

Stock Data

Share Price:	9.25p
Market Cap:	£19.0m
Shares in issue:	205.4m
52 week high/low	14.80p/4.25p

Company Profile

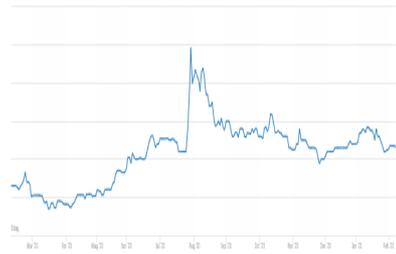
Sector:	Gold Mining
Ticker:	CORA
Exchange:	AIM

Activities

Cora Gold Limited ('Cora', 'the Company') is a gold exploration company focused on two world class regions in Mali and Senegal.

Website: www.coragold.com/

1-year share price performance



Source: [LSE](https://www.lse.com)

Past performance is not an indication of future performance.

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Cora Gold Limited

The exceptional prospectivity of Cora's project portfolio that is located across a world class gold region in southern Mali, West Africa, was further recognised yesterday with its announcement a series of new gold discoveries derived from satellite imagery and surface prospecting programmes at the Sanankoro Gold Project ('Sanankoro', 'the Project'), on the Yanfolila Gold Belt. It also announced the award of a new Convention agreement, one of the first under the new Malian mining code, with respect to the Sanankoro Permit area. With the local team continuing to demonstrate its ability to regularly uncover such new opportunities, Cora's management remains confident that further drilling due to commence shortly will, over time, enable Sanankoro resources and effective life-of-mine ('LOM') to expand significantly. An updated JORC-compliant Resource Statement is expected to be published later in 2021. This news reinforces the positive opinion TPI expressed along with a revised valuation that was published on 18 November 2020, detailing an adjusted target price of 18.4p/share based on highly prudent assumption.

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.

Three new mineralised structures identified

A total of around 15km of new strike has been declared, including a c.4km trend of surface workings identified at Selin, the largest and highest-grade deposit at Sanankoro. New x-ray fluorescence ('XRF') work in the zone defined a clear strong Au:As:W signature which will facilitate fast-tracking of additional diorite-host resource targets. A further c.8km trend of surface workings was also identified West of C Zone on newly identified Bokoro Far West Trends, while a new prospect located on the Dako II Far East Trend was uncovered, comprising c.3km north-eastern extension of the Dako II Main discovery. Over 900 samples have been collected and planned to identify these discoveries, with follow up drilling now planned using the Company's Dando rotary airblast ('RAB') rig during Q1 and Q2 2021.

New Mining Convention Agreement

Being Africa's third largest gold producer behind Ghana and South Africa, in 2019 Mali decided to update its 2012 Mining Code. As a result, Mining Permit holders are now required to enter into an agreement (referred to as a 'Convention d'Établissement' or 'Mining Convention Agreement') with the Malian government prior to the commencement of exploration or mining activities. This operates in parallel with the Mining Permit, the applicable Mining Code and other relevant legislation, to set out the administrative, legal and fiscal framework that governs exploration and mining operations on relevant areas. These include work obligations, reporting, taxes, duties, customs, local content and training obligations, along with the Government of Mali equity participation.

On 29 January 2021 the Company was awarded a new Convention d'Établissement in respect of the area covered by the Sanankoro Permit which expired, in accordance with the Mining Code, on 1 February 2020. Cora anticipates award of the related new permit in due course, once the necessary process set out in the Mining Code has been undertaken. This will subsequently complete the permitting process. The new fiscal rules due to be applied to gold producers have yet to be declared, although they are not expected to be punitive (TPI estimates royalties in the region of 5% with corporation taxes of 20% to 25% after allowable site expenses) given that the Government remain keen to attract international investment.

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 then 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\$1,842.8/oz), this risk-adjusted valuation increases by a further 24%, before even considering further opportunity presented through the Company's Madina Foulbé Project (or Diangounte 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 short three-year LOM, 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.

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