

ASX ANNOUNCEMENT

21 July 2021

ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold company that is developing the 1.5Moz Warrawoona Gold Project in the East Pilbara district of Western Australia.

DIRECTORS AND MANAGEMENT

Mr Mark Connelly
NON-EXECUTIVE CHAIRMAN

Mr David Reeves
MANAGING DIRECTOR

Mr John Ciganek
NON-EXECUTIVE DIRECTOR

Mr Keith Coughlan
NON-EXECUTIVE DIRECTOR

Mr Paul Brennan
PROJECT DEVELOPMENT

Mr Richard Hill
CHIEF FINANCIAL OFFICER

Ms Julia Beckett
COMPANY SECRETARY

calidus.com.au

ASX : CAI

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West Perth WA 6005
AUSTRALIA

June Quarterly Activities Report

Rapid construction sets up Calidus to be Australia's next gold producer

HIGHLIGHTS

- Construction at Warrawoona Gold Project in WA's Pilbara is progressing in line with budget and schedule
- Warrawoona on track for first gold production in the June 2022 Quarter
- Key construction milestones in the quarter included:
 - \$31.6M was incurred on Warrawoona development with expenditure of \$78M remaining to first gold production
 - Construction 41% complete at quarter-end
 - Mining works now underway
 - SAG mill and crusher delivered to site ahead of schedule
 - Tailings dam construction commenced
 - Process plant construction continues on schedule
- Diamond drilling underway for the Definitive Feasibility Study on the nearby Blue Spec deposit, located within trucking distance to Warrawoona
- Updated DFS for Blue Spec due in the June quarter of 2022, in line with first gold production from Warrawoona

CORPORATE

- Calidus executed final agreements with Macquarie Bank for project loan facilities totalling \$110M with first drawdown of \$25M received
- Calidus had \$27.3M of cash, \$85M in available debt facilities and \$350,000 in listed investments at 30 June 2021

Calidus Resources (ASX:CAI) is pleased to report strong progress in the construction of its Warrawoona Gold Project in WA during the June 2021 Quarter.

The achievement of several key milestones during the period have ensured that the Company is on track to become a low-cost producer by the June quarter of next year.

At quarter-end, the project construction was estimated to be 41% complete with no lost time injuries recorded to date. During the quarter, \$31.6 million was incurred on the Warrawoona development with expenditure of \$78 million remaining to first gold production.

calidus.com.au

Highlights for the quarter include:

- GR Engineering is constructing the 2.4 million tonne per annum (Mtpa) gold processing plant and associated infrastructure via a fixed price turn key Engineer Procure and Construction (EPC) contract. EPC construction is 43% complete with significant progress made during the quarter including:
 - All major mechanical equipment awarded
 - SAG mill and crusher delivered to site ahead of schedule
 - Significant progress on tank construction
 - Mill foundations completed
- Bulk earth works almost complete at plant site
- Tails Dam foundation preparation and stockpiling and conditioning of embankment materials underway
- Pioneer Mining preparation commenced with road and ramp accesses completed and initial drill and blast areas prepared
- 80 personnel on site
- Contract executed with Woodside EDL Joint Venture to provide trucked LNG to the power station reducing the carbon footprint of operations and cost of power generation

