

**Stock Data**

Share Price:	7.50p
Market Cap:	£10.5m
Shares in issue:	190.5m

**Company Profile**

Sector:	Gold Mining
Ticker:	CORA
Exchange:	AIM

**Activities**

Cora Gold Limited ('CORA', 'Cora', 'the Company') is a gold exploration company focused on two world class regions in Mali and Senegal. Its flagship project is the Sanankoro discovery in southern Mali which management believes has the potential for a standalone mine, having published a positive Scoping Study on the asset showing a 107% IRR and US\$41.4m NPV at a US\$1,500 gold price.

**1-year share price performance**

 Source: [LSE](#)

**Past performance is not an indication of future performance.**

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# Cora Gold Limited

Cora has this morning confirmed its signing of a US\$21m mandate and Term Sheet with investment firm, Lionhead Capital Advisors Proprietary Limited ('Lionhead'), to fund the future development (the 'Project Financing') of its flagship Sanankoro Gold Project ('Sanankoro') in Southern Mali. This Project Financing, which remains conditional on, among other matters, the completion of a Definitive Feasibility Study ('DFS') on the Project before the end of 2021, now significantly de-risks Sanankoro. It comes on competitive terms, from an investment group linked with the Company's largest shareholder and a consortium of highly experienced and successful natural resources investors. [Sanankoro's Scoping Study economics](#) completed by Cora released on 16 January 2020, suggested it has potential to become a highly profitable oxide mine, delivering an average free cash flow of US\$23.6m per year and a 107% IRR based on a US\$1,500/oz gold price (compared with a price of [US\\$1731/oz today](#)).

## Project Financing highlights

The highlights of the US\$21m Term Sheet to finance the development of Sanankoro on completion of a positive DFS are as follows:

Amount	Issue	Terms
US\$6m	Equity Financing	8% discount to the 30-day volume weighted average price ('VWAP')
US\$5m	Convertible Loan Note	3-year at 30% premium to the Equity Financing price.
US\$10m	Debt Financing	4-year term from advance with interest of 10% pa, payable quarterly in arrears

Further to the above, the Term Sheet also includes within the Debt Financing details, a Net Smelter Return Royalty ('NSR') of 1% until 250,000 ozs of gold have been produced from the Project. Cora may purchase and terminate this NSR at any time for US\$2m payment.

## Targeting early production

Cora's strategy is to move into production as early as possible. Based on its plans to commence Feasibility Studies during 2021 with the aim of completing a definitive feasibility study ('DFS') before the year end, subject to a satisfactory outcome, its ambition is then to begin mine construction at Sanankoro in 2022. Cora's current focus is on resource growth, to enable a minimum 6-year Life of Mine ('LOM') with additional test work offering opportunity to extend this still further.

## Potential upside to TPI's base case valuation

The results of the scoping study demonstrated Sanankoro's potential to become a highly profitable oxide mine, delivering a short capex payback, with an average free cash flow of over US\$24m/yr modelled on a gold prices well below current levels. Whilst TPI's assessment as yet does not include Cora's Madina Foulbé (nor its Diangounte East and Yanfolila projects) within its valuation, it nevertheless sees opportunity for substantial upside given the large anomalous soil geochemistry anomalies encompassing the Tambor and Madina targets and previous drill results. TPI has yet to update its financial model to account for the reduced risk implied by today's Term Sheet, but its existing base case valuation of £19.8m or 10.4p/share for Cora still implies at least 40% upside to the current share price.

**Please note that TPI's valuation is based on financial modelling and there is no guarantee that such a valuation will ever be realised, therefore please do not base investment decisions on this valuation alone.**

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