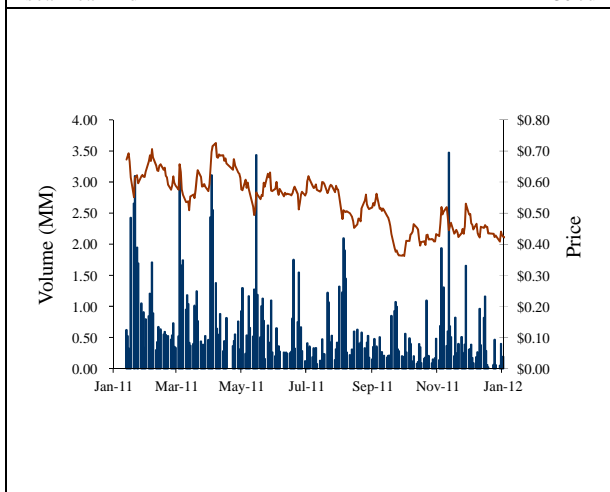




Stock Data	
Previous Close (A\$)	\$0.40
Potential Return	175%
52-Week High-Low	\$0.35 / \$0.75
Avg. Daily Volume (3m)	423,030
Basic SO (millions)	282
Fully Diluted SO (millions)	294
Major Shareholders: Macquarie	11.2%
Float (millions)	241
Market Cap. (A\$ millions)	\$112.8
Net Debt (A\$ millions)	-
Cash (A\$ millions)	\$18.0
Enterprise Value (A\$ millions)	\$94.8
Fiscal Year End	30-Jun



Source: Capital IQ

Top 5 holders	
Macquarie Group	11.2%
JP Morgan Chase	7.4%
Dundee Group	6.2%
Goodman & Co	5.4%
Libra Advisors	5.0%

Azumah has delineated a global resource of 1.2 MMoz on its 90% owned Wa project in northwestern Ghana on a total land package of 3100km² that is relatively underexplored. We highlight management's focus on production visibility will not take focus away from the exploration front with an aggressive 250,000m of drilling planned for this fiscal year.

Positive High Grade Results from Julie

Azumah provided a quarterly operational update and reported positive drill results from the Julie, Kunche and Bepkong deposits within the Wa Gold project where a 1.2MMoz deposit has been delineated to date. Highlights from recent infill drilling include:

Julie – 80 holes

- AJUC270A: 5.0m at 17.82g/t Au from 34m
- AJUC260: 2.0m at 54.60g/t Au from 85m
- AJUC249A: 7.0m at 8.50g/t from 75m

Kunche – 12 holes

- KRCD563: 15.7m at 2.82g/t Au from 148m
- KRCD567: 10.6m at 2.15g/t Au from 179m

Bepkong – 1 hole

- BRCD305: 1.0m at 3.48g/t Au

Overall, we are encouraged with the high-grade drill intercepts at Julie above the current resource grade of 2.2 g/t Au. Further, drilling confirmed the presence of at least two high-grade pods of mineralization to the east of the current Julie mineralized structure.

1. Aggressive Drill Program Underway

We continue to highlight the resource growth potential of the Wa Gold project where the current 1.2MMoz resource has been delineated on only 10% of the 3,100km² land package. Of the 250,000m of drilling planned for 2011/2012, 75,000m has been completed with five drill rigs currently deployed on site. During the next few months, the focus will be on testing depth extensions to the Kunche and Bepkong deposits and strike extensions to the Julie deposit and Kjertsi prospect as well as on defining and testing new targets. As at December 31, 2011, Azumah had cash and cash equivalents on hand of A\$18.5MM sufficient to fund the drill program over the next few months.



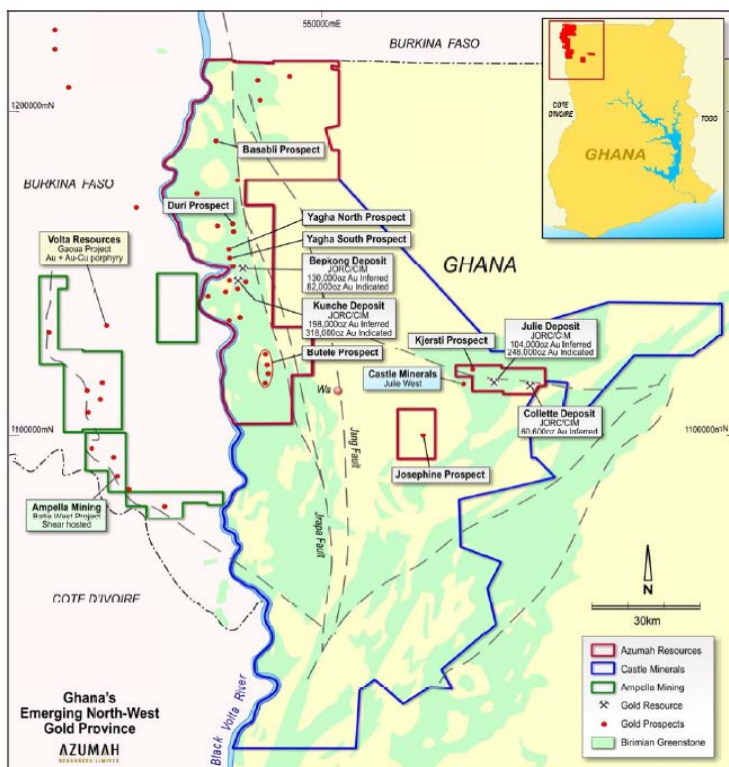
2. Near-Term Catalysts Should Bode Well for Stock

Looking forward, we expect the release of a mineral resource update on the Kunche, Bepkong and Julie deposits in Q1 2012 to be well received by the market. Further, a reserve statement is expected on the project in Q2 2012 that will increase certainty on the resource. Lastly, a feasibility study is targeted for delivery in Q2 2012 which along with announcement of financing could drive further upside.

Milestones/Catalysts

- (1) Results from 250,000m drill program – Ongoing
- (2) Resource Update – Q1 2012
- (3) Reserve Statement for Kunche and Bepkong – Q2 2012
- (4) Feasibility Study on the Wa project – Q2 2012

Exhibit 1. Wa Gold Project – Key Deposits and Prospects



Source: Company Reports

Target Price Calculator: In our view, Azumah’s gold project holds the potential to host at least a 2.5MMoz resource. Applying our peer group AMZ/oz average of \$80/oz to the 2.5MMoz resource level we derive our target price of A\$1.10/share.

Key Risk to Target Price: Please refer to the risks disclosed in the initiating report dated September 14, 2010.



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The analyst has visited the Company's mining operations in Ghana and Cote D'Ivoire. Partial payment or reimbursement was received from the issuer for the associated travel costs.

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Accumulate: Attractively valued, but given the current market price, is expected to appreciate moderately over the next 12-18 months.

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