



ABN 98 006 640 553

# ANNUAL REPORT

30 June 2018

**Corporate directory****Current Directors**

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

**Company Secretary**

James Carter

**Registered Office**Street: Suite 12, 11 Ventnor Avenue  
WEST PERTH WA 6005

Telephone: +61 (0)8 6245 2050

Email: [info@calidus.com.au](mailto:info@calidus.com.au)Website: <http://www.calidus.com.au>**Securities Exchange**

Australian Securities Exchange

Level 40, Central Park, 152-158 St Georges Terrace  
Perth WA 6000

Telephone: 131 ASX (131 279) (within Australia)

Telephone: +61 (0)2 9338 0000

Facsimile: +61 (0)2 9227 0885

Website: [www.asx.com.au](http://www.asx.com.au)

ASX Code CAI

**Share Registry**

Automic Pty Ltd

Street: Level 3, 50 Holt Street  
SURRY HILLS NSW 2010Postal: PO Box 1156  
NEDLANDS WA 6909

Telephone: 1300 288 664

Email: [hello@automic.com.au](mailto:hello@automic.com.au)Website: <http://automic.com.au>**Solicitors to the Company**

Bellanhouse

Level 19, Alluvion  
58 Mounts Bay Road  
Perth WA 6000**Auditors**

Moore Stephens

Level 15, Exchange Tower, 2 Esplanade  
Perth WA 6000

Telephone: +61 (0)8 9225 5355

Website: [www.moorestephens.com.au](http://www.moorestephens.com.au)

**Contents**

■ Chairman's Letter .....	3
■ Operations Review .....	4
■ Mineral Resource and Ore Reserve Statement .....	14
■ Directors' report .....	16
■ Remuneration report .....	22
■ Auditor's independence declaration .....	33
■ Consolidated statement of profit or loss and other comprehensive income .....	34
■ Consolidated statement of financial position .....	35
■ Consolidated statement of change in equity .....	36
■ Consolidated statement of cash flows .....	37
■ Notes to the consolidated financial statements .....	38
■ Directors' declaration .....	75
■ Independent auditor's report .....	76
■ Corporate governance statement .....	80
■ Additional ASX Information .....	87

## Chairman's Letter

Dear Shareholder

On behalf of the Board of Directors of Calidus Resources Limited, I am pleased to provide the following summary of what has been a transformational year for your Company. Following our admission to the ASX in June 2017, we are pleased to have demonstrated that the Warrawoona Gold Project is shaping up as a world class asset, and our aggressive exploration programme continues into the new financial year.

A major highlight was the announcement in December 2017 of a 74% increase in the high grade Warrawoona resources to 10.5 million tonnes at 2.11 g/t for 712,000 ounces. This resource spans a continuous strike length of 2.6km and is open in all directions to an average depth of 180m. This resource provides a solid base for resource expansion and we plan to make further positive resource announcements during 2018.

As outlined in last year's letter, the Warrawoona Gold Field first commenced production in 1897 and faced ongoing issues with fragmented ownership, which resulted in limited exploration and no modern development in the region. The area has been consolidated for the first time by Calidus, allowing the project to be viewed in its entirety and removing previous impediments to potential development. During 2018, we continued our strategy for further consolidation and expansion around the region, including finalising due diligence and the commencement of the Novo Joint Venture. As of June 2018, Calidus now has 550km<sup>2</sup> under control, application or option, covering the entirety of the Warrawoona Gold Belt.

Over the past 12 months, we have focused drilling on Klondyke and high-grade satellite opportunities being Copenhagen, Fieldings Gully and Coronation. These satellite deposits have seen limited work but show a higher-grade tenor, such as the 6.1g/t Copenhagen resource. Additionally, the team completed a regional target generation study during the year identifying over 45 high-priority targets. This now enables our geologists to follow-up the highest priority targets conducting mapping and geochemistry programs in advance of the commencement of drilling.

In August 2017 we announced the appointment to our team of Jane Allen, a highly experienced geologist who was most recently head of brownfields exploration for Anglo Ashanti for all continental Africa. Ms Allen's extensive experience serves to further strengthen our position to capitalise on the opportunity presented to us. The ability to attract someone of Jane's calibre reinforces the attractiveness of the Project.

Looking forward the Company is well funded as we continue with the resource drilling campaign commenced in May 2018. The purpose of this drilling programme is to not only significantly expand the existing gold resource base of 712,000 ounces but also verify new targets that lie adjacent to the existing resource. In parallel with this drilling, we are completing works associated with a pre-feasibility study such metallurgical testwork, environmental studies and heritage clearances.

Recently we were deeply saddened by the sudden passing of one of our non-executive directors Mr Peter Hepburn-Brown. Peter was an inaugural director of Calidus when listing on the ASX in June 2017 and was also previously a director of Calidus' major shareholder Keras Resources plc. Peter was a close friend and mentor to senior members of the Calidus team. His sudden passing was a great shock and tragic loss and he is sorely missed.

Finally, I would like to take this opportunity to thank all staff, advisors, contractors and our shareholders who have allowed us to continue this exciting journey together.



**Mark Connelly**  
Non-executive Chairman

Operations Review

Overview

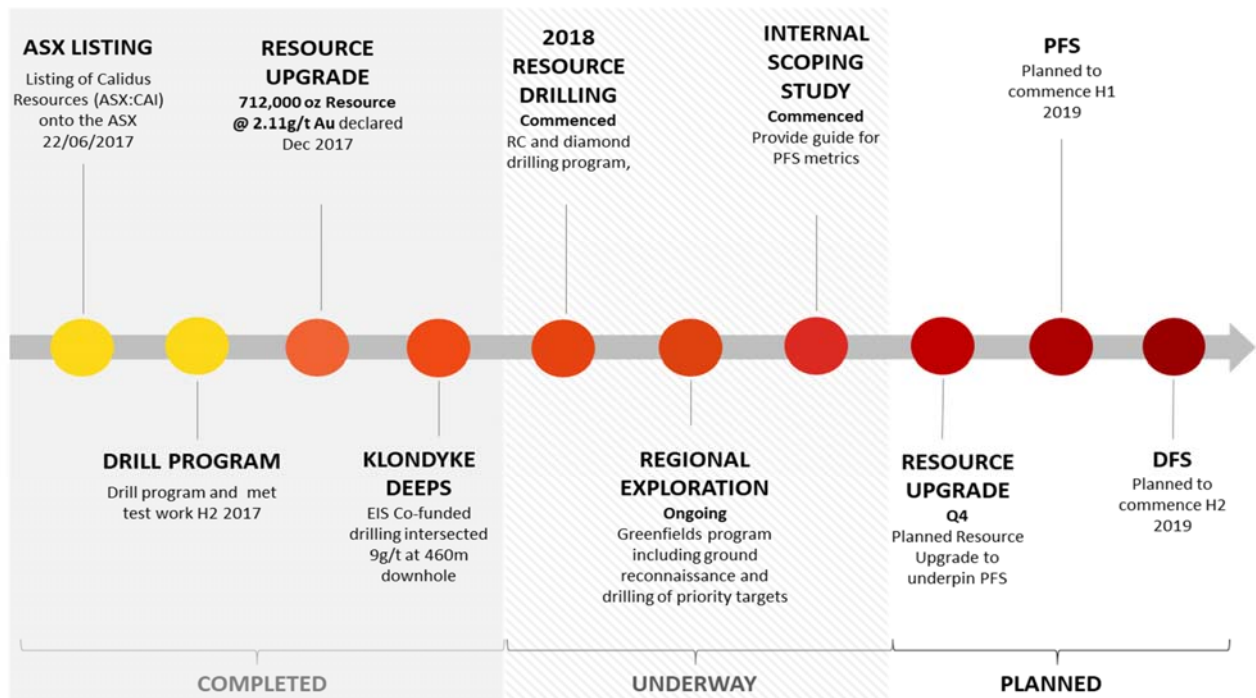
Calidus Resources Limited (ASX: CAI) (Calidus or the Company) is pleased to present its results for the period between 1 July 2017 to 30 June 2018 (FY18).

After Calidus' successful reinstatement to the ASX and fundraising in June 2017, the Company embarked upon on a maiden and aggressive drill campaign at the wholly owned Warrawoona Gold Project in the Pilbara region of Western Australia.

Key Activities and Achievements for the 12 months ended 30 June 2018

- 74% increase in the Warrawoona resources to 712,000 ounces @ 2.11 g/t
  - Completed a total 25,704 metres drilling at Klondyke, Copenhagen, Coronation and Fielding's Gully
- Completed a heavily oversubscribed capital raising of \$10 million in October 2017
  - As at 30 June 2018 Calidus held \$6.1 million in cash
- Strengthened the Group's board and management team with appointments of Mark Connelly as Non-executive Chairman and Jane Allen as Geology Manager
- Further consolidation and expansion of the Warrawoona project;
  - Commencement of a Joint Venture with Novo Corporation
  - Exercise of the Haoma option and acquisition of associated tenements
  - Acquisition of a 50% interest in a further two exploration licences through exercise of the Epminex option.
- Work program and funding in place to undertake a substantial drill program in 2018, aiming to increase the resources base and test multiple resource targets.

Re-cap on what has been achieved and the outlook for 2018 and 2019

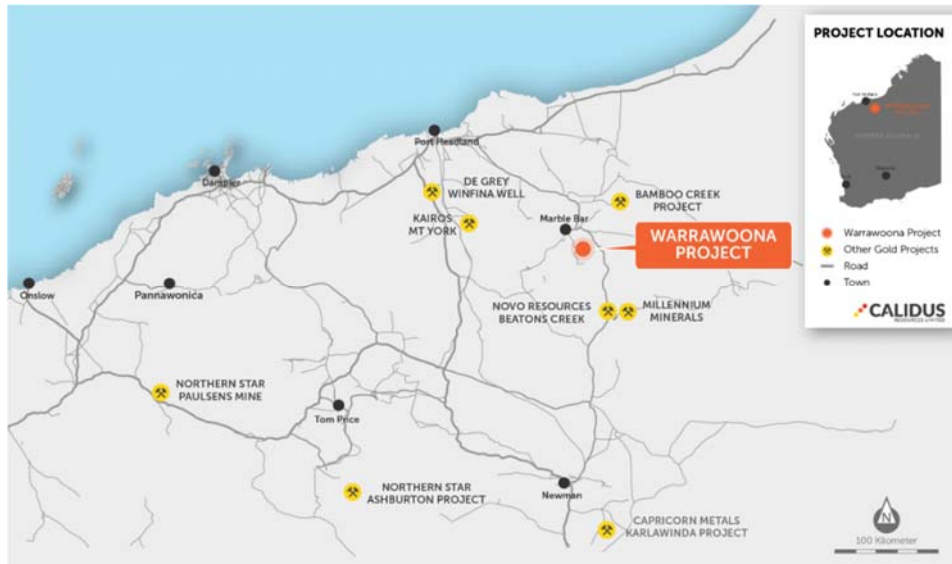


**Warrawoona Gold Projects**

**Overview and Background on Company’s Projects**

Calidus Resources is a gold exploration company that controls the Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfield in Western Australia (see Figure 1 below). It is located approximately 150km south east of Port Hedland and approximately 25km south east of the town of Marble Bar.

Calidus has consolidated the Warrawoona Gold Project by acquiring a 100% interest in the Klondyke Prospect and securing arrangements with respect to adjacent tenements to form a contiguous package of highly prospective gold tenements.



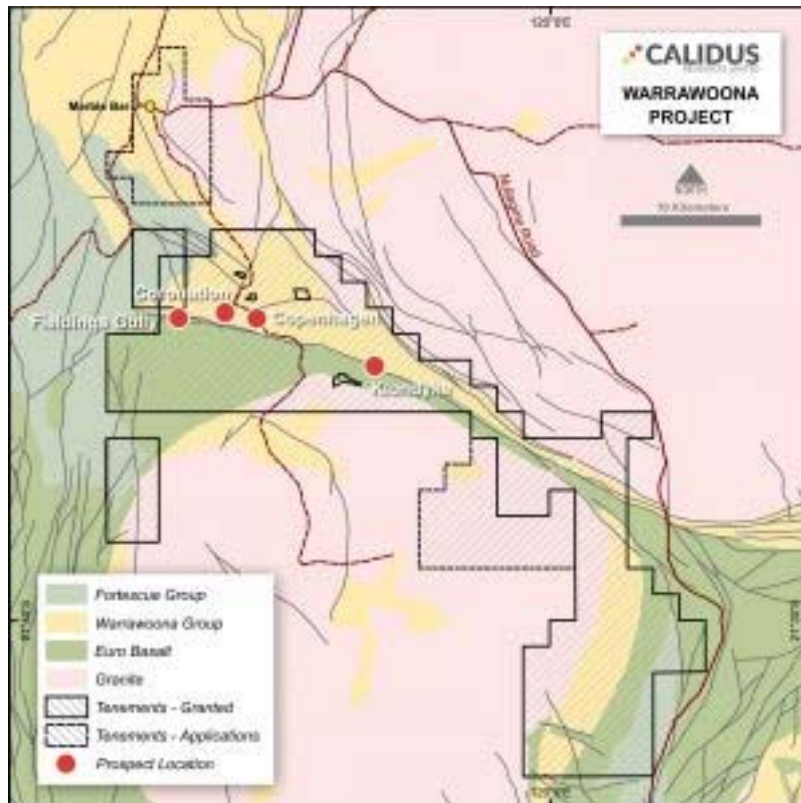
**Figure 1: Location of the Warrawoona Gold Project**

Composed largely of high-Mg basaltic lavas with lesser tholeiite, andesite, sodic dacite, potassic rhyolite, chert and banded iron formation (BIF), all metamorphosed to greenschist facies, the Warrawoona Gold Project is sandwiched between the Mount Edgar granitoid complex to the north and the Corunna Downs granitoid complex to the south.

*Previous Work*

Gold mineralisation was discovered in the Marble Bar area in the 1880s with small scale mining taking place at Warrawoona from a number of auriferous reefs. Historical records from small scale artisanal mines reported to have produced 744.5kg of gold from 25,191t of ore at an average grade of approximately 30g/t.

Modern exploration has been undertaken by the Geological Survey of Western Australia (GSWA) followed by a number of explorers in the mid-1980s and then from 1993. During this period, Aztec Mining Company Limited, Conzinc Rio Tinto of Australia Limited, Lynas Corporation Limited and Jupiter Mines Limited all conducted exploration in the Klondyke area, which primarily consisted of surface mapping, sampling and shallow drilling, with limited information below 100m vertical depth.



**Warrawoona Gold Project Location and tenements**

The Warrawoona Gold Project:

- has a global resource of 10.5Mt @ 2.11g/t Au for 712,000 ounces
- mineralisation outcrops at surface at all deposits and is open along strike and down dip at all deposits
- the majority of the resource is located at the Klondyke Prospect where the resource is defined from just 2.6km of the main 7.5km strike length identified;
- over 38km of untested outcropping shears provides large blue sky upside;
- the **Klondyke Prospect** has a current Inferred Resource of 9.9Mt at 2.06g/t Au for 654,000 ounces and includes 532,000 ounces in the Indicated Category, reported in accordance with the guidelines of the JORC Code (2012);
- the **Copenhagen Prospect** has a current Inferred Resource of 180,000t @ 6.1g/t Au for 36,000 ounces, reported in accordance with the guidelines of the JORC Code (2012);
- the **Fieldings Gully Prospect** has a current Inferred plus Indicated Resource of 400,000t @ 1.65g/t Au for 22,000 ounces, reported in accordance with the guidelines of the JORC Code (2012);
- mineralisation generally comprises thick sub-vertical shear zones potentially amenable to low cost open-pit mining with mineralisation outcropping at surface.

### **Klondyke Prospect**

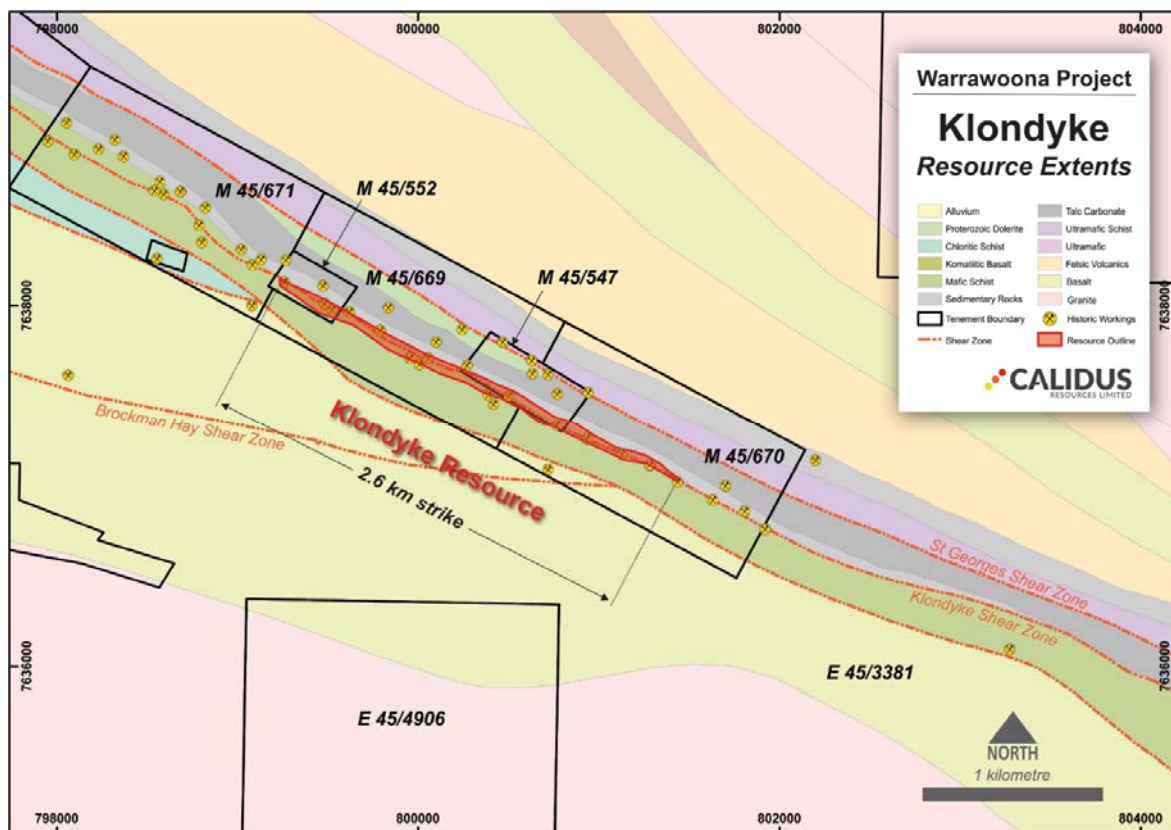
The mining leases comprising the Klondyke Prospect lie within the Warrawoona Gold Project, one of the oldest greenstone belts within the Pilbara Craton.

The Klondyke Prospect is located approximately 70km from Bamboo Creek and 90km from Millennium Minerals (see Figure 1 above), where excess processing capacity may be available if a tolling option is pursued and agreed.

Independent consultant Widenbaar and Associates completed a resource update in December 2017 to derive a 2012 JORC compliant total Resource of 9.9Mt @ 2.06g/t Au for 712,000 ounces and includes 532,000 ounces in the Indicated Category (announced by the Company on 18 December 2017).

The resource is currently defined over 2.6km of strike and is open along strike and down dip. Drilling in 2018 has and continues to target both the along strike extensions and down dip potential of this large mineralised system that outcrops at surface.

The main Klondyke shear hosts extensive old workings and has been traced for over 12.5km in length highlighting the large upside of this structure.



