

**ASX & Media Release**

**ASX Code – AZM**

**31<sup>st</sup> May 2016**



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

**Investment Highlights:**

**Wa Gold Project:**

- Feasibility Study Completed
- 2.0Moz Mineral Resource including 1.3Moz Measured & Indicated
- 624,000oz Ore Reserves at 2.14 g/t plus 28,500oz 'mining inventory'
- Initial 7yr mine-life at +/- 90,000oz pa
- Excellent Infrastructure (grid power, water, established roads, airport)
- Mining Leases granted
- Exploration licenses of 2,400km<sup>2</sup> with >150km strike of prospective Birimian terrain.
- 19.99% strategic investment in neighbour, Castle Minerals Limited (~10,000km<sup>2</sup>)
- Board and management team of successful explorers, mining and corporate professionals

**Issued Capital:**

451.53M ordinary shares  
13.325M performance rights  
2.0M \$1.00 Converting Notes

**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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# Manwe Anomalous Zone Extended To 3km

## High-Grade Rock Chips From New Northern Zone

## Auger Campaigns Underway to Test For Anomaly Limits

## New Anomalies At Bepkong Northwest

## Infill and Extension Drilling Commenced

*“Manwe continues to provide very encouraging results and we are optimistic of discovering more high-grade mineralisation to add to the 2.0Moz Mineral Resources and 624,000oz Ore Reserves at the Wa Gold Project, Ghana”, Azumah Managing Director, Stephen Stone said.*

*“Extension drilling is underway at Manwe and new anomalies delineated at Bepkong Northwest and several other high-priority target areas also require follow-up drilling”.*

Ghana focused gold explorer and developer Azumah Resources Limited (ASX:AZM) (“Azumah” or “the Company”) is pleased to advise that a recently completed 677 hole, 2,523m auger drilling programme has extended to 3km zones of already extensive anomalism at the Company’s Manwe prospect, Wa Gold Project, Ghana (‘Project’).

Best results included 730ppb, 534ppb and 369ppb Au with many other samples returning gold values at multiples of background levels.

In February 2016 Azumah completed first-pass RC drilling at Manwe to test similarly anomalous auger values. High-grade, north plunging shoots were intersected within a broader envelope of mineralisation. Intersections of 12m at 5.28g/t Au from 49m, 32m at 2.10g/t Au from surface and 4m at 2.67g/t Au from 4m confirmed Manwe as a new discovery (refer ASX release dated 29/2/2016).

Before these latest anomalous extensions are tested with RC drilling, Azumah will complete another major auger programme now underway. This covers an area of 21km<sup>2</sup> and is aimed at defining the extremities to the northwest – southeast trending anomalism.

This programme will also evaluate a new area of interest to the north where high-grade rock chip samples grading 25.70g/t, 8.71g/t, 2.81g/t and 2.58g/t Au were collected from a series of quartz veins exposed in some recently appeared artisanal workings.

The just completed auger programme comprised 24 x 100m spaced lines with samples taken at 25m intervals. Samples were taken where the hole first intersects the 'saprolite' (weathered fresh rock) horizon at an average depth of ~4m beneath the ubiquitous transported alluvial soils and laterite.

Samples were assayed for gold and an InnovX hand-held XRF analyser was used to test for a suite of base metals. This confirmed a strong positive gold-arsenic correlation.

Mineralisation is dominantly hosted in sheared quartzite metasediments close to a granite contact to the northeast and is proximal to the regionally important Jang fault.

Manwe, and the Josephine PL generally, is clearly evolving as a major new focus for Azumah offering the opportunity to discover more high and +/-2g/t Au mineralisation to supplement the existing 913,000oz Mineral Resources and 202,000oz grading 2.84g/t Au Ore Reserves in the Wa East region.

### **Bepkong Northwest**

A 131 hole, 1,017m auger campaign recently completed at the Bepkong Northwest target area was designed to test for northern extensions to the 245,000oz gold Mineral Resource and 113,000oz Ore Reserve at Bepkong.

