



ABN 98 006 640 553

INTERIM FINANCIAL REPORT

For the six months ended
31 December 2021

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2021 and any public announcements made by Calidus Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Corporate directory**Current Directors**

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

Company Secretary

Julia Beckett

Management

Richard Hill	<i>Chief Financial Officer</i>
Paul Brennan	<i>Project Development</i>
Don Russell	<i>General Manager Warrawoona Operations</i>

Registered Office & Principal Place of Business

Suite 12, 11 Ventnor Avenue
West Perth WA 6005
Email: info@calidus.com.au
Website: www.calidus.com.au

Auditor

Moore Australia Audit (WA)
Level 15, Exchange Tower, 2 The Esplanade
Perth WA 6000
Website: www.moore-australia.com.au

Share Registry

Automic
GPO Box 5193
Sydney NSW 2001
Telephone: 1300 288 664 (Within Australia)
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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

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DIRECTOR'S 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 half-year ended 31 December 2021.

Directors

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

• Mr David Reeves	Managing Director
• Mr Mark Connolly	Non-executive Chairman
• Mr Keith Coughlan	Non-executive Director
• Mr John Ciganek	Non-executive Director
• Ms Kate George	Non-executive Director (Appointed 1 February 2022)

REVIEW OF OPERATIONS

Warrawoona Gold Project Overview

Calidus Resources (ASX:CAI) (Calidus or the Company) is completing the development of the 100% owned Warrawoona Gold Project (Warrawoona or the Project) with first gold expected in the June quarter 2022.

Warrawoona is situated in the East Pilbara district of the Pilbara Goldfield of Western Australian where multiple gold development and exploration success stories are occurring. The Warrawoona Gold Project has total Mineral Resources of 1.7Mozs and 720km² of prospective tenements.

