

# 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

[calidus.com.au](http://calidus.com.au)

## ASX : CAI

+61 8 6245 2050

[info@calidus.com.au](mailto:info@calidus.com.au)

Suite 12, 11 Ventnor Ave  
West Perth WA 6005  
AUSTRALIA

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## Calidus on track for completing Warrawoona DFS and Permitting

*Study update continues to confirm Warrawoona as a high-margin gold project and key appointments to support study made*

### HIGHLIGHTS

- DFS for the Warrawoona Gold Project is on track for completion in the December quarter this year following achievement of key milestones
- GR Engineering Services Limited (ASX: GRES) awarded the Process Plant Engineering Study for the DFS
- Comminution Circuit finalised comprising a flexible but low-risk conventional primary crush followed by SAG and Ball mill (SAB)
- Tender for village construction issued to facilitate potential early works construction in December quarter
- Activities scheduled for the coming quarter:
  - Resource and Reserve update
  - Specialist debt advisers to be appointed
  - Drilling and regional exploration to resume, including 700m-deep holes at Klondyke to test the orebody at depth

Calidus Resources (ASX: CAI) is pleased to advise that it has passed a series of key milestones which ensure the Company is well on track to complete the Definitive Feasibility Study on its Warrawoona Gold Project in the December quarter of this year.

The Pre-feasibility Study showed Warrawoona is set to be a robust project based on annual production of ~100,000oz at an all-in sustaining cost of A\$1,159/oz, generating strong margins, enhanced by the current Australian Dollar gold price environment.

Calidus Managing Director Dave Reeves said “the Definitive Feasibility Study to support the development of Warrawoona is progressing to plan”.

“As part of the DFS process, we are de-risking the operations by choosing conservative approaches to all aspects of the project. This is illustrated by our decision to use a SAG mill and ball mill for grinding to ensure grind size is easily met and providing greater flexibility for treatment of future ore sources.”

“We are also preparing to mobilise drill rigs to site to target the Klondyke Shear at a depth of 500m to 600m below surface. Our geologists are very confident that the system will extend to this level and beyond, which could underpin a long-life mine given that our resource is only drilled to an average of 230m below surface.”

## Engineering Study Award

GRES has been awarded the scope of work for the Process Plant and associated infrastructure for the DFS. GRES completed the Pre-Feasibility Study for the Warrawoona Gold Project and is an ASX-listed Engineering company that has successfully managed nineteen gold Feasibility Studies and the construction of three gold processing plants in Western Australia in the last two years.

