



# CASSIDY GOLD CORP.

June 2, 2009

TSXV – CDY

## Cassidy Proposes Financing and 1 for 3 Share Consolidation

Cassidy Gold Corp (the “Company”) has arranged a non-brokered private placement of up to 20,000,000 units at a price of \$0.05 per unit for aggregate proceeds of up to \$1,000,000. Each unit will consist of one common share of the company and one non-transferable share purchase warrant, each warrant entitling the holder to purchase an additional common share at a price of \$0.10 per share for a period of one year from the completion of the offering. Shares acquired by the placees, and shares which may be acquired upon the exercise of the share purchase warrants, will be subject to a hold period of four months plus one day from the date of completion of the financing in accordance with applicable securities legislation. Finder's fees in amounts yet to be determined may be paid to persons who introduce the company to investors. Proceeds will be used for working capital, as well as an induced polarization geophysical survey and further drilling upon the Company's Kouroussa Gold Project, Guinea West Africa.

The Company also announces that upon completion of the financing described above, it will effect, subject to shareholder and regulatory approval, a consolidation of its issued common shares on the basis of 3 old shares for 1 new share. The Company intends to call a special shareholders meeting on or about July 30, 2009 to seek shareholder approval of the consolidation.

As disclosed in the Company's news release of February 18, 2009, “Initial Scoping Results for Cassidy Gold's Kouroussa Gold Project, Guinea, West Africa”, Coffey Mining recommended further work focused on the discovery of additional "new" resources. Permits have been renewed, and pending completion of the current financing, the project is on care and maintenance.

The scoping study has concluded that Kouroussa could produce an average of 79,000 ounces of gold annually at a cash operating cost of \$484 (U.S.) per ounce over a six-year mine life.

The study proposes open-pit mining of a series of pits utilizing contract miners. Ore would be processed through a conventional gravity-CIP (carbon-in-pulp) plant with a design capacity of one million tonnes per annum (“Mtpa”). The average gold recovery is 94.5 per cent and the strip ratio is 6.7:1. Initial capital costs for the Kouroussa project are estimated to be \$97-million, with a further \$11-million estimated for sustaining capital.

The NPV 10% AND IRR SENSITIVITY TO GOLD PRICE table shows the net present value (“NPV”) at a discount rate of 10 per cent and the internal rate of return (“IRR”) for the project for a range of gold prices at a milling throughput of one Mtpa employing a gravity-CIP process configuration and assuming 100-per-cent equity financing. Project economics are favourable at a gold price of greater than \$900 (U.S.).

### NPV 10% AND IRR SENSITIVITY TO GOLD PRICE

Au price (U.S./oz)	NPV10% (US\$ million)	IRR (%)
\$ 750	-\$23.6	1
\$ 838	\$0.0	10
\$ 900	\$16.8	16
\$ 950	\$30.3	21
\$1,000	\$43.7	25

#### Head Office

635 - 235 First Avenue, Kamloops, BC Canada V2C 3J4

T 250.372.8222 F 250.828.2269 E info@cassidygold.com www.cassidygold.com



# CASSIDY GOLD CORP.

Scoping work was based on an indicated resource of 680,000 ounces contained in 11.38 million tonnes grading 1.9 grams per tonne gold and an inferred resource of 363,000 ounces contained in 6.46 million tonnes grading 1.7g/t Au. Coffey Mining completed the resource estimate in October, 2008, in accordance with Canadian National Instrument 43-101, Standards of Disclosure for Mineral Projects and the classifications adopted by CIM Council in December, 2005. Coffey Mining validated and interpreted the exploration data, constructed wire frames, completed three-dimensional block models, and estimated resources for each of the mineralized zones using an ordinary kriging technique. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The preliminary assessment includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized.

Pit optimization studies confirm that the bulk of potentially mineable resources are contained in the Koekoe Trend, particularly in the Sanu Filanan deposit, with important contributions coming from the Kinkine Trend. The Sodyanfe Trend deposits (Junction-Bag Farm) are too low grade to contribute significantly to the resource base given current economic conditions.

In addition to a conventional gravity-CIP process configuration, a gravity-only option was investigated. Gravity recoveries range between 62.5 per cent and 58.4 per cent for oxide, transitional, and sulphide ore types. These relatively low recoveries negatively affect the economics for a gravity-only configuration, though considerably more test work is required to assess this option more fully.

A series of metallurgical test work including gravity recoverable tests, variability extraction tests, comminution tests, and viscosity settling tests will also be required. Further study on defining tailings storage facility requirements and geotechnical and hydrological characteristics will be needed. Baseline studies of environmental and social conditions will be necessary as well.

In the scoping report, Coffey Mining recommended further work focused on the discovery of additional "new" resources. A series of metallurgical test work including gravity recoverable tests, variability extraction tests, comminution tests, and viscosity settling tests were also recommended. Further study on defining tailings storage facility requirements and geotechnical and hydrological characteristics will be needed. Baseline studies of environmental and social conditions will be required as well.

Company management believes that more work is warranted to move the project toward feasibility including trying to reduce capital and operating cost estimates and investigating alternative mining configurations.

The technical content of this news release has been prepared under the supervision of Christopher Wild, P.Eng, Vice-President Exploration, who is a Qualified Person under National Instrument 43-101. Harry Warries, MAusIMM, principal consultant, is the qualified person overseeing the Kouroussa scoping study on behalf of Coffey Mining.

On behalf of the Board of Directors  
Cassidy Gold Corp.

James T. Gillis

James T. Gillis, President & CEO

For further information, please contact:

Jim Gillis, President – Phone: 250-372-8222 or Fax: 250-828-2269

This press release may be accessed at Cassidy Gold Corp.'s website: [www.cassidygold.com](http://www.cassidygold.com) and at [SEDAR-CDY](http://SEDAR-CDY).

If you wish to be placed on Cassidy Gold Corp.'s e-mail press release list, please contact us at [cassidygold@telus.net](mailto:cassidygold@telus.net)

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

## Head Office

635 - 235 First Avenue, Kamloops, BC Canada V2C 3J4

T 250.372.8222 F 250.828.2269 E [info@cassidygold.com](mailto:info@cassidygold.com) [www.cassidygold.com](http://www.cassidygold.com)