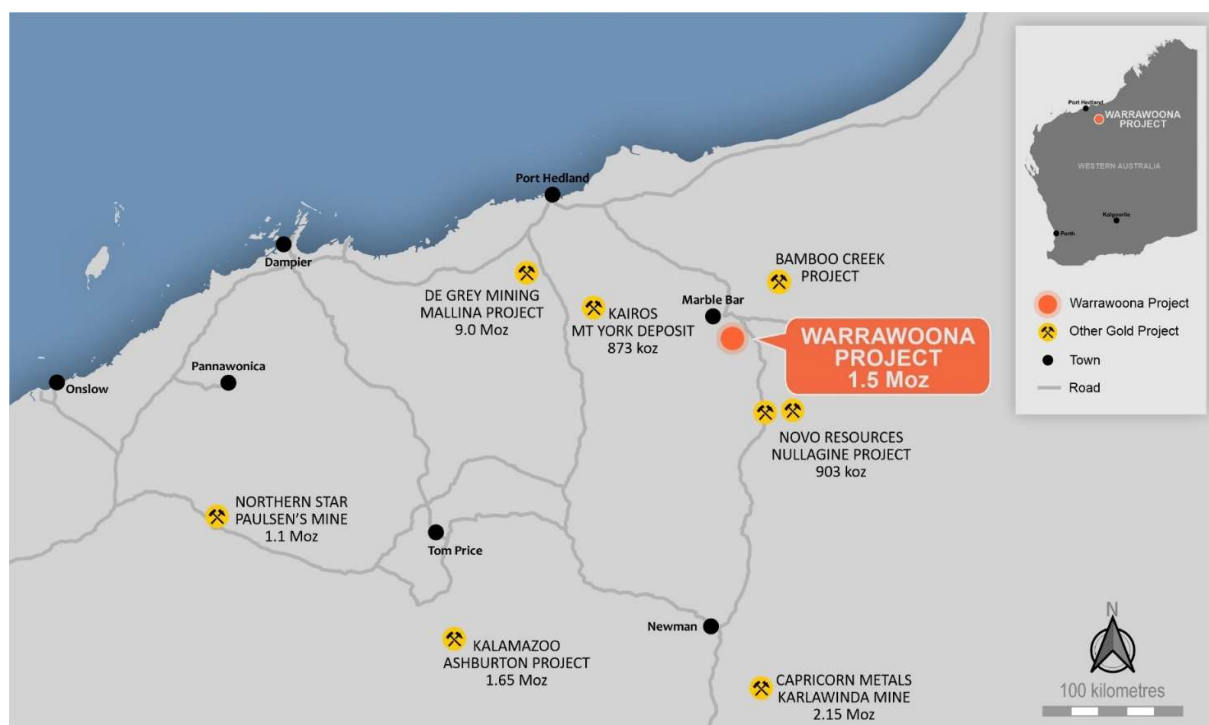


Figure 1: Location of the Warrawoona Gold Project

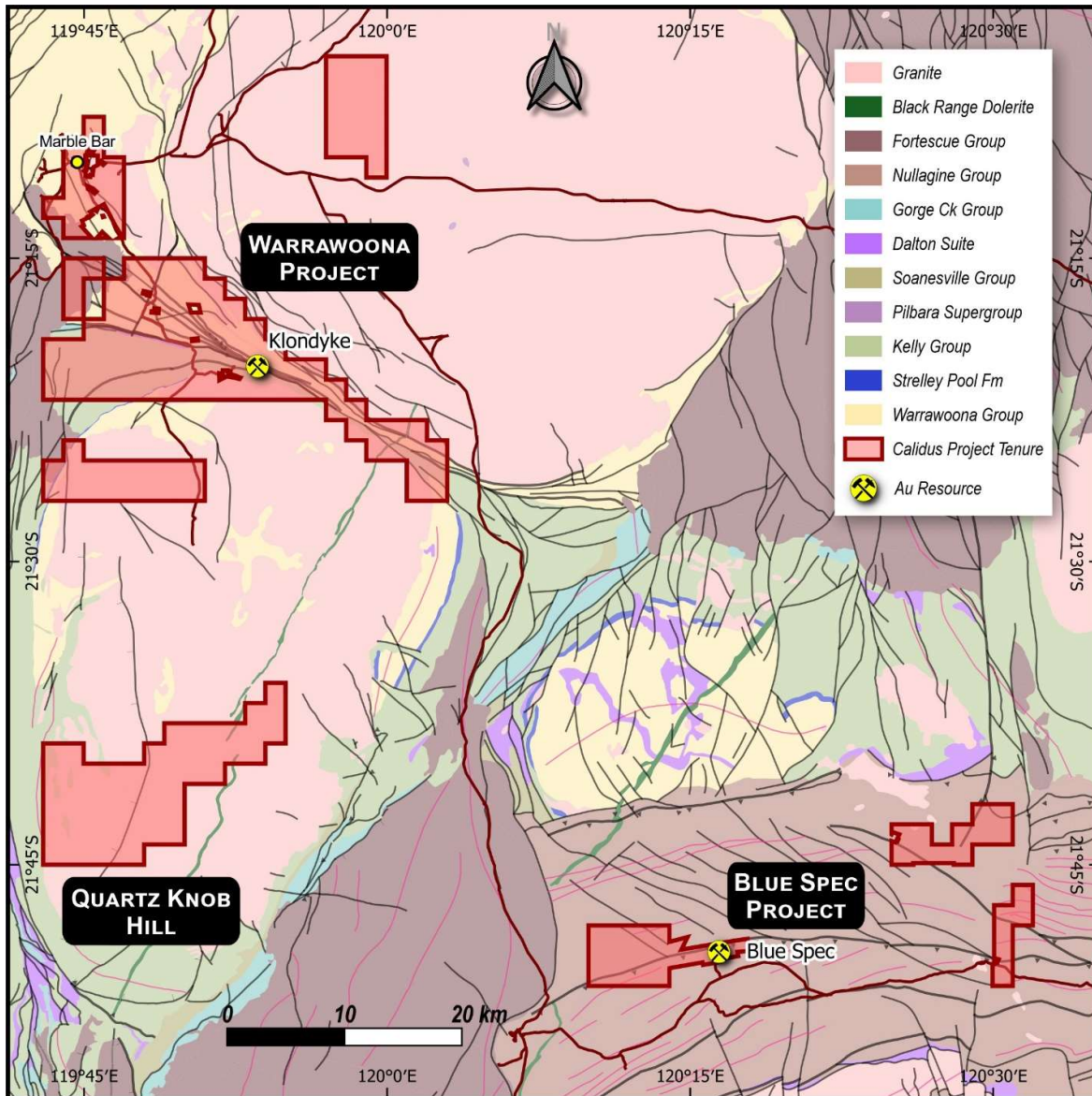
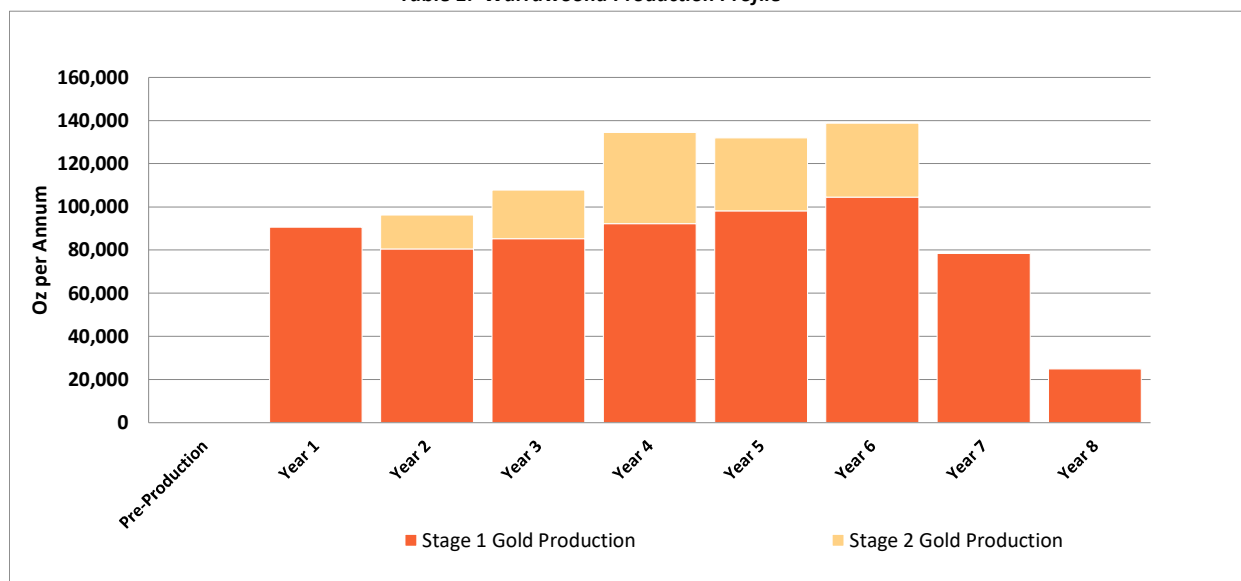


Figure 2: Tenement Holdings of Calidus

Warrawoona Gold Project

Stage one of the Warrawoona Gold Project is forecast to produce up to 105,000oz Au a year. However, this has the potential to increase to 139,000oz Au when the nearby Blue Spec deposit is developed. Calidus aims to start development of Blue Spec once steady-state production is achieved at Warrawoona Stage One. Blue Spec has a JORC Resource of 415,000t at 16.3gpt for 219,000oz and is now the subject of a Definitive Feasibility Study (DFS) which is due in the June quarter of 2022¹.

¹ Refer to ASX announcements dated 29 September 2020, 23 March 2021 and 9 September 2021. The Company confirms that it is not aware of any information or data that materially affects the information included in the market announcements, and that all material assumptions and technical parameters underpinning the estimates continue to apply.

Table 1: Warrawoona Production Profile

Table 2: Mineral Resources as at 30 June 2021 (inclusive of Reserves; rounded to nearest 100,000t; 0.01g/t; 1,000oz)

Deposit	Cut-Off	Measured			Indicated			Inferred			Total		
	(g/t)	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz	Mt	Au (g/t)	KOz
Klondyke Open Pit	0.3	2.3	0.98	72	29.0	0.90	844	8.3	0.81	217	39.6	0.89	1,133
Klondyke Underground	1.5				1.0	2.87	89	1.8	3.31	162	2.7	2.83	250
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	3.0				0.1	29.1	79	0.2	12.20	92	0.3	16.70	171
Gold Spec	3.0				0.1	12.4	27	0.0	21.60	21	0.1	15.20	48
Total		2.3	0.98	72	30.6	1.10	1,088	11.3	1.60	555	44.1	1.21	1,714

Table 3: 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

Progress of Warrawoona Gold Project Stage 1 Development

Construction at Warrawoona is advancing in line with budget and schedule, ensuring Calidus is on track to be Australia's next gold producer. At 31 December 2021, project construction was estimated to be 81% complete with no lost time injuries recorded to date and first gold expected in the June quarter 2022.

During the half year, \$54.2 million was incurred on the Warrawoona development with project expenditure of \$24.6 million remaining to first gold production.

Key points in relation to project development progress to December 31 2021 include:

- GR Engineering is constructing the 2.4 million tonne per annum (Mtpa) gold processing plant and associated infrastructure via a fixed price turnkey Engineer Procure and Construction (EPC) contract. EPC construction is 88% complete with significant progress made during the half year including:
 - Civil works complete in plant area
 - Crusher, apron feeder and associated conveyors installed
 - Ore transfer station and stockpile conveyors substantially installed
 - SAG Mill fully installed including motor and mill has been inched (turned)
 - Gravity circuits installed
 - CIL tanks complete
 - Gold room mechanicals including elution columns, elution heaters, carbon regeneration kilns installed
 - Reagent tanks and stores substantially complete
 - Workshop, stores, processing offices and laboratory installed
 - 99% of processing plant structural material is now on site, with focus turning to final electrical and mechanical installations with dry commissioning activities to commence in the March quarter
 - Laboratory for grade control samples operational
 - All orders for critical spares have been placed
 - Orders for first fills (reagents) have been placed
 - Dedicated commissioning team in place for the process plant to focus on operational readiness (operating and maintenance) for handover at completion of the Performance tests for the plant
- The initial 400,000L Fuel Farm facility has been installed and commissioned
- The tails dam is completed and will provide enough storage for the first three years of operation
- Mining is underway under a Civil Works agreement with McMahon Holdings Limited with progress as follows:
 - civil works now complete
 - Day shift mining activities ramping up to 90,000 bank cubic meters (**BCM**) per month to open up areas for main diggers in March/April 2022
 - ROM pad build continuing, crusher backfill complete
 - 120t digger has arrived on site to replace 85t digger and ramp up production
- RC Grade control drilling ongoing
- Mining services agreement executed with Macmahon Holdings Limited which covers all open pit mining until 2026
 - larger mining fleet is scheduled to mobilise in the new year to ensure sufficient ore stocks are available for mill commissioning
- Recruitment of key positions are well advanced with recruitment for all positions for operations commenced
- Power Purchase Agreement (PPA) executed with Zenith Pacific (Zenith)
 - Zenith have been mobilised to site to construct the 8MW gas fired Power station with civil works now completed
 - Zenith to construct a renewables microgrid comprising a 4MW Solar Farm with 3MW battery storage system at Warrawoona Gold Project. The renewables microgrid will be constructed in H2 of C2022 and will feed into the distribution line between the power station and accommodation village



