



## **Projects Overview**

as extracted from

Annual Report 2019

Strategic Report - Operational Review & Gold Exploration Permits  
(pages 8 - 24)

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Dated: 15 May 2020

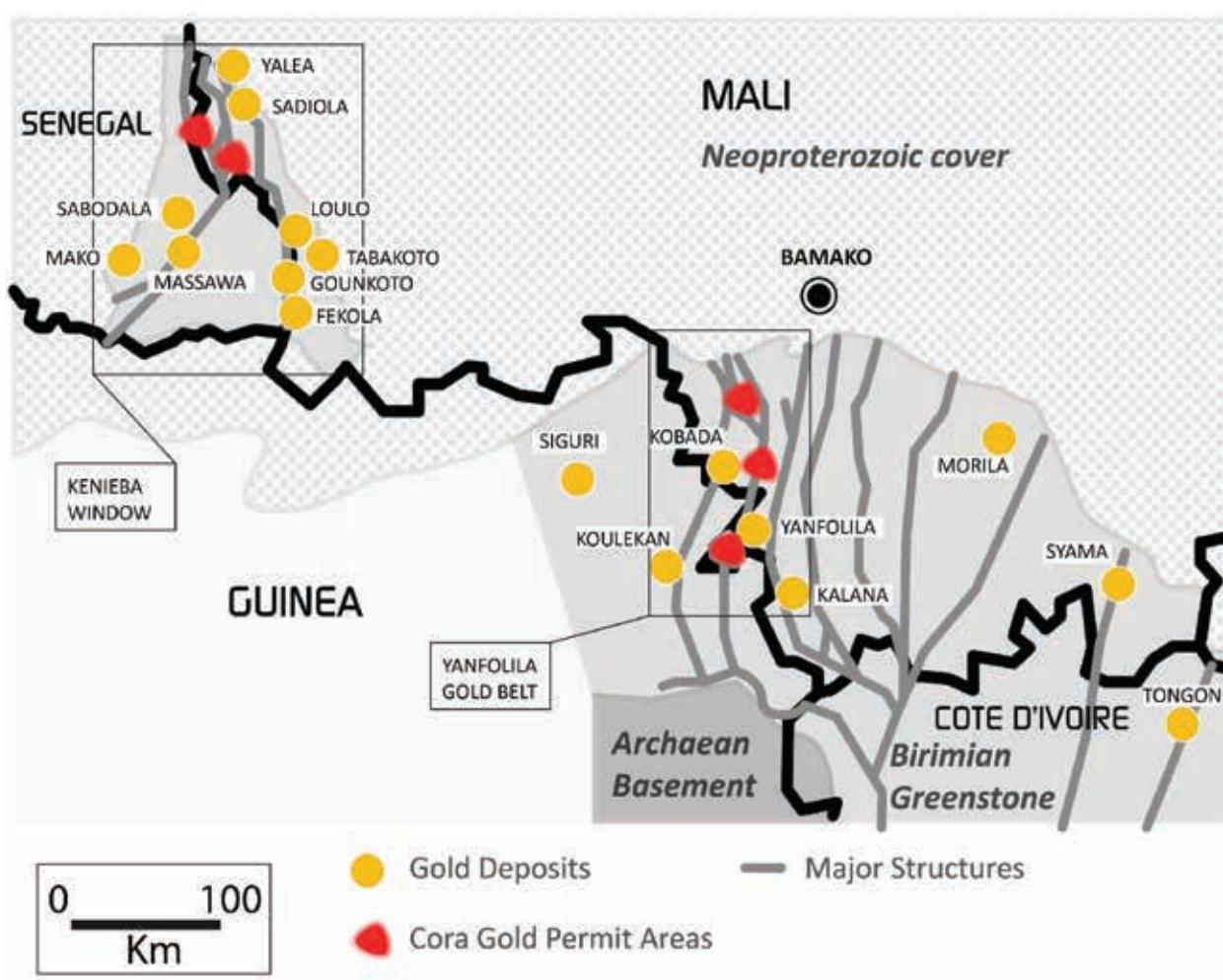
# Strategic Report – Operational Review

For the year ended 31 December 2019

## Overview

Cora is a gold company focused on two world class gold regions in Mali and Senegal in West Africa, being the Yanfolila Gold Belt (south Mali) and the Kedougou-Kenieba Inlier gold belt (also known as the 'Kenieba Window') (west Mali / east Senegal). The strategy of the Company is to: conduct exploration on its portfolio of mineral properties; prove a resource compliant with an internationally recognised standard accepted in the AIM Rules for Companies; and establish preliminary economics on such resource for future development and eventual mining.

Cora operates on a number of gold permits with a total area in excess of 1,100 sq km. Each of these permits are set out in detail under the 'Strategic Report - Gold Exploration Permits' section of this Annual Report. These permits can be grouped into three distinct project areas: Sanankoro Project Area (southern Mali; within the Yanfolila Gold Belt); Yanfolila Project Area (southern Mali; within the Yanfolila Gold Belt); and Diangounte Project Area (western Mali / eastern Senegal; within the Kenieba Window).



Cora's highly experienced and successful management team has a proven track record in making gold discoveries, five of which have been developed into operating mines.

Since Admission to AIM in October 2017 Cora has focused on the Sanankoro Gold Project at the Sanankoro Permit (Sanankoro Project Area) and the Tékélé Dougou Permit (Yanfolila Project Area).

