

ASX / TSX Media Release

ASX Code – AZM

TSX Code – AZR

1st December 2011



www.azumahresources.com.au

Investment Highlights:

- NI 43-101 compliant and JORC Code reported 0.52Moz Inferred and 0.65Moz Indicated Mineral Resource at Wa Gold Project, NW Ghana
- 100% of 3,100km² licences hosting over 150km of prospective Birimian greenstone belt. Less than 10% explored
- Feasibility Study nearly completed for multi-pit, +1.0Mtpa, <100,000oz per year mining and gravity / CIL operation
- Pipeline of drill-ready targets
- Aggressive multi-rig exploration focused on discovery and resource inventory increase
- 15% strategic investment in neighbour, Castle Minerals Limited
- Board and management team of successful explorers, mining and corporate professionals

Issued Capital:

282.02M ordinary shares
9.25M unlisted options

Directors & Management:

Chairman:
Michael Atkins

Managing Director:
Stephen Stone

Non-Executive Director:
Geoff M Jones

Company Secretary:
Dennis Wilkins

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Feasibility Study On Track for Completion Early 2012

- ▶ Azumah executive team bolstered for project delivery
- ▶ Independent consultants appointed to finalise resource updates, mining studies and maiden reserves
- ▶ Tenders for project development (EPC/EPCM) being evaluated
- ▶ Exploration at full tilt with shift in emphasis to discovery and resource expansion

Gold explorer and developer Azumah Resources Limited (ASX:AZM/TSX:AZR) ("Azumah" or "the Company") is pleased to report that its Wa Gold Project definitive Feasibility Study ("FS") is on track for completion in early 2012.

The FS is based on construction of a plus-1.0 million tonne per annum gravity and CIL plant producing <100,000oz gold per annum at the Company's 100%-owned project in the emerging north-west Ghana gold province.

Ahead of completion of the FS and Azumah making a decision to proceed with the project, several key appointments have been made to expand the management team and ensure project delivery capability:

- ▶ **Mr Mick Ryan** has been appointed as Project Manager to oversee finalisation of the FS and project development. Mr Ryan is a consulting metallurgical engineer and principal of Inmett Projects and has more than 25 years experience in project management, construction, commissioning and operational management in Australia, Asia and most recently at several projects in Africa.
- ▶ **Mr Tim Lagdon** has joined the company as General Manager Corporate and Business Development with a particular focus on project funding procurement. Mr Lagdon has more than 25 years experience in project funding, corporate finance and transaction management including 10 years with NM Rothschild and Sons and eight years with Westpac Banking Corporation.
- ▶ **Mr Nick Franey** is now established in the role of General Manager Geology, responsible for a team of 16 Ghana-based geologists and some 50 technicians and support staff all dedicated to increasing resources through discovery and extension of existing deposits. Mr Franey has held senior exploration and executive management roles involving projects in more than 15 countries, many of them in Africa, including 24 years with Anglo American plc, most recently as its VP Exploration (Asia Pacific).

"It is extremely pleasing to have such high-calibre mining professionals on board and some of the world's premier independent consulting groups all with considerable African experience to ensure the completion of Azumah's Feasibility Study and to be able to deliver the Wa Gold Project," Azumah Managing Director Stephen Stone said.

In addition to the above key in-house appointments:

- ▶ **CSA Global Pty Ltd** has been appointed as independent geologists to undertake an update of the JORC and NI 43-101 compliant Mineral Resource estimates for the Kunche, Bepkong and Julie deposits.
- ▶ **Coffey Mining Pty Ltd** has been appointed as project mining engineers to undertake Mineral Reserve estimates, mine optimisation and production scheduling.
- ▶ **Lycopodium Minerals Pty Ltd** is presently updating project operating and capital cost estimates. The current estimated capital cost of US\$135 million (+/-15%) covers engineering, procurement and construction costs of \$95 million and 'owners' costs of US\$40 million, which includes tailing dam construction, first fill of reagents, contingency and working capital.
- ▶ **SAL Consult Limited**, a leading Ghana-based environmental consulting group, is completing environmental and social impact studies to support Azumah's application for environmental permits.

Tenders have also been received and are being evaluated from three pre-qualified engineering groups for the engineering, equipment procurement and construction management of the project.

Azumah's existing Mineral Resources are being re-estimated using the results from the latest infill drilling programmes and reinterpretation of mineralisation. As a number of assay results remain outstanding for the Julie deposit, Azumah will now provide all project Mineral Resource updates and maiden reserves concurrently in late January / early February 2012.

As previously advised, Azumah believes that the overall quantum of Mineral Resources is unlikely to change substantially with most drilling this past year having been directed at high density infill drilling within existing resource boundaries. This is to provide a greater understanding of and confidence in near-surface, in-pit mineralisation and the transfer of Inferred Resources into higher confidence JORC / NI 43-101 compliant categories of Measured and Indicated Mineral Resources and, subject to the completion of the FS, to Proven and Probable Mineral Reserves.

The overall Wa Gold Project FS is due for completion at the end of Q1 2012. In addition to the FS, Azumah is advancing arrangements for essential infrastructure such as power and water as well as progressing the necessary permitting to enable the project to proceed. It has also commenced discussions with a range of financing institutions regarding potential development finance options for the project.

Concurrent with the FS and project development work, Azumah is maintaining a high intensity exploration programme that is now almost totally focused on resource discovery and the expansion of existing deposits (*refer ASX/TSX release dated 14 November 2011*).

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Table 1: Wa Gold Project – Statement of JORC & NI 43-101 Compliant Mineral Resource Estimates

Prospect	Indicated			Inferred		
	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
Bepkong	1,040,000	2.5	82,000	1,930,000	2.1	130,000
Julie	3,438,000	2.2	246,000	1,489,000	2.2	104,000
Collette				909,000	2.1	60,600
Atikpi				350,000	1.4	15,500
Yagha				270,000	1.2	10,800
Total	9,378,000	2.1	646,000	8,548,000	1.9	518,900

The Mineral Resources outlined in this report are JORC compliant and compliant with the Mineral Resource and Reserve categories of the Canadian Institute of Mining (CIM) Definition Standard.

Competent Person's Statement

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Nicholas Franey who is a Member of the Australian Institute of Geologists. Mr Franey is a full time employee of the Company. Mr Franey 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'* and to qualify as a "Qualified Person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") of the Canadian Securities Administrators. Mr Franey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. For a description of Azumah's data verification process, quality assurance and quality control measures, the effective date of the mineral resource estimates contained herein, details of the key assumptions, parameters and methods used to estimate the mineral resources and reserves set out in this report and the extent to which the estimate of mineral resources set out herein may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or relevant issues, readers are directed to the technical report entitled "NI 43-101 Azumah Resources Limited Wa Gold Project, North West Ghana" dated April 14, 2011.

For further information on the Wa Gold Project, please refer to the Company's NI 43-101 compliant technical report available on the Company's website at www.azumahresources.com.au and sedar.com

Forward Looking Statement

Certain statements in this report contain forward-looking information. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the results of future exploration, risks inherent in resource estimates, increases in various capital costs, availability of financing and the acquisition of additional licences, permits and surface rights. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company's continuous disclosure filings as found at the (Canadian) SEDAR website.