

Considerable Scope to Increase Resources

ASX & Media Release

ASX: AZM

28th April 2017



www.azumahresources.com.au

Investment Highlights:

Wa Gold Project:

- Feasibility Study Completed
- 2.1Moz Mineral Resource including 1.4Moz (67%) Measured & Indicated
- 624,000oz Ore Reserve at 2.14 g/t Au
- 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.
- 16.3% strategic investment in Ghana neighbour, Castle Minerals Limited (~10,000km²)
- Board and management team of successful explorers, mining and corporate professionals

Issued Capital:

582.57M ordinary shares

Directors & Management:

Chairman:
Michael Atkins

Managing Director:
Stephen Stone

Non-Executive Directors:
Geoff M Jones
Bill LeClair

Company Secretary:
Dennis Wilkins

Contact:

Stephen Stone
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Gold explorer and developer, **Azumah Resources Ltd (ASX: AZM)**, today announced its Quarterly activities report for the period ended 31st March 2017.

The Company's flagship project is the Wa Gold Project located in the Upper West Region of Ghana, West Africa. The Project hosts three main deposits - Kunche, Bepkong, and Julie - as well as several satellite deposits within the Company's regional land package of 2,400km².

Azumah's strategy continues to focus on advancing its numerous and prospective exploration opportunities with the objective of adding mineralisation to its growing 2.1Moz platform.

A 5,885m multi-target drilling programme completed in late 2016 delivered four new discoveries of primary mineralisation for the Wa East region, including the Georgie prospect on the newly acquired Julie West licence.

Azumah Resources' Managing Director, Mr Stephen Stone, said that the March 2017 Quarter had been an exceptionally busy time for the Company with a lot of field-based review and target preparation work happening.

"Azumah is at a pivotal point in its growth cycle – it's a tremendous advantage to have such a substantial resource under our belt plus development optionality and we are conscious of choosing the best path to drive shareholder value," said Mr Stone.

"We're first and foremost an exploration company and there's considerable scope to increase resources given the large land position we have accumulated and the quality of our many targets," he said.

During the Quarter, Azumah announced that rock chip sampling at the Julie West licence returned numerous high-grade results, supporting the likelihood that additional Mineral Resources will be delineated on this property. The Company also conducted licence - wide auger-based geochemical sampling programmes to extend or identify several new targets.

The Julie West Prospecting Licence is adjacent to Azumah's 834,000oz Julie deposit and hosts the high-grade 56,200oz Julie West prospect (415,000t at 4.2g/t Au) and the 12,800oz Danyawu prospect (72,100t at 5.5g/t Au), 2km to the northwest. Both remain open at depth and several analogous targets will be tested this year.

These prospects will be integrated into Azumah's advanced plans for the development of the initial seven-year, 90,000oz per year Project for which a Feasibility Study has confirmed a 624,000oz Ore Reserve, Mining Licences are granted (including for the Julie deposit) and most key infrastructure including grid power is in place.

Financing and development options were also advanced during the Quarter, positively assisted by the strengthened gold price and specifically improved sentiment towards West African gold explorers and developers.

"The hard work and considerable expense to get where we are now has laid a strong foundation for a very positive future," Mr Stone said.

