

ASX ANNOUNCEMENT

ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold producer that is ramping up the 1.7Moz Warrawoona Gold Project in the East Pilbara district of Western Australia.

DIRECTORS AND MANAGEMENT

Mr Mark Connelly
NON-EXECUTIVE CHAIRMAN

Mr David Reeves
MANAGING DIRECTOR

Mr John Ciganek
NON-EXECUTIVE DIRECTOR

Ms Kate George
NON-EXECUTIVE DIRECTOR

Mr Paul Brennan
PROJECT DEVELOPMENT

Mr Richard Hill
CHIEF FINANCIAL OFFICER

Ms Julia Beckett
COMPANY SECRETARY

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Not for release to US wire services or distribution in the United States

Successful capital raising paves way for strong growth in production and cashflow

Capital raising and conversion of up to \$38.5m (before costs) will enable Calidus to implement its 130,000ozpa expansion strategy while maintaining a conservative balance sheet and generating strong cashflow

HIGHLIGHTS

- Firm commitments received from professional, sophisticated and institutional investors for a single tranche placement to raise \$23 million (before costs) at \$0.21 per share (Placement), with investors receiving one (1) free attaching option for every two (2) new shares subscribed for
- Placement received strong demand from new and existing shareholders based domestically and offshore
- Alkane Resources Limited (ASX:ALK), the Company's largest shareholder, has subscribed for \$2.5m of Placement shares, providing a strong endorsement of Calidus' strategy
- Macmahon Holdings Limited (ASX:MAH), the contractor at Calidus' Warrawoona Gold Project, has elected to convert ~\$10.5m of its existing creditor position to equity at the same price as the Placement; this is consistent with Macmahon's strategy to be closely integrated with its long-term clients
- SPP to be offered to eligible shareholders to raise up to a further \$5m (before costs) on the same terms as the Placement
- Proceeds from the Placement and SPP will strengthen Calidus' balance sheet, providing a robust platform to undertake the planned Stage 2 and Stage 3 expansions at its Warrawoona Gold Project in the Pilbara of WA

Calidus Resources Limited (ASX:CAI) (**Calidus** or **Company**) is pleased to announce that it has received firm commitments for a \$23 million share placement (**Placement**) to professional, sophisticated and institutional investors through the issue of approximately 109.8 million shares at a price of \$0.21 per share. Each participant in the Placement will also receive a 1 for 2 free attaching option, exercisable at \$0.30 with a term of 15 months (**Attaching Options**). The Attaching Options will be subject to shareholder approval, which is to be sought at the upcoming general meeting, expected to be held on 7 June 2023. Calidus intends to list the Attaching Options, subject to meeting ASX requirements.

In addition to the Placement, Calidus is also pleased to announce:

- it will be undertaking a share purchase plan to raise a further \$5 million (before costs) where participants will also receive a 1 for 2 free Attaching Option under the same terms as the Placement (**SPP**); and
- consistent with the intention of Macmahon Holdings Limited (ASX:MAH) (**Macmahon**) to become more closely integrated with its long term clients, Macmahon has agreed to convert \$10.5 million of its existing creditor position under the mining services contract (as announced to ASX on 14 September 2021) to equity at the same price as the Placement (\$0.21 per share). Macmahon will be subject to a 6-month voluntary holding lock and 6-month orderly market agreement.

Managing Director Dave Reeves said: “Calidus will emerge from this highly successful raising in an enviable position.

“It helps ensure we can implement our strategy to grow production to 130,000ozpa while maintaining a conservative balance sheet and generating strong cashflow.

“This means we can leverage our existing infrastructure, generate greater economies of scale and unlock the underlying value of the large inventory we have established through our successful exploration programs.

“Organic growth of this nature maximises shareholder returns while reducing costs, lowering risk and increasing cashflow.”

Placement

The Placement received strong demand from new and existing institutional, sophisticated and professional shareholders, including Alkane Resources Limited (ASX:ALK) (Calidus’ largest shareholder) which has subscribed for \$2.5 million.

The Company will issue 109.8 million fully paid ordinary shares to new and existing professional, sophisticated and institutional investors participating in the Placement (**Placement Shares**) at a price of \$0.21 per Placement Share, raising a total of approximately \$23 million (before costs). Placement Shares will be issued under the Company’s existing capacity under Listing Rules 7.1 and 7.1A, with settlement expected to occur 28 April 2023.

This issue price of \$0.21 per Placement Share represents a discount of 20.8% to the last closing price of \$0.265 on Tuesday, 18 April 2023 and an 24.1% discount to the 5-day volume weighted average price (VWAP) of \$0.277.

The Placement Shares will be issued under the Company’s existing capacity under Listing Rules 7.1 and 7.1A in the following proportions:

- 65,932,626 Placement Shares issued pursuant to Listing Rule 7.1; and
- 43,823,852 Placement Shares issued pursuant to Listing Rule 7.1A.

Canaccord Genuity (Australia) Limited and Euroz Hartleys Limited acted as Joint Lead Managers to the Placement, and Blue Ocean Equities Pty Ltd acted as Co-Manager to the Placement.

