

ASX ANNOUNCEMENT

ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold company that is developing the 1.5Moz Warrawoona Gold Project in the East Pilbara district of Western Australia.

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CAUTIONARY STATEMENT

As the production targets and forecast financial information contained within this announcement utilise a portion of Inferred Resources, the ASX Listing Rules require a cautionary statement be included in this announcement.

The Company advises that the Proven and Probable Ore Reserve and Indicated Resources provide 90% of the total mined tonnage and 78% of the total contained gold metal for the Warrawoona Gold Project, inclusive of Blue Spec. The remaining tonnage is comprised of Inferred Resources. There is a low level of geology confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of Indicated Resources or that the production targets reported in this announcement will be realised. The Company confirms that the use of Inferred Resources is not a determining factor of the Warrawoona Gold Project's viability.

The Mineral Resource Estimate and Ore Reserves underpinning the production targets and forecast financial information in this announcement have been prepared by Competent Persons. The Company has concluded that it has a reasonable basis for providing the forward looking statements included in this announcement. The detailed reasons for this conclusion and the material assumptions underpinning to production targets and forecast financial information are outlined throughout this announcement.

The Blue Spec Integration Study, which adds the Blue Spec Project to the Warrawoona Gold Project model, is predominately based on mining methods, designs, schedules, cost estimates and modifying factors which had previously been determined in relation to the Warrawoona Gold Project on a standalone basis, to a feasibility study level of confidence, as per Calidus' announcement of 29 September 2020. The Blue Spec Project is fed through the infrastructure outlined in Warrawoona Feasibility Study, is based on a JORC Resource with extensive metallurgical testing. The mine design component will be further refined with additional geotechnical drilling that is planned for later this year.

Addition of Blue Spec Project set to significantly increase production

Study shows the high-grade Blue Spec Project can significantly lift Warrawoona's forecast average gold production for minimal extra capital expenditure

Key Points

- Study shows that mining at the Blue Spec Project located 70km from Warrawoona will increase the Warrawoona project's production rates and cashflow significantly for little additional capital expenditure
- Life-of-Mine update forecasts that inclusion of Blue Spec will increase average gold production by 22% to 110,000ozpa for the first seven years
- Production will peak at 139,000ozpa versus the 105,000ozpa contained in the Feasibility Study¹
- Total Warrawoona gold production will increase by 23% to 807,000oz over an eight-year mine life versus the 658,000oz contained in the Feasibility Study (FS)
- Inclusion of Blue Spec will have the following impact on Project Economics (based on the recently executed hedge price of \$2,355/oz):
 - Pre-tax cashflow² increases by \$126M to \$662M, NPV_{8%} is \$423M, IRR is 74%
 - Post-tax cashflow² increases by \$92M (comparison to FS at \$2,355/oz gold price) to \$472M, NPV_{8%} is \$302M and IRR is 65%
 - Life of Mine All-In Sustaining Costs (AISC) of \$1,292/oz
- Blue Spec will be treated through the sulphide circuit at Warrawoona defined in the Feasibility Study (separate to the main 2.4Mtpa CIL processing plant) with additional capital expenditure of \$1.5M to increase throughput from 100,000tpa to 150,000tpa
- Development of Blue Spec and the sulphide circuit to be funded from operational cash flow
- Completion of the Feasibility Study for Blue Spec and updated Resource and Reserve estimate planned for H1 CY2022.
- Blue Spec deposits remain open at depth with high-grade intersects outside of the current Resource
- Revised acquisition terms agreed with Novo Resources to complete the 100% purchase of Blue Spec via the payment of \$5M cash and issue of 13.3m shares
- Blue Spec is an example of Calidus' growth strategy to leverage the Warrawoona infrastructure to increase production and mine life from the incorporation of satellite deposits

¹ Refer ASX Announcement 29 September 2020 "Feasibility Study paves the way for construction of Warrawoona"

² Comparison to Feasibility Study at \$2,355/oz gold price.

All figures are presented in nominal Australian Dollars unless otherwise specified.

Calidus Resources (ASX:CAI) is pleased to announce that a study on the integration of the high-grade Blue Spec Project into the mine life of its Warrawoona gold project in WA forecasts a significant increase in production and operational cashflow for little additional capital expenditure.

Calidus proposes that Blue Spec, which is 70km from Warrawoona, would be an underground mine with the ore trucked to Warrawoona for treatment at its planned parallel sulphide circuit, reducing overheads and infrastructure requirements required for Blue Spec while leveraging the infrastructure and personnel based at Warrawoona. Trucking the ore from Blue Spec is a practical option given the low-volume, high-grade nature of Blue Spec ore as well as the existing regional road infrastructure.

Calidus has agreed revised terms for the acquisition of 100% of the Blue Spec Project with Novo Resources Corp. (TSX:NVO) (**Novo**)³ with a final cash payment of A\$5M by 31 March 2021 and the issue of 13.3m shares due by 16 April 2021⁴. The shares have been agreed to be issued by Calidus pursuant to its 15% placement capacity under ASX Listing Rule 7.1.

Calidus Managing Director Dave Reeves said: *“The integration of Blue Spec into Warrawoona allows Calidus to increase production without significant changes to infrastructure or the current mining plan at Warrawoona.*

“The fully-funded Warrawoona Project includes a conventional 2.4mtpa CIL processing plant plus an additional standalone 100,000tpa sulphide plant initially planned for treatment of Copenhagen, which is also a high-grade satellite deposit.

“The modular nature of the sulphide plant allows us to increase its capacity to 150,000tpa to accommodate treatment of Blue Spec for a relatively minor increase in capex.

“This study demonstrates the big growth potential of our strategy to establish a new regional gold production hub in the East Pilbara, fed by Warrawoona and satellite deposits. We see further opportunity with regards to other potentially stranded assets in the region that do not have the scale to justify a standalone plant.

“This strategy is in parallel to our own exploration pipeline, which we are kicking off in earnest this year after several years focusing on de-risking near-term production areas at Warrawoona. We now have a dedicated Operations team in place for construction of Warrawoona, a dedicated regional exploration team and a dedicated business development team.

“With construction underway at Warrawoona, we are now making the transition from developer to producer. At the same time, we will continue to look for value-accretive opportunities that supplement our current robust eight-year mine life”.

