

Azumah Resources Ltd

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Azumah Resources outlines fully underwritten rights issue

Azumah Resources (ASX:AZM) will raise circa \$2.3 million through a 1:5 non-renounceable rights issue, which is to be fully underwritten by Perth broker, Patersons Securities.

The funds raised through the rights issue will strengthen the company's ability to deliver on a variety of initiatives in the coming months at its Wa Gold Project in Ghana, West Africa.

The positive momentum continues for Azumah who earlier this week outlined a transformational \$17 million earn-in detail with new partner Ibaera Capital.

Stephen Stone, managing director, commented: "The rights issue enables shareholders to add to their existing share holdings at a generously discounted and broker fee exempt price at a pivotal point for the company as it sets out to boost resources and reserves.

"With the additional support to come from the earn-in deal struck this week with Ibaera, we will be able to accelerate the overall development of the project."

Rights issue details

Azumah eligible shareholders will be able to acquire one new share for every five shares held at 5.00PM (Perth time) on 16 August 2017, also known as the record date.

The issue price is \$0.02, which represents a ~20% discount to the 30-day volume-weighted average price (VWAP) on ASX of ~\$0.025 and a 28.5% discount to the last sale price of \$0.028.

The funds from the rights issue will be applied to in-country operating commitments, \$250,000 to complete the acquisition of the Julie West Licence and the high-grade Mineral Resources it hosts, working capital and to maintain balance sheet strength.

The prospectus is planned to be lodged with ASIC on 10 August and the rights issue is expected to close 1 September.

Further details of the offer will be outlined in the prospectus.

\$17 million earn-in deal

The deal with Perth-managed Ibaera Capital GP Limited will see a two-stage cash injection over two years of up to US\$13.5 million (~A\$17 million) for up to a 47.5% interest in Azumah's wholly owned Ghana operating company, Azumah Resources Ghana Limited.

Price: A\$0.02

Market Cap: A\$13.98M

1 Year Share Price Graph



Share Information

Code: AZM

Listing: ASX

52 week High Low
0.0374242424p 0.018p

Sector: General Mining - Gold

Website: www.azumahresources.com.au

Company Synopsis:

Azumah Resources Ltd (ASX:AZM) is listed on the Australian Securities Exchange.

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This structure will limit the dilution that shareholders would normally encounter for a market based raising at the corporate level.

The objective of the deal is to boost gold resources and reserves above the present 2.1 million ounces and 624,000 ounces respectively.

Furthermore it aims to deliver within a two-year time frame, or less, a revised feasibility study to support the funding and development of the presently proposed 90,000 ounce per year gold operation.

Execution of the full earn-in, investment and joint venture agreement (EIJVA) is expected by 31 August 2017.

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