**Klondyke Prospect – Location of deposits and tenements**

**Exploration Upside**

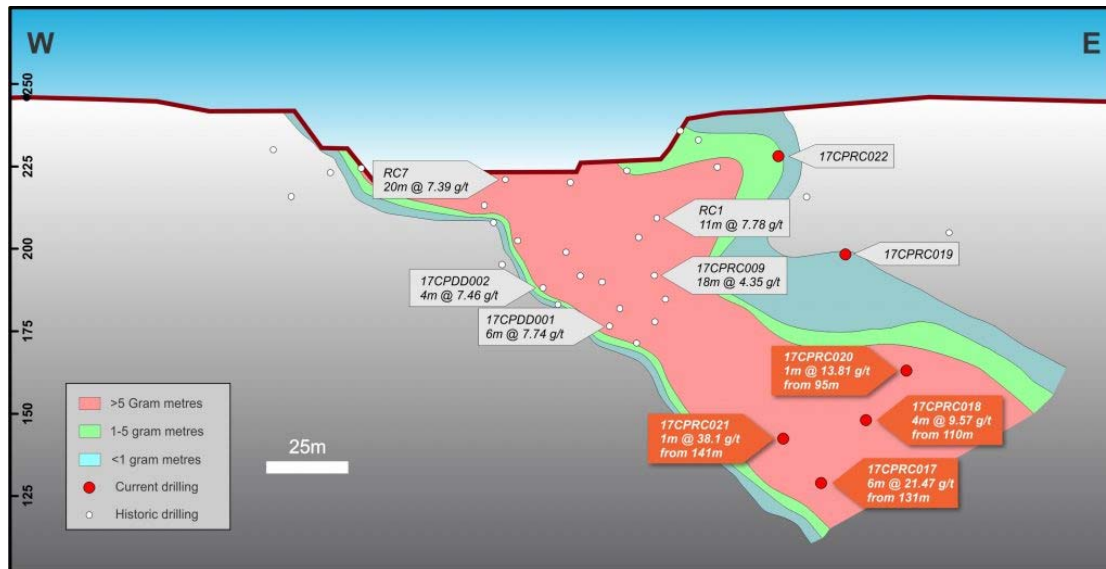
The Company controls numerous other tenements to the west of the Klondyke prospect that contain numerous historic workings and known prospects. The tenements are largely untested and contain highly prospective geology. Key targets are centred on the historical Fieldings Gully, Coronation and Copenhagen mines.

Historical deposits that require follow up include:

**Copenhagen – High grade near surface resource**

Historical mine located 10km from the Klondyke Prospect hosting a 2012 JORC Code compliant Inferred Resource of 0.2Mt @ 6.1 g/t Au for 36,000 ounces. The prospect remains open along strike and down dip.





Copenhagen Cross Section

### Coronation

Historical mine located 12.5km from the Klondyke Prospect 3km along strike from Copenhagen, resource drilling planned for the coming years. Significant intercepts by Calidus include:

- 10m @ 3.84g/t Au (incl 1m @ 30.4g/t Au) from 27m in 18CRR007
- 10m @ 3.31g/t Au from 108m in (17CRDD01)
- 8m @ 2.22g/t Au from 71m in 18CRR008

### Fieldings Gully

The Fieldings Gully historical mine is located 15km from the centre of the Klondyke area hosts a 2012 JORC Code compliant Resource of 0.4Mt @ 1.65 g/t for 22,000 ounces. The prospect remains open along strike and down dip.

### Grants Patch gold tribute

- Tribute allowing access to mine certain defined gold deposits on Zijin Mining Group Ltd's (Zijin) leases;
- 30km north of Kalgoorlie in the heart of Western Australian goldfields;
- Agreement covers historic resources of more than 350,000 ounces of gold at a grade of 2 g/t;
- Mining leases granted – deposits comprised of remnant resources below historic pits and previously unmined near-surface deposits;
- Production commenced in Q1 2016, currently on hold and reviewing options;
- Ore to be treated at Zijin's nearby Paddington processing plant, 25km away; and
- Calidus to pay processing costs plus 22% royalty on gold recovered to Zijin.

## Discussion on key activities during the Year Ended 30 June 2018

### 74% Increase in High Grade Warrawoona Resource to 712,000 Ounces at 2.11 g/t Gold

In the Quarter ended 31 December 2017, Calidus announced a substantial increase in the Company's Mineral Resource with a high conversion to Indicated Mineral Resources at the Warrawoona Gold Project located in the Pilbara of Western Australia. The total Mineral Resource, reported and classified in accordance with the JORC Code (2012) is 10.5 Mt at 2.11 g/t for 712,000 ounces, an increase of 74% over the previous estimate with a Maiden Indicated Mineral Resource of 8.4 Mt @ 2.01 g/t for 541,000 ounces.

### Drilling Extends Klondyke Mineralisation a further 2km East

In April 2018 the Company announced the results from 12 RC holes along a reconnaissance traverse directly East of the company's Klondyke Gold Deposit, located in the Pilbara of Western Australia.

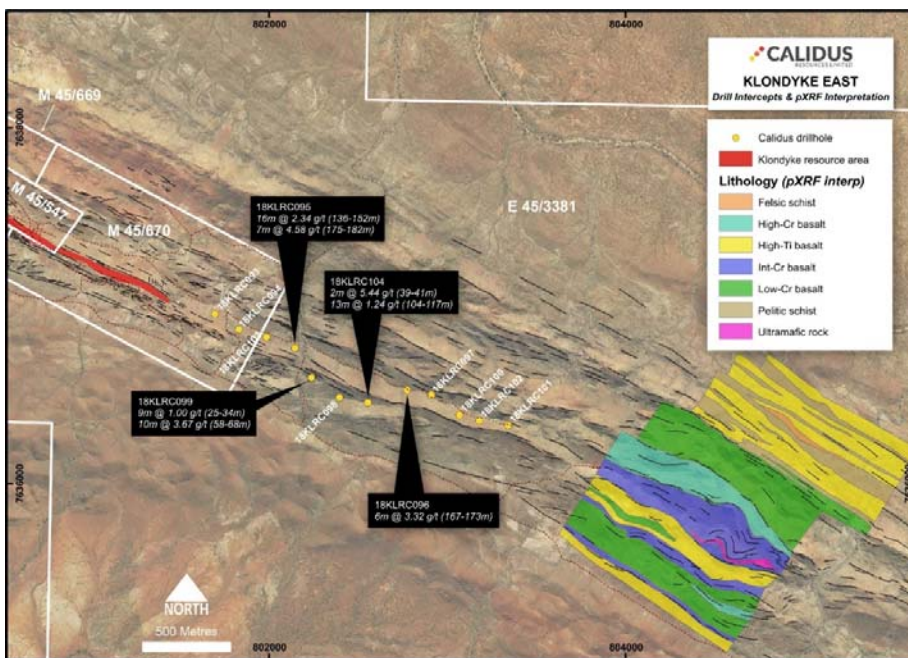
A selection of assays from the RC holes above a 10gm (gram/meter) include:

- 16m @ 2.34g/t Au from 136m in 18KLRC095;
- 10m @ 3.67g/t Au from 58m in 18KLRC099;
- 7m @ 4.58g/t Au from 175m in 18KLRC095;
- 6m @ 3.32g/t Au from 167m in 18KLRC096;
- 13m @ 1.24g/t Au from 104m in 18KLRC104 and
- 2m @ 5.44g/t Au from 39m in 18KLRC104.

An initial broad-spaced RC drilling programme has successfully outlined the continuation of the main Klondyke mineralised shear zone up to 2km further East from where the current 654koz resource ends (refer Figure three).

The drilling was designed to target eastern strike extension of the low-to intermediate-chrome Archaean basalt units known to host gold mineralisation within the Klondyke Main shear resource zone as defined by earlier detailed field mapping, pXRF sampling and RC drilling.

With exploration of the along strike resource corridor still at an early stage, the tenor of mineralisation observed within the Klondyke East system mirrors the early exploration drilling results in the major Klondyke Shear itself.



**Figure Three:** Klondyke East drillhole plan showing the single broad-spaced reconnaissance traverse of 12 RC holes along strike and to the east of the current 712koz resource extent shown in red

**Initial Metallurgical Results at Klondyke**

During the June quarter initial results were received from its metallurgical testwork programmes being conducted on mineralised samples obtained from the Klondyke gold deposit. The Klondyke deposit forms part of the Warrawoona Gold Belt which was the initial focus for Calidus and hosts a current JORC resource of 654Koz @ 2.06g/t Au and forms part of the global resource 712Koz @ 2.12g/t Au.

These metallurgical testwork results are consistent with Calidus’ expectations as it continues to advance the Warrawoona Project towards a pre-feasibility study.

Samples were taken from three diamond drill holes at the Klondyke deposit. Samples collected represent both geological domains (oxide and fresh) as well as testing 1.2km of the 2km defined strike. The results that have been completed at Klondyke confirm excellent recovery in both the oxide and the fresh ore.

The tests have demonstrated excellent gravity and leach results for each of the samples, and overall leach recovery of between 96.1% and 97.2% (average of 96.7% at a 150 micron grind) after 24 hours, and an extremely high gravity gold recovery of 63%.

The extremely low reagent consumption to achieve the recoveries outlined above is a favourable outcome of the initial metallurgical testwork. Cyanide consumption is one of the highest reagent costs in a processing plant, so confirmation of a low cyanide consumption, therefore cyanide consumption of only 0.17 kg/t are an exciting prospect as Calidus continue to progress towards the project development.

### Further consolidation and expansion of the Warrawoona project

On 6 November 2017 the Company announced that it completed its due diligence on the Novo Tenements that are included in the previously announced binding Term Sheet (ASX: 20 September 2017) and had notified Novo Resources Corp. (TSX.V:NVO) that all conditions precedent have been satisfied or waived and it would proceed with the transaction. In addition, based on the exceptional drill results that have been recorded largely on the ground the subject of the Haoma option, the Company has exercised its option to acquire these tenements ensuring 100% ownership of this rapidly developing gold development project.

A summary of the Novo Joint Venture and Haoma Option terms is set out below;

#### Novo JV Commencement

- Due diligence and site visits completed on Novo Tenements
- Initial review highlights multiple soil anomalies both along the main Klondyke trend and in alternate geological settings that have not been previously investigated by Calidus
- Calidus commenced heritage surveys with the traditional owners to facilitate drilling on the Novo Tenements during 2017
- Issue of 20 million shares to Novo as consideration for an earn-in right as approved by shareholders at the 2017 annual general meeting
- Calidus may earn a 70% interest in the Novo Tenements by expending \$2 million on the tenements over the next 3 years
- Funds have been received by Novo for the recent placement taking Novo's total holding in the Company to approximately 5.5%

#### Haoma Option

- As disclosed in section 3.3(c) of the Company's Prospectus dated 5 May 2017, Keras was granted an option to acquire certain tenements from Haoma Mining NL (ASX: HOA) which has now been exercised.
- The 7 Haoma tenements include the historical Fieldings Gully, Coronation and Copenhagen deposits
- Recently announced 'Klondyke Gap' drilling occurred on one of the tenements covered by the option agreement and will form a key part of the resource upgrade due later this year
- Provides 100% ownership of the Klondyke trend and with the Novo Joint Venture, provides majority ownership of the entire Warrawoona greenstone belt
- Issue of 37.5 million shares and \$500,000 cash to Haoma as consideration

#### Epmix Option

On 31 July 2017, Calidus announced further consolidation of the Warrawoona project through the acquisition of a 50% interest in exploration licenses E45/4555 and E45/4843 located in the Warrawoona Gold Belt under the terms of the Epmix Agreement previously disclosed in the Calidus Resources Ltd Prospectus dated 8 May 2017.

This acquisition increases Calidus' ground position along strike of existing tenements on the known shear zones that host the current Klondyke Mineral Resource. The tenements contain numerous high-grade historic gold mines.

Consideration for the acquisition is \$18,000 and the issue of 30,000 shares to Epmix. Calidus retains an option to purchase the remaining 50% of these tenements.

### Regional target Generation Study Program

The Company announced on 8 March 2018 the completion of a Regional Target Generation Study over the Company's East Pilbara greenstone assets. Geologists are now rapidly following up the highest priority targets conducting mapping and geochemistry programs. Over 45 high-priority exploration targets were identified across Calidus' Warrawoona Project area that will be ranked and evaluated in 2018. The Warrawoona tenements have had limited to no regional exploration in the last 30 years and in addition to expanding the current resources this provides the Company with targeted focus of high conviction exploration targets to evaluate during 2018 and beyond.

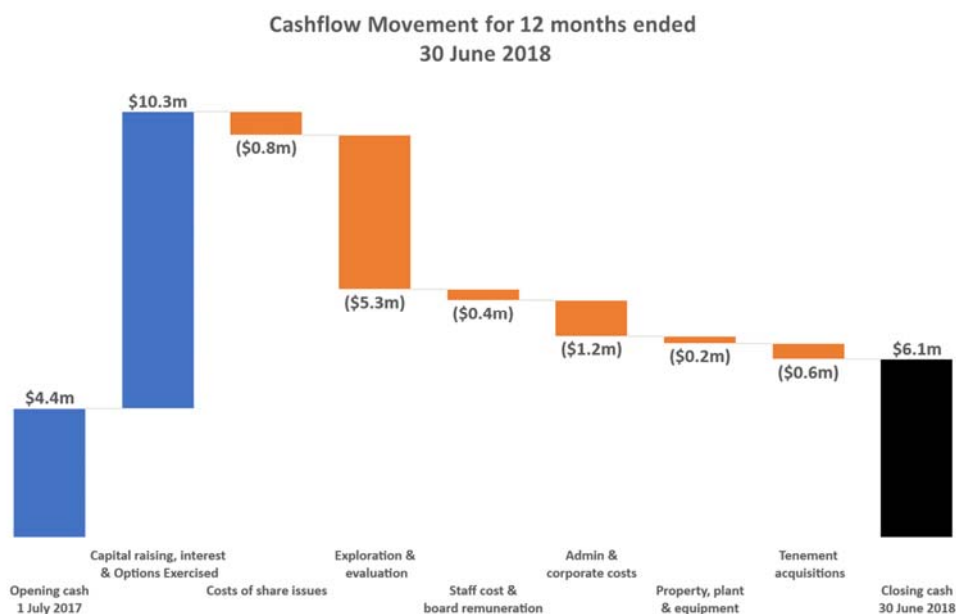
Fieldwork has commenced on high-priority regional targets and an experienced contractor engaged to commence a regional soil geochemistry program in March 2018. This work, in conjunction with Company mapping and field reconnaissance teams, is designed to provide drill targets.

**Corporate**

**Completion of Heavily Oversubscribed Placement to Raise \$10 million**

The Company successfully finalised the second tranche of a placement of approximately 243.9 million shares at an issue price of 4.1 cents per share to both new and existing institutional and sophisticated investors in Australia, Asia and North America to raise \$10 million.

The capital raising ensures Calidus is well funded to accelerate exploration programs and remains consistent with the Company’s strategy of strengthening its institutional shareholder base and increasing its profile in global financial markets. Funding allows the acceleration of exploration at Warrawoona to build on Calidus’ current resource base of 712,000 ounces at the Warrawoona Gold Project.



**Senior Management and Board Appointments**

In August 2017 Calidus appointed Jane Allen as geology manager. Jane has a proven track record in successfully managing brownfields exploration programs globally. Jane manages all aspects of the geological works at Warrawoona with a particular emphasis on rapidly expanding the current resources to allow a sufficient base to be defined that will allow economic studies to commence.

Jane has over 30 years’ experience in managing greenfields, brownfields and near mine exploration in gold and base metals. Jane has previously been employed by AngloGold Ashanti, Resolute Mining Limited, Avion Gold Corporation and Great Central Mines. She most recently headed up Brownfields Exploration for AngloGold Ashanti for all continental African Operations.

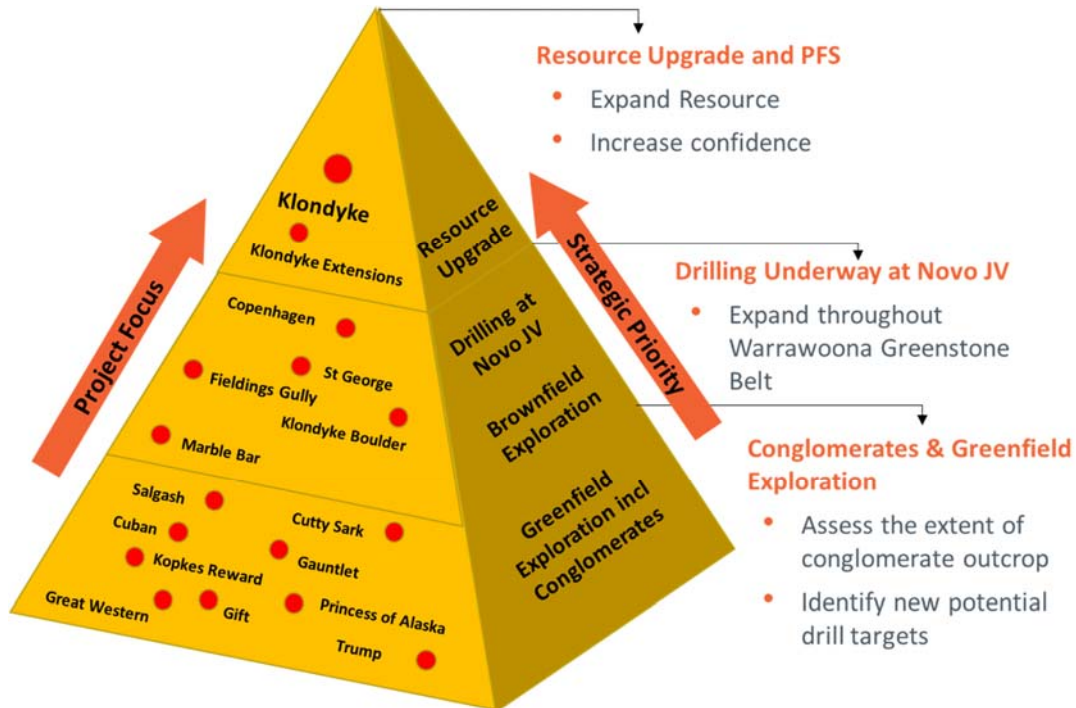
In February 2018, Calidus announced the appointment of Mark Connelly as an Independent Non-executive Chairman. Mr. Connelly has extensive board and leadership experience in companies across a variety of commodities and jurisdictions including Australia, West Africa, North America and Europe. Mark’s appointment to the Board has significantly bolstered the corporate and industry experience in our Company as Calidus continues the expansion and development of our flagship Warrawoona gold project.

