

ASX ANNOUNCEMENT

23 October 2023

ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold company that owns 100% of the operating 1.4Moz Warrawoona Gold Project in the East Pilbara district of Western Australia.

DIRECTORS AND MANAGEMENT

Mr Mark Connelly
NON-EXECUTIVE CHAIRMAN

Mr David Reeves
MANAGING DIRECTOR

Mr John Ciganek
NON-EXECUTIVE DIRECTOR

Ms Kate George
NON-EXECUTIVE DIRECTOR

Mr Paul Brennan
CHIEF OPERATING OFFICER

Mr Richard Hill
CHIEF FINANCIAL OFFICER

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AUSTRALIA

Global lithium producer SQM takes 40% interest in Pirra Lithium

Calidus to retain its 40% stake in Pirra, which holds extensive lithium exploration acreage in WA's Pilbara

HIGHLIGHTS

- SQM subsidiary SQM Australia Pty Ltd to purchase 30% of Pirra Lithium Limited (Pirra) from Haoma Mining NL (Haoma) and ultimately increase ownership to 40% by injecting \$3M to fund further exploration
- Calidus will ultimately retain 40% ownership of Pirra by injecting \$2M to fund exploration
- SQM will assist Pirra's exploration campaign by being part of a technical committee that will have oversight of the proposed exploration programme and budgets
- Pirra controls 8km of the Tabba Tabba shear (Tabba Tabba South), approximately 20km from Wildcat Resources' (ASX:WC8) recent lithium discovery
- Mapping and sampling of priority targets has commenced at Tabba Tabba South to define potential drill targets
- Pirra expands East Pilbara tenement holdings by 348km² to 1,411km²
- SQM's investment is a strong endorsement of Pirra and the significant potential of its WA lithium portfolio

Calidus Resources Limited (ASX:CAI) ("Calidus" or "Company") is pleased to announce that lithium major SQM has agreed to acquire a 30% interest in Pirra from Haoma.

SQM will also provide \$3M in funding to Pirra, which will increase its total stake in the Company to 40%.

Calidus also advises that Pirra has agreed to acquire a further 348km² of lithium rights from Haoma in the East Pilbara.

These additional tenements will be added to the existing lithium rights sharing agreements between Pirra and Haoma first announced on 21 February 2022 (refer ASX announcement [here](#)) via a variation deed agreed between the parties.

Pirra has now commenced mapping and sampling of priority lithium targets including the Tabba Tabba South tenement in the West Pilbara of WA, along strike from Wildcat Resources' recently announced major new discovery (refer ASX announcement [here](#)).

Calidus Managing Director Dave Reeves said: "SQM's acquisition of a large stake in Pirra is a big vote of confidence in the prospectivity of the Company's lithium exploration acreage in the Pilbara.

"With an increased landholding of over 1,411km² in the Pilbara, Pirra is now funded to rapidly progress exploration across these tenements. An initial focus will be the Tabba Tabba South tenements which lie immediately along strike from known lithium occurrences and on a belt that hosts significant lithium resources.

"Calidus will maintain its position in Pirra at 40% due to the significant potential of the land package and will re-assess its options for this holding as exploration continues. In line with this approach, there is no plan to seek an IPO of Pirra in the immediate term".

Calidus is also pleased to announce that completion has now occurred pursuant to the binding terms sheet between Pirra and Haoma first announced in the Company's announcement dated 17 March 2023 (refer ASX announcement [here](#)).

Additional Tenements Secured by Pirra

As part of discussions with SQM, a group of tenements (being the Additional Tenements) that lie predominantly over a greenstone belt adjacent to granites about 65km SW of Marble Bar was identified as being of interest by SQM. The Additional Tenements are held by Haoma, a shareholder in Pirra. As such, Pirra and Haoma have entered into a binding terms sheet (**Additional Tenements Term Sheet**) pursuant to which Haoma agreed to vend the lithium rights in the Additional Tenements to Pirra.

Pursuant to the Additional Tenements Term Sheet, Haoma agreed to sell the lithium rights for the Additional Tenements to Pirra for the following aggregate consideration:

- Pirra incurring \$500,000 of exploration expenditure on the Additional Tenements over 18 months following completion of the Additional Tenements Term Sheet (and paying all rents and rates during this period out of this amount); and
- Pirra issuing 7,500,000 performance rights to Haoma which are convertible into Pirra shares on a 1:1 basis should a JORC Mineral Resource of >20mt @ >1.0% Li₂O be delineated on the Additional Tenements within 3 years following completion of the Additional Tenements Term Sheet.

