

2021 Annual Report



Calidus Resources Limited
ABN: 98 006 640 553 ASX: CAI
and Controlled Entities

Annual Report for the Financial Year
ending 30 June 2021




// ...a pivotal year for your Company, marked by the transformation from early-stage project developer to its new status as Australia's next gold producer. //



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// With stage 1 development well underway and a clear pathway to plus 130,000 oz p/a production, Calidus is well on track to be Australia's next gold producer //

Corporate Directory

Directors

David Reeves
Managing Director

Mark Connelly
Non-Executive Chairman

Keith Coughlan
Non-Executive Director

John Ciganek
Non-Executive Director

Company Secretary

Julia Beckett

Management

Richard Hill
Chief Financial Officer

Paul Brennon
Project Development

Don Russell
General Manager
Warrawoona

Registered Office & Principal Place of Business

Suite 12, 11 Ventnor Avenue
West Perth WA 6005

Email: info@calidus.com.au

Website: calidus.com.au

Auditor

Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade, Perth WA 6000

Website: moore-australia.com.au

Share Registry

Automic
GPO Box 5193, Sydney NSW 2001

Tel: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

Email: hello@automicgroup.com.au

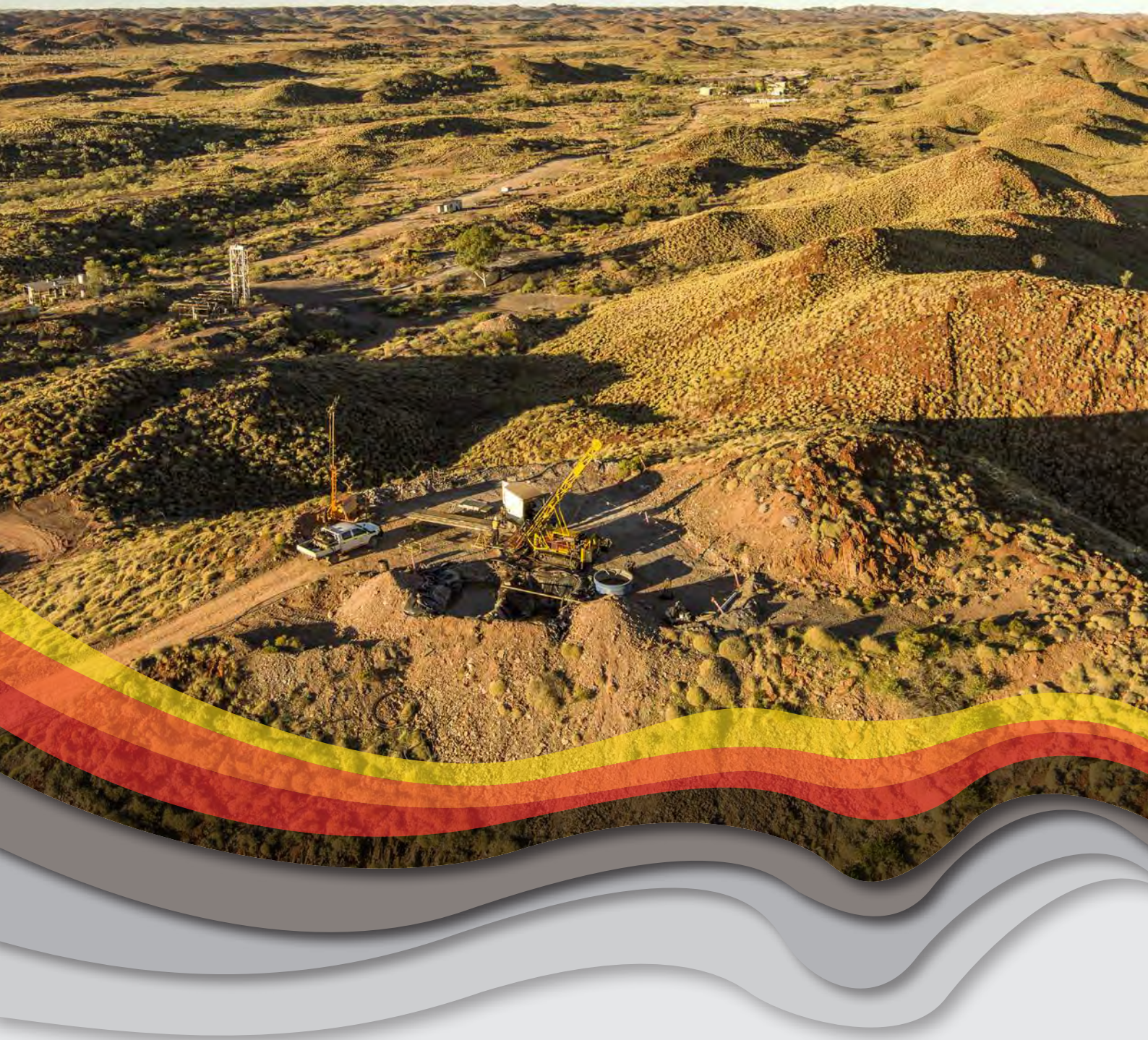
Securities Exchange Listing

The Company's shares are listed on
the Australian Securities Exchange
(ASX).

ASX Code

CAI – Ordinary Shares

// In working to achieve our project development and exploration objectives, we prioritise our commitments to sustainability. //



Chairman's Letter

Dear Shareholder

I am delighted to report to you on what has been a pivotal year for your Company, marked by the transformation from early-stage project developer to its new status as Australia's next gold producer.

At the time of writing, construction of Calidus' Warrawoona Gold Project (Warrawoona) in WA's Pilbara was proceeding in line with our timetable and budget. As a result, we are on track to meet our goal of being in production in the June quarter of 2022.

As the photographs in this report show, the progress on site has been remarkable. Mining is well underway, with ore now accumulating on the ROM pad and the primary crusher is installed. As a shareholder, I'm sure you will agree that it is a fantastic sight (and site) to behold.

In parallel with the construction activity, Calidus aims to grow the inventory and mine life at Warrawoona. We believe this two-pronged strategy will maximise the creation of shareholder value, particularly as it will enable us to leverage the infrastructure we will have in place.

As part of this approach, we started a definitive feasibility study during the year on our Blue Spec gold deposit, which is within trucking distance of Warrawoona and has a Resource of 219,000oz at 16.3 g/t. Blue Spec has the potential to increase Warrawoona's production rate to as much as 139,000oz a year compared with the 105,000oz a year contained in the Warrawoona Feasibility Study. The Blue Spec study is scheduled for completion in the June quarter of next year, in line with first gold production at Warrawoona.

We are also pursuing an aggressive exploration campaign at and around Warrawoona to help grow the inventory. The main Klondyke deposit remains open down dip and along strike and will be drilled further as mining opens up the area. In addition, regionally more than 20 priority targets have been identified.

During the year, Calidus appointed John Ciganek as an additional Independent Non-Executive Director. Mr Ciganek holds the position of Chairman of the Audit and Risk Committee. He has more than 30 years' experience in the mining sector across a range of roles including mining engineering, stockbroking, executive management, and corporate finance. Mr Ciganek's technical and financial skill sets has been of great assistance as the Company ramped up construction at Warrawoona.

In working to achieve our project development and exploration objectives, we prioritise our commitments to sustainability. Calidus views this as a core pillar of our operating culture, meaning it is embedded in everything we do rather than seen as a bolt-on requirement.

This Annual Report includes a sustainability summary highlighting the Company's commitment to delivering on its environmental and social responsibilities programs. Our Company is committed to local and regional communities, and our other stakeholders.

With construction at Warrawoona more than 60 per cent complete at the time of writing, the countdown to the start of production and cashflow is underway.

On behalf of the Board, I would like to extend my thanks to our staff and contractors for the skill, initiative and sheer hard work which has enabled us to reach this point. Your commitment to Warrawoona is greatly appreciated. I also thank our shareholders for their support over the past year and I look forward to reporting to you as we move towards first production at Warrawoona.



Mark Connelly
Non-Executive Chairman

Company Highlights FY2021

Transformational year with commencement of construction of Stage 1 of the Warrawoona Gold Project.

Large Resource Base

1.7m oz

...

Debt Secured with Macquarie Bank

\$110m

\$25M drawn
\$85M undrawn

Ore Reserve & Mineral Inventory

0.88m oz

...

Total Funds Available

\$112m

...

Feasibility & Integration Studies Demonstrate Steady State Production

130,000 oz per annum

AISC <\$1,300/oz

Cash on Hand

\$27m

...

Construction Underway at Warrawoona

41% Complete

as at 30 June 2021

Development Cost Remaining to Complete Stage 1

\$78m

...

Review of Operations

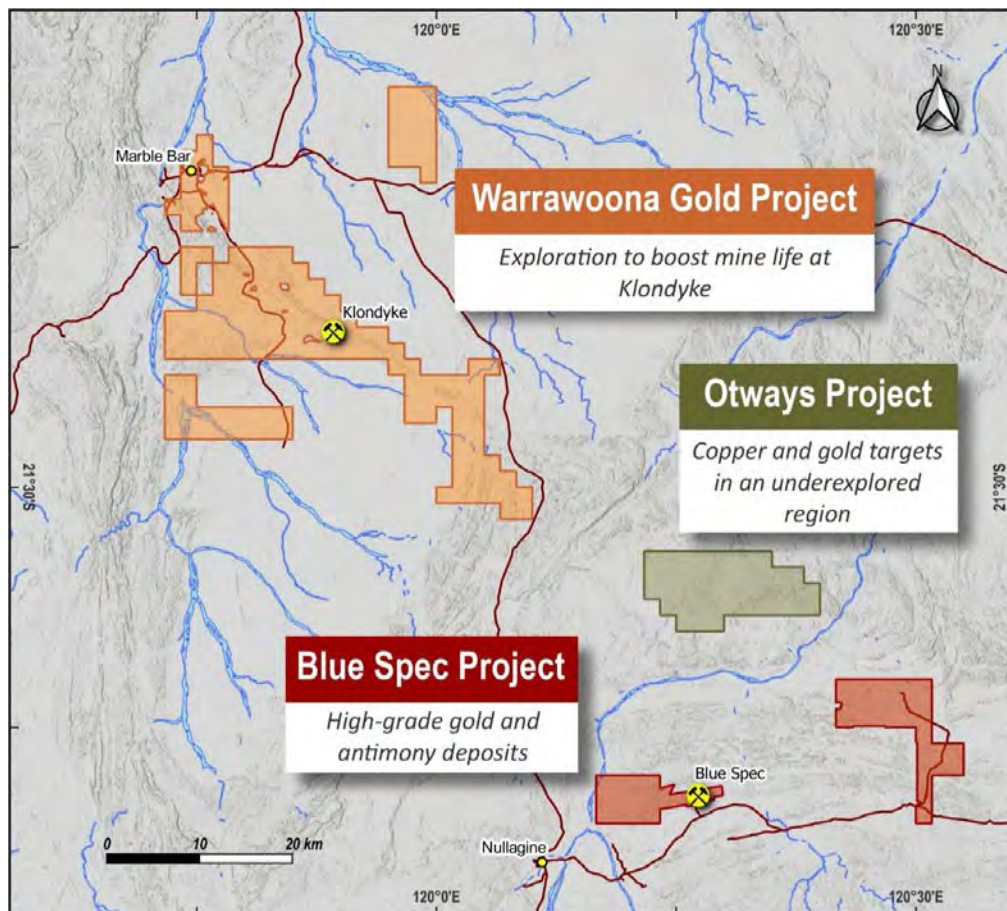
Warrawoona Gold Project Overview

Calidus Resources Limited (ASX:CAI) (Calidus or the Company) is fully funded and has commenced development of the 1.7Moz Warrawoona Gold Project (Warrawoona or the Project). Warrawoona comprises approximately 700 km² of prospective tenements and is located in the Pilbara region of Western Australia where multiple gold development and exploration success stories are occurring.

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

- Blue Spec Project (100% owned) – consists of an existing Resource of 415kt at 16.3g/t Au (219koz Au) and remains open down dip, together with the recent farm-in agreements on promising tenements E46/1026 and E46/1035 (both along strike from Blue Spec). The Blue Spec Integration Scoping Study highlighted that production could increase to a steady state of 130,000 ounces per annum should it be mined and processed at Warrawoona; and
- Otways Prospect (earning 70%) – during November 2020, results from the first reconnaissance drilling program returned broad zones of copper mineralisation.

Figure 1: Location of Calidus exploration projects



Warrawoona Project Feasibility Study and Blue Spec Integration

During the year, Calidus released a Feasibility Study on a Stage 1 development that confirmed that Warrawoona is set to generate strong cashflow, outstanding financial returns and a rapid payback from a 90,000 oz pa operation centred on the Klondyke deposit (Stage 1).¹

Subsequently Calidus acquired full ownership of the high-grade Blue Spec Project² located within trucking distance (~70km) of Warrawoona and released a Stage 2 study relating to the integration of Blue Spec into the mine life of Warrawoona showing strong

potential operational and capital cost synergies between Blue Spec and Warrawoona (Stage 2). Blue Spec will be treated through the sulphide circuit at Warrawoona. The study showed that the integration of Blue Spec increases cashflow significantly with production to a peak of 139,000ozpa for little additional capital expenditure³.

Development of Blue Spec and the sulphide circuit are to be funded from operational cashflow. Completion of the Feasibility Study for Blue Spec and updated Resource and Reserve estimate is planned for H1 CY2022.

Key Project Metrics

Table 1: Project Metrics

	Units	STAGE 1	STAGE 2
Average Production pa	oz	90,000	110,000
All-in Sustaining Cost (AISC) ⁴	A\$/oz	1,290	1,292
Peak Production pa	oz	105,000	139,000
Post Tax Project Cashflow ⁵	A\$M	380	472
Post Tax NPV ₈	A\$M	245	302
Post Tax IRR	% p.a.	57%	65%
Initial Mine Life	Years	8 years	8 years
Life Of Mine Production	oz	658,277	807,081

Table 2: Processing Yearly Profile (Stage 2)

Key Financials	Units	Total	Pre-Prod	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Ore Processed	kt	18,144	0	2,327	2,430	2,259	2,163	2,184	2,150	2,193	2,102
Processing Grade	g/t	1.5	0.0	1.3	1.4	1.6	2.0	2.0	2.1	1.2	0.4
Ounces Recovered	oz	807,081	0	90,586	96,222	107,750	134,514	131,990	138,700	78,829	24,835

Table 3: Cashflow and AISC Yearly Profile (Stage 2)

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

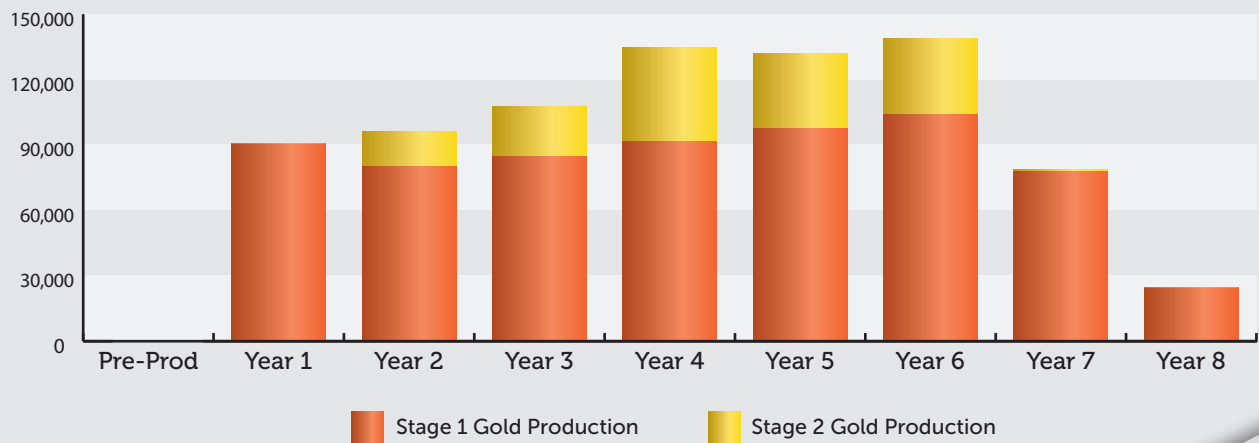
1. Refer ASX announcement dated 29 September 2020 entitled "Feasibility Paves the Way for Construction of Warrawoona"

2. Refer ASX Announcement dated 2 October 2020 entitled "Replacement Blue Spec Acquisition Announcement"

3. Refer ASX Announcement dated 23 March 2021 entitled "Blue Spec Project set to significantly increase production"

4. All in Sustaining Costs includes mining, processing, site administration, royalty costs and sustaining capital. It does not include exploration, corporate costs and non-sustaining capital.

5. Assumes a gold spot price of A\$2,355 per ounce.

Figure 2: Annual Gold Production - Ounces Produced

// Warrawoona is set to generate strong cashflow, outstanding financial returns and a rapid payback //

Progress of Warrawoona Gold Project Stage 1 Development

Calidus received all required permits during the year to commence development of Warrawoona. Early works commenced in October 2020 with the construction of the access road, 240 room village, water supply and communications backbone.

The early works facilitated the mobilisation of GR Engineering to commence process plant construction in March 2021 and Macmahon Holdings to mobilise equipment to undertake bulk earthworks, tails dam construction and initial mining.

As at 30 June 2021, the Project was 41% complete with no lost time injuries.