The programme revealed a series of four, sub-parallel northeast trending anomalies which are coincident with structures interpreted from a 2012 induced polarisation geophysical survey. The anomalies include results of 231ppb, 156ppb, 122ppb and 109ppb Au and confirm the sinistral structural framework also proposed as the control for the Kunche-Bepkong mineralised trend.

The underlying rocks in the area comprise a sequence of shales and arenites, similar to the host rocks at the Kunche and Bepkong deposits. These are obscured by a generally 3m to 7m covering of alluvial soils and hardpan that render conventional soil geochemistry ineffective. Hence the importance of using auger sampling.

All historical work in the area is now being evaluated in the context of these new northeast trending anomalies.

### **Julie West**

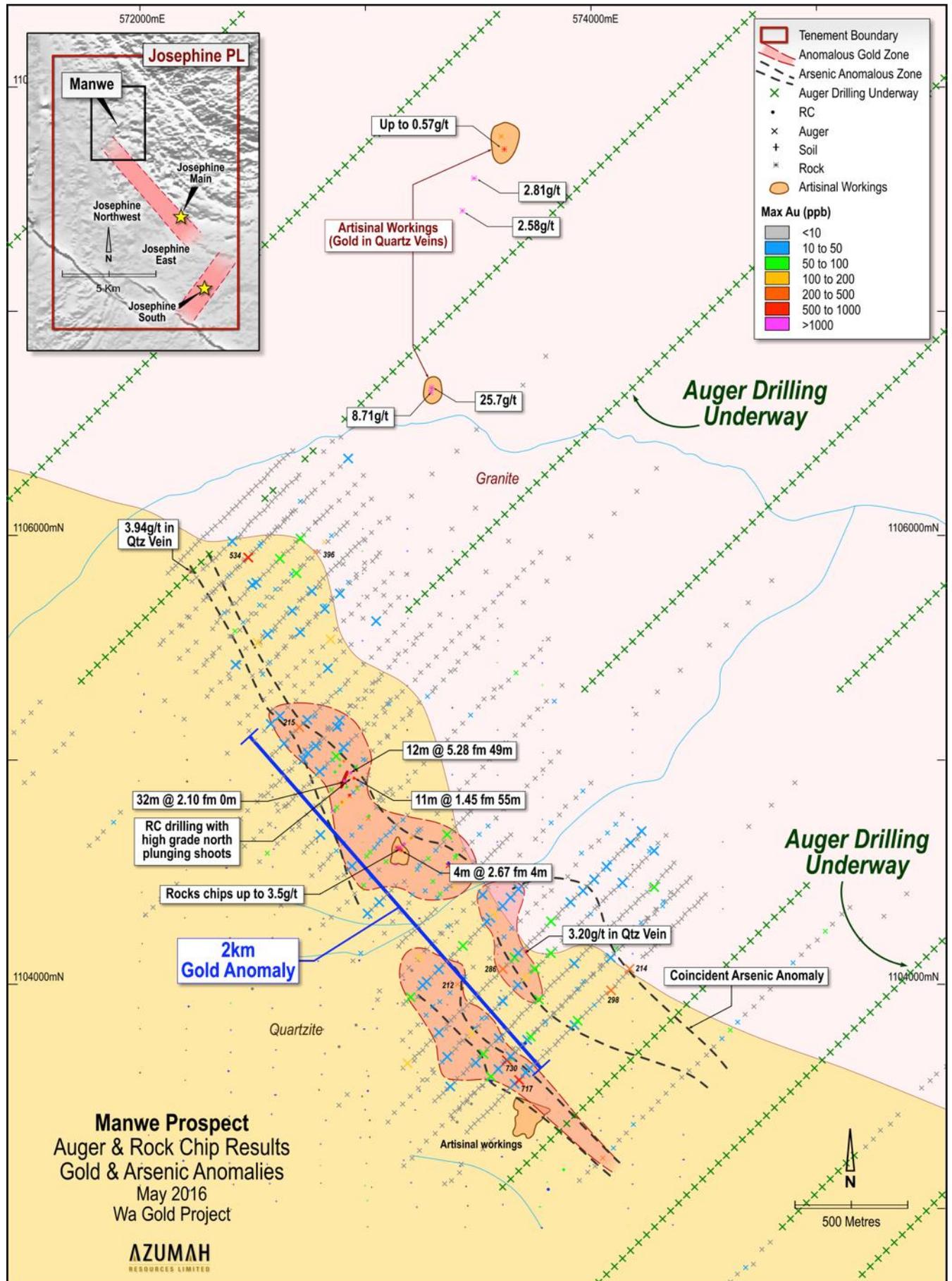
Work is well underway at compiling and interpreting the extensive datasets from the recently acquired Julie West project (*refer ASX release dated 27<sup>th</sup> April 2016*).

