



2 SEPTEMBER 2021

ASX/MEDIA RELEASE

Bardoc Gold Project, WA

## OPTIMISATION STUDY VALIDATES PLAN TO ACCELERATE PRODUCTION GROWTH AND INCREASE CASH-FLOW

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.

Bardoc Gold (ASX: BDC) is pleased to report the results of the successful Cash-flow Optimisation Study conducted on its flagship 100%-owned 3.07Moz Bardoc Gold Project near Kalgoorlie in Western Australia.

### 1 OPTIMISATION STUDY

As foreshadowed on 3 August 2021, Bardoc has undertaken a Cashflow Optimisation Study which re-schedules the mine plan, bringing forward production from its cornerstone Aphrodite deposit. 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.

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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.

## **2 MANAGEMENT COMMENTS**

Bardoc Gold's Chief Executive Officer, Mr Robert Ryan, said the new strategy would deliver increased production, cash-flow and financial returns.

*"Bringing forward development of the cornerstone Aphrodite deposit will see Bardoc reach the 150,000ozpa 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.*

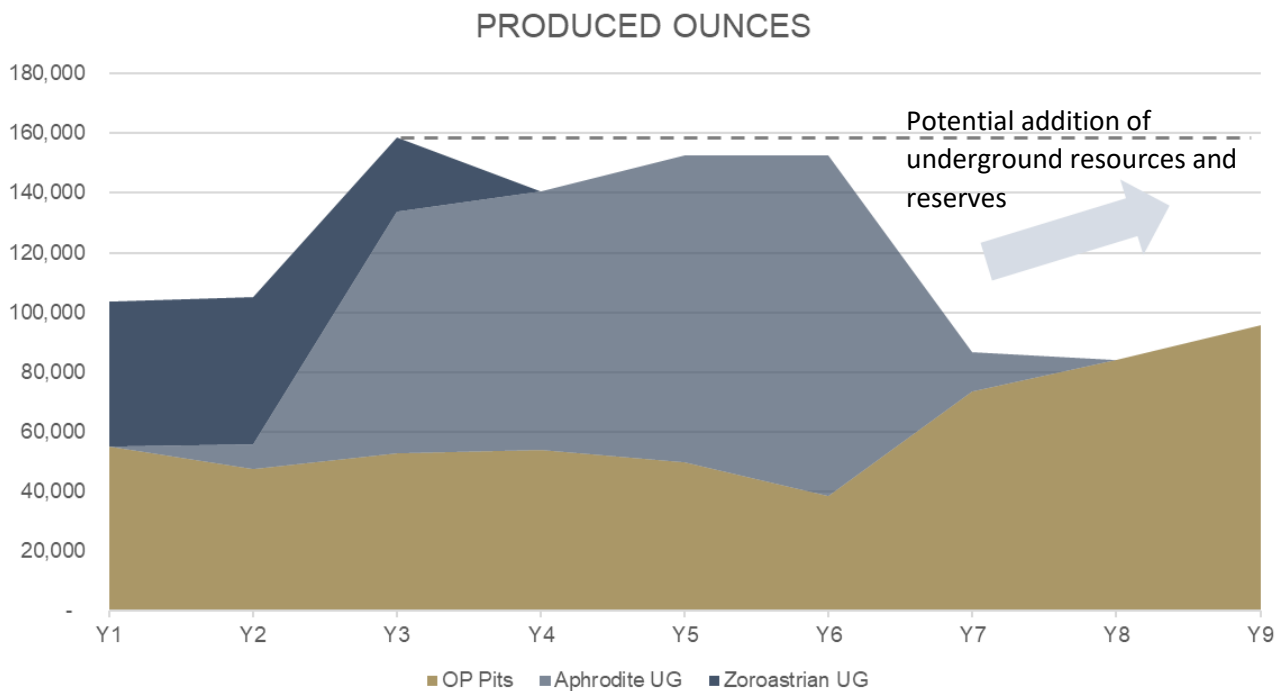
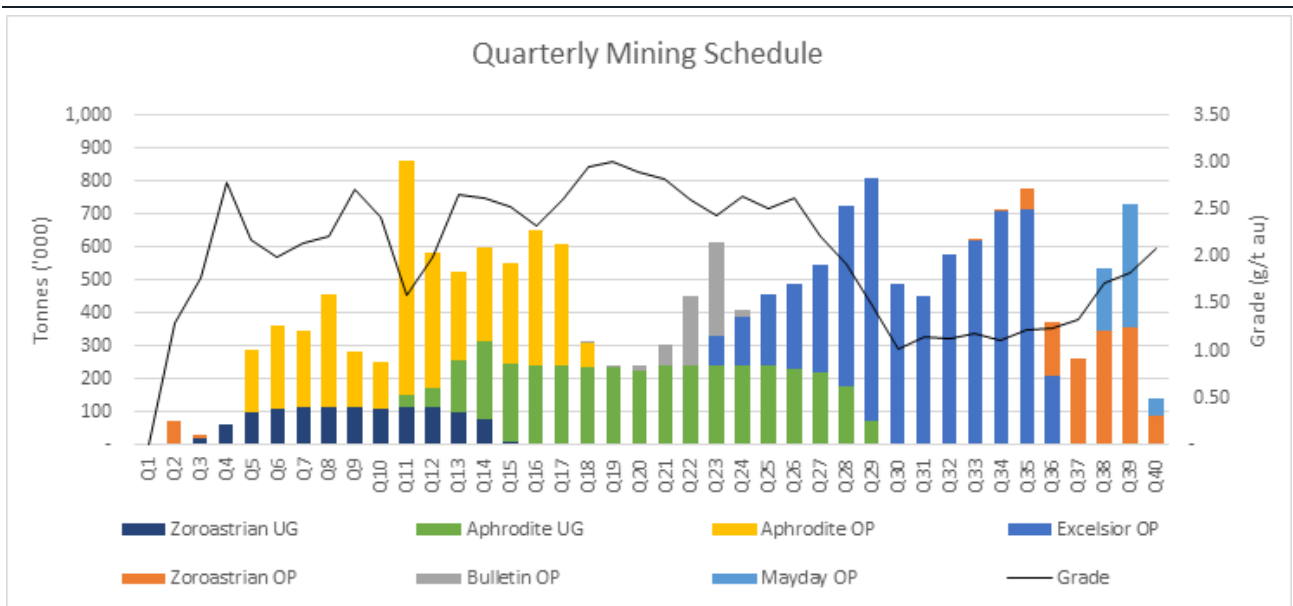
*"The plan also de-risks the project by bringing forward the capital expenditure for the flotation circuit and increasing gold production by 80,000oz in the first five years.*

