

ASX / Media Release

ASX Code – AZM

Tuesday 27<sup>th</sup> April 2010



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

#### Investment Highlights:

- 1.1Moz gold JORC Code-reported Mineral Resource at Wa Gold Project, NW Ghana
- 100% of 3,100km<sup>2</sup> licences hosting over 150km of prospective Birimian greenstone belt. Only 10% explored
- Feasibility Study underway for multi-pit, 1.0Mtpa mining operation
- Pipeline of priority drill-ready targets
- Aggressive exploration and fast-track development programmes
- Board and management team of successful explorers, developers, mining and corporate professionals

#### Issued Capital:

186.05M ord. shares  
8.5M unlisted options

#### Directors & Management:

Chairman:  
Michael Atkins  
Managing Director:  
Stephen Stone  
Non-Executive Director:  
Geoff M Jones  
Study Manager:  
Alan Thompson  
Company Secretary:  
Dennis Wilkins

#### Contact:

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## MARCH QUARTER 2010 OPERATIONS REPORT

### WA GOLD PROJECT, NORTH WEST GHANA

- ▶ **Boosted resources by 45% to over 1.1Moz gold after addition of maiden resource of 350,100oz (4.9Mt at 2.2g/t gold) from Julie deposit**
- ▶ **Completed 41,000m drilling campaign**
- ▶ **Reported outstanding drilling results from eastern and western zones within 6km east-west Julie structure incl. 17m at 4.38g/t gold from surface (incl 7m at 9.76g/t gold from 4m)**
- ▶ **Reported outstanding drilling results from Collette prospect incl. 20m at 7.43g/t gold from 76m ~ maiden resource expected in June Quarter 2010**
- ▶ **Identified several new mineralised, laminated quartz veins additional to main Julie and Collette mineralised structures with rock-chip samples returning up to 6oz gold per tonne**
- ▶ **Commenced new project-wide 40,000m RC and aircore drilling campaign to increase interim Julie resource and continue resources build-up**
- ▶ **Advanced Feasibility Study - on track for completion by end of 2010 - appointed dedicated Study Manager and key sub-consultants and contractors**
- ▶ **Completed acquisition of licences covering Julie and Collette deposits**

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***“Passing the important one million ounce resource milestone is a tremendous development and highlights the outstanding exploration upside within our extensive 3,100 square kilometre licence area of which we have only realistically explored in any detail less than 10%”***

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Azumah Resources Ltd (ASX: AZM) is pleased to provide the following summary of operations undertaken during the March Quarter 2010 at its 100%-owned, 3,100 km<sup>2</sup>, Wa Gold Project in the emerging north west Ghana gold province where the Company is focused on developing and operating the first commercial-scale gold mining operation in the region (*Figure 1*).

Azumah is well on track to complete by year-end a Feasibility Study for a multi-pit mining operation and the construction of a CIL gold recovery plant to be located close to its adjacent 516,000 ounce Kunche and 212,000 ounce Bekpong gold deposits to treat the non-refractory Wa Gold Project mineralisation (*Figure 2*).

The operation is being designed to produce an initial 70,000 ounces gold per annum but with plans to increase production to over 100,000 ounces gold per annum.

## Operations

- ▶ **Delivered** for the Julie Deposit a maiden Indicated and Inferred Mineral JORC Code reported mineral resource of 4.9 million tonnes at 2.2g/t containing 350,100 ounces gold (*Figure 3*).
- ▶ **Increased** overall Wa Gold Project JORC Code reported mineral resources to 17.02 million tonnes at 2.0g/t gold containing 1,104,400 ounces gold.
- ▶ **Completed** an extensive 41,000m drilling campaign which comprised 19,000 metres of RC, 21,000 metres of aircore and 1,000 metres of diamond drilling.
- ▶ **Reported** outstanding drilling results from eastern and western zones within 6km east-west Julie structure including 17m at 4.38g/t gold from surface (*incl 7m at 9.76g/t gold from 4m*)( AJRC065).
- ▶ **Reported** outstanding drilling results from the Collette prospect including:
  - 20m at 7.43g/t gold from 76m (ACORC070) including:
    - 4m at 18.4g/t gold from 76m
    - 4m at 15.1g/t gold from 88m; and
  - 12m grading 2.42g/t gold from 100m (ACORC073).

