CALIDUS RESOURCES LIMITED

ABN 98 006 640 553

ANNUAL REPORT

30 June 2020

Corporate directory

Current Directors

David Reeves	*Managing Director*
Mark Connelly	*Non-executive Chairman*
Keith Coughlan	*Non-executive Director*
Adam Miethke	*Non-executive Director (resigned)*

Company Secretary

Julia Beckett

Registered Office

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Share Registry

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SYDNEY NSW 2000
Postal: GPO Box 5193
SYDNEY NSW 2001
Telephone: 1300 288 664
Email: hello@automicgroup.com.au
Website: http://automicgroup.com.au

Securities Exchange

Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace
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Telephone: 131 ASX (131 279) (within Australia)
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ASX Code CAI

Solicitors

HWL Ebsworth
Level 20, 240 St Georges Terrace
Perth WA 6000

Auditors

Moore Australia
Level 15, Exchange Tower, 2 Esplanade
Perth WA 6000
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CALIDUS
RESOURCES LIMITED

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Chairman's Letter

Dear Shareholder

I am delighted to present to you the 2019-2020 Annual Report for your Company.

The report illustrates the immense success Calidus has enjoyed over the past year, ranging from the results of the Updated Pre-Feasibility Study on our Warrawoona gold project and securing key project approvals through to the imminent start of early construction works and our share price, which has doubled.

At the time of writing, we have just secured approval for Warrawoona from the Western Australian Minister for the Environment. We have also just received indicative term sheets for project funding from potential lenders and we have almost completed the Feasibility Study.

These milestones highlight the extent to which we are running parallel processes to accelerate the development of Warrawoona. As part of this approach, are about to commence construction works, including an access road and a 240-person accommodation camp. These works will pave the way for main construction to start early 2021.

We have been able to adopt a multi-pronged approach to the development of Warrawoona, including the start of the early works, thanks in part to the $25 million capital raising completed shortly after the end of the financial year. The success of this raising reflected the strong outlook for Warrawoona. On behalf of the Board, I would like to thank those who supported us in this capital raising.

The underlying technical and economic strength of Warrawoona was highlighted by the results of the Updated Pre-Feasibility Study completed towards the end of the financial year. This study indicated Warrawoona was set to produce ~85,000oz a year at an all-in sustaining cost of A$1,251/oz. This prospect is particularly enticing given that the gold price at the time of writing was around A$2,650/oz.

The Updated Pre-Feasibility Study included a 24 per cent increase in Reserves to 519,000oz. Based on a gold price of A$2,500/oz, Warrawoona will generate a post-tax internal rate of return of 77 per cent and have a payback period of just 13 months. The study also took into account several significant changes that are designed to minimise risk, maximise initial cash generation and ensure a simple and robust operation to maximise value to shareholders. These strong findings and the current gold price were key factors in the Board's decision to accelerate the development timetable.

With the Feasibility Study almost complete, the key approvals in place and early construction works about to start, Calidus is firmly on track for first production in early 2022.

While we are working furiously to advance Warrawoona as quickly as practicable, your Board and Management are also eager to identify opportunities which may enable us to grow Warrawoona and the wider Company.

As part of this strategy, Calidus executed a Heads of Agreement during the year under which it can earn an interest of up to 70% in tenements that host the Otways Project and Reedies porphyry prospect, 50km from Warrawoona.

Exploration undertaken in the 1960s and in the 1980s highlighted strong potential for copper and gold at Otways, though the area has not been subjected to any modern exploration techniques. At the time of writing, our first drilling program was underway.

The Otways deal reflects the Company's plan to continue growing our asset base in the Pilbara. We believe we are well placed to leverage the infrastructure we are developing at Warrawoona, whether it be through projects that form part of Warrawoona or become standalone operations.

The past year has seen your Company successfully transition to an emerging gold producer, with momentum building at Warrawoona on several fronts.

I would like to thank our management team, staff and contractors for their hard work and dedication, which has been integral to our strong progress.

I also thank our shareholders for their support over the past year and I look forward to reporting to you as construction advances at Warrawoona.

Mark Connelly
Non-executive Chairman

Operations Review

Calidus Resources is pleased to present its key operating results for the year to 30 June 2020.

HIGHLIGHTS

- Updated Pre-Feasibility Study completed on Warrawoona Project in WA's Pilbara
  - Study confirms Warrawoona will generate strong margins and cashflow which underpins strong financial returns
  - Pre-Tax Project Cashflow of $648M, average EBITDA of $97M pa, NPV8% $423M, IRR 88% and payback of 13 months (assuming gold price of A$2,500/oz)
  - Post-Tax Project Cashflow of $468M, NPV8% $303M, IRR 77% and payback of 13 months
  - Pre-production capital cost of $116M including contingency of $6M and pre-production mining costs of $13M
  - Average gold production of 85koz a year over first 6 years with 90koz in year one
  - Life of Mine All-In Sustaining Costs (AISC) of $1,251/oz
  - Total gold production of 623kozs over eight-year life of mine based on current minable inventory
- Ore Reserves increased by 24% to 519,000oz, including 502koz at the main Klondyke mining area
  - Maiden Proven Ore Reserve of 2Mt @ 1.0g/t for 66koz in the Klondyke Open Pit
- Resources increased by 20% to 1.5Moz
  - Measured and Indicated Resources (inclusive of Reserves) total 32.7Mt @ 1.0g/t for 1.05Moz, including 1Moz at the main Klondyke mining area
- Environmental Protection Authority recommended approval of Warrawoona Gold Project
- Acquisition of Otways Project near Warrawoona
- Strengthened the Group's management team with the appointment of Richard Hill as Chief Financial Officer

Warrawoona Gold Project

Overview

Calidus Resources (ASX:CAI) (Company) is an ASX-listed gold development company which controls the entire Warrawoona Gold Project (Project) in the East Pilbara district of Western Australia. The Project site is located 28km South East of Marble Bar accessed by an all-weather road. Marble Bar is two hours travel by road from Port Hedland, Australia's largest Port and provides ease of access to logistic routes, major suppliers and relevant skills base (Figure 1).

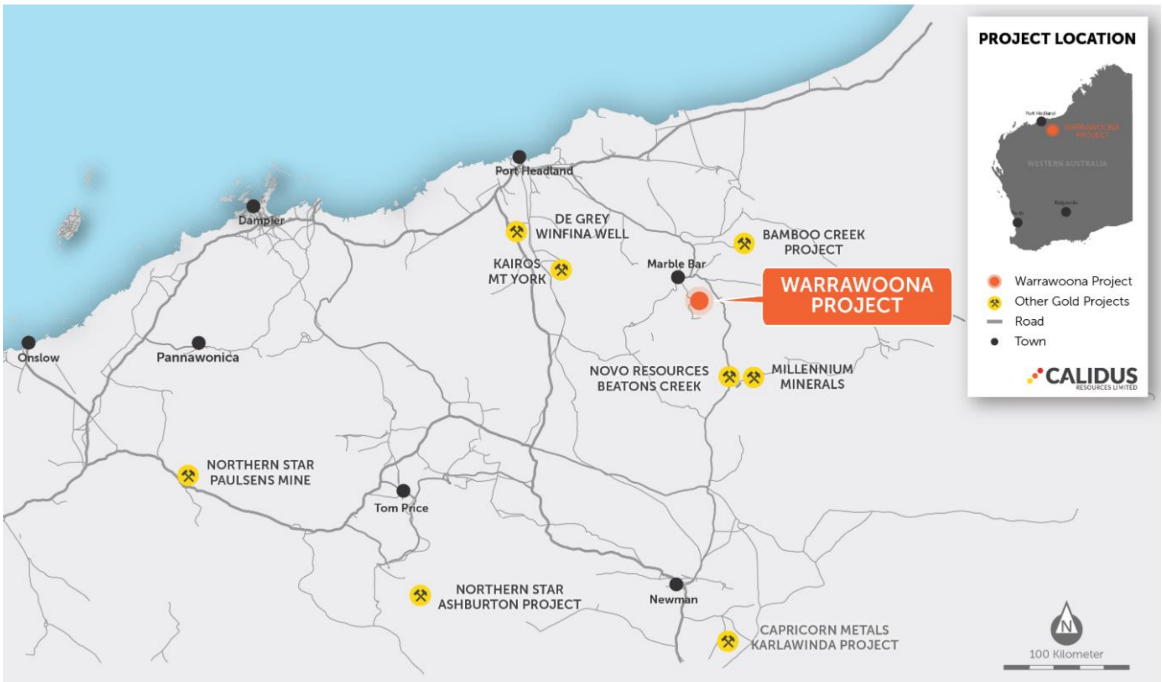

Figure 1: Location of the Warrawoona Gold Project

Calidus' landholding at the Project consists of approximately 780 square kilometres of prospective tenements covering the entire greenstone belt within the Pilbara Craton. The Project area contains over 200 historic workings and hosts the flagship Klondyke Prospect and a further three satellite prospects at Fieldings Gully, Copenhagen and Coronation (Figure 2). The Project is located on granted mining leases which have been recently renewed for 30 years. Gold was first discovered in the Marble Bar area in 1896 and was mined for around 15 years during that period. The majority of the Project is located on the Warrawoona Mining Common which is excised from the surrounding pastoral lease.

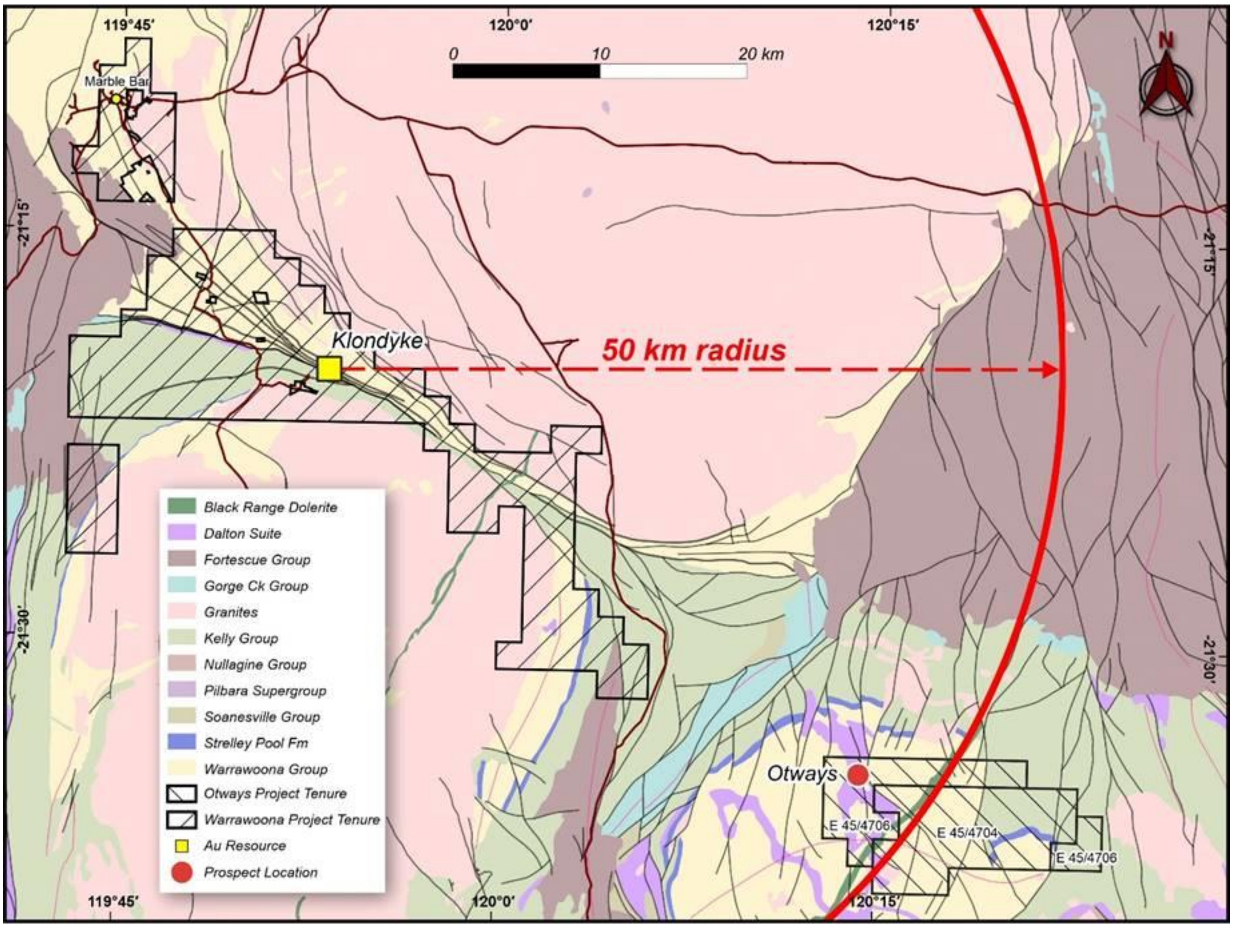

Figure 2: Warrawoona Gold Project Location and tenements

Updated Pre-Feasibility Study and Maiden Reserve

Calidus announced results of the Updated Pre-Feasibility Study (Updated PFS) and a JORC Reserve for its Warrawoona Project in June 2020[1].

The Updated PFS Study highlighted the strong cashflow, outstanding financial returns and short payback of Warrawoona. The Updated PFS included a 24 per cent increase in Reserves to 519,000oz. This underpins forecast production averaging 85,000 ounces a year in the first six years, including 90,000oz in year one, at an average AISC of A$1251/oz.

Based on a gold price of A$2,500/oz, the average gold price for the last six months prior to release of the Updated PFS, Warrawoona will generate a post-tax internal rate of return of 77 per cent and have a payback period of just 13 months.

Considering these strong findings and the current gold price, Calidus is committed to accelerating its development timetable, with Project construction planned to start in the March quarter of next year.

[1] *See ASX Announcement "Updated PFS Delivers Increased Reserves and Robust Financials" dated 29 June 2020.*

The Updated PFS reflects several significant changes that are aimed to minimise risk, maximise initial cash generation and ensure a simple and robust operation to maximise value to shareholders.

These changes include the modelling technique used in the Mineral Resource that includes greater inherent dilution than the initial PFS, delaying the underground development until year three to minimise construction capital and allow a single focus on the low risk Klondyke Open Pit and installation of a ball mill to ensure grind size and operational flexibility.

With a Feasibility Study planned for the September quarter and construction planned in early 2021, the Updated PFS provides a clear, simple, lower capital and lower risk road map to near term gold production for Calidus.

Production Summary	Units	Updated PFS		
Initial Mine Life	Years	8.0		
Total Ore Mined	oz	16.9Mt @ 1.22g/t for 663koz		
Gold Recovered	oz	623,086		
Processing Rate	Mtpa	Oxide/Transition 2.4Mtpa and Fresh 2.0Mtpa		
Average LOM CIL Metallurgical Recovery	%	94.3%		
Project Development Capital				
Processing Plant	A$M	75		
Non-Processing Infrastructure and Owners Cost	A$M	22		
Contingency	A$M	6		
Project Development Capital	**A$M**	**103**		
Pre-Production Mining Costs	A$M	13		
Total Pre-Production Capital	A$M	116		
Project Economics				
Gold Price	**A$/oz**	**2,200**	**2,500**	**2,800**
Gold Revenue	A$M	1,371	**1,558**	1,745
All-In Sustaining Cost (AISC)[2]	**A$/oz**	**1,241**	**1,251**	**1,260**
Project Cashflow (Pre-tax)	**A$M**	**467**	**648**	**829**
$NPV_{8\%}$ (Pre-tax)	A$M	295	**423**	552
IRR (Pre-tax)	% p.a.	64%	**88%**	112%
Project Cashflow (Post-tax)	**A$M**	**337**	**468**	**598**
$NPV_{8\%}$ (Post-tax)	A$M	209	**303**	398
IRR (Post tax)	% p.a.	54%	**77%**	100%
Payback Period[3]	**Years**	**1.5**	**1.1**	**0.8**

Table 1: Key Project Statistics

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

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

[3] Calidus is estimated to have carried forward tax losses of $40M at 31 December 2020.