Azumah geologists have commenced field evaluation in the vicinity of the existing resources and at a number of other areas that present targets for evaluation.

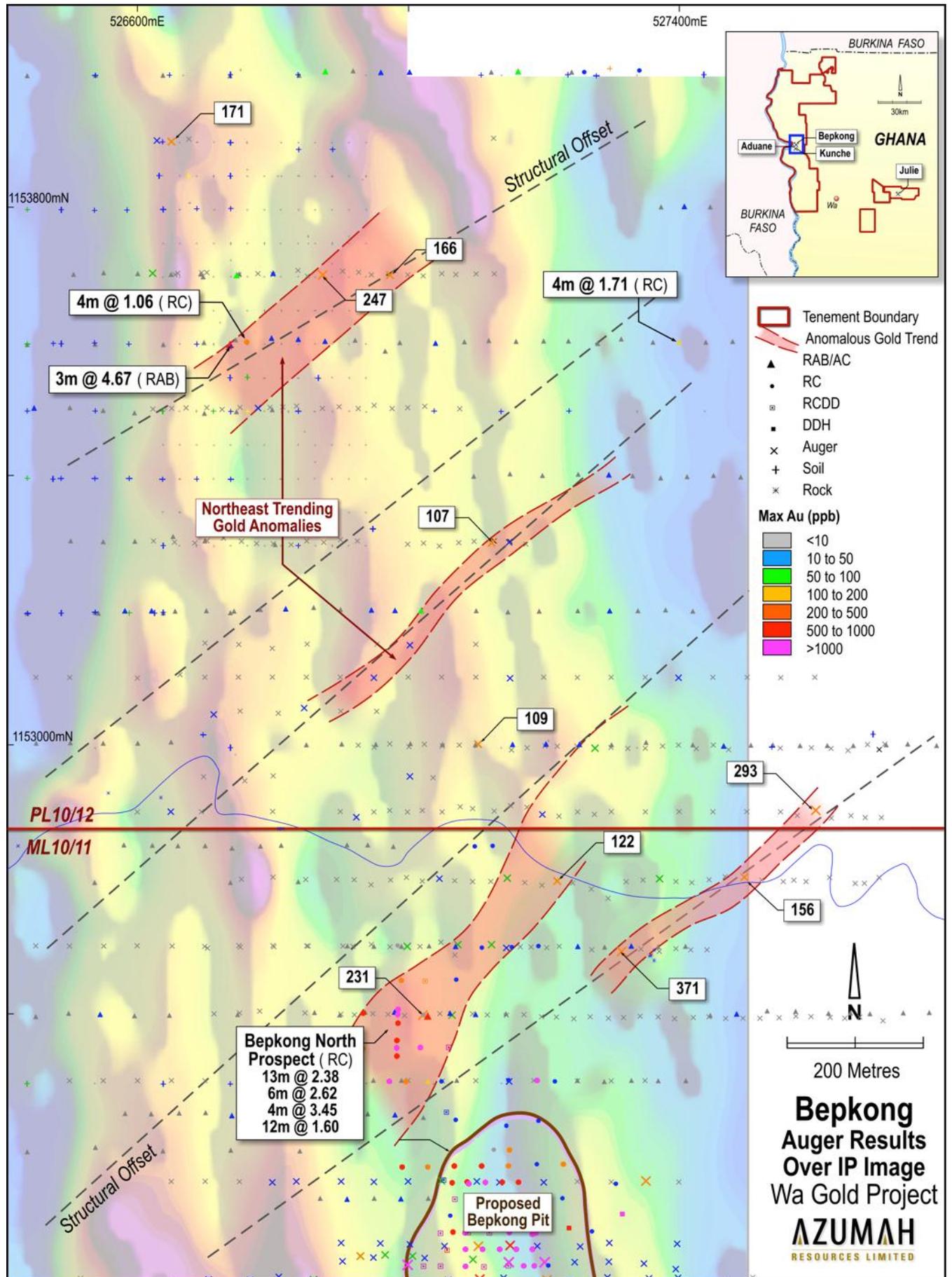
### **Other Targets**

Work is also being planned for the Yagha area, at the Wuhling and Tachara prospects adjacent to the Wuhling granite and at several prospects in the south of Azumah's licence holdings where auger campaigns last year identified a series of anomalous trends that have yet to be followed up.

**Figure 1: Manwe Prospect: Planned Auger Programme Over Recent Drilling, Auger and Rock Chip Results**



**Figure 2: Bepkong Northwest: Geochem Anomalies Over IP and Highlighting Array of Coincident Northeast Trending Structural Offsets**



For further information on Azumah Resources Limited and its Wa Gold Project please visit its website at [www.azumahresources.com.au](http://www.azumahresources.com.au) which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

### **Stephen Stone**

Managing Director

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### **About Azumah**

*Azumah Resources Limited is a Perth-based, ASX-listed (ASX: AZM) company focused on exploring and developing its Wa Gold 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 ~80km to the east. Several satellite deposits, including Aduane and Collette, have also been delineated.*