2018 Drilling Programme

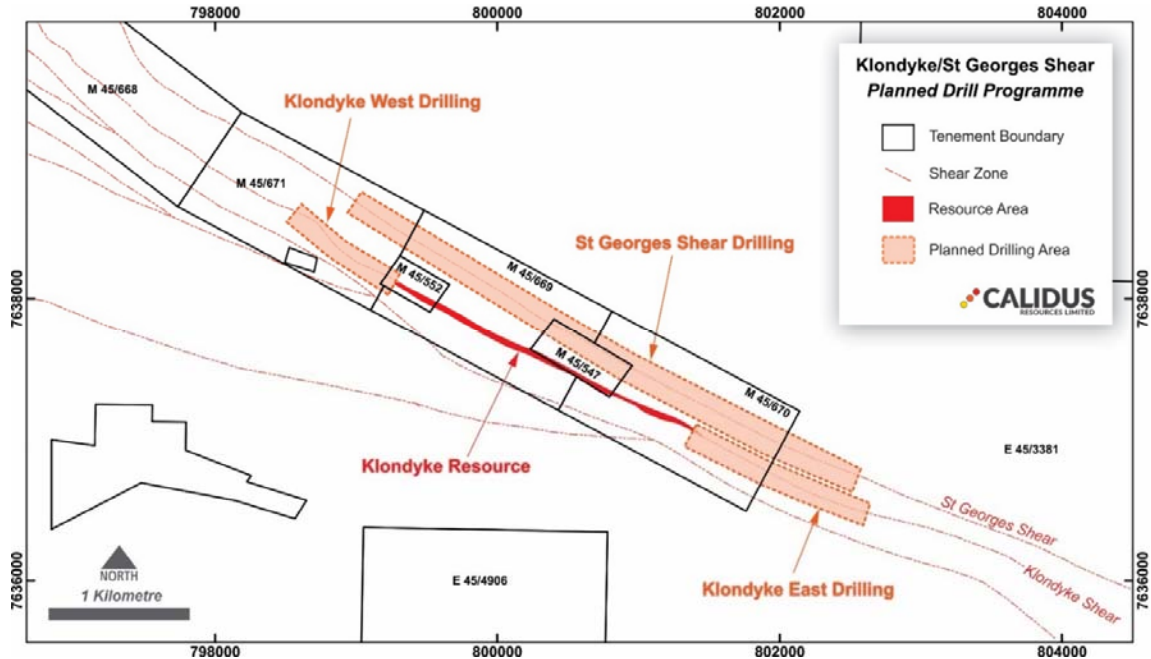
The 2018 resource definition drilling programme commenced onsite at the Warrawoona Gold Project in the June 2018 quarter. The current programme has multiple objectives, including:

- to grow the current Mineral Resource inventory at Klondyke and satellite deposits;
- to investigate the geology underneath the high-grade historic Klondyke Queen workings located at the Western edge of the current Klondyke Resource;
- to collect geotechnical data for a pre-feasibility study;
- to provide sample material for metallurgical testwork; and
- to complete an initial wide-spaced exploratory line of drillholes along the highly prospective St Georges Shear.

The Company’s ranking of Exploration targets for ongoing exploration;



This initial Phase One programme is planned to drill test along strike to the West and East of the current Klondyke resource area. The major St George’s Shear structural corridor, which lies parallel to and approximately 150m to the North of the Klondyke Main Shear, will be drill tested by the Company for the first time this year over the adjacent 4km of strike. The St Georges Shear has the potential to complement the existing defined resource.



Resource Drilling areas at Klondyke Shear and reconnaissance drilling at St George Shear.

A second rig will be mobilised in Q3 to commence not only in-fill drilling behind this phase one programme but also allow for testing down dip and along strike of the high grade (6g/t) Copenhagen Resource and test the priority targets defined by the recently completed soil geochemistry programme.

Drillholes are being geologically logged and samples despatched to Nagrom Laboratories for gold analysis in Perth.

## Mineral Resource and Ore Reserve Statement

### Warrawoona Gold Project Mineral Resource reported at a 0.50 g/t Au cut-off

Deposit	Cut-off Au g/t	Indicated			Inferred			Total		
		Mt	g/t Au	Ozs	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs
Klondyke	0.5	8.2	2.02	532,000	1.7	2.25	122,000	9.9	2.06	654,000
Copenhagen	0.5				0.2	6.12	36,000	0.2	6.12	36,000
Fieldings Gully	0.5	0.2	1.65	9,000	0.2	1.65	13,000	0.4	1.65	22,000
<b>Total</b>		<b>8.4</b>	<b>2.01</b>	<b>541,000</b>	<b>2.1</b>	<b>2.51</b>	<b>171,000</b>	<b>10.5</b>	<b>2.11</b>	<b>712,000</b>

### CORPORATE GOVERNANCE - RESERVES AND RESOURCES CALCULATIONS

Due to the nature, stage and size of the Company's existing operations, Calidus is of the opinion there would be no efficiencies gained by establishing a separate Mineral Reserves and Resources committee responsible for reviewing and monitoring the Company's processes for calculating Mineral Reserves and Resources and for ensuring that the appropriate internal controls are applied to such calculations. However, the Company ensures that all Mineral Reserve and Resource calculations are prepared by competent, appropriately experienced geologists and are reviewed and verified independently by a qualified person.

### COMPETENT PERSONS STATEMENT

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Jane Allen a competent person who is a member of the AusIMM. Jane Allen is employed by Calidus Resources Limited. Jane has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Jane Allen consents to the inclusion in this announcement of the matters based on her work in the form and context in which it appears.

The information in this report that relates to Copenhagen Mineral Resources is based on information compiled or reviewed by Mr. Daniel Saunders, Principal of GeoServ Consulting Pty Ltd., who is a Member of the Australian Minerals Institute. Mr. Daniel Saunders is a full-time employee of GeoServ Consulting Pty Ltd. and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Daniel Saunders consents to the inclusion of the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Klondyke and Fieldings Gully Mineral Resources is based on information compiled or reviewed by Mr. Lynn Widenbar, Principal Consultant of Widenbar and Associates Pty Ltd., who is a Member of the AusIMM and the AIG. Mr. Lynn Widenbar is a full-time employee of Widenbar and Associates Pty Ltd. and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Lynn Widenbar consents to the inclusion of the report of the matters based on the information in the form and context in which it appears.

## TENEMENT SCHEDULE AS AT 30 June 2018

CALIDUS RESOURCES & SUBSIDIARIES TENEMENT SCHEDULE				
Tenement ID	Holder	Size (ha)	Renewal	Ownership/ Interest
<b>GRANTED</b>				
E45/4856	Keras (Pilbara) Gold Pty Ltd	2,554.05	20/05/2023	100%
E45/4857	Keras (Pilbara) Gold Pty Ltd	14,681.95	20/05/2023	100%
E45/3615	Keras (Pilbara) Gold Pty Ltd	3,513.73	22/11/2020	100%
E45/4236	Keras (Pilbara) Gold Pty Ltd	958.25	19/10/2019	100%
E45/4905	Keras (Pilbara) Gold Pty Ltd	638.86	29/11/2022	100%
E45/4906	Keras (Pilbara) Gold Pty Ltd	319.46	29/11/2022	100%
M45/0521	Keras (Pilbara) Gold Pty Ltd	18.11	10/03/2034	100%
M45/0547	Keras (Pilbara) Gold Pty Ltd	17.72	2/05/2035	100%
M45/0552	Keras (Pilbara) Gold Pty Ltd	9.71	18/01/2035	100%
M45/0668	Keras (Pilbara) Gold Pty Ltd	242.05	28/12/2037	100%
M45/0669	Keras (Pilbara) Gold Pty Ltd	101.95	28/12/2037	100%
M45/0670	Keras (Pilbara) Gold Pty Ltd	113.10	29/12/2037	100%
M45/0671	Keras (Pilbara) Gold Pty Ltd	118.65	29/11/2037	Note 1
M45/0672	Keras (Pilbara) Gold Pty Ltd	116.20	1/08/2037	100%
M45/0679	Keras (Pilbara) Gold Pty Ltd	121.30	8/04/2017	100%
M45/0682	Keras (Pilbara) Gold Pty Ltd	235.95	17/04/2038	100%
M45/0240	Keras (Pilbara) Gold Pty Ltd	6.07	17/11/2028	100%
<b>Applications</b>				
E45/5178	Keras (Pilbara) Gold Pty Ltd	6,067.13	APPLICATION	100%
P45/3065	Keras (Pilbara) Gold Pty Ltd	29.45	APPLICATION	100%
<b>Option to Acquire</b>				
E45/4555	Epmine WA Pty Ltd	1,917.75	1/03/2022	50%
E45/5172	Epmine WA Pty Ltd	5,115.94	APPLICATION	0%
E45/4843	Epmine WA Pty Ltd	942.15	2/07/2022	50%
<b>Joint Venture</b>				
E45/3381	Beatons Creek Gold Pty Ltd	7,965.06	16/03/2021	Earning to 70%
E45/4666	Beatons Creek Gold Pty Ltd	2,972.38	23/11/2021	Earning to 70%
E45/4622	Beatons Creek Gold Pty Ltd	4,222.07	4/05/2022	Earning to 70%
E45/4194	Grant's Hill Gold Pty Ltd	1,278.29	14/07/2019	Earning to 70%
P45/2781	Beatons Creek Gold Pty Ltd	2.42	10/06/2020	Earning to 70%
P45/2661	Beatons Creek Gold Pty Ltd	150.00	4/12/2016	Earning to 70%
P45/2662	Beatons Creek Gold Pty Ltd	55.00	4/12/2016	Earning to 70%
E45/4934	Beatons Creek Gold Pty Ltd	1,596.99	22/01/2023	Earning to 70%

Note 1: Transfer pending from Haoma Mining



## Directors' report

Your directors present their report on the consolidated entity, consisting of Calidus Resources Limited (**Calidus** or **the Company**) and its controlled entities (collectively **the Group**), for the period between 1 July 2017 to 30 June 2018.

### 1. Directors

The names of Directors in office at any time during or since the end of the year are:

- Mr David Reeves Managing Director
- Mr Mark Connelly Non-executive Chairman (*Appointed 20 February 2018*)
- Mr Keith Coughlan Non-executive Chairman
- Mr Peter Hepburn-Brown Non-executive Director (*Passed away 2 September 2018*)
- Mr Adam Miethke Non-executive Director

Directors have been in office since the start of the period to the date of this report unless otherwise stated. For additional information of Directors including details of the qualifications of Directors please refer to paragraph 7 Information relating to the Directors of this Directors Report.

### 2. Company secretary

Mr James Carter (Chief Financial Officer) is the company secretary of the Company. Mr Carter is a CPA and Chartered Company Secretary with over 20 years international experience in the resources industry.

### 3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2018.

### 4. Significant changes in the state of affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

- a. On 28 July 2017 the Company issued 30,000 shares in consideration for the acquisition of a 50% interest in the exploration licenses 45/4555 and 45/4843.
- b. On 18 August 2017 the Company announced the adoption of an employee securities incentive plan. The Company issued 7,500,000 shares to Jane Allen (Geologist) and 5,000,000 shares to James Carter (CFO & Company Secretary).
- c. On 20 September 2017 the Company announced that it had entered into a binding term sheet with Novo Resources Corp to form a Joint Venture under which the Company will have the right to acquire 70% interest in Exploration Licences 45/3381, 45/4194, 45/4622, 45/4666 and Prospecting Licences 45/2661, 45/2662, 45/2781 and all related technical information held by Novo. On 6 November 2017, the Company announced it had completed its due diligence on the Novo Tenements that are included in the Term Sheet and has notified Novo Resources that all conditions precedent have been satisfied or waived and it will proceed with the transaction. As consideration for the earn-in right, the Company issued 20,000,000 shares to Novo Resources Corp.
- d. On 27 September 2017, the Company announced that it intended to raise up to \$10 million via a two-tranche placement to sophisticated and professional investors. On 5 October 2017, the Company issued 95,061,405 shares at an issue price of \$0.041 per share to raise a total of \$3,897,517, being Tranche 1. On 6 November 2017, the Company issued 148,841,045 shares at an issue price of \$0.041 per share to raise a total of \$6,102,483 being Tranche 2.
- e. As previously disclosed in the Company's Prospectus dated 5 May 2017, Keras was granted an option to acquire certain tenements from Haoma Mining NL. On 6 November 2017 the Company announced it had exercised this option to acquire the tenements. In consideration for the tenements the Company issued 37,500,000 shares and paid \$500,000 in cash to Haoma Mining NL.

## Directors' report

- f. On 18 December 2017, the Company announced that the performance milestones for the Class A Performance Shares had been achieved and therefore 250,000,000 Class A Performance Shares were converted into Ordinary Shares in the Company. These shares are escrowed until 23 June 2019.
- g. On 20 February 2018, the Company announced the appointment of experienced mining executive Mark Connelly to the Board as an independent, Non-Executive Chairman. Mr Connelly will receive a fee of \$60,000 per annum exclusive of superannuation and 5,000,000 loan funded ordinary shares in the capital of the Company at 4 cents per share under the Calidus employee securities incentive plan. The shares will be subject to a voluntary holding lock to expire 20 February 2019.
- h. On 29 March 2018, the Company announced that it has entered into an agreement with Gardner Mining Pty Ltd to purchase tenements E45/3615 and E45/4236 outright through the issue of 1,785,000 shares in the Company.
- i. On 13 June 2018, the Company issued to eligible employees 12,000,000 performance rights under the Calidus employee securities incentive plan. The Rights can be converted into ordinary shares after 12 months and expire on 13 June 2021.

### 5. Significant changes in principal activities

There were no significant changes to the state of affairs of the Group during the financial year.

### 6. Operating and financial review

#### 6.1 Nature of Operations Principal Activities

Calidus is a gold exploration company that controls the Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfields in Western Australia.

#### 6.2 Operations review (refer Operations Review on page 4)

#### 6.3 Financial review

##### a. Operating results

For the 2018 financial period the Group delivered a loss before tax of \$2,874,136 (2017: \$2,460,463 loss), representing a decline in profitability.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

##### b. Financial position

The net assets of the Group have increased from 30 June 2017 by \$9,050,226 to \$15,032,334 at 30 June 2018 (2017: \$5,982,108).

As at 30 June 2018, the Group's cash and cash equivalents increased from 30 June 2017 by \$1,700,362 to \$6,142,247 at 30 June 2018 (2017: \$4,441,885) and had working capital of \$5,237,490 (2017: \$3,488,518 working capital), as noted in Note 16e.

## Directors' report

### 6.4 Events subsequent to reporting date

On 28 August 2018, the Company announced that it had entered into a binding letter of intent to dispose of the Conglomerate Gold Rights over a portfolio of eight exploration licenses. In consideration the Company will receive a non-refundable payment of CDN\$10,000 and will be issued 7,000,000 common shares of Pacton Gold Inc that at the time of writing were valued at approximately CDN\$3.5million.

All shares will be subject to a 4-month escrow period, with 25% of the shares subject to further escrow pending grant of the exploration licence application. Calidus may be entitled to the issue of up to 3,000,000 additional common shares in the capital of Pacton Gold Inc during the period 12 months after the date of execution of the definitive agreement dependent on the performance of Pactons Gold Inc share price.

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at Note 26 Events subsequent to reporting date.

### 6.5 Future developments, prospects and business strategies

A 30,000-metre drilling program continues at the Warrawoona project to continue the resource definition programme. The purpose of the drilling programme is to not only significantly expand the existing gold resource base of 712,000 ounces but also verify new targets that lie adjacent to the existing resource.

Main highlights of the programme:

- A large resource drilling programme has commenced onsite at Klondyke with the objective of growing the Mineral Resource by the end of 2018 at Warrawoona;
- Targets ranked in accordance with proximity to existing Klondyke Mineral Resource including shallow strike extensions and potential for high grade shoot geometries;
- Reconnaissance drilling to be undertaken along 4km of the St George's Shear that lies 150m to the north of, and is geologically similar to, the Klondyke Shear.

The Company has commenced detailed environmental, heritage, metallurgical and hydrological studies to assist in the upcoming pre-feasibility study that is planned to commence in early 2019. In addition, internal Scoping Studies with experienced engineering companies have commenced to assist in defining the scope of the pre-feasibility study.

### 6.6 Environmental regulations

The consolidated entity will comply with its obligations in relation to environmental regulation on its projects when it undertakes exploration. The Directors are not aware of any breaches of any environmental regulations during the period covered by this Report.

## Directors' report

## 7. Information relating to the Directors

■ <b>Mr David Reeves</b>		Managing Director ( <i>Appointed 13 June 2017</i> )
Qualifications	<input type="checkbox"/>	Mining Engineer Bachelor of Engineering (1 <sup>st</sup> Class honours), Grad Dip Applied Finance, WA Mine Managers Certificate
Experience	<input type="checkbox"/>	Mr Reeves is a Perth-based, qualified mining engineer with 30 years of experience in the mining industry and is currently the Non-executive Chairman of European Metals Holdings Limited (ASX and AIM). Mr Reeves has extensive experience in international capital markets through his involvement with various listed London and Australia companies. Mr Reeves was the Project Manager of Zimplats and Afplats prior to their sale for a combined US\$1 billion and prior to this, worked with Delta Gold in Zimbabwe and various gold companies in Western Australia in which he assumed various roles, including the position of Mine Manager.
Special responsibilities	<input type="checkbox"/>	None
Interest in Shares and Options	<input type="checkbox"/>	16,647,903 Fully Paid Ordinary Shares 1,110,000 Listed Options, 2.5 cents, exp 13 June 2019 5,000,000 Unlisted Option, 3 cents, exp 13 June 2020
Directorships held in other listed entities	<input type="checkbox"/>	Non-executive Chairman of European Metals Holdings Limited (ASX) Non-executive director of Keras Resources Plc (AIM)
■ <b>Mr Mark Connelly</b>		Independent Non-executive Chairman (Appointed on 20 February 2018)
Qualifications	<input type="checkbox"/>	Bachelor of Business, ECU, MAICD, AIMM, Member of SME
Experience	<input type="checkbox"/>	Mr Connelly was previously Managing Director of Papillion Resources and was instrumental in the US\$570m takeover of Papillion by B2Gold Corp in October 2014. Prior to Papillon, Mr Connelly was Chief Operating Officer of Endeavour Mining Corporation, following its merger with Adamus Resources Limited where he was Managing Director and CEO. Mark was instrumental in not only the merger, but procurement of project finance and the development of the Nzema Mine in Ghana into a +100Koz pa mining operation.
Special responsibilities	<input type="checkbox"/>	Chairman of Audit Committee
Interest in Shares and Options	<input type="checkbox"/>	5,000,000 Fully Paid Ordinary Shares
Directorships held in other listed entities	<input type="checkbox"/>	Non-executive Chairman of West African Resources Ltd (ASX) Non-executive Chairman of Tao Commodities Ltd (ASX) Non-executive Chairman of Primero Group (ASX)
Past directorships in the last 3 years	<input type="checkbox"/>	Non-executive director of Ausdrill Limited, (ASX) from July 2012 to June 2018 Non-executive director of Tiger Resources Ltd (ASX) from December 2015 to June 2018 Non-executive director of Saracen Mineral Holdings Limited (ASX) from May 2015 to November 2017 Non-executive Chairman of Cardinal Resources Ltd (ASX) from September 2015 to October 2017 Non-executive director of B2 Gold Corp (TSX) from October 2014 to June 2016
■ <b>Mr. Keith Coughlan</b>		Non-executive Director ( <i>Appointed on 13 June 2017</i> )
Qualifications	<input type="checkbox"/>	BA
Experience	<input type="checkbox"/>	Mr Coughlan has almost 30 years' experience in stockbroking and funds management. He has been largely involved in the funding and promoting of resource companies listed on ASX, AIM and TSX, has advised various companies on the identification and acquisition of resource projects and was previously employed by one of Australia's then largest funds.
Special responsibilities	<input type="checkbox"/>	Chairman of the Remuneration Committee
Interest in Shares and Options	<input type="checkbox"/>	4,440,000 Fully Paid Ordinary Shares 1,110,000 Listed Options, 2.5 cents, exp 13 June 2019 5,000,000 Unlisted Options, 3 cents, exp 13 June 2020
Directorships held in other listed entities	<input type="checkbox"/>	Managing Director of European Metals Holdings Limited (ASX & AIM) Non-executive Director of Southern Hemisphere Mining Limited (ASX)
Past directorships in the last 3 years	<input type="checkbox"/>	Non-executive Chairman of Talga Resources Limited (ASX)

## Directors' report

- **Mr Peter Hepburn-Brown** Non-executive Director (*Appointed on 13 June 2017. Passed away 2 September 2018*)
- Qualifications  Bachelor of Applied Science (Mining Engineering), Graduate Diploma in Human Resources
- Experience  Mr Hepburn-Brown was a qualified mining engineer with over 35 years' international mining experience.
- Special responsibilities  Member of Remuneration Committee
- Interest in Shares and Options  1,333,334 Fully Paid Ordinary Shares  
333,334 Listed Options, 2.5 cents, exp 13 June 2019  
3,000,000 Unlisted Options, 3 cents, exp 13 June 2020
- Directorships held in other listed entities  Non-executive Director of Focus Minerals Limited (ASX)  
Non-executive Director of Medusa Mining Limited (ASX)
- Past directorships in the last 3 years  Non-executive Director of Keras Resources Plc (AIM)
- **Mr Adam Miethke** Non-executive Director (*Appointed on 7 March 2017*)
- Qualifications  Bachelor of Applied Science with First Class Honours in Geology & MBA
- Experience  Mr Miethke is a geologist with over extensive experience in the metals and mining industry, funds management and as a corporate advisor.  
Mr Miethke initially worked for Rio Tinto's iron ore division before joining Snowden Mining Consultants where he worked across all commodities in Australia, Africa, Eastern Europe and South America. After completing an MBA in 2008, he joined Regent Pacific Group in Hong Kong as technical director, overseeing the group's investment portfolio. Between 2011 and 2016, Mr Miethke was a director of a corporate finance team at Argonaut Capital Limited and led Argonaut's metals and mining division.
- Special responsibilities  Member of Audit Committee
- Interest in Shares and Options  6,000,000 Unlisted Options, 3 cents, exp 13 June 2020
- Directorships held in other listed entities  None

### 8. Meetings of directors and committees

The number of Directors' Meetings (including meetings of Committees of Directors) held during the year, and the number of meetings attended by each Director is as follows;

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		REMUNERATION COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Mark Connelly	1	1	1	1	-	-
Dave Reeves	4	4	-	-	-	-
Adam Miethke	4	4	1	1	-	-
Keith Coughlan	4	4	-	-	1	1
Peter Hepburn-Brown	4	3	-	-	1	1

## Directors' report

### 9. Indemnifying officers or auditor

During or since the end of the financial period the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the Directors.
- The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a willful breach of duty in relation to the Company. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.
- No indemnity has been paid to auditors.