Once all results from additional drilling at Collette have been received and a geological interpretation completed, a maiden resource estimation for Collette will be undertaken with completion expected during the June Quarter.

- ▶ **Committed** to and commenced a second **40,000m** combined RC, aircore and diamond drilling programme to increase resources at existing deposits, identify and delineate new resources at the Company's growing pipeline of high-priority targets.
- ▶ **Commenced** an RC drilling programme to immediately extend the 'interim' Julie resource - which is open in all directions – and to investigate a series of mineralised north-south trending laminated quartz veins which intersect the 6km east-west striking Julie mineralisation to produce zones of enhanced mineralisation.
- ▶ **Completed** the acquisition of three prospecting licences – which include the Julie and Collette prospects – and subsequently issued to the vendor, Crew Gold Corporation, 6,000,000 new ordinary fully paid shares. These shares remain in escrow pending the finalisation of some contingent licencing matters. Having delineated in excess of 300,000 ounces gold at the three licences, Azumah will also issue to Crew a further 6,000,000 shares once the foregoing licencing matters are completed. This is expected to occur in the next few weeks.

## Feasibility Study

- ▶ **Advanced** the Wa Gold Project Feasibility Study under the stewardship of the Company's newly appointed in-house Study Manager. A number of key sub-consulting and contracting groups have also been appointed to provide key inputs into the study. The study is currently scheduled for completion by end-2010.

- ▶ **Completed** stage 1 of on-site environmental and social impact studies, a key component of the initial scoping phase of this important critical path item in obtaining a mining permit and other important operating approvals.
- ▶ **Commenced** an open-pit optimisation and preliminary pit design for the Julie deposit

### Working Capital

- ▶ At the end of the March Quarter 2010 Azumah had cash on hand of **\$7.2M** and **185.5M fully paid ordinary shares** on issue.
- ▶ **4.25M** options were exercised for a total consideration of **\$0.752M**

### Corporate

- ▶ The Company will hold a General Meeting on 18<sup>th</sup> May to consider a number of resolutions relating to the ratification of a prior issue and allotment of new shares, the issue of performance based options to Directors and the adoption of an Option Incentive Plan.

### Next Quarter

During the June Quarter 2010 the Company is expecting to undertake and/or achieve the following:

- ▶ **Complete** drilling at and then determine a maiden resource for the Collette Prospect;
- ▶ **Complete** a preliminary open pit optimisation and pit design for the Julie deposit;
- ▶ **Complete** drilling aimed at extending the 'interim' open-ended Julie deposit;
- ▶ **Investigate** the extent and mineralisation of a series of north-south trending laminated quartz veins intersecting the Julie and Collette structures;
- ▶ **Complete** follow-up RC drilling at the Aduane and Sabili prospects, Bepkong North, the Western corridor mineralised trend and several other new targets;
- ▶ **Complete** aircore drill testing of a growing pipeline of new 'brown-fields' targets generated by field mapping and soil sampling; and
- ▶ **Advance** the overall Wa Gold Project Feasibility Study on several fronts including the environmental and social impact studies, pit optimisations and financial modeling updates, metallurgical test work, geotechnical studies and preliminary plant and infrastructure assessments