*To date the Company has defined a JORC Mineral Resource of 2.0Moz of gold grading 1.5g/t Au including 1.3Moz Measured and Indicated grading 1.6g/t gold with these evenly distributed between Kunche-Bepkong and Wa East (Julie).*

*Mineral Resources have grown progressively through systematic exploration of the Company's 2,400km<sup>2</sup> licence holdings which encompass large tracts of prospective Birimian terrain, the rocks that host the majority of West Africa's gold mines. Azumah anticipates Mineral Resources will continue to grow through the systematic testing of its pipeline of specific targets, prospects and many areas of interest.*

*Azumah has recently completed a Feasibility Study for a mining operation based on an initial seven-year life and producing ~90,000oz Au per year from the open pit mining and treatment of ore through a nominal 1.2 million tonnes per year carbon-in-leach (CIL) processing plant (1.8Mtpa treating softer oxide material). The plant will be located adjacent to the Kunche deposit and incorporate a flotation and regrind circuit to treat Julie primary and some transitional ore which will be hauled by road to the processing plant.*

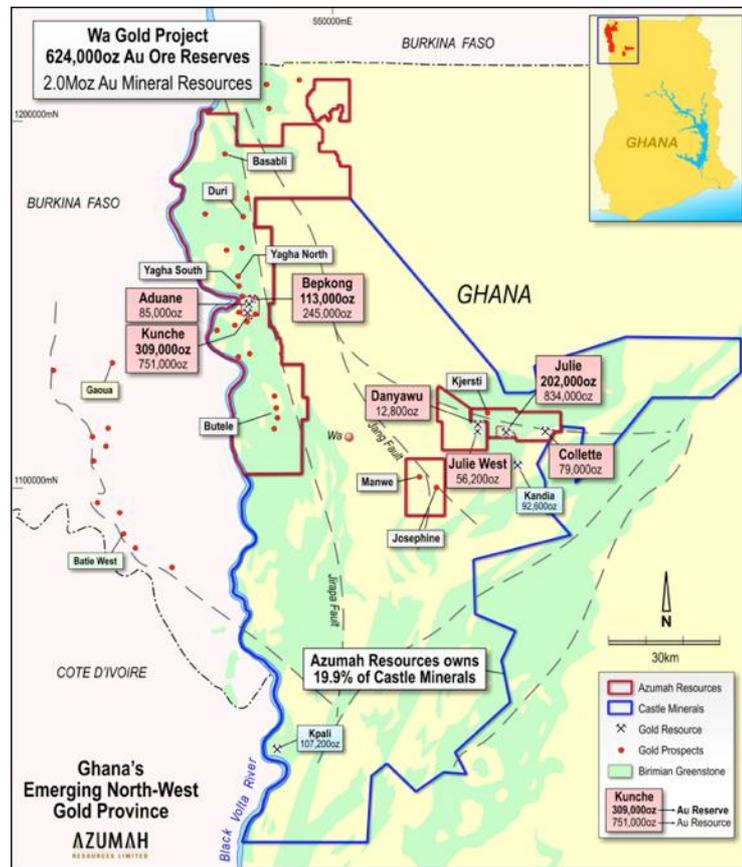
*A JORC Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au) has been defined based on recent studies. With the addition of Inferred mineralisation contained in designed and optimised pits the total Mining Inventory is 652,500oz gold. Extensive metallurgical test work has been undertaken to confirm a high average overall gold recovery of ~92% for the Kunche, Bepkong and Julie deposits.*

