



ABN 98 006 640 553

INTERIM FINANCIAL REPORT

For the 6 months ended
31 December 2019

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 2019 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*.

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Corporate directory**Current Directors**

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

Company Secretary

Julia Beckett

Registered OfficeStreet: Suite 12, 11 Ventnor Avenue
WEST PERTH WA 6005

Telephone: +61 (0)8 6245 2050

Email: info@calidus.com.auWebsite: <http://www.calidus.com.au>**Securities Exchange**Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000

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

Telephone: +61 (0)2 9338 0000

Facsimile: +61 (0)2 9227 0885

Website: www.asx.com.au

ASX Code CAI

AuditorsMoore Stephens
Level 15, Exchange Tower, 2 Esplanade
Perth WA 6000

Telephone: +61 (0) 8 9225 5355

Website: www.moorestephens.com.au**Share Registry**

Automic Pty Ltd

Street: Level 2, 267 St Georges Terrace
PERTH WA 6000Postal: PO Box 1156
NEDLANDS WA 6909

Telephone: 1300 288 664

Email: hello@automic.com.auWebsite: <http://automic.com.au>**Solicitors to the Company**HWL Ebsworth
Level 20, 240 St Georges Terrace
Perth WA 6000

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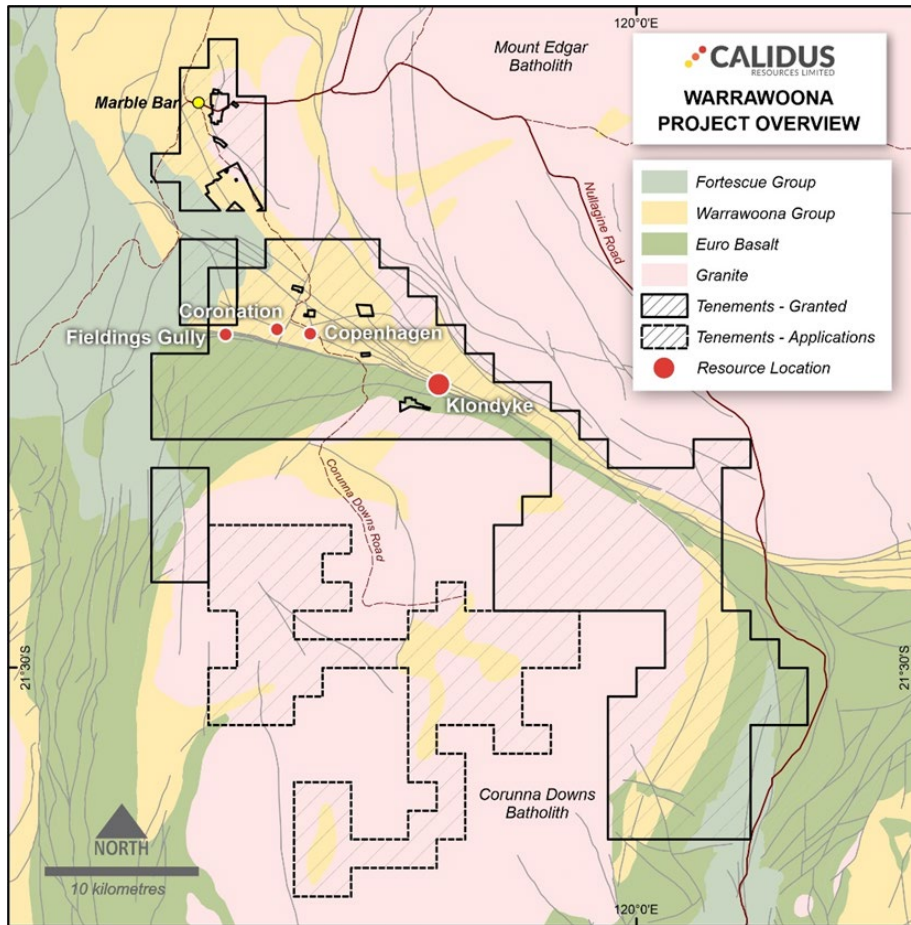


Figure 2: Warrawoona Gold Project Location and tenements

Highlights

At 31 December 2019 the Warrawoona Gold Project hosted Mineral Resource Estimates (JORC 2012) totalling approximately 1.25Moz of gold. The Directors believe that the Company is well positioned to grow the current resource base around the existing resources and via regional exploration. This has positioned the Company to become a new Australian focused gold development company.

