

## Rights Issue

- **Non-Renounceable 1-for-5 Rights Issue to raise ~\$2.3M to be fully underwritten by Patersons Securities Limited**
- **Azumah poised to enter new growth phase**

**Azumah Resources Limited (ASX: AZM)** today announced a one (1) for five (5), non-renounceable Rights Issue (to be fully underwritten by Patersons Securities Limited) to raise approximately A\$2.3 million.

The funds raised through the Rights Issue will strengthen the Company's ability to deliver on a variety of initiatives in the coming months at its Wa Gold Project in Ghana, West Africa ('Project').

"The Rights Issue enables shareholders to add to their existing share holdings at a generously discounted and broker fee exempt price at a pivotal point for the Company as it sets out to boost resources and reserves. With the additional support to come from the earn-in deal struck this week with Ibaera, we will be able to accelerate the overall development of the Project" said Azumah Managing Director, Stephen Stone.

The deal with Perth managed Ibaera Capital GP Limited ('Ibaera') will see a two-stage cash injection over two years of up to US\$13.5M (~A\$17M) for up to a 47.5% interest in Azumah's wholly owned Ghana operating company, Azumah Resources Ghana Limited. This structure will limit the dilution that shareholders would normally encounter for a market based raising at the corporate level (refer to ASX release 2 August 2017).

The funds from the Rights Issue will be applied to in-country operating commitments, \$250,000 to complete the acquisition of the Julie West Licence and the high-grade Mineral Resources it hosts, working capital and to maintain balance sheet strength.

### Rights Issue Details

Azumah shareholders are being offered the opportunity to acquire fully paid ordinary shares in the capital of the Company via a non-renounceable Rights Issue.

The Rights Issue is on the basis of one (1) New Share for every five (5) shares held by eligible shareholders registered at 5.00pm (Perth time) on 16 August 2017 (Record Date), at an issue price of \$0.02 per New Share (Offer Price) to raise up to approximately \$2.3 million before costs (Offer).

As at market close on Tuesday 1 August 2017, the Offer Price represents a ~20% discount to the 30-day VWAP on ASX of ~\$0.025 and a 28.5% discount to the last sale price of \$0.028.

Further details of the Offer including how to apply for entitlement and shortfall shares will be set out in a prospectus to be lodged on or about 10 August 2017 with ASIC and made available to all eligible shareholders in accordance with the indicative timetable set out below.

The Offer is to be fully underwritten by Patersons Securities Limited who is acting as Lead Manager and Underwriter to the Issue.

## Indicative Timetable

The proposed Timetable for the Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates including the right to extend the Closing Date.

Announcement Date of Rights Issue	4 August 2017
Lodgement of Prospectus with ASIC	10 August 2017
Lodgement of Prospectus with ASX	11 August 2017
Existing Shares quoted on an "ex" basis	15 August 2017
Record Date for determining Entitlements	16 August 2017
Prospectus despatched to Eligible Shareholders	18 August 2017
Closing Date	1 September 2017
Shortfall notified	6 September 2017
Anticipated date for the issue of New Shares	8 September 2017
Normal trading (on a T+2 basis) commences	11 September 2017

Copies of the Prospectus and Entitlement Forms will be mailed to all Eligible Shareholders in accordance with the timetable set out above.

-ENDS-

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## 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.

## 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.

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)

**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.

## 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.

### 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.