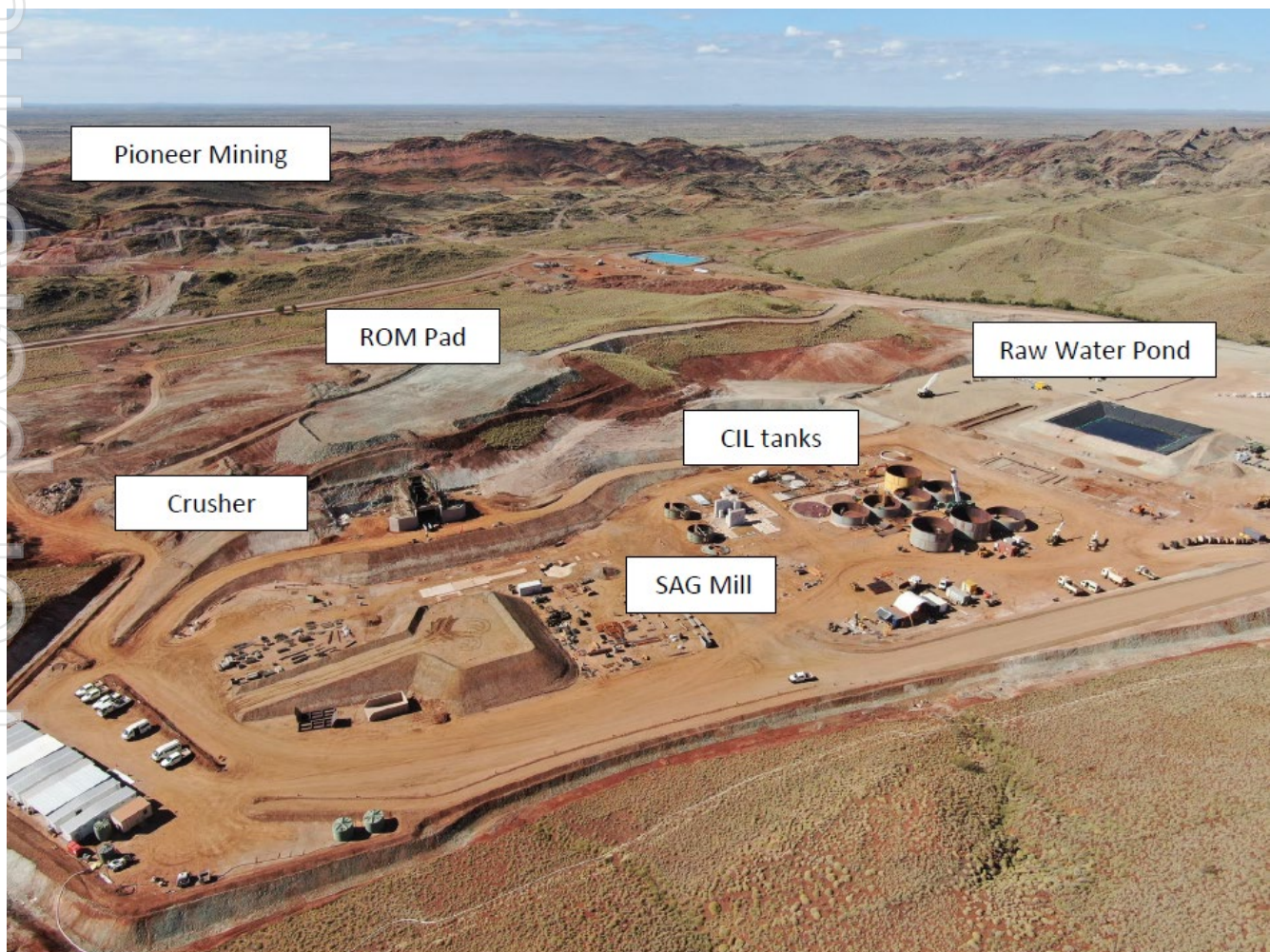


Figure 1: Processing Plant Area looking North-East



Figure 2: Crusher on Site



Figure 3: SAG Mill on Site



Figure 4: Pioneer Mining Underway



Figure 5: Blasthole Drilling



Figure 6: Tails Dam foundation preparation

CALIDUS ADVANCES STRATEGY TO GROW PRODUCTION RATE WITH DFS DRILLING UNDERWAY AT BLUE SPEC DEPOSIT

On 28 June 2021, Calidus announced an important step forward in the strategy to grow its forecast production rate, with the start of diamond drilling at the high-grade Blue Spec deposit which is located within trucking distance of the Company's Warrawoona Gold Project.

Highlights included:

- Blue Spec JORC 2012-Compliant Mineral Resource is 415,000t @ 16.3g/t for 219,000oz¹
- Program comprises diamond drill holes to target the known JORC Mineral Resource to a maximum depth of 420m from surface
- Drill hole core to be used to validate current understanding of the metallurgy of the ore and geotechnical input for the proposed mine development
- Updated DFS for Blue Spec due in the June quarter of 2022, in line with first gold production from Warrawoona

¹ Refer ASX Announcement 2 October 2020 "Replacement Blue Spec Company Announcement"