### 10. Options

#### 10.1 Unissued shares under option

At the date of this report, the un-issued ordinary shares of Calidus Resources Limited under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
9 June 2017	9 June 2019	\$0.025	87,500,000
9 June 2017	9 June 2020	\$0.025	30,500,000
22 June 2017	22 June 2021	\$0.020	50,000,000
22 June 2017	22 June 2020	\$0.030	16,000,000
			184,000,000

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

#### 10.2 Shares issued on exercise of options

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options as follows (there were no amounts unpaid on the shares issued):

Grant Date	Issued price of the shares	Number of shares issued
9 June 2018	\$0.025	500,000
22 June 2018	\$0.030	5,000,000

### 11. Non-audit services

No non-audit services were provided to the Company during or since the end of the financial period.

## Directors' report

### 12. Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

### 13. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the period ended 30 June 2018 has been received and can be found on page 33 of the annual report.

### 14. Remuneration report (audited)

The information in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001*.

#### 14.1 Key management personnel (KMP)

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the directors of the Company and key executive personnel:

- Mr David Reeves                      Managing Director
- Mr Mark Connelly                      Non-executive Chairman (*Appointed 20 February 2018*)
- Mr Keith Coughlan                      Non-executive Director
- Mr Peter Hepburn-Brown              Non-executive Director (*Passed away 2 September 2018*)
- Mr Adam Miethke                      Non-executive Director
- Ms Jane Allen                          Geology Manager
- Mr James Carter                      Chief Financial Officer and Company Secretary

#### 14.2 Principles used to determine the nature and amount of remuneration

The remuneration policy of the Company has been designed to ensure reward for performance is competitive and appropriate to the result delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice. The Board ensures that Director and executive reward satisfies the following key criteria for good reward government practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholder;
- Performance;
- Transparency; and
- Capital management.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. Currently, this is facilitated through the issues of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Board's policy for determining the nature and amount of remuneration for Board members and Senior Executive of the Company is as follows:

##### a. Executive Directors and other Senior Executives

The Company's remuneration policy for executive directors and senior management is designed to promote superior performance and long-term commitment to the Company. Executives receive a base remuneration which is market related, and may receive performance based remuneration. The Board reviews Executive packages annually by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries. Executives are also entitled to participate in employee share and option schemes. There is no scheme currently approved by shareholders.

## Directors' report

### b. Non-Executive Directors

The Company's Constitution provides that Directors are entitled to be remunerated for their services as follows:

- The total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.
- The Directors' remuneration accrues from day to day.

The Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

### c. Fixed Remuneration

Other than statutory superannuation contribution, no retirement benefits are provided for Executive and Non-Executive Directors of the Company. To align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the company.

### d. Performance Based Remuneration – Short-term and long-term incentive structure

The Board will review short-term and long-term incentive structures from time to time. Any incentive structure will be aligned with shareholders' interests.

- Short-term incentives

No short-term incentives in the form of cash bonuses were granted during the period.

- Long-term incentives

The Board has a policy of granting incentive options to executives with exercise prices above market share price. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted.

The executive Directors will be eligible to participate in any short term and long-term incentive arrangements operated or introduced by the Company (or any subsidiary) from time to time.

### e. Service Contracts

Remuneration and other terms of employment for the directors, KMP and the company secretary are formalised in contracts of employment.

### f. Engagement of Remuneration Consultants

During the financial period, the Company did not engage any remuneration consultants.

### g. Relationship between Remuneration of KMP and Earnings

The Board does not consider earnings during the current and previous financial years when determining the nature and amount of remuneration of KMP.



## Directors' report

### 14.3 Directors and KMP remuneration

Details of the remuneration of the Directors and KMP of the Group (as defined in AASB 124 Related Party Disclosures) are set out in the following table.

The amounts disclosed for the 2018 financial year in the table represents remuneration paid to the Group over the period 1 July 2017 to 30 June 2018.

As a result of the Reverse acquisition of Calidus Resources Limited by Keras (Gold) Australia Pty Limited on 13 June 2017, the disclosures contained in the table represent those calculated in accordance with AASB 124 Related Party Disclosures in combination with applying AASB 3 Business Combinations and in particular, the reverse acquisition provisions of that standard.

The amounts disclosed for the 2017 financial period in the table represent remuneration paid by Keras (Gold) Australia Pty Limited (the accounting acquirer) to KMP and Directors of the accounting acquirer over the period 1 July 2016 to 13 June 2017 (the acquisition date) and remuneration paid by the Group following the completion of the acquisition on 13 June 2017 (The Post-acquisition Group) to KMP and Directors of the Post-acquisition Group from 13 June 2017 to 30 June 2017. This ensures that the remuneration report disclosures are calculated on a basis that is consistent with that applied in reporting the results and balances of the Group and related party disclosures in the Financial Statements under the reverse acquisition rules of AASB 3 Business Combinations.

2018 – Group										
Group KMP	Short-term benefits				Post-employment benefits Super-annuation	Long-term benefits Other	Termination benefits	Equity-settled share-based payments		Total
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other				Equity	Options	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
David Reeves	204,000	-	-	-	-	-	-	-	79,349	283,349
Mark Connelly	21,750	-	-	-	2,066	-	-	69,194	-	93,010
Keith Coughlan	32,000	-	-	-	-	-	-	-	39,674	71,674
Peter Hepburn-Brown	24,000	-	-	-	-	-	-	-	23,805	47,805
Adam Miethke	25,250	-	-	-	-	-	-	-	47,609	72,859
Jane Allen	51,000	-	-	140,355	4,845	-	-	206,901	-	403,101
James Carter	-	-	-	76,000	-	-	-	137,934	-	213,934
	358,000	-	-	216,355	6,911	-	-	414,029	190,437	1,185,732

2017 – Group										
Group KMP	Short-term benefits				Post-employment benefits Super-annuation	Long-term benefits Other	Termination benefits	Equity-settled share-based payments		Total
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other				Equity	Options	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
David Reeves	17,000	-	-	-	-	-	-	-	3,811	20,811
Keith Coughlan	789	-	-	-	-	-	-	-	1,905	2,694
Peter Hepburn-Brown	526	-	-	-	-	-	-	-	1,143	1,669
Adam Miethke	10,192	-	-	-	-	-	-	-	2,286	12,478
Nicholas Young	9,667	-	-	6,044	-	-	-	-	-	15,711
Brendan de Kauwe	-	-	-	-	-	-	-	-	-	-
Jane Allen	-	-	-	26,547	-	-	-	-	-	26,547
James Carter	-	-	-	9,772	-	-	-	-	-	9,772
	38,174	-	-	42,363	-	-	-	-	9,145	89,682

## Directors' report

### 14.4 Service agreements

#### a. Executive Consultancy Agreement (ECA) with Mr Reeves

The Company has entered into an ECA with Wilgus Investments (Consultant) pursuant to which Mr Reeves will provide the following consultancy services commencing from 22 June 2017 (admission date):

- Serve the Company in the capacity as Managing Director responsible for the overall management and supervision of the activities, operations and affairs of the Company, subject to the overall control and direction of the Board;
- Provide the Company with information and reports as to the business and affairs of the Company as reasonably requested by the Board, and generally so as to keep the Company fully informed of all material developments in or relevant to the Company's affairs within the scope of the Mr Reeves' duties; and
- In providing the services, comply with the Listing Rules, Corporations Act, Constitution and the Company's policies and procedures generally (Consulting Services).

The total consultancy fee payable to Mr Reeves for the Consultancy Services is \$17,000 per month plus GST (Consultancy Fee). Mr Reeves was also issued with 10,000,000 Options. The Company will also reimburse Mr Reeves for reasonable expenses necessarily incurred in the performance of the Consultancy Services. The Consultancy Fee will be reviewed annually by the Board.

In the event of a change in control (which occurs when a person's voting power in the Company increases above 50%), Mr Reeves will receive a bonus payment equal to 12 months Consultancy Fee. However, this bonus will not be payable if, within 6 months after the change of control, either the Consultant or the Company terminates the consultancy in accordance with the ECA.

The ECA commences upon the Company gaining successful re-admission to the Official List and is for an indefinite term, continuing until terminated by either the Company or the Consultant.

The Consultant can terminate the ECA by giving not less than three months' written notice to the Company.

The Company can immediately terminate the ECA for any reason by written notice in which case the Company must make a termination payment equivalent to 3 months' consultancy fee. The Company is not required to make any termination payment in the event the consultancy is terminated summarily by the Company.

Mr Reeves is also subject to the standard obligations in relation to the protection of confidential information of the Company. The ECA contains additional provisions considered standard for agreements of this nature.

## Directors' report

### b. Non-executive Director Agreements

The Company entered into separate Non-executive Director letter agreement with each of Mr Connelly, Mr Coughlan, Mr Hepburn-Brown and Mr Miethke.

The Company has agreed to pay Mr Connelly a director fee of \$60,000 plus superannuation per year for services provided to the Company as Non-executive Chairman. Mr Connelly was also granted 5,000,000 loan funded ordinary shares in the Company at 4 cents per share.

Effective March 2018, the Company has agreed to pay Mr Coughlan a director fee of \$24,000 including superannuation per year for services provided to the Company as Non-executive Director. Previously Mr Coughlan was paid a director fee of \$36,000 as Non-executive Chairman of the Company.

The Company has agreed to pay Mr Hepburn-Brown a director fee of \$24,000 including superannuation per year for services provided to the Company as Non-executive Director.

The Company has agreed to pay Mr Miethke a director fee of \$24,000 including superannuation per year for services provided to the Company as Non-executive Director.

### c. Bedrock Consulting Agreement

The Company has entered into a consulting agreement with Bedrock Consulting (WA) Pty Ltd on 23 May 2017 pursuant to which Ms. Allen will provide all the geological aspects of the Company's assets, including, but not limited to:

- Managing greenfields exploration and supervising the Company's consulting in this area
- Designing and managing all drilling on the Company's tenements
- Managing all resources reporting
- Build a geological model for the Companies tenements
- Provide budgets and schedules for the above activities in consultation with the Managing Director
- Assist the Managing Director in writing releases and presentation and ensuring they are JORC, ASIC and ASX compliant
- Acting as the Competent Person for all exploration results

The Company will pay Ms Allen a fee of \$850 per day worked (exclusive of GST), payable monthly upon receipt of an invoice. The Company will also reimburse Ms Allen for reasonable expenses necessarily incurred in the performance of the geological services.

### d. Jane Allen Employment Contract

Effective 1 April 2018 Ms Allen was engaged under an employment agreement. Ms Allen's base salary is \$204,000 per annum plus compulsory superannuation entitlements.

### e. James Carter's Consulting Agreement

Mr Carter is engaged through Stillwater Resource Group Pty Ltd (Stillwater) to provide Chief Financial Officer and Company Secretarial services to the Company. The annual payment to Stillwater for these services is \$120,000 per annum from 31 December 2017.

## Directors' report

### 14.5 Share-based compensation

In consideration of retaining key quality employees of Calidus, the Company issued 17,500,000 fully paid ordinary shares under the Employee Securities Incentive Plan during the year ended 30 June 2018.

The Directors of the Company were issued 24,000,000 Options during the period between 1 October 2016 to 30 June 2017.

There were 5,500,000 equity instruments issued during the period to KMPs as a result of options exercised that had previously been granted as compensation.

#### a. Securities Received that are not performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

#### b. Employee Securities Incentive Plan

Key quality employees of Calidus were issued 17,500,000 fully paid ordinary shares under the Employee Securities Incentive Plan. The terms of the employee securities were as follows:

- Employee securities had the following issue price:
  - \$0.03 per share for 12,500,000 shares
  - \$0.04 per share for 5,000,000 shares
- The employee must remain employed by a member of the Group for one year after the date the employee securities are issued
- The employee securities are held in a voluntary holding lock for a period of 12 months from the date of issue
- An interest free loan for the full amount to purchase the employee securities will be made available to the employee. The terms of the loan were as follows:
  - The company agrees to lend the amount equal to the issue price multiplied by the number of employee securities
  - The employee can repay the balance outstanding on the loan at any time
  - The loan is interest free
  - The outstanding amount of the loan will become payable on the earliest of:
    - The repayment date - 15 years from the date of loan advance
    - The employee securities being sold
    - The employee becoming insolvent
    - The employee ceasing to be an employee
    - The employee securities being acquired by a third party by way of an amalgamation, arrangement or formal takeover bid
  - The employee may not repay the balance outstanding on the loan in respect of the employee securities which are in voluntary holding lock.

## Directors' report

c. Options and Rights Granted as Remuneration

No options or rights were granted as were granted as remuneration during the financial year ended 30 June 2018

The Directors were issued 24,000,000 Options during the period ended 1 October 2016 to 30 June 2017. The terms of the options were as follows:

Tranche 1

- 12,000,000 options issued to Directors that have an exercise price of \$0.03 and expire on the date that is 3 years after their issue. Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- Options can be exercised 12 months after their issue.
- At the time of exercise, the Directors must still be a director of the Company, otherwise the Options shall lapse

Tranche 2

- 12,000,000 options issued to Directors that have an exercise price of \$0.03 and expire on the date that is 3 years after their issue. Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- Options can be exercised 24 months after their issue.
- At the time of exercise, the Directors must still be a director of the Company, otherwise the Options shall lapse

## Directors' report

## 14.6 KMP equity holdings

## a. Fully paid ordinary shares of Calidus resources Limited held by each KMP

2018 – Group							
Group KMP	Balance at start of year No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No.	Resignation of director No.	Balance at end of year No.	
David Reeves	5,640,000	-	5,000,000	4,025,000	-	14,665,000	
Mark Connelly	-	5,000,000	-	-	-	5,000,000	
Keith Coughlan	4,440,000	-	-	-	-	4,440,000	
Peter Hepburn-Brown	1,333,334	-	-	-	-	1,333,334	
Adam Miethke	-	-	-	-	-	-	
Jane Allen	-	7,500,000	-	-	-	7,500,000	
James Carter	500,000	5,000,000	500,000	219,511	-	6,219,511	
	11,913,334	17,500,000	5,500,000	4,244,511	-	39,157,845	

2017 – Group							
Group KMP	Balance at start of year No.	Held at the date of reverse acquisition No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No.	Resignation of director No.	Balance at end of year No.
David Reeves	-	4,440,000	-	-	1,200,000	-	5,640,000
Keith Coughlan	-	4,440,000	-	-	-	-	4,440,000
Peter Hepburn-Brown	-	1,333,334	-	-	-	-	1,333,334
Adam Miethke	-	-	-	-	-	-	-
Nicholas Young	-	-	-	-	-	-	-
Brendan de Kauwe	-	3,800,000	-	-	-	(3,800,000)	-
Jane Allen	-	-	-	-	-	-	-
James Carter	-	500,000	-	-	-	-	500,000
	-	14,513,334	-	-	1,200,000	(3,800,000)	11,913,334

Other changes during the year relate to acquisitions and disposals for Directors and their related parties.

## b. Options in Calidus Resources Limited held by each KMP

2018 – Group									
Group KMP	Balance at start of year No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Resignation of director No.	Balance at end of year No.	Vested and Exercisable No.	Not Vested No.	
David Reeves	11,110,000	-	(5,000,000)	-	-	6,110,000	6,110,000	-	
Mark Connelly	-	-	-	-	-	-	-	-	
Keith Coughlan	6,110,000	-	-	-	-	6,110,000	6,110,000	-	
Peter Hepburn-Brown	3,333,334	-	-	-	-	3,333,334	3,333,334	-	
Adam Miethke	6,000,000	-	-	-	-	6,000,000	6,000,000	-	
Jane Allen	-	-	-	-	-	-	-	-	
James Carter	500,000	-	(500,000)	-	-	-	-	-	
	27,053,334	-	(5,500,000)	-	-	21,553,334	21,553,334	-	

## Directors' report

2017 – Group		Granted as		Exercised during the year	Other changes during the year	Resignation of director	Balance at end of year	Vested and Exercisable	Not Vested
Group	KMP	Balance at start of year	Remuneration during the year						
		No.	No.	No.	No.	No.	No.	No.	No.
David Reeves		-	10,000,000	-	1,110,000	-	11,110,000	-	11,110,000
Keith Coughlan		-	5,000,000	-	1,110,000	-	6,110,000	-	6,110,000
Peter Hepburn-Brown		-	3,000,000	-	333,334	-	3,333,334	-	3,333,334
Adam Miethke		-	6,000,000	-	-	-	6,000,000	-	6,000,000
Nicholas Young		-	-	-	-	-	-	-	-
Brendan de Kauwe		-	-	-	950,000	(950,000)	-	-	-
Jane Allen		-	-	-	-	-	-	-	-
James Carter		-	-	-	500,000	-	500,000	-	500,000
		-	24,000,000	-	4,003,334	(950,000)	27,053,334	-	27,053,334

### 14.7 Other equity related KMP transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

### 14.8 Other transactions with KMP and or their related parties

During the 2018 financial year, the Group incurred the following amounts to related parties:

- Office Rent – Wilgus Investments Pty Ltd \$60,000 (30 June 2017: \$52,300)

Keras Australia and Wilgus Investments Pty Ltd are party to a sub-lease agreement dated on or about 1 September 2015 in respect of a portion of the office space at 12/11 Ventnor Avenue, West Perth. The sub-lease agreement commenced on 1 September 2015 and ends on 30 June 2018.

The rent payable by Keras Australia under the agreement is \$48,000 per annum (Rent). The Rent is subject to annual review on 1 July each year commencing 1 July 2016, at which the rent will increase by the greater of market rent review and CPI review as provided for in the Head Lease.

On 1 June 2017, the rent was increased from \$48,000 per annum to \$51,600 per annum due to an increase in space required by the Company.

On 1 January 2018, Keras Australia and Wilgus Investments Pty Ltd terminated the sub-lease agreement and Calidus and Wilgus Investments Pty Ltd entered into a new 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 Wilgus Investments Pty Ltd.

The Office Lease Agreement commenced on 1 January 2018 and ends on 31 December 2018.

The rent payable by Calidus under the Office Lease Agreement is \$5,700 per month payable in advance.

