

Activities Report

March 2019 Quarter

West African focused gold explorer and developer, Azumah Resources Ltd (ASX: AZM or 'Azumah') presents its Activities Report for the Quarter ended 31 March 2019 and in particular developments at its Wa Gold Project, Ghana ("Project")(Figures 1 to 4. Tables 1, A and B).

Several landmark achievements were delivered:

1. a 1.0Moz Ore Reserve and an update on the progress of the Feasibility Study confirming a financially robust, plus-100,000 ounce per annum, initial 11-year open-pit mining operation and 1.6-yr payback of establishment capital (ASX release 30 January 2019);
2. the confirmation of the discovery of the substantial Bepkong East Lode mineralised system (ASX release 19 January 2019); and
3. the extension of the Bepkong East Lode mineralisation to 580m below surface (ASX release 9 April 2019).

Bepkong now comprises a substantial volume of mineralisation containing several high-grade zones with excellent continuity. None of this is included in the Company's 2.5Moz Mineral Resource, the 1.0Moz Ore Reserve or the Feasibility Study.

Drilling has recently shifted to the larger Kunche deposit, 2km south of Bepkong, with a similar objective of investigating for much deeper mineralisation.

The Company's mining engineers have commenced a high-level evaluation of the merits of declining down from the planned base of the Bepkong open-pit and mining the deeper mineralisation from underground. If shown to be viable, this could add even more value to the proposed development project.

Whilst drilling in the vicinity of and below currently defined deposits presents the best opportunity to rapidly add Ore Reserves to the Project, the Azumah-Ibaera joint venture has continued to aggressively test its pipeline of high-priority brownfields and regional exploration targets within its vast, prospective, regional-scale tenure in order to continue to grow resources and reserves.

The Project, which is currently being sole funded and is under the technical management of joint venture partner Ibaera Capital ("Ibaera"), remains on-track for finalisation of the Feasibility Study update in Q3 2019.

It is now well primed to be Ghana's next commercial-scale gold mine, with mining leases already granted, EPA permits well advanced, grid power installed to site and the strong support of the Ghana government with whom a stability agreement and fiscal concessions are being discussed.

Azumah's Managing Director, Stephen Stone, said **"The March Quarter saw several landmark achievements at the Wa Gold Project including an increase in Ore Reserves to 1.0 million ounces, confirmation of robust financial returns from a plus-100,000 ounce per annum, initial 11-year operation and the confirmation, and subsequent extension to 580m below surface, of the high-grade Bepkong East Lode mineralisation.**

"The Feasibility Study is on-track for finalisation in Q3 2019 and it is important to emphasise that at this stage the Bepkong East Lode mineralisation is not included in that or the Project's 2.5 million ounce Mineral Resource and there are also several other opportunities to grow the Project and enhance returns".

ASX & Media Release

24 April 2019

ASX: AZM

www.azumahresources.com.au

Wa Gold Project:

Value

2.5Moz Mineral Resource
1.0Moz Ore Reserve
Advanced Feasibility Study
2,400km² fertile terrain

Upside

Growing resources and reserves
Widespread anomalism
Numerous priority targets

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

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HIGHLIGHTS

FEASIBILITY STUDY AND ORE RESERVE RE-ESTIMATION UPDATE

- 65% increase in Ore Reserve to 1,028,200oz (18Mt at 1.77g/t Au)
- Feasibility Study well advanced. Present status:
 - US\$177M NPV_{5%} and 35% IRR (Pre-tax. Post gov. royalty);
 - US\$270M net cash flow (Pre-tax. Post government royalty);
 - 1.6-year payback of initial US\$117M establishment capital;
 - 11-year operation, averaging 107,000ozpa (years 1 to 6);
 - 2.06g/t Au average process grade (years 1 to 8);
 - CIL plant of up to 2.3Mtpa (oxide ore); and
 - Establishment capital intensity of US\$114/ore reserve oz.

Upside:

- Several opportunities to improve operational and economic performance prior to study finalisation;
- 34,800oz Inferred material within current mine designs was not able to be included in Ore Reserve but is likely to be when infill drilled;
- Possible 156,000oz Inferred material within pit shells identified by sensitivity analysis using pit optimisation techniques, not included in Ore Reserve;
- Evolving underground mining option at Bepkong; and
- Joint venture continues to progress discussions with Ghana government to obtain a stability agreement and fiscal concessions.