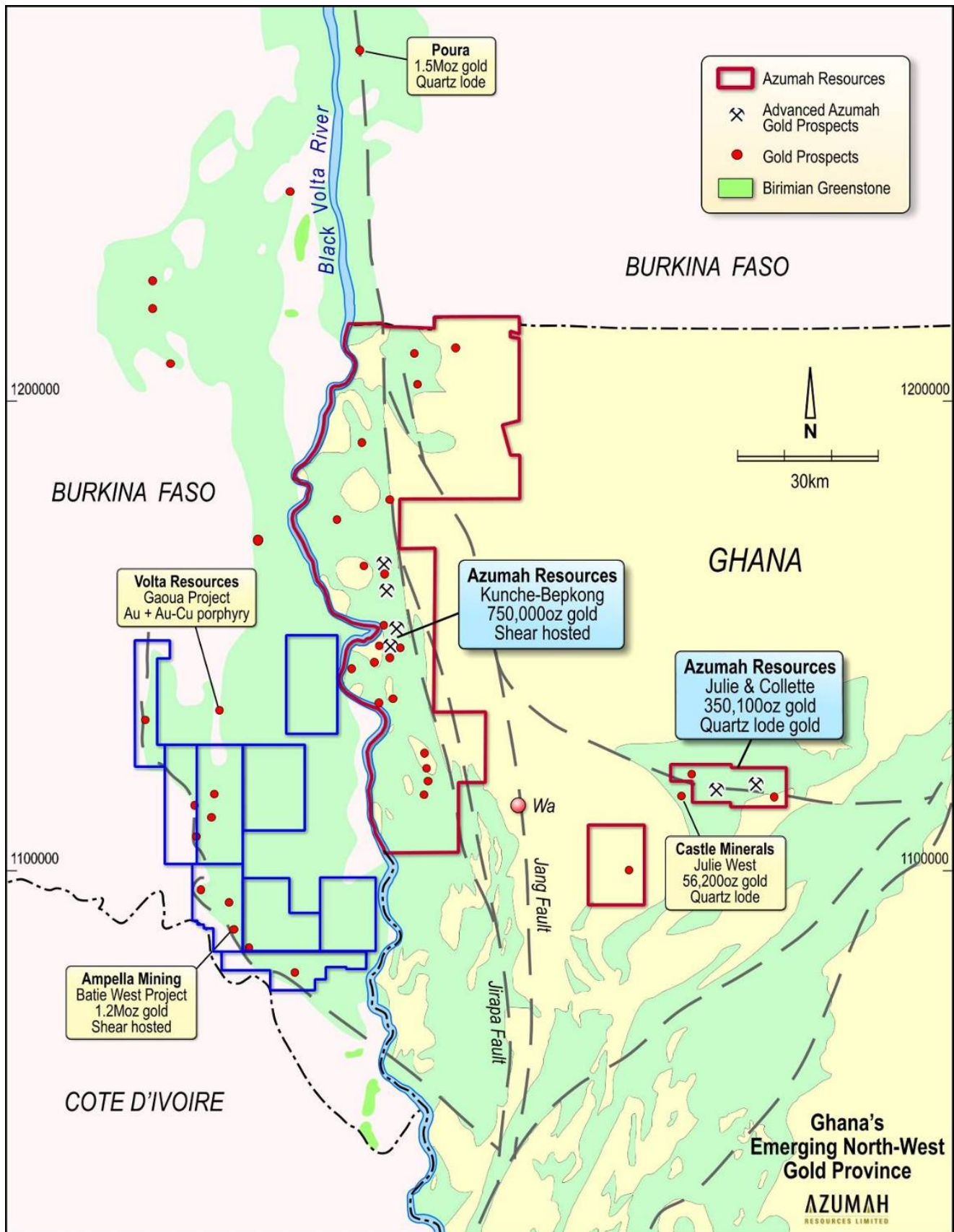
Full details of the above and the original releases to ASX upon which they are based (inclusive of all associated figures and tables) are available from ASX at [www.asx.com.au](http://www.asx.com.au) or from Azumah's website at [www.azumahresources.com.au](http://www.azumahresources.com.au).

