

ASX / Media Release

ASX Code – AZM

Tuesday 27th July 2010



www.azumahresources.com.au

Investment Highlights:

- 1.1Moz gold JORC Code reported Mineral Resource at Wa Gold Project, NW Ghana
- 100% of 3,100km² licences hosting over 150km of prospective Birimian greenstone belt. Less than 10% explored
- Feasibility Study underway for multi-pit 1.0Mtpa mining and gravity / CIL operation
- Large pipeline of drill-ready targets
- Aggressive multi-rig exploration programs focused on resource inventory increase
- Board and management team of successful explorers, mining and corporate professionals

Issued Capital:

214.40M ord. shares
12.50M unlisted options

Directors & Management:

Chairman:
Michael Atkins

Managing Director:
Stephen Stone

Non-Executive Director:
Geoff M Jones

Project Study Manager:
Alan Thompson

Company Secretary:
Dennis Wilkins

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OPERATIONS REPORT- JUNE QUARTER 2010

WA GOLD PROJECT, NORTH WEST GHANA

HIGHLIGHTS

Wide zones of ore-grade mineralisation confirmed at depth at Collette

- 6m at 8.69g/t gold from 114m, and
- 4m at 6.20g/t from 75m

- ▶ Completed +70,000m drilling to date in 2010 - on track to exceed 100,000m drilling target in 2010
- ▶ Approved 250,000m drilling program for 2010 – 2011
- ▶ Confirmed likelihood of eastern extensions to 350,100 ounce gold Julie resource. RC intercepts included:
 - 3m at 30.19g/t gold from 4m,
 - 3m at 13.87g/t from 4m, and
 - 2m at 81.35g/t from 32m
- ▶ Intersected new zones of anomalism immediately north of Kunche deposit
- ▶ Intersected new zones of mineralisation approximately 300m south of main Bepkong optimised pit. RC intercepts included:
 - 6m at 8.98g/t gold from 58m,
 - 5m at 2.98 g/t gold from 90m, and
 - 8m at 4.06g/t gold from 36m
- ▶ Confirmed high-grade gold in a recently identified, north-south trending quartz vein intersecting the main 6km east-west Julie trend. Intercepts included:
 - 3m at 13.87g/t gold from 4m
 - 3m at 30.19g/t gold from 7m, and
 - 2m at 81.35g/t gold from 32m
- ▶ Commenced Azumah's first RC and aircore drill programs at Kjersti prospect
- ▶ Completed ground geophysical IP survey at Kunche-Bepkong - several new untested targets identified
- ▶ Commenced 20,000 line km, high-resolution aeromagnetic geophysical survey to provide important targeting and prospect ranking information
- ▶ Completed Feasibility Study Concept Stage on schedule. Lycopodium Limited appointed to complete process and infrastructure components

"This surge of strong exploration results places Azumah in excellent stead to increase its current 1.1 million ounce gold resource at the Wa Gold Project, for which it is fast-tracking a feasibility study to establish a stand-alone operation in early 2012," said Azumah Managing Director Stephen Stone.

Azumah Resources (ASX:AZM) is pleased to report the completion of an extremely active June Quarter during which it drilled a combined 43,586m of aircore, RC and diamond core. Drill programs were primarily designed to boost resources above the 1.1 million ounces level already delineated at its 100% owned, 3,100km² Wa Gold Project, north west Ghana (*Figures 1, 2 and 3. Tables 1 & 2*).

Azumah has already drilled some 70,000m and is well on track to exceed its drilling target of 100,000m for 2010.

The Azumah board has recently approved a 250,000m drilling programme for the year to June 30th 2011, including the drilling required to move current resources into the JORC reported reserve category.

Collette Drilling

The latest round of drilling completed at the eastern flanks of the 4km east-west trending Collette prospect returned some excellent intersections and importantly has demonstrated that the mineralised system at Collette continues at depth. Best intercepts include:

- 3m at 5.66g/t gold from 105m and 6m at 8.69g/t gold from 114m (ACORC088)
- 4m at 6.20g/t gold from 75m (ACORC124)
- 14m at 1.53g/t gold from 29m (ACORC108), and
- 8m at 1.85g/t gold from 66m (ACORC121)

These results - comprising 1m sample split assays from drilling completed in late May - support Azumah's evolving geological model for Collette. This model predicts higher grade gold zones occurring where mineralised, north east – south west trending veins intersect mineralised east – west trending veins.

