

A jewel emerging in the majors' backyard

AMI Resources Inc has been busy putting together a handsome gold package smack in the middle of one of Ghana's best addresses. Willem Smuts paid them a visit earlier this year.

AMI occupies a very sought-after address in Ghana and with continued success, must be a prime target for more senior companies operating in the area.

About 200 km north-west of Accra in the south-central part of Ghana, a stone's throw from several gold mines, lies the North Ashanti Project. The North Ashanti Project consists of two contiguous prospecting licences covering a combined area of about 162 km². The project area can be reached by paved highway, which connects Accra to Kumasi. Gravel and dirt roads traverse throughout the North Ashanti Project area and a network of footpaths allows for easy access to most of the project. The project is strategically situated on the prolific Ashanti Trend and is surrounded by three gold mines. The Konongo Mine adjoins its northern border, the AngloGold Ashanti Goldfields, ± 40-million oz Obuasi Mine is located about 50 km to the south-west and Newmont Mining's Akyem Project

(± 8-million oz) scheduled for production in 2008, is just 25 km to the south-east.

Historic exploration

The Ghana Geological Survey has mapped the area geologically in 1937 and 1967. The 1967 work included a geochemical survey that defined broad areas of gold and arsenic mineralisation on the property. Modern exploration started in the 1990s. Vista Mining Corporation (formerly AG Marketing Inc) explored for the placer potential on the original concession of more than 110 km². Two areas of artisanal activity were found to the west and to the south of Beposo. AMI Resources became involved in 1996 for the first time, initially purchasing and evaluating a non-proprietary fixed-wing air-



AMI / Willem Smuts

borne radiometric and magnetic survey and satellite imagery. This was followed by grid-based soil sampling programmes, ground geophysical surveys and auger drilling for follow-up soil geochemistry. Airborne and ground geophysics located what is believed to be the extension of the Ashanti Shear System, a structural feature associated with the gold deposits at Obuasi and Konongo. A contact between the Birimian and Tarkwanian geological systems is also thought to have been located.

The 1996-97 soil geochemical work produced several anomalous areas with the most significant being the Beposo anomaly located in the south-west area of the Beposo Concession. Between 1997 and 2005, AMI Resources carried out extensive drilling, pitting and trenching programmes. In order to assist in ore modelling, the company also undertook to survey the entire project area to provide accurate cross sections, long section and surface plans.

After completion of this survey and compilation of all exploration data to date, the company designed an exploration programme to extend the 1 250 m proven mineralised zone by extending the baseline a further 2,5 km to the southern boundary and by pitting and trenching to identify drill targets, with the aim of completing an initial resource calculation. The pitting and trenching programme at 50 m intervals, on section, through the entire strike length of the identified zone confirmed consistent mineralisation.

These programmes also produced a clearer understanding of the effect of cross cutting conjugate faults upon the mineralised zone. Results from a trench at 10400 North returned assays of 2,66 g/t Au over 12 m (including 3,5 g/t Au over 7 m) which was similar to the results returned from trench 10100 North. To define an initial indicated/inferred resource over this min-

eralised area a 54-hole drill programme was undertaken.

On the Beposo licence, the company drilled 78 holes for a total of 7 949 m and completed 22 trenches for about 595 m while on the Anuoro licence, AMI drilled 86 holes for a total of 5 652 m and seven trenches for approximately 910 m. The company also completed several hundred pits over Beposo and Anuoro.

A pitting and trenching programme over a parallel structure 450 m to the south-east of the Beposo resource zone was also undertaken.

A trench sited over the northern end of this anomaly returned an intersection of 12 m at 4,73 g/t Au (including 4 m of 10 g/t) in a package of sheared and silicified graywackes with abundant quartz veining.

The geological setting exposed by this trench is identical to that at the Beposo resource zone, with a package of mafic volcanics on the eastern margin of the shear and more phyllitic sediments on the footwall margin.

