

ASX ANNOUNCEMENT

ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold exploration company which controls the Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfield in Western Australia.

DIRECTORS AND MANAGEMENT

Mr Mark Connelly
NON-EXECUTIVE CHAIRMAN

Mr David Reeves
MANAGING DIRECTOR

Mr Adam Miethke
NON-EXECUTIVE DIRECTOR

Mr Keith Coughlan
NON-EXECUTIVE DIRECTOR

Mr Paul Brennan
CHIEF OPERATING OFFICER

Mr Richard Hill
CHIEF FINANCIAL OFFICER

Ms Julia Beckett
COMPANY SECRETARY

calidus.com.au

7 April 2020

March 2020 Quarterly Activities Report

Calidus advances Feasibility Study targeting Q3 2020 completion

Calidus fully-funded to Final Investment Decision

HIGHLIGHTS

- **Excellent progress during the quarter brings the Feasibility Study on the Warrawoona Gold Project in WA's Pilbara forward, targeting completion in the September quarter, 2020**
- **Warrawoona granted streamlined environmental approval process**
- **Calidus purchases accommodation village for Warrawoona Gold Project**
- **Calidus held \$5.8m cash and \$580,000 in listed investments at March 31, meaning it is fully-funded through to the Final Investment Decision**
- **Resource update scheduled for the June quarter**
- **Pre-feasibility study demonstrated Warrawoona can produce ~100,000ozpa at an AISC of A\$1159/oz versus current gold price of +A\$2600/oz**

Calidus Resources (ASX:CAI) is pleased to report on an outstanding quarter during which the Company accelerated the Feasibility Study and financing discussions for its Warrawoona Gold Project in Western Australia.

The decision to expedite the study was triggered by favourable developments on the permitting process during the quarter and motivated in part by the record Australian-dollar gold price and favourable outlook.

Calidus Managing Director Dave Reeves said with gold prices at historic highs, the Company is firmly focussed on delivering a low-risk gold development plan in the shortest possible timeframe.

Mr Reeves said that with all the drilling and site investigation works needed for the Feasibility Study now completed, and \$6.38 million in cash and investments, Calidus is fully-funded through to a Final Investment Decision on Warrawoona.

The current COVID-19 situation has resulted in Calidus suspending its existing drilling programs, which were aimed at highlighting depth extensions at Klondyke beyond the resource to be used in the feasibility study.

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AUSTRALIA

Calidus on track to complete Warrawoona FS and Permitting

During the quarter, Calidus passed a series of key milestones which has enabled the Company to target a September Quarter completion of the Feasibility Study.

