

AZM

ASX & Media Release

25th 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:

559.82M ordinary shares
(subject to finalisation of SPP and Placement 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

High-Grade Auger and Rock Chip Results

- Up to 27g/t Au rock chip samples and 4.2g/t Au and 2.4g/t Au peak auger soil samples from new zones at Manwe
- Manwe main mineralised zone extended to 4km
- 91.1g/t Au rock chip and visible gold from Madam's farm
- New targets at recently acquired Julie West
- Multiple aircore and RC drilling campaigns to commence at high-priority targets

“Having just closed its strongly supported capital raising and as soon as seasonal rains abate Azumah will commence multiple aircore and RC drilling programmes to test some very compelling targets as part of its strategy to augment ore reserves at its Wa Gold Project, Ghana”
Azumah Managing Director, Stephen Stone said.



Photo 1: Visible gold in quartz vein sample from Madam's Farm

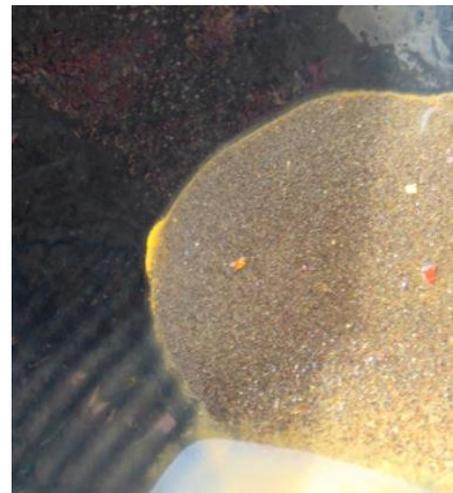


Photo 2: Gold tail in panned rock sample from Madam's Farm

Ghana focused gold explorer and developer Azumah Resources Limited (ASX:AZM) (“Azumah” or “the Company”) is pleased to advise that plans for multiple aircore and reverse circulation (‘RC’) drilling programmes are being finalised following the recent completion of several auger campaigns totaling 464 holes that have identified new and advanced existing targets throughout the Company’s Wa Gold Project, Ghana (‘Project’).

Manwe

At **Manwe**, on the Josephine Licence, a 277-hole auger sampling programme plus rock chip sampling has further defined and extended to 4km the zone of northwest trending gold and coincident arsenic anomalism and generated new targets for RC drilling (*Figures 1 and 2*).

An exceptionally high-grade auger assay of **2.4g/t Au** plus others of 485ppb Au, 217ppb Au, 202 ppb Au and 160ppb Au reinforce the prospectivity of this developing multiple-target area. Active shallow artisanal mining workings over an area of 160m x 130m within this zone present a primary target along with several other areas also of interest.

At **Manwe East**, and off-trend from the main Manwe trend, auger sampling in an alluvium covered area with no outcrop has returned another very high assay of **4.2g/t Au** from a sampling depth of 6.5m, with supporting values from nearby infill auger sampling of 81ppb Au and 89ppb Au.

Rock chip sampling at a new area of interest at **Manwe North** has also returned some high-grade values grading 25.70g/t Au, 8.71g/t Au, 2.81g/t Au and 2.58g/t Au. These were collected from a series of quartz veins exposed in some recently appeared artisanal workings. Closely spaced auger drilling is planned around the mapped veins, to determine the orientation of the mineralisation ahead of a proposed RC drilling programme.

An extensive auger programme covering a structurally intense area at **Josephine North**, 3km north of Manwe is also planned.

In February 2016 Azumah completed first-pass RC drilling at Manwe to test anomalous auger values. High-grade, north plunging shoots were intersected within a broader envelope of mineralisation, now extended to 4km. Intersections of 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 confirmed Manwe as a new discovery and area of focus (*refer ASX release dated 29th February 2016*).

