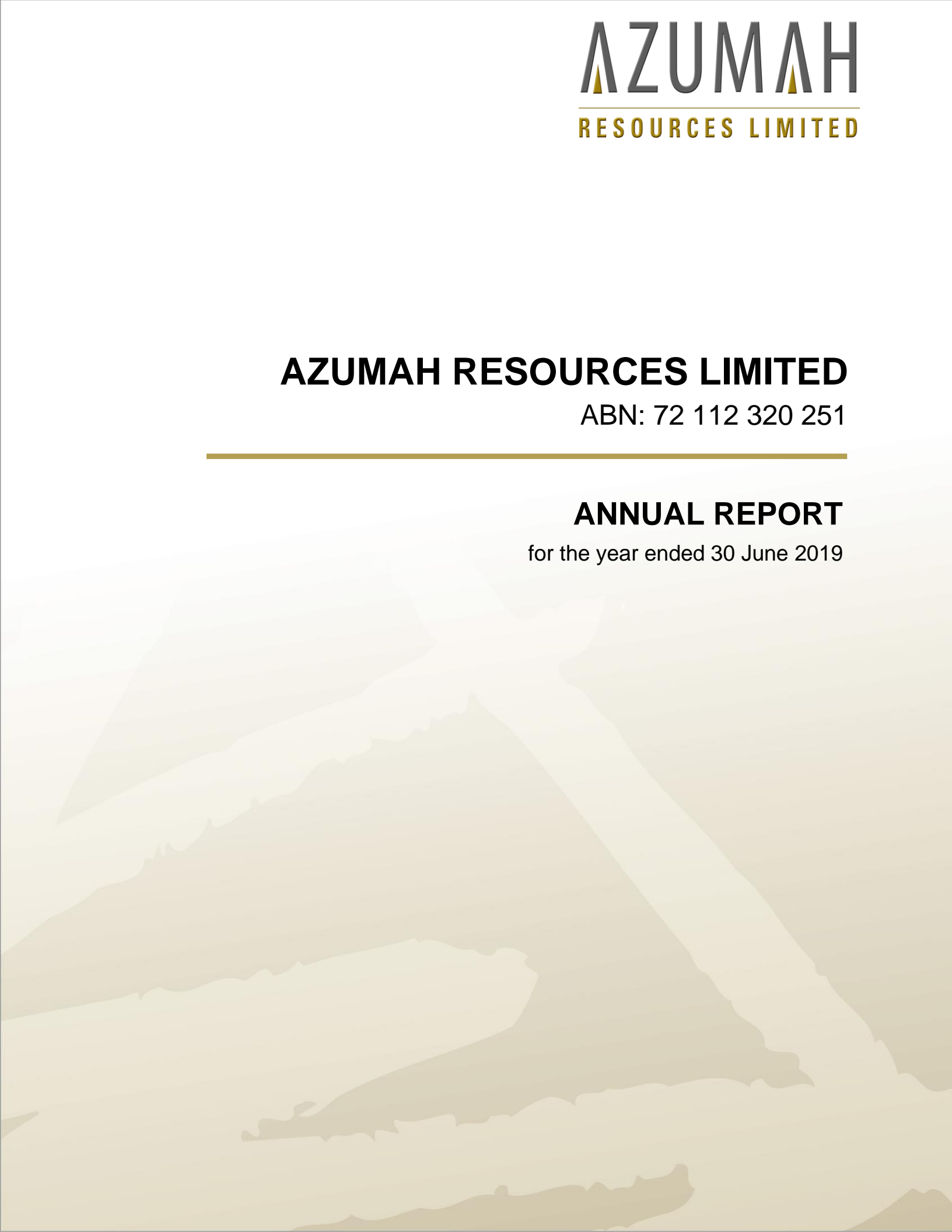


AZUMAH RESOURCES LIMITED

ABN: 72 112 320 251

ANNUAL REPORT

for the year ended 30 June 2019

A faint, stylized background image of a mountain range in shades of beige and light brown, occupying the lower half of the page.

CORPORATE INFORMATION

ABN 72 112 320 251

Directors

Michael Atkins (Non-executive Chairman)
Stephen Stone (Managing Director)
Debra Bakker (Non-executive Director)
Linton Putland (Non-executive Director)

Company Secretary

Dennis Wilkins

Registered Office

Suite 2, 11 Ventnor Avenue
WEST PERTH WA 6005

Principal Place of Business

Suite 2, 11 Ventnor Avenue
WEST PERTH WA 6005
Telephone: +61 8 9486 7911
Facsimile: +61 8 9481 4417

Bankers

National Australia Bank Limited
1232 Hay Street
WEST PERTH WA 6005

Barclays Bank of Ghana Ltd
High Street
Accra GHANA

Share Register

Security Transfer Australia Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: 1300 992 916
Facsimile: +61 8 6365 4086

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Stock Exchange Listing

Azumah Resources Limited shares are listed on the Australian Securities Exchange (ASX code: AZM).

Internet: www.azumahresources.com.au

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CHAIRMAN'S LETTER

Dear Fellow Shareholders

I am pleased to present the 2019 Annual Report for Azumah Resources Limited (**Azumah**). Over the past 12 months considerable progress has been made at the Company's Wa Gold Project in Ghana (**Project**), which is currently fully-funded by Ibaera Capital which oversees the management of the Project through its nominated Project Manager.

Building upon Azumah's previous exploration successes, the Mineral Resource has increased during the year by 11% to 2.77Moz whilst Ore Reserves have grown by 65% to 1.03Moz (18Mt @ 1.77g/t). In January 2019, we were pleased to announce the very robust preliminary results of the Project's Feasibility Study which indicated a NPV5% of US\$177m and 35% IRR (at US\$1,300/oz gold price) positioning the Project as one of the next gold mines to be funded and developed in West Africa.

Ibaera's initial US\$11.5m earn-in to 42.5% of the Project was completed in July 2019, subsequent to which Azumah elected for Ibaera to sole fund the remaining US\$2.25m budget to complete the Feasibility Study for an additional 4% interest in the Project, taking Ibaera to 46.5% ownership at that time. It is expected that the Feasibility Study will be completed in early 2020.

The completion of this Feasibility Study is expected to provide increased visibility on the Project and its economics and form a basis for a development decision. This is against a backdrop of the gold price having increased to circa US\$1,500 per ounce and the recent discovery and delineation of the Bepkong underground deposit, which is not yet included in Ore Reserves or the Feasibility Study. These developments could further enhance the Project's economics and are supportive for its future financing and development.

On 18 September 2019, IGIC Pte Ltd, as manager for and on behalf of private equity fund Ibaera Capital Fund GP Limited (**Ibaera**), announced an unsolicited off-market cash takeover offer to acquire all of your shares in Azumah Resources Limited for 2.8 cents per Azumah share (**Offer**).

Azumah has released its Target Statement in response to the Bidders Statement issued by IGIC Pte Ltd, in which Azumah's Directors have unanimously recommended shareholders to reject the Offer. Azumah strongly recommends that shareholders read the Target Statement to properly consider their options. I remind shareholders that they can continue to consider their options up until the closing date of 4 November 2019 or such later date should Ibaera extend the offer period.

I take this opportunity to thank our small but dedicated management team and staff for their efforts over the past 12 months and the tremendous and continuing support of shareholders which continues to motivate us in our relentless drive to unlock the value of the Project.

As a result of our considerable input into the local communities we continue to receive strong support from our stakeholders in Ghana and in particular in the Wa region. The Ghanaian Government has also provided very active support to the Wa Gold Project and to Azumah.

I also thank Azumah's Managing Director Stephen Stone, strongly supported by our new directors Debra Bakker and Linton Putland, for their hard work, support and dedication to Azumah achieving its goals.

Michael Atkins
Chairman

DIRECTORS' REPORT

Your directors submit their report on Azumah Resources Limited ("Azumah" or the "Company") for the year ended 30 June 2019.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows.

Where applicable, all current and former directorships held in listed public companies over the past three years have been detailed below.

Directors were in office for this entire period unless otherwise stated.

Michael Atkins

B.Comm, Non-Executive Chairman (Chairperson of audit (until 16 August 2018 and then member) and member of remuneration committees)

Mr Atkins is a Fellow of the Australian Institute of Company Directors.

He was a founding partner of a national Chartered Accounting practice from 1979 to 1987 and was a Fellow of the Institute of Chartered Accountants in Australia until resigning in June 2011.

Between 1987 and 1998 he was a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, USA, South East Asia and Africa. From 1990 to 1995 he was Managing Director and later a non-executive director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction, and then remained as a Non-Executive Director until 1995. He was also founding Executive Chairman of Gallery Gold Ltd until 1998 and remained a Non-Executive Director until 2000.

Since February 2009 Mr Atkins has been a Director - Corporate Finance at Patersons Securities Limited where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

He is currently non-executive Chairman of ASX listed public companies Castle Minerals Limited and Legend Mining Ltd, and a non-executive director of SRG Global Limited (formerly called Global Construction Services Limited following name change on 30 November 2018). Within the last three years Mr Atkins was a director of former listed public company SRG Limited (formerly called Structural Systems Limited) which is no longer listed on ASX following its merger with Global Construction Services Limited (merged in September 2018).

Stephen Stone

BSc (Hons) Mining Geology, MAusIMM, FAICD, Managing Director (Member of audit committee until 16 August 2018)

Mr Stone graduated with honours in Mining Geology from University of Wales, Cardiff in 1978 and has since then been fully engaged in the international exploration and mining industry. He worked for several years at the large open pit and underground copper mines of the Zambian Copperbelt and then came to Australia where he has been involved in the formation, funding, management and development of several junior ASX and dual-TSX listed exploration companies.

He joined Azumah Resources Limited as Non-Executive Chairman in November 2006, was appointed Executive Chairman in December 2007 and Managing Director in October 2009.

Mr Stone is a Member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Australian Institute of Company Directors and a member of the Editorial Board of International Mining Magazine. He is currently also a director of ASX listed public company Castle Minerals Limited (executive). During the previous three years Mr Stone was also a director of Alto Metals Limited (non-executive).

Debra Bakker

Appointed as a director on 18 July 2018.

GAICD, M. App.Fin., B.Bus. (Chairperson of audit and member of remuneration committees)

Ms Bakker is an experienced financier in the resources industry. Her depth of experience in corporate advisory, negotiation at all levels, cross-border, JV's and partnerships, project finance and M&A is drawn from all areas of banking in the natural resources sector, covering clients from junior explorers to investment grade majors.

