

Stock Data

Share Price:	4.25p
Market Cap:	£12.31m
Shares in issue:	289.6m
52-week high/low:	19.25p/4.00p

Company Profile

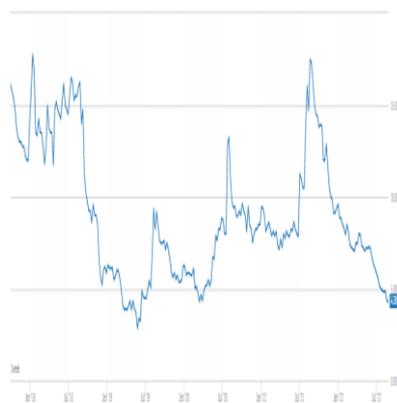
Sector:	Mining
Ticker:	CORA
Exchange:	AIM

Activities

Cora Gold Limited ('Cora', 'CORA', 'the Group') is a West African focused gold exploration and development company with projects in the Yanfolila Gold Belt of Mali and the Kenieba Window of Senegal.

<https://www.coragold.com/>

5-year share price performance



Source: [LSE](#)

Past performance is not an indication of future performance.

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TPI acts as joint broker to Cora Gold Limited.

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Cora Gold Limited

Cora Gold has announced its unaudited interim results for the six months ended 30 June 2022. While delivering accounting numbers very much in line with expectations, the key objective of the Group's 2022's drill programmes at its flagship Sanankoro Gold Project (Sanankoro' or the 'Project') in southern Mali, has been to add oxide Indicated ounces so as to enhance the Reserve potential in the ongoing Definitive Feasibility Study ('DFS'), which is now nearing completion. Significantly also is the fact that new discoveries made during the period are in close proximity to existing Sanankoro resources, suggesting there remains plenty of future opportunity to identify further deposits and that the area remains in the early stages of developing its exploration potential. Cash of over US\$2 million at the end of June 2022 should be sufficient to support such ongoing work, while future infill programmes might also be expected to sustain the good rate of conversion from Inferred to Indicated already demonstrated. Of the 920koz declared in Sanankoro's recently updated Mineral Resource Estimate ('MRE'), 657koz @ 1.27g/t Au are presently in the indicated category, for which TPI estimates the DFS will prospectively move c.75% into Probably Reserves. The fact that these are found predominantly in highly economical, low-cost soft oxides, while also noting the premium valuation achieved in May 2022 by Malian peer, Oklo Resources Limited, upon being acquired by B2Gold Corp. (TSX: BTO), suggests Cora presently remains significantly undervalued. TPI retains its risked base case valuation of £52.7m or 18.2p per share for Cora, indicating potential upside of over 300% from its current price, to which it is likely to move closer upon receipt of a positive DFS.

(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, future performance and forecasts are not reliable indicators of future results.)

Operating and financial highlights for the six months to end-June 2022

- A drill programme at the Sanankoro Gold Project in southern Mali was completed, focusing on converting additional ounces from the Inferred to the Indicated category.
- An updated MRE for Sanankoro was announced on 19 July 2022 which reported, amongst other things, as follows:
 - 14% increase in total MRE ounces compared to the previous (November 2021).
 - 22% increase in oxide Indicated category.
 - Comprised 24.9 Mt of material at a grade of 1.15 g/t Au (at a cut-off grade of 0.4 g/t Au), of which 16.1 Mt are Indicated Mineral Resources and 8.7 Mt are Inferred Mineral Resources for a total 920 koz Au:
 - 657 koz @ 1.27 g/t Au Indicated category.
 - 263 koz @ 0.94 g/t Au Inferred category.
- Two new discoveries were made in close proximity to existing resources at Sanankoro.
- Geological field work was carried out on a number of Cora's other permits in southern Mali.
- The ongoing DFS for Sanankoro is expected to be completed in Q3 2022.
- Financial results for the first half included a US\$954k comprehensive loss, with net funds used in exploration/evaluation works (mainly on Sanankoro) of US\$2.383m, leaving cash at end of June 2022 of slightly over US\$2 million.

