerals Limited.

NEXT QUARTER

In the September 2016 Quarter Azumah plans to:

Exploration:

- Commence 5,000m combined aircore and RC drilling campaigns at several high-priority targets;
- Continue to evaluate increasingly prospective Manwe area with auger, aircore and RC drilling;
- Progress exploration at evolving Madam's Farm prospect;
- Complete trenching programme at Kjersti East area;
- Follow-up anomalous auger sampling results from Bepkong North extension area;
- Integrate Julie West licence datasets and commence more detailed evaluation of specific areas of interest to extend existing resources and discover new targets; and
- Commission an independent consultant to review and update the Julie West and Danyawu JORC Code 2004 Mineral Resources to comply with JORC Code 2012.

Project Development:

- Progress discussions with parties interested in Project financing and development co-participation;
- Review and report updated Project operating costs;
- Advance discussions with the Ghana Government on securing material fiscal concessions;
- Progress applications for EPA licences for the proposed Kunche-Bepkong and Julie Project sites including conduct of EPA public forums with all stakeholders; and
- Maintain prudent control of expenditure.

All references to Mineral Resources and Ore Reserves pertain to ASX releases dated 2nd September 2014 and 23rd March 2015 respectively. Also refer to Tables 1 and 2 herein.

The Company confirms that all material assumptions underpinning the production targets and forecast information continue to apply and have not materially changed other than a positive material reduction in capital costs (refer ASX release dated 9th May 2016).

For further information on Azumah Resources Limited and its Wa Gold Project please visit its website at www.azumahresources.com.au which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

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 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 ~80km to the east. Several satellite deposits, including Aduane and Collette, have also been delineated.

To date the Company has defined a JORC 2012 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)(Table 2).

The Julie West licence, acquired from Castle Minerals Limited (ASX:CDT)(refer AZM ASX release dated 27th April 2016) hosts the Julie West and Danyawu prospects. The Castle resource estimates for Julie West (**52,100oz Au Indicated, 4,100oz Au Inferred** - completed by Runge Limited -- refer ASX:CDT release dated 14th April 2009) and for Danyawu (**12,800oz Au Inferred** - completed by RungePincockMinarco Limited - refer ASX:CDT release dated 7th March 2013) are JORC 2004 compliant. Azumah will re-estimate resources to JORC 2012 compliance*.

Mineral Resources have grown progressively through focused exploration of the Company's **2,400km²** 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 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 (1.8Mt/pa 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 2012 Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au) has been defined based on recent studies. The designed optimised pits also contain Inferred Resources of 28,000oz Au. Extensive metallurgical test work has been undertaken to confirm a high average overall gold recovery of ~92% for the Kunche, Bepkong and Julie deposits (Table 1).

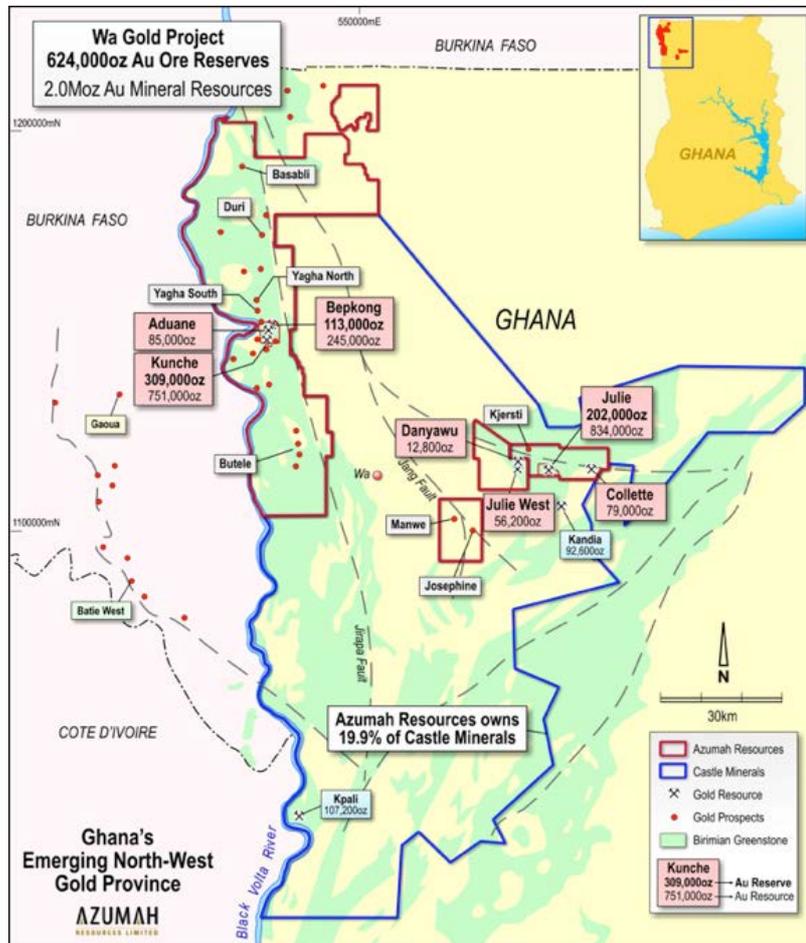
Azumah has had two, 15-year Mining Leases granted over its key deposits (Ghana government holds a 10% free carried interest in their 'rights and obligations' and is also entitled to a 5% gross gold royalty) and is now moving to obtain environmental operating permits necessary to allow development to 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. Azumah has also assumed management responsibility for Castle.

