AZUMAH RESOURCES LIMITED

# 5,500m Drilling Campaign Commences

AZM
ASX & Media Release
14th September 2016

www.azumahresources.com.au

- **Existing and new targets to be tested at several high-priority locations**
- **Includes new target at Kjersti East where recent trenching returned up to 4m at 7.64g/t Au**
- **Combined Aircore and RC programme to be completed by end-September with results expected in October**

Ghana focused gold explorer and developer Azumah Resources Limited (ASX:AZM) ("Azumah" or "the Company") advises that a 5,500m combined aircore and reverse circulation (RC) drilling campaign has commenced to test several high-priority targets at its Wa Gold Project, north-west Ghana ("Project").

## Wa East

RC drilling will test multiple targets at **Manwe** (Josephine prospecting licence) for depth and strike extensions to high-grade mineralisation discovered earlier in the year (*intersections obtained included 12m at 5.28g/t Au from 49m, 32m at 2.10g/t Au from surface and 4m at 2.67g/t Au from 4m*), in the vicinity of artisanal miner workings and at an area of exceptionally high-grade auger assays of up to 2.4g/t Au (*refer ASX release dated 29th February and 25th July 2016*).

At **Josephine East** drilling will test a new area of anomalism where high-value rock chip samples were obtained from a small area of outcrop. RC drilling will also test for depth and strike extensions to mineralisation at the main **Josephine** area of workings.

At **Madam's Farm**, 4km northwest of the main Julie deposit, RC drilling will test a new area of auger and rock chip anomalism trending parallel to the Julie mineralisation. It is located on an east-west thrust fault that is a splay off the major Baayiri Fault system. Rock chips from active artisanal workings returned up to 91.1g/t Au from a series of quartz stringers in an intensely sheared basalt. Visible gold has been observed. Panning of both host rock and quartz vein samples produced an encouraging gold tail. A just completed 124-hole auger sampling programme has better defined the target anomaly ahead of drilling.

RC drilling at **Julie Far East** will test for eastern extensions offset to the main Julie deposits and mineralised trend.

The planned RC drilling at **Kjersti East** has been designed to follow-up high-grade anomalism identified in recent trenching that returned up to 4m at 7.64g/t Au adjacent to artisanal workings where several rock chip samples including 2.45g/t Au, 2.40g/t Au and 2.32g/t Au were also obtained. The target

*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 2,400km$^2$ with >150km strike of prospective Birimian terrain.
- 19.99% strategic investment in neighbour, Castle Minerals Limited (~10,000km$^2$)
- Board and management team of successful explorers, mining and corporate professionals

*Issued Capital:*

559.82M 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:*

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

mineralisation trends northwest along the same structure that hosts the 79,000oz Collette Deposit, 10km to the east.

## Wa-Lawra Trend

RC drilling at Bepkong North (~700m northwest of the Bepkong deposit) is targeting a left-step offset of the mineralisation trend to the north-northwest along a 'resistivity ridge', as interpreted from an induced polarisation geophysical survey. Aircore drilling to the north of Bepkong will also test some recently generated auger geochemical anomalies.

At Yagha, 10km north of Kunche, aircore drilling will test recently defined auger anomalies.

## Julie West

Azumah has completed the task of integrating into its own database various datasets inherited with this recently acquired project (*refer ASX release dated 27th April 2016*). Field evaluation in the vicinity of the existing resources and at a number of other possible targets has been undertaken and some specific areas are now being assessed in more detail including with auger sampling.

## Multiple Auger Campaigns Continue To Identify New Anomalies

Azumah continues its non-stop multiple auger campaigns across its licence holdings to generate new and refine existing targets ahead of follow-up aircore and RC drilling where warranted.

Extensive tracts of Azumah's Project tenure have yet to be systematically evaluated. Given the region's high prospectivity and the Company's track record of discovery, there remains considerable opportunity to increase the existing 2.0Moz Au Mineral Resources and 624,000oz Au Ore Reserves already delineated.