Share Purchase Plan

The Company will shortly launch a Share Purchase Plan (**SPP**) for eligible existing shareholders in Australia, New Zealand and the United Kingdom on the same terms as the Placement, seeking to raise up to a further \$5 million (before costs). The Company reserves the right (in its absolute discretion) to scale back applications under the SPP if demand exceeds \$5 million or to accept oversubscriptions (subject to the ASX Listing Rules and *Corporations Act 2001* (Cth)). The SPP will not be underwritten, although the Company reserves the right to place any shortfall to the SPP, subject to the receipt of shareholder approval.

Under the SPP, eligible shareholders will be invited to subscribe for up to \$30,000 worth of new fully paid ordinary shares at \$0.21 each (**New Shares**), being the same offer price as under the Placement.

The record date for the SPP is 5.00pm on Thursday, 20 April 2023. The SPP offer period is anticipated to be open from 26 April 2023 to 30 May 2023, subject to Calidus' discretion to amend these dates by making an ASX announcement in accordance with the ASX Listing Rules.

Further information regarding the SPP (including the terms and conditions of the SPP) will be provided to eligible shareholders in the SPP offer booklet, which is expected to be lodged with ASX on 26 April 2023.

Calidus has applied to ASX for a waiver of Listing Rule 7.1, to permit Calidus to offer New Shares under the SPP at an issue price of \$0.21 per New Share (**Waiver**). In the event that the Waiver is not granted, the Company intends to seek shareholder approval to issue the New Shares under the SPP, and the issue of New Shares under the SPP would be conditional on receipt of such shareholder approval.

Free Attaching Options

Participants in the Placement and SPP will be entitled to receive one (1) free attaching option exercisable at \$0.30 each with a 15-month term for every two (2) fully paid ordinary shares subscribed for under the Placement (**Placement Options**) and SPP (**SPP Options**), respectively (**Option Offers**), subject to and conditional on the receipt of shareholder approval. Calidus intends to seek the requisite approvals at a general meeting intended to be held 7 June 2023 (**General Meeting**).

In the event that shareholder approval is not received at the General Meeting for the issue of the Placement Options, the participants in the Placement will be issued the Placement Shares for which they subscribed, but will not be issued the Placement Options. Similarly, in the event that shareholder approval is not received at the General Meeting for the issue of the SPP Options, the participants in the SPP will be issued the New Shares for which they subscribed, but will not be issued the SPP Options.

The Placement Options and SPP Options (together, the **Attaching Options**) will be offered under a prospectus to be lodged with the Australian Securities and Investments Commission and ASX (**Options Prospectus**) immediately following receipt of the requisite approvals at the General Meeting. Subject to satisfaction of the conditions to quotation under the ASX Listing Rules, the Attaching Options are intended to be quoted on the ASX.

Use of Proceeds

Proceeds of the Placement and SPP are intended to be applied towards general working capital to ensure the Company is well funded to execute its stated growth strategy for Warrawoona.

Indicative timetable

Below is the current indicative timetable for settlement of the Placement and SPP:

Event	Indicative date
Record Date of SPP	5:00pm (AWST) on Thursday, 20 April 2023
Announcement of Placement and SPP	Friday, 21 April 2023
Despatch of SPP offer booklet SPP opening date	Wednesday, 26 April 2023
Settlement of Placement Shares	Friday, 28 April 2023
Quotation and commencement of trading of Placement Shares	Monday, 1 May 2023
SPP closing date	Tuesday, 30 May 2023

Announcement of SPP results Issue of New Shares under SPP Application for quotation of New Shares	Tuesday, 6 June 2023
Commencement of trading of New Shares under SPP General Meeting held and ASX notified of results of the General Meeting	Wednesday, 7 June 2023

The timetable is indicative only and remains subject to change at Calidus' discretion, subject to compliance with applicable laws and the ASX Listing Rules. Calidus reserves the right to change the timetable or cancel the SPP at any time before New Shares are issued, subject to regulatory requirements. Calidus encourages eligible shareholders who wish to participate to act promptly in submitting their application forms. The Company reserves the right to close the SPP early, in its sole and absolute discretion, should it be considered necessary to do so, by making an announcement to the ASX.

Macmahon Participation

Calidus has entered into a binding term sheet with Macmahon which provides that Calidus will issue 49,880,350 fully paid ordinary shares (at a deemed issue price of \$0.21, being the same as the issue price as the to the Placement and SPP) (**Consideration Shares**) to Macmahon in full and final satisfaction of its obligation to pay a total of \$10,474,873.50 owing to Macmahon for services provided pursuant to the mining services contract dated 13 September 2021 (as announced to ASX on 14 September 2021).

The issue of the Consideration Shares to Macmahon is subject to shareholder approval at the General Meeting. The Consideration Shares will be subject to a 6-month voluntary holding lock and orderly market agreement.

This announcement has been authorised for release by the Board.

For further information please contact:

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Managing Director

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Disclaimer

References in this announcement may have been made to certain ASX announcements, which in turn may have included exploration results and Minerals Resources. For full details, please refer to the said announcement on the said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and mentioned announcements, the Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement(s), and in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Forward Looking Statements

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