Figure 3: Process Plant Construction – Site View



Figure 4: ROM Bin and Crusher



Figure 5: Mill Area



Figure 6: Mining Progressing at Klondyke



Figure 7: 100t trucks mobilised to Warrawoona



Figure 8: 200t excavator mobilised to Warrawoona

Blue Spec Assay Results Confirm Results of up to 101 g/t High Grade

During the half year, Calidus completed a DFS drilling program at the Blue Spec Project in WA's Pilbara². Blue Spec is anticipated to increase annual production at Warrawoona to 130,000oz per annum when in full production.

Highlights included:

- Multiple occurrences of visible gold identified
- Assay Results included:
 - 4.1m @ 33.6g/t Au from 194.9m (21BSDD005) incl. 2.2m @ 60.4g/t Au
 - 2.55m @ 44.1g/t Au from 413.25m (21BSDD002) incl. 1.9m @ 58.5g/t Au
 - 3.1m @ 20.4g/t Au from 449.9m (BSDD001) incl. 2.1m @ 28.4 g/t Au
- Assay results to form part of Mineral Resource update for DFS
- Geotechnical, metallurgy test work and mining studies underway
- Environmental base line studies underway

The results from the four diamond holes will be used to update the Mineral Resource Estimate (MRE) for Blue Spec. Geotechnical logging of the holes was also completed with preliminary advice received from the Geotechnical Consultant which was also in line with expectations. Cut-off grades are calculated using a Net Smelter Return (NSR) of the Antimony-Gold Concentrate.



Figure 9: Visible Gold intersected in ore zone

² Refer to ASX announcement dated 8 November 2021 entitled "Results of up to 101 g/t AU at Blue Spec". The Company confirms that it is not aware of any information or data that materially affects the information included in the market announcements, and that all material assumptions and technical parameters underpinning the estimates continue to apply.

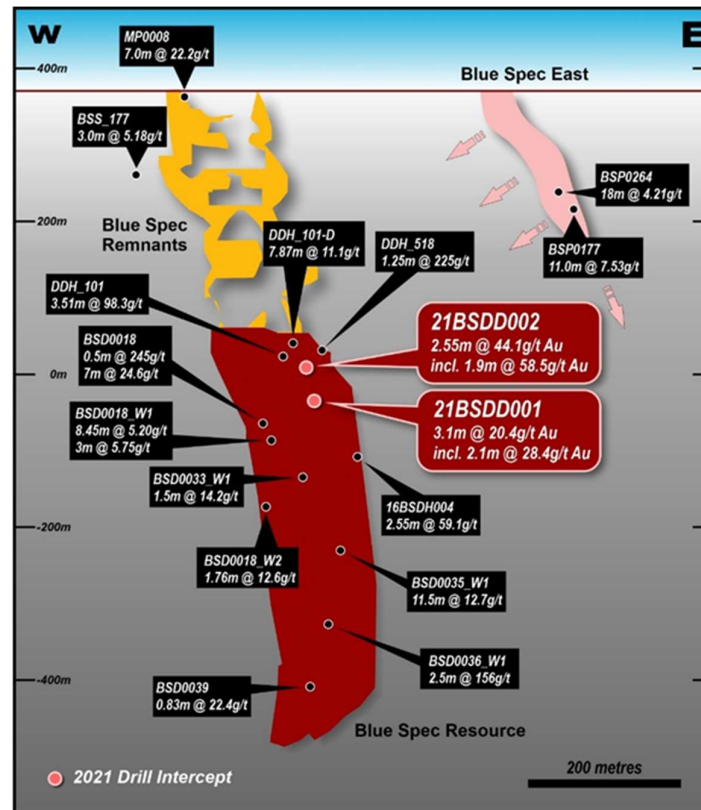


Figure 10: Blue Spec Long Section (showing Blue Spec East) and significant drill intercepts

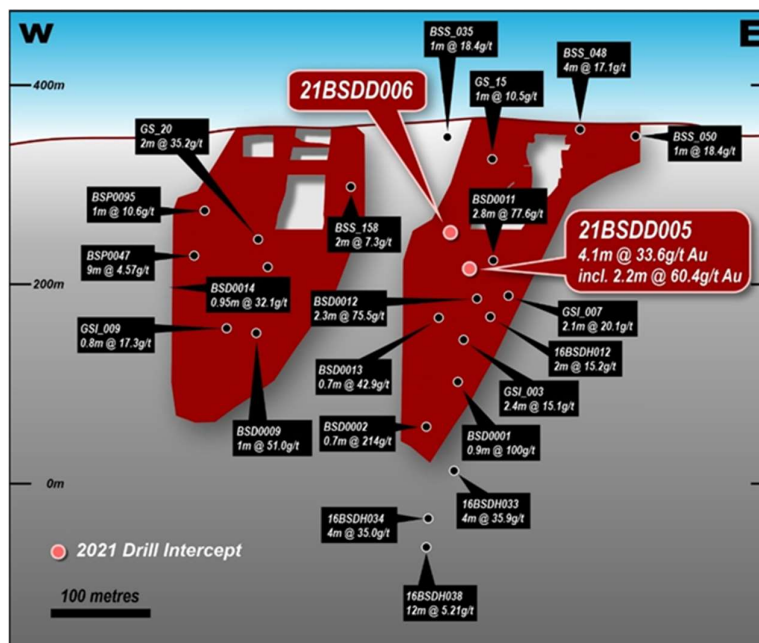


Figure 11: Gold Spec Long Section and significant drill intercepts

Commencement of Drilling at Greenfields Gold Targets

Calidus commenced several programs of RC drilling as part of the Company's strategy to grow the Warrawoona Gold. The RC program tested multiple high priority gold targets at Warrawoona and the nearby Blue Spec deposit.

