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Investment Highlights:

- 754,300oz gold JORC Code-compliant Mineral Resource at Wa Gold Project, NW Ghana
- 100% of 3,100km² licences hosting over 150km of prospective Birimian greenstone belt
- \$6.0m cash to fund aggressive exploration and development programme
- Pipeline of drill-ready targets
- Board and Management team of successful explorers and mining professionals

Issued Capital:

154.1M ord. shares
13.25M unlisted options

Directors & Management:

Executive Chairman:
Stephen Stone

Non-Executive Directors:
Joe Ariti
Michael Ivey

General Manager:
Bernard Aylward

Company Secretary:
Dennis Wilkins

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PRELIMINARY MINING STUDIES INDICATE ROBUST OPERATING MARGINS FOR WA GOLD PROJECT, GHANA

Mineral Resources Approaching Critical Mass for Development

- ▶ Operating surplus of approximately A\$138 million (US\$112 million) generated from Kunche and Bepkong resources ⁽¹⁾
- ▶ 292,000oz of gold recoverable at cash cost of A\$593/oz (US\$483/oz)
- ▶ Forecast production of 4.5 million tonnes at 2.24g/t gold
- ▶ Low life-of-mine strip ratio of 4.2 : 1
- ▶ Scoping Studies underway
- ▶ Substantial drilling programme targeting additional gold resources to commence next month

"Recently completed preliminary open pit optimisation studies for the 100%-owned Wa Gold Project in Ghana confirm that Azumah is a step closer to becoming a gold producer," commented Azumah Executive Chairman, Mr Stephen Stone.

"The studies indicate that a 1.0 million tonne per annum mining operation could recover nearly 300,000oz of gold from the existing Kunche and Bepkong resources, generating an estimated pre-capital, undiscounted operating surplus of A\$138 million." ⁽¹⁾

"On the strength of these robust results, we have commenced Scoping Studies and will accelerate drilling programmes to establish the critical mass of gold resources required to support what would be the first stand-alone commercial gold mining and processing operation in the emerging north west Ghana gold province," he added.

⁽¹⁾ Operating surplus is undiscounted, includes Ghana royalties but excludes project development capital, financing costs and tax outflows.

Azumah Resources Ltd (ASX: AZM) is pleased to report very encouraging results from preliminary open pit optimisation studies undertaken on the **Kunche** and **Bepkong** gold deposits that form part of the Company's 100%-owned **Wa Gold Project** in north west Ghana.

The studies indicate that an operating **surplus of approximately A\$138 million (US\$112 million)** could be generated from a 1.0 million tonne per annum gold mining and gravity / CIL processing operation (see *Tables 1 and 2*). (The operating surplus is undiscounted and includes Ghana royalties but excludes project development capital, financing costs and tax outflows).

The conceptual operation, using conventional excavator and truck mining techniques, would mine a combined **4.5 million tonne Indicated and Inferred Mineral Resource averaging 2.24g/t gold and containing 323,000oz gold** from within the total Kunche-Bepkong Indicated and Inferred Mineral Resource of 12.1 million tonnes at 1.9g/t gold containing 754,300oz (see *Table 3*).

Total cash operating costs are estimated to be A\$593/oz (US\$483/oz) of gold recovered, reflecting the advantages of the close proximity of the Kunche and Bepkong Resources and the ability to access higher-grade, low strip ratio, near-surface oxide mineralisation at an early stage of operations.

Optimisation Details

The preliminary open pit optimisations and concept pit designs (see *Figures 1 and 2*) used to generate production schedules for input into Azumah's preliminary financial model were completed by Perth-based independent mining engineers, Mining Solutions Consultancy Pty Ltd (Perth) ('MSC'), using Whittle Four-X™ and MineSight software.

Operating costs used in the optimisations and financial model were derived from a review by Azumah of publicly and industry available costs based on other West African projects. These costs were validated by MSC and an appropriate degree of conservatism was applied for project location.

No estimate of capital costs has been made at this stage.