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

*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.*

### *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 Danyuwu 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 RungePinockMinarco 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 (1.8Mtpa 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).*

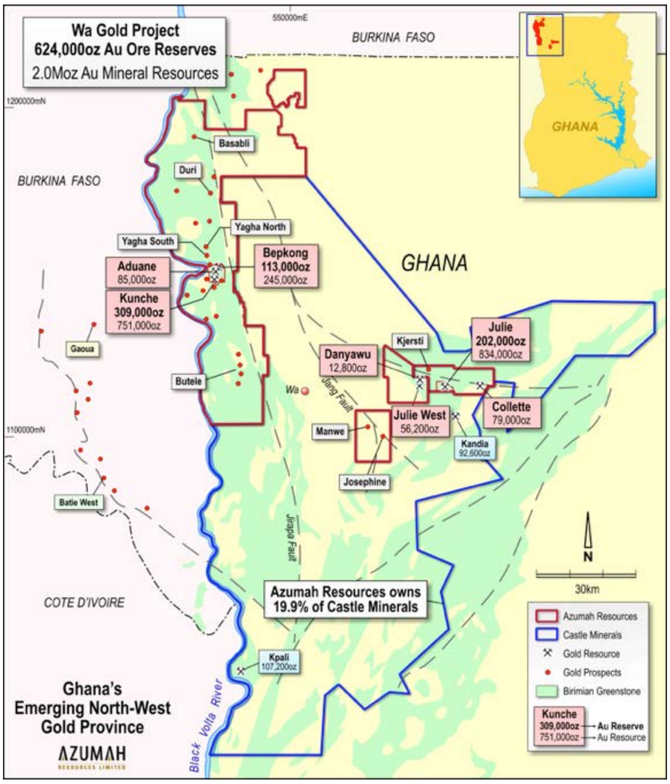
*Azumah has had two, 15-year Mining Leases granted over its key deposits (Ghana government holds a 10% free carried interest in their 'rights and obligations' and is also entitled to a 5% gross gold royalty) and is now moving to obtain environmental operating permits.*

*No technical, social or environmental impediments to development have been identified 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.*

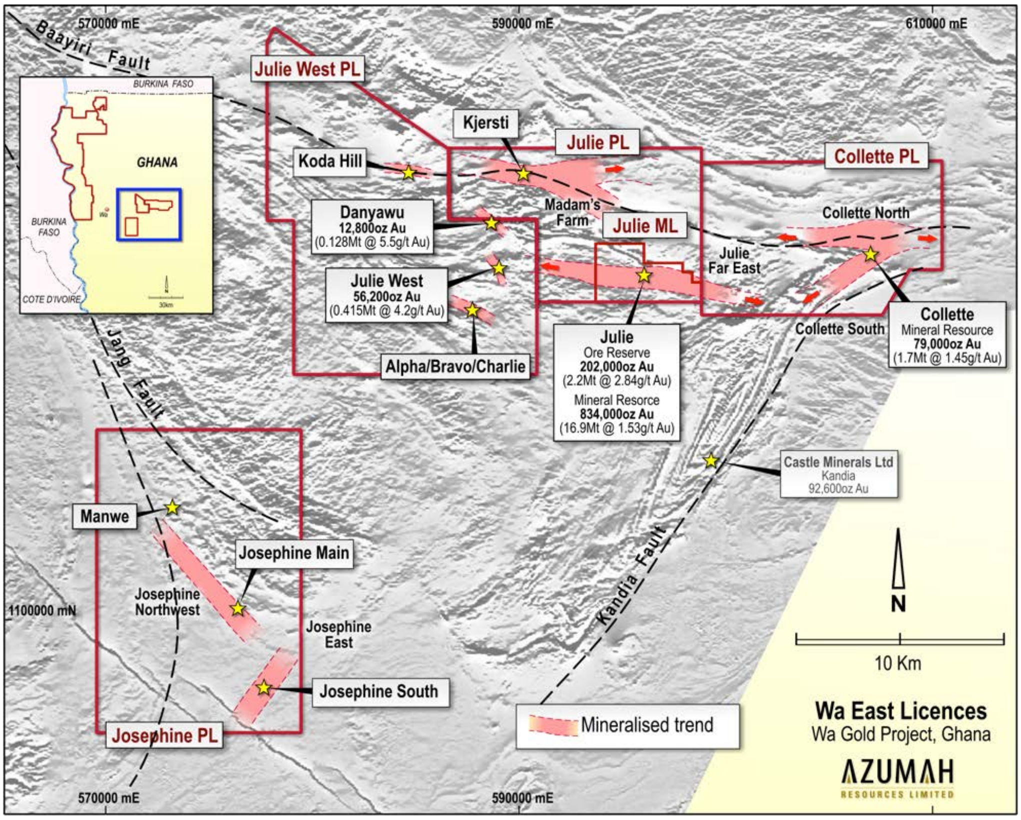
*Azumah holds a 19.99% interest in its neighbour and junior Ghana explorer, Castle Minerals NL which has ~10,000km² of licences adjacent to Azumah. Azumah has also assumed management responsibility for Castle.*

* 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 | Measured | | | Indicated | | | Inferred | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0.5 g/t Au | 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 | 79000 | 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.