*Azumah has had two 15-year Mining Leases granted over its key deposits (Ghana government holds a 10% free carried interest in their 'rights and obligations' and is also entitled to a 5% gross gold royalty) and is now moving to obtain environmental operating permits necessary to allow development to proceed.*

*No technical, social or environmental impediments to development have been identified and there is strong support from stakeholders for the Project. Whilst the region has no other major industry, the Project benefits from excellent regional infrastructure including grid power to site, good quality bituminised and non-bituminised roads, good access to water, a sealed airstrip at the regional centre of Wa and good general communications.*

*Azumah holds a 19.99% interest in its neighbour and junior Ghana explorer, Castle Minerals NL which has ~10,000km<sup>2</sup> of licences adjacent to Azumah. Azumah has also assumed management responsibility for Castle.*

**Wa Gold Project – Licences, Key Deposits and Prospects**



**Table 1: Ore Reserves Summary - August 2014**

Ore Reserves Summary							
(As at August 2014)	Proved		Probable		Total		Gold To Mill
	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Tonnes (Mt)	Grade g/t Au	Oz Au
Kunche	4.91	1.92	0.05	3.11	4.97	1.94	309,000
Bepkong	1.79	1.84	0.11	1.97	1.90	1.85	113,000
Julie	0.29	2.45	1.93	2.89	2.21	2.84	202,000
<b>Total</b>	<b>7.00</b>	<b>1.92</b>	<b>2.09</b>	<b>2.85</b>	<b>9.08</b>	<b>2.14</b>	<b>624,000</b>

Values have been rounded. NB: The Ore Reserve excludes 28,000oz inferred gold deemed 'Mining Inventory'

**Table 2: Mineral Resource Estimate - August 2014**

Cut-off	Measured			Indicated			Inferred			Total		
	Tonnes (M)	Grade g/t Au	Gold Oz	Tonnes (M)	Grade g/t Au	Gold Oz	Tonnes (M)	Grade g/t Au	Gold Oz	Tonnes (M)	Grade g/t Au	Gold Oz
0.5 g/t Au												
Kunche	8.42	1.73	468,000	2.24	1.38	99,000	4.86	1.17	183,000	15.52	1.50	751,000
Bepkong	2.22	1.79	128,000	1.70	1.33	73,000	1.17	1.17	44,000	5.09	1.49	245,000
Aduane							1.77	1.50	85,000	1.77	1.50	85,000
Julie	0.89	1.44	41,000	10.06	1.57	507,000	5.98	1.49	286,000	16.93	1.53	834,000
Collette							1.69	1.45	79,000	1.69	1.45	79,000
<b>Total</b>	<b>11.52</b>	<b>1.72</b>	<b>637,000</b>	<b>14.00</b>	<b>1.51</b>	<b>679,000</b>	<b>15.47</b>	<b>1.36</b>	<b>677,000</b>	<b>40.99</b>	<b>1.51</b>	<b>1,994,000</b>

Values have been rounded. Excludes Julie West 2004 JORC resource

### Competent Persons' Statements

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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. 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 that relates to the geology of the deposits and exploration results.

