

## Joint Venture Update

West African gold explorer and developer Azumah Resources Limited (ASX: AZM) (**Azumah**) advises that joint venture partner, Ibaera Capital GP Limited (**Ibaera**), is approaching the expenditure hurdle where it will have earned a 42.5% interest in Azumah Resources Ghana Limited (**AZG**), and therefore the Wa Gold Project, Ghana, West Africa (**Project**).

Ibaera's interest is being earned through an expenditure of US\$11.25 million pursuant to an Earn-In and Shareholders Agreement (EISA)<sup>1</sup>.

### Increased Budget Approved

The discovery of below-pit mineralisation at Bepkong and Kunche and subsequent expenditure on extensive drilling to define its extent, has seen the requirement for an additional US\$2.25 million budget to complete the Feasibility Study. This additional budget has been approved by the joint venture parties.

Once Ibaera has expended its US\$11.25 million, Azumah has the option to contribute its pro-rata 57.5% interest of the approved US\$2.25 million programme (being ~US\$1.29 million or ~A\$1.85 million) or it can elect to dilute. If Azumah elects not to contribute, Ibaera can earn up to an additional 5% interest to a maximum of 47.5% in the Project, such additional interest determined having regard to the current value of the Project. Azumah is considering its election decision.

### Joint Venture Achievements

The past 15 months has seen the Wa Gold Project advanced to a stage where the Joint Venture has:

- Increased Mineral Resources to 2.5Moz<sup>1</sup>;
- Increased Ore Reserves to 1.0Moz<sup>2</sup>;
- Provided a detailed update on the progress of its Feasibility Study that confirms an economically robust, long life gold project<sup>3</sup>;
- Discovered substantial below-pit mineralisation at the Bepkong and Kunche deposits; and
- Continued to drill test advanced targets and generate new targets within the Project's vast prospective Birimian dominated tenure.

Azumah Managing Director, Stephen Stone, commented: *"The transformative joint venture with Ibaera has been a great success and Azumah looks forward to continuing to work with Ibaera's highly-regarded team of industry professionals to continue adding value to the Wa Gold Project by delivering a completed Feasibility Study by year-end and then bringing the Project into production."*

<sup>1</sup> Refer to ASX announcement dated 1 September 2017 for further information on the terms of the EISA.

<sup>2</sup> Refer to Table B below and to ASX announcement dated 2 September 2014.

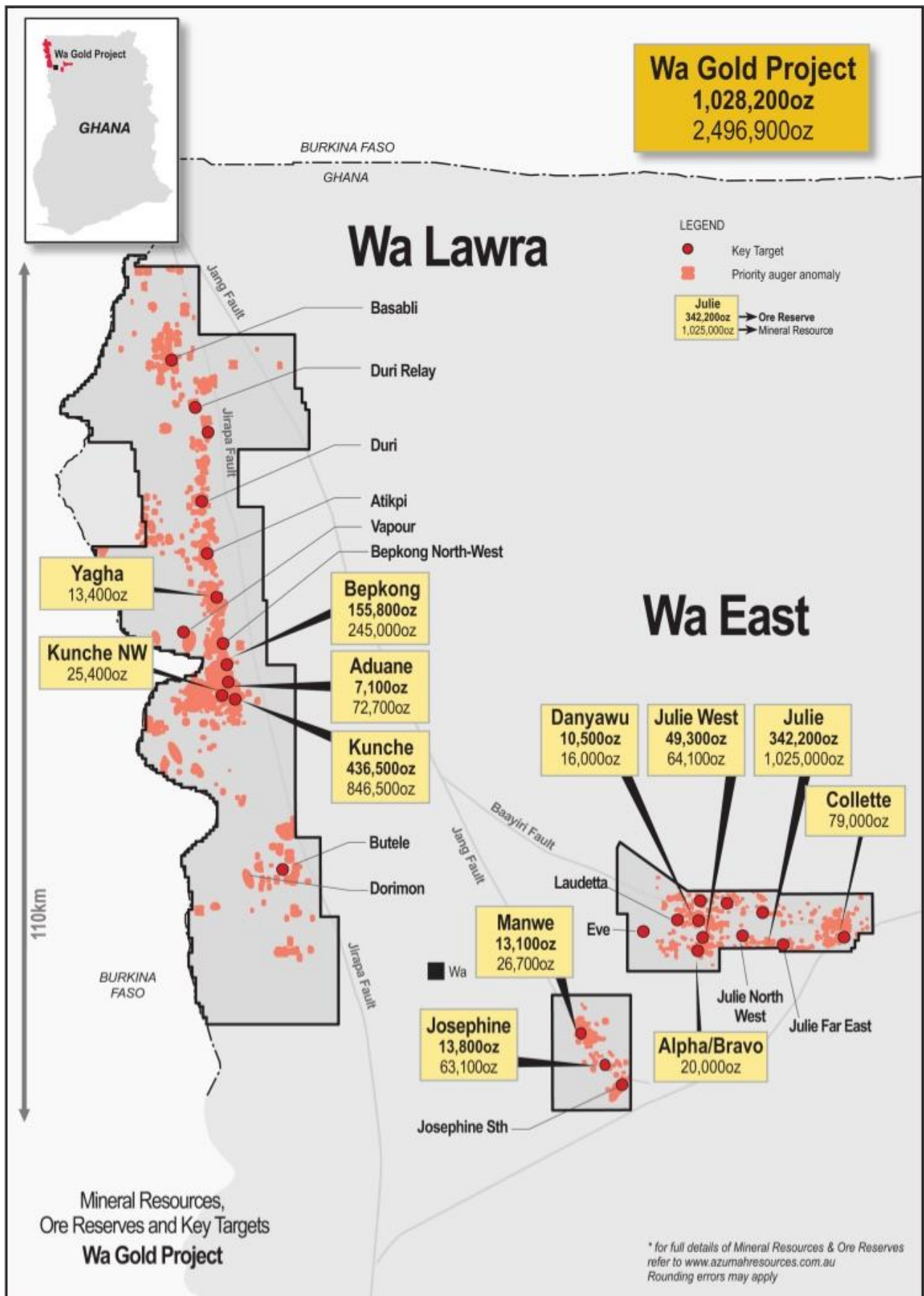
<sup>3</sup> Refer to Table A below and to ASX announcement dated 30 January 2019.

