

Activities Report - September 2018 Quarter

West African focused gold explorer and developer, Azumah Resources Ltd (ASX: AZM or 'Azumah') presents its Quarterly Activities Report for the period ended 30 September 2018.

A key development during the Quarter was a 21% or 433,900oz increase to 2.5Moz (49.2Mt at 1.6g/t Au) in Mineral Resources for its Wa Gold Project ('Project') in Ghana (Table 1).

This includes 148,600oz of gold obtained from maiden estimates at several new locations, providing a clear pointer to the highly prospective nature of the Project's extensive tenure and its capacity to deliver new discoveries that can lead to additional Mineral Resources and, subject to economic assessment, incremental Ore Reserves.

The recent increase in Mineral Resources and the strong likelihood of lowering capital and operating costs, has raised expectations for improved Project financial metrics when a planned Feasibility Study progress update, inclusive of an update of Ore Reserves, is released towards the end of 2018.

The Project, which is being sole-funded by and is under the technical management of joint venture partner Ibaera Capital ('Ibaera') remains on-track for a development decision to be made in Q3 2019.

Azumah's Managing Director, Stephen Stone, said **"We are very pleased with the progress being made across all facets of the Wa Gold Project as it moves towards completion of an updated Feasibility Study.**

"During the December 2018 Quarter, shareholders can look forward to a number of investment catalysts including an update on the Project's Ore Reserves, the release of new Project metrics and financials and more drilling results from the many standout targets that we have identified".

HIGHLIGHTS

Exploration and Mineral Resources

- Mineral Resources increased by 21% or 433,900oz to 2.5Moz;
- Total Measured and Indicated Mineral Resources increased by 16% to 1.6Moz at 1.8g/t Au;
- Maiden estimates for the emerging Kunche Northwest, Yagha, Josephine, Manwe and Alpha-Bravo satellite prospects added 148,600oz, with several of these yet to be fully closed-off;
- Julie and Kunche camps continue to deliver with increases of 191,000oz and 95,500oz respectively;
- Completed 476 holes for 4,267m comprising: 20 RC holes for 1,389m at the Butele, A-B-C and Danyawu prospects and 456 auger holes for 2,878m at the Sabal, Butele North and Yagha Southwest targets; and
- New season drilling campaigns to commence very shortly with an emphasis on further uplifts in Mineral Resources and, subject to economics, conversion to Ore Reserves.

ASX & Media Release

30th October 2018

ASX: AZM

www.azumahresources.com.au

Wa Gold Project:

Value

2.5Moz Mineral Resource
2,400km² 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

Contact:

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

Feasibility Study

- Study review progress report indicated likelihood of material improvements to Project development plans, including a higher plant throughput with reduced capital and operating costs;
- An interim Study, Ore Reserves and proforma financials update is on schedule for an end-2018 delivery;
- A fully updated Feasibility Study remains on schedule for a Q3 2019 delivery;
- Meetings held with senior Ghana government representatives to progress Azumah's request for project fiscal concessions; and
- Hosted a site-based meeting and familiarisation tour (19-20 July) with the Chairman and full Committee of Ghana MINCOM, its CEO, other senior government representatives plus the Deputy Australian High Commissioner to Ghana.

Corporate

- Non-executive director, Geoff Jones, retired from the Board and Linton Putland and Debra Bakker were appointed as non-executive directors;
- Retained working capital of ~\$1.9 million at end of the Quarter;
- Held 13.4% (27.7M shares) strategic shareholding in Ghana neighbour, Castle Minerals Limited (~\$0.3 million as at 30 June 2018);
- Continued process to identify additional growth opportunities;
- Attended and presented at the Africa Down Under mining conference held in Perth and hosted a separate investor event at which senior Ghana government officials and Ibaera management representatives spoke; and
- Azumah's Annual General Meeting will be held at the offices of BDO in Subiaco, Perth at 11am on 16th November 2018.

Next Quarter

In the December 2018 Quarter, Azumah expects to:

- Recommence multi-target RC, diamond core, aircore and auger drilling campaigns designed to increase Mineral Resources. Targets to be drilled likely to include depth extensions to the high-grade intercept obtained in KRC831 (44m at 5.37g/t Au from 99m)(refer ASX release dated 8th May 2018);
- Report drilling results from the first of these drilling campaigns;
- Update Ore Reserves, capital and operating costs and other key financial metrics;
- Advance discussions with the Ghana Government on securing material fiscal concessions;
- Finalise applications for EPA licences for the Kunche-Bepkong and Julie Project Mining Licences;
- Progress strategy to secure a new growth opportunity; and
- Attend and present (accompanied by an executive from Ibaera), at the London 1-2-1 Mining Investment and Mines & Money mining conferences in late November 2018. Azumah will also attend and present at the Arlington and 1-2-1 Mining Investment conferences in Capetown in early February 2019, as well as attend the immediately following Mining Indaba conference.

