



Azumah Resources Limited
ACN 112 320 251

Issued Capital:

93M ord shares: 16.25M unlisted options

Directors & Management:

Executive Chairman:
Stephen Stone

Non-Executive Directors:
Joe Ariti
Michael Ivey

General Manager:
Bernard Aylward

Company Secretary:
Dennis Wilkins

Investment Highlights:

- 754,300 JORC Code compliant Mineral Resource inventory at Wa-Lawra Gold Project
- 516,000oz and 212,000oz Indicated and Inferred Mineral Resources at Kunche and Bepkong
- 100%, 2,800km² licences hosting 110km of prospective Birimian greenstone belt
- Pipeline of drill targets
- Management team of successful explorers
- Market capitalisation per resource ounce well below industry benchmark

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SEPTEMBER 2008 QUARTERLY OPERATIONS REPORT HIGHLIGHTS

- ▶ **Completed** maiden Bepkong Indicated and Inferred Mineral Resource estimate of 2.9Mt at 2.2g/t gold for 212,000oz gold.
- ▶ **Increased** total Wa-Lawra Project Mineral Resource estimates by 46% to 12.1Mt at 1.9g/t gold for 754,300oz gold with over 50% in the Indicated category.
- ▶ **Discovered** gold mineralisation at Basabli prospect with drilling returning up to 11m at 2.81g/t gold from 69m (BSRC006).
- ▶ **Continued** metallurgical test work on Kunche prospect primary mineralisation with initial results indicating that over 90% gold recovery can be expected using a conventional process of gravity separation followed by carbon-in-leach (CIL) extraction. Gravity separation expected to recover between 25% and 40% of contained gold.
- ▶ **Raised** \$1.94M through issue of 12,150,000 new shares to Macquarie Bank Limited which became Company's largest shareholder with a 13% interest.

Considerable progress has been made at Azumah's 100% owned Wa-Lawra gold project in north-west Ghana culminating in a **46% increase** in the independently determined, total JORC Code reported Mineral Resource estimate to **12.1Mt at 1.9g/t gold containing 754,300oz** (Table 1).

Of these Mineral Resources, 400,000oz or 53% are in the Indicated category with a weighted average grade of 2.1g/t gold.

Bepkong

The majority of the increase was derived from the Bepkong prospect for which a maiden JORC Code reported Mineral Resource estimate of **2.97Mt at 2.2g/t gold for 212,000oz** was determined (Table 2). This comprises 82,000oz gold in the Indicated category and 130,000oz gold in the Inferred category. Importantly, 77% of the Mineral Resource lies between surface and 120m depth and grades 2.5g/t gold.

Gold is associated with quartz veining and sulphide alteration and appears to form two steeply dipping north-northwest trending, sub-parallel lodes. The Bepkong prospect remains open, particularly at depth and to the north and Azumah is optimistic that well-targeted drilling will result in an increase in Mineral Resources.

Bepkong lies just 2km north of the Kunche prospect in very flat, featureless terrain with no old workings or outcrop. It was discovered in December 2007 by exploration drilling following-up a strong auger soil anomaly. Azumah has completed three drilling programmes at Bepkong with highly focussed targeting advancing the prospect from discovery to a Mineral Resource in just nine months.

Bepkong's discovery substantially elevates the prospectivity of the Kunche-Bepkong exploration area and opens up the possibility for other discoveries of mineralisation with a number of auger derived gold anomalies yet to be tested.

Metallurgy

Initial results from a continuing programme of preliminary metallurgical test work undertaken on samples of primary (unoxidised) mineralisation from the Kunche resource indicate that **recoveries of over 90%** should be obtainable on typical resource-grade Kunche mineralisation **using conventional gold processing technology** comprising gravity separation followed by carbon-in-leach ("CIL"). Importantly, between 25% and 40% of the gold is likely to be recoverable using a preliminary gravity separation phase, which should impact favourably on bottom-line operating costs.

Metallurgical test work is continuing on other Kunche samples and will be extended to include samples of oxidised and primary (unoxidised) Bepkong mineralisation.

