



ABN 98 006 640 553

INTERIM FINANCIAL REPORT

For the six months ended
31 December 2020

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2020 and any public announcements made by Calidus Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Corporate directory**Current Directors**

David Reeves	<i>Managing Director</i>
Mark Connelly	<i>Non-executive Chairman</i>
Keith Coughlan	<i>Non-executive Director</i>
John Ciganek	<i>Non-executive Director</i>

Company Secretary

Julia Beckett

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Solicitors to the Company

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Calidus’ landholding also consists of several regional tenements, within 75km radius from Warrawoona, including:

- Blue Spec Project – consists of an existing Resource of 415kt at 16.3g/t Au (219koz Au) and remains open down dip, together with the recent farm-in agreements on promising tenements E46/1026 and E46/1035 (both along strike from Blue Spec). A Blue Spec Integration Scoping Study has commenced which will consider the integration into Warrawoona and expected to be completed by Q1 CY2021; and
- Otways Prospect – during November 2020, results from the first reconnaissance drilling program returned broad zones of copper mineralisation.

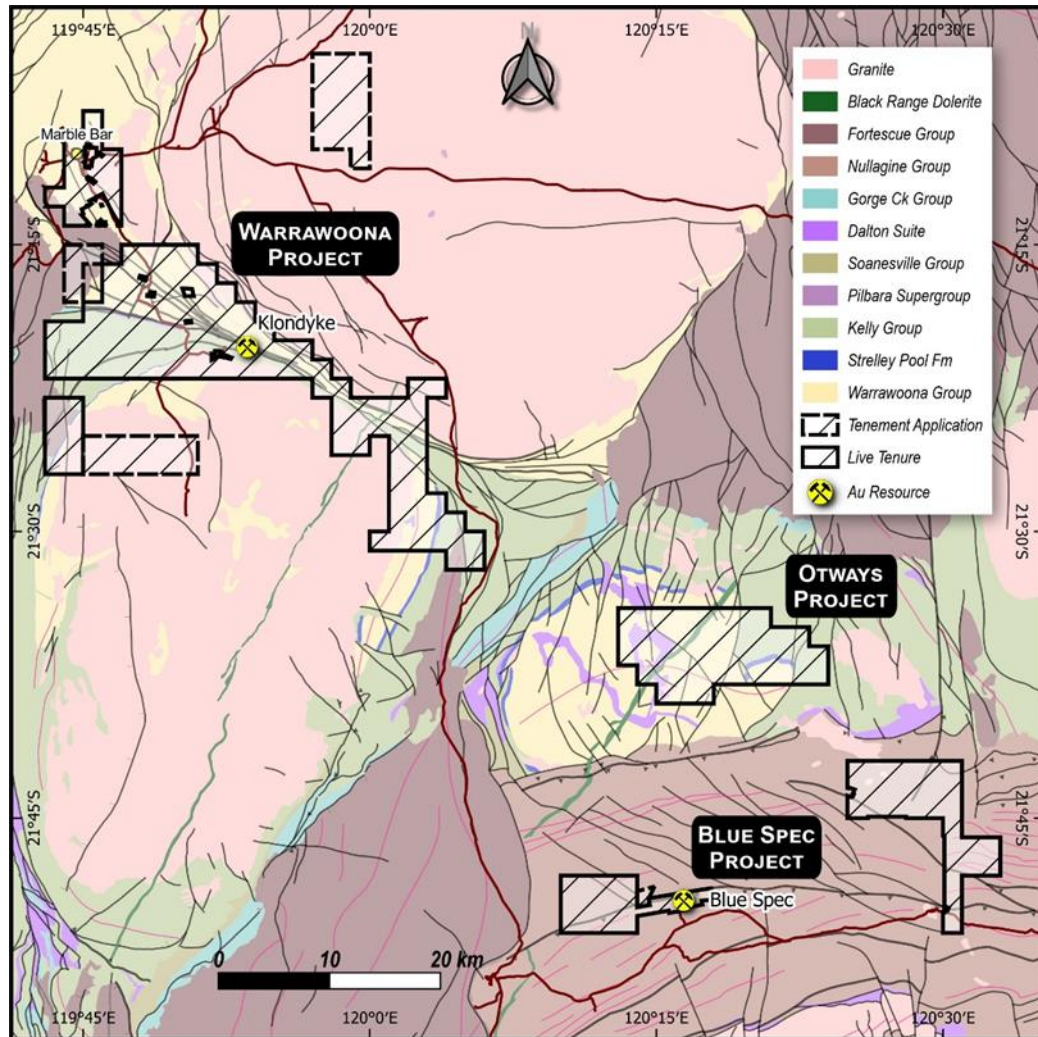


Figure 2 : Warrawoona Gold Project Location and tenements

Highlights

At 31 December 2020, Warrawoona hosted a Mineral Resource Estimate (JORC 2012) of approximately 1.5Moz of gold. The Directors believe that the Company is well positioned to grow the current resource base around the existing resources and via regional exploration. This has positioned the Company to become a new Australian focused gold development company.

During the half year ended 31 December 2020 (HY2021), the Company has been highly productive with several key developments which are extremely positive for the Company, including:

- The release of the feasibility study which demonstrated that Warrawoona can produce ~90,000ozpa at an AISC of A\$1,290/oz
- Securing full funding for Warrawoona through:
 - A\$110 million debt financing from Macquarie Bank; and
 - A\$42.3m of cash and listed investments holdings
- Early Construction Work at Warrawoona commenced
- Acquisition of the very high-grade Blue Spec gold mine provides immediate opportunity to expand production and free cash flow at Warrawoona
- Identifying 22 high-priority regional targets as it ramps up strategy to grow 1.5Moz Resource

Feasibility Study Shows Warrawoona to be Economically and Technically Robust

During the half year, Calidus announced that the Feasibility Study confirmed Warrawoona is set to generate strong cashflow, outstanding financial returns and a rapid payback.¹

The Feasibility Study includes a 30% increase in the underground Reserves to 120,000oz (from June 2020), with total Project Reserves increasing to 547,000oz (Table 4). This underpins forecast production averaging 90,000 ounces a year in the first seven years, peaking at 105,000oz in year five, at an average AISC of A\$1,290/oz.

Based on a gold price of A\$2,500/oz, Warrawoona will generate a post-tax internal rate of return of 69% and have a payback period of just 13 months.

The key points were:

- The study showed Warrawoona will generate strong margins and cashflow
- Study used cost inputs from Preferred Contractors for major scopes of work from competitive tender process – Mining, Processing Plant, Tails Storage Facility and Power Station
- Project Economics (based on A\$2,500/oz):
 - Pre-Tax Project Cashflow of \$629M, average EBITDA of \$110M pa, NPV8% \$408M, IRR 81% and payback of 13 months
 - Post-Tax Project Cashflow of \$447M, NPV8% \$286M, IRR 69% and payback of 13 months
- Average production of 90,000oz a year over first 7 years, peaking at 105,000oz in year five
- Total gold production of 658,000oz over eight-year life of mine based on current minable inventory
- Life of Mine All-In Sustaining Costs (AISC) of \$1,290/oz
- Pre-production capital cost of \$120M including contingency and pre-production mining costs
- Underground Reserve increases 30% to 120,000oz with further growth potential from planned resource extensional and infill drilling

¹ Refer announcement dated 29 September 2020 entitled "Feasibility Paves the Way for Construction of Warrawoona"

Table 1 - Key Project Statistics

Production Summary		Units	Feasibility Study		
Initial Mine Life	Years	8.3			
Total Ore Mined	oz	17.6Mt @ 1.24g/t for 702koz			
Gold Recovered	oz	658,277			
Processing Rate	Mtpa	Oxide/Transition 2.4Mtpa and Fresh 2.0Mtpa			
Average LOM CIL Metallurgical Recovery	%	94.4%			
Project Development Capital					
Processing Plant	A\$M	78			
Non-Processing Infrastructure and Owners Cost	A\$M	23			
Contingency	A\$M	4			
Project Development Capital	A\$M	105			
Pre-Production Mining Costs	A\$M	15			
Total Pre-Production Capital	A\$M	120			
Project Economics					
Gold Price	A\$/oz	2,200	2,500	2,800	
Gold Revenue	A\$M	1,448	1,646	1,843	
All-In Sustaining Cost (AISC)²	A\$/oz	1,281	1,290	1,299	
Project Cashflow (Pre-tax)	A\$M	437	629	820	
NPV _{8%} (Pre-tax)	A\$M	272	408	543	
IRR (Pre-tax)	% p.a.	58%	81%	103%	
Project Cashflow (Post-tax)	A\$M	309	447	587	
NPV _{8%} (Post-tax)	A\$M	187	286	386	
IRR (Post tax)	% p.a.	48%	69%	91%	
Payback Period³	Years	1.5	1.1	0.9	

Table 2 – Production Costs

Costs of Production	LOM Unit Cost (A\$/t)	LOM Unit Cost (A\$/oz)
Open Pit Mining	\$18 /t OP Ore	\$386 /oz
Underground Mining	\$53 /t UG Ore	\$279 /oz
Total Mining	\$25 /t	\$666 /oz
Processing and Maintenance	\$16 /t	\$422 /oz
Business Services	\$2 /t	\$56 /oz
Total Cash Cost (C1)	\$43 /t	\$1,143 /oz
Royalties	\$3 /t	\$74 /oz
Sustaining Capital	\$3 /t	\$73 /oz
Total All-In Sustaining Cost (AISC)	\$48 /t	\$1,290 /oz

² All-In Sustaining Cost includes mining, processing, site administration, royalty costs and sustaining capital. It does not include exploration, corporate costs and non-sustaining capital.

³ Payback period is calculated from the month of first gold production.