EXPLORATION

Bepkong East Lode

- Confirmed substantial mineralised system with high-grade shoots. Initial key intercepts included:
 - 99.5m at 2.16g/t Au from 316m (BRCD489), incl:
 - 3m at 11.45g/t Au from 316m;
 - 2m at 15.25g/t Au from 322.5m;
 - 10m at 5.01g/t Au from 369m (within 15m at 3.92g/t Au from 365m);
 - 3.10m at 6.29g/t Au from 387.9m; and
 - 8.5m at 5.82g/t Au from 406m (incl. 1m at 23.80g/t Au from 408m).
 - 93.1m at 2.33g/t Au from 261m (BRCD487)(75m above BRCD489) incl:
 - 9.9m at 8.42g/t Au from 295m and 2.16m at 21.17g/t Au from 303m and 0.5m at 88.72g/t Au from 338m (BRCD490); and
 - 7m at 4.78g/t Au from 322m (incl. 1m at 21.17g/t Au from 322m, 31.5m at 1.97g/t Au from 371m incl. 17.5m at 2.62g/t Au from 385m).
- Extended mineralisation to 580m below surface where it remains open at depth. Intercepts from depth extension zone include:
 - 4.5m at 4.96g/t Au from 363.5m, and 15.5m at 5.17g/t Au from 401.0m (incl. 2.5m at 16.85g/t Au from 414.0m) (BRCD493);
 - 13.5m at 3.21g/t Au from 480.0m (incl. 3.0m at 4.55g/t Au from 482.0m) (BRCD494);

- 3.7m at 7.45g/t Au from 424.3m (incl 3.0m at 5.05g/t Au from 488.0m) (BRCD495);
 - 9.0m at 3.08g/t Au from 397.0m (BRCD496);
 - 9.1m at 2.94g/t Au from 506.9m (BRCD498); and
 - 2.5m at 3.55g/t Au from 710.5m (BRCD501).
- Bepkong East deep mineralisation not included in Project's 2.5Moz current Mineral Resource.

Bepkong Main Lode intercepts

- 8m at 2.31g/t Au from 83m and 14m at 4.00g/t Au from 133m, within 64m at 1.39g/t Au from 83m. Plus 6m at 2.76g/t Au from 196.5m (BRCD488); and
- 8.5m at 4.55g/t Au from 250m (incl. 4.5m at 7.33g/t Au from 254m) and 1m at 34.48g/t Au from 256m (BRCD491).

Underground mining evaluation

- Engineers now evaluating merits of underground mining which, if viable, could increase current 1.0Moz Ore Reserve and financial returns from the already robust, plus-100,000oz per year planned open pit mining operation.

Kunche deep drilling

- A rig is now drilling deep holes at the Kunche deposit with a similar objective of investigating for economic mineralisation below current pit bases.

Brownfields and regional exploration continues

- The findings at Bepkong and Kunche highlight the possibility for several other presently shallow drilled deposits at the Project to host deeper mineralisation consistent with their structurally controlled, orogenic gold origins. These deposits are known to extend to over two kilometres depth in West Africa, Canada, Western Australia and elsewhere in the World.
- Whilst drilling in the vicinity of and below currently defined deposits presents the best opportunity to rapidly add Ore Reserves to the Project, the Azumah-Ibaera joint venture has continued to aggressively test its pipeline of high-priority brownfields and regional exploration targets within its vast, regional-scale and prospective tenure.

CORPORATE

- Retained working capital of ~\$1.1 million at the end of the Quarter;
- Held 13.4% (27.7M shares) strategic shareholding in Ghana neighbour, Castle Minerals Limited (~\$0.2 million as at 31 March 2019);
- Continued process to identify additional growth opportunities;
- Attended and presented in Cape Town at the Arlington-hosted Pre-Indaba Mining Conference and the 121 Mining Investment Conference; and
- Attended in Toronto the PDAC Mining Convention and the co-sponsored Precious Metals Summit One-on-One meeting event.

NEXT QUARTER

In the June 2019 Quarter, Azumah expects to:

- Report on additional drilling at Bepkong East Lode;

- Report on drilling of deep holes at the Kunche deposit;
- Report on preliminary evaluation of underground mining at Bepkong;
- Update on progress of brownfields and regional multi-target drilling exploration results aimed at discoveries and boosting Mineral Resources and Ore Reserves;
- Advance and update on outstanding aspects of the Feasibility Study;
- Update on the status of discussions with the Ghana government on securing a stability agreement and material fiscal concessions;
- Advance 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 in London at the 121 Mining Conference from 20-21 May.