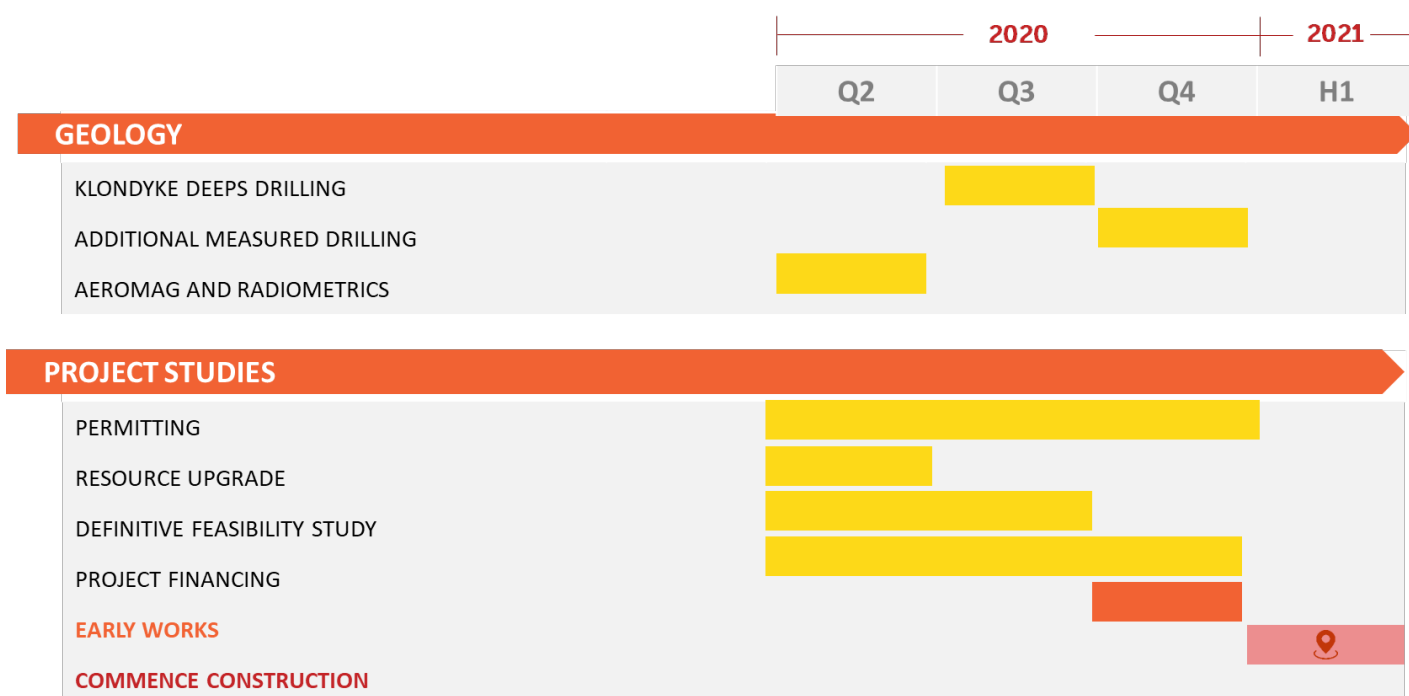
The Pre-feasibility Study showed Warrawoona is set to be a robust project based on annual production of ~100,000oz at an all-in sustaining cost of A\$1,159/oz, generating strong margins, enhanced by the current Australian Dollar gold price environment.

GR Engineering Services (ASX: GRES) was awarded the Process Plant Engineering Study for the FS.

The Comminution Circuit was finalised, comprising a flexible but low-risk conventional primary crush followed by SAG and Ball mill (SAB).

- Activities scheduled for the coming quarter are:
 - Resource and Reserve update;
 - Specialist debt advisers to be appointed; and
 - Drilling and regional exploration to resume, including 700m-deep holes at Klondyke, to test the orebody at depth.

A revised Project timeline is shown in the table below. As mentioned previously, exploration drilling is currently suspended and the Company will inform the market when this has re-started:



Calidus purchases accommodation village for Warrawoona

During the quarter, Calidus announced that an application was to be lodged for Early Works permit to install a 240-room accommodation village at the Warrawoona Gold Project.

Calidus took advantage of compelling commercial terms to purchase the 240-room accommodation village located in the Pilbara. The village's location minimised relocation costs and is a further step forward in the development of Warrawoona.

Calidus has applied for an Early Works Permit providing the option to install the village prior to receiving full Project Development approval. The village is being stored at Marble Bar with tenders issued for initial installation.



Figure 1: Calidus Village being offloaded at Marble Bar

Calidus granted streamlined environmental approval process

During the quarter, Calidus announce that the WA Office of the Environmental Protection Authority (EPA) would assess Warrawoona for both the State and Federal governments under an Accredited Assessment as part of the approval required under the Commonwealth's Environment Protection and Biodiversity Conservation Act (EPBC Act).

This will result in a streamlined environmental approval process for Warrawoona.

CORPORATE

Financial

At the end of the quarter, Calidus and its subsidiaries held \$5.8m cash and \$580k in listed investments. Further details can be found in the Appendix 5B released with this announcement.

The Company has initiated various cash preservation measures to ensure it is well funded through a Final Investment Decision on Warrawoona. This includes various Directors, senior staff and consultants electing to take part pay in the form of Calidus Shares. This emphasises the belief of staff and associated consultants in the exciting near-term future of Calidus as a gold producer.