With this in mind, Azumah has just completed a further 25 RC drill holes for 2,325m at the eastern flanks of the Collette structure. Final assay results from this program are expected in a few weeks and, along with the results reported above and from previous drilling (*refer ASX release dated 28th May 2010*), will be included in the Collette maiden resource estimation now underway.

The 'intersection' zones present excellent targets for the discovery and delineation of relatively high-grade, high-margin, near-surface open-pit resources and Azumah's geologists are presently working to identify others along the Collette and Julie structures.

Azumah has also just completed to the south of Collette an aircore reconnaissance drilling program to test an interpreted north east – south west trending structural zone with evidence of mineralisation provided by several historical RAB drill holes (including **2m at 6.38g/t gold from 16m** and **9m at 1.17g/t gold from surface**), scattered artisanal workings and anomalous soil geochemistry. Results are pending.

Operations Summary - contd

In addition to its work at Collette, Azumah has undertaken considerable other activities during the June Quarter 2010. It has:

- ▶ **Completed** an extensive 44,615m multi-target drilling campaign that comprised 813m of diamond coring, 14,342m of RC and 29,460m of air core drilling.

For the current calendar year, the Company has already **completed some 70,000m of drilling** so is well on track to exceed its 100,000m target, representing one of the largest undertaken by any junior explorer operating in West Africa.

The Azumah Board has recently approved a 250,000m drilling program for the year ended June 30, 2011. This includes the drilling required to convert existing resources into JORC Code reported reserves ahead of the commencement of production planned for early 2012.

- ▶ **Identified** new zones of anomalism immediately north of the flagship **Kunche** 516,000 ounce gold deposit. Intercepts included:
 - 8m at 1.91g/t gold from 45m (KRC202), and
 - 5m at 1.59g/t gold from 60m (KRC205)

Subsequent wide-spaced, shallow depth, follow-up reconnaissance aircore drilling in this still relatively untested area returned strong down hole gold anomalism in several drill holes of up to 32m at 0.56g/t gold from 12m (including 8m at 1.02g/t gold from 8m - KBRB639 - 4m composited samples). These results will be followed-up with RC drilling.

- ▶ **Identified** strong evidence of new mineralisation some 300m south of the perimeter of the preliminary **Bepkong** pit outline. The best intercept returned was:
 - 6m at 8.98g/t gold from 58m and 5m at 2.98 g/t gold from 90m (BRC121)

Follow-up RC drilling subsequently confirmed a north-south trending, steeply dipping, vein hosted zone of mineralisation (*refer ASX release dated 6th July 2010*) with best intercepts of:

- 8m at 4.06g/t gold from 36m (BRC157)
 - 4m at 3.03g/t gold from 28m (BRC154), and
 - 12m at 1.67g/t gold from 24m (BRC155)
- ▶ **Confirmed** high-grade gold in a recently identified, north-south trending quartz vein intersecting the main 6km east-west **Julie** structure which hosts the 350,000 ounce gold Julie resource (*refer ASX release dated 28th May 2010*). Best intercepts included:
 - 3m at 13.87g/t gold from 4m (AJRC080)
 - 3m at 30.19g/t gold from 7m (AJRC084), and
 - 2m at 81.35g/t gold from 32m (AJRC084)
 - ▶ **Completed** an extensive first pass reconnaissance aircore drilling campaign in the vicinity of the 11km east-west trending **Kjersti** structure which has similar geological characteristics to the Julie and Collette targets. Results are pending.
 - ▶ **Completed** a six-hole, two-fence RC drilling program targeting galamsey workings at the Kjersti prospect area. Four grab samples from two stockpiles of laminated quartz vein material at the Kjersti West galamsey workings returned up to 42g/t gold.
 - ▶ **Obtained**, from a 12km² IP ground based geophysical survey covering much of the Kunche – Bepkong district, good benchmark responses over known mineralisation at the Kunche-Bepkong deposits and similarly good responses over several other areas that have received little geological attention.
 - ▶ **Commenced** a 20,000 line kilometre, high-resolution (*100m traverse spacing. 40m survey height*) aeromagnetic and radiometric geophysical survey. It is being flown over the majority of Azumah's Vapor prospecting licence, which encompasses the Kunche and Bepkong deposits as well as over the Julie, Collette and Josephine prospecting licences.
 - ▶ **Commenced** a major expansion of the Company's Ghana based exploration team.