³ Calidus is estimated to have carried forward tax losses of \$42M at 31 December 2020.

All figures are presented in nominal Australian Dollars unless otherwise specified. Rounding errors may occur.

Table 3 – Gold Price Sensitivity Analysis

Pre-tax	Unit	A\$2,000/oz	A\$2,250/oz	A\$2,500/oz	A\$2,750/oz	A\$3,000/oz
Project Cashflow	A\$M	309	469	629	788	948
NPV _{8%}	A\$M	182	295	408	520	633
IRR	%	42%	62%	81%	100%	118%
Post-tax	Unit	A\$2,000/oz	A\$2,250/oz	A\$2,500/oz	A\$2,750/oz	A\$3,000/oz
Project Cashflow	A\$M	217	332	447	564	680
NPV _{8%}	A\$M	121	203	286	370	453
IRR	%	34%	51%	69%	87%	106%
Payback Period	Years	2.3	1.4	1.1	0.9	0.8

Table 4 - Ore Reserves (only Underground Reserve updated from June 2020)

Deposit	Proven			Probable			Total		
	kt	Au (g/t)	koz	kt	Au (g/t)	koz	kt	Au (g/t)	koz
Klondyke Open Pit	2,057	1.0	66	10,014	1.0	335	12,071	1.0	401
Klondyke Underground				1,900	2.1	120	1,900	2.1	120
St George Open Pit				244	1.2	9	244	1.2	9
Copenhagen Open Pit				95	5.5	17	95	5.5	17
Total	2,057	1.0	66	12,253	1.2	481	14,310	1.2	547

Table 5 - Global Mineral Resource Estimate (Inclusive of Reserves)⁴

Deposit	Cut-Off	Measured			Indicated			Inferred			Total		
	(g/t)	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz
Klondyke Open Pit	0.3	2.3	0.98	72	29.0	0.90	844	8.3	0.81	217	39.6	0.89	1,133
<i>including</i>	0.5	1.6	1.21	64	20.3	1.12	733	5.0	1.09	176	27.0	1.12	973
Klondyke UG	1.5				1.0	2.87	89	1.8	3.31	162	2.7	2.83	250
<i>including</i>	2.0				0.7	3.36	72	1.2	4.08	130	1.9	3.33	202
Copenhagen	0.5				0.2	5.58	34	0.1	2.65	9	0.3	4.54	43
Coronation	0.5							0.5	2.19	34	0.5	2.19	34
Fieldings Gully	0.5				0.3	1.80	16	0.3	1.87	20	0.6	1.84	36
Total		2.3	0.98	72	30.4	1.00	982	11.0	1.33	442	43.7	1.06	1,495

⁴ Full details can be found in ASX announcement dated 29 June 2020 entitled "Updated PFS Delivers Increased Reserves & Robust Financials"

Development Timetable

During the quarter, Calidus advised that it had taken key steps to ensure it meets the accelerated timetable for development of Warrawoona.

Table 6 – Project Timeline

	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		■						
Copenhagen IP Survey			■					
Fielding's Find Shear Zone drilling				■				

Approvals

Calidus was pleased to announce that the Western Australian Minister for the Environment approved the Warrawoona Project. A copy of the EPA Approval can be downloaded from the EPA website.

Calidus also announced that the DMP had approved the Project Management Plan.

Calidus expects the two remaining approvals, being Mining proposal and Works Approval to be granted shortly, which will pave the way for main construction to commence in March quarter 2021.

Commencement of Early Construction Work at Warrawoona Gold Project

Calidus announced the commencement of early construction works for Warrawoona following grant of the necessary Environmental Permits. These construction activities provide the base infrastructure for the main Project construction activities ahead of the Final Investment Decision (FID) and completion of permitting to facilitate main project construction in commence in Q1 2021.

Calidus announced a number of significant Project development milestones that were achieved, including:

- The practical completion of the construction of a 7km long access road to the village and process plant;
- 240 room accommodation village installation continues to progress with 24 rooms being fully operational ay years end, with remaining rooms expected to be completed in early 2021;
- The installation of 65m telecommunications tower by Telstra which is complete and provides 100mb/s data connection to site; and
- The installation of bores and pipe work to provide construction water to the camp and process plant.

An order has been placed with Citic for the purchase of a 7.1m diameter x 5.6m Effective Grind Length, 4,500kW SAG Mill. The mill will be delivered to Port Hedland and transported to site. Additional long lead items which are the responsibility of the EPC Contractor GRES include the tails thickener, Jaw Crusher, Apron Feeder, Wet Screens, Agitators, Cyclones and Slurry Pumps.



Figure 3: Warrawoona site layout looking North East



Figure 4: Telecommunications Towers, Bores and Access Road Completed

Award of Preferred Contractors

Calidus announced that tenders for the major contracts, comprising a schedule of rates mining contract, tailings dam construction, EPC for the processing plant construction and a build, own, operate (BOO) model for the power station, have been let to the market.

Calidus awarded preferred contractor status to the two largest value contracts being the open pit mining and EPC process plant contract to facilitate Front End Engineering and Design (FEED) and the placing of long lead items orders.

Macmahon Holdings Ltd (Macmahon) has been awarded preferred tenderer status for the open pit mining. Macmahon is an ASX listed company (ASX:MAH) with a market capitalisation of \$564m. Macmahon provides contract mining services Australia wide, employs over 6,000 people and is currently very active in Western Australian Gold with its nearest operation being at Telfer Gold Mine.

GR Engineering Services Ltd (**GRES**) has been awarded preferred tenderer status for the EPC contract for the process plant. GRES is an ASX listed company (ASX:GNG) and is the pre-eminent gold EPC contractor in Australia having completed the last two gold plants in WA.

Calidus also executed a Letter of Intent with Zenith Pacific Pty Ltd (**Zenith**) for a BOO 8MW gas fired Power Station at Warrawoona including gas storage and regassification facilities. A competitive tender process was undertaken following an Energy Study which demonstrated LNG would deliver a significant cost advantage over other forms of Energy (diesel, CNG). Provision has been made in the Zenith proposal for a 2MW Solar Farm, as well as installed capacity to operate the Power Station on 100% diesel back up, should LNG deliveries be interrupted during inclement weather events during cyclone season.

All preferred tenderers have a long and successful track record in Western Australia and gold mining and have the financial, technical and operating experience to deliver on the proposed scope of works.

Purchase of 2.5% Net Smelter Royalty

On 1 December 2020, Calidus announced that it purchased the 2.5% Net Smelter Royalty (**Royalty**) over tenements M45/552, M45/668, M45/669 and M45/670 for consideration of 4m Calidus shares. These tenements cover the bulk of the Ore Reserves defined at Warrawoona. The purchase of the Royalty has increased future cash available for debt service of the \$110m debt package with Macquarie Bank.

Calidus to Acquire High-Grade Blue Spec Gold Mine Near Warrawoona

Calidus advised that it has entered into a binding agreement with Novo Resources Corp. (**Novo**) (TSX.V:NVO) to acquire the high grade Blue Spec Project, located within trucking distance of Warrawoona.⁵

Highlights included:

- Calidus has signed a binding agreement with Novo Resources Corp. (TSX.V:NVO) for the acquisition of the high-grade Blue Spec Gold / Antimony Project (**Blue Spec**) in the Pilbara region of Western Australia for A\$19.5 million cash consideration
- Located within trucking distance (~70km) of Warrawoona
- Established JORC 2012-Compliant Mineral Resources currently undergoing review by Calidus of 415kt @ 16.3g/t Au and 1.3% Sb for 219koz Au and 5.2kt Sb
- Strong exploration potential down dip and along strike
- Blue Spec has historical production of ~60koz Au at more than 25g/t Au (*refer to Northwest Resources Prospectus dated 25 October 2004*)
- Strong potential operational and capital cost synergies between Blue Spec and Warrawoona, while maintaining exposure to ongoing exploration potential:
 - Focus on increasing production profile, extending mine life and maximising value of planned infrastructure at Warrawoona
 - Provides flexibility around timing and scheduling of mine operations at Warrawoona
 - Calidus can utilise in-house expertise and capacity to fast-track the development of Blue Spec
 - Planning to utilise existing infrastructure at Warrawoona, which already includes a sulphide plant for the treatment of a high-grade open pit satellite deposit
- Demonstrates Calidus' commitment to establishing a new regional gold production hub in the East Pilbara district of the Pilbara Goldfield

Blue Spec is located 20km south east of Nullagine and 70km from Warrawoona. Blue Spec is accessible by existing roads and a condition of the sale agreement is that Novo will grant a licence agreement permitting Calidus access to Novo owned roads and across tenements to facilitate potential future transport of material from Blue Spec to Warrawoona.

⁵ BLUE SPEC CAUTIONARY STATEMENT

The information in this presentation that relates to the Blue Spec deposit has been previously released by Calidus to the ASX on 21 September 2020. The estimates of Mineral Resources were originally reported by Northwest Resources Limited on 30 September 2013 as a JORC 2012 compliant Resource by a Competent Person employed by Northwest Resources. A competent person engaged by Calidus has not done sufficient work to confirm these estimates. It is possible that following evaluation and/or further exploration work the currently reported estimates may materially change and hence will need to be reported afresh by Calidus under and in accordance with the JORC Code 2012. Nothing has come to the attention of Calidus that causes it to question the accuracy or reliability of the Northwest's estimates, but Calidus has not independently validated the Northwest's estimates. Calidus has commissioned an updated JORC 2012 Resource which it will release to market when completed. **Investors are encouraged to read the further information on the Blue Spec deposit set out in the Company's announcement of 21 September 2020 and 26 November 2020.**

Given its close proximity, Blue Spec has significant potential to provide a strategic high-grade satellite feed to Warrawoona, potentially enhancing the production profile and extending mine life with a relatively low capital intensity. Blue Spec also provides Calidus with the potential for increased flexibility around mine scheduling at Warrawoona. In addition, some of the plant and infrastructure at Blue Spec may be suitable to include in the proposed 100ktpa sulphide plant. The acquisition leases lie immediately adjacent to Calidus lease application P46/1972 which is immediately along strike of the main Blue Spec shear (as shown in Figure 7).

