

Stock Data

Share Price:	7.50p
Market Cap:	£15.4m
Shares in issue:	205.4m

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

Recognising the prospectivity of its portfolio of projects that are located across a world class gold region in southern Mali, West Africa, Cora yesterday announced its commencement of a new drilling programme in the Yanfolila Project Area. 5,000m of Air Core drilling is planned across three permits, targeting extensions to existing discovery holes that are generally located in shallow oxides. This is particularly exciting, considering that all work being undertaken will be within a 25km radius of [Hummingbird Resources plc's](#) (AIM: HUM) operating [Yanfolila Gold Mine](#). Taken together with the Company's announcement of [2 November 2020](#), which detailed a further field programme on its [Sanankoro Gold Project](#) ('Sanankoro') and will initially focus on the recent 1.5km long discovery at [Dako II](#), with a view to opening it up as new generative corridor trending +4km north-eastwards from existing intercepts, activity levels look set to remain high well into the New Year. Cora's present focus will remain, however, on delivery of Sanankoro's Definitive Feasibility Study ('DFS') before the end of 2021 which, on the back of a [positive Scoping Study](#) (which indicated an 107% IRR and US\$41.5m NPV8%, based on a US\$1,500 gold price) and the [recently signed US\\$21m term sheet](#) with Lionhead Capital, is expected to support its fast-track into production.

Commencement of drilling across Yanfolila Project Area

The [Yanfolila Gold Project Area](#) ('Yanfolila') refers to 6 permits that encompass a total area of approximately 450 sq km. All have been the subject of historical exploration from [Gold Fields](#) that includes extensive soil geochemistry and various levels of reconnaissance exploration drilling. Planned Air Core drilling will now take place across three targets, for which historical results include:

- Tagan: 43m @ 1.2 g/t Au; and 25m @ 1.1 g/t Au
- Tékélé Dougou: 56m @ 2.2 g/t Au; and 17m @ 6.8 g/t Au
- Farassaba III: 12m @ 1.1 g/t Au; and 7m @ 1.56 g/t Au

Valuation: Base case risk-adjusted equity value of 18.4p/share

Yesterday's news builds further confidence on TPI's recently updated assessment for Cora that was published on [18 November 2020](#). This determined a base case DCF valuation of £37.8m, or an adjusted target price of 18.4p/share, on the prudent assumption of a US\$1,600/oz gold price while accounting for remaining geological and execution risks through an 8% discount rate for Cora's Sanankoro Gold Project, to which a modest £3.8m was added for exploration upside along with £3.8m estimated free cash on the balance sheet. TPI notes, however, that should the model instead adopt the recently strengthened [gold price](#) (presently trading at US\$1,776.2/oz), this risk-adjusted valuation increases by a further 22%, before even considering further opportunity presented through the Company's [Madina Foulbé Project](#) (or [Dianguonte East](#) or Yanfolila), even though potential suggested by the large soil geochemical anomalies encompassing the Project together with previous drill results, have clearly been recognised. While the DCF-derived valuation is based on a limited resource and three year life of mine, the commencement of the new drill programme at Dako II highlights relatively near-term upside potential given that mineralisation has been intersected up to c.175m at depth and that under 25% of the prospect's 40km strike length has been drilled to date. Cora's continued development of Sanankoro, for which it targets a new resource statement in 2021, as well as execution of successful exploration programmes amongst its other prospects, remain the key drivers of its valuation.

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. Also please note that past performance is not a reliable indicator of future results.

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