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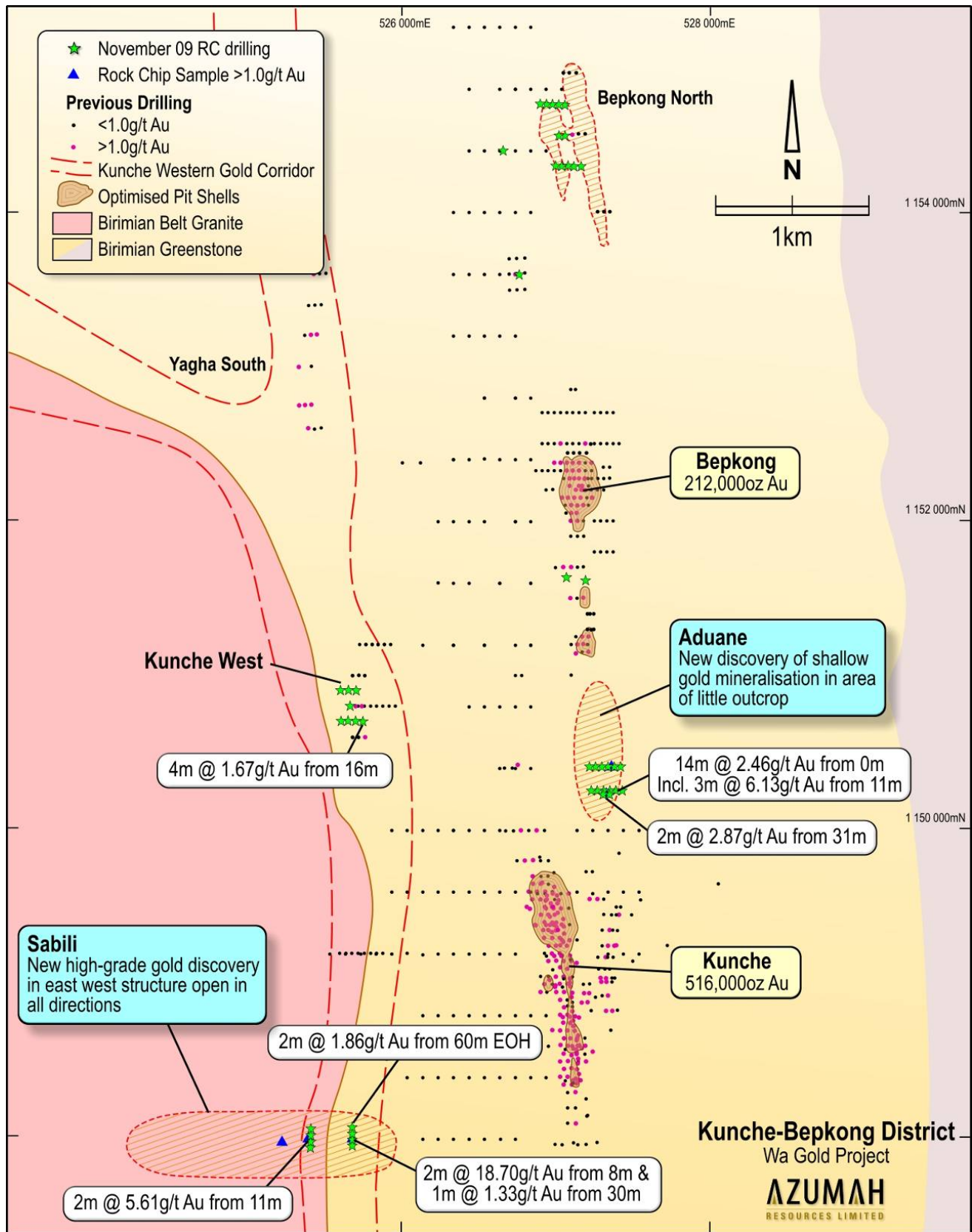
#### Contact:

