

Moho prepares to mine

With the market increasingly volatile for juniors, Moho Resources Ltd is preparing to transition towards self-funded exploration by the end of the year.

Over the next nine months, Moho intends to put its East Sampson Dam gold project – 50km north of Kalgoorlie – into production. Cash flow from processing via a third-party mill will then be pushed back into exploration of the company's other assets in Western Australia and Queensland.

"If we can get East Sampson Dam into production before the end of the year, we can start to bring in cash flow for the company and then push those funds back into our exploration efforts, which is obviously going to be of real benefit to Burracoppin and Empress Springs," Moho commercial director Ralph Winter told **Paydirt**.

"We still very much believe in all of our projects, but I suppose we've shifted our focus slightly to be a company that can fund itself and not have to rely on the market too much.

"Given that we already had a granted mining lease [at East Sampson Dam] and we already had some fantastic gold results on that tenement, it was pretty much a no-brainer for us with the gold price where it is. And it's grown from when we started this process a little while back now."

East Sampson Dam – part of Moho's broader Silver Swan North gold-nickel project – was identified as the first cab off the production rank given it sits on a granted mining lease.

Up to 11 gold processing plants are within a 100km radius of the project.

Moho received a \$1.28 million R&D government rebate in late February from exploration across its portfolio in FY2019. The company plans to use some of those funds to build on the recent drilling success at East Sampson Dam, including hits of 15m @ 4.71 g/t gold from 88m (including 3m @ 15.18 g/t from 100m), 5m @ 4.71 g/t gold from 19m (including 3m @ 3.37 g/t from 19m and 1m @ 24.3 g/t from 25m) and 2m @ 17.7 g/t gold from 72m.

Internal mining studies are now under way, with further

metallurgical test work and drilling also planned for this quarter.

"I'm reasonably confident that we'll come out with a pretty positive scoping study and JORC resource at the conclusion of all this work," Moho managing director Shane Sadleir said.

"We're just so fortunate that we're in this position where we're close to all this fantastic infrastructure. Even Blind Freddie can see this is where we should be focusing."

Moho has shortlisted a handful of nearby plants for potential third-party processing, but will wait until after the scoping study is finalised before advancing negotiations to the next stage.

Last month the company also completed its first aircore programme over Burracoppin project, about 22km west of Ramelius Resources Ltd's Edna May operation in WA's Wheatbelt region. Results from the 37-hole campaign are expected at the end of this month.

While Burracoppin is not as advanced as East Sampson Dam, Moho is confident the project can one day follow a similar path to production.

"Burracoppin is a bit of an interesting one for us, as it's always sort of been in the background a little bit, but it definitely

has some great potential for the company," Winter said.

"There's still a lot of work to do in that area in terms of further mapping and ground work, drilling and so on, but we think it's a very nice project that could generate some cash flow for us down the track."

Moho also received another timely funding boost in late February with the Queensland Government, via its Collaborative Exploration Incentive, awarding a \$112,000 grant for future exploration at Empress Springs, about 25km south of Croydon.

Work at Empress Springs – a former IGO Ltd project – is currently on hold due to heavy rainfall in the area and Moho's Perth-based team being unable to fly to north-west Queensland due to coronavirus-induced domestic travel restrictions.

However, Moho hopes to be back on the ground as soon as possible to continue exploring what Sadleir refers to as an "obvious Tier 1 exploration project".

"It's got smoke everywhere, but you've got 30-50m of cover over the top," Sadleir said.

"We've done a lot of drilling and we've picked up some extra ground. We were hoping to get on to this new ground on the north-west side, but we'll probably have to put that back until later this year. It's one of the big things that's come out of the work we've been doing with Jon Hronksy, who is a big supporter of this project."

While gold is the prime focus for Moho, the company has retained a watching brief on opportunities in the nickel space despite exploration at Silver Swan North so far failing to return the desired results.

Western Areas Ltd founder and nickel bull Terry Streeter is non-executive chairman of Moho.

"We're still hoping to find some nickel mineralisation in that general area...but at this stage, even though it's in a great position close to a production plant, the nickel price is not going anywhere and our main focus is on gold," Sadleir said.

– Michael Washbourne



Moho is aiming to become a self-funded explorer