

ASX ANNOUNCEMENT

ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold development company that 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 Keith Coughlan
NON-EXECUTIVE DIRECTOR

Mr John Ciganek
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28 June 2021

Warrawoona Gold Project, WA

Calidus advances strategy to grow production rate with DFS drilling underway at Blue Spec deposit

Calidus aims to use extremely high-grade satellite deposit to lift production to as much as 139,000ozpa¹

HIGHLIGHTS

- **Diamond drilling underway for the Definitive Feasibility Study on Blue Spec, located 75km from Warrawoona in WA's Pilbara region**
- **Blue Spec JORC 2012-Compliant Mineral Resource is 415,000t @ 16.3g/t for 219,000oz²**
- **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**
- **Warrawoona development is proceeding on schedule and budget**

Calidus Resources Limited (**Calidus** or **the Company**) (ASX:CAI) is pleased to announce 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.

Blue Spec, which is located within trucking distance of the Company's Warrawoona Gold Project, has the potential to increase production to a peak of 139,000ozpa compared with the 105,000ozpa contained in the Warrawoona Feasibility Study (see ASX release dated 23 March 2021).

A dedicated diamond drill rig will undertake the program, which will comprise diamond drillholes for approximately 2,500 metres of core. The main aim of the program is to provide sufficient core to replicate the extensive metallurgical testwork completed by previous owners and advance the metallurgical studies to definitive feasibility level.

¹ Refer ASX Announcement 23 March, 2021 "Addition of Blue Spec Project to Significantly Increase Production"

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

Additionally, the core will be used to provide a gold-antimony concentrate for use in finalising off-take agreements as well as provide detailed geotechnical information for designing permanent infrastructure location such as the Decline and Primary Ventilation intakes.

Calidus Managing Director Dave Reeves said: *“This new drilling program is an important step in our growth strategy.*

“Blue Spec has the potential to underpin a significant increase in the production rate at Warrawoona while enabling us to leverage off infrastructure which will already be in place. This will in turn further strengthen the overall economics and financial returns.

“Our strategy is to finalise the Blue Spec feasibility study so we can bring it into the production plan as soon as practical once operations at Warrawoona have been bedded down”

PROJECT DESCRIPTION

Project Studies and Development

Calidus released the results of an integration study in March 2021³ showing that mining the Blue Spec satellite deposit will significantly increase the project’s production rates (Figure 1) and cash flow (Table 1) for little additional capital expenditure (Table 2).

Production will increase from an average of 90kozpa from Warrawoona only (Stage 1 in Figure 1 below) with an increase of 30-40kozpa contribution from Blue Spec (Stage 2 in Figure 1).