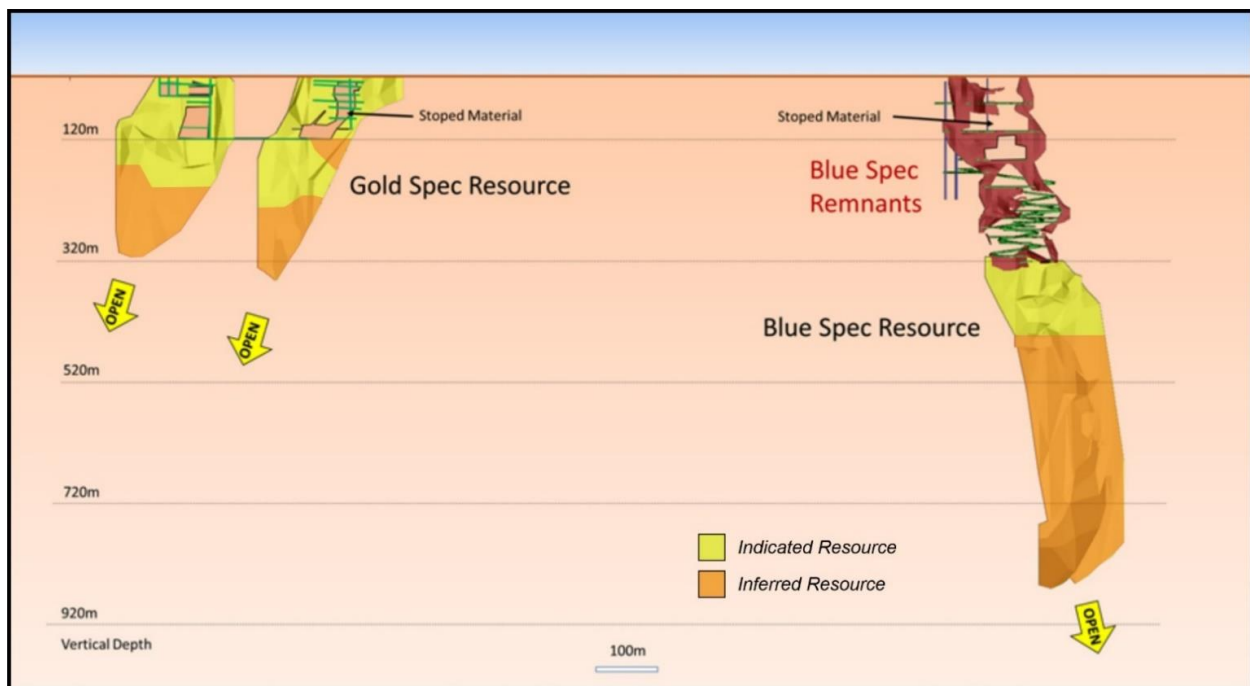


Figure 5: Blue Spec – Gold Spec Long Section

Table 7 – Blue Spec Mineral Resource Estimate

	Cut-off	Indicated				Inferred				Total			
	g/t Au	t (Kt)	Au (g/t)	Sb (%)	K oz	t (Kt)	Au (g/t)	Sb (%)	K oz	t (Kt)	Au (g/t)	Sb (%)	K oz
Blue Spec	3.0	84	29.1	2.2	79	234	12.2	0.9	92	318	16.7	1.3	171
Gold Spec	3.0	67	12.4	1.1	27	30	21.6	1.4	21	97	15.2	1.2	48
Total		151	21.69	1.71	106	264	13.27	0.96	113	415	16.35	1.28	219

Calidus Advances Warrawoona Production Hub Strategy with Farm-In

On 4 December 2020, Calidus announced that it has entered into a Farm-in Agreement with Gondwana Resources which gives Calidus the right to earn up to 75% of a highly promising exploration tenement (E46/1026) located 75km from Warrawoona.

The tenement adjoins and is immediately along strike from the Gold Spec and Blue Spec deposits which host 219,000oz at 16.3g/t; Calidus is in the process of acquiring these deposits. The Farm-in agreement gives Calidus the right to earn up to 51% by spending \$500,000 over three years and 75% over five years by spending a total of \$1m on exploration.

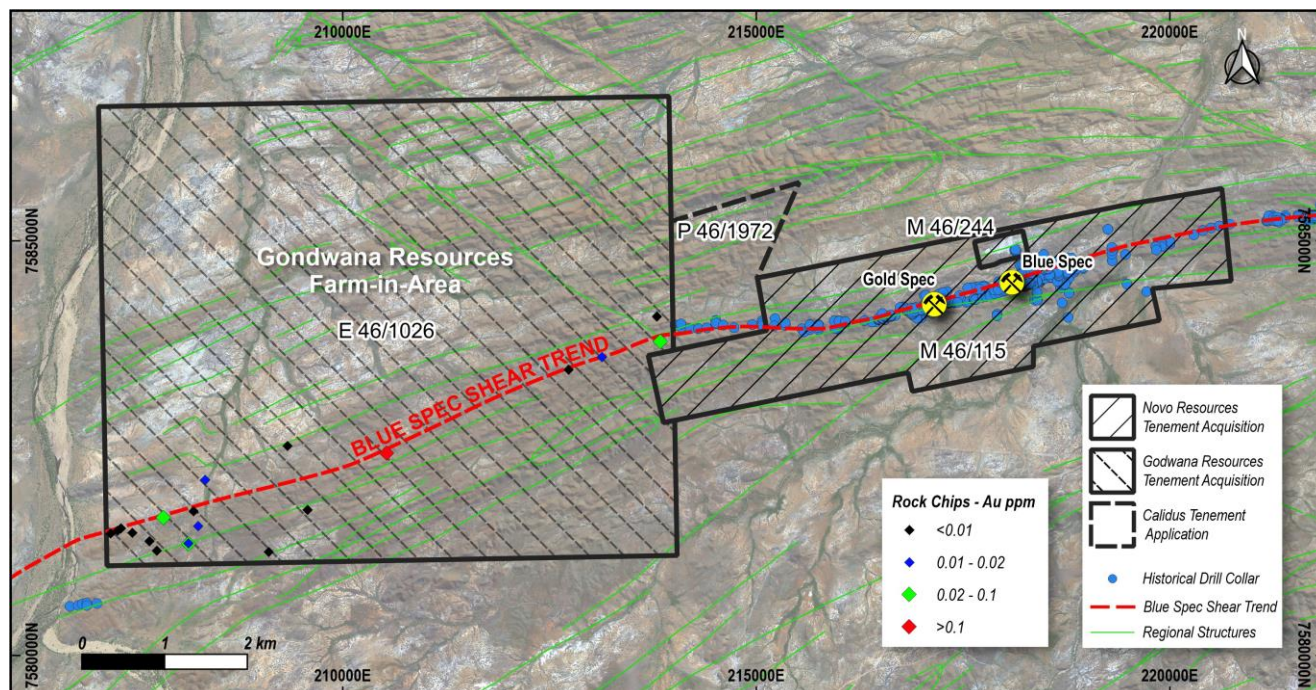


Figure 6: The location of E46/1026 in relation to GSWA 1:100 000 structures, gold deposits on the Blue Spec Fault Zone and historical drill collars. Also shown are results of rock-chip sampling of quartz veins and breccias on the tenement.

Drilling Confirms Historic Shallow Intercepts at Otways Gold-Copper Project

On 4 November 2020, Calidus announced results from the first reconnaissance drilling program at its recently acquired Otways Project in the Pilbara 25km ENE of the town of Nullagine.⁶ Calidus entered into a Heads of Agreement with Rugby Mining to earn up to 70% interest in the project north-east of Nullagine. The drilling campaign was part of the Company’s two-pronged strategy of growing mine life and undertake regional exploration.

Assays were received from five RC holes and one diamond hole which were drilled in July-August 2020 to test the validity of results from the historic percussion drilling. Assays returned broad zones of copper mineralisation and confirmed historic intercepts.

