

ASX & Media Release

ASX Code – AZM

1st February 2016



www.azumahresources.com.au

Investment Highlights:

Wa Gold Project:

- Feasibility Study Completed
- 2.0Moz Mineral Resource including 1.3Moz Measured & Indicated
- 624,000oz Ore Reserves at 2.14 g/t plus 28,500oz 'mining inventory'
- Initial 7yr mine-life at +/- 90,000oz pa
- Excellent Infrastructure (grid power, water, established roads, airport)
- Mining Leases granted
- Exploration licenses of 2,800km² with >150km strike of prospective Birimian terrain.
- 19.99% strategic investment in neighbour, Castle Minerals Limited (~10,000km²)
- Board and management team of successful explorers, mining and corporate professionals

Issued Capital:

436.912M ordinary shares
17.20M performance rights
2.0M \$1.00 Converting Notes

Directors & Management:

Chairman:
Michael Atkins

Managing Director:
Stephen Stone

Non-Executive Directors:
Geoff M Jones
Bill LeClair

Company Secretary:
Dennis Wilkins

Contact:

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EXTENSION OF CONVERTING NOTE

Perth-based gold explorer and developer Azumah Resources Limited (ASX:AZM) ("Azumah" or "the Company") advises of an extension to the strategic alliance with Ausdrill Limited (ASL: ASX) ("Ausdrill") and its African contract mining services subsidiary, African Mining Services ("AMS") to advance the Company's Wa Gold Project, in north west Ghana ("Project").

A variation to the Converting Note Agreement extends to 1st May 2016 the current \$2 million, 2-year unsecured converting note with Ausdrill and the preferred contract mining services provider status of AMS (refer ASX release dated 28th January 2014).

All other terms and conditions pursuant to the original agreement remain unchanged.

"We are very pleased to have extended our corporate and project level relationship with the Ausdrill group which has maintained its very successful and long-term track record for the delivery of reliable and competitively priced mining services in Ghana" Azumah Managing Director Stephen Stone said.

"The Companies have worked closely during and post the completion of the Feasibility Study to ensure that Project returns are maximised".

For further information on Azumah Resources Limited and its Wa Gold Project please visit its website at www.azumahresources.com.au

Stephen Stone

Managing Director

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About Azumah

Azumah Resources Limited is a Perth-based, ASX-listed (ASX: AZM) company focused on exploring and developing its 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 Mineral Resource of 2.0Moz of gold grading 1.5g/t Au including 1.3Moz Measured and Indicated grading 1.6g/t gold with these evenly distributed between Kunche-Bepkong and Wa East (Julie).

Mineral Resources have grown progressively through systematic exploration of the Company's 2,800km² licence holdings which encompass large tracts of prospective Birimian terrain, the rocks that host the majority of West Africa's gold mines. Azumah anticipates Mineral Resources will continue to grow through the systematic testing of its pipeline of specific targets, prospects and many areas of interest.

Azumah has recently 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 Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au) has been defined based on recent studies. With the addition of Inferred mineralisation contained in designed and optimised pits the total Mining Inventory is 652,500oz gold. Extensive metallurgical test work has been undertaken to confirm a high average overall gold recovery of ~92% for the Kunche, Bepkong and Julie deposits.

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 necessary to allow development to proceed.

No technical, social or environmental impediments to development have been identified and there is 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, good access to water, a sealed airstrip at the regional centre of Wa and good general communications.

Azumah holds a 19.99% interest in its neighbour and junior Ghana explorer, Castle Minerals NL which has ~10,000km² of licences adjacent to Azumah.