

# ASX ANNOUNCEMENT

## ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold development company that controls the Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfield in Western Australia.

## DIRECTORS AND MANAGEMENT

Mr Mark Connelly  
NON-EXECUTIVE CHAIRMAN

Mr David Reeves  
MANAGING DIRECTOR

Mr Adam Miethke  
NON-EXECUTIVE DIRECTOR

Mr Keith Coughlan  
NON-EXECUTIVE DIRECTOR

Mr Paul Brennan  
CHIEF OPERATING OFFICER

Mr Richard Hill  
CHIEF FINANCIAL OFFICER

Ms Julia Beckett  
COMPANY SECRETARY

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## ASX : CAI

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**Project Timeline**

1 July 2020

## Major tenders issued and debt advisor appointed

**Definitive Feasibility Study on track for completion this quarter**

### HIGHLIGHTS

- **Key preparations now being made to ensure construction of the Warrawoona Gold Project in the Pilbara starts in 2021**
- **Tenders issued for Open Pit Mining, Tailings Dam Construction, Processing Plant Construction and Power Station Construction contracts**
- **Telstra awarded scope of works to establish communication backbone to site**
- **Initial scope of work awarded for Design and Certification of Village installation**
- **Argonaut appointed as Debt Advisor**

Calidus Resources (ASX: CAI) (Company) is pleased to advise that it has taken key steps to ensure it meets the recently-announced accelerated timetable for development of its Warrawoona Gold Project in WA's Pilbara.

The Company announced earlier this week (see ASX release dated June 29, 2020) that in light of the strong findings of its updated pre-feasibility study, it would now start construction at Warrawoona in the March quarter of 2021. This would enable the Company to capitalise on a strong gold price outlook and robust forecast cashflow at Warrawoona.

Calidus Managing Director Dave Reeves said: "A key pillar of the Feasibility Study is advancing all major contracts to Preferred Tenderer Stage. This will give us current market rates for our Feasibility Study cost estimates, as well as identify the strategic partners we will work with to build and operate the Warrawoona Gold Mine.

"The updated PFS and the Resource and Reserve statement forecast a project payback of just 13 months. As a result, we believe Warrawoona is exceptionally well positioned to secure debt funding. The appointment of Argonaut will allow Calidus to advance project finance discussions in parallel with the finalisation of the Feasibility Study, keeping us on track to start construction early next year.

"We also continue to advance infrastructure that will facilitate a potential early works programme in the December Quarter."

The project timeline is shown the table below. By the end of the 2020 calendar year, Calidus anticipates being fully permitted and Project Finance discussions to be well advanced. This will facilitate commencement of Project construction early in the 2021 calendar year.

| PERMITTING                               | TIMING  | Q3 2020 | Q4 2020 | 2021        |
|--|---------|---------|---------|-------------|
| EPA Recommendation                       | ✓       |         |         |             |
| Ministerial Sign Off                     | Q3 2020 |         |         |             |
| Operating Permits                        | Q4 2020 |         |         |             |
| DEVELOPMENT STUDIES                      |         |         |         |             |
| Updated PFS                              | ✓       |         |         |             |
| Feasibility Study                        | Q3 2020 |         |         |             |
| FINANCING                                |         |         |         |             |
| Appointment of Debt Advisor              | ✓       |         |         |             |
| Indicative Debt Term Sheets              | Q3 2020 |         |         |             |
| Completion of Financing Facility         | Q4 2020 |         |         |             |
| First Drawdown                           | Q1 2021 |         |         |             |
| DEVELOPMENT                              |         |         |         |             |
| Tenders                                  | ✓       |         |         |             |
| Preferred Contactors                     | Q3 2020 |         |         |             |
| Early Works                              | Q4 2020 |         |         |             |
| Commence Construction                    | Q1 2021 |         |         |             |
| First Gold - 10 months from construction |         |         |         | + 10 months |

## Major Contracts

Tenders for the major contracts, comprising a schedule of rates mining contract, tailings dam construction, EPC for the processing plant construction and a build, own, operate (BOO) model for the power station, have been let to the market. At the conclusion of the tender process, submitted costs from the preferred contractors will be used to generate the cost estimates in the Feasibility Study. This ensures the Feasibility Study incorporates cost estimates that reflect the most current market conditions from the preferred contractors that are to be selected to work with Calidus to execute the Project.

## Debt Advisor Appointment

Specialist natural resources investment house Argonaut has been appointed to act as the Company's exclusive debt advisor. There has been a substantial level of interest by potential financiers in the Project and Calidus expects that the appointment of Argonaut, combined with the experience of the Board and management in funding projects, will result in a tailored funding solution that appropriately manages shareholder dilution, cost and risk to the Company.

## Infrastructure Update

Calidus has applied for an early works permit which provides the Company with the option to install the village prior to receiving full project development approval. The village has been purchased<sup>1</sup> and is currently being stored in Marble Bar. A scope of work has been awarded for the initial design and certification phase of the camp installation.

Telstra have been awarded a scope of work for the communications backbone into site, via a Telstra tower located in Marble Bar. This will ensure a reliable communication network is in place prior to construction activities occurring and provide a long term solution for the mine site.

For the purpose of ASX Listing Rule 15.5, the Board has authorised for this announcement to be release.

Refer announcements:

ASX announcement dated 29 June 2020 entitled "Updated PFS Delivers Increased Reserves and Robust Financials".

ASX announcement dated 25 June 2020 entitled "EPA recommends approval of Warrawoona Gold Project".

ASX announcement dated 6 February 2020 entitled "Calidus purchases accommodation village for Warrawoona Project".

**For further information please contact:**

**Dave Reeves**

Managing Director

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## **FURTHER INFORMATION**

Calidus Resources (ASX:CAI) is an ASX listed gold exploration company which controls the entire Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfield in Western Australia.

The Warrawoona Gold Project hosts a total Mineral Resource of 1,495,000 ozs at 1.06 g/t Au (Measured Mineral Resource of 2.3 Mt @ 0.98 g/t Au for 72,000 ozs, Indicated Mineral Resource of 30.4 Mt @ 1.00 g/t Au for 982,000 ozs, and Inferred Mineral Resource of 11.0 Mt @ 1.33 g/t Au for 442,000 ozs) defined over a continuous 5km of strike which remains open in all directions. The Company controls approximately 669 square kilometres of prospective tenements that host over 200 historic workings and includes three satellite Mineral Resources: Fieldings Gully, Copenhagen and Coronation.

A robust PFS, initially delivered in July 2019, has now been updated and shows a base case of Warrawoona producing on average 85,000 ozs over the first 6 years, with a total production of 623,000ozs over an 8 year mine life, at an AISC of A\$1,251/oz. A feasibility study and permitting is now underway with construction planned to commence in the March Quarter of 2021.

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## **Forward Looking Statements**

*This announcement includes certain "forward looking statements". All statements, other than statements of historical fact, are forward looking statements that involve risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements. Such information contained herein represents management's best judgement as of the date hereof based on information currently available. The Company does not assume any obligation to update forward looking statements.*