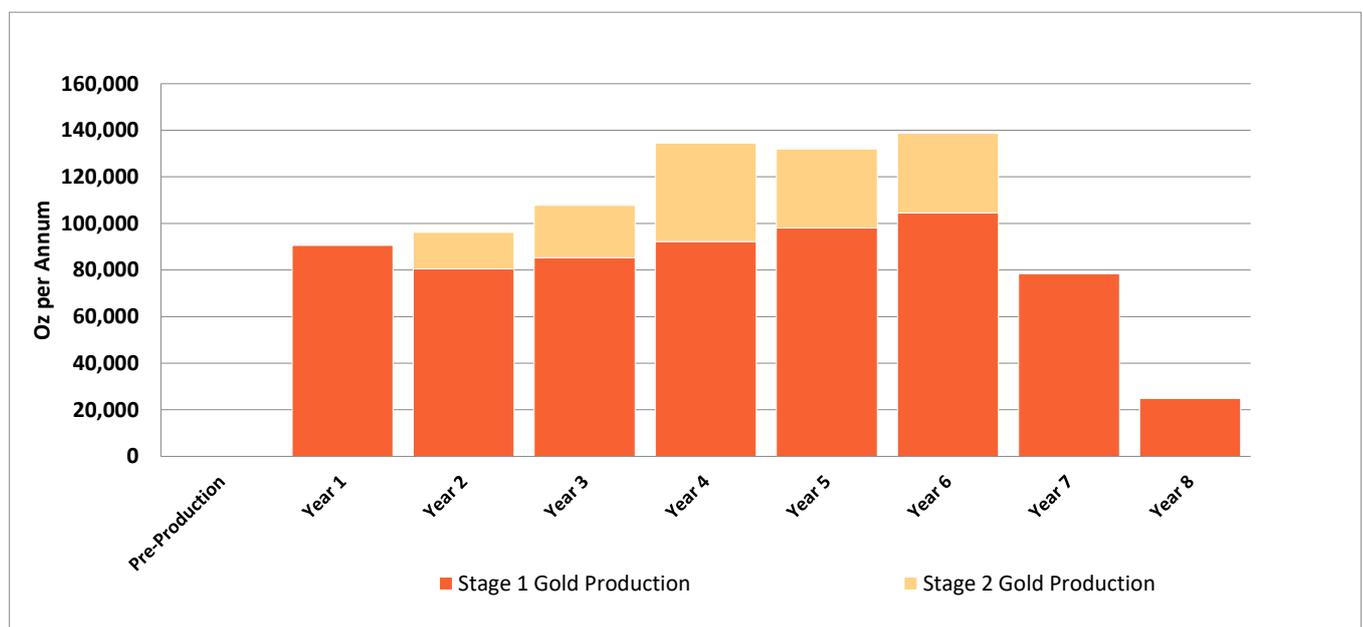


Figure 1: Warrawoona Production Profile

³ Refer ASX Announcement 23 March 2021 *“Blue Spec Project set to significantly increase production”*

Table 1: Cashflow and AISC Yearly Profile (Warrawoona Project including Blue Spec)

Key Financials	Units	Total	Pre-Prod	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Project Cashflow (Pre-tax)	A\$M	662	(120)	95	68	69	114	112	199	109	15
Project Cashflow (Post-tax)	A\$M	472	(120)	95	68	41	67	88	168	53	6
All-In Sustaining Cost (AISC)	A\$/oz	1,292	0	1,177	1,311	1,452	1,484	1,504	921	971	1,762

Table 2: Blue Spec Pre-Production Capital Expenditure

Blue Spec Capital Costs	Units	Costs
Sulphide Plant upgrade	A\$M	1.5
Mine Establishment	A\$M	6.5
Project Development Capital	A\$M	8
Pre-Production Mining Costs	A\$M	20
Total Pre-Production Capital	A\$M	28

Part of the planned drilling is for confirmatory additional Metallurgical test work to advance metallurgical studies to a definitive feasibility level of detail.

The development of Blue Spec is timed to commence approximately six months after the commencement of production from Warrawoona to ensure mining operations are bedded in before proceeding with the development of Blue Spec. A specialist underground mining contractor would be engaged for Blue Spec, overseen by Calidus technical and management staff, who have demonstrated previous operational experience in managing underground mines.

A new Decline is planned for Blue Spec in virgin ground (ie no use of existing development) for a new portal location and the mining studies have only considered areas below the historic workings (ie no remnant mining) as per Figure 2.

