

ASX Announcement &
Media Release

ASX Code – AZM

28th January 2014



www.azumahresources.com.au

Investment Highlights:

Wa Gold Project:

- 2.2Moz including 1.4Moz Measured & Indicated at 1.8g/t Au (JORC compliant)
- Update of Feasibility Study and Mineral Reserves underway following substantial Mineral Resource increases
- 100% of 3,100km² licences hosting over 150km of prospective Birimian greenstone belt.
- 15.5% strategic investment in neighbour, Castle Minerals Limited
- Board and management team of successful explorers, mining and corporate professionals

Issued Capital:

356.2M ordinary shares
3.0M unlisted options
4.3M performance rights

Directors & Management:

Chairman:
Michael Atkins

Managing Director:
Stephen Stone

Non-Executive Directors:
Geoff M. Jones
Bill LeClair

Company Secretary:
Dennis Wilkins

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AZUMAH STRIKES STRATEGIC ALLIANCE WITH AUSDRILL

Ausdrill to provide \$2M converting note

\$0.05 conversion price

Ausdrill appointed Preferred Mining Contractor

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

Under the alliance Ausdrill will invest \$2M in Azumah via a 2 year unsecured converting note which Ausdrill may convert into Azumah shares at \$0.05 per share anytime prior to expiry.

Azumah has also appointed AMS as its preferred contract mining services provider.

AMS submitted the most competitive tender for contract mining services as part of Azumah's Stage One Feasibility Study in 2012 ("Study"). A revision of the Study is underway underpinned by a major increase in the JORC Mineral Resource to over 2.2Moz gold (40Mt at 1.7g/t Au) (*Figure 1 and Table 1*).

Under the alliance the parties have undertaken to work together on a collaborative and transparent basis to optimise the mining components of the Project, to ensure that the most competitive terms for mining costs are input into the revised Study and subsequently to negotiate a mutually satisfactory contract mining services arrangement.

AMS's appointment as the ultimate mining contractor is subject to the negotiation of commercial and competitive contract terms on an arm's-length basis, satisfactory to Azumah, with Azumah retaining the right to seek alternative third party proposals.

Ausdrill is a leading Perth-based contract mining and services group with revenue of over A\$1.1 billion in FY2013. It operates in nine countries including throughout Australia and Africa, particularly Ghana where it established a presence in 1991 that has now grown to be Ausdrill's largest business unit outside Australia.

Terms and conditions of Converting Note

The funds invested will be applied principally to the completion of the revised Study to enable Azumah to achieve its key objective of delivering a development-ready gold project as soon as possible.

Azumah has the option to repay the note on expiry (if not converted by Ausdrill at \$0.05) and pay periodic interest (8%pa) in cash or with new shares to be issued based on the Azumah share price at the time. Azumah also has the right to require conversion prior to expiry at \$0.05 if the 30 day volume average weighted price (VWAP) for Azumah shares is above \$0.075.

If Ausdrill was to convert its note at \$0.05, it would hold a 10% interest in Azumah making it the Company's largest single shareholder.

Consistent with Azumah's strategy of aligning key providers

The alliance with Ausdrill follows the recent \$1.0M placement at \$0.05 to Indian industrialist Mr Agnivesh Argawal through his wholly owned Caitlyn Limited (refer ASX release dated 26th November 2013).

The Caitlyn investment brings connections into the United Arab Emirates-based gold refiner Fujairah Gold FZE, of which Mr Argawal is Managing Director, and also LSE-listed Indian mining conglomerate, Vedanta Resources PLC ("Vedanta") of which Fujairah is a wholly-owned subsidiary and Mr Argawal's family the majority shareholder. Azumah and Mr Agarwal intend to evaluate opportunities for Azumah to leverage-off his industry expertise and affiliations.

"This corporate and project level relationship with Ausdrill aligns its interests with Azumah's and represents another important building block in our Company's immediate goal of delivering a development-ready gold project" Azumah Managing Director Stephen Stone said.

"The \$2M investment and alliance is consistent with Azumah's strategy of having quality companies across a range of capabilities directly involved in its business. AMS has a very successful and long-term track record for the delivery of reliable and competitively priced mining services in Ghana" he added.

