



Overview

Sanankoro Gold Project (south Mali)

Sanankoro Project Area
within the Yanfolila Gold Belt, south Mali

Extracted from Annual Report 2023 - Strategic Report: Operational Review & Gold Permits

Dated 17 May 2024

(For full Annual Report 2023 visit www.coragold.com/category/company-reports/)

Strategic Report – Operational Review

For the year ended 31 December 2023

Overview

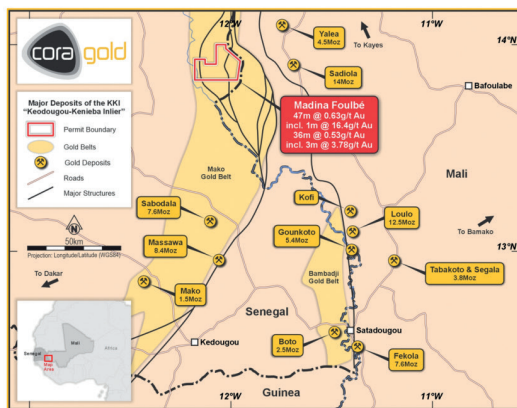
Cora Gold Limited ('Cora' or 'the Company') is a gold company focused on two world class gold regions in Mali and Senegal in West Africa, being the Yanfolila Gold Belt (south Mali) and the Kédougou-Kéniéba Inlier Gold Belt (also known as the 'Kenieba Window'; west Mali / east Senegal). The strategy of 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 economics on such a resource for future development and eventual mining.

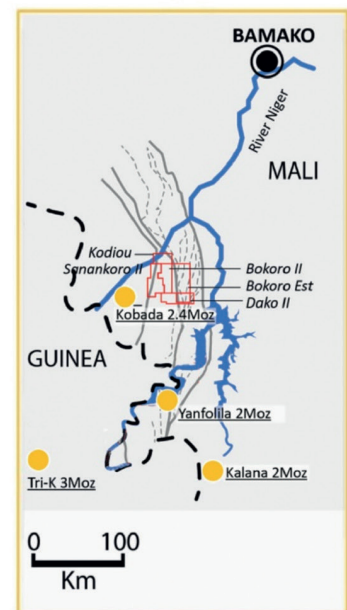
Cora operates on a number of gold permits, the details of which are set out in the 'Strategic Report - Gold Permits' section of this Annual Report. The permits are grouped into two distinct project areas:

- Sanankoro Project Area, within the Yanfolila Gold Belt, south Mali. The five permits in the Sanankoro Project Area are Bokoro II (expired in 2023; for further details see below), Bokoro Est (area 100 sq km), Dako II (area 44.66 sq km), Kodiou (expired in 2023; for further details see below) and Sanankoro II (area 84.11 sq km). Together these contiguous permits comprise Cora's flagship Sanankoro Gold Project ('Sanankoro', 'Sanankoro Gold Project' or the 'Project'); and
- Kenieba Project Area (formerly known as the Diangounté Project Area), within the Kenieba Window, west Mali / east Senegal. The one permit in the Kenieba Project Area is Madina Foulbé in east Senegal (permit awarded covering an area of 260 sq km; area subsequently reducing by 25% on each of two interim renewals in accordance with the regulations).

KENIEBA, WEST MALI / EAST SENEGAL



SANANKORO, SOUTH MALI



Permits in the Sanankoro Project Area (Yanfolila Gold Belt, south Mali) and the Kenieba Project Area (Kenieba Window, west Mali / east Senegal)

