

Stock Data

Share Price:	8.15p
Market Cap:	£16.7m
Shares in issue:	205.4m
52 week high/low	15.37p/4.80p

Company Profile

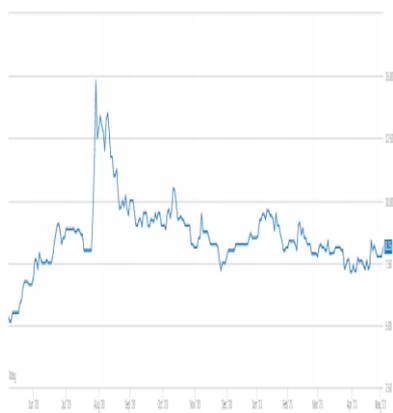
Sector:	Gold Mining
Ticker:	CORA
Exchange:	AIM

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

Following on from its 22 April 2021 report of maiden results from its largest ever drilling campaign at its Sanankoro Gold Project ('Sanankoro' or 'the Project'), in Southern Mali, Cora has today announced further strong drill results from the Selin deposit. These include 24m @ 2.5 g/t from 16m depth and generally comprise more shallow oxide intersections with good grades. Cora has also updated some preliminary results reported on 22 April 2021 with final results which have also shown increased average grades. Over 11,000m of drilling has now been completed in this programme and later this month management plan to mobilise two further rigs. A large booster-compressor auxiliary air pack has also recently arrived at site to shortly commence targeted deep reverse circulation ('RC') drilling with an initial exploration priority centred on potential down-plunge extensions and further resource definition work. This recognises that the existing inferred resource pit shell (as detailed on 05 December 2019) averaged around only 65m in depth, offering potential for deeper holes to uncover further upside to the current resources. With the dual focus of targeting resource growth as well as infill drilling to convert existing resources from Inferred to Indicated category, the Company is expected to move rapidly toward updating its mineral resource estimate once the drill programme has been completed around the end of July 2021.

Further strong drill results from Sanankoro's 2021 drill programme

Sanankoro is located on the leading western edge of the Yanfolila-Kalana Volcanic Belt, which is the western-most expression of the cratonic Baoulé-Mossi domain, on the major transcrustal margin with the Siguiri Basin. There is major deep-seated architecture across the district which links the major gold mines at Siguiri, Lero, Tri-K, Kalana and Yanfolila. On a project scale Sanankoro is characterised by the 2km wide, N-S oriented, Sanankoro Shear Zone which can be traced over 30km from Kabaya South in the western Yanfolila Mine to north of the Niger River beyond Selin and onto Karan. Within the project area, each of the prospects are underpinned by a strong linear parallel, and where strong mineralisation is developed, a pronounced localised NE-SW focused zone of en-echelon veining and associated sulphide development.

The Selin deposit ('the Prospect') has a typical interference node control but with the additional positive impact of a strong, rheological diorite intrusive host. Its gold geology is anchored along this linear, en-echelon or possibly folded, diorite igneous intrusive which cores the volcanoclastic thrust assemblage and focuses the gold deposition. The first 58 holes completed, amounting to some 5,531m, were drilled in the north of the Prospect, and a further 21 holes comprising 2,223m drilled at Zone A Prospect to the south; the rig continues to drill at Zone A as part of a larger 4,410m Phase 1 first-pass programme.

As of 03 May 2021, 116 holes have been completed, totalling over 11,000m of reverse circulation ('RC') drilling, with the first 58 holes, some 5,531m, being drilled at the Selin Resource ('Selin') in the north, and a further 45 holes comprising 4,542m drilled at the Zone A Resource to the south. The rig has completed over 4,000 metres of Zone A Phase 1, a short Zone C Phase 1 programme of circa. 1,000 metres and returned to start a larger circa. 5,000 metre Zone A Phase 2 programme.

A large booster-compressor auxiliary air pack has recently arrived at site to commence targeted deep RC exploration at Zone A before returning to drill Selin Phase 2, for exploration of potential down-plunge extensions and further resource definition work.

The existing inferred resource pit shell (detailed in a RNS release of 05 December 2019) is based on relatively shallow drilling to an average depth of only around 65m before work was halted. Management accordingly now eagerly awaits the commencement of deeper drilling, that is due to begin later this month and offer potential upside to current inferred resources.

Results reported from SC0306 to SC0332 were generated from 1,864 submitted samples which included a high level of 20% blind, independent, accredited QAQC samples, with intercepts reported also passing rigorous QAQC. Highlights results at Selin include:

- 24m @ 2.50 g/t Au from 16m
 - including 6m @ 5.53 g/t Au in hole SC0331
- 23m @ 1.55 g/t Au from 47m in hole SC0332
- 28m @ 1.54 g/t Au from 17m in hole SC0327
- 22m @ 1.47 g/t Au from 27m in hole SC0326
- 20m @ 2.04 g/t Au from 20m in hole SC0328
- 16m @ 1.67 g/ Au from 62m in hole SC0329
- 4m @ 9.06 g/t Au from 81m in hole SC0325

Updated results from preliminary maiden drilling (shown in brackets) reported on 22 April 2021 also produced increased average grades, as follows:

