

Stock Data

Share Price:	8.30p
Market Cap:	£20.50m
Shares in issue:	246m
52-week high/low:	15.37p/6.90p

Company Profile

Sector:	Mining
Ticker:	CORA
Exchange:	AIM

Activities

Cora Gold ('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/>

1-year share price performance



Source: [LSE](#)

Past performance is not an indication of future performance.

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Cora Gold Limited

Cora Gold is a West African focused gold exploration and development company listed on AIM. Cora's most advanced project is the Sanankoro Gold Project, located in Southern Mali. At Sanankoro, Cora has completed a Scoping Study that returned a post-tax NPV8 of US\$32.2m and a post-tax IRR of 91%, assuming a gold price of US\$1,500/oz Au. The Company is currently undertaking a 35,000m infill and expansion drill programme, due to be completed by July 2021. Around 16,000m of drilling has already completed, as of the start of June 2021, and assay results on the first 5,168m have been reported. This programme is focused on increasing the category of the inferred resource estimate to measured and indicated, as well as the size of the current mineral resource estimate.

Placing of Hummingbird Shares

Hummingbird Resources plc's (HUM.L) entire holding of 23.3m shares has been placed with investors at 7.75p. In our opinion, Hummingbird's shareholding had become non-core as it is busy running its own operating mine and further to that a commitment to shortly construct a new mine in Guinea. Following the Subscription in Cora Gold announced on 3rd June, Turner Pope Investments bid Hummingbird to satisfy demand from its proprietary clients who wished to trade on the same basis as the Subscribers. Turner Pope has subsequently placed the shares with its High Net Worth Professional and Family Office clients, in addition certain existing shareholders invested further in this transaction, which we consider to be a clear signal of confidence in the Company and its Sanankoro Gold Project going forward.

Drill Programme Scale

To give some context to the scale of this drill programme, around 18,500m of drilling at Sanankoro, mainly between 2018 and 2019, was used to establish the current JORC 2012 compliant total mineral estimate of 265,000 ounces of gold at a grade of 1.6g/t Au.

If the results from the current drill programme are positive, it could have a significant impact on the size of the resource base, potentially increasing it by 50% plus, as well as increasing the confidence interval of the resource category. An increase in the resource base of this scale could have a significant positive effect on the project's economics. In the medium-term Cora has a 1moz to 2moz Au Exploration Target* for the project, should Cora be able to prove up a resources base of this scale, the project's economics could increase by an order of magnitude.

Initial Results are Positive

Initial results from the first 5,168m of the 35,000m drill programme have been positive, defining large intercepts and high gold grades in the near-surface environment, including:

- 56m at a grade of 3.54g/t Au from 22m, including 21m at a grade of 8.17g/t Au (SC0360)
- 19m at a grade of 4.0g/t Au from 13m (SC0333)

- 17m at a grade of 2.82g/t Au from 47m (SC0342)
- 54m at a grade of 2.07 g/t Au from 20m, including 2m at a grade of 17.71 g/t Au (SC0311)
- 34m at a grade of 2.14 g/t Au from 13m, including 3m at a grade of 19.14 g/t Au (SC0312)
- 44m at a grade of 2.50 g/t Au from 16m, including 6m at a grade of 5.53 g/t Au (SC0331)
- 13m at a grade of 2.40g/t Au from 45m (SC0354)
- 18m at a grade of 1.97g/t Au from 56m (SC0349)

A huge volume of drill results will be reported over the coming months giving investors plenty to look out for. Once the final assay results from this programme are received, Cora expects to publish an updated mineral resource estimate, during Q3 2021.