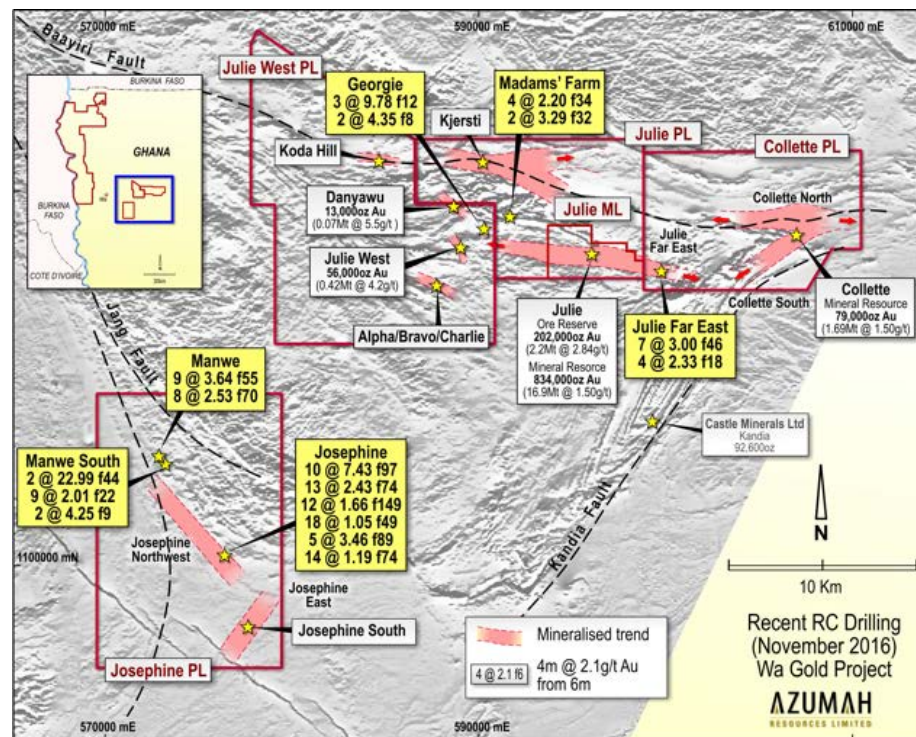
"We have planned a busy June Quarter and look forward to updating shareholders with increased news flow of our exploration and development activities."

Summary of Activities

Exploration

- ▶ Evaluated and commenced planning of follow-up RC drill programmes to the 93-hole, 5,885m multi-target, aircore and RC drilling campaigns completed last Quarter and which delivered discoveries at **Manwe, Manwe South, Josephine, Madam's Farm and Georgie** prospects. All are proximal to the main Project ore deposits and proposed mining infrastructure (refer ASX releases dated 24th October and 12th December 2016).
- ▶ Reported several high-grade rock-chip sampling results from mapping and evaluation of Julie West (refer ASX release dated 2nd March 2017 and Figure 1).
- ▶ Extended mapping and rock-chip sampling work at Julie West and in particular at Alpha-Bravo-Charlie prospect (report pending receipt of assays).
- ▶ Continued project-wide auger-based geochemical sampling programmes to extend the above or identify several new targets.

Figure 1: Wa East Licences: Summary of Best RC Drilling Intercepts from Josephine, Manwe, Manwe South, Julie Far East, Kjersti, Madam's Farm and Georgie prospects (ASX release 2nd March 2017)



Wa Gold Project Development

- ▶ Engaged Perth based financial and technical advisory firm, Orimco Pty Ltd, to progress in conjunction with GR Engineering Services Limited, an evaluation of Project process flow-sheet enhancements and related capital and operating costs benefits.
- ▶ Completed, using a temporarily much-expanded in-house Community Relations team, an extensive community profiling and census data collation exercise in accordance with EPA licencing process requirements and following successful public forums last Quarter.
- ▶ Completed and submitted to Ghana EPA an update of water monitoring programmes.

Soccer Players at the Azumah Sponsored and Recently Held Annual Primary Schools Community Games Attended by Over 400 Participants



Corporate

- ▶ Received from Castle Minerals full repayment with interest of a \$250,000 Azumah loan (final payment was received on 9th January 2017).
- ▶ Retained working capital of ~\$1.26M with 582.6M shares on issue, as at the date of this Report.
- ▶ Held a 16.3% (27.7M shares) strategic shareholding in Ghana neighbour, Castle Minerals Limited (~\$0.47M).
- ▶ Engaged an internationally focused investor relations firm to assist with investor engagement.

NEXT QUARTER

In the **June 2017** Quarter Azumah plans to:

Exploration:

- ▶ Review exploration results from all active targets and plan follow-up programmes as warranted;
- ▶ Progress and report on exploration at several other prospects within the Company's target pipeline; and
- ▶ Continue evaluating the newly acquired Julie West licence.