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Table 1: Key operational and financial information

Item	Details	Comment
Operational:		
Total contained gold mined	1,028,178	
Grade processed (yrs 1-8)	2.06g/t Au	1.77g/t Au LOM
Average process plant throughput (LOM)	1.64Mtpa	2.3Mtpa oxide ore
Average Gold Recovery (LOM)	91%	Primary crush, SAG and CIL
Total ore tonnes mined (LOM)	18.0Mt	
Total waste tonnes mined (LOM)	107.7Mt	
Strip Ratio (Waste to Ore)	5.98	
Annual gold production (yrs 1-6)	107,000ozpa	85,072ozpa (yrs 1 – 11)(LOM)
Total gold produced / recovered	935,798oz	
Total operational life (LOM)	11-yrs	Incl. 3-yrs stockpile processing
Site Cash Costs:		
Mining operating cost	US\$2.94/t mined	US\$3.59/t (LOM incl. Julie ore haulage)
Process plant operating cost (Incl G&A)	US\$15.20/t processed	\$293/oz
General and Administration cost (G&A)	US\$2.45/t processed	\$56.3/oz
Capital cost:		
Establishment capital cost:	US\$117.0M	
Sustaining capital	US\$18.7M	
Deferred capital	US\$19.9M	(incl. Julie flotation plant and haul road)
Project economics (pre-tax):		
Net revenue	US\$1.151Bn	
C1 cash costs	US\$771/oz	LOM
All-in-sustaining-cost (AISC)	US\$886/oz	LOM
Establishment capital pay-back	1.6yrs	2.3-yrs incl Stage 2 Julie plant, haul road etc
Capital intensity (Establishment)	US\$114/ reserve oz	
Pre-tax NPV _{5%}	US\$176.6M	100% ownership. Government 10% FCI excl.
Pre-tax IRR	35.3%	
Pre-tax net cash flow	US\$270M	Incl. 5% royalty
Ghana government royalties (5%)	US\$65/oz	US\$61M LOM

1. All financials provisional and subject to completion of Feasibility Study Q3 2019
2. All economic factors quoted as pre-tax (other than VAT) and post royalty of 5%.
3. The Feasibility Study Update is incomplete and taxation, fiscal regime, project financing structure etc are yet to be finalised
4. All financials reported on a 100% Azumah ownership basis at US\$1,300/oz gold price and USD:AUD exchange rate of 0.75
5. **LOM:** Life of Mine is 11-years. 8-years mining and 3-years stockpile processing
6. **C1:** Cash costs: All site operational cash costs
7. **AISC:** Cash costs + royalties + levies + life of mine sustaining capital costs (World Bank Gold Council Standard definition)

Fig 1: Cross Section 1152100mN highlighting the high-grade mineralised zones within the south-plunging, open-ended East Lode mineralised system