*"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."*

## **3 MINE RESCHEDULING**

Changes to the mine schedule have focused on bringing Aphrodite forward in the plan and mining the high-grade underground deposits.

These mine schedule changes increase the forecast production rate to +150,000ozpa from year three of operations – a production rate the Company intends to sustain through potential future Resource and Reserve growth at the Zoroastrian and Aphrodite underground mines.



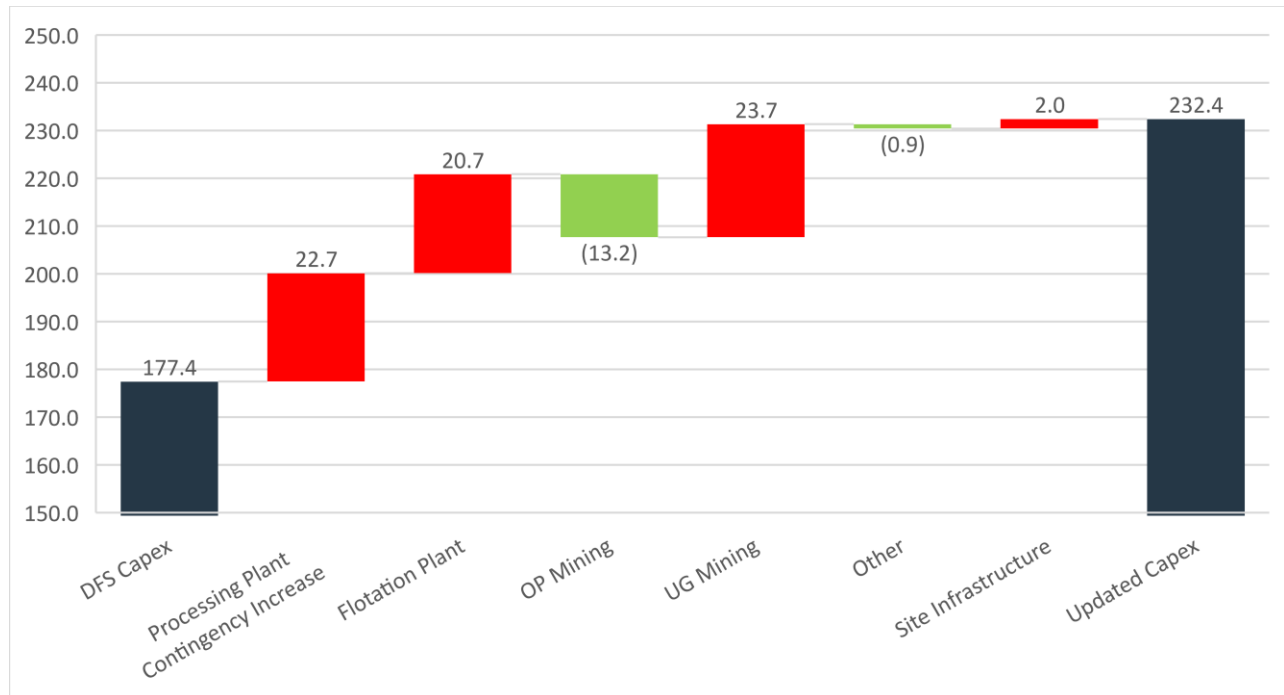
#### 4 CAPITAL COST ESTIMATE UPDATE

Since the release of the DFS and processing plant design in March 2021, key input prices of steel and labour have increased significantly. To reflect these significant input price changes, Bardoc has increased the contingency for the Processing Plant construction up to \$22.7 million. With the recent decline in iron ore prices and steel prices, there is potential to reduce the contingency closer to making a Final Investment Decision (FID), which is scheduled for Q4 2021.

The pre-production CAPEX also now includes \$20.7 million for the upfront construction of the flotation plant in year 1 (previously year 2) as a result of bringing forward development of the cornerstone Aphrodite deposit ahead of Zoroastrian and Bulletin Open Pits.

The pre-production CAPEX also contains an offset between Open Pit Mining (-\$13.2 million) and Underground Mining (+\$23.7 million) from rescheduling Aphrodite and Zoroastrian which when coupled with industry cost increases has led to a net increase in Pre-Production CAPEX of \$10.5 million.

## Changes in Pre-Production Capex



## 5 OPERATING COST UPDATE

Bardoc has reviewed salaries, contractor and consumable costs based on rising industry costs, resulting in a 9% increase in AISC.

The Company believes that there are operational efficiencies to be gained within the new plan to reduce operating costs. Mining contractor tenders will commence in the coming weeks.

### Operating Cost Estimates

Item	March 21 DFS Total (A\$/oz)	August 21 Optimisation Total (A\$/oz)	Variance (\$/oz)	Variance (%)
OP Mining	332	347	15	4%
UG Mining	245	260	15	6%
Surface Haulage	31	44	13	42%
Processing	240	257	17	7%
Concentrate	36	40	4	12%
G&A	55	65	10	17%
Royalties	92	100	8	9%
Sustaining Capex	157	188	31	19%
<b>All In Sustaining Costs</b>	<b>1,188</b>	<b>1,301</b>	<b>113</b>	<b>9%</b>

## 6 VALUATION SENSITIVITIES

Financial analysis was undertaken utilising the new capital and operating assumptions. All other material assumptions and technical parameters underpinning the DFS continue to apply and have not materially changed.

Item	Unit	March DFS	August 2021 Optimisation			
		@ \$2,250/oz	@ \$2,250/oz	@ \$2,350/oz	@ \$2,450/oz	@ \$2,550/oz
Project Cashflow	A\$M	740	592	693	795	896
Pre-tax NPV <sub>6</sub>	A\$M	479	374	449	524	599
Pre-tax IRR	%	41%	33%	38%	43%	47%

## 7 DEBT FINANCING

Based on discussions with potential financiers, Bardoc believes the revised mine scheduling with its Cashflow Optimisation Strategy will be positively received and strengthen its lending position.

To date Bardoc has received a number of indicative term sheets from leading Australian and international lenders. The Independent Technical Expert Review is well progressed for debt financing to be completed in Q4 2021.

## 8 NEXT STEPS

- Detailed engineering design for tailings dam and processing plant underway.
- Debt discussions well advanced with Australian and international financial institutions.
- Mining contract tenders to be issued in Q4 2021.
- Diamond core drilling ongoing at Zoroastrian targeting Reserve and Resource upgrades.

