

The market appears quite optimistic about Kobo Resources maiden drill program and gold

written by InvestorNews | July 5, 2023

It is starting to feel like the gold bulls are finding their voice again, as more and more seem to be appearing on the various business TV networks. Perhaps they are always on as frequently as they are now and I just haven't noticed it, or maybe there is a new wave of hope for the ever-optimistic "gold bugs".

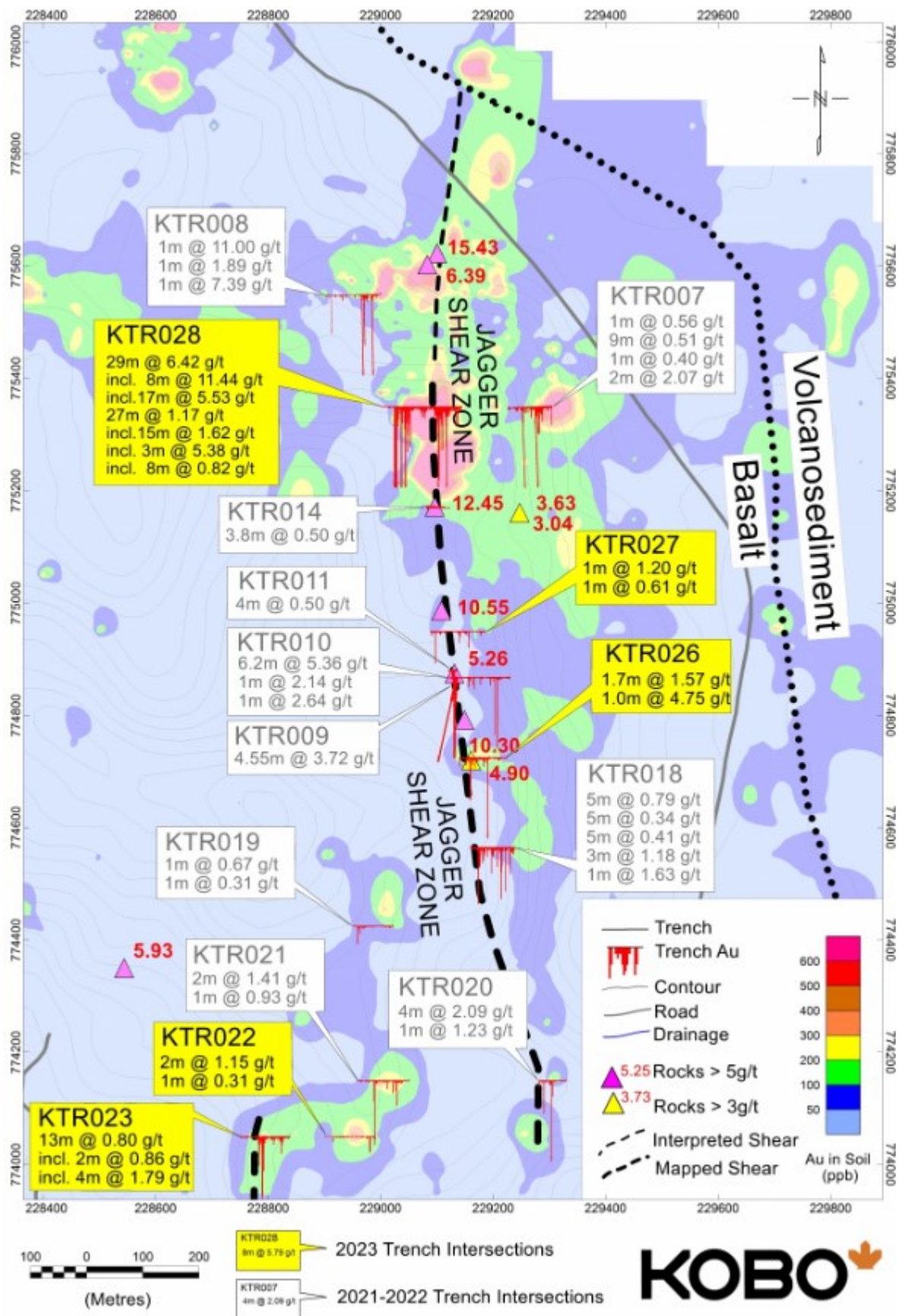
I've heard a few of these experts proclaim that the price of gold mining stocks relative to gold has never been cheaper. I find that hard to believe, but equally hard to disprove without exerting a lot of effort, which I'm not about to do. So let's assume that there is some merit to this claim and at the very least gold mining stocks are reasonably inexpensive on a relative basis to the price of gold. It may not be the most robust thesis, but it's enough for me to look at a gold stock today.