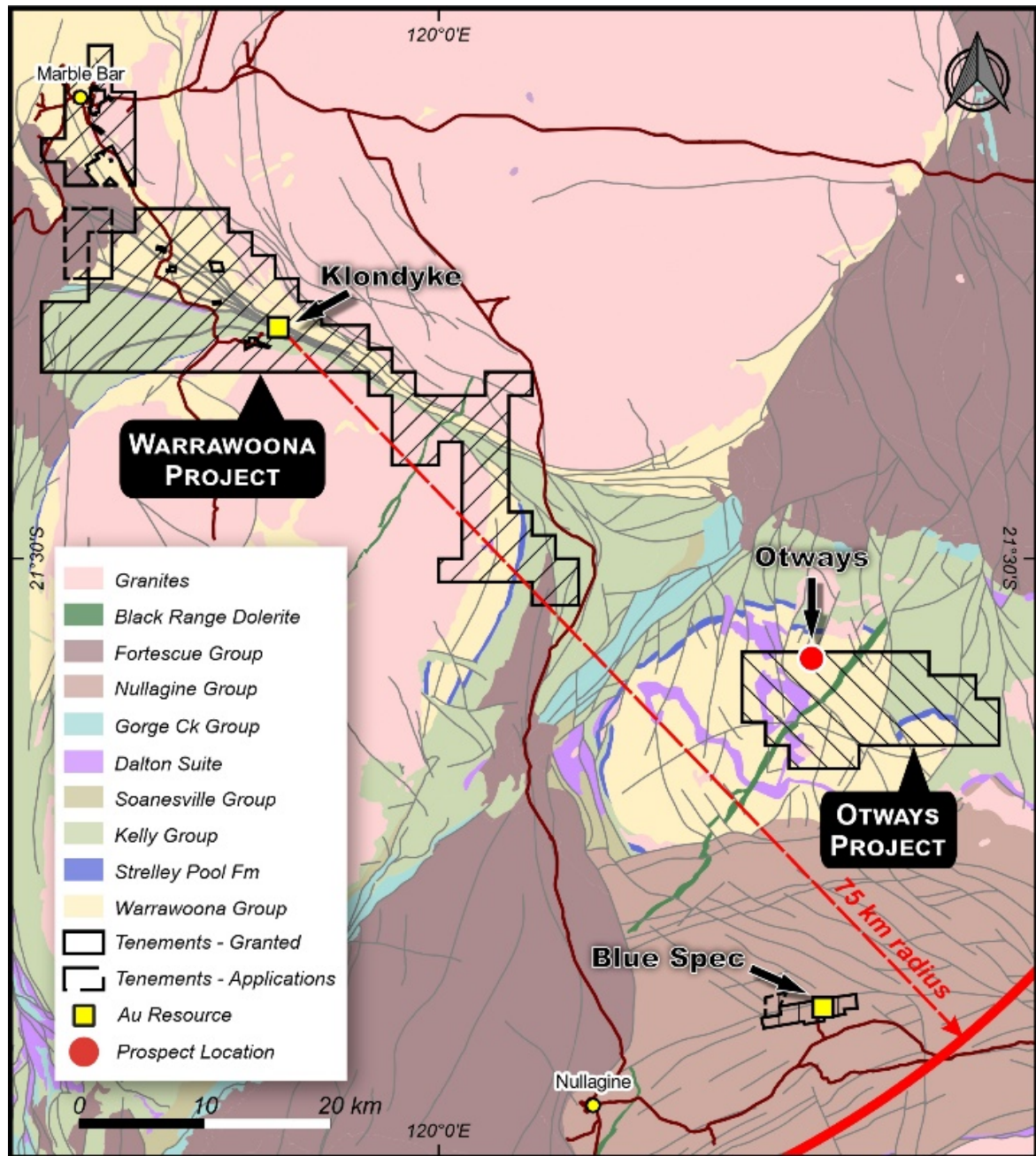


Figure 7: Blue Spec Location

DEVELOPMENT AND EXPLORATION TIMELINE

A summary of key milestones to first gold pour and exploration timeline is shown in Table 1.

	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PERMITTING								
Operating Permits	✓							
CONTRACTS AND FINANCE								
Award all Contracts	✓							
Commence Debt Drawdown		✓						
DEVELOPMENT ACTIVITIES								
Bulk Earthworks begins	✓							
Pioneer Mining Commences			✓					
Main Mining Commences								
Mill Commissioning and First Gold								
EXPLORATION AND FEASIBILITIES								
Blue Spec Integration Scoping Study	✓							
Drilling Blue Spec		✓						
DFS Blue Spec								
Blue Spec (Regional) Stream Sediment Sampling		✓						
Fielding's Find Shear Zone drilling								

Table 1: Development and Exploration Timeline

CORPORATE

Cash Position

At the end of the Quarter, Calidus and its subsidiaries held \$27.3 million of cash, \$85.0 million in available project loan facilities and \$0.4 million in listed investments.

At the General Meeting on 19 May 2021, shareholders approved the issue of the Tranche 2 Placement Shares under Listing Rule 10.11. Subsequently Calidus received \$250,000 through the issue of 625,000 Tranche 2 Placement Shares at an issue price of \$0.40 per Share.

During the Quarter Calidus received \$800,000 through the conversion of options exercisable at \$0.20 each and expiring on 18 April 2021.

Project Loan Facility

During the quarter, Calidus executed final agreements with Macquarie Bank for project loan facilities totalling \$110 million. The first \$25 million of funds was received on 3 June 2021 with \$85 million of facilities available at the end of the quarter.