Approved for release by

**Robert Ryan**  
Chief Executive Officer

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## **BARDOC GOLD PROJECT – BACKGROUND**

The Bardoc Gold Project runs contiguously north for 40km in the Eastern Goldfields. There are four main deposits and a multitude of smaller projects within the 250km<sup>2</sup> land-holding, providing a large Resource base and excellent exploration potential within the prolific Norseman-Wiluna greenstone belt and junction of the Bardoc Tectonic Zone (BTZ) and the Black Flag Fault (BFF).

These two deep-seated crustal structures host many multi-million-ounce deposits, including the world-renowned Golden Mile in Kalgoorlie.

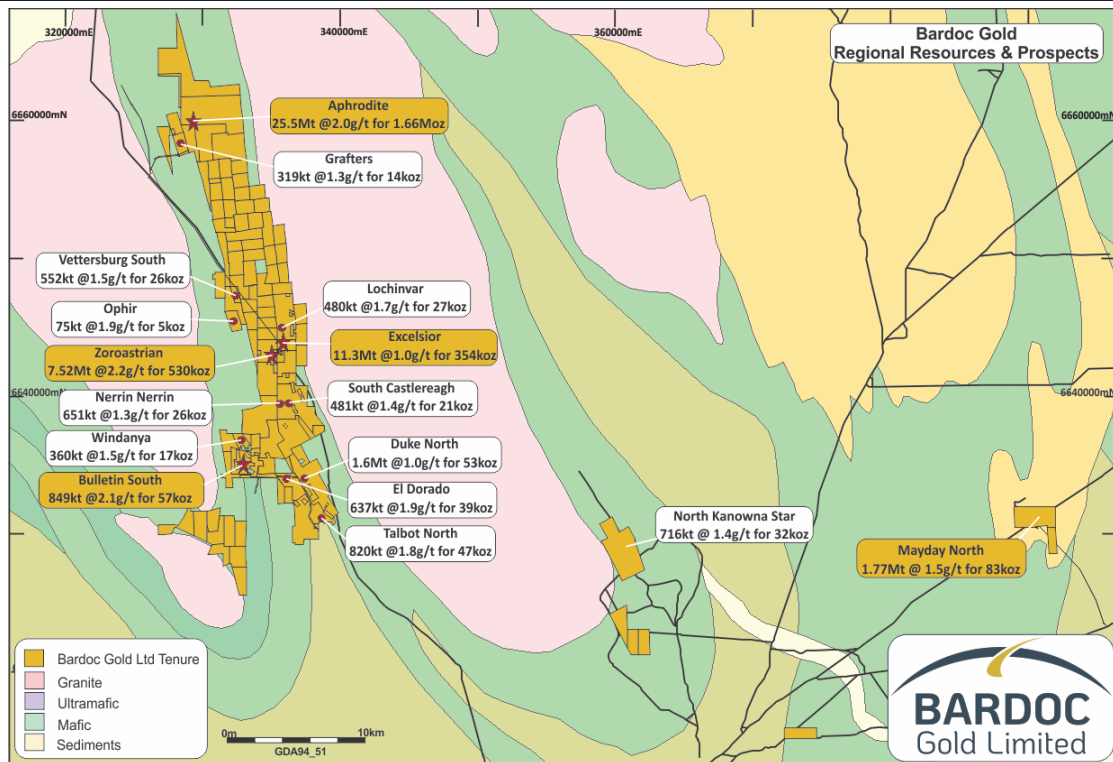


Figure 1: Bardoc Gold Project, tenement location plan.