**Directors' report**

- Discovery Capital Partners Pty Ltd Engagement \$207,585 (30 June 2017: \$Nil)

The Company has entered into a corporate and financial advisor engagement with Discovery Capital Partners Pty Ltd (Discovery Capital) on 19 June 2017. The engagement commenced on execution of the agreement and continues for a period of at least twelve months. Discovery Capital has been engaged to provide the following services:

- Management support and board services;
- Promotion of Calidus;
- Providing the Company with continuing support and advise as necessary; and
- Such other services as are mutually agreed to be appropriate in the circumstances.

The Company will pay the following fees to Discovery Capital:

- An agreement has been made whereby Mr. Adam Miethke has agreed to provide consulting services to the Company on an agreed rate of \$1,000 per day.
- The Company will pay to Discovery Capital a monthly corporate advisory fee of \$5,000.
- The Company will also pay to Discovery Capital a capital advisory fee of 1% of all capital raised by the Company during term of the engagement.
- The Company acknowledges and agrees that should the Company raise at least \$5 million during the following 12 months or engagement term, then it shall appoint Discovery Capital as corporate advisor for a period of at least 12 months at \$10,000 per month.
- The Company will also reimburse Discovery Capital for all out-of-pocket expense.

Mr Miethke is a Director and 50% shareholder of Discovery Capital. The Board considers that the Discovery Capital engagement to be on arms' length and commercial terms.

- Management fee - Keras Resources Plc \$Nil (30 June 2017: \$377,066)

Keras Australia and Keras Resources Plc (Keras Resources) were parties to a corporate and technical services agreement dated on 1 December 2015 (Corporate Service Agreement). This agreement was terminated in June 2017 as part of the Company's reinstatement to trading on the ASX.

- Discovery Capital & Otsana Mandate – Joint Lead Manager Fee \$Nil (30 June 2017: \$575,541)

Discovery Capital Partners Pty Ltd (Discovery) and Otsana Pty Ltd (Otsana) entered into an agreement with the Company dated 1 May 2017 to provide lead manager and related services for the Company in relation to potential strategic acquisitions, structuring and restructuring and capital raising including to act as joint lead managers in connection with the public offer as detailed in the Prospectus lodged on 8 May 2017 (Joint Lead Manager Mandate).

Otsana and Discovery were entitled to a 6% capital raising fee on all capital raised under the public offer. Any third party brokerage fees shall be payable by the joint lead managers out of this fee.

The Joint Lead Manager Mandate otherwise contains terms standard for a mandate of this nature.

Mr. Miethke is a director and a 50% shareholder of Discovery Capital. Dr de Kauwe is a director of Otsana and Mr. Young is an authorized representative of Otsana. The Directors consider the mandate to be on arm's length and commercial terms.



## Directors' report

- Discovery Capital Mandate \$Nil (30 June 2017: \$150,000)

Keras Resources Plc entered into an agreement with Discovery Capital Partners Pty Ltd (Discovery) on 17 April 2017 to engage Discovery as their exclusive corporate and financial advisor in relation to the acquisition of Keras Australia by Calidus and the public offer detailed in the prospectus dated 8 May 2017 (Discovery Capital Mandate).

The term of the Discovery Capital Mandate is for a period of 4 months from date of execution. The Discovery Capital Mandate will terminate on 17 August 2017, unless otherwise agreed.

Keras Australia shall pay Discovery Capital the following fees upon the Company's re-listing on the ASX:

- 3.5% of shares to be issued to Keras Resources Plc pursuant to the consideration offer (being 7,875,000 shares)
- 3.5% of shares issued on conversion of the Performance Shares to be issued to Keras Resources Plc pursuant to the consideration offer (being a maximum of 18,375,000 shares); and
- a cash fee of \$150,000.

Mr Miethke is a director and a 50% shareholder of Discovery Capital. The Discovery Capital Mandate otherwise contains terms standard for a mandate of this nature.

- Otsana Mandate – Corporate advisory fee \$Nil (30 June 2017: \$1,800,000)

Otsana entered into an agreement with the Company dated 1 April 2017 to act as a corporate advisor to the Company in connection with the public offer and acquisition of Keras Australia by Calidus (Otsana Mandate). In consideration for these services, Otsana, on successful completion of the acquisition of Keras Australia and re-listing of the Company, shall be issued 90,000,000 Shares under the facilitator offer in lieu of corporate advisory and success fee.

The Otsana Mandate otherwise contains terms standard for a mandate of this nature. Dr de Kauwe is a director of Otsana and Mr Young is an authorised representative of Otsana. The Board considers the Otsana Mandate to be on arms' length commercial terms.

Refer also Note 22 Related party transactions.

### END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).



**MARK CONNELLY**

Non-executive Chairman

Dated this Tuesday, 11 September 2018

## MOORE STEPHENS

Level 15 Exchange Tower,  
2 The Esplanade  
Perth WA 6000

PO Box 5785, St Georges Terrace  
WA 6831

T +61 (0)8 9225 5355  
F +61 (0)8 9225 6181

[www.moorestephenswa.com.au](http://www.moorestephenswa.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF CALIDUS RESOURCES LIMITED**

As lead auditor of Calidus Resources Limited, I declare, that to the best of my knowledge and belief, during the financial year ended 30 June 2018, there have been:

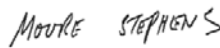
(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Calidus Resources Limited and the entities it controlled during the financial year.



**STAN  
PARTNER**



**MOORE STEPHENS  
CHARTERED ACCOUNTANTS**

Signed at Perth this 11th day of September 2018.

Liability limited by a scheme approved under Professional Standards Legislation. Moore Stephens ABN 16 874 357 907. An independent member of Moore Stephens International Limited - members in principal cities throughout the world. The Perth Moore Stephens firm is not a partner or agent of any other Moore Stephens firm.

**Consolidated statement of profit or loss and other comprehensive income**

for the period between 1 July 2017 to 30 June 2018

	Note	1 July 2017 to 30 June 2018	1 October 2016 to 30 June 2017
		\$	\$
<i>Continuing operations</i>			
Revenue	5	105,479	1,679,266
		105,479	1,679,266
Costs of Sales		-	(1,860,465)
		105,479	(181,199)
Acquisition premium expensed to statement of profit and loss	4c	-	(680,064)
Compliance costs		(354,188)	(135,134)
Corporate transaction accounting expense	3d	-	(713,099)
Depreciation and amortisation		(32,587)	(3,659)
Employment costs	6	(380,202)	(45,105)
Exploration Expenditure		(676,004)	-
Finance costs		(1,992)	(99,199)
Insurance fees		(44,348)	(61,645)
Impairment of exploration expenditure		(12,500)	-
Impairment of property plant and equipment		(39,692)	-
Keras PLC management fee	22	-	(377,066)
Legal and consulting fees		(463,389)	(77,955)
Occupancy costs		(64,321)	(64,756)
Share-based payments	19	(630,282)	(9,145)
Share registry and listing fees		(122,211)	(27,409)
Travel and accommodation		(101,359)	(24,370)
Other expenses		(54,200)	72,114
Foreign exchange loss		(2,340)	(32,772)
Loss before tax		(2,874,136)	(2,460,463)
Income tax benefit / (expense)	7	-	-
<b>Net (loss) / profit for the period</b>		<b>(2,874,136)</b>	<b>(2,460,463)</b>
<i>Other comprehensive income, net of income tax</i>		-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>(2,874,136)</b>	<b>(2,460,463)</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(2,874,136)</b>	<b>(2,460,463)</b>
<i>Profit/(loss) for the period attributable to:</i>			
■ Non-controlling interest		-	-
■ Owners of the parent		(2,874,136)	(2,460,463)
<i>Total comprehensive income/(loss) attributable to:</i>			
■ Non-controlling interest		-	-
■ Owners of the parent		(2,874,136)	(2,460,463)
<i>Earnings per share:</i>			
Basic and loss per share (cents per share)	8	¢ (0.27)	¢ (1.94)

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 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
<i>Current assets</i>			
Cash and cash equivalents	9	6,142,247	4,441,885
Trade and other receivables	10	301,898	188,439
Other current assets	11	-	10,078
<b>Total current assets</b>		<b>6,444,145</b>	<b>4,640,402</b>
<i>Non-current assets</i>			
Plant and equipment	12	175,377	56,360
Exploration and evaluation assets	13	9,985,029	2,781,809
Other non-current assets	11	24,993	24,993
<b>Total non-current assets</b>		<b>10,185,399</b>	<b>2,863,162</b>
<b>Total assets</b>		<b>16,629,544</b>	<b>7,503,564</b>
<i>Current liabilities</i>			
Trade and other payables	14	1,206,655	1,141,806
Short-term provisions	15	390,555	379,650
<b>Total current liabilities</b>		<b>1,597,210</b>	<b>1,521,456</b>
<i>Non-current liabilities</i>			
Long-term financial liabilities		-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,597,210</b>	<b>1,521,456</b>
<b>Net assets</b>		<b>15,032,334</b>	<b>5,982,108</b>
<i>Equity</i>			
Issued capital	16a	21,712,043	10,363,420
Performance shares	16c	-	-
Employee shares	16d	414,029	-
Reserves	16b	170,855	9,145
Accumulated losses		(7,264,593)	(4,390,457)
<b>Total equity</b>		<b>15,032,334</b>	<b>5,982,108</b>

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

**Consolidated statement of change in equity**

for the period between 1 July 2017 to 30 June 2018

	Note	Issued Capital \$	Employee Shares \$	Option Reserve \$	Accumulated Losses \$	Total \$
<i>Balance at 1 October 2016</i>		308,650	-	-	(1,929,994)	(1,621,344)
Loss for the year attributable owners of the parent		-	-	-	(2,460,463)	(2,460,463)
Other comprehensive income for the period attributable owners of the parent		-	-	-	-	-
Total comprehensive income for the year attributable owners of the parent		-	-	-	(2,460,463)	(2,460,463)
<i>Transaction with owners, directly in equity</i>						
Shares issued during the year	16a	12,397,033	-	-	-	12,397,033
Options issued during the period	18a	-	-	9,145	-	9,145
Transaction costs	16a	(2,342,263)	-	-	-	(2,342,263)
Balance at 30 June 2017		10,363,420	-	9,145	(4,390,457)	5,982,108
<i>Balance at 1 July 2017</i>		10,363,420	-	9,145	(4,390,457)	5,982,108
Loss for the period attributable owners of the parent		-	-	-	(2,874,136)	(2,874,136)
Other comprehensive income for the period attributable owners of the parent		-	-	-	-	-
Total comprehensive income for the period attributable owners of the parent		-	-	-	(2,874,136)	(2,874,136)
<i>Transaction with owners, directly in equity</i>						
Shares issued during the period	16a	11,667,475	-	-	-	11,667,475
Options issued during the period	18a	-	-	216,253	-	216,253
Options exercised during the period	18a	217,043	-	(54,543)	-	162,500
Employee shares issued during the period	17a	-	414,029	-	-	414,029
Transaction costs	16a	(535,895)	-	-	-	(535,895)
Balance at 30 June 2018		21,712,043	414,029	170,855	(7,264,593)	15,032,334

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

**Consolidated statement of cash flows**

for the period between 1 July 2017 to 30 June 2018

	Note	1 July 2017 to 30 June 2018	1 October 2016 to 30 June 2017
		\$	\$
<i>Cash flows from operating activities</i>			
Receipts from customers		76,353	1,691,476
Payments for suppliers and employees		(1,801,130)	(2,498,238)
Interest received		29,126	-
Interest and borrowings costs		(1,992)	(7,713)
<b>Net cash used in operating activities</b>	9d.i	<b>(1,697,643)</b>	<b>(814,475)</b>
<i>Cash flows from investing activities</i>			
Sale/ (purchase) of plant and equipment		(191,296)	(1,863)
Net cash acquired on acquisition of subsidiary net of cash consideration paid	9g.ii, 9h	-	7,510,148
Payments for exploration expenditure		(5,242,293)	(244,207)
Sale/(purchase) of tenements		(613,749)	-
Proceeds from Bank Guarantee		-	25,000
<b>Net cash used in investing activities</b>		<b>(6,047,338)</b>	<b>7,289,078</b>
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares		10,162,500	-
Payments for capital raising costs		(717,157)	(491,513)
Proceeds from borrowings		-	2,198,136
Repayment of borrowings		-	(3,813,504)
<b>Net cash provided by financing activities</b>		<b>9,445,343</b>	<b>(2,106,881)</b>
<b>Net increase in cash held</b>		<b>1,700,362</b>	<b>4,367,722</b>
Cash and cash equivalents at the beginning of the period		4,441,885	74,163
<b>Cash and cash equivalents at the end of the period</b>	9b	<b>6,142,247</b>	<b>4,441,885</b>

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

## Notes to the consolidated financial statements

for the period ended 30 June 2018

### 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 7 September 2018 by the directors of the Company.

#### a. Basis of preparation

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

##### i. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (**AAS Board**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

##### ii. Reverse acquisition

Calidus (formerly Pharmanet Group Ltd) is listed on the Australian Securities Exchange. The Company completed the legal acquisition of Keras (Gold) Australia Pty Limited (**Keras (Gold) Australia Pty**) on 13 June 2017.

Keras (Gold) Australia Pty Limited (the legal subsidiary) was deemed to be the acquirer for accounting purposes as it has obtained control over the operations of the legal acquirer Calidus (accounting subsidiary). Accordingly, the consolidated financial statements of Calidus have been prepared as a continuation of the financial statements of Keras (Gold) Australia Pty Limited. Keras (Gold) Australia Pty Limited (as the deemed acquirer) has accounted for the acquisition of Calidus from 13 June 2017. The comparative information presented in the consolidated financial statements is that of Keras (Gold) Australia Pty Limited.

The impact of the reverse acquisition on each of the primary statements is as follows:

- The consolidated statement of comprehensive income:
  - for the period between 1 July 2017 to 30 June 2018 comprises results for both Keras (Gold) Australia Pty Limited and Calidus; and
  - for the comparative period between 1 October 2016 to 30 June 2018 comprises 9 months of Keras (Gold) Australia Pty Limited and the period from 13 June 2016 to 30 June 2017 for Calidus.
- The consolidated statement of financial position:
  - as at 30 June 2018 represents both Keras (Gold) Australia Pty Limited and Calidus as at that date; and
  - as at 30 June 2017 represents both Keras (Gold) Australia Pty Limited and Calidus as at that date.
- The consolidated statement of changes in equity:
  - for the period between 1 July 2017 to 30 June 2018 comprises 1 July 2017 to 30 June 2018 of Keras (Gold) Australia Pty Limited's and Calidus changes in equity.
  - for the comparative period between 1 October 2016 to 30 June 2017 comprises Keras (Gold) Australia Pty Limited's balance at 1 July 2017, its loss for the period and transactions with equity holders for 9 months. It also comprises Calidus transactions within equity from 13 June 2017 to 30 June 2017 and the equity value of Keras (Gold) Australia Pty Limited and Calidus at 30 June 2017. The number of shares on issue at period end represent those of Calidus.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 1 Statement of significant accounting policies**

## ■ The consolidation statement of cash flows:

- for the period between 1 July 2017 to 30 June 2018 of Keras (Gold) Australia Pty Limited's and Calidus' cash transactions.
- for the comparative period between 1 October 2016 to 30 June 2017 comprises:
  - the cash balance of Keras (Gold) Australia Pty Limited as at 1 October 2016;
  - the cash transactions for the 9 months of Keras (Gold) Australia Pty Limited and the period from 13 June 2017 to 30 June 2017 of Calidus; and
  - the cash balances of Keras (Gold) Australia Pty Limited and Calidus at 30 June 2017.

## iii. Use of estimates and judgments

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.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1m.

## iv. Comparative figures

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

## b. Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2017 but determined that their application to the financial statements is either not relevant or not material.

## c. Principles of consolidation

As at 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 year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, 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 acquiree; 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.



**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 1 Statement of significant accounting policies**

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.

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.

A list of controlled entities is contained in Note 20 Controlled Entities of the financial statements.

## 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. Exploration and evaluation expenditure

## i. Recognition and measurement

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation costs are recognised as an asset if the rights of the area of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the areas of interest; or
- Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 1 Statement of significant accounting policies**

## ii. Subsequent measurement

Exploration and evaluation assets are assessed for impairment if:

- Sufficient data exists to determine technical feasibility and commercial viability.
- Facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see accounting policy Impairment of non-financial assets)

For the purpose of the impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation assets to mine properties within property, plant and equipment.

The value of the Group's interest in exploration expenditure is dependent upon:

- The continuance of the Group's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the indigenous people of Australia.

As a result, exploration properties or areas within the tenement may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum to such claims.

## e. Taxation

## i. Income tax

The income tax expense / (income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 1 Statement of significant accounting policies**

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Where the Group receives the Australian Government's Research and Development Tax Incentive, the Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return and disclosed as such in Note 7 Income Tax.

## f. Revenue and other income

Interest revenue is recognised in accordance with note 11. ix. Finance income and expenses.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or there is a risk of return of goods or there is continuing management involvement with the goods.

All revenue is stated net of the amount of value added taxes (note 1g Goods and Services Tax).

## g. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the balance sheet.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 1 Statement of significant accounting policies**

## h. Plant and Equipment

## i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see accounting policy Impairment of non-financial assets and note 12 Property, plant, and equipment)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

## ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as an expense as incurred.

## iii. Depreciation

With the exception of exploration and evaluation assets, depreciation is charged to the income statement on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

	2018	2017
	\$	\$
Plant and Equipment	33%-66%	33%-66%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## i. Financial instruments

## i. Initial recognition and measurement

A financial instrument is recognised if the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

## ii. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

## Notes to the consolidated financial statements

for the period ended 30 June 2018

### Note 1 Statement of significant accounting policies

#### iii. Classification and Subsequent Measurement

##### (i) *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of nine months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

##### (ii) *Loans*

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

##### (iii) *Trade and other receivables*

Trade and other receivables are stated at amortised costs. Receivables are usually settled within 60 days.

Collectability of trade and other debtors is reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

##### (iv) *Trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

##### (v) *Share capital*

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

#### iv. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

#### v. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### vi. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

#### vii. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the income statement.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 1 Statement of significant accounting policies**

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

## viii. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## ix. Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

## j. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting policy 1e Taxation) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

## k. Employee benefits

## i. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

## Notes to the consolidated financial statements

for the period ended 30 June 2018

### Note 1 Statement of significant accounting policies

#### ii. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

#### iii. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

#### iv. Equity-settled compensation

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

#### l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

#### m. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### n. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### o. 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. Key judgements and estimates – Business Combinations

Refer note 3 Business combinations.

##### ii. Key Estimate – 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, refer to accounting policy stated in note 13 Exploration and evaluation assets. The carrying value of capitalised expenditure at reporting date is \$10,047,559.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 1 Statement of significant accounting policies**

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 diamond 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.

## iii. Key Estimate — 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.

## iv. Key judgements and estimates – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer Note 7 Income Tax.

## p. New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

i. *AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period beginning on or after 1 July 2018)*

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments requirements for financial instruments and hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

*The Directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.*

ii. *AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 July 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).*

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.



**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 1 Statement of significant accounting policies**

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- (1) Identify the contract(s) with a customer;
- (2) Identify the performance obligations in the contract(s);
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract(s); and
- (5) Recognise revenue when (or as) the performance obligations are satisfied.