Completion of the Additional Tenements Term Sheet occurred on 20 October 2023.

The Additional Tenements Term Sheet otherwise contains terms and conditions considered standard for an agreement of this nature.

The Additional Tenements comprise 348km² of contiguous ground straddling at least two greenstone belts in the east Pilbara region. The tenement package is centred about 65km SW of Marble Bar. The area is one of considerable structural complexity that includes several major shear zones with large-scale folds and tectonically interleaved greenstone units. Most of the area is underlain by the 3223–3165 Ma Soanesville Group and mafic–ultramafic intrusive rocks of the 3185 Ma Dalton Suite. The Soanesville Group comprises metamorphosed siliciclastic sedimentary rocks, iron formation and shale, and mafic volcanic rocks (Hickman, AH 2022, Soanesville Group (A-SO-xs-ca): Geological Survey of Western Australia, WA Geology Online, Explanatory Notes extract, viewed 11 October 2023). The group unconformably overlies metamorphosed basalt, komatiitic basalt, and serpentinised peridotite of the 3350–3315 Ma Kelly Group (Hickman, AH 2021, Kelly Group (A-KE-xb-f): Geological Survey of Western Australia, WA Geology Online, Explanatory Notes extract, viewed 11 October 2023), mainly in the southern part of the tenement package. In the eastern part of the area comprising the Additional Tenements, the greenstones are unconformably overlain by low-grade sedimentary rocks of the 2988–2931 Ma Lalla Rookh Sandstone and units of the Fortescue Group.