Publication of the DFS expected in coming weeks

The Board's decision to incorporate Sanankoro's updated MRE (published 19 July 2022) into the Mining Study for the DFS with a view to optimising its prospective outcome, pushed back its anticipated release by several weeks. With its main components completed, however, having already submitted an Environmental and Social Impact Assessment ('ESIA'), the announcement remains on track for release in Q3 2022. This is expected to return investor focus onto the relatively near-term potential to move toward production, as well as the scale of the longer-term opportunity presented by asset.

Significant potential both at depth and along strike, with potential for high operating margins

Given that all Sanankoro's deposits remain open at depth and along strike, recently new surface gold discoveries highlight just how extensive the Project's total mineralisation could eventually prove to be. The now completed c.7,000m drill programme has been focussed on further improving resource confidence while also adding more reserve ounces. To date, Cora has focused its exploration efforts on defining high-margin and low-cost ounces by concentrating in oxide material, with the maximum resource drilling done to a depth of between 120 and 180 metres below surface.

Yet the gold mineralisation clearly does not stop at the base of the oxide/transition zone, but instead continues into sulphide mineralisation at depth. Deeper drilling offers potential to rapidly add further sulphide ounces while also further extending the LOM in the future, possibly without significantly deteriorating the Project's mining economics. In addition to the depth potential, Cora also has significant opportunity to add supplementary oxide & transition ounces along strike, having only drilled c.22% of the prospective strike length of the 33km of the 1-2 Moz Au exploration target.

With over 74% of Sanankoro's pit constrained resource estimate inside the oxide zone and 24% in the transition zone, the ore can be expected to be free-digging and require low levels of milling, being available through economical leaching techniques to extract the precious metal. This implies a low-cost/higher margin facility. TPI published a base case valuation on 8 December 2021, which assumed a conservative all-in-sustaining-cost ('AISC') of US\$900/oz Au, in turn produced an operating margin of 48%. This compares with Robex Resources Inc. (TSXv: RBX) whose local producing part-oxide mine, Nampala, is on target to achieve an average 2017-2022 AISC of US\$823/oz.

TPI reconfirms the price target it set for Cora back in December 2021

In its assessment of 8 December 2021, TPI introduced a number of broad assumptions regarding what a potential carbon-in-leach ('CIL') operation at Sanankoro could look like. This was to provide investors a flavour of what might be expected in the forthcoming DFS. The base case valuation was prudently fixed on a gold price of US\$1,750/oz Au (compared with US\$1,712/oz Au presently) and a 1.5Mtpa operation producing around 60,000 ounces of gold per annum, over an eight-year mine life. This provided a risked base case valuation of £52.7m or 18.2p per share, indicating potential upside of over 300% on the current share price, which stands to be increased further upon receipt of a positive DFS. Even at this moment, however, it appears prudent based on a cash and shares transaction that was announced on 26 May 2022 in which B2Gold Corp. (TSX: BTO) acquired 100% of Oklo Resources Limited (ASX: OKU) through a deal valued AUD\$91.3m (£51.9m).

Similarly located in Mali, Oklo's early-stage properties are found on a subparallel, north-trending structure east of the prolific Senegal-Mali Shear Zone, approximately 25 km from the Fekola Mine and approximately 25 km from the Anaconda area, where B2Gold is currently conducting its own 2022 Mali drill program of approximately 225,000 metres of drilling with a budget of US\$35.5 million. With its own DFS still seeming quite far off, Oklo in March 2021 delivered an initial JORC 2012 compliant Measured and Indicated MRE of 8.70 million tonnes at 1.88 Au grams per tonne ('g/t') for 528,000 ounces of gold and an Inferred mineral resource estimate of 2.63 million tonnes at 1.67 Au g/t for 141,000 ounces at its flagship Dandoko Project. Its mineral resources are distributed across the Seko, Koko, Disse and Diabarou deposits which, as with Sanankoro, all remain open and are expected to grow with ongoing exploration drilling both along strike and at depth. B2Gold believes that approximately 65% of the resource is contained in soft oxidized material, with its acquisition reflecting confidence in both Mali and the multiple, near term and relatively high-grade opportunities the region presents.

(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, future performance and forecasts are not reliable indicators of future results.)

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