During the half year ended 31 December 2019 (HY2020) the Company has been highly productive with several key developments which are extremely positive for the Company, including:

- Warrawoona Pre-Feasibility Study and Maiden Reserve delivered
- Successful resource and exploration drilling campaigns completed
- Favourable EPA level of assessment received for Warrawoona
- Acquisition of key tenure at the Warrawoona Project
- Completion of \$9M placement to institutional investors and exercise of Calidus options
- Experienced resources executive Richard Hill appointed Chief Financial Officer
- Consolidation of share capital of ten (10) into one (1) share

Pre-Feasibility Study and Maiden Reserve

Calidus announced results of the Pre-Feasibility Study (PFS) and a Maiden JORC Reserve for its Warrawoona Project in July 2019¹.

The PFS demonstrates that Warrawoona is a robust gold project based on a Maiden Probable Reserve of 418,000 ounces underpinning an estimated initial six-year mine life producing approximately 100,000 ounces per annum with a Life-of-Mine (LOM) All-In Sustaining Cost (AISC) of A\$1,159 per ounce.

¹ See ASX Announcement "PFS and Maiden Reserve for Calidus' Warrawoona Project" dated 17 July 2019.

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PFS Highlights include:

- Maiden Reserve of 8.9Mt @ 1.5g/t for 418,000 ounces
- 100,000 ounces per annum produced for an initial 6 years
- All-In Sustaining Costs (ASIC) of A\$1,159/oz
- NPV (pre-tax 8%) \$234m and IRR 56% based on A\$2,000/oz
- NPV (post-tax 8%) \$168m and IRR 47% based on A\$2,000/oz
- Payback 19 months from production start based on A\$2,000/oz
- Capital cost of \$95m including contingency
- Since the release of PFS, gold has traded in excess of A\$2,500/oz.

Capital Costs (A\$)		Life of Mine	
Processing Plant		\$72 m	
Non-Processing Infrastructure and Owners Cost		\$16 m	
Contingency		\$7 m	
Total Capital Summary		\$95 m	
Mine Establishment (Pre-Production)		\$29 m	
Production Summary			
Key Parameter			
Initial Mine Life		6 years	
Gold Recovered		580,490 oz	
Processing Rate		2.0mtpa	
Average LOM Metallurgical Recovery		95%	
Project Economics (A\$)			
Study Gold Price		\$1,800 oz	
Revenue		\$1,045 m	
All-In Sustaining Cost (AISC)		\$1,159 /oz	
Life of Mine Pre-Tax Operating Cashflow		\$367 m	
NPV _{8%} (Pre-tax)		\$151 m	
IRR (Pre-tax)		40%	
NPV _{8%} (Post-tax)		\$108 m	
IRR (Post tax)		33%	
Payback (from Production start)		26 months	
AISC Summary	LOM Cost (A\$m)	LOM Cost (A\$/t)	LOM Cost (A\$/oz)
Open Pit Mining	\$258 m	\$27 /t	\$635 /oz
Underground Mining	\$175 m	\$69 /t	\$837 /oz
Mining	\$433 m	\$36 /t	\$746 /oz
Processing and Maintenance	\$181 m	\$15 /t	\$312 /oz
Business Services	\$25 m	\$2 /t	\$44 /oz
Royalties (State and third party)	\$34 m	\$3 /t	\$58 /oz
Total	\$673 m	\$56 /t	\$1,159 /oz

Table 1: Key Project Statistics

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	A\$1,600	A\$1,800	A\$2,000
LOM Pre-Tax Operating Cashflow	\$255m	\$367m	\$479m
Pre-Tax NPV _{8%}	\$68m	\$151m	\$234m
Pre-Tax IRR	23%	40%	56%
Post-Tax NPV _{8%}	\$44m	\$108m	\$168m
Post-Tax IRR	19%	33%	47%
Payback	45 months	26 months	19 months

Table 2: Gold Price Sensitivities

Mineral Resources and Reserves

As at 31 December 2019, the Warrawoona Gold Project hosted Mineral Resource Estimates (JORC 2012) totaling 1,248,000 ounces at 1.83g/t of gold (Table 3). The Klondyke Prospect has a current 2012 JORC Code compliant Inferred Resource of 20Mt at 1.79g/t Au for 1,150,000 ounces and includes 750,000 ounces in the Indicated Category. The resource is currently defined over 5km of strike and is open along strike and down dip. Satellite deposits of Copenhagen, Coronation and Fieldings Gully have a combined current 2012 JORC Code compliant Inferred Resource of 1.2Mt @ 2.53g/t Au for 98,000 ounces.