## **Sanankoro Gold Project (Sanankoro Permit, Sanankoro Project Area, southern Mali)**

### *Scoping Study (January 2020)*

#### *Highlights*

- Results of a scoping study show good initial validation of the future economic potential of the Sanankoro Gold Project
- At US\$1,400/oz gold price, a 1.5Mtpa Heap Leach mine delivers:
  - 84% Internal Rate of Return ('IRR')
  - +US\$19m per year average free cash flow generation
  - US\$30.9m Net Present Value ('NPV') at 8% discount rate
  - US\$942 per oz All in Sustaining Cost ('AISC')
  - +45,000 ozs per year average production
  - US\$20.6m pre-production Capital Expenditure ('Capex')
  - Payback period of less than 18 months
- Good potential to increase mineral resources given under 25% of the total 40 linear km strike length of the potential mineralised zones identified has been drilled to date
- External consultant has defined an exploration target of 1-2Moz gold limited to 100m depth which was re-confirmed with the maiden inferred resource of 5.0Mt at 1.6 g/t Au for 265,000 ounces of gold (announced in December 2019)

#### *Executive Summary*

A preliminary oxide scoping study (the 'Study') was overseen by Wardell Armstrong International ('WAI') on the Sanankoro Gold Project (the 'Project'). The results of the Study (announced in January 2020) show good initial validation of the Project's future economic potential, with resources likely to increase meaningfully over time. It also demonstrated that a processing methodology of Heap Leach ('HL') was preferred over Carbon in Leach ('CIL') based on current JORC compliant resources. The Company has scoped the size of the Project on the basis that the mine life will extend significantly with planned resource growth in the future due to the preliminary nature of the maiden JORC resource.

# Strategic Report – Operational Review continued

For the year ended 31 December 2019

## Scoping Study Results - Heap Leach

	1.5Mtpa (US\$1,400/oz)
Ore Mined (Mt)	4.2
Strip ratio (waste:ore)	5.9
Grade (g/t Au)	1.5
Mined gold (ozs)	197,753
Produced Gold (ozs)	138,427
Recovery (%)	70
Avg. Production / year (ozs)	45,632
Avg. AISC / year (US\$/oz)	942
Avg. Free Cash Flow / year (US\$m)	19.3
IRR (%)	84
IRR (% , post tax)	73
NPV (8% discount, US\$m)	30.9
NPV (8% discount, US\$m, post tax)	24.2
Pre-production Capex (US\$m)	20.6
Total Capex (US\$m)	22.7
Initial Life of Mine ('LoM')	3 years

	1.5Mtpa (US\$1,500/oz)	1.5Mtpa (US\$1,300/oz)
Avg. Free Cash Flow / year (US\$m)	23.6	15.0
IRR (%)	107	60
NPV (8% discount, US\$m)	41.5	20.4

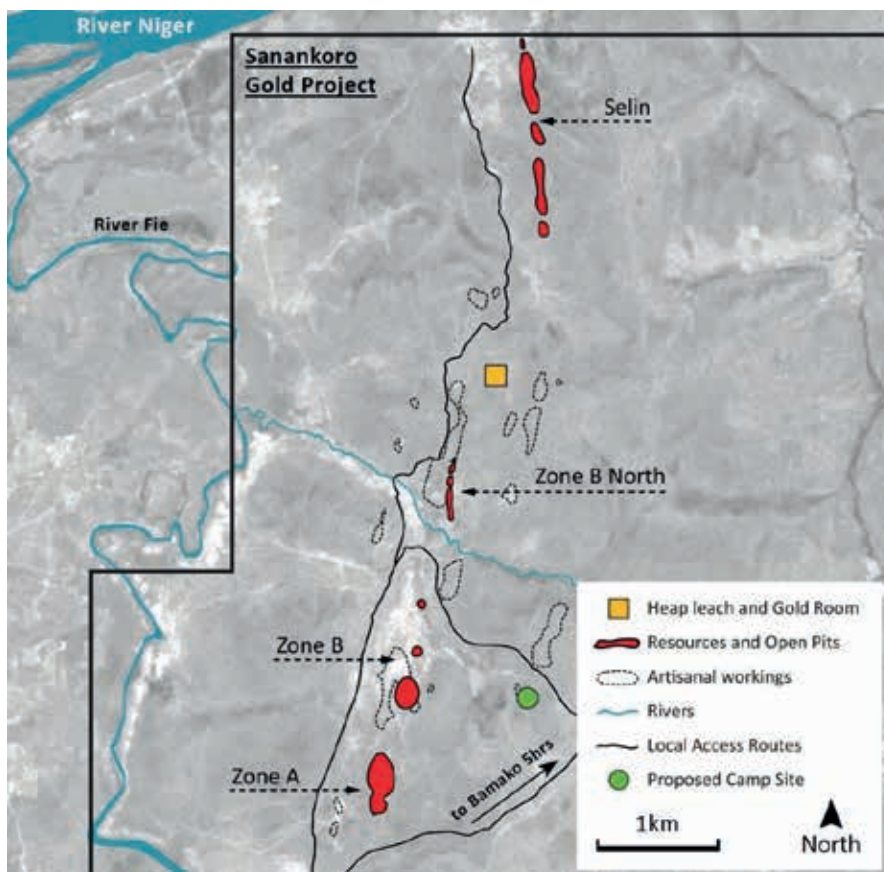
### Notes

1. Assumes 3% government royalty and 30% corporation tax
2. The Company expects resources to grow significantly which it believes would have a significant positive impact on NPV
3. Pit optimisation was completed at a US\$1,500/oz gold price
4. The Company believes there is scope to improve several parameters with further work that could have a positive impact on these results

Summary of Key Inputs and Assumptions

		1Mtpa	1.5Mtpa
Mining Cost	US\$/t	3.43	3.02
Processing Opex (HL only)	US\$/t ore	8.8	6.5
G&A (General & Administration) Cost	US\$/t	1.5	1.5
Mining Capex (contractor)	US\$'000	2,600	3,500
Equipment mobilisation & establish site facilities	US\$'000	1,700	1,900
Miscellaneous & contractor premium	US\$'000	900	1,600
Processing Capex	US\$'000	12,300	12,900
Infrastructure Capex for all options:			
Water abstraction system	US\$'000	700	
Access roads	US\$'000	2,500	
Site camp	US\$'000	300	
Power rental per year	US\$'000	700	
<b>Total Pre-Production Capital Cost</b>	US\$'000	19,100	20,600
<b>Sustaining Capital Cost</b>	US\$'000	3,031	2,123
<b>Total Processing Recovery Rate</b>	%	70%	

Sanankoro Site Map



# Strategic Report – Operational Review continued

For the year ended 31 December 2019

As part of the Study, the Company and its consultants investigated the possibility of starting production with a smaller plant. A 1.0Mtpa HL plant delivers an average of 30,285 ozs gold per year, an IRR of 30% and US\$12.0m NPV at a US\$1,400/oz gold price. The Capex saving of the 1.0Mtpa plant is under US\$1m compared to the 1.5Mtpa plant. Due to the Company's expectation that the JORC compliant resources and LoM can be significantly extended the focus has been on the 1.5Mtpa scenario.