Areas targeted included:

- Greenfields, shear-hosted gold targets at Warrawoona and nearby Blue Spec deposit
- High-grade gold in quartz reefs at Marble Bar
- Targeting shallow gold mineralisation at Blue Spec East
- A recently identified shear south of the Blue Spec deposit

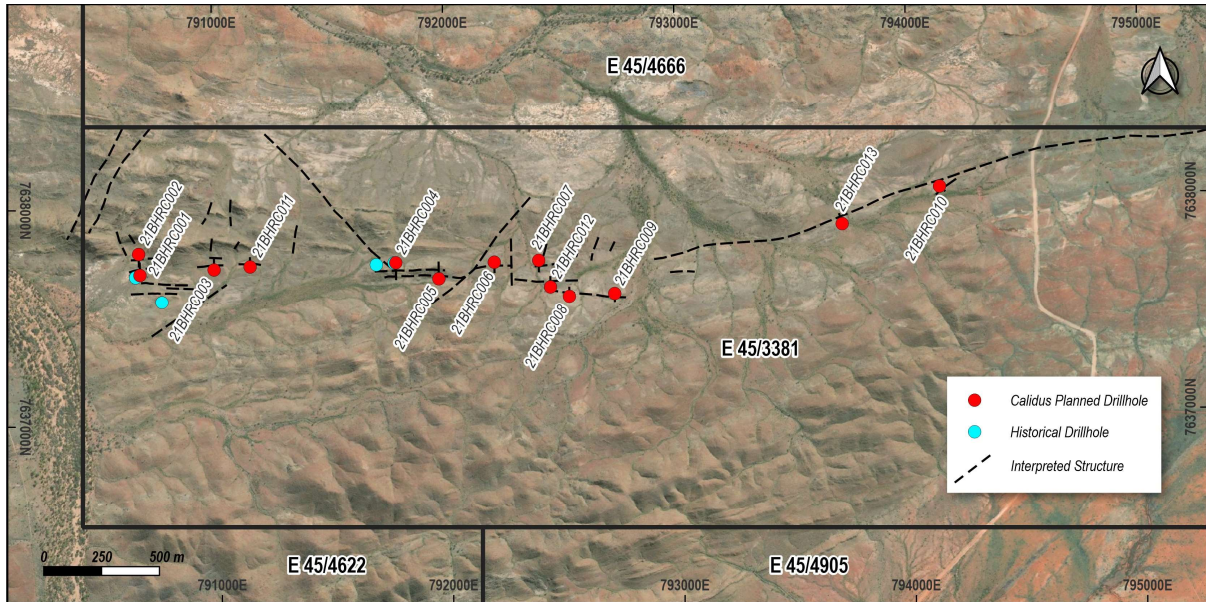


Figure 12: Planned RC drilling at the Brockman-Hay prospect west of Klondyke.

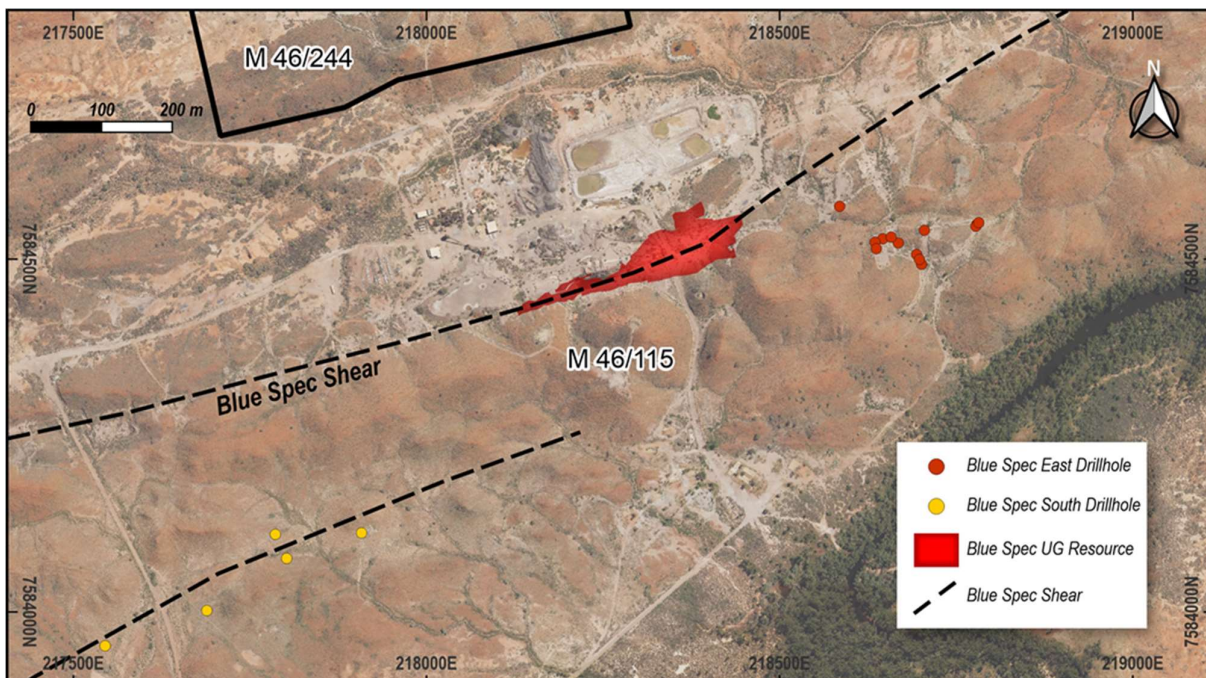


Figure 13: Map of planned RC holes in the Blue Spec area (M46/115).