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

Costs of Production	LOM Unit Cost (A$/t)	LOM Unit Cost (A$/oz)
Open Pit Mining	$18 /t OP Ore	$423 /oz
Underground Mining	$56 /t UG Ore	$228 /oz
Total Mining	$24 /t	$652 /oz
Processing and Maintenance	$15 /t	$413 /oz
Business Services	$2 /t	$49 /oz
Total Cash Cost (C1)	**$41 /t**	**$1,113 /oz**
Royalties	$3 /t	$77 /oz
Sustaining Capital	$2 /t	$60 /oz
Total All-In Sustaining Cost (AISC)	**$46 /t**	**$1,251 /oz**

Table 2: Production Costs

Pre-tax	Unit	A$2,000/oz	A$2,250/oz	A$2,500/oz	A$2,750/oz	A$3,000/oz
Project Cashflow	A$M	346	497	**648**	798	949
$NPV_{8\%}$	A$M	209	316	**423**	530	638
IRR	%	48%	68%	**88%**	108%	128%
Post-tax	**Unit**	**A$2,000/oz**	**A$2,250/oz**	**A$2,500/oz**	**A$2,750/oz**	**A$3,000/oz**
Project Cashflow	A$M	252	359	**468**	577	685
$NPV_{8\%}$	A$M	147	225	**303**	382	461
IRR	%	40%	58%	**77%**	96%	116%
Payback Period	Years	2.0	1.4	**1.1**	0.9	0.8

Table 3: Gold Price Sensitivity Analysis

Environmental Protection Authority Recommends Approval of Warrawoona Gold Project

The WA Office of the Environmental Protection Authority (EPA) recommended approval of Warrawoona for both the State and Federal governments under an Accredited Assessment as part of the approval required under the Commonwealth's Environment Protection and Biodiversity Conservation Act (EPBC Act).

This is the penultimate stage in the permitting process, with final approval vesting with the Minister for Environment and anticipated in the September Quarter. The EPA's report is available on the EPA website.[4]

Tenure Finalised for Project Development

The Company completed the purchase of tenement E45/5172, which covers most of the historic Marble Bar Goldfield located just 25km from Warrawoona. The Company also purchased the remaining 50% of tenement E45/4843, which covers the historic Salgash mining area of the Warrawoona Goldfield. In addition, the Company earned 70% of the Novo Resources Corporation tenements, which comprise tenements E45/3381, E45/4666, E45/4622, E45/4194, P45/2781 and E45/4934.

Calidus was granted a General Purpose Lease (G45/345). This lease will encompass the processing plant, tails dam and waste dump for the Project. With the grant of this lease, Warrawoona now has all the Mining Leases, Miscellaneous Leases and General Purpose Lease tenure required to commence construction (Figure 3)

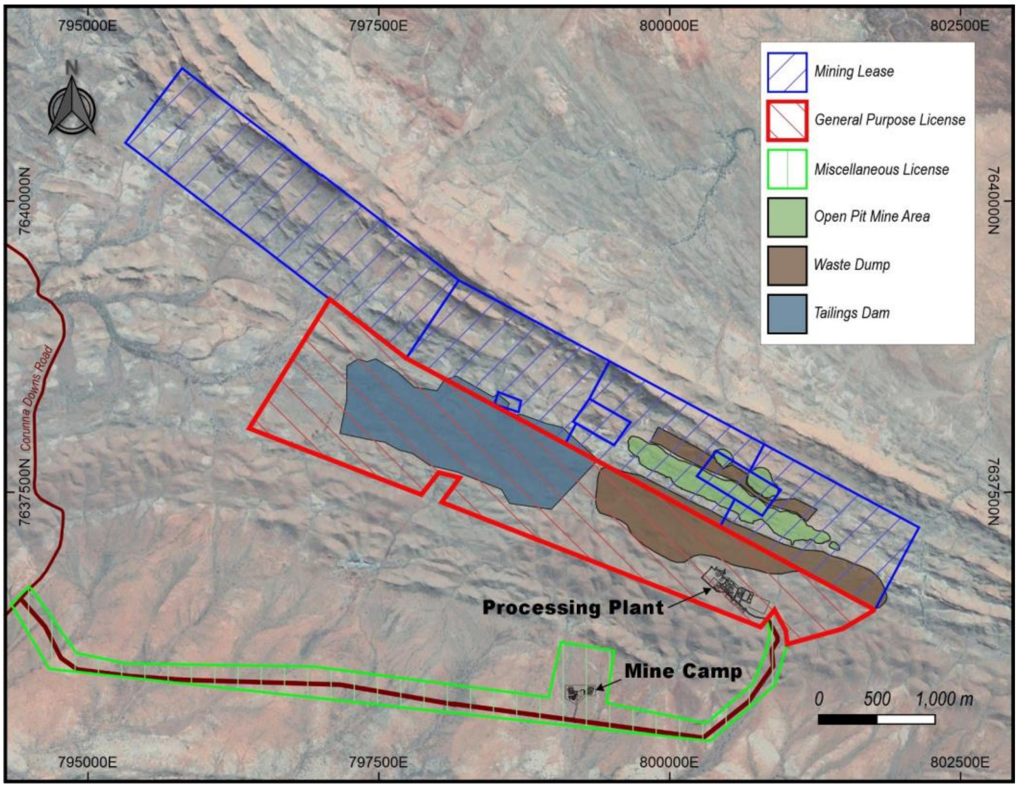

Figure 3: Granted Leases over the Warrawoona Gold Project

[4] *See ASX Announcement "EPA Recommends Approval of Warrawoona Gold Project" dated 25 June 2020.*

Marble Bar Airport Upgrade

During the year, Calidus announced that it has entered into a Non-Binding Heads of Agreement with the Shire of East Pilbara for an upgrade to the Marble Bar Airport. The upgrade is expected to facilitate 100 seater jets with an all-weather sealed surface. The capital cost of the upgrade has been estimated at approximately $7 million with Calidus expected to contribute $2 million.

The Non-Binding Heads of Agreement anticipates the design of the airport being undertaken jointly by the parties. Calidus and the Shire of East Pilbara will now progress with preparing binding formal agreements in order to fund, construct and operate the airport with construction anticipated to commence in 2021.

Purchase of Camp

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

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

Figure 4: Calidus Village being offloaded at Marble Bar

Project Development Timeline

As announced on 29 June 2020, in light of the strong findings of its Updated PFS, Calidus will start construction at Warrawoona in the March quarter of 2021. This will enable the Company to capitalise on a strong gold price outlook and robust forecast cashflow at Warrawoona.

The project timeline is shown the table below. By the end of the 2020 calendar year, Calidus anticipates being fully permitted and Project Finance discussions to be well advanced.

PERMITTING	TIMING	Q3 2020	Q4 2020	2021/22
EPA Recommendation	✓			
Ministerial Sign Off	✓			
Operating Permits	Q4 2020			
DEVELOPMENT STUDIES				
Updated PFS	✓			
Feasibility Study	Q3 2020			
FINANCING				
Appointment of Debt Advisor	✓			
Indicative Debt Term Sheets	✓			
Completion of Financing Facility	Q4 2020			
First Drawdown	Q1 2021			
DEVELOPMENT				
Tenders	✓			
Preferred Contactors	Q3 2020			
Early Works	Q4 2020			
Commence Construction	Q1 2021			
First Gold	Q1 2022			

Exploration Activities

Drilling Results

During the year Calidus announced a host of outstanding results at the Warrawoona Gold Project[5].

RC drilling and diamond filling results demonstrate the strong grade continuity of gold mineralisation along-strike, down-dip and within the planned Klondyke pit at Warrawoona. Significant intersections include:

- **35m @ 2.84 g/t Au** from surface in hole 19KLRC218
- **10m @ 6.81g/t Au** from 47m, incl **1m @ 50.77g/t Au** from 49m in hole 19KLRC192
- **12m @ 5.58 g/t Au** from 12m in hole 19KLRC270
- **15m @ 4.33 g/t Au** from 6m in hole 19KLRC266
- **23m @ 2.55 g/t Au** from 15m in hole 19KLRC241
- **15m @ 3.70 g/t Au** from 30m in hole 19KLRC288
- **1m @ 55.21 g/t Au** from 278m in hole 19KLDD061
- **36m @ 1.53 g/t Au** from 12m in hole 19KLRC247

[5] *The information is extracted from the Company's ASX Announcements entitled "Intercepts of up to 107g/t to underpin Resource Upgrade" dated 30 July 2019, "Shallow gold intercepts adjacent to Klondyke Open Pit" dated 11 September 2019, "Outstanding shall drill intersections from Klondyke" dated 2 October 2019, "More wide, shallow intercepts confirm robustness of open pit" dated 22 October 2019, "Drilling hits more shallow, high grade gold at Klondyke" dated 4 November 2019, "Robust infill drilling results to underpin open-pit resource" dated 25 November 2019, "High-grade gold intersected outside Klondyke Resource" dated 18 December 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

- **14m @ 3.80 g/t Au** from 1m in hole 19KLRC233
- **23m @ 2.30 g/t Au** from 37m in hole 19KLRC232
- **26m @ 2.00 g/t Au** from 1m in hole 19KLRC227
- **14m @ 3.51 g/t Au** from 2m in hole 19KLRC249
- **11.78m @ 4.11 g/t Au** from 28.95m in hole 19KLDD112
- **12m @ 3.93 g/t Au** from 19m in hole 19KLRC284
- **22m @ 2.13g/t Au** from 19m n hole 19KLRC201
- **23m @ 2.06 g/t Au** from 1m in hole 19KLRC243
- **9.08m @ 5.11 g/t Au** from 24.1m in hole 19KLDD107
- **2.52m @ 18.02 g/t Au** from 232.78m in hole 19KLDD070
- **1m @ 40.59 g/t Au** from 156m in hole 19KLDD083
- **20m @ 1.97 g/t Au** from 25m in hole 19KLRC245
- **16m @ 2.47 g/t Au** from 4m in hole 19KLRC253
- **20m @ 1.96 g/t Au** from 20m in hole 19KLRC271
- **11m @ 3.41 g/t Au** from surface in hole 19KLRC306
- **12m @ 3.05 g/t Au** from 43m in hole 19KLRC283
- **26m @ 1.37 g/t Au** from 9m in hole 19KLRC281

11 RC holes were drilled into the St George deposit to assist in converting resources to an indicated category with outstanding assays received including:

- **13m @ 11.1g/t Au** from 30m, incl **1m @ 107.16g/t Au** from 36m in hole 19SGRC078
- **13m @ 5.58g/t Au** from 46m in hole 19SGRC081
- **12m @ 1.73g/t Au** from 23m in hole 19SGRC075

An infill RC drill programme was undertaken 300m east of the planned Klondyke pit at the Klondyke East deposit. Significant intersections included:

- **14m @ 3.38 g/t Au** from 67m in hole 19KLRC523
- **5m @ 6.69 g/t Au** from 62m in hole 19KLRC500
- **13m @ 2.18 g/t Au** from 31m in hole 19KLRC522

Wide-spaced drilling at Klondyke West intersected high-grade areas. Best results included:

- **4m @ 3.97 g/t Au** from 40m in hole 19KLRC333
- **1m @ 9.90 g/t Au** from 41m in hole 19KLRC325

Klondyke Drilling

On 4 June 2020 Calidus announced that it has resumed drilling at Warrawoona following the opening of regional borders in Western Australia. The drilling at Klondyke will target the main Klondyke structure 300m directly below the existing Resource and is expected to be completed in the September Quarter 2020.

Calidus is planning to drill two holes, each with a wedge “daughter” hole drilled off it, beneath the centre of the Klondyke Resource to test the continuity of mineralisation at a depth of 300m below the existing 250m deep resource. RC pre- collars will be undertaken to a depth of 400m to 450m before swapping to diamond drilling. The programme is designed to prove continuity of the Klondyke Structure as a long-term source of ore for the upcoming development.

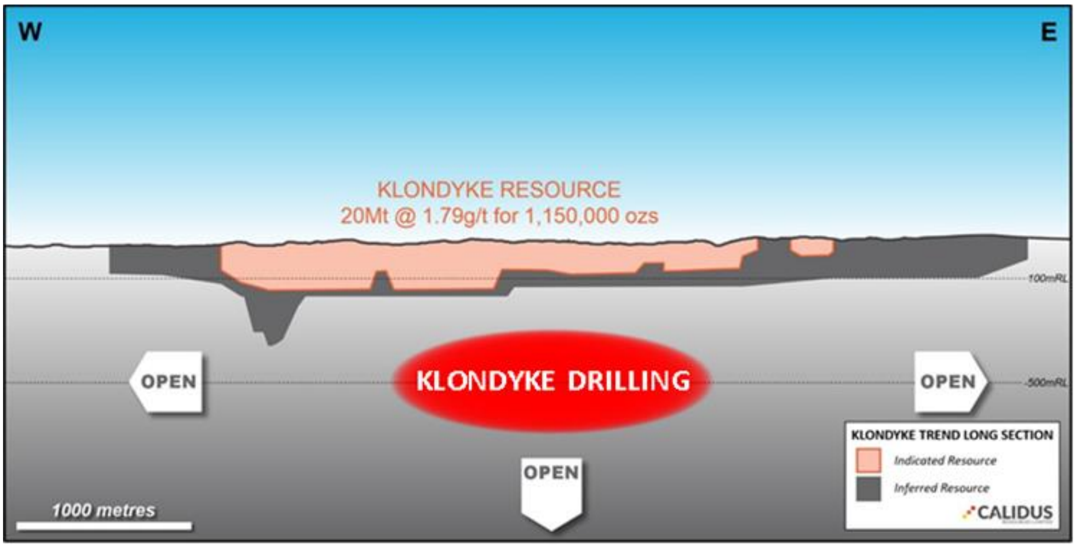

Figure 5: Klondyke Drilling

Otways Project Earn-In and Drilling

As announced on 27 May 2020, Calidus had entered into a Heads of Agreement with Rugby Mining to earn up to 70% interest in the Otways Project North Eastof Nullagine. In the late 1960s, shallow (<60m depth) percussion drilling of coincident soil and IP anomalies by Conwest identified copper mineralisation in metabasalts at or near surface (refer Figure 7). In addition, several holes contain Cu mineralisation that is open at depth. Historic drilling was never assayed for gold but nearby costean samples returned values of up to 13g/t Au.

Recent site visits identified the locations of previous drill holes and have confirmed visual occurrences of copper mineralisation at surface and in shallow workings.