## Mineral Resource Estimate

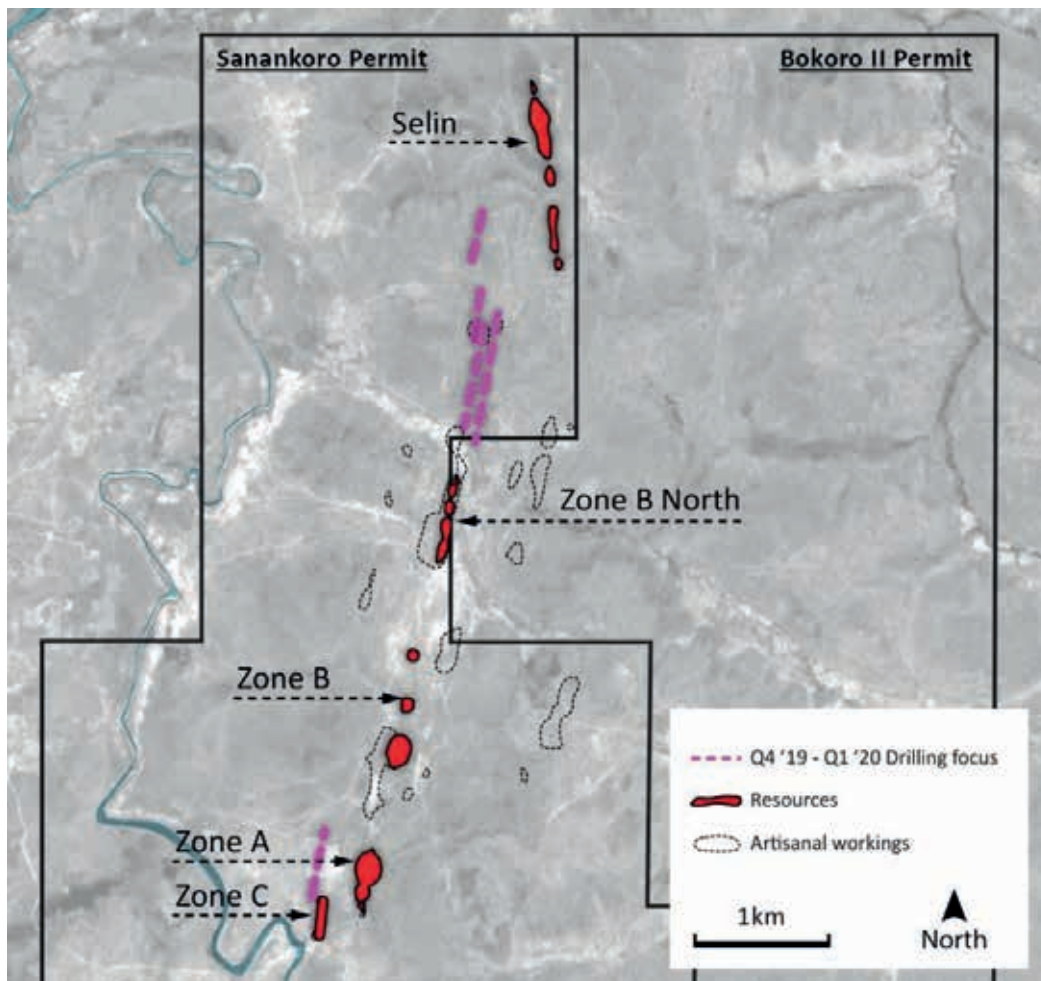
The JORC Mineral Resource Estimate announced on 05 December 2019 was completed by SRK Consulting (UK) Limited ('SRK').

Weathering State	Resource Classification	Million Tonnes (Mt)	Grade (g/t Au)	Contained Au (ozs)
Oxide	Measured	–	–	–
	Indicated	–	–	–
	Inferred	4.5	1.6	233,000
	Total	4.5	1.6	233,000
Sulphide	Measured	–	–	–
	Indicated	–	–	–
	Inferred	0.5	1.8	32,000
	Total	0.5	1.8	32,000
Oxide + Sulphide	Measured	–	–	–
	Indicated	–	–	–
	Inferred	5.0	1.6	265,000
	Total	5.0	1.6	265,000

## Notes

1. The Inferred Mineral Resource Estimate was reported above a cut-off grade of 0.4 g/t Au for oxide material and 0.5 g/t Au for sulphide
2. The Mineral Resource Estimate for the Sanankoro deposit was constrained within grade-based solids and within a Lerchs-Grossman optimised pit shell based on a gold price of US\$1,700/oz and through the application of reasonable mining parameters
3. All figures are rounded to reflect the relative accuracy of the estimate
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability
5. It is uncertain if further exploration will convert Inferred Mineral Resources to higher confidence categories

Map of Resource Location and Current Drilling Focus



#### Mining Report

SRK prepared a mining report section for the Study, which included hydrogeological and geotechnical considerations.