*Based on preliminary assessment performed, the effects of AASB 15 are not expected to have a material effect on the Group.*

iii. AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 July 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- (1) recognition of a right-of-use asset and lease liability for all leases (excluding short-term leases with a lease term 12 months or less of tenure and leases relating to low-value assets);
- (2) depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- (3) inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- (4) application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- (5) inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

*The Directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures.*

iv. Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**Note 2 Company details**

The registered office of the Company is:

Address:

*Street:* Suite 12, 11 Ventnor Avenue, WEST PERTH WA 6005

*Postal:* PO Box 1240, WEST PERTH WA 6847

*Telephone:* +61 (0)8 6245 2050

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 3 Business combinations****a. Keras (Gold) Australia Pty Limited (Keras)**

On 13 June 2017, Calidus Resources Limited (formerly Pharmanet Group Ltd) (**Calidus**), acquired 100% of the ordinary share capital and voting rights of (**Keras**) as described in the prospectus issued 5 May 2017.

Under AASB 3 *Business Combinations* (**AASB 3**) this is treated as a 'reverse acquisition', whereby the accounting acquirer is deemed to be Keras and Calidus is deemed to be the accounting acquiree. Refer to the effect upon the basis of preparation at note i.a.ii Reverse acquisition.

**b. Acquisition consideration**

As consideration for the issued capital of Keras (Gold) Australia Pty Limited, issued 250,000,000 ordinary shares to the vendors of Keras (Gold) Australia Pty Limited.

**c. Fair value of consideration transferred**

Under the principles of AASB 3, the transaction between Calidus and Keras (Gold) Australia Pty Limited is being treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Keras (Gold) Australia Pty Limited, are measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Calidus are measured at fair value on the date of acquisition.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Keras (Gold) Australia Pty Limited) in the form of equity instruments issued to the shareholders of the legal parent entity (Calidus). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary (Keras (Gold) Australia Pty Limited) would have issued to the legal parent entity Calidus to obtain the same ownership interest in the combined entity.

**d. Goodwill (Corporate transaction accounting expense)**

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the acquired. Details of the transaction are as follows:

	2017 Fair value \$
Fair value of consideration transferred	8,053,521
Fair value of assets and liabilities held at acquisition date:	
■ Cash	8,207,573
■ Other current assets	44,968
■ Trade and other payables	(532,469)
■ Provisions	(379,650)
Fair value of identifiable assets and liabilities assumed	7,340,422
Goodwill (Corporate transaction accounting expense)	713,099

The goodwill calculated above represents goodwill in Calidus, however this has not been recognised as Calidus (the accounting acquiree) is not a business. Instead the deemed fair value of the interest in Keras (Gold) Australia Pty Limited issued to existing Calidus shareholders to effect the combination (the consideration for the acquisition of the public shell company) was recognised as an expense in the income statement. This expense has been presented as a "Corporate transaction accounting expense" on the face of the consolidated statement of profit or loss and comprehensive income".

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 4 Business combinations****a. Keras (Pilbara) Gold Pty Ltd**

On 10 October 2016, Keras acquired 100% of the ordinary share capital and voting rights in its subsidiary Keras (Pilbara) Gold Pty Ltd (Keras Pilbara) (Formerly known as Arcadia Minerals Pty Ltd).

**b. Acquisition consideration**

As consideration for the issued capital of Keras Pilbara, Keras paid \$700,000 in cash and issued 100,000,000 shares in Keras Resources PLC valued at \$1,046,126. Keras also assumed the liabilities in Keras Pilbara of \$702,406 and repaid these amounts in full.

**c. Acquisition premium**

The identifiable net assets of the acquiree are remeasured to their fair value on the date of acquisition (i.e. the date that control passes). Acquisition premium is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the acquired. Details of the transaction are as follows:

	2017 Fair value \$
Fair value of:	
■ Cash consideration to acquire 100% of Keras Pilbara	700,000
■ Share consideration to acquire 100% of Keras Pilbara	1,046,126
	1,746,126
Fair value of assets and liabilities held at acquisition date:	
■ Cash	2,576
■ Property, plant and equipment	15,000
■ Exploration assets	1,750,000
■ Other non-current assets	840
■ Trade and other payables	52
■ Loans (net of loans deemed to form part of consideration 2a.i)	(702,406)
	1,066,062
Fair value of identifiable assets and liabilities assumed	1,066,062
Acquisition premium expensed to statement of Profit and Loss	680,064

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 5 Revenue and other income**

**a. Revenue**

Revenue  
Reimbursements  
Interest

	2018	2017
	\$	\$
	-	1,569,735
	-	109,379
	105,479	152
	105,479	1,679,266

**Note 6 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 / (reimbursement)
- Wages and salaries
- Other employment related costs

	2018	2017
	\$	\$
	306,250	25,706
	8,654	1,777
	65,298	17,622
	-	-
	380,202	45,105

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 7 Income tax****a. Income tax expense / (benefit)**

Current tax

Deferred tax

Deferred income tax expense included in income tax expense comprises:

- Increase / (decrease) in deferred tax assets
- (Increase) / decrease in deferred tax liabilities

**b. Reconciliation of income tax expense to prima facie tax payable**

The prima facie tax payable / (benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on operating loss at 30% (2017: 27.5%)

Add / (Less)

Tax effect of:

- Non-deductible share-based payments
- Non-deductible expenses
- Deferred tax asset not brought to account

Income tax expense / (benefit) attributable to operating loss

**c. The applicable weighted average effective tax rates attributable to operating profit are as follows****d. Balance of franking account at year end of the legal parent**

Note	2018 \$	2017 \$
	-	-
	-	-
	-	-
	-	-
7e	-	-
	-	-
	-	-
	(862,241)	(676,627)
	189,084	2,515
	1,583	-
	671,574	674,112
	-	-
	%	%
	-	-
	\$	\$
	nil	nil

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

Note	7	Income tax (cont.)	Note	2018 \$	2017 \$
e.		Deferred tax assets			
		Tax losses		6,446,151	1,851,116
		Inventory		-	-
		Provisions and accruals		119,895	177,651
		Capital raising costs		166,669	2,475
				6,732,715	2,031,242
		Set-off deferred tax liabilities	7f	(1,717,517)	(217,173)
		Net deferred tax assets		5,015,198	1,814,069
		Less deferred tax assets not recognised		(5,015,198)	(1,814,069)
		Net tax assets		-	-
f.		Deferred tax liabilities			
		Exploration expenditure		1,717,517	217,173
				1,717,517	217,173
g.		<b>Tax losses and deductible temporary differences</b>			
		Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised:		21,487,169	7,386,335
				21,487,169	7,386,335

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2018 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- i. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- ii. the company continues to comply with conditions for deductibility imposed by law; and
- iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

Note	8	Earnings per share (EPS)	Note	2018 \$	2017 \$
a.		<b>Reconciliation of earnings to profit or loss</b>			
		(Loss) / profit for the year		(2,874,136)	(2,460,463)
		Less: loss attributable to non-controlling equity interest		-	-
		(Loss) / profit used in the calculation of basic and diluted EPS		(2,874,136)	(2,460,463)
b.		<b>Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS</b>		2018 No.	2017 No.
			8e	1,054,187,623	126,754,199
c.		<b>Earnings per share</b>		2018 ¢	2017 ¢
		Basic EPS (cents per share)	8d	(0.27)	(1.94)
d.		At the end of the 2018 financial year, the Group has 199,000,000 unissued shares under options (2017: 192,500,000), 12,000,000 performance rights on issue (2017: nil) and 275,000,000 performance shares on issue (2017: 525,000,000). The Group does not report diluted earnings per share on annual losses generated by the Group. During the 2018 financial year the Group's unissued shares under option and partly-paid shares were anti-dilutive.			
e.		As noted in 1a.ii, the equity structure in these consolidated financial statements following the reverse acquisition reflects the equity structure of Calidus, being the legal acquirer (the accounting acquiree), including the equity interests issued by Calidus to effect the business combination.			
	i.	The basic EPS for the period ended 30 June 2018 shall be calculated by dividing:			
		(1) the profit or loss of the Calidus attributable to ordinary shareholders in each of those periods by			
		(2) the Calidus's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.			
	ii.	In calculating the weighted average number of ordinary shares outstanding (the denominator of the EPS calculation) for the year ended 30 June 2017:			
		(1) the number of ordinary shares outstanding from 1 October 2016 to 13 June 2017 (deemed acquisition date) are computed on the basis of the weighted average number of ordinary shares of Keras (Gold) Australia Pty Limited, (legal acquiree / accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the acquisition agreement; and			
		(2) the number of ordinary shares outstanding from 13 June 2017 to the end of year shall be the actual number of ordinary shares of Calidus outstanding during that period.			

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

Note	9	Cash and cash equivalents	Note	2018 \$	2017 \$
a.		<b>Current</b>			
		Cash at bank		6,142,247	4,441,885
				6,142,247	4,441,885
b.		<b>Reconciliation of cash</b>			
		Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
		■ Cash and cash equivalents		6,142,247	4,441,885
				6,142,247	4,441,885
c.		The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25 Financial risk management.			
d.		<b>Cash Flow Information</b>	Note	2018 \$	2017 \$
		i. Reconciliation of cash flow from operations to (loss)/profit after income tax			
		Loss after income tax		(2,874,136)	(2,460,463)
		Cash flows excluded from (loss)/profit attributable to operating activities		-	-
		<i>Non-cash flows in (loss)/profit from ordinary activities:</i>			
		■ Depreciation and amortisation		32,587	3,659
		■ Corporate transaction accounting expense	3d	-	713,099
		■ Non-cash finance costs		-	91,486
		■ Exploration expenditure expensed		676,003	-
		■ Acquisition premium expensed to statement of profit and loss	4c	-	680,064
		■ Foreign exchange loss		-	35,724
		■ Share-based payments	19	630,282	9,145
		■ Impairment expense		53,032	-
		■ Other expenses		-	(17,793)
		<i>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:</i>			
		■ (Increase)/decrease in receivables		(113,458)	(158,948)
		■ (Increase)/decrease in other assets and prepayments		10,078	62,111
		■ (Increase)/decrease in inventories		-	1,025,970
		■ (Increase)/decrease in tenement assets		-	(1,085)
		■ Increase/(decrease) in trade and other payables		(122,936)	(797,444)
		■ Increase/(decrease) in provisions		10,905	-
		Cash flow from operations		(1,697,643)	(814,475)



**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 9 Cash and cash equivalents (cont)****e. Credit standby facilities**

The Group has no credit standby facilities.

**f. Non-cash investing and financing activities**

Refer to note 9g below.

During the current and prior period Keras (Gold) Australia Pty Limited did not have a bank account and as such the sole Director's and Calidus Resources Limited's (formerly Pharamanet Group) bank accounts were used to facilitate the transactions of the entity pre-settlement (14 June 2017).

These transactions have been treated as cash flows of Keras (Gold) Australia Pty Limited for the purposes of disclosure in this financial report.

**g. Acquisition of Calidus**

Note	2017
	\$

On 13 June 2017, Calidus, acquired 100% of the ordinary share capital and voting rights of Keras (Gold) Australia Pty Limited as described in Note 3 Business combinations:

**i. Purchase consideration:**

Theoretical equity consideration issued under a reverse acquisition	3d	8,053,521
<b>Total consideration</b>		<b>8,053,521</b>

**ii. Cash acquired:**

Cash held by Calidus at date of acquisition	3d	8,207,572
<b>Cash in-flow on acquisition</b>		<b>8,207,572</b>

**iii. Assets and liabilities held at acquisition date (excluding cash) excluded from the consolidated statement of cash flow:**

■ Other current assets	3d	44,968
■ Trade and other payables	3d	(532,469)
■ Provisions	3d	(379,650)

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 9 Cash and cash equivalents (cont)**

**h. Acquisition of Keras Pilbara**

2017

\$

On 10 October 2016, Keras (Gold) Australia Pty Ltd, acquired 100% of the ordinary shares and voting rights of Keras (Pilbara) Gold Pty Ltd as described in Note 3 Business combinations:

i. Purchase consideration:

Cash consideration	4c	700,000
Share consideration	4c	1,046,126
<b>Total consideration</b>		<b>1,746,126</b>

ii. Cash acquired:

<input type="checkbox"/> Cash held by Keras Pilbara at date of acquisition	4c	2,576
--	----	-------

Cash in-flow on acquisition

-

iii. Assets and liabilities held at acquisition date (excluding cash) excluded from the consolidated statement of cash flow:

■ Property, plant and equipment	4c	15,000
■ Exploration assets	4c	1,750,000
■ Other non-current assets	4c	840
■ Trade and other payables	4c	52
■ Loans (net of loans deemed to form part of consideration 2a.i)	4c	(702,406)

**Note 10 Trade and other receivables**

2018

2017

\$

\$

**a. Current**

Trade Receivables	-	977
Sundry Debtors	2,400	27,318
GST Receivable	299,498	160,144
	<b>301,898</b>	<b>188,439</b>

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25 Financial risk management.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 11 Other assets****a. Current**

Prepayments

**b. Non-current**

Performance guarantee

	2018 \$	2017 \$
	-	10,078
	-	10,078
	24,993	24,993
	24,993	24,993

**Note 12 Property, plant, and equipment****a. Non-current**

Motor Vehicles

Accumulated depreciation

Computer and Software

Accumulated depreciation

Mining equipment

Accumulated depreciation

Total plant and equipment

	2018 \$	2017 \$
	76,104	-
	(15,098)	-
	61,006	-
	32,575	17,770
	(8,080)	(12,124)
	24,495	5,646
	97,618	51,782
	(7,742)	(1,068)
	89,876	50,714
	175,377	56,360

**b. Movements in Carrying Amounts**

Carrying amount at the beginning of year

■ Additions

■ Disposals

■ Impairment

■ Depreciation expense

Carrying amount at the end of year

	Motor Vehicles \$	Computer and software \$	Mining equipment \$	Total \$
	-	5,646	50,714	56,360
	76,104	32,575	82,617	191,296
	-	-	-	-
	-	(4,307)	(35,385)	(39,692)
	(15,098)	(9,419)	(8,070)	(32,587)
	61,006	24,495	89,876	175,377

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 13 Exploration and evaluation assets**

		2018	2017
		\$	\$
<b>a. Non-current</b>			
<i>Exploration expenditure capitalised:</i>			
Exploration and evaluation phase at cost		9,985,029	2,781,809
Net carrying value		9,985,029	2,781,809
<b>b. Movements in carrying amounts</b>			
Balance at the beginning of year		2,781,809	250,000
Expenditure during the period		7,203,220	781,809
Business acquisition	4c	-	1,750,000
Carrying amount at the end of year		9,985,029	2,781,809

**Note 14 Trade and other payables**

		2018	2017
		\$	\$
<b>a. Current</b>			
<i>Unsecured</i>			
Trade payables	14b	1,141,171	873,701
Accruals		20,500	266,352
Employment related payables		44,984	1,674
Other payables		-	79
		1,206,655	1,141,806

- b. Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.
- c. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25 Financial risk management.

**Note 15 Provision**

		2018	2017
		\$	\$
<b>a. Current</b>			
Provision for Stamp Duty		379,650	379,650
Provision for Annual Leave		10,905	-
		390,555	379,650

## Notes to the consolidated financial statements

for the period ended 30 June 2018

## Note 16 Issued capital

Note	2018	2017	2018	2017
	No.	No.	\$	\$
Fully paid ordinary shares at no par value	1,276,453,495	717,736,035	21,657,500	10,363,420
<b>a. Ordinary shares</b>				
At the beginning of the period	717,736,035	9,000,000	10,363,420	308,650
Shares issued during the year:				
■ Issue of shares to Keras Resources PLC	-	11,687,669	-	2,542,312
<i>Balance before reverse acquisition</i>	-	20,687,669	-	2,850,962
■ Elimination of existing legal acquiree (Keras (Gold) Australia Pty Limited) shares	-	(20,687,669)	-	-
■ Shares of legal acquirer (Calidus) at acquisition date	-	402,676,035	-	-
■ Issue of shares to Keras (Gold) Australia Pty vendors	-	225,000,000	-	8,053,521
■ Issue of Lead Manager shares	-	90,000,000	-	1,800,000
■ Issue of Epmix shares	-	60,000	-	1,200
■ Issue of Epmix shares	30,000	-	720	-
■ Tranche 1 – Capital raising	95,061,415	-	3,897,517	-
■ Issue of Novo shares	20,000,000	-	840,000	-
■ Issue of Haoma shares	37,500,000	-	750,000	-
■ Tranche 2 – Capital raising	148,841,045	-	6,102,483	-
■ Conversion of performance shares into ordinary shares	250,000,000	-	-	-
■ Exercise of options	500,000	-	12,500	-
■ Exercise of options	5,000,000	-	204,543	-
■ Issue of Gardner shares	1,785,000	-	76,755	-
Transaction costs relating to share issues	-	-	(535,895)	(2,342,263)
At reporting date	1,276,453,495	717,736,035	21,712,043	10,363,420
<b>b. Options</b>				
At the beginning of the period	192,500,000	-	9,145	-
Options of legal acquirer (Calidus) at acquisition date	-	168,500,000	-	-
Issue of options to directors	-	24,000,000	190,437	9,145
Issue of Performance Rights	12,000,000	-	25,816	-
Options Exercised	(5,500,000)	-	(54,543)	-
At reporting date	199,000,000	192,500,000	170,855	9,145
<b>c. Performance shares</b>				
Performance Shares (Milestone 1)	-	250,000,000	-	-
Performance Shares (Milestone 2)	275,000,000	275,000,000	-	-
At reporting date	275,000,000	525,000,000	-	-

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 16 Issued capital (continued)**

	Note	2018		2017	
		No.	\$	No.	\$
<b>d. Employee shares</b>					
Employee Securities Incentive Plan		17,500,000	-	414,029	-
At reporting date		17,500,000	-	414,029	-

The Company has 275,000,000 performance shares on issue with the following milestones:

Milestone	Number to be converted No.
<b>Milestone 2:</b> The performance shares will convert into fully paid shares upon the earlier of:	

- The announcement of a positive pre-feasibility study which demonstrates the project is commercially viable; or
- Sale of all or part of the Warrawoona Gold Project for a cash consideration of at least \$50,000,000. 275,000,000

This must be achieved on or before 5:00pm (WST) on the date, which is 36 months after the issue date.

---

275,000,000

No value has been allocated to the performance shares due to the significant uncertainty of meeting the performance milestones which are based on future events. To date, none of the Milestones have been met.

**e. Capital Management**

The Directors' objectives when managing capital are to ensure that the Group can maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the availability of liquid funds in order to meet its short term commitments.

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group in respect to its operations, software developments programmes, and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group were as follows:

	Note	2018 \$	2017 \$
Cash and cash equivalents	9	6,142,247	4,441,885
Trade and other receivables	10	301,898	188,439
Trade and other payables	14	(1,206,655)	(1,141,806)
Working capital position		5,237,490	3,488,518

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 17 Employee Shares**

		2018	2017
		\$	\$
Employee Shares	19a	414,029	-
		414,029	-

		2018	2017
		\$	\$
<b>a. Employee shares</b>			
Balance at the beginning of the financial year		-	-
Equity based payments	19	414,029	-
Balance at the end of the financial year		414,029	-

The Employee Shares note records items recognised as expenses on the value of employee shares issued under the Employee Shares Incentive Plan.

**Note 18 Reserves**

		2018	2017
		\$	\$
Option reserve	18a	170,855	9,145
		170,855	9,145

		2018	2017
		\$	\$
<b>a. Options Reserve</b>			
Balance at the beginning of the financial year		9,145	-
Equity based payments	19	216,253	9,145
Options exercised		(54,543)	-
Balance at the end of the financial year		170,855	9,145

The option reserve records items recognised as expenses on the value of directors and employee equity issues.