## GLOBAL RESOURCE – BARDOC GOLD PROJECT

BARDOC GOLD PROJECT: RESOURCES														
Deposit	Type	Cut-Off (g/t Au)	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES		
			Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)
Aphrodite	OP	various	-	-	-	13,458	1.5	666	5,321	1.3	229	18,780	1.5	895
Aphrodite	UG	1.7	-	-	-	4,156	3.7	497	2,571	3.3	271	6,726	3.6	768
<b>Aphrodite</b>	<b>TOTAL</b>		-	-	-	<b>17,614</b>	<b>2.1</b>	<b>1,163</b>	<b>7,892</b>	<b>2.0</b>	<b>500</b>	<b>25,506</b>	<b>2.0</b>	<b>1,663</b>
Zoroastrian	OP	0.3	-	-	-	3,987	1.8	231	1,918	1.5	90	5,904	1.7	321
Zoroastrian	UG	1.6	-	-	-	800	4.7	120	812	3.4	90	1,612	4.0	209
<b>Zoroastrian</b>	<b>TOTAL</b>		-	-	-	<b>4,787</b>	<b>2.3</b>	<b>351</b>	<b>2,730</b>	<b>2.0</b>	<b>180</b>	<b>7,516</b>	<b>2.2</b>	<b>530</b>
Excelsior	OP	0.3	-	-	-	9,645	1.0	313	1,685	0.8	41	11,330	1.0	354
Mayday North	OP	0.5	-	-	-	1,303	1.6	66	431	1.2	17	1,778	1.5	83
Talbot North	OP	0.4	-	-	-	698	1.8	40	123	1.8	7	820	1.8	47
Bulletin South	OP	0.4	152	2.2	11	546	2.1	36	150	2.1	10	849	2.1	57
Duke North	OP	0.4	-	-	-	851	1.0	28	795	1.0	25	1,646	1.0	53
Lochinvar	OP	0.4	-	-	-	423	1.8	24	57	1.6	3	480	1.7	27
El Dorado	OP	0.5	-	-	-	203	1.4	9	383	1.5	18	586	1.5	28
El Dorado	UG	2.0	-	-	-	-	-	-	51	6.5	11	51	6.5	11
<b>El Dorado</b>	<b>TOTAL</b>		-	-	-	<b>203</b>	<b>1.4</b>	<b>9</b>	<b>434</b>	<b>2.1</b>	<b>29</b>	<b>637</b>	<b>1.9</b>	<b>39</b>
North Kanowna Star	OP	0.5	-	-	-	157	1.6	8	559	1.3	24	716	1.4	32
South Castlereagh	OP	0.5	-	-	-	111	1.6	6	369	1.3	15	481	1.4	21
Mulwarrie	OP	0.5	-	-	-	-	-	-	881	2.8	79	881	2.8	79
Nerrin Nerrin	OP	0.5	-	-	-	-	-	-	651	1.3	26	651	1.3	26
Vettersburg South	OP	0.6	-	-	-	-	-	-	552	1.5	26	552	1.5	26
Windanya	OP	0.6	-	-	-	-	-	-	360	1.5	17	360	1.5	17
Grafters	OP	0.5	-	-	-	-	-	-	319	1.3	14	319	1.3	14
Ophir	OP	0.6	-	-	-	-	-	-	75	1.9	5	75	1.9	5
<b>TOTAL RESOURCES</b>			<b>152</b>	<b>2.3</b>	<b>11</b>	<b>36,338</b>	<b>1.7</b>	<b>2,044</b>	<b>18,063</b>	<b>1.8</b>	<b>1,018</b>	<b>54,597</b>	<b>1.8</b>	<b>3,073</b>

Note: Differences may occur due to rounding. Full details of the Mineral Resource estimate were provided in the Company's ASX Announcement dated 29 March 2021.

**GLOBAL RESERVE – BARDOC GOLD PROJECT**

PROJECT	PROBABLE			TOTAL		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold
	(kt)	(g/t)	(koz)	(kt)	(g/t)	(koz)
Excelsior OP	5,690	1.11	203	5,690	1.1	203
Zoroastrian North OP	365	2.10	25	365	2.1	25
Zoroastrian Central OP	276	1.78	16	276	1.8	16
Zoroastrian South OP	417	1.80	24	417	1.8	24
Bulletin South OP	561	1.95	35	561	2.0	35
Aphrodite Stage 1 OP	1,050	1.82	61	1,050	1.8	61
Aphrodite Stage 2 OP	2,916	1.80	168	2,916	1.8	168
Mayday OP	622	1.62	32	622	1.6	32
Zoroastrian UG	839	3.63	98	839	3.6	98
Aphrodite UG	3,139	3.41	344	3,139	3.4	344
<b>TOTAL</b>	<b>15,874</b>	<b>2.0</b>	<b>1,007</b>	<b>15,874</b>	<b>2.0</b>	<b>1,007</b>

Note: Differences may occur due to rounding. Full details of the Ore Reserve Estimate were provided in the Company's ASX Announcement dated 29 March 2021.