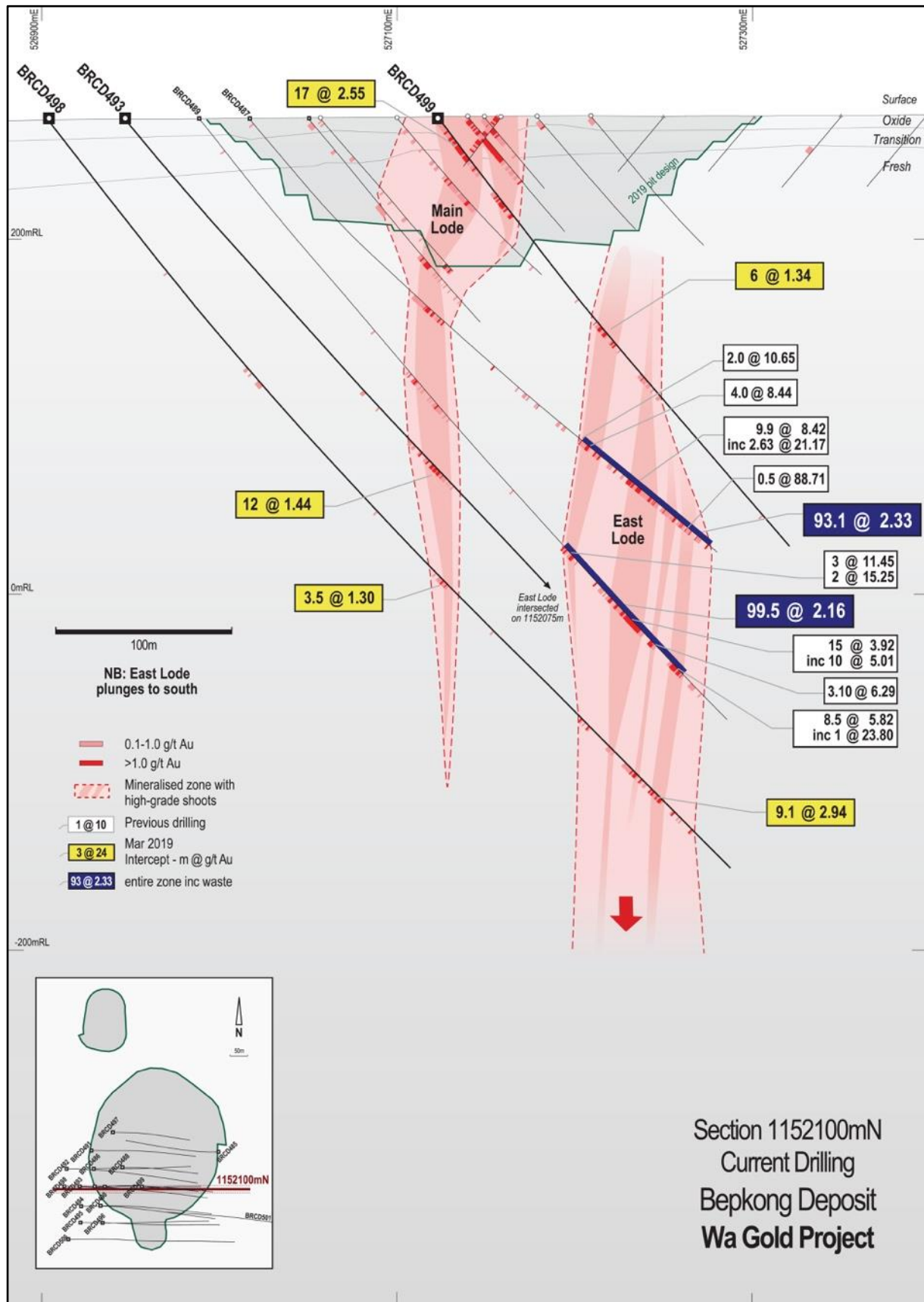


Fig 2: Stacked sections showing the extensive, Bepkong East Lode mineralised system extending to 580m depth and remaining open

