



## The Time Is Nigh For AMI In West Africa

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In West Africa, nestled amongst AngloGold Ashanti (NYSE:AU), Newmont Mining (NYSE:NEM) and Goldfields (NYSE:GFI), lies BC based junior AMI Resources (TSX.V: AMU). With an impressive land package in mining friendly Ghana and on-going drill results released from land adjacent to gold-producing Semafo (TSX:SMF) in Niger, AMI is inching closer to being a possible take over target.

Regarding ounces, the company has already proven up 327,000 ounces of gold in Ghana and 130,000 ounces in Niger. In January of this year AMI entered into an option agreement with Newmont Mining under which Newmont has the right to earn an initial 51% interest in the 126 sq km Anuro License by spending US\$2 million in work expenditures and property payments during the first 3 year period.

The Anuro License brings with it another 100,000 ounces of gold not yet included in the National Instrument 43-101 report, propelling AMI's ounce count to an impressive half a million.

### The Sirba Story

Although more established in Ghana, having spent 13 golden years exploring there, it's AMI's Sirba Gold Projects in Niger that are garnishing all the attention at the moment.

In September 2009, AMI entered into an option agreement with Golden Star Resources Ltd. (TSX:GSC) whereby AMI has the right to earn a 51% interest in Golden Star's Sirba properties by spending US\$1,500,000 over a three year period, with a minimum US\$250,000 to be spent in year one. After the initial earn-in, both parties will enter into a Joint Venture agreement.

The Niger properties include the 550 km<sup>2</sup> Deba and the 372 km<sup>2</sup> Taikam licenses, both of which border [Semafo's Samira Hill mine](#) to the northeast and southwest. The Samira Hill mine consists of several satellite deposits and has been in operation since 2004, with remaining reserves of 631,000 ounces and a 1,293,000 ounce measured/indicated resource.

Several gold anomalies on both the Deba and Tialkam properties have been identified during previous exploration programs; Barrick Gold Corporation (TSX, NYSE: ABX) conducted a drilling program in 1998 and 1999, which was followed up by St-Jude Resources in 2004 and 2005. Golden Star Resources conducted the most recent exploration program in 2007 and 2008.

### Results

AMI began drilling on the properties in February 2010 and has struck gold on all the targeted zones. According to a press release issued on May 4<sup>th</sup>, the most recent results from the company's 25 hole initial drill program are as follows:



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“On the Tialkam License, eight reverse circulation holes totalling 808m were drilled at the Congo Toure and Tialkam South prospects. The holes drilled at Congo Toure confirm the presence of gold mineralization in volcanic rocks associated to the gabbroic complex.

The drill holes at Tialkam South, with intersections of 24m at 3.08 grams per tonne, have confirmed the mineralization from the historic drill holes, while the intersection of 8m at 1.08 grams per tonne in TSR004 has extended its continuity over 300m to the north east. Two fence lines of RC holes are proposed to confirm the extension along this trend.

On the Deba License, seventeen RC holes totalling 1,375m were drilled at Deba Village, Kokoloukou and Sefa Nangue, three of the known prospects on this license. The main objective of this program was to confirm and extend the gold mineralization identified in historic drill holes.

In the Deba village prospect, soil geochemistry has identified clusters of gold anomalies within an area of approximately 2km in diameter where trenching and drilling encountered gold mineralization.

At Sefa Nangue the RC drilling encountered several narrow gold intersections, some ranging from 10m to 18m. The core drilling in the mid nineties by Japan Intergovernmental Agency (JICA) also intersected a multitude of quart veins oriented E-W. JICA reported an NI43-101 non-compliant resource of 2.4 m tons grading 2.06 grams per tonne gold (137,000 ounces) from 5,126m of core drilling.”

## **AMI Happy And Hopeful**

“Our first drill program has returned excellent results and with such a large land package surrounding Semafo’s Mine we look forward to expanding the gold resources in this area,” comments Dustin Elford, AMI President and Director “We’ve confirmed there are so far 8 target zones on Deba and another 4 target zones on the Tialkam concession so we have lots of potential to find several satellite deposits on these licenses.”

The weather in Niger has been wet, and blessed as that is for the dry soil of Africa, it means no more drilling for AMI for until after the rainy season. The company is obliged to put drilling on hold there, but work continues at Sirba.

“It’s the rainy season in Niger right now and there aren’t a lot of bridges to cross the river, so drill rig access is impossible.” Elford explains, “But we’re still working at Sirba. We’ve been doing some trenching, some pitting and some drill pad preparation. We expect to be back with the drill program in late August, early September.”

## **Back to Ghana**

Meanwhile in Ghana, AMI expects Newmont to commence drilling on the Anuoro license by the 3<sup>rd</sup> quarter of this year. The Anuoro Concession is part of the North Ashanti Gold Project in south-central Ghana and covers approximately 15 km of strike on the highly gold prolific Ashanti trend. With a current National Instrument 43-101-compliant near surface resource of



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over 327,000 ounces and several additional identified gold zones the North Ashanti Gold Project has the potential for a multi-million ounce gold deposit

Strategically situated on the prolific Ashanti Trend, the project is surrounded by three gold mines: the Konongo Mine adjoins its northern border, the Anglo Gold Ashanti, ± 40 million ounce Obuasi Mine is located approximately 50 km to the southwest and Newmont's Akyem deposit (± 8 million oz ), permitted for 500,000 ounces per year of production, is just 25 km to the southeast.

With Newmont obliged to spend a minimum of US\$550,000 in work expenditure and property payments in the first year of the Anuoro License agreement, AMI's expectations of drilling before year end are well founded.

## Exploring in Africa

When MidasLetter.com asked Elford how exploration in Africa was going for them, the answer was unequivocally positive.

"Well Ghana is actually pretty stable. A lot of the major companies are there – Newmont, Goldfields, Golden Star, Redback (TSX:RBI) ... There are a lot of mid-tier companies already operating mines in Ghana. Niger is new to the gold industry because there's only one producing gold mine in Niger and that's Semafo's Samira Hill. That's been in production since 2004 and Semafoe has just announced that they're going to spend another 19 million dollars in upgrading the mill and on equipment etc... So it looks pretty favourable for AMI, considering we control all the ground on the gold mineralized trend on both sides of Semafo's mine."

Essentially, regarding Semafo, what this means for AMI is if they find an economic ore body, they can either make a deal with Semafo to mill the ore or they could simply be bought out by Semafo. Semafo has just raised US\$100 million and rumor has it that they have US\$50 million solely for new acquisitions. The way AMI sees it, should Semafo Samira Hill mine run out of ore, AMI is the next stop on the property train.

## The Time Is Nigh for AMI

With a share price ranging from CA\$0.08 to CA\$0.12, AMI regard themselves as highly undervalued, and considering the ounces already proven up, the ratio of funds raised to ounces found and the company's large land position amongst the producers, they could be right. If you want in on AMI, now may be the time to investigate their potential.

Follow the company's progress at [www.amiresources.com](http://www.amiresources.com)

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