Copper mineralisation is present from surface down to a maximum of about 105m depth and appears to be thickening and strengthening in grade to the west where it remains open. This pattern is consistent with the distribution of the Cu in soil anomaly identified by Greater Pacific Gold NL. Best intercepts included:

- 43m @ 0.70% Cu (incl 10m @ 1.64%) from 0-43m in 20OTRC002
- 18m @ 0.33% Cu from 18-36m in 20OTRC003
- 13m @ 0.35% Cu from 60-73m in 20OTRC003
- 53m @ 0.17% Cu from 0-53m in 20OTRC001
- 11m @ 0.47% Cu from 92-103m in 20OTRC004
- 11.25m @ 0.42% Cu from 71-82.25m in 20OTDD001

Four RC holes had been completed at Malachite Flats approximately 1.5km to the southwest of Otways targeting surface gold and copper mineralisation, with results pending

⁶ Refer announcement dated 4 November 2020 entitled “Drilling confirms historic shallow intercepts at Otways”

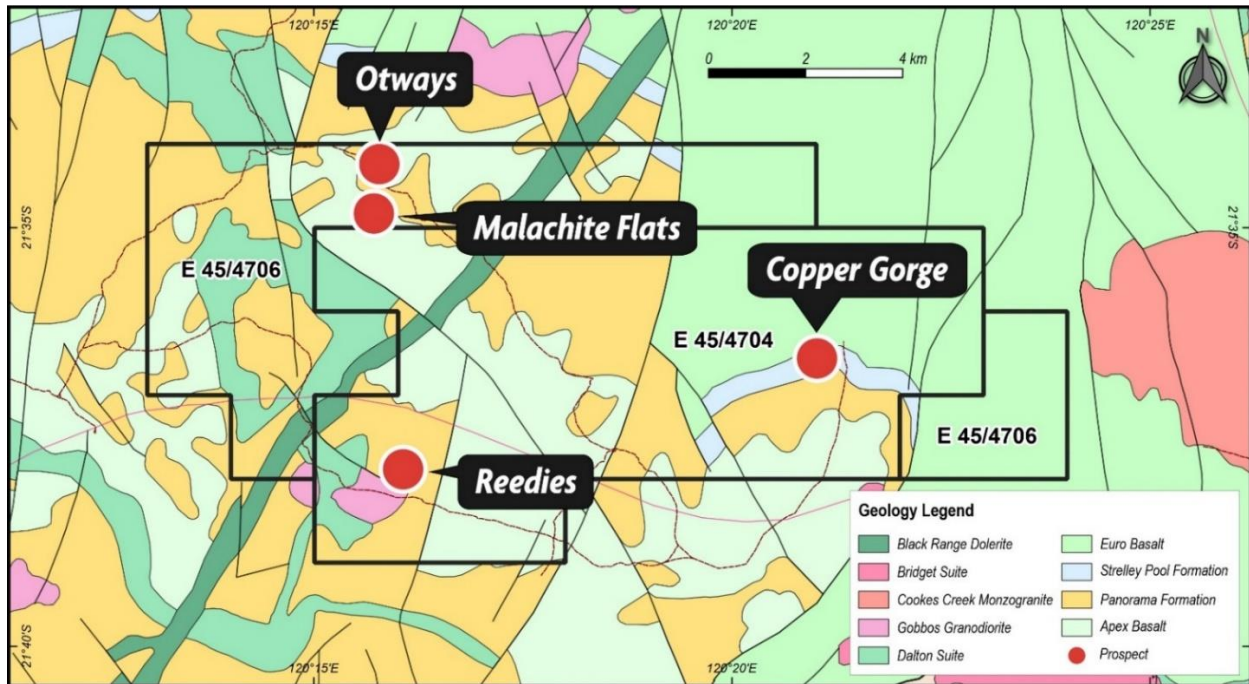
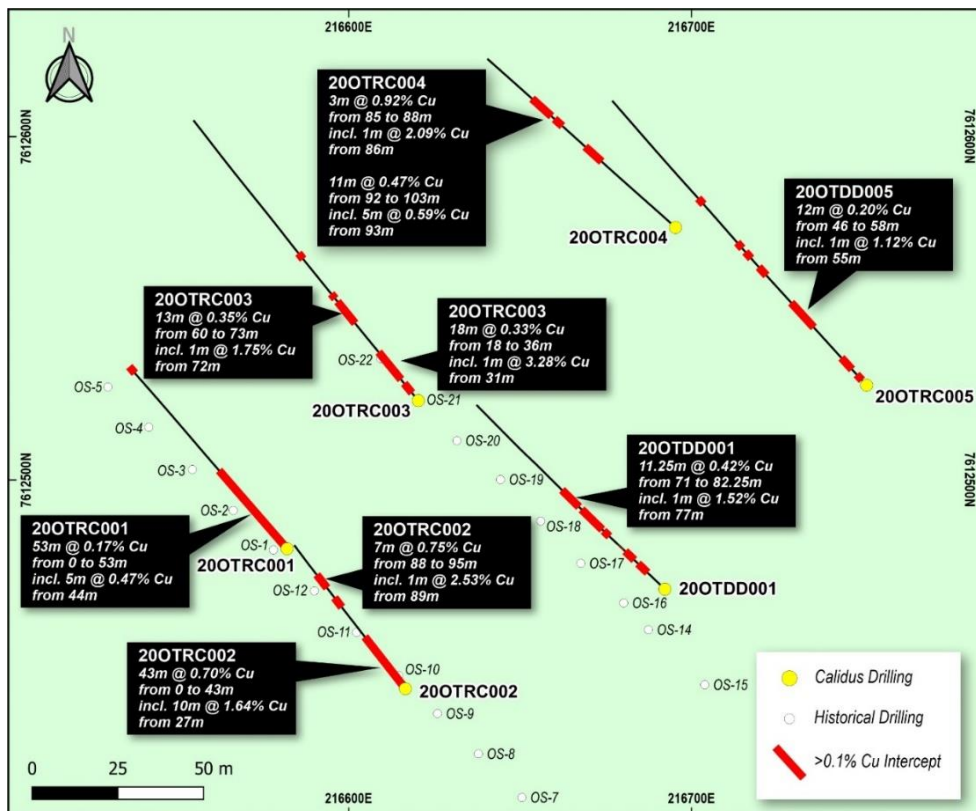


Figure 7: Tenements at the Otways Project with the GSWA 500k geology and prospect locations



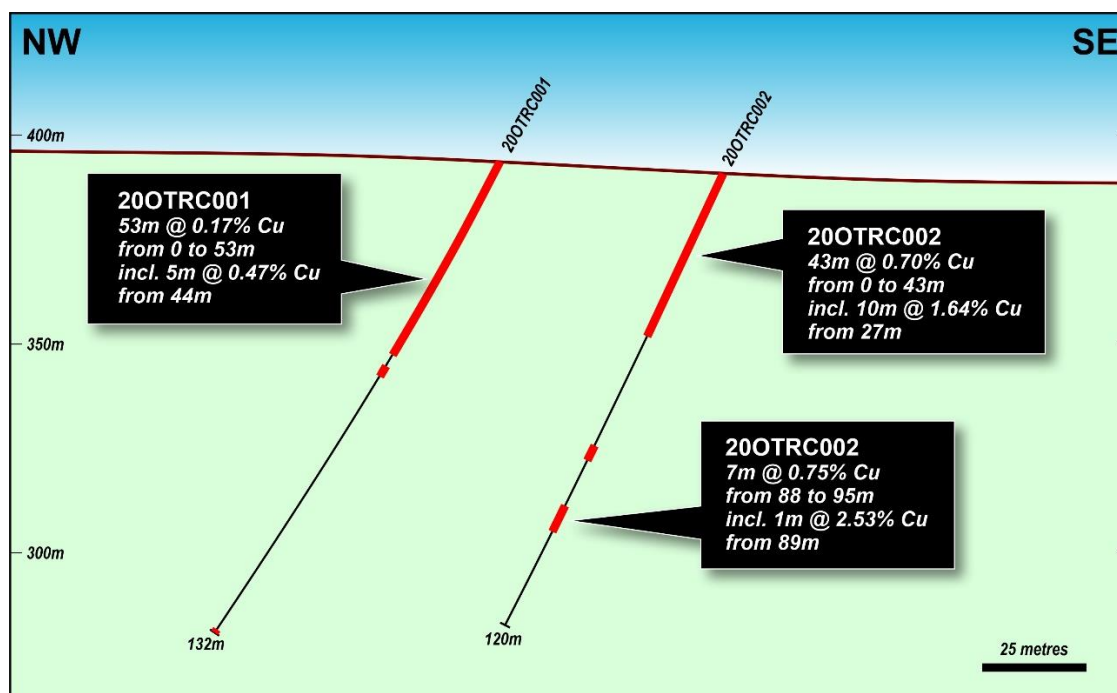


Figure 8: Map and cross section at the Otways prospect showing significant intercepts from the recent drilling program

Drilling Extends Known Mineralisation at Coronation Deposit

Calidus announced strong drilling results which extend the strike length of the known mineralisation at its Coronation deposit in the Pilbara region⁷.

In October 2020, 29 RC holes, designed at a nominal spacing of 20m x 20m (along strike and down dip, were drilled to test the potential to extend the current Mineral Resource along strike to the southeast). Ore-grade gold mineralisation is present from surface over a strike length now of approximately 800m to a depth of 150m from surface. It remains open at depth and along strike to the southeast where sparse drilling and surface mapping suggest the mineralised structure continues.

Assays were received for the 29 RC holes, returning ore-grade intercepts along-strike from the current Mineral Resource of 34koz at 2.19gpt. Results include:

- 14m @ 3.77 g/t Au from 52m (20CRRC041)
- 6m @ 2.15 g/t from 30m (20CRRC058)
- 3m @ 4.00 g/t Au from 54m (20CRRC050)
- 3m @ 2.91 g/t Au from 36m (20CRRC030)
- 5m @ 1.59 g/t Au from 22m (20CRRC027)
- 4m @ 1.85 g/t Au from 2m (20CRRC060)
- 2m @ 3.08 g/t Au from 76m (20CRRC039)

These new results will form the basis of an updated Mineral Resource estimate which should upgrade confidence in the current Mineral Resource from Inferred to Indicated.