Construction remains on schedule and on budget with first gold expected in the June quarter 2022. Key points in relation to project development progress to-date include:

Key Contracts Awarded

- Fixed Price EPC for construction of the process plant and associated infrastructure awarded to GR Engineering
- Minor works agreement for earthmoving activities awarded to Macmahon Holdings
- Letter of Intent for Open Pit Mining Contract awarded to Macmahon Holdings
- Power Purchase Agreement awarded to Zenith Energy Pty Limited (Zenith). Zenith to provide 8MW of power demand to Warrawoona via a 10.74MW installed capacity high efficiency LNG fueled reciprocating generation facility together with an 8MW installed capacity backup diesel generation facility
- Trucked LNG Contract awarded to Woodside EDL Joint Venture providing LNG to the power station reducing the carbon footprint of operations and cost of power generation
- Catering and cleaning services awarded to Assetlink

Non-Processing Infrastructure Completed

- 240 room accommodation village completed with occupancy permit received
- 200Mb data link operational
- Construction water supply installed
- Access road complete
- Tailings Dam foundation preparations complete

Process Plant Progress

- All major mechanical equipment awarded
- SAG mill and crusher delivered to site ahead of schedule
- Significant progress on tank construction
- Mill foundations completed

Key Personnel Employed for Construction and Operations

- **General Manager Warrawoona**
Don Russell
- **Construction Manager**
Ron Epding
- **Mining Manager**
Dean Vallve
- **Geology Manager**
Ben Playford
- **Environmental Superintendent**
Tim Clarke
- **Mining Superintendent**
Tim Funston





// As at 30 June 2021, the Project was 41% complete with no lost time injuries. //



Exploration

Calidus controls or is joint ventured into approximately 700km² of tenure in the region surrounding Warrawoona which encompasses almost the entire Warrawoona greenstone belt. Calidus has a two-pronged approach to exploration with near mine and regional exploration zones.

Near Mine Exploration

The current Mineral Resources of the Company are defined in 5 deposits with Klondyke and Blue Spec hosting the majority of Resources. Both of these deposits are open at depth and have large potential to extend mine life significantly.

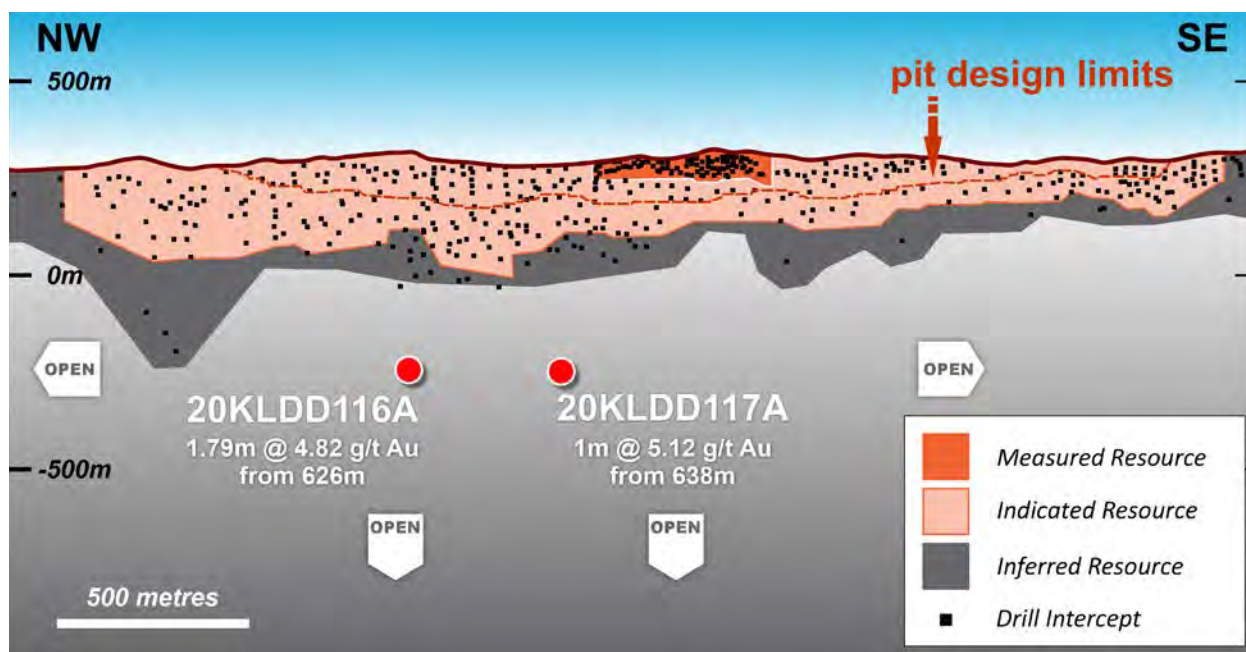
Klondyke Deposit

The Klondyke Resource is currently defined to an average depth of 300m below surface and has underground designs planned to its depth. Two drill holes were drilled during the year intersecting the deposit 250m below the current resource with both returning ore grade intercepts⁶. Further drilling to extend Klondyke will occur from an exploration decline planned at Klondyke once more knowledge on shoot geometry is gained from open pit operations.

Results from this drilling included:

- 1m @ 5.12 g/t Au from 638m (20KLDD117A)
- 1.79 m @ 4.82 g/t Au from 627.79m (20KLDD116A)
- 1.92m @ 2.84 g/t Au from 589.08m (20KLDD116)
- 3m @ 1.84 g/t Au from 599m (20KLDD117)

Figure 3: Long section showing the current Klondyke Mineral Resource extents and significant intercepts from the recent Klondyke Deeps diamond drill hole program.



⁶ Refer announcement dated 15 February 2021 entitled "Drilling extends mineralisation 250m below Resource"

Blue Spec Project

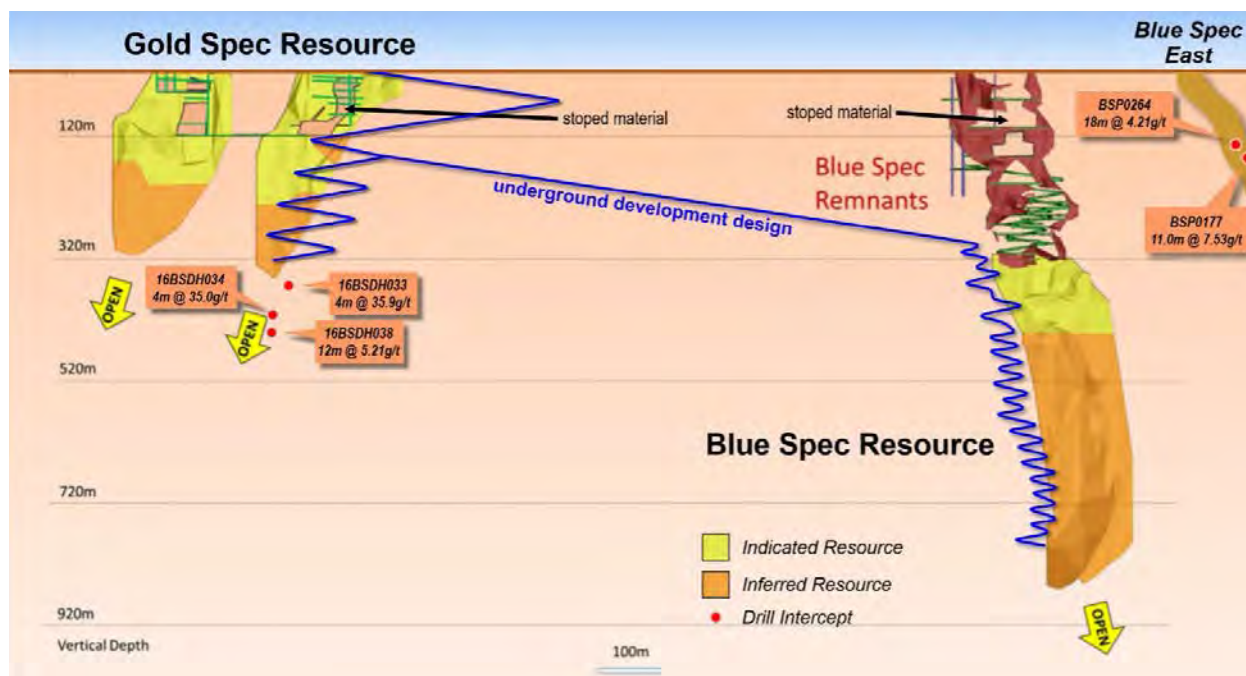
Both Blue Spec and Gold Spec remain open at depth and have potential repeats along strike. Former owners of the project drilled three drill holes up to 100m below Gold Spec produced the following results⁷:

- 4.0m @ 35.9 g/t Au from 358m (16BSDH033)
- 4.0 m @ 35.0 g/t Au from 389m (16BSDH034)
- 12.0m @ 5.21g/t Au from 405m (16BSDH038)

Additionally at Blue Spec, limited drilling to the east of the main deposit intersected significant intervals of mineralisation that require further follow up, including:

- 18.0m @ 4.21 g/t Au from 121m (BSP0264)
- 11.0m @ 7.53 g/t Au from 149m (BSP0177)

Figure 4: Blue Spec – Gold Spec Long Section



⁷ Refer announcement dated 23 March 2021 entitled "Blue Spec Project set to significantly increase production"

Coronation Deposit

During the year, Calidus announced strong drilling results which extend the strike length of the known mineralisation at its Coronation deposit which is 8km away from Warrawoona⁸.

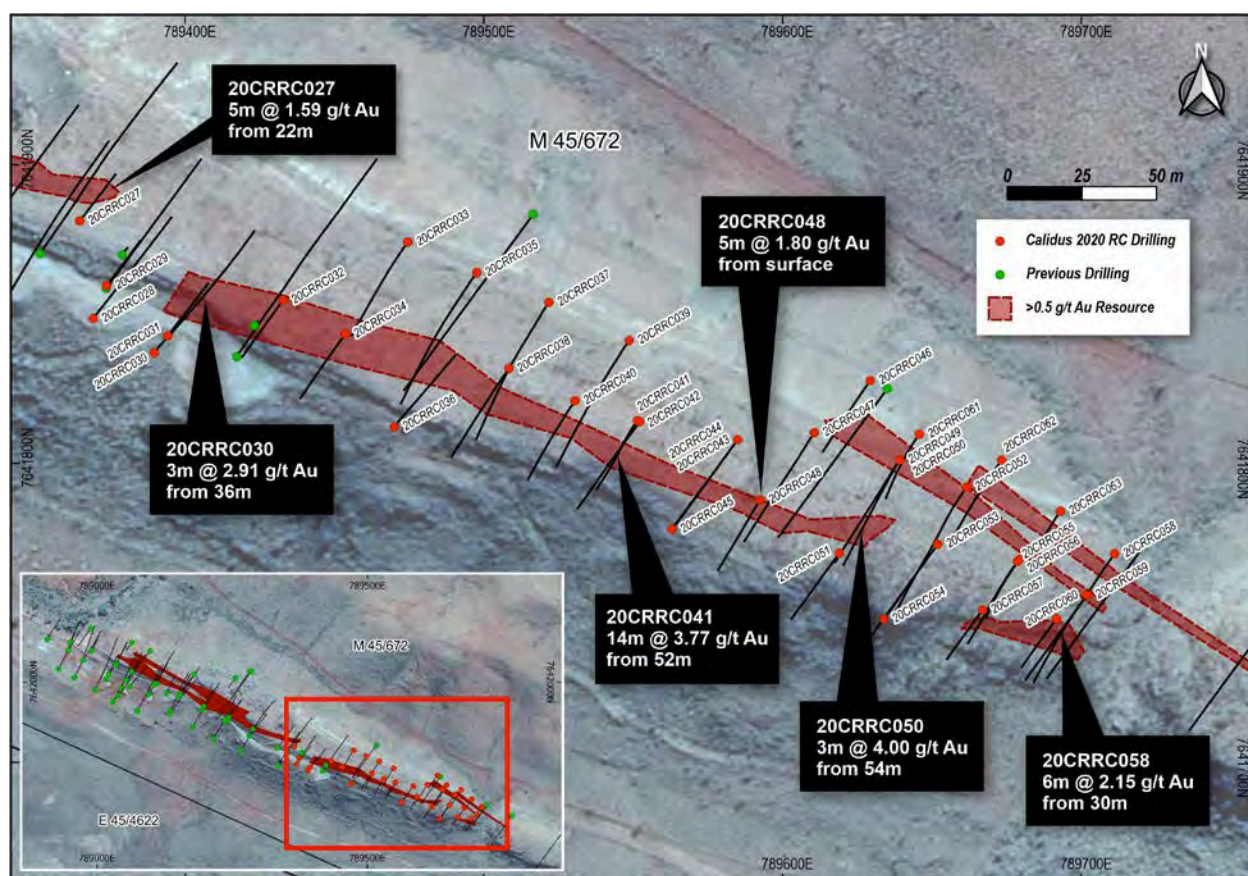
The program consisted of 29 RC holes, designed at a nominal spacing of 20m x 20m (along strike and down dip, were drilled to test the potential to extend the current Mineral Resource along strike to the southeast). Ore-grade gold mineralisation is present from surface over a strike length now of approximately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

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

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

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

Figure 5: Map and cross section at the Coronation prospect showing significant intercepts from the recent drilling program.



⁸ Refer announcement dated 3 December 2020 entitled "Drilling Extends known mineralisation at Coronation deposit"

Regional Exploration

Following delivery of the updated Pre-Feasibility Study for Warrawoona, grassroots exploration began in earnest on the Company's tenement package on the Warrawoona and Otways projects. During the last year, Calidus purchased the Blue Spec mine and announced farm-ins on two tenements along strike from Blue Spec (collectively referred to as the Blue Spec Project).

High-Priority Targets Across Warrawoona

During the year Calidus announced that a review by Southern Geoscience Consultants of the Company's regional airborne magnetic and radiometric data had identified 22 high-priority exploration targets across Warrawoona⁹. Regional hydrothermal fluid pathways were identified using potassium signatures in the radiometric data, and possible traps for gold-bearing fluids were identified from structural complexity in the magnetic data along the fluid pathways.

In late 2020, fieldwork started on validating the geophysical interpretation by identifying the key characteristics of the hydrothermal fluid pathways and documenting the nature of structural traps that may be important for gold deposition. These observations are being integrated with soil geochemistry over the project area collected in previous years. Fieldwork from these initial target areas will assist in evaluating the remaining targets more quickly and cost effectively.

Otways Project (Copper and Gold targets)

Calidus entered into an agreement with Rugby Mining Ltd to earn up to 70% interest in the Otways Project in an underexplored region ~50km from Warrawoona¹⁰.

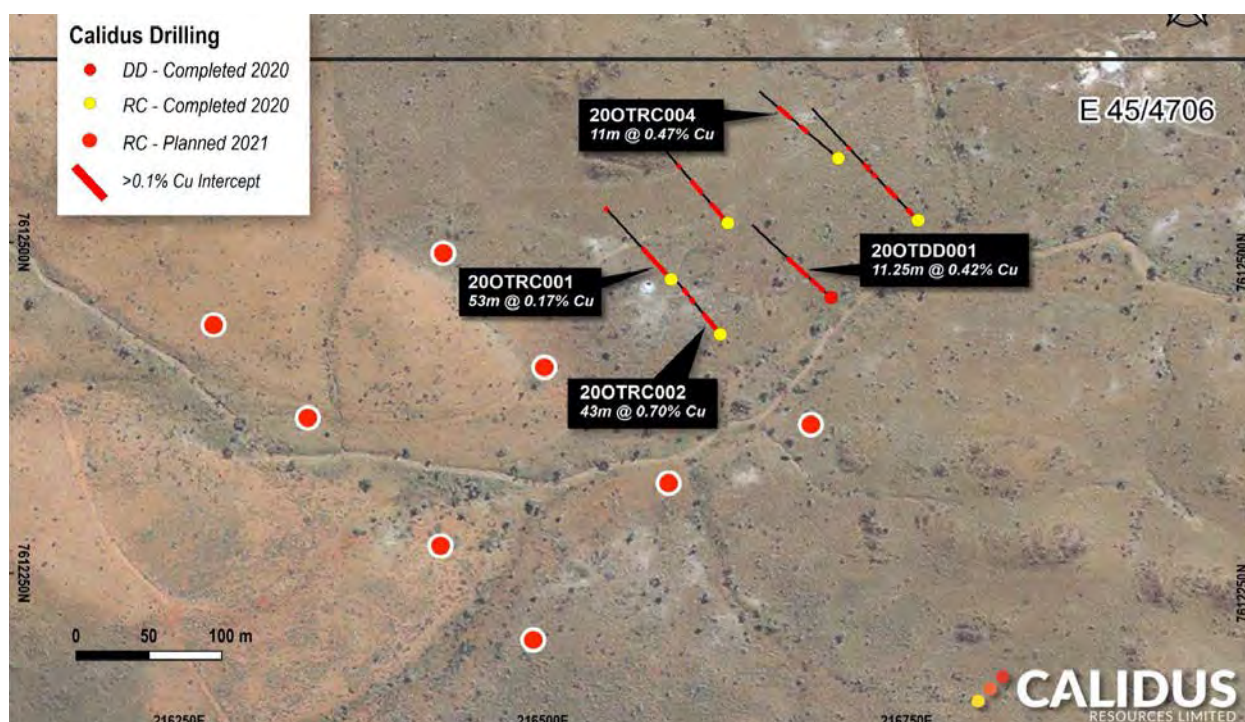
Calidus subsequently announced results from the first reconnaissance drilling program at Otways. Five RC holes and one diamond hole were drilled in July-August 2020 to test the validity of results from historic percussion drilling. Assays returned broad zones of shallow copper mineralisation and confirmed historic intercepts¹¹.

The best intercepts included:

- 43m @ 0.70% Cu (incl 10m @ 1.64%) from 0-43m in 20OTRC002
- 11m @ 0.47% Cu from 92-103m in 20OTRC004
- 11.25m @ 0.42% Cu from 71-82.25m in 20OTDD001
- 53m @ 0.17% Cu from 0-53m in 20OTRC001

A limited drill program is planned for the coming year to follow up on these initial promising results.