Madam’s Farm

Madam’s Farm, 4km northwest of the main Julie deposit, is also shaping up as a new area of focus on the Julie licence following its identification by auger and rock chip sampling programmes. It is located on an east-west thrust fault that is a splay off the major Baayiri Fault system, with a granitoid footwall and basalt hangingwall.

Rock chips from recent active artisanal workings returned up to **91.1g/t Au** from a series of boudinaged quartz stringers in an intensely sheared basalt at the lithological contact. Visible gold was observed at the selvages of the translucent quartz/basalt contact. Panning of both host rock (basalt) and the quartz vein samples produced an encouraging gold tail (*Photos 1 and 2*). Box-work fabrics after weathered sulphides are also evident and encouraging.

In order to better define the anomaly in areas of no outcrop, a 124 hole auger programme has been completed, with results pending. Once available, an RC programme will test the obvious areas of mineralisation.

Julie West

The compilation and interpretation of the extensive datasets from the recently acquired Julie West project (*refer ASX release dated 27th April 2016*) continues. 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. Auger, aircore and RC drilling programmes are being planned to test these.

One such target located in the centre of the Julie West PL lies on the same structure that hosts the main Julie deposit. An isolated historic soil sample returned an assay of 1.9g/t Au. Azumah has recently completed a nine-hole auger programme to verify and evaluate this anomaly. Results are awaited.

Kjersti East Trenching

A series of north-south trenches are being dug at the Kjersti East target where rock chip sampling of artisanal workings has returned assays of 2.45g/t Au, 2.99g/t Au and 2.32g/t Au. Mineralisation is observed in laminated quartz veins with box-work textures. The target strikes to the northwest along the same structure that hosts the 79,000oz Collette Deposit, 10km to the east.

Yagha

At Yagha, a 186-hole auger sampling programme has been completed to re-evaluate some historical sampling that had unexpectedly barren results, believed due to a compromised sampling regime. The new survey has returned some moderately anomalous zones with peak values of 261ppb Au, 128ppb Au, 107ppb Au and 103ppb Au. A 20-hole (1,000m) aircore programme has been proposed to test the anomalous zones.

Bepkong Northwest

A previously reported (*refer ASX release dated 31st May 2016*) 131-hole, 1,017m auger campaign at the Bepkong Northwest target area designed to test for northern extensions to the 245,000oz Au Mineral Resource and 113,000oz Au Ore Reserve at Bepkong (*Tables 1 and 2*) revealed a series of four, sub-parallel northeast trending anomalies which are coincident with structures interpreted from a 2012 induced polarisation geophysical survey.

The anomalies include peak values of 247ppb Au, 231ppb Au, 156ppb Au, 122ppb Au and 109ppb Au and confirm the presence of a sinistral structural framework also proposed as the control for the Kunche-Bepkong mineralised trend. An aircore drilling programme is planned to test the validity of the anomalies.

Summary

Multiple aircore and RC drilling programmes totalling 5,000m will commence as soon as seasonal rains abate to test at least six high-priority targets that have been identified across Azumah's Project tenure.

Continuous auger sampling campaigns to identify new anomalies and to refine existing targets will continue.

In addition to the proposed development of its Project, Azumah's extensive and dominant tenure in Ghana's northwest stands on its own merit as a high-quality, regional-scale exploration project with numerous well-advanced drill-ready targets.

Under Azumah's focused stewardship and systematic approach to discovery in a region of largely transported soil and laterite covered terrain, the Project has clearly evolved to become one of the premier exploration frontiers in West Africa.

There remains considerable opportunity to discover more economic mineralisation to supplement the existing 2.0Moz Au Mineral Resources and 624,000oz Au Ore Reserves already delineated.