⁷ Refer announcement dated 3 December 2020 entitled "Drilling Extends known mineralisation at Coronation deposit"

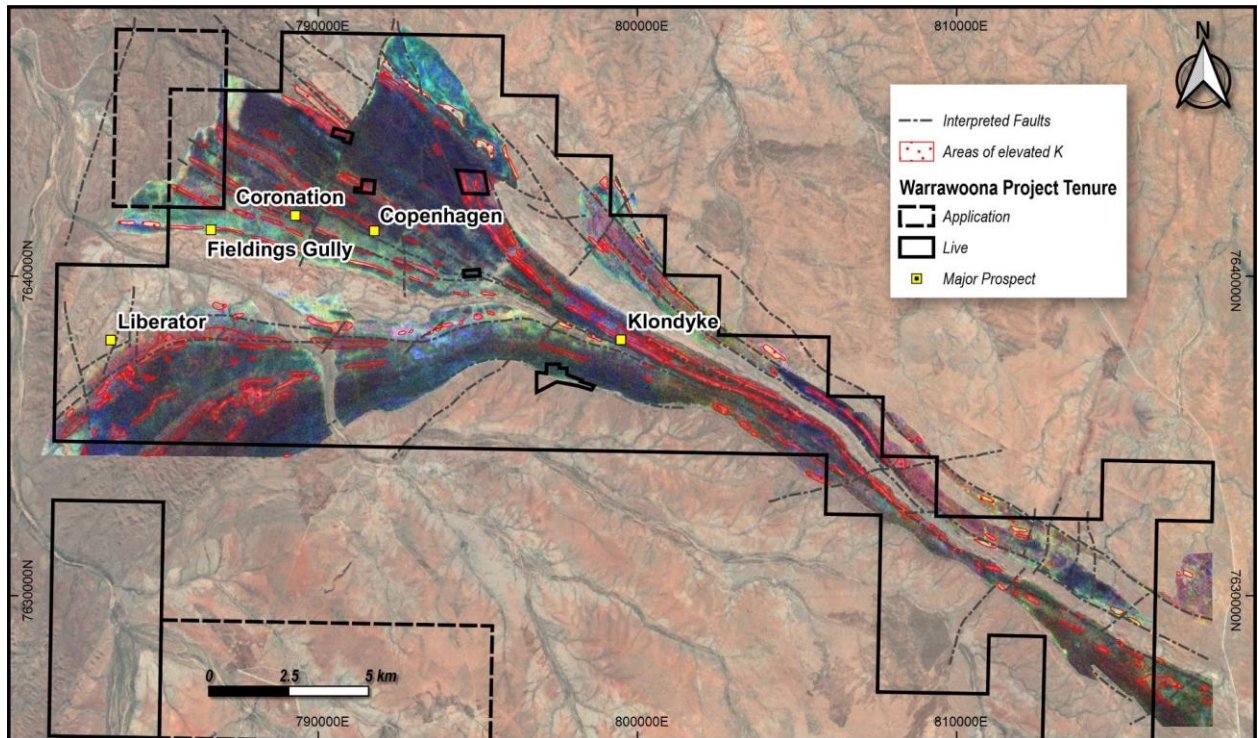


Figure 10: Radiometric ternary images of north and south parts of the greenstone belt clipped to remove large count in the granites and felsic volcanic rocks.

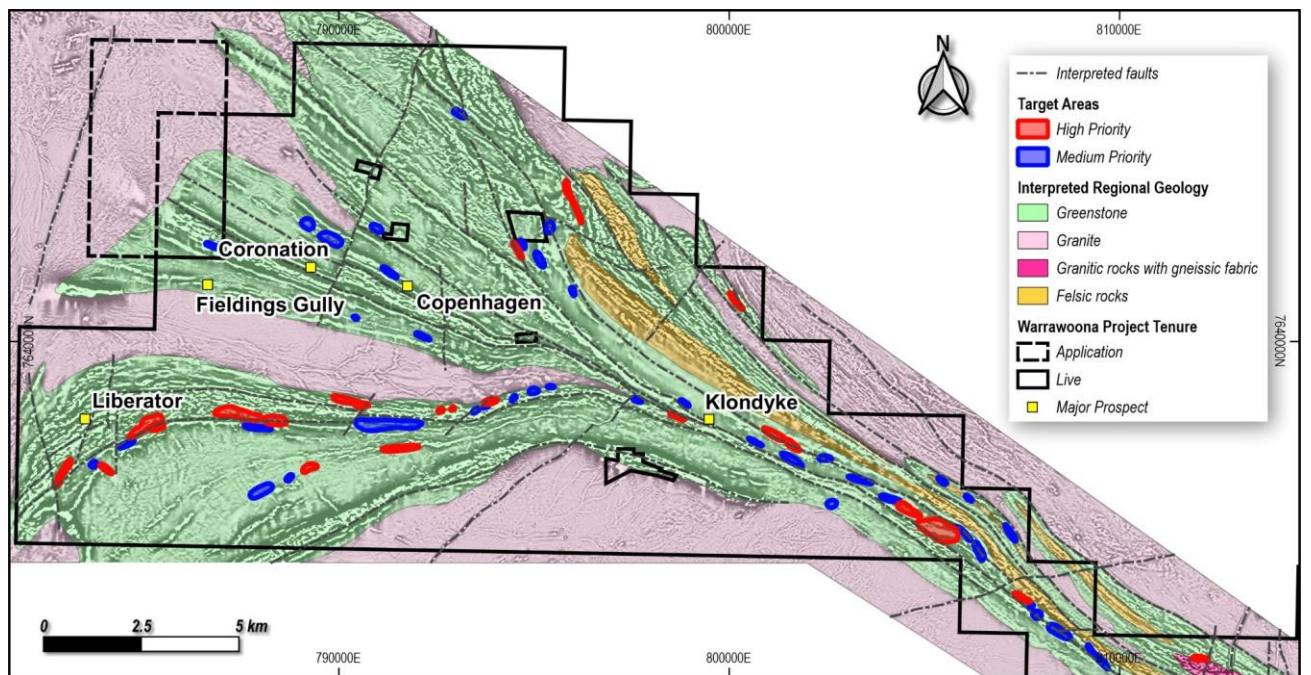


Figure 11: Regional lithologies and interpreted first order structures in the Warwoona area with key deposits and project tenements, overlain on RTP 2VD greyscale magnetic image.

CORPORATE

Calidus Fully Funded to Production at the Warrawoona Gold Project

On 30 November 2020, Calidus announced it had executed a committed credit approved letter of offer and term sheet from Macquarie Bank Limited (**Macquarie**) for project loan facilities totalling \$110 million, along with an associated gold hedging facility (**Debt Financing**) to fund the development of Warrawoona.

Highlights included:

- Project loan facilities of \$110m with Macquarie
- The selection of Macquarie as preferred debt provider delivers a debt financing package with low overall cost, reasonable covenants, ability to distribute and use free cash, low shareholder dilution and flexibility in relation to early repayment
- The debt financing package follows an extensive global tender and due diligence process in Calidus and Warrawoona
- The Company is on track for commencement of plant construction in Q1 2021

Completion of final Debt Financing agreements remains conditional upon documentation and other conditions precedent usual for financings of this nature. Subject to the satisfaction of these remaining conditions, Calidus expects final agreements to be concluded early 2021.

On 10 December 2020, Calidus received firm commitments to raise \$31.875m (before costs) via a share placement to institutional and sophisticated investors through the issue of 62,500,000 shares at a price of \$0.51 per share. Calidus also announced a Share Purchase Plan to eligible shareholders to raise up to \$5m at the same price as the placement. The placement received extraordinary demand with bids received significantly exceeding the desired placement quantum and was cornerstoned by Macquarie with \$5m.

Proceeds of the placement will be used to fund the equity component of the construction of Warrawoona, contribute to the acquisition of Blue Spec, exploration and working capital.

When combined with the \$110m Macquarie debt facility, Calidus is fully funded to production at Warrawoona. To mitigate gold price risk and as a condition of the debt facility, Calidus transacted forward sales of 125,000oz, representing 19% of gold production at an achieved forward price of A\$2,355/oz (nett of all costs), a margin of A\$1,065/oz of the DFS all in sustaining cost.

In addition, on 24 July 2020, Calidus announced that it had raised \$25 million via a share placement to professional and sophisticated investors through the issue of 49,019,608 shares at a price of 51c. The placement attracted strong interest in excess of the shares available to allocate. Proceeds of the placement will be used to fund a dual strategy of commencement of early infrastructure works at Warrawoona including roads, accommodation village, water supply and communications as well as expanding the Company's exploration programmes at Warrawoona and Otways.

Financial

At the end of the quarter, Calidus and its subsidiaries held \$41.8M cash and \$0.5M in listed investments.

Personnel Changes

Appointment of General Manager

Don Russell was appointed as General Manager for Warrawoona. Don has extensive operating experience at gold mines across Australia in his 30-year career and his skills will be invaluable as we move ahead with this project.

The Calidus site team is in place consisting of General Manager, Construction Manager, Geology Manager, Mining Manager, Mining/Construction Superintendent and Business Services Manager.

Director Resignation

The Company advised on 27 July 2020 that Mr Adam Miethke resigned as Non-Executive Director of the Company. The Board thanks Mr Miethke for his valuable contribution to the Company over the last 3 years where he has been intimately involved in the listing and success of the Company. The Company looks forward to continuing working with Adam and the team at Discovery Capital as our Corporate Advisors in the future.

Presentations

Managing Director, David Reeves, presented at the Diggers & Dealers Mining Forum on 14 October 2020, held in Kalgoorlie, Western Australia as well as Resources Rising Stars on 10 November 2020 via a live streamed video.

Forward looking Statements and Disclaimers

This announcement does not constitute investment advice. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. This presentation does not take into account any person's particular investment objectives, financial resources or other relevant circumstances and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, Calidus Resources Limited (the Company or Calidus) does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from this announcement arising out of negligence or otherwise is accepted.

This announcement includes forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Calidus. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Calidus does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Compliance Statement - Warrawoona Gold Project

The information in this announcement that relates to Exploration Results, Mineral Resources, Mineral Reserves and Production Targets (and the forecast financial information derived from the production targets) at the Warrawoona Gold Project has been previously released to the ASX on 29 September 2020. The Company confirms it is not aware of any new information that materially affects the announcement and that all material assumptions underpinning the Exploration Results, Mineral Resources, Mineral Reserves and Production Targets (and the forecast financial information derived from the production targets) continue to apply and have not materially changed.