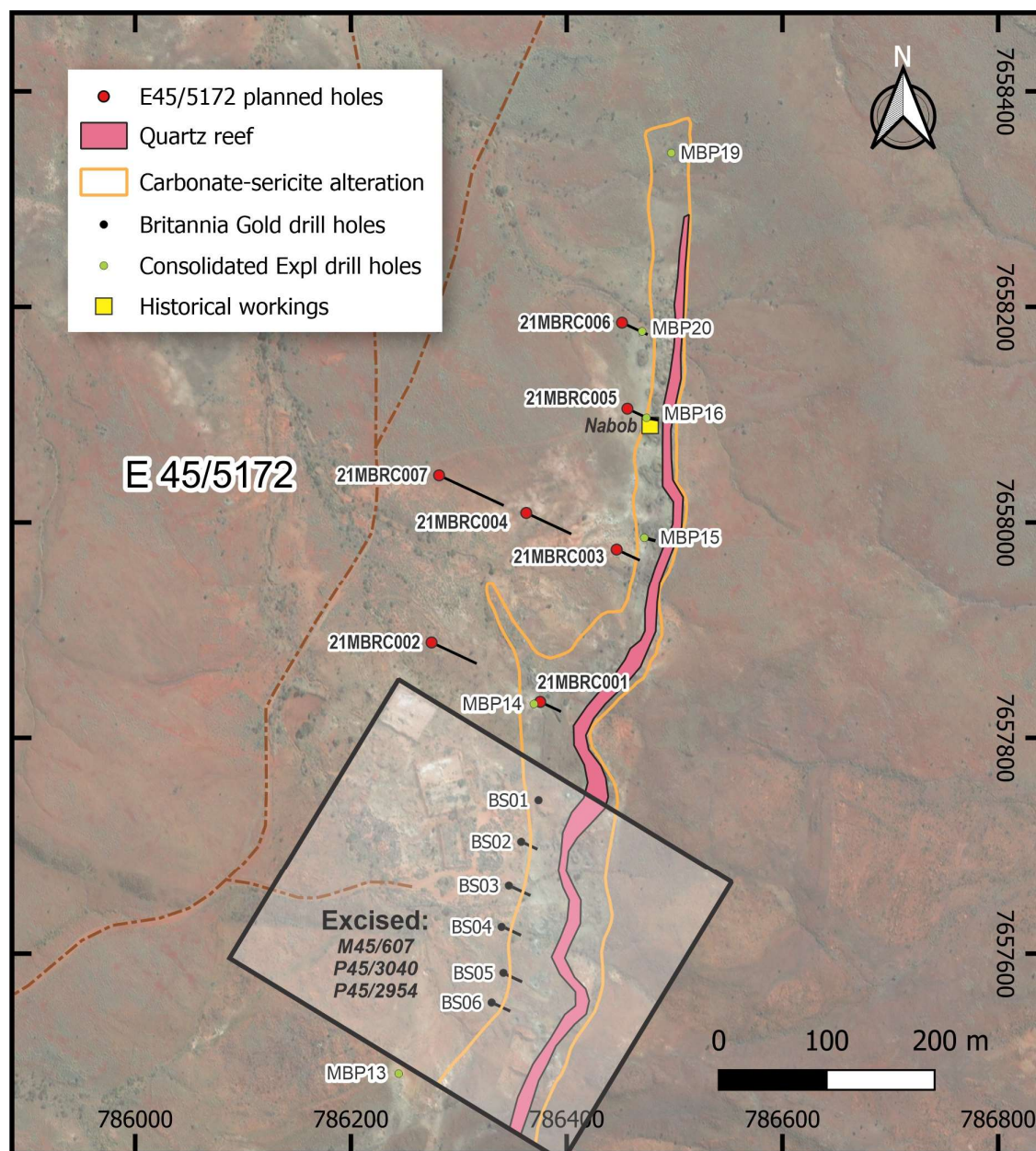


Figure 14: Map of E45/5172 showing rock-chip results and the location of historic and planned RC holes.

Calidus Forms New Pilbara Lithium Exploration Venture – Pirra Lithium

Calidus was pleased to announce that it has a 50% interest in a new Pilbara lithium company, Pirra Lithium Pty Ltd (Pirra Lithium). Pirra Lithium is owned equally by Calidus and Haoma Mining NL.

Pirra Lithium will be assigned tenements and lithium rights across the most prospective lithium ground in the Calidus and Haoma portfolios. These tenements and lithium rights cover 1,063km². Substantial pegmatites have already been mapped on the tenements, several of which are associated with known tin-tantalum fields.

As part of the transaction, Calidus will contribute the first \$1 million of funding for exploration and manage the exploration using existing infrastructure in the area. At that point, both parties will contribute equally to the funding of the Company. Calidus will also issue \$1 million in scrip at an issue price equal to the 5-day VWAP to Haoma as compensation for previous exploration. Completion of the transaction occurred post in February 2022 post the conclusion of the half year.

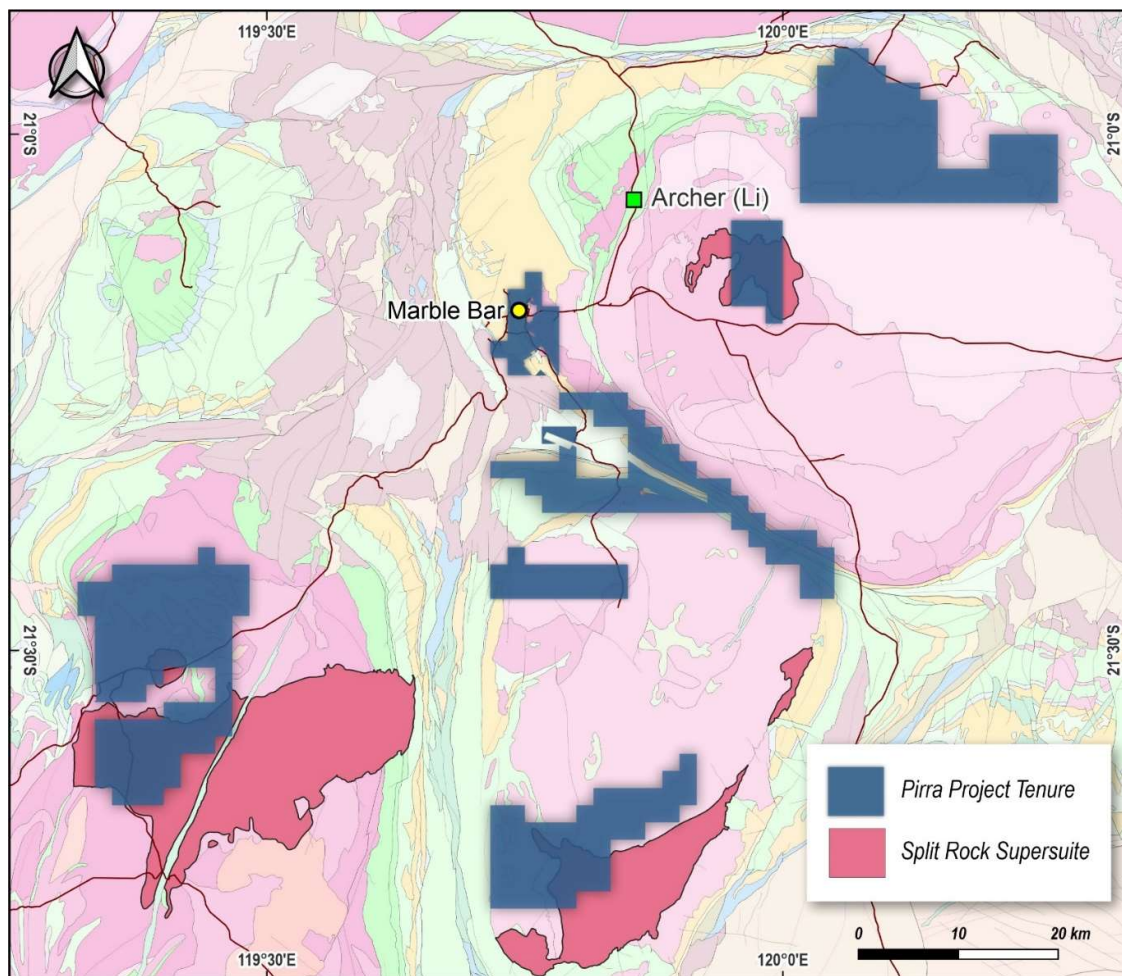


Figure 15: Tenement holdings and lithium rights of Pirra Lithium on a background of Geological Survey of WA's (GSWA's) 1:500,000 state geology bedrock and linear structures layers.

Corporate

Cash Position

At 31 December 2021, Calidus and its subsidiaries held \$20.6 million of cash, \$27.5 million in available project loan facilities and \$241k in listed investments.

Project Loan Facility

Calidus has project loan facilities with Macquarie Bank Limited (MBL) totalling \$110 million. \$82.5 million has been drawn from the facilities to date with \$27.5 million of facilities available at 31 December 2021.

At 31 December 2021, the Company's hedge book consists of 145,000 ounces at an average forward price of A\$2,368/oz for delivery from 30 September 2022 to 30 September 2025.

Annual General Meeting

The Company held its Annual General Meeting on 17 November 2021. In accordance with Listing Rule 3.12.2, the four resolutions put to shareholders were passed by a Poll.

Investor Presentations

Managing Director, David Reeves, presented at the Diggers & Dealers Mining Forum on 2 August 2021, which was held in Kalgoorlie, Western Australia.³

³ Refer to ASX announcement dated 2 August 2021. The Company confirms that it is not aware of any information or data that materially affects the information included in the market announcement, and that all material assumptions and technical parameters underpinning the estimates continue to apply.

Post quarter, Mr Reeves presented at the Resources Rising Stars-Miningnews.net “Boom in a Room” Investor Conference on 14 October 2021, which was held in Perth, Western Australia⁴ and also at the Resources Rising Stars Investor Briefing on 8 December 2021, which was held in Brisbane, Queensland.