Metallurgical test work by Azumah has shown that the **mineralisation at Kunche-Bepkong is non-refractory**. The optimisations utilised gold recoveries of between 86% for primary mineralisation and 93% for oxide mineralisation derived from test work completed at Amdel Mineral Laboratories Pty Ltd, Perth. The average gold recovery for mineralisation extracted from both Kunche and Bepkong is 90.5%. Additional test work is underway on recently acquired representative samples of Kunche oxide mineralisation to provide more detailed information..

Resource Extensions

The recent discovery of the Bepkong resource, located just 2km north of Kunche, provides **considerable encouragement that additional mineralisation might be discovered in the Kunche-Bepkong area**. The Bepkong deposit commences at surface below a thin soil cover but had no associated surface outcrop or artisanal workings before its discovery by Azumah through the drilling of an auger soil geochemistry anomaly.

There are **several untested soil geochemical anomalies and other compelling targets in the Kunche-Bepkong area**, as well as prospects immediately along strike from Kunche-Bepkong. These will be priority targets for a multi-rig, accelerated drilling programme to commence as soon as the seasonal rains end, which is expected in late September. **Drilling will also aim to delineate maiden resources at the recently acquired Julie and Collette prospects** (see *Figure 3*).

Scoping Studies Underway

Scoping Studies have now commenced on the Wa Gold Project which, subject to the discovery and delineation of additional gold resources, could lead to definitive mining plans for the establishment of what would be the first stand-alone commercial gold mining operation in the emerging north west Ghana gold province.

Table 1: Wa Gold Project – Concept Design Production Summary

Combined Kunche and Bepkong Open Pits	
Indicated and Inferred Resource	4.5Mt at 2.24g/t gold
Contained Gold	323,000oz
Recovered Gold	292,000oz
Process Recovery	90.5%
Strip Ratio (waste: ore)	4.2 : 1
Max Depth	Kunche 125m. Bepkong 135m
Total Cost Per Oz Gold Recovered	A\$593 (US\$483)
Revenue Gold Price	US\$900
<p style="text-align: center;">Operating Surplus <i>(Undiscounted. Includes 3% Gov. Royalty. Excludes project development capital, financing costs, tax outflows)</i></p>	A\$138M (US\$112M)

Table 2: Wa Gold Project – Open Pit Optimisation Study Parameters

Throughput	1.0Mtpa	
Total Processing and Admin / Tonne	US\$16.00	
Ore Mining Costs / Tonne	US\$3.50	
Total Throughput Cost / Tonne	US\$19.50	
Mining Costs / Tonne	Ore	Waste
Oxide	US\$2.25	US\$2.05
Transitional	US\$2.45	US\$2.25
Fresh / Primary	US\$2.65	US\$2.45
Metallurgical Recovery	86% - 93%	
Kunche	93%	
Bepkong		
Mining Dilution	10%	
Ore Loss	5%	
Overall Slope Angles	43° oxide, 48° primary	

Figures 1 and 2: Kunche and Bepkong Concept Pit Designs Showing Staged Extraction