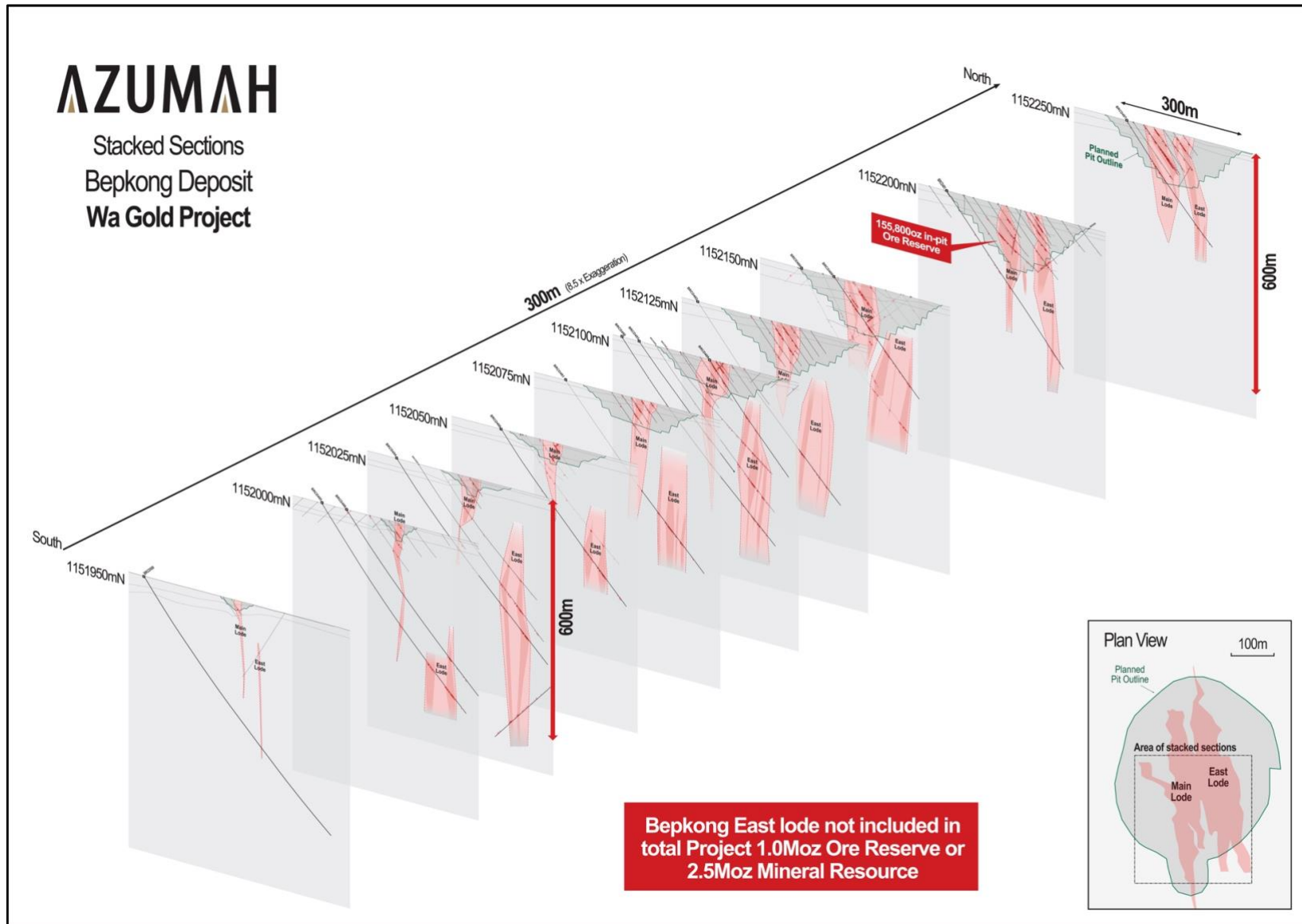


Fig 3: Long Section through Bepkong East Lode

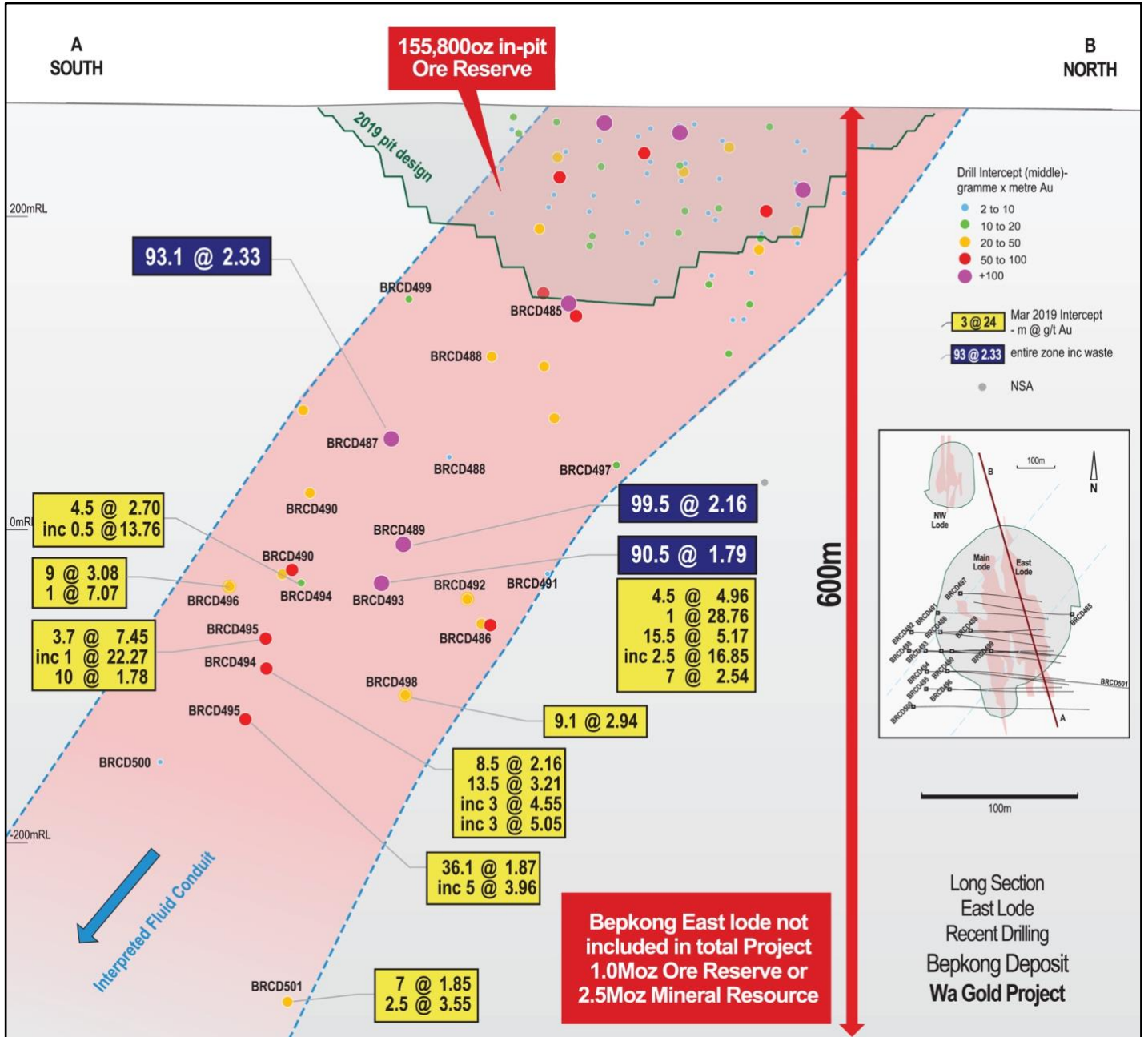
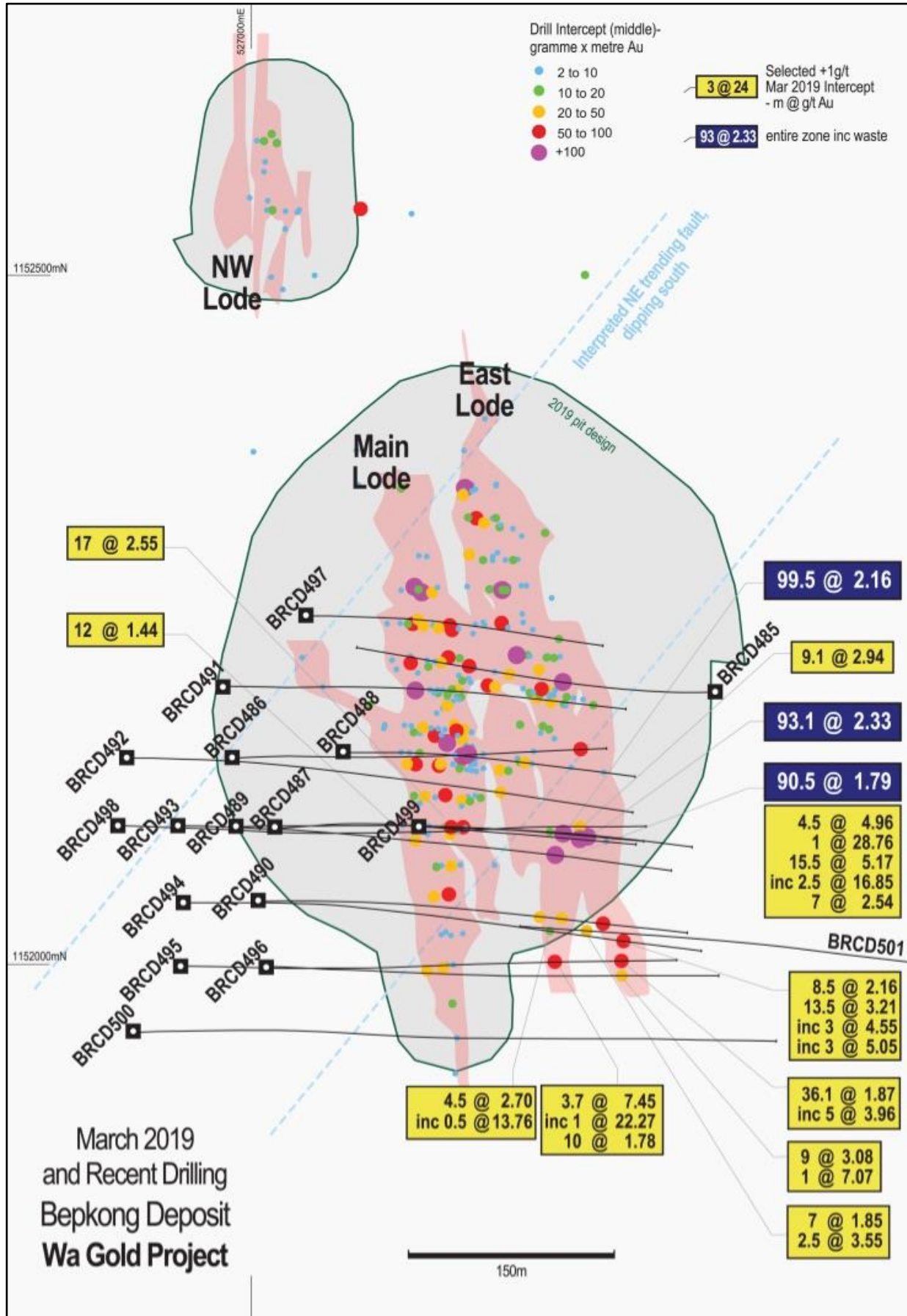


Fig 4: Plan showing previously reported and recent drilling results, Main Lode and south-plunging East Lode



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 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. These are evenly distributed between the Kunche-Bepkong and Wa East (Julie deposit etc.) camps.