Compliance Statement - Blue Spec Gold / Antimony Project

The information in this announcement that relates to Exploration Results and Mineral Resources at the Blue Spec Gold / Antimony Project has been previously released to the ASX on 2 October 2020. The Company confirms it is not aware of any new information that materially affects the announcement and that all material assumptions underpinning the Exploration Results and Mineral Resources continue to apply and have not materially changed.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as require under section 307C of the Corporation Act 2001 is set out on page 20.

EVENTS SUBSEQUENT TO REPORTING DATE

On 4 January 2021 Calidus was pleased to announce the appointment of Mr John Ciganek as Non-Executive Director of the Company. John has more than 30 years in the mining sector across a range of roles including mining engineering, stockbroking, executive management and corporate finance. The Board believes John's technical and financial skill sets will be of great assistance as the Company kicks off main construction of the Warrawoona Gold Project this quarter.

On 11 January 2021 Calidus announced the completion of the share purchase plan, raising approximately \$2,698,000 from 285 eligible shareholders.

On 12 January 2021 Calidus announced the purchase of a 1.25% profit royalty over tenements M45/547 and M45/671 for \$45,000 and the issue of 750,000 Calidus shares.

On 14 January 2021 infill drilling results were announced highlighting wide intersections above ore reserve grade west of Klondyke, confirming consistency and continuity and adding width to the primary ore zone.

On 1 February 2021 Calidus announced the remaining 30% interest in co-owned tenements with Novo subsidiaries was purchased with consideration of a 1% net smelter return royalty across those tenements.

On 1 February 2021 Calidus announced the \$5M payment to Novo Resources Corp (Novo) as part of the Blue Spec acquisition taking ownership to 25% of the high grade project.

On 3 February 2021 Calidus entered into a farm-in agreement with Nimble Resources Pty Ltd aimed at growing Calidus' inventory within trucking distance of Warrawoona.

On 15 February 2021 Calidus announced 2 drill holes 250m below the current mineral resource which highlighted the underground potential and scope for growth in mine life and production.

On 2 March 2021 Calidus announced the receipt of an approved Mining Proposal enabling the commencement of bulk earthworks.

No other matters or circumstances have arisen since the half-year ended 31 December 2020, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.



DAVID REEVES

Managing Director

Dated this Wednesday, 3 March 2021



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**AUDITORS' INDEPENDENCE DECLARATION
UNDER S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CALIDUS RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 there have been no contraventions of:

- i. The auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. Any applicable code of professional conduct in relation to the review.

SL Tan
Partner

MOORE AUSTRALIA

Moore Australia Audit (WA)
Chartered Accountants

Signed at Perth on the 3rd of March 2021

Moore Australia Audit (WA) – ABN 18 874 357 907.

An independent member of Moore Global Network Limited - members in principal cities throughout the world.

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2020

	Note	6 months 31 December 2020 \$	6 Months 31 December 2019 \$
<i>Continuing operations</i>			
Revenue	2	-	363,917
Other income		176,351	29,208
		176,351	393,125
Compliance costs		(220,908)	(204,749)
Depreciation and amortisation		(96,204)	(31,424)
Employment costs	3a	(574,553)	(317,489)
Exploration and evaluation expenditure		(1,585)	(6,029)
Finance costs		(16,123)	-
Insurance fees		(61,587)	(27,054)
Exploration expenditure written off	9	(103,638)	-
Legal and consulting fees		(199,508)	(51,655)
Occupancy costs		(36,538)	(40,138)
Share-based payments	15b	(651,649)	(125,013)
Share registry and listing fees		(181,902)	(69,024)
Travel and accommodation		(19,669)	(43,497)
Other expenses	3b	842	256,850
(Loss)/gain on Pacton shares		(325,701)	54,148
Foreign exchange loss		-	(174)
Profit / (loss) before tax		(2,312,372)	(212,123)
Income tax benefit / (expense)		-	-
Net profit / (loss) for the period		(2,312,372)	(212,123)
<i>Other comprehensive income, net of income tax</i>		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(2,312,372)	(212,123)
<i>Earnings per share:</i>		¢	¢
Basic profit / (loss) per share (cents per share)	4	(0.98)	(0.11)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
<i>Current assets</i>			
Cash and cash equivalents	5	41,779,338	5,690,661
Trade and other receivables	6	2,228,022	261,695
Financial assets	7a	498,319	1,362,119
Other	7b	60,366	43,669
Total current assets		44,566,045	7,358,144
<i>Non-current assets</i>			
Plant and equipment	8	1,105,865	696,763
Exploration and evaluation assets	9	8,900,888	24,329,686
Right of use assets	10	915,492	-
Mine properties under development	11	32,926,813	-
Borrowing costs		1,684,820	-
Other non-current assets		24,993	24,993
Total non-current assets		45,558,871	25,051,442
Total assets		90,124,916	32,409,586
<i>Current liabilities</i>			
Trade and other payables	12	2,906,034	1,338,107
Lease liabilities	14	301,580	-
Short-term provisions	13	153,540	48,219
Total current liabilities		3,361,154	1,386,326
<i>Non-current liabilities</i>			
Lease liabilities	14	618,309	-
Total non-current liabilities		618,309	1,386,326
Total liabilities		3,979,463	1,386,326
Net assets		86,145,453	31,023,260
<i>Equity</i>			
Issued capital	15a	96,497,595	39,714,679
Reserves	16	2,561,886	1,910,237
Accumulated losses		(12,914,028)	(10,601,656)
Total equity		86,145,453	31,023,260

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the half-year ended 31 December 2020

	Note	Issued Capital \$	Reserve \$	Accumulated Losses \$	Total \$
<i>Balance at 1 July 2019</i>		29,712,407	780,387	(8,507,311)	21,985,483
Loss for the period attributable owners of the parent		-	-	(212,123)	(212,123)
Total comprehensive income for the period attributable owners of the parent		-	-	(212,123)	(212,123)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the period		9,313,250	-	-	9,313,250
Options and employee shares amortised for the period		-	125,013	-	125,013
Transaction costs		(556,697)	-	-	(556,697)
Balance at 31 December 2019		38,468,960	905,400	(8,719,434)	30,654,926
<i>Balance at 1 July 2020</i>		39,714,679	1,910,237	(10,601,656)	31,023,260
Profit for the period attributable owners of the parent		-	-	(2,312,372)	(2,312,372)
Total comprehensive income for the period attributable owners of the parent		-	-	(2,312,372)	(2,312,372)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the period	15a	59,227,500	-	-	59,227,500
Options and employee shares amortised for the period	15a/15b	-	651,649	-	651,649
Transaction costs	15a	(2,444,584)	-	-	(2,444,584)
Balance at 31 December 2020		96,497,595	2,561,886	(12,914,028)	86,145,453

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the half-year ended 31 December 2020

Note	6 months 31 December 2020 \$	6 Months 31 December 2019 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	67,225	-
Payments for suppliers and employees	(1,417,072)	(1,272,278)
Interest received	31,922	23,618
Net cash used in operating activities	(1,317,925)	(1,248,660)
<i>Cash flows from investing activities</i>		
Payments for exploration expenditure	(4,254,317)	(4,849,697)
Payments for acquisition of tenements	(2,705,000)	
Payments for development expenditure	(7,920,137)	-
Proceeds from sale of investments	533,544	322,410
Purchase of plant and equipment	(451,443)	(2,907)
Net cash used in investing activities	(14,797,353)	(4,530,194)
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	56,237,499	9,158,750
Payments for borrowing costs	(1,588,960)	-
Payments for capital raising costs	(2,444,584)	(556,697)
Net cash provided by financing activities	52,203,955	8,602,053
Net increase in cash held	36,088,677	2,823,199
Cash and cash equivalents at the beginning of the period	5,690,661	4,145,369
Cash and cash equivalents at the end of the period	41,779,338	6,968,568

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 1 Statement of significant accounting policies

These are the consolidated financial statements and notes of Calidus Resources Limited (**Calidus or the Company**) and controlled entities (collectively **the Group**). Calidus is a company limited by shares, domiciled and incorporated in Australia.

The separate financial statements of Calidus, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

The financial statements were authorised for issue on 3 March 2021 by the directors of the Company.

a. Basis of preparation

The interim financial report is intended to provide users with an update on the latest annual financial statements of Calidus Resources Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group, for the year ended 30 June 2020, together with any public announcements made during the half-year.

i. Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

ii. Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

b. Accounting policies

The Group has consistently applied accounting policies to all periods presented in the financial statements. The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for those as described in note 1(d) below.

c. Principles of consolidation

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the period. Where controlled entities have entered (left) the Consolidated Group during the period, their operating results have been included (excluded) from the date control was obtained (ceased).

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

less

- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 1 Statement of significant accounting policies (continued)

c. Principles of consolidation (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

iii. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

iv. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

d. Application of New and Revised Accounting Standards

In the period ended 31 December 2020, the Group has reviewed and adopted all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or before 1 July 2020. The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 30 June 2020.

e. Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The carrying value of capitalised expenditure at reporting date is \$8,900,888.

The ultimate recoupment of the value of the exploration and evaluation assets and mine properties is dependent on successful development and commercial exploitation or alternatively, sale, of the underlying mineral exploration properties. The Group undertakes at least on an annual basis a comprehensive review for indicators of impairment of these assets. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review include:

- Recent drilling results and reserves and resource estimates;
- Environmental issues that may impact the underlying tenements;
- The estimated market value of assets at the review date;
- Independent valuations of underlying assets that may be available;
- Fundamental economic factors such as gold prices, exchange rates and current and anticipated operating costs in the industry; and
- The Group's market capitalisation compared to its net assets.