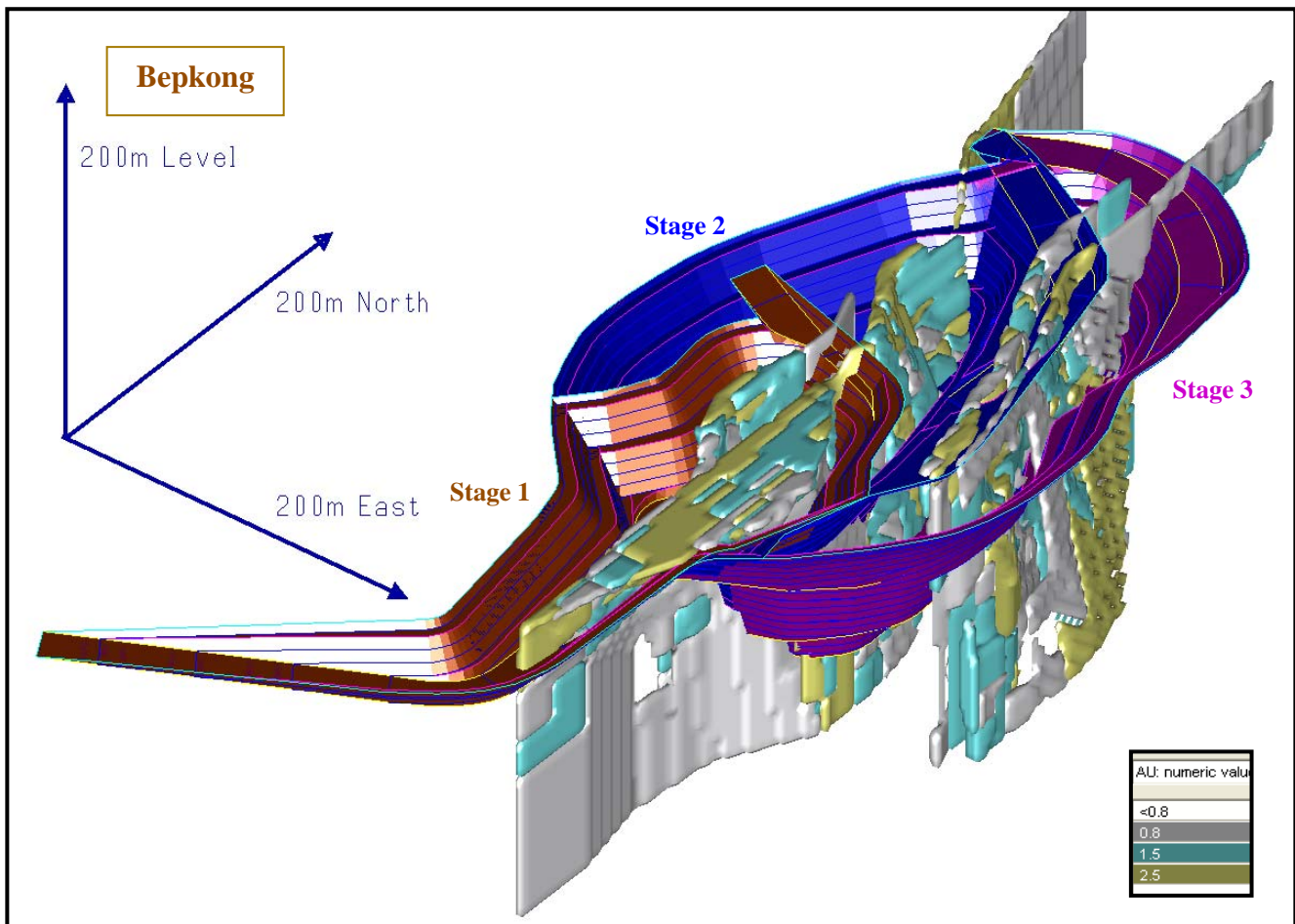