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
 Tel. 61 (0) 418 804 564
stone@azumahresources.com.au

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

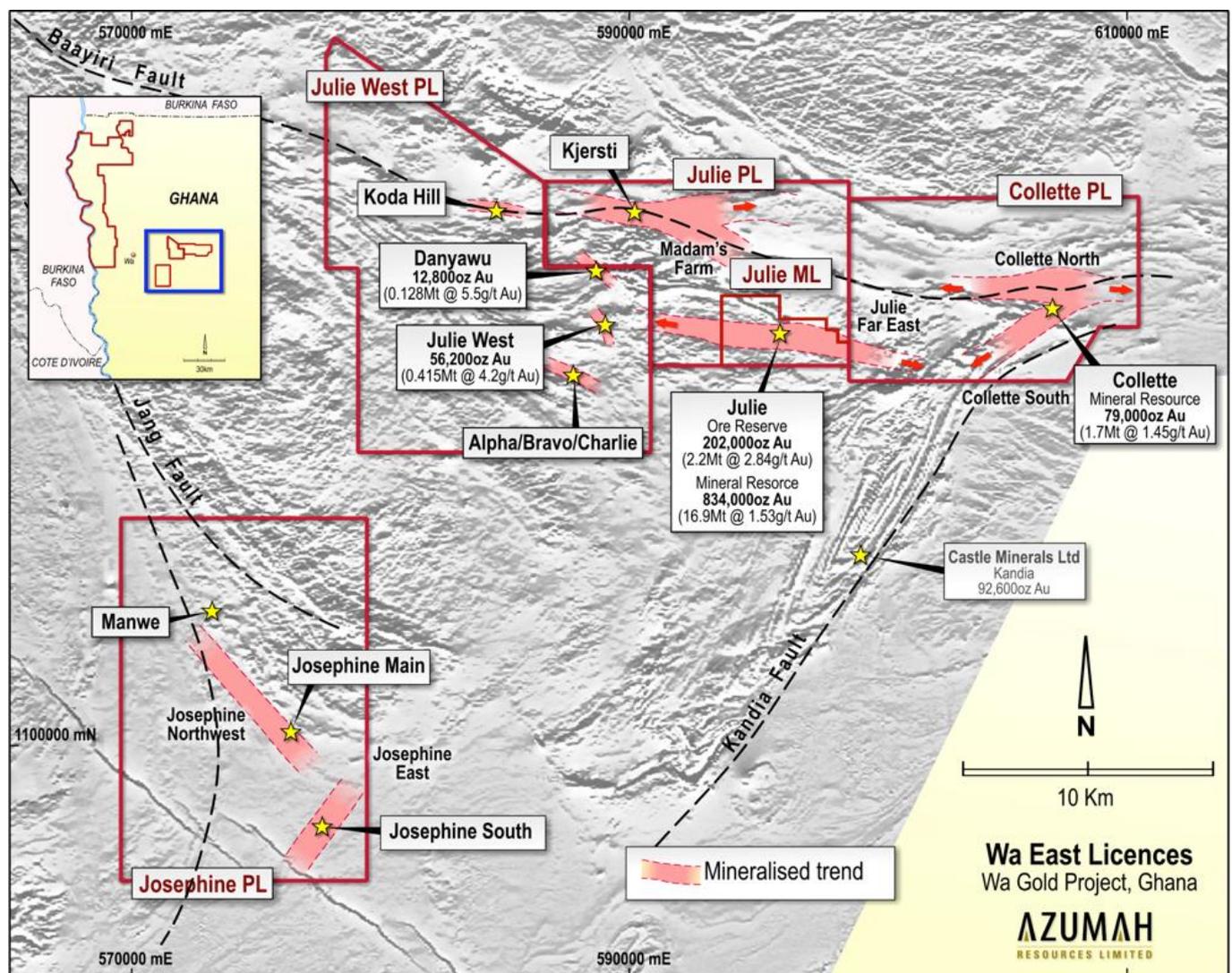
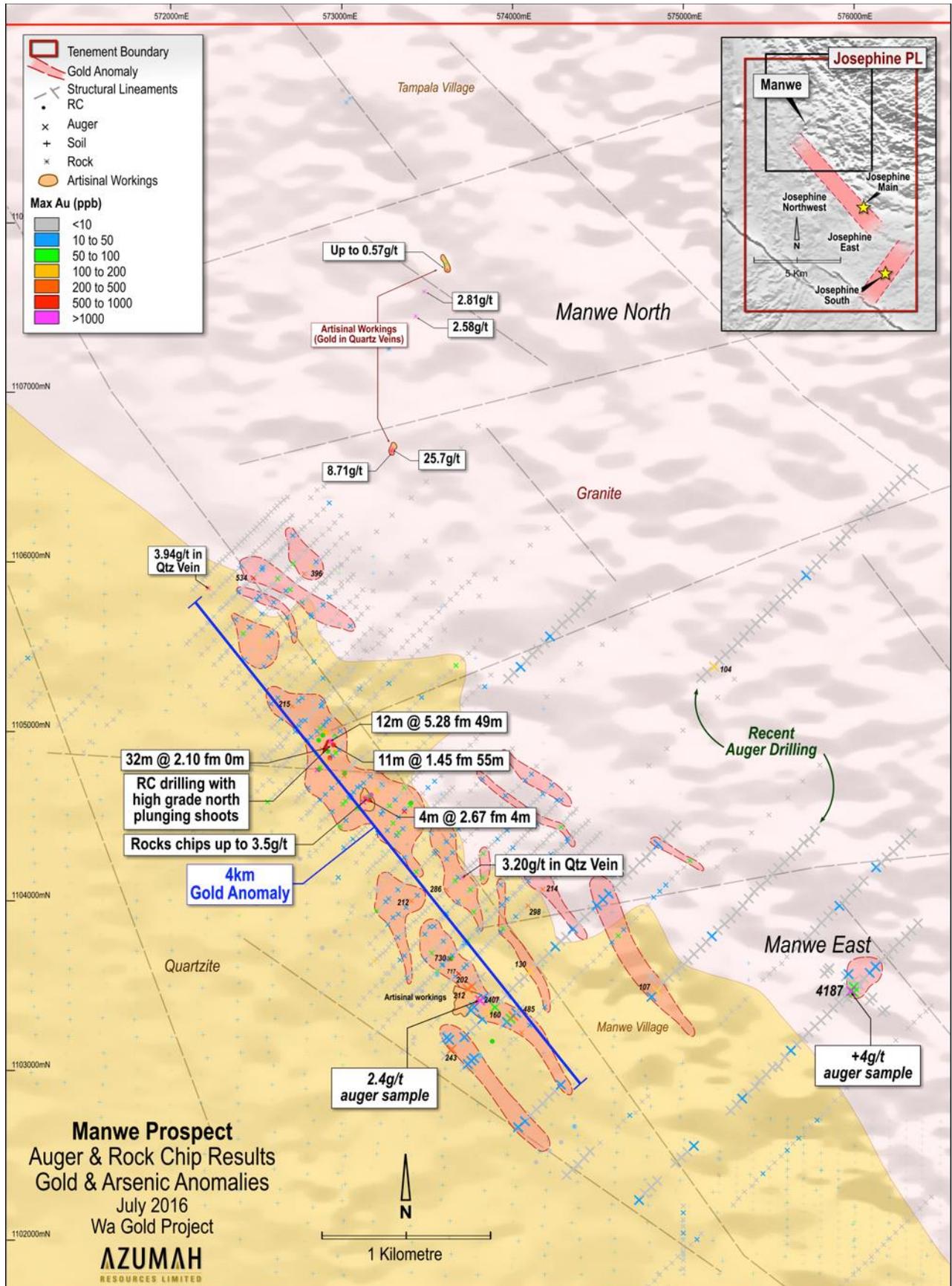


