Ausmon Resources starts drilling near Broken Hill targeting cobalt, zinc and gold

Ausmon Resources Ltd (ASX:AOA) has started reverse circulation (RC) drilling at the Stirling Vale project, west of Broken Hill in New South Wales, targeting cobalt, zinc and gold.

The company plans to drill 10 holes totalling 1,200 metres in a 1.5-kilometre zone along the western limb of the Stirling Vale Synform at a vertical depth between 50 metres and 100 metres.

The drilling is scheduled to be completed this month and results are expected next month.

North Kanbarra work

Following encouraging results from recently completed rock sampling at North Kanbarra, also near Broken Hill, Ausmon has started a ground induced polarisation (IP) survey at the project.

The survey comprises eight lines of 1.4 kilometres long across a 1.5-kilometre base metal exploration target identified from the sampling results.

To overcome COVID-19 related travel restrictions, the company has engaged a Broken Hill-based experienced and qualified contractor to carry out the field activities.

After field sampling work and laboratory analyses during FY20, the company has been further encouraged by the potential of its tenements in the Broken Hill area.

Cobalt future

In its annual report, Ausmon chairman Boris Patkin said that the cobalt market remained subdued, but the company's view was that demand would increase as the take up of electric vehicles increased in the coming years.

"As we are still in the exploration phase, a discovery and successful development of cobalt may be timely to meet the future market improvement.

"Gold price has been strong and base metals prices have been improving. A gold and a zinc resource discovery in Broken Hill would be most welcomed."

Strategy and prospects for future

Ausmon proposes to continue its mineral exploration program in Australia as well as search for new projects.

The financial performance of the company will be driven by success in the exploration for gold, silver, copper, cobalt, nickel, zinc and other base metals as well as any potential new projects.

Ausmon may opt for a farm-out of interests or raise new equity capital to arrange the funds to carry out exploration in
the future.

The method of funding will be determined at the appropriate time as part of the company’s capital management policy in maintaining a capital structure which minimises the cost and benefits to shareholders.
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