Feasibility Study

- ▶ **Completed** the Concept Phase of the Wa Gold Project Feasibility Study on schedule and, following an assessment of several competing submissions, appointed engineers Lycopodium Limited to complete the process and infrastructure components of the full Feasibility Study.

Feasibility level metallurgical test work is well underway and Azumah remains on track to substantially complete the Feasibility Study by the end of 2010. It is based on a multi-pit mining operation and the construction of a gravity / CIL gold recovery plant to be located close to Azumah's adjacent 516,000-ounce Kunche and 212,000-ounce Bepkong gold deposits. The operation is being designed to produce an initial 70,000 ounces of gold a year with plans to expand annual production to over 100,000 ounces.

Corporate

- ▶ At the end of the June Quarter 2010 Azumah had cash on hand of **\$14.1M** and **214.4M fully paid shares** on issue.
The substantial increase in working capital reflects the completion in June of an **A\$11.6 million capital raising** at a price of A\$0.40 per share (*refer ASX release dated 28th May 2010*) to mainly North American and Australian institutional investors. Importantly, this issue substantially broadens Azumah's shareholder base and introduces the Company to the important North American markets, which are active supporters of West African gold explorers and producers.
- ▶ The Company held a General Meeting of shareholders on 18th May to consider a number of resolutions relating to the ratification of a prior issue and allotment of new shares, the issue of performance based options to Directors and the adoption of an Option Incentive Plan. All resolutions were approved by shareholders.

Next Quarter

During the September Quarter 2010 the Company is expecting to:

- ▶ **Complete** a maiden resource estimate for the Collette Prospect;
- ▶ **Report** results from RC drilling at Bepkong West, Collette and Kjersti;
- ▶ **Report** results from aircore drilling at Kunche south and west, Collette south west and Kjersti;
- ▶ **Process** data from the current aeromagnetic and radiometric surveys and identify new targets;
- ▶ **Interpret** data and identify new targets from the recently completed ground geophysics induced polarization survey; and
- ▶ **Continue** to advance the Wa Gold Project Feasibility Study

Full details of the above and the original releases to the ASX upon which they are based (inclusive of all associated figures and tables) are available at www.asx.com.au or from Azumah's website at www.azumahresources.com.au.

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Figure 1: Azumah's Extensive Licence Position in Ghana's Emerging North West Gold Province