³ Refer ASX Announcement 2nd October 2020 *“Replacement Blue Spec Acquisition Announcement”*

⁴ Refer ASX Announcement 1st February 2021 *“Calidus takes full ownership of key Warrawoona tenements”*

KEY PROJECT METRICS

Table 1: – Processing Yearly Profile (Warrawoona Project incorporating Blue Spec)

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

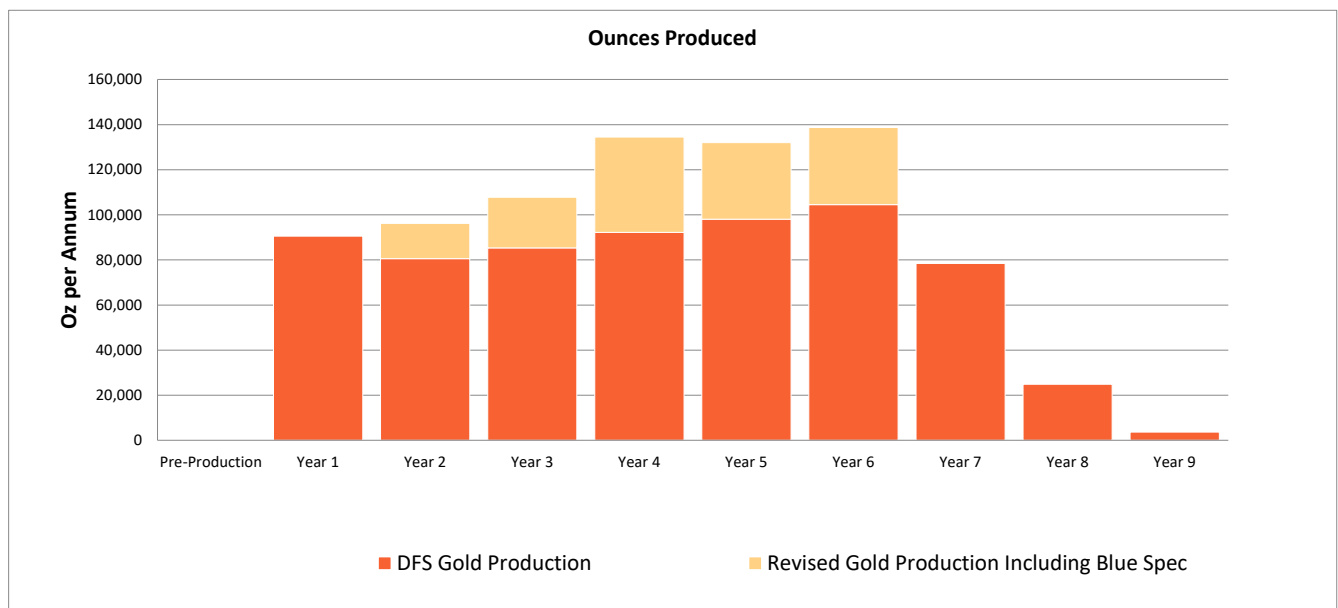


Table 2: – Cashflow and AISC Yearly Profile (Warrawoona Project incorporating Blue Spec)

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

⁵ All in Sustaining Costs includes mining, processing, site administration, royalty costs and sustaining capital. It does not include exploration, corporate costs and non-sustaining capital.

BLUE SPEC INTEGRATION STUDY SUMMARY

1. Overview

The Blue Spec Project (**Blue Spec**) is located 20km south east of Nullagine and 70km from Calidus' 100% owned Warrawoona Gold Project (Figure 1). The Project is accessible by existing roads and a condition of the sale agreement is Novo granting a licence agreement permitting Calidus access to Novo owned roads and across tenements to facilitate transport of material from Blue Spec to Warrawoona.

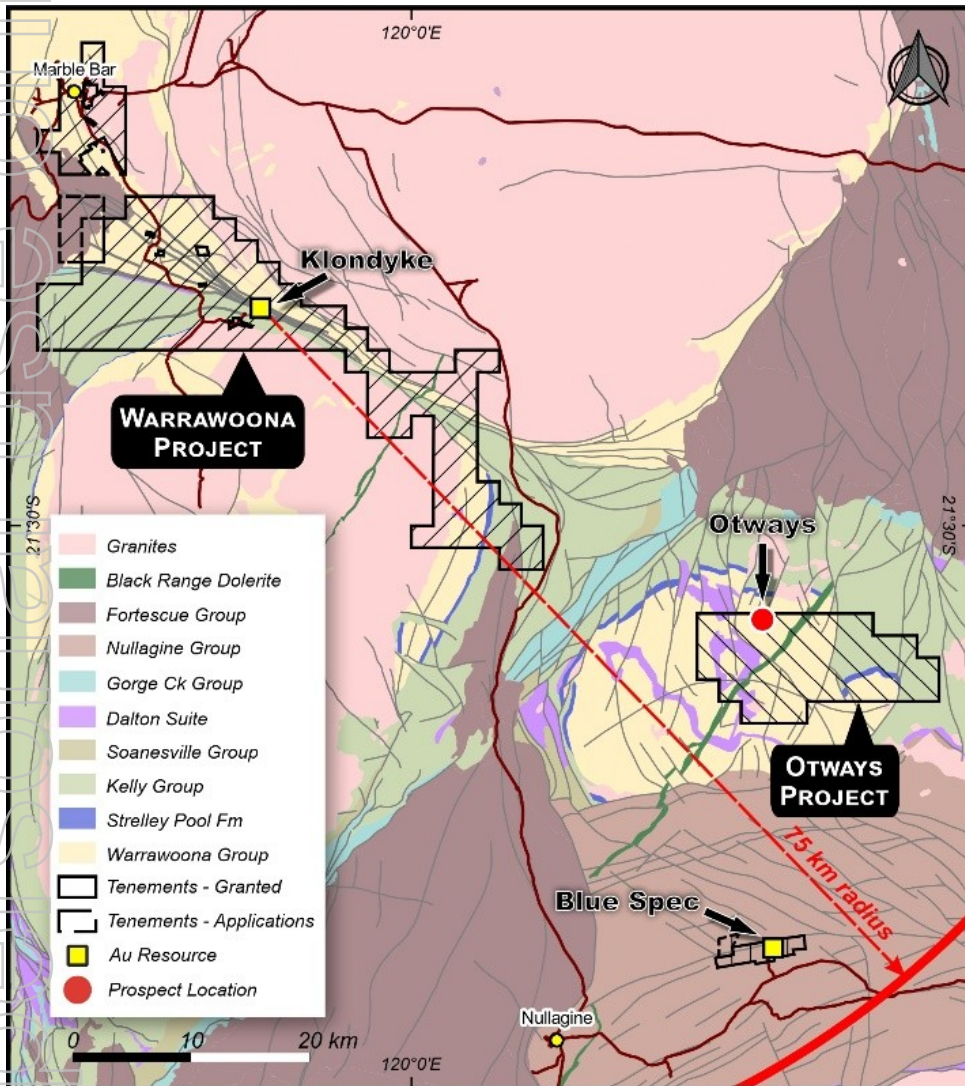


Figure 1: Blue Spec Location

History

Blue Spec

The Blue Spec deposit was discovered in 1906. Early mining to a depth of 180m vertical was undertaken by following the vein system one level at a time. The historical ore grade cut-off in the upper levels was 22 to 28g/t and as a result, only a small proportion of upper-level ore was mined.

