

# 40,000m, A\$4 million, Multi-Target Drilling Campaigns Underway

- New drill season focused on rapidly increasing Mineral Resources and Ore Reserves to underpin development decision for Wa Gold Project
- 7,000m of RC/Diamond drilling:
  - to test for open-ended depth extensions to bottom-of-pit high-grade mineralisation at Kunche, Bepkong and Julie deposits;
  - to expand Mineral Resources; and
  - for new prospect development
- 3,000m of RC drilling to upgrade in-pit inferred Mineral Resources to indicated status for inclusion in pit optimisations
- 8,000m of RC drilling to target and delineate new shallow resources across the Project
- 7,000m of aircore drilling to test and expand multiple existing auger and VTEM generated targets and prospects
- Up to 15,000m of auger drilling to better define and infill existing anomalies and to identify new ones
- Up to 5,000m of trenching to test the Eve, Laudetta, Danyawu SW and Kjersti prospect areas

## OTHER KEY POINTS:

- Strong drill results news flow well into 2019
- Ore Reserves and Feasibility Study progress update is on-track for end-2018 delivery
- Azumah and joint venture partner Ibaera Capital are attending and presenting at the 121 Mining Investment London conference on 20/21 and the Mines and Money London conference on 26-29 November

### ASX & Media Release

12 November 2018

ASX: AZM

[www.azumahresources.com.au](http://www.azumahresources.com.au)

### Wa Gold Project:

#### Value

2.5Moz Mineral Resource  
2,400km<sup>2</sup> fertile terrain  
624,000oz, 2.14g/t Au Ore Reserve

#### Upside

Growing resources and reserves  
Widespread anomalism  
Numerous priority targets

#### Activity

~47,000m drilling in 2018  
Feasibility Study

#### Fully Funded

<A\$17M over 2yrs  
Ibaera Capital earning 47.5% directly in Project  
Ibaera technical team managing Project

#### Issued Capital:

782M ordinary shares  
35M 3c opts exp 13.11.2021  
3M 3c opts exp 30.06.2020  
1.5M 3c opts exp 31.01.2021