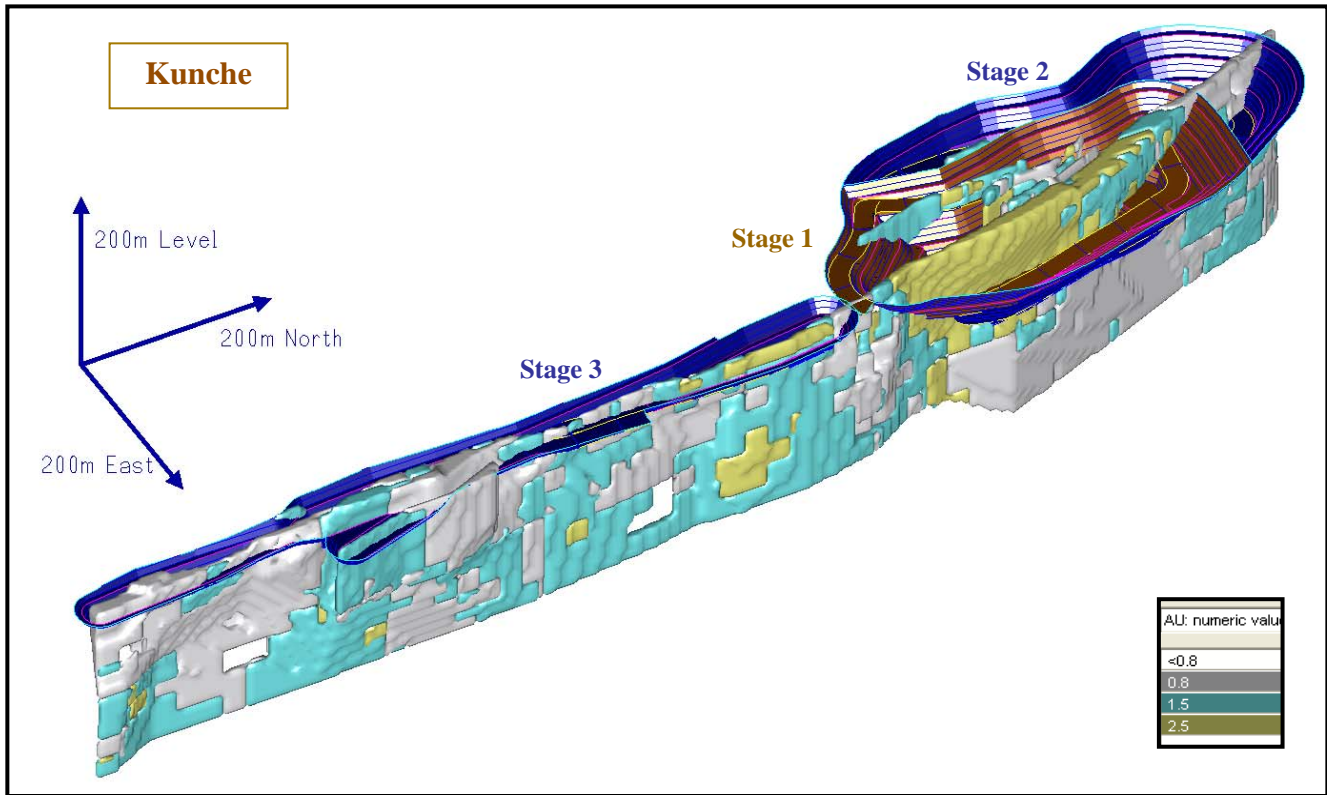