The Project has an Ore Reserve of 8.9Mt at 1.5g/t AU for 418,000 ounces (Table 4) which is based on Indicated portions of the Mineral Resources. The Ore Reserve Estimate is reported within the open pit and underground designs prepared as part of the PFS.

Deposit	Cut-off	Indicated			Inferred			Total		
	Au g/t	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs
Klondyke Open Pit	0.5	12.3	1.69	670,000	5.5	1.47	260,000	17.8	1.62	930,000
Klondyke Underground	2.0	0.8	3.3	80,000	1.4	3.03	140,000	2.2	3.13	220,000
Copenhagen	0.5	0.2	5.27	36,000	0.1	1.84	3,000	0.3	4.65	39,000
Coronation	0.5				0.5	2.19	34,000	0.5	2.19	34,000
Fieldings Gully	0.5	0.2	1.65	9,000	0.3	1.62	16,000	0.5	1.63	24,000
Total		13.5	1.83	795,000	7.7	1.81	453,000	21.2	1.83	1,248,000

Table 3 Warrawoona Gold Project Mineral Resource

Deposit	Proven			Probable			Total		
	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs
Klondyke Open Pit				8.0	1.4	348,000	8.0	1.4	348,000
Klondyke Underground				0.9	2.4	70,000	0.9	2.4	70,000
Total				8.9	1.5	418,000	8.9	1.5	418,000

Table 4 Warrawoona Gold Project Ore Reserve

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Exploration Activities

During the 6 months ended 31 December 2019 (HY 20) Calidus announced a host of outstanding results at the Warrawoona Gold Project².

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

- **35m @ 2.84 g/t Au** from surface in hole 19KLRC218
- **10m @ 6.81g/t Au** from 47m, incl **1m @ 50.77g/t Au** from 49m in hole 19KLRC192
- **12m @ 5.58 g/t Au** from 12m in hole 19KLRC270
- **15m @ 4.33 g/t Au** from 6m in hole 19KLRC266
- **23m @ 2.55 g/t Au** from 15m in hole 19KLRC241
- **15m @ 3.70 g/t Au** from 30m in hole 19KLRC288
- **1m @ 55.21 g/t Au** from 278m in hole 19KLDD061
- **36m @ 1.53 g/t Au** from 12m in hole 19KLRC247
- **14m @ 3.80 g/t Au** from 1m in hole 19KLRC233
- **23m @ 2.30 g/t Au** from 37m in hole 19KLRC232
- **26m @ 2.00 g/t Au** from 1m in hole 19KLRC227
- **14m @ 3.51 g/t Au** from 2m in hole 19KLRC249
- **11.78m @ 4.11 g/t Au** from 28.95m in hole 19KLDD112
- **12m @ 3.93 g/t Au** from 19m in hole 19KLRC284
- **22m @ 2.13g/t Au** from 19m n hole 19KLRC201
- **23m @ 2.06 g/t Au** from 1m in hole 19KLRC243
- **9.08m @ 5.11 g/t Au** from 24.1m in hole 19KLDD107
- **2.52m @ 18.02 g/t Au** from 232.78m in hole 19KLDD070
- **1m @ 40.59 g/t Au** from 156m in hole 19KLDD083
- **20m @ 1.97 g/t Au** from 25m in hole 19KLRC245
- **16m @ 2.47 g/t Au** from 4m in hole 19KLRC253
- **20m @ 1.96 g/t Au** from 20m in hole 19KLRC271
- **11m @ 3.41 g/t Au** from surface in hole 19KLRC306
- **12m @ 3.05 g/t Au** from 43m in hole 19KLRC283
- **26m @ 1.37 g/t Au** from 9m in hole 19KLRC281

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

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

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

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

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

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

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

Favourable EPA Level of Assessment for Warrawoona

During the half year, after referring the Warrawoona Gold Project to the EPA on 29 October 2019, the EPA formally advised that the assessment level has been set as "Assessment on Proponent Information". This allows the EPA to begin immediate assessment without further studies being required, minimising the time required for the EPA to assess the Project. The Project will be assessed on base line studies and documentation already completed and submitted by Calidus.