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**Wa Gold Project Mineral Resources, Ore Reserves, Key Targets and Prospects**



## 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 2015 Feasibility Study, and a 2016 capital costs update to that, is being updated with finalisation scheduled for Q3 2019.

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 2,400km<sup>2</sup> 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's current exploration strategy is driven by its aim to materially increase its existing Ore Reserve base and demonstrate attractive Project economics. This will enhance funding capability and solidly underpin a development decision.

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).

On 1 September 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\$11.25 million over two years.

If Azumah elects not to co-contribute pro-rata after that, Ibaera may increase its interest to a maximum of 47.5% for a total minimum expenditure of US\$13.5 million (~A\$17 million).

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.

The terms of the EISA set out the basis for the parties to boost Mineral Resources, Ore Reserves and to deliver a feasibility level study supporting a decision to proceed to production (refer ASX release dated 2 September 2017).

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

**Table A: Ore Reserve summary – 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
<b>Total</b>	<b>11.6</b>	<b>1.60</b>	<b>596,700</b>	<b>6.4</b>	<b>2.09</b>	<b>431,500</b>	<b>18.0</b>	<b>1.77</b>	<b>1,028,200</b>

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
<b>Wa-Lawra:</b>																
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	<b>846,500</b>
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	<b>245,000</b>
Aduane	0.5				322	1.2	12,800	322	1.2	12,800	1,491	1.3	59,900	1,812	1.3	<b>72,700</b>
Kunche NW	0.5										694	1.1	25,400	694	1.1	<b>25,400</b>
Yagha	0.5										333	1.3	13,400	333	1.3	<b>13,400</b>
<b>Wa East:</b>																
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	<b>1,025,000</b>
Collette**	0.5										1,690	1.5	79,000	1,690	1.5	<b>79,000</b>
Julie West	1.0				455	4.0	58,900	455	4.0	58,900	68	2.4	5,100	523	3.8	<b>64,100</b>
Danyawu	1.0				105	4.2	14,200	105	4.2	14,200	38	1.5	1,800	143	3.5	<b>16,000</b>
Alpha/Bravo	1.0										148	4.2	20,000	148	4.2	<b>20,000</b>
Josephine	1.0				709	1.5	34,500	709	1.5	34,500	580	1.5	28,600	1,290	1.5	<b>63,100</b>
Manwe	1.0				257	2.1	17,300	257	2.1	17,300	192	1.5	9,400	450	1.9	<b>26,700</b>
<b>Total</b>		<b>12,545</b>	<b>1.7</b>	<b>675,000</b>	<b>16,252</b>	<b>1.8</b>	<b>927,800</b>	<b>28,797</b>	<b>1.8</b>	<b>1,602,700</b>	<b>20,380</b>	<b>1.4</b>	<b>894,300</b>	<b>49,178</b>	<b>1.6</b>	<b>2,496,900</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

\*Julie resources completed by CSA 2018. \*\*Bepkong and Collette resources from ASX announcement 2 September 2014.

### '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.