#### Hydrogeology and Hydrology

SRK completed a high-level scoping study review of the available hydrology and hydrogeological data for Sanankoro. This data has been noted to be limited by the nature of the stage of the Study but has been used to inform recommendations for moving the Project towards a Pre-Feasibility Study ('PFS'). The assumptions made are that all mining slopes will be within the saprolite formation and will need to be depressurised in order to achieve the pit slope angles defined by the geotechnical assessment.

The key hydrological risks identified relate to high intensity rainfall events resulting in either direct flooding of the pits or indirect recharging of the pit slope pore pressures; these risks should be quantified at PFS level following the installation of a site weather station and river flow gauges. The key hydrogeological risk for the Project is the inability for the saprolite to remain depressurised; the hydrogeological system requires testing and conceptualisation in order to assess expected pore pressure responses to both climate and mining events. This assessment requires the establishment of groundwater level monitoring and hydraulic testing within the key hydrogeological units.

### *Geotechnical*

SRK provided scoping level geotechnical slope criteria for Sanankoro to feed into pit optimisation. The pits will be in the region of ~100m at the deepest sections and will primarily be formed within saprolite with minor saprock and fresh rock at the base of the slopes. Whilst limited geotechnical information exists for the fresh material, there is currently no geotechnical information for the saprolite. As such, SRK has relied on experience from developing pit slopes in other saprolite deposits to propose a range of saprolite slope angles for Sanankoro.

Several slope angles ranging from 26° to 38° were considered, with a slope angle of 34° chosen for input into pit optimisation. Within the deeper sections of the open pits 34° can be considered steep and to achieve such an angle, high quality surface water management in addition to slope depressurisation drilling will be required to lower pore water pressure within the slope. Regardless of the success of the depressurisation programme, bench and possibly multi-bench failure may be expected as a result of remnant structure within the saprolite.

For the small sections of saprock and fresh material exposed at the toe of the slopes SRK recommended 40° and 42° slope angles respectively. To verify the proposed scoping level slope angles at the next project stage, geotechnical drilling, logging and sampling will be required in addition to hydrogeological testing to determine the susceptibility of the saprolite to slope depressurisation programmes.

### *Mining*

The Project comprises several distinct zones including Zone A, Zone B, Zone B North and Selin. The mining study has been completed for three production rates: Case 1, 0.5Mtpa; Case 2, 1.0Mtpa; and Case 3, 1.5Mtpa. The main objective of the Study was to understand how the different cases compare, their potential impact on mining costs for owner and contractor operated scenarios and to support any future exploration activities. The mining study is restricted to oxide material (hardcap, saprolite and saprock) and excludes sulphide (fresh) mineralisation.

### *Dilution and Recovery*

In order to address mining modifying factors such as mining losses and dilution, the mineral resource model (in Datamine format) has been regularised to a block size of 2.5m x 2.5m x 5m and used in pit optimisation and mine planning. This block size is considered representative of the selective mining unit size estimated for small scale mining equipment (1.9m<sup>3</sup> to 4m<sup>3</sup> bucket excavators, 24t to 40t capacity haul trucks) and requires a relatively high level of selectivity. Above a marginal cut-off of 0.4 g/t Au, the dilution in all zones is estimated between 14% and 20% and recovery between 91% and 95%.

### *Pit Optimisation*

The pit shell optimisation was completed for a selling price of US\$1,500/oz Au. Resulting pit shells were analysed to compare how the factored metal price affects ore tonnage, grade and strip ratio. The pit optimisation parameters are shown in the table below. The optimisation parameters outlined in the table include recoveries, costs and slope angles for fresh rock (as an alternate pit optimisation was completed on both the oxide and fresh rock for the purposes of Mineral Resource reporting). However, it should be stressed that the pit optimisation employed in the mining study considered only oxide material with process costs that assume the higher operating expenditures of the CIL option.



Parameters	Units	Case 1	Case 2	Case 3	
Production Rate: Ore	Mtpa	0.5	1.0	1.5	
<i>Geotechnical</i>					
Overall Slope Angle: Saprolite	°	34	34	34	
Overall Slope Angle: Saprock	°	40	40	40	
Overall Slope Angle: Fresh	°	42	42	42	
<i>Mining Factors</i>					
Dilution	%	Regularised Block Model 2.5m x 2.5m x 5m			
Recovery	%				
<i>Processing</i>					
Hardcap: All Zones	%	80.0	80.0	80.0	
Zone A/B (sap/saprock)	%	95.7	95.7	95.7	
Selin + Zone B North (sap/saprock)	%	92.9	92.9	92.9	
Fresh: All Zones	%	80.0	80.0	80.0	
<i>Operating Costs</i>					
Mining Cost: Ore					
Saprolite	US\$/t ore	3.50	3.50	3.50	
Saprock & Fresh	US\$/t ore	4.00	4.00	4.00	
Mining Cost: Waste					
Saprolite	US\$/t waste	3.0	3.0	3.0	
Saprock & Fresh	US\$/t waste	3.50	3.50	3.50	
Processing: Saprolite, Saprock, Hardcap	US\$/t ore	16.2	15.5	14.7	
Processing: Fresh	US\$/t ore	17.0	17.0	17.0	
G&A		US\$m / year	1.0	2.0	3.0
		US\$/t ore	2.0	2.0	2.0
Selling Cost Au		%	5.0	5.0	5.0
		US\$/oz	85.0	85.0	85.0
		US\$/g	2.5	2.5	2.5
<i>Metal Price: Gold</i>					
		US\$/oz	1,500	1,500	1,500
		US\$/g	43.8	43.8	43.8
Other: Discount Rate		%	10	10	10
<i>Cut-Off Grade</i>					
Marginal: Saprolite, Saprock, Hardcap		US\$/t ore	18.2	17.5	16.7
		g/t Au	0.4	0.4	0.4
Marginal: Fresh		US\$/t ore	19	19	19
		g/t Au	0.5	0.5	0.5

It is noted that the total ore tonnage is relatively sensitive to the gold price selected for the pit optimisation. The total ore tonnage inside of the US\$1,300/oz pit shell is 2.8Mt at 1.60 g/t Au (144k oz) whilst the total ore tonnage inside of the US\$1,500/oz pit shell is 4.1Mt at 1.47 g/t Au (194k oz). Total rock inside the US\$1,500/oz pit shell is 28.4Mt and total rock inside the US\$1,300/oz pit shell is 17.0Mt. The stripping ratio is 5.9 in the US\$1,500/oz pit shell and 5.1 in the US\$1,300/oz pit shell. Cora requested SRK use the US\$1,500/oz Au pit shell for the development of the strategic schedule.

