

## Azumah pins hopes on Bekpong to scale the wall

One of the most frustrating aspects of the economic downturn and the apparent end of the resources bull-run is that even those companies that have been impressing with exploration results have been dragged into the mire and now find themselves with share prices woefully below what they were just six months ago.

There appears little these companies can do about it. They really are swimming against the tide and even impressive results and strong projects are not lifting junior explorers out of the general malaise.

Not that such a depressing situation is stopping Azumah Resources Ltd from carrying out its planned activity. The Perth-based gold explorer had been travelling along very well through the back end of 2007 and early 2008, as the positive results continued to flow from drilling on its Wa-Lawra project in north-west Ghana.

The company's share price reached 20c in June but that was to be a year high and by November it had retreated to around 7c, but when he spoke to **Paydirt** recently, executive chairman Steve Stone did not appear too disheartened.

"This year has actually been a good year for the company. We have achieved a lot and we are happy with where we sit. We created a lot of momentum earlier in the year but we have since struck a pretty big brick wall," Stone said.

That brick wall was of course the global financial crisis, but Stone said the pain caused by the situation on world markets would not deter Azumah from carrying out its plans.

"We have the money to do the programmes that we want to do and will probably start the drilling programme in early 2009. Those funds will see us through a couple of good programmes, so there are no plans and no need to go to the market."

That \$2 million cash position is thanks largely to the July capital investment by Macquarie Bank.

"We completed a capital raising with Macquarie earlier in the year. It was fortuitous timing and means we don't need to raise any more funds for some time."

The company's staffing structure has also meant there has been less pressure on its cash burn rate since the downturn.

"The company doesn't have any full-time employees. Everybody charges on a daily remuneration basis, including myself. That means we have very quickly been able to batten down the hatches."

Despite the pain, Stone remained full of confidence that Wa-Lawra would provide what the company was looking for.

"We haven't done any desktop studies, but I suppose we are aiming for 1 mozt in reserves.



Drilling at Azumah's Bekpong deposit, the main focus of the company's recent programmes

That would put the company in a position to consider a stand alone operation for Wa-Lawra.

"We believe the project is capable of delivering that."

The main focus of the company's exploration in 2008 has been the Bekpong discovery, 2km north of the main 516,000oz Kunche deposit.

Azumah announced an initial 212,000oz resource for Bekpong in September, just 10

months after its discovery.

"Bekpong is very important for the company because we believe it has a high conversion rate into mineable ounces, more so than Kunche."

Azumah had already moved 82,000oz into the indicated category at Bekpong and Stone said the conversion would continue in the New Year.

"We are confident we will be able to increase the size of the resource through extensional