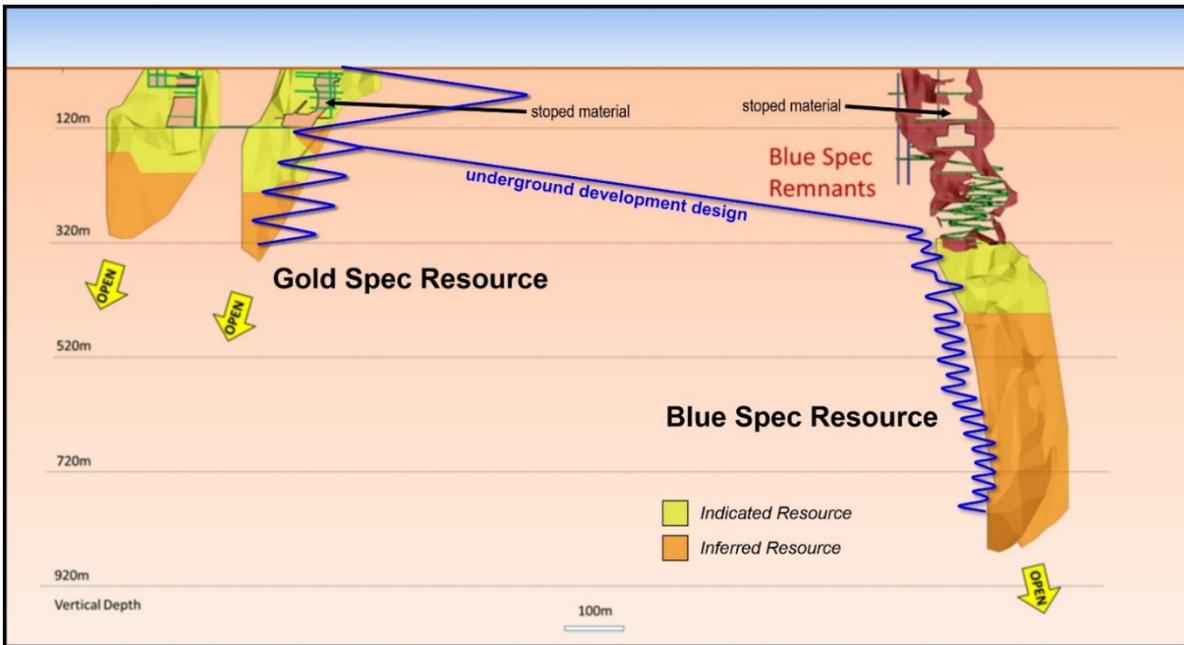


Figure 2: Blue Spec Long Section showing new planned development which ignores historic remnants

Project Overview and Planned Drilling

The Blue Spec Project is located 20km south east of Nullagine and 70km from Calidus' 100% owned Warrawoona Gold Project. The Project is accessible by existing roads.