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

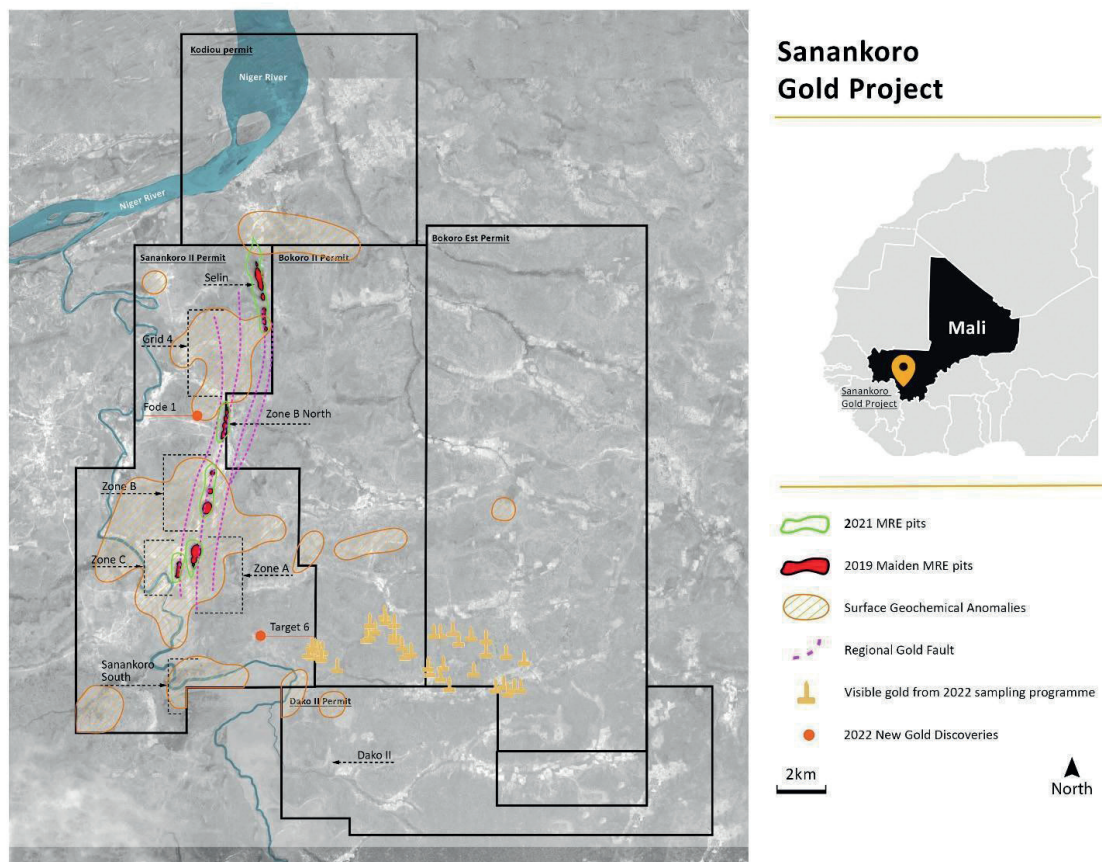
Cora is advancing a portfolio of gold projects, including the Sanankoro Gold Project. Results from an initial Scoping Study published in 2020 demonstrated that Sanankoro has the potential to be a highly profitable oxide mine. During

2022 Cora's focus at Sanankoro was on an updated Mineral Resource Estimate ('MRE') and completion of a Definitive Feasibility Study ('DFS'). The Company's objective is to move into production as quickly as possible.

During the year ended 31 December 2023:

- as Cora focuses on transitioning its Sanankoro Gold Project into a producing mine, a number of key management personnel were appointed and the construction tender process commenced;
- Cora entered into a mandate letter to appoint Atlantique Finance to act as sole adviser in the structuring and mobilisation of a medium-term loan of US\$70 million to support funding the development of Sanankoro;
- the Bokoro II (area 63.1 sq km) and Kodiou (area 50 sq km) permits in the Sanankoro Project Area expired, being during the period of the Mali government's moratorium on issuing permits (announced on 28 November 2022 and continues to be in place). Cora intends to submit new applications in respect of each of these permits once the moratorium on issuing permits is lifted;
- given the Company's primary focus is on further developing Sanankoro and following a review of projects, the board of directors decided to terminate all projects in the Yanfolila Project Area (within the Yanfolila Gold Belt, south Mali), being the Farani, Farassaba III, Siékoroilé and Tékélédougou permits, and this contributed to the impairment charge of US\$1,777k for the year ended 31 December 2023; and
- a new Mining Code was promulgated in Mali.

Sanankoro Gold Project (Sanankoro Project Area, south Mali)



Locations of deposits and discoveries at the Sanankoro Gold Project in the Sanankoro Project Area (Yanfolila Gold Belt, south Mali)

Strategic Report – Operational Review continued

For the year ended 31 December 2023

Mineral Resource Estimate 2022

Following a drill programme focused on converting previous MRE ounces ('oz') from Inferred to Indicated, in July 2022 an updated pit constrained JORC-compliant MRE was announced for a total of 24.9 Mt at 1.15 g/t Au for 920 koz, comprising Indicated 16.1 Mt at 1.27 g/t Au for 657 koz plus Inferred 8.7 Mt at 0.94 g/t Au for 263 koz (see table below).

