

Stock Data

Share Price:	7.63p
Market Cap:	£15.7m
Shares in issue:	205.4m
52 week high/low	14.80p/4.25p

Company Profile

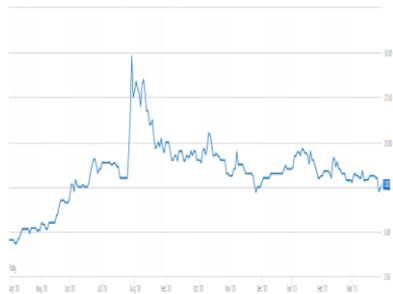
Sector:	Gold Mining
Ticker:	CORA
Exchange:	AIM

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

Cora yesterday announced results of the reanalysis of samples from the drilling carried out in Q4 2020 at the Dako II permit ('Dako II') which is contiguous with the Company's flagship Sanankoro Gold Project ('Sanankoro') in southern Mali. Using more representative bottle roll analysis, the Company is able to report this has generally delivered significantly enhanced results in terms of intercept widths and grades, compared with those previously reported on 20 January 2021 from first-pass screening fire assay. Being 7km south of its existing resources at Sanankoro and with over 3km of surface mineralisation still to be drilled, Cora is optimistic that this surface oxide discovery will be turned into part of the future resources and mine plan for the Project. While drilling is ongoing at Sanankoro, with first results from the recently commenced programme due during Q2 2021, Dako II will be drilled later in this campaign to follow up on these results.

Reanalysis of samples provides significant enhancement

Reanalysis of drilling samples at Dako II delivered significantly enhanced results in terms of intercept widths and grades. Highlighted results include:

- Hole DC0035: 5m @ 6.14 g/t Au from 84m depth (up from 5m @ 3.75g/t Au reported previously)
- Hole DC0031: 13m @ 1.20 g/t Au from 33m depth (up from 12m @ 0.75g/t reported previously)

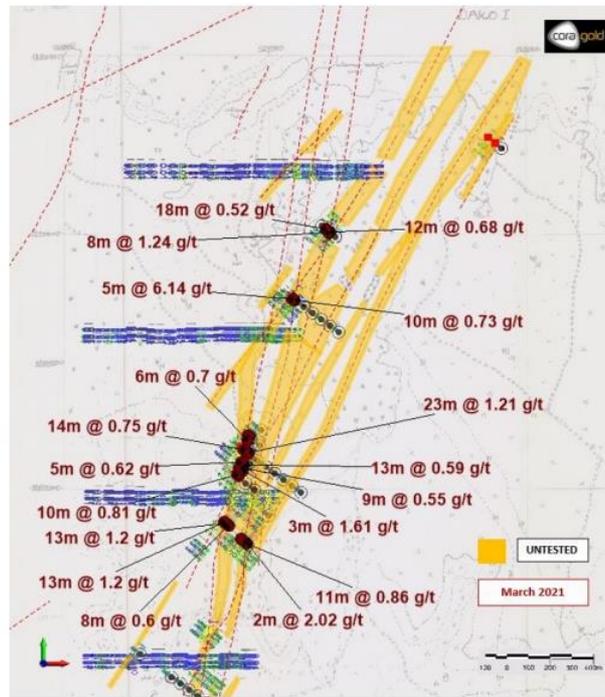
355 sample intervals were selected from 19 resource-worthy intercepts from the air core drilling programme completed in Q4 2020. These were re-split to provide 4kg sub-samples and combined into a new 'blind' assay with new larger volume bottle roll quality control before being submitted to SGS, the testing and certification geochemists in Burkina Faso, for 2kg leachwell bottle roll analysis (LWL69M). A 50g fire assay/AAS finish (FA505) was conducted on a filter-pressed and dried bottle roll residue to determine any tail residue gold.

The result was a significant positive recovery factor (+150%) compared to the previous smaller 50g fire assays and at a much-improved precision. On the >0.1 g/t Au tail, this therefore appears to be a much more confident assaying combination than the smaller 50g fire assay/AAS for the deeply weathered sediment hosted oxide gold deposits of southern Mali. The results elevate the potential for Dako II to generate notable oxide resources, proximal to the core of the project, for the ongoing resource expansion and upgrade programme at Sanankoro.

New campaign is well financed

Investors should expect regular drilling news flow in the coming months. With c.US\$3.7m of cash available to finance its new campaign, on 1 March 2021 an initial 22,000m contract was awarded to Capital Drilling Mali SARL ('Capital'), a subsidiary of Capital Limited (LSE: CAPD) which has an excellent reputation for quality work in West Africa, including reverse circulation ('RC') and diamond core ('DC') drilling. Understanding that the Company has an ambition to drill up to 35,000m by the end of July 2021, other contractors with similar experience in providing modern drilling solutions, while optimising grade control and minimising strip, might also be engaged in due course. Possibly some rotary air blast ('RAB') work that is not presently part of the scheduled campaign, could also be started.

Dako Discovery and Significant Intercepts



Source: Cora RNS of [29 March 2021](#)

Valuation: TPI's base case risk-adjusted equity valuation now looks too prudent

Today's news adds further weight to TPI's expectation that Cora's new drilling campaign and DFS have potential to deliver significantly improved mining economics for the Sanankoro Gold Project. TPI's updated assessment for the Project that was published on 18 November 2020, determined a base case DCF valuation of £37.8m, or an adjusted target price of 18.4p/share, based 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, to which a modest £3.8m was added for exploration upside along with £3.8m then estimated free cash on the balance sheet. Right now, however, this appears to be excessively prudent noting, for example, should the model instead adopt the recently strengthened gold price (presently trading at US\$1,712oz), the risk-adjusted valuation increases by a further c.18%, before even considering opportunity presented through the Company's Madina Foulbé Project (or Diangounte East or Yanfolila), whose potential has already been suggested by the large soil geochemical anomalies encompassing the prospect along with positive previous drill results. Having also been based on just a limited resource and a short three-year LOM, centring the new drill programme on opportunities such as Dako II, where mineralisation has been intersected up to c.175m at depth, highlights substantial upside potential given that under 25% of the prospect's total 40km strike length has been drilled to date.

Cora's ability to continue progressing Sanankoro's development toward mine site construction over the next two years, as well as continued execution of successful exploration programmes amongst its other prospects, will remain the key drivers of its valuation. In this respect, potential upside for Cora beyond its current risk-adjusted valuation was highlighted in a Research Update published by TPI on 1 March 2021, in which comparison was drawn with what is probably its most obvious albeit more advanced peer, regional Malian gold miner Robex Resources Inc. ('Robex', TSXv: RBX). Robex filed an updated NI 43-101 technical report containing the mineral resources/reserve estimates for its Nampala mine as at July 31, 2020, which resulted in the extension of its LOM to over eight years, despite achieving a head grade of only c.1.00g/t, compared with the 1.50g/t indicated for Sanankoro in its Scoping Study. With Robex's market value having multiplied around 5-fold over the past 18-months following its delivery of best production expectations while also responding to an improved gold price, this performance presently awards it an enterprise value of c.CND\$305m with shareholders also having benefitted from a dividend pay-out that implies historic yield of c. 7.8%.

(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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