Following completion of the transaction, Azumah will have cash resources of ~A\$5.5M plus its strategic 15% investment in Ghana neighbour, Castle Minerals Limited (CDT: ASX).

For further information on Azumah Resources Limited and its projects please visit www.azumahresources.com.au

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Figure 1: Wa Gold Project – Key Deposits and Prospects

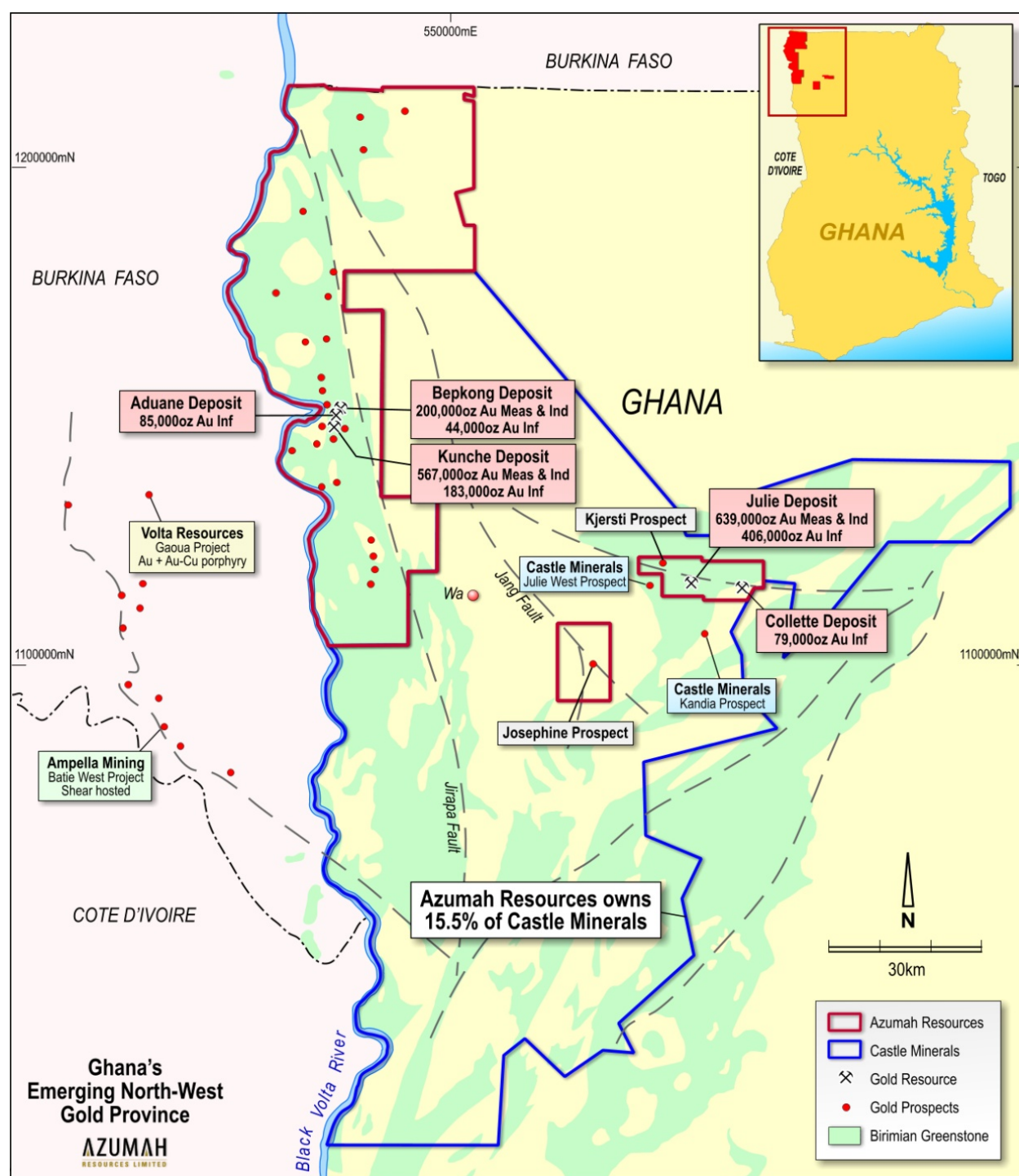


Table 1: Mineral Resource Estimate (CSA Global Pty Ltd – June 2013)