Figure 6: Planned RC drilling program at Otways



⁹ Refer announcement dated 14 October 2020 entitled "Calidus identifies 22 high-priority regional targets"

¹⁰ Refer announcement dated 13 July 2020 entitled "Drilling to commence at the Otways Gold-Copper Project"

¹¹ Refer announcement dated 4 November 2020 entitled "Drilling confirms historic shallow intercepts at Otways"

// The Blue Spec mine not only contains high-grade gold, but also antimony, which is listed as a critical mineral by the EU, US and Australia //



Blue Spec Project (High-grade gold and antimony deposits)

The Blue Spec Project comprises two granted Mining Leases, two granted Exploration Licences, and one Prospecting Licence under application. Calidus completed the purchase of the Blue Spec mine from Novo Resources¹² and is in the process of earning into the two Exploration Licences, E46/1026 and E46/1035¹³.

The project covers more than 8km of strike along the highly prospective Blue Spec Fault Zone which hosts the Blue Spec and Gold Spec deposits. The Blue Spec mine not only contains high-grade gold, but also antimony, which is listed as a critical mineral by the EU, US and Australia according to Geoscience Australia.

E46/1026, despite lying along strike to the west of the Blue Spec mine, has seen no modern exploration; there are no historic stream sediment samples, soil samples or drill holes located on the tenement. To most efficiently and cost effectively narrow down the search area for gold deposits, a stream sediment sampling program has been designed across the tenement. Sampling is currently underway.

Reconnaissance mapping has been conducted over parts of E46/1026 and E46/1035 to examine the field expression of zones of apparent Na-mica (paragonite) alteration around major structures indicated in airborne hyperspectral data.

Detailed structural mapping has begun around the Blue Spec pit to better understand the key factors in localising gold mineralisation along the Blue Spec Fault Zone. In addition, the exploration team will log and collect multi-element geochemistry and hyperspectral data on core from metallurgical and geotechnical holes drilled at Blue Spec in June-August. These findings will be important for targeting more favourable structural zones across the project area and in determining the best geophysical techniques to be employed in the search for blind deposits.

¹² Refer announcement dated 1 December 2020 entitled "Purchase of 2.5% NSR and initial Blue Spec payment made"

¹³ Refer announcement dated 4 December 2020 entitled "Warrawoona production hub strategy advances with farm-in" and announcement dated 3 February 2021 entitled "Calidus consolidates land position in Blue Spec region"



Corporate

Fully Funded to Production at the Warrawoona Gold Project

Project Loan facilities

Calidus executed agreements with Macquarie Bank Limited (MBL) for project loan facilities totaling \$110 million, along with an associated gold hedging facility, to fund the development of Warrawoona. The facilities comprise a Senior Secured Loan of \$85 Million and a Mezzanine facility of \$25 million. The first \$25 million of funds was drawn down from the mezzanine facility with \$85 million of facilities available at the end of the year. The first \$8 million from the Senior Secured facility was subsequently drawn in July 2021.

The Company's hedge book at 30 June 2021 consists of 125,000 ounces at an average forward price of A\$2,355/oz for delivery from 30 September 2022 to 30 September 2025.

Cash Position

At 30 June 2021, Calidus and its subsidiaries held \$27.3 million of cash, \$85.0 million in available project loan facilities and \$0.4 million in listed investments.

At year end there was \$78 million of Warrawoona development expenditure forecast to be remaining to first gold.

Personnel Changes

Appointment of Don Russell as General Manager Warrawoona

Don Russell was appointed as General Manager for Warrawoona. Don has extensive operating experience at gold mines across Australia in a 30-year career and his skills will be invaluable as the project is developed and transitions to production.

Appointment of John Ciganek as Non-Executive Director

In January 2021 the Company appointed Mr John Ciganek as an additional independent Non-executive

Director and holds the position of Chairman of the Audit and Risk Committee. John has more than 30 years in the mining sector across a range of roles including mining engineering, stockbroking, executive management and corporate finance.

Most recently, John has gained substantial experience in debt financings including project financings, project bonds issuances, convertible note offerings, working capital facilities, hedging facilities, offtaker funding, and equity raisings through his role as Executive Director for Burnvoir Corporate Finance.

Resignation of Adam Miethke as Non-Executive Director

The Company advised on 27 July 2020 that Mr Adam Miethke had resigned as Non-Executive Director of the Company. Adam made a valuable contribution to the Company over a 3 year period where he was intimately involved in the successful listing and progression of the Company.

Investor Relations

Due to COVID 19 restrictions and border closures interstate and international investor meetings and roadshows were limited to online meeting conferences.

The Company presented (either via live stream video or in person) at numerous investor conferences including:

- Diggers and Dealers in Kalgoorlie;
- Resource Rising Stars at the Gold Coast;
- RIU Explorers Conference in Fremantle;
- Australian Energy & Minerals Conference held in Brisbane;
- Euroz Conference in Perth;
- AMEC Investor Briefing in Perth; and
- Various radio and online interviews and briefings.



Sustainability Report

AT 30 JUNE 2021

Sustainable Development and Production.

Sustainable Development and Production is at the heart of our values at Calidus.

At Calidus, we work with transparency and trust, supporting long-term economic growth and creating shared value with our stakeholders. We respect the human rights of all people, including our employees, the communities where we are active, and those working within our supply chains.

We acknowledge the environmental and cultural value of the land in which we operate and mitigate potential harm as a result of our project and operational activities.

Health and Wellbeing

At Calidus we genuinely care about the health and wellbeing of our people, including our employees and contractors and all stakeholders. We believe that a healthy and engaged workforce is a conduit to becoming a safe, productive and ultimately successful and sustainable business.

Calidus is committed to promote the physical and mental health of our people through initiatives and support systems, such as employee assistance programs and the provision of onsite facilities to support a healthy lifestyle and facilitate positive social interactions.

The Board and management team at Calidus build an environment and culture to support the health and wellbeing of all our employees and contractors through visible and effective leadership.

Promotion of Health and Wellbeing

On site initiatives completed to date at Warrawoona to promote Health and Wellbeing of staff and contractors include:

- The construction of a fully equipped medical center and ambulance, to ensure an effective emergency response resource is available to mitigate possible harm to our employees and contractors and also provide assistance to local communities;
- The construction of wet mess facilities and recreation room designed to provide an inclusive communal atmosphere and promote social activities;
- The construction of a well-equipped indoor gym and out-door walking track equipped with solar powered lighting to promote physical activities and exercise; and
- The construction of dry-mess facilities and the provision of a selection of fresh and healthy food options to promote healthy nutrition.

Employee Assistance Programs

Calidus and its contractors provide access to Employee Assistance Programs for all employees and their families through work-based intervention programs. These are designed to enhance the emotional, mental and general psychological wellbeing of employees and immediate family members.

The aim of the Employee Assistance Programs are to provide preventive and proactive interventions for the early detection, identification and resolution of both work and personal challenges that may adversely affect performance and wellbeing.

Covid-19

Calidus recognises its responsibilities towards our employees, contractors and the broader community in maintaining a safe and healthy workplace whilst operating during the Covid-19 pandemic.

In line with government regulations and industry best practice, we have put in place an infectious disease management plan and associated procedures and appropriate equipment to prevent, and if required, control and contain the spread of Covid-19 at Warrawoona and protect local communities. Calidus is investigating initiatives to support the vaccination of all our employees and contractors at site to minimise health risks to our immediate community and the community in which we operate.



Since the development of Warrawoona has commenced there have been

ZERO
recordable injuries

with 158,508 hours worked by employees and contractors to date.

Safety

Safety and health of our people is the most important of our core values at Calidus.

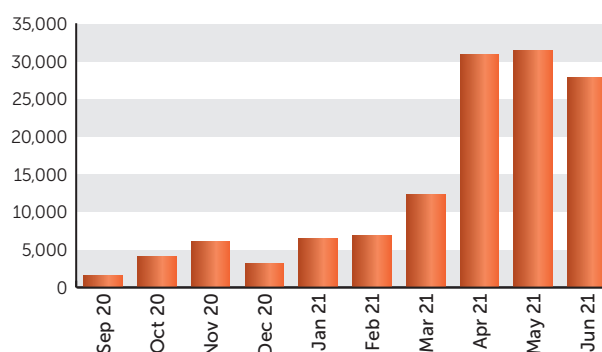
Safety is embedded in everything we do at Calidus, and we expect our employees and contractors to always ensure their own safety and that of their colleagues. We acknowledge that a risk-based approach to managing hazards, incorporating regular reviews and audits of our principal risks and controls is essential to providing a safe and productive workplace for our employees and contractors.

We will ensure that all employees and contractors have the competency and skills required to work safely and are provided with appropriate tools and information to enable work to be conducted safely and productively.

Safety Statistics

Since the development of Warrawoona has commenced there have been ZERO recordable injuries with 158,508 hours worked by employees and contractors to date.

Figure 7:
Warrawoona Gold Project - Hours Worked per Month



Environment

Environmental stewardship is embedded in our operational thinking and Calidus is committed to continually improve its environmental and sustainability performance.

At Calidus we recognise the significant fauna and flora of the Pilbara region. We protect and support the natural environment in which we operate by creating effective systems, practices and documented plans to manage and mitigate environmental impacts of activities.

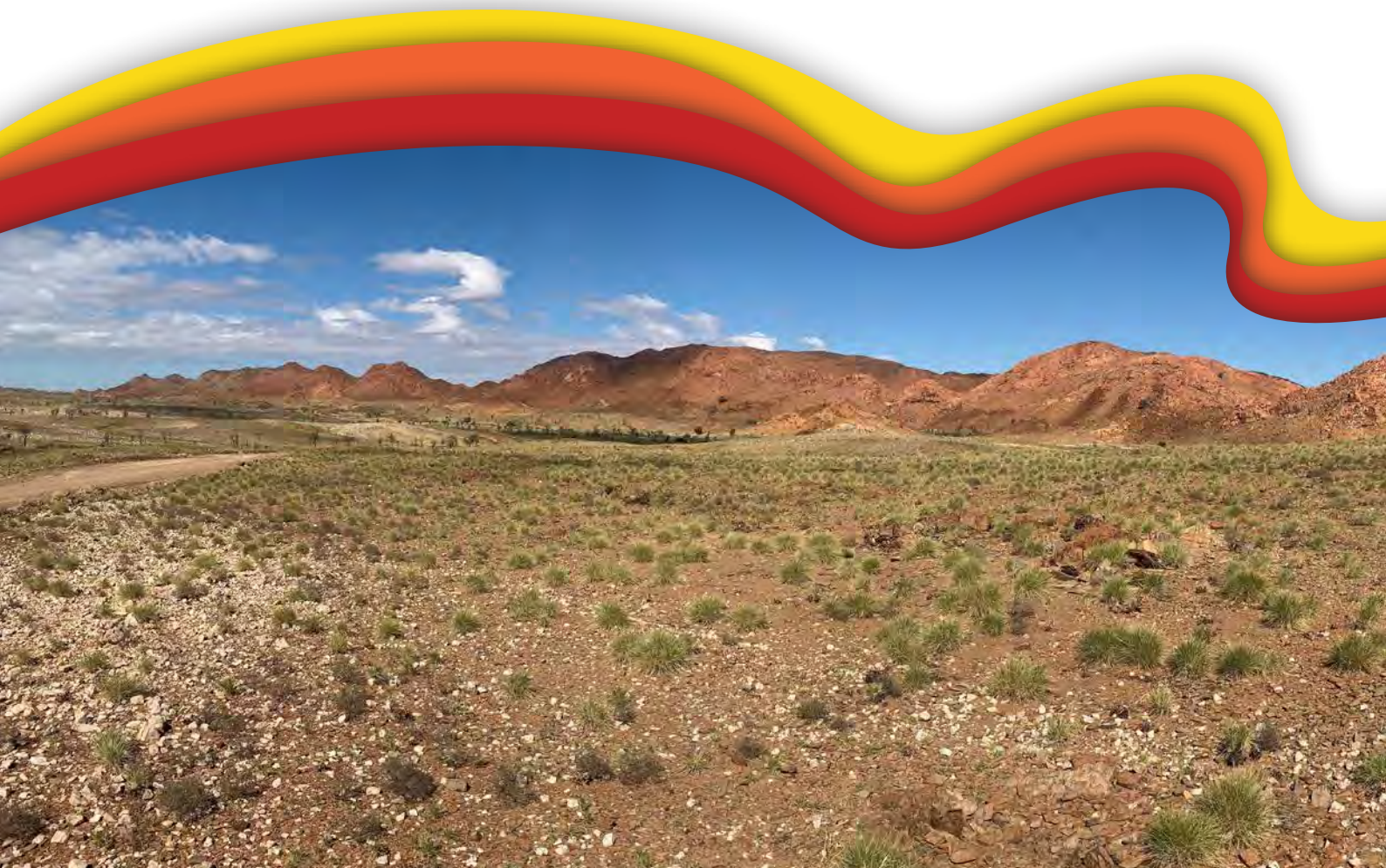
Environmental Permits

Calidus applied for, and received, Environmental Approval for development of Warrawoona from both the WA State Government Environmental Protection Agency (EPA) and Federal Government Department of Agriculture Water and Environment (DAWE). Various other approvals have been applied for and received from WA State Government Department of Mining Industry Regulation and Safety (DMIRS), Department of Water and Environmental Regulation (DWER) and Department of Biodiversity, Conservation and Attractions (DBCA).

Comprehensive Environmental Base Line Studies

Calidus has undertaken 3 years of comprehensive environmental base line studies which underpinned the identification of the environmental aspects of the region in which operate and the development of environmental management plans for our operations and a mine closure. These base line studies incorporate the following scientific fields:

- Flora and Vegetation;
- Terrestrial Fauna;
- Subterranean Fauna;
- Short Range Endemic Fauna;
- Groundwater dependent Ecosystems;
- Ground water;
- Surface water;
- Waste Rock Characterisation;
- Tailings Characterisation including consideration of Cyanide Destruction;
- Climate and Meteorology;
- Green House Gas; and
- Noise.



Carbon Reduction Strategies

Calidus continues to carefully plan its operations to incorporate carbon reduction strategies. Strategies identified to date include:

- Construction of a 2MW double-sided solar farm to reduce carbon emissions by 8,500t per annum;
- Locally sourced LNG to substitute diesel usage in power generation to reduce carbon emissions by 10,500t per annum;
- The installation of Hydrogen-ready power generation to further reduce emissions as hydrogen fuel becomes available in the future; and
- All flights for personnel to and from site are carbon offset through contributions to airline carbon offset schemes.

Cyanide Destruction

Infrastructure installed to enable destruction of cyanide in tailings prior to discharge from the process plant to minimise the potential exposures to native wildlife.

Contribution to Pilbara Environmental Offset Fund (PEOF)

Calidus is contributing \$600,000 to PEOF to broker access for offsets on land.

Native Wildlife Protection

Calidus took the lead to establish a 32ha conservation zone initiative for the protection of native wildlife in our mining area and has implemented extensive management plans for the monitoring of federal protected species present within the boundaries of our tenements.

Water Recycling

The Warrawoona tailings dam is designed to recycle water used in operations and collect water in cyclonic events to reduce pressure on local aquifers.

Waste Dumps

Waste dumps are carefully designed to blend in with the local relief to limit their visual impact at mine closure.

// Calidus continues to carefully plan its operations to incorporate carbon reduction strategies //

// Project development has been modified to ensure all identified heritage sites are protected //



Community

At Calidus, we acknowledge the traditional custodians of the land in which we operate, and recognise the strength, resilience and capacity of the First People of this land.

We recognise that our long-term success depends on our ability to build relationships with business partners, host communities and other stakeholders and maintain a social licence to operate. We engage regularly, openly and honestly with our host communities and stakeholders, and take their views and concerns into account in our decision-making.

We commit to maintaining community engagement, seeking to provide local employment opportunities and engaging local businesses, seeking opportunities to invest in local infrastructure and to support the sustainable development of our host communities and recognise the value they add to our operations.

Upgrading Local Infrastructure

A number of initiatives have been undertaken to upgrade local infrastructure including:

- Contribution to the upgrade of the Marble Bar airstrip in collaboration with the Shire of East Pilbara; and
- Upgrade and ongoing maintenance of the Corunna Downs Rd, our key travel route.

Support Local Business and Community Events

A number of initiatives have been undertaken to support local business and community events including:

- Prioritisation of local contractors and employment with 2 contracts awarded to Marble Bar-based companies; and
- Active participation and sponsorship of key community events.



Sponsorships & Opportunities for Local Employment

A number of initiatives have been undertaken to provide sponsorships and opportunities for local employment including:

- Indigenous Arts Program at Marble Bar and Warralong schools; and
- Establish apprenticeships and other opportunities for local indigenous people.

Extensive Heritage Surveys

Extensive heritage surveys have been completed in collaboration with the local traditional custodians. Sites of importance were identified, mapped and demarcated.

As a direct result of these surveys, the project development has been modified to ensure all identified heritage sites are protected from any current and future impact during the construction and operation of the project.



Diversity and Inclusion

Calidus is dedicated to growing an inclusive and diverse workforce, aligned with the Company's core values, where every employee is treated fairly, feels respected and where they can contribute to our success and realise their full potential. A diverse and inclusive workforce provides new perspectives, thinking and constructive challenges, fostering innovation and creativity.

Diversity refers to all characteristics that make individuals different from each other. It includes

age, religious beliefs, cultural diversity, nationality, ethnicity, gender or gender identity, sexual orientation, marital or family status, disabilities, socio-economic background, perspectives and experience, or any other area of potential difference.

Inclusion refers to our diverse range of people feeling welcomed, respected and valued to fully participate, having access to opportunities and resources, and be able to contribute their perspectives and talents to drive the long-term sustainable business of Calidus.



Building a Diverse and Inclusive Workplace

The Board has established a Diversity Policy which provides a framework for the Company to achieve diversity objectives.

// A diverse and inclusive workforce provides new perspectives, thinking and constructive challenges //



Corporate Governance

Effective corporate governance is critical to the long-term success of Calidus. The board and all levels of management are committed to upholding a strong corporate governance framework, policies and procedures of the highest standard, to support a culture that values ethical behaviour and the conduct of business with integrity and respect.