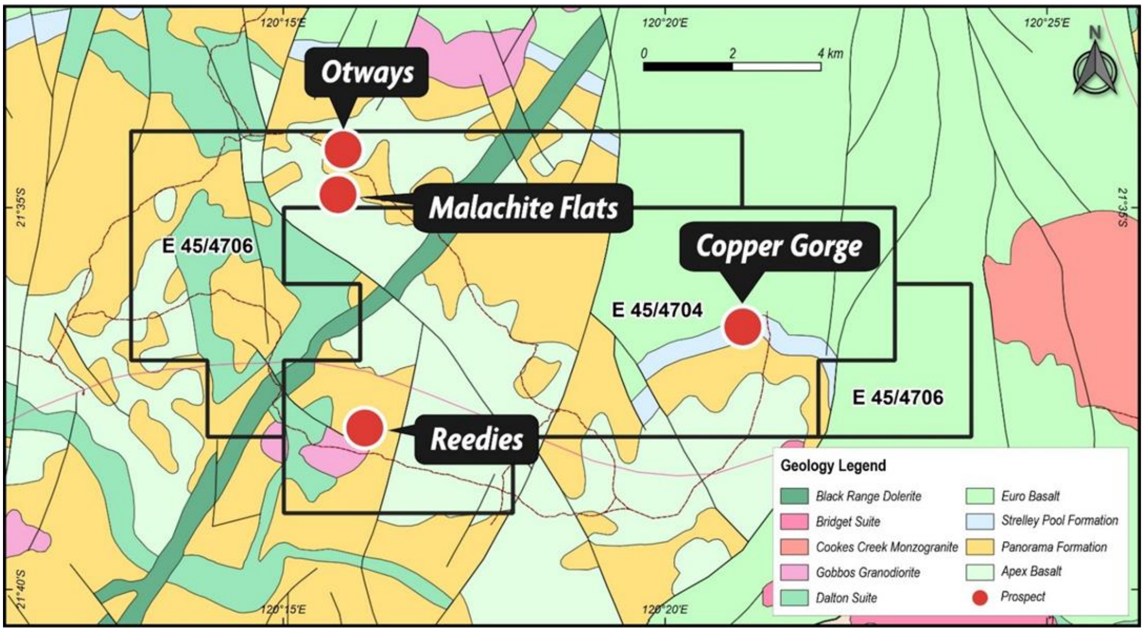

Figure 6: Tenements at the Otways Project with the GSWA 500k geology and prospect locations

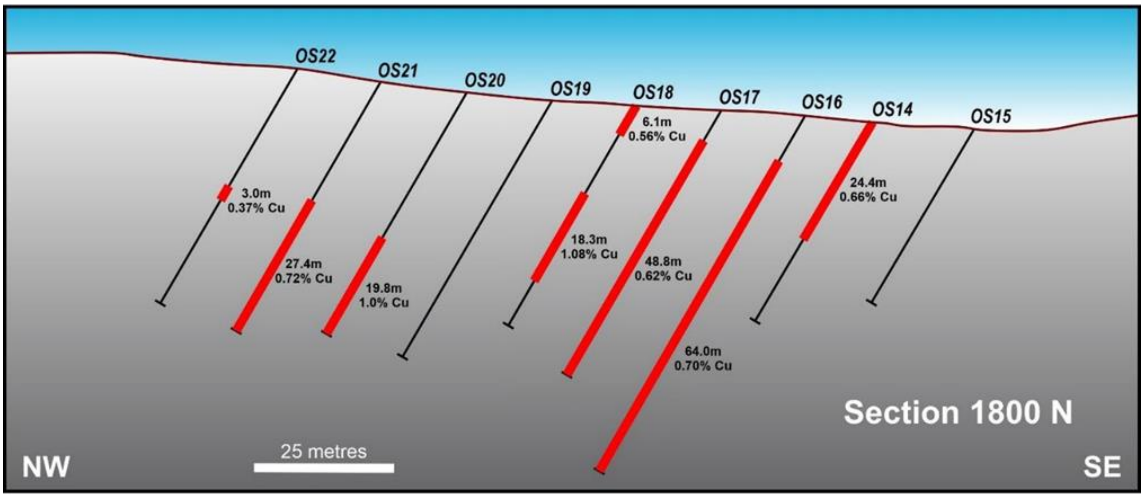

Figure 7: Cross section at the Otways Project showing the results of shallow percussion drilling by Conwest in the 1960s

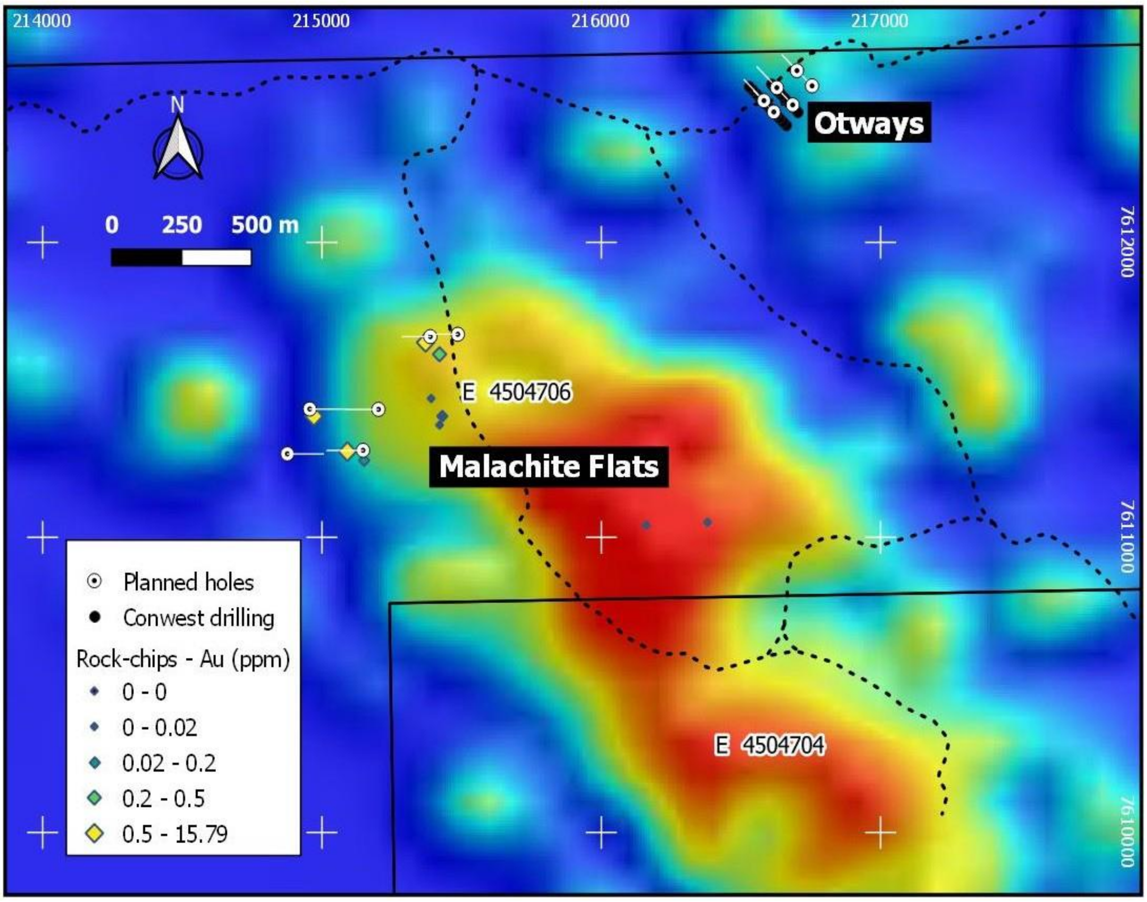

Figure 8: Map of the Otways–Malachite Flats area showing the locations of the planned drill holes on a horizontal conductivity slice at 100m depth from a HoistEM survey flown by Hazelwood Resources.

Corporate

Financial Results

At 30 June 2020, Calidus and its subsidiaries held $5.7 million in cash and $1.4m in listed investments.

Capital Raising

On 15 August 2019, the Company announced the successful placement of $9M to institutional investors. The placement received strong support from new and existing institutional investors for the continued advancement of Warrawoona.

During the year Company also received $1,302,500 from the exercise of previously issued options.

Consolidation of Share Capital

At the Annual General Meeting held on 25 November 2019, shareholders approved to consolidate the Company's issued capital through the conversion of every ten (10) existing shares into one (1) share. The number of the Company's shares on issue was reduced from 2,146,887,024 existing shares to 214,689,064 shares.

Appointment of Chief Financial Officer

On 25 November 2019, the Company announced the appointment of Mr Richard Hill as Chief Financial Officer. Mr Hill is an accomplished finance professional with more than 20 years of experience in the resources sector, primarily in the gold industry. Mr Hill brings direct experience with respect to feasibility studies, construction and development, mine operations as well as corporate combination and integration activities.

Community Relations

As part of the Project Permitting process, and wider stakeholder engagement, Calidus staff and representatives have held meetings and project updates with Traditional Owners, Pastoralists, surrounding mines and tenure holders, the Marble Bar Community, Shire of East Pilbara, State Government Agencies - DMIRS (Department of Mines, Industry Regulation and Safety), DWER (Department of Water and Environment Regulation), DBCA (Department of Biodiversity, Conservation and Attractions) and Federal Government Agency DoEE (Department of Environment and Energy).

Calidus is proud to sponsor the Indigenous Art and Literacy Program at the Marble Bar School and Warralong Community School. The Indigenous Youth Art program is designed to consist of high quality arts and cultural workshops that are focused on the education, health and wellbeing of Indigenous youth. It will also promote the artistic talents of Indigenous children across Australia with a program which is designed to capture the interests of those Indigenous children in regional and remote areas.

Investor Relations

The Managing Director presented and attended numerous investor conferences throughout the year including RIU Fremantle Diggers and Deals and Resource Risings Stars Gold Coast. Physical roadshows were completed in Sydney, Melbourne and Perth for meetings with investors. Due to COVID 19 restrictions and border closures roadshows and interstate and international investor meetings were limited to online meeting conferences for the majority of the first half of 2020.

Mineral Resources and Reserves

Deposit	Cut-Off	Measured			Indicated			Inferred			Total		
	(g/t)	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz
Klondyke Open Pit	**0.3**	**2.3**	**0.98**	**72**	**29**	**0.90**	**844**	**8.3**	**0.81**	**217**	**39.6**	**0.89**	**1,133**
including	*0.5*	*1.6*	*1.21*	*64*	*20.3*	*1.12*	*733*	*5.0*	*1.09*	*176*	*27.0*	*1.12*	*973*
Klondyke UG	**1.5**				**1.0**	**2.87**	**89**	**1.8**	**3.31**	**162**	**2.7**	**2.83**	**250**
including	2.0				0.7	3.36	72	1.2	4.08	130	1.9	3.33	202
Copenhagen	0.5				0.2	5.58	33	0.1	2.65	9	0.3	4.54	42
Coronation	0.5							0.5	2.19	34	0.5	2.19	34
Fieldings Gully	0.5				0.3	1.80	16	0.33	1.87	20	0.6	1.84	36
Total		**2.3**	**0.98**	**72**	**30.4**	**1.00**	**982**	**11.0**	**1.33**	**442**	**43.7**	**1.06**	**1,494**

Table 4 Mineral Resources (inclusive of Reserves; rounded to nearest 100,000t; 0.01g/t; 1,000oz)

Deposit	Cut-Off	Proven			Probable			Total		
	(g/t)	kt	Au (g/t)	koz	kt	Au (g/t)	koz	kt	Au (g/t)	koz
Klondyke Open Pit	0.33 0.36	2,057	1.0	66	10,014	1.0	335	12,071	1.0	401
Klondyke Underground	2.0				1,199	2.4	92	1,199	2.4	92
St George Open Pit	0.36 0.39				244	1.2	9	244	1.2	9
Copenhagen Open Pit	1.88				95	5.5	17	95	5.5	17
Total		**2,057**	**1.0**	**66**	**11,552**	**1.2**	**453**	**13,609**	**1.2**	**519**

Table 5 Ore Reserves (rounded to nearest 1,000t; 0.1g/t; 1,000oz)

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to exploration targets and exploration results is based on and fairly represents information compiled by Mr. Steve Sheppard a competent person who is a member of the AusIMM. Mr. Steve Sheppard is employed by Calidus Resources Limited. Steve 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 "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Steve Sheppard consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.

The information in this report that relates to Klondyke Underground and Coronation Mineral Resources is based on and fairly represents 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.

The information in this report that relates to Copenhagen and Fieldings Gully Mineral Resources is based on and fairly represents information compiled or reviewed by Mr. Ben Playford, who is a Member of the AIG. Mr. Ben Playford is a full-time employee of Calidus Resources Limited. 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. Ben Playford 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 Mineral Resources is based on and fairly represents information compiled or reviewed by Mr. Jani Kalla, Senior Consultant of Optiro Ltd., who is a Member of the AusIMM and the AIG. Mr. Jani Kalla is a full-time employee of Optiro 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. Jani Kalla 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 the Open Pit Ore Reserves is based on and fairly represents information compiled or reviewed by Mr. Steve O'Grady. Mr O'Grady has confirmed that he has read and understood the requirements of the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is accepting responsibility. Mr O'Grady is a Member of the AusIMM and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Underground Ore Reserves is based on and fairly represents information compiled or reviewed by Mr. Alastair King. Mr King has confirmed that he has read and understood the requirements of the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is accepting responsibility. Mr King is a Member of the AusIMM and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward looking Statements and Disclaimers

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

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

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

Compliance Statement

The information in this announcement that relates to Exploration Results and Mineral Resources released previously on the ASX.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that, in the case of mineral resources estimates, all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

TENEMENT SCHEDULE AS AT 30 JUNE 2020

CALIDUS RESOURCES & SUBSIDAIRIES TENEMENT SCHEDULE				
Tenement ID	**Holder**	**Size (ha)**	**Renewal**	**Ownership/ Interest**
GRANTED				
E45/4856	Keras (Pilbara) Gold Pty Ltd	2,554.05	20/05/2023	100%
E45/4857	Keras (Pilbara) Gold Pty Ltd	6,704.61	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	19/10/2024	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	100%
M45/0672	Keras (Pilbara) Gold Pty Ltd	116.20	1/08/2037	100%
M45/0679	Keras (Pilbara) Gold Pty Ltd	121.30	8/04/2038	100%
M45/0682	Keras (Pilbara) Gold Pty Ltd	235.95	17/04/2038	100%
M45/0240	Keras (Pilbara) Gold Pty Ltd	6.07	17/11/2028	100%
E45/4555	Keras (Pilbara) Gold Pty Ltd	1,917.75	1/03/2022	100%
Applications				
L45/0527	Keras (Pilbara) Gold Pty Ltd	251.51	APPLICATION	100%
P46/1972	Keras (Pilbara) Gold Pty Ltd	194.57	APPLICATION	100%
Option to Acquire				
E45/5172	Epminex WA Pty Ltd	4,307.32	30/05/2024	0%
Joint Venture				
E45/3381	Beatons Creek Gold Pty Ltd	7,965.63	16/03/2021	70%
E45/4666	Beatons Creek Gold Pty Ltd	3,163.98	23/11/2021	70%
E45/4622	Beatons Creek Gold Pty Ltd	4,222.07	4/05/2022	70%
E45/4934	Beatons Creek Gold Pty Ltd	1,596.99	22/01/2023	70%
P45/2781	Beatons Creek Gold Pty Ltd	2.42	10/06/2020	70%
G45/345	Beatons Creek Gold Pty Ltd	439.05	11/05/2041	70%
E45/5706	Beatons Creek Gold Pty Ltd	1,376.89	APPLICATION	70%
E45/4704	Beckton Gledhill Pty Ltd	7,961.50	04/07/2022	Earning 70%
E45/4706	Beckton Gledhill Pty Ltd	5,414.50	01/08/2022	Earning 70%

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 financial year ended 30 June 2020.