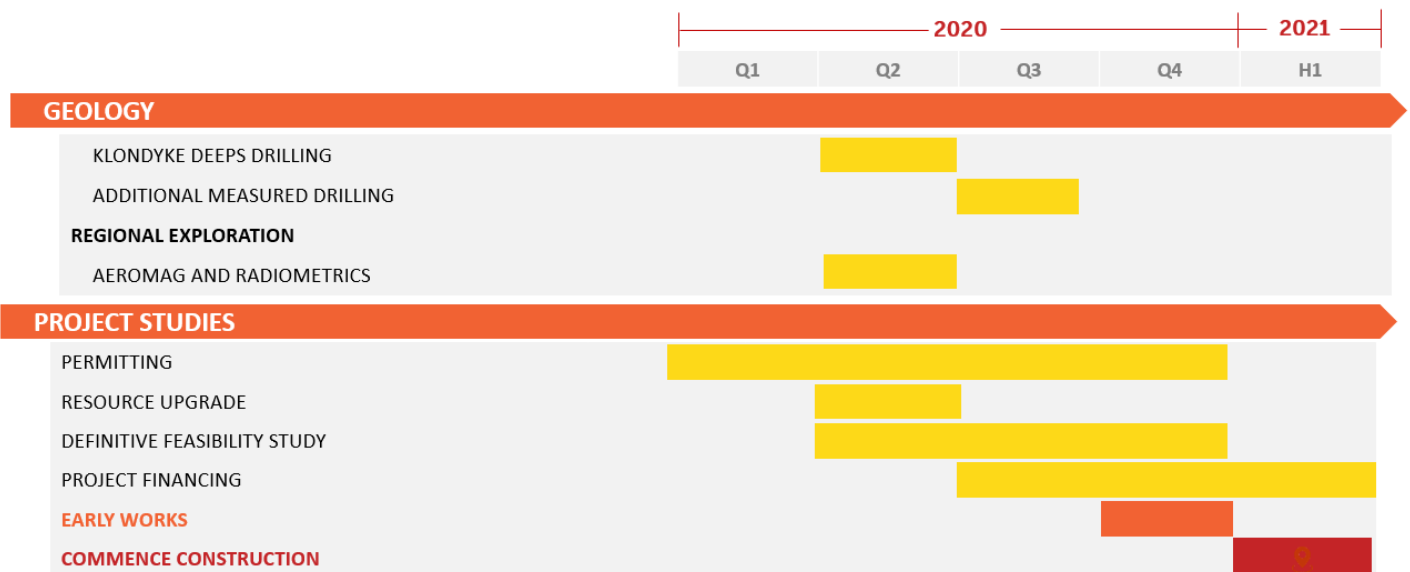
## Comminution Circuit Selection

The Pre-Feasibility Study contemplated a primary crush and single stage SAG circuit (SSAG). A SAB has been chosen for the DFS as this circuit will provide maximum flexibility for future ore sources and minimise throughput and grind size risk. A small capital increase is anticipated, but this will not be material to the Project economics.

## Resource and Reserve Update

Calidus had previously flagged an Open Pit Resource update in the March Quarter and an Underground Resource update in the September Quarter. To adequately evaluate the timing of the commencement of the underground as part of the Feasibility Study, Calidus felt it prudent to update the Resource for both the Open Pit and Underground simultaneously. As such, Calidus now intends to release a new global resource in Q2 which may also assist in accelerating the delivery of the DFS.

A revised Project timeline is shown in the table below



## Environmental Approvals

As per the ASX announcement on 25<sup>th</sup> February 2020, an Accredited Process has been nominated for the project assessment under the Federal EPBC Act. This means the WA Office of the Environmental Protection Agency (EPA) will assess the Project for both State and Federal Acts resulting in a streamlined approval process for Warrawoona. A site visit was completed on the 26<sup>th</sup> and 27<sup>th</sup> February with representatives from both the State and Federal Government agencies.

## Other Activities

Calidus has also undertaken the following additional activities this quarter:

- Tender documents have been issued for the village installation with a view to potentially installing the village under an early works approval later this year.
- A well-regarded independent consultant has been appointed to assist with energy requirements and negotiating the expected Build Own Operate model for the Power Station.
- Calidus has requested proposals from specialist debt advisors to assist the Company to undertake a competitive process to secure one or more financing partners for the provision of debt facilities for the Warrawoona project. It is expected a debt advisor will be appointed in the June quarter.
- Infrastructure options are well advanced on the tails dam, aerodrome and water supply.

## Klondyke Deeps Drilling

During the coming quarter, Calidus is planning to drill two deep holes, each with a wedge “daughter” hole drilled off it, beneath the centre of the Klondyke Resource to test the continuity of mineralisation at a depth of 500m to 600m below surface. RC pre-collars will be undertaken to a depth of 400m to 450m before swapping to diamond drilling. The programme is expected to take 2 months to complete.