Acquisition of Key Tenure

During the half year, the Company completed the purchase of tenement E45/5172, which covers most of the historic Marble Bar Goldfield located just 25km from Warrawoona.

The Company also purchased the remaining 50% of tenement E45/4843, which covers the historic Salgash mining area of the Warrawoona Goldfield. In addition, the Company earned 70% of the Novo tenements, which comprise tenements E45/3381, E45/4666, E45/4622, E45/4194, P45/2781 and E45/4934.

Corporate

Financial Results

At 31 December 2019, Calidus and its subsidiaries held \$7.0 million in cash and \$1.3m in listed investments.

Capital Raising

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

The Company also announced the completion of the exercise of options, raising a total of \$1,910,148. The exercise of options was partially underwritten Alkane Resources Limited and Kerr Allan Financial Pty Ltd.

Consolidation of Share Capital

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

Appointment of Chief Financial Officer

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

Mr Hill's experience incorporates arrangement of project and corporate financing agreements, treasury and derivative management, financial management and reporting, corporate governance and compliance, strategy development and risk management. Mr Hill holds a Bachelor of Commerce Degree, is a member of CPA Australia and has a Graduate Diploma of Advanced Corporate Governance.

Forward looking Statements and Disclaimers

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

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

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

Compliance Statement

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

Mr Daniel Saunders is principal and a full time employee of GeoServ Consulting Pty Ltd, and is a Member of the AusIMM. Mr Daniel Saunders has sufficient experience that 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 JORC Code.

Ms Jane Allen is a full time employee of the Company, and is a member of the AusIMM. Ms Jane Allen has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code.

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AUDITORS INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as require under section 307C of the Corporation Act 2001 is set out on page 11.

EVENTS SUBSEQUENT TO REPORTING DATE

On 6 February 2020, the Company announced it has purchased 240 ensuite rooms and other village infrastructure including offices, gym, laundries and ablution blocks. The village is currently being relocated to Marble Bar, where it will be stored close to the Warrawoona site to allow installation ahead of project construction following requisite approvals.

On 25 February 2020, the Company announced that the WA Office of the Environmental Protection Authority (EPA) will assess its Warrawoona Gold Project in the Pilbara for both the State and Federal governments under an Accredited Assessment as part of the approval required under the Commonwealth's Environment Protection and Biodiversity Conservation Act (EPBC Act). This will result in a streamlined environmental approval process for Warrawoona.

No other matters or circumstances have arisen since the half-year ended 31 December 2019, 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, 6 March 2020

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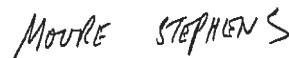
**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CALIDUS RESOURCES LIMITED**

As auditor for the review of Calidus Resources Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.



SUAN-LEE TAN
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 6th day of March 2020.

Consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2019

	Note	6 months 31 December 2019 \$	6 Months 31 December 2018 \$
<i>Continuing operations</i>			
Revenue	2	393,125	3,745,611
Compliance costs		(204,749)	(281,510)
Depreciation and amortisation		(31,424)	(29,687)
Employment costs	3a	(317,489)	(267,848)
Exploration expenditure		(6,029)	-
Finance costs		-	(815)
Insurance fees		(27,054)	(41,983)
Impairment of asset		-	(15,000)
Legal and consulting fees		(51,655)	(52,266)
Occupancy costs		(40,138)	(30,862)
Share-based payments	15	(125,013)	(350,427)
Share registry and listing fees		(69,024)	(50,292)
Travel and accommodation		(43,497)	(24,186)
Other expenses	3b	256,850	(20,524)
Unrealised Gain/(Loss) – Shares		54,148	(1,316,738)
Foreign exchange loss		(174)	(1,454)
Profit / (loss) before tax		(212,123)	1,255,017
Income tax benefit / (expense)		-	-
Net profit / (loss) for the period		(212,123)	1,255,017
<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		(212,123)	1,255,017
<i>Earnings per share:</i>			
Basic earnings per share (cents per share)	4	¢ (0.11)	¢ 0.09