#### Directors & Management:

Chairman:  
Michael Atkins

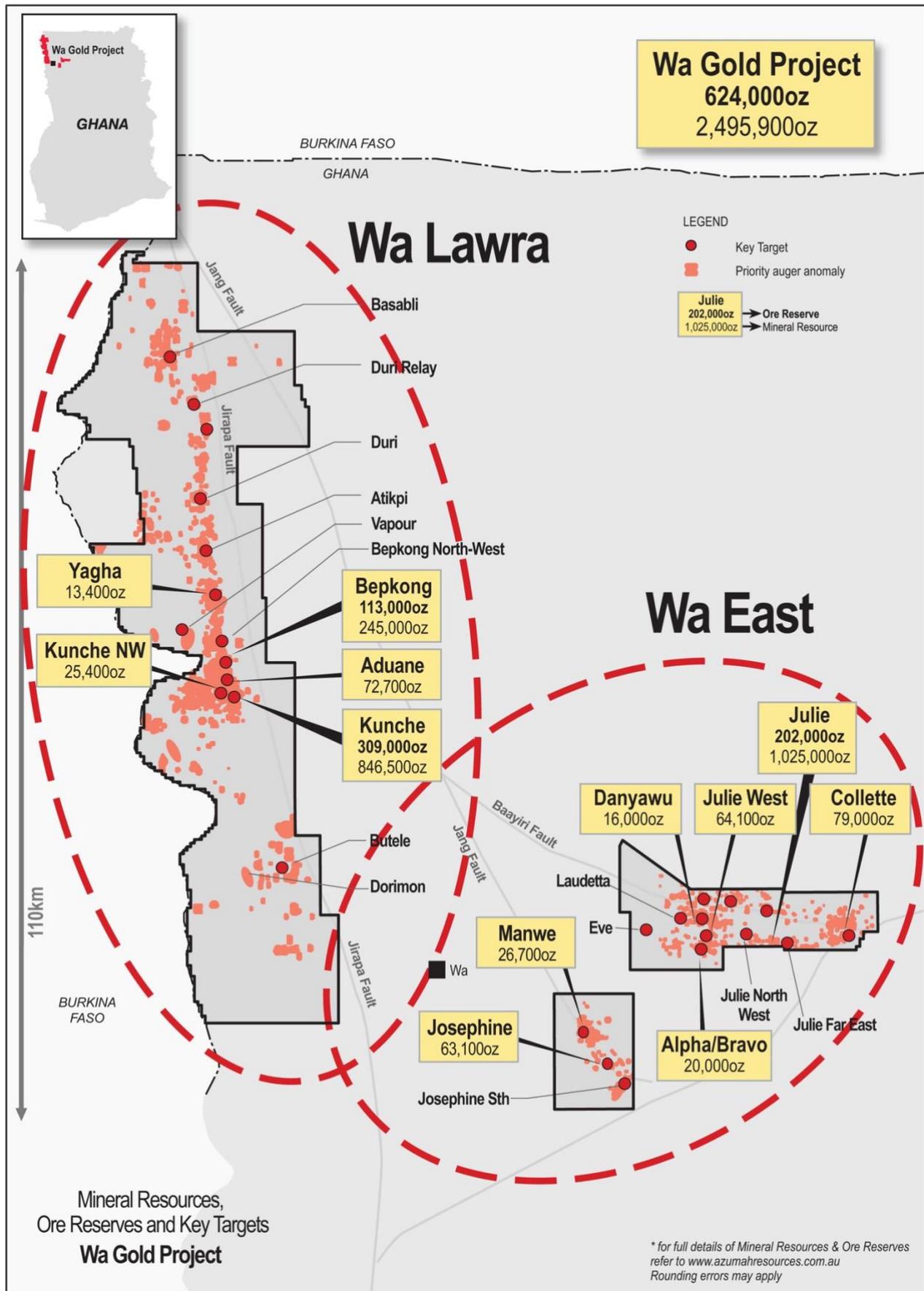
Managing Director:  
Stephen Stone

Non-Executive Director:  
Debra Bakker  
Linton Putland

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**Fig 1: Wa Gold Project: Deposits, Prospects, Mineral Resources and Ore Reserves**



West African gold explorer and developer Azumah Resources Limited (ASX: AZM) (“Azumah”) advises that it has commenced a 40,000m, A\$4 million multi-target drilling campaign aimed at lifting Mineral Resources and Ore Reserves at its Wa Gold Project in Ghana, West Africa (‘Project’) where the primary objective is to deliver an economically attractive, development-ready Project by Q3 2019 (Fig 1).

Azumah Managing Director, Stephen Stone, said **“We have a multitude of stand-out targets across our vast and highly prospective Wa Gold Project tenure that we are confident will deliver increases in Mineral Resources and Ore Reserves.**

**“Shareholders can look forward to a steady flow of project news including progress updates to the Feasibility Study and Ore Reserves by the end of 2018, as well as numerous drilling results well into 2019.**

**“Our exploration strategy has been developed by renowned orogenic gold specialist, Dr Jon Hronsky, who is a founding partner of our joint venture partner, Ibaera Capital, which is sole-funding and managing the 40,000m drilling campaign.”**

Paul L’Herpinier, who is also a founding partner of and General Partner - Exploration and Evaluation at Ibaera Capital said: **“The entire team is eager to commence what will be an exciting exploration campaign at the Wa Gold Project, following on the back of last season’s increase in Mineral Resources to 2.5Moz which was largely achieved through focused drilling at previously defined prospects.**

**“A particular focus for us this season is to evaluate the depth extent of mineralisation at our flagship Kunche, Bepkong and Julie deposits, as that could provide us with the option of adding underground production to the life-of-mine development strategy.”**

### **RC/DDH (7,000m) and RC (11,000m) holes**

The first phase of the drilling programme will include at least an additional two RC/DDH core holes targeting depth extensions to the broad zone of high-grade mineralisation intersected in KRC831 (44m at 5.37g/t Au from 99m) that was drilled into the Kunche deposit’s central saddle zone (ASX release 8 May 2018) (Figs 2 and 3).

Holes with similar objectives will be drilled below the base of current designed pit bottoms at the Bepkong and Julie deposits.