Mineral resource classification	Ore type	Tonnes ('000s)	Grade (g/t Au)	Au (koz)
Indicated	Oxide	12,908	1.23	509
	Transitional	3,180	1.41	144
	Fresh	50	1.92	3
	All zones	16,138	1.27	657
Inferred	Oxide	6,761	0.78	171
	Transitional	1,654	1.45	77
	Fresh	316	1.55	16
	All zones	8,732	0.94	263
Total	All zones	24,870	1.15	920

Based on a gold price of US\$1,900/oz; Cut-off grade 0.4 g/t Au.

Competent Person for the MRE: Anton Geldenhuys (MEng, Pr.Sci.Nat., FGSSA), an independent consultant with CSA Global (UK) Limited.

Maiden Probable Reserves 2022

As part of the DFS for Sanankoro, in November 2022 the Company announced JORC-compliant Maiden Probable Reserves of 10.1 Mt at 1.30 g/t Au for 422 koz for the Selin, Zone A and Zone B deposits (see table below).

Deposit	Ore type	Tonnes ('000s)	Grade (g/t Au)	Contained Au (koz)
Selin	Oxide	3,767	1.27	154.2
	Transitional	519	2.38	39.8
	All zones	4,287	1.41	194.0
Zone A	Oxide	2,752	1.32	116.8
	Transitional	-	-	-
	All zones	2,752	1.32	116.8
Zone B	Oxide	3,048	1.13	111.0
	Transitional	8	1.54	0.4
	All zones	3,056	1.13	111.5
Total Ore	All zones	10,094	1.30	422.2
Total Waste		46,564		
Strip ratio (waste : ore)		4.61		

Based on a gold price of US\$1,650/oz.

Competent Person for the Maiden Probable Reserves: Frikkie Fourie (BEng, Pr. Eng, MSAIMM), an independent consultant for Moletech SA (Pty) Ltd.

Definitive Feasibility Study and Optimised Project Economics 2022

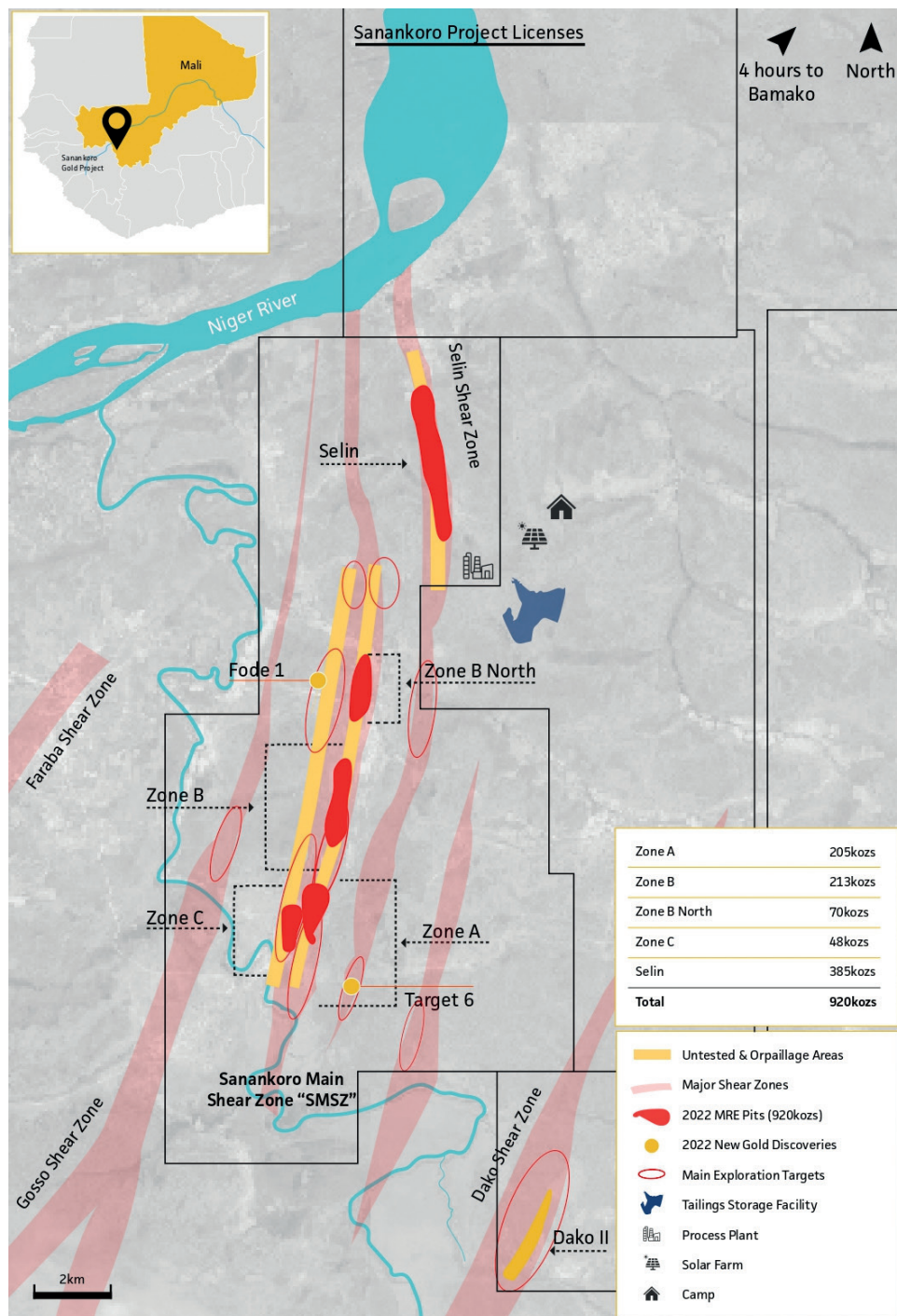
Cora's Management undertook a review of various DFS work streams as they were nearing completion and in conjunction with peer reviews by independent consultants identified a number of optimisations to enhance the Project's economics. The optimisations were focused on capital expenditure savings with independent engineering firms providing lower pricing for both the tailings storage facility ('TSF') and project management (engineering, procurement and construction management ('EPCM')) contracts. Additionally, the Company has incorporated the benefit of pricing a second-hand smaller mill offering both capital and operating cost savings. The review of the TSF design and capital cost was carried out by Mario Boissé of independent consultancy MRP801. Mr Boissé has relevant recent experience in West Africa. The re-quote of the EPCM was provided by a well-established West African company which also has significant relevant experience of constructing gold mines in West Africa.