Figure 3: Wa Gold Project

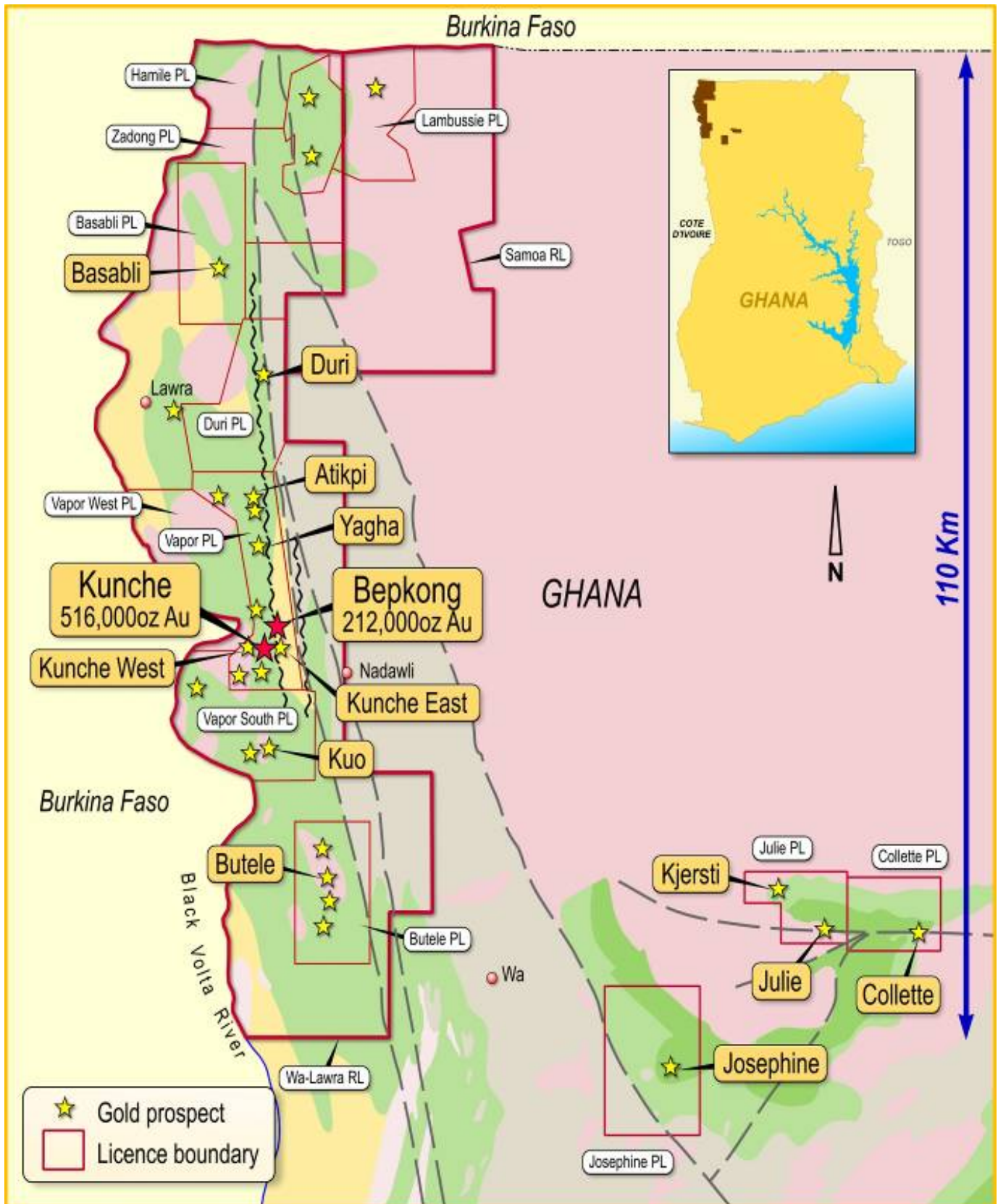


Table 3: Wa Gold Project – Statement of Combined Mineral Resource Estimates

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade g/t Gold	Contained Ounces Gold	Tonnes	Grade g/t Gold	Contained Ounces Gold	Tonnes	Grade g/t Gold	Contained Ounces Gold
Kunche ⁽¹⁾	4,900,000	2.0	318,000	3,600,000	1.7	198,000	8,500,000	1.9	516,000
Bepkong ⁽²⁾	1,040,000	2.5	82,000	1,930,000	2.1	130,000	2,970,000	2.2	212,000
Atikpi ⁽²⁾				350,000	1.4	15,500	350,000	1.4	15,500
Yagha ⁽²⁾				270,000	1.2	10,800	270,000	1.2	10,800
Total	5,900,000	2.1	400,000	6,100,000	1.8	354,300	12,090,000	1.9	754,300

1. Kunche Mineral Resource estimation quoted for blocks with a grade greater than 1.0g/t gold. Differences may occur due to rounding errors. Refer ASX release September 2006 and details on Azumah website. Estimation completed by Resource Evaluations Pty Ltd in September 2006.
2. Bepkong, Atikpi and Yagha Mineral Resource estimations quoted for blocks with a grade of greater than 0.8 g/t gold. Differences may occur due to rounding errors. Estimation completed by CSA Global Pty Ltd in August 2008.
3. Details of the Bepkong Mineral Resource estimation appear in ASX release dated 4th September 2008.
4. Details of the Atikpi and Yagha Mineral Resource estimation appear in ASX release dated 4th September 2008.

END

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The information in this report that relates to Exploration Results is based on information compiled by Mr Bernard Aylward. Mr Aylward is the General Manager of Azumah Resources Limited. Mr Aylward is a Member of The Australasian 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Aylward consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this report that relates to in-situ Mineral Resource estimates is based on information compiled by Mr David Williams, an employee of CSA Global Pty Ltd, geological consultants. Mr Williams is the competent person for the Bepkong, Yagha and Atikpi estimates and takes overall responsibility for these. Mr Williams is a Member of The Australasian 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Williams consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

All notes pertaining to the Kunche resource estimation of September 2006 and the Bepkong, Atikpi and Yagha resource estimation of September 2008 can be found at www.azumahresources.com.au