

## Azumah Finalises A\$17M Earn-In Agreement

**Azumah Resources Limited** (ASX:AZM) is pleased to announce that it has now fully documented and executed an Earn-In and Shareholders Agreement (EISA) with private equity group, Ibaera Capital GP Limited (Ibaera), whereby Ibaera can earn up to a 47.5% interest for an expenditure of US\$13.5 million (~US\$17M) in the Company's Wa Gold Project, Ghana, West Africa (Project).

"The goodwill and pragmatism demonstrated by Azumah and Ibaera to complete the Earn-In and Shareholders Agreement in a very compressed time-frame is indicative of their collaborative approach towards fast-tracking exploration and ultimately the development of the Wa Gold Project," Azumah Managing Director, Mr Stephen Stone, said.

"Azumah has grown the Project to its present 2.1Moz status and now looks forward to combining with Ibaera's team of exploration and project development professionals to unlock its full value," said Mr Stone.

**Shareholders are reminded that Azumah's rights issue closes at 5pm today (1 September 2017). To take advantage of this attractively priced offer, shareholders must use the details on the previously mailed personalised Entitlement Form to make payment by BPay before 5pm today.**

The terms of the EISA are as contemplated by the binding Term Sheet setting out the basis for the parties to boost Mineral Resources, Ore Reserves and to deliver a Study supporting a decision to proceed to production within the next two years (Refer ASX release dated 2 August 2017).

The EISA, which will require the approval of the Government of Ghana, provides for the following:

- Ibaera will earn an interest in the Project, including the Company's Ghana mining licences, through the provision of funds to Azumah's wholly owned Ghana registered subsidiary, Azumah Resources Ghana Limited (AZG).
- Ibaera will spend an initial US\$11.25 million (~A\$14.3M) within two years to earn an initial 42.5% interest.
- If additional funds are required to achieve the key objectives of the joint venture, and Azumah elects not to pro-rata co-fund and maintain its 57.5% equity, Ibaera may sole fund to a total of US\$13.50M (~A\$17M) and increase its interest up to 47.5%.
- If Ibaera does not fulfil its initial funding obligations of US\$11.25M, subject to provisions to rectify this, it will withdraw from and not hold any equity in AZG.
- The parties will work together to co-fund all subsequent expenditures and/or to secure project development funding with each party having the right to match third party funding terms.
- A standard industry fair market-value based dilution mechanism will apply if one party elects not to contribute.
- The AZG Board will be reconfigured from the existing two directors to four with Azumah appointing the Chair who will have a casting vote so long as Azumah remains the majority equity holder.
- Ibaera will nominate a suitably qualified and experienced Project Manager who will submit programmes and budgets to the AZG board for its unanimous approval.
- First-Right of refusal, 'tag-along', 'drag-along' and other sale and exit provisions.
- The Project licences include the Julie West licence once it has been fully transferred to Azumah by Castle Minerals Limited (ASX: CDT).
- Additional terms as standard in such transactions.

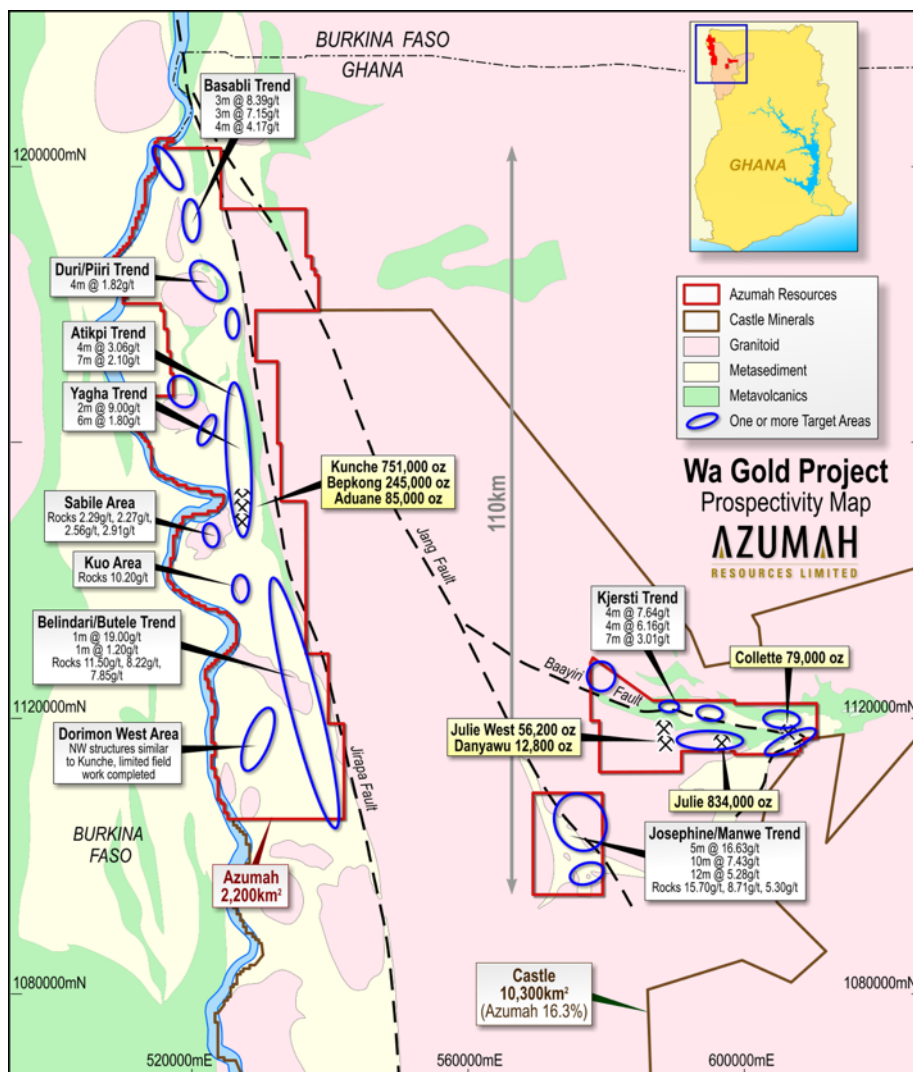
An option whereby Ibaera may subscribe for A\$2 million new Azumah shares at a 10% premium to the current market price has lapsed.