Ms Bakker's career has spanned Sydney, London, Chicago, New York and, since 2003, Perth, Western Australia. She maintains a strong network at the highest levels within the mining and resources sector world-wide through the Auramet International global network as well as through friendships forged over decades in this global industry, and her non-executive director role with Independence Group NL. Ms Bakker has not held any former public company directorships in the last three years, other than with Capricorn Metals Limited.

Leaving full time employment in 2013, Ms Bakker and her husband have built a mid-scale sustainable farming business focused on exotic fruit production and white dorper sheep in the Margaret River region of WA.

Ms Bakker is also active in the not for profit sector via her Board role with Access Housing and the Lishman Health Foundation.

In February 2018, the Department of Mines, Industry Regulation and Safety invited Ms Bakker to join the Selection Panel for the Golden Gecko Award for Environmental Excellence, a three year appointment.

Linton Putland

Appointed as a director on 18 July 2018.

B.Eng (Mining), MSc (MinEc), GAICD (Chairperson of remuneration and member of audit committees)

Mr Putland is a mining professional with more than 30 years' experience in technical, operational and managerial roles centred on open pit and underground operations covering a wide range of commodities in Australia and overseas, including several campaigns in Africa.

As a consultant, he now provides advice on due diligence, business development, project planning and implementation, operational improvement and mentoring, various levels of project assessment studies, and tenders and contracts for a range of mining and mining-associated companies.

Mr Putland is also an independent non-executive director with Pacific Energy Limited (ASX: PEA), Breaker Resources NL (ASX: BRB) and a private resource company, WA Kaolin. For five years until 2017, he was Principal Technical Adviser to private equity group, Pacific Road Capital Management.

He is a 1988 B.Eng graduate of the Western Australia School of Mines from where he also gained an MSc. Mineral Economics and is a Graduate of the AICD Company Directors course. Mr Putland also holds a Western Australia First Class Mine Managers Certificate (1991).

Geoffrey Jones

Mr Jones was a director from the beginning of the year until 18 July 2018.

COMPANY SECRETARY**Dennis Wilkins**

B.Bus., AICD, ACIS (Member of remuneration committee)

Mr Wilkins is the founder and principal of DWCorporate Pty Ltd, a privately held corporate advisory firm servicing the natural resources industry.

Since 1994 Mr Wilkins has been a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the group. He was also founding director and advisor to Atlas Iron Limited at the time of Atlas' initial public offering in 2006.

Since July 2001 Mr Wilkins has been running DWCorporate Pty Ltd where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

He is currently non-executive director of Australian listed company Key Petroleum Limited (since 5 July 2006) and an alternate director of Middle Island Resources Limited (since 1 May 2010).

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares of Azumah Resources Limited were:

	Ordinary Shares	Options over Ordinary Shares
Michael Atkins	5,284,919	10,000,000
Stephen Stone	11,696,725	20,000,000
Debra Bakker	1,471,429	5,000,000
Linton Putland	125,000	5,000,000

PRINCIPAL ACTIVITIES

Azumah Resources Limited is a Perth-based mineral exploration company focused on exploring and developing its regional-scale Wa Gold Project in the Upper West Region of Ghana, West Africa.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

REVIEW OF OPERATIONS

Azumah Resources Limited is a Perth-based, ASX-listed (ASX: AZM) company focused on exploring and developing its regional-scale Wa Gold Project (**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 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 delineated an estimated JORC 2012 Mineral Resource of 2.8Moz of gold grading 1.7g/t Au, including 1.8Moz 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.

Feasibility Study Update

A Feasibility Study is scheduled for finalisation in early-2020 and, subject to results, a development decision soon after.

An update on the progress of the Feasibility Study (refer ASX release 30 January 2019) outlined a proposed development with the following attributes:

- 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.

In addition:

- Extensive metallurgical test work has confirmed a high average overall gold recovery of ~92% for the combined Kunche, Bepkong and Julie deposits;
- 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; and
- 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.

Bepkong deposit

Following the discovery of extensive mineralisation below the planned Bepkong open pit to a depth of 580m below surface (where it is still open) infill drilling enabled a maiden Mineral Resource of 279,700oz (2.4Mt at 3.59g/t Au) to be estimated and reported (refer ASX release 2 July 2019).

This maiden Mineral Resource includes a Measured and Indicated Mineral Resource of 167,500oz at 4.05g/t Au hosting several coherent zones of higher-grade mineralisation along the confirmed 300m strike and also to depth.

A Scoping Study of the Bepkong 'underground' mineralisation has indicated that an underground mining operation could provide a material boost to the already financially robust Project, with a production target of approximately an additional 154,000oz of contained gold adding approximately US\$32 million cash flow at a gold price of US\$1,300 per ounce (post royalty, pre-tax) (refer ASX release 5 August 2019).

At present, the Bepkong underground mineralisation is not included in the current 1,028,200oz Project Ore Reserve or the Feasibility Study.

Kunche deposit

At the nearby Kunche deposit, exceptionally high-grade intercepts with visible gold were obtained from widely-spaced, deep holes probing for depth extensions to Kunche mineralisation (refer ASX release 15 May 2019). These included 0.5m at 168.3g/t Au (over 5oz Au per tonne) from 650.5m (KRCD855) and 0.5m at 89.39g/t Au (nearly 3oz Au per tonne) from 613.5m (KRCD853).

Drilling subsequently extended mineralisation up to 500m below surface and raises expectations for multiple mineralised lodes associated with feeder conduits extending below the planned 1.5km long Kunche open pit.

Drilling at the Kunche Northwest and Aduane prospects also encouragingly intersected depth extensions to near-surface mineralisation.

Brownfields and regional exploration

The findings at Bepkong and Kunche highlight the possibility of several other presently only shallow drilled deposits to host deeper mineralisation consistent with their structurally controlled, orogenic gold origins. Generally, these types of 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 perhaps the best opportunity to rapidly add Ore Reserves to the Project, the Azumah-Ibaera joint venture has continued to test its pipeline of high-priority brownfields and regional exploration targets within its vast, regional-scale and prospective tenure of approximately 2,400km². This encompasses large tracts of prospective Birimian terrain, the rocks that host the majority of West Africa's gold mines.

Mineral Resources have been progressively grown through a focused, systematic approach to exploration as much of the tenure is covered in soil, alluvium or laterite. Hence, most discoveries have been 'blind'. Azumah anticipates Mineral Resources will grow as it continues to generate and test its extensive pipeline of targets.

Ibaera Funding Transaction

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

In 2017, Azumah executed an Earn-In and Shareholders Agreement (**EISA**) with private equity group, Ibaera Capital GP Limited (**Ibaera**), whereby Ibaera could initially earn a 42.5% interest in AZG, and therefore the Wa Gold Project, by spending US\$11.25M over two years (ASX release 1 September 2017). On 11 July 2019 Azumah advised that Ibaera had provided the Initial Earn-In Funding and would become entitled to ownership of a 42.5% interest in AZG. On 24 July 2019 Azumah advised that it had elected to allow Ibaera to sole fund the next approved US\$2.25M budget and programme that would see the Feasibility Study completed ("Additional Earn-In Funding"). Upon completion Ibaera will have earned an additional 4% interest, total 46.5%, with Azumah retaining majority ownership at 53.5%.

Ibaera's owners, principals and management comprise well-regarded geologists, engineers and financiers and, pursuant to the EISA, managed all facets of the Project during the year.

Corporate

During the year;

- Azumah initiated and completed a fully underwritten Share Purchase Plan (**SPP**) to raise \$2 million plus a top-up placement for an additional \$750,000 (total \$2.75 million raised before expenses). Azumah subsequently issued 196.4 million new ordinary shares at a price of \$0.014 each (refer ASX release 12 July 2019);

-
- Wa Gold Project**
1,028,200oz
2,769,500oz
- LEGEND**
 ● Key Target
 ■ Priority auger anomaly
 Julie 342,200oz → Ore Reserve
 1,025,000oz → Mineral Resource
- Wa Lawra**
- Basabli
Duri Relay
Duri
Atikpi
Vapour
Bepkong North-West
Bepkong 155,800oz 517,600oz
Aduane 7,100oz 72,700oz
Kunche 436,500oz 846,500oz
Butele
Dorimon
- Yagha 13,400oz
Kunche NW 25,400oz
- Wa East**
- Danyawu 10,500oz 16,000oz
Julie West 49,300oz 64,100oz
Julie 342,200oz 1,025,000oz
Collette 79,000oz
Laudetta
Eve
Julie North West
Julie Far East
Alpha/Bravo 20,000oz
Manwe 13,100oz 26,700oz
Josephine 13,800oz 63,100oz
Josephine Sth
- Mineral Resources, Ore Reserves and Key Targets
Wa Gold Project
- * for full details of Mineral Resources & Ore Reserves refer to www.azumahresources.com.au
Rounding errors may apply

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Mineral Resources and Ore Reserves Statement

Ore Reserves

The Company's Ore Reserves as at 30 June 2019 show an increase from the Ore Reserves as at 30 June 2018 (Table 2). In January 2019, an increased Ore Reserves estimate of 1,028,000oz Au (18Mt at 1.77g/t Au) was reported (Table 1). A Feasibility Study is scheduled for finalisation in early 2020, with a development decision soon after.

Table 1: Ore Reserve Summary – JORC Code 2012 – as at 30 June 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 – 30 June 2019	11.6	1.60	596,700	6.4	2.09	431,500	18.0	1.77	1,028,200

Note: Values have been rounded

Table 2 below sets out the comparison of total Ore Reserves as at 30 June 2019 and as at 30 June 2018. The material changes arise due to increases in the underlying Mineral Resources and were reported in detail in the updated Ore Reserve estimate released to ASX on 30 January 2019. Refer to the Company's ASX release dated 30 January 2019 for further information.

Table 2: Comparative Ore Reserves Summary – JORC Code 2012

	As at 30 June 2018			As at 30 June 2019		
	Tonnes (Mt)	Grade g/t Au	Gold oz	Tonnes (Mt)	Grade g/t Au	Gold oz
Kunche	4.97	1.94	309,000	8.9	1.52	436,500
Bepkong	1.90	1.85	113,000	3.0	1.59	155,800
Aduane				0.2	1.11	7,100
Julie	2.21	2.84	202,000	4.8	2.21	342,200
Julie West				0.4	3.59	49,300
Danyawu				0.1	4.63	10,500
Josephine				0.3	1.29	13,800
Manwe				0.2	1.91	13,100
Total	9.08	2.14	624,000	18.0	1.77	1,028,200

Note: Values have been rounded.