Cut-off 0.5 g/t Au	Measured			Indicated			Measured and Indicated			Inferred			Total		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold
	Mt	g/t Au	oz	Mt	g/t Au	oz	Mt	g/t Au	oz	Mt	g/t Au	oz	Mt	g/t Au	oz
Kunche	8.42	1.73	468,000	2.24	1.68	99,000	10.65	1.66	567,000	4.86	1.17	183,000	15.51	1.50	750,000
Bepkong	2.22	1.79	128,000	1.7	1.33	73,000	3.92	1.59	200,000	1.17	1.17	44,000	5.09	1.49	244,000
Aduane										1.77	1.5	85,000	1.77	1.49	85,000
Julie	0.80	1.95	50,000	8.93	2.05	589,000	9.73	2.04	639,000	6.64	1.9	406,000	16.37	1.99	1,045,000
Collette										1.69	1.45	79,000	1.69	1.45	79,000
Total	11.4	1.76	646,000	12.9	1.84	761,000	24.3	1.80	1,406,000	16.1	1.54	797,000	40.43	1.69	2,203,000

Values have been rounded

Table 2: Summary of Wa Gold Project Mineral Reserves (Coffey Mining Pty Ltd – August 2012)

Mineral Reserve Summary					
(As of 21st Aug 2012)	Proved		Probable		Contained Gold
	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	oz Au
Bepkong	1.7	1.9	0.2	2.0	117,000
Kunche	2.3	2.1	1.6	1.6	238,000
Julie	-	-	1.0	2.4	74,000
Total	4.0	2.0	2.8	1.9	430,000

Values have been rounded

Competent Persons' Statement

The scientific and technical information in this report that relates to the in-situ Mineral Resource estimates for the Kunche, Aduane and Julie deposits is based on information compiled by Mr Dmitry Pertel, who is a full-time employee (Manager - Resources) of CSA Global Pty Ltd. Mr Pertel 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' 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 Pertel has reviewed and approved the disclosure of the relevant scientific or technical information contained in this announcement that relates to the Kunche, Aduane and Julie Mineral Resource estimates.

The scientific and technical information in this report that relates to the in-situ Mineral Resource estimates for the Bepkong deposit is based on information compiled by Mr David Williams, who is a geological consultant employed by CSA Global Pty Ltd. Mr Williams is a Member of the Australian Institute of Geoscientists and 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 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 Williams has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the Bepkong Mineral Resource estimate.

The scientific and technical information in this report that relates to the geology of the deposits and exploration results is based on information compiled by Mr Stephen Stone, who is a full-time employee (Managing Director) of Azumah Resources Ltd. 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 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 Stone is the Qualified Person overseeing Azumah's exploration projects and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement.

For further information, including a description of Azumah's standard data verification processes, quality assurance and quality control measures, and details of the key assumptions, parameters and methods used to estimate the Mineral Resources and Mineral Reserves set out in this report and the extent to which the estimate of previously declared Mineral Resources and Mineral Reserves 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 titled "Wa Gold Project, Ghana 43-101 Technical Report", effective as of 27 August, 2012.

The reported Mineral Reserves have been compiled by Mr Harry Warries. Mr Warries is a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of Coffey Mining Pty Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Qualified Person as defined in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards of November 2010, as well as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2004 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. Mr Warries gives Azumah Resources Limited consent to use this reserve estimate in reports.

Forward-Looking Statement

This release contains forward-looking information. Such forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend", and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved, and other similar expressions. In providing the forward-looking information in this news release, the Company has made numerous assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) that the results of the feasibility study continue to be positive; and (iv) that future exploration results are as anticipated.

Management believes that these assumptions are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking information. Some of these risks, uncertainties and other factors are described under the heading "Risks Factors" in the Company's annual information form available on www.sedar.com. Forward-looking information is based on estimates and opinions of management at the date the statements are made. Except as required by law, Azumah does not undertake any obligation to update forward-looking information even if circumstances or management's estimates or opinions should change. Readers should not place reliance on forward-looking information and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company's continuous disclosure filings.