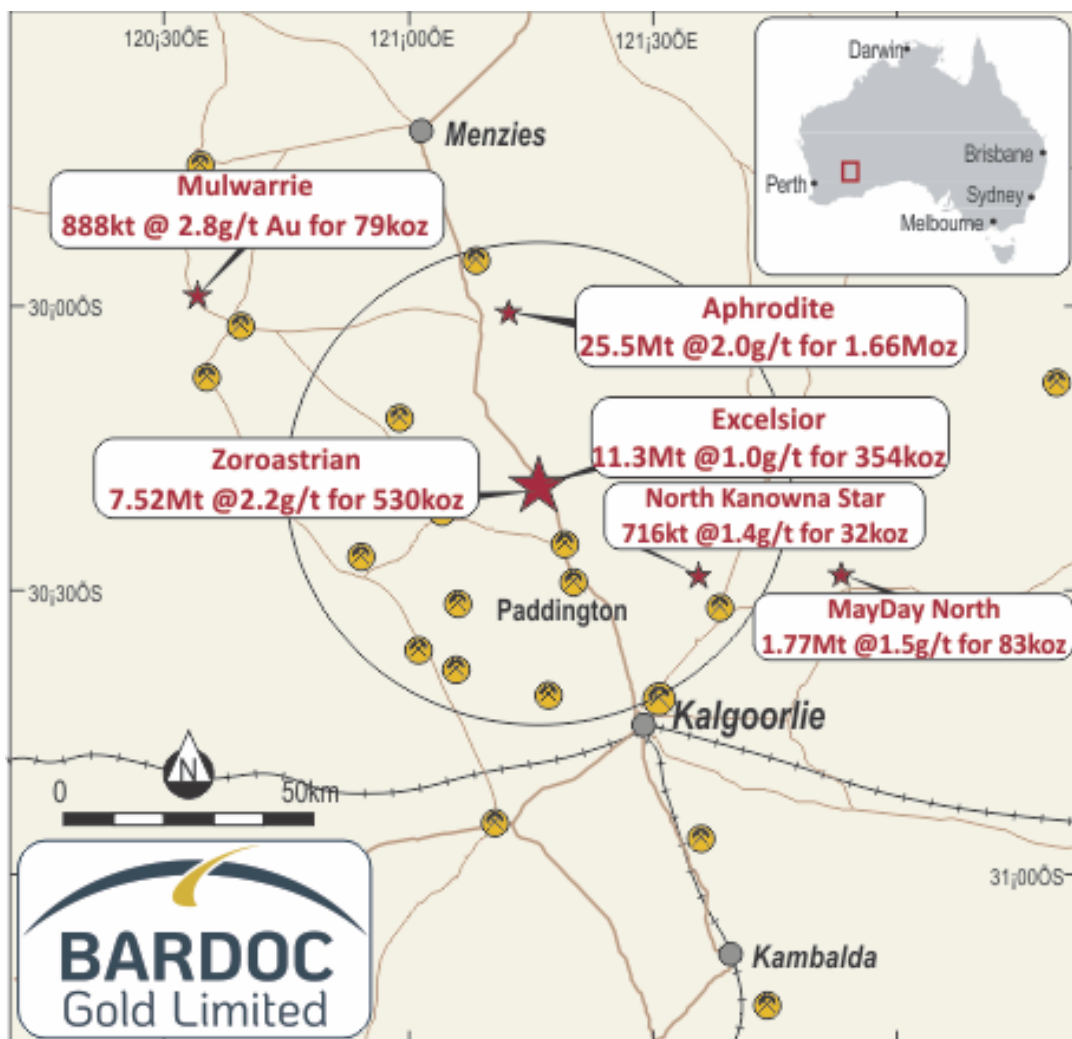


Figure 2: Project Location Plan

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## DISCLAIMERS AND FORWARD-LOOKING STATEMENTS

This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "target", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

The forward-looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Bardoc and the industry in which they operate. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward-looking statements. The past performance of Bardoc is no guarantee of future performance.

For a more detailed discussion of risks and other factors, see the Company DFS Report dated 29<sup>th</sup> March 2021 and the Company ASX Releases.

None of Bardoc's directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

### Competent Person's Statements – Mineral Resources

*The Company confirms it is not aware of any new information or data that materially affects the information included in the 29 March 2021 Definitive Feasibility Study which included an updated Mineral Resource Estimate and is available at [www.bardocgold.com](http://www.bardocgold.com). The Company confirms that in relation to the Bardoc Resource Estimate all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 29 March 2021.*

### Competent Person's Statements – Ore Reserves – Open Pit & Underground

*The information in this report relating to Ore Reserves has been extracted from the Definitive Feasibility Study and Ore Reserve statement dated 29<sup>th</sup> March 2021 and available to review at [www.bardocgold.com](http://www.bardocgold.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Ore Reserves Statement and that all material assumptions and technical parameters underpinning the estimates in the Ore Reserves Statement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings presented have not been materially modified from the Ore Reserves Statement made on 29 March 2021.*