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

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Consolidated statement of financial position

as at 31 December 2019

	Note	31 December 2019 \$	30 June 2019 \$
<i>Current assets</i>			
Cash and cash equivalents	5	6,968,568	4,145,369
Trade and other receivables	6	343,127	307,782
Other current assets		16,774	-
Financial assets	10	1,370,899	1,275,245
Total current assets		8,699,368	5,728,396
<i>Non-current assets</i>			
Plant and equipment	8	85,791	114,309
Exploration and evaluation assets	9	22,084,158	18,145,519
Other non-current assets	7	24,993	24,993
Total non-current assets		22,194,942	18,284,821
Total assets		30,894,310	24,013,217
<i>Current liabilities</i>			
Trade and other payables	11	209,715	1,876,611
Short-term provisions	12	29,669	151,123
Total current liabilities		239,384	2,027,734
Total liabilities		239,384	2,027,734
Net assets		30,654,926	21,985,483
<i>Equity</i>			
Issued capital	13a	38,468,960	29,712,407
Employee shares	13d	84,178	20,175
Reserves	13b	821,222	760,212
Accumulated losses		(8,719,434)	(8,507,311)
Total equity		30,654,926	21,985,483

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

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Consolidated statement of change in equity

for the half-year ended 31 December 2019

	Note	Issued Capital \$	Employee Shares \$	Option Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2018		21,712,043	414,029	170,855	(7,264,593)	15,032,334
Profit for the year attributable owners of the parent		-	-	-	1,255,017	1,255,017
Total comprehensive income for the year attributable owners of the parent		-	-	-	1,255,017	1,255,017
<i>Transaction with owners, directly in equity</i>						
Shares issued during the period		3,687,500	-	-	-	3,687,500
Options amortised for the period		-	-	350,427	-	350,427
Employee shares issued during the period		414,029	(414,029)	-	-	-
Transaction costs		(16,710)	-	-	-	(16,710)
Balance at 31 December 2018		25,796,862	-	521,282	(6,009,576)	20,308,568
Balance at 1 July 2019		29,712,407	20,175	760,212	(8,507,311)	21,985,483
Profit for the period attributable owners of the parent		-	-	-	(212,123)	(212,123)
Total comprehensive income for the period attributable owners of the parent		-	-	-	(212,123)	(212,123)
<i>Transaction with owners, directly in equity</i>						
Shares issued during the period	13a	9,313,250	-	-	-	9,313,250
Options and employee shares amortised for the period	13a/13d	-	64,003	61,010	-	125,013
Transaction costs	13a	(556,697)	-	-	-	(556,697)
Balance at 31 December 2019		38,468,960	84,178	821,222	(8,719,434)	30,654,926

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

Consolidated statement of cash flows

for the half-year ended 31 December 2019

Note	6 months 31 December 2019 \$	6 Months 31 December 2018 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	-	10,063
Payments for suppliers and employees	(1,272,278)	(781,559)
Interest received	23,618	54,437
Net cash used in operating activities	(1,248,660)	(717,059)
<i>Cash flows from investing activities</i>		
Purchase of plant and equipment	(2,907)	(6,141)
Proceeds from sale of investments	322,410	-
Payments for exploration expenditure	(4,849,697)	(5,195,327)
Net cash used in investing activities	(4,530,194)	(5,201,468)
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	9,158,750	3,687,500
Payments for capital raising costs	(556,697)	(16,709)
Proceeds from borrowings	-	-
Net cash provided by financing activities	8,602,053	3,670,791
Net increase in cash held	2,823,199	(2,247,736)
Cash and cash equivalents at the beginning of the period	4,145,369	6,142,247
Cash and cash equivalents at the end of the period	6,968,568	3,894,511

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

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Notes to the consolidated financial statements

for the half-year ended 31 December 2019

Note 1 Statement of significant accounting policies

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

The financial statements were authorised for issue on 6 March 2020 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 2019, together with any public announcements made during the half-year.

i. Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial a report.

ii. Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

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.

c. Critical Accounting Estimates and Judgments

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

i. Key Estimate – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to accounting policy stated in note 9 Exploration and evaluation assets. The carrying value of capitalised expenditure at reporting date is \$22,084,158.