Figure 2: Manwe Area: Multiple Target Zones With Recent Drilling, Auger and Rock Chip Results



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 Danyuwu (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 systematic 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 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 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 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 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)

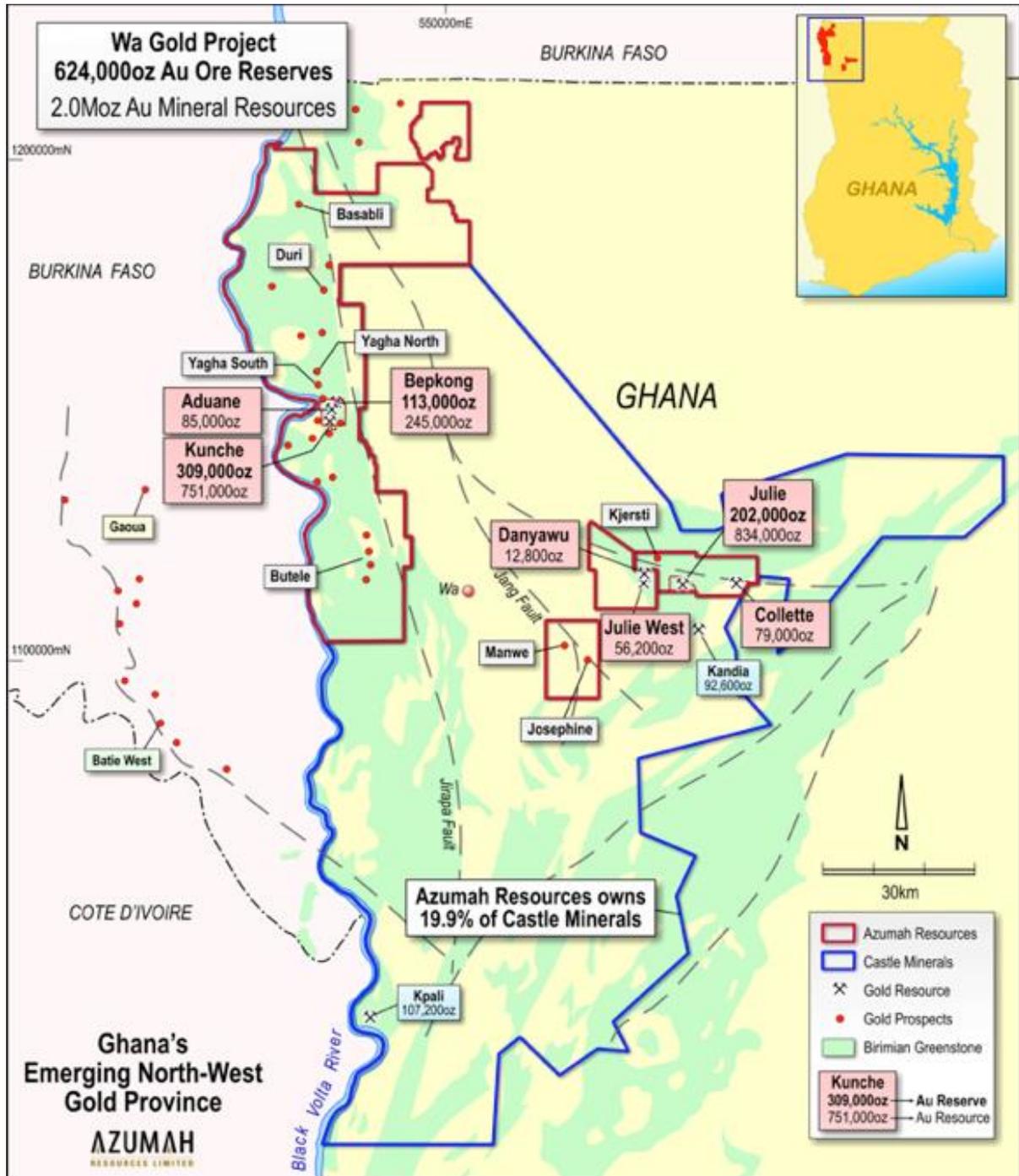


Table 1: Ore Reserves Summary - August 2014

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 2012 - August 2014

Cut-off	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
0.5 g/t Au												
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.