Information used in the review process is rigorously tested to externally available information as appropriate.

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 1 Statement of significant accounting policies (continued)

e. Critical Accounting Estimates and Judgments (continued)

ii. Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environment impact, the directors believe such treatment is reasonable and appropriate.

iii. Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

iv. Share based payment transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Sholes model, applying the assumptions detailed in Note 17.

v. Hedging

In conjunction with the financing facility negotiated with Macquarie Bank Limited, the Company has entered into forward gold contracts for the delivery of 125,000 oz at a delivery price of A\$2,355 per ounce spread over the term of the facility from September 2022 to September 2025 and representing approximately 19% of planned production of the Warrawoona Gold Project. These forward sales contracts are not treated as derivatives and fair valued in the financial statements as they fall within the own use exemption of AASB 9 Financial Instruments. Should the Company fail to settle these contracts by physical delivery, then it may be required to account for the fair value of a portion, or potentially all of, the existing contracts in the financial statements.

vi. Right of use assets

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

vii. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 2 Revenue and other income

a. Revenue

Additional Pacton shares received

b. Other income

Australian Tax Office incentives

Interest income

	6 months 31 December 2020 \$	6 Months 31 December 2019 \$
	-	363,917
	-	363,917
	143,704	-
	32,647	29,208
	176,351	29,208

Note 3 Profit / (loss) before income tax

The following significant revenue and (expense) items are relevant in explaining the financial performance:

a. Employment costs:

Directors fees

Superannuation expenses

Wages and salaries

Other employment related costs

b. Other expenses

Accruals/(reversal) of stamp duty due to settlement

Receipt of fuel tax credit

Other

	6 months 31 December 2020 \$	6 Months 31 December 2019 \$
	181,500	191,500
	23,917	6,194
	271,390	81,303
	97,746	38,492
	574,553	317,489
	-	251,939
	50,891	31,467
	(50,049)	(26,556)
	842	256,850

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 4 Earnings per share (EPS)

a. Reconciliation of earnings to profit or loss

Profit / (loss) for the year

Profit / (loss) used in the calculation of basic and diluted EPS

b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS

c. Earnings per share

Basic EPS (cents per share)

d. At the end of 31 December 2020, the Group has 16,266,300 unissued shares under options (31 December 2019: 18,413,500). The Group does not report diluted earnings per share on annual losses generated by the Group. During the half-year ended 31 December 2020 the Group's unissued shares under option and partly-paid shares were anti-dilutive.

e. In calculating the weighted average number of ordinary shares outstanding (the denominator of the EPS calculation) for the half year ended 31 December 2020 the number of ordinary shares outstanding for the half- year shall be the actual number of ordinary shares of Calidus outstanding during that period.

	6 months 31 December 2020 \$	6 Months 31 December 2019 \$
Profit / (loss) for the year	(2,312,372)	(212,123)
Profit / (loss) used in the calculation of basic and diluted EPS	(2,312,372)	(212,123)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	234,799,205	185,711,372
Basic EPS (cents per share)	(0.98)	(0.11)

Note 5 Cash and cash equivalents

a. Current

Cash at bank

	31 December 2020 \$	30 June 2020 \$
Cash at bank	41,779,338	5,690,661
	41,779,338	5,690,661

Note 6 Trade and other receivables

a. Current

Trade receivables

Funds receivable from shares issued

GST receivable

	31 December 2020 \$	30 June 2020 \$
Trade receivables	-	36,575
Funds receivable from shares issued	750,000	-
GST receivable	1,478,022	225,120
	2,228,022	261,695

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 7 Other assets

a. Financial assets – fair value through profit or loss

Shares in Pacton Gold Inc. – at fair value

	31 December 2020 \$	30 June 2020 \$
	498,319	1,362,119
	498,319	1,362,119
	60,366	43,669
	60,366	43,669

b. Other assets

Prepayments

Note 8 Plant and equipment

Non-current

Motor vehicles

Accumulated depreciation

Computer and software

Accumulated depreciation

Mining equipment

Accumulated depreciation

Buildings

Total plant and equipment

	31 December 2020 \$	30 June 2020 \$
	132,786	76,104
	(82,511)	(65,834)
	50,275	10,270
	209,062	48,056
	(50,375)	(36,000)
	158,687	12,056
	94,381	87,951
	(64,100)	(52,635)
	30,282	35,316
	866,621	639,121
	1,105,865	696,763

Note 9 Exploration and evaluation assets

Non-current

Exploration at cost:

Balance at beginning of period

Acquisition of Blue Spec Tenements *

Expenditure during the period

Exploration re-classified as mine properties under development

Exploration expenditure write off

Balance at reporting date

	31 December 2020 \$	30 June 2020 \$
	24,329,686	18,145,519
	2,700,000	-
	6,327,728	6,347,810
	(24,352,888)	-
	(103,638)	(163,643)
	8,900,888	24,329,686

* To 31 December 2020, the Company has paid \$2.7M in initial acquisition payments to Novo Resources Corp to secure a 10% interest in the Blue Spec gold-antimony project. Details on the remaining payments to complete the acquisition are detailed in note 20 as contingent liabilities.

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 10 Right of use assets

Non-Current

Land and buildings – right of use

Less: Accumulated depreciation

Plant and equipment – right of use

Less: Accumulated depreciation

	31 December 2020 \$	30 June 2020 \$
Land and buildings – right of use	190,502	-
Less: Accumulated depreciation	(26,458)	-
Plant and equipment – right of use	778,852	-
Less: Accumulated depreciation	(27,404)	-
	915,492	-

The Company leases land and buildings for its corporate office. The commencement date of the sub-lease agreement with Wild West Enterprises Pty Ltd (related party, see note 18 for further details) was the 1st of October 2020 for a period of 24 months with an option to extend for a further 12 months, it is currently considered reasonably certain the option to extend will be exercised by the Company.

The Company has entered into agreements to lease communications infrastructure from Telstra for use at the Warrawoona Project. The term of the lease agreement is 36 months, commencing in September 2020 and the Company will own the infrastructure at the end of the lease.

Note 11 Mine properties under development

Non-current

Balance at beginning of period

Development expenditure

Exploration re-classified as mine properties under development

Balance at reporting date

	31 December 2020 \$	30 June 2020 \$
Balance at beginning of period	-	-
Development expenditure	8,573,925	-
Exploration re-classified as mine properties under development	24,352,888	-
	32,926,813	-

During the half year the Company completed a feasibility study for the Warrawoona Project which demonstrated the commercial viability and technical feasibility of extracting gold from the project resources. Following this milestone prior exploration and evaluation related to the project has been re-classification to mine development. Development activities have commenced with this expenditure being capitalized as mine properties under development.

Note 12 Trade and other payables

Current

Unsecured

Trade payables

Accruals

Employment related payables

	31 December 2020 \$	30 June 2020 \$
Trade payables	2,668,380	1,211,870
Accruals	144,296	21,000
Employment related payables	93,358	105,237
	2,906,034	1,338,107

Note 13 Provisions

Current

Provision for payroll tax

Provision for annual leave

	31 December 2020 \$	30 June 2020 \$
Provision for payroll tax	100,158	8,972
Provision for annual leave	53,382	39,247
	153,540	48,219

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 14 Lease liabilities

Lease liability – current
Lease liability – non-current

	31 December 2020 \$	30 June 2020 \$
	301,580	-
	618,309	-
	919,889	-

Note 15 Issued capital

Fully paid ordinary shares at no par value

a. Ordinary shares

At the beginning of the period

Shares issued during the year:

Shares issued for tenement purchase

Performance shares conversion

Placement

Exercise of options

Exercise of options

Exercise of options

Share consolidation (One for ten)

Exercise of options

Exercise of options

Exercise of options

Exercise of options

Exercise of options

Exercise of options

Shares in lieu of salary

Shares in lieu of directors' fees

Shares in lieu of fees

Placement

Exercise of options

Shares issued to purchase royalty

Placement

Exercise of options

Receipt for employee shares previously issued under holding lock

Transaction costs relating to share issues

At reporting date

	31 December 2020 No.	30 June 2020 No.	31 December 2020 \$	30 June 2020 \$
	336,170,075	219,464,064	96,497,595	39,714,679
	6 months	12 months	6 months	12 months
	219,464,064	1,578,887,024	39,714,679	29,712,407
	-	5,000,000	-	154,500
	-	275,000,000	-	-
	-	281,250,000	-	9,000,000
	-	2,000,000	-	40,000
	-	4,000,000	-	100,000
	-	750,000	-	18,750
	219,464,064	2,146,887,024	39,714,679	39,025,657
	-	214,689,064	-	-
	-	25,000	-	6,250
	-	100,000	-	25,000
	-	1,975,000	-	513,750
	-	925,000	-	256,250
	-	900,000	-	215,000
	-	850,000	-	227,500
	238,259	-	-	-
	155,983	-	-	-
	103,661	-	-	-
	49,019,608	-	25,000,000	-
	200,000	-	-	-
	4,000,000	-	2,240,000	-
	62,500,000	-	31,875,000	-
	488,500	-	-	-
	-	-	112,500	-
	-	-	(2,444,584)	(554,728)
	336,170,075	219,464,064	96,497,595	39,714,679

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 15: Issued capital (Continued)

