

Bardoc Gold Optimisation Study Validated

Bardoc Gold (ASX: BDC)

Reported the results of the successful Cash-flow Optimisation Study conducted on its flagship 100%-owned 3.07 M oz Bardoc Gold Project near Kalgoorlie in Western Australia.

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Bardoc Gold	ASX : BDC
Stage	Exploration
Metals	Gold
Market cap	A\$115 m @ 6.6 c
Location	Kalgoorlie, Western Australia



Bardoc Gold – Optimisation Study Validates The Plan to Accelerate Production Growth and Increase Cashflow

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OPTIMISATION STUDY

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reschedules the mine plan, bringing forward production from its cornerstone Aphrodite deposit.

The strategy to bring forward mining of cornerstone Aphrodite deposit will lift production by 80,000oz in the first five years and see Bardoc become a 150,000ozpa producer by year-three.

Key Points:

- Bardoc completes successful Cashflow Optimisation Study.
- The Study shows that an additional 80,000oz (14%) will be produced in the first five years of operations by expediting development of the Aphrodite deposit and relocating the processing plant there.
- The Project's key forecast metrics are:
 - Life-of-mine (LOM) pre-tax cash-flow of A\$795M (at a A\$2,450/oz gold price);
 - Pre-tax NPV (6%) of A\$524M and 42.8% IRR;
 - Pre-production capital of A\$232M (including A\$22.7M of processing plant contingency for higher material and labour costs);
 - LOM All-In Sustaining Costs (AISC) of A\$1,301/oz.
- Operationally simpler mine plan with earlier establishment of the flotation circuit to de-risk the project.
- Final Investment Decision scheduled for December 2021.

The key benefits of the proposal are:

- ✓ Increases gold production in the first five years;
- ✓ Allows mining of higher grades at Aphrodite at an early stage of the production profile;
- ✓ Provides improved cash-flows to deliver earlier repayment of debt;
- ✓ Allows for continuing exploration at Zoroastrian with a view to increasing Resources ahead of mining;
- ✓ Allows for the highly prospective new underground lodes (Omega, Sigma and Gamma Lodes) at Aphrodite to be considered for inclusion earlier in the project's life; and
- ✓ Potentially reduces risk to investors and financiers.

The results of the Study have validated Bardoc's proposed plan to increase the forecast gold production rate, margins and free cash-flow during the first five years of operations by bringing forward production from the Aphrodite deposit in the mine schedule.

As part of this revised strategy, the proposed processing facility would be located at Aphrodite, rather than next to the Zoroastrian and Excelsior deposits. This provides the opportunity to extract further value from the 1.6Moz Aphrodite Project and, in the future, from the highly prospective

Omega, Sigma and Gamma Lodes, where recent exploration success has highlighted the strong potential for significant Resource growth.

The Cash-flow Optimisation Study has concluded that the revised strategy will increase total production in the first five years by 80,000oz. It will also see Bardoc reach mid-tier producer status sooner, with production forecast to ramp-up to +150,000ozpa by year three.

Importantly, the new plan will allow the Company to reap the benefits of underground mine extensions earlier in the project's life.

As part of the Study, Bardoc has taken into account the rising costs across the mining industry in its revised financials. Despite these forecast increases, the project generates extremely robust margins of over A\$1,000/oz at current prices.

The Company believes there are further significant improvements to be made through operating efficiencies to improve the cost profile of the operation.

Bardoc Gold management comments

"The new strategy will deliver increased production, cash-flow and financial returns."

“Bringing forward development of the cornerstone Aphrodite deposit will see Bardoc reach the 150,000 oz pa gold production milestone by year three.

“With further potential extensions of the Zoroastrian and Aphrodite undergrounds, we can ensure this profile continues well into the future.

“The plan also de-risks the project by bringing forward the capital expenditure for the flotation circuit and increasing gold production by 80,000oz in the first five years.

“The increased cash-flows achieved in the first five years of operations will improve the debt repayment profile and ensures Bardoc can return value to shareholders earlier.”

Bardoc Gold’s Chief Executive Officer, Mr Robert Ryan

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Disclosure

At the time of writing the author does not holds shares in Bardoc Gold, bought in the market at the prevailing price on the day of purchase.

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