### *Strategic Mine Schedule*

SRK has developed a strategic level mining and processing schedule for Zone A, Zone B, Zone B North and Selin using NPVs scheduling software. The mine schedule was completed for the three production cases and has been produced in annual periods.

### *Operating Strategy*

It is expected that the extraction method will be predominantly free digging, as the hardcap and saprolite weathering domains do not require blasting. Drill and blast will be required in the saprock domain. Ore and waste will be excavated by separate fleets in order to account for a relatively high level of mining selectivity.

Based on the pit locations and the distance between the zones, it is recommended to have three Waste Rock Dumps ('WRD'). The waste rock dump tonnage schedule is reflected by the yearly waste production, but no detailed scheduling has been done for the WRDs. A stockpiling strategy has not been considered in the Study.

### *Capital and Operating Cost Estimation*

A mining cost model has been developed assuming truck movements to a central CIL process plant to assess the mining capital and operating expenditures expected for Sanankoro. In the event of there being heap leach pads sited closer to the open pits, then truck movement and hence costs may be reduced. This cost estimation is based on both contractor mining and owner-operated options as requested by Cora. All capital and operating costs have been estimated from first principles but based on SRK's experience of open pits in Mali or benchmarked from the 2018 Infomine cost database.

The owner-operator capital cost estimation includes equipment purchase, replacement and rebuild costs, as well as mobilisation/demobilisation and site establishment costs. The capital cost estimate for the mining fleet including mobilisation and establishment. The capital cost difference between an owner-operated and a contractor option is that contractor capital does not include equipment purchase and replacement costs.

In addition to the capital cost categories a 15% capital cost contingency is applied to both the owner-operated and contractor options.

The operating costs are broken down into four categories including labour, maintenance, consumables and grade control. The owner-operated and contractor base unit cost for these categories are the same, therefore the varying factor is a contractor premium of 25% applied to the contractor option. Similar to the capital cost estimation, a 15% operating cost contingency is applied to both the owner-operated and contractor options.

### *Estimated Mining Costs*

Mining Cost	Scenario	Unit	1.0Mtpa	1.5Mtpa
Opex	Owner	US\$/t	2.82	2.48
	Contractor	US\$/t	3.43	3.02
Capex	Owner	US\$m	32.6	31.3
	Contractor *	US\$m	2.6	3.5

\* Does not include any allocation for contractor demobilisation and contingency at end of current mine life on the basis the Company anticipates the mine life will increase significantly over time

### *Mineral Processing*

Details of the results from a series of metallurgical test programmes on oxide material run by Cora with WAI have previously been announced, most recently on 21 October 2019.

The oxide ore samples tested are very amenable to conventional CIL processing, with an average whole ore leach recovery of 93.5%. For the HL option, the coarse ore bottle roll tests indicated recoveries approaching 90% at the coarser size fractions, although the column test result using 22.5 kg/t cement only produced a recovery of 55% after 90 days of leaching recovery was clearly continuing at the end of the test and with some evidence that more cement was required. Therefore, a conservative recovery of 70% has been assumed with the potential for higher recovery once further optimised column tests can be conducted.

A preliminary trade-off study for a 0.75Mtpa CIL or HL operation using these recoveries concluded that, with indicated capital and operating cost estimates of US\$61.4 million / US\$15.9/t and US\$11.4 million / US\$10.3/t respectively, that HL was economically the optimum processing route.

This was agreed with Cora and additional capital and operating cost estimates conducted for 1.0Mtpa and 1.5Mtpa HL scenarios and used in the financial model.

The priority for further testwork is optimised column tests to confirm that recoveries of 70% or higher can be achieved and the optimum cement addition required for agglomeration.

### *Infrastructure*

For the HL option, the site water balance will determine the amount of overall make-up water required, allowing for precipitation and evaporation and lock-up of water within the heaps (some is released on drain down). The raw water make-up would be added to the barren solution pond. However, a surge pond would be required.

The two main water sources available are the Fie and Niger rivers located approximately 3km and 6km respectively from site. The Niger River is the largest river. It is reported that a maximum 3% abstraction rate is permissible without a permit. Therefore, allowance must be made for a pipeline and pumping station to pump to the Raw Water Pond.

Regarding access roads, there is an existing tarred road from Bamako to Selingue for about 130km. There is then a laterite road from Selingue to Selefougou for about 15km and with two bridges encountered. From Selefougou to the site, the laterite road continues for another 15km although the condition here is reportedly poor. Therefore, allowance must be made for upgrading approximately 30km of laterite road and the accompanying two bridges.

A site camp will be required. The total labour complement, depending on the process route selected, will be approximately 94 people, of which 36 will be permanently based in the camp and 58 supplied and transported from two local villages, located within approximately 4km from site. Therefore, allowance should be made for a site camp to accommodate approximately 36 people.

Power will most likely be supplied from a dedicated power station using heavy fuel oil or diesel generators, rather than national grid, due to the location. It is anticipated that there will be a 3MW power requirement to operate the mine. Although the nearest power source is Selingue hydro power station, around 30km from site with a reported capacity of 46MW, this is unlikely to be available for site use. Therefore, rented diesel generators are the most likely option.

