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Azumah acquires Ghana gold project

By: Creamer Media Reporter
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JOHANNESBURG (miningweekly.com) – Australia-based Azumah Resources has entered into an exclusive agreement with TSX-listed Crew Gold Corporation to purchase that company's Wa project, in Ghana.

The Wa project is about 75 km east of Azumah's fully owned Wa-Lawra gold project.

"The acquisition of Crew's Wa gold project provides Azumah with additional confidence that it will achieve its next objective of delineating a 100%-owned, one-million ounce, near-surface gold resource in the region, as part of its overall plan of establishing a stand-alone mining and processing operation in the north-west of Ghana," said executive chairperson Stephen Stone.

The acquisition would be share and royalty based, and would comprise three prospecting licences.

Subject to the successful completion of due diligence by Azumah and reassignment by the Ghana Minerals Commission of the licences to Azumah from Crew, Azumah would issue six-million new ordinary shares to Crew, which would give the company an initial 6,15% interest in the Australian company's issued capital.

Azumah would issue a further six-million shares to Crew if, within two years of the execution of the sale and purchase agreement, a Joint Ore Reserves Committee compliant mineral resource of up to 300 000 oz of gold was delineated between surface and 100 m depth, within the three licensing areas.

A pro rata lesser number of shares would be issued if a resource of less than 300 000 oz of gold were defined.

A royalty of 1% of gross receipts from the sale of any gold produced from the licences, exceeding an initial 300 000 oz, would also be payable to Crew.

The three licensing areas being acquired have a total area of 300 km² and contain arcuate sequences of Birimian metavolcanics and metasediments with several favourable sites already identified for the development of gold mineralisation.

All targets could be easily and cost-effectively serviced from Azumah's established field camp and office at Wa-Lawra, using existing infrastructure and field crews.

Outside of the main prospects, the broader Wa project was considered to be highly prospective, but at a relatively early stage of exploration.

Edited by: Mariaan Webb