Highlights from the Optimised Project Economics and completion of the DFS are as follows:

- Optimised Project Economics (post tax, based on a gold price of US\$1,750/oz) and Maiden Probable Reserve of 422 koz at 1.30 g/t Au:
 - 52.3% internal rate of return ('IRR')
 - 1.2 year payback period
 - 6.8 years Reserve mine life
 - US\$71.8m free cash flow ('FCF') in year 1; US\$234m FCF over life of mine ('LOM')
 - US\$997/oz all-in sustaining cost ('AISC')
 - >84,000 oz production in year 1; 56,000 oz annual average production over LOM
 - US\$90m pre-production capital, including US\$32m machinery & equipment (including ball mill; 1.5 Mtpa throughput plant), US\$12m TSF, US\$9m civil & earth works, US\$9m mining pre-production & US\$6m contingencies
- The optimisations to the DFS were focused on capital expenditure savings which have delivered improved Project economics.
- Solar hybrid power option incorporated into the plant design, delivering savings in both operating costs and carbon emissions.
- Further infill drilling should, in time, enable the conversion of MRE Inferred Resources into Indicated with a view to them then being added to the inventory of Reserves for the mine schedule.
- Significant potential upside from an exploration target estimated to contain between 26.0 Mt and 35.2 Mt with a grade range of 0.58 g/t Au - 1.21 g/t Au for a potential gold content of 490 koz - 1,370 koz.

Strategic Report – Operational Review continued

For the year ended 31 December 2023



Sanankoro Gold Project - Definitive Feasibility Study site layout

The mining of Selin, Zone A and Zone B is well-suited to typical open pit methods using a backhoe configured excavator and truck fleet which will be operated by a mining contractor. Considering the highly weathered nature of the orebody, both the oxide and transitional material are viewed as 'free-dig' with no need for drill and blast activities. Open pit operations will be undertaken using 5 metre benches which will be stacked to 10 metres at final limits. It is the intention that topsoil (initial 30cm) be stripped initially over the area of both the open pit and waste rock dumps and stockpiled in a suitable allocated area proximal to each of the pits. Clearing and grubbing costs have been provisioned.