- 54m @ 2.07 g/t Au from 20m (prelim. result 52m @ 1.78 g/t incl. 7m @ 4.21 g/t)
 - including 2m @ 17.71 g/t Au in hole SC0311
- 34m @ 2.14 g/t Au from 13m (prelim. result 34m @ 1.98 g/t incl. 3m @ 17.78 g/t)
 - including 3m @ 19.14 g/t Au in hole SC0312
- 13m @ 2.09 g/t Au from 68m in SC0309 (prelim. result 13m @ 1.24 g/t)

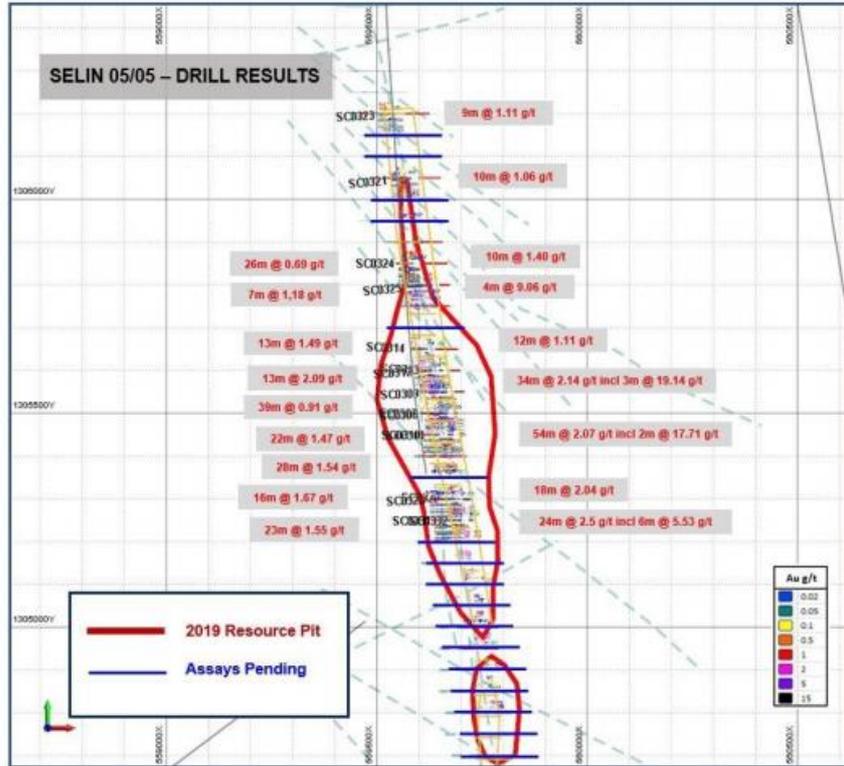
Valuation: TPI's base case risk-adjusted equity valuation now looks too prudent

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\$1,777/oz), 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%.

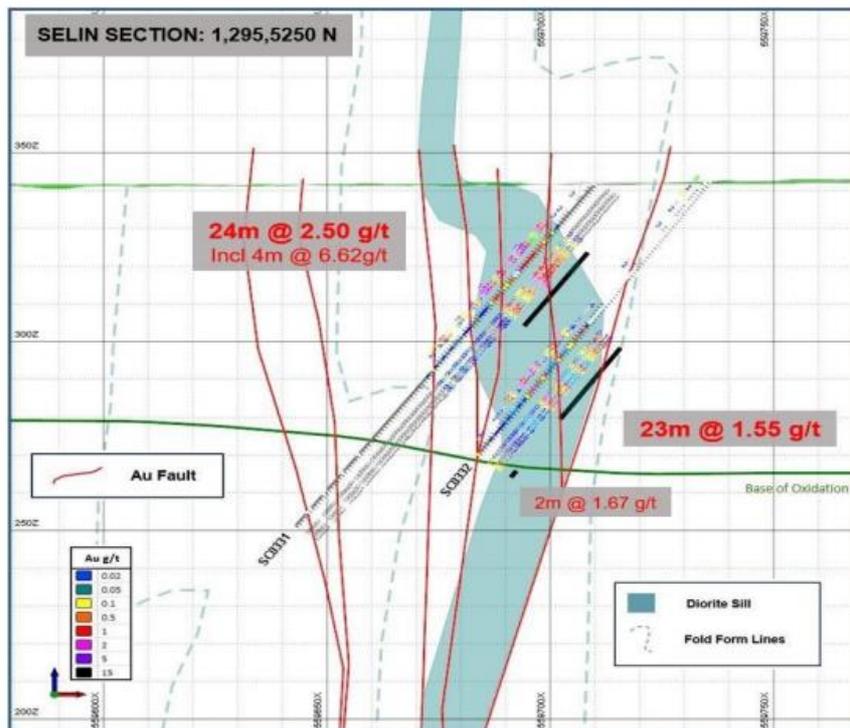
(Please note that TPI's valuation is based on financial modelling and there is no guarantee that such a valuation will ever be realised, therefore please do not base investment decisions on this valuation alone. Also please note that past performance is not a reliable indicator of future results.)

Plan Map of the Selin Deposit and Recent Drill Results



Source: Cora, [RNS of 5 May 2021](#)

Cross Sections from Selin Drill Result



Source: Cora, [RNS of 5 May 2021](#)

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