At 30 June 2021 the Company's hedge book consists of 125,000 ounces at an average forward price of A\$2,355/oz for delivery from 30 September 2022 to 30 September 2025.

Remaining Project Expenditure to First Gold

There is currently \$78 million forecast Warrawoona development expenditure remaining to first gold.

Summary of Cashflows for the Quarter

As outlined in the attached Appendix 5B, during the quarter the Company spent approximately:

- \$139k on exploration and evaluation activities
- \$30.3M on development activities
- \$134k in payments to related parties and their associates for director salaries, rent, superannuation and other related costs
- \$207k on administration and corporate costs

Investor Presentations

Paul Brennan, Project Development, presented at the AMEC Investor Briefing on 29 May 2021, held in Perth, Western Australia, and Managing Director, Dave Reeves, gave a radio interview on Triple M on 24 June 2021.

– END –

Refer announcements:

- ASX – 6 April 2021 – Calidus executes \$100 million debt financing
- ASX – 4 May 2021 – Warrawoona construction rapidly advancing
- ASX – 28 May 2021 – AMEC Investor Briefing Conference Presentation
- ASX – 31 May 2021 – Calidus completes remainder of Share Placement
- ASX – 25 March 2021 – Calidus raises \$12.5M to fund Blue Spec Gold Project
- ASX – 3 June 2021 – Calidus received first \$24m of debt facility
- ASX – 28 June 2021 – Calidus advances strategy to grow production
- ASX – 12 July 2021 – Calidus on track to be Australia's next gold producer

Forward Looking Statements

This announcement includes certain “forward looking statements”. All statements, other than statements of historical fact, are forward looking statements that involve risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements. Such information contained herein represents management’s best judgement as of the date hereof based on information currently available. The Company does not assume any obligation to update forward looking statements.

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

✉ info@calidus.com.au

CALIDUS RESOURCES & SUBSIDIARIES TENEMENT SCHEDULE

Tenement ID	Holder	Size (ha)	Renewal	Ownership/ Interest
Granted				
E45/3615	Keras (Pilbara) Gold Pty Ltd	1,594.62	22/11/2022	100%
E45/4236	Keras (Pilbara) Gold Pty Ltd	956.69	19/10/2024	100%
E45/4555	Keras (Pilbara) Gold Pty Ltd	1,915.22	1/03/2022	100%
E45/4843	Keras (Pilbara) Gold Pty Ltd	940.95	2/07/2022	100%
E45/4856	Keras (Pilbara) Gold Pty Ltd	1,594.27	20/05/2023	100%
E45/4857	Keras (Pilbara) Gold Pty Ltd	1,275.37	20/05/2023	100%
E45/4905	Keras (Pilbara) Gold Pty Ltd	638.00	29/11/2022	100%
E45/4906	Keras (Pilbara) Gold Pty Ltd	319.00	29/11/2022	100%
E45/5172	Keras (Pilbara) Gold Pty Ltd	4,291.17	30/05/2024	100%
M45/0240	Keras (Pilbara) Gold Pty Ltd	6.07	17/11/2028	100%
M45/0521	Keras (Pilbara) Gold Pty Ltd	18.11	10/03/2034	100%
M45/0547	Keras (Pilbara) Gold Pty Ltd	17.72	2/05/2035	100%
M45/0552	Keras (Pilbara) Gold Pty Ltd	9.71	18/01/2035	100%
M45/0668	Keras (Pilbara) Gold Pty Ltd	242.05	28/12/2037	100%
M45/0669	Keras (Pilbara) Gold Pty Ltd	101.95	28/12/2037	100%
M45/0670	Keras (Pilbara) Gold Pty Ltd	113.10	29/12/2037	100%
M45/0671	Keras (Pilbara) Gold Pty Ltd	118.65	29/11/2037	100%
M45/0672	Keras (Pilbara) Gold Pty Ltd	116.20	1/08/2037	100%
M45/0679	Keras (Pilbara) Gold Pty Ltd	121.30	8/04/2038	100%
M45/0682	Keras (Pilbara) Gold Pty Ltd	235.95	17/04/2038	100%
P45/3065	Keras (Pilbara) Gold Pty Ltd	29.45	29/03/2024	100%
L45/0523	Keras (Pilbara) Gold Pty Ltd	172.54	18/09/2040	100%
L45/0527	Keras (Pilbara) Gold Pty Ltd	251.51	23/02/2042	100%
L45/0564	Keras (Pilbara) Gold Pty Ltd	60.19	24/11/2041	100%
L45/0565	Keras (Pilbara) Gold Pty Ltd	6.62	25/11/2041	100%
L45/0566	Keras (Pilbara) Gold Pty Ltd	8.88	24/11/2041	100%
L45/0567	Keras (Pilbara) Gold Pty Ltd	1.96	17/12/2041	100%
L45/0573	Keras (Pilbara) Gold Pty Ltd	11.03	4/01/2042	100%
L45/0584	Keras (Pilbara) Gold Pty Ltd	66.43	20/04/2042	100%
L45/0585	Keras (Pilbara) Gold Pty Ltd	115.27	6/04/2042	100%
L45/0586	Keras (Pilbara) Gold Pty Ltd	56.36	22/02/2042	100%
L45/0587	Keras (Pilbara) Gold Pty Ltd	72.91	6/04/2042	100%
L45/0588	Keras (Pilbara) Gold Pty Ltd	101.83	3/03/2042	100%
L45/0590	Keras (Pilbara) Gold Pty Ltd	105.45	22/02/2042	100%
L45/0591	Keras (Pilbara) Gold Pty Ltd	57.61	28/03/2042	100%
L45/0592	Keras (Pilbara) Gold Pty Ltd	86.06	22/02/2042	100%
L45/0593	Keras (Pilbara) Gold Pty Ltd	20.65	4/01/2014	100%
L45/0613	Keras (Pilbara) Gold Pty Ltd	6.97	11/06/2021	100%