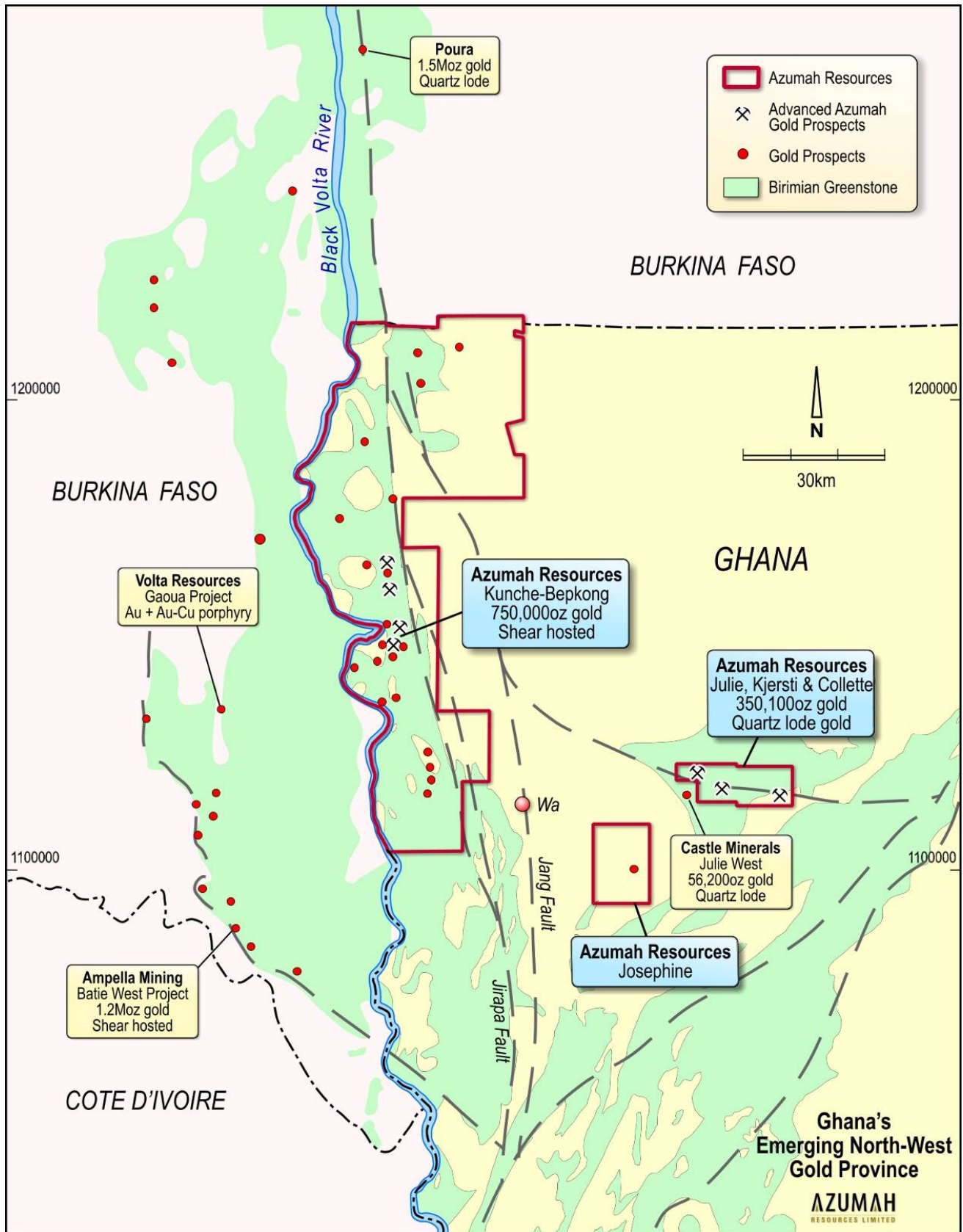


Figure 2: Collette Prospect – Latest Drilling and Intercepts

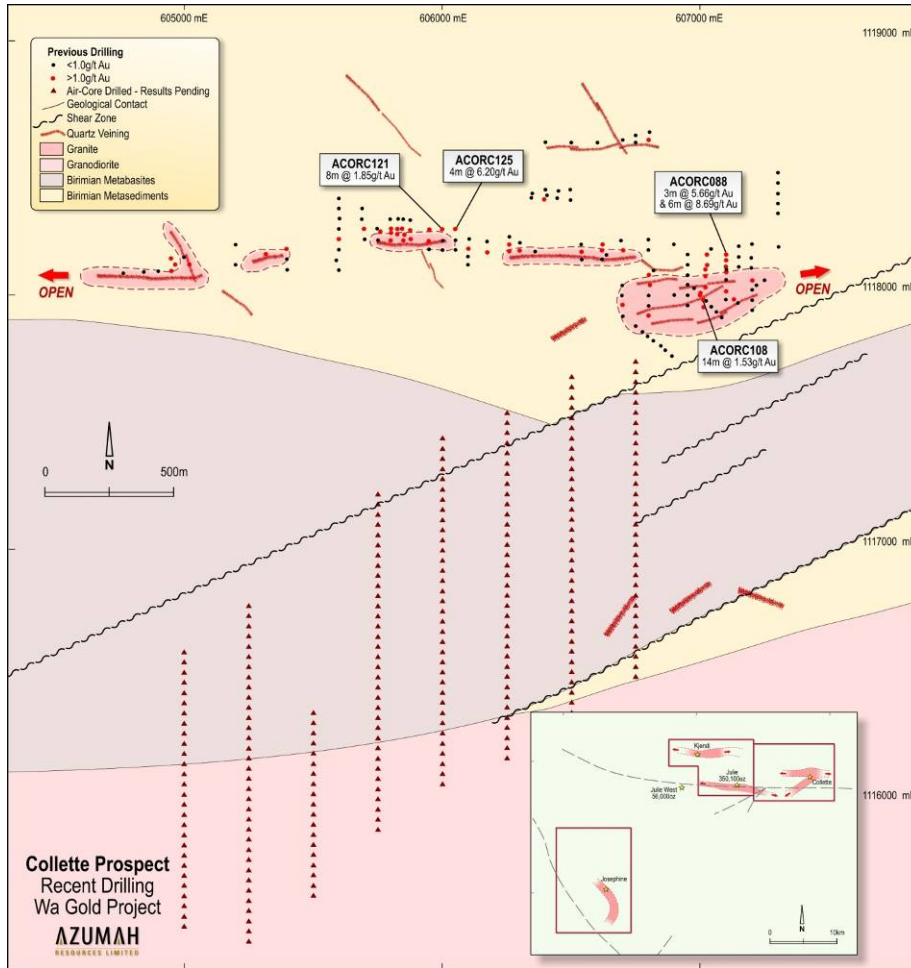


Figure 3: Julie, Collette, Kjersti and Josephine Prospects

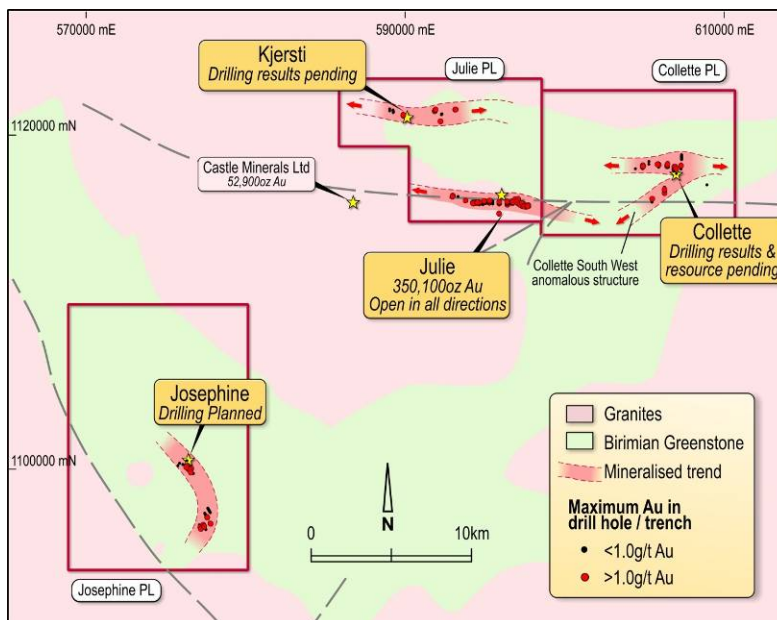


Table 1: Collette Prospect – RC Drilling Results – July 2010

Hole ID	Easting	Northing	RL	Dip	Azi	Hole Depth (m)	From (m)	To (m)	Intersect (m)	Grade g/t Au
ACORC083	606951	1118000	230	-50	180	66	34	35	1	1.16
ACORC085	606950	1118081	224	-50	180	100	24	26	2	1.02
							68	69	1	1.52
							85	86	1	2.20
ACORC086	606948	1118121	221	-50	180	142	80	81	1	2.46
ACOEC087	606950	1118159	219	-50	180	162	92	93	1	1.17
							94	95	1	1.00
ACORC088	607021	1118118	218	-50	180	120	105	108	3	5.66
							114	120	6	8.69
ACORC089	607025	1118165	218	-50	180	160	26	27	1	2.02
							102	103	1	1.04
ACORC090	607104	1118163	225	-50	180	160	97	99	2	1.92
							102	103	1	1.01
							106	107	1	1.35
ACORC096	607201	1118060	217	-50	180	80	46	47	1	4.13
ACORC107	606976	1118027	226	-50	140	65	56	57	1	1.05
							61	62	1	1.09
							63	64	1	1.16
ACORC108	606999	1118001	223	-50	140	72	29	43	14	1.53
						incl	35	39	4	2.64
ACORC110	607043	1117956	222	-50	140	65	26	28	2	1.85
ACORC121	606002	1118261	222	-50	180	96	66	74	8	1.85
ACORC122	606000	1118215	223	-50	180	80	60	62	2	2.86
ACORC124	606049	1118261	222	-50	180	90	68	69	1	2.30
ACORC125	606051	1118218	224	-50	180	80	75	79	4	6.20
ACORC127	606801	1118080	230	-50	180	66	11	13	2	1.21
							31	41	10	1.30
ACORC128	606841	1118079	243	-50	180	65	5	6	1	1.16