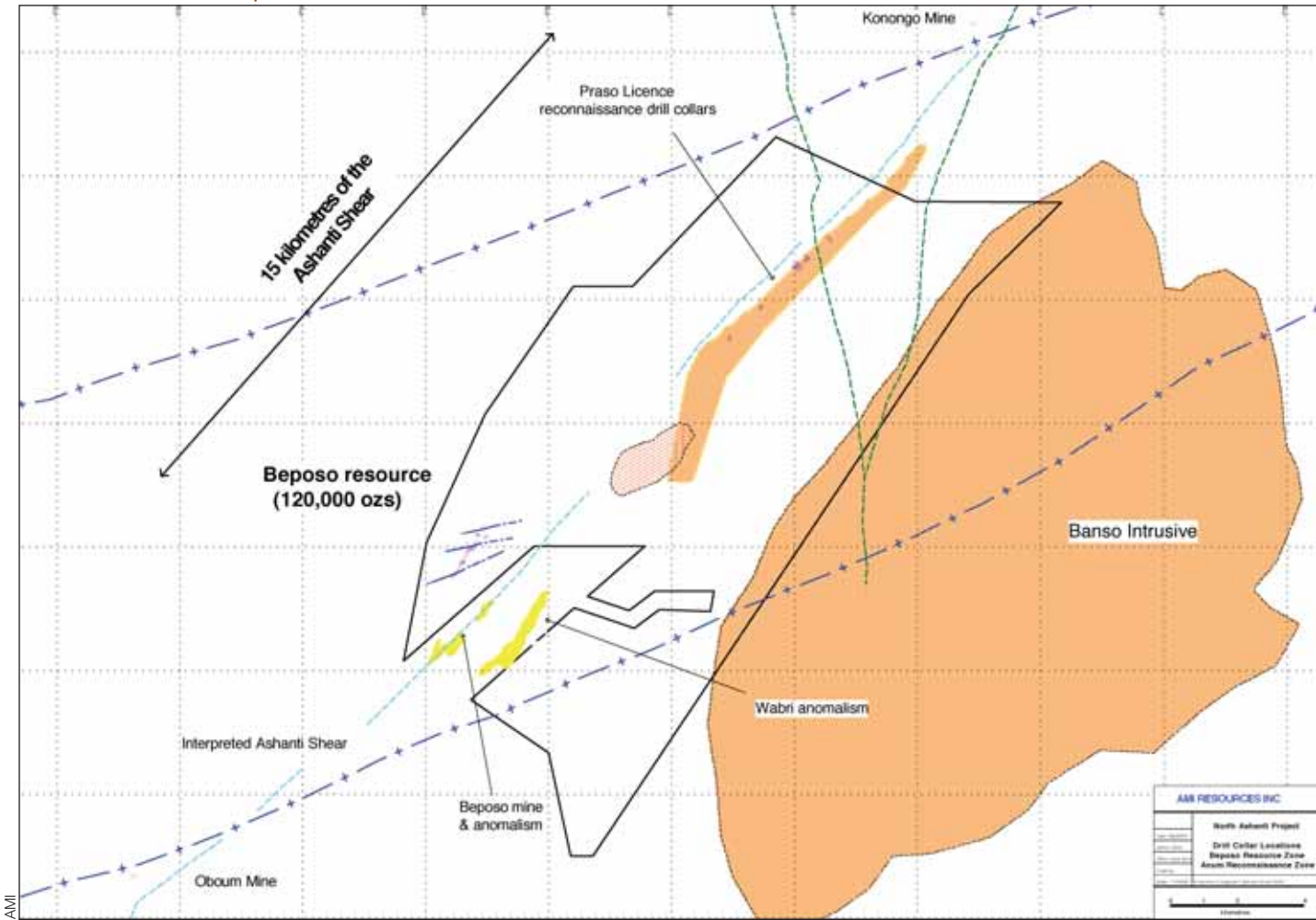
The intense silicification of the shear zone in this trench has resulted in the mineralised zone occurring as an elevated ridge. This anomaly is thought to represent a thrust repetition of the main Beposo resource zone.

This repetition of parallel zones within the broader "Ashanti Shear" is a common feature in known mining centres such as Obuasi and Konongo mines. The discovery of a parallel mineralised shear on the Beposo property is of great significance and further pitting, trenching and drilling programmes will be undertaken to test this zone.