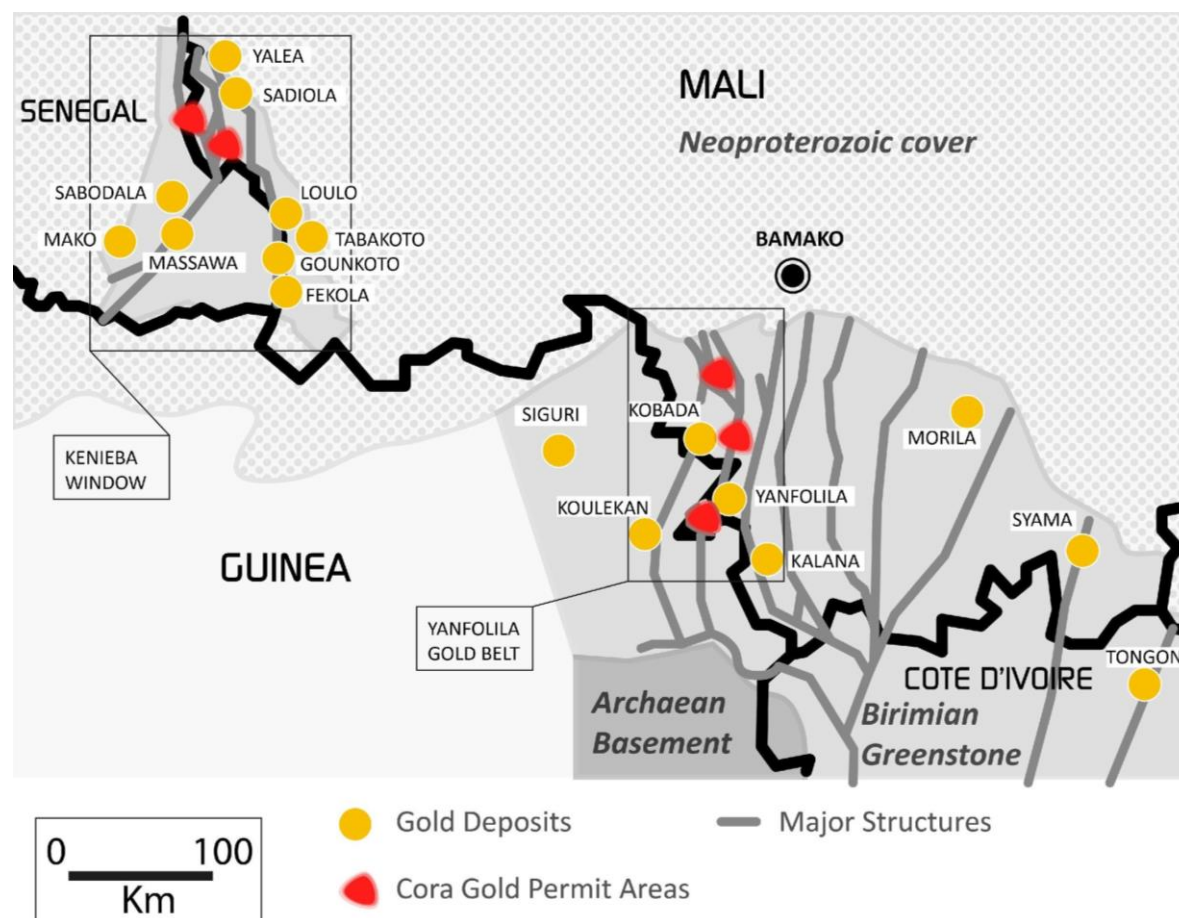
A Definitive Feasibility Study (DFS) is then planned to be completed before the end of the year, with Cora aiming to commence construction of a gold mine at Sanankoro in 2022. Cora has already signed a US\$21m mandate and term sheet to fund the construction of the Sanankoro Gold Mine.

Investment Summary

Company description:

Cora Gold has a portfolio of gold exploration and development projects that cover a total area of 1,100km² of exploration permits, located in the Yanfolila Gold Belt of Mali and the Kenieba Window of Senegal (Figure 1). The most advanced project in Cora's portfolio is the Sanankoro Gold Project, located in Southern Mali.