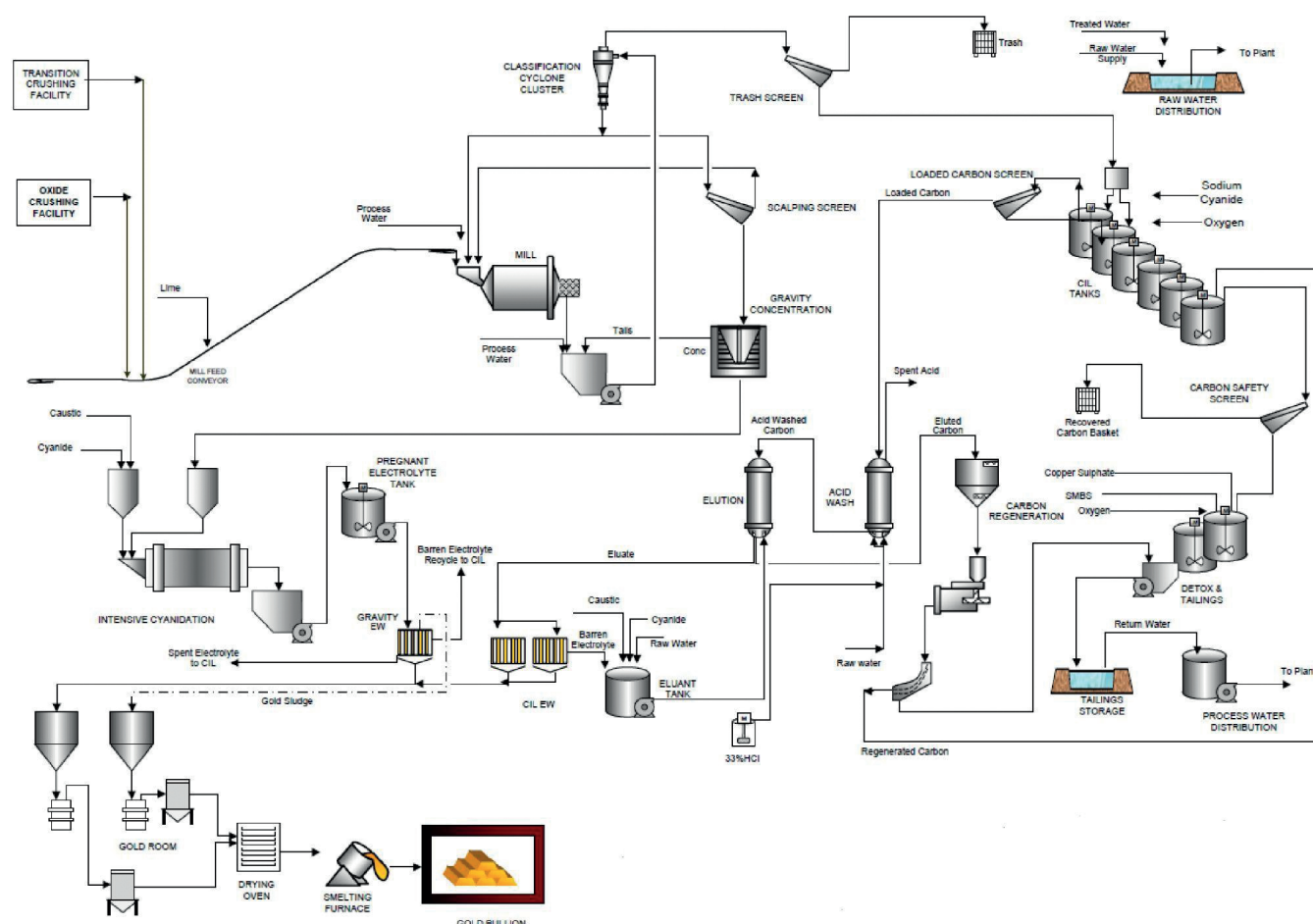
Waste material will be dumped onto designated waste dumps. Dumping will take place in 10 metre layers; to a general maximum of 50 metres in height. The location of waste dumps has considered a US\$2,000/oz pit shell and the presence of mineralised zones proximal to the pits. Run of mine material destined for the processing plant will be sent straight to the stockpile area. Stockpiling and blending may be necessary to optimise the head grade with feed constraints on transitional material. Sufficient space will be provided for several separate stockpiles. All process feed will be re-handled by a wheel loader from the stockpile straight into the crusher.