Mineral Resource Statement

The Company's Mineral Resources as at 30 June 2019 show an increase from the Mineral Resources as at 30 June 2018 (Table 4). Following extensive drilling by joint venture partner Ibaera Capital, the joint venture Project Manager commissioned the re-estimation of several existing Mineral Resources and maiden estimates for five new prospects. Combined Mineral Resources increased by 21% and 433,900oz to 2.5Moz (49.2Mt at 1.6g/t Au) (Table 3), as announced on 28 September 2018. Refer to the Company's ASX release dated 28 September 2018 for further information.

Mineral Resources are reported inclusive of Ore Reserves.

Table 3: Mineral Resource Estimate – JORC Code 2012 – as at 30 June 2019

Measured														Indicated				Inferred				Grand Total			
Deposit	Cutoff Au g/t	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	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	1,170	1.2	44,000	5,090	1.5	245,000												
Aduane	0.5				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	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	68	2.4	5,100	523	3.8	64,100												
Danyawu	1.0				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	580	1.5	28,600	1,290	1.5	63,100												
Manwe	1.0				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	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, Aduane, Kunche NW, Yagha, Julie, Collette and Bepkong. A lower cut-off of 1.0g/t Au was used for Julie West and Danyawu, Alpha/Bravo, Josephine and Manwe.

Table 4 below sets out the comparison of total Mineral Resources as at 30 June 2019 and as at 30 June 2018. The material changes arise due to the progressive increase of Mineral Resources through a focused, systematic approach to exploration of the Company's tenure and were reported in detail in the updated Mineral Resources estimate released to ASX on 28 September 2018.

Table 4: Comparative Mineral Resources Summary – JORC Code 2012

As at 30 June 2018					As at 30 June 2019		
Deposit	Cutoff Au g/t	Tonnes (Kt)	Au g/t	Ounces	Tonnes (Kt)	Au g/t	Ounces
Wa-Lawra:							
Kunche	0.5	15,520	1.5	751,000	19,855	1.3	846,500
Bepkong	0.5	5,090	1.5	245,000	5,090	1.5	245,000
Aduane	0.5	1,770	1.5	85,000	1,812	1.3	72,700
Kunche NW	0.5				694	1.1	25,400
Yagha	0.5				333	1.3	13,400
Wa East:							
Julie	0.5	16,930	1.5	834,000	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	410	4.2	56,000	523	3.8	64,100
Danyawu	1.0	70	5.5	13,000	143	3.5	16,000
Alpha/Bravo	1.0				148	4.2	20,000
Josephine	1.0				1,290	1.5	63,100
Manwe	1.0				450	1.9	26,700
Total		41.49	1.5	2,063,000	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.

Subsequent to 30 June 2019, a maiden Bepkong 'underground' Mineral Resource was reported to ASX (refer to the Company's ASX release dated 2 July 2019) which further increased the Company's total Mineral Resources. The Company's updated Mineral Resources as at July 2019 are shown in Table 5 for information.

Table 5: Mineral Resource Estimate – JORC Code 2012 – as at 2 July 2019

Measured				Indicated				Measured + Indicated			Inferred			Grand Total		
Deposit	Cut-Off Au g/t	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 o/c	0.5	3,163	1.8	185,000	728	1.4	33,000	3,704	1.7	218,000	462	1.4	20,000	4,354	1.7	237,900
Bepkong u/g	2.0	16	4.3	2	1,270	4.1	165,000	1,286	4.1	168,000	1,138	3.1	112,000	2,424	3.6	279,700
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		13,504	1.7	732,002	16,550	2.0	1,052,800	29,867	1.8	1,787,700	20,810	1.5	982,300	50,866	1.7	2,769,500

Note: Values have been rounded.

A lower cut-off of 0.5g/t Au was used for Kunche, Bepkong o/c (open-cut), Aduane, Julie and Collette, and a lower cut-off of 1.0g/t Au was used for Julie West and Danyawu. A lower cut-off of 2.0g/t was used for Bepkong u/g (underground).

Governance controls

Azumah Resources Limited has a firm policy to only utilise the services of external independent consultants to estimate Mineral Resources and Ore Resources. The Company also has established practices and procedures to monitor the quality of data applied in Mineral Resource and Ore Reserve estimation, and to commission and oversee the work undertaken by external independent consultants.

The Mineral Resource and Ore Reserve estimates have been calculated by a suitably qualified consultant and overseen by suitably qualified personnel of the Company's joint venture partner.

Competent person statement and previously reported information

This **Mineral Resources and Ore Reserves Statement as a whole** has been approved 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 this report of the Mineral Resources and Ore Reserves statement in the form and context in which it appears.

The information in this report that relates to the **Bepkong and Collette Mineral Resource estimates** is based on, and fairly represents, information which has been prepared by Mr David Williams, who is a Member of the Australian Institute of Geoscientists and an employee of CSA Global Pty Ltd. Mr

Williams 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'.

The information in this report that relates to the **Julie Mineral Resource estimate** is based on, and fairly represents, information which has been prepared by Mr David Williams (who is a Member of the Australian Institute of Geoscientists and an employee of CSA Global Pty Ltd) and Mr Mark Glassock (who is a member of the AusIMM and an employee of Extomine Pty Ltd). Mr Williams and Mr Glassock, respectively, 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'.

The information in this report that relates to the **Kunche, Aduane, Kunche NW, Yagha, Julie West, Danyawu, Alpha/Bravo, Josephine, Manwe and Bepkong Underground Mineral Resource estimates** is based on, and fairly represents, information which has been prepared by Mr Mark Glassock who is a member of the AusIMM and an employee of Extomine Pty Ltd. Mr Glassock 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'.

The information in this report that relates to **Ore Reserve estimates** is based on, and fairly represents, information which has been prepared by Mr Steve Craig who is a Fellow member of the AusIMM and an employee of Oreology Consulting Pty Ltd. Mr Craig 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'.

This report includes information that relates to Ore Reserves, Mineral Resources, Pre-Feasibility Study results, Production Targets and forecast financial information derived from Production Targets and Exploration Results which were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:

- Mineral Resources: 2 September 2014 "Azumah Increases Ore Reserves 45%"
- Mineral Resources: 28 September 2018 "Mineral Resources Increased 21% to 2.5Moz"
- Ore Reserves: 30 January 2019 "Ore Reserve and Study Progress Update"
- Kunche mineralisation: 15 May 2019 "Exceptionally high grades at Kunche as mineralisation extended to 500m below surface"
- Mineral Resources: 2 July 2019 "Maiden Bepkong Underground Mineral Resource of 279,700oz at 3.59g/t Au"
- Scoping Study: 5 August 2019 "Bepkong Underground Scoping Study"

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

Statements of Competent Persons for the various Mineral Resource Estimates and Ore Reserve Estimates 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.

FINANCE REVIEW

The Company began the financial year with a cash reserve of \$2,323,713. Funds were used to actively advance the Company’s projects located in Ghana, West Africa.

During the year the Company received revenue totalling \$31,424. Total exploration expenditure incurred by the Company amounted to \$26,049. In line with the Company’s accounting policies, all exploration expenditure was written off as incurred. Total Administration expenditure of \$890,859, Impairment recognised of \$111,847, Salaries and Employee Benefits of \$735,866, and non-cash expenses total amounted to \$100,535 were incurred for the same period. Additionally, the Company’s share of net losses of its joint venture accounted for using the equity method was \$376,766. This has resulted in an operating loss after income tax for the year ended 30 June 2019 of \$2,210,498 (2018: \$2,096,790).

At 30 June 2019 cash and cash equivalents totalled \$701,441.

OPERATING RESULTS FOR THE YEAR

Summarised operating results are as follows:

	2019	
	Revenues	Net Loss
	\$	\$
Company revenues and loss from ordinary activities before income tax expense	31,424	(2,210,498)

RISK MANAGEMENT

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has several mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- ▶ Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- ▶ Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report no significant changes in the state of affairs of the Company occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

During July 2019 the Company concluded the underwritten share purchase plan and top-up placement announced on 13 June 2019 with the issue of 196,428,739 ordinary shares to raise a total of \$2.75 million.

During July 2019 the Company announced that joint venture partner Ibaera Capital (**Ibaera**) had completed their obligations under the Earn-In and Shareholders Agreement (**EISA**) and become entitled to ownership of 42.5% of the ordinary issued capital of Azumah Resources Ghana Limited (**AZG**), the holder of all mineral licences comprising the Wa Gold Project, Ghana, West Africa (**Project**). It was also announced that Azumah elected to allow Ibaera to sole fund the next stage of funding of the Project and completion of the feasibility study scheduled for year-end 2019. The election will enable Ibaera to earn an additional 4% interest in AZG, and hence the Project, to a maximum interest of 46.5% by funding the already approved programme and budget of US\$2.25 million. The EISA provides that the actual additional interest to be earned will be determined having regard to the current value of the Project.

During September 2019, an unsolicited off-market cash takeover offer was made on behalf of private equity group, Ibaera Capital Fund GP Limited for all the shares in the Company not already owned by Ibaera.

No other matter or circumstance has arisen since 30 June 2019, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the Company's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is subject to significant environmental regulation in respect to its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the

Company are not aware of any breach of environmental legislation for the year under review.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles Used to Determine the Nature and Amount of Remuneration

Remuneration Governance and Policy

As at 30 June 2019 the Remuneration Committee consists of Linton Putland (Chairperson), Michael Atkins and Debra Bakker. The Corporate Governance Statement provides further information on the role of this committee. The remuneration policy of Azumah Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term and short-term incentives. The board of Azumah Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. The board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

Where required, the executive directors and executives receive a superannuation guarantee contribution required by the government, which was 9.5% in the reporting period, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using an option pricing methodology depending on the terms of the options.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Non-executive director fees are set to levels which compensate directors for 2 days commitment to the affairs of the Company per month. Days spent by non-executive directors in excess of two days per month are paid per diem at \$2,000. In addition, directors are eligible for ad hoc discretionary cash bonuses in circumstances where special exertion has been demonstrated. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$500,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance based remuneration

The Company does not have a formal short-term incentive scheme for executives, directors or other key management personnel. The board may exercise discretion to award cash bonuses to individuals where their special exertion results in positive outcomes for the Company and its shareholders.