Statements of Competent Persons for the various Mineral Resource Estimates, Ore Reserve Estimates and Process Metallurgy can all be found on the Company's website at [http://www.azumahresource.com.au/projects-competent\\_persons.php](http://www.azumahresource.com.au/projects-competent_persons.php)

### 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. Forward-looking information is based on estimates and opinions of management at the date the statements are made.

## Appendix 1: Wa Gold Project - JORC Code 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>The sampling described in this report refers to samples from power auger drilling and rock sampling.</p> <p>For the <b>Auger</b> drilling, the thickness of the regolith horizons were recorded, with samples from each layer screened with a hand-held XRF analyser in the field. Approximately 1-2kg of sample was collected by scoop from the drill spoil piles from the bottom of the hole, which was the interface between the regolith and weathered bedrock. Drill holes which did not penetrate the transported cover were not sampled.</p> <p>The bottom of hole samples from the auger drilling were sent to SGS laboratories in Tarkwa for bleg analysis BLL61N, using cyanide extraction of a 2kg bulk sample with ICP-MS finish, with a detection limit of 1ppb.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information</i></p>	<p>Appropriate quality assurance/quality control (QAQC) protocols were followed, including submission of field duplicates and insertion of commercial standards for all types of sampling.</p> <p>Field duplicates, certified standards and blank samples were inserted at a ratio of 1:50 samples.</p> <p>Sample preparation at the laboratory included:</p> <ul style="list-style-type: none"> <li>• Drying the sample at 105°C for 4 hours.</li> <li>• Crushing the sample to less than -6mm (if required).</li> <li>• Splitting the sample using a riffle splitter.</li> </ul> <p>Pulverising the sample for 4 minutes to achieve 85% of sample passing -75µm in grain size.</p>

<b>Drilling techniques</b>	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	All auger holes were drilled using an Azumah owned and operated landcruiser mounted power auger fitted with a standard auger blade bit and auger flutes, up which the sample travels to the surface. All auger holes were vertical and targeted the lower saprolite/upper saprock.
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Provisions are made to log sample recovery and quality by the geologist on site.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	The trained drilling and sampling crew limit the sample loss and wall contamination through careful rotation of the auger bit and flutes, resulting in acceptable sample recovery and clear differentiation of lithology horizons.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Sample recovery was the same for all samples.
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resources</i>	Auger drilling is not used in Mineral Resource Estimation.  However, all samples were logged geologically and have been incorporated into the Azumah Resources database.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	All logging was done in a qualitative nature, and photographs taken of all drill spoils.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Auger samples were collected by scoop from the drill spoil piles.  Samples were generally dry.
<b>Sub-sampling techniques and sample preparation</b>	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples were collected in the field by scoop. The entire sample was sent for analysis, so no sub-sampling was required.  Samples were crushed to -6mm and riffle or cone split to obtain a representative fraction. Samples were then dried and ground to 85% passing 75 microns using laboratory mills for FAA505 of BLL61N analysis.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QA/QC procedures included insertion of field duplicates and commercial standards for auger and trench drilling. Standards, duplicates and blanks were inserted in every batch (1 per 50 samples).  Laboratory QA/QC procedures included: <ul style="list-style-type: none"><li>• Every 50th sample was screened to check grinding results (% passing 2mm and 75 microns).</li><li>• 1 reagent blank was inserted every 50 samples, 1 preparation process blank was inserted every 50 samples and 1 weighed replicate was inserted every 50 samples.</li><li>• 1 preparation duplicate (re-split) every 50 samples and 2 certified reference materials (CRMs) every 50 samples.</li></ul> Repeat analyses are completed whenever an analytical batch fails to meet the laboratory standards or when requested by a client.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling</i>	Duplicate samples are taken for all drilling and trenching. The duplicate versus original sample results is considered satisfactory.