Left: Within months nature has recaptured the site (except for subsequent inspections from the illegal mining set).

Left below: Simon Meadows Smith (logging the hole) was instrumental in the discovery of the Homase gold deposit (current gold resource of 500 000 oz) which is located 35 km to the south of Adumasa and 15 km to the north of the Obuasi Mine. Meadows-Smith has supervised AMI's exploration activities in Ghana since April, 2002. Hole 03ADRC034 on the Beposo Resource Zone returned 31 m grading 2,95 g/t Au.



Drill collar locations on the Beposo Resource Zone and the Anum Reconnaissance Zone.

Beposo main zone gold resource report

In September 2006, AMI Resources completed a resource report on the Beposo main zone gold deposit in compliance with the National Instrument 43-101 and has been prepared by SEMS Exploration Services Ltd in compliance with this instrument, Companion Policy 43-101CP and Form 43-101F1. Resources for the Beposo deposit have been estimated using the method of polygonal estimation. Geological and weathering domains as well as assay values were used to define ore block outlines. Resources defined all fall within the indicated and inferred categories.

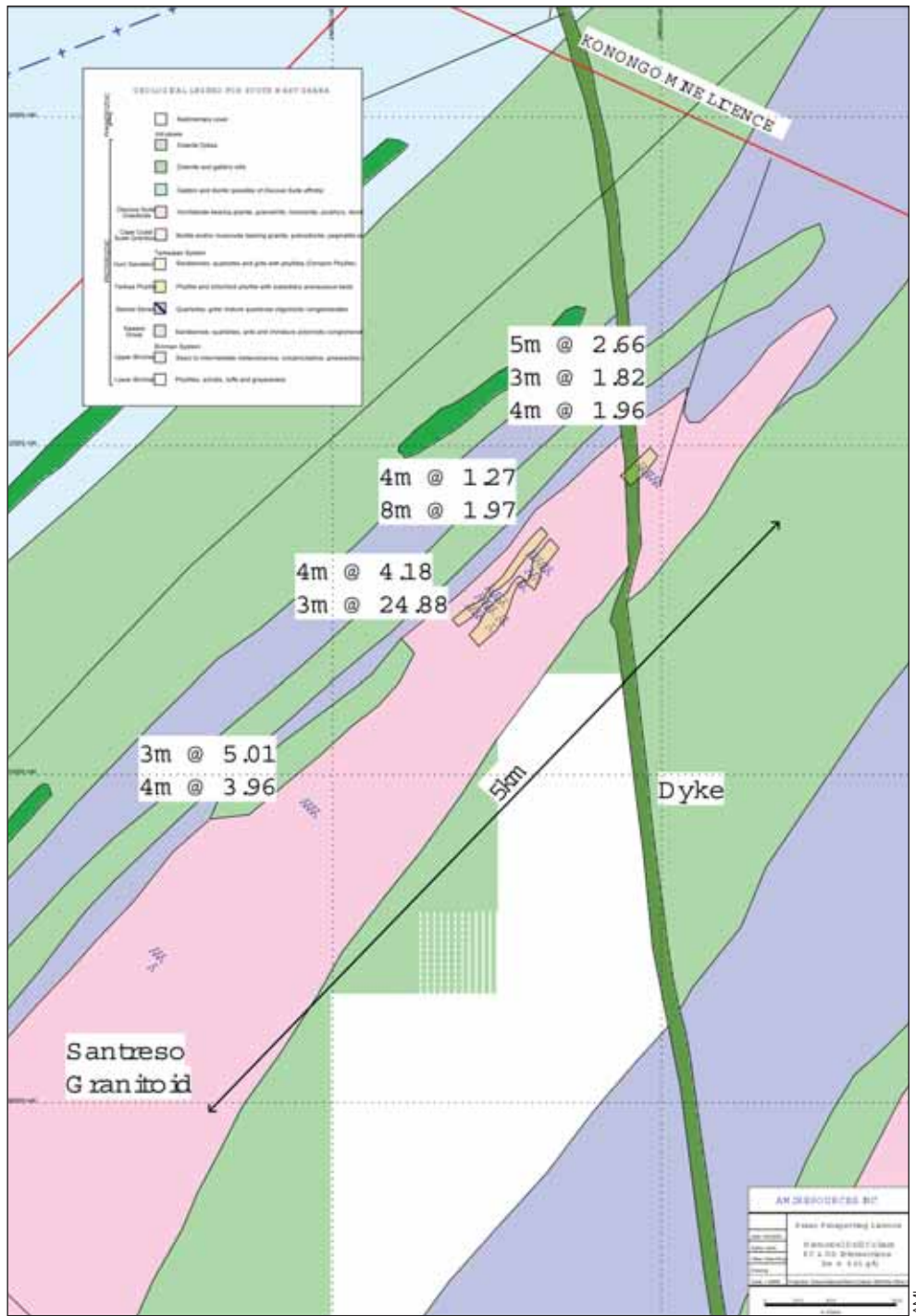
	Oxide				Sulphide				Total		
	t	Grade	Oz Au	%	t	Grade	Oz Au	%	t	Grade	Oz Au
Beposo	1 305 090	2,01	87 540	71	527 800	2,01	35 339	291	832 890	2,01	122 879