A number of RC holes have been planned at the Kunche and Julie deposits and at the Kunche NW, Manwe, Josephine, Alpha and Bravo prospects so that some current in-pit inferred Mineral Resources can be upgraded into the measured and indicated categories and then included in pit optimisations.

### **Aircore (7,000m), auger (up to 15,000m) and trenching (up to 5,000m)**

The majority of aircore drilling, which is aimed at upgrading many targets to RC drill-ready status, will be undertaken in the Wa Lawra region where numerous high-tenor auger geochemical anomalies were generated last season and which are viewed as ‘low-hanging fruit’ for the discovery of new shallow Mineral Resources.

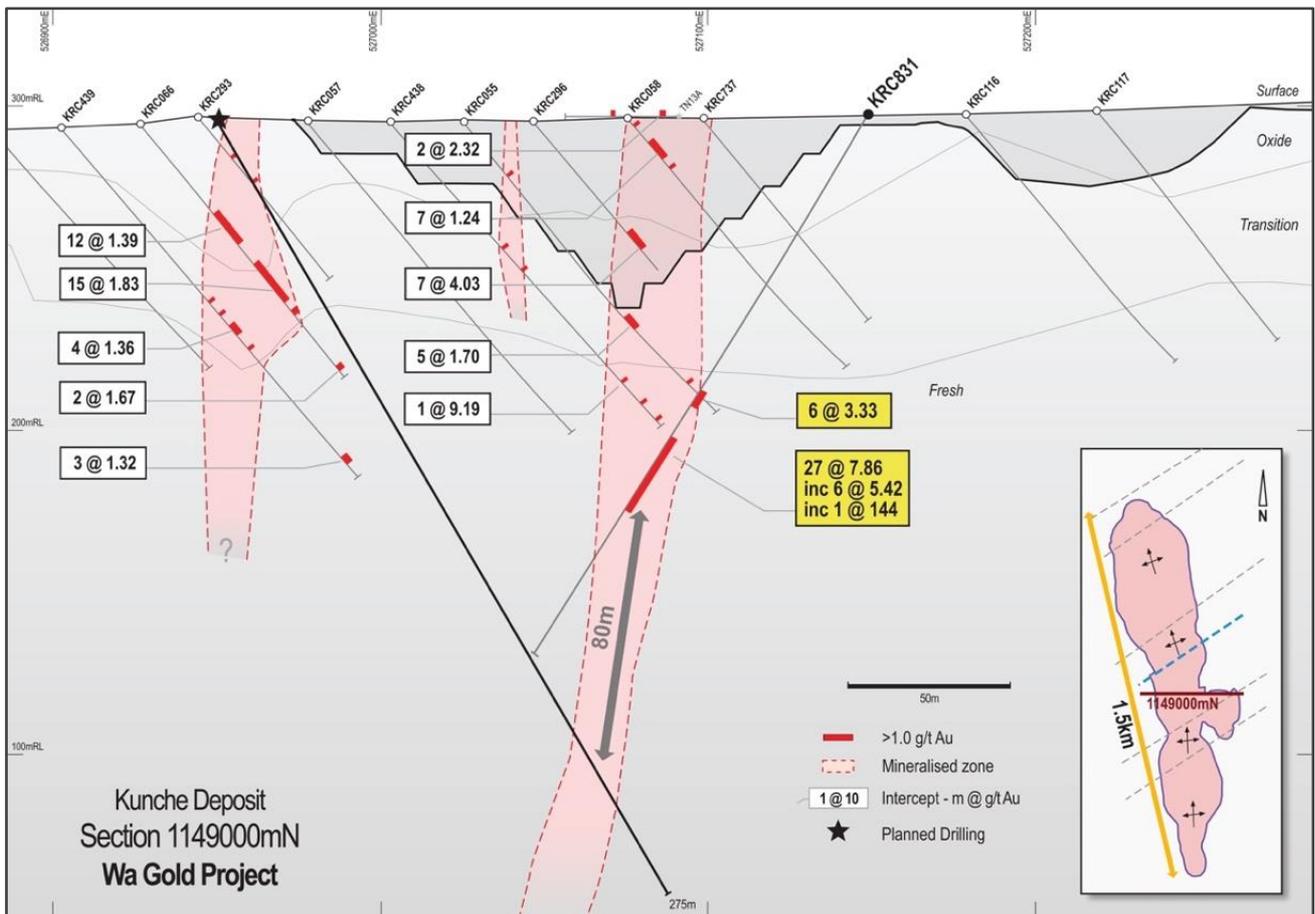
At Wa East, of specific interest will be the programme designed to test the newly identified, 5km-long Eve VTEM geophysical anomaly which displays similar scale and geophysical properties to the main Julie deposit minerals system. This new focus area, including the spatially associated 2km-long Eve geochemical anomaly, will be further explored through an expanded soil geochemical survey and trenching while several other recently generated geochemical targets, including Danyawu SW, Laudetta and Kjersti South will also be tested by trenching in coming weeks (ASX release 27 August 2018)(Figs 4 and 5).