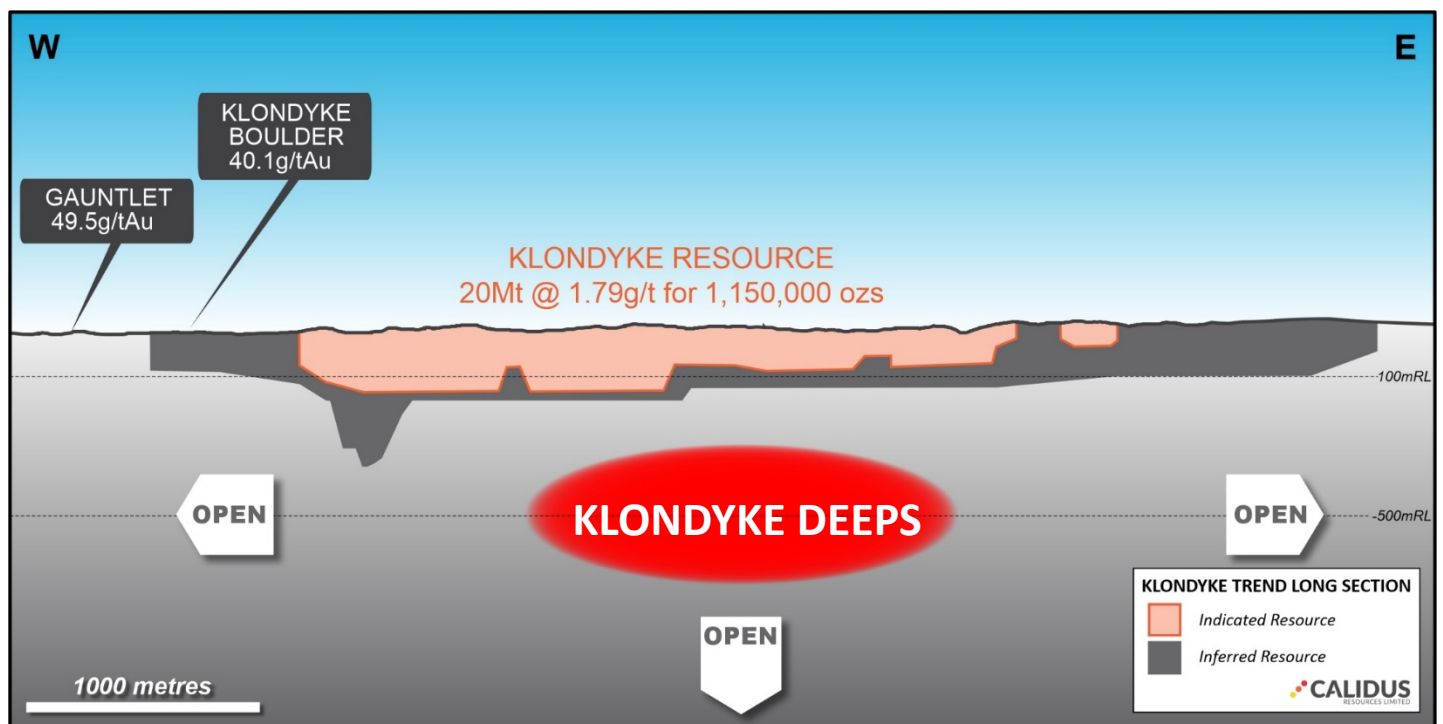


Figure 1: Klondyke Deeps Drilling.

## NEXT STEPS

Work planned for the next quarter includes:

- Upgraded Mineral Resource and Ore Reserve;
- Deep drilling at Klondyke;
- Completion of Feasibility Level of Detail Metallurgical Test work;
- Finalising Plant throughput rate;

- Detailed mine design and schedule to facilitate mining tenders in September quarter;
- Preparation of technical specification for major tenders including Tails Dam, Aerodrome, and Power Station;
- Preparation of Works Approval and Project Management Plan to complete Project Permitting (advance in parallel with Environmental Approvals)
- Appoint Debt Advisor to advance Project Finance.

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

For further information please contact:

**Dave Reeves**

Managing Director

✉ [dave@calidus.com.au](mailto:dave@calidus.com.au)