During the 2018 financial year the Remuneration Committee proposed cash bonuses be paid to the Managing Director and Non-Executive Chairman based on their exceptional performance in raising funds and completing the Earn-In and Shareholders Agreement with Ibaera. The bonus was approved by the board and paid during the 2018 financial year. There were no cash bonuses proposed, granted or paid during the 2019 financial year.

Company performance, shareholder wealth and directors' and executives' remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance as the Directors do not consider it appropriate due to the Company still being in the exploration phase.

The table below shows the gross revenue, losses and earnings per share for the last five years for the listed entity.

	2019	2018	2017	2016	2015
	\$	\$	\$	\$	\$
Revenue	31,424	4,418,092	73,195	246,907	405,893
Net loss	(2,210,498)	(2,096,790)	(3,493,883)	(4,054,840)	(4,149,118)
Loss per share (cents)	(0.3)	(0.3)	(0.6)	(1.0)	(1.1)
Share price at year end (cents)	1.7	2.5	2.5	4.5	2.2

No dividends have been paid.

Use of remuneration consultants

The Company did not employ the services of any remuneration consultants during the financial year ended 30 June 2019.

Voting and comments made at the Company's 2018 Annual General Meeting

The Company received approximately 97% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of Remuneration

Details of the remuneration of the directors and the key management personnel of the Company are set out in the following table.

The key management personnel of the Company include the directors as per pages 4 to 6 above and the following executive officer who had authority and responsibility for planning, directing and controlling activities within the Company:

- Paul Amoako-Atta – *Mineral Licence Manager* (ceased to be a member of key management personnel on 3 November 2017 upon deconsolidation of subsidiaries)

Given the size and nature of operations of the Company, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

	Short-Term		Long-Term		Post-Employment		Share-based Payments		Percentage Performance Related
	Salary & Fees	Cash Bonus	Non-Monetary	Leave Entitlements	Super-annuation	Retirement benefits	Options & Performance Rights	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	%
Directors									
Michael Atkins									
2019	148,300	-	2,259	-	14,089	-	-	164,648	-
2018	85,500	50,000	3,123	-	12,873	-	107,000	258,496	19.3
Stephen Stone									
2019	273,973	-	2,259	54,976	26,027	-	-	357,235	-
2018	273,973	100,000	3,123	21,075	26,027	-	214,000	638,198	15.7
Debra Bakker (appointed 18 July 2018)									
2019	41,100	-	2,154	-	3,904	-	47,000	94,158	-
Linton Putland (appointed 18 July 2018)									
2019	41,100	-	2,154	-	3,904	-	47,000	94,158	-
Geoffrey Jones (resigned 18 July 2018)									
2019	1,996	-	111	-	190	-	-	2,297	-
2018	41,250	-	3,123	-	3,919	-	53,500	101,792	-
William LeClair (ceased 5 October 2017)									
2018	12,319	-	782	-	-	-	-	13,101	-
Other key management personnel									
Paul Amoako-Atta (ceased 3 November 2017)									
2018	11,937	-	-	-	-	-	-	11,937	-
Total key management personnel compensation									
2019	506,469	-	8,937	54,976	48,114	-	94,000	712,496	
2018	424,979	150,000	10,151	21,075	42,819	-	374,500	1,023,524	

Service Agreements

The details of service agreements of the key management personnel of the Company are as follows:

Stephen Stone, Managing Director and Chief Executive Officer:

- ▶ Term of agreement – Employment commencing 1 July 2012 continuing until employment is terminated.
- ▶ Total remuneration package of \$300,000 consisting of a base salary of \$273,973 (gross) and a superannuation contribution of \$26,027.
- ▶ The agreement may be terminated by the Company giving 12 months' notice in writing, or by Mr Stone giving 3 months' written notice, or applicable shorter periods upon breach of contract by either party. There are no benefits payable on termination other than entitlements accrued to the date of termination.

The non-executive directors have entered into engagement letters containing terms and conditions which are considered standard for the appointments and are in line with common industry practice. None of the other key management personnel have service agreements in place.

Share-Based Compensation

Options

Options are issued to directors and executives as part of their remuneration. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company.

The following options were granted to or vesting with key management personnel during the year, there were no options forfeited during the year:

	Grant Date	Granted Number	Vested Number	Date Vesting & Exercisable	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents) ⁽¹⁾	Exercised Number	% of Remuneration
Directors									
Debra Bakker	16/11/2018	5,000,000	5,000,000	06/12/2018	13/11/2021	3	0.9	Nil	49.9
Linton Putland	16/11/2018	5,000,000	5,000,000	06/12/2018	13/11/2021	3	0.9	Nil	49.9

- (1) The value at grant date in accordance with AASB 2: Share Based Payments of options granted during the year as part of remuneration. For options granted during the current year, the valuation inputs for the Black-Scholes option pricing model were as follows:

	Underlying Share Price (cents)	Exercise Price (cents)	Volatility	Risk Free Interest Rate	Valuation Date	Expiration Date
Directors	2.2	3	77.43%	1.94%	16/11/2018	13/11/2021

There were no ordinary shares in the Company provided as a result of the exercise of remuneration options during the year.

Equity Instruments Held by Key Management Personnel

Option Holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Azumah Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below:

2019	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested & exercisable	Unvested
Directors of Azumah Resources Limited							
Michael Atkins	10,000,000	-	-	-	10,000,000	10,000,000	-
Stephen Stone	20,000,000	-	-	-	20,000,000	20,000,000	-
Debra Bakker	-(⁽¹⁾)	5,000,000	-	-	5,000,000	5,000,000	-
Linton Putland	-(⁽¹⁾)	5,000,000	-	-	5,000,000	5,000,000	-
Geoffrey Jones	5,000,000	-	-	(5,000,000) ⁽¹⁾	-	-	-

- (1) Balance held at date of appointment (18 July 2018 for Debra Bakker and Linton Putland) or resignation (18 July 2018 for Geoffrey Jones) as a member of key management personnel.

Share Holdings

The numbers of shares in the Company held during the financial year by each director of Azumah Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2019

	Balance at start of the year	Received during the year on the vesting of performance rights/exercise of options	Other changes during the year	Balance at end of the year ⁽¹⁾
Directors of Azumah Resources Limited				
Ordinary shares				
Michael Atkins	2,642,061	-	500,000	3,142,061
Stephen Stone	11,696,725	-	-	11,696,725
Debra Bakker	-(2)	-	400,000	400,000
Linton Putland	-(2)	-	-	-
Geoffrey Jones	559,092	-	(559,092) ⁽²⁾	-

(1) At year end there are no nominally held shares.

(2) Balance held at date of appointment (18 July 2018 for Debra Bakker and Linton Putland) or resignation (18 July 2018 for Geoffrey Jones) as a member of key management personnel.

Loans to Key Management Personnel

There were no loans to key management personnel during the year.

Other Transactions with Key Management Personnel

Castle Minerals Limited, an Australian publicly listed company of which Messrs Atkins and Stone are directors, was on-charged rent and administration support expenses by Azumah Resources Limited during the year totalling \$39,386 (2018: \$54,547). The amounts on-charged were at cost to the Company and are included as a reduction of administration or salaries and employee benefits expenses. At 30 June 2019 there was \$89,857 (including GST) (2018: \$87,026) owed by Castle Minerals Limited. In accordance with the Julie West Prospecting Licence sale, the Company also reimbursed Castle \$26,344 during the 2018 financial year for tenement expenditure incurred in keeping the tenement in good standing.

End of Audited Remuneration Report

DIRECTORS' MEETINGS

During the year the Company held twelve meetings of directors. The attendance of directors at meetings of the board was:

	Directors Meetings		Committee Meetings		Remuneration	
	A	B	Audit		A	B
Michael Atkins	12	12	1	1	2	2
Stephen Stone	12	12	*	*	*	*
Debra Bakker	12	12	1	1	2	2
Linton Putland	12	12	1	1	2	2
Geoffrey Jones	-	-	-	-	-	-

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

* – Not a member of the relevant committee.

During the year the Directors also met on numerous occasions informally outside of formal meetings and addressed other matters by circular resolution.

SHARES UNDER OPTION

Unissued ordinary shares of Azumah Resources Limited under option at the date of this report are as follows:

Date options issued	Expiry date	Exercise price (cents)	Number of options
22 Nov 2017	13 Nov 2021	3.0	45,000,000
5 Apr 2018	30 Jun 2020	3.0	3,000,000
17 Sep 2018	31 Jan 2021	3.0	1,500,000
Total number of options outstanding at the date of this report			49,500,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Azumah Resources Limited issued during the year ended 30 June 2019, and up to the date of this report, on the exercise of options.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Azumah Resources Limited paid a premium to insure the directors and secretary of the Company. The total amount of insurance contract premiums paid was \$8,937. The amount has been included in the compensation amounts disclosed for key management personnel elsewhere in this report and in the notes to the financial statements.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, BDO Audit (WA) Pty Ltd or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- ▶ All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- ▶ None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

BDO Corporate Tax (WA) Pty Ltd, BDO Advisory (WA) Pty Ltd and BDO Audit (WA) Pty Ltd received or are due to receive the following amounts for the provision of non-audit services:

	2019 \$	2018 \$
Audits of joint venture expenditure	9,550	-
Taxation consulting and advice	1,500	-
Taxation compliance services	7,050	7,140
Preparation of valuations	13,483	-
Total remuneration for non-audit services	31,583	7,140

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 23.

Signed in accordance with a resolution of the directors.