	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	Sample size is considered appropriate for auger drilling.
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The auger programmes were analysed by cyanide extraction of a bulk 2kg sample, with low level Au AAS finish, which is considered appropriate for geochemical sampling.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	All samples were analysed using a hand held Innov-X XRF analyser, however this data is qualitative, and for exploration purposes only and would not be used for Mineral Resource Estimation.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Field QA/QC procedures included the insertion of field duplicates, blanks and commercial standards.
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	All assay results were received electronically from the laboratory and digitally merged into the database.
	<i>The use of twinned holes.</i>	Twinned holes are not practised in auger drilling or trenching.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Field data was all recorded as hard copies. Geological logging and sample intervals were recorded in digital form using a logging computer or Excel templates. This data was imported into a SQL database for validation and QC. The analytical data was imported into SQL database with all related metadata and QA/QC information.
	<i>Discuss any adjustment to assay data.</i>	No adjustments were made, other than for values below the assay detection limit. These values have been entered as the negative of the detection limit.
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	The collar locations of all holes were initially surveyed using a hand-held GPS (accurate to $\pm 2\text{m}$ ).
	<i>Specification of the grid system used.</i>	The grid system is WGS84 Zone 30 North.
	<i>Quality and adequacy of topographic control.</i>	The topographic surfaces of all properties were created using a GeoEye image and Digital Surface Model. This was corrected and validated using DGPS drill hole points collected in the field.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	BEPKONG: Auger holes were drilled 50m apart, with line spacing of 200m. MANWE: Auger holes were drilled 25m apart, with line spacing of 100m.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Auger drilling and trenching is not used in Mineral Resource Estimation.
	<i>Whether sample compositing has been applied.</i>	Auger samples were single point samples from the bottom of hole.
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The auger fences were designed perpendicular to the targeted structure.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is</i>	No orientation based sampling bias has been identified in the data based on the interpreted

	<i>considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	mineralised structures.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	Chain of Custody is managed by Azumah staff (geologists and technicians). Samples are stored on site and delivered to the SGS Laboratory at Tarkwa. Samples submission sheets are in place to track the progress of every batch of samples.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling techniques are consistent with industry good practice. Data was validated by CSA Global during loading into the database. Checks included Depth from Depth to, sample interval hole depth and overlapping sample intervals. Any data which failed the checking process is returned to Azumah for validation. Global consistency was also checked at a later stage by plotting holes on sections using the database and reconciling assays against the geology.

## Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	Work programmes in this report are located in the following leases: <ul style="list-style-type: none"> <li>• Josephine – PL10/9</li> <li>• Kunche-Bepkong – ML10/11</li> <li>• Vapor – PL10/12</li> </ul> All license areas are located in the Upper West Region in the north-west corner of Ghana.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenements are in good standing with no known impediments.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Previous mapping and exploration works were completed by BHP-Utah (1990's), AGEM (late 1990's) and Semafo (late 1990's). All exploration activities have been completed by Azumah since 2006.
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	The Project covers approximately 70% of the Paleoproterozoic Upper and Lower Birimian units, typically known as the Wa-Lawra greenstone belt, within Ghana. Gold mineralisation occurs as follows: <p><b>Kunche:</b> Brittle quartz lode/breccia-hosted with higher grade Au mineralisation associated with zones of intense silicification, smokey quartz veins, arsenopyrite and pyrrhotite.</p> <p><b>Bepkong and Aduane:</b> Increased ductile shearing and dismemberment of quartz veins. Greater than 1 g/t Au mineralisation occurs within translucent quartz veins and arsenopyrite.</p> <p><b>Julie:</b> Quartz veining and lodes within sheared granodiorite host. Au mineralisation is associated with silicification, pyrite, chalcopyrite, carbonate, sericite and haematite alteration.</p> <p><b>Collette:</b> Quartz veining with at least 3 orientations. Au mineralisation is associated with silicification, arsenopyrite, pyrite, haematite alteration and glassy</p>

		translucent quartz veining.
<b>Drill Hole Information</b>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> </ul> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	Details of individual auger holes are not tabulated here, as the information required for understanding and interpreting the geochemical results of this type is contained in the maps presented in the report, which show hole locations, and assay results in representative value ranges.
<b>Data aggregation methods</b>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	No average weighting or cut offs have been applied to the data in this report.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Not applicable
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Not applicable
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Not applicable
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Not applicable
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	Not applicable
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to diagrams in body of text.
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	The ranges displayed on the maps in this report are considered acceptable for exploration purposes. All relevant exploration data has been included in the maps.
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical</i>	<b>Geochemistry:</b> Surface sampling, mapping and geochemistry were