ASX Announcements referred to in this announcement:

- 29 September 2020 - “Feasibility paves the way for construction of Warrawoona”
- 4 December 2020 - “Calidus advances Warrawoona production hub strategy with farm-in”
- 23 March 2021 - “Blue Spec Project set to significantly increase production”
- 9 September 2021 - “Blue Spec DFS ramps up with successful drilling campaign”
- 8 November 2021 - “Results of up to 101 g/t Au at Blue Spec”
- 17 November 2021 - “Results of Meeting”
- 1 December 2021 - “Calidus to commence drill testing greenfields targets”
- 3 December 2021 - “Calidus to present at the RRS Brisbane Investor Briefing”
- 8 December 2021 - “Mining ramps up ahead of 1st production in June quarter 2022”
- 8 December 2021 - “Calidus RRS Brisbane Investor Briefing Presentation”
- 18 January 2022 - “Calidus forms new Pilbara lithium exploration venture”
- 21 January 2022 - “Calidus commits to renewable micro grid at Warrawoona Gold”

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.

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

⁴ Refer to ASX announcement dated 12 October 2021. The Company confirms that it is not aware of any information or data that materially affects the information included in the market announcement, and that all material assumptions and technical parameters underpinning the estimates continue to apply.

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.

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.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporation Act 2001 is set out on page 18.

EVENTS SUBSEQUENT TO REPORTING DATE

- On 18 January 2022, Calidus announced a 50% interest in a new Pilbara lithium exploration company, Pirra Lithium Pty Ltd. Pirra Lithium has been assigned tenements and lithium rights across 1,063km² with substantial pegmatites already mapped, several of which are associated with known tin-tantalum fields.
- On 24 January 2022, Calidus committed to a renewable micro grid at Warrawoona, the facility comprises a 4MW solar farm with 3.5MW of battery storage. The decision to proceed with this carbon reduction initiative is in line with the Company's ESG policy.
- On 1 February 2022, Calidus announced the appointment of Ms Kate George as Non-Executive Director of the Company effective immediately. Kate has more than 20 years' experience in environmental management within government and industry, working with small midcap miners to major resource companies. Kate's key experience includes development of environmental permitting strategy and the coordination of ecological survey via Western Australian consulting firm Rapallo. Kate holds a Bachelor of Science (Environmental) with First Class Honours from Murdoch University and is a qualified Auditor of Integrated Management Systems (RABQSA, QM, EM, OH).
- On 21 February 2022, Calidus announced the formation of Pirra Lithium was complete with all conditions precedent of the binding terms sheet being met and exploration activities had commenced.
- On 28 February 2022, Calidus announced Warrawoona was on track for first gold pour with the construction schedule progressing to schedule and commissioning activities were underway.
- On 8 March 2022, Calidus announced the 50 per cent owned Pirra Lithium had discovered a lithium pegmatite extending over 1km in strike length at Spear Hill in WA's Pilbara with rock-chip assays returning up to 2.34% Li₂O.

No other matters or circumstances have arisen since the half-year ended 31 December 2021, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.



DAVID REEVES

Managing Director

Dated this Friday, 11 March 2022



Moore Australia Audit (WA)

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2021 there have been no contraventions of:

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

Neil Pace
Partner

Moore Australia Audit (WA)
Chartered Accountants

Signed at Perth on the 11th day of March 2022

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

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

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2021

	Note	6 months 31 December 2021 \$	6 Months 31 December 2020 \$
Other income	2	8,950	176,351
Total revenue		8,950	176,351
Personnel costs	3	(744,778)	(574,553)
Administration expenses		(657,632)	(720,855)
Borrowing and finance costs	4	(596,679)	(16,123)
Depreciation and amortisation		(367,354)	(96,204)
Environmental rehabilitation expense		(88,954)	-
Exploration expenditure written off	11	(669,891)	(103,638)
Share-based payments expense	19	(462,880)	(651,649)
Loss on financial assets		(115,354)	(325,701)
Profit / (loss) before tax		(3,694,572)	(2,312,372)
Income tax benefit / (expense)		-	-
Net profit / (loss) for the period		(3,694,572)	(2,312,372)
<i>Other comprehensive income, net of income tax</i>		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(3,694,572)	(2,312,372)
<i>Earnings per share:</i>			
Basic profit / (loss) per share (cents per share)	5	(0.01)	(0.01)

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

CALIDUS RESOURCES LIMITED

AND CONTROLLED ENTITIES
ABN 98 006 640 553

INTERIM FINANCIAL REPORT

31 DECEMBER 2021

Consolidated statement of financial position

as at 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
<i>Current Assets</i>			
Cash and cash equivalents	6	20,607,347	27,317,426
Other receivables	7	1,365,470	1,410,745
Financial assets	8	241,482	356,836
Other current assets	9	514,378	976,358
Total Current Assets		22,728,677	30,061,365
<i>Non-Current Assets</i>			
Property, plant and equipment	10	1,982,000	2,024,322
Exploration and evaluation assets	11	24,618,570	23,486,369
Mine properties under development	12	150,282,271	91,764,206
Right-of-use assets	13a	1,265,255	1,575,524
Other non-current assets		24,993	24,993
Total Non-Current Assets		178,173,089	118,875,414
Total Assets		200,901,766	148,936,779
<i>Current Liabilities</i>			
Trade and other payables	14	7,917,326	12,747,942
Interest bearing liabilities	15	23,000,000	-
Lease liabilities	13b	655,812	624,465
Provisions	16	443,044	558,776
Total Current Liabilities		32,016,182	13,931,183
<i>Non-current liabilities</i>			
Interest bearing liabilities	15	59,500,000	25,000,000
Lease liabilities	13b	657,230	982,257
Provisions	16	4,954,425	2,130,218
Total Non-Current Liabilities		65,111,655	28,112,475
Total Liabilities		97,127,837	42,043,658
Net Assets		103,773,929	106,893,121
<i>Equity</i>			
Issued capital	17a	119,422,944	119,310,444
Reserves	18	3,425,777	2,962,897
Accumulated losses		(19,074,792)	(15,380,220)
Total Equity		103,773,929	106,893,121

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

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CALIDUS RESOURCES LIMITED

AND CONTROLLED ENTITIES

ABN 98 006 640 553

Consolidated statement of changes in equity

for the half-year ended 31 December 2021

	Note	Issued Capital \$	Reserve \$	Accumulated Losses \$	Total \$
<i>Balance at 1 July 2020</i>		39,714,679	1,910,237	(10,601,656)	31,023,260
Loss for the period attributable owners of the parent		-	-	(2,312,372)	(2,312,372)
Total comprehensive income for the period attributable owners of the parent		-	-	(2,312,372)	(2,312,372)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the period		59,227,500	-	-	59,227,500
Options and employee shares amortised for the period		-	651,649	-	651,649
Transaction costs		(2,444,584)	-	-	(2,444,584)
Balance at 31 December 2020		96,497,595	2,561,886	(12,914,028)	86,145,453
<i>Balance at 1 July 2021</i>		119,310,444	2,962,897	(15,380,220)	106,893,121
Profit for the period attributable owners of the parent		-	-	(3,694,572)	(3,694,572)
Total comprehensive income for the period attributable owners of the parent		-	-	(3,694,572)	(3,694,572)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the period	17a	112,500	-	-	112,500
Options and employee shares amortised for the period	19	-	462,880	-	462,880
Balance at 31 December 2021		119,422,944	3,425,777	(19,074,792)	103,773,929