Summary of Beposo Main Zone gold resource at 0,5 g/t cut-off

The Beposo Main Zone Gold deposit remains open to depth and along strike. Drill coverage is irregular below about 50 m depth so all ore blocks have been extrapolated to no further than 75 m from surface. Preliminary metallurgical test work from samples of core from 97ADDD007 returned encouraging recoveries of more than 93% in fresh rock. These samples were free milling and exhibited no refractory characteristics. It was concluded that such ore would be highly amenable to a simple treatment process.

The proportion of the resource that reports to inferred category consequently increases below 50 m. Infill drilling will convert much of this material to the indicated category and will likely add resource ounces. A systematic calculation of specific gravity (SG) values from infill diamond core drilling and a programme of bottle roll analysis for samples falling within ore blocks will upgrade most of the resource to the measured category.

Also, about 500 m south-east of the Beposo main zone resource the company discovered a parallel gold zone with significant gold intercepts including 7 m of 17,47 g/t Au and 8 m of 3,21 g/t Au within a mineralised strike length of about 500 m. Further drilling is planned to bring this parallel zone into a resource category.



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Above: Bill Pettigrew and Joseph Kwofie inspecting early core from the project. Kwofie has been with the project since its inception in 1998 and is responsible for day-to-day management of the base and field operations.

Left: Drill collars (RC and DD intersections) on the Praso Prospecting Licence.

Anuoro (Praso) licence

The recently acquired Anuoro licence covers an estimated 129 km² and is contiguous to the Beposo licence to the south. An initial first pass 43-hole widely spaced drill programme by the previous owner in 1997 encountered several significant intercepts of high grade gold (including 3 m at 24,7 g/t Au).

To better understand the mineralisation and further define drill targets, AMI initiated a soil geochemistry programme based on 400 m lines with samples at 50 m spacing and an 8 km-long +50 ppb gold-in-soil anomaly was identified with some sections more than 750 m wide.

Broad high grade zones within the larger anomaly were identified with grades averaging

369 ppb over a width of 250 m.

In preparation for a drill programme AMI spent several months tightening down the high grade zones with 200 m spaced infill lines cut with samples taken every 25 m.

Where high values were encountered, a pitting and trenching programme was undertaken. Results from the first 150 m trench returned values of 39,4 g/t Au over 1,3 m and 5,96 g/t Au over a 10,2 m section.

Other trenches showed elevated intervals within the intrusive including 3,3 m of 1,16 g/t Au and 11,4 metres of 1,01 g/t Au.

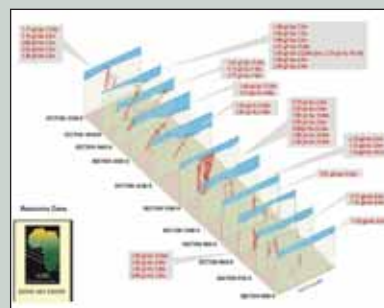
AMI completed an initial 3 000 m reconnaissance drilling programme to test the multiple higher grade zones along this 8 km-long gold-in-soil anomaly.