Figure 1: Location of Cora Gold's Projects

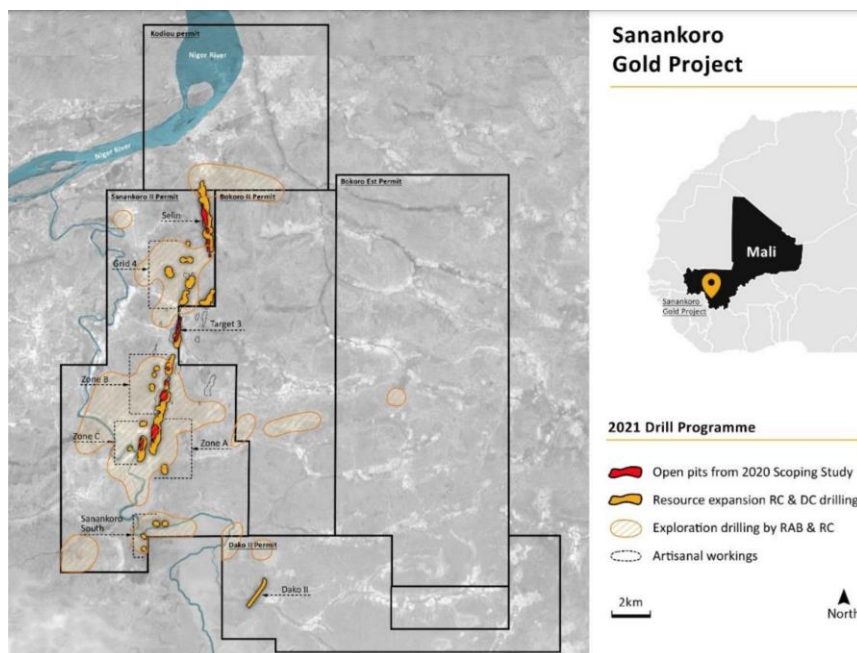


Source: <https://www.coragold.com/project/portfolio/>

Sanankoro Gold Project

The Sanankoro Gold Project is located 110km southwest of Bamako, in southwest Mali and around 20km east of the 2.3Moz (1.1g/t Au) Kobada Deposit being advanced by African Gold Group (AGG.TSX-V). The Project is comprised of five contiguous exploration permits: Sanankoro; Bokoro II; Bokoro Est; Dako; and Kodiou (Figure 2), that encompass a total area of approximately 342km².

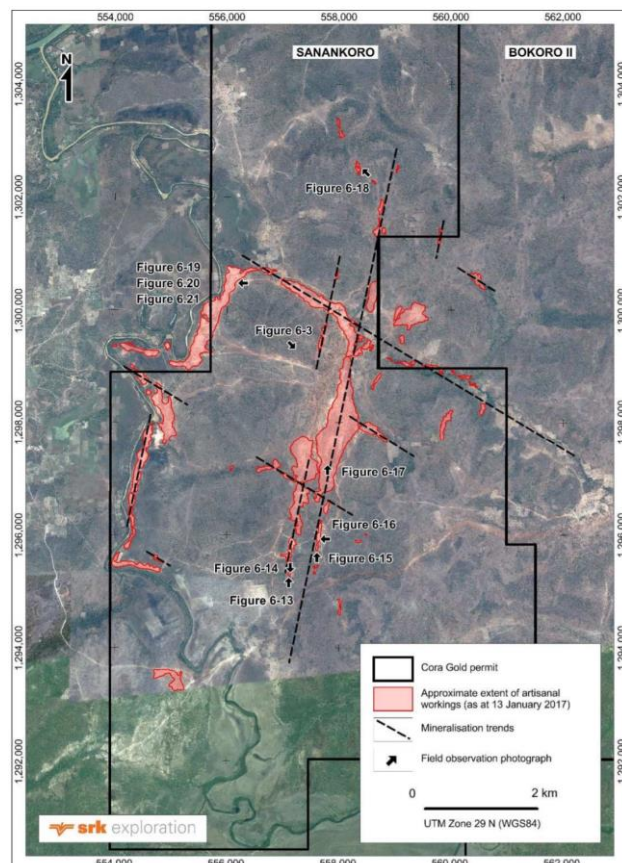
Figure 2: Permits and Targets of the Sanankoro Gold Project



Source: https://www.rns-pdf.londonstockexchange.com/rns/5386X_1-2021-5-4.pdf

The project area contains numerous artisanal mines that discontinuously extend over a 10km long distance and are associated with northwest and NNE orientated structures (Figure 3). The presence of such widespread artisanal mining activities and large-scale pits (Figure 4) demonstrates the area has a significant endowment of gold mineralisation.

Figure 3: Extent of Artisanal Mining Activity at Sanankoro (c. 2017)



Source: <https://www.coragold.com/wp-content/uploads/2020/01/Sanankoro-ScopingStudy-Full-WAI-Final-V3.0.pdf>

Figure 4: Artisanal Working at Sanankoro



Source: <https://www.coragold.com/wp-content/uploads/2020/01/Sanankoro-ScopingStudy-Full-WAI-Final-V3.0.pdf>

Geology

The gold mineralisation at the Sanankoro Project is dominantly hosted within Paleoproterozoic Birimian volcano-sedimentary rocks, which trends NNE-SSW, controlled by regional-scale shear zones.

The host rocks contain intercalated units of weakly metamorphosed feldspathic sandstones, siltstones and phyllites, often with a carbonaceous component.

The extent of gold target at Sanankoro is demonstrated by a huge gold anomaly covering an area of 4.5km by 7.5km. Three principle subparallel structures are associated with the gold mineralisation, Bokoro, Sanankoro and Selin. These structures are generally steeply dipping quartz vein sets that variably strike NNE-SSW and east-west, and low-angle quartz veins that dip to both the east and the west.

Deep tropical weathering in this region has liberated and re-mobilised the primary gold with a large oxide layer that extends to a depth of 50m-120m. The large, and easy to mine and process, oxide layer is particularly attractive for a mining project's economics.