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

Notes to the consolidated financial statements

for the half-year ended 31 December 2019

Note 1 Statement of significant accounting policies (continued)

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

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

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

ii. Key Estimate — Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environment impact, the directors believe such treatment is reasonable and appropriate.

d. Application of New and Revised Accounting Standards

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

AASB 16: Leases

The Group as lessee

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

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

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

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

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

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

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

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Notes to the consolidated financial statements

for the half-year ended 31 December 2019

Note 1 Statement of significant accounting policies (continued)

Initial Application of AASB 16: Leases

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

Note 2 Revenue and other income

a. Revenue

Revenue – Pacton shares received on disposal of conglomerate gold rights
 Revenue – Additional Pacton shares received
 Interest

	6 months 31 December 2019 \$	6 Months 31 December 2018 \$
	-	3,691,174
	363,917	-
	29,208	54,437
	393,125	3,745,611

Note 3 Profit / (loss) before income tax

The following significant revenue and (expense) items are relevant in explaining the financial performance:

a. Employment costs:

Directors fees
 CFO and Company Secretary consulting fees
 Wages, salaries and other employee expenses

	6 months 31 December 2019 \$	6 Months 31 December 2018 \$
	(191,500)	(198,550)
	(45,308)	(47,000)
	(80,681)	(22,298)
	(317,489)	(267,848)

b. Other expenses

Reversal of stamp duty due to settlement
 Receipt of fuel tax credit
 Other

	251,939	-
	31,467	-
	(26,556)	(20,524)
	256,850	(20,524)

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Notes to the consolidated financial statements

for the half-year ended 31 December 2019

Note 4 Earnings per share (EPS)

a. Reconciliation of earnings to profit or loss

Profit / (loss) for the year

Profit / (loss) used in the calculation of basic and diluted EPS

b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS

c. Earnings per share

Basic EPS (cents per share)

d. At the end of 31 December 2019, the Group has 18,413,500 unissued shares under options (31 December 2018: 266,000,000) and nil performance shares on issue (31 December 2018: 275,000,000). The Group does not report diluted earnings per share on annual losses generated by the Group. During the half-year ended 31 December 2019 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 2019 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 months 31 December 2019 \$	6 Months 31 December 2018 \$
	(212,123)	1,255,017
	(212,123)	1,255,017
4e	185,711,372	1,339,660,017
4e	(0.11)	0.09

Note 5 Cash and cash equivalents

a. Current

Cash at bank

	31 December 2019 \$	30 June 2019 \$
	6,968,568	4,145,369
	6,968,568	4,145,369

Note 6 Trade and other receivables

a. Current

GST receivable

	31 December 2019 \$	30 June 2019 \$
	343,127	307,782
	343,127	307,782

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INTERIM FINANCIAL REPORT

31 December 2019

CALIDUS RESOURCES LIMITED

AND CONTROLLED ENTITIES

ABN 98 006 640 553

Notes to the consolidated financial statements

for the half-year ended 31 December 2019

Note 7 Other assets

- a. **Non-current**
Performance guarantee

	31 December 2019 \$	30 June 2019 \$
	24,993	24,993
	24,993	24,993

Note 8 Plant and equipment

- a. **Non-current**
Computer and software
Accumulated depreciation

Mining equipment
Accumulated depreciation

Motor Vehicles
Accumulated depreciation

Total plant and equipment

	31 December 2019 \$	30 June 2019 \$
	44,725	44,725
	(28,258)	(20,746)
	16,467	23,979
	87,951	84,696
	(41,512)	(30,004)
	46,439	54,692
	76,104	76,104
	(53,219)	(40,466)
	22,885	35,638
	85,791	114,309

Note 9 Exploration and evaluation assets

- a. **Non-current**
Exploration at cost:
Balance at beginning of period
Expenditure during the period

