

### The Top Four Aussie gold Explorers in Ghana

Below is a table with the key details on my four favourite Aussie gold companies with operations in Ghana. As you can see by their market caps, they aren't micro-caps. But they aren't blue chips either. I believe they all have leverage to higher Aussie gold prices. They are the best of what I have found in the way of advanced stage Australian gold explorers in Ghana.

The only downside of these shares is that they've gone up so much recently. You may want to time your entry into them on any pullback in the gold price, which ought to lead to a correction in the gold shares. Getting the entry right is a huge part of making the investment pay. But I believe, for the reasons I show below, these are your best bets.

Please keep up with the weekly e-mail updates for any changes or updates to these companies. I'll keep you posted on any developments that are material to the share price.

Company	Code	Market Cap (AS mil)	JORC resource (Mill Oz)	Market Cap / Oz (US\$/oz)	Cash costs US\$/oz	ACTION TO TAKE
Azumah	AZM	32.36	0.754	39.39	483	<b>STRONG BUY</b>
Perseus	PRU	473.05	5.2	72.35	494	<b>STRONG BUY</b>
Adamus	ADU	134	2.1	58.56	489	<b>BUY</b>
Gryphons	GRY	82.16	1.1	68.54	550	<b>BUY</b>

### AZUMAH RESOURCES (ASX:AZM)

Azumah is the pick of the bunch.

The company's catchphrase is 'punching above its weight'. This is a reference to Ghana's most famous sportsman, Azumah Nelson, who was a three-time world champion boxer. It's pretty fitting. This company packs a mean punch, and I think it has a few moves we haven't seen just yet.

The main selling point is the price of the company, in terms of its market cap per ounce of gold. At the time of writing, it is one of the cheapest here at A\$39.39. This screams good value. This means the share price has plenty of room to grow, given the amount of proven ounces of gold the company has.

On top of this, the drilling results shown in the company reports and presentations are highly

suggestive that there is at least double the amount of minable gold on-site than can be confirmed yet. So although it might look a featherweight at 745,000 ounces, once drilling results come in, it is likely to take off the cloak to reveal a middleweight with close to 2,000,000 ounces.

This makes it even more exceptional value. Ghana's short rainy season is finishing now, so we can expect the positive results to start flowing, and to see that confirmed resource figure punch higher. Converting a probable resource to a proven reserve will be a major step forward for the company.

Recall my point about getting the strong Aussie dollar to act in our favour? I spoke with their financial officer about this, and other than executive remuneration, all other company costs are in US dollars. This means that Azumah uses US dollars for more than 85% of its fairly modest expenditure.

So, the strong Aussie dollar will be bringing its costs down by the minute. Thanks to a well-subscribed capital raising in June, it is now sitting on an A\$5.6million cash reserve. And because war chest will be growing in US dollar terms, the company is enjoying a comfortable cash position from which to roll out its plans.

Another winning feature of this hard-hitter is its low cash-costs (in US\$/oz). At only US\$483/oz, there is a lot of margin for profit, particularly when the US Gold price is comfortably above the US\$1000 mark and trending upwards. When this mine starts production in just over two years, it will produce 60,000 ounces per annum. Azumah stands to make some serious profit for such a small company.

Azumah is a big, cheap, pristine resource that is growing with each drilling result. It's in an easy to operate country with all the support infrastructure in place, and its a market cap per ounce is half that of its peers! What more could you ask for? Even though the market has pushed it up recently, this stock has got a lot further to go just yet! This knockout stock is definitely a strong buy.

Action to take: Buy Azumah Resources (ASX: AZM) recent share price of \$0.21

**Calculating Your Future Returns:** It's important to remember that investing in shares can lose you some or all of your money. The potential gains in this letter are based on investing in Australian dollars on the Australian Stock Exchange unless otherwise indicated and do not include taxes, brokerage commissions, or associated fees. Please seek independent financial advice regarding your particular situation. Also, while useful for detecting patterns, the past is not a guide to future performance. The value of any investment, and the income derived from it, can go down as well as up. Investments in foreign companies involve risk and may not be suitable for all investors. Specifically, changes in the rates of exchange between currencies may cause a divergence between your nominal gain and your currency-converted gain, making it possible to lose money once your total return is adjusted for currency. For any investment, never invest more than you can afford to lose, and keep in mind the ultimate risk is that you can lose whatever you've invested. If in doubt of the suitability of an investment please seek independent financial advice.

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