The proposed process plant design is based on a well-known and established gravity / carbon-in-leach ('CIL') technology, which consists of crushing, milling, and gravity recovery of free gold, followed by leaching / adsorption of gravity tailings, elution, gold smelting, and tailings disposal with a detoxification cyanide plant. The process plant will include reagent mixing, storage and distribution, and water and air services. A water treatment plant is included to manage any potential water discharge.

The plant will treat 1.5 Mtpa of oxide ore or 1.2 Mtpa of transitional ore if treated independently. The process plant design incorporates the following unit process operations:

- Crushing - to produce feed for the ball mill from either oxide or transitional ore;
- Milling - product from crushing will be milled in a single-stage ball mill in closed circuit with hydrocyclones to produce a P80 grind size of 150 µm for the oxide ore and a P80 grind size of 75 µm for the transitional ore;
- Gravity Concentration - recovery of coarse gold from the milling circuit recirculating load and treatment of gravity concentrates by intensive cyanidation and electrowinning to recover gold to doré;
- Leach / CIL circuit - for gold dissolution and adsorption onto carbon incorporating six CIL tanks;
- Loaded Carbon Desorption - elution circuit, electrowinning, and gold smelting to recover gold from the loaded carbon to produce doré;
- Detoxification - an INCO air / SO₂ cyanide detoxification facility for the CIL tails slurry, which will be used only when required as test work has shown that the weak acid dissociable cyanide levels in the leached tails are less than 50 ppm;
- Tailings Storage Facility - tailings pumping to the TSF.

For the year ended 31 December 2023



Sanankoro Gold Project - Definitive Feasibility Study process flow sheet

Future Potential

Beyond the results of the Optimised Project Economics the process flow sheet is undergoing additional optimisation with the aim of further improving the economics. The optimisations being considered include taking greater advantage of the oxide nature of the ore at the front end of the process flow sheet that could lead to cost savings. The Company will look to conclude this process before commencing the front-end engineering design prior to construction. In addition, further infill drilling should, in time, enable the conversion of MRE Inferred Resources into Indicated with a view to them then being added to the inventory of Reserves for the mine schedule.

An exploration target estimate ('Exploration Target') for the wider Sanankoro Gold Project was completed in 2022 by independent consultancy CSA Global (UK) Limited. The Exploration Target comprises a total of 12 areas, all within 8 km of existing pits, with three areas (being Target 3, Target 5 & 6, and Selin-Bokoro West Extension) responsible for over 50% of the Exploration Target. The Exploration Target is estimated to contain between 26.0 Mt and 35.2 Mt with a grade range of 0.58 g/t Au - 1.21 g/t Au for a potential gold content of 490 koz - 1,370 koz. This is in addition to the Indicated and Inferred MRE of 24.9 Mt at 1.15 g/t Au for 920 koz announced in July 2022.

Permitting

On 14 October 2022 an Environmental Permit was awarded in relation to mine development at the Sanankoro Gold Project. This followed the completion and submission of an Environmental and Social Impact Assessment ('ESIA') on Sanankoro in July 2022, with all environmental work having been completed in alignment with the International Finance Corporation Performance Standards. The Environmental Permit states that mining operations must commence within 3 years of 14 October 2022, otherwise a new ESIA will be required to be completed and submitted for a new environmental permit.

Following the award of the Environmental Permit and completion of the DFS Cora's next step will be to submit an application for a mining permit over Sanankoro. On 28 November 2022 the Mali government announced the suspension of issuing permits - this moratorium continues to be in place. Cora's work is continuing with regards to being able to submit an application for a mining permit - this includes permit re-sizing, which involves the relinquishment of parts of each of the contiguous exploration permits known as Bokoro II (63.1 sq km; expired in 2023 (new application to be submitted upon lifting of the moratorium)), Kodiou (50 sq km; expired in 2023 (new application to be submitted upon lifting of the moratorium)) and Sanankoro II (84.11 sq km) so as to define an area of 100 sq km for a mining permit. On 29 August 2023 a new Mining Code and Local Content (for the Mining Sector) Code were formally promulgated. It is anticipated that the awaited publication of supporting texts will assist in the interpretation and understanding of the various changes in the country's Mining Code.