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
• Mr Keith Coughlan	Non-executive Director
• Mr Adam Miethke	Non-executive Director (Resigned on 27 July 2020)

Directors have been in office since the start of the year to the date of this report unless otherwise stated.

2. Company secretary

Ms Julia Beckett was appointed Company Secretary of the Company on 24 September 2018. Ms Beckett holds a Certificate in Governance Practice and Administration and is an Affiliated Member of the Governance Institute of Australia.

3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2020.

4. Significant changes in the state of affairs

Please refer to the operations review for the significant changes in the state of affairs of the Group that occurred during the financial year.

5. Significant changes in principal activities

There were no significant changes to the Group's principal activities during the financial year.

6. Operating and financial review

6.1 Nature of Operations Principal Activities

Calidus is a gold exploration and development 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 2020 financial year the Group delivered a loss before tax of $2,094,345 (2019: $1,242,718 loss). 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 2019 by $9,037,777 to $31,023,260 at 30 June 2020 (2019: $21,985,483).

Directors' report

As at 30 June 2020, the Group's cash and cash equivalents increaseddecreased from 30 June 2019 by $1 ,545,292 to $5,690,661 at 30 June 2020 (2019: $4,145,369) and had working capital of $4,614,250 (2019: $2,576,540 working capital), as noted in Note 14f.

6.4 Events subsequent to reporting date

- On 1 July 2020 Calidus announced that tenders for the major contracts, comprising a schedule of rates mining contract, tailings dam construction, EPC for the processing plant construction and a build, own, operate (BOO) model for the power station, have been let to the market.
- On 1 July 2020 Calidus announced specialist natural resources investment house Argonaut had been appointed to act as the Company's exclusive debt advisor.
- On 13 July 2020 Calidus announced that drilling was to commence at the Otways project.
- On 17 July 2020 the company announced that it had received firm commitments to raise $25 million (before costs) via a share placement to professional and sophisticated investors through the issue of 49,019,608 shares at a price of $0.51.
- On 27 July 2020 that Mr Adam Miethke resigned as Non-Executive Director of the Company.
- On 5 August 2020 the company announced that experienced mining executive Don Russell had commenced in the role of General manager operations
- On 5 August 2020 Calidus announced that Environmental Permits had been granted for early works at Warrawoona which provided the Company with the option to commence installation the mine access road and accommodation village prior to receiving full project development approval.
- On 5 August 2020 and 12 August 2020, Calidus announced the issuance of 600,000 and 170,000 unlisted options to Donald Russell and an employee respectively.
- 0n 13 August 2020, Calidus announced that it has issued and allotted 200,000 shares upon the exercise of 200,000 unquoted options, exercise price of nil, expiring 27 December 2023.
- On 24 August 2020. Calidus announced that it had Environmental approval for the Warrawoona Gold Project granted by the Western Australian Minister for Environment and that and the debt finance process was progressing with indicative debt term sheets received.

6.5 Future developments, prospects and business strategies

PLANNED WORK FOR 2020/2021

The Company is focussed on advancing the Warrawoona Gold Project under the following timeline:

PERMITTING	TIMING	Q3 2020	Q4 2020	2021/22
EPA Recommendation	✓			
Ministerial Sign Off	✓			
Operating Permits	Q4 2020			
DEVELOPMENT STUDIES				
Updated PFS	✓			
Feasibility Study	Q3 2020			
FINANCING				
Appointment of Debt Advisor	✓			
Indicative Debt Term Sheets	✓			
Completion of Financing Facility	Q4 2020			
First Drawdown	Q1 2021			
DEVELOPMENT				
Tenders	✓			
Preferred Contactors	Q3 2020			
Early Works	Q4 2020			
Commence Construction	Q1 2021			
First Gold	Q1 2022			

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 year covered by this Report.

Directors' report

7. Information relating to the Directors

Mr David Reeves	Managing Director
Qualifications	Mining Engineer Bachelor of Engineering (1st Class honours), Grad Dip Applied Finance, WA Mine Managers Certificate
Experience	Mr Reeves is a Perth-based, qualified mining engineer with 30 years of experience in the mining industry and was 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	None
Interest in Shares and Options	17,155,004 Fully Paid Ordinary Shares 150,000 Unlisted options, nil exercise price, exp 27 December 2021 3,000,000 Unlisted Option, nil exercise price, exp 27 December 2024
Directorships held in other listed entities	Non-executive Director of Keras Resources Plc (AIM)
Past directorships in the last 3 years	Non-executive Chairman of European Metals Holdings Limited (ASX & AIM) – resigned 30 June 2020

Mr Mark Connelly	Independent Non-executive Chairman
Qualifications	Bachelor of Business, ECU, MAICD, AIMM, Member of SME
Experience	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	Member of Audit and Risk Committee and the Remuneration and Nomination Committee
Interest in Shares and Options	526,786 Fully Paid Ordinary Shares 300,000 NED Options, nil exercise price, exp 27 December 2023
Directorships held in other listed entities	Non-executive Chairman of Chesser Resources Limited (ASX) Non-executive Chairman of Oklo Resources Limited (ASX) Non-executive Chairman of Tao Commodities Ltd (ASX)
Past directorships in the last 3 years	Non-executive Chairman of Primero Group Limited (ASX) Non-executive Chairman of West African Resources Ltd (ASX) from 23 June 2015 to 29 May 2020 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

Mr. Keith Coughlan	Non-executive Director
Qualifications	BA
Experience	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	Chairman of the Audit and Risk Committee and the Remuneration and Nomination Committee
Interest in Shares and Options	944,000 Fully Paid Ordinary Shares 200,000 NED Options, nil exercise price, exp 27 December 2023
Directorships held in other listed entities	Executive Chairman of European Metals Holdings Limited (ASX & AIM) Non-executive Chairman of Doriemus plc (ASX) Non-executive Director of Southern Hemisphere Mining Limited (ASX)
Past directorships in the last 3 years	N/A

Directors' report

Mr Adam Miethke		Non-executive Director (resigned on 27 July 2020)
Qualifications	☐	Bachelor of Applied Science with First Class Honours in Geology & Master of Business Administration
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	☐	Chairman of Audit & Risk Committee prior to resignation on 27 July 2020
Interest in Shares and Options	☐	206,429 Fully Paid ordinary Shares
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
Dave Reeves	4	4	-	-	-	-
Mark Connelly	4	4	-	-	-	-
Keith Coughlan	4	4	-	-	-	-
Adam Miethke	4	4	-	-	-	-

9. Indemnifying officers or auditor

During or since the end of the financial year 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.

Directors' report

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
18 April 2017	18 April 2021	$0.20	4,200,000
25 November 2019	27 Dec 2021	Nil	388,500
25 November 2019	27 Dec 2023	Nil	500,000
25 November 2019	27 Dec 2024	Nil	7,150,000
25 November 2019	30 Jan 2022	Nil	150,000
25 November 2019	30 Jan 2025	Nil	2,700,000
4 June 2020	4 June 2025	Nil	500,000
5 August 2020	5 August 2025	Nil	600,000
12 August 2020	12 August 2025	Nil	170,000
			16,358,500

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.

Directors' report

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
Prior to 10:1 share consolidation:		
21-Aug-19	$0.025	4,000,000
22-Aug-19	$0.020	2,000,000
10-Sep-19	$0.025	750,000
Post 10:1 share consolidation:		
1-May-20	$0.25	25,000
14-May-20	$0.25	100,000
26-May-20	$0.25	1,175,000
26-May-20	$0.20	200,000
26-May-20	$0.30	600,000
27-May-20	$0.30	500,000
27-May-20	$0.25	425,000
4-June-20	$0.25	700,000
4-June-20	$0.20	200,000
12-June-20	$0.25	150,000
12-June-20	$0.20	200,000
12-June-20	$0.30	500,000
13-Aug-20	Nil	200,000

11. Non-audit services

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

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 year.

13. Auditor’s independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2020 has been received and can be found on page 33 of the annual report.

Directors' 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
• Mr Keith Coughlan	Non-executive Director
• Mr Adam Miethke	Non-executive Director (Resigned on 27 July 2020)
• Mr Paul Brennan	Chief Operating Officer
• Mr Richard Hill	Chief Financial Officer (Appointed on 25 November 2019)

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.

Given the developments in, and evolvement of the Company to date, the Board appointed a firm of independent remuneration advisors to review the Company’s remuneration and incentive plans in October 2019. The review was undertaken to ensure appropriateness of performance conditions (over the short and long term), vesting scales, targets and gates to the circumstances that are anticipated to prevail over the measurement period and the expectations of shareholders.

i. Fixed Remuneration Correction Plan

In October 2019, the Company engaged BDO (WA) Pty Ltd, independent remuneration consultants, to conduct a market review of the total fixed remuneration (TFR) packages of the Board and senior executives. The market review identified the Company Total Fixed Remuneration (TFR) packages to be at a discount to the market median.

In order for the Company to conserve cash as it progresses its activities from the development of its asset to commercial production, the Company will utilise a 'once-off' equity allocation in the form of zero exercise price options (i.e. options with a nil exercise price) to ensure that the TFR package is market appropriate i.e. median. The equity allocation represents equity in lieu of additional salary.

Directors' report

For senior executives, the only vesting condition is that the executive must remain employed with the Company for a period of 12 months at which time the options will vest (Exec Options).

A good leaver policy will apply to fixed remuneration options and the options are to be issued under the Company's Employee Securities Incentive Plan (ESIP), the terms of which are summarised in the Company's 2017 notice of annual general meeting, announced on ASX on 29 September 2017. The fixed remuneration correction plan therefore has a retentive benefit as well as ensuring that senior executives and non-executive directors are remunerated at market related rates.

ii. Discretionary Salary Reduction in return for Shares Rights

During the financial year, the Company initiated various cash preservation measures in March at the start of the COVID-19 pandemic to ensure it was funded through to a final investment decision on the Warrawoona Gold Project. This includes various directors, senior staff and consultants electing to take part of their pay in the form of securities.

The Company has invited director David Reeves (subject to shareholder approval), Paul Brennan and Richard Hill to participate in a discretionary salary reduction in return for rights to acquire shares (Share Rights) to be granted under the ESIP, whereby they may elect to accrue up to 50% of their salary (Reduced Amount) from 1 April to 30 June 2020. The number of rights was determined with reference to the VWAP for the month of April 2020.

The rationale for inviting the director and executives to participate in a discretionary salary reduction in return for Share Rights is to preserve cash within the Company, strengthen the Company's balance sheet, align directors' remuneration with the Company's and shareholders' objectives, and to provide directors and executives with an incentive to enhance shareholder value.

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.

Notwithstanding the aforementioned, and based on advice from an independent remuneration expert, the remuneration structure for Non-Executive Directors represents the following structure:

- Annual board fees;
- Committee fees; and
- Equity based fees (in lieu of fixed fees).

The equity-based fees to be considered for non-executive directors will not be subject to performance conditions. This will be in-line with best practice governance standards, including the ASX Corporate Governance Council's Principles.

i. Fixed Remuneration Correction Plan

In October 2019, the Company engaged an independent remuneration expert to conduct a market review of the TFR packages of the Board and senior executives. The market review identified the Company TFR packages to be at a discount to the market median.

Directors' report

In order for the Company to conserve cash as it progresses its activities from the development of its asset to commercial production, the Company will utilise a 'once-off' equity allocation in the form of zero exercise price options (i.e. options with a nil exercise price) to ensure that the TFR package is market appropriate i.e. median. The equity allocation represents equity in lieu of additional salary.

For non-executive directors, the only vesting condition is that the non-executive director must remain with the Company for a period of 3 years, with a third of the options vesting each year (NED Options).

A good leaver policy will apply to NED Options and the options are to be issued under the Company's Employee Securities Incentive Plan (ESIP), the terms of which are summarised in the Company's 2017 notice of annual general meeting, announced on ASX on 29 September 2017. The fixed remuneration correction plan therefore has a retentive benefit as well as ensuring that non-executive directors are remunerated at market related rates.

ii. Discretionary Fees Reduction in return for Shares Rights

During the financial year, the Company initiated various cash preservation measures in March at the start of the COVID-19 pandemic to ensure it was funded through to a final investment decision on the Warrawoona Gold Project. This includes various directors, senior staff and consultants electing to take part of their pay in the form of Securities.

The Company has, subject to Shareholder approval, invited Mark Connelly and former director Adam Miethke to participate in a discretionary salary reduction in return for rights to acquire Shares (Share Rights) to be granted under the ESIP, whereby they may elect to accrue up to 50% of their salary (Reduced Amount) from 1 April to 30 June 2020.

The rationale for inviting the directors to participate in a discretionary salary reduction in return for Share Rights is to preserve cash within the Company, strengthen the Company's balance sheet, align directors' remuneration with the Company's and shareholders' objectives, and to provide directors with an incentive to enhance shareholder value.

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. Incentive Plan Arrangements for Executive Directors and Senior Executives

The Company does not have a defined cash-based incentive plan. As the Company is a non-producer, and in order to limit its outgoings, the Board wishes to conserve and utilise its cash holdings in the most effective manner possible. In addition, to ensure the executive directors and senior executives have the ability to participate in the value that is being created and delivered an allocation of zero exercise price options are issued under the terms of the ESIP (Incentive Options).

The Incentive Options will expire 5 years from the date of grant and will vest subject to the relevant executive director or senior executive remaining employed by the Company at the date of vesting, and:

(i) half of the Incentive Options will vest upon the latter of the following:

- (a) the Company announcing successful completion of a positive definitive feasibility study for the Warrawoona Gold Project (DFS); and
- (b) the Company announcing that it has acquired the approvals and permits required to commence construction of the mine on the Warrawoona Gold Project from the Environmental Protection Authority, the Department of Mines, Industry Regulation and Safety, and the Department of the Environment and Energy; and

(ii) subject to the vesting of the first half of the Incentive Options, the second half of the Incentive Options will vest upon the Company announcing that first gold pour has been achieved at the Warrawoona Gold Project.

Directors' report

e. Service Contracts

Remuneration and other terms of employment for the directors and KMP are formalised in contracts of service.

f. Engagement of Remuneration Consultants

During the financial year, the Company engaged BDO (WA) Pty Ltd, independent remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the fixed remuneration and performance based remuneration (both short term and long term incentive) programs. BDO (WA) Pty Ltd was paid $12,500 for these services.

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 as the Company is a non-producer.

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 2020 financial year in the table represents remuneration paid to the Group over the financial year ended 30 June 2020 and 30 June 2019.