**Stephen Stone**  
**Managing Director**  
**Tel: +61 (0)418 804564**  
**stone@azumahresources.com.au**

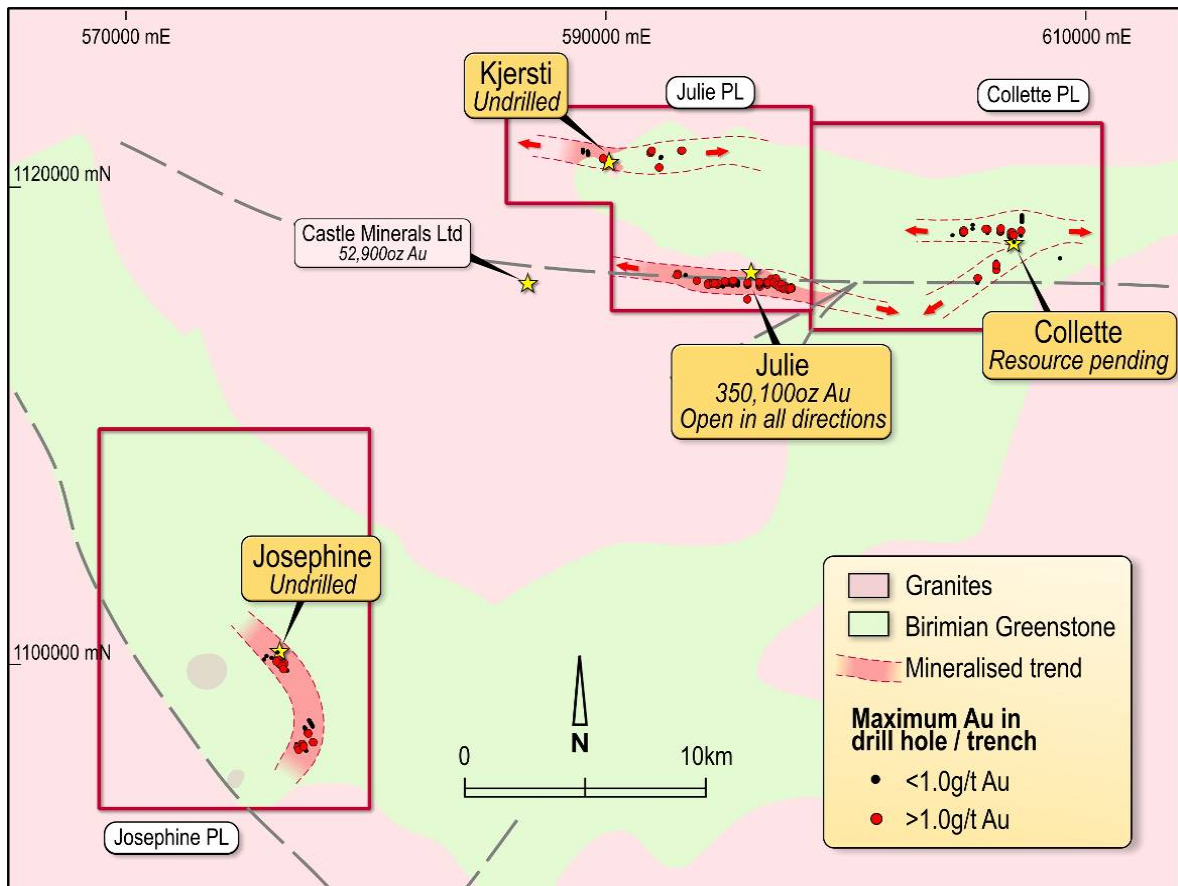
**Figure 1: Azumah's Strategic Licence Position in Ghana's Emerging North West Gold Province**



**Figure 2: Priority Exploration Targets: Kunche - Bepkong District**



**Figure 3: Julie, Collette and Josephine Licences**



**Wa Gold Project – Updated Statement of Combined Mineral Resource Estimates**

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade g/t Gold	Contained Ounces Gold	Tonnes	Grade g/t Gold	Contained Ounces Gold	Tonnes	Grade g/t Gold	Contained Ounces Gold
Kunche	4,900,000	2.0	318,000	3,600,000	1.7	198,000	8,500,000	1.9	516,000
Bepkong	1,040,000	2.5	82,000	1,930,000	2.1	130,000	2,970,000	2.2	212,000
Julie	3,438,000	2.2	246,000	1,489,000	2.2	104,000	4,927,000	2.2	350,100
Atikpi				350,000	1.4	15,500	350,000	1.4	15,500
Yagha				270,000	1.2	10,800	270,000	1.2	10,800
<b>Total</b>	<b>9,378,000</b>	<b>2.1</b>	<b>646,000</b>	<b>7,639,000</b>	<b>1.9</b>	<b>456,300</b>	<b>17,017,000</b>	<b>2.0</b>	<b>1,104,400</b>