Stephen Stone
Managing Director

Perth, 25 September 2019

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF AZUMAH RESOURCES LIMITED

As lead auditor of Azumah Resources Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 25 September 2019

CORPORATE GOVERNANCE STATEMENT

Azumah Resources Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Azumah Resources Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2019 Corporate Governance Statement was approved by the Board on 29 August 2019 and is current as at 29 August 2019. A description of the Company's current corporate governance practices is set out in the Company's Corporate Governance Statement which can be viewed at www.azumahresources.com.au.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2019	Notes	2019 \$	2018 \$
REVENUE	4	31,424	26,735
Net gain on deconsolidation of subsidiaries	9(c)	-	4,391,357
EXPENDITURE			
Depreciation expense		(5,289)	(93,616)
Salaries and employee benefits expense		(735,866)	(655,415)
Exploration expenditure		(26,049)	(636,698)
Impairment expense	5	(111,847)	(61,185)
Administration expenses		(890,859)	(1,028,961)
Share-based payments expense	21(d)	(95,246)	(377,956)
Share of net losses of joint venture and associate accounted for using the equity method	8(b)	(376,766)	(3,661,051)
LOSS BEFORE INCOME TAX		(2,210,498)	(2,096,790)
INCOME TAX EXPENSE	6	-	-
LOSS AFTER INCOME TAX FOR THE YEAR ATTRIBUTABLE TO OWNERS OF AZUMAH RESOURCES LIMITED		(2,210,498)	(2,096,790)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		-	(60,957)
Share of joint venture's and associate's exchange differences on translation of foreign operations		13,496	(10,214)
<i>Items that have been reclassified to profit or loss</i>			
Exchange differences realised on deconsolidation of foreign operations		-	(1,307,001)
Other comprehensive income for the year, net of tax		13,496	(1,378,172)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF AZUMAH RESOURCES LIMITED		(2,197,002)	(3,474,962)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)	20	(0.3)	(0.3)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	7	701,441	2,323,713
Trade and other receivables		172,359	191,914
TOTAL CURRENT ASSETS		873,800	2,515,627
NON-CURRENT ASSETS			
Investments accounted for using the equity method	8	-	363,270
Property, plant and equipment	10	2,447	9,499
TOTAL NON-CURRENT ASSETS		2,447	372,769
TOTAL ASSETS		876,247	2,888,396
CURRENT LIABILITIES			
Trade and other payables	11	117,728	83,097
Employee benefit obligations		129,440	74,464
TOTAL CURRENT LIABILITIES		247,168	157,561
TOTAL LIABILITIES		247,168	157,561
NET ASSETS		629,079	2,730,835
EQUITY			
Contributed equity	12	107,284,327	107,284,327
Reserves	13	4,785,746	4,677,004
Accumulated losses		(111,440,994)	(109,230,496)
TOTAL EQUITY		629,079	2,730,835

The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2019

	Notes	Contributed Equity \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2017		103,361,606	4,312,544	1,364,676	(107,133,706)	1,905,120
Loss for the year		-	-	-	(2,096,790)	(2,096,790)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	(60,957)	-	(60,957)
Share of associate's exchange differences on translation of foreign operations		-	-	(10,214)	-	(10,214)
Exchange differences realised on deconsolidation of foreign operations		-	-	(1,307,001)	-	(1,307,001)
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR		-	-	(1,378,172)	(2,096,790)	(3,474,962)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	12	4,157,891	-	-	-	4,157,891
Share issue transaction costs	12	(235,170)	-	-	-	(235,170)
Share-based payments expense	21(d)	-	377,956	-	-	377,956
BALANCE AT 30 JUNE 2018		107,284,327	4,690,500	(13,496)	(109,230,496)	2,730,835
Loss for the year		-	-	-	(2,210,498)	(2,210,498)
OTHER COMPREHENSIVE INCOME						
Share of joint venture's exchange differences on translation of foreign operations		-	-	13,496	-	13,496
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR		-	-	13,496	(2,210,498)	(2,197,002)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Share-based payments expense	21(d)	-	95,246	-	-	95,246
BALANCE AT 30 JUNE 2019		107,284,327	4,785,746	-	(111,440,994)	629,079

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF CASHFLOWS**YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,520,323)	(1,648,022)
Interest received		38,035	19,836
Expenditure on exploration interests		(28,137)	(629,936)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	20(a)	(1,510,425)	(2,258,122)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash disposed on deconsolidation of subsidiaries		-	(10,556)
Loans to joint venture and associate		(111,847)	(49,229)
Payments for property, plant and equipment		-	(7,214)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(111,847)	(66,999)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		-	4,133,064
Payments of share issue transaction costs		-	(235,170)
NET CASH INFLOW FROM FINANCING ACTIVITIES		-	3,897,894
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,622,272)	1,572,773
Cash and cash equivalents at the beginning of the financial year		2,323,713	750,912
Effects of exchange rate changes on cash and cash equivalents		-	28
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	701,441	2,323,713

The above Statement of Cashflows should be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the company being Azumah Resources Limited. The financial statements are presented in the Australian currency. Azumah Resources Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 25 September 2019. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Azumah Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The financial statements of Azumah Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Company

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- ▶ AASB 9 Financial Instruments and related amending Standards;
- ▶ AASB 15 Revenue from Contracts with Customers and related amending Standards; and
- ▶ AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions.

AASB 9 Financial Instruments and related amending Standards

In the current year, the Company has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.

Additionally, the Company adopted consequential amendments to AASB 7 Financial Instruments: Disclosures.

In summary AASB 9 introduced new requirements for:

- ▶ The classification and measurement of financial assets and financial liabilities;
- ▶ Impairment of financial assets; and
- ▶ General hedge accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of preparation (cont'd)

AASB 15 Revenue from Contracts with Customers and related amending Standards

In the current year, the Company has applied AASB 15 Revenue from Contracts with Customers (as amended) which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios.

There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

(iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities (including derivatives) measured at fair value.

(b) Principles of equity accounting

(i) Associates

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. However, refer to note 8 for details of an investee classified as an associate even though the Company holds less than 20% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(ii) Joint arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company acquired an interest in a joint venture during the prior reporting period.

Interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognised at cost in the statement of financial position. Refer to note 8 for details of the joint venture entity.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Principles of equity accounting (cont'd)

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1(g).

(iv) Changes in ownership interests

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Azumah Resources Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

(e) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Income tax (cont'd)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

(i) Financial assets

(i) Classification

From 1 July 2018 the Company classifies its financial assets in the following measurement categories:

- ▶ Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- ▶ Those to be measured at amortised cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Financial assets (cont'd)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- ▶ **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or expenses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- ▶ **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income or expenses and impairment losses are presented as a separate line item in the statement of profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Financial assets (cont'd)

- ▶ FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income or expenses in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other income or expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

From 1 July 2018 the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology depends on whether there has been a significant increase in credit risk.

(v) Accounting policies applied until 30 June 2018

The Company has applied AASB 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value and subsequently at amortised cost less impairment. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Collectability of loans and receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables or in an otherwise timely manner. The amount of the impairment allowance is the difference between the asset's carrying amount and the estimated future cash flows. None of the Company's loans and receivables has an applicable interest rate hence the cash flows are not discounted.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Financial assets (cont'd)

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within impairment expenses. When a loan or receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Details on how the fair value of financial investments is determined are disclosed in note 2.

Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the income statement.

(j) Exploration and evaluation costs

Exploration and evaluation costs are expensed (and not capitalised) in the year they are incurred.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are paid on normal commercial terms.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(I) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in employee benefit obligations in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The Company also has liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'), refer to note 21.

The cost of these equity-settled transactions with employees and consultants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes or trinomial barrier option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at the reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Employee benefits (cont'd)

Performance rights are also granted to employees. The fair value of performance rights granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and allocated over the period during which the employees become unconditionally entitled to the performance rights. The fair value of the performance rights is determined by fair market value of share at the date of grant.

(m) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the respective taxation authorities, are presented as operating cash flows.

(o) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below. New standards and interpretations not mentioned are considered unlikely to impact on the financial reporting of the Company.

AASB 16 Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The Company plans to adopt the new standard on the required effective date. The Company continues to assess the potential impact of AASB 16 on its financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Critical accounting estimates and judgements

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- ▶ Judgement on the classification of an investee as an associate where the voting rights held is less than 20% - note 8;
- ▶ Judgement on the fair value of loan receivable from an investee – note 8;
- ▶ Judgement on the classification of joint control – note 9;
- ▶ Judgement on the fair value of loan payable to joint venture partner – note 9;
- ▶ Estimation on fair value on initial recognition of joint venture – note 9; and
- ▶ Estimation and judgement on valuation of share-based payments – note 21.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

2. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all board members to be involved in this process. The Managing Director has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the statement of financial position as investments accounted for using the equity method. Given the current level of operations, the Company is not currently exposed to commodity price risk.

The Company's equity investments are publicly traded on the ASX, with the investments being made for strategic purposes identified by the Board of Directors. The price risk is monitored by the Board and evaluated in accordance with these strategic outcomes.

The risk is not material and sensitivity analysis does not result in a material effect on Company results or financial position.

(b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Company is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

As the Company does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

2. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

3. SEGMENT INFORMATION

For management purposes, the Company has identified only one reportable segment being exploration activities undertaken in Ghana, West Africa. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves, from the Company's mineral assets in this geographic location.

Segment performance matches the Company's financial statements.

4. REVENUE AND OTHER INCOME

	2019 \$	2018 \$
Revenue		
<i>Other revenue</i>		
Interest	31,424	26,735

5. EXPENSES

Loss before income tax includes the following specific expenses:

Minimum lease payments relating to operating leases	60,580	58,080
Defined contribution superannuation expense	58,468	52,210
Foreign exchange losses	3,637	4,858
<i>Impairment expense</i>		
Impairment of trade and other receivables of a subsidiary prior to deconsolidation	-	2,013
Impairment of loan to joint venture (note 17(c))	111,847	59,172
Total impairment expense	111,847	61,185

6. INCOME TAX

	2019 \$	2018 \$
(a) Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss from continuing operations before income tax benefit	(2,210,498)	(2,096,790)
Prima facie tax benefit at the Australian tax rate of 30% (2018: 30%)	(663,149)	(629,037)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	28,574	113,387
Balances related to the Ibaera transaction and deconsolidation of subsidiaries	113,030	(219,092)
Sundry items	48,151	123,387
	(473,394)	(611,355)
Movements in unrecognised temporary differences	29,632	(9,688)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	443,762	642,274
Foreign tax rate differential	-	(21,231)
Income tax benefit	-	-

(b) Unrecognised temporary differences

Deferred Tax Assets at 30% (2018: 30%)

On Income Tax Account

Capital raising costs	63,255	87,827
Provision for impairment	30,260,409	26,808,038
Accruals and other provisions	52,998	32,495
Carry forward tax losses (revenue)	4,319,572	3,985,099
	34,696,234	30,913,459

Deferred Tax Liabilities at 30% (2018: 30%)

	-	-
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Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Company's ability to use losses in the future is subject to the companies in the Company satisfying the relevant tax authority's criteria for using these losses.

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank and in hand	451,441	323,713
Short-term deposits	250,000	2,000,000
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	701,441	2,323,713

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

8. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Set out below are the associates and joint ventures of the Company as at 30 June 2019.