Project ownership/status

AMI Resources Inc is a Vancouver, British Columbia-based exploration and development stage company, which, through its wholly-owned operating subsidiary Norcan Mining Corp, is concentrating its exploration activities in Ghana. AMI is a public company trading on the TSX Venture Exchange under the symbol AMU-V. The company has rights to two government granted prospecting licences, one being the Beposo concession and the other being the Anuoro (Praso) concession.

AMI's concessions cover an estimated 166 km² within the Ashanti Trend and are jointly referred to as the North Ashanti Project. The company, through Norcan Mining, owns 100% of the North Ashanti Project subject to a 10% carried interest by the Ghanaian government.

AMI Resources has spent more than US\$4-million to date exploring and developing this project. This intensive and ongoing exploration activity included soil geochemistry, magnetic surveys, trenching and drilling. With a market cap at present of less than C\$3,5-million, AMI appears to be a significantly undervalued company compared to the quality of its project.



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Above: Dusty Elford, sorting drill chip logs, says the company has identified 19 new targets over both project areas in addition to the work already completed.

Right: AMI owns the land and building that make up its camp on the outskirts of the village of Adumasa. The camp facilities are comprised of a four-bedroom bungalow*, a three-bedroom bungalow, a geological office and mechanical workshop with storage. The company maintains security at the camp 24/7/365.

Manpower comes from nearby villages, including Adumasa and Bomfa with shorter-term contractors from Pemenase and Beposo. At the time of visiting the government was busy installing electricity to the village.



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Latest developments

In September 2006,

AMI Resources Inc announced the results from the first pass reverse circulation (RC) drill programme over the southern gold zone on the previously reported 8 km x 750 m 50 ppb gold-in-soil anomaly on the Anuoro concession. This RC programme comprised 64 drill holes on 100 m lines at 50 m spacing with some 25 m in-fill spaced holes to a maximum depth of 70 m for a total of 4 249 m. Results from this initial programme clearly outline a near-surface gold zone covering a strike length of 1 000 x 600 m wide.

In addition, a further significant gold zone was subsequently discovered on the northern section of the Anuoro concession. A total of 11 RC holes on 200 m lines with 50 m spacing were drilled to a maximum depth of 80 m for a total of 697 m. Due to problems with the drill rig, several of the holes did not reach the target depth. This northern gold zone is believed to be the southern extension of the Santreso gold resource zone of the Konongo Mining licence on AMI Resources' northern border.

The discovery of these two new gold zones on the Anuoro licence, along with the previously reported gold zones on the Beposo licence, greatly enhances the potential for the North Ashanti Gold Project to host multiple near-surface gold deposits, all of which to date are open at depth and along strike.

AMI's exploration licence was renewed in September 2005 for a further two years and the company received its new EPA permit (also valid

for two years) in June this year.

Dr Colin Porter, of SEMS Exploration Services Ltd, completed a technical review of all existing data and produced an interpretive map of the North Ashanti Project. In the process 19 new prospective target areas have been generated, which gives this project an even higher potential.

Speaking to *African Mining* at Adumasa Camp, Bill Pettigrew, chief financial officer of AMI Resources, says, "Dusty and I have been with this project for 10 years on several target specific budgets because we believe this project has multiple near-surface gold deposits over many kilometres – just like Ahafo and Konongo. All the gold zones identified to date remain untested at depth due to exploration budget constraints. We hope to change that in the near future." Chief executive of AMI, Dustin Elford, says, "We have elected to keep the dilution of our shareholders to a minimum with target specific funding and we are beginning to see results now with several discoveries." Elford says the company is satisfied that using a technical consultant on a long term basis has really been beneficial for AMI by allowing it to put more money into the ground. He expected, however, that the time has come to invest in a full-time in-house geologist that could manage, plan and direct the company's growing portfolio of projects. □

* Kingsley, the camp cook, prepares one of the best Jollof rice dishes I have eaten anywhere in West Africa in a long time.