For further information please contact:

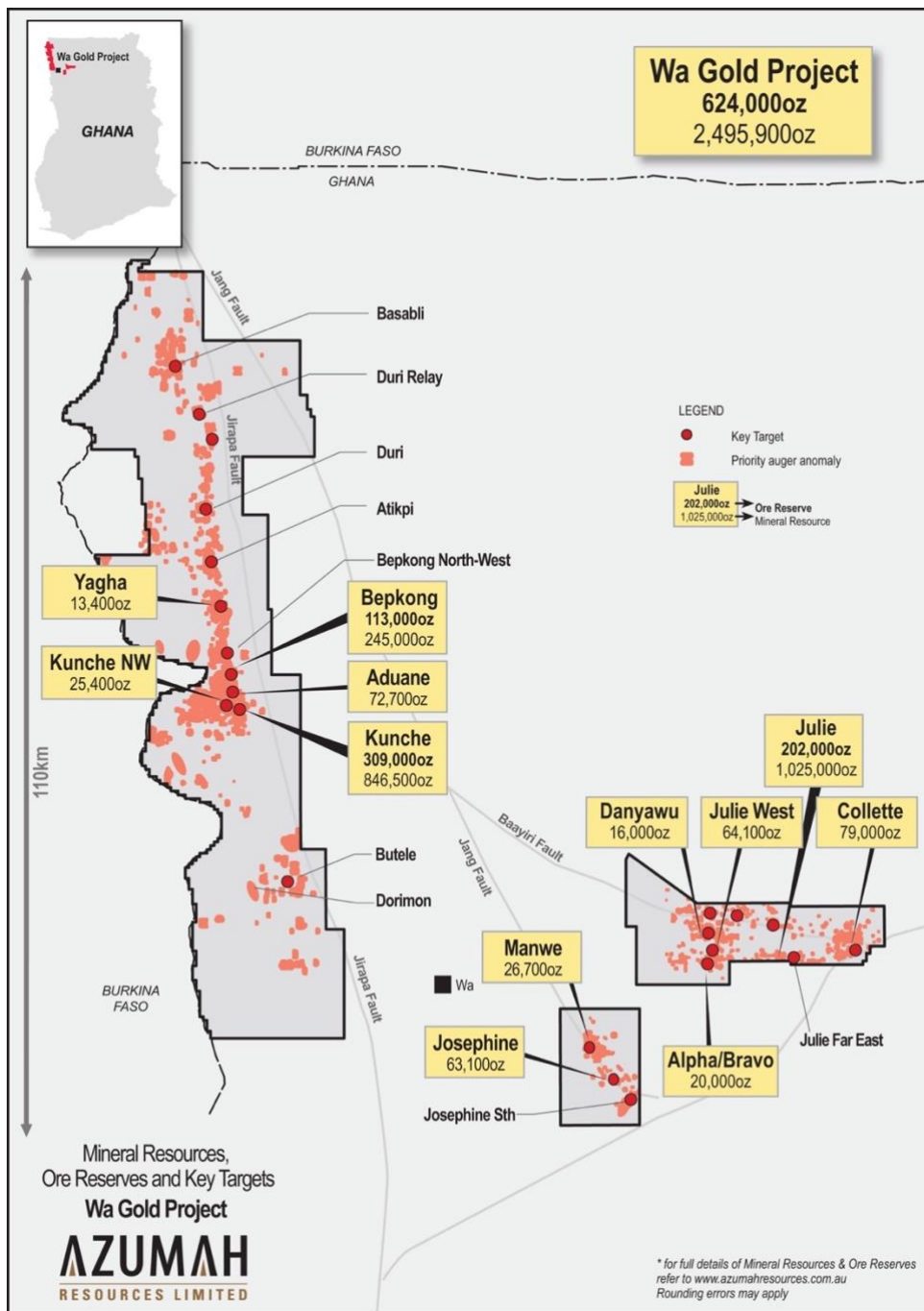
Stephen Stone
Managing Director
Mb 61 (0) 418 804 564
stone@azumahresources.com.au

Peter Harris
Peter Harris & Associates
Mb 61 (0) 412 124 833

Follow us on:



Wa Gold Project: Deposits, Prospects, Mineral Resources and Ore Reserves as at September 2018



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 2,400km² 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 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

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.