Name of entity	% of ownership interest		Quoted fair value		Carrying amount	
	2019	2018	2019	2018	2019	2018
	%	%	\$	\$	\$	\$
Castle Minerals Limited ⁽¹⁾	12.4	12.5	138,625	443,600	-	-
Azumah Resources GH Ltd ⁽²⁾	58.7	86.7	- *	- *	-	363,270
Total equity accounted investments					-	363,270

- (1) Castle Minerals Limited (**CDT**) is classified as an associate and the investment is measured using the equity method. CDT has share capital consisting solely of ordinary shares, which are held directly by the Company. CDT was incorporated in Australia, which is also their principal place of business. The proportion of ownership interest is the same as the proportion of voting rights held.

CDT is an ASX listed exploration company with minerals interests in Ghana. It is a strategic investment which utilises the Company's knowledge and expertise and compliments the Company's mineral interests held in Ghana.

- (2) Azumah Resources GH Ltd (**ARG**) was classified as a joint venture during the 2018 financial year (refer note 9) and the investment is measured using the equity method. Previously ARG was classified as a subsidiary and consolidated. ARG has share capital consisting of ordinary shares and redeemable convertible preference shares, refer to note 9. ARG was incorporated in Ghana, which is also their principal place of business. The proportion of ownership interest is the same as the proportion of voting rights held. The percentage of ownership is diluted in the proportion that the contributed funding by Ibaera bears to the Initial Earn-In Funding.

ARG is a private exploration company with minerals interests in Ghana. It is a strategic investment which holds the Company's primary Wa Gold Project.

* Private entity – no quoted price available.

(a) Significant judgements

Classification of investee as an associate

The Company has made a significant judgement about the classification of an investee as an associate where the voting rights held is less than 20%. During the 2016 financial year the Company had two of its directors, Messrs Atkins and Stone, appointed to the board of CDT, an entity of which the Company held 12.4% (2018: 12.5%) of the voting rights at the reporting date, represented by a holding of 27,725,024 ordinary shares (2018: 27,725,024). This representation on the board of the investee, and ability to participate in the policy-making processes of the investee, has led to the determination that the Company has significant influence over the investee. From the date of the director appointments, the Company has accounted for the investee using the equity method. Prior to this date the investee was classified as an available-for-sale financial asset and accounted for at fair value through other comprehensive income.

Loan receivable from associate

As disclosed in note 9, advances from Ibaera through AGR during the funding period ultimately gives rise to a loan receivable from AGR in Azumah's books. The total loan funding received from Ibaera from inception of the earn-in to date is US\$8,324,303 is recognised at a fair value of nil. The fair value was determined on a discounted basis reflecting the risk of the project being in the exploration stages and the indeterminate timeframe for repayment being not to occur until after production from the Wa Project has commenced.

8. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (cont'd)

(b) Summarised financial information for associate and joint venture

The tables below provide summarised financial information for the Company's associate (CDT) and joint venture (ARG). The information disclosed reflects the amount presented in the financial statements of CDT and ARG and not Azumah Resources Limited's share of those amounts. They have been amended to reflect adjustments made by the Company when using the equity method.

	Azumah Resources GH Ltd		Castle Minerals Limited	
	2019	2018	2019	2018
	\$	\$	\$	\$
Summarised statement of financial position				
Current assets				
Cash and cash equivalents	12,674	14,486	*	*
Other current assets	29,281	46,595	*	*
Total current assets	41,955	61,081	355,092	716,845
Non-current assets	1,371,664	1,475,058	11,061	13,829
Total assets	1,413,619	1,536,139	366,153	730,674
Current liabilities	912,408	1,396,549	244,382	144,581
Non-current liabilities	109,527,594	87,621,980	-	-
Total liabilities	110,440,002	89,018,529	244,382	144,581
Net assets/(liabilities)	(109,026,383)	(87,482,390)	121,771	586,093

Summarised statement of profit or loss and other comprehensive income

Revenue and other income	21,040	1,686	82,791	21,138
Interest income	-	-	*	*
Depreciation	(346,716)	(267,784)	*	*
Interest expense	-	-	*	*
Income tax expense	-	-	*	*
Loss for the period	(7,711,808)	(4,303,155)	(494,738)	(1,615,493)
Other comprehensive income	(5,144,151)	(32,446)	416	164
Total comprehensive loss	(12,855,959)	(4,335,601)	(494,322)	(1,615,329)

Dividends received from associate	-	-	-	-
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* Disclosure not applicable for associates.

Reconciliation of value of investment:

Opening carrying amount	363,270	-	-	126,931
Addition of investment in Azumah Resources GH Ltd (note 9)	-	3,918,300	-	-
Exchange differences	13,496	(9,943)	-	-
Share of joint venture's and associate's loss and other comprehensive income	(376,766)	(3,545,087)	-	(126,931)
Closing carrying amount	-	363,270	-	-

8. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (cont'd)

(c) Contingent liabilities in respect of associate and joint venture

Castle Minerals Limited

The Company shares in the following contingent assets and liability incurred jointly with other investors of the associate:

Contingent liability

Tenement acquisition

In accordance with a tenement acquisition agreement entered during the year, the following deferred consideration may become payable in future periods:

2,000,000 performance rights to vest into fully paid ordinary shares of Castle on the date that Castle submits a Form 5 (in the form specified in the Mining Act) stating that Castle has expended \$500,000 on the tenement.

Contingent assets

Julie West tenement sale

Under the terms of the sale agreement for the Julie West Prospecting Licence ("tenement"), the Group is entitled to a final payment of \$250,000 upon completion. Completion is dependent upon obtaining the consent of the Minister in Ghana responsible for the administration of the *Minerals and Mining Act, (2006)* Ghana to the transfer of all the legal and beneficial interest in the tenement to the Group.

Topago sale

Under the terms of the sale agreement for the disposal of the Group's former subsidiary Topago Mining Ltd ("Topago") the sale consideration includes a cash payment of US\$100,000 upon commencement of mining at the Akoko Gold Project, a gross royalty of US\$25 per ounce on the first 50,000 ounces of gold produced, and a 1% gross royalty on any additional production over 50,000 ounces of gold. The amounts (in AUD) and the timing of receipt are not able to be determined at the period end and accordingly, no asset has been recognised for the contingent asset.

Azumah Resources GH Ltd

The Company shares in the following contingent liabilities incurred jointly with other investors of the joint venture:

Ghanaian Government's Rights to Participation in Mining Projects

The Government is entitled to a 10% interest in any mineral operations in respect of mineral rights held in Ghana without the payment of compensation. However, it is not usual for the Government to exercise this option in relation to the holder of reconnaissance rights.

The Government also has the option of acquiring an additional 20% interest in the rights and obligations in any mineral operations where any mineral is discovered in commercial quantities. The acquisition of this further 20% interest must be on terms agreed upon between the holder of the mining lease and the Government. Since the law was passed in 1986, the Government has never exercised this option.

9. DECONSOLIDATION OF SUBSIDIARIES AND EARN-IN BY IBAERA

(a) Description

On 1 September 2017 the Company executed an Earn-In and Shareholders Agreement (**EISA**) with private equity group Ibaera Capital Fund GP Limited (**Ibaera**), whereby Ibaera can earn in two stages over two years up to a 47.5% direct interest in the Company's Wa Gold Project for an expenditure of US\$13.5 million. An Amended EISA dated 30 October 2017 was subsequently executed, under which the Commencement Date was 3 November 2017.

The EISA provides for Azumah to retain a 57.5% ownership interest and Ibaera the ability to obtain a 42.5% ownership interest in ARG by spending US\$11.25 million (**Initial Earn-In Funding**) (or the completion of a feasibility study). Up to an additional 5% ownership interest may be obtained (in defined circumstances) by Ibaera spending a further US\$2.25 million. From the commencement date Ibaera have been issued Series A Redeemable Convertible Preference Shares (**RCPS**) in ARG that will convert to ordinary shares in ARG upon satisfaction of the Initial Earn-In Funding. The RCPS have participative and voting rights in the proportion that the contributed funding bears to the Initial Earn-In Funding. At 30 June 2019 this equated to a 41.3% interest in ARG (30 June 2018: 13.3%).

9. DECONSOLIDATION OF SUBSIDIARIES AND EARN-IN BY IBAERA (cont'd)

(a) Description (cont'd)

The contractual rights contained in the EISA include the appointment of two members to ARG's board of directors by Ibaera (Azumah have two appointees also, including the chairman who has a casting vote except in those instances designated as requiring a unanimous vote over the relevant activities of ARG), and unanimous voting requirements over the relevant activities of ARG. These rights have created a situation whereby Azumah and Ibaera, from the Commencement Date, have joint control of ARG, thereby creating a joint venture. Hence, from the Commencement Date, Azumah has deconsolidated its former subsidiary ARG, and the two other entities within the ARG consolidated group.

Azumah's continuing investment in the joint venture will be treated as an investment accounted for using the equity method. The fair value upon initial recognition of this investment has been determined as the amount of the Initial Earn-In Funding that Ibaera is committed to spend prior to having the option of voluntarily withdrawing from the EISA. This amount is US\$3 million. Subsequently, Azumah will recognise its share of the joint venture's profit or loss and other comprehensive income in accordance with the Company's existing accounting policies.

Contemporaneously with the execution of the EISA, Azumah also entered a Loan Assignment Deed with Ibaera whereby 42.5% of the benefits of Azumah's loan to ARG have been assigned to Ibaera for consideration of US\$1. The loan is USD denominated, unsecured, interest free (until the commencement of project development), with repayment set for 31 October 2027. The loan balance on the Commencement Date was US\$63,433,908 (A\$81,178,674), with that amount fully impaired by Azumah as at that date. If the EISA is terminated or Ibaera withdraw, the benefit of the loan assignment is transferred back to Azumah for US\$1.

The fair value of Azumah's financial liability to Ibaera upon initial recognition of the loan assignment has been determined as the US\$1 that Azumah is contractually obligated to deliver if the EISA is terminated or Ibaera withdraw.

Total increase in the loan advances from Ibaera into ARG from the inception of the earn-in to 30 June 2019 amounted to \$10,862,657 (US\$8,324,303).

Until such time that ARG has the financial resources to repay the loan (i.e. when it goes into production) and any future advances from Ibaera into ARG (which creates a loan receivable by ARG to Azumah) and the corresponding Azumah financial liability to Ibaera, will have a fair value of nil.

(b) Critical accounting estimates and judgements

Accounting for this transaction has required management to exercise a high degree of judgement over the following areas:

Classification of joint control

From the Commencement Date of the EISA, Azumah and Ibaera have two appointee's each on the board of directors of ARG. The EISA also stipulates decisions of ARG's board that require unanimous approval, which the Company has determined creates substantive rights over the relevant activities of ARG. This has resulted in joint control over ARG, resulting in deconsolidation by Azumah of the ARG consolidated group, and the subsequent recognition of an investment in a joint venture.