The Board oversees Calidus' sustainability objectives and are accountable for a positive corporate culture, the achievement of high governance standards and ensuring compliance with the legislative and regulatory framework in which we operate.

Corporate Governance Framework

The Board is responsible for establishing the Company's Corporate Governance Framework and has referred to the 4th Edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations. The Corporate Governance Statement discloses the extent to which the Company follows the recommendations.

The Board's Audit and Risk Committee oversees the internal financial control systems and risk management systems and assessments and makes recommendations to the Board. In addition, the Board's Remuneration and Nomination Committee has oversight over the Company's remuneration framework to motivate the achievement of key performance criteria and appropriate behaviours that align with the Calidus values.

Transparent Communication

Being transparent in relation to governance and risk is fundamental to building and maintaining stakeholder trust and investor confidence and underpins the substance of our disclosures.

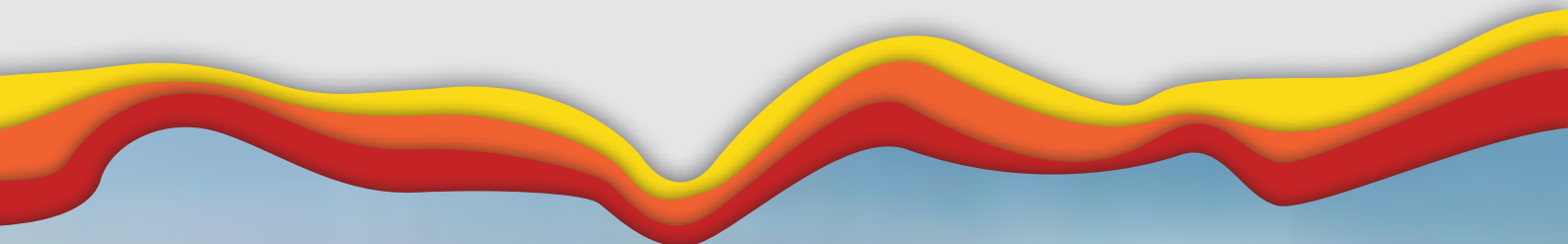
The Board is responsible for establishing and ensuring compliance with the Company's Continuous Disclosure Policy, Securities Trading Policy and Whistle-blower Policy.

Ethical Business Practice

Calidus is committed to upholding lawful and ethical practices in our dealings with suppliers, stakeholders and local communities.

The Board establishes and monitors compliance with Calidus' values, Code of Conduct, and other associated policies including an Anti-Bribery and Anti-Corruption Policy. The Board's objective is to ensure that all Directors, management and employees are accountable, act ethically and with integrity, in the best interests of our shareholders, in compliance with all laws and Company policies, and in alignment with community expectations.

A copy of the Corporate Governance Statement, Corporate Governance Policies and charters are available on the Company website: calidus.com.au/about/corporate-governance/



Annual Mineral Resource & Ore Reserve Report

At 30 June 2021

In accordance with ASX Listing Rule 5.21, Calidus reviews and reports its Mineral Resources and Ore Reserves¹⁴ at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources or Ore Reserves over the course of the year, the Company promptly reports these changes.

Mineral Resources

The Mineral Resources for Calidus has increased, from 1.495Moz as reported on 30 June 2020 to 1.723Moz at 30 June 2021, an increase of 228koz. The key changes involve the extension along-strike and increased geological confidence of the Coronation Mineral Resource as well as the inclusion of the Blue Spec Project.

Blue Spec Project Mineral Resources has been reported using an Ordinary Kriged model utilising block sizes suited to the narrow nature of the mineralisation and selective mining operation envisaged, with final block dimensions of 10m x 0.4m x 4m (X,Y,Z) with sub-blocks of 2.5m x 0.2m x 2m. The Blue Spec model sits below the existing mine development and does not encompass any remnant mineralisation, whereas the Gold Spec model flags and excludes any depleted Mineral Resources.

The Coronation Mineral Resource has been increased by 9Koz to 43Koz through drilling completed in 2020. Along-strike from the current Mineral Resource at Coronation, drilling has confirmed an extension to

the mineralisation. Ore-grade gold mineralisation is present from surface over a strike length now of approximately 800m to a depth of 150m from surface. It remains open at depth and along strike to the southeast. The updated model utilises larger parent cells with dimensions of 20m x 5m x 20m (X,Y,Z) and smaller sub-cells of 2.5m x 0.625m x 2.5m (X,Y,Z) than the previous model to provide greater definition with the narrow ore zones.

The Mineral Resource has been classified in the Measured, Indicated and Inferred categories, in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). A range of criteria has been considered in determining this classification including geological continuity, data quality, drill hole spacing, modelling technique, estimation properties including search strategy, number of informing data and average distance of data from blocks.

The total Mineral Resource Estimate is shown in Table 4 below.

Table 4: Mineral Resources as at 30 June 2021 (inclusive of Reserves; rounded to nearest 100,000t; 0.01g/t; 1,000oz)

Deposit	Cut-Off (g/t)	Measured			Indicated			Inferred			Total		
		Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz
Klondyke Open Pit	0.3	2.3	0.98	72	29.0	0.90	844	8.3	0.81	217	39.6	0.89	1,133
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	34	0.1	2.65	9	0.3	4.54	43
Coronation	0.5							0.5	2.19	34	0.5	2.19	34
Fieldings Gully	0.5				0.3	1.80	16	0.3	1.87	20	0.6	1.84	36
Blue Spec Project					0.2	21.7	106	0.3	13.3	113	0.4	16.3	219
Blue Spec	3.0				0.1	29.1	79	0.2	12.2	92	0.3	16.70	171
Gold Spec	3.0				0.1	12.4	27	0.0	21.6	21	0.10	15.2	48
Total		2.3	0.98	72	30.6	1.10	1,088	11.3	1.60	555	44.1	1.21	1,714

¹⁴ This report should be read in conjunction with the information required by ASX Listing Rule 5.9.1 and the JORC Section contained in the ASX announcement dated 29 June 2020 entitled "Updated PFS Delivers Increased Reserves and Robust Financials"

Ore Reserves

The Ore Reserve for the Klondyke open pit, St George and Copenhagen open pits remain unchanged from those reported on 30 June 2020. Entech Pty. Ltd. completed an update to the Underground Ore Reserves as part of the Warrawoona Project Definitive Feasibility Study released to the ASX in September 2020. Ore Reserves are shown in Table 5 below.

Table 5: Ore Reserves as at 30 June 2021 (rounded to nearest 1,000t; 0.1g/t; 1,000oz)

Deposit	Cut-Off	Proven			Probable			Total		
	(g/t)	Mt	Au (g/t)	koz	Mt	Au (g/t)	koz	Mt	Au (g/t)	koz
Klondyke Open Pit	0.33-0.36	2.1	1.0	66	10.0	1.0	335	12.1	1.0	401
Klondyke Underground	1.2				1.9	2.1	120	1.9	2.1	120
St George Open Pit	0.36-0.39				0.2	1.2	9	0.2	1.2	9
Copenhagen Open Pit	1.88				0.1	5.5	17	0.1	5.5	17
Total		2.1	1.0	66	12.3	1.2	481	14.3	1.2	547

Governance Arrangements and Internal Controls

Calidus has ensured that the Mineral Resources and Ore Reserves quoted are subject to good governance arrangements and internal controls. The Mineral Resources and Ore Reserves reported have been generated by internal and external Company geologists, who are experienced in best practice in modelling and estimation methods. The competent person has also undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimation. In addition, Calidus' management carry out regular reviews and audits of internal processes and external contractors that have been engaged by the Company.

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 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 Blue Spec and Gold Spec, Copenhagen, Coronation, 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 Open Pit Mineral Resources is based on and fairly represents information compiled or reviewed by Ms. Christine Standing, Principal Consultant of Optiro Ltd., who is a Member of the AusIMM and the AIG. Ms. Christine Standing 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 Matthew Keenan. Mr Keenan is a full time employee of Entech Pty Ltd. Mr Keenan 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. Mr Keenan 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 Keenan is a Member of the AusIMM and has provided his prior written consent 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 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 2021

Calidus Resources & Subsidiaries Tenement Schedule

Tenement ID	Holder	Size (ha)	Renewal	Ownership/ Interest
Granted				
E45/3615	Keras (Pilbara) Gold Pty Ltd	1,594.62	22/11/2022	100%
E45/4236	Keras (Pilbara) Gold Pty Ltd	956.69	19/10/2024	100%
E45/4555	Keras (Pilbara) Gold Pty Ltd	1,915.22	1/03/2022	100%
E45/4843	Keras (Pilbara) Gold Pty Ltd	940.95	2/07/2022	100%
E45/4856	Keras (Pilbara) Gold Pty Ltd	1,594.27	20/05/2023	100%
E45/4857	Keras (Pilbara) Gold Pty Ltd	1,275.37	20/05/2023	100%
E45/4905	Keras (Pilbara) Gold Pty Ltd	638.00	29/11/2022	100%
E45/4906	Keras (Pilbara) Gold Pty Ltd	319.00	29/11/2022	100%
E45/5172	Keras (Pilbara) Gold Pty Ltd	4,291.17	30/05/2024	100%
M45/0240	Keras (Pilbara) Gold Pty Ltd	6.07	17/11/2028	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%
L45/0523	Keras (Pilbara) Gold Pty Ltd	172.54	18/09/2040	100%
L45/0527	Keras (Pilbara) Gold Pty Ltd	251.51	23/02/2042	100%
L45/0564	Keras (Pilbara) Gold Pty Ltd	60.19	24/11/2041	100%
L45/0565	Keras (Pilbara) Gold Pty Ltd	6.62	25/11/2041	100%
L45/0566	Keras (Pilbara) Gold Pty Ltd	8.88	24/11/2041	100%
L45/0567	Keras (Pilbara) Gold Pty Ltd	1.96	17/12/2041	100%
L45/0573	Keras (Pilbara) Gold Pty Ltd	11.03	4/01/2042	100%
L45/0584	Keras (Pilbara) Gold Pty Ltd	66.43	20/04/2042	100%
L45/0585	Keras (Pilbara) Gold Pty Ltd	115.27	6/04/2042	100%
L45/0586	Keras (Pilbara) Gold Pty Ltd	56.36	22/02/2042	100%
L45/0587	Keras (Pilbara) Gold Pty Ltd	72.91	6/04/2042	100%
L45/0588	Keras (Pilbara) Gold Pty Ltd	101.83	3/03/2042	100%

Tenement ID	Holder	Size (ha)	Renewal	Ownership/ Interest
L45/0590	Keras (Pilbara) Gold Pty Ltd	105.45	22/02/2042	100%
L45/0591	Keras (Pilbara) Gold Pty Ltd	57.61	28/03/2042	100%
L45/0592	Keras (Pilbara) Gold Pty Ltd	86.06	22/02/2042	100%
L45/0593	Keras (Pilbara) Gold Pty Ltd	20.65	4/01/2014	100%
L45/0613	Keras (Pilbara) Gold Pty Ltd	6.97	11/06/2021	100%
E45/3381	Keras (Pilbara) Gold Pty Ltd	7,802.45	16/03/2023	100%
E45/4622	Keras (Pilbara) Gold Pty Ltd	4,216.80	4/05/2022	100%
E45/4666	Keras (Pilbara) Gold Pty Ltd	3,162.14	23/11/2021	100%
E45/4934	Keras (Pilbara) Gold Pty Ltd	1,595.08	22/01/2023	100%
M45/1290	Keras (Pilbara) Gold Pty Ltd	149.83	11/02/2042	100%
G45/0345	Keras (Pilbara) Gold Pty Ltd	439.05	11/05/2041	100%
G45/0347	Keras (Pilbara) Gold Pty Ltd	2.22	3/01/2042	100%
G45/0348	Keras (Pilbara) Gold Pty Ltd	36.34	21/02/2042	100%
G45/0349	Keras (Pilbara) Gold Pty Ltd	26.45	3/01/2042	100%

Applications

E45/5747	Keras (Pilbara) Gold Pty Ltd	3,826.11	APPLICATION	100%
E45/5748	Keras (Pilbara) Gold Pty Ltd	5,111.83	APPLICATION	100%
P46/1972	Keras (Pilbara) Gold Pty Ltd	194.57	APPLICATION	100%

100% Beneficial Ownership

M46/0115	Beatons Creek Gold Pty Ltd	931.40	3/02/2033	100%
M46/0244	Beatons Creek Gold Pty Ltd	18.47	28/11/2021	100%

Joint Venture

E45/4704	Calidus Otways Pty Ltd/ Rugby Mining Pty Ltd	7,961.51	4/07/2022	Earning 70%
E45/4706	Calidus Otways Pty Ltd/ Rugby Mining Pty Ltd	5,414.49	1/08/2022	Earning 70%
E45/5706	Calidus Otways Pty Ltd/ Rugby Mining Pty Ltd	1,276.75	APPLICATION	Earning 70%
E46/1026	Gondwana Resources Limited	3,797.33	9/05/2026	Earning 51%
E46/1035	Nimble Resources Pty Ltd	8,700.57	1/12/2025	Earning 75%



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 2021.

Directors

The names of Directors in office since 1 July 2020 and up to the date of this report are:

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

- 20,151,190 Fully Paid Ordinary Shares
- 1,500,000 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 Papillon 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

- 676,786 Fully Paid Ordinary Shares
- 200,000 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 Barton Gold Holdings Limited (ASX)

Past directorships in the last 3 years

- Non-Executive Chairman of Hyperion Metals Limited (ASX) (previously named Tao Commodities Ltd) from 5 May 2017 to 18 February 2021
- 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

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 Remuneration and Nomination Committee and member of the Audit and Risk Committee

Interest in Shares and Options

- 500,000 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)

Past directorships in the last 3 years

Non-Executive Director of Southern Hemisphere Mining Limited (ASX) from 7 July 2016 to 5 February 2021

Mr Adam Miethke

Non-Executive Director

(resigned 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.

Adam 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, Adam 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

Nil

Directorships held in other listed entities

Non-Executive Director of Caprice Resources Limited (ASX)

Mr John Ciganek

Non-executive Director

(Appointed 4 January 2021)

Qualifications

Bachelor of Mining Engineering, Wollongong University, NSW. MBA Macquarie Graduate School of Management, NSW

Experience

John has more than 30 years in the mining sector across a range of roles including mining engineering, stockbroking, executive management and corporate finance.

Most recently, John gained substantial experience in debt financings including project financings, project bonds issuances, convertible note offerings, working capital facilities, hedging facilities, off-taker funding, and equity raisings through his role as Executive Director for Burnvoir Corporate Finance.

Special responsibilities

Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee

Interest in Shares and Options

- Nil Fully Paid Ordinary Shares
- 200,000 NED Options, nil exercise price, exp 4 January 2025

Directorships held in other listed entities

- Non-Executive Chairman of Ookami Limited (ASX)
- Non-Executive Director of Vanadium Resources Limited (ASX)

Past directorships in the last 3 years

None

Ms Julia Beckett

Company Secretary

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

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 are as follows:

	Directors' Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Dave Reeves	11	11	-	-	-	-
Mark Connelly	11	11	1	1	2	2
Keith Coughlan	11	11	1	1	2	2
John Ciganek	6	6	-	-	-	-
Adam Miethke	-	-	-	-	-	-

Securities

Options

At the date of this report, the unissued ordinary shares of Calidus Resources Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
25 November 2019	27 Dec 2023	Nil	400,000
25 November 2019	27 Dec 2024	Nil	3,450,000
25 November 2019	30 Jan 2025	Nil	1,350,000
4 June 2020	4 June 2025	Nil	350,000
5 August 2020	5 August 2025	Nil	600,000
12 August 2020	12 August 2025	Nil	170,000
16 December 2020	11 December 2025	Nil	167,500
16 December 2020	16 December 2025	Nil	228,800
4 January 2021	4 January 2025	Nil	200,000
19 January 2021	19 January 2023	Nil	417,650
15 February 2021	16 February 2024	Nil	167,000
28 May 2021	28 May 2024	Nil	270,000
			7,770,950

Shares Issued on Exercise of Options

During the financial year, the Company issued ordinary shares as a result of the exercise of options as follows:

Grant Date	Issued Price of the Shares	Number of Shares Issued
13-Aug -20	Nil	200,000
29-Dec-20	Nil	488,500
1-Feb-21	Nil	150,000
1-Apr-21	\$0.20	200,000
13-Apr-21	\$0.20	4,000,000
4-May-21	Nil	3,700,000
4-May-21	Nil	1,350,000
4-May-21	Nil	150,000

Dividends

There were no dividends paid or recommended during the financial year ended 30 June 2021.

Operating and Financial Review

Principal Activities

The principal activity of the Company during the financial year was gold exploration and development. Calidus controls the Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfields in Western Australia and has commenced construction and development activities. The Company anticipates first gold production in the June quarter, 2022.

For further details, refer to the "Review of Operations" on page 7.

Financial Review

Operating Results

For the 2021 financial year the Group delivered a loss before tax of \$4,778,565 (2020: \$2,094,345 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.

Financial Position

The net assets of the Group have increased from 30 June 2020 by \$75,869,861 to \$106,893,121 at 30 June 2021 (2020: \$31,023,260).

As at 30 June 2021, the Group's cash and cash equivalents increased by \$21,626,765 to \$27,317,426 at 30 June 2021 (2020: \$5,690,661) and had working capital of \$15,980,229 (2020: \$4,614,249 working capital), as noted in "Note 18E" on page 69.

Significant Changes in the State of Affairs

Refer to the "Review of Operations" on page 7 for the significant changes in the state of affairs of the Group that occurred during the financial year.

Events Subsequent to Reporting Date

On 16 August 2021 Calidus announced that mining had commenced at the Warrawoona Gold Project with ore now being delivered to the run of mine (ROM) pad.

On 14 September 2021 Calidus announced the signing of a mining services agreement with Macmahon Holdings Limited which covers all open pit mining until 2026 ensuring sufficient ore stocks available at mill commissioning. In addition, the mill was reported as being successfully installed taking construction of the processing plant to 63% complete.