Regional Exploration

Basabli

Exploration at the Basabli prospect, 40km north of Kunche, confirmed a new discovery of gold mineralisation in a geological setting similar to the Kunche-Bepkong area.

Basabli is defined by a 4.5km strike auger soil anomaly with results of up to 1.68g/t gold reinforced by wide-spaced aircore drilling including results of up to 40m at 0.12g/t gold (BSAC026).

A follow-up, two stage, wide-spaced reconnaissance aircore and RC drilling campaign returned up to **11m at 2.81g/t gold from 69** (BSRC006), **12m at 1.21g/t gold from 20m** (BSAC068) and **4m at 2.32g/t gold from 4m** (BSAC076).

Work at Basabli is at an early stage and the mineralised zones remain open in all directions.

Kuo

The Kuo prospect, 15km to the south of the Kunche, is very under explored. A wide-spaced, three hole, 258m RC drilling programme was completed targeting strongly altered sedimentary units. The programme returned broad zones of gold anomalism in each drill hole with best results of **3m at 1.24g/t gold from 31m** (KURC001) and **10m at 0.58g/t gold from 16m** (KURC002). **These results are very encouraging** for what is a first-pass test of this prospect and indicate the potential for a new zone of gold mineralisation to be discovered in the area to the south of Kunche.

Basabli, Kuo and several other prospects **considerably reinforce overall expectations for the discovery of new resources** within the broader Wa-Lawra gold project.

Going Forward

In July 2008 Azumah raised \$1.94M through issue of 12,150,000 new shares to Macquarie Bank Limited which became Company's largest shareholder with a 13% interest.

As at the date of this report the Company has approximately \$2.1m of working capital.

Azumah has designed drilling programmes to extend Mineral Resources at Bepkong, to investigate untested targets and anomalies in the Kunche-Bepkong area, to follow-up the encouraging results from recent drilling at the Basabli and Kuo prospects and to test several high-priority ranked soil gold anomalies throughout the 100km strike of Birimian greenstones on Azumah's 100% owned licences.

However, in the present climate of exceptional volatility and uncertainty in global financial markets, Azumah is taking a very cautious and prudent approach to moving its Wa-Lawra Project forward balanced with the need to preserve its existing working capital. It is closely monitoring events in the markets before committing to any of these planned drilling programmes.

A number of low-cost office and field based exploration initiatives are being maintained and metallurgical test-work will continue on other samples of Kunche mineralisation as well as samples of fresh Bepkong mineralisation.

Azumah has very modest overheads. Its executives and most consultants are retained on an as-and-when-required daily remuneration basis with no full-time or long-term contract commitments.

Annual Report

The Azumah 2009 Annual Report is available for review at www.azumahresources.com.au

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Full details of all drilling programmes, results and Mineral Resource estimates (including estimation parameters) can be found in the Company's regular announcements to the ASX – www.asx.com.au All of these announcements are also available on the Company's website at www.azumahresources.com.au

Competent Persons and Forward Looking Statements:

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 Mineral Resource 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.

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 Metallurgical Results is based on information compiled by Mr G V Ariti. Mr Ariti is a metallurgist and Non-Executive Director of Azumah Resources Limited. Mr Ariti 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 Ariti consents to the inclusion in this report of the matters based on his 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 be successfully developed on any of the Company's mineral properties.

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

Table 1: Wa-Lawra 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.

Table 2: Bepkong Indicated and Inferred Mineral Resource Estimate

Category	Weathering Zone	Tonnes	Grade g/t Gold	Contained Ounces Gold
Indicated	Oxide	270,000	3.0	26,000
	Fresh	760,000	2.3	56,000
	Sub-Total	1,040,000	2.5	82,000
Inferred	Oxide	240,000	3.0	23,000
	Fresh	1,700,000	2.0	107,000
	Sub-Total	1,930,000	2.1	130,000
Total		2,970,000	2.2	212,000

1. The Bepkong Mineral Resource estimation quoted for blocks with a grade of greater than 0.8 g/t gold.
2. Differences may occur due to rounding errors.
3. Details of the Bepkong Mineral Resource estimation appear in ASX release dated 4th September 2008.

Fig 1: Wa-Lawra Project – Prospect Locations and Licences