Fair value on initial recognition of joint venture

The fair value on initial recognition of the Company's retained interest in ARG, which was 100% at date of disposal, has been determined using management's judgement on the contractual provisions of the EISA. Ibaera is committed to a minimum spend of US\$3 million, after which time it is possible for them to voluntarily withdraw from the EISA with no further obligation. This has been determined as being representative of the fair value of the Company's investment in ARG.

Loan payable to joint venture partner

The fair value on initial recognition of the Company's loan payable to Ibaera has been determined using management's judgement on the contractual provisions of the EISA and AGR Loan Assignment Deed. The fair value has been determined as the US\$1 that Azumah is contractually obligated to deliver if the EISA is terminated or Ibaera withdraw. Increases in the loan since inception have also been recognised at fair value using management's judgement on the recoverability of the AGR loan receivable. The fair value was determined on a discounted basis reflecting the risk of the project being in the exploration stages and the indeterminate timeframe for repayment being not to occur until after production from the Wa Project has commenced.

9. DECONSOLIDATION OF SUBSIDIARIES AND EARN-IN BY IBAERA (cont'd)**(c) Details of the gain on deconsolidation of subsidiaries**

	2019 \$	2018 \$
Fair value of investment retained in AZG	-	3,918,300
Carrying amount of net assets disposed ⁽¹⁾	-	(833,944)
Gain on deconsolidation before income tax and reclassification of foreign currency translation reserve	-	3,084,356
Reclassification of foreign currency translation reserve	-	1,307,001
Income tax	-	-
Net gain on deconsolidation of subsidiaries	-	4,391,357

The carrying amounts of assets and liabilities as at the date of deconsolidation (3 November 2017) were:

	3 November 2017 \$
Cash	10,556
Other receivables	22,671
Property, plant and equipment	1,390,328
Total assets	1,423,555
Trade and other payables	(589,611)
Total liabilities	(589,611)
Net assets	833,944

- (1) The net assets disposed excludes intercompany loans payable to Azumah by the former subsidiaries as these loans receivable were fully written down to nil by Azumah.

10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Freehold Buildings \$	Plant and Equipment \$	Total \$
At 1 July 2017			
Cost	1,875,100	1,674,313	3,549,413
Accumulated depreciation	(431,706)	(1,626,349)	(2,058,055)
Net book amount	1,443,394	47,964	1,491,358
Year ended 30 June 2018			
Opening net book amount	1,443,394	47,964	1,491,358
Exchange differences	1,895	(7,024)	(5,129)
Additions	-	7,214	7,214
Depreciation charge	(76,490)	(17,126)	(93,616)
Disposal on deconsolidation of subsidiaries	(1,368,799)	(21,529)	(1,390,328)
Closing net book amount	-	9,499	9,499
At 30 June 2018			
Cost	-	294,515	294,515
Accumulated depreciation	-	(285,016)	(285,016)
Net book amount	-	9,499	9,499

10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold Buildings \$	Plant and Equipment \$	Total \$
Year ended 30 June 2019			
Opening net book amount	-	9,499	9,499
Depreciation charge	-	(5,289)	(5,289)
Disposals	-	(1,763)	(1,763)
Closing net book amount	-	2,447	2,447
At 30 June 2019			
Cost	-	193,289	193,289
Accumulated depreciation	-	(190,842)	(190,842)
Closing net book amount	-	2,447	2,447

11. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2019 \$	2018 \$
Trade payables	62,694	39,022
Other payables and accruals	55,034	44,075
	117,728	83,097

All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

12. CONTRIBUTED EQUITY

	Notes	2019 Number of shares	2019 \$	2018 Number of shares	2018 \$
(a) Share capital					
Ordinary shares fully paid	12(b), (d)	782,153,101	107,284,327	782,153,101	107,284,327
Total contributed equity			107,284,327		107,284,327
(b) Movements in ordinary share capital					
Beginning of the financial year		782,153,101	107,284,327	582,565,957	103,361,606
Issued during the year:					
– Issued for cash via entitlements issue		-	-	116,513,192	2,330,264
– Issued for cash at 2.2 cents per share		-	-	81,945,452	1,802,800
– Issued as consideration for consulting fees ⁽¹⁾		-	-	1,128,500	24,827
Less transaction costs		-	-	-	(235,170)
End of the financial year		782,153,101	107,284,327	782,153,101	107,284,327

(1) These shares were valued at the fair value of the services received as invoiced by the supplier, inclusive of GST.

12. CONTRIBUTED EQUITY (cont'd)

	Number of options	
	2019	2018
(c) Movements in options on issue		
Beginning of the financial year	38,000,000	-
Issued, exercisable at \$0.03, expiry 13 November 2021	10,000,000	35,000,000
Issued, exercisable at \$0.03, expiry 31 January 2021	1,500,000	-
Issued, exercisable at \$0.03, expiry 30 June 2020	-	3,000,000
End of the financial year	49,500,000	38,000,000

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(e) Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital positions of the Company at 30 June 2019 and 30 June 2018 are as follows:

	2019	2018
	\$	\$
Cash and cash equivalents	701,441	2,323,713
Trade and other receivables	172,359	191,914
Trade and other payables	(117,728)	(83,097)
Employee benefit obligations	(129,440)	(74,464)
Working capital position	626,632	2,358,066

13. RESERVES**(a) Reserves**

Foreign currency translation reserve	-	(13,496)
Share-based payments reserve	4,785,746	4,690,500
	4,785,746	4,677,004

(b) Nature and purpose of reserves*(i) Foreign currency translation reserve*

Exchange differences arising on translation of the net investments in foreign entities are recognised in other comprehensive income as described in note 1(d) and accumulated within a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

	2019	2018
	\$	\$

14. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Audit services

BDO Audit (WA) Pty Ltd – audit and review of financial reports	37,435	32,743
BDO Audit (WA) Pty Ltd – other assurance services: audit of joint venture expenditure	9,550	-
Total remuneration for audit and other assurance services	46,985	32,743

(b) Non-audit services

BDO Corporate Tax (WA) Pty Ltd – taxation compliance services	7,050	7,140
BDO Corporate Tax (WA) Pty Ltd – taxation consulting services	1,500	-
BDO Advisory (WA) Pty Ltd – preparation of valuations	13,483	-
Total remuneration for other services	22,033	7,140

15. CONTINGENCIES

There are no material contingent assets of the Company at reporting date. The Company has the following contingent liability in relation to a tenement purchase:

Under the terms of the sale agreement for the Julie West Prospecting Licence (“tenement”) between CDT and the Company, the Company is required to make a final payment of \$250,000 upon completion. Completion is dependent upon obtaining the consent of the Minister in Ghana responsible for the administration of the Minerals and Mining Act, (2006) Ghana to the transfer of all of the legal and beneficial interest in the tenement to the Company.

16. COMMITMENTS

Lease commitments: Company as lessee

Operating leases (non-cancellable):

Minimum lease payments		
within one year	24,000	29,040
later than one year but not later than five years	-	-
Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities	24,000	29,040

The property lease is a non-cancellable lease with a twelve-month term, with rent payable monthly in advance. The rent payable is fixed for the duration of the term. The lease allows for subletting of all lease areas.

17. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Short-term benefits	515,406	585,130
Long-term benefits	54,976	21,075
Post-employment benefits	48,114	42,819
Share-based payments	94,000	374,500
	712,496	1,023,524

Detailed remuneration disclosures are provided in the remuneration report on pages 16 to 20.

	2019 \$	2018 \$
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17. RELATED PARTY TRANSACTIONS (cont'd)

(b) Transactions and balances with other related parties

Expense on-charges and purchases of goods and services

Various administration expenses on-charged to an associate	39,386	54,547
Reimbursement of exploration expenditure to an associate in relation to a tenement acquisition	-	26,344
Sub-underwriting fee (paid by the underwriter) to an entity controlled by the Chairman, Mr Atkins, in relation to the Company's non-renounceable rights issue	-	441

(c) Loans to/from related parties

Azumah Resources Limited has provided an unsecured, interest free (until the commencement of project development) loan to Azumah Resources GH Ltd. Refer to note 9, ARG was formerly a subsidiary of Azumah, but is now a joint venture that is accounted for using the equity method. The loan is denominated in USD and is not repayable until 31 October 2027. The balance of the loan at 30 June 2019 was \$100,868,029 (2018: \$89,360,127) and has been fully impaired by Azumah.

Refer to note 9, Ibaera have contributed the majority of the loan funding from the establishment of the joint venture and are also entitled to 42.5% of the balance per the Loan Assignment Deed. Total increase in the loan advances from Ibaera into ARG from the inception of the earn-in to 30 June 2019 amounted to \$10,862,657 (US\$8,324,303) (2018: \$3,494,644 (US\$2,707,977)).

The movement in the carrying value of the loan for contributions made by Azumah for the period from deconsolidation of subsidiaries to the reporting date is shown below:

Opening value at deconsolidation of subsidiaries	-	-
Loans advanced	111,847	59,172
Impairment charge	(111,847)	(59,172)
Closing value	-	-

18. EVENTS OCCURRING AFTER THE REPORTING DATE

During July 2019 the Company concluded the underwritten share purchase plan and top-up placement announced on 13 June 2019 with the issue of 196,428,739 ordinary shares to raise a total of \$2.75 million.

During July 2019 the Company announced that joint venture partner Ibaera had completed their obligations under the EISA and become entitled to ownership of 42.5% of the ordinary issued capital of AZG, the holder of all mineral licences comprising the Project. It was also announced that Azumah elected to allow Ibaera to sole fund the next stage of funding of the Project and completion of the feasibility study scheduled for year-end 2019. The election will enable Ibaera to earn an additional 4% interest in AZG, and hence the Project, to a maximum interest of 46.5% by funding the already approved programme and budget of US\$2.25 million. The EISA provides that the actual additional interest to be earned will be determined having regard to the current value of the Project.

During September 2019, an unsolicited off-market cash takeover offer was made on behalf of private equity group, Ibaera Capital Fund GP Limited for all the shares in the Company not already owned by Ibaera.