* The reported historical estimates are not reported in accordance with the current JORC Code. A competent person had not done sufficient work to classify the historical estimates as mineral resources in accordance with the current JORC 2012 Code and it is uncertain that following evaluation and/or further evaluation work that the historical estimates will be reported as mineral resources in accordance with the JORC 2012 Code. However, having reviewed the information upon which the historical estimates have been made Azumah has formed the view that the estimates are reliable and representative of the resources it expects to be reported under the JORC 2012 Code when Azumah completes work to bring the deposits into compliance.

Wa Gold Project – Licences, Key Deposits and Prospects (Refer also to Tables 1 and 2)



Wa East Licences and Key Prospects (Refer also to Tables 1 and 2)

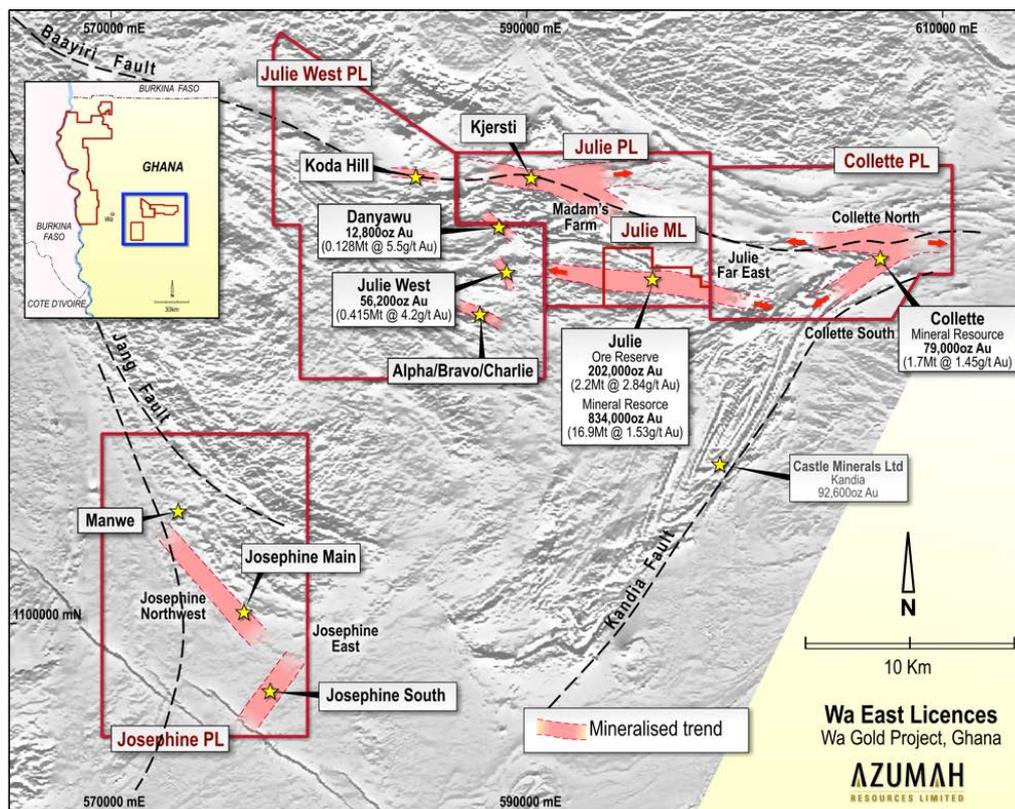


Table 1: Ore Reserves Summary – JORC Code 2012 - August 2014

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 – JORC Code 2012 - 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. Excludes Julie West 2004 JORC resource

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.

Statements of Competent Persons for the various Mineral Resource Estimates, Ore Reserve Estimates and Process Metallurgy 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 on this website including, without limitation, statements regarding future 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 actually 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.