	<p><i>survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	<p>completed by BHP and Azumah.</p> <p>The geochemical database contains data for 51,680 soil samples and 228,673m of combined auguring and AC drilling.</p> <p><b>Airborne Geophysics:</b></p> <p>A high resolution aeromagnetic and radiometric survey was completed over the central region of the Wa-Lawra Belt (over the Vapor PL) with line spacing of 100m and sensor height of 40m. The Wa-Lawra Belt geophysical data has been interpreted at 1:100,000 scale by Southern Geoscience Ltd. The processed imagery has provided a base for a new regional geological interpretation.</p> <p><b>Ground Geophysics:</b></p> <p>Magnetics: A ground magnetic survey conducted in 2006 was plagued by data acquisition problems and the data were rejected as being of insufficient quality for interpretation.</p> <p><b>Induced Polarisation:</b></p> <p>SAGAX Afriques completed a gradient induced polarisation survey (IP) over the Kunche and Bepkong deposits. The anomalies were interpreted to be caused by disseminated sulphides and quartz veining. The IP survey outlined several linear zones with a similar geophysical response, particularly a prominent linear anomaly west of Kunche. Three dominant orientations were interpreted as a dextral reverse shear model.</p> <p>Several other geophysical targets were identified and require drill testing.</p> <p><b>Metallurgical Test Work:</b></p> <p>Extensive metallurgical test work has been undertaken on the Kunche, Bepkong and Julie deposits. There has been only minor work completed on Collette and no work on Aduane.</p> <p>Metallurgical test work performed on the Kunche, Bepkong and Julie ores has included:</p> <ul style="list-style-type: none"> <li>• Comprehensive head analysis.</li> <li>• Comminution.</li> <li>• Gravity concentration.</li> <li>• Direct cyanide leaching.</li> <li>• Carbon kinetics.</li> <li>• Thickening.</li> <li>• Rheology.</li> <li>• Oxygen uptake.</li> <li>• Cyanide detoxification.</li> <li>• Variability testing.</li> </ul> <p>In addition, Julie ore test work has included:</p> <ul style="list-style-type: none"> <li>• Bulk sulphide flotation.</li> <li>• Ultra-fine grinding (UFG) of concentrate.</li> <li>• Cyanide leaching of UFG flotation concentrate and of flotation tailings.</li> <li>• QEM*SCAN® analysis of Julie concentrate products.</li> </ul> <p>Collette testing only includes:</p> <ul style="list-style-type: none"> <li>• Gravity concentration.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Direct cyanide leaching.</li> </ul> <p><b>Potential Deleterious Substances:</b></p> <p>Both Kunche and Bepkong mineralisation contains small quantities of organic carbon, arsenic in the form of arsenopyrite, and other sulphide mineralisation.</p> <p>In general, this does not appear to have a significant deleterious effect on gold extraction. The limited number of Kunche primary variability composites that do exhibit a reduction in extraction have been included in the correlation equation for gold recovery.</p> <p>Preliminary testing indicates the flotation/regrind circuit designed for the Julie primary ore may also benefit some of the Kunche primary ore and further test work is planned on some Kunche primary ore samples.</p> <p>Julie mineralisation contains sulphides which is predominantly pyrite and relatively unreactive. Approximately 35% of the gold is associated with pyrite which can be recovered by flotation and fine grinding of concentrate prior to extraction by cyanide.</p>
<b>Further work</b>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<p>Further auger drilling is proposed at the following sites:</p> <ul style="list-style-type: none"> <li>• Auger drilling north of Manwe were rock samples returned high gold assays.</li> <li>• Auger drilling north of Bepkong at the Yagha drill targets</li> </ul> <p>Specific programme details are yet to be decided.</p>
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer to diagrams in body of text.