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**Wa Gold Project: Outline of Project licences the subject of the Ibaera Term Sheet (red outline) and location of CSA Global's 2017 Targeting Study designated high-priority targets areas (with selected historical intercepts)**



### About Ibaera Capital

The Ibaera Capital team (Ibaera) ([www.ibaera.com](http://www.ibaera.com)) manages an existing A\$85 million investment entity backed by European investors and has invested in six Australian assets since its inception in 2013. Ibaera's investment emphasis is on the funding and development of de-risked, emerging resources projects to construction via joint venture ownership structures. Its new closed-end Ibaera Capital Fund LP (Fund) is funded predominantly by US institutional 'fund-of-fund' investors who have more than US\$1 billion of funds under management. It has a broader mandate to invest in international base and precious metals mining projects held by Australian entities, such the Azumah Project.

Ibaera provides in-field management and technical expertise to its partner projects with the objective of achieving a material revaluation of funds invested and taking advantage of cyclical upswings in the commodities markets. Its executive and management team comprises geologists and engineers that are collectively and individually recognised for their contribution to the discovery and development of world-class mining ventures. They have previously held senior and executive positions at WorleyParsons Ltd, Fortescue Metals Group Ltd and Western Mining Limited (subsequently BHP).

### About Azumah

Azumah Resources Limited is an 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 deposit) (Table 2).

The Julie West licence, acquired from Castle Minerals Limited (ASX: CDT) hosts the Julie West and Danyawu prospects with a Mineral Resource of 52,000oz Au Indicated and 4,000oz Au Inferred at Julie West and a Mineral Resource of 13,000oz Au Inferred at Danyawu.

Mineral Resources have been grown progressively through a focused, systematic approach to exploration of the Company's **2,400km<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. Much of this is covered in soil, alluvium or laterite so most discoveries have been 'blind'. Azumah anticipates Mineral Resources will continue to grow as it continues to test its large 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 with the designed optimised pits also containing 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 **16.5%** interest in its neighbour and junior Ghana explorer, Castle Minerals NL, which has **~10,000km<sup>2</sup>** of licences adjacent to Azumah.

### References

All references to Mineral Resources and Ore Reserves pertain to ASX releases dated 2 September 2014, 23 March 2015 and 12 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 9 May 2016). 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) which contains copies

of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

### 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 Limited. 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.

**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
<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 – 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
<b>Total</b>	<b>11.52</b>	<b>1.7</b>	<b>637,000</b>	<b>14.45</b>	<b>1.6</b>	<b>744,000</b>	<b>15.50</b>	<b>1.4</b>	<b>681,000</b>	<b>41.49</b>	<b>1.5</b>	<b>2,063,000</b>

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.

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](http://www.azumahresource.com.au/projects-competent_persons.php)

Azumah is the sole unencumbered legal and beneficial owner of the above listed licences. Other than as disclosed in the above Schedule of Licences and to ASX, there are no royalties payable to any third party (other than a government agency) in respect of future production from the licences. The Licences are valid, subsisting, in full force and effect and in good standing in terms of applicable laws and regulations in Ghana. Azumah is not aware that it is in default in the due and punctual observance or performance of its obligations under the provisions of the licences and the applicable laws and regulations in Ghana. So far as Azumah is aware, it has complied in all material respects with all laws and regulations applicable to the Licences and with all orders of governmental agencies having jurisdiction over the Licences. Azumah has not received any notice or information regarding any circumstances that would result in a material breach of the terms and conditions of the Licences or any application for renewal not being granted. All fees, charges, penalties, fines and royalties in respect of the Licences which have fallen due for payment and which have been invoiced by the Government of Ghana (other than fees for Stool Lands for which there remains uncertainty in Ghana as to the fees payable) have been paid and all renewal and extensions of time applications submitted on time and in accordance with the terms of applicable mining laws in Ghana. The status of a majority of the Licences is that they are subject to renewal or extension applications and these are being duly processed and still awaiting invoices for payment of applicable fees.

## 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.