Future Developments, Prospects and Business Strategies

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

	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Permitting								
Operating Permits	✓							
Contracts and Finance								
Award All Contracts	✓							
Commence Debt Draw-down		✓						
Development Activities								
Bulk Earthworks Begin	✓							
Pioneer Mining Commences			✓					
Main Mining Commences								
Mill Commissioning and First Gold								
Exploration and Feasibilities								
Blue Spec Integration Scoping Study	✓							
Drilling Blue Spec		✓						
DFS Blue Spec								
Blue Spec (Regional) Stream Sediment Sampling		✓						
Fielding's Find Shear Zone Drilling								

Environmental Regulations and Performance

The consolidated entity will comply with its obligations in relation to environmental regulation on its projects when it undertakes exploration.

So far as the Directors are aware, all activities have been undertaken in compliance with all environmental regulations.

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.

Non-audit Services

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

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.



// On behalf of the Board, I would like to extend my thanks to our staff and contractors for the skill, initiative and sheer hard work which has enabled us to reach this point. Your commitment to Warrawoona is greatly appreciated. //

Mark Connelly
Non-Executive Chairman



Remuneration Report (audited)

This report details key aspects of the remuneration policy and framework the nature and amount of remuneration of each Key management Personnel (KMP) of Calidus Resources Limited (Calidus or the Company). The information in this remuneration report has been audited as required by s308(3C) of the Corporations Act 2001.

1. Key Management Personnel

Key Management Personnel have authority and responsibility for planning, directing and controlling the activities of the Group (KMP). KMP comprise the Directors of the Company and key Senior Executive personnel.

KMP during the year ended 30 June 2021 are set out as follows:

- **Mr David Reeves** Managing Director
- **Mr Mark Connelly** Non-Executive Chairman
- **Mr Keith Coughlan** Non-Executive Director
- **Mr John Ciganek** Non-Executive Director (Appointed 4 January 2021)
- **Mr Adam Miethke** Non-Executive Director (Resigned 27 July 2020)
- **Mr Paul Brennan** Project Development
- **Mr Richard Hill** Chief Financial Officer
- **Mr Don Russell** General Manager Warrawoona (Appointed 3 August 2020)

2. Remuneration and Nomination Committee

The Board has adopted a formal Remuneration & Nomination Committee Charter which provides a framework for the consideration of remuneration matters. The Remuneration & Nomination Committee is responsible for reviewing and making recommendations to the Board which has ultimate responsibility for the following remuneration matters:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and Senior Executives; and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

3. Remuneration Policy and Framework

The remuneration policy is approved by the Board of the Company and has been designed to ensure reward for performance is competitive and appropriate to the result delivered. The framework aligns rewards 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;
- Aligned to the Company's strategic and business objectives and the creation of shareholder value;
- Link between performance and remuneration;
- Transparency; and
- Capital management.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and director and executive 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 Executives of the Company is as follows:

A. Executive Directors and Other Senior Executives

The Company's remuneration policy for Executive Directors and Senior Executives is designed to promote superior performance and long-term commitment to the Company. The Board reviews executive packages regularly by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives receive a base remuneration which is bench marked from time to time against other similar organisations. Executives receive superannuation and may receive performance based remuneration including participation in the Employee Incentive Share Plan (EISP) that is approved by shareholders.

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 maximum Non-Executive Directors' fees, payable in aggregate, are currently set at \$250,000 per annum.
- 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 (refer to 3D NED Options).

The equity-based fees to be considered for Non-Executive Directors will not be subject to performance conditions which conforms with best practice governance standards, including the ASX Corporate Governance Council's Principles.

Other than statutory superannuation contribution, no retirement benefits are provided for Non-Executive Directors of the Company.

C. Short Term Incentives

The Company does not currently have a defined short term 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.

D. Long Term Incentives

Employee Share Incentive Plan

Shareholders approved the Employee Share Incentive plan (**ESIP**) at the Annual General Meeting held on 3 December 2020.

Incentive Options for Executive Directors and Senior Executives

To ensure cash holdings are conserved as the Company progresses its activities from the development of the Warrawoona Gold Project to commercial production and to align Executive Directors and Senior Executives remuneration and key performance criteria with value creation for shareholders, an allocation of zero exercise price options (i.e. options with a nil exercise price) are issued under the terms of the ESIP (**Incentive Options**).

The Incentive Options expire 5 years from the date of grant and vest subject to the relevant Executive Director or Senior Executive remaining employed by the Company at the date of vesting, and achievement of the following performance conditions:

- Performance Condition 1** - half of the Incentive Options will vest upon the latter of the following:
 - the Company announcing successful completion of a positive definitive feasibility study for the Warrawoona Gold Project (**DFS**); 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
- Performance Condition 2** - 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.

Options for Fixed Remuneration Correction Plan

In the previous financial year, the Company engaged BDO (WA) Pty Ltd, independent remuneration consultants, to conduct a market review of the total fixed remuneration (TFR) packages of the Directors 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 the Warrawoona Project to commercial production, the Company utilises a 'once-off' equity allocation in the form of zero exercise price options issued under the ESIP to ensure that the TFR packages are market appropriate.

The equity allocation represents equity in lieu of additional salary. The fixed remuneration correction plan has a retentive benefit given recipients must complete a period of service with the Company to satisfy the vesting condition and also serves to ensure Directors and Senior Executives are remunerated at market related rates whilst conserving the Company's cash.

The vesting condition for options issued to Non-Executive Directors is that the Director must remain with the Company for a period of 3 years, with a third of the options vesting each year (**NED Options**).

The vesting condition for options issued to Executive Directors and Senior Executives 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**).

Share Rights for Discretionary Fee Reduction

In the prior financial year, the Company initiated various cash preservation measures at the start of the COVID-19 pandemic to ensure it was funded through to a final investment decision on the Warrawoona Gold Project. The Company provided a 'once off' invitation to Directors and Senior Executives to participate in a discretionary fee/ salary reduction in return for rights to acquire shares (**Share Rights**) to be granted under the ESIP applicable at that time, whereby they may elect to accrue up to 50% of their fee/ salary 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 invitation to Directors was subject to shareholder approval which was received on 1 September 2020 at a meeting of shareholders.

No additional share rights were granted to KMP in the year ended 30 June 2021.

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

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2021.

During the prior financial year ended 30 June 2020, 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.

4. KMP Remuneration Disclosure

Details of the remuneration of the directors and KMP of the Company for the years ending 30 June 2021 and 30 June 2020 are as follows:

FY2021	Short-term benefits		Post-employment benefits		Share-based payments		Total
	Salary, fees and leave	Other	Super-annuation	Other	Share rights	Options and performance rights	
Name	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
D Reeves	287,500	-	14,250	-	-	106,222 ^(iv)	407,972
M Connelly	66,000	-	6,270	-	-	21,000 ⁽ⁱⁱⁱ⁾	93,270
K Coughlan	30,000	-	-	-	-	14,000 ⁽ⁱⁱⁱ⁾	44,000
A Miethke ⁽ⁱⁱ⁾	2,000	-	-	-	-	33,646 ⁽ⁱⁱⁱ⁾	35,646
J Ciganek ⁽ⁱ⁾	18,000	-	-	-	-	16,209 ⁽ⁱⁱⁱ⁾	34,209
P Brennan	240,000	-	22,800	-	-	96,873 ^(iv)	359,673
R Hill	245,000	-	23,275	-	-	154,456 ^(iv)	422,731
D Russell	320,833	-	30,479	-	-	203,612 ^(iv)	554,924
	1,209,333	-	97,074	-	-	646,018	1,952,425

(i) Mr J Ciganek joined the Company on 4 January 2021

(ii) Mr A Miethke left the Company on 27 July 2020

(iii) Includes share-based payments expense related to Options for Fixed Remuneration Correction Plan– refer to 3D NED Options

(iv) Includes share-based payments expense related to Options for Fixed Remuneration Correction Plan Exec Options and Incentive Options – refer to 3D of the remuneration report and "Note 20: Share-based payments" on page 71.

FY2020	Short-term benefits		Post-employment benefits		Share-based payments		Total
	Salary, fees and leave	Other	Super-annuation	Other	Share rights ⁽ⁱⁱⁱ⁾	Options and performance rights ^(vi)	
Name	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
D Reeves	240,625	-	-	-	36,830 ^(iv)	240,278	517,733
M Connelly	52,500	-	5,700	-	8,170 ^(iv)	12,531	78,901
K Coughlan	24,000	-	-	-	-	8,354	32,354
A Miethke	22,200	-	-	-	2,539 ^(iv)	8,354	33,093
P Brennan ⁽ⁱ⁾	210,000	-	22,800	-	37,500 ^(v)	324,914	595,214
R Hill ⁽ⁱⁱ⁾	101,625	-	12,504	-	31,071 ^(v)	235,544	380,744
	650,950	-	41,004	-	116,110	829,975	1,638,039

(i) Mr P Brennan joined the Company on 12 March 2019

(ii) Mr R Hill joined the Company on 25 November 2019

(iii) Refer "3D. Share Rights for Discretionary Fee Reduction" on page 43

(iv) The shareholders approved the share issuance of share rights to directors on 1 September 2020 (refer also to "6B. Share Rights").

(v) Share rights vested and shares were issued on 1 July 2020.

(vi) Only Mr P Brennan was granted performance rights.

The relative proportion of actual remuneration split between fixed and variable remuneration is as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2021	2020	2021	2020	2021	2020
D Reeves	74%	46%	-	-	26%	54%
M Connelly	77%	74%	-	-	23%	26%
K Coughlan	68%	74%	-	-	32%	26%
A Miethke	6%	67%	-	-	94%	33%
J Ciganek	53%	-	-	-	47%	-
P Brennan	73%	39%	-	-	27%	61%
R Hill	63%	30%	-	-	37%	70%
D Russell	63%	-	-	-	37%	-

5. Service Agreement Disclosure

A. Executive Service Agreements

The terms of KMP service agreements are summarised in the following table:

Name	Base salary ⁽ⁱ⁾	Term of agreement	Termination benefit ⁽ⁱⁱ⁾
D Reeves Managing Director	Base salary of \$300,000 per annum plus superannuation	Until terminated	6 months' base salary
R Hill Chief Financial Officer	Base salary of \$250,000 per annum plus superannuation	Until terminated	6 months' base salary
P Brennan Project Development	Base salary of \$240,000 per annum plus superannuation	Until terminated	3 months' base salary
D Russell General Manager Warrawoona	Base salary of \$350,000 per annum plus superannuation	Until terminated	6 months' base salary

(i) Base salaries are as at 30 June 2021

(ii) Termination benefits are payable on early termination by the Company other than for gross mis-conduct.

B. Non-Executive Director Arrangements

All non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. Key terms are detailed below.

The Company has agreed to pay Mr M Connelly a director fee of \$72,000 (increased from \$60,000 effective 1 January 2021) plus superannuation per year for services provided to the Company as Non-Executive Chairman.

The Company has agreed to pay Mr K Coughlan, and Mr J Ciganek director fees of \$36,000 (increased from \$24,000 effective 1 January 2021) per year for services provided to the Company as Non-Executive Director.

A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company.

A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable).

6. Share-Based Compensation Disclosure

A. Issue of Shares

No shares were issued to Directors and other KMP as part of compensation during the year ended 30 June 2021.

B. Share Rights

The terms and conditions of each grant of Share Rights issued under the ESIP during the year but that affect remuneration of KMP in the prior financial year are as follows:

Name	Number of share rights granted	Deemed grant date	Share price at grant date	Expiry date
D Reeves ⁽ⁱ⁾	160,804	7-May 20	\$0.300	7-May 22
M Connelly ⁽ⁱ⁾	26,786	5-May-20	\$0.305	5-May-22
K Coughlan	-	-	-	-
A Miethke ⁽ⁱ⁾	38,572	26-May-20	\$0.395	26-May-22

(i) In the prior financial year ended 30 June 2020 the Company invited Directors, subject to shareholder approval, to participate in a discretionary fee reduction for a 3 month period in return for Share Rights (refer to "Share Rights for Discretionary Fee Reduction" on page 43). Shareholders approved the grant of the Share Rights during the current financial year at the meeting of shareholders held on 1 September 2020. Refer to ASX Announcement dated 2 September 2020. The remuneration impact of these share rights was fully recognised in the prior financial year. No additional share rights were granted to KMP in the year ended 30 June 2021.

C. Options

The terms and conditions of each grant of options issued under the ESIP affecting remuneration of KMP in this financial year or future reporting years are as follows:

NED Options

The following table details the terms and conditions of the grant of NED Options to KMP in the year ended 30 June 2021 (refer to 3D NED Options) and the assumptions used in estimating fair value:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
J Ciganek	200,000	4-Jan-21	1-Jan-24	4-Jan-25	Nil	\$0.50

Incentive Options

The following table details the terms and conditions of the grant of Exec Options to KMP in the year ended 30 June 2021 (refer to 3D Incentive Options) and the assumptions used in estimating fair value:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
D Russell	600,000	5-Aug-20	28-Feb-22	5-Aug-25	Nil	\$0.59

7. Additional Disclosures

A. Fully Paid Ordinary Shares of Calidus Resources Limited Held by each KMP

The number of Shares in the Company held during the financial year by KMP of the Company, including their related parties, are set out below.

2021 Ordinary Shares	Balance at start of year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year	Balance at end of year
Name	(number)	(number)	(number)	(number)	(number)
D Reeves	16,994,200	-	1,650,000	1,506,990	20,151,190
M Connelly	500,000	-	100,000	76,786	676,786
K Coughlan	944,000	-	-	(444,000)	500,000
A Miethke	-	-	-	6,429	6,429
J Ciganek	-	-	-	-	-
P Brennan	150,000	-	1,500,000	107,143	1,757,143
R Hill	-	-	1,500,000	125,143	1,625,143
D Russell	10,000	-	-	103,600	113,600
	18,598,200	-	4,750,000	1,475,662	24,823,862

B. Share Rights in Calidus Resources Limited Held by each KMP

The number of Share Rights in the Company held during the financial year by KMP of the Company, including their related parties, are set out below.

2021 Share Rights	Balance at start of year	Received during the year as compensation	Exercised during the year ⁽ⁱ⁾	Other changes during the year	Balance at end of year
Name	(number)	(number)	(number)	(number)	(number)
D Reeves	160,804 ⁽ⁱ⁾	-	(160,804)	-	-
M Connelly	26,786 ⁽ⁱ⁾	-	(26,786)	-	-
K Coughlan	-	-	-	-	-
A Miethke	38,572 ⁽ⁱ⁾	-	(38,572)	-	-
P Brennan	107,143	-	(107,143)	-	-
R Hill	107,143	-	(107,143)	-	-
	440,448	-	(440,448)	-	-

(i) Refer to item "3D Share Rights for Discretionary Fee Reduction" on page 43.

(ii) During the current financial year all Share Rights vested.

C. Options in Calidus Resources Limited Held by each KMP

The number of Options in the Company held during the financial year by KMP of the Company, including their related parties, are set out below.

2021 Options	Balance at start of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and exercisable	Not vested
Name	(number)	(number)	(number)	(number)	(number)	(number)	(number)
D Reeves	3,150,000	-	(1,650,000) ⁽ⁱ⁾⁽ⁱⁱ⁾	-	-	1,500,000	1,500,000
M Connelly	300,000	-	(100,000) ⁽ⁱⁱⁱ⁾	-	200,000	-	200,000
K Coughlan	200,000	-	-	-	200,000	66,667 ⁽ⁱⁱⁱ⁾	133,333
A Miethke	200,000	-	(200,000) ^(iv)	-	-	-	-
J Ciganek	-	200,000	-	-	200,000	-	200,000
P Brennan	2,850,000	-	(1,500,000) ⁽ⁱ⁾⁽ⁱⁱ⁾	-	1,350,000	-	1,350,000
R Hill	2,850,000	-	(1,500,000) ⁽ⁱ⁾⁽ⁱⁱ⁾	-	1,350,000	-	1,350,000
D Russell	-	600,000	-	-	600,000	-	600,000
	9,550,000	800,000	(4,950,000)	-	5,400,000	66,667	5,333,333

(i) First performance condition of the Incentive Options was achieved.

(ii) Exec Options vest following 12 months of continuous service.

(iii) 1/3 of the NED Options vests every 12 months.

(iv) On 27 July 2020, the Board resolved that it would permit all of the NED Options issued to Adam Miethke in the prior financial year to vest under a good leaver exception.

D. Performance Rights in Calidus Resources Limited Held by each KMP

The number of Performance Rights in the Company held during the financial year by KMP of the Company, including their related parties, are set out below.

2021 Performance Rights	Balance at start of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and exercisable	Not vested
Name	(number)	(number)	(number)	(number)	(number)	(number)	(number)
P Brennan	900,000	-	-	-	900,000	900,000	-
	900,000	-	-	-	900,000	900,000	-

8. Other Transactions with KMP (or their related parties)

During the financial year ended 30 June 2021, the Group incurred the following amounts to related parties:

Office Rent - Wild West Enterprises Pty Ltd

The Company paid office rent to Wild West Enterprises Pty Ltd of \$74,300 in the year ended 30 June 2021, (prior year to 30 June 2020: \$81,961). Mr Reeves (Managing Director of the Company) is a director of Wild West Enterprises Pty Ltd. During the year Calidus and Wild West Enterprises Pty Ltd renewed the sub-lease agreement in respect of a portion of the office space at 12/11 Ventnor Avenue, West Perth for an initial period of two years with a one-time option to extend for a further one year. The rent payable by Calidus under the Office Lease Agreement is \$5,600 per month payable in advance. The Board considers that the agreement to be on arms' length and commercial terms. Shareholders approved a reduction in the prior year rent in return for Share Rights at a shareholder meeting on 1 September 2020 (refer "Share Rights for Discretionary Fee Reduction" on page 43).