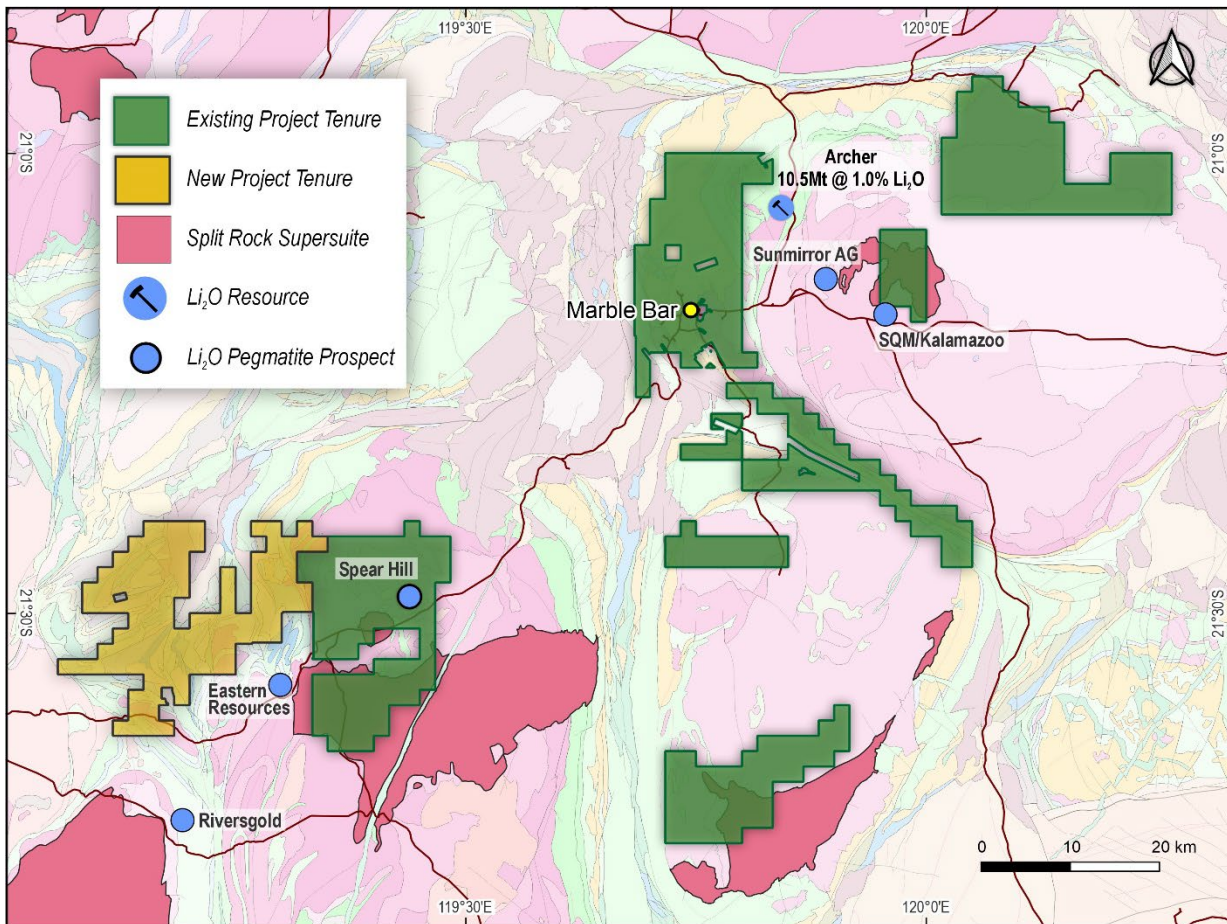


Figure 1: New Tenements Location

Initial Exploration

Exploration has now re-commenced across the Pirra portfolio with an initial focus on the highly prospective Tabba Tabba Shear and data acquisition across the Additional Tenements.

The Tabba Tabba Shear hosts a recent discovery of extensive lithium pegmatites by Wildcat Resources Limited (refer ASX announcement [here](#)) and a known lithium pegmatite 400m from the boundary of the Pirra tenement (refer ASX announcement [here](#)), and a reportedly identified lithium Mineral Resource on Fortescue Metals Group Ltd ground. These lithium deposits highlight the potential of Pirra's Tabba Tabba South tenement, which straddles nearly 8km of strike length of the Tabba Tabba Shear and is a priority target for Pirra. Due to alluvial cover, Pirra will commence a mapping programme to identify which areas are initially amenable to soil sampling and which areas of thicker cover will require augering and drilling.

The Additional Tenements SW of Marble Bar are characterised by rugged topography and, for the most part, a lack of vehicular access. The area covered by the Additional Tenements have been explored for iron ore, gold, and base metals but not lithium. Existing soil and stream sediment coverage is very patchy and element suites did not extend to lithium or lithium pathfinder elements. The initial focus will be on remotely sensed datasets to assist with the identification of pegmatites or alteration associated with structures that could have acted as pegmatitic melt pathways.