Wa Gold Project Development and Corporate:

- ▶ Progress discussions with parties interested in Project financing and development co-participation;
- ▶ Advance discussions with the Ghana Government on securing material fiscal concessions; and
- ▶ Progress applications for EPA licences for the proposed Kunche-Bepkong and Julie Project sites.

Stephen Stone
 Managing Director
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 stone@azumahresources.com.au

References

All references to Mineral Resources and Ore Reserves pertain to ASX releases dated 2nd September 2014, 23rd March 2015 and 12th October 2016 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.

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 **2.1Moz of gold grading 1.5g/t Au** including 1.4Moz Measured and Indicated grading 1.7g/t Au 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 for which an update to JORC 2012 standard has confirmed for Julie West a Mineral Resource of 52,000oz Au Indicated and 4,000oz Au Inferred and for Danyawu a Mineral Resource of 13,000oz Au Inferred.

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** (1.8Mtpa 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 2012 Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au) has been defined based on recently completed 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.

No technical, social or environmental impediments to development have been identified, no communities need to be rehoused and there is a generally 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, easy access to water, a 2km sealed airstrip at the regional centre of Wa and good general communications.

Azumah holds a **16.3%** interest in its neighbour and junior Ghana explorer, **Castle Minerals NL** which has **~10,000km²** of licences adjacent to Azumah.

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

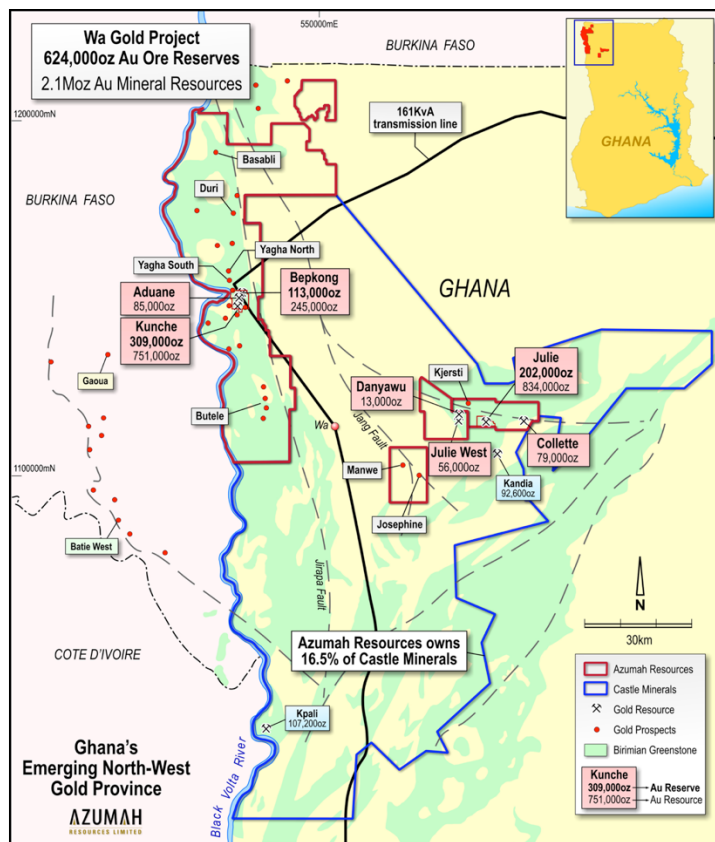


Table 1: Ore Reserves Summary – JORC Code 2012

(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	Gold oz
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 – Updated October 2016

Deposit	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	1.7	468,000	2.24	1.4	99,000	4.86	1.2	183,000	15.52	1.5	751,000
Bepkong	2.22	1.8	128,000	1.70	1.3	73,000	1.17	1.2	44,000	5.09	1.5	245,000
Aduane							1.77	1.5	85,000	1.77	1.5	85,000
Julie	0.89	1.4	41,000	10.06	1.6	507,000	5.98	1.5	286,000	16.93	1.5	834,000
Julie West				0.38	4.2	52,000	0.03	4.0	4,000	0.41	4.2	56,000
Danyawu				0.07	5.5	13,000				0.07	5.5	13,000
Collette							1.69	1.5	79,000	1.69	1.5	79,000
Total	11.52	1.7	637,000	14.45	1.6	744,000	15.50	1.4	681,000	41.49	1.5	2,063,000

Note: Values have been rounded. A lower cut-off of 0.5g/t Au was used for Kunche, Bepkong, Aduane, Julie and Collette, and a lower cut-off of 1.0g/t Au was used for Julie West and Danyawu.

