

## New High-Priority Targets To Drive Azumah's Exploration Push

### ASX & Media Release

ASX Code – AZM

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[www.azumahresources.com.au](http://www.azumahresources.com.au)

### Investment Highlights:

#### Wa Gold Project:

- Feasibility Study Completed
- 2.1Moz Mineral Resource including 1.4Moz (67%) Measured & Indicated
- 624,000oz Ore Reserve at 2.14 g/t Au
- Initial 7yr mine-life at ~90,000oz pa
- Excellent Infrastructure (grid power, water, established roads, airport)
- Mining Leases granted
- Exploration licenses of 2,400km<sup>2</sup> with >150km strike of prospective Birimian terrain.
- 16.5% strategic investment in Ghana neighbour, Castle Minerals Limited (~10,000km<sup>2</sup>)
- Board and management team of successful explorers, mining and corporate professionals

#### Issued Capital:

559.82M ordinary shares

#### Directors & Management:

Chairman:  
Michael Atkins

Managing Director:  
Stephen Stone

Non-Executive Directors:  
Geoff M Jones  
Bill LeClair

Company Secretary:  
Dennis Wilkins

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- CSA Global targeting study to underpin next round of exploration campaigns, commencing post-seasonal rains
- 18 very high-priority and 32 high-priority within a total of 140 target areas
- Majority of target areas ready for initial low-cost auger and aircore drill testing and subsequent RC testing
- Near-term strategy to lift Mineral Resources to >3Moz and Ore Reserves to >1Moz

Azumah Resources Ltd (ASX: AZM) has received an updated targeting study from geological consultants CSA Global Pty Ltd (CSA) that has confirmed 18 very high-priority and 32 high-priority target areas within a total of 140 at the Company's 2,400km<sup>2</sup> Wa Gold Project in Ghana, West Africa. Thirty-eight of the target areas are totally new.

The study will underpin Azumah's post-seasonal rains exploration push to increase Mineral Resources to over 3.0Moz and Ore Reserves to over 1Moz gold.

Azumah's Managing Director, Mr Stephen Stone, said the CSA study and its exceptionally large number of priority target areas confirmed his view there remains considerable opportunity to take the Wa Gold Project to the next level.

"Whilst we have sufficient Ore Reserves to firmly underpin a seven-year, 100,000oz per year gold mining operation with robust operating margins, we recognise the need to increase Ore Reserves to reduce the establishment capital cost assigned to each reserve ounce and to enhance overall project metrics," said Mr Stone.

"Given what we can already see, our excellent track record of discovery plus our enviable regional-scale footprint of prospective Birimian geological terrain, we are confident in our ability to grow resources and reserves," he said.

For the past ten years CSA has regularly peer reviewed and provided various specialists to the Project on short and longer term assignments. Over this period Azumah has steadily built a 2.1Moz Mineral Resource from a virtually nil position. It has applied a tenacious and systematic approach to exploration in what is a largely soil, alluvium or laterite obscured terrain. Over 60% of the resource lies in the Measured and Indicated Mineral Resource category.

The Company has amassed a considerable body of geological information across several major datasets. This most recent review and gap analysis by CSA sought to integrate and interrogate these datasets using the latest geological intelligence, multi-disciplinary interpretive and data processing techniques.

A particular focus was directed towards reinterpreting the structural controls and their sequencing and then determining which of these are associated with mineralising events. This revised structural framework has generated many new target areas and seen a number of others upgraded.