Mineral Resource Estimate

The Sanankoro Project has total JORC 2012 compliant Mineral Resource Estimate of 5.0mt at a grade of 1.6g/t containing 265,000 ounces of gold; at present the entire resource is in the Inferred Category.

Of this resource, 88% is oxide material (only 12% sulphide), this is of huge benefit to the project as the ore will predominantly be free digging and the use of expensive explosives would be low. The ore can also be processed by heap leaching or carbon-in-leach (CIL), with low levels of crushing and grinding, which again has economic benefits for the project.

Resource Expansion Potential

The small size of Cora's maiden resource estimate led many investors to incorrectly assume that the project is small-scale and has little potential for growth.

This is not the case, and the huge scale of the artisanal workings partly demonstrate this (Figure 3).

The current Inferred Mineral Resource Estimate comes from a sub-5km section of the over-20km of prospective mineralised zones (Figure 2), and represents just 25% of the total linear strike length of potential mineralised zones upon which the Exploration Target* is based.

The existing Exploration Target* for the Sanankoro Project further indicates the potential for the deposit to be very large, containing between 1moz of gold at a grade of 1g/t Au and 2moz of gold at a grade of 1.3g/t Au.

****The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.***

Further, this Exploration Target* is only to a depth of 100m below the surface and is focused on the oxide potential of the area and does not take into account the higher-grade gold mineralisation in the sulphides, located beneath the oxides.

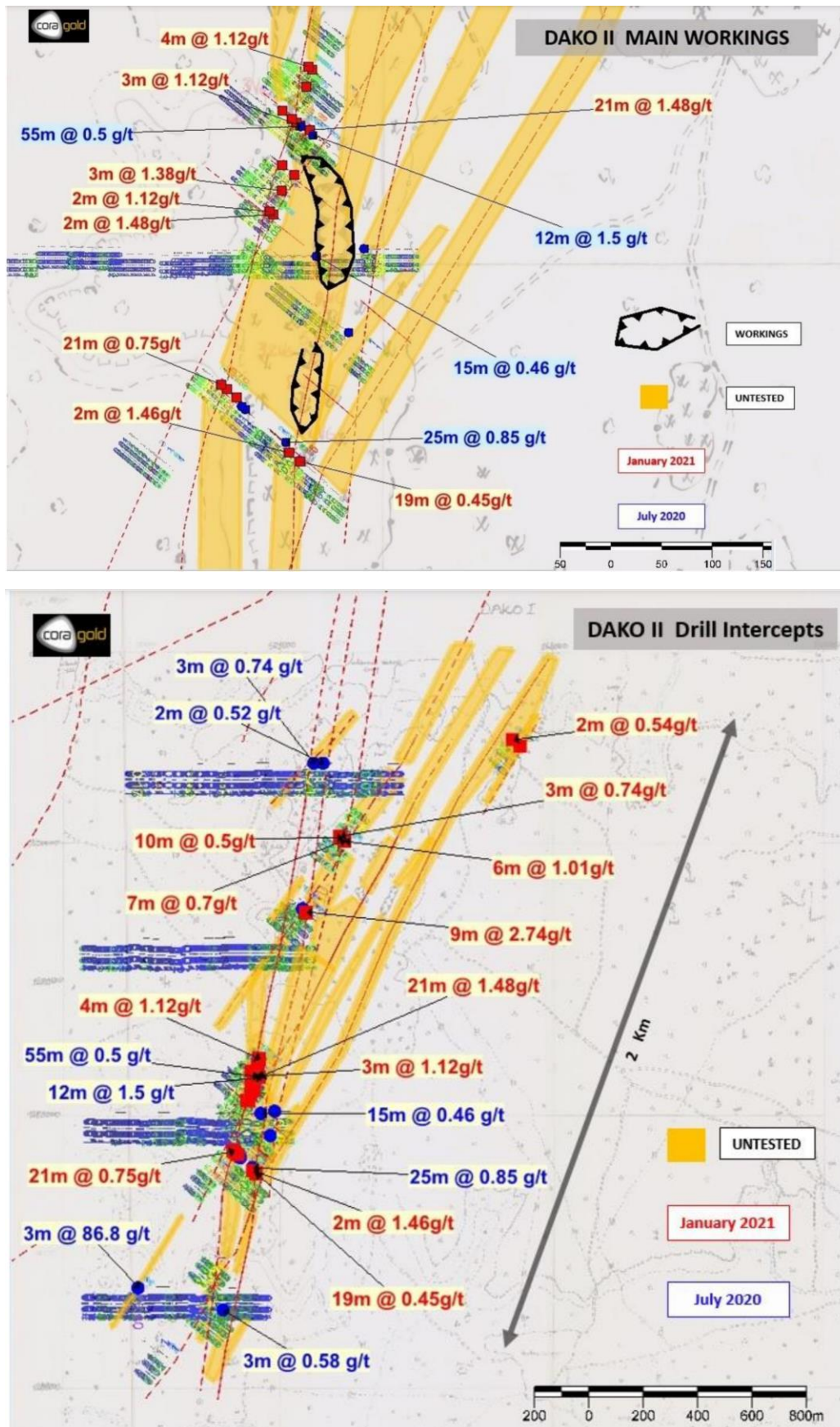
Taking this into account, there is clear potential for Sanankoro to be a multimillion-ounce deposit with further successful exploration results.