Anglo American (**Anglo**) acquired the Blue Spec mine in 1974 and defined an Ore Reserve from the 180m to 320m vertical level. Anglo sunk a new triple compartment shaft to the 180m level and developed decline access to the Reserve. Anglo utilised mechanised cut and fill mining methods with average stope widths of approximately 2m. Stopping of the orebody to widths of less than 1.8m in the western extent of the Blue Spec orebody during the last period of production achieved lower dilution rates with production exceeding 36g/t gold and 3.5% antimony.

Anglo closed the mine in 1979 once the original Reserve blocks had been extracted.

Historically, the Blue Spec mine has averaged production in excess of 25g/t gold with over 60,000oz of gold and 1,500 tonnes of antimony produced from the mine.

Gold Spec

The Gold Spec mine is located on the Blue Spec Shear approximately 1km west of the Blue Spec mine. The mine was first opened and put into production by Invincible Mining NL in the mid 1980's. The mine produced approximately 20,000oz Au at an average head grade of 12g/t gold. The most recent mining of the main shoot and western shoot was undertaken in 1993 to a depth of 120m.

Northwest Resources (**NWR**) acquired both deposits and advanced exploration and developed scoping level studies incorporating refurbishment and installation of new site infrastructure, re-establishment of the existing shaft and decline access to the ore body. The project was subsequently sold to Novo who performed limited exploration drilling in 2016.

2. Geology

Mineralisation at the Blue Spec deposit is hosted in quartz veins that average 1.5m to 3m in width but which are known to be over 8m in certain zones. High grade gold mineralisation is variously associated with the presence of massive stibnite (the sulphide form of the metal antimony).

The Blue Spec orebody is characterised by a well-defined vein morphology, hosted within a localised structural setting along the Blue Spec Shear. The remarkable plunge continuity over its known depth extent is related to key connection points within the fault network that hosts the deposit. These same connection points have dictated the location of Blue Spec's main high-grade shoot locations from surface to the bottom level of development as evidenced in detailed underground mapping.

Gold mineralisation is of orogenic lode vein style and is hosted by an east-west trending shear zone. Multiple gold-bearing quartz veins occupying steeply plunging shoots occur along this shear zone, which are accompanied by significant amounts of stibnite.

Both the Blue Spec and Gold Spec deposits are open along strike and down dip and associated splay zones have never been fully tested. Historic drill holes at Blue Spec including BSP0264 (**18.0m @ 4.21g/t**), BSP0177 (**11.0m @ 7.53g/t**) and 16BSDH016 (**3.0m @ 5.01g/t**) are located outside the current resource model and suggest immediate potential to expand this deposit through further drilling (Figure 2).

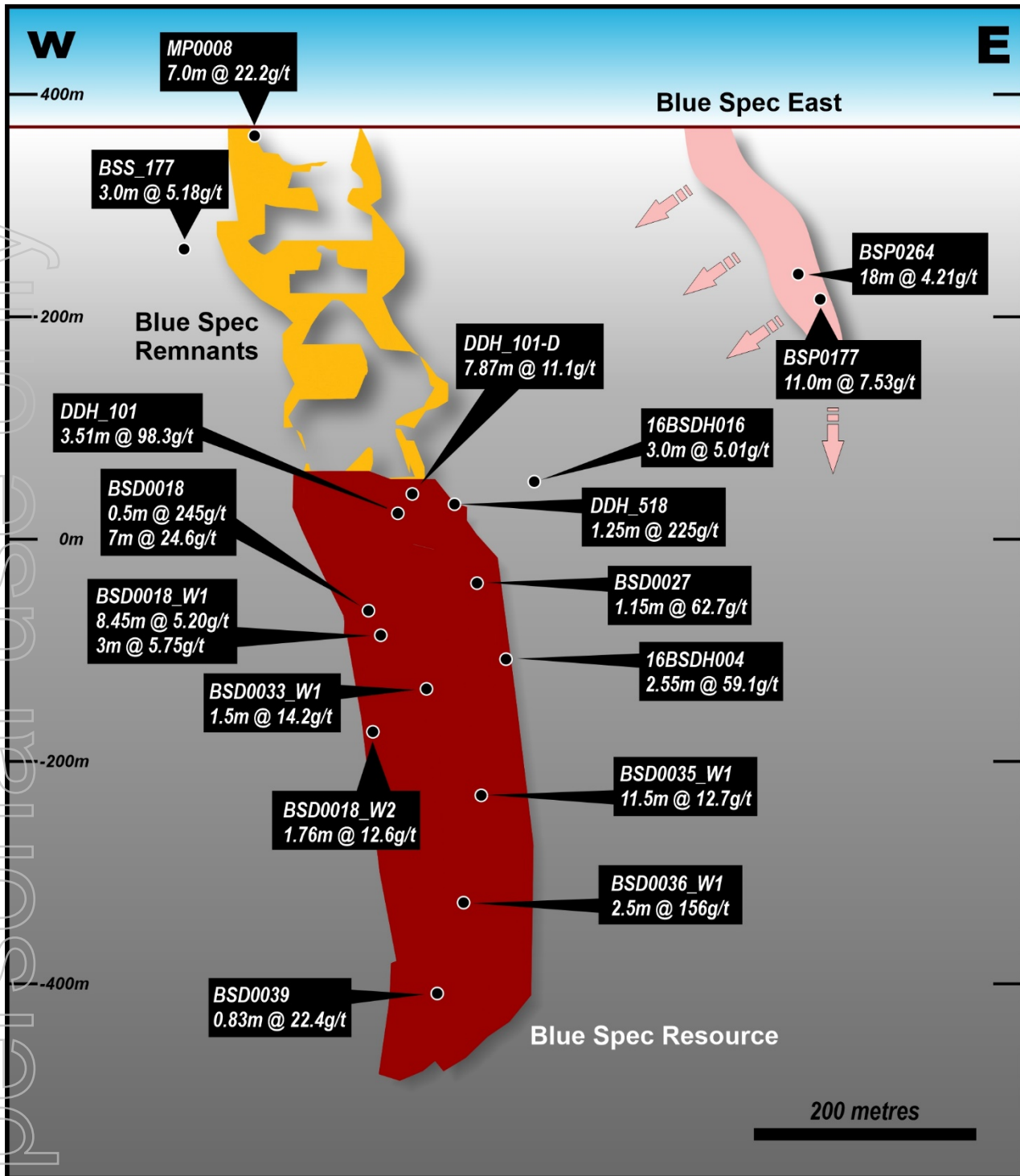


Figure 2: Blue Spec Long Section and significant drill intercepts

At Gold Spec, Novo drilled down dip of the Northwest Resource and intersected **4m @ 35.9g/t** in 16BSDH023, **4m @ 35.0g/t** in BSDH033 and **12m @ 5.21g/t** which suggests strong potential to expand this deposit (Figure 3).