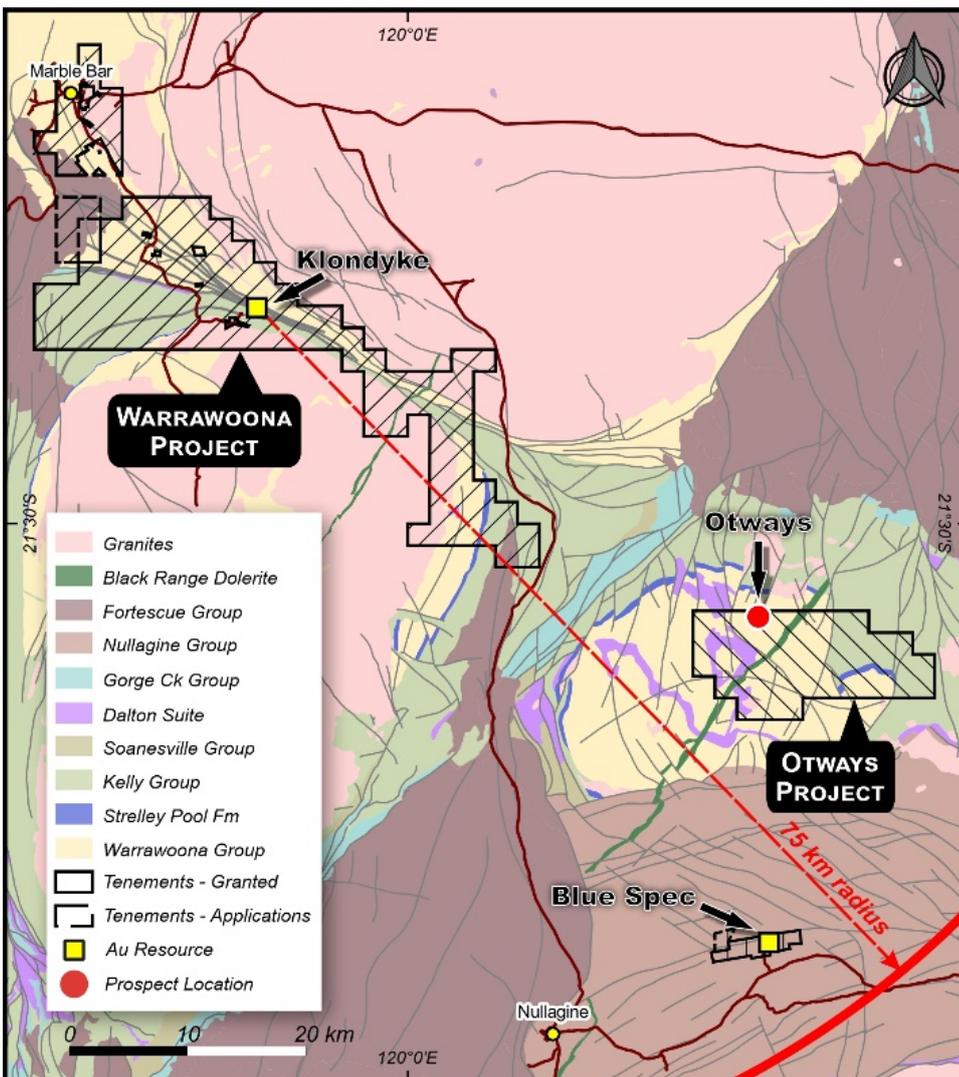


Figure 3: Blue Spec Location

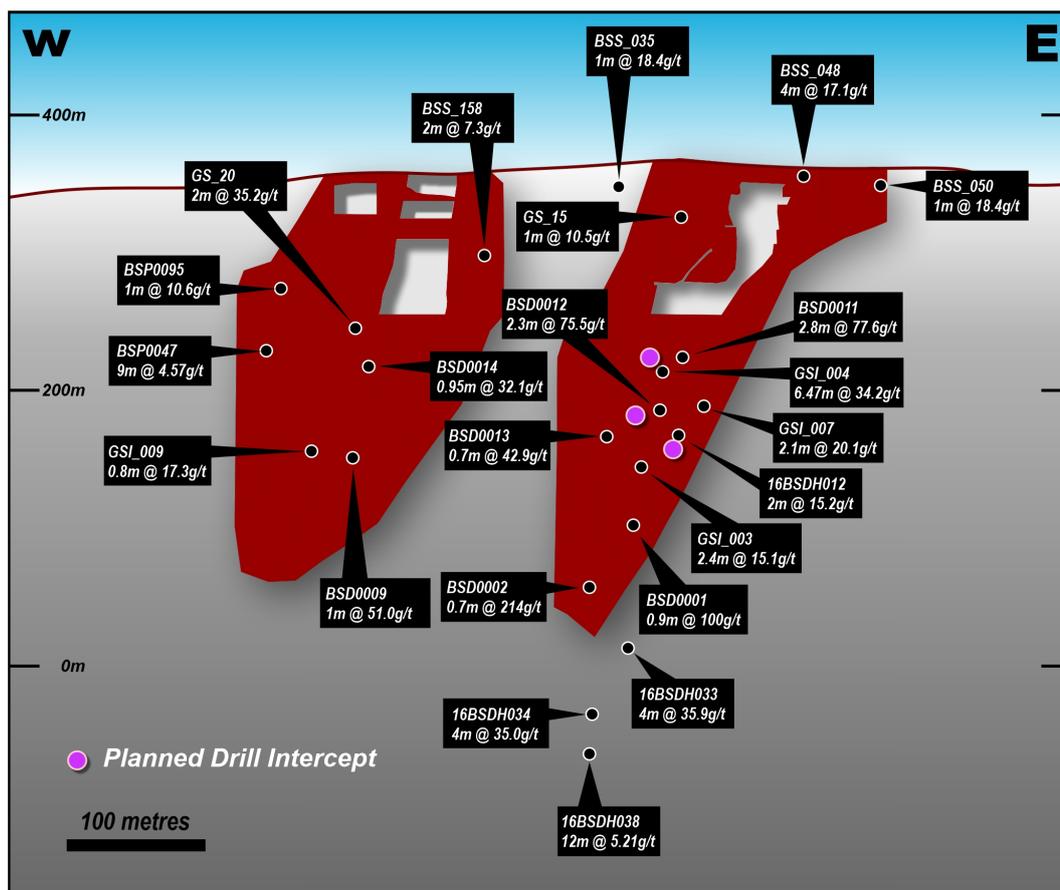


Figure 5: Gold Spec Long section and significant drill intercepts showing planned pierce points

Notes Specific-ASX Announcements

The following announcements were lodged with the ASX and further details (including supporting JORC Reporting Tables) for each of the sections noted in this Announcement can be found in the following releases. Note that these announcements are not the only announcements released to the ASX but specific to resource reporting on the Blue Spec Gold Project. The Company confirms that it is not aware of any new information or data that materially affects the information on the Project and in the case of the MRE, that all material assumptions and technical underpinning the estimates in the previous announcements continue to apply and have not materially changed.

- ASX Announcement 2 October 2000 *“Replacement Blue Spec Acquisition Announcement”*
- ASX Announcement 23 March 2021 *“Blue Spec Project set to significantly increase production”*

The Company confirms that it is not aware of any new information or data that materially affects the information included in previous market announcements and, the case of that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.

This announcement has been authorised for release by the Board.

For further information please contact:

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