2020 – Group								
Group KMP	Short-term benefits		Post-employment benefits		Share-based payments		Total	% of Remunera-tion as equity-based payments
	Salary, fees and leave	Other	Super-annuation	Other	Share Rights[(iii)]	Options and Performance Rights[(vi)]		
	$	$	$	$	$	$	$	
David Reeves	240,625	-	-	-	36,830[(iv)]	240,278	517,733	54%
Mark Connelly	52,500	-	5,700	-	8,170[(iv)]	12,531	78,901	26%
Keith Coughlan	24,000	-	-	-	-	8,354	32,354	26%
Adam Miethke	22,200	-	-	-	2,539[(iv)]	8,354	33,093	33%
Paul Brennan [(i)]	210,000	-	22,800	-	37,500[(v)]	324,914	595,214	61%
Richard Hill [(ii)]	101,625	-	12,504	-	31,071[(v)]	235,544	380,744	70%
	650,950	**-**	**41,004**	**-**	**116,110**	**829,975**	**1,638,039**	

(i) Appointed on 12 March 2019

(ii) Appointed on 25 November 2019

(iii) In return for their agreement to reduce their salary, the Company has agreed to grant each of the senior executives and directors (or their respective nominees) Share Rights under the ESIP. Each Share Right will entitle the holder to acquire one Share in the Company. The deemed issue price for the Share Rights is $0.28 each, which represents the VWAP for the month of April 2020 and which is the same deemed issue price of Shares issued to other unrelated staff and service providers of the Company. The Share Rights immediately vest on the grant date and expire 24 months from the grant date.

(iv) The shareholders approved the share issuance on 1 September 2020. Shares were issued on 2 September. Refer to ASX Announcement dated 2 September 2020.

(v) Shares were issued on 1 July 2020. Refer to ASX Announcement dated 1 July 2020.

(vi) Only Paul Brennan was granted performance rights.

Directors' report

2019 – Group								
Group KMP	Short-term benefits		Post-employment benefits		Share-based payments		Total	% of Remuneration as equity-based payments
	Salary, fees and leave	Other	Super-annuation	Other	Equity-settled shares	Equity - settled options and rights[ix]		
	$	$	$	$	$	$	$	
David Reeves	275,000	-	-	-	-	15,556	290,556	5.0%
Mark Connelly	60,000	-	5,700	-	133,818	-	199,518	67.0%
Keith Coughlan	24,000	-	-	-	-	12,963	36,963	35.0%
Peter Hepburn-Brown [vii]	4,200	-	-	-	-	-	4,200	-%
Adam Miethke	24,000	-	-	-	-	15,556	39,556	39.0%
James Carter[viii]	27,500	-	-	-	21,653	-	49,153	44.0%
Paul Brennan	74,286	-	7,057	-	-	20,175	101,518	20%
	488,986	-	12,757	-	155,471	64,250	721,464	

(vii) Deceased 2 September 2018
(viii) Resigned 21 September 2018
(ix) Only Paul Brennan was granted performance rights.

14.4 Service agreements

Name	Employing Company	Base Salary/Fees	Terms of Agreement	Termination Notice Period
Mr David Reeves	Calidus Resources Limited	Consultancy fees of $275,000 per annum plus GST[a]	Until terminated.	3 months in writing by either party or termination payment equal to 3 months consultancy fees.
Mr Paul Brennan	Keras (Pilbara) Gold Pty Ltd[b]	Base salary of $240,000 per annum plus superannuation of 9.5%	Until terminated.	3 months in writing by either party or termination payment equal to 3 months of the base salary.
Mr Richard Hill [c]	Calidus Resources Limited	25 November 19 to 31 January 20: A day rate of $1,150 per day plus superannuation of 9.5% Following 31 January 20: Base salary of $240,000 per annum plus superannuation of 9.5%	Until terminated.	6 months in writing by either party or termination payment equal to 6 months of the base salary.

(a) 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.

(b) A wholly owned subsidiary of Calidus Resources Limited. Refer to Note 18.

(c) Appointed on 21 November 2019. In the event of a change in control (which occurs when a person's voting power in the Company increases above 50%), the employee will receive a bonus payment equal to 6 months base salary. However, this bonus will not be payable if, within 6 months after the change of control, either the employee or the Company terminates the agreement in accordance with the agreement.

Directors' report

a. Non-executive Director Agreements

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

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

14.5 Share-based compensation

Issue of shares
No shares were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020.

Share Rights
In return for their agreement to reduce their salary, the Company has agreed to grant each of the senior executives and directors (or their respective nominees) Share Rights under the ESIP. Each Share Right will entitle the holder to acquire one Share in the Company. The deemed issue price for the Share Rights is $0.28 each, which represents the VWAP for the month of April 2020 and which is the same deemed issue price of Shares issued to other unrelated staff and service providers of the Company. The Share Rights immediately vest on the grant date and expire 24 months from the grant date.

Share rights granted carry no dividend or voting rights.

The terms and conditions of each grant of share rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of share rights granted	Deemed grant date	Share price at grant date	Expiry date
David Reeves[1]	122,768	7-May 20	$0.300	7-May 22
Mark Connelly[1]	26,786	5-May-20	$0.305	5-May-22
Keith Coughlan	-	-	-	-
Adam Miethke[1]	6,429	26-May-20	$0.395	26-May-22
Paul Brennan[2]	107,143	20-May-20	$0.350	20-May-22
Richard Hill[2]	107,143	8-May-20	$0.290	8-May-22

[1] The shareholders approved the share issuance on 1 September 2020. Shares were issued on 2 September. Refer to ASX Announcement dated 2 September 2020.
[2] Shares were issued on 1 July. Refer to ASX Announcement dated 1 July 2020.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

NED Options and Exec Options

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
David Reeves	150,000	25-Nov-19	24-Nov-20	27-Dec-21	Nil	$0.21
Mark Connelly	300,000	25-Nov-19	24-Nov-22	27-Dec-23	Nil	$0.21
Keith Coughlan	200,000	25-Nov-19	24-Nov-22	27-Dec-23	Nil	$0.21
Adam Miethke[1]	200,000	25-Nov-19	27-Jul-20	27-Aug-20	Nil	$0.21
Paul Brennan	150,000	25-Nov-19	24-Nov-20	27-Dec-21	Nil	$0.21
Richard Hill	150,000	29-Jan-20	28-Jan-21	30-Jan-22	Nil	$0.26

[1] On 27 July 2020, the Board resolved that it will permit all of the NED Options issued to Adam Miethke will vest under a good leaver exception and that Adam Miethke will have one month to exercise these options.

Directors' report

Incentive options

Name	Number of options granted	Grant date	Vesting date[1] and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
David Reeves	1,500,000	25-Nov-19	30-Sep-20	27-Dec-24	Nil	$0.21
David Reeves	1,500,000	25-Nov-19	-	27-Dec-24	Nil	$0.21
Paul Brennan	1,350,000	25-Nov-19	30-Sep-20	27-Dec-24	Nil	$0.21
Paul Brennan	1,350,000	25-Nov-19	-	27-Dec-24	Nil	$0.21
Richard Hill	1,350,000	29-Jan-20	30-Sep-20	30-Jan-25	Nil	$0.26
Richard Hill	1,350,000	29-Jan-20	-	30-Jan-25	Nil	$0.26

[1]As at reporting date, the probability of achievement of the milestones (detailed in Section 14.2d) and the first of the options are deemed to be 100% with estimated achievement date on 30 September 2020. No value was expensed for second half of the options during the year as the probability of achievement of the milestone as at 30 June 2020 was less than 50%.

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Note 17: Share based payments'. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

14.6 Additional disclosures relating to the key management personnel

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

2020 – 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.	Consolidation No.	Balance at end of year No.
David Reeves	17,757,903	-	500,000	143,895,735	(145,159,439)	16,994,200
Mark Connelly	5,000,000	-	-	-	(4,500,000)	500,000
Keith Coughlan	4,440,000	-	500,000	-	(3,996,000)	944,000
Adam Miethke	-	-	-	-	-	-
Paul Brennan	5,000,000	-	-	(2,150,000)	(2,700,000)	150,000
Richard Hill	-	-	-	-	-	-
	32,197,903	-	1,000,000	141,745,735	(156,355,439)	18,588,200

b. Share rights in Calidus Resources Limited held by each KMP

2020 – Group *Group KMP*	Balance at start of year No.	Received during the year as compensation No.	Other changes during the year No.	Consolidation No.	Balance at end of year No.
David Reeves	-	122,768	-	-	122,768
Mark Connelly	-	26,786	-	-	26,786
Keith Coughlan	-	-	-	-	-
Adam Miethke	-	6,429	-	-	6,429
Paul Brennan	-	107,143	-	-	107,143
Richard Hill	-	107,143	-	-	107,143
	-	370,269	-	-	370,269

Directors' report

c. Options in Calidus Resources Limited held by each KMP

2020 – 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.	Consolidation No.	Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
David Reeves	5,000,000	150,000	(500,000)	3,000,000	(4,500,000)	3,150,000	-	3,150,000
Mark Connelly	-	300,000	-			300,000	-	300,000
Keith Coughlan	5,000,000	200,000	(500,000)		(4,500,000)	200,000	-	200,000
Adam Miethke	6,000,000	200,000	-	(600,000)	(5,400,000)	200,000	-	200,000
Paul Brennan	-	150,000		2,700,000	-	2,850,000	-	2,850,000
Richard Hill	-	150,000		2,700,000	-	2,850,000	-	2,850,000
	16,000,000	1,150,000	(1,000,000)	7,800,000	(14,400,000)	9,550,000	-	9,550,000

d. Performance rights in Calidus Resources Limited held by each KMP

2020 – 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.	Consolidation No.	Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
Paul Brennan	9,000,000	-	-	-	(8,100,000)	900,000	900,000	-
	9,000,000	-	-	-	(8,100,000)	900,000	900,000	-

14.7 Other transactions with KMP and or their related parties

During the 2020 financial year, the Group incurred the following amounts to related parties:

- Office Rent
  Wilgus Investments Pty Ltd and Wild West Enterprises Pty Ltd $81,961* (30 June 2019: $62,300)

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

  The rent payable by Calidus under the Office Lease Agreement is:

  a. From July – August 2019: $6,100 per month payable in advance; and
  b. From Sept to June 2020: $7,100 per month payable in advance.

  * During the financial year, the Company initiated various cash preservation measures in March at the start of the COVID-19 pandemic to ensure it was funded through to a final investment decision on the Warrawoona Gold Project. This includes various directors, senior staff and consultants electing to take part of their pay or fees in the form of Securities.

  The Company has, subject to Shareholder approval, invited Wild West Enterprises Pty Ltd to participate in a fee reduction in return for fully paid ordinary shares (Shares), whereby Wild West Enterprises has accrued 50% of its monthly office rental fee for a period of 3 months from 1 April to 30 June 2020 (Reduced Amount).

  In return for the agreed Reduced Amount, the Company has agreed to issue Wild West Enterprises (or its nominees) 38,036 Shares. The value of the shares was $11,411 at the valuation date. The shares were approved by Shareholder on 1 September 2020.

Directors' report

- Consulting Fees - Discovery Capital Partners Pty Ltd $119,679** (30 June 2019: $170,000)

  The Group paid Corporate Advisory and Capital Raising fees to Discovery Capital Partners Pty Ltd of $119,679 during the year ended 30 June 2020 (30 June 2019: $170,000). Mr Miethke is a director of Discovery Capital. The Board considers that the Discovery Capital engagement to be on arms' length and commercial terms.

  ** During the financial year, the Company initiated various cash preservation measures in March at the start of the COVID-19 pandemic to ensure it was funded through to a final investment decision on the Warrawoona Gold Project. This includes various directors, senior staff and consultants electing to take part of their pay in the form of Securities.

  The Company has, subject to Shareholder approval, invited Discovery Capital Partners Pty Ltd to participate in a fee reduction in return for fully paid ordinary shares (Shares), whereby Discovery Capital Partners Pty Ltd has accrued 50% of its monthly office rental and outgoings fee for a period of 3 months from 1 April to 30 June 2020 (Reduced Amount).

  In return for the agreed Reduced Amount, the Company has agreed to issue Discovery Capital Partners Pty Ltd 32,143 Shares. The value of the shares was $8,679 at the valuation date. The shares were approved by Shareholder on 1 September 2020.

Refer also Note 20 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 Friday, 11 September 2020

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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 2020, 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.

MOORE AUSTRALIA

SL TAN
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 11th day of September 2020.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2020

	Note	30 June 2020 $	30 June 2019 $
Continuing operations			
Revenue	3a	363,917	3,691,174
Other income	3b	234,381	84,980
		598,298	3,776,154
Compliance costs		(421,947)	(580,035)
Depreciation and amortisation		(62,560)	(60,200)
Employment costs	4a	(703,694)	(512,401)
Exploration and evaluation expenditure		(25,453)	(2,320)
Finance costs		(1,503)	(21,615)
Insurance fees		(75,075)	(41,983)
Exploration expenditure written off	11b	(163,643)	(15,000)
Legal and consulting fees		(160,918)	(83,705)
Occupancy costs		(74,316)	(65,224)
Share-based payments	17	(1,129,850)	(634,532)
Share registry and listing fees		(102,132)	(100,625)
Travel and accommodation		(52,895)	(84,825)
Other expenses	4b	236,041	(408,566)
Unrealised profit / (loss) on Pacton shares		45,368	(2,405,866)
Foreign exchange loss		(66)	(1,974)
Profit / (loss) before tax		(2,094,345)	(1,242,718)
Income tax benefit / (expense)	5	-	-
Net profit / (loss) for the year		(2,094,345)	(1,242,718)
Other comprehensive income, net of income tax		-	-
Other comprehensive income for the year, net of tax		(2,094,345)	(1,242,718)
Total comprehensive income attributable to members of the parent entity		(2,094,345)	(1,242,718)
Earnings per share:		¢	¢
Basic and loss per share (cents per share)	6c	(0.01)	(0.09)

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 2020

	Note	30 June 2020 $	30 June 2019 $
Current assets			
Cash and cash equivalents	7	5,690,661	4,145,369
Trade and other receivables	8	261,695	307,782
Financial assets	9a	1,362,119	1,275,245
Other	9b	43,669	-
Total current assets		7,358,144	5,728,396
Non-current assets			
Plant and equipment	10	696,763	114,309
Exploration and evaluation assets	11	24,329,686	18,145,519
Other non-current assets		24,993	24,993
Total non-current assets		25,051,442	18,284,821
Total assets		32,409,586	24,013,217
Current liabilities			
Trade and other payables	12	1,338,107	1,876,611
Short-term provisions	13	48,219	151,123
Total current liabilities		1,386,326	2,027,734
Total liabilities		1,386,326	2,027,734
Net assets		31,023,260	21,985,483
Equity			
Issued capital	14a	39,714,679	29,712,407
Reserves	16	1,910,237	780,387
Accumulated losses		(10,601,656)	(8,507,311)
Total equity		31,023,260	21,985,483

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

Consolidated statement of changes in equity
for the year ended 30 June 2020

	Note	Issued Capital $	Employee Shares $	Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2018		21,712,043	414,029	170,855	(7,264,593)	15,032,334
Loss for the year attributable owners of the parent		-	-	-	(1,242,718)	(1,242,718)
Other comprehensive income for the year attributable owners of the parent		-	-	-	-	-
Total comprehensive income for the year attributable owners of the parent		-	-	-	(1,242,718)	(1,242,718)
Transaction with owners, directly in equity			-			
Shares issued during the year		7,820,047	-	-	-	7,820,047
Share based payments	17	-	-	609,532	-	609,532
Employee shares issued during the year	14e/15	439,029	(414,029)	-	-	25,000
Transaction costs	14a	(258,712)	-	-	-	(258,712)
Balance at 30 June 2019		29,712,407	-	780,387	(8,507,311)	21,985,483
Balance at 1 July 2019		29,712,407	-	780,387	(8,507,311)	21,985,483
Loss for the year attributable owners of the parent		-	-	-	(2,094,345)	(2,094,345)
Other comprehensive income for the year attributable owners of the parent		-	-	-	-	-
Total comprehensive income for the year attributable owners of the parent		-	-	-	(2,094,345)	(2,094,345)
Transaction with owners, directly in equity			-			
Shares issued during the year		10,557,000	-	-	-	10,557,000
Share based payments	17	-	-	1,129,850	-	1,129,850
Transaction costs	14a	(554,728)	-	-	-	(554,728)
Balance at 30 June 2020		39,714,679	-	1,910,237	(10,601,656)	31,023,260

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

Consolidated statement of cash flows
for the year ended 30 June 2020

	Note	30 June 2020 $	30 June 2019 $
Cash flows from operating activities			
Receipts from customers		33,500	10,063
Payments for suppliers and employees		(1,865,629)	(2,837,498)
Interest received		74,071	84,980
Net cash used in operating activities	7c	(1,758,058)	(2,742,455)
Cash flows from investing activities			
Payments for exploration expenditure		(6,240,149)	(6,851,690)
Proceeds from Pacton share sales		322,410	-
Purchase of plant and equipment		(645,014)	(14,131)-
Net cash used in investing activities		(6,562,753)	(6,865,821)
Cash flows from financing activities			
Proceeds from issue of shares		10,402,500	7,786,687
Payments for capital raising costs		(536,397)	(175,289)
Net cash provided by financing activities		9,866,103	7,611,398
Net (decrease)/increase in cash held		1,545,292	(1,996,878)
Cash and cash equivalents at the beginning of the year		4,145,369	6,142,247
Cash and cash equivalents at the end of the year	7b	5,690,661	4,145,369

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

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Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 1 Statement of significant accounting policies

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

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

The financial statements were authorised for issue on 11 September 2020 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 (**AASB**) 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. 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 period affected.

iii. 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

Except where stated below, the Group has consistently applied the following accounting policies to all period presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting period beginning after 1 July 2019 as per (d) below.

c. Principles of consolidation

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the 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.