### *Environmental Study*

Digby Wells Environmental was appointed to undertake a Scoping Study to characterise the biophysical and socio-economic environment of the Project area, provide early indication of potential environmental and social risks and determine the Terms of Reference for the Environmental and Social Impact Assessment ('ESIA') process that will be required as part of the environmental permitting process. No immediate fatal flaws were identified for the Project; however, the identified risks will require careful planning and management. These risks and key impacts can be managed throughout the ESIA process and include economic and physical displacement as well as population influx and the resulting impacts, including increase in artisanal and small-scale mining and water management.

The Project area is already largely disturbed, however, natural habitats (including potential protected species and wetland areas) exist which should be avoided as far as possible. It is recommended that the environmental and social studies are undertaken in collaboration with the engineering design and feasibility studies to feed into project decision making.

It is recommended that baseline socio-economic surveys are undertaken in the affected communities to determine the baseline of affected communities and the extent of resettlement prior to any potential project induced population influx.

In May 2020 it was announced that international environmental consultants Digby Wells Environmental had been appointed to undertake the ESIA for Sanankoro.

### *Permitting and Project Ownership*

The Sanankoro Permit, held by Sankarani Ressources SARL ('Sankarani'), was originally issued on 01 February 2013 and, in accordance with Mali's Mining Code, the permit expired on 01 February 2020. Prior to expiry the Company submitted an application for the award of a new permit over the area covered by the Sanankoro Permit. The Company looks forward to announcing the award of a new permit in due course once the necessary process set out in the Mining Code has occurred. The Sanankoro Permit was one of five permits that together comprise the Sanankoro Gold Project, these include Bokoro (permit expires August 2022), Bokoro Est (permit expires September 2026), Dako II (permit expires December 2025) and Kodiou (permit expires May 2022). It is anticipated as the Project progresses the Company will look to move from having exploration permits on the Project area to a mining agreement to allow the transition to becoming a producer in due course. At that time tax and other payments would be agreed with the Government of Mali over the Project area.

Sankarani is a 95% subsidiary of Cora Gold Limited. The residual 5% shareholding in Sankarani may be acquired from a third party for US\$1,000,000. Furthermore, the Sanankoro Permit is subject to a third party 1% net smelter return royalty to the 5% shareholder as well as any Government royalty that will be due. The Study's financial modelling illustrates Sanankoro at the project level and so does not reflect these additional ownership and net smelter return royalty terms.

The full Scoping Study Report is available on the Company's website at [www.coragold.com/category/company-reports](http://www.coragold.com/category/company-reports).

### *Recent Exploration Highlights*

Drilling undertaken in Q4 2019 / Q1 2020 has targeted testing deeper oxide and sulphide extensions to the Maiden Inferred Mineral Resource of 5.0Mt at 1.6 g/t Au for 265,000 ounces of gold.

### *Highlights announced in Q1 2020*

- RC drilling results targeting extensions at depth to the maiden resource included:
  - SC241: 2.61 g/t Au over 29m from 82m, including 3.89 g/t Au over 12m in sulphide portion of the hole
  - SC246: 4.2 g/t Au over 7m from 101m, including 8.38 g/t Au over 3m
  - SC248: 2.05 g/t Au over 14m from 61m, including 3.31 g/t Au over 7m
  - SC248: 1.08 g/t Au over 18m from 84m
  - SC250: 1.68 g/t Au over 4m from 137m (hole ended in mineralisation)
- Core drilling results included:
  - at Zone A the focus was to test the oxide-sulphide horizons of the pit-constrained inferred resource and the expected gold zone was intersected in both holes at vertical depths of about 120m in sulphide:
    - SD0012: 1.41 g/t Au over 13.4m (approx. 14% of sample not recovered within intercept)
    - SD0013: 1.28 g/t Au over 4.4m
  - at Zone B a strike length of some 500m of poorly known oxide structure was tested either beneath or external to the inferred resource optimised pit area and gold zones were intercepted between currently defined resources demonstrating continuity of mineralisation over a length of some 1,500m:
    - SD0016: 2.04 g/t Au over 3m; 44.6 g/t Au over 0.9m; and 5.16 g/t Au over 3m
    - SD0018: 1.74 g/t Au over 5m

- Cora continues to advance its work programme at Sanankoro, which it believes has the potential for standalone mine development; drilling to date has covered less than circa 25% of the 1-2Moz exploration target area. The Q4 2019 / Q1 2020 drilling programme included:
  - drilling to further investigate the sulphide and deep oxide potential below known mineralisation at Selin, Zone A and Zone B North;
  - core drilling to support this work, including plans to access the Zone B mineralisation; and
  - shallow exploration of some 3km of new oxide targets along the northern end of the Sanankoro structure and other identified structures.

### *Zone A*

Six RC holes drilled for a total of 753 metres included drill fences 80m both to the north and south of the resource envelope. Two infill holes also provided further oxide and sulphide information. The results confirm that gold mineralisation persists along strike, albeit thinning and separating into two or more discrete structures. Depth extension to the central higher-grade part of Zone A was confirmed in hole SC241 where an intercept of 2.61 g/t Au over 29m crossed the oxide and transition zone into sulphides. Of note was the increased grade in the sulphide of 3.89 g/t Au over 12m within the longer total intercept.

Two core holes (each of about 200m length) were completed, with 75m of reverse circulation ('RC') followed by a tail of HQ3 core. The fresh rock/sulphide zone was intersected at a vertical depth of about 85m. The expected gold zone was intersected in both holes at vertical depths of about 120m in sulphide, with evidence of the zone narrowing to depth and becoming disrupted by a shear zone, which has intercalated thin bands of carbonaceous phyllite with the host volcanic tuff/coarse sandstone unit. The intercepts lie at the base of the optimised pit used for inferred resources. Ground conditions through the shear zone in the fresh rock were problematical for drilling with no sample recovered over several intervals up to 2.0m in length, often in proximity to the gold zone. In particular, in hole SD0012, no sample was recovered from about 14% within the mineralised interval, with a nil grade allocated when calculating the overall mineralised gold grade. The sulphide present is pyrite.

