Calidus Enhances Cash Position and Production Upside With Purchase of Nullagine Gold Project

Calidus Resources (ASX:CAI)

Anounced that it has agreed to acquire the Nullagine Gold Project in the Pilbara from Novo Resources Corp. (ASX:NVO).

Calidus has also agreed to licence the use of the Nullagine camp infrastructure to Atlas Iron Pty Ltd. for $14m upfront consideration.



Calidus Nullagine gold project, Pilbara, WA.

Calidus Resources	ASX: CAI
Stage	Production, exploration
Metals	Gold, lithium
Market Cap	A$125 m @ A$ 20.5c
Location	Pilbara, Western Australia

Calidus enhances cash position and production upside with purchase of Nullagine Gold Project

Calidus Resources Limited (ASX:CAI) (Calidus or the Company) is pleased to announce that it has agreed to acquire the Nullagine Gold Project in the Pilbara from Novo Resources Corp. (ASX:NVO).

Calidus has also agreed to licence the use of the Nullagine camp infrastructure to Atlas Iron Pty Ltd. for $14m upfront consideration.

Highlights

Calidus to pay upfront consideration of $250,000 in shares, licence the
use of the Nullagine camp for $14m upfront consideration, and
investigate both trucking oxide resources to Warrawoona and a larger
sulphide gold production strategy in conjunction with the adjacent high
grade Blue Spec deposit

CAUTIONARY STATEMENT: The estimates of Mineral Resources at Beatons Creek were reported by Novo Resources Corp. (“Novo”) in its prospectus dated 2 August 2023, and lodged on the ASX on 7 September 2023, with an effective date of 30 June 2022 as a JORC 2012 compliant Resource.

The other Mineral Resources at Nullagine were reported by Millennium Minerals Limited (“Millennium”) on 4 February 2019, with an effective date of 31 December as a JORC 2012 compliant Resource by a Competent Person.

A competent person engaged by Calidus has not done sufficient work to confirm these estimates. It is possible that following evaluation and/or further exploration work the currently reported estimates may materially change and hence will need to be reported afresh by Calidus under and in accordance with the JORC Code 2012.

Calidus has published the Mineral Resource Estimates for the purposes of compliance with Listing Rule 3.1, but expressly disclaims the Mineral Resource Estimates on the basis it has not conducted sufficient diligence to be able to confirm the accuracy of the Mineral Resource Estimates.

Calidus has commenced updating all these JORC 2012 Resources which it will release to market when completed.

Benefits

• Nullagine hosts reported JORC 2012 Mineral Resources of 26.7Mt @ 1.67g/t for
1.44Moz, a 1.8Mtpa processing plant and associated infrastructure, 230-person
camp, mobile equipment and a large quantity of equipment that can be used at
Calidus' Warrawoona Gold Project.
• Calidus will immediately assess the economic feasibility of processing high-grade
oxide ore from Nullagine at the Warrawoona mill to increase short and mediumterm production; this builds on Calidus' strategy to process the high-grade Blue Bar
and Bulletin regional deposits at Warrawoona.
• Calidus will assess combining Nullagine sulphide deposits with material from Blue
Spec, which hosts a Resource of 190,000oz @ 24g/t, into a larger sulphide production
scenario using existing infrastructure at Nullagine
• Calidus now controls the majority of significant gold deposits in the East Pilbara in
its 1,153sqkm landholdings with total Mineral Resources of 2.84Moz and installed
milling capacity of 4.2mtpa
• Nullagine acquisition cost is $250,000 in Calidus shares and $5M in deferred
production milestones payments
• Calidus has signed a Binding Agreement for the 10-year licence of the use of the
Nullagine camp infrastructure to Atlas Iron for an upfront cash payment of A$14M,
significantly enhancing Calidus' liquidity position. Calidus retains the right to use 50
rooms at the camp.

Calidus Managing Director Dave Reeves said:

“This is an outstanding deal which will deliver substantial benefits to Calidus in terms of production and its cash position.

“Nullagine has near surface, high-grade oxide resources which we will immediately assess with a view to trucking to our Warrawoona plant. This is consistent with leveraging our existing infrastructure and unlocking stranded gold resources in the Pilbara.

“We will also get an immediate cash injection by licensing the use of the Nullagine camp to Atlas Iron for $14m upfront.

“And we will look to combine the sulphide deposits at our Blue Spec project with Nullagine and use the existing Nullagine infrastructure as the basis of a processing route for this material.

“This means the acquisition offers three substantial value-creating opportunities for Calidus in return for an upfront payment of $250,000 in Calidus shares”.

To read the full news release, please click HERE

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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

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Disclosure

At the time of writing the author holds shares in **Calidus resources.**

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