Appendix 1: Wa Gold Project - JORC Code 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	The sampling described in this report refers to samples from power auger drilling and rock sampling. For the Auger drilling, the thickness of the regolith horizons were recorded, with samples from each layer screened with a hand-held XRF analyser in the field. Approximately 1-2kg of sample was collected by scoop from the drill spoil piles from the bottom of

		<p>the hole, which was the interface between the regolith and weathered bedrock. Drill holes which did not penetrate the transported cover were not sampled.</p> <p>The bottom of hole samples from the auger drilling were sent to SGS laboratories in Tarkwa for bleg analysis BLL61N, using cyanide extraction of a 2kg bulk sample with ICP-MS finish, with a detection limit of 1ppb.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information</i></p>	<p>Appropriate quality assurance/quality control (QAQC) protocols were followed, including submission of field duplicates and insertion of commercial standards for all types of sampling.</p> <p>Field duplicates, certified standards and blank samples were inserted at a ratio of 1:50 samples.</p> <p>Sample preparation at the laboratory included:</p> <ul style="list-style-type: none"> • Drying the sample at 105°C for 4 hours. • Crushing the sample to less than -6mm (if required). • Splitting the sample using a riffle splitter. <p>Pulverising the sample for 4 minutes to achieve 85% of sample passing -75µm in grain size.</p>
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	All auger holes were drilled using an Azumah owned and operated Landcruiser mounted power auger fitted with a standard auger blade bit and auger flutes, up which the sample travels to the surface. All auger holes were vertical and targeted the lower saprolite/upper saprock.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Provisions are made to log sample recovery and quality by the geologist on site.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	The trained drilling and sampling crew limit the sample loss and wall contamination through careful rotation of the auger bit and flutes, resulting in acceptable sample recovery and clear differentiation of lithology horizons.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Sample recovery was the same for all samples.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resources</i>	<p>Auger drilling is not used in Mineral Resource Estimation.</p> <p>However, all samples were logged geologically and have been incorporated into the Azumah Resources database.</p>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	All logging was done in a qualitative nature, and photographs taken of all drill spoils.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<p>Auger samples were collected by scoop from the drill spoil piles.</p> <p>Samples were generally dry.</p>
Sub-sampling techniques and sample preparation	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<p>Samples were collected in the field by scoop. The entire sample was sent for analysis, so no sub-sampling was required.</p> <p>Samples were crushed to -6mm and riffle or cone split</p>

		to obtain a representative fraction. Samples were then dried and ground to 85% passing 75 microns using laboratory mills for FAA505 of BLL61N analysis.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QA/QC procedures included insertion of field duplicates and commercial standards for auger and trench drilling. Standards, duplicates and blanks were inserted in every batch (1 per 50 samples). Laboratory QA/QC procedures included: <ul style="list-style-type: none"> • Every 50th sample was screened to check grinding results (% passing 2mm and 75 microns). • 1 reagent blank was inserted every 50 samples, 1 preparation process blank was inserted every 50 samples and 1 weighed replicate was inserted every 50 samples. • 1 preparation duplicate (re-split) every 50 samples and 2 certified reference materials (CRMs) every 50 samples. Repeat analyses are completed whenever an analytical batch fails to meet the laboratory standards or when requested by a client.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling</i>	Duplicate samples are taken for all drilling and trenching. The duplicate versus original sample results is considered satisfactory.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	Sample size is considered appropriate for auger drilling.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The auger programmes were analysed by cyanide extraction of a bulk 2kg sample, with low level Au AAS finish, which is considered appropriate for geochemical sampling.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	All samples were analysed using a hand held Innov-X XRF analyser, however this data is qualitative, and for exploration purposes only and would not be used for Mineral Resource Estimation.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Field QA/QC procedures included the insertion of field duplicates, blanks and commercial standards.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	All assay results were received electronically from the laboratory and digitally merged into the database.
	<i>The use of twinned holes.</i>	Twinned holes are not practised in auger drilling or trenching.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Field data was all recorded as hard copies. Geological logging and sample intervals were recorded in digital form using a logging computer or Excel templates. This data was imported into a SQL database for validation and QC. The analytical data was imported into SQL database with all related metadata and QA/QC information.
	<i>Discuss any adjustment to assay data.</i>	No adjustments were made, other than for values below the assay detection limit. These values have been entered as the negative of the detection limit.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches,</i>	The collar locations of all holes were initially surveyed using a hand-held GPS (accurate to ±2m).