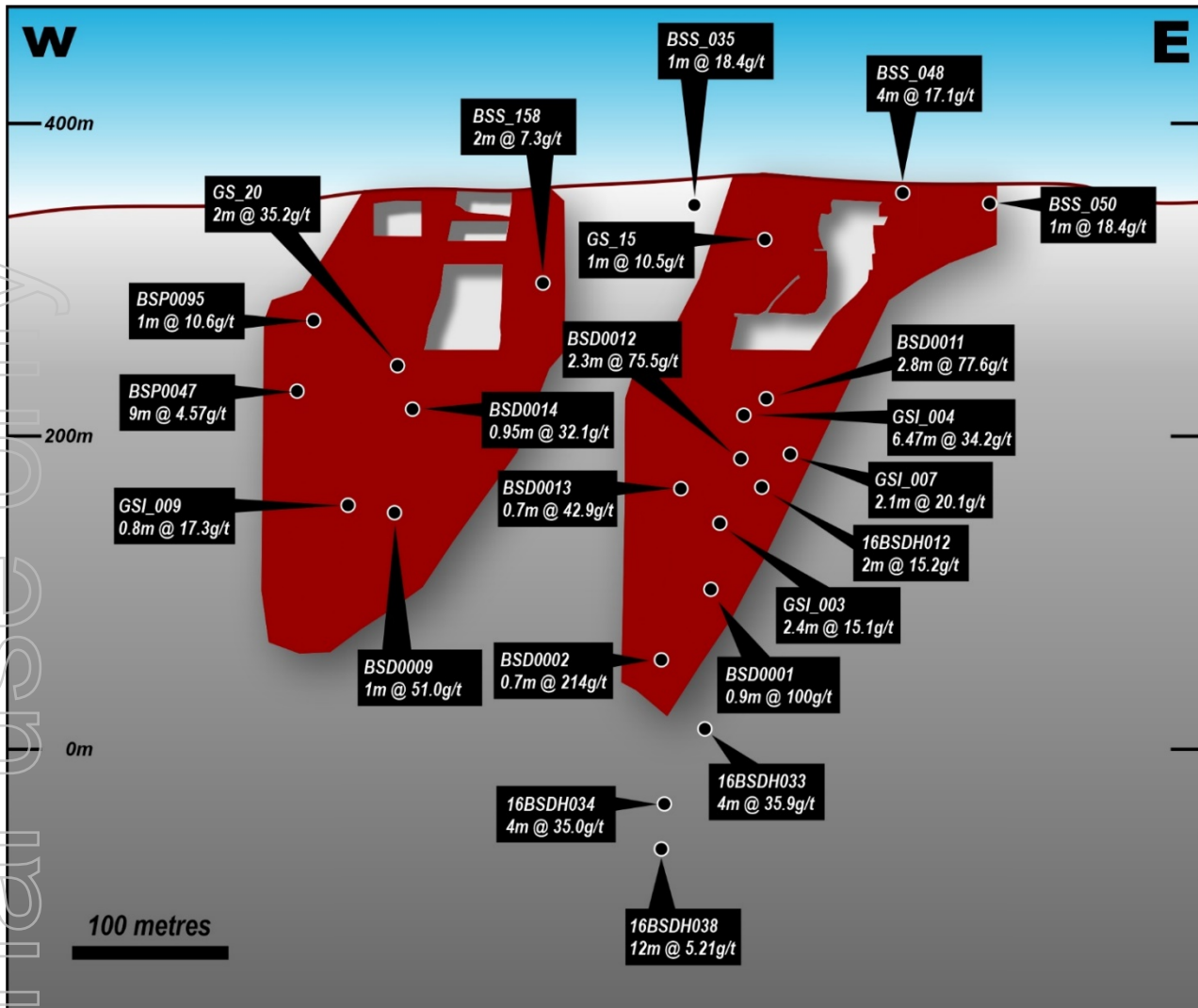


Figure 3: Gold Spec Long Section and significant drill intercepts

Significant drill intercepts at the deposits are shown below and are based on a 0.5g/t cut-off, minimum width 1m, and up to 2m internal dilution:

Blue Spec

- 4.5m @ 87.6 g/t Au (incl 2.5m @ 156 g/t) from 713.1m in hole BSD0036_W1;
- 3.51m @ 98.3 g/t Au from 370.9m in hole DDH_101;
- 1.25m @ 255 g/t Au from 117.8m in hole DDH_518;
- 29m @ 7.88 g/t Au (incl 7m @ 22.2 g/t) from 1m in hole MP0008;
- 7m @ 24.6 g/t Au from 468m in hole BSD0018;
- 4m @ 37.9 g/t Au (incl 2.55m @ 59.1 g/t) from 482m in hole 16BSDH004;
- 15.35m @ 9.85 g/t Au (incl 11.5m @ 12.7 g/t) from 608.65m in hole BSD0035_W1;
- 1m @ 124 g/t Au (incl 0.5m @ 245 g/t) from 457m in hole BSD0018;
- 7.87m @ 11.1 g/t Au from 364.85m in hole DDH_101-D;
- 2.15m @ 33.8 g/t Au (incl 1.15m @ 62.7 g/t) from 469m in hole BSD0027.

Gold Spec

- 8.4m @ 26.6 g/t Au (incl 6.47m @ 34.2 g/t) from 151.6m in hole GSI_004
- 2.8m @ 77.6 g/t Au from 190.3m in hole BSD0011
- 2.3m @ 75.5 g/t Au from 223.9m in hole BSD0012
- 23m @ 7.48 g/t Au (incl 4m @ 35.0 g/t) from 376m in hole 16BSDH034;
- 5m @ 30.4 g/t Au (incl 0.7m @ 214 g/t) from 340m in hole BSD0002;
- 7m @ 20.6 g/t Au (incl 4m @ 35.9 g/t) from 355m in hole 16BSDH033;

- 1.4m @ 65.3 g/t Au (incl 0.9m @ 100 g/t) from 299.6m in hole BSD0001;
- 34m @ 2.52 g/t (incl 12m @ 5.21 g/t) from 385m in hole 16BSDH038.