1. Kunche Mineral Resource estimation quoted for blocks with a grade greater than 1.0g/t gold. Differences may occur due to rounding errors. Refer ASX release September 2006 and details on Azumah website. Estimation completed by Runge Limited (previously Resource Evaluations Ltd) in September 2006.
2. Bepkong, Atikpi and Yagha Mineral Resource estimations quoted for blocks with a grade of greater than 0.8 g/t gold. Differences may occur due to rounding errors. Estimation completed by CSA Global Pty Ltd in August 2008.
3. Julie Mineral Resource estimate quoted for blocks with a grade greater than 1.0g/t gold. Differences may occur due to rounding errors. Estimation completed by CSA Global Pty Ltd in March 2010.
4. Details of the Bepkong Mineral Resource estimation appear in ASX release dated 4<sup>th</sup> September 2008.
5. Details of the Atikpi and Yagha Mineral Resource estimation appear in ASX release dated 4<sup>th</sup> September 2008.
6. Details of the Julie Mineral Resource estimation appear in ASX release dated 24<sup>th</sup> march 2010.

## Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Stephen Stone. Mr Stone is the Managing Director of Azumah Resources Limited. Mr Stone is a Member of The Australasian 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stone consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this report that relates to in-situ Mineral Resource estimates for Bepkong, Yagha and Atikpi is based on information compiled by Mr David Williams, an employee of CSA Global Pty Ltd, geological consultants. Mr Williams is the competent person for the Bepkong, Yagha and Atikpi estimates and takes overall responsibility for these. Mr Williams is a Member of The Australasian 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Williams consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this report that relates to in-situ Mineral Resource estimate for Julie is based on information compiled by Mr Stephen Hodgson, an employee of CSA Global Pty Ltd, geological consultants. Mr Hodgson is the competent person for the Julie estimate and takes overall responsibility for this. Mr Hodgson is a Member of The Australian Institute of Geoscientists 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hodgson consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this presentation that relates to Mineral Resources at the Kunche Project is based on a resource estimate that has been audited by Mr Paul Payne, who is a full time employee of Runge Limited. Mr Payne is a Member of The Australasian 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Payne consents to the inclusion in the presentation of the matters based on information in the form and context in which it appears.

## Forward Looking Statement

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

**All notes pertaining to the Kunche Mineral Resource estimation of September 2006, the Bepkong Mineral Resource estimation of September 2008, the Atikpi and Yagha Mineral Resource estimation of September 2008 and the Julie Mineral Resource estimation of March 2010 can be viewed at [www.azumahresources.com.au](http://www.azumahresources.com.au)**

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Azumah Resources Limited**

ACN

112 320 251

Quarter ended ("current quarter")

31 March 2010

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(1,634)	(2,663)
(b) development	-	-
(c) production	-	-
(d) administration	(348)	(1,055)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	86	143
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(1,896)</b>	<b>(3,575)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(115)	(183)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(115)</b>	<b>(183)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,011)</b>	<b>(3,758)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,011)	(3,758)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds/(over subscription) from issues of shares, options, etc.	753	9,489
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue costs	(35)	(492)
	<b>Net financing cash flows</b>	<b>718</b>	<b>8,997</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,293)</b>	<b>5,239</b>
1.20	Cash at beginning of quarter/year to date	8,456	1,924
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>7,163</b>	<b>7,163</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	98
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

6 million ordinary shares were issued as consideration for tenement acquisition with a deemed value of \$300,000.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,900
4.2 Development	-
<b>Total</b>	<b>1,900</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,564	886
5.2 Deposits at call	5,599	7,570
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>7,163</b>	<b>8,456</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	Julie PL Collette PL Josephine PL	Nil Nil Nil	100% 100% 100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

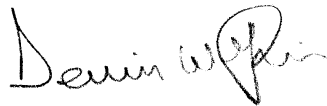
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	185,546,055	185,546,055		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,250,000	10,250,000		
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	500,000 2,500,000 2,500,000 1,750,000 1,750,000	- - - - -	Exercise price 14 cents 14 cents 14 cents 30 cents 40 cents	Expiry date 30 April 2010 30 April 2011 30 April 2013 31 January 2011 31 January 2012
7.8 Issued during quarter				
7.9 Exercised during quarter	2,500,000 1,750,000	- -	14 cents 23 cents	30 April 2010 31 January 2010
7.10 Expired / cancelled during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: 27 April 2010

Print name:

Dennis Wilkins

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.