Throughout the 2,400km<sup>2</sup> Project area, there are a series of high-priority areas upon which to conduct first-pass auger drilling and, where there has then been confirmed strong anomalism, infill auger programmes.

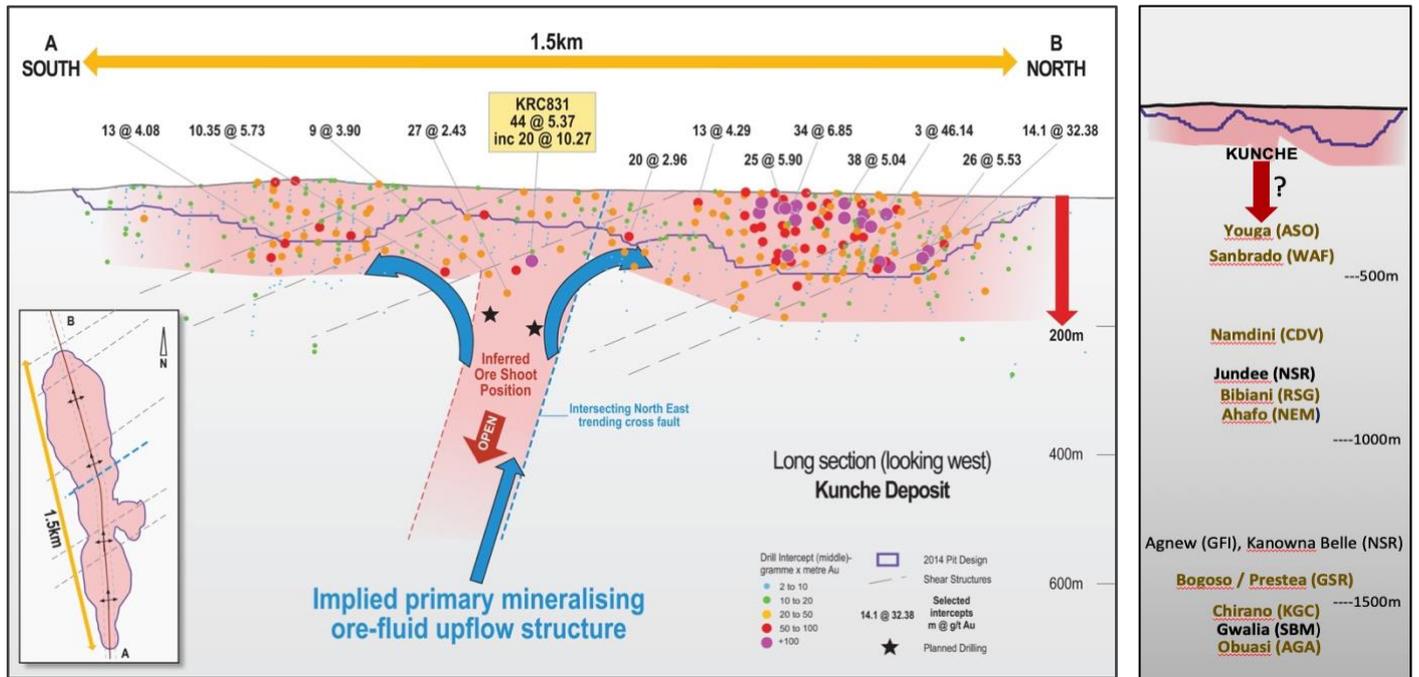
Geochemical sampling by auger drilling is the primary method by which new structurally favourable settings are tested for anomalism and hence new prospects identified and readied for RC drilling. Having progressively refined auger geochemical sampling methodology, considerable confidence is now placed on its ability to generate reliable anomalies.

