Argonaut Resources NL plans to drill for cobalt in Zambia

Argonaut Resources NL (ASX: ARE) is planning to undertake a minimum 3000 metres of cobalt focussed drilling at the Nyungu Copper-Cobalt deposit in Zambia.

The Nyungu copper-cobalt deposit is part of the Lumwana West project.

Argonaut has now outlined the March 2017 Exploration Target which is estimated to JORC 2012 standards, and includes:

- Copper: 130 million tonnes to 180 million tonnes at 0.45% copper to 0.65% copper for a contained metal range of 580,000 to 1,150,000 tonnes; and

- Cobalt: 15 million tonnes to 20 million tonnes at 0.08% cobalt to 0.12% cobalt for a contained metal range of 12,000 tonnes to 24,000 tonnes.

Cobalt in Africa

The Nyungu deposit is located 65 kilometres south of the Democratic Republic of Congo border.

Zambia remains a considerably safer and politically stable jurisdiction that benefits from strong mining law and courts.

The potential for Argonaut is that cobalt occurs as an accessory mineral in many copper deposits located within the Central African Copperbelt, where its interests are positioned.

Lumwana West

In February 2017, Argonaut and Antofagasta reached a preliminary and non-binding agreement of terms for the re-acquisition by Argonaut of a 25% beneficial interest in the Lumwana West project.

Antofagasta's interest in the project was obtained under an earn-in style option agreement that ran from April 2014 to October 2015.

Antofagasta spent $3,900,000 on regional exploration at Lumwana West during this period.

The re-acquisition by Argonaut of the 25% interest is subject to the preparation and execution of definitive documentation.

In the event this transaction is completed, Argonaut will hold 90% of the Lumwana West prospecting permit via subsidiary companies.

Analysis
The current cobalt prices have potential to transform the economics of Nyungu.

A drilling program would be highly anticipated by investors.

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