That gold company is [Kobo Resources Inc.](#) (TSXV: KRI). Kobo is a newly listed (shares commenced trading on March 31, 2023) junior Canadian exploration and mining development company focused on acquiring, exploring and developing gold property assets located primarily in Côte d'Ivoire, one of West Africa's most prolific and developing gold districts. This includes the Kossou Permit, which forms the basis of the [Kossou Gold Project](#) and the [Kotobi Permit](#). The 100%-owned Kossou Gold Project is located approximately 20 km northwest of the capital city of

Yamoussoukro and is directly adjacent to one of the region's largest gold mines with established processing facilities. The Company plans to unlock the potential size and scale of Kossou within a 9+ km strike length of highly prospective gold in soil geochemical anomalies with an immediate goal of defining significant near surface zones of gold mineralisation.

Just to be clear, newly listed doesn't mean that Kobo is a new company (well it kinda does) with a brand new asset. As is common in the world of junior mining, Kobo is the result of a reverse takeover of a Capital Pool Corporation (CPC) by an existing, private mining company. To avoid confusion, we'll simply assume that there is only one entity that was private and is now publicly traded called Kobo Resources.

In November 2019, the Company was awarded a research permit (the "Kossou Permit"), which is the Côte d'Ivoire equivalent of a mining lease or claim. Since then, Kobo has undertaken plenty of soil and rock sampling activities, as well as additional geological mapping and trenching activities. The Company has received the structural analysis of the various zones of interest discovered to date which includes potential drill targets. Kobo has confirmed the existence of a significant gold bearing structure at the Jagger Zone highlighted by trench gold values in the most westerly zone featuring 6.42 g/t Au over 29.0 m, while the second and more easterly shear zone featured 1.17 g/t Au over 27 m. The total strike length of the Jagger Zone, including untested geochemical anomalies, stands at 1.85 km and will be the primary target of the upcoming drill program.



Source: Kobo Resources Inc. June 7, 2023 [Press Release](#)

Which gets us to the fun stuff. With all this data in hand and fresh off of [raising C\\$4.6 million](#) as part of a financing related to the reverse takeover, Kobo is now about to undertake its maiden drill program on the Kossou Gold Project. The Company [announced yesterday](#) (July 4th) the commencement of an 8,000 metre reverse circulation (RC) drilling program which will be conducted in two phases. The first phase program will consist of 45 inclined boreholes ranging between 50 m and 230 m depth totaling 4,250 m. A total of 23 holes will be completed at Jagger (2,650 m), 10 holes at the Road Cut Zone (1,000 m), and 12 holes (600 m) in the Contact Zone. The second phase RC drilling totaling 3,750 m will be completed after a short pause in drilling in order to evaluate the results from Phase 1 and to plan the construction of additional drill platforms at the Jagger South Zone.

As I've noted before, I like companies that are [cashed up and ready](#) to drill and Kobo falls into that category. And apparently, I'm not alone, as the news that drilling was commencing vaulted Kobo's share price northward by 28% yesterday. The next few weeks will determine if that optimism is warranted.

Kobo Resources trades at a market cap of C\$30 million.