Balance at reporting date

	31 December 2019 \$	30 June 2019 \$
	18,145,519	9,985,029
	3,938,639	8,160,490
	22,084,158	18,145,519

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Notes to the consolidated financial statements

for the half-year ended 31 December 2019

Note 10 Financial assets

a. Current

Shares in Pacton Gold Inc. - at fair value

31 December 2019 \$	30 June 2019 \$
1,370,899	1,275,245
1,370,899	1,275,245

Note 11 Trade and other payables

a. Current

Unsecured

Trade payables

Accruals

Employment related payables

31 December 2019 \$	30 June 2019 \$
162,692	1,316,700
13,000	462,119
34,023	97,792
209,715	1,876,611

Note 12 Provision

a. Current

Provision for stamp duty

Provision for annual leave

31 December 2019 \$	30 June 2019 \$
-	120,096
29,669	31,027
29,669	151,123

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Notes to the consolidated financial statements

for the half-year ended 31 December 2019

Note 13 Issued capital

	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
Fully paid ordinary shares at no par value	214,689,064	1,578,887,024	38,468,960	29,712,417
a. Ordinary shares	6 months	12 months	6 months	12 months
At the beginning of the period	1,578,887,024	1,276,453,495	29,712,417	21,712,043
Shares issued during the year:				
ESIP shares issued	-	17,500,000	-	414,029
Placement of Alkane Resources	-	125,000,000	-	3,687,500
Directors shares cancelled	-	(5,000,000)	-	-
Directors shares issued	-	5,000,000	-	-
Issue of Epmindex shares	-	120,000	-	3,360
Exercise of options	-	555,556	-	13,889
ESIP shares issued	-	1,046,025	-	25,000
Placement to Alkane	-	80,000,000	-	2,160,000
Exercise of options	-	600,000	-	15,000
Exercise of options	-	80,000	-	2,000
Exercise of options	-	1,110,000	-	27,750
Exercise of options	-	32,821,948	-	820,549
Exercise of options	-	42,400,000	-	1,060,000
Underwriting fee	-	1,200,000	-	30,000
Issue of share for tenement purchase	5,000,000	-	154,500	-
Performance shares conversion	275,000,000	-	-	-
Placement	281,250,000	-	9,000,000	-
Exercise of options	2,000,000	-	40,000	-
Exercise of options	4,000,000	-	100,000	-
Exercise of options	750,000	-	18,750	-
	2,146,887,024	1,578,887,024	39,025,657	29,453,695
Share consolidation (One for ten)	214,689,064	-	-	-
Transaction costs relating to share issues	-	-	(556,697)	(258,712)
At reporting date	214,689,064	1,578,887,024	38,468,960	29,712,407
b. Options				
At the beginning of the period	178,500,000	199,000,000	760,212	170,855
Issue of options to directors/employees	-	-	-	589,357
Options exercised	(6,750,000)	(87,500,000)	-	-
Options expired/cancelled	(70,000,000)	(3,000,000)	-	-
Placement to Alkane Resources	-	70,000,000	-	-
	101,750,000	178,500,000	760,212	760,212
Share consolidation (One for ten)	10,175,000	-	-	-
Issue of options	8,238,500	-	61,010	-
At reporting date	18,413,500	178,500,000	821,222	760,212

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Notes to the consolidated financial statements

for the half-year ended 31 December 2019

Note 13: Issued capital (Continued)

	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
c. Performance shares				
At the beginning of the period	275,000,000	275,000,000	-	-
Performance shares converted	(275,000,000)	-	-	-
At reporting date	-	275,000,000	-	-
d. Employee shares				
At the beginning of the period	9,000,000	17,500,000	20,175	414,029
ESIP shares issued/amortised during the year	-	9,000,000	64,003	45,175
ESIP converted	-	(17,500,000)	-	(439,029)
	9,000,000	9,000,000	84,178	20,175
Share consolidation (One for ten)	900,000	-	-	-
At reporting date	900,000	9,000,000	84,178	20,175

Note 14 Reserves

	Note	31 December 2019 \$	30 June 2019 \$
Option reserve		821,222	760,212
		821,222	760,212

Note 15 Share-based payments

	Note	6 months 31 December 2019 \$	6 Months 31 December 2018 \$
Share-based payment expense	15a	125,013	350,427
Gross share-based payments		125,013	350,427