Strategic Report – Gold Permits

For the year ended 31 December 2023

Sanankoro Project Area in the Yanfolila Gold Belt, south Mali

Cora's primary focus is on further developing its flagship Sanankoro Gold Project in the Sanankoro Project Area (south Mali), comprising five continuous permits as set out in the table below.

Permit name (type)	Area sq km	Date awarded	Expiry *	Maximum interest (pre-dilution by State)	Comments (also see Note C)
Bokoro II (exploration)	Note A			95-100% ^	Subject to third party 1% NSR royalty
Bokoro Est (exploration)	100	18 September 2019	September 2028	95-100% ^	Subject to third party 1% NSR royalty
Dako II (exploration)	44.66	31 December 2018	December 2027	100%	Subject to third party 1.5% NSR royalty with right to buyout for US\$500,000
Kodiou (exploration)	Note B			Earning up to 100% through payment of staged fees to joint venture partner totalling US\$55,000	Subject to third party 1% NSR royalty with right to buyout for US\$600,000
Sanankoro II (exploration)	84.11	02 March 2021	March 2030	95-100% ^	Subject to third party 1% NSR royalty

* Based on interim renewals being duly completed in accordance with the regulations.

^ In the event of mine development:

- a third party will be entitled to a 5% beneficial interest in the first related mine operating entity, but not in respect of any subsequent mine development within the area of the Bokoro II, Bokoro Est and Sanankoro II permits; and
- Cora has a right to buyout the third party's 5% beneficial interest in the mine operating entity and / or the third party's 5% interest held in the Group entity Sankarani Ressources SARL for US\$1 million.

NSR Net Smelter Return.

Note A Area 63.1 sq km; expired in August 2023, being during the period of the Mali government's moratorium on issuing permits (which was announced on 28 November 2022 and continues to be in place); new application to be submitted once the moratorium on issuing permits is lifted.

Note B Area 50 sq km; expired in May 2023, being during the period of the Mali government's moratorium on issuing permits (which was announced on 28 November 2022 and continues to be in place); new application to be submitted once the moratorium on issuing permits is lifted.

Note C In addition to the tabulated third party NSR royalties and following the closing of a fundraising on 13 March 2023 the Sanankoro Gold Project is subject to a 1% NSR royalty to holders of certain Convertible Loan Notes until 250,000 ozs of gold has been produced and sold, with Cora having a right to buyout for US\$3 million. Once the government's moratorium on issuing permits (announced on 28 November 2022) is lifted Cora intends to submit an application for a mining permit in relation to mine development at the Sanankoro Gold Project. The proposed area of the mining permit will cover 100 sq km, comprising parts of the area of each of the Bokoro II, Kodiou and Sanankoro II exploration permits (the 'Sanankoro Mining Permit Area'). As a result of the re-drawing of the various permit boundaries the proposed Sanankoro Mining Permit Area will be subject to the following royalty arrangements:

- such part of the Sanankoro Mining Permit Area as was covered by the areas of the former Bokoro II and Sanankoro II exploration permits will be subject to a third party 1% NSR royalty (as per the table above);
- such part of the Sanankoro Mining Permit Area as was covered by the area of the former Kodiou exploration permit will be subject to a third party 1% NSR royalty, with Cora having a right to buyout for US\$600,000 (as per the table above); and
- the Sanankoro Mining Permit Area will be subject to a 1% NSR royalty to holders of certain Convertible Loan Notes until 250,000 ozs of gold has been produced and sold, with Cora having a right to buyout for US\$3 million.

On 14 October 2022, following the completion and submission of an Environmental and Social Impact Assessment ('ESIA'), an Environmental Permit was awarded in relation to mine development at the Sanankoro Gold Project. The Environmental Permit states that mining operations must commence within 3 years of 14 October 2022, otherwise a new ESIA will be required to be completed and submitted for a new environmental permit.



Additional Information

Sanankoro Gold Project (south Mali)

For additional information see the following News Announcements on Cora's website

11 July 2023

[Senior Management Appointments & Construction Tendering for Sanankoro](#)

28 June 2023

[US\\$70m debt Mandate Letter signed to support Sanankoro Gold Project Construction](#)

21 November 2022

[Sanankoro Gold Project: Optimised Project Economics & Investor Presentation](#)

21 November 2022

[Sanankoro Gold Project: Maiden Reserves and Definitive Feasibility Study](#)

07 November 2022

[Sanankoro Exploration Target 2022](#)