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### **Azumah Resources Heads Towards Production, As The Latest Drill Results From The Wa Project In Ghana Come Up Trumps**

If they were asked to compile a list of the best performing gold stocks on the Australian share market over the past six months, it's a fair bet that not many investors would pick Azumah Resources. But those that did would have chosen a winner, because since hitting a low of A4 cents last December Azumah has comfortably outperformed the ASX gold index, having risen by 250 per cent to recent trading at around A14 cents. Over the same time the gold index has risen by 24 per cent. In strict statistical terms this 10 times outperformance is not a fair comparison, but it makes the point that Azumah has been in strong recovery mode, as the market begins to discover a company which was nearly strangled at birth but which is now doing what it's supposed to be doing - discovering gold.

The most recent item of discovery news came on Monday 29th June when Azumah reported a suite of excellent assays from the Collette and Julie prospects which lie inside the Wa project in northern Ghana. Best hits were three metres of 45.9 grams a tonne of gold, and 12 metres at 13.13 grammes per tonne. Good as they are, the real message does not lie in the assays themselves. Rather it lies in the fact that Wa is shaping up as the difference between Azumah remaining an explorer and Azumah becoming a producer with a viable mine in one of the most prospective parts of Africa.

Stephen Stone, Azumah's executive chairman, went part of the way in describing what's afoot on the company's tenements when Minesite caught up with him late last week at a coffee meeting in Perth. Full of enthusiasm, as Stephen always is, there was an under-current to the conversation. He was obviously a man bursting to let the cat out of the bag, but he resisted, leaving the news of the Wa assays until Monday morning. "These results", he then said, "combined with the discovery of new mineralised quartz veins at Collette, reinforce our view as to the excellent prospectivity of the recently acquired Wa project, where we are targeting the delineation of a maiden mineral resource by the end of 2009".

Patient followers of Azumah understand what Stone is talking about. For newcomers a little background is essential. The company itself got off to a rocky start in early 2006 when its major shareholder, Croesus Mining, hit the skids, becoming the latest company to get in to trouble as the owner of the rich, but tricky, gold mines around Norseman in Western Australia. The 34 per cent that Croesus held in Azumah weighed on the market which then overlooked the company's good-looking ground position. It's a land package that encompasses most of a classic gold-rich greenstone in the north of Ghana, far from the giant mines in the south of that country, but in similar rock types.

Despite being handed a lousy corporate hand, Azumah plugged ahead, doing the hard yards of sampling and drilling a project which it named Wa Lawra, and which shouldn't be confused Wa, from where the latest assays come. The Wa Lawra area has thus far been the flagship of Azumah, stretching as it does for 100 kilometres, and roughly following a gold-prone geological structure which has, to date, yielded 754,000 ounces of gold in the resource category at the company's Kunche and Bepkong deposits. Many more prospects remain to be fully explored, along the Wa Lawra line of strike which ends at the Burkina Faso border, but no doubt continues across the man-made boundary.

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Having 754,000oz in the ground is an excellent start for Azumah, but more is clearly needed. Enter Wa. This area lies about 65 kilometres to the east of Wa Lawra and was being explored by the Norwegian/Canadian company, Crew Gold. Limited work had been carried out by Crew and in normal circumstances that company might reasonably have been expected to maintain its exposure. No points for recognising that these are not normal times, and senior management at Crew had decided that it wanted to cut short its African adventure, accepting an offer from Azumah which has been satisfied by an initial issue of six million shares.

Today's drill results from Wa are the first on Azumah's watch. That's why they are so interesting, and why a casual observer might easily see them leading to the declaration of a maiden mineral resource in the order of 250,000 ounces, and perhaps more, by the end of the year. Given that Wa is with easy trucking distance of Wa Lawra it is easy to see Azumah being in a position to accelerate scoping and feasibility studies into a mine, especially if the grades come in strongly. Stone said at his coffee meeting with Minesite that mineralogy tests on the cores taken from Wa Lawra had revealed a simple to process ore. "It looks like it's going to be a very simple mining and processing operation," he said. "That will be important in keeping costs down."

Stone said that Azumah currently has A\$6 million in the bank following a recent share issue which raised A\$5.25 million. The new shares were issued at A9 cents, which should have made a few institutional investors rather happy. Top of the list is Macquarie Bank which participated in the issue and is now sitting on 15.26 per cent of Azumah. "We're well placed," Stone said. "We have cash in the bank, and believe we're well on the way to establishing the first commercial goldmine in an emerging part of northern Ghana."