	<i>mine workings and other locations used in Mineral Resource estimation.</i>	
	<i>Specification of the grid system used.</i>	The grid system is WGS84 Zone 30 North.
	<i>Quality and adequacy of topographic control.</i>	The topographic surfaces of all properties were created using a GeoEye image and Digital Surface Model. This was corrected and validated using DGPS drill hole points collected in the field.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	YAGHA: Auger holes were drilled 50m apart, with line spacing of 100m. MANWE: Auger holes were drilled 25m apart, with line spacing of 100m or 25m.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Auger drilling and trenching is not used in Mineral Resource Estimation.
	<i>Whether sample compositing has been applied.</i>	Auger samples were single point samples from the bottom of hole.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The auger fences were designed perpendicular to the targeted structure.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No orientation based sampling bias has been identified in the data based on the interpreted mineralised structures.
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of Custody is managed by Azumah staff (geologists and technicians). Samples are stored on site and delivered to the SGS Laboratory at Tarkwa. Samples submission sheets are in place to track the progress of every batch of samples.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling techniques are consistent with industry good practice. Data was validated by CSA Global during loading into the database. Checks included Depth from, Depth to, sample interval, hole depth and overlapping sample intervals. Any data which failed the checking process is returned to Azumah for validation. Global consistency was also checked at a later stage by plotting holes on sections using the database and reconciling assays against the geology.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	Work programmes in this report are located in the following leases: <ul style="list-style-type: none"> Josephine – PL10/9 Vapor – PL10/12 All license areas are located in the Upper West Region in the north-west corner of Ghana.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenements are in good standing with no known impediments.
Exploration	<i>Acknowledgment and appraisal of exploration</i>	Previous mapping and exploration works were completed by

done by other parties	<i>by other parties.</i>	BHP-Utah (1990's), AGEM (late 1990's) and Semafo (late 1990's). All exploration activities have been completed by Azumah since 2006.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Project covers approximately 70% of the Paleoproterozoic Upper and Lower Birimian units, typically known as the Wa-Lawra greenstone belt, within Ghana. Gold mineralisation occurs as follows:</p> <p>Kunche: Brittle quartz lode/breccia-hosted with higher grade Au mineralisation associated with zones of intense silicification, smokey quartz veins, arsenopyrite and pyrrhotite.</p> <p>Bepkong and Aduane: Increased ductile shearing and dismemberment of quartz veins. Greater than 1 g/t Au mineralisation occurs within translucent quartz veins and arsenopyrite.</p> <p>Julie: Quartz veining and lodes within sheared granodiorite host. Au mineralisation is associated with silicification, pyrite, chalcopyrite, carbonate, sericite and haematite alteration.</p> <p>Collette: Quartz veining with at least 3 orientations. Au mineralisation is associated with silicification, arsenopyrite, pyrite, haematite alteration and glassy translucent quartz veining.</p>
Drill Hole Information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	Multi-element assays and other details of individual auger soil geochemistry samples are not tabulated here, as the information required for understanding and interpreting geochemical results of this type is contained in the maps incorporated into or the text of the announcement, or is not considered anomalous or relevant.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	No average weighting or cut offs have been applied to the data in this report.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	No applicable
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No applicable
Relationship between	<i>These relationships are particularly important</i>	No applicable