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

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CALIDUS RESOURCES LIMITED

AND CONTROLLED ENTITIES

ABN 98 006 640 553

Consolidated statement of cash flows

for the half-year ended 31 December 2021

	Note	6 months 31 December 2021 \$	6 Months 31 December 2020 \$
<i>Cash flows from operating activities</i>			
Receipts from customers		-	67,225
Payments for suppliers and employees		(1,338,326)	(1,417,072)
Interest received		8,950	31,922
Net cash used in operating activities		(1,329,376)	(1,317,925)
<i>Cash flows from investing activities</i>			
Payments for exploration and evaluation		(2,007,265)	(4,259,317)
Payments for mine properties under development		(60,512,595)	(7,874,294)
Payments for acquisition of Blue Spec Project		-	(2,700,000)
Proceeds from sale of financial assets		-	533,544
Purchase of plant and equipment		-	(451,443)
Net cash used in investing activities		(62,519,860)	(14,751,151)
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares		112,500	56,237,499
Proceeds from borrowings		57,500,000	(1,588,960)
Transaction costs related to borrowings		(110,230)	(2,444,584)
Repayment of lease liabilities		(363,113)	(45,843)
Net cash provided by financing activities		57,139,157	52,158,112
Net (decrease) / increase in cash held		(6,710,079)	36,088,677
Cash and cash equivalents at the beginning of the period		27,317,426	5,690,661
Cash and cash equivalents at the end of the period	6	20,607,347	41,779,338

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

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 1 Statement of significant accounting policies

The consolidated financial statements for the half year ended 31 December 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 11 March 2022 by the directors of the Company.

a. Basis of preparation

The interim financial report is intended to provide users with an update on the latest annual financial statements of Calidus Resources Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group, for the year ended 30 June 2021, together with any public announcements made during the half-year.

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.

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.

Comparative figures

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year. Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

b. Accounting policies

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

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 1 Statement of significant accounting policies (continued)

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.

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.

Application of New and Revised Accounting Standards

d. Application of New and Revised Accounting Standards

In the period ended 31 December 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 2021. The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 30 June 2021.

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 1 Statement of significant accounting policies (continued)

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. The carrying value of capitalised expenditure at reporting date is \$24,618,570.

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.

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 1 Statement of significant accounting policies (continued)

e. Critical Accounting Estimates and Judgments (continued)

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.

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. 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 conditions being met.

vii. Hedging

In conjunction with the financing facility negotiated with Macquarie Bank Limited, the Company has entered into forward gold contracts for the delivery of 145,000 oz at an average delivery price of A\$2,368 per ounce spread over the term of the facility from September 2022 to September 2025 and representing approximately 50% of anticipated gold production to September 2025. 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.

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Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 2 Other income

Other ⁽ⁱ⁾

Interest income

6 months 31 December 2021 \$	6 Months 31 December 2020 \$
-	143,704
8,950	32,647
8,950	176,351

(i) Included in Other are Cashflow boosts from the ATO of \$92,954 for 2020 (2021: \$0)

Note 3 Personnel costs

Director fees

Superannuation

Wages and salaries

Other employment related costs

6 months 31 December 2021 \$	6 Months 31 December 2020 \$
262,396	181,500
31,015	23,917
295,637	271,390
155,730	97,746
774,778	574,553

Note 4 Borrowing and finance costs

Interest expense

Amortisation of capitalised borrowing costs

Interest expense on lease liabilities

6 months 31 December 2021 \$	6 Months 31 December 2020 \$
-	6,332
542,008	-
54,671	9,791
596,679	16,123

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Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 5 Earnings per share (EPS)

	6 months 31 December 2021 \$	6 Months 31 December 2020 \$
a. Reconciliation of earnings to profit or loss		
(Loss) / profit for the year	(3,694,572)	(2,312,372)
(Loss) / profit used in the calculation of basic and diluted EPS	(3,694,572)	(2,312,372)
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	399,973,619	234,799,205
c. Earnings per share		
Basic EPS (dollars per share)	(0.01)	(0.01)
d. At the end of 31 December 2021, the Group has 8,500,950 unissued shares under options (31 December 2020: 16,266,300). The Group does not report diluted earnings per share on annual losses generated by the Group. During the half-year ended 31 December 2021 the Group's unissued shares under option and partly-paid shares were anti-dilutive.		
e. In calculating the weighted average number of ordinary shares outstanding (the denominator of the EPS calculation) for the half year ended 31 December 2021 the number of ordinary shares outstanding for the half-year shall be the actual number of ordinary shares of Calidus outstanding during that period.		

Note 6 Cash and cash equivalents

	31 December 2021 \$	30 June 2021 \$
Cash and cash equivalents	20,607,347	27,317,426
	20,607,347	27,317,426

Note 7 Trade and other receivables

	31 December 2021 \$	30 June 2021 \$
Other receivables	735,000	-
GST receivable	630,470	1,410,745
	1,365,470	1,410,745

Note 8 Financial assets

	31 December 2021 \$	30 June 2021 \$
Shares held in listed investments ⁽ⁱ⁾	241,482	356,836
	241,482	356,836
(i) Shares held in Pacton Gold Inc		

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Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 9 Other current assets

Prepayments

31 December 2021 \$	30 June 2021 \$
514,378	976,358
514,378	976,358

Note 10 Plant and equipment

Motor vehicles

Accumulated depreciation

Computer and software

Accumulated depreciation

Plant and equipment

Accumulated depreciation

Buildings

Total plant and equipment

31 December 2021 \$	30 June 2021 \$
132,786	132,786
(101,134)	(91,608)
31,652	41,178
171,853	171,852
(91,286)	(68,265)
80,567	103,587
1,089,128	1,089,128
(85,968)	(76,192)
1,003,160	1,012,936
866,621	866,621
1,982,000	2,024,322

Note 11 Exploration and evaluation assets**a. Non-current**

Exploration expenditure capitalised:

Exploration and evaluation

Net carrying value

b. Movements in carrying amounts

Balance at beginning of period

Expenditure capitalised during the period

Assets acquired via project acquisition ⁽ⁱ⁾

Transfers to mine properties under development

Exploration expenditure write off

Balance at reporting date

31 December 2021 \$	30 June 2021 \$
24,618,570	23,486,369
24,618,570	23,486,369
23,486,369	24,329,686
1,956,356	7,338,408
-	18,900,195
(154,264)	(26,978,282)
(669,891)	(103,638)
24,618,570	23,486,369

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

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Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 12 Mine properties under development

a. Non-current

Mine properties under development capitalised:

Mine properties under development

	31 December 2021 \$	30 June 2021 \$
	150,282,271	91,764,206
	150,282,271	91,764,206
	91,764,206	-
	53,886,602	57,986,277
	154,264	26,978,282
	2,292,166	5,337,256
	2,727,042	1,543,692
	(542,009)	(81,301)
	150,282,271	91,764,206

b. Movements in carrying amounts

Balance at the beginning of year

Expenditure capitalised during period

Transfer from exploration and evaluation

Capitalised borrowing costs

Change in rehabilitation provision

Amortisation

Balance at reporting date

Note 13 Leases

a. Right-of-use assets

Balance at beginning of period

Additions

Depreciation

Net carrying value

	31 December 2021 \$	30 June 2021 \$
	1,575,524	-
	14,762	1,938,112
	(325,031)	(362,588)
	1,265,255	1,575,524

b. Lease liabilities

Current lease liabilities

Non-current lease liabilities

Total lease liabilities

	655,812	624,465
	657,230	982,257
	1,313,042	1,606,722

Note 14 Trade and other payables

Current

Unsecured

Trade payables

GST payable

Accruals

Accrued finance costs

Employment related payables

Total trade and other payables

	31 December 2021 \$	30 June 2021 \$
	5,549,253	2,803,207
	66,818	-
	1,084,862	9,072,490
	1,047,637	692,065
	168,756	180,180
	7,917,326	12,747,942

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 15 Interest bearing liabilities

	31 December 2021 \$	30 June 2021 \$
Current		
Bank loans	23,000,000	-
	23,000,000	-
Non-current		
Bank loans	59,500,000	25,000,000
	59,500,000	25,000,000

Interest bearing liabilities relate to a \$110 million project loan facility denominated in AUD 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 June 2025.