Blue Spec East

- 38m @ 3.42 g/t Au (incl 11m @ 7.53 g/t) from 137m in hole BSP0177;
- 18m @ 4.21 g/t Au from 121m in hole BSP0264.

The above intercepts have been selected to demonstrate the prospectivity of the deposits. Investors are cautioned that these select intercepts are not intended to be representative of all results taken from the deposits.

3. Mineral Resource Estimate

The Mineral Resource Estimate (MRE) is as reported by Calidus on the 2nd October 2020⁶ and hosts a JORC 2012 Mineral Resource of 219,000ozs at 16.3g/t (Table 3) and was used as a basis for the Integration Study.

Table 3: Blue Spec Project Mineral Resource

Deposit	Cut-Off	Indicated				Inferred				Total			
	(g/t)	Kt	Au (g/t)	Sb (%)	Koz Au	Kt	Au (g/t)	Sb (%)	Koz Au	Kt	Au (g/t)	Sb (%)	Koz Au
Blue Spec	3	84.0	29.1	2.2	79	234.0	12.2	0.9	92	318.0	16.7	1.3	171
Gold Spec	3	67.0	12.4	1.1	27	30.00	21.6	1.4	21	97.0	15.2	1.2	48
Total		151.0	21.69	1.71	106	264.0	13.27	0.96	113	415.0	16.35	1.28	219

4. Mining

The Mining Study was completed by Mining Consultant Entech Pty Ltd (**Entech**).

Cut-off grades were calculated using a net smelter return (NSR) of the Antimony-Gold Concentrate, Processing costs for the Warrawoona Sulphide Circuit (from the Feasibility Study) and benchmarked mining costs from Entechs' database. Revenue from the Antimony component of the concentrate was assumed to cover treatment/refining costs and therefore the revenue stream from the Antimony is not considered with cut off grades calculated on gold grade only.

The Blue Spec orebody is steeply dipping vertical/sub-vertical. Geotechnically conservative optimisation parameters were used including 12.5m sub levels (compared to a typical mechanised hard rock underground mine of 25m).

Blue Spec has previously been mined, and the mining study only considered areas below the historic workings (i.e. no remnants).

A level-by-level evaluation was performed on the optimised stoping inventory generated on a 2m minimum mining width and cut off grades calculated as above. Levels that were not profitable were removed.

Mining Method

The mining method selected is a top down by panel but bottom up (within the panel) longitudinal longhole stoping with modified Avoca assuming continuous fill where cemented rockfill (CRF) is placed in mined voids for support (Figure 4).

⁶ Refer ASX Announcement 21st September 2020 "Calidus to acquire high-grade Blue Spec gold mine"

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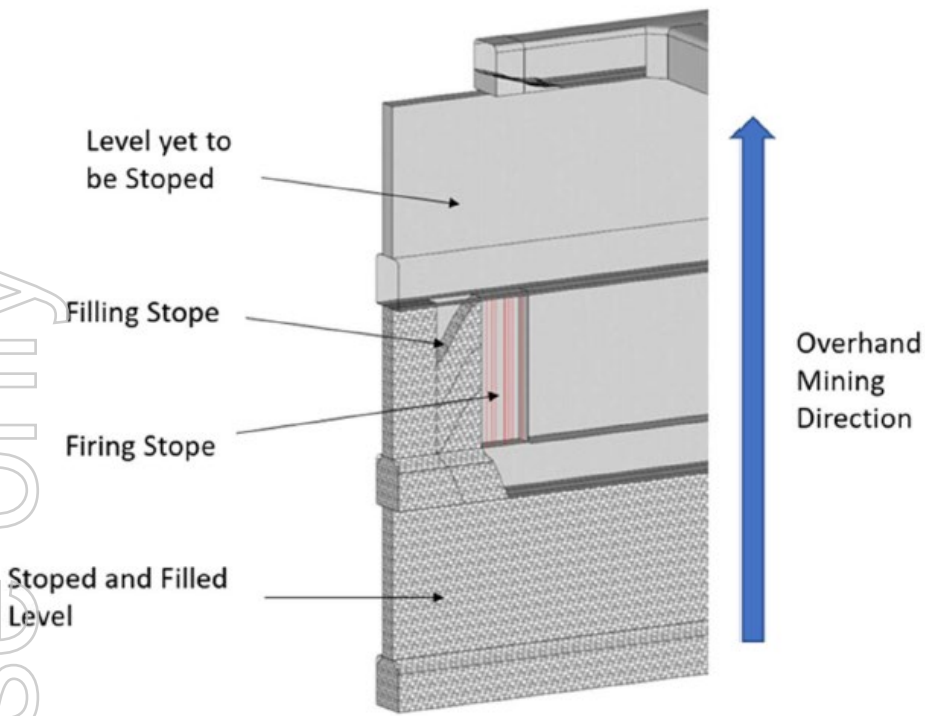