Consulting Fees - Discovery Capital Partners Pty Ltd

The Company paid corporate advisory fees to Discovery Capital Partners Pty Ltd of \$10,000 during the year ended 30 June 2021 (prior year to 30 June 2020: \$119,679). Mr Miethke was a Non-Executive Director of the Company and is a director of Discovery Capital Pty Ltd. The Board considers that the Discovery Capital engagement to be on arms' length and commercial terms. Adam Miethke resigned as a director on 27 July 2020. Shareholders approved a reduction in the prior year fees in return for Share Rights at a shareholder meeting on 1 September 2020.

Refer also to "Note 23: Related party transactions" on page 75.

9. Loans Made to KMP

No loans were made to KMP, including personally related entities during the reporting period.

10. Voting and Comments at the Company's 2020 Annual General Meeting

Of the total valid available votes lodged, the Company received 99.68% of 'FOR' votes on its remuneration report for the 2020 financial year. The Company did not receive specific feedback on its remuneration practices.

11. Share Trading Policy

The trading of shares is subject to, and conditional upon, compliance with the company's employee Share Trading Policy. The ability for an executive to deal with an option or a right is restricted by the terms of issue and the plan rules which do not allow dealings in any unvested security. The Share Trading Policy specifically prohibits an executive from entering into transactions that limit the economic risk of participating in unvested entitlements such as equity-based remuneration schemes. The Share Trading Policy can be viewed on the Company's website.

END OF REMUNERATION REPORT

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 (Cth) for the year ended 30 June 2021 has been received and can be found on page 49 of the annual 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 Thursday, 16 September 2021



Auditor's Independence Declaration



Moore Australia Audit (WA)

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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 2021, 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.

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

SL TAN
PARTNER

Signed at Perth this 16th day of September 2021.

A rectangular stamp with the words 'MOORE AUSTRALIA' in a stylized, handwritten font.

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Moore Australia Audit (WA) – ABN 16 874 357 907.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

	Note	30 June 2021	30 June 2020
		\$	\$
Revenue	2	-	363,917
Other income	2	185,952	234,381
Total revenue		185,952	598,298
Personnel costs	3	(1,398,340)	(703,694)
Borrowing and finance costs	4	(157,594)	(1,503)
Depreciation and amortisation	11, 14	(444,184)	(63,253)
Exploration expenditure written off	12	(103,638)	(163,643)
Share-based payment expense	20	(1,052,660)	(1,129,850)
Administration expenses		(1,340,917)	(676,069)
(Loss) / profit on financial assets		(467,184)	45,368
Profit / (loss) before tax		(4,778,565)	(2,094,345)
Income tax benefit / (expense)	5	-	-
Net loss for the year		(4,778,565)	(2,094,345)
Other comprehensive income, net of income tax		-	-
Other comprehensive loss for the year, net of tax		(4,778,565)	(2,094,345)
Total comprehensive loss attributable to members of the parent entity		(4,778,565)	(2,094,345)
Earnings per share:			
Basic loss per share (dollars per share)	6	(0.02)	(0.01)

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 2021

	Note	30 June 2021	30 June 2020
		\$	\$
Current Assets			
Cash and cash equivalents	7	27,317,426	5,690,661
Other receivables	8	1,410,745	261,695
Financial assets	9	356,836	1,362,119
Other current assets	10	976,358	43,669
Total Current Assets		30,061,365	7,358,144
Non-Current Assets			
Property, plant and equipment	11	2,024,322	696,763
Exploration and evaluation assets	12	23,486,369	24,329,686
Mine properties under development	13	91,764,206	-
Right-of-use assets	14	1,575,524	-
Other non-current assets		24,993	24,993
Total Non-Current Assets		118,875,414	25,051,442
Total Assets		148,936,779	32,409,586
Current Liabilities			
Trade and other payables	15	12,747,942	1,338,107
Lease liabilities	14	624,465	-
Provisions	17	558,776	48,219
Total Current Liabilities		13,931,183	1,386,326
Non-Current Liabilities			
Interest bearing liabilities	16	25,000,000	-
Lease liabilities	14	982,257	-
Provisions	17	2,130,218	-
Total Non-Current Liabilities		28,112,475	-
Total Liabilities		42,043,658	1,386,326
Net Assets		106,893,121	31,023,260
Equity			
Issued capital	18	119,310,444	39,714,679
Reserves	19	2,962,897	1,910,237
Accumulated losses		(15,380,220)	(10,601,655)
Total Equity		106,893,121	31,023,260

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2021

	Note	Issued Capital	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
Balance at 1 July 2019		29,712,407	780,387	(8,507,310)	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	20	-	1,129,850	-	1,129,850
Transaction costs	18	(554,728)	-	-	(554,728)
Balance at 30 June 2020		39,714,679	1,910,237	(10,601,655)	31,023,260

Balance at 1 July 2020		39,714,679	1,910,237	(10,601,655)	31,023,260
Loss for the year attributable owners of the parent		-	-	(4,778,565)	(4,778,565)
Other comprehensive income for the year attributable owners of the parent		-	-	-	-
Total comprehensive income for the year attributable owners of the parent		-	-	(4,778,565)	(4,778,565)

Transaction with owners, directly in equity

Shares issued during the year		82,736,234	-	-	82,736,234
Share based payments	20	-	1,052,660	-	1,052,660
Transaction costs	18	(3,140,469)	-	-	(3,140,469)
Balance at 30 June 2021		119,310,444	2,962,897	(15,380,220)	106,893,121

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 2021

	Note	30 June 2021	30 June 2020
		\$	\$
Cash flows from operating activities			
Receipts from customers		67,225	33,500
Payments for suppliers and employees		(2,364,230)	(1,951,217)
Other/grant income		110,454	85,588
Interest received		41,520	74,071
Net cash used in operating activities	7	(2,145,031)	(1,758,058)
Cash flows from investing activities			
Payments for exploration and evaluation		(4,987,437)	(6,240,149)
Payments for mine properties under development		(49,940,857)	-
Payments for acquisition of Blue Spec Project		(12,700,000)	-
Proceeds from sale of financial assets		533,547	322,410
Purchase of plant and equipment		(414,234)	(645,014)
Net cash used in investing activities		(67,508,981)	(6,562,753)
Cash flows from financing activities			
Proceeds from issue of shares		72,072,280	9,158,750
Transaction costs related to issue of shares		(3,139,749)	(536,397)
Proceeds from exercise of options		952,500	1,243,750
Proceeds from borrowings		25,000,000	-
Transaction costs related to borrowings		(3,228,225)	-
Repayment of lease liabilities		(376,029)	-
Net cash provided by financing activities		91,280,777	9,866,103
Net increase in cash held		21,626,765	1,545,292
Cash and cash equivalents at the beginning of the year		5,690,661	4,145,369
Cash and cash equivalents at the end of the year	7	27,317,426	5,690,661

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

Note 1: Statement of significant accounting policies

The consolidated financial statements for the year ended 30 June 2021, comprises Calidus Resources Limited (**Calidus** or **the Company**) and controlled entities (collectively **the Group**). Calidus is a listed public company limited by shares, incorporated and domiciled 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).

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). Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 16 September 2021 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 Group is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

i. Historical cost convention

The financial statements have been prepared under the historical cost convention modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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 accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2020 as per (d) below.

C. Principles of consolidation

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

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.

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 21: Controlled entities" on page 75.

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 income and expenses arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements.

D. Application of new and revised accounting standards

In the period ended 30 June 2021, the Group has reviewed and adopted all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or before 1 July 2020. These standards did not materially affect the Group's financial statements for the year ended 30 June 2021. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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.

E. Critical accounting estimates and judgments

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

i. Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. Tenement acquisition costs are initially capitalised. Refer to the accounting policy stated in "Note 12: Exploration and evaluation assets" on page 64. The carrying value of capitalised expenditure at reporting date is \$23,486,369 (30 June 2020: \$24,329,686).

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 or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. 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.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made

ii. Mine properties under development

Mine properties under development relates to costs incurred to access and exploit a mineral resource and includes:

- Reclassified exploration and evaluation assets;
- the costs incurred in preparing mines for production including plant and equipment under construction;
- Pre-commercial production operating costs (net of pre-commercial production income);
- Mine closure and rehabilitation assets.

The Group assesses the stage of each mine under development to determine when a mine moves into the production phase, this being when the mine is substantially completed and ready for its intended use. This point is commonly referred to as the attainment of commercial production. On attainment of commercial production, capitalised mine properties under development are transferred to property, plant and equipment and mine properties and revenues and expenditures of an operating nature cease to be capitalised and commence being recognised in profit and loss or the cost of inventory. It is also the point at which the depreciation and amortisation of the development assets commences.

The criteria used to assess the start date of commercial production are determined based on the unique nature of the mine development project, such as the complexity of the project and its location. The Group considers various relevant criteria to assess when the production phase is considered to have commenced.

The group uses the unit-of-production basis when depreciating / amortising life of-mine specific assets which results in a depreciation / amortisation charge proportionate to the depletion of the anticipated remaining life-of-mine production. Each item's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of the available resource of the mine property at which it is located.

iii. Impairment of assets

The carrying amounts of assets in the development or production phase are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing this, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot

be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

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

iv. 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. The Directors have considered it prudent not to bring to account the deferred tax asset of income tax losses until it is probable of deriving assessable income of a nature and amount to enable such benefit to be realised. Refer to "Note 5: Income tax" on page 59.

v. 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.

vi. 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 20: Share-based payments" on page 71. The fair value of performance rights is determined by the share price at the date of valuation and consideration of the probability of the vesting condition being met.

vii. Rehabilitation provision

The Group assesses site rehabilitation liabilities on an annual basis. The provision recognised is based on an assessment of the estimated cost of closure and reclamation of the areas discounted to present value. Significant estimation is required in determining the provision for site rehabilitation. Factors such as future development/exploration activity, changes in the costs of goods and services required to complete

restoration activity and changes to the legal and regulatory framework can all affect the timing and ultimate cost to rehabilitate sites where mining and/or exploration activities have previously taken place.

viii. Hedging

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

Note 2: Revenue and other income

	2021	2020
	\$	\$

A. Revenue

Financial assets received	-	363,917
	-	363,917

B. Other income

Other	144,432	160,310
Interest income	41,520	74,071
	185,952	234,381

Included in Other are Cash Flow Boosts from the ATO of \$92,954 (2020: \$88,588).

A. Revenue

Revenues represent revenue generated from external customers.

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.

B. 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 3: Personnel costs

	2021	2020
	\$	\$
Director fees	403,500	339,325
Superannuation	64,842	24,068
Wages and salaries	459,504	247,396
Other employment related costs	470,494	92,905
	1,398,340	703,694

Note 4: Borrowing and finance costs

	Note	2021	2020
		\$	\$
Interest expense		2,425	1,503
Amortisation of capitalised borrowing costs	13	81,301	-
Interest expense on lease liabilities		73,868	-
		157,594	1,503

Note 5: Income tax

	2021	2020
	\$	\$

A. Income tax expense / (benefit)

Current tax	(2,894,432)	(2,117,838)
Deferred tax	2,894,432	2,117,838
Relating to origination and reversal of temporary differences	(1,423,386)	139,044
Deferred tax expense / (benefit) not recognised	1,423,386	(139,044)
Income tax expense / (benefit) reported in income statement	-	-

B. Reconciliation of income tax expense / (benefit) 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	(4,778,565)	(2,094,345)
Prima facie tax on operating loss at 26% (2020: 27.5%)	(1,242,427)	(575,945)
Add / (subtract) the tax effect of:		
Non-deductible expenses	262,919	288,383
Deferred tax assets / (liabilities) not brought to account	979,508	287,562
Income tax expense / (benefit) attributable to operating loss	-	-

C. Deferred tax assets

Tax losses	12,834,933	10,135,309
Other temporary differences	3,103,615	957,999
	15,938,548	11,093,308
Set-off deferred tax liabilities	(7,780,338)	(4,358,484)
Net deferred tax assets	8,158,210	6,734,824
Less deferred tax assets not recognised	(8,158,210)	(6,734,824)
Net tax assets	-	-

D. Tax losses and deductible temporary differences

Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised:	47,924,109	36,251,877
	47,924,109	36,251,877

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2021 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:

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

Note 5: Income tax continued...

The corporate tax rate for eligible companies will reduce from 26% to 25% for the financial year ended 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:

- 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.

Note 6: Earnings Per Share (EPS)

	2021	2020
	\$	\$

A. Reconciliation of earnings to profit or loss

(Loss) / profit for the year	(4,778,565)	(2,094,345)
(Loss) / profit used in the calculation of basic and diluted EPS	(4,778,565)	(2,094,345)
B. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	289,827,437	191,358,195

C. Earnings per share

Basic EPS (dollars per share)	(0.02)	(0.01)
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- D.** At the end of the 2021 financial year, the Group has 7,770,950 unissued shares under options (2020: 15,788,500), 900,000 performance rights on issue (2020: 2,100,000), 0 share rights (2020: 497,903). The Group does not report diluted earnings per share on annual losses generated by the Group. During the 2021 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 the 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.

Note 7: Cash and cash equivalents

	2021	2020
	\$	\$

A. Current

Cash at bank	27,317,426	5,690,661
	27,317,426	5,690,661

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 26: Financial risk management" on page 77.

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:

	Notes	2021	2020
		\$	\$

B. Reconciliation of cash

Cash and cash equivalents		27,317,426	5,690,661
		27,317,426	5,690,661

C. Cash flow information

i. Reconciliation of cash flow from operations to (loss)/profit after income tax

Loss after income tax		(4,778,565)	(2,094,345)
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Non-cash flows in result:

Depreciation and amortisation		444,010	62,560
Share-based payments	20	1,052,660	1,129,849
Exploration write off/Impairment expense		103,638	163,643
(loss)/profit on financial assets		467,184	(409,285)

Changes in operating assets and liabilities:

(Increase)/decrease in receivables		(81,948)	2,418
(Increase)/decrease in other assets		43,669	(86,874)
Increase/(decrease) in trade and other payables		82,648	(543,216)
Increase/(decrease) in provisions		521,673	17,192
Cash flows from operations		(2,145,031)	(1,758,058)

Note 8: Trade and other receivables

	2021	2020
	\$	\$

A. Current

Trade receivables	-	36,575
GST receivable	1,410,745	225,120
	1,410,745	261,695

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: Financial assets

	2021	2020
	\$	\$
Shares held in listed investments ⁽ⁱ⁾	356,836	1,362,119
	356,836	1,362,119

(i) Shares held in Pacton Gold Inc.

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs are expensed in profit or loss. Changes in the fair value of financial assets are recognised in other gains / (losses) in the consolidated statement of profit or loss as applicable.

Note 10: Other current assets

	2021	2020
	\$	\$
Prepayments	976,358	43,669
	976,358	43,669

Note 11: Property, plant, and equipment

	2021	2020
	\$	\$

A. Non-current

Motor vehicles	132,786	76,104
Accumulated depreciation	(91,608)	(65,834)
	41,178	10,270
Computer and software	171,852	48,056
Accumulated depreciation	(68,265)	(36,000)
	103,587	12,056
Plant and equipment ⁽ⁱ⁾	1,089,128	87,951
Accumulated depreciation	(76,192)	(52,635)
	1,012,936	35,316
Buildings ⁽ⁱⁱ⁾	866,621	639,121
Total property, plant and equipment	2,024,322	696,763

(i) Value of Blue Spec Project plant and equipment acquired.

(ii) Depreciation on buildings will commence once commercial production is declared at the Warrawoona Gold Project.

B. Movements in carrying amounts

	Motor vehicles	Computer and software	Plant and equipment	Buildings	Total
	\$	\$	\$	\$	\$

Year Ended 30 June 2021

Carrying amount at the beginning of year	10,270	12,056	35,316	639,121	696,763
Additions	56,682	123,796	6,430	227,500	414,408
Assets acquired via project acquisition ⁽ⁱ⁾	-	-	994,747	-	994,747
Depreciation expense	(25,774)	(32,265)	(23,557)	-	(81,596)
Carrying amount at 30 June 2021	41,178	103,587	1,012,936	866,621	2,024,322

Year Ended 30 June 2020

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 30 June 2020	10,270	12,056	35,316	639,121	696,763

(i) Value of Blue Spec Project plant and equipment acquired.

(ii) Depreciation on buildings will commence once commercial production is declared at the Warrawoona Gold Project.

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. The cost of the asset 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.

An item of plant and equipment is de-recognised 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 de-recognised.

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 are discounted to their present values in determining recoverable amounts. 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.

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

	2021	2020
	\$	\$
Plant and equipment	25%-50%	25%-50%
Computer and software	33%	33%
Motor vehicles	33%	33%

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

Note 12: Exploration and evaluation assets

	2021	2020
	\$	\$
A. Non-current		
Exploration expenditure capitalised:		
Exploration and evaluation	23,486,369	24,329,686
Net carrying value	23,486,369	24,329,686

B. Movements in carrying amounts

Balance at the beginning of year	24,329,686	18,145,519
Expenditure capitalised during the year	7,338,408	6,347,810
Assets acquired via project acquisition ⁽ⁱ⁾	18,900,195	-
Transfer to mine properties under development	(26,978,282)	-
Exploration expenditure write off	(103,638)	(163,643)
Carrying amount at the end of year	23,486,369	24,329,686

(i) Value of Blue Spec Project exploration and evaluation assets acquired

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 assets.

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.