At 31 December 2021, the balance drawn down to date was \$82.5 million, with \$27.5 million available under the facility subject to ongoing compliance with debt covenants (2021: balance drawn was \$25 million). 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 12 months due to sweep provisions of the loan agreement in event project cashflows exceed expectations.

Note 16 Provisions

	31 December 2021 \$	30 June 2021 \$
Current		
Payroll tax	153,311	359,648
Annual leave	289,733	199,128
	443,044	558,776
Non-current		
Long service leave	19,328	11,116
Rehabilitation	4,935,097	2,119,102
	4,954,425	2,130,218
Provision for rehabilitation		
Balance at the beginning of the period	2,119,102	-
Provisions made during the year	2,815,995	1,543,692
Provision assumed via project acquisition ⁽ⁱ⁾	-	575,410
	4,935,097	2,119,102

(i) Value of Blue Spec Project rehabilitation liability acquired

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 17 Issued capital

	31 December 2021 No.	30 June 2021 No.	31 December 2021 \$	30 June 2021 \$
Fully paid ordinary shares at no par value	336,170,075	219,464,064	96,497,595	39,714,679
a. Ordinary shares	6 months	12 months	6 months	12 months
At the beginning of the period	399,928,347	219,464,064	119,310,444	39,714,679
Shares issued during the year:				
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	-	-
Receipt for employee shares previously issued under holding lock	-	-	112,500	-
Exercise of options	170,000	-	-	-
Transaction costs relating to share issues	-	-	-	(3,139,749)
At reporting date	400,098,347	399,928,347	119,422,944	119,310,444
b. Options				
At the beginning of the period	7,770,950	15,788,500	2,657,256	1,604,596
Issue of options	-	2,220,950	-	1,052,660
Options exercised	(170,000)	(10,238,500)	-	-
At reporting date	7,600,950	7,770,950	2,657,256	2,657,256
c. Share rights and performance rights				
At the beginning of the year	900,000	2,597,903	305,641	305,641
Exercise of performance rights	-	(1,200,000)	-	-
Exercise of share rights	-	(497,903)	-	-
At reporting date	900,000	900,000	305,641	305,641

Notes to the consolidated financial statements
for the half-year ended 31 December 2021

Note 18 Reserves

Options
Share rights and performance rights

Note	31 December 2021 \$	30 June 2021 \$
	3,120,136	2,657,256
	305,641	305,641
	3,425,777	2,962,897

Note 19 Share-based payments

Share-based payment expense
Gross share-based payments

	6 months 31 December 2021 \$	6 Months 31 December 2020 \$
	462,880	651,649
	462,880	651,649

Note 20 Related party transactions

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

Wild West Enterprises Pty Ltd – Office Rent
Discovery Capital Partners Pty Ltd – Corporate Advisory Fees
Wild West Enterprises Pty Ltd – Director fees

	6 months 31 December 2021 \$	6 Months 31 December 2020 \$
	37,800	36,500
	-	10,000
	-	137,500

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

- Office Rent
Wild West Enterprises Pty Ltd \$37,800 (31 December 2020: \$36,500)

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

The rent payable by Calidus under the Office Lease Agreement is \$6,300 per month payable in advance. This rental agreement falls under the scope of AASB 16 (see note 13 for the right of use asset and lease liabilities).

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 21 Commitments**a. Exploration Commitments**

	31 December 2021 \$	30 June 2021 \$
Exploration expenditure commitments payable:		
Not later than 12 months	945,163	824,798
Between 12 months and five years	2,276,225	1,632,316
Later than five years	3,251,513	3,322,661
Total Exploration tenement minimum expenditure requirements	6,472,901	5,779,775

b. Physical gold delivery commitments

	Gold for physical delivery oz	Contracted sales price \$/oz	Value of committed sales \$	Mark-to-market \$
Gold delivery commitments:				
No later than 12 months	19,750	2,372	46,838,875	(3,013,705)
Between 12 months and five years	125,250	2,367	296,498,625	(25,257,793)
Total gold delivery commitments	145,000	2,368	343,337,500	(28,271,498)

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.

Mark-to-market (**MTM**) has been calculated using the spot price of A\$2,519 per ounce as at 30 June 2021. The MTM 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 22 Operating segments

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

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 23 Events subsequent to reporting date

- On 18 January 2022, Calidus announced a 50% interest in a new Pilbara lithium exploration company, Pirra Lithium Pty Ltd. Pirra Lithium has been assigned tenements and lithium rights across 1,063km² with substantial pegmatites already mapped, several of which are associated with known tin-tantalum fields.
- On 24 January 2022, Calidus committed to a renewable micro grid at Warrawoona, the facility comprises a 4MW solar farm with 3.5MW of battery storage. The decision to proceed with this carbon reduction initiative is in line with the Company's ESG policy.
- On 1 February 2022, Calidus announced the appointment of Ms Kate George as Non-Executive Director of the Company effective immediately. Kate has more than 20 years' experience in environmental management within government and industry, working with small midcap miners to major resource companies. Kate's key experience includes development of environmental permitting strategy and the coordination of ecological survey via Western Australian consulting firm Rapallo. Kate holds a Bachelor of Science (Environmental) with First Class Honours from Murdoch University and is a qualified Auditor of Integrated Management Systems (RABQSA, QM, EM, OH).
- On 21 February 2022, Calidus announced the formation of Pirra Lithium was complete with all conditions precedent of the binding terms sheet being met and exploration activities had commenced.
- On 28 February 2022, Calidus announced Warrawoona was on track for first gold pour with the construction schedule progressing to schedule and commissioning activities were underway.
- On 8 March 2022, Calidus announced the 50 per cent owned Pirra Lithium had discovered a lithium pegmatite extending over 1km in strike length at Spear Hill in WA's Pilbara with rock-chip assays returning up to 2.34% Li₂O.

Apart from the matters discussed above, no other matter or circumstance has arisen since 31 December 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 24 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 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 \$33.4 million.

Other Contingent Liabilities

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

Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 19 to 35, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the half-year ended on that date of the Company.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



DAVID REEVES

Managing Director

Dated this Friday, 11 March 2022

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

We have reviewed the accompanying half-year financial report of Calidus Resources Limited (the company) and its controlled entities (the consolidated entity or group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

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

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 review report.

Responsibility of the Directors for the Half-Year Financial Report

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



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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and
- ii. complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Neil Pace
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 11th day of March 2022.