ACORC131	606623	1118203	225	-50	180	70	40	41	1	2.87
ACORC133	606702	1118142	228	-50	180	60	9	10	1	2.36
ACORC135	606959	1117956	228	-50	140	66	41	42	1	1.05

Notes: All intersections based on 1m riffle split RC sample. Intersections selected are based on a 0.50g/t gold lower cut-off, no upper-cut applied and maximum 4m internal dilution. Sample analysed by 50gm Fire Assay method, SGS Tarkwa. Drill hole collars are located by GPS with accuracy + 5m. RC drill holes are down hole surveyed on a 30m interval.

Table 2: 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	4,900,000	2.0	318,000	3,600,000	1.7	198,000	8,500,000	1.9	516,000
Bepkong	1,040,000	2.5	82,000	1,930,000	2.1	130,000	2,970,000	2.2	212,000
Julie	3,438,000	2.2	246,000	1,489,000	2.2	104,000	4,927,000	2.2	350,100
Atikpi				350,000	1.4	15,500	350,000	1.4	15,500
Yagha				270,000	1.2	10,800	270,000	1.2	10,800
Total	9,378,000	2.1	646,000	7,639,000	1.9	456,300	17,017,000	2.0	1,104,400

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 Runge Limited (previously Resource Evaluations 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. Julie Mineral Resource estimate quoted for blocks with a grade greater than 1.0g/t gold. Differences may occur due to rounding errors. Estimation completed by CSA Global Pty Ltd in March 2010.
4. Details of the Bepkong Mineral Resource estimation appear in ASX release dated 4th September 2008.
5. Details of the Atikpi and Yagha Mineral Resource estimation appear in ASX release dated 4th September 2008.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Stephen Stone. Mr Stone is the Managing Director of Azumah Resources Limited. Mr Stone 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 Stone 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 for Bepkong, Yagha and Atikpi 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.

The information in this report that relates to in-situ Mineral Resource estimate for Julie is based on information compiled by Mr Stephen Hodgson, an employee of CSA Global Pty Ltd, geological consultants. Mr Hodgson is the competent person for the Julie estimate and takes overall responsibility for this. Mr Hodgson is a Member of The Australian Institute of Geoscientists 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 Hodgson 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 presentation that relates to Mineral Resources at the Kunche Project is based on a resource estimate that has been audited by Mr Paul Payne, who is a full time employee of Runge Limited. Mr Payne 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 Payne consents to the inclusion in the presentation of the matters based on information in the form and context in which it appears.

Forward Looking Statement

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 Mineral Resource estimation of September 2006, the Bepkong Mineral Resource estimation of September 2008 and the Atikpi and Yagha Mineral Resource estimation of September 2008 can be viewed at www.azumahresources.com.au