It is expected that many of these new and earlier stage targets will be drill-tested during the second phase of RC drilling in 2019.

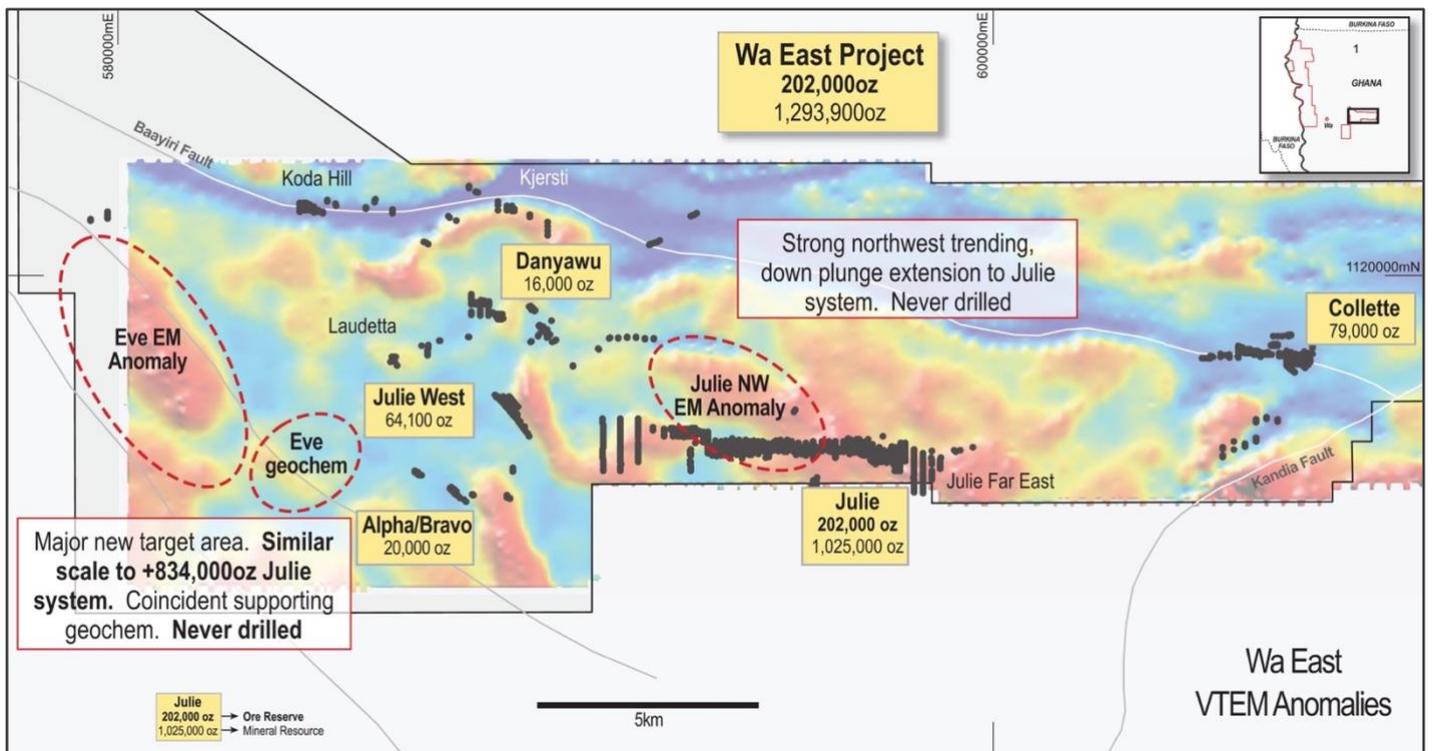
**Fig 2: Kunche deposit cross-section 1149000mN showing planned RC / DDH hole**