### *Zone B North*

Four RC holes drilled for a total of 439 metres were drilled on fences 80m apart at the southern end of Zone B North in order to test near surface (within 80m of surface) sulphide potential. Three of the four holes returned sulphide intercepts, indicating that gold grades may be higher than in the oxides with, for example hole SC246 returning 4.2 g/t Au over 7m, although the structures may be narrower than in oxide.

### *Selin*

Three RC holes drilled for a total of 399 metres were completed with the primary function of providing further information on sulphide at the northern and southern end of the long Selin mineralised zone. The depth of oxidation proved to be greater than expected at the southern end, and the strong gold mineralisation intercepted in the oxide zone is very encouraging. The two additional holes intercepted sulphide, although in one, gold was removed by a shear zone and at the most northern end of the Selin structure the gold mineralised zone was only partly tested over 4m at 1.68 g/t Au as the hole was ended in mineralisation for technical reasons at 142m.

### *Zone B*

Systematic drilling at Zone B has previously proven difficult due to ground instability as a result of historic artisanal mining and deposition of washed tailings. In this programme, four core holes were collared at about 160m fence intervals along the structure within the disturbed ground using a man portable core rig. The holes were from 128-161m in length with much of the core drilled in oxide. The fresh rock / sulphide zone was generally intersected at about 90-100m vertical depth. Samples collected from within the oxide zone were generally analysed by 2kg bottle roll, whilst sulphide samples were analysed by 50 gramme fire assay.

As at Zone A, the preferential lithological host for the gold zones is volcanic tuff / coarse sandstone. Good core recovery was locally difficult to achieve, particularly in the oxide zone, with individual core lengths of up to 3.0m lost, in places within or proximal to gold mineralised zones. It is believed that this is most likely due to naturally fragmented and weathered shear zones associated with the mineralising event being preferentially washed away.

Despite the difficulties provided by sample loss within a mineralised interval (i.e. hole SD0015 where about 28% of an interval has been lost and is allocated zero grade in interval calculations) it appears that the mineralised zone can be correlated from south to north. However, it is cautioned that the grades from gold intervals incorporating areas of poor sample recovery may not be fully representative.

In the south, mineralisation is represented by a wider (10-15m), single zone which splits towards the north into 2-3 discrete gold zones within a 20-30m wide corridor over the 500m strike length. This drilling enables the gold zones to the north and south of Zone B to be correlated, which is now essentially confirmed to extend over a length of some 1,500m. It is anticipated that with further, more closely spaced drilling, and improved core recovery, that a more extensive area of Zone B might be included in future resource estimates.

In March 2020 Cora announced that it has started a test work programme in conjunction with Hummingbird Resources plc (AIM: HUM or 'Hummingbird') relating to a bulk sample programme. The objective of this programme is to explore the amenability of the oxide ore at Sanankoro to be concentrated to a level that would be viable for commercial trucking to Hummingbird's Yanfolila Gold Mine, located ~100km from Sanankoro. Cora has arranged for a 350kg oxide bulk sample from the Sanankoro permit to be shipped to North America for gravity and sizing based metallurgical test work at a facility independent of both Hummingbird and Cora. The programme will investigate the amenability of the ore to be pre concentrated at Sanankoro using a process that requires low capital expenditure, in order to create a high grade concentrate that could be economic to truck extended distances. If results are encouraging, then further testing may be required to confirm whether there are potential synergies with existing operations in the region. Historical test work completed by Cora has given Hummingbird's technical team a good initial indication that ore concentration may be a possibility. This test work is an initial step before further studies may need to be completed.

## Regional Exploration

### *Madina Foulbé Permit (Diangounte Project Area, eastern Senegal)*

The highly prospective 260 sq km Madina Foulbé Permit, located in eastern Senegal, lies within the prolific Kedougou-Kenieba Inlier gold region which historically has seen over 50 million ounces of gold discovered.

Historical work by former operators on the Madina Foulbé Permit has led Cora to identify two priority targets:

- Tambor - prospect underlain by a granite with intensely developed sheeted quartz veins, over which a large soil geochemical anomaly extends 2,500m by 500m (threshold >50 ppb Au). Previous rotary air blast ('RAB') drilling on wide spaced fences, comprising 59 mainly vertical holes and completed to a vertical depth of only 12m to 15m due to the hardness of the granite, identified structures with potential widths ranging up to 300m. Strong anomalous gold values (>100 ppb Au) were recorded from most of the holes, including 41.2 g/t Au over 3m and 7.9 g/t Au over 3m;
- Madina - prospect underlain by a shear zone between granites and volcanic rocks and is outlined by a soil geochemical anomaly extending 2,000m by 400m (>50 ppb Au). 45 shallow, vertical, reconnaissance RAB drill holes, all with depths of less than 21m, were completed over the central 600m of the prospect on broadly spaced fences. Broad zones of anomalous gold values were returned (>100 ppb Au), which included 3m at 1.9 g/t Au and 3m at 1.6 g/t Au.

The Company considers that the indication of broad zones of gold mineralisation within a large soil geochemical anomaly is highly significant and believes that the shallow vertical drilling into vertical structures failed to properly test the gold potential. Accordingly, in March 2020 a 2,000m RC drill programme commenced to test mineralisation at depth.

On 09 April 2020 Cora announced that, following advice received from the Senegalese Government in relation to the current global COVID-19 outbreak, the Company had suspended its current drill programme at the Madina Foulbé Permit. The situation in the country continues to evolve, and the Board will continue to review its response to COVID-19 to ensure the wellbeing of its staff and the business is safeguarded.

In May 2020 the Company announced the first set of results received from the 2,000m RC drill programme at Madina Foulbé, being in respect of 642m of drilling completed in 8 holes. These results confirmed the initial model with extensive zones of gold mineralisation across the area tested so far, including:

- 47m at 0.63 g/t Au from 27m, including 1m at 16.4 g/t Au from 40m;
- 36m at 0.53 g/t Au from 6m, including 3m at 3.78 g/t Au from 12m; and
- 27m at 0.47 g/t from 45m.