Note 13: Mine properties under development

	2021	2020
	\$	\$
Movements in carrying amounts		
Balance at the beginning of year	-	-
Expenditure capitalised during the year	57,986,277	-
Transfer from exploration and evaluation	26,978,282	-
Capitalised borrowing costs	5,337,256	-
Change in rehabilitation provision	1,543,692	-
Amortisation	(81,301)	-
Carrying amount at the end of year	91,764,206	-

Mine properties under development represents the costs incurred in preparing mines for production and includes prior exploration and evaluation costs, plant and equipment under construction, capitalised borrowing costs, operating costs incurred and operating revenues before commercial production commences, and mine closure and rehabilitation assets recognised. These costs and revenues are capitalised to the extent they are expected to be recouped through successful exploitation of the related mining leases. Once commercial production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

Capitalised borrowing costs represent interest and commitment fees on drawn and undrawn amounts of debt facilities, as well as all transaction costs directly attributable to establishing a debt facility. Interest and commitment fees are capitalised to qualifying assets, in this case Mine properties under development, until the point in time that commercial production is declared, following commercial production commencing, interest and commitment fees will be expensed as incurred. Capitalised interest and commitment fees are amortised using the units-of-production method. Capitalised transaction costs directly attributable to establishing a debt facility are amortised on a straight-line basis over the expected life of the debt facility.

Note 14: Leases

	2021	2020
	\$	\$
A. Right-of-use assets		
Balance at the beginning of the year	-	-
Additions ⁽ⁱ⁾	1,938,112	-
Depreciation charge	(362,588)	-
Net carrying value	1,575,524	-

B. Lease liabilities

Current

Lease liabilities ⁽ⁱ⁾	624,465	-
Total current lease liabilities	624,465	-

Non-current

Lease liabilities ⁽ⁱ⁾	982,257	-
Total non-current lease liabilities	982,257	-
Total lease liabilities	1,606,722	-

(i) The Group has renewed the sub-lease agreement for office premises in West Perth, Western Australia during the financial year for a period of two years with a one-time option to extend for a further year. In addition, various agreements have been entered for Warrawoona Project infrastructure with 36-month durations. Right-of-use assets and corresponding lease liabilities have been recognised for these agreements.

Note 14: Leases continued...

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

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

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

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

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

Note 15: Trade and other payables

	2021	2020
	\$	\$
Current		
Unsecured		
Trade payables	2,803,207	1,211,870
Accruals	9,072,490	21,000
Accrued finance costs	692,065	-
Employment related payables	180,180	105,237
	12,747,942	1,338,107

Trade payables, accruals and employment related payables are non-interest bearing and are usually settled within 30 days.

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

Note 16: Interest bearing liabilities

	2021	2020
	\$	\$
Non-current		
Secured		
Bank loans	25,000,000	-
	25,000,000	-

A \$110 million project loan facility denominated in AUD has been entered into with Macquarie Bank Limited for the development of the Warrawoona Gold Project, which is secured against the assets of Keras Pilbara (Gold) Pty Ltd and Calidus Resources Limited. The facilities comprise a Senior Secured Loan of \$85 million and a Mezzanine Facility of \$25 million. Interest is charged at commercial rates and scheduled monthly repayments commence on 30 June 2022 and cease September 2025.

At 30 June 2021 the balance drawn down to date was \$25 million, with \$85 million available under the facility subject to ongoing compliance with debt covenants (2020: balance due was \$0). Estimates of future cash flows used for classification of the debt facility between current and non-current may differ from the actual outcomes in the next financial year due to sweep provisions of the loan agreement in event project cashflows exceed expectations.

Note 17: Provisions

	2021	2020
	\$	\$
Current		
Payroll tax	359,648	8,972
Annual leave	199,128	39,247
	558,776	48,219
Non-current		
Long service leave	11,116	-
Rehabilitation	2,119,102	-
	2,130,218	-
Provision for rehabilitation		
Balance at the beginning of the period	-	-
Provisions made during the year – Warrawoona Gold Project	1,543,692	-
Provision assumed via project acquisition ⁽ⁱ⁾	575,410	-
	2,119,102	-

(i) Value of Blue Spec Project rehabilitation liability acquired

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. 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.

The Group assesses site rehabilitation liabilities on an annual basis. The provision recognised is based on an assessment of the estimated cost of closure and reclamation of the areas discounted to present value. Significant estimation is required in determining the provision for site rehabilitation. Factors such as future development/exploration activity, changes in the costs of good and services required to complete restoration activity and changes to the legal and regulatory framework can all affect the timing and ultimate cost to rehabilitate sites where mining and/or exploration activities have previously taken place.

Note 18: Issued capital

	2021	2020	2021	2020
	No.	No.	\$	\$
Fully paid ordinary shares at no par value	399,928,347	219,464,064	119,310,444	39,714,679

A. Ordinary shares

At the beginning of the year	219,464,064	1,578,887,024	39,713,959	29,712,407
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Shares issued during the year:

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	-	6,750,000	-	158,750
	219,464,064	2,146,887,024	39,713,959	39,025,657
Share consolidation (One for ten)	-	214,689,064	-	-
Exercise of options	-	4,775,000	-	1,243,750
Shares in lieu of salary	238,259	-	-	-
Shares in lieu of directors' fees	155,983	-	-	-
Shares in lieu of fees	103,661	-	-	-
Placement	49,019,608	-	25,000,000	-
Exercise of options	200,000	-	-	-
Shares issued to purchase royalty	4,000,000	-	2,240,000	-
Placement	62,500,000	-	31,875,000	-
Exercise of options	488,500	-	-	-
Receipt for employee shares previously issued under holding lock	-	-	112,500	-
Share purchase plan	5,290,279	-	2,698,000	-
Shares issued to purchase royalty	750,000	-	375,000	-
Exercise of options	150,000	-	-	-
Placement	31,250,000	-	12,500,000	-
Shares issued for Blue Spec Acquisition	13,333,333	-	5,733,333	-
Exercise of options	200,000	-	40,000	-
Exercise of options	4,000,000	-	800,000	-
Exercise of options	5,200,000	-	-	-
Shares issued for Macquarie financing	3,100,000	-	1,240,000	-
Issue of debt advisor shares	240,000	-	122,400	-
Performance rights vested	244,660	-	-	-
Transaction costs relating to share issues	-	-	(3,139,749)	(554,728)
At reporting date	399,928,347	219,464,064	119,310,444	39,714,679

Terms of ordinary shares

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.

	2021	2020	2021	2020
	No.	No.	\$	\$

B. Options

At the beginning of the year	15,788,500	166,500,000	1,604,596	734,396
Options exercised	-	(6,750,000)	-	-
Options expired/cancelled	-	(70,000,000)	-	-
	15,788,500	89,750,000	1,604,596	734,396
Share consolidation (one for ten)	-	8,975,000	-	-
Issue of options	2,220,950	11,588,500	1,052,660	870,200
Options exercised	(10,238,500)	(4,775,000)	-	-
At reporting date	7,770,950	15,788,500	2,657,256	1,604,596

C. Share rights and performance rights

At the beginning of the year	2,597,903	21,000,000	305,641	45,991
Issue of performance rights	-	-	-	106,788
	2,597,903	21,000,000	305,641	152,779
Share consolidation (one for ten)	-	2,100,000	-	-
Issue of share rights	-	497,903	-	152,862
Exercise of performance rights	(1,200,000)	-	-	-
Exercise of share rights	(497,903)	-	-	-
At reporting date	900,000	2,597,903	305,641	305,641

D. Performance shares

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

E. Capital management

The directors' objectives when managing capital are to ensure that the Group can maintain a capital base 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 exploration, development, operations, 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 and/or debt facilities as required.

The working capital position of the Group were as follows:

	Note	2021	2020
		\$	\$
Cash and cash equivalents	7	27,317,426	5,690,661
Trade and other receivables	8	1,410,745	261,695
Trade and other payables	12	(12,747,942)	(1,338,107)
Working capital position		15,980,229	4,614,249

Note 19: Reserves

	Note	2021	2020
		\$	\$
Options reserve	18b	2,657,256	1,604,596
Share rights and performance rights reserve	18c	305,641	305,641
		2,962,897	1,910,237

A. Options reserve

Balance at the beginning of the financial year		1,604,596	734,396
Share based payments expense	20	1,052,660	870,200
Balance at the end of the financial year		2,657,256	1,604,596

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

At 30 June 2021, the following options are outstanding:

- 400,000 unlisted options issued to non-executive directors exercisable at nil price expiring on or before 27 December 2023;
- 3,450,000 unlisted options issued to senior executives exercisable at nil price expiring on or before 27 December 2024;
- 1,350,000 unlisted options issued to senior executives exercisable at nil price expiring 30 January 2025;
- 350,000 unlisted options issued to senior executives exercisable at nil price expiring 4 June 2025;
- 600,000 unlisted options issued to a senior executive exercisable at nil price expiring 5 August 2025;
- 170,000 unlisted options issued to a senior employee exercisable at nil price expiring 12 August 2025;
- 167,500 unlisted options issued to a senior employee exercisable at nil price expiring 11 December 2025;
- 228,800 unlisted options issued to a senior employee exercisable at nil price expiring 16 December 2025;
- 200,000 unlisted options issued to a non-executive director exercisable at nil price expiring 4 January 2025;
- 417,650 unlisted options issued to senior employees exercisable at nil price expiring 19 January 2023;
- 167,000 unlisted options issued to employees exercisable at nil price expiring 16 February 2024;
- 270,000 unlisted options issued to employees exercisable at nil price expiring 28 May 2024.

	2021	2020
	\$	\$

B. Share rights and performance rights reserve

Balance at the beginning of the financial year	305,641	45,991
Share based payments	-	259,650
Balance at the end of the financial year	305,641	305,641

At 30 June 2021, there are no share rights outstanding, and the following performance rights are outstanding:

- 900,000 performance rights for Paul Brennan expiring 3 May 2022.

Note 20: Share-based payments

	Note	2021	2020
		\$	\$
Options:			
Share based payments – Key Management Personnel		646,018	829,975
Share based payments – other employees		406,642	40,225
Subtotal – share based payments (options)	20b	1,052,660	870,200
Performance rights:			
Share based payments – Key Management Personnel		-	106,788
Subtotal – share based payments (employee shares)		-	106,788
Share rights:			
Share based payments – Key Management Personnel		-	116,110
Share based payments – related party transactions		-	20,090
Share based payments – employee and contractor		-	16,662
Subtotal – share based payments (share rights)		-	152,862
Gross share-based transactions		1,052,660	1,129,850

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

Employee securities incentive plan

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
600,000	5 August 2025	Nil	First gold pour achieved at Warrawoona
170,000	12 August 2025	Nil	First gold pour achieved at Warrawoona
167,500	11 December 2025	Nil	First gold pour achieved at Warrawoona
228,800	16 December 2025	Nil	First gold pour achieved at Warrawoona
200,000	4 January 2025	Nil	1/3 each year for continuous service from grant date
417,650	19 January 2023	Nil	First gold pour achieved at Warrawoona
167,000	16 February 2024	Nil	First gold pour achieved at Warrawoona
270,000	28 May 2024	Nil	First gold pour achieved at Warrawoona

B. Summary of number of options and its value

A summary of the number of company options issued in both the current year and prior years to Key Management Personnel and other employees that have an impact on share-based payments expense in the current year are as follows:

Number of shares	Key Management Personnel								Other employees
	David Reeves	Mark Connelly	Keith Coughlan	Adam Miethke	John Ciganek	Paul Brennan	Richard Hill	Don Russell	Various

Executive options

a. 388,500 options	150,000	N/A	N/A	N/A	N/A	150,000	N/A	N/A	88,500
b. 150,000 options	N/A	N/A	N/A	N/A	N/A	N/A	150,000	N/A	N/A

NED options

a. 700,000 options	N/A	300,000	200,000	200,000	N/A	N/A	N/A	N/A	N/A
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Incentive options

a. 7,150,000 options	3,000,000	N/A	N/A	N/A	N/A	2,700,000	N/A	N/A	1,450,000
b. 2,700,000 options	N/A	N/A	N/A	N/A	N/A	N/A	2,700,000	N/A	N/A
c. 500,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	500,000
d. 600,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	600,000	N/A
e. 170,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	170,000
f. 167,500 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	167,500
g. 228,800 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	228,800
h. 200,000 options	N/A	N/A	N/A	N/A	200,000	N/A	N/A	N/A	N/A
i. 417,650 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	417,650
j. 167,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	167,000
k. 270,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	270,000

A summary of share-based payments expense for Key Management Personnel and other employees are as follows:

A\$	Key Management Personnel								Other employees
	David Reeves	Mark Connelly	Keith Coughlan	Adam Miethke	John Ciganek	Paul Brennan	Richard Hill	Don Russell	Various
Executive options									
a. 388,500 options	12,738	N/A	N/A	N/A	N/A	12,738	N/A	N/A	7,515
b. 150,000 options	N/A	N/A	N/A	N/A	N/A	N/A	22,652	N/A	N/A
NED options									
a. 700,000 options	N/A	21,000	14,000	33,646	N/A	N/A	N/A	N/A	N/A
Incentive options									
a. 7,150,000 options	93,484	N/A	N/A	N/A	N/A	84,135	N/A	N/A	45,151
b. 2,700,000 options	N/A	N/A	N/A	N/A	N/A	N/A	131,804	N/A	N/A
c. 500,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	94,875
d. 600,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	203,612	N/A
e. 170,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	57,162
f. 167,500 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	42,464
g. 228,800 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	52,098
h. 200,000 options	N/A	N/A	N/A	N/A	16,209	N/A	N/A	N/A	N/A
i. 417,650 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	70,446
j. 167,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24,348
k. 270,000 options	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12,584
Total – Key Management Personnel (A\$)									646,018
Total – Employees (A\$)									406,642

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:

	2021		2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	9,550,000	\$0.00	16,000,000	\$0.03
Issued [Pre 10:1 consolidation]	-	-	1,150,000	\$0.00
Exercised [Pre 10:1 consolidation]	-	-	(1,000,000)	\$0.30
Expired/cancelled	-	-	(600,000)	\$0.10
Consolidation	-	-	(14,400,000)	-
Issued	800,000	\$0.00	8,400,000	\$0.00
Exercised	(4,950,000)	\$0.00	-	-
Outstanding at year-end	5,400,000	\$0.00	9,550,000	\$0.00
Exercisable at year-end	-	\$0.00	-	\$0.00

- (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:

	2021		2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	15,788,500	\$0.05	166,500,000	\$0.280
Exercised [Pre 10:1 consolidation]	-	-	(6,750,000)	\$0.024
Expired/cancelled	-	-	(70,000,000)	\$0.035
Consolidation	-	-	(80,775,000)	-
Issued	2,220,950	\$0.00	11,588,500	\$0.00
Exercised	(10,238,500)	\$0.08	(4,775,000)	\$0.25
Outstanding at year-end	7,770,950	\$0.00	15,788,500	\$0.05
Exercisable at year-end	-	-	-	-

Note 21: Controlled entities

A. Ultimate parent entity

Calidus Resources Limited is the ultimate parent of the Group (refer to "Note 1C" on page 55).

B. Subsidiaries

The consolidated financial statements include the financial statements of the Parent and the subsidiaries set out in the following table:

	Country of incorporation	Class of shares	Percentage owned	
			2021	2020
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
Calidus Blue Spec Pty Limited	Australia	Ordinary	100.0	N/A

Note 22: Key Management Personnel (KMP)

A. Directors and Key Management Personnel

The names and positions of KMP during the current and prior financial year 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 John Ciganek Non-Executive Director (appointed 4 January 2021)
- Mr Richard Hill Chief Financial Officer
- Mr Paul Brennan Project Development
- Mr Don Russell General Manager Warrawoona (appointed 3 August 2020)

B. Key Management Personnel Compensation

Details of Key Management Personnel remuneration are contained in the audited Remuneration Report in the Directors' Report. A summary of total compensation paid to Key Management Personnel during the year is as follows:

	2021	2020
	\$	\$
Short-term employee benefits	1,209,333	650,950
Post-employment benefits	97,074	41,004
Share-based payments	646,018	946,085
Total	1,952,425	1,638,039

Note 23: Related party transactions

	2021	2020
	\$	\$

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

Wild West Enterprises Pty Ltd - Office Rent	74,300	81,961
Discovery Capital – Corporate Advisory and Capital Raising Fees	10,000	119,679

Refer to the Remuneration Report "8. Other Transactions with KMP (or their related parties)" on page 47 for further information regarding the terms of the related party transactions.

Note 24: Commitments

A. Exploration expenditure commitments

Exploration expenditure commitments represent tenement rentals and expenditure that may be required to be met under relevant legislation should the Group wish to retain tenure on all current tenements in which the Group has an interest.

	2021	2020
	\$	\$
Exploration expenditure commitments payable:		
Not later than 12 months	824,798	572,780
Between 12 months and five years	1,632,316	1,046,789
Later than five years	3,322,661	1,864,078
Total Exploration tenement minimum expenditure requirements	5,779,775	3,483,647

B. Operating lease commitments

The Company leases assets for operations and its office premises. As at 1 July 2019, with the adoption of AASB 16, operating leases as previously defined under AASB 117, have for the most part, been recognised and included as lease liabilities with future commitments disclosed in "Note 14: Leases" on page 65. Any leases that did not meet the definition of finance leases, were either short-term in nature or did not meet the recognition requirements. The office lease expired during the year and was subsequently renewed (refer to "Note 23: Related party transactions" on page 75). The disclosure of prior period operating commitments is retained in these financial statements as follows:

	2020
	\$
Operating lease commitments payable:	
Not later than 12 months	42,600
Between 12 months and five years	-
Later than five years	-
Total operating lease requirements	42,600

C. Physical gold delivery commitments

As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financier Macquarie Bank Limited (MBL), the group has entered into gold forward contracts to manage the gold price of a proportion of anticipated gold sales. The contracts are accounted for as sales contracts with revenue recognised once the gold has been delivered to MBL. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 9 Financial Instruments. Hence no derivatives are recognised.

	Gold for physical delivery	Contracted gold sale price	Value of committed sales	Mark-to-market
	ounces	\$	\$	\$
Between one and five years – Fixed Forward Contracts	125,000	2,355	294,375,000	(4,373,263)

Mark-to-market has been calculated using the spot price of A\$2,361 per ounce as at 30 June 2021.

Mark-to-market represents the value of the open contracts at balance date, calculated with reference to the gold spot price at that date. A negative amount represents a valuation in the counterparty's favour.