At 30 June 2018 the following options are outstanding:

- 87,500,000 listed options exercisable at 2.5 cents expiring on or before 13 June 2019 were issued as part of the prospectus dated 5 May 2017.
- 30,500,000 unlisted options exercisable at 2.5 cents expiring on or before 13 June 2020.
- 50,000,000 unlisted options exercisable at 2 cents expiring on or before 18 April 2021 were issued to the lead manager as detailed in the prospectus dated 5 May 2017.
- 7,000,000 unlisted options exercisable 12 months from issue date at 3 cents expiring on or before 13 June 2020 were issued to key management personnel.
- 12,000,000 unlisted options exercisable 24 months from issue date at 3 cents expiring on or before 13 June 2020 were issued to key management personnel.
- 12,000,000 performance rights convert into fully paid ordinary shares based on the difference between the market price at the time of exercise and 4.1 cents per ordinary shares. Rights must be held for 12 month before conversion and expire 13 June 2021.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

Note 19 Share-based payments	Note	2018 \$	2017 \$
Share-based payment expense	18a	630,282	9,145
Net share-based payment recognised in Profit or Loss		630,282	9,145
Share-based payment expense recognised in exploration and evaluation assets	19e.ii(i) to 19e.ii(iv)	1,667,475	-
Gross share-based transactions		2,297,757	9,145

**a. Share-based payment arrangements in effect during the period**

## i. Share-based payments recognized in profit or loss

## (i) Employee Securities Incentive Plan – Employee Shares

In consideration for retaining key quality employee of Calidus, the Company has issued 17,500,000 fully paid ordinary shares under the Employee Securities Incentive

Number of Shares	Vesting Date	Issue Price	Holding Lock Period
7,500,000	18 August 2018	\$0.03	12 months from issue date
5,000,000	18 August 2018	\$0.03	12 months from issue date
5,000,000	20 February 2019	\$0.04	12 months from issue date

The fair value of the employee shares issued is deemed to represent the value of the employee services received over the vesting period. The employees shares were valued using the Black-Scholes option pricing model, applying the following inputs:

Grant date:	18 August 2017	18 August 2017	20 February 2018
Grant date share price:	\$0.034	\$0.034	\$0.041
Option exercise price:	\$0.030	\$0.030	\$0.040
Number of options issued:	7,500,000	5,000,000	5,000,000
Term (years):	15.00	15.00	15
Expected share price volatility:	89.96%	89.96%	95.16%
Risk-free interest rate:	2.54%	2.54%	2.74%
Value per option	\$0.0319	\$0.0319	\$0.0389

Volatility has been based comparable companies that have gone through a recapitalisation recently.



**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 19 Share-based payments (continued)**

## (ii) Director Options

In consideration for acting as a director of Calidus, the Company issued 24,000,000 Options with terms and summaries below and further detailed in Note 19c:

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
12,000,000	13 June 2020	\$0.03	12 months from issue date
12,000,000	13 June 2020	\$0.03	24 months from issue date

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period. The options were valued using the Black-Scholes option pricing model, applying the following inputs:

Grant date:	13 June 2017
Grant date share price:	\$0.020
Option exercise price:	\$0.030
Number of options issued:	24,000,000
Term (years):	3.00
Expected share price volatility:	100.46%
Risk-free interest rate:	1.65%
Value per option	\$0.0109

Volatility has been based comparable companies that have gone through a recapitalisation recently.

## (iii) Employee Securities Incentive Plan – Employee Performance Rights

In consideration for retaining key quality employee of Calidus, the Company has issued 12,000,000 Performance Rights under the Employee Securities Incentive

Number of Performance Rights	Date of Expiry	Exercise Price	Holding Lock Period
12,000,000	13 June 2021	\$0.041	12 months from issue date

The fair value of the employee performance rights granted to employees is deemed to represent the value of the employee services received over the vesting period. The employee performance rights were valued using the Black-Scholes option pricing model, applying the following inputs:

Grant date:	13 June 2018
Grant date share price:	\$0.038
Option exercise price:	\$0.041
Number of options issued:	12,000,000
Term (years):	3.00
Expected share price volatility:	90.24%
Risk-free interest rate:	2.09%
Value per option	\$0.0245

Volatility has been based comparable companies that have gone through a recapitalisation recently.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 19 Share-based payments (continued)**

## ii. Share-based payments recognised in exploration and evaluation assets

## (i) Novo Shares

On 6 November 2017, the Company issued 20,000,000 shares at \$0.042 per share, valued at \$840,000, to Novo Resources Corp in consideration for the right to acquire 70% interest in Exploration Licences 45/3381, 45/4194, 45/4622, 45/4666 and Prospecting Licences 45/2661, 45/2662, 45/2781 and all related technical information.

## (ii) Haoma Shares

On 6 November 2017, the Company issued 37,500,000 shares at \$0.02 per share, valued at \$750,000, and paid \$500,000 in cash to Haoma Mining NL in consideration for the Haoma tenements.

## (iii) EpmineX Shares

On 27 July 2017, the Company issued 30,000 shares at \$0.024 per share, valued at \$720, to EpmineX in consideration for the acquisition of a 50% interest in the exploration licenses 45/4555 and 45/4843.

## (iv) Gardner Mining Shares

On 29 March 2018, the Company issued 1,785,000 shares at \$0.043 per share, valued at \$76,755, to Gardner Mining Pty Ltd in consideration for the acquisition of 100% interest in the tenements E45/3615 and E4236.

**b. Movement in share-based payment arrangements during the period**

A summary of the movements of all company options issued as share-based payments is as follows:

	2018		2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	105,000,000	\$0.024	-	-
Assumed on business combination	-	-	81,000,000	\$0.022
Granted	-	-	24,000,000	\$0.030
Exercised	(5,500,000)	(\$0.030)	-	-
Expired	-	-	-	-
Outstanding at year-end	99,500,000	\$0.024	105,000,000	\$0.024
Exercisable at year-end	99,500,000	\$0.024	105,000,000	\$0.024

i. The weighted average exercise price of outstanding options at the end of the reporting period was \$0.024.

ii. The fair value of the options granted is deemed to represent the value of the employee services received over the vesting period.

**c. Fair value of options grants during the period**

No options were issued during the year.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 20 Controlled entities****a. Legal parent entity**

Calidus Resources Limited is the ultimate parent of the Group (refer to note 1a.ii).

ii. Legal subsidiaries	Country of Incorporation	Class of Shares	Percentage Owned	
			2018	2017
■ Keras (Gold) Australia Pty Limited	Australia	Ordinary	100.0	100.0
■ Keras (Pilbara) Gold Pty Limited	Australia	Ordinary	100.0	100.0

**b. Accounting parent entity**

Keras (Gold) Australia Pty Limited is the accounting parent of the Group (refer to note 1a.ii).

ii. Accounting subsidiaries	Country of Incorporation	Class of Shares	Percentage Controlled	
			2018	2017
■ Calidus Resources Limited	Australia	Ordinary	100.0	100.0
■ Keras (Pilbara) Gold Pty Limited	Australia	Ordinary	100.0	100.0

c. Investments in subsidiaries are accounted for at cost.

**Note 21 Key Management Personnel compensation (KMP)**

The names and positions of KMP are as follows:

■ Mr David Reeves	Managing Director
■ Mr Mark Connelly	Non-executive Chairman ( <i>Appointed 20 February 2018</i> )
■ Mr Keith Coughlan	Non-executive Director
■ Mr Peter Hepburn-Brown	Non-executive Director ( <i>Passed away 2 September 2018</i> )
■ Mr Adam Miethke	Non-executive Director
■ Ms Jane Allen	Geology Manager
■ Mr James Carter	Chief Financial Officers & Co Company Secretary ( <i>Appointed on 13 June 2017</i> )

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by the Corporations Regulations 2M.3.03 is provided in the Remuneration report table on page 24.

	2018	2017
	\$	\$
Short-term employee benefits	574,355	80,537
Post-employment benefits	6,911	-
Share-based payments	604,466	9,145
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>1,185,732</b>	<b>89,682</b>

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 22 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.

- Office Rent - Wilgus Investments Pty Ltd
- Management Fee - Keras Resources PLC
- Discovery Capital & Otsana Mandate – Joint Lead Manager fee
- Discovery Capital – Consulting Fees
- Otsana Mandate – Corporate advisory fee (a)

(a) On successful completion of the acquisition of Keras Australia and re-listing of the Company. Otsana was issued 90,000,000 shares under the facilitator offer in lieu of corporate advisory and success fee. Refer to Note 18 Issued Capital.

	2018	2017
	\$	\$
	60,000	52,300
	-	377,066
	-	575,451
	207,585	-
	-	1,800,000

Refer to the Remuneration Report point 14.8 for further information regarding the terms of the related party transactions.

**Note 23 Commitments**

Exploration expenditure commitments payable:

Not later than 12 months

Between 12 months and five years

Later than five years

Total Exploration tenement minimum expenditure requirements

Operating lease commitments for premises due:

Not later than 12 months

Between 12 months and five years

Later than five years

Total operating lease commitments

	2018	2017
	\$	\$
	583,675	-
	1,618,484	-
	2,548,743	-
	4,750,902	-
	34,200	-
	-	-
	-	-
	34,200	-

**Note 24 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 of 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.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 25 Financial risk management****a. Financial Risk Management Policies**

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's Financial Assets and Liabilities is shown below:

	Floating Interest Rate	Fixed Interest Rate	Non- interest Bearing	2018 Total	Floating Interest Rate	Fixed Interest Rate	Non- interest Bearing	2017 Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>								
<input type="checkbox"/> Cash and cash equivalents	6,142,247	-	-	6,142,247	4,441,885	-	-	4,441,885
<input type="checkbox"/> Trade and other receivables	-	-	301,898	301,898	-	-	188,439	188,439
<input type="checkbox"/> Financial assets	-	-	-	-	-	-	-	-
<b>Total Financial Assets</b>	<b>6,142,247</b>	<b>-</b>	<b>301,898</b>	<b>6,444,145</b>	<b>4,441,885</b>	<b>-</b>	<b>188,439</b>	<b>4,630,324</b>
<b>Financial Liabilities</b>								
<b>Financial liabilities at amortised cost</b>								
<input type="checkbox"/> Trade and other payables	-	-	1,206,655	1,206,655	-	-	1,141,806	1,141,806
<input type="checkbox"/> Short-term financial liabilities	-	-	-	-	-	-	-	-
<input type="checkbox"/> Long-term financial liabilities	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,206,655</b>	<b>1,206,655</b>	<b>-</b>	<b>-</b>	<b>1,141,806</b>	<b>1,141,806</b>
<b>Net Financial Assets/(Liabilities)</b>	<b>6,142,247</b>	<b>-</b>	<b>(904,757)</b>	<b>5,237,490</b>	<b>4,441,885</b>	<b>-</b>	<b>(953,367)</b>	<b>3,488,518</b>

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 25 Financial risk management (cont.)****b. Specific Financial Risk Exposures and Management**

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

**ii. Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

**■ Credit risk exposures**

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

**■ Impairment losses**

The ageing of the Group's trade and other receivables at reporting date was as follows:

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 25 Financial risk management (cont.)**

	Gross 2018 \$	Impaired 2018 \$	Net 2018 \$	Past due but not impaired 2018 \$
<b>Trade receivables</b>				
Not past due	-	-	-	-
Past due up to 15 days	-	-	-	-
Past due 15 days to 3 months	-	-	-	-
Past due over 3 months	-	-	-	-
Less intra-Group balances	-	-	-	-
	-	-	-	-
<b>Other receivables</b>				
Not past due	301,898	-	301,898	-
<b>Total</b>	<b>301,898</b>	<b>-</b>	<b>301,898</b>	<b>-</b>

## iii. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 25 Financial risk management (cont.)**

Other than the trust account insurer liabilities, the financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

■ **Contractual Maturities**

The following are the contractual maturities of financial liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	1,206,655	1,141,806	-	-	1,206,655	1,141,806
Borrowings	-	-	-	-	-	-
<b>Total contractual outflows</b>	<b>1,206,655</b>	<b>1,141,806</b>	<b>-</b>	<b>-</b>	<b>1,206,655</b>	<b>1,141,806</b>
Financial assets						
Cash and cash equivalents	6,142,247	4,441,885	-	-	6,142,247	4,441,885
Trade and other receivables	301,898	188,439	-	-	301,898	188,439
<b>Total anticipated inflows</b>	<b>6,444,145</b>	<b>4,630,324</b>	<b>-</b>	<b>-</b>	<b>6,444,145</b>	<b>4,630,324</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>5,237,490</b>	<b>3,488,518</b>	<b>-</b>	<b>-</b>	<b>5,237,490</b>	<b>3,488,518</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

## iv. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board meets on a regular basis and considers the Group's interest rate risk.

(1) **Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Due to the low amount of debt exposed to floating interest rates, interest rate risk is not considered a high risk to the Group. Movement in interest rates on the Group's financial liabilities and assets is not material.

(2) **Foreign exchange risk**

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The Group has no material exposure to foreign exchange risk.

(3) **Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group does not presently hold material amounts subject to price risk. As such the Board considers price risk as a low risk to the Group.



**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 25 Financial risk management (cont.)**

## v. Sensitivity Analyses

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

(1) <i>Interest rates</i>	Profit \$	Equity \$
<b>Year ended 30 June 2018</b>		
±50 basis points change in interest rates	± 30,711	± 30,711
<b>Year ended 30 June 2017</b>		
±50 basis points change in interest rates	± 22,209	± 22,209

## vi. Net Fair Values

(1) *Fair value estimation*

The fair values of financial assets and financial liabilities are presented in the table in note 25a and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

**Note 26 Events subsequent to reporting date**

On 28 August 2018, the Company announced that it had entered into a binding letter of intent to dispose of the Conglomerate Gold Rights over a portfolio of eight exploration licenses. In consideration the Company will receive a non-refundable payment of CDN\$10,000 and will be issued 7,000,000 common shares of Pacton Gold Inc valued at CDN\$3.5million.

All shares will be subject to a 4-month escrow period, with 25% of the shares subject to further escrow pending grant of the exploration licence application. Calidus may be entitled to the issue of up to 3,000,000 additional common shares in the capital of Pacton Gold Inc during the period 12 months after the date of execution of the definitive agreement dependent on the performance of Pacton's Gold Inc share price.

There are no other material events subsequent to reporting date.

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 27 Contingent liabilities****a. Royalties**

Keras Gold has obligation to pay royalties, based on minerals produced, pursuant to the acquisition agreement for Arcadia Minerals Pty Ltd (now Keras (Pilbara) Gold Pty Ltd). The royalties will only become due and payable when and if mining commences.

Under part of tenements acquired from Haoma Mining NL (see ASX Announcement 6 November 2017 Commencement of NOVO JV and exercise of Haoma Option) there is obligation to pay a 1.25% royalty of profit (after all expenses including development costs and capital costs) of a producing mine on the tenements acquired from Haoma. Details of this royalty are disclosed in the Section 8 of the Company's prospectus dated 8 May 2017.

On 6 November 2017 the Company announced that it had commenced the NOVO JV. Calidus may earn a 70% interest in the Novo tenements by spending \$2 million on the tenements over the next 3 years (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 Novo Tenements with any interest diluting below 10% converting to a 1% net smelter royalty.

**Note 28 Auditor's remuneration****Remuneration of the auditor of the company for:**

Auditing or reviewing the financial reports

Other services provided by a related practice of the auditor

	2018	2017
	\$	\$
Auditing or reviewing the financial reports	45,666	27,071
Other services provided by a related practice of the auditor	-	28,500
	45,666	55,571

**Notes to the consolidated financial statements**

for the period ended 30 June 2018

**Note 29 Parent entity disclosures**

The following information has been executed from the books and records of the legal parent Calidus Resources Limited (formerly Pharmanet Group Limited) have been prepared in accordance with Australian Accounting Standards and the accounting policies as outlined in Note 1. Pharmanet Group Limited was in DOCA from 21 June 2016 to 7 March 2017, and as such the current Directors have had limited access over the financial records of the Company pertaining to that period.

	June 2018 \$	June 2017 \$
<b>a. Financial Position of Calidus Resources Limited (legal parent)</b>		
Current assets	17,307,652	8,084,471
Non-current assets	-	-
<b>Total assets</b>	<b>17,307,652</b>	<b>8,084,471</b>
Current liabilities	544,746	974,505
Non-current assets	-	-
<b>Total liabilities</b>	<b>544,746</b>	<b>974,505</b>
<b>Net assets</b>	<b>16,762,906</b>	<b>7,109,966</b>
<i>Equity</i>		
Issued capital	45,470,811	34,122,908
Performance Shares	-	-
Options reserve	1,678,979	1,517,269
Employee shares	414,029	
Accumulated losses	(30,800,913)	(28,530,221)
<b>Total equity</b>	<b>16,762,906</b>	<b>7,109,956</b>
<b>b. Financial performance of Calidus Resources Limited</b>		
Profit / (loss) for the year	(2,270,692)	2,527,192
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(2,270,692)</b>	<b>2,527,192</b>

**c. Guarantees entered into by Calidus Resources Limited for the debts of its subsidiaries**

There are no guarantees entered into by Calidus Resources Limited for the debts of its subsidiaries as at 30 June 2018 (2017: none).

**d. Comparatives**

The financial position of Calidus Resources Limited is as at 30 June 2018 for the current year and 30 June 2017 for the comparative year.

The financial performance of Calidus Resources Limited is for the period between 1 July 2017 to 30 June 2018 and for the comparative period between 1 July 2016 to 30 June 2017.

**Directors' declaration**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 34 to 74, are in accordance with the *Corporations Act 2001* (Cth) and:
  - (a) comply with Accounting Standards;
  - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
  - (c) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Group.
  - (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);
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 and is signed for and on behalf of the directors by:



**MARK CONNELLY**

Non-executive Chairman

Dated this Tuesday, 11 September 2018

**MOORE STEPHENS**

Level 15, Exchange Tower,  
2 The Esplanade, Perth, WA 6000  
PO Box 5785, St Georges Terrace,  
WA 6831

T +61 (0)8 9225 5355  
F +61 (0)8 9225 6181

[www.moorestephens.com.au](http://www.moorestephens.com.au)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CALIDUS RESOURCES LIMITED****REPORT ON THE AUDIT OF THE FINANCIAL REPORT****Opinion**

We have audited the financial report of Calidus Resources Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2018, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## MOORE STEPHENS

Share Based Payments to Key Management Personnel	
Refer to Notes 19 Share Based Payments & Remuneration Report	
<p>During the year ended 30 June 2018, the Group transacted with Key Management Personnel via the award of share-based payments amounting to \$604,466 in the form of equity settled share-based payments to Key Management Personnel.</p> <p>The value of the share-based payments is a key audit matter due to it being a key material transaction with members of key management personnel, the valuation of which involves significant judgement and accounting estimation.</p> <p>We therefore identified such expenses as a key area of focus.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Enquiring and obtaining confirmations from Key Management Personnel regarding their share-based payment remuneration during the period.</li> <li>• Reviewing minutes of directors and shareholder meetings and ASX announcements relating to the approval of such arrangements undertaken during the financial year.</li> <li>• Assessing the valuation methodology used by management to estimate the fair value of share-based payments, including testing the integrity of information provided assessing the appropriateness of the key assumptions input into the valuation model and recalculating the valuation using the Black Scholes Model.</li> <li>• Assessing whether the share-based payments have been appropriately classified and accounted for in the financial statements.</li> </ul> <p>We also assessed the adequacy of other related disclosures in the financial statements.</p>
Accounting for Exploration & Evaluation Assets	
Refer to Notes 1(d) & Note 13 Exploration & Evaluation Assets	
<p>At 30 June 2018, the Group's statement of financial position includes capitalised exploration and evaluation assets of approximately \$10 million, representing 60% and 67% of the Group's total and net assets respectively.</p> <p>The ability to recognise and to continue to defer exploration and evaluation assets under AASB 6: <i>Exploration for and Evaluation of Mineral Resource</i> is impacted by the Group's ability, and intention, to continue to explore the tenements or its ability to realise this value through development or sale.</p> <p>Due to the significance of these assets and the subjectivity involved in assessing the ability to continue to defer these assets, this is considered a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• We addressed the Group's assessment of the ability to continue to defer the exploration and evaluation assets under AASB 6 by specifically ensuring that:</li> <li>• the Group has the ongoing right to explore in the relevant exploration areas of interests which included obtaining and assessing relevant documentation such as tenement registers (via Department of Mines WA) / other agreements;</li> <li>• Tested a sample of exploration &amp; evaluation expenditures capitalised during the year to supporting documentation;</li> <li>• the Group is committed to continue exploration and evaluation activity in the relevant exploration areas of interest including assessing their exploration expenditures that have been either budgeted for and discussions with management as to the intentions and strategy of the Group &amp; review of ASX announcements.</li> <li>• Assessing the carrying value of these assets for any indicators of impairment (set out in AASB 6) including comparing against the Company's market capitalisation at balance date.</li> </ul> <p>We also assessed the appropriateness of the disclosures contained in the financial report.</p>

## MOORE STEPHENS

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## MOORE STEPHENS

### Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON THE REMUNERATION REPORT

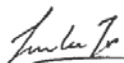
#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2018.