Notes to the consolidated financial statements

for the year ended 30 June 2020

Note 1 Statement of significant accounting policies

Notes to the consolidated financial statements

for the year ended 30 June 2020

1 Statement of significant accounting policies

c. Principles of consolidation (continued)

The Group measures goodwill at the acquisition date as:

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

less

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

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

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

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

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 18 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.

Notes to the consolidated financial statements

for the year ended 30 June 2020

Note 1 Statement of significant accounting policies

d. Application of New and Revised Accounting Standards

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting year and the group had to change its accounting policies as a result of adopting the following standard:

AASB 16: Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains a lease or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Initial Application of AASB 16: Leases

Based on director’s assessment, the adoption of AASB 16 did not have any impact on the Group as its existing lease contract is short-term in nature.

ii. Other standards not yet applicable

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

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 period and on foreseeable future transactions.

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 1 Statement of significant accounting policies

e. Critical Accounting Estimates and Judgments

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

i. Key Estimate – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. Refer to accounting policy stated in note 11 Exploration and evaluation assets. The carrying value of capitalised expenditure at reporting date is $24,329,686 (30 June 2019: $18,145,519).

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

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

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

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

ii. 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.

iii. 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 5 Income Tax.

iv. Key judgements and estimates – Coronavirus (COVID-19) pandemic

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

v. Share based payment transactions

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

Notes to the consolidated financial statements
for the year ended 30 June 2020

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 6872

Telephone: +61 (8) 6245 2050

Note 3 Revenue and other income

	2020 $	2019 $
a. **Revenue**		
Revenue – disposal of conglomerate gold rights	-	3,691,174
Revenue – additional Pacton shares received	363,917	-
	363,917	3,691,174
b. **Other income**		
Other	160,310	-
Interest income	74,071	84,980
	234,381	84,980

Included in Other are Cash Flow Boosts received from ATO of $88,588 (2019: Nil).

Revenue

Revenues represent revenue generated from external customers. There were no inter-segment revenues in the current year.

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.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Note 4 Profit / (loss) before income tax

	2020 $	2019 $
The following significant revenue and expense items are relevant in explaining the financial performance:		
a. **Employment costs:**		
■ Directors fees	339,325	386,890
■ Superannuation expenses / (reimbursement)	24,068	7,202
■ Wages and salaries	247,396	94,350
■ Other employment related costs	92,905	23,959
	703,694	512,401

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 4 Profit / (loss) before income tax (continued)

	2020 $	2019 $
b. **Other expense:**		
■ (Reversal)/Accruals of stamp duty due to settlement	(251,939)	363,406
■ Receipt of fuel tax credit	(43,537)	(9,639)
■ Other	59,435	54,799
	(236,041)	408,566

Note 5 Income tax

	2020 $	2019 $
a. **Income tax expense / (benefit)**		
Current tax	(2,117,838)	(2,152,075)
Deferred tax	2,117,838	2,152,075
Relating the origination and reversal of temporary differences	139,044	(1,858,671)
Deferred tax expense (benefit) not recognised	(139,044)	1,856,671
Income tax expense (benefit) reported in income statement	-	-
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:		
Accounting profit (loss) before tax from continuing operations	(2,094,345)	(1,242,718)
Prima facie tax on operating loss at 27.5% (2019: 30%)	(575,945)	(372,816)
Add / (Less)		
Tax effect of:		
☐ Non-deductible share-based payments	310,709	190,360
☐ Non-deductible expenses	(22,326)	1,698
☐ Deferred tax asset not brought to account	287,562	180,758
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	nil	nil

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 5 Income tax (continued)	Note	2020 $	2019 $
e. Deferred tax assets			
Tax losses		10,135,309	8,634,670
Financial assets		500,197	721,760
Plant and equipment		2,314	16,408
Provisions and accruals		20,042	12,801
Capital raising costs		435,446	255,957
Unrealised foreign exchange		(13)	592
		11,093,296	9,642,188
Set-off deferred tax liabilities	5f	(4,358,471)	(2,768,320)
Net deferred tax assets		6,734,824	6,873,868
Less deferred tax assets not recognised		(6,734,824)	(6,873,868)
Net tax assets		-	-
f. Deferred tax liabilities			
Exploration expenditure		4,358,471	2,768,320
		4,358,471	2,768,320
g. **Tax losses and deductible temporary differences**			
Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised:		36,251,877	28,720,041
		36,251,877	28,720,041

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2020 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:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(b) the company continues to comply with the conditions for deductibility imposed by law; and
(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

The corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The directors have determined that the deferred tax balances be measured at the tax rates stated.

Current tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 5 Income tax (continued)

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes
Revenues, expenses and assets are recognised net of the amount of GST except:
- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 6 Earnings per share (EPS)	2020 $	2019 $
a. **Reconciliation of earnings to profit or loss**		
(Loss) / profit for the year	(2,094,345)	(1,242,718)
(Loss) / profit used in the calculation of basic and diluted EPS	(2,094,345)	(1,242,718)

	2020 $	2019 $
b. **Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS**	191,358,195	1,394,677,575

	2020 $	2019 $
c. **Earnings per share**		
Basic EPS (cents per share)	(0.01)	(0.09)

d. At the end of the 2020 financial year, the Group has 15,788,500 unissued shares under options (2019: 166,500,000 [Pre 10:1 Shares Consolidation]), 2,100,000 performance rights on issue (2019: 12,000,000 [Pre 10:1 Shares Consolidation]), 497,903 share rights (2019: nil) and nil performance shares on issue (2019: 275,000,000 [Pre 10:1 Shares Consolidation]). The Group does not report diluted earnings per share on annual losses generated by the Group. During the 2020 financial year the Group's unissued shares under option and partly-paid shares were anti-dilutive.

Basic profit/(loss) per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted profit/(loss) per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to the consolidated financial statements

for the year ended 30 June 2020

Note 7 Cash and cash equivalents

	Note	2020 $	2019 $
a. **Current**			
Cash at bank		5,690,661	4,145,369
		5,690,661	4,145,369

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23 Financial risk management.

	Note	2020 $	2019 $
b. **Reconciliation of cash**			
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		5,690,661	4,145,369
		5,690,661	4,145,369

c. **Cash Flow Information**

	Note	2020	2019
i. Reconciliation of cash flow from operations to (loss)/profit after income tax			
Loss after income tax		(2,094,345)	(1,242,718)
Cash flows excluded from (loss)/profit attributable to operating activities			-
Non-cash flows in (loss)/profit from ordinary activities:			
■ Depreciation and amortisation		62,560	60,200
■ Other		(15,693)	-
■ Share-based payments	17	1,129,849	634,532
■ Exploration write off/Impairment expense		163,643	15,000
■ Pacton revaluation		(409,285)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
■ (Increase)/decrease in receivables		2,418	(48,010)
■ (Increase)/decrease in other assets		(86,874)	(2,591,983)
■ Increase/(decrease) in trade and other payables		(527,523)	669,957
■ Increase/(decrease) in provisions		17,192	(239,432)
Cash flow from operations		(1,758,058)	(2,742,455)

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 7 Cash and cash equivalents (cont)

d. **Credit standby facilities**

The Group has no credit standby facilities.

e. **Non-cash financing activities**

There were no non-cash financing activities during the financial year ended 30 June 2020 or the prior year.

Note 8 Trade and other receivables

	2020 $	2019 $
a. **Current**		
Trade receivables	36,575	-
GST receivable	225,120	307,782
	261,695	307,782

Expected credit losses

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

Where applicable, in measuring the expected credit losses, the trade receivables are assessed on a collective basis as they possess shared credit risk characteristics. They are grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for past sales (where applicable) as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst others is considered indicators of no reasonable expectation of recovery.

Note 9 Other assets

	2020 $	2019 $
a. Financial assets – fair value through profit or loss		
Shares in Pacton Gold Inc. - at fair value	1,362,119	1,275,245
	1,362,119	1,275,245
b. Other assets		
Prepayments	43,669	-
	43,669	-

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 10 Property, plant, and equipment

	2020 $	2019 $
a. **Non-current**		
Motor vehicles	76,104	76,104
Accumulated depreciation	(65,834)	(40,466)
	10,270	35,638
Computer and software	48,056	44,725
Accumulated depreciation	(36,000)	(20,746)
	12,056	23,979
Mining equipment	87,951	84,696
Accumulated depreciation	(52,635)	(30,004)
	35,316	54,692
Buildings	639,121	-
Total plant and equipment	696,763	114,309

b. **Movements in Carrying Amounts**	Motor Vehicles $	Computer and software $	Mining equipment $	Buildings $	Total $
Carrying amount at the beginning of year	35,638	23,979	54,692	-	114,309
■ Additions	-	3,331	3,255	639,121	645,707
■ Depreciation expense	(25,368)	(15,255)	(22,630)	-	(63,253)
Carrying amount at the end of year	10,270	12,056	35,316	639,121	696,763

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 10 Property, plant, and equipment (continued)

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.

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

	2020 $	2019 $
Plant and equipment	33%-66%	33%-66%
Motor vehicles	33%-66%	33%-66%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount with the impairment loss recognised in the statement of profit or loss and other comprehensive income.

Derecognition and disposal
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Notes to the consolidated financial statements

for the year ended 30 June 2020

Note 11 Exploration and evaluation assets	2020 $	2019 $
a. **Non-current**		
Exploration expenditure capitalised:		
Exploration and evaluation phase at cost	24,329,686	18,145,519
Net carrying value	24,329,686	18,145,519
b. **Movements in carrying amounts**		
Balance at the beginning of year	18,145,519	9,985,029
Expenditure during the year	6,347,810	8,175,490
Exploration expenditure write off	(163,643)	(15,000)
Carrying amount at the end of year	24,329,686	18,145,519

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
  - ii) exploration and evaluation activities in the area of interest have not at the balance 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.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

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.

Notes to the consolidated financial statements
for the period ended 30 June 2020

Note 12 Trade and other payables	2020 $	2019 $
a. **Current**		
Unsecured		
Trade payables	1,211,870	1,316,700
Accruals	21,000	462,119
Employment related payables	105,237	97,792
	1,338,107	1,876,611

Note 13 Provisions	2020 $	2019 $
a. **Current**		
Provision for stamp duty	-	120,096
Provision for payroll tax	8,972	-
Provision for annual leave	39,247	31,027
	48,219	151,123

Trade payables and provisions are non-interest bearing and usually settled within the lower of terms of trade or 30 days.

Trade payables, other payables and provisions are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement. Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

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.

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 14 Issued capital

	2020 No.	2019 No.	2020 $	2019 $
Fully paid ordinary shares at no par value	219,464,064	1,578,887,024	39,714,679	29,712,407
a. **Ordinary shares**				
At the beginning of the year	1,578,887,024	1,276,453,495	29,712,407	21,712,043
Shares issued during the year:				
Balance before reverse acquisition	-	-	-	-
ESIP Shares issued	-	17,500,000	-	414,029
Placement to Alkane Resources	-	125,000,000	-	3,687,500
Directors Shares cancelled	-	(5,000,000)	-	-
Directors Shares issued	-	5,000,000	-	-
Issue of shares to Epminex	-	120,000	-	3,360
Exercise of options	-	555,556	-	13,889
ESIP Shares issued	-	1,046,025	-	25,000
Placement to Alkane Resources	-	80,000,000	-	2,160,000
Exercise of options	-	600,000	-	15,000
Exercise of options	-	80,000	-	2,000
Exercise of options	-	1,110,000	-	27,750
Exercise of options	-	32,821,948	-	820,549
Exercise of options	-	42,400,000	-	1,060,000
Underwriting fee	-	1,200,000	-	30,000
Shares issued for tenement purchase	5,000,000	-	154,500	-
Performance shares conversion	275,000,000	-	-	-
Placement	281,250,000	-	9,000,000	-
Exercise of options	2,000,000	-	40,000	-
Exercise of options	4,000,000	-	100,000	-
Exercise of options	750,000	-	18,750	-
	2,146,887,024	1,578,887,024	39,025,657	29,971,120
Share consolidation (One for ten)	214,689,064	-	-	-
Exercise of options	25,000	-	6,250	
Exercise of options	100,000	-	25,000	-
Exercise of options	1,975,000	-	513,750	
Exercise of options	925,000	-	256,250	
Exercise of options	900,000	-	215,000	
Exercise of options	850,000	-	227,500	
Transaction costs relating to share issues	-	-	(554,728)	(258,712)
At reporting date	219,464,064	1,578,887,024	39,714,679	29,712,407

Terms of Ordinary Shares

Voting Rights

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 14 Issued capital (continued)