mineralisation widths and intercept lengths	<i>in the reporting of Exploration Results.</i>	
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	No applicable
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	No applicable
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to diagrams in body of text.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	The ranges displayed on the maps in this report are considered acceptable for exploration purposes. All relevant exploration data has been included in the maps.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<p>Geochemistry:</p> <p>Surface sampling, mapping and geochemistry were completed by BHP and Azumah.</p> <p>The geochemical database contains data for 51,680 soil samples and 228,673m of combined auguring and AC drilling.</p> <p>Airborne Geophysics:</p> <p>A high resolution aeromagnetic and radiometric survey was completed over the central region of the Wa-Lawra Belt (over the Vapor PL) with line spacing of 100m and sensor height of 40m. The Wa-Lawra Belt geophysical data has been interpreted at 1:100,000 scale by Southern Geoscience Ltd. The processed imagery has provided a base for a new regional geological interpretation.</p> <p>Ground Geophysics:</p> <p>Magnetics: A ground magnetic survey conducted in 2006 was plagued by data acquisition problems and the data were rejected as being of insufficient quality for interpretation.</p> <p>Induced Polarisation:</p> <p>SAGAX Afriques completed a gradient induced polarisation survey (IP) over the Kunche and Bepkong deposits. The anomalies were interpreted to be caused by disseminated sulphides and quartz veining. The IP survey outlined several linear zones with a similar geophysical response, particularly a prominent linear anomaly west of Kunche. Three dominant orientations were interpreted as a dextral reverse shear model.</p> <p>Several other geophysical targets were identified and require drill testing.</p> <p>Metallurgical Test Work:</p> <p>Extensive metallurgical test work has been undertaken on the Kunche, Bepkong and Julie deposits. There has been only minor work completed on Collette and no work on</p>

		<p>Aduane.</p> <p>Metallurgical test work performed on the Kunche, Bepkong and Julie ores has included:</p> <ul style="list-style-type: none"> • Comprehensive head analysis. • Comminution. • Gravity concentration. • Direct cyanide leaching. • Carbon kinetics. • Thickening. • Rheology. • Oxygen uptake. • Cyanide detoxification. • Variability testing. <p>In addition, Julie ore test work has included:</p> <ul style="list-style-type: none"> • Bulk sulphide flotation. • Ultra-fine grinding (UFG) of concentrate. • Cyanide leaching of UFG flotation concentrate and of flotation tailings. • QEM*SCAN® analysis of Julie concentrate products. <p>Collette testing only includes:</p> <ul style="list-style-type: none"> • Gravity concentration. • Direct cyanide leaching. <p>Potential Deleterious Substances:</p> <p>Both Kunche and Bepkong mineralisation contains small quantities of organic carbon, arsenic in the form of arsenopyrite, and other sulphide mineralisation.</p> <p>In general, this does not appear to have a significant deleterious effect on gold extraction. The limited number of Kunche primary variability composites that do exhibit a reduction in extraction have been included in the correlation equation for gold recovery.</p> <p>Preliminary testing indicates the flotation/regrind circuit designed for the Julie primary ore may also benefit some of the Kunche primary ore and further test work is planned on some Kunche primary ore samples.</p> <p>Julie mineralisation contains sulphides which is predominantly pyrite and relatively unreactive. Approximately 35% of the gold is associated with pyrite which can be recovered by flotation and fine grinding of concentrate prior to extraction by cyanide.</p>
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<p>At Manwe, a programme of RC drilling is currently being designed to test mineralisation extent around the recent anomalous results.</p> <p>At Yagha, a programme of AC has been planned to follow up numerous +400ppb auger results.</p>
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer to diagrams in body of text.