Figure 4: Modified Avoca Mining Method Schematic

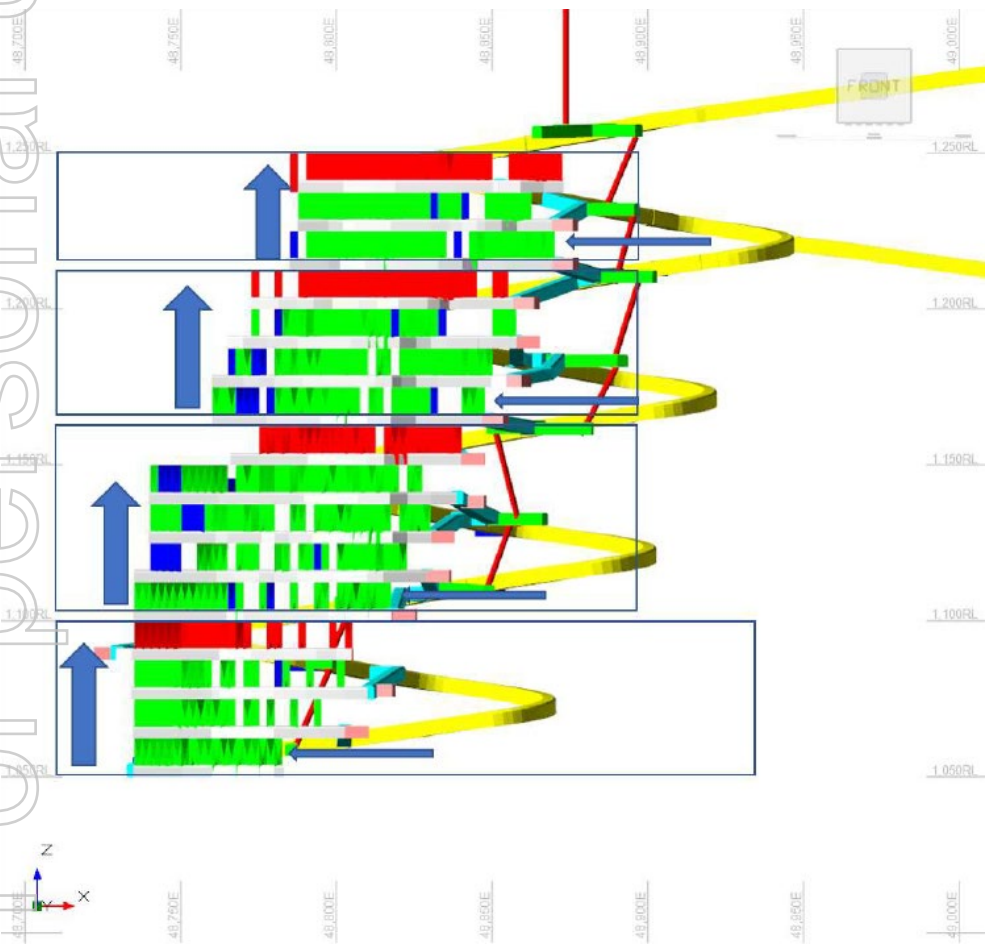


Figure 5: Section View looking North

Figure 5 is a schematic of the mining sequence. Stopping levels coloured in red represents the top of each panel where no top access exists. These stopes are left unfilled with insitu sill and rib pillars retained for support. These levels cannot be mined until the ore in the above panel has been mined.

At Blue Spec, additional dilution was applied at 10% for stopes width's greater than 3m, and for stope width's less than 3m, a factor was applied adding additional waste to an equivalent 3m width. At Gold Spec, a global 10% additional unplanned dilution was added to all stopes regardless of width.

The following factors were applied for mining recovery (Figure 6):

1. CRF filled stopes – 90%
2. Unfilled sill stope recovery (under a mined-out panel) – 50%
3. Blind stope sill recovery (crown at top of a stoping block) – 90%

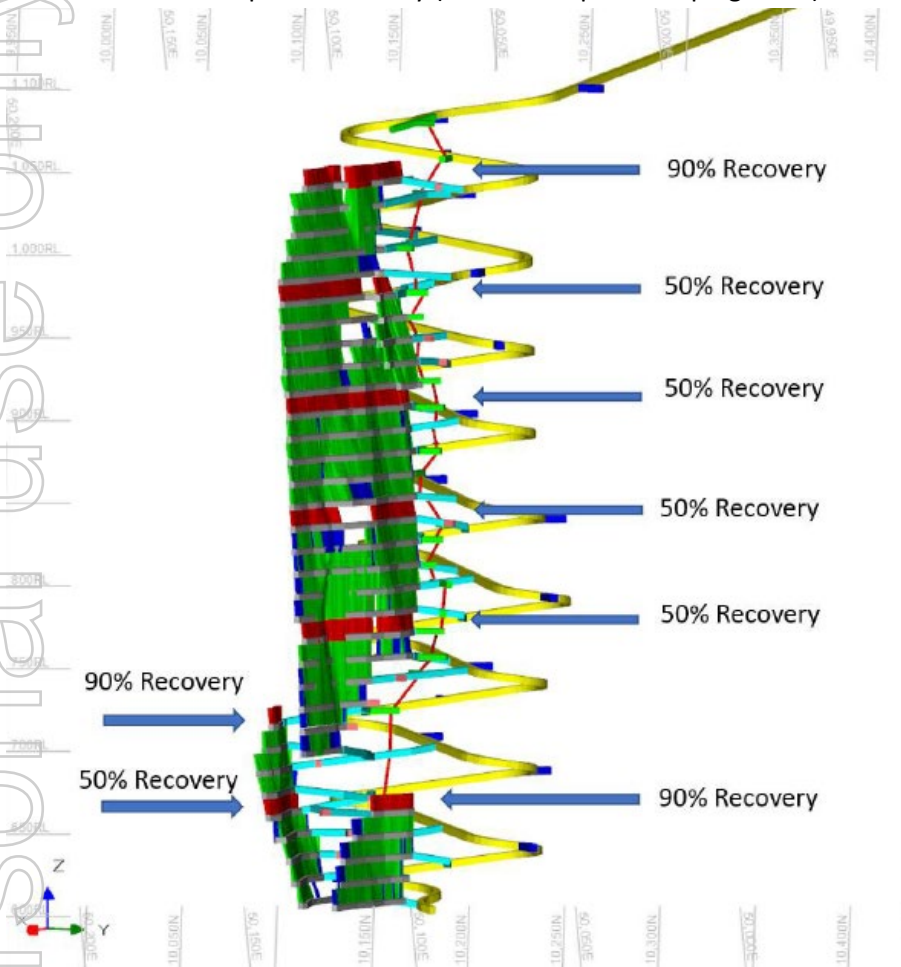


Figure 6: Sill pillar recovery factor displayed

Ore development had no unplanned dilution and 100% mining recovery applied.

Development Design

All underground lateral development is designed to be in virgin ground (i.e. no use of existing development) from a new box cut (portal) location. Lateral development is planned to be mined by conventional twin-boom and single-boom jumbos and vertical development excavated by raisebore machines and air-leg rising. Design parameters included industry practices for drive profiles, decline gradients, decline standoffs to the orebody (40m) and end level access design.

5. Metallurgy and Processing

Metallurgical test work

Extensive metallurgical test work completed on the Project by previous owners⁷ demonstrated the effectiveness of using flotation for the recovery of gold and antimony. Results suggested that an overall gold recovery of 95% is achievable. The testwork also showed that additional gold could be recovered by cyanide leaching of the flotation tailings.

The studies have been reviewed by Calidus and confirmed that the ore can be treated through its planned sulphide circuit located adjacent to the main 2.4mtpa CIL Processing Plant at Warrawoona.

Calidus intends on pursuing an extraction strategy of flotation and then using cyanidation of the flotation tails through the main CIL Processing Plant to maximise recovery.