	2020 No.	2019 No.	2020 $	2019 $
b. **Options**				
At the beginning of the year	166,500,000	187,000,000	734,396	145,039
Issue of options to directors/employees	-	-	-	589,357
Options exercised	(6,750,000)	(87,500,000)	-	-
Options expired/cancelled	(70,000,000)	(3,000,000)	-	-
Placement to Alkane Resources	-	70,000,000	-	-
	89,750,000	166,500,000	734,396	734,396
Share consolidation (One for ten)	8,975,000	-	-	-
Issue of options	11,588,500	-	870,200	-
Options exercised	(4,775,000)	-	-	-
At reporting date	15,788,500	166,500,000	1,604,596	734,396
c. **Share Rights and Performance Rights**				
At the beginning of the year	21,000,000	12,000,000	45,991	25,816
Issue of Performance Rights	-	9,000,000	106,788	20,175
	21,000,000	21,000,000	152,779	45,991
Share consolidation (One for ten)	2,100,000	-	-	-
Issue of Share Rights	497,903	-	152,862	-
At reporting date	2,597,903	21,000,000	305,641	45,991
d. **Performance shares**				
At the beginning of the year	275,000,000	275,000,000	-	-
Performance shares converted	(275,000,000)	-	-	-
At reporting date	-	275,000,000	-	-
e. **Employee shares**				
At the beginning of the year	-	17,500,000	-	414,029
ESIP share issued	-	1,046,025	-	25,000
ESIP converted	-	(18,546,025)	-	(439,029)
At reporting date	-	-	-	-

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 14 Issued capital (continued)

f. 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	2020 $	2019 $
Cash and cash equivalents	7	5,690,661	4,145,369
Trade and other receivables	8	261,695	307,782
Trade and other payables	12	(1,338,107)	(1,876,611)
Working capital position		4,614,249	2,576,540

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 15 Employee Shares	2020 $	2019 $
Balance at the beginning of the financial year	-	414,029
ESIP shares issued	-	25,000
Conversion of employee shares	-	(439,029)
Balance at the end of the financial year	-	-

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

Note 16 Reserves		2020 $	2019 $
Options	14b	1,604,596	734,396
Share rights and Performance Rights	14c	305,641	45,991
		1,910,237	780,387

		2020 $	2019 $
a. Options Reserve			
Balance at the beginning of the financial year		734,396	145,039
Share based payments	17	870,200	589,357
Balance at the end of the financial year		1,604,596	734,396

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

At 30 June 2020, the following options are outstanding:

- 4,200,000 unlisted options exercisable at 20.0 cents expiring on or before 18 April 2021
- 388,500 unlisted options issued to senior executives exercisable at nil price expiring on or before 27 December 2021
- 700,000 unlisted options issued to non-executive directors exercisable at nil price expiring on or before 27 December 2023
- 7,150,000 unlisted options issued to senior executives exercisable at nil price expiring on or before 27 December 2024
- 150,000 unlisted options issued to senior executives exercisable at nil price expiring 30 June 2022
- 2,700,000 unlisted options issued to senior executives exercisable at nil price expiring 30 January 2025
- 500,000 unlisted options issued to senior executives exercisable at nil price expiring 4 June 2025

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 16 Reserves (continued)

		2020 $	2019 $
b.i. Share Rights			
Balance at the beginning of the financial year		-	-
Shae based payments	14c/17	152,862	-
Balance at the end of the financial year		152,862	-

At 30 June 2020, the following share rights are outstanding:

- 122,768 and 38,036 share rights for David Reeves and Wild West Enterprises Pty Ltd respectively;
- 26,786 share rights for Mark Connelly;
- 6,429 and 32,143 share rights for Adam Miethke and Discovery Capitals Pty Ltd;
- 107,143 share rights each for Paul Brennan and Richard Hill;
- 23,973 share rights for an employee; and
- 33,482 share rights for a contractor.

Please refer to Note 17(e) and remuneration report for further details on share rights issued to Key Management Personnel.

		2020 $	2019 $
b.ii. Performance Rights			
Balance at the beginning of the financial year		45,991	25,816
Share based payments	14c/17	106,788	20,175
Balance at the end of the financial year		152,779	45,991

At 30 June 2020, the following performance rights are outstanding:

- 1,200,000 performance rights for employees expiring 13 June 2021;
- 900,000 performance rights for Paul Brennan expiring 3 May 2022.

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 17 Share-based payments	Note	2020 $	2019 $
Options:			
Share based payments – Key Management Personnel	17b	723,187	589,357
Share based payments – Employee	17b	147,013	-
Subtotal – Share based payments (Options)		870,200	589,357
Performance rights:			
Share based payments – Key Management Personnel	17a.iii	106,788	20,175
Subtotal – Share based payments (Employee Shares)		106,788	20,175
Share Rights:			
Share based payments – Key Management Personnel	17e	116,110	-
Share based payments – Related Party Transactions	17e	20,090	-
Share based payments – Employee and Contractor	17e	16,662	-
Subtotal – Share based payments (Share Rights)		152,862	-
ESIP Shares issued	15	-	25,000
Gross share-based transactions		1,129,850	634,532

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.

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

i. Employee Securities Incentive Plan – Non Executive and Executive Options

During the year, the Company issued the following options with the terms and summaries below:

Number of Options	Date of Expiry	Exercise Price	Vesting Terms
700,000*	27 December 2023	Nil	1/3 each year for continuous service from grant date
388,500*	27 December 2021	Nil	12 months from continuous service from grant date
150,000	30 January 2022	Nil	12 months from continuous service from grant date

* On 25 November 2019, the Company's shareholders approved the issuance of 700,000 and 150,000 Options to Non-Executives and Executives respectively under ESIP with terms.

Notes to the consolidated financial statements

for the year ended 30 June 2020

ii. Employee Securities Incentive Plan – Incentive Options

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

Number of Options	Date of Expiry	Exercise Price
7,150,000*	27 December 2024	Nil
2,700,000	30 January 2025	Nil
500,000	4 June 2025	Nil

Vesting Terms:

1. 50% of options will vest upon announcing a positive definitive feasibility study for Warrawoona Gold Project and the Company announcing that it has acquired the approvals and permits required to commence construction of the mine on the Warrawoona Gold Project from the Environmental Protection Authority, the Department of Mines, Industry Regulation and Safety, and the Department of the Environment and Energy; and

2. Subject to the vesting of the first half of the incentive options, the remaining 50% options will vest upon the Company announcing that first gold pour has been achieved at the Warrawoona Gold Project.

* On 25 November 2019, the Company's shareholders approved the issuance of 3,000,000 options to David Reeves based on the above terms.

iii. Employee Securities Incentive Plan – Employee Performance Shares

In consideration for retaining key quality employees of Calidus, the Company has issued 9,000,000 (Pre 10:1 shares consolidation) under the Employee Securities Incentive.

Number of Options	Date of Expiry	Exercise Price	Vesting Terms
9,000,000	27 December 2022	$0.03	12 months from issue date

Subsequent to the issue of the options the company performed a ten (10) to one (1) consolidation of the share capital including all options on issue.

The options that were issued under Employee Securities Incentive Plan were valued using the Black-Scholes option pricing model, applying the following inputs to determine the fair value at the grant date:

Grant Date	Share price at grant date ($)	Exercise Price ($)	Number of options issued	Term (Years)	Expected volatility (%)	Risk free interest rate (%)	Fair value at grant date ($)
25 Nov 2019	$0.21	Nil	700,000	5	90.24%	0.81%	$0.21
25 Nov 2019	$0.21	Nil	388,500	4	90.24%	0.81%	$0.21
25 Nov 2019	$0.21	Nil	7,150,000	2	90.24%	0.76%	$0.21
29 Jan 2020	$0.26	Nil	150,000	2	90.24%	0.70%	$0.26
29 Jan 2020	$0.26	Nil	2,700,000	5	90.24%	0.76%	$0.26
2 June 2020	$0.495	Nil	500,000	5	90.24%	0.39%	$0.45
3 May 2019	$0.026	$0.03	900,000*	3	90.24%	1.28%	$0.014

** Represent post 10:1 share consolidation (Pre 10:1 share consolidation; 9,000,000 performance rights)*

Notes to the consolidated financial statements
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Note 17 Share-based payments (continued)

b. Summary of number of options and its value

A summary of number of company options issued to Key Management Personnel and Employees as share-based payments are as follows:

Number of shares	David Reeves	Mark Connelly	Keith Coughlan	Adam Miethke	Paul Brennan	Richard Hill	Employees
Executive Options							
a. 388,500 options	150,000	N/A	N/A	N/A	150,000	-	88,500
b. 150,000 options	-	N/A	N/A	N/A	-	150,000	
NED Options							
a. 700,000 options	N/A	300,000	200,000	200,000	N/A	N/A	N/A
Incentive options							
a. 7,150,000 options	3,000,000	N/A	N/A	N/A	2,700,000	-	1,450,000
b. 2,700,000 options	-	N/A	N/A	N/A	-	2,700,000	-
c. 500,000 options	-	N/A	N/A	N/A	-	-	500,000

A summary of share based expense payments issued to Key Management Personnel and Employees are as follows:

	Key Management Personnel						Employees
A$	David Reeves	Mark Connelly	Keith Coughlan	Adam Miethke	Paul Brennan	Richard Hill	
Executive Options							
a. 388,500 options	18,762	N/A	N/A	N/A	18,762	-	11,070
b. 150,000 options	-	N/A	N/A	N/A	-	16,348	-
NED Options							
a. 700,000 options	N/A	12,531	8,354	8,354	N/A	N/A	N/A
Incentive options[1]							
a. 7,150,000 options	221,516	N/A	N/A	N/A	199,364	-	107,068
b. 2,700,000 options	-	N/A	N/A	N/A	-	219,196	-
c. 500,000 options	-	N/A	N/A	N/A	-	-	28,875

Total – Key Management Personnel (A$)	723,187
Total – Employees (A$)	147,013

[1] As at reporting date, the probability of achievement of the milestones and the first of the options are deemed to be 100% with estimated achievement date on 30 September 2020. No value was expensed for second half of the options during the year as the probability of achievement of the milestone as at 30 June 2020 was less than 50%.

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for the year ended 30 June 2020

Notes to the consolidated financial statements
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Note 17 Share-based payments (continued)

c. Movement in share-based payment arrangements during the year

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

	2020		2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	16,000,000	$0.03	19,000,000	$0.03
Granted	1,150,000	$0.00	-	-
Exercised	(1,000,000)	$0.30	-	-
Expired/cancelled	(600,000)	$0.10	(3,000,000)	$0.03
Consolidation	(14,400,000)	-	-	-
Granted	8,400,000	$0.00	-	-
Outstanding at year-end	9,550,000	$0.00	16,000,000	$0.03
Exercisable at year-end	-	$0.00	16,000,000	$0.03

i. The weighted average exercise price of outstanding options at the end of the reporting year was nil.

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

d. A summary of the movements of all company options (excluding performance rights) on issue is as follows:

	2020		2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	166,500,000	$0.280	187,000,000	$0.024
Exercised [Pre 10:1 consolidation]	(6,750,000)	$0.024	(87,500,000)	$0.025
Expired/cancelled	(70,000,000)	$0.035	(3,000,000)	$0.025
Granted [Pre 10:1 consolidation]	-	-	70,000,000	$0.035
Consolidation	(80,775,00)	-	-	-
Issue of options	11,588,500	$0.00	-	-
Exercised	(4,775,000)	$0.25	-	-
Outstanding at year-end	15,788,500	$0.01	166,500,000	$0.028
Exercisable at year-end	-	-	166,500,000	$0.028

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 17 Share-based payments (continued)

e. A summary of share rights issued during the year:

Deemed grant date	Share price at grant date ($)	Name	Number of share rights	Fair value at grant date ($)
Key Management Personnel				
7 May 2020	$0.30	David Reeves	122,768	36,830
5 May 2020	$0.305	Mark Connelly	26,786	8,170
26 May 2020	$0.395	Adam Miethke	6,429	2,539
20 May 2020	$0.35	Paul Brennan	107,143	37,500
8 May 2020	$0.29	Richard Hill	107,143	31,071
				116,110
Related Party Transaction				
4 May 2020	$0.30	Wild West Enterprises Pty Ltd	38,036	11,411
13 May 2020	$0.27	Discovery Capital Partners Pty Ltd	32,143	8,679
				20,090
Employees and Contractor				
8 May 2020	$0.29	Employee	23,973	6,952
4 May 2020	$0.29	Contractor	33,482	9,710
				16,662
Total			497,903	**152,862**

As stated in the Company's March 2020 Quarterly Report, the Company initiated various cash preservation measures in March at the start of the COVID-19 pandemic to ensure it was funded through to a final investment decision on the Warrawoona Gold Project. This includes various directors, senior staff and consultants electing to take part of their pay in the form of Securities.

The Company has invited directors senior staff and consultants electing to participate in a discretionary salary reduction in return for rights to acquire Shares (**Share Rights**) to be granted under the Employee Securities Incentive Plan (**ESIP**), whereby they may elect to accrue up to 50% of their salary (**Reduced Amount**) from 1 April to 30 June 2020.

In return for their agreement to reduce their salary, the Company has agreed to grant each of the participant Share Rights under the ESIP. Each Share Right will entitle the holder to acquire one Share in the Company. The deemed issue price for the Share Rights is $0.28 each, which represents the VWAP for the month of April 2020 and which is the same deemed issue price of Shares issued to other unrelated staff and service providers of the Company. The Share Rights immediately vest on the grant date and expire 24 months from the grant date.

The rationale for inviting the participants to participate in a discretionary salary reduction in return for Share Rights is to preserve cash within the Company, strengthen the Company's balance sheet, align directors' remuneration with the Company's and Shareholders' objectives, and to provide directors with an incentive to enhance Shareholder value.

Notes to the consolidated financial statements
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Note 18 Controlled entities

a. Legal parent entity

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

i. **Legal subsidiaries**	Country of Incorporation	Class of Shares	Percentage Owned 2020	2019
Keras (Gold) Australia Pty Limited	Australia	Ordinary	100.0	100.0
Keras (Pilbara) Gold Pty Limited	Australia	Ordinary	100.0	100.0
Calidus Otways Pty Limited	Australia	Ordinary	100.0	100.0

b. Investments in subsidiaries are accounted for at cost.

Note 19 Key Management Personnel compensation (KMP)

The names are positions of KMP are as follows:

Mr David Reeves	Managing Director
Mr Mark Connelly	Non-executive Chairman
Mr Keith Coughlan	Non-executive Director
Mr Adam Miethke	Non-executive Director (resigned 27 July 2020)
Mr Paul Brennan	Chief Operating Officer
Mr Richard Hill	Chief Financial Officer

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.