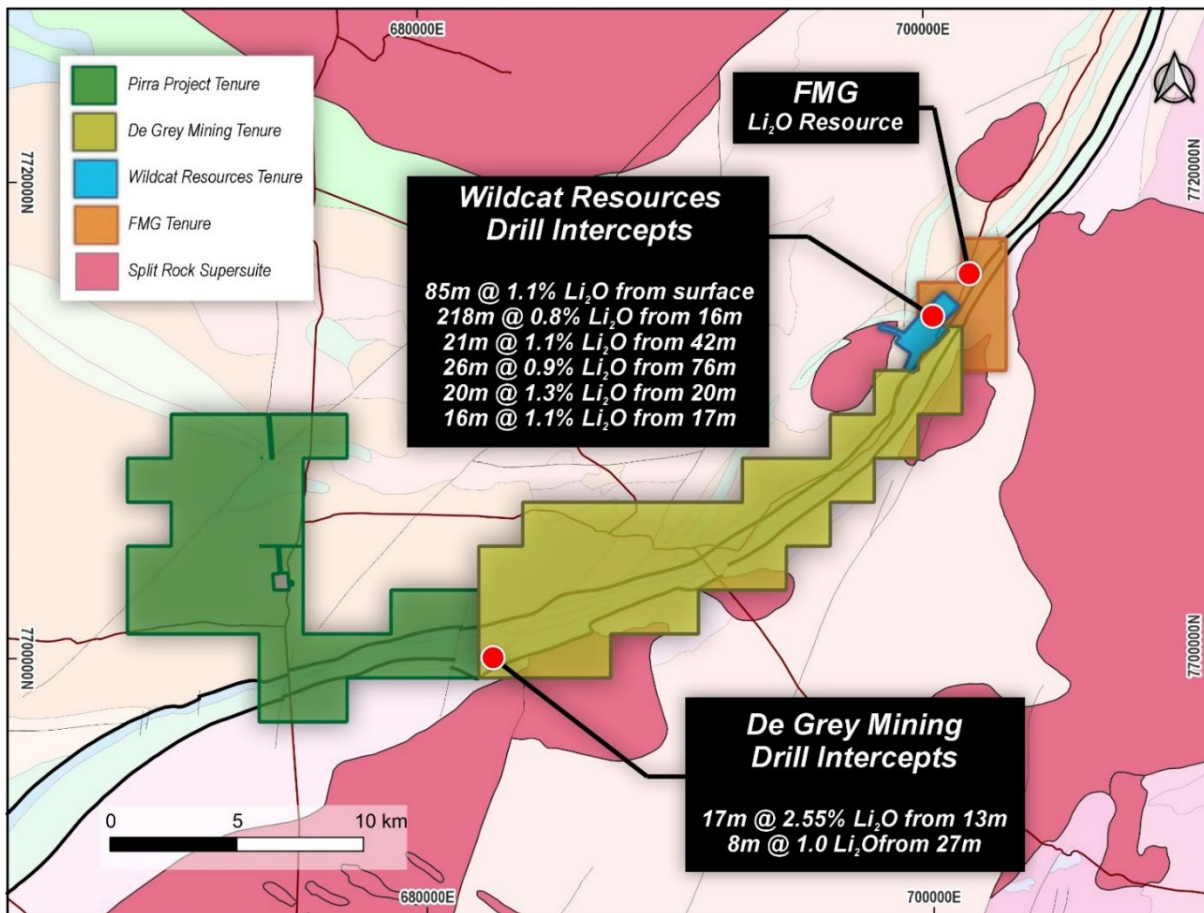


Figure 2: Tappa Tappa South Project Location

SQM Participation and Funding of Pirra

SQM SSA and shareholder arrangements

SQM and Haoma have entered into a binding share sale agreement (**SQM SSA**) pursuant to which SQM has agreed to purchase 30% of Pirra's issued capital from Haoma.

Completion of the SQM SSA is expected to occur on or around 27 October 2023.

Following the acquisition, SQM will assist Pirra target its exploration by joining a technical committee to be formed by Pirra that will have oversight of the proposed exploration programme and budgets. SQM will also have the right to nominate a director to the board of Pirra. Calidus will continue to manage the on-ground exploration on behalf of Pirra but will employ dedicated geologists to undertake this so as not to dilute the exploration activities of Calidus itself.

SQM has agreed to be bound by the joint venture and shareholders agreement in respect of Pirra. The SQM SSA otherwise contains terms and conditions considered standard for an agreement of this nature.

SQM and Calidus Commitment Letter

Contemporaneously with the entry into the SQM SSA, SQM has entered into a commitment letter with Pirra (**SQM Commitment Letter**), pursuant to which SQM has agreed, in the period following completion of the SQM SSA, to subscribe for \$3,000,000 of Pirra shares at an issue price of \$0.20 per share, being 15,000,000 shares (such that SQM's aggregate shareholding in Pirra will ultimately be increased to 40% following the issue).

The proceeds of the SQM Commitment Letter will be used to fund exploration expenditure on Pirra's projects and for Pirra's general working capital.

Calidus has also entered into a commitment letter with Pirra (**Calidus Commitment Letter**), pursuant to which Calidus has agreed, in the period following completion of the SQM SSA, to subscribe for \$2,000,000 of Pirra shares at an issue price of \$0.20 per share, being 10,000,000 shares (such that Calidus' shareholding interest in Pirra shall ultimately remain at 40%).

The subscriptions under the commitment letters is expected to occur within two months after completion of the SQM SSA.

The SQM Commitment Letter and Calidus Commitment Letter contain terms and conditions considered standard for an agreement of this nature.

Pirra Capital Structure

Following completion of the transactions set out above, the capital structure of Pirra will be as follows:

Pirra Shareholders	Shares	%	Performance Rights
Calidus	30,000,000	40%	0
Haoma	15,000,000	20%	7,500,000
SQM	30,000,000	40%	0

In connection with the above transactions, Haoma will subscribe for 2,357,143 fully paid ordinary shares in Calidus at a price per share of \$0.14 (being \$330,000 in aggregate) utilising the Company's available placement capacity pursuant to Listing Rule 7.1. The Company intends to utilise the proceeds of the placement for general working capital.

– END –

For the purpose of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

For further information please contact:

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Managing Director

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Refer to ASX announcements:

ASX:CAI –21 February 2022 – Formation of Pirra Lithium complete

ASX:CAI – 17 March 2023 – Pirra Lithium secures highly prospective Pirra ground

ASX:WC8 – 18 September 2023 – Major Lithium Discovery at Tappa Tappa, WA