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Macquarie takes 13% stake in Azumah

29-July-08 by Rebecca Lawson

Macquarie Bank Ltd has emerged as the biggest shareholder in Perth-based African gold explorer Azumah Resources Ltd after subscribing to shares worth nearly \$2 million.

The bank's Metals and Energy Division has subscribed to over 12 million shares at 16 cents each for a consideration of \$1.94 million.

Funds from the placement will be used to accelerate the development of the company's 100 per cent owned Wa-Lawra gold project in Ghana.

"Macquarie has a detailed knowledge of the West African resources industry, and holds a number of strategic investments in several well regarded explorers and producers in the region," Azumah executive chairman Stephen Stone said.

"Even with just the 516,000 ounce inferred and indicated Kunche gold resource, the market capitalisation of Azumah per ounce of gold resource - after subtracting its present cash - is well below that for other West African exploration companies at a similar stage in the exploration cycle."

Below is the full announcement:

Emerging Perth-based Ghana gold explorer, Azumah Resources Limited (ASX: AZM), has secured the backing of Macquarie Bank Limited ('Macquarie') as a substantial shareholder, today announcing a A\$1.944 million share placement to accelerate the development of the Company's 100%-owned Wa-Lawra Gold Project in Ghana.

The Metals and Energy Division of Macquarie has subscribed for 12,150,000 fully paid new ordinary shares at an issue price of 16 cents per share (based on Azumah's 30 day VWAP - volume weighted average price) for a consideration of \$1,944,000. Following the completion of the share placement, Macquarie will become Azumah's single largest shareholder with an equity position of 13%.

Commenting on the share placement, Azumah's Executive Chairman, Mr Stephen Stone, said, "We are extremely pleased that Macquarie has joined Azumah's growing register of loyal shareholders, driven by the excellent progress we have been making recently at the Company's 100%-owned Wa-Lawra Gold Project in north-west Ghana".

"Macquarie has a detailed knowledge of the West African resources industry, and holds a number of strategic investments in several well regarded explorers and producers in the region. We look forward to working with Macquarie to achieve Azumah's ambitions," he added.

"Even with just the 516,000 ounce inferred and indicated Kunche gold resource, the market capitalisation of Azumah per ounce of gold resource - after subtracting its present cash - is well below that for other West African exploration companies at a similar stage in the exploration cycle."

"With the maiden Bepkong resource estimate just weeks away, Azumah must certainly represent one of the best value junior gold explorer investments available right now," Mr Stone continued.

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"Over coming weeks, investors in Azumah can look forward to a steady news flow from the Company. This includes final results from recently completed drilling at the newly discovered Bepkong prospect followed by a maiden independent JORC Code compliant estimation of initial resources for Bepkong. Results are also due shortly from drilling at new targets at Basabli and Kuo, and metallurgical testwork results on Kunche mineralisation are also due in coming weeks," said Mr Stone.