No other matter or circumstance has arisen since 30 June 2019, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

19. CASH FLOW INFORMATION

	2019 \$	2018 \$
(a) Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	(2,210,498)	(2,096,790)
Non-Cash Items		
Depreciation of non-current assets	5,289	93,616
Loss on disposal of non-current assets	1,763	-
Share of net loss of associate accounted for using the equity method	376,766	3,661,051
Share-based payment expense	95,246	377,956
Net exchange differences	-	(53,795)
Shares issued as consideration for consulting fees	-	24,827
Net gain on deconsolidation of subsidiaries	-	(4,391,357)
Impairment of loan to associate	111,847	59,172
Change in operating assets and liabilities, net of effects from deconsolidation of subsidiaries		
Decrease/(increase) in trade and other receivables	19,555	(32,943)
Increase in trade and other payables and employee benefit obligations	89,607	100,141
Net cash outflow from operating activities	<u>(1,510,425)</u>	<u>(2,258,122)</u>

(b) Non-cash investing and financing activities

During the 2018 financial year, 1,128,500 ordinary shares were issued at a deemed cost of \$24,827 (including GST) as consideration for consulting fees. This amount was included in 'Administration expenses' on the statement of profit or loss and other comprehensive income of the Company.

20. LOSS PER SHARE**(a) Reconciliation of earnings used in calculating loss per share**

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	<u>(2,210,498)</u>	<u>(2,096,790)</u>
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	Number of shares	Number of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	<u>782,153,101</u>	<u>690,914,544</u>

(c) Information on the classification of options

As the Company has made a loss for the year ended 30 June 2019, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

21. SHARE-BASED PAYMENTS

(a) Employees' and contractors' options

The Company provides benefits to employees (including directors) and contractors of the Company in the form of share-based payment transactions, whereby options to acquire ordinary shares are issued as an incentive to improve employee and shareholder goal congruence. The exercise price of all options granted is 3 cents per option. All options granted have expiry dates ranging from 30 June 2020 to 13 November 2021.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

Set out below are summaries of the options granted:

	2019		2018	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	38,000,000	3.0	-	-
Granted	11,500,000	3.0	38,000,000	3.0
Forfeited/cancelled	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	49,500,000	3.0	38,000,000	3.0
Exercisable at year-end	49,500,000	3.0	38,000,000	3.0

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 2.3 years (2018: 3.3), and the exercise price is 3 cents.

The weighted average fair value of options granted during the year was 0.8 cents (2018: 1.0). The prices were calculated by using the Black-Scholes European Option Pricing Model for the 10,000,000 options granted to Directors (2018: 35,000,000 options granted to Directors), and a Trinomial Barrier Option Pricing Model for the 1,500,000 options granted to a consultant (2018: 3,000,000 options granted to a consultant), applying the following inputs:

	Black-Scholes Model	Trinomial Barrier Model	Black-Scholes Model	Trinomial Barrier Model
	2019	2019	2018	2018
Exercise price (cents)	3.0	3.0	3.0	3.0
Barrier price (cents)	N/A	6.0	N/A	6.0
Life of the option (years)	2.9	2.4	4.0	2.2
Underlying share price (cents)	2.2	2.0	2.0	2.2
Expected share price volatility	77.4%	35.0%	84.9%	35.0%
Risk-free interest rate	1.9%	2.0%	1.9%	2.0%

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

The life of the options is based on historical exercise patterns, which may not eventuate in the future.

(b) Shares issued to suppliers

During the 2018 financial year, 1,128,500 ordinary shares were issued at a deemed cost of \$24,827 (including GST) as consideration for consulting fees. This amount was included in 'Administration expenses' on the statement of profit or loss and other comprehensive income of the Company.

21. SHARE-BASED PAYMENTS (cont'd)**(c) Critical accounting estimates and judgements**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or fair market value of share (right) at the date of grant, using the assumptions detailed above. If any of these assumptions were to change, there may be an impact on the amounts reported.

(d) Expenses arising from share-based payment transactions

	2019 \$	2018 \$
Total expenses arising from share-based payment transactions recognised during the period were as follows:		
Options issued to employees and contractors	95,246	377,956
Shares issued to suppliers ('Administration expenses')	-	24,827
	95,246	402,783

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements comprising the statements of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows and accompanying notes set out on pages 25 to 52 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2019, comply with Section 300A of the *Corporations Act 2001*; and
- (d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Stephen Stone
Managing Director

Perth, 25 September 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Azumah Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Azumah Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Azumah Resources Limited, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of share based payments

Key audit matter	How the matter was addressed in our audit
<p>During the financial period ended 30 June 2019, the Company issued options to consultants and key management personnel, which have been accounted for as share-based payments as per note 21.</p> <p>Refer to Note 1(l)(iii) of the financial report for a description of the accounting policy and Note 21(c) for the significant estimates and judgements applied to these arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments, we consider the Company's calculation of the share-based payment expense to be a key audit matter.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Reviewing management's calculation of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Involving our valuation specialists, to assess the reasonableness of management's valuation inputs in respect of risk free rates and volatility; • Assessing the allocation of the share-based payment expense over the relevant vesting period; and • Assessing the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Azumah Resources Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd



Phillip Murdoch
Director

Perth, 25 September 2019

ASX ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 23 September 2019.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

		Ordinary shares	
		Number of holders	Number of shares
1	- 1,000	157	78,549
1,001	- 5,000	612	1,944,153
5,001	- 10,000	423	3,541,670
10,001	- 100,000	1,248	49,584,174
100,001	and over	680	923,433,294
		3,120	978,581,840
		1,457	9,281,527

The number of shareholders holding less than a marketable parcel of shares are:

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	ZERO NOM PL	174,201,951	17.82
2	CAITLYN LTD	54,952,416	5.62
3	CITICORP NOM PL	42,203,197	4.32
4	KAOS INV PL	37,000,000	3.79
5	AUSDRILL INTNL PL	36,629,810	3.75
6	HSBC CUSTODY NOM AUST LTD	28,032,165	2.87
7	HARPER DAVID	16,046,445	1.64
8	NATIONAL NOM LTD	15,417,751	1.58
9	MCCARTHY BRETT	13,553,486	1.39
10	TAYLOR FAM INV PL <TAYLOR FAM S/F A/C>	12,000,000	1.23
11	WHITESMAN INV PL <WHITESMAN S/F A/C>	11,134,197	1.14
12	BNP PARIBAS NOM PL <IB AU NOMS RETAILC>	11,550,510	1.18
13	LOCKWOOD RICHARD ARTHUR	9,651,818	0.99
14	HUTCHINS LEWIS D	9,208,578	0.94
15	GLADSTONE SUPER PL <GLADSTONE S/F A/C>	9,160,360	0.94
16	J P MORGAN NOM AUST PL	9,028,411	0.92
17	ZENG QINGTAO	8,381,099	0.86
18	REDSTAR RES LTD	7,521,875	0.77
19	FENG DAWEI	7,430,000	0.76
20	*GOLDFIRE ENTPS PL	7,209,092	0.74
		520,313,161	53.25

Note: Nominee holders hold shares on behalf of a number of beneficial holders

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(d) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares
IGIC Pte Ltd	210,831,761
Caitlyn Ltd	54,952,416
Agnivesh Agarwal ⁽¹⁾	54,952,416
J P Morgan Nominees Australia Ltd	32,041,127
HSBC Custody Nominees Australia Ltd	24,568,324
CDS & Co	18,883,250
Citicorp Nominees Pty Ltd	17,549,530

- (1) Agnivesh Agarwal has a relevant interest in the shares held by Caitlyn Limited (Caitlyn) pursuant to section 608(3) Corporations Act 2001 (Cth) as the sole shareholder of Caitlyn.

(e) Unquoted Securities

Class	Number of Securities	Number of Holders	Holders of 20% or more of the class	
			Holder Name	Number of Securities
3 cent options, expiry 30 June 2020	3,000,000	1	Cornerstone Advisors Pty Ltd	3,000,000
3 cent options, expiry 31 January 2021	1,500,000	1	Joanna Longo	1,500,000
3 cent options, expiry 13 November 2021	45,000,000	5	Stephen Stone ATF <The Pearlstone Family Account>	20,000,000
			Michael William Atkins	10,000,000

(f) Schedule of interests in mining tenements⁽ⁱ⁾

Location	Tenement	Percentage held / earning
Kunche, Ghana	ML 10/1	51.75 ⁽ⁱⁱⁱ⁾
Julie, Ghana	ML 10/5 ⁽ⁱⁱⁱ⁾	51.75 ⁽ⁱⁱⁱ⁾
Collette, Loggo, Ghana	PL 10/4 ⁽ⁱⁱⁱ⁾	57.5
Julie near Du, Ghana	PL 10/5 ⁽ⁱⁱⁱ⁾	57.5
Josephine, Du, Ghana	PL 10/9 ⁽ⁱⁱⁱ⁾	57.5
Julie West, Ghana	PL 10/13	Assignment
Vapor, Ghana	PL 10/12	57.5
Basabli, Ghana	PL 10/13	57.5
Duri, Ghana	PL 10/14	57.5
Butele, Ghana	PL 10/18	57.5
Vapor West, Ghana	PL 10/19	57.5
Vapor South, Ghana	PL 10/20	57.5
Dorimon West, Ghana	PL 10/35	57.5
Tangasia, Ghana	PL 10/36	57.5
Zadong South, Ghana	PL 10/37	57.5
Dorimon, Ghana	PL 10/38	57.5
Vapor S/West, Ghana	PL 10/39	57.5
Lawra North, Ghana	PL 10/41	57.5
Tangasia North, Ghana	PL 10/42	28.75
Samoa S/West, Ghana	PL 10/43 ⁽ⁱⁱⁱ⁾	28.75

- (i) As announced to the ASX on 1 September 2017, Azumah executed an Earn-In and Shareholders Agreement (EISA) with private equity group Ibaera Capital GP Limited, which has resulted in Ibaera earning a 42.5% direct interest in Azumah's Wa Gold Project. On 11 September 2019, Ibaera agreed to sole fund

the next US\$2.25 million of expenditure on the Project to earn a further 4% interest so as to take its total interest in the Project to 46.5%. All tenements included in the table above are within the scope of the EISA.

- (ii) Ghana Government 10% Free Carried Interest (payable through dividends) and 5% Gross Royalty.
- (iii) Held by Phoenix Resources Ltd. All other tenements held by Azumah Resources Ghana Ltd.

Prospecting Licence (PL): A Prospecting Licence gives the holder the exclusive right to search for specific minerals (or commodities) by the conduct of geological and geophysical investigations and to determine the extent and economic value of any deposit within the licence area.