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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Azumah Resources Limited

ABN

72 112 320 251

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(488)	(1,942)
(b) development	-	-
(c) production	-	-
(d) staff costs	(101)	(301)
(e) administration and corporate costs	(56)	(337)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	28
1.5 Interest and other costs of finance paid	-	(40)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(626)	(2,592)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(19)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	53	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	53	(19)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	4,047
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(204)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(1,000)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	2,843

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,836	1,031
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(626)	(2,592)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	53	(19)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	2,843
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,263	1,263

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	328	816
5.2 Call deposits	935	1,020
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,263*	1,836

* Excludes 31 March 2017 market value of listed equity investments of \$499,050.

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	119
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	Nil
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	53
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Azumah provided a loan facility to Castle Minerals Limited for \$250,000, repayable by 30 September 2017, with an interest rate of 8% per annum. Castle is classified as an associate of Azumah. During the quarter, Castle repaid all the outstanding principal and interest owing under this facility.

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	Nil	Nil
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	Nil	Nil
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	100
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	450

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	PL 10/40	Disposed	100%	Nil
	PL 10/42	Disposed 50%	100%	50%
	PL 10/43	Disposed 50%	100%	50%
	PL 10/44	Disposed	100%	Nil
	PL 10/45	Disposed	100%	Nil
	PL 10/46	Disposed	100%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 28 April 2017

Print name: Dennis Wilkins

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. By the Company signing this Appendix 5B, the Managing Director and CFO declare that the Appendix 5B for the relevant quarter:
 - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
 - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Information Required by Listing Rule 5.3.3

Interests in Mining Tenements

Tenement reference and location	Interest at beginning of Quarter	Acquired / Disposed	Interest at end of Quarter
ML 10/1 Kunche	90%	N/A	90%*
ML 10/5 Julie	90%	N/A	90%*
PL 10/4 Collette, Loggo	100%	N/A	100%
PL 10/5 Julie near Du	100%	N/A	100%
PL 10/9 Josephine, Du	100%	N/A	100%
PL 10/12 Vapor	100%	N/A	100%
PL 10/13 Julie West	Assignment	N/A	Assignment
PL 10/13 Basabli	100%	N/A	100%
PL 10/14 Duri	100%	N/A	100%
PL 10/18 Butele	100%	N/A	100%
PL 10/19 Vapor West	100%	N/A	100%
PL 10/20 Vapor South	100%	N/A	100%
PL 10/35 Dorimon West	100%	N/A	100%
PL 10/36 Tangasia	100%	N/A	100%
PL 10/37 Zadong South	100%	N/A	100%
PL 10/38 Dorimon	100%	N/A	100%
PL 10/39 Vapor S/West	100%	N/A	100%
PL 10/40 Tangasia S/East	100%	Disposed	0%
PL 10/41 Lawra North	100%	N/A	100%
PL 10/42 Tangasia North	100%	Disposed 50%	50%
PL 10/43 Samoa S/West	100%	Disposed 50%	50%
PL 10/44 Samoa South	100%	Disposed	0%
PL 10/45 Samoa North	100%	Disposed	0%
PL 10/46 Samoa	100%	Disposed	0%
			*Ghana 10% Free Carried Interest and 5% Gross Royalty

Interests in Farm-In or Farm-Out Arrangements

Tenement reference and location	Interest at beginning of Quarter	Acquired / Disposed	Interest at end of Quarter
N/A	N/A	N/A	N/A