	2020 $	2019 $
Short-term employee benefits	650,950	414,700
Post-employment benefits	41,004	5,700
Share-based payments	946,085	199,546
Total	1,638,039	619,946

Notes to the consolidated financial statements

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Note 20 Related party transactions

	2020 $	2019 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
■ Wilgus Investments Pty Ltd and Wild West Enterprises Pty Ltd - Office Rent	81,961	62,300
■ Discovery Capital – Corporate Advisory and Capital Raising Fees	119,679	170,000

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

Note 21 Commitments

	2020 $	2019 $
Exploration expenditure commitments payable:		
Not later than 12 months	572,780	565,077
Between 12 months and five years	1,046,789	1,400,211
Later than five years	1,864,078	2,156,710
Total Exploration tenement minimum expenditure requirements	3,483,647	4,121,998
Operating lease commitments for premises due:		
Not later than 12 months	42,600	34,200
Between 12 months and five years	-	-
Later than five years	-	-
Total operating lease commitments	42,600	34,200

Note 22 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 year ended 30 June 2020

Note 23 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 $	2020 Total $	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2019 Total $
Financial Assets								
Cash and cash equivalents	5,690,661	-	-	5,690,661	4,145,369	-	-	4,145,369
Trade and other receivables	-	-	261,695	261,695	-	-	307,782	307,782
Financial assets	-	-	1,362,119	1,362,119	-	-	1,275,245	1,275,245
Total Financial Assets	5,690,661	-	1,623,814	7,314,475	4,145,369	-	1,583,027	5,728,396
Financial Liabilities								
Financial liabilities at amortised cost								
Trade and other payables	-	-	1,338,107	1,338,107	-	-	1,876,611	1,876,611
Short-term financial liabilities	-	-	-	-	-	-	-	-
Long-term financial liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	1,338,107	1,338,107	-	-	1,876,611	1,876,611
Net Financial Assets/(Liabilities)	5,690,661	-	285,707	5,976,368	4,145,369	-	(293,584)	3,851,785

Notes to the consolidated financial statements

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Note 23 Financial risk management (continued)

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.

i. 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 year ended 30 June 2020

Note 23 Financial risk management (continued)

	Gross 2020 $	Impaired 2020 $	Net 2020 $	Past due but not impaired 2020 $
Trade receivables				
Not past due	36,575	-	36,575	-
Past due up to 15 days	-	-	-	-
Past due 15 days to 3 months	-	-	-	-
Past due over 3 months	-	-	-	-
Less intra-Group balances	-	-	-	-
	-	-	-	-
Other receivables				
Not past due	225,120	-	240,206	-
Total	261,695	-	276,781	-

ii. 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 year ended 30 June 2020

Note 23 Financial risk management (continued)

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	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Financial liabilities due for payment						
Trade and other payables	1,338,107	1,876,611	-	-	1,338,107	1,876,611
Borrowings	-	-	-	-	-	-
Total contractual outflows	1,338,107	1,876,611	-	-	1,338,107	1,876,611
Financial assets						
Cash and cash equivalents	5,690,661	4,145,369	-	-	5,690,661	4,145,369
Trade and other receivables	261,695	307,782	-	-	261,695	307,782
Financial assets	1,362,119	1,275,245	-	-	1,362,119	1,275,245
Total anticipated inflows	7,314,475	5,728,396	-	-	7,314,475	5,728,396
Net (outflow)/inflow on financial instruments	5,976,368	3,851,785	-	-	5,976,368	3,851,785

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

iii. 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 year 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 holds a material amount (Pacton Gold Inc shares) subject to price risk.

Notes to the consolidated financial statements

for the year ended 30 June 2020

Note 23 Financial risk management (continued)

iv. 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) ***Interest rates***	Profit $	Equity $
Year ended 30 June 2020		
±50 basis points change in interest rates	± 28,453	± 28,453
Year ended 30 June 2019		
±50 basis points change in interest rates	± 22,707	± 22,707

(2) ***Price***	Profit $	Equity $
Year ended 30 June 2020		
±10% change in market price of shares	± 136,211	± 136,211
Year ended 30 June 2019		
±10% change in market price of shares	± 127,245	± 127,245

v. Net Fair Values

(1) ***Fair value estimation***

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The Pacton Gold Inc shares valued at $1,362,119 are measured under level 1 in the fair value hierarchy. Cash and cash equivalents, trade and other receivables, trade creditors, other creditors and employee entitlements have been excluded from the above analysis as their fair values are equal to their carrying values.

Notes to the consolidated financial statements
for the year ended 30 June 2020

Note 24 Events subsequent to reporting date

- On 1 July 2020 Calidus announced that tenders for the major contracts, comprising a schedule of rates mining contract, tailings dam construction, EPC for the processing plant construction and a build, own, operate (BOO) model for the power station, have been let to the market.
- On 1 July 2020 Calidus announced specialist natural resources investment house Argonaut had been appointed to act as the Company's exclusive debt advisor.
- On 13 July 2020 Calidus announced that drilling was to commence at the Otways project.
- On 17 July 2020 the company announced that it had received firm commitments to raise $25 million (before costs) via a share placement to professional and sophisticated investors through the issue of 49,019,608 shares at a price of $0.51.
- On 27 July 2020 that Mr Adam Miethke resigned as Non-Executive Director of the Company.
- On 5 August 2020 the company announced that experienced mining executive Don Russell had commenced in the role of General manager operations
- On 5 August 2020 Calidus announced that Environmental Permits had been granted for early works at Warrawoona which provided the Company with the option to commence installation the mine access road and accommodation village prior to receiving full project development approval.
- On 5 August 2020 and 12 August 2020, Calidus announced the issuance of 600,000 and 170,000 unlisted options to Donald Russell and an employee respectively.
- 0n 13 August 2020, Calidus announced that it has issued and allotted 200,000 shares upon the exercise of 200,000 unquoted options, exercise price of nil, expiring 27 December 2023.
- On 24 August 2020. Calidus announced that it had Environmental approval for the Warrawoona Gold Project granted by the Western Australian Minister for Environment and that and the debt finance process was progressing with indicative debt term sheets received.

Apart from the matters discussed above, no other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 25 Contingent liabilities

b. Royalties and Joint Ventures

Keras (Pilbara) Gold Pty Ltd has an obligation to pay royalties, based on minerals produced from various tenements, to third parties as disclosed in the Section 8 of the Company's prospectus dated 8 May 2017. The royalties will only become due and payable when and if mining commences.

On 27 May 2020 the Company announced that it may earn up to a 70% interest in the Otways tenements by spending $1.2 million on the tenements over 30 months (Expenditure Commitment). At the completion of the Expenditure Commitment, each party will be subject to a fund or dilute obligation in the respective proportions on the Otways Tenements with any interest diluting below 10% converting to a 1% net smelter royalty.

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

Note 26 Auditor's remuneration

	2020 $	2019 $
Remuneration of the auditor of the company for:		
Auditing or reviewing the financial reports	40,000	35,800
Other services provided by a related practice of the auditor	-	190
	40,000	35,990

Notes to the consolidated financial statements

for the year ended 30 June 2020

Note 27 Parent entity disclosures

The following information has been executed from the books and records of the legal parent Calidus Resources Limited have been prepared in accordance with Australian Accounting Standards and the accounting policies as outlined in Note 1.

	June 2020 $	June 2019 $
b. Financial Position of Calidus Resources Limited (legal parent)		
Current assets	31,742,750	21,604,674
Non-current assets	2,107	1,745
Total assets	31,744,857	21,606,419
Current liabilities	161,486	706,593
Non-current assets	7,799	-
Total liabilities	169,285	706,593
Net assets	31,575,573	20,899,826
Equity		
Issued capital	65,193,087	53,444,699
Options and Share Rights reserve	1,783,274	760,212
Employee shares	126,963	20,175
Accumulated losses	(35,527,762)	(33,325,260)
Total equity	31,575,573	20,899,826
c. Financial performance of Calidus Resources Limited		
Profit / (loss) for the year	(2,202,502)	(2,524,347)
Other comprehensive income	-	-
Total comprehensive income	(2,202,502)	(2,524,347)

d. 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 2020 (2019: none).

e. Comparatives

The financial position of Calidus Resources Limited is as at 30 June 2020 for the current year and 30 June 2019 for the comparative year.

The financial performance of Calidus Resources Limited is for the period between 1 July 2019 to 30 June 2020 and for the comparative period between 1 July 2018 to 30 June 2019.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Calidus Resources Limited (the 'Company'):
   a. the financial statements, notes and the additional disclosures are 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 2020 and of its performance for the year then ended; and
      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after reviewing the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.

MARK CONNELLY
Non-executive Chairman
Dated this Friday, 11 September 2020

Moore Australia Audit (WA)

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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 2020, 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 2020, 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 2020 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.

Share Based Payments – Remuneration	
Refer to Note 17 Share Based Payments & Remuneration Report	
During the year ended 30 June 2020, the Group transacted with Key Management Personnel and other parties via the award of share-based remuneration payments (SBP) amounting to $1,129,850 in the form of equity settled share-based payments. The value of the SBP is a key audit matter due to it being a key material transaction with members of key management and other personnel, the valuation of which involves significant judgement and accounting estimation. We therefore identified such expenses as a key area of focus.	Our procedures included, amongst others: • Enquiring and obtaining confirmations from Key Management Personnel regarding their SBP remuneration during the period. • Reviewing minutes of directors and shareholder meetings and ASX announcements relating to the approval of such arrangements undertaken during the financial year. • Reviewing remuneration documents & assessing the valuation methodology used by management to estimate the fair value of SBP, 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. • Assessing whether the SBP have been appropriately classified and accounted for in the financial statements. We also assessed the adequacy of other related disclosures in the financial statements.
Accounting for Capitalised Exploration & Evaluation Assets	
Refer to Note 11 Exploration & Evaluation Assets	
At 30 June 2020, the Group's statement of financial position includes capitalised exploration and evaluation assets of approximately $24.3 million, representing the Group's single largest asset or 75% of total assets. The ability to recognise and to continue to defer exploration and evaluation assets under AASB 6: *Exploration for and Evaluation of Mineral Resource* 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. 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.	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: • 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. • Tested a sample of exploration & evaluation expenditures capitalised during the year to supporting documentation. • the Group is committed to continue exploration and evaluation activity in the relevant exploration areas of interest including assessing their exploration and future development expenditures that have been either budgeted for and discussions with management as to the intentions and strategy of the Group. We also reviewed the Group's ASX announcements and the Pre-Feasibility Study (PFS) report for the Warrawoona Gold Project. • 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 and the PFS valuation. We also assessed the appropriateness of the disclosures contained in the financial report.

MOORE

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 2020 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our audit report.

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 2020.

In our opinion, the Remuneration Report of Calidus Resources Limited, for the financial year ended 30 June 2020 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.

MOORE AUSTRALIA

SL TAN
PARTNER
Signed at Perth on the 11th day of September 2020

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Additional ASX Information as at 8 September 2020

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. As at 8 September 2020 there were 3,268 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 as at 8 September 2020

Rank	Name	Number of Ordinary Fully Paid Shares	% Held of Ordinary Issued Capital
1	ALKANE RESOURCES LTD	34,118,584	12.67%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,153,643	10.09%
3	MRS ELEANOR JEAN REEVES <ELANWI A/C>	16,819,044	6.25%
4	CITICORP NOMINEES PTY LIMITED	11,487,511	4.27%
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,967,053	4.07%
6	HEDGEHOG MANAGEMENT PTY LTD <RICHARDSON LOW SUPER A/C>	9,246,474	3.44%
7	NATIONAL NOMINEES LIMITED	7,335,804	2.73%
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,354,989	2.36%
9	BEATONS CREEK GOLD PTY LTD	5,138,537	1.91%
10	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	5,025,731	1.87%
11	MR BRIAN MICHAEL MORITZ	2,946,456	1.09%
12	NARNIA HOLDINGS LIMITED	2,762,587	1.03%
13	MR SIMON PATRICK BOWMAN	2,500,000	0.93%
14	MR STACEY RADFORD	2,472,576	0.92%
15	CF FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	2,326,566	0.86%
16	MR PHILLIP RICHARD PERRY	1,941,762	0.72%
17	MRS WINSOME MARY SANTA MARIA <THE SANTA FAMILY A/C>	1,910,344	0.71%
18	PROCUREMENT SOLUTIONS LIMITED	1,815,135	0.67%
19	NEWECONOMY COM AU NOMINEES LIMITED <900 ACCOUNT>	1,563,995	0.58%
20	DISCOVERY SERVICES PTY LTD <DISCOVERY CAPT INV UNIT A/C>	1,535,000	0.57%
	Total	**155,421,791**	**57.74%**

Substantial Ordinary Shareholders as at 8 September 2020

Name	Number of Ordinary Fully Paid Shares Held	% Held of Ordinary Issued Capital
ALKANE RESOURCES LTD	34,118,584	12.67%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,153,643	10.09%
MRS ELEANOR JEAN REEVES <ALANWI A/C>	16,819,044	6.25%

Distribution of Ordinary Shareholders as at 8 September 2020

Holding Range	Holders	Total Units	% Issued Ordinary Capital
1 – 1,000	297	134,378	0.05%
1,001 – 5,000	1,074	3,121,652	1.16%
5,001 – 10,000	588	4,916,380	1.83%
10,001 – 100,000	1,093	37,482,896	13.92%
100,001 – and over	216	223,526,269	83.04%
	3,268	**269,181,575**	**100.00%**

Unmarketable Parcels – as at 8 September 2020 there were 167 holders with less than a marketable parcel of shares.

On-Market Buy-Back

There is no current on-market buy-back.

Unquoted Securities

As at 8 September 2020 the following unquoted securities are on issue:

1,200,000 Performance Rights – 3 Holders

Holders with more than 20%

Holder Name	Holding	%
HADREY PTY LTD <HADREY FAMILY A/C>	900,000	42.86%
STEPHEN SHEPPARD	600,000	28.57%
GRANT MCEWEN	600,000	28.57%

7,150,000 Incentive Options Expiring 27 December 2021 @ Nil – 2 Holders

Holders with more than 20%

Holder Name	Holding	%
ELEANOR JEAN REEVES <THE ELANWI A/C>	3,000,000	41.96%
HADREY PTY LTD <HARDREY FAMILY A/C>	2,700,000	37.76%

2,700,000 Incentive Options Expiring 30 January 2025 @ Nil – 1 Holder

Holders with more than 20%

Holder Name	Holding	%
RICHARD W S HILL	2,700,000	100%

500,000 Incentive Options Expiring 4 June 2025 @ Nil – 1 Holder

Holders with more than 20%

Holder Name	Holding	%
BENJAMIN G PLAYFORD	500,000	100%

600,000 Incentive Options Expiring 5 August 2025 @ Nil – 1 Holder

Holders with more than 20%

Holder Name	Holding	%
DONALD R RUSSELL	600,000	100%

170,000 Incentive Options Expiring 12 August 2025 @ Nil – 1 Holder

Holders with more than 20%

Holder Name	Holding	%
DEAN A VALLVE	170,000	100%

388,500 Executive Options Expiring 27 December 2021 @ Nil – 2 Holders

Holders with more than 20%

Holder Name	Holding	%
ELEANOR JEAN REEVES <THE ELANWI A/C>	150,000	38.61%
HADREY PTY LTD <HARDREY FAMILY A/C>	150,000	38.61%

500,000 NED Options Expiring 27 December 2023 @ Nil – 2 Holders

Holders with more than 20%

Holder Name	Holding	%
MARCON INVESTMENTS (WA) PTY LTD	300,000	60%
KADAJE INVESTMENTS PTY LTD <KADAJE A/C>	200,000	40%

150,000 Executive Options Expiring 30 January 2022 @ Nil

Holders with more than 20%

Holder Name	Holding	%
MR RICHARD W S HILL	150,000	100%

4,200,000 Options Expiring 18 April 2021 @ $0.02 escrowed for a period of 24 months from quotation – 4 Holders

Holders with more than 20%

Holder Name	Holding	%IC
ATTOLLO INVESTMETNS PTY LTD <ATTOLLO INVESTMENT A/C>	1,000,000	23.810%
BUZZ CAPITAL PTY LTD < ZI VESTMENT A/C >	1,000,000	23.81%
SUNSET TIDAL PTY LTD <SUNSET TIDAL INVESTMENT A/C>	1,000,000	23.81%
ROMFAL SIFAT PTY LTD<THE FIZMAIL FAMILY A/C>	1,000,000	23.81%

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.