

WA Business News

Azumah raises \$4.4m for Ghanan gold drilling in placement

News: 19-April-07 by Edited announcement

West Leederville-based gold explorer **Azumah Resources** Ltd has raised \$4.4 million through a placement to fund expanded drilling programs at its Ghanan gold project, the company announced today.

The full text of a company announcement is pasted below

Azumah Resources Limited (ASX Code AZM) is pleased to announce that it has completed a placement to institutional and sophisticated investors through Blackwood Capital to raise \$4.4 million. The funds raised will be used to underpin expanded drilling programs at the Company's Wa-Lawra Gold Project in Ghana targeting a further increase in its resource inventory and the follow up of recent exploration success.

The placement - comprising 18.5 million shares at an issue price of \$0.24 per share - received very strong support, with overwhelming demand from institutional investors.

The placement will be undertaken in two tranches, with 9.4 million shares to be issued immediately and a further 9.1 million shares to be issued subject to shareholder approval at a meeting of members to be held in the next 6 weeks. A notice of meeting will be sent to shareholders in due course.

The funds raised will be utilised to undertake further drilling at the 500,000 ounce Kunche gold deposit area, and to follow-up the recent drilling results from three new gold zones at Yagha South, Yagha North and Doggo - which are located between 5 and 15 kilometres north of the Kunche deposit.

Azumah recently announced encouraging results from wide-spaced air core and reverse circulation drilling at these prospects including 4m @ 25.5g/t Au from 28m and 18m @ 1.13g/t Au from 49m.

The results reported on 16 April 2007 were from wide-spaced reconnaissance style drilling, with 5,889m of drilling completed over a 15km long zone. The intercepts are considered highly encouraging and suggest that the Kunche gold deposit does not represent an isolated gold occurrence within the Wa-Lawra Project area.

The Directors of **Azumah** are pleased to welcome the new institutional investors to its share register and believe that their extensive experience in investment in major gold projects will be an asset for **Azumah** as the Company seeks to rapidly advance the Kunche deposit and the Wa-Lawra Gold Project.

Further Programs

Further drilling is scheduled to commence prior to the end of April 2007, to follow up on the results from Doggo, Yagha North and Yagha South, plus the numerous other prospects in the 50km long mineralised Kunche 'structural corridor'.

A review of the resource model at Kunche has also highlighted a number of exciting targets parallel to the current resource area, as well as extensions of the high-grade, north-west plunge component of the resource that warrant immediate follow up. These targets have the potential to increase the current resource inventory.

Regional auger sampling targeting areas of gold mineralisation under transported material and in areas of coincident geochemical and geophysical anomalism remains ongoing. More than 2,200 samples have been collected since February 2007 and the results for this work are expected to be reported during May. Auger sampling will continue over areas highlighted as high priority with coincident geochemical and geophysical anomalies.