An overall gold recovery of 95% has been applied for the Integration Study. The main gold recovery (85% of the gold in the ore) is expected to be to the antimony flotation concentrate. The remaining gold (another 10% of the gold in the ore) will be recovered by cyanidation of the flotation tailings in the Warrawoona Gold Plant.

In line with the above strategy, Calidus has planned additional Metallurgical test work to be undertaken during CY2021 to advance metallurgical studies to a definitive feasibility level of detail and finalise concentrate take off agreements. This will include:

- Laboratory scale froth flotation to confirm gold and antimony recoveries and concentrate grades;
- Variability flotation tests on individual intersection composites using standard floatation conditions from bulk tests;
- Tailings from each test subject to a sequential cyanide leach test;
- Reagent requirements for flotation and for cyanide leaching of the flotation tailings; and
- Provide a sample of gold/antimony concentrate for marketing evaluation.

Sulphide Plant

A 100ktpa milling and flotation circuit was included in the fully funded Warrawoona Project capital cost estimate for initial treatment of the high-grade refractory Copenhagen deposit (Figure 7). The plant will produce a concentrate that will be shipped to a third-party processing plant. Preliminary discussions have been entered with several international parties with indicative pricing for the concentrate received.

The sulphide circuit will be a small standalone, modular and transportable plant consisting of flotation cells, concentrate thickener and filter press. The concentrate would be loaded into “bulka bags” for transporting off site in a sealed sea container. It is expected that material will be feed to the plant via a mobile crushing plant and that the plant will be capable of being operated by a single person.

The capital cost estimate (Section 9) has been updated to allow for the incremental capital to increase the size of the sulphide plant from 100ktpa to 150ktpa to provide additional capacity. There are no additional items required to achieve the additional throughput, simply upsizing of mechanical equipment and associated civil and electrical works.

Additionally, Calidus will investigate the cost of refurbishing the existing crushing circuit at Blue Spec (Figure 8) as a potential cost saving to contract crushing that is currently budgeted to occur at Warrawoona prior to feeding the sulphide plant.

⁷ Refer ASX Announcement 21st September 2020 “Calidus to acquire high-grade Blue Spec gold mine”

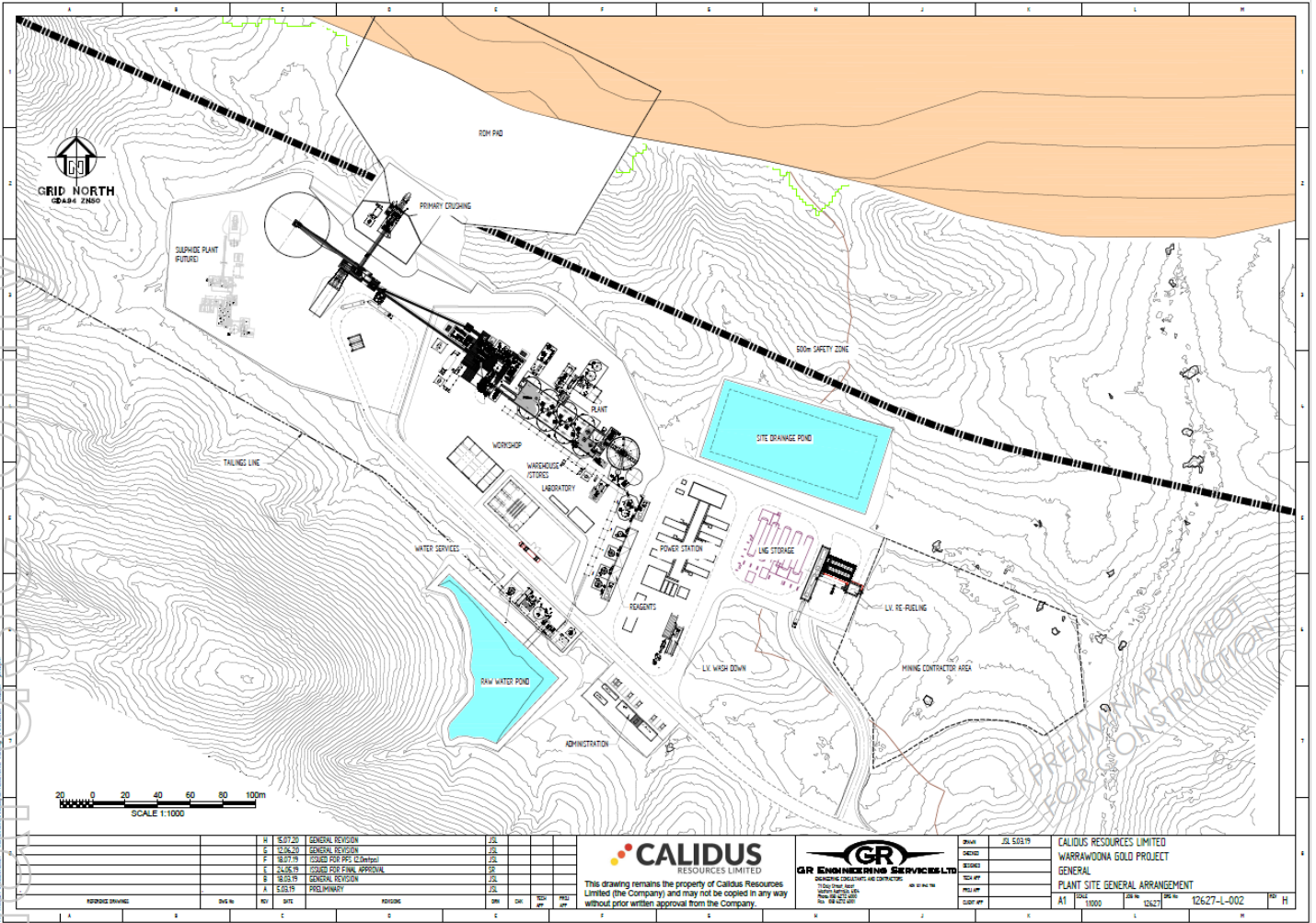


Figure 7: Location of Sulphide Plant location (circled in red) adjacent to main 2.4mtpa Processing Plant at Warrawoona



Figure 8: Existing Crushing Plant at Blue Spec

6. Tails Dam

A tails dam is not required for Blue Spec due to the operating philosophy of transporting the ore to Warrawoona for treatment through the sulphide plant. Tails from the sulphide circuit would report to the main CIL Plant before being thickened, treated with cyanide detoxification and discharged to the Warrawoona Tails Dam. Current Permitting applications for the tails dam at Warrawoona allows for deposition of tails treated through the sulphide circuit.