Note 25: Operating segments

For management purposes, the Group's operations are organised into one operating segment domiciled in the same country, which involves the exploration and exploitation of gold minerals in Australia. All the Group's activities are inter-related, and discrete financial information is reported to the Managing Director as a single segment. Accordingly, all

significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the statement of comprehensive income. The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of these financial statements.

Note 26: Financial risk management

A summary of the Group's financial assets and liabilities as at 30 June 2021 and 30 June 2020 is shown below:

	Floating interest rate	Fixed interest rate	Non-interest bearing	2021 total	Floating interest rate	Fixed interest rate	Non-interest bearing	2020 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	27,317,426	-	-	27,317,426	5,690,661	-	-	5,690,661
Trade and other receivables	-	-	1,410,745	1,410,745	-	-	261,695	261,695
Financial assets	-	-	356,836	356,836	-	-	1,362,119	1,362,119
Total financial assets	27,317,426	-	1,767,581	29,085,007	5,690,661	-	1,623,814	7,314,475
Financial liabilities								
Financial liabilities at amortised cost								
Trade and other payables	-	-	12,747,942	12,747,942	-	-	1,338,107	1,338,107
Short-term financial liabilities	-	-	-	-	-	-	-	-
Long-term financial liabilities	25,000,000	-	-	25,000,000	-	-	-	-
Total financial liabilities	25,000,000	-	12,747,942	37,747,942	-	-	1,338,107	1,338,107
Net financial assets/(liabilities)	2,317,426	-	(10,980,361)	(8,662,935)	5,690,661	-	285,707	5,976,368

Financial risk management objectives, exposures and management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

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 discusses 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.

The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

A. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references, and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is 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.

The Group has no significant concentration of credit risk with any single party with the exception of GST receivable from the Australian Tax Office. At 30 June 2021, GST receivable for the Group totalled \$1,410,745 (2020: \$225,120).

B. Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's contractual maturities for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows.

	Within 1 Year		Greater than 1 Year		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$

Financial liabilities due for payment

Trade and other payables	12,747,942	1,338,107	-	-	12,747,942	1,338,107
Borrowings	-	-	25,000,000	-	25,000,000	-
Total contractual outflows	12,747,942	1,338,107	25,000,000	-	37,747,942	1,338,107

Financial assets

Cash and cash equivalents	27,317,426	5,690,661	-	-	27,317,426	5,690,661
Trade and other receivables	1,410,745	261,695	-	-	1,410,745	261,695
Financial assets	356,836	1,362,119	-	-	356,836	1,362,119
Total anticipated inflows	29,085,007	7,314,475	-	-	29,085,007	7,314,475
Net (outflow)/inflow on financial instruments	16,337,065	5,976,368	(25,000,000)	-	(8,662,935)	5,976,368

C. Market risk

i. Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. The long-term borrowings have been obtained at variable rates which expose the Group to interest rate risk.

The Group's long-term borrowings outstanding at 30 June 2021 of \$25,000,000 (2020: nil). An increase/decrease in interest rates of 100 basis points would have an adverse/favourable effect on profit before tax of \$250,000 per annum, assuming interest is not capitalised. The Group's interest rate risk exposure will increase/decrease as debt is drawn/repaid.

ii. Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Group's functional currency. The group does not have any material exposure to foreign exchange risk.

iii. Price risk

The Group holds shares in Pacton Gold Inc. which are exposed to changes in market prices. The market value of shares held by the Group at 30 June 2021 totalled \$356,836 (2020: \$1,362,119). An increase/decrease of 10% would have a favourable/adverse effect on profit before tax of \$35,684 (2020: \$136,212).

iv. Commodity price risk

The Group's exposure to commodity price risk arises largely from Australian dollar gold price fluctuations for its anticipated future gold production and sales. The Group's exposure to movements in the gold price is managed through the use of Australian dollar gold forward contracts. The gold forward sale contracts do not meet the criteria of financial instruments for accounting purposes on the basis that they meet the normal purchase/sale exemption because physical gold will be delivered into the contract. Further information relating to these forward sale contracts is included in "Note 24C" on page 76. No sensitivity analysis is provided for these contracts as they are outside the scope of AASB 9 Financial Instruments.

Note 27: Events subsequent to reporting date

On 16 August 2021 Calidus announced that mining had commenced at the Warrawoona Gold Project with ore now being delivered to the run of mine (ROM) pad.

On 14 September 2021 Calidus announced the signing of a mining services agreement with Macmahon Holdings Limited which covers all open pit mining until 2026 ensuring sufficient ore stocks available at mill commissioning. In addition, the mill was reported as being successfully installed taking construction of the processing plant to 63% complete.

Apart from the matters discussed above, no other matter or circumstance has arisen since 30 June 2021 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 28: Contingent liabilities

A. Royalties

The Group has an obligation to pay royalties to third parties on minerals produced from various tenements. The royalties will only become due and payable when mining commences on the relevant tenements.

B. Tenement earn-in rights

Calidus may earn up to a 70% interest in the Otways tenements by spending \$1.2 million on the tenements over 30 months. 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 may earn up to a 75% interest in the Gondwana tenements by spending \$1.0 million on the tenements over 60 months. At the completion of the expenditure commitment, each party will be subject to a fund or dilute obligation in the respective proportions on the Gondwana tenements with any

interest diluting below 10% converting to a 1% net smelter royalty.

Calidus may earn up to a 90% interest in the Nimble tenements by spending \$0.8 million on the tenements over 60 months. At the completion of the expenditure commitment, each party will be subject to a fund or dilute obligation in the respective proportions on the Nimble tenements with any interest diluting below 10% converting to a 1% net smelter royalty.

C. Project contracts

Calidus has entered into various operational contracts related to the Warrawoona Gold Project. Should these contracts be cancelled at the election of Calidus prior to the expiry of the term Calidus has a maximum liability of \$18.5 million.

D. Other contingent liabilities

There were no other material contingent liabilities at the end of the year.

Note 29: Auditor's remuneration

	2021	2020
	\$	\$
Remuneration of the auditor of the company for:		
Auditing or reviewing the financial reports	50,350	40,000
Other services provided by a related practice of the auditor	-	-
	50,350	40,000

Note 30: Parent entity disclosures

Financial statements and notes for Calidus Resources Limited, the legal parent entity are provided below:

A. Financial position of Calidus Resources Limited (legal parent)

	June 2021	June 2020
	\$	\$
Current assets	111,903,392	34,593,713
Non-current assets	162,171	2,107
Total assets	112,065,563	34,595,820
Current liabilities	466,477	161,486
Non-current assets	72,649	7,799
Total liabilities	539,126	169,285
Net assets	111,526,437	34,426,535

Equity

Issued capital	119,310,444	39,713,961
Options and Share Rights reserve	2,962,897	1,910,237
Accumulated losses	(10,746,904)	(7,197,663)
Total equity	111,526,437	34,426,535

B. Financial performance of Calidus Resources Limited

Profit / (loss) for the year	(3,549,241)	(2,202,502)
Other comprehensive (loss) / income	-	-
Total comprehensive loss	(3,549,241)	(2,202,502)

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

There are various parent guarantees entered into by Calidus Resources Limited for the debts of its subsidiaries as at 30 June 2021 (2020: none).

Director's 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 2021 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 2021.



Mark Connelly
Non-Executive Chairman

Dated this Thursday, 16 September 2021



Independent Auditor's Report



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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 2021, 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 2021, 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 2021 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.

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Carrying amount of Mine Properties Under Development

Refer to Note 13 Mine Properties Under Development

During the year ended 30 June 2021, the Group transferred approximately \$27 million from exploration and evaluation assets to mine properties under development following the decision to commence development at the Warrawoona Gold Project (the Project).

Subsequent to the transfer, substantial costs were incurred and capitalised in relation to the ongoing development works. The carrying amount of mine property under development at balance date was approximately \$92 million.

The impairment assessment conducted under AASB 136 Impairment of Assets as at the date of transfer involved a comparison of the recoverable amount of the Project assets with their carrying amounts in the financial statements.

The evaluation of the recoverable amount of these assets at transfer and at year-end is considered a key audit matter as it was based upon a model which required significant judgement in verifying the key assumptions supporting the expected discounted future cash flows of the Project. Our audit focussed on the Group's assessment of the carrying amount of the capitalised mine property under development as this is the single largest asset of the Group.

Our procedures included:

- We reviewed the Group's ASX announcements and the updated Feasibility Study (FS) released on 29 September 2020 and obtained an understanding of the process associated with the NPV (value in use) model to assess the recoverable amount of the Project.
- Critically evaluated management's methodology in the NPV model and the basis for key assumptions utilised in the model such as discount rate, estimated project development capital, gold price per oz, and average AISC/oz.
- We reviewed the sensitivity analysis disclosed in the FS around the key inputs in the NPV model for reasonableness
- We substantiated a sample of capitalised expenditure by agreeing to supporting documentation/invoices
- We reviewed external and internal sources of information for observable impairment indicators. This included reviewing minutes of Board meetings, internal management reports and giving due consideration to current information such as gold prices, AISC of comparable producers and the Company's market capitalisation which was considerably higher than its year-end net asset position.
- Assessed the appropriateness of the disclosures contained in the financial report

Capitalised Exploration & Evaluation Assets

Refer to Note 12 Exploration and evaluation assets

At balance date, the Group's statement of financial position includes capitalised exploration and evaluation assets of approximately \$23.5 million.

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 also assessed the appropriateness of the disclosures contained in the financial report.

Our procedures included:

- Ensuring the Group has the ongoing right to explore in the relevant exploration areas of interests which included performing ownership searches of the tenements to Department of Mines WA & other agreements.
- Tested a sample of exploration & evaluation expenditures capitalised during the year to supporting documentation including contracts.
- Ensuring the Group is committed to continue exploration and evaluation activity in the relevant exploration areas of interest by assessing their exploration and future development expenditures that have been budgeted for and reviewing minutes of Board meetings and other internal reports.
- Assessing the carrying value of these assets for any indicators of impairment including comparing against the Company's market capitalisation.



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 2021 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.aasb.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 2021.

In our opinion, the Remuneration Report of Calidus Resources Limited, for the financial year ended 30 June 2021 complies with section 300A of the Corporations Act 2001.

Responsibilities

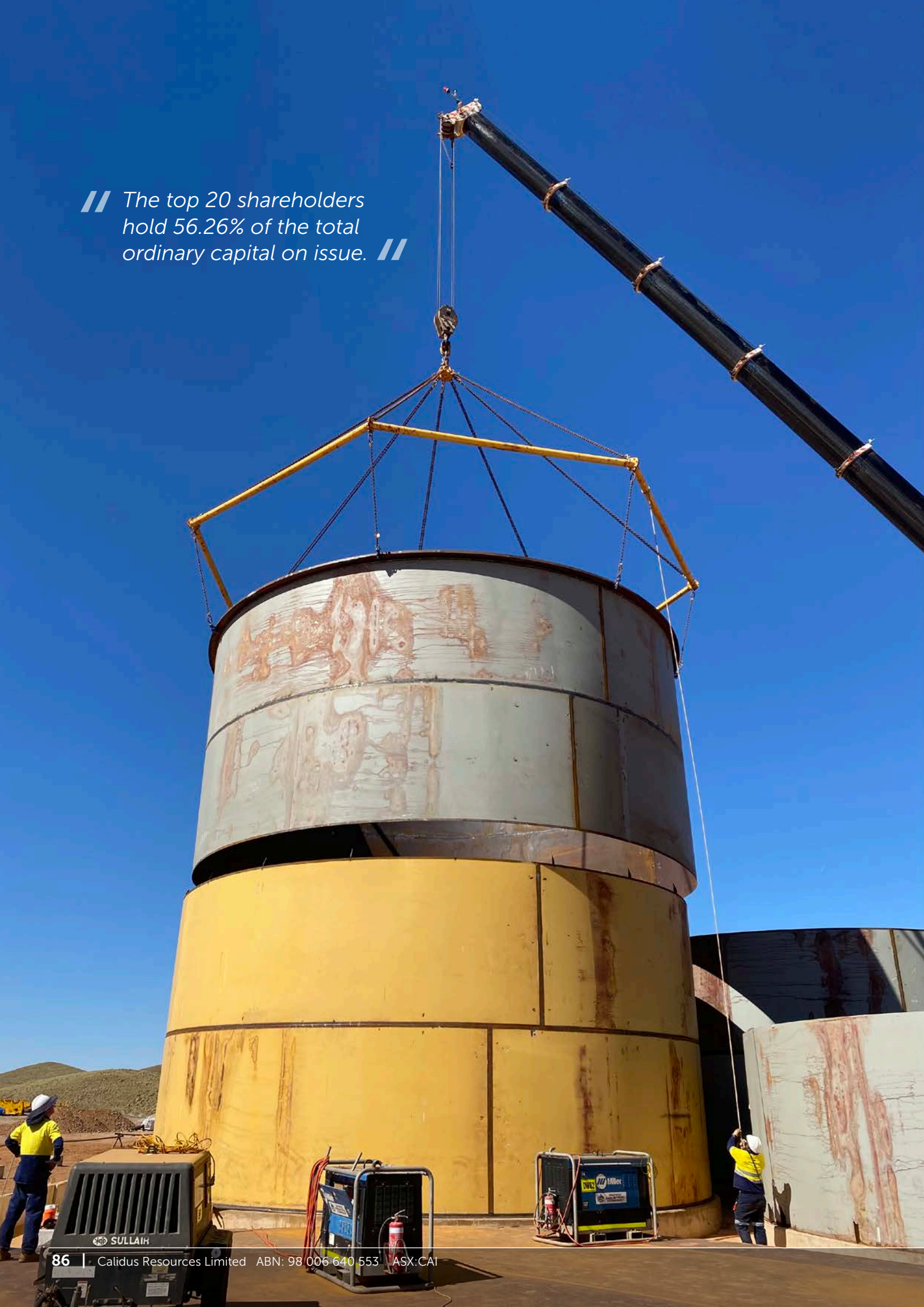
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian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

SL TAN
PARTNER

Signed at Perth on the 16th day of September 2021

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

// The top 20 shareholders hold 56.26% of the total ordinary capital on issue. //



Additional ASX Information

as at 15 September 2021

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. As at 15 September 2021 there were 4,844 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 15 September 2021

Rank	Name	Number of Ordinary Fully Paid Shares	% Held of Ordinary Issued Capital
1	ALKANE RESOURCES LTD	38,302,744	9.58%
2	CITICORP NOMINEES PTY LIMITED	28,490,212	7.12%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,923,756	6.73%
4	MRS ELEANOR JEAN REEVES <ELANWI A/C>	19,026,618	4.76%
5	BEATONS CREEK GOLD PTY LTD	15,140,000	3.79%
6	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	11,899,396	2.98%
7	HEDGEHOG MANAGEMENT PTY LTD <RICHARDSON LOW SUPER A/C>	10,635,584	2.66%
8	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	9,898,811	2.48%
9	MACQUARIE BANK LIMITED <METALS MINING AND AG A/C>	9,803,921	2.45%
10	NATIONAL NOMINEES LIMITED	9,052,916	2.26%
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	8,905,622	2.23%
12	MR STACEY RADFORD	4,852,968	1.21%
13	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,269,531	1.07%
14	MR SIMON PATRICK BOWMAN	4,000,000	1.00%
15	GARRETT SMYTHE LTD	3,755,254	0.94%
16	BNP PARIBAS NOMS PTY LTD <DRP>	3,738,762	0.93%
17	79 PTY LTD <GEOVET FAMILY A/C>	3,448,452	0.86%
17	CORRINE RACHEL PANZICH <C & D PANZICH FAMILY A/C>	3,448,452	0.86%
18	MR STACEY RADFORD	3,218,485	0.80%
19	MACQUARIE BANK LIMITED <METALS MINING AND AG A/C>	3,100,000	0.78%
20	THREE BEARS MANAGEMENT PTY LTD <RICHARDSON LOW FAMILY A/C>	3,095,759	0.77%
		225,007,243	56.26%

Substantial Ordinary Shareholders as at 15 September 2021

Name	Number of Ordinary Fully Paid Shares Held	% Held of Ordinary Issued Capital
ALKANE RESOURCES LTD	38,302,744	9.58%
CITICORP NOMINEES PTY LIMITED	28,490,212	7.12%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,704,300	6.68%

Distribution of Ordinary Shareholders as at 15 September 2021

Holding Range	Holders	Total Units	% Issued Ordinary Capital
1 – 1,000	472	278,873	0.07%
1,001 – 5,000	1,746	4,942,972	1.24%
5,001 – 10,000	880	7,300,072	1.83%
10,001 – 100,000	1,568	53,926,884	13.48%
100,001 – and over	310	333,479,546	83.38%
	4,976	399,928,347	100.00%

Unmarketable Parcels

As at 15 September 2021 there were 243 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 15 September 2021 the following unquoted securities are on issue:

Security Name	Number
INCENTIVE OPTIONS @ \$0 EXPIRING 27/12/24	3,450,000
NED OPTIONS @ \$0 EXPIRING 27/12/23	400,000
UNL INC OPTIONS EXP 30/01/2025 @ \$0.00	1,350,000
UNL INC OPTIONS EXP 04/06/2025 @ \$0.00	350,000
UNL INC OPTIONS EXP 05/08/2025 @ \$0.00	600,000
UNL INC OPTIONS EXP 12/08/2025 @ \$0.00	170,000
UNL INC OPTIONS EXP 11/12/2025 @ \$0.00	167,500
UNL INC OPTIONS EXP 16/12/2025 @ \$0.00	228,800
UNL OPTIONS EXP 04/01/2025 @ \$0.00	200,000
UNL OPTIONS EXP 19/01/2023 @ \$0.00	417,650
UNL OPTIONS EXP 16/02/2024 @ \$0.00	167,000
UNL OPTIONS EXP 28/05/2024 @ \$0.00	270,000
PERFORMANCE RIGHTS	900,000

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.





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