In January 2019, an Ore Reserve estimate of 1,028,000oz (18Mt at 1.77g/t Au)(JORC 2012) was reported. A Feasibility Study is scheduled for finalisation Q3 2019 and a development decision soon after.

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 the 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 substantially grow as it continues to generate and test its extensive pipeline of targets.

Azumah has two 15-year Mining Leases over its principal 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

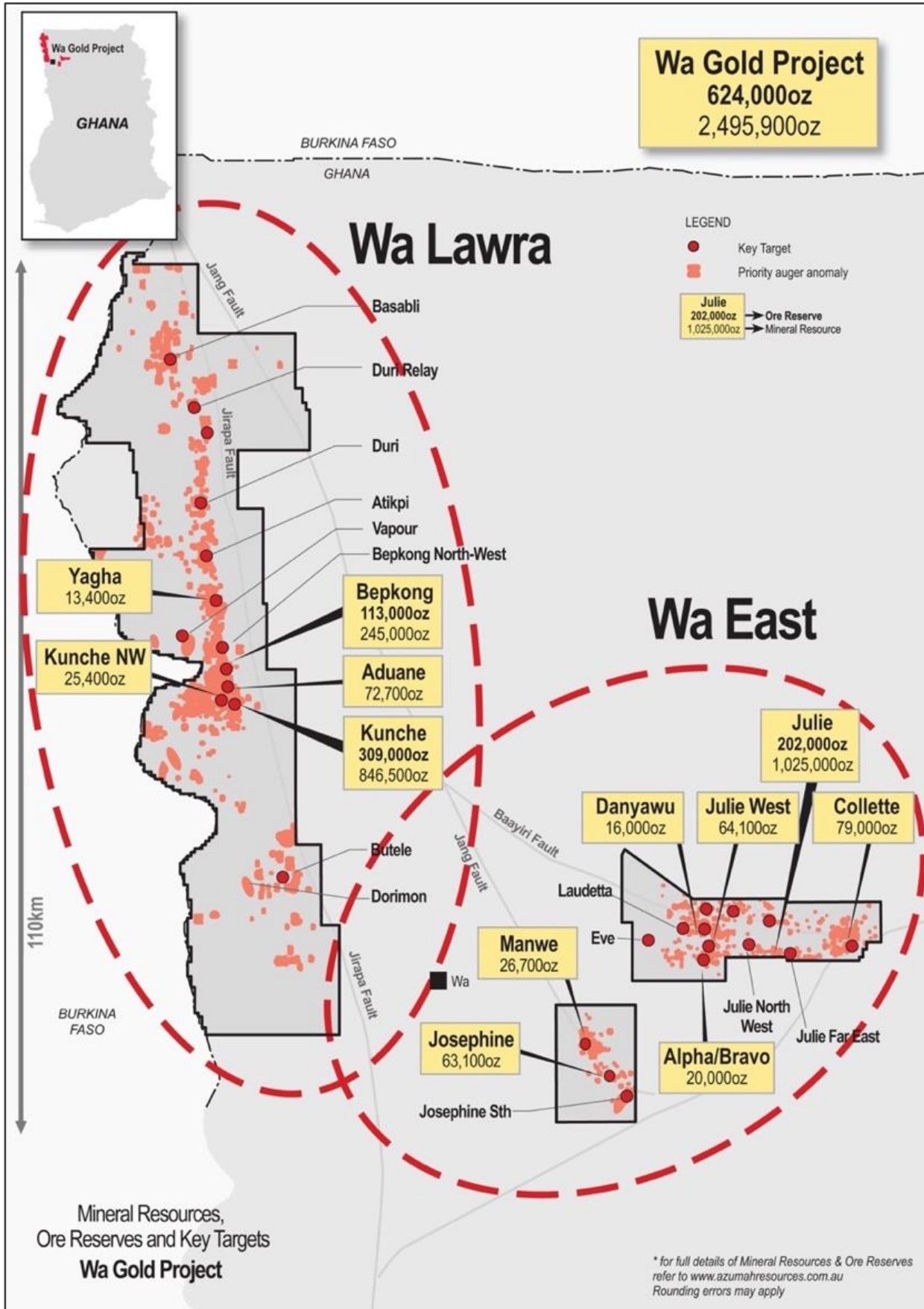
All of Azumah's Ghana interests are held through its wholly owned Ghana subsidiary, Azumah Resources Ghana Limited (AZG).

In 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 (refer ASX release dated 2 September 2017).

Ibaera is backed by a US-based +US\$1.5 billion natural resources focused investment fund. Before committing to the Project, Ibaera reviewed many other international resource projects and, having selected the Azumah Project, undertook comprehensive due diligence before committing to the EISA.