7. Non-Processing Infrastructure

The supporting infrastructure required for the operation of Blue Spec will include the following works:

- Upgrade of existing 2km access road;
- Installation of a small village to accommodate the underground mining workforce and Calidus owners team;
- Upgrade of communications network and IT facilities;
- Refurbishment of existing transportable buildings including site offices, change rooms, crib rooms and ablutions;
- Fuel storage and distribution facility;
- Electrical power generation;
- Water supply including refurbishment of existing borefield providing water for processing and potable supplies;
- Light vehicles and mobile equipment;
- Potable water treatment; and
- Wastewater treatment.

Access Road

It is planned to use existing roads for personnel transport, haulage of ore to Warrawoona and deliveries to site. Minor upgrades will be required on the short section between the Skull Springs public road and the camp/mine (approx. 2km).

Accommodation Village

A small village will be required to be installed at the existing village site. As there will be no processing on site, the village will only need to accommodate the underground mining contractor and a small Calidus owners' team. Given that peak manning requirements at Warrawoona (which are during the construction phase over the next 12 months) would have passed by the time Blue Spec is developed, there may be opportunity to relocate some rooms from Warrawoona.

Communications

Discussions will be undertaken with Telstra to extend services to the Blue Spec mine site from Nullagine. This is the same approach Calidus has taken with communications at Warrawoona with a repeater tower installed between the town and site. This will form the basis for communications to and from site. A UHF radio system will also be set up that will include a "leaky feeder" system to the underground for general communication and emergency response requirements.

Power Supply

Power will be supplied from a contract, diesel fired power station installed on site. This would likely be a build own operate arrangement from an independent power provider where Calidus is charged a unit cost (\$/kwhr) for electricity consumed.

Fuel Storage

The existing fuel storage tanks are likely to be replaced. Fuel storage can also possibly be undertaken with the power supply contractor as this will be the biggest consumer of diesel.

Water Supply

Water supply will be from an existing bore field. These bores are licensed to produce 95kl of water per year. Water will also be required for the camp and a RO unit plus purification systems required.

8. Permitting

All required baseline studies have been completed for the Project by previous owners.

Previous owners referred the Project to the Department of Agriculture Water and Environment (**DAWE**) in relation to the threatened flora and fauna species found, or listed as potentially occurring in the Project Area. A Decision on Referral (EPBC 2012/6672) was provided advising that the proposed action in developing the Project is not a controlled action, provided it is undertaken in accordance with the manner described in the Referral. Given that the proposed operating philosophy of trucking ore to Warrawoona will not increase the current disturbance footprint, it is unlikely Calidus will need to review this advice.

Blue Spec will need to comply with Western Australian Environmental Approvals which apply to all developments and will include:

- Mining Proposal and Mine Closure Plan – administered by the Department of Mines Industry Regulation and Safety (**DMIRS**);
- Works Approval and Environmental Protection Act Part V Licencing - administered by the Department of Water and Environment Regulation (**DWER**);
- Water Licencing - administered by DWER; and
- Project Management Plan - administered by DMIRS.

There are not significant Native Title issues relating to the development of the Blue Spec deposit as the relevant mining leases were granted prior to the introduction of Native Title legislation in Australia.

Legacy Issues

As the mine has previously operated, there are several environmental legacies Calidus will remediate. These include asbestos contamination around an old workshop and several historic tailings dams which Calidus will investigate re-treating as assays show grades in excess of 2g/t for these tails.

9. Blue Spec Pre-Production Capital Cost Estimate

The capital costs for Blue Spec includes the incremental capital expenditure to upgrade the sulphide plant located at Warrawoona from 100ktpa to 150ktpa as well as pre-production mining costs (which incorporates all costs prior to the commencement of underground production stoping activities at the Blue Spec deposits). Sustaining capital is included in the operating cost estimate.

Table 4: Blue Spec Pre-Production Capital Expenditure

Blue Spec Capital Costs	Units	Costs
Sulphide Plant upgrade ¹	A\$M	1.5
Mine Establishment	A\$M	6.5
Project Development Capital	A\$M	8
Pre-Production Mining Costs	A\$M	20
Total Pre-Production Capital	A\$M	28

¹The total cost of the sulphide plant is \$8M, \$6.5M of this amount is included in the Warrawoona Project Development Capital outlined in the Feasibility Study, the incremental amount of \$1.5M is to upgrade the plant to 150ktpa.

10. Blue Spec Operating Cost Estimate

Operating costs were estimated for mining operations, haulage to Warrawoona, processing through the sulphide plant at Warrawoona and Blue Spec operational overheads (staff and salaries, accommodation, transport etc).

Underground mining costs were prepared by Entech. Labour requirements were determined by Entech and Calidus.

Processing Costs for the sulphide circuit are based on the costs as determined by the Feasibility Study. Flight and accommodation costs are based on current (tendered) pricing for Warrawoona.

Third party and government royalty payments for Blue Spec project are incorporated as well as the reduction in Warrawoona royalties payable due to the purchase of several royalties⁸.

The Operating Cost estimate for Blue Spec is as per Table 5.

Table 5: Blue Spec Operating Cost

Blue Spec Operating Costs	LOM Unit Costs (A\$/t)	Total LOM Costs (A\$M)
Sustaining Capital	105	59
Mine Operating ¹ (includes overheads)	118	67
Haulage to Warrawoona	20	11
On Site Processing	30	17
Concentrate Transport and Smelter Charges	31	18
Blue Spec Royalties (WA Govt + 3 rd Party)	45	25
Total Operating Cost	350	198

¹Mine Operating costs includes both grade control drilling for Blue Spec and mine overheads.

11. Financial Evaluation

The financial evaluation was completed by incorporating the Blue Spec operational results into the Warrawoona Life of Mine Cost Model developed for the Feasibility Study.

Table 6 and Table 7 provide a summary of project cash flows and key production metrics.

Table 6: Cashflow and AISC Yearly Profile (Warrawoona Project including Blue Spec)

Key Financials	Units	Total	Pre-Prod	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Project Cashflow (Pre-tax)	A\$M	662	(120)	95	68	69	114	112	199	109	15
Project Cashflow (Post-tax)	A\$M	472	(120)	95	68	41	67	88	168	53	6
All-In Sustaining Cost (AISC) ⁹	A\$/oz	1,292	0	1,177	1,311	1,452	1,484	1,504	921	971	1,762

⁸ Refer ASX Announcements 12th January 2021 "Purchase of 1.25% Profit Royalty" and 1st December 2020 "Purchase of 2.5% NSR and initial Blue Spec payment made"