The Company is pleased to have continuously intersected good widths of mineralisation albeit at relatively low grades from initial results. Much of the Tambor target remains to be drilled and this first indication of a consistent gold mineralised system is encouraging. With the Madina target not yet drilled at all and a new additional target now also identified, the Company looks forward to recommencing and completing its drill programme as soon as it is appropriate and practical to do so.

To power the camp at the Madina Foulbé Permit, the Company installed a mobile solar hybrid power operation; solar panels charged batteries in the day to power the camp from 10 p.m. to 5 a.m. when there was a lighter power requirement. This project has around a three-month payback period offering both a cost and CO2 saving. This is the Company's first unit, but in due course it plans to roll out similar units across all its exploration camps. This is a small but important step in the way the Company operates and, as it looks to grow significantly in the future, it is the outlook it would take on running larger operations.

#### *Other*

Meanwhile field work continues across a number of permits in Mali, including some of those in the Sanankoro Project Area in the Yanfolila Gold Belt, Southern Mali. Cora will continue to follow its strict protocols to reduce the risk of transmission of COVID-19 at the Company's operating field camps. Cora regards the health and safety of its employees and contractors as its highest priority, and this is especially so during the current global COVID-19 outbreak.

# Strategic Report – Gold Exploration Permits

For the year ended 31 December 2019

Project area	Permit	Country	Area sq km	Date issued	Expiry date	Maximum interest (pre-dilution by State)	Comments
Sanankoro Project Area (in the Yanfolila Gold Belt, southern Mali) Total area 438.87 sq km	Bokoro	Mali	63.1	25 August 2015	25 August 2022	95–100% ^	Subject to third party 1% NSR royalty
	Bokoro Est	Mali	100	18 September 2019	18 September 2026	95–100% ^	Subject to third party 1% NSR royalty
	Dako II	Mali	44.66	31 December 2018	31 December 2025	100%	Subject to third party 1.5% NSR royalty with right to buy out for US\$500,000
	Karan Ouest	Mali	97	26 April 2018	26 April 2025	100%	
	Kodiou	Mali	50	15 May 2015	15 May 2022	Earning up to 100% through payment of staged fees to permit holder totalling US\$55,000	Subject to third party 1% NSR royalty with right to buyout for US\$600,000
	Sanankoro *	Mali	84.11	01 February 2013	01 February 2020; Note A	95–100% ^	Subject to third party 1% NSR royalty

Key:

\* = awaiting permit award / issuance; steps being: new application prepared & submitted → convention fees paid → permit fees paid → permit award / issuance

Note A = new application prepared & submitted

NSR = net smelter return

^ = residual 5% interest may be acquired for US\$1 million



Project area	Permit	Country	Area sq km	Date issued	Expiry date	Maximum interest (pre-dilution by State)	Comments
Yanfolilla Project Area (in the Yanfolilla Gold Belt, southern Mali) Total area 387.68 sq km	Farassaba III *	Mali	93	Note B		95–100% ^	Subject to: third party 1% NSR royalty; plus 1% NSR royalty to Hummingbird Resources plc or its nominee
	Siékorolé *	Mali	90	Note C		95–100% ^	Subject to: third party 1% NSR royalty; plus 1% NSR royalty to Hummingbird Resources plc or its nominee
	Tagan	Mali	81.68	18 June 2019	18 June 2026	100%	Subject to 1% NSR royalty to Hummingbird Resources plc or its nominee
	Tékélé Dougou *	Mali	45	Note D		Earning up to 85% through to completion of a bankable feasibility study; permit holder must then decide whether to participate in future exploration expenditures on a pro rata basis – if not then the Company will have earned 100% interest	Subject to third party 1.25% NSR royalty with right to buyout for US\$1.5 million
	Winza	Mali	78	27 March 2015	27 March 2022	100%	Subject to third party 1.5% NSR royalty with right to buyout for US\$1 million

Key:

\* = awaiting permit award / issuance; steps being: new application prepared & submitted → convention fees paid → permit award → permit fees paid / issuance

Note B = original permit expired 22 July 2018; new application prepared & submitted; convention awarded; permit fees paid

Note C = original permit over 226 sq km expired 30 March 2018; new application prepared & submitted over 90 sq km; convention awarded; permit fees paid

Note D = original permit expired 12 July 2019; new application prepared & submitted; convention fees paid

NSR = net smelter return

^ = residual 5% interest may be acquired for US\$1 million

# Strategic Report – Gold Exploration Permits continued

For the year ended 31 December 2019

Project area	Permit	Country	Area sq km	Date issued	Expiry date	Maximum interest (pre-dilution by State)	Comments
Diangounte Project Area (in the Kenieba Window, western Mali / eastern Senegal) Total area 328 sq km	Kakadian	Mali	29	14 August 2017	14 August 2024	Earning up to 100% through payment of staged fees to permit holder totalling US\$82,500	Subject to third party 1.5% NSR royalty with right to buyout for US\$1.5 million
	Madina Foulbé	Senegal	260	15 January 2018	15 January 2028	Earning up to 75% through to completion of a scoping study; permit holder must then decide whether to participate in future exploration expenditures on a pro rata basis – if not then the Company will have earned 100% interest	Subject to third party 2% NSR royalty with right to buyout for US\$2–2.5 million depending upon gold price
	Satifara Ouest	Mali	28	06 December 2017	06 December 2024	100%	
	Satifara Sud *	Mali	11	Note E		Earning up to 100% through payment of staged fees to permit holder totalling US\$72,500	Subject to third party 1.5% NSR royalty with right to buyout for US\$1 million

Key:

\* = awaiting permit award / issuance; steps being; new application prepared & submitted → convention fees paid → permit award / issuance

Note E = convention awarded; permit fees paid

NSR = net smelter return