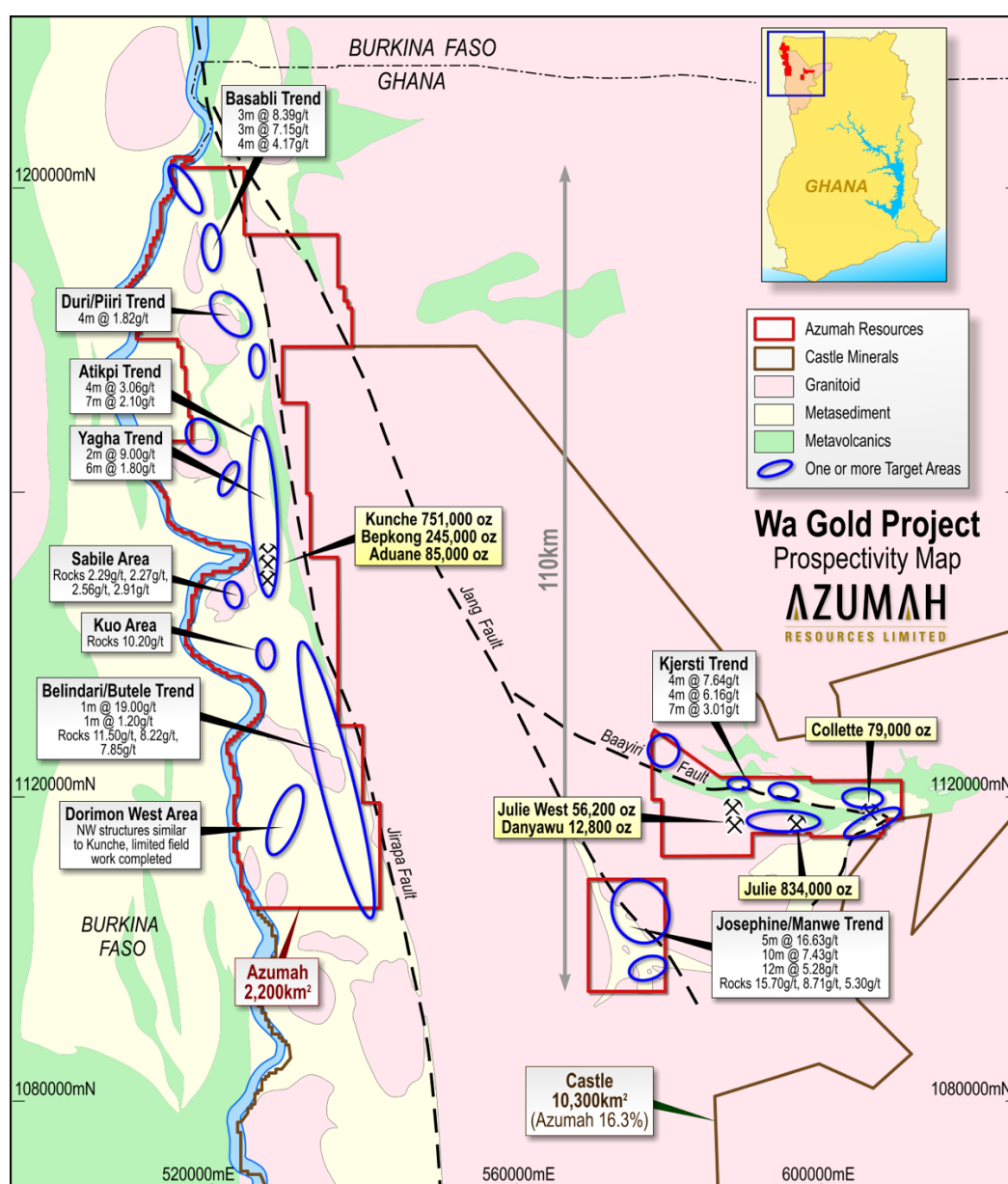
The study also highlighted the benefits of applying to target identification and ranking the latest litho-geochemical ‘fingerprinting’ techniques. This will use the considerable multi-element geochemical data that Azumah has been routinely collecting but until now underutilising. A number of chemical elements or combinations of these have been identified as possible ‘pathfinders’ to mineralisation.

The study has also referenced broader scale outputs from the long-term, multi-client, private-publicly funded WAXI (West African Exploration Initiative) programme of which Azumah has been a key sponsor. An additional contribution has been from Azumah sponsored doctorate research at the University of Toulouse undertaken by the Company’s Ghanaian senior geologist, Mr Prince Amponsah.

In recent months, and prior to the recent CSA study, Azumah successfully tested many geochemical anomalies generated using its own carefully targeted auger drilling campaigns. Several ‘blind’ intersections of primary sulphide mineralisation have been made which confirm the veracity of Azumah’s targeting approach as well as indicating that additional resources will be delineated in the near-term (refer ASX releases dated 24 May 2017, 2 March 2017 and 12 December 2016).

Azumah is looking forward to systematically testing its new and extensive array of priority targets, initially using low-cost auger or aircore drilling, followed by RC drilling as warranted.

### Wa Gold Project: Outline of high-priority targets areas (with selected historical intercepts) generated by 2017 CSA Targeting Study



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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.

## 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.

## 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**

	Proved		Probable		Total		Gold To Mill
(As at August 2014)	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**

	Measured			Indicated			Inferred			Total		
Deposit	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.

### 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.