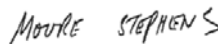
In our opinion, the Remuneration Report of Calidus Resources Limited, for the financial year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



STAN  
PARTNER



MOORE STEPHENS  
CHARTERED ACCOUNTANTS

Signed at Perth on the 11th day of September 2018



## Corporate governance statement

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The Company's governance-related documents can be found on its website at [www.calidus.com.au](http://www.calidus.com.au) under the section marked "Corporate and Management".

PRINCIPLES AND RECOMMENDATIONS	COMPLY EXPLANATION (YES/NO)
<b>Principle 1: Lay solid foundations for management and oversight</b>	
<p><b>Recommendation 1.1</b> A listed entity should have and disclose a charter which:</p> <p>(a) sets out the respective roles and responsibilities of the board, the chair and management; and</p> <p>(b) includes a description of those matters expressly reserved to the board and those delegated to management.</p>	<p>YES</p> <p>The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.</p> <p>The responsibilities of the Board include but are not limited to:</p> <p>(a) setting and reviewing strategic direction and planning;</p> <p>(b) reviewing financial and operational performance;</p> <p>(c) identifying principal risks and reviewing risk management strategies; and</p> <p>(d) considering and reviewing significant capital investments and material transactions.</p> <p>In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.</p>
<p><b>Recommendation 1.2</b> A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>YES</p> <p>The Board carefully considers the character, experience, education and skillset, as well as interests and associations of potential candidates for appointment to the Board and conducts appropriate checks to verify the suitability of the candidate, prior to their election. The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a director, is disclosed in the notice of meeting provided to shareholders.</p>
<p><b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>YES</p> <p>The Company has a written agreement with each of the Directors. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).</p>
<p><b>Recommendation 1.4</b> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>YES</p> <p>The Company Secretary is accountable to the Board for facilitating the Company's corporate governance processes and the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.</p> <p>In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are set out in the Annual Report.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY EXPLANATION (YES/NO)
<p><b>Recommendation 1.5</b> A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p>	<p>NO (not followed in full)</p> <p>The Company is committed to creating a diverse working environment and promoting a culture which embraces diversity and has adopted a written policy. Given the size of the Company and scale of its operations, however, the Board is of the view that setting measurable objectives for achieving gender diversity is not required at this time. Further as the Company has not established measurable objectives for achieving gender diversity, the Company has not reported on progress towards achieving them.</p>
<p><b>Recommendation 1.6</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>NO</p> <p>Whilst the Company has a written policy, the Board recognises that as a result of the Company's size and the stage of the entity's life as a public listed exploration company, the assessment of the directors' and executives' overall performance and its own succession plan is conducted on an informal basis. Whilst this is at variance with the ASX Recommendations, for the financial year ended June 2018, the Directors consider that at the date of this report an appropriate and adequate process for the evaluation of Directors is in place.</p>
<p><b>Recommendation 1.7</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>NO</p> <p>Refer above.</p>
<p><b>Principle 2: Structure the board to add value</b></p>	
<p><b>Recommendation 2.1</b> The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	<p>NO (not followed in full)</p> <p>As a result of the Company's size and the stage of the entity's life as a publicly listed exploration company and given the size of the Board at present a Nomination Committee has been established with two non-executive members. The Nomination Committee has been combined with the Remuneration Committee and they will plan meet from time to time to review the skill mix required for the Board and, where gaps are identified, they embark on a process to fill those gaps. This is undertaken on an informal basis.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY EXPLANATION (YES/NO)	
<p><b>Recommendation 2.2</b> A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	NO (not followed in full)	The details of the skill set of the current Board members are set out in the description of each Director in the Annual Report. The Board believes that the current skill mix is appropriate given the Company's size and the stage of the entity's life as a publicly listed exploration company.
<p><b>Recommendation 2.3</b> <b>A listed entity should disclose:</b> (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director</p>	YES	<p>The following directors are considered independent;</p> <ul style="list-style-type: none"> <li>• Mark Connelly Non-Executive Chairman</li> <li>• Keith Coughlan Non-Executive Director</li> </ul> <p>A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.</p>
<p><b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.</p>	NO	The Board comprises four Directors of whom two are considered to be Independent Directors. The Board is of the opinion that the current structure of the Board is appropriate given the size and nature of the Company. Whilst this is at variance to the ASX Recommendations that the majority composition of the Board comprise Independent Directors, the Board considers that all Directors bring an independent judgement to bear on Board decisions and that the Board's expertise and experience adds considerable value to the Company.
<p><b>Recommendation 2.5</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	YES	Mr Mark Connelly is an independent director.
<p><b>Recommendation 2.6</b> A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	NO	The Board recognises that as a result of the Company's size and the stage of the entity's life as a publicly listed exploration company, the Board has not put in place a formal program for inducting new directors. However, it does provide a package of background information on commencement and provides ready interaction with the Company's personnel to gain a stronger understanding of the business. Similarly, the Company does not at this stage provide professional development opportunities for Directors. More formal processes for both of these areas will be considered in the future as the Company develops.
<b>Principle 3: Act ethically and responsibly</b>		
<p><b>Recommendation 3.1</b> A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.</p>	YES	The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website. The Code applies to all Directors, employees, contractors and officers of the Company.

PRINCIPLES AND RECOMMENDATIONS	COMPLY EXPLANATION (YES/NO)
<b>Principle 4: Safeguard integrity in financial reporting</b>	
<p><b>Recommendation 4.1</b> The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>NO</p> <p>The Board has recently established an audit and risk committee. The Chair of the Audit and Risk Committee is Mr Mark Connelly who is also the Chair of the Board.</p>
<p><b>Recommendation 4.2</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>YES</p> <p>In accordance with ASX Recommendation 4.2 the Chief Executive Officer (or their equivalent) and Chief Financial Officer (or their equivalent) are required to provide assurances that the written declarations under s295A of the Corporations Act (and for the purposes of ASX Recommendation 4.2) are founded on a sound framework of risk management and internal control and that the framework is operating effectively in all material respects in relation to financial reporting risks. Both the Chief Executive Officer and Chief Financial Officer provide such assurances at the time the s295A declarations are provided to the Board.</p>
<p><b>Recommendation 4.3</b> A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>YES</p> <p>The Company's external audit function is performed by Moore Stephens. Representatives of Moore Stephens will attend the Annual General Meeting and be available to answer shareholder questions regarding the audit.</p>
<b>Principle 5: Make timely and balanced disclosure</b>	
<p><b>Recommendation 5.1</b> A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p> <p>The Company operates under the continuous disclosure requirements of the ASX Listing Rules and has adopted a policy, which is disclosed on the Company's website. The Continuous Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.</p> <p>The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments.</p>
<b>Principle 6: Respect the rights of security holders</b>	
<p><b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>YES</p> <p>The Company keeps investors informed of its corporate governance, financial performance and prospects via its website – <a href="http://www.Calidus.com.au">www.Calidus.com.au</a>. Investors can access copies of all announcements to the ASX, notices of meetings, annual reports and financial statement, and investor presentations via the 'Investors' tab and can access general information regarding the Company and the structure of its business under the 'Overview' and 'Features' tabs.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY EXPLANATION (YES/NO)
<p><b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>YES</p> <p>The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASX Recommendations, information is communicated to shareholders as follows:</p> <ul style="list-style-type: none"> <li>the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;</li> <li>the half yearly financial report lodged with the ASX and ASIC and sent to all shareholders who request it;</li> <li>notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;</li> <li>notices of all meetings of shareholders;</li> <li>publicly released documents including full text of notices of meetings and explanatory material made available on the Company's website at <a href="http://www.Calidus.com.au">www.Calidus.com.au</a>; and</li> <li>disclosure of the Corporate Governance practices and communications strategy on the entity's website.</li> </ul> <p>While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact for Shareholders to make their enquiries.</p>
<p><b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>YES</p> <p>The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. The external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.</p>
<p><b>Recommendation 6.4</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>YES</p> <p>The Company provides its investors the option to receive communications from and send communications to, the Company and the share registry electronically.</p>
<p><b>Principle 7: Recognise and manage risk</b></p>	
<p><b>Recommendation 7.1</b> The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li>has at least three members, a majority of whom are independent directors; and</li> <li>is chaired by an independent director, and disclose:</li> <li>the charter of the committee;</li> <li>the members of the committee; and</li> <li>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	<p>NO</p> <p>Due to the size of the Board, the Company does not have a separate Risk Committee. The Board has recently established an Audit and Risk Committee which is responsible for the oversight of the Company's risk management and control framework. The Board has adopted a Risk Management Policy, which is disclosed on the Company's website as part of the Audit and risk committee Charter.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY EXPLANATION (YES/NO)
<p><b>Recommendation 7.2</b> The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>YES</p> <p>The Board recognises that there are inherent risks associated with the Company's operations including commercial, technological legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. No formal report in relation to the Company's management of its material business risks is presented to the Board. The Board reviews the risk profile of the Company and monitors risk informally throughout the year.</p>
<p><b>Recommendation 7.3</b> A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>NO</p> <p>The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.</p>
<p><b>Recommendation 7.4</b> A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>YES</p> <p>As already outlined above in relation to various ASX Recommendations, the Company constantly monitors and reviews the key risks that affect the Company and the management of those risks. The risks which the Company has identified that it has a material exposure to are its ability to raise funds within an acceptable time frame and on terms acceptable to it ("Capital Risk"); and that its existing projects, or any other projects that it may acquire in the future, will be able to be economically exploited ("Economic Risk"). The manner in which the Company manages those risks, in the case of Capital Risk, to monitor the market and investment appetite and to raise further required capital in a timely manner such that the Company's operations are adequately funded; in the case of Economic Risk, to adopt a diversified portfolio approach and to also adopt a focused approach, seeking to lay off risk where possible. More information about the Company's management of risk can be found in the prospectus released 16 May 2017.</p>
<p><b>Principle 8: Remunerate fairly and responsibly</b></p>	
<p><b>Recommendation 8.1</b> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>NO</p> <p>The Company has adopted a joint Nomination and Remuneration Committee which is chaired by an independent director, however, given the current size of the company there are only two non-executive directors on this committee. The Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.</p>
<p><b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES</p> <p>Details of the Company's policies on remuneration are set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY EXPLANATION (YES/NO)
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Yes</p> <p>The Company's Security Trading Policy includes a statement prohibiting directors, officers and employees from dealing at any time in financial products such as warrants, futures or other financial products, that specifically prohibits entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of their security holding in the Company or of participating in unvested entitlements under the equity based remuneration schemes.</p> <p><u>Security Trading Policy</u></p> <p>In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:</p> <p>a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;</p> <p>b) trading in the Company's securities which is not subject to the Company's trading policy; and</p> <p>c) the procedures for obtaining written clearance for trading in exceptional circumstances.</p> <p>The Company's Security Trading Policy is available on the Company's website.</p>

**Additional ASX Information as at 4 September 2018**

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. As at 4 September 2018 there were 3,121 holders of Ordinary Fully Paid Shares.

**Voting Rights**

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares:** Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Listed Options, Unlisted Options and Performance Shares:** Options and performance shares do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance shares convert and subsequently registered as ordinary shares.

**20 Largest Shareholders — Ordinary Shares as at 4 September 2018**

Rank	Name	Number of Ordinary Fully Paid Shares	% Held of Ordinary Issued Capital
1	KERAS RESOURCES PLC	458,375,000	35.42%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	98,617,170	7.62%
3	BEATONS CREEK GOLD PTY LTD	56,585,366	4.37%
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	44,966,770	3.48%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	32,750,000	2.53%
6	CITICORP NOMINEES PTY LIMITED	20,716,763	1.60%
7	PERSHING AUSTRALIA NOMINEES PTY LTD <INDIAN OCEAN A/C>	19,103,437	1.48%
8	DISCOVERY SERVICES PTY LTD <DISCOVERY CAPT INV UNIT A/C>	17,375,000	1.34%
9	BUZZ CAPITAL PTY LTD <ZI VESTMENT A/C>	14,800,000	1.14%
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	13,678,147	1.06%
11	MRS ELEANOR JEAN REEVES <ELANWI A/C>	11,647,903	0.90%
12	MEDEK INVESTMENTS PTY LTD <MEDEK SUPER FUND A/C>	11,000,000	0.85%
13	SUNSET TIDAL PTY LTD	11,000,000	0.85%
14	MR STACEY RADFORD	9,765,000	0.75%
15	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	9,300,000	0.72%
16	ECAPITAL NOMINEES PTY LIMITED <ACCUMULATION A/C>	9,000,000	0.70%
17	MR PHILLIP RICHARD PERRY	8,917,613	0.69%
18	MR HOANG HUY HUYNH	8,000,000	0.62%
19	ICON HOLDINGS PTY LTD <THE K J PAGANIN FAMILY A/C>	8,000,000	0.62%
20	JANE ALLEN	7,500,000	0.58%
	<b>Total</b>	<b>871,098,169</b>	<b>67.32%</b>



## 20 Largest Option Holders — Listed Options as at 4 September 2018

Rank	Name	Number of Listed Options Held	% Held of Listed Options Issued
1	P R PERRY NOMINEES PTY LTD <DONESK FAMILY A/C>	9,410,008	10.75%
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	6,057,788	6.92%
3	BLURRED VISION INVESTMENTS PTY LTD <BLURRED VISION A/C>	4,000,000	4.57%
4	MR DARREN JEFFERY HARGREAVES	4,000,000	4.57%
5	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	3,000,000	3.43%
6	P R PERRY NOMINEES PTY LTD <FAMILY A/C>	2,300,000	2.63%
7	BRANDON HILL CAPITAL LIMITED	2,225,000	2.54%
8	CITICORP NOMINEES PTY LIMITED	1,805,556	2.06%
9	MR ERROL BERTRAM GOLDSCHMIDT & MRS ZILLAH GOLDSCHMIDT <ACCUMULATED ACUMEN S/F A/C>	1,565,000	1.79%
10	MR PHILLIP JOHN DOYLE & MRS CARLA DOYLE <PJ DOYLE FAMILY A/C>	1,500,000	1.71%
11	MR NICHOLAS JOHN LEVIS & MRS KERRY IVY LEVIS <NJ & KI LEVIS SUPER FUND A/C>	1,500,000	1.71%
12	BURGEON CAPITAL PTY LTD	1,500,000	1.71%
13	PROCUREMENT SOLUTIONS LIMITED	1,337,500	1.53%
14	MR EMANUEL JOSE FERNANDES DIAS	1,250,000	1.43%
15	ICON HOLDINGS PTY LTD <THE K J PAGANIN FAMILY A/C>	1,111,111	1.27%
16	MR PHILLIP RICHARD PERRY & MRS TETYANA PERRY <DONESKA SUPER FUND A/C>	1,111,111	1.27%
17	MRS ELEANOR JEAN REEVES <ELANWI A/C>	1,110,000	1.27%
18	INSWINGER HOLDINGS PTY LTD <CMSS SUPER FUND A/C>	1,110,000	1.27%
19	MR GEOFFREY KEVIN CAMMELL	1,044,666	1.19%
20	LANEWAY HOLDINGS PTY LTD <THE JOLA SUPER FUND A/C>	1,000,000	1.14%
<b>Total</b>		<b>47,937,740</b>	<b>63.31%</b>

## Substantial Ordinary Shareholders as at 4 September 2018

Name	Number of Ordinary Fully Paid Shares Held	% Held of Ordinary Issued Capital
KERAS RESOURCES PLC	458,375,000	35.42%

## Distribution of Ordinary Shareholders as at 4 September 2018

Holding Range	Holders	Total Units	% Issued Ordinary Capital
1 – 1,000	1,258	257,827	0.02%
1,001 – 5,000	381	927,204	0.07%
5,001 – 10,000	106	833,638	0.06%
10,001 – 100,000	761	32,221,622	2.49%
100,001 – and over	615	1,259,713,204	97.35%
	<b>3,121</b>	<b>1,293,953,495</b>	<b>100.00%</b>

Unmarketable Parcels – as at 4 September 2018 there were 1,871 holders with less than a marketable parcel of shares.

**Distribution of Listed Option Holders as at 4 September 2018**

Holding Range	Holders	Total Units	% of Listed Options
1 – 1,000	3	784	0.00%
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	85	4,689,917	5.36%
100,001 – and over	137	82,809,299	94.64%
	<b>225</b>	<b>87,500,000</b>	<b>100.00%</b>

**On-Market Buy-Back**

There is no current on-market buy-back.

**Restricted Securities**

As at 4 September 2018 the following securities are subject to escrow:

- 565,000,000 Ordinary Fully Paid Shares escrowed for a period of 24 months from quotation
- 5,000,000 Ordinary Fully Paid Shares escrowed for a period of 24 months from quotation
- 275,000,000 Class B Performance Shares escrowed for a period of 24 months from quotation
- 30,500,000 unquoted options exercisable at \$0.02 each escrowed for a period of 24 months from quotation
- 50,000,000 unquoted options exercisable at \$0.02 each escrowed for a period of 24 months from quotation
- 19,000,000 unquoted options exercisable at \$0.03 each escrowed for a period of 24 months from quotation

**Unquoted Securities**

As at 4 September 2018 the following unquoted securities are on issue:

**275,000,000<sup>1</sup> Performance Shares escrowed – 1 Holder**

Holders with more than 20%

Holder Name	Holding	%
KERAS RESOURCES PLC	275,000,000	100.00%

**19,000,00 Options Expiring 9 June 2020 @ \$0.03 escrowed for a period of 24 months from quotation – 4 Holders**

Holders with more than 20%

Holder Name	Holding	%
MR ADAM MIETHKE	6,000,000	31.58%
ELEANOR JEAN REEVES <THE ELANWI A/C>	5,000,000	26.32%
INSWINGER HOLDINGS PTY LTD <CMSS SUPER FUND A/C>	5,000,000	26.32%

**30,500,000 Options Expiring 9 June 2020 @ \$0.025 escrowed for a period of 12 months from quotation – 27 Holders**

There are no holders with more than 20%

<sup>1</sup> Details on the performance conditions surrounding the Performance Shares are contained within Note 16c Issued Capital.

**50,000,00 Options Expiring 18 April 2021 @ \$0.02 escrowed for a period of 24 months from quotation – 11 Holders**

Holders with more than 20%

Holder Name	Holding	%IC
MEDEK INVESTMENTS PTY LTD <MEDEK SUPER FUND A/C>	10,000,000	20.00%
BUZZ CAPITAL PTY LTD < ZI VESTMENT A/C >	10,000,000	20.00%
SUNSET TIDAL PTY LTD	10,000,000	20.00%
ROMFAL SIFAT PTY LTD<THE FIZMAIL FAMILY A/C>	10,000,000	20.00%

**ASX Listing Rule 4.10.19**

The Company has used its cash and net assets in a form readily convertible to cash in hand at the time of reinstatement of the Company's securities to quotation in a way consistent with its business objectives.



**CALIDUS**

RESOURCES LIMITED