	31 December 2020 No.	30 June 2020 No.	31 December 2020 \$	30 June 2020 \$
b. Options				
At the beginning of the period	15,788,500	166,500,000	1,604,596	734,396
Options exercised	-	(6,750,000)	-	-
Options expired/cancelled	-	(70,000,000)	-	-
	15,788,500	89,750,000	1,604,596	734,396
Share consolidation (One for ten)	-	8,975,000	-	-
Issue of options	1,166,300	11,588,500	651,649	870,200
Options exercised	(688,500)	(4,775,000)	-	-
At reporting date	16,266,300	15,788,500	2,256,245	1,604,596

c. Share rights and performance rights

At the beginning of the year	2,597,903	21,000,000	305,641	45,991
Issue of performance rights	-	-	-	106,788
	2,597,903	21,000,000	305,641	152,779
Share consolidation (One for ten)	-	2,100,000	-	-
Issue of share rights	-	497,903	-	152,862
Exercise of share rights	(497,903)	-	-	-
At reporting date	2,100,000	2,597,903	305,641	305,641

d. Performance shares

At the beginning of the period	-	275,000,000	-	-
Performance shares converted	-	(275,000,000)	-	-
At reporting date	-	-	-	-

Note 16 Reserves

	Note	31 December 2020 \$	30 June 2020 \$
Options		2,256,245	1,604,596
Share rights and Performance rights		305,641	305,641
		2,561,886	1,910,237

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 17 Share-based payments

Share-based payment expense

15b

Gross share-based payments

	6 months 31 December 2020 \$	6 Months 31 December 2019 \$
	651,649	125,013
	651,649	125,013

a. Share-based payment arrangements in effect during the half-year

i. Employee Securities Incentive Plan – Employee Incentive Options

In consideration for retaining and incentivising key quality employees of Calidus, the Company has issued the following Incentive Options under the Employee Securities Incentive Plan:

Number of Options	Date of Expiry	Exercise Price
600,000	5 August 2025	Nil
170,000	12 August 2025	Nil
167,500	11 December 2025	Nil
228,800	16 December 2025	Nil

Vesting Terms:

The Options will vest upon the Company announcing that the first gold pour has been achieved at the Warrawoona Gold Project, subject to the relevant Participant remaining employed or engaged by the Company or any of its subsidiaries as at the date of vesting.

Note 18 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Wild West Enterprises Pty Ltd – Office Rent

Discovery Capital Partners Pty Ltd – Corporate Advisory and Capital Raising Fees

Wild West Enterprises Pty Ltd – Director fees

	6 months 31 December 2020 \$	6 Months 31 December 2019 \$
	36,500	38,600
	10,000	60,000
	137,500	137,500

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 18 Related party transactions (continued)

During the period, the Group incurred the following amounts to related parties:

- Office Rent
Wild West Enterprises Pty Ltd \$36,500 (31 December 2019: \$38,600)

Calidus and Wild West Enterprises Pty Ltd entered into a sub-lease agreement in respect of a portion of the office space at 12/11 Ventnor Avenue, West Perth (Office Lease Agreement). Mr Reeves (Managing Director of the Company) is a director of Wild West Enterprises Pty Ltd.

The rent payable by Calidus under the Office Lease Agreement is \$5,600 per month payable in advance. This rental agreement falls under the scope of AASB 16 (see notes 10 and 14 for the right of use asset and lease liabilities).

- Consulting Fees - Discovery Capital Partners Pty Ltd \$10,000 (31 December 2019: \$60,000)

The Group paid corporate advisory fees to Discovery Capital Partners Pty Ltd during the period. Mr Miethke is a director of Discovery Capital. \$10,000 for corporate advisory fees were paid whilst Mr Miethke was serving as a Non-Executive Director of the Company. The Board considers that the Discovery Capital engagement to be on arms' length and commercial terms.

Note 19 Commitments

Exploration Commitments

	31 December 2020 \$	30 June 2020 \$
Exploration expenditure commitments payable:		
Not later than 12 months	626,296	572,780
Between 12 months and five years	1,123,181	1,046,789
Later than five years	2,022,629	1,864,078
Total Exploration tenement minimum expenditure requirements	3,772,106	3,483,647
Project expenditure commitments payable:		
Not later than 12 months	1,026,427	-
Total project expenditure commitments	1,026,427	-

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 19 Commitments (continued)
Gold Delivery Commitments

	Gold for physical delivery	Contracted sales price	Value of committed sales
	oz	\$/oz	\$
Gold delivery commitments:			
Between 12 months and five years	125,000	2,355	294,337,500
Total gold delivery commitments	125,000	2,355	294,337,500

The 125,000 sales contracts represent 39% of anticipated gold production to September 2025. The counterparty to the physical gold delivery contracts is Macquarie Bank who has security over the assets of the Company. Contracts are planned to be settled by the physical delivery of gold as per the contract terms. The contracts are accounted for as sale contracts with revenue recognised once gold has been delivered to the scheduled counterparties. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 9 financial Instruments, no derivatives are recognised in the financial statements.

Note 19 Operating segments

For management purposes, the Group’s operations are organised into one operating segment domiciled in the same country, which involves the exploration and exploitation of gold minerals in Australia. All the Group’s activities are inter-related, and discrete financial information is reported to the Managing Director as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the statement of comprehensive income. The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of these financial statements.

Note 20 Events subsequent to reporting date

- On 4 January 2021 to Calidus announced the appointment of Mr John Ciganek as Non-Executive Director of the Company effective immediately. John has more than 30 years in the mining sector across a range of roles including mining engineering, stockbroking, executive management and corporate finance. John began his career as a Mining Engineer with Comalco / CRA (Rio Tinto) before moving to Reynolds Yilgarn Gold, Byrnescut Mining and Hargraves Resources. John subsequently joined Commonwealth Bank as Senior Bank Engineer responsible for technical due diligence and gained substantial experience in debt financings including project financings, project bonds issuances, convertible note offerings, working capital facilities, hedging facilities, offtaker funding, and equity raisings through his role as executive director for Burnvoir Corporate Finance. John is a Non-executive Director of ASX listed Vanadium Resources and Ookami Limited.
- On 11 January 2021, Calidus announced the completion of the share purchase plan, raising approximately \$2,698,000 from 285 eligible shareholders.
- On 12 January 2021, Calidus announced the purchase of a 1.25% profit royalty over tenements M45/547 and M45/671 for \$45,000 and the issue of 750,000 Calidus shares.
- On 14 January 2021, infill drilling results were announced highlighting wide intersections above ore reserve grade west of Klondyke, confirming consistency and continuity and adding width to the primary ore zone.
- On 1 February 2021 Calidus announced the remaining 30% interest in co-owned tenements with Novo subsidiaries was purchased with consideration of a 1% net smelter return royalty across those tenements.
- On 1 February 2021 Calidus announced the \$5M payment to Novo Resources Corp (Novo) as part of the Blue Spec acquisition taking ownership to 25% of the high grade project. On 3 February 2021, Calidus entered into a farm-in agreement with Nimble Resources Pty Ltd aimed at growing Calidus’ inventory within trucking distance of Warrawoona.
- On 15 February 2021, Calidus announced 2 drill holes 250m below the current mineral resource which highlighted the underground potential and scope for growth in mine life and production.
- On 2 March 2021 Calidus announced the receipt of an approved Mining Proposal enabling the commencement of bulk earthworks.

No other matters or circumstances have arisen since the half-year ended 31 December 2020, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

Notes to the consolidated financial statements

for the half-year ended 31 December 2020

Note 21 Contingent liabilities

a. Blue Spec acquisition

On 26 November 2020 the Company announced terms to acquire the Blue Spec gold-antimony project from Novo Resources Corp. \$2.7 million has been paid to 31 December 2020 to gain a 10% ownership in the project. By 31 January 2021, a further \$2.5M can be paid to gain a further 10% ownership (or a \$5.0M payment for a further 15% ownership and altering the final payment consideration). If the 31 January 2021 payment is made, by 31 March 2021, a final payment of \$14.3 million can be paid to gain a 100% ownership (if the \$5.0 million is elected to be paid by 31 January, either \$11.8 million in cash or \$10.3 million in cash plus \$1.5 million in Calidus shares).

b. Royalties and joint ventures

Keras (Pilbara) Gold Pty Ltd has an obligation to pay royalties, based on minerals produced from various tenements, to third parties. The royalties will only become due and payable when and if mining commences.

On 27 May 2020 the Company announced that it may earn up to a 70% interest in the Otways tenements by spending \$1.2 million on the tenements over 48 months (Expenditure Commitment). At the completion of the Expenditure Commitment, each party will be subject to a fund or dilute obligation in the respective proportions on the Otways Tenements with any interest diluting below 10% converting to a 1% net smelter royalty.

Calidus has completed earning a 70% interest in the Novo tenements. Following the earn-in a JV has been formed, with each party subject to a fund or dilute obligation in the respective proportions on the Novo Tenements with any interest diluting below 10% converting to a 1% net smelter royalty.

On 4 December 2020 the Company announced that it may earn up to a 75% interest in the Gondwana tenement by spending \$1.0 million on the tenement over 60 months (Expenditure Commitment). At the completion of the Expenditure Commitment, each party will be subject to a fund or dilute obligation in the respective proportions on the tenement with any interest diluting below 10% converting to a 1.5% net smelter royalty.

Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 21 to 37, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position as at 31 December 2020 and of the performance for the half-year ended on that date of the Company.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s303(5) of the *Corporations Act 2001* (Cth) and is signed for and on behalf of the directors by:



DAVID REEVES

Managing Director

Dated this Wednesday, 3 March 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF CALIDUS RESOURCES LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Calidus Resources Limited (the company) and its controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the company's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF CALIDUS RESOURCES LIMITED (CONTINUED)**

Auditor's Responsibility (continued)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if provided to the directors as at the time of this auditor's review report.

A handwritten signature in black ink, appearing to read 'SL TAN'.

SL TAN
PARTNER

A handwritten signature in black ink, appearing to read 'MOORE AUSTRALIA'.

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth on the 3rd of March 2021.