Investor Presentations

Managing Director, David Reeves, presented at the RIU Explorers Conference and the Gold Investor Event during the quarter. Both conferences were held in Perth, Western Australia.

FURTHER INFORMATION

Calidus Resources (ASX:CAI) is an ASX listed gold exploration and development company which controls the entire Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfield in Western Australia.

The Warrawoona Gold Project hosts a total Mineral Resource of 1,248,000 ozs at 1.83g/t Au (Indicated Mineral Resource of 13.5 Mt @ 1.83 g/t Au for 795,000 ozs, Inferred Mineral Resource of 7.7Mt @ 1.81g/t Au for 453,000 ozs) defined over a continuous 5km of strike which remains open in all directions. The Company controls approximately 781 square kilometres of prospective tenements that host over 200 historic workings and three satellite Mineral Resources at Fieldings Gully, Copenhagen and Coronation.

A robust PFS was delivered in July 2019 that showed a base case of Warrawoona producing 100,000ozs pa over a 6 year mine life at an AISC of A\$1,159/oz. A feasibility study and permitting is now underway.

For the purpose of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

- END -

For further information please contact:

Dave Reeves
Managing Director

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CALIDUS RESOURCES & SUBSIDAIRIES TENEMENT SCHEDULE

Tenement ID	Holder	Size (ha)	Renewal	Ownership/ Interest
GRANTED				
E45/3615	Keras (Pilbara) Gold Pty Ltd	3,513.73	22/11/2020	100%
E45/4236	Keras (Pilbara) Gold Pty Ltd	958.25	19/10/2024	100%
E45/4555	Keras (Pilbara) Gold Pty Ltd	1,917.75	1/03/2022	100%
E45/4843	Keras (Pilbara) Gold Pty Ltd	942.15	2/07/2022	100%
E45/4856	Keras (Pilbara) Gold Pty Ltd	2,554.05	20/05/2023	100%
E45/4857	Keras (Pilbara) Gold Pty Ltd	14,681.95	20/05/2023	100%
E45/4905	Keras (Pilbara) Gold Pty Ltd	638.86	29/11/2022	100%
E45/4906	Keras (Pilbara) Gold Pty Ltd	319.46	29/11/2022	100%
E45/5172	Keras (Pilbara) Gold Pty Ltd	4,307.32	30/05/2024	100%
E45/5178	Keras (Pilbara) Gold Pty Ltd	6,067.13	22/11/2023	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%
Applications				
P46/1972	Keras (Pilbara) Gold Pty Ltd	194.57	APPLICATION	100%
Joint Venture				
E45/3381	Beatons Creek Gold Pty Ltd	7,965.63	16/03/2021	70%
E45/4666	Beatons Creek Gold Pty Ltd	3,163.98	23/11/2021	70%
E45/4622	Beatons Creek Gold Pty Ltd	4,222.07	4/05/2022	70%
E45/4934	Beatons Creek Gold Pty Ltd	1,596.99	22/01/2023	70%
P45/2781	Beatons Creek Gold Pty Ltd	2.42	10/06/2020	70%

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")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(164)	(616)
	(e) administration and corporate costs	(294)	(983)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	39	63
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other : Stamp duty	-	(130)
1.9	Net cash from / (used in) operating activities	(419)	(1,666)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(450)	(453)
	(d) exploration & evaluation (if capitalised)	(294)	(5,144)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	322
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	(744)	(5,275)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	9,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	159
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(557)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	8,602

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,969	4,145
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(419)	(1,666)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(744)	(5,275)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	8,602

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,806	5,806

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	1,546	959
5.2	Call deposits	4,260	6,010
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)	5,806	6,969

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
133
-

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

The payments to directors and their associates in 6.1 include:

- (i) Director fees and superannuation of \$89k; and
- (ii) Payment to companies associated with a Director in relation rental and corporate advisory fees of \$44k.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(419)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(294)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(713)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	5,806
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	5,806
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	8

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

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

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

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: 7 April 2020

Authorised by: The Board

(Name of body or officer authorising release – see note 4)

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.