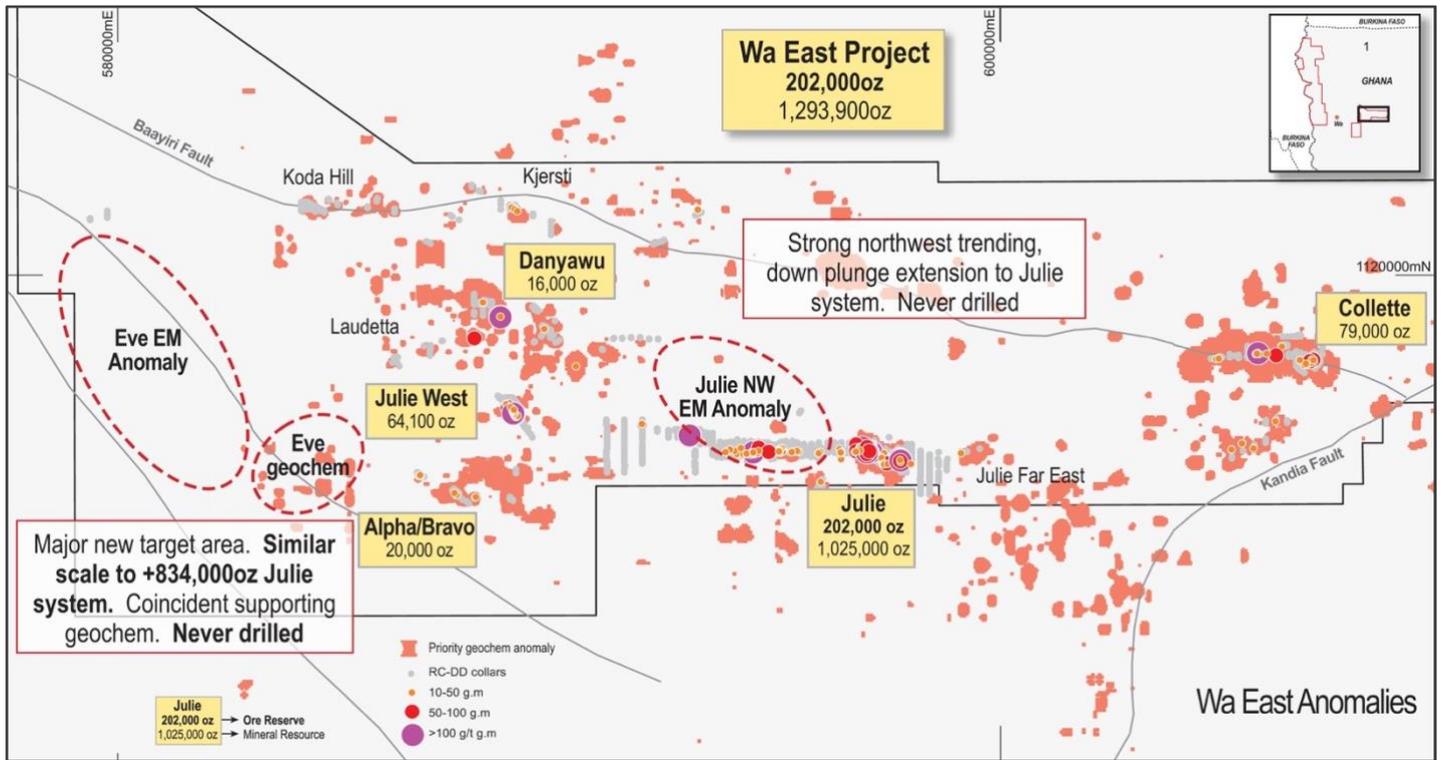
**Fig 3: Kunche deposit long-section showing hole pierce points and planned holes**



**Fig 4: Wa East: Julie NW and and Eve VTEM anomalies**



**Fig 5: Wa East: Julie NW and Eve geochemical anomalies with VTEM anomaly outlines**



**News flow**

The planned drilling schedule will generate considerable news flow well into 2019 as the drilling campaigns are progressed and completed.

**Ore Reserves and Feasibility Study progress**

The Ore Reserves and Feasibility Study progress update remains on-track for release towards the end of 2018 delivery.

**Conferences**

Azumah and joint venture partner Ibaera Capital will be attending and presenting at the 1-2-1 Mining Investment London conference on 20 and 21 November and the Mines and Money London conference on 26 to 29 November.