Ibaera's owners, principals and management are all highly regarded geologists, engineers and financiers and, pursuant to the EISA, are now managing all facets of the Project.

Wa Gold Project: Deposits, Prospects, Mineral Resources and Ore Reserves



Competent Persons' Statements

The information in this announcement that relates to Mineral Resources for the Julie, Kunche, Aduane, Kunche NW, Yagha, Julie West, Danyawu, Alpha/Bravo, Josephine and Manwe deposits is extracted from the Company's ASX announcement dated 28 September 2018 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement, that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed and that the form and context in which the Competent Person's findings are presented have not been materially altered.

The information in this announcement that relates to Mineral Resources for the Bepkong and Collette deposits is extracted from the Company's ASX announcement dated 2 September 2014 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement, that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed and that the form and context in which the Competent Person's findings are presented have not been materially altered.

The information in this announcement that relates to Ore Reserves is extracted from the Company's ASX announcement dated 30 January 2019 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement, that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed and that the form and context in which the Competent Person's findings are presented have not been materially altered.

The scientific and technical information in this announcement that relates to the geology of the deposits and exploration results for BRCD488, BRCD489, BRCD490 & BRCD491 is based on, and fairly represents, information and supporting documentation prepared 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 has given his prior written consent to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to exploration results is extracted from the Company's ASX announcements dated 8 May 2018, 12 December 2018 and 19 December 2018 which are available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that the form and context in which the Competent Person's findings are presented have not been materially altered.

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 in this document including, without limitation, statements regarding 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 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.

Table A: Ore Reserve Summary – Updated 30 January 2019

(As at January 2019)	Proved			Probable			Total		
	Tonnes (Mt)	Grade g/t Au	Gold oz	Tonnes (Mt)	Grade g/t Au	Gold Oz	Tonnes (Mt)	Grade g/t Au	Gold oz
Kunche	8.0	1.51	388,600	0.9	1.65	47,900	8.9	1.52	436,500
Bepkong	2.4	1.65	124,400	0.7	1.41	31,300	3.0	1.59	155,800
Aduane				0.2	1.11	7,100	0.2	1.11	7,100
Julie	1.2	2.11	83,600	3.6	2.24	258,600	4.8	2.21	342,200
Julie West				0.4	3.59	49,300	0.4	3.59	49,300
Danyawu				0.1	4.63	10,500	0.1	4.63	10,500
Josephine				0.3	1.29	13,800	0.3	1.29	13,800
Manwe				0.2	1.91	13,100	0.2	1.91	13,100
Total	11.6	1.60	596,700	6.4	2.09	431,500	18.0	1.77	1,028,200

Numbers have been rounded

Table B: Mineral Resource Estimate – JORC Code 2012 – Updated 28 September 2018

Deposit	Cutoff Au g/t	Measured			Indicated			Measured + Indicated			Inferred			Grand Total		
		Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces
Wa-Lawra:																
Kunche	0.5	8,835	1.6	446,000	3,404	1.3	145,000	12,239	1.5	591,000	7,616	1.0	255,700	19,855	1.3	846,500
Bepkong**	0.5	2,220	1.8	128,000	1,700	1.3	73,000	3,920	1.6	201,000	1,170	1.2	44,000	5,090	1.5	245,000
Aduane	0.5				322	1.2	12,800	322	1.2	12,800	1,491	1.3	59,900	1,812	1.3	72,700
Kunche NW	0.5										694	1.1	25,400	694	1.1	25,400
Yagha	0.5										333	1.3	13,400	333	1.3	13,400
Wa East:																
Julie*	0.5	1,490	2.1	101,000	9,300	1.9	572,100	10,790	1.9	673,000	6,360	1.7	352,000	17,150	1.9	1,025,000
Collette**	0.5										1,690	1.5	79,000	1,690	1.5	79,000
Julie West	1.0				455	4.0	58,900	455	4.0	58,900	68	2.4	5,100	523	3.8	64,100
Danyawu	1.0				105	4.2	14,200	105	4.2	14,200	38	1.5	1,800	143	3.5	16,000
Alpha/Bravo	1.0										148	4.2	20,000	148	4.2	20,000
Josephine	1.0				709	1.5	34,500	709	1.5	34,500	580	1.5	28,600	1,290	1.5	63,100
Manwe	1.0				257	2.1	17,300	257	2.1	17,300	192	1.5	9,400	450	1.9	26,700
Total		12,545	1.7	675,000	16,252	1.8	927,800	28,797	1.8	1,602,700	20,380	1.4	894,300	49,178	1.6	2,496,900

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