

Stock Data

Share Price:	10.00p
Market Cap:	£19.1m
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 an 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 this morning has announced its discovery of a new 1.5km gold zone at its flagship [Sanankoro Gold Project](#) ('Sanankoro') in Mali. This follows results from a reconnaissance aircore drilling programme at the bordering [Bokoro II permit](#) ('Bokoro') which are considered positive given that this is the first time the prospect has been systematically drilled. Located close to [Selin](#), one of the Cora's existing deposits, with other similar oxide targets remaining within the project area in close proximity to the defined resources, upside potential remains significant, before considering the future potential for the deeper sulphide mineralisation. Taken together with a [positive Scoping Study](#) and recently signed [US\\$21m term sheet](#) with Lionhead Capital to support Sanankoro's fast-track into production on completion of a DFS, this news continues to be positive for Cora.

Discovery of a new 1.5km gold zone

The objective of the reconnaissance exploration was to test for new zones of potentially near surface economic gold mineralisation within a 5km radius of the main focus of the existing Sanankoro deposits. Many similar targets remain to be tested. First pass shallow drilling at Bokoro was focused on two areas of extensive historical artisanal mining. Sixty-seven oxide holes (totalling 4,818 metres) to a maximum depth of 80m with multiple holes ending in mineralisation about 1,500m to the south of the Selin deposit on the adjacent permit to Sanankoro.

The [newly discovered primary structures](#) appear to correlate well from drill fence to fence, generally of 3-12m intercept length with variable grades including a very high-grade intercept of 27.1 g/t Au over 2m. Other [results](#) included 8m @ 7.4 g/t Au (hole BC0057) and 7m @ 1.5 g/t Au (hole BC0011). Such variability is not considered uncommon in the near surface environment, with the combination of apparent continuity and potentially economic grade providing encouragement for future programmes. The structure extends to the north across the Permit boundary to link with the southern extension of the Selin structure along which inferred resources have been delineated on the Sanankoro Permit to the north. The Selin deposit has a current resource of 108,000ozs Au at 1.8 g/t that has been delineated over about 2,200m of strike length.

Valuation: Base case risk-adjusted equity value of 16.1p/share

Today's news builds further confidence on TPI's recently updated assessment ([7 July 2020](#)) for Cora in which it determined a base case valuation of £30.7m or 16.1p/share assuming a US\$1,600/oz gold price and 8% discount rate for the Sanankoro gold project while applying a 25% risk factor to account for geological and execution risks. TPI notes, however, that by assuming the recent spike in the gold prices (presently US\$1,933/oz), its risk-adjusted valuation increases by a further 34%, before awarding any valuation to the Company's Madina Foulbé project (nor Diangounte East or Yanfolila), even if it notes there is exploration upside given the large anomalous soil geochemistry anomalies encompassing the project and previous drill results. While the DCF-derived valuation is based on a limited resource and a three year life of mine, today's announcement highlights future potential upside given that mineralisation has been intersected up to c.175m at depth and only c.26% of the 40km strike length has been drilled to date. Cora's continued development of Sanankoro, including proving up of additional resources such as announced today, as well as execution of successful exploration programmes at its other prospects remains the key driver of its valuation.

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