



Paydirt
October, 2007
Page: 79
General News
Region: National Circulation: 3152
Type: Magazines Trade
Size: 407.90 sq.cms
Monthly

Azumah comes out flying for next round

Like a boxer using his jab to build up a points lead, Azumah Resources Ltd is steadily adding ounces through consistent RC drilling programmes on its Wa-Lawra gold project in north-western Ghana.

Although still of a modest size – the company's last estimate lifted the global resource to 516,000oz – the aggressive nature of its exploration strategy seems certain to deliver more ounces in the near term.

"Our objective is to develop ore reserves to underpin our own operation," managing director Stephen Ross told delegates. "We've got a half a million ounce resource. The next stage is to increase that through drilling before delivering reserves."

Having taken a break for the Ghanaian wet season, Azumah planned to be back on the ground before the end of October with a 5-10,000m drilling programme to cover both its main Kunche deposit and surrounding prospects.

Wa-Lawra was first discovered in the late 1980s and Anglo Ashanti's drilling of a wide-spaced geochemical anomaly in the mid-1990s produced a 250,000oz resource at what is now the Kunche deposit.

After listing in December 2005, Azumah was quick to leave its own mark on the project.

"We reprocessed the 2,000sq km of airborne geophysics flown by the Finnish Geological Survey in late 1999-2000 – we are the first to use that data – and have taken over 5,000 auger and soil samples and more than 500 rock chips.

"We've drilled over 10,000m into the Kunche resource and we have done over 8,000m on other prospects in the area."

The swiftness of Azumah's attack on Kunche resulted in the September 2006 release of the current 516,000oz global resource, a doubling of the original inventory, and a figure that includes 320,000oz in the indicated category.

"It is a great start for us to have a resource like that," Ross said. "We more than doubled the original resource, it remains open to the north and north-west, it also remains open at depth and we've now got a minimum 50km more to explore."

At Kunche itself, drilling has delineated a 1,400m strike length.

"It's nice and wide, up to 30m in the northern area. It pitches and swells but it is a nice, consistent orebody."

Drilling has produced a bank of consistent intersections in the central zone at Kunche and Ross said the imminent field season would be spent investigating northern and down plunge extensions.

"We are going to look at the northern extensions of Kunche, particularly the depth extensions. One intersection of 26m @ 5.46 g/t we believe represents a high-grade north-west plunge component and that is something we are going to be looking at in this next field season."

Metallurgical testwork has already started on the Kunche ore, with encouraging recoveries of 96-99% in the oxide component while the fresh zone reported 77-96%.

"The fresh recovery was quite exciting because it was specifically targeted as we thought we might be seeing some arsenio-pyrite there," Ross said.

Ghana is famed for its massive gold orebodies, but unlike the majority of its goldfields

which are found in the south-west, Wa-Lawra is in the north-west of the country. Ross said this was in no way a disadvantage.

"It's a very easy area to operate in, savannah land, as opposed to the tropical jungle conditions of the south-west."

Azumah controls 110km of strike of the Birimian Greenstone belt and the company is currently undertaking a prospect ranking exercise in an effort to define the importance of a host of anomalies.

The first target is just 1km away at Kunche East where Azumah will be drilling in the coming campaign, a programme Ross hopes will bring tangible reward.

"We drilled some holes into some old workings there and came up with some good results, including 6m @ 1.69 g/t. We then mapped it, which showed two other zones parallel to the east and a programme of rock chips all returned values of over 1 g/t.

"That is where we are going to be targeting our next round of drilling and we hope to get some ounces out of that drilling."

The company has been the first to use auger drilling further north at the Yagha South, Yagha North and Doggo North prospects (5-15km north of Kunche), producing what Ross described as some "good bread and butter results. It shows that this zone is mineralised across the entire belt.

"We are using the auger drilling as a continuous tool to refine any prospects or targets we come across. Work is always ongoing in Ghana."

– Dominic Piper



Stephen Ross