CALIDUS RESOURCES & SUBSIDIARIES TENEMENT SCHEDULE

Applications

E45/5747	Keras (Pilbara) Gold Pty Ltd	3,826.11	APPLICATION	100%
E45/5748	Keras (Pilbara) Gold Pty Ltd	5,111.83	APPLICATION	100%
P46/1972	Keras (Pilbara) Gold Pty Ltd	194.57	APPLICATION	100%

Joint Venture

E45/3381	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	7,802.45	16/03/2023	70%
E45/4622	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	4,216.80	4/05/2022	70%
E45/4666	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	3,162.14	23/11/2021	70%
E45/4934	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	1,595.08	22/01/2023	70%
M45/1290	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	149.83	11/02/2042	70%
M46/0115	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	931.40	3/02/2033	10%
M46/0244	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	18.47	28/11/2021	10%
G45/0345	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	439.05	11/05/2041	70%
G45/0347	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	2.22	3/01/2042	70%
G45/0348	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	36.34	21/02/2042	70%
G45/0349	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	26.45	3/01/2042	70%
E45/5706	Keras (Pilbara) Gold Pty Ltd/Beatons Creek Gold Pty Ltd	1,276.75	APPLICATION	70%
E45/4704	Beckton Gledhill Pty Ltd	7,961.51	4/07/2022	Earning 70%
E45/4706	Beckton Gledhill Pty Ltd	5,414.49	1/08/2022	Earning 70%
E46/1026	Gondwana Resources Limited	3,797.33	9/05/2026	Earning 51%
E46/1035	Nimble Resources Pty Ltd	8,700.57	1/12/2025	Earning 75%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Calidus Resources Limited (ASX:CAI)

ABN

98 006 640 553

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	67
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(30,315)	(50,255)
	(c) production	-	-
	(d) staff costs	(221)	(958)
	(e) administration and corporate costs	(207)	(1,468)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	42
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	110
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(30,740)	(52,462)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(414)
	(d) exploration & evaluation	(139)	(4,944)
	(e) investments	-	-
	(f) other non-current assets*	935	(12,745)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	534
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	796	(17,569)

*Acquisition of the Blue Spec Gold Project, GST paid in the March quarter was refunded by the ATO in April.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	250	72,073
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	800	953
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(108)	(3,140)
3.5	Proceeds from borrowings	25,000	25,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(1,524)	(3,229)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	24,418	91,657

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	32,843	5,691
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(30,740)	(52,462)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	796	(17,569)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	24,418	91,657

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	27,317	27,317

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	27,317	32,843
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27,317	32,843

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	134
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	110,000	25,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	110,000	25,000
7.5 Unused financing facilities available at quarter end		85,000
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Project loan facility with Macquarie Bank Limited, competitive interest rate margin above BBSY (pre-completion and post-completion), final maturity date of 30 September 2025. Security is provided via a fixed and floating charge over the assets of Keras (Pilbara) Gold Pty Ltd (a wholly owned subsidiary).		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(30,740)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(139)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(30,879)
8.4 Cash and cash equivalents at quarter end (item 4.6)	27,317
8.5 Unused finance facilities available at quarter end (item 7.5)	85,000
8.6 Total available funding (item 8.4 + item 8.5)	112,317
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 July 2021

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.