**Annual General Meeting**

The Company’s Annual General Meeting of Shareholders will be held at the offices of BDO in Subiaco, Perth at 11am on 16th November 2018. All shareholders are encouraged to attend. An updated Company presentation will be released to the market prior to the meeting.

**For further information please contact:**

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**About Azumah Resources Limited**

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 approximately 80km to the east.

Several satellite deposits including Aduane, Kunche Northwest, Yagha, Julie West, Danyawu, Alpha/Bravo, Josephine and Collette have also been discovered and delineated.

To date, the Company has estimated a JORC 2012 Mineral Resource of 2.5Moz of gold grading 1.6g/t Au, including 1.6Moz Measured and Indicated grading 1.8g/t Au, with these evenly distributed between the Kunche-Bepkong and Wa East (Julie deposit etc) camps.

A 2015 Feasibility Study defined an Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au)(JORC 2012). The Feasibility Study is being updated with delivery scheduled for Q3 2019.

Extensive metallurgical test work has confirmed a high average overall gold recovery of ~92% for the combined Kunche, Bepkong and Julie deposits.

Mineral Resources have been progressively grown through a focused, systematic approach to exploration of the Company's 2,400km<sup>2</sup> licence holdings. These encompass large tracts of prospective Birimian terrain, the rocks that host the majority of West Africa's gold mines.

Much of the tenure is covered in soil, alluvium or laterite so most discoveries have been 'blind'. Azumah anticipates Mineral Resources will grow substantially as it continues to generate and test its large pipeline of targets.

Azumah's current exploration strategy is primarily driven by its aim to materially increase its existing Ore Reserve base and demonstrate attractive project economics. This will enhance funding capability and solidly underpin a development decision.

Azumah has two 15-year Mining Leases 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).

No technical, social or environmental impediments to development have been identified, no communities need to be relocated and rehoused and there is strong support from key stakeholders for the Project.

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.

### **Ibaera Funding Transaction**

All of Azumah's Ghana interests are held through its wholly owned Ghana subsidiary, Azumah Resources Ghana Limited (AZG).

On 1 September 2017 Azumah executed a transformative Earn-In and Shareholders Agreement (EISA) with Perth managed private equity group, Ibaera Capital GP Limited (Ibaera), whereby Ibaera can initially earn a 42.5% interest in AZG and therefore the Wa Gold Project by spending US\$11.5M over two years.

If Azumah elects not to co-contribute pro-rata thereafter, Ibaera may increase its interest to a maximum of 47.5% for a total minimum expenditure of US\$13.5 million (~A\$17M).

Ibaera is backed by a US-based +US\$1 billion natural resources focused investment fund. Prior to committing to the Project, Ibaera reviewed many other international resource projects and, having selected the Azumah Project, undertook an extremely thorough due diligence prior to committing to the EISA.

The terms of the EISA set out the basis for the parties to boost Mineral Resources, Ore Reserves and to deliver a feasibility level study supporting a decision to proceed to production (refer ASX release dated 2 September 2017).

Ibaera's owners, principals and management are all very experienced geologists, engineers and financiers and, pursuant to the EISA, are now managing all facets of the Project.

### **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 an executive employee 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.

The information in this report that relates to a Mineral Resource estimate for the Julie deposit is based on and fairly reflects information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the Australian Institute of Geoscientists (#4176) and Mr Mark Glassock, a Competent Person, who is an employee of Extomine Pty Ltd and a member of the AusIMM (#202048). Mr Williams assumes responsibility for the interpretation and the grade estimation and Mr Glassock assumes responsibility for the input data. Mr Williams and Mr Glassock have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Williams and Mr Glassock consent to the disclosure of information in this report in the form and context in which it appears.

The information in this report that relates to a Mineral Resource estimate for the Kunche, Aduane, Kunche NW, Yagha, Julie West, Danyawu, Alpha/Bravo, Josephine and Manwe deposits is based on and fairly reflects information compiled by Mr Mark Glassock, a Competent Person, who is an employee of Extomine Pty Ltd and a member of the AusIMM (#202048). Mr Glassock has sufficient experience 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 Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Glassock consents to the disclosure of information in this report in the form and context in which it appears.

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)

### **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.