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

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

In consideration for acting as director of Calidus, the Company issued 700,000 and 388,500 Options to Non-Executives and Executives respectively with terms and summaries below:

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

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Notes to the consolidated financial statements

for the half-year ended 31 December 2019

ii. Employee Securities Incentive Plan – Employee Incentive Options

In consideration for retaining key quality employees of Calidus, the Company has issued 7,150,000 Incentive Options under the Employee Securities Incentive:

Number of Options	Date of Expiry	Exercise Price
7,150,000	27 December 2024	Nil

Vesting Terms:

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

iii. Employee Securities Incentive Plan – Employee Shares

In consideration for retaining key quality employees of Calidus, the Company has issued 9,000,000 options under the Employee Securities Incentive

Number of Options	Date of Expiry	Exercise Price	Holding Lock Period
9,000,000	3 May 2020	\$0.03	12 months from issue date

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

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

Grant date:	3 May 2019
Grant date share price:	\$0.026
Option exercise price:	\$0.030
Number of options issued:	9,000,000
Term (years):	3.00
Expected share price volatility:	90.24%
Risk-free interest rate:	1.28%

Note 16 Related party transactions

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

Office rent - Wilgus Investments & Wild West Enterprises Pty Ltd

Consulting fees – Discovery Capital Partners Pty Ltd

Director fees – Wilgus Investments & Wild West Enterprises Pty Ltd

	6 months 31 December 2019 \$	6 Months 31 December 2018 \$
	38,600	30,862
	60,000	110,000
	137,500	160,417

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Notes to the consolidated financial statements

for the half-year ended 31 December 2019

Note 17 Commitments

	31 December 2019 \$	30 June 2019 \$
Exploration expenditure commitments payable:		
Not later than 12 months	576,105	565,077
Between 12 months and five years	1,336,015	1,400,211
Later than five years	2,017,153	2,156,710
Total Exploration tenement minimum expenditure requirements	3,929,273	4,121,998
Operating lease commitments for premises due:		
Not later than 12 months	42,600	34,200
Between 12 months and five years	-	-
Later than five years	-	-
Total operating lease commitments	42,600	34,200

Note 18 Operating segments

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

Note 19 Events subsequent to reporting date

On 6 February 2020, the Company announced it has purchased 240 ensuite rooms and other village infrastructure including offices, gym, laundries and ablution blocks. The village is currently being relocated to Marble Bar, where it will be stored close to the Warrawoona site to allow installation ahead of project construction following requisite approvals.

On 25 February 2020, the Company announced that the WA Office of the Environmental Protection Authority (EPA) will assess its Warrawoona Gold Project in the Pilbara for both the State and Federal governments under an Accredited Assessment as part of the approval required under the Commonwealth's Environment Protection and Biodiversity Conservation Act (EPBC Act). This will result in a streamlined environmental approval process for Warrawoona.

No other matters or circumstances have arisen since the half-year ended 31 December 2019, 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.

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Note 20 Contingent liabilities**Royalties**

Keras Pilbara has obligation to pay royalties, based on minerals produced, pursuant to the acquisition agreement for Arcadia Minerals Pty Ltd (now Keras (Pilbara) Gold Pty Ltd). The royalties will only become due and payable when and if mining commences. Details of this royalty are disclosed in the Section 8 of the Company's prospectus dated 8 May 2017.

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

On 6 November 2017 the Company announced that it had commenced the Novo JV. Calidus may earn a 70% interest in the Novo tenements by spending \$2 million on the tenements over the next 3 years (Expenditure Commitment). At the completion of the Expenditure Commitment which was achieved during the half year, each party will be subject to a fund or dilute obligation in the respective proportions on the Novo Tenements with any interest diluting below 10% converting to a 1% net smelter royalty.

The directors are not aware of any other contingent liabilities that may have arisen from the Groups operations as at 31 December 2019.

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Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 12 to 26, 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 2019 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, 6 March 2020

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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 subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other 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:

- a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Directors' Responsibility 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

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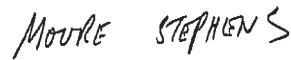
**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF CALIDUS RESOURCES LIMITED (CONTINUED)**

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. 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 provided to the directors as at the time of this auditor's review report.



SUAN-LEE TAN
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 6th day of March 2020.

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