2020 Exploration Programme

In H2 2020, Cora completed 2,784m (34 holes) over two programmes targeting shallow oxide gold mineralisation at the Dako II Deposit (Figure 5), which was discovered in July 2020.

To date, Cora has defined gold mineralisation over a 3km-long zone, located just 7km south of existing Sanankoro Resource Estimate at Zone A. Based on a combination of artisanal workings and historical soil and termite mound sampling, Dako II has the potential to have total strike length over 4,000m, and newly acquired WORLDVIEW 3 imagery from TERRABOTIX UK Ltd. highlights the potential for a 7-8km extension beyond current limits.

Figure 5: Dako II



Source: https://www.rns-pdf.londonstockexchange.com/rns/2345M_1-2021-1-19.pdf

Dako II represents a significant scale oxide resource target that is likely to add valuable ounces to the updated resource estimate. Results from the H220 programmes include:

- 9m at a grade of 2.74 g/t Au from 77m (DC0035)
- 21m at a grade of 1.48 g/t Au from 57m (DC0030)
- 21m at a grade of 0.75 g/t Au from 24m (DC0031)
- 3m at a grade of 86.8 g/t Au from surface (DAC0005)
- 12m at a grade of 1.52 g/t Au from 60m (DAC0007)
- 55m at a grade of 0.50 g/t Au from 6m (DAC0008)

Gold mineralisation at Dako II is associated with the regional Fie Shear Zone, which represents a new regional-scale, corridor trending +4km north-eastward from existing intercepts, into the Bokoro and Bokoro East permits. The emergence of this new Fie corridor opens up the eastern side of the Sanankoro setting to the discovery of new truckable resources.

2021 Exploration Programme

Cora is currently undertaking a 35,000m (300 hole) drill programme, to expand the size of the current mineral resource estimate and upgrade the category of the inferred resource estimate to measured and indicated.

As part of the resource expansion programme Cora will be testing a number of targets, orange coloured area in Figure 2, including:

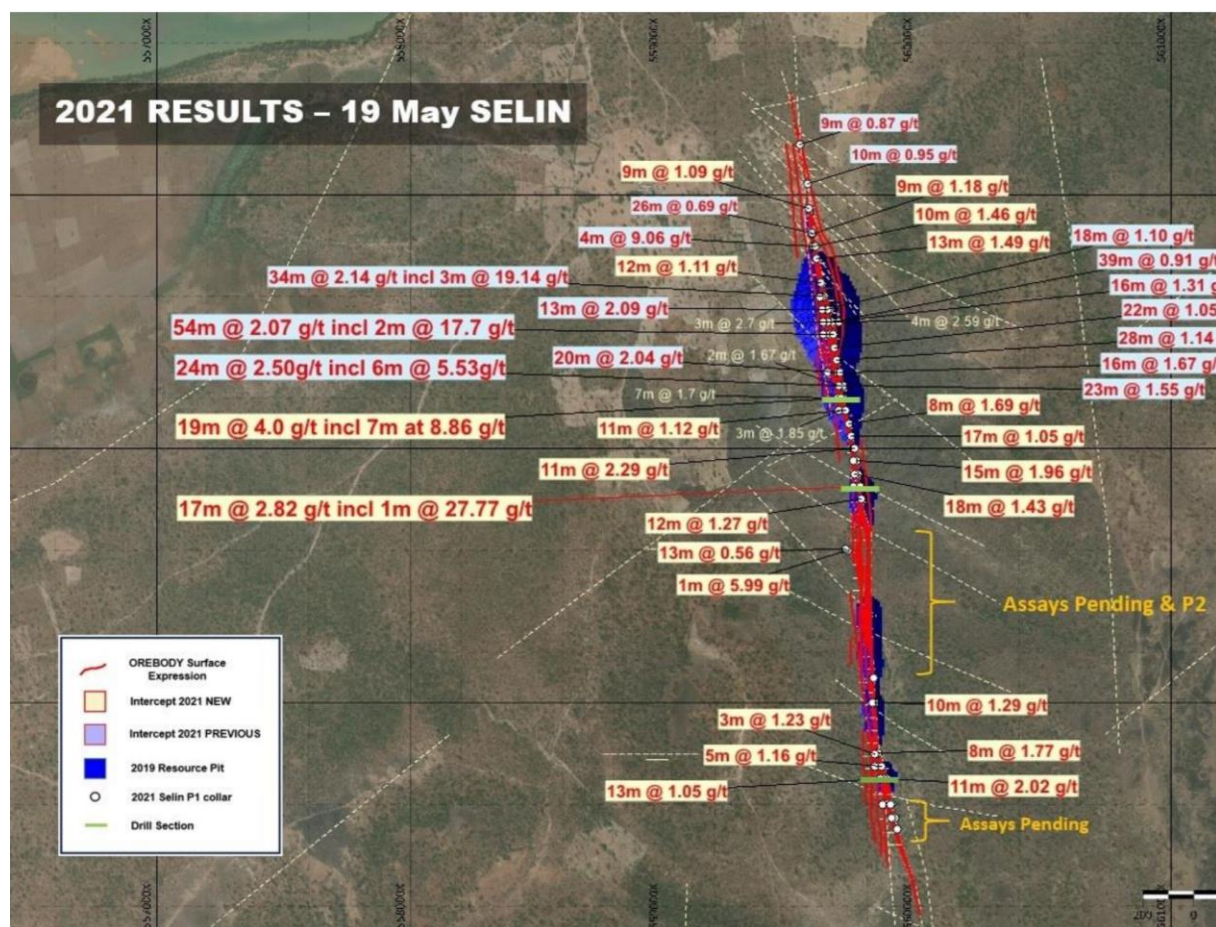
- Selin
- Dako II
- Grid 4
- Targets 3
- Zone B
- Zone A
- Zone C
- Sanankoro South
- Bokoro West Trend
- Selin Deposit

The Selin Deposit is located on a linear, en-echelon or possibly folded, diorite igneous sill that has intruded the volcanoclastic thrust assemblage, potentially focusing the deposition of gold mineralisation in the area. This is supported by the fact that Selin is the largest and highest-grade deposit at Sanankoro discovered to date. Cora has recently identified a 4km long trend of new surface workings at Selin.

Initial results from the first 5,168m of the 35,000m drill programme (Figure 6) come from the Selin Deposit and have been positive, confirming 550m of mineralised extensions to the existing resource estimate (remains open in all directions) and defining large intercepts and high gold grades in the near-surface environment, including:

- 56m at a grade of 3.54g/t Au from 22m, including 21m at a grade of 8.17g/t Au (SC0360)
- 19m at a grade of 4.0g/t Au from 13m (SC0333)
- 17m at a grade of 2.82g/t Au from 47m (SC0342)
- 54m at a grade of 2.07 g/t Au from 20m, including 2m at a grade of 17.71 g/t Au (SC0311)
- 34m at a grade of 2.14 g/t Au from 13m, including 3m at a grade of 19.14 g/t Au (SC0312)
- 44m at a grade of 2.50 g/t Au from 16m, including 6m at a grade of 5.53 g/t Au (SC0331)
- 13m at a grade of 2.40g/t Au from 45m (SC0354)
- 18m at a grade of 1.97g/t Au from 56m (SC0349)
- 23m at a grade of 1.55 g/t Au from 47m (SC0332)
- 28m at a grade of 1.54 g/t Au from 17m (SC0327)
- 22m at a grade of 1.47 g/t Au from 27m (SC0326)

Figure 6: Drill results from the Selin Deposit



Source: https://mcusercontent.com/2a0d5dcb1eea2e0f9201740e1/files/646c43a5-6351-d830-34f9-49b315f666ad/SELIN_drill_results_24.05.21_Word_with_pictures.pdf

With 93.5% of the assay results from the 35,000m still to be returned, there will a large volume of news flow coming from Cora Gold during the remainder of 2021, with a resource upgrade and a DFS as well.

Scoping Study

Cora's January 2020 Scoping Study at Sanankoro returned a post-tax NPV8 of US\$32.2m and a post-tax IRR of 91%, assuming a gold price of US\$1,500/oz Au. The sensitivity analysis for the project shows that at US\$1,750/oz Au the NPV increases by around 50%; the current gold price is over US\$1,800/oz Au.

The project has a pre-production capex of US\$20.6m and an All-in-Sustaining Cost (AISC) of US\$942/oz .

The Scoping Study was for a 1.5mtpa oxide focused, heap leach operation producing an average of 45,000 ounces of gold over an initial mine life of three years and was based on the oxide resource estimate of 233,000 ounces at a grade of 1.6g/t Au.

Increased Resource Base Could Trigger a move to CIL

Metallurgical work completed in September of last year demonstrated that a recovery rate of 94.1% could be achieved using a gravity and Carbon-in-Leach (CIL) flowsheet. These studies also indicated that the quick kinetics of four hours, should reduce the size of the required leach circuit considerably resulting in a capex saving.

Further, the results also indicated that cyanide consumption is significantly lower than previous studies suggested, which would also have a favourable impact on operating costs.

Metallurgical studies are ongoing, but these initial results suggest that when combined with an increased resource base, a conventional gravity and CIL flowsheet could have more favourable economics than the heap leach processing route.

A trade-off study will be undertaken once the metallurgical studies are completed and this will be used as the basis of a definitive feasibility study to commence next year.

Potential value of exploration Success

At a gold price of US\$1,750/oz the post-tax NPV8 for the project is around US\$62.2m based on the oxide resource estimate of 233,000 ounces.

Should Cora be able to increase the size of the oxide resource by 30% to 50% would we expect to see an increase in the NPV for the project greater than 30%-50%, c. (US\$81m to US\$93.3m), without taking into account any other potential economic benefits from a change in the processing flowsheet.

In the medium-term, should Cora be able to establish the lower-end of the exploration target, the project's value could potentially be four-times as large, c. US\$250m, and should Cora be able to establish the higher-end of the exploration target, the project's value could be around eight-times as large at around US\$500m.

Cora still has a large amount of work that needs to be successful before it achieves this level of value at the project, but Sanankoro clearly has the potential to be a very large deposit and could also prove to be very valuable.

Construction Funding Term Sheet

Cora has signed a US\$21m mandate and term sheet with investment firm, Lionhead Capital Advisors Proprietary Limited, to fund the future development of Sanankoro.

The funding is conditional on, among other matters, the completion of a DFS on the Project before the end of 2021.

The funding consists of:

- US\$6m Equity Financing at an 8% discount to the 30-day volume weighted average price (VWAP) at the time of issue post DFS completion
- US\$5m Convertible Loan Note with a coupon: 10% per annum and a conversion at the election of Lionhead at any time prior to the 3rd anniversary of the issue of the Convertible Loan Note, into ordinary shares in Cora at a 30% premium to the US\$6m Equity Financing price
- US\$10m Debt Financing with a term of four years and an interest rate of 10% per annum payable quarterly in arrears
- Net Smelter Return Royalty (NSR) of 1% until 250,000ozs of gold have been produced from the Project. Cora may purchase and terminate the NSR at any time for US\$2m payment.

Lionhead is acting as lead investor and arranger on behalf of a consortium of investors. Paul Quirk, a non-executive director of Cora Gold, is a founding partner and director of Lionhead. The Quirk Family are potential beneficiaries of trusts that own around 34% of Cora Gold through Brookstone Business Inc and Key Ventures Holding Limited.

(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.)

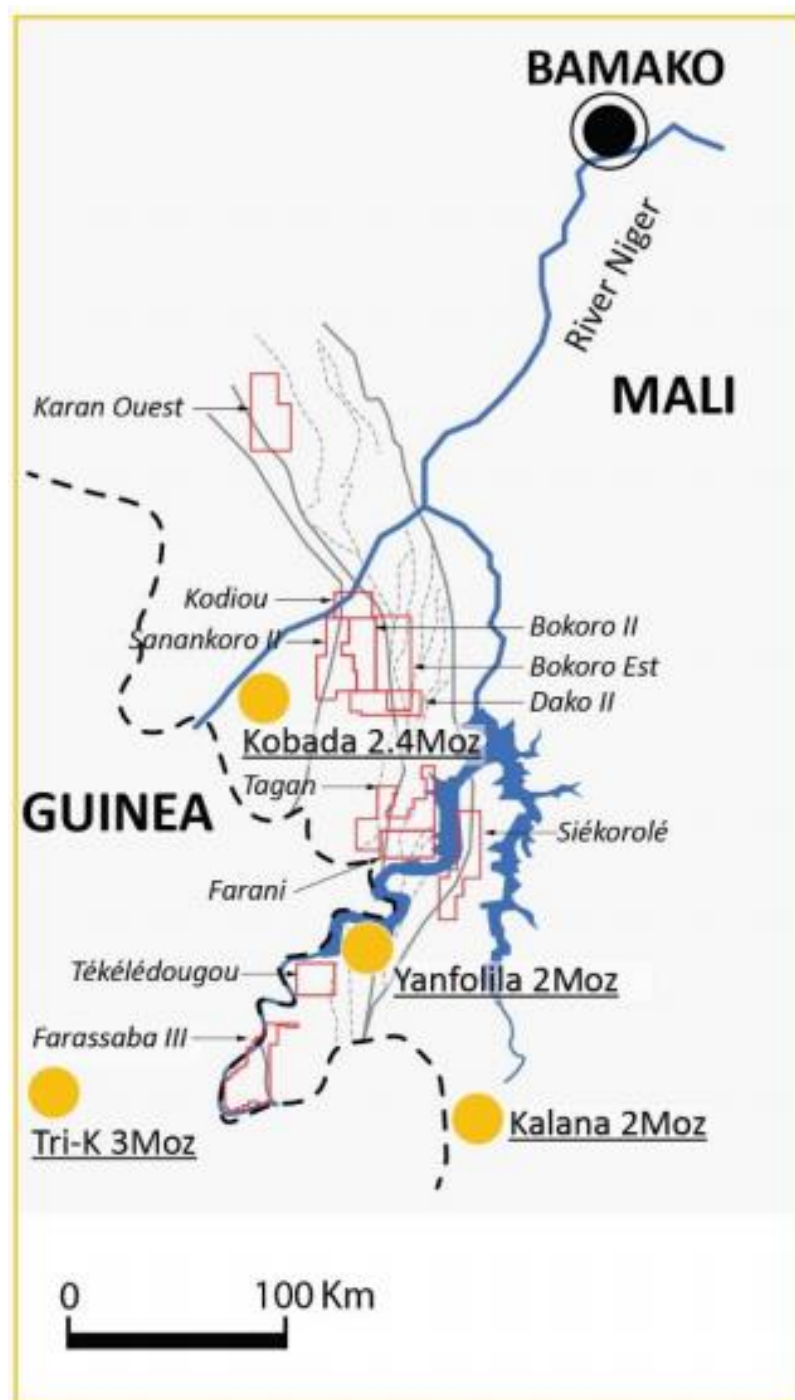
The Yanfolila Gold Project

The Yanfolila Gold Project is located within the Kedougou-Kenieba Inlier Gold Belt (Kenieba Window) within southern Mali, in proximity to several major mines and development projects, including:

- 6.5km southwest of Allied Gold Corp's (Private) 14moz Au Sadiola Gold Mine;
- 17.5km northwest of Endeavour Mining's (EDV.TSX) 2.6moz Au (1.67g/t Au) Kalana Gold Project; and
- 8km from of Hummingbird Resources' (HUM.L) 1.93moz Au (2.32g/t Au) Yanfolila Gold Mine

The Project is comprised of five exploration permits: Tekeledougou; Farani Farassaba III; Tagan; Winza, and Siekorole; (Figure 7), that encompass a total area of approximately 450km².

Figure 7: Location of the Yanfolila Gold Project



Source: https://www.rns-pdf.londonstockexchange.com/rns/9528Z_1-2021-5-26.pdf

Tagan Permit

At Tagan, Cora completed 843m drilling (19 holes) in January 2021, to follow up on the 1,600m programme completed in Q2 2020. These programmes have identified multiple parallel +1 km mineralised structures, which appear to be the northwest extension of Sanioumale West Shear on Hummingbird's Yanfolila Mine permit. Results include:

- 9m at a grade of 1.23g/t Au (TAC0014)
- 24m at a grade of 0.51g/t Au (TAC0015)
- 43m at a grade of 1.20g/t Au (TNAC0047)

- 25m at a grade of 1.10 g/t Au (TNRCD0001)

Winza Permit

At Winza, Cora completed a RAB programme of circa. 1,400m of drilling in Q2 2020. This programme defined the potential for >1,000m strike length and multiple gold zones and returned visible gold from samples, providing further justification for a future reconnaissance exploration drilling programme.

Tekeledougou Permit

At the Tekeledougou Permit, Cora has completed around 4,739m of drilling testing two gold targets associated with large artisanal workings with broad quartz shear structures. Both surface and drilling data indicate potential widths of the steeply dipping sheeted quartz vein structures to be in excess of 30m to 40m. Results include:

- 56m at a grade of 2.2 g/t Au
- 17m at a grade of 6.8 g/t Au
- 1m at a grade of 35.7 g/t Au

2021 Work Programme

A targeted RC programme has been planned at the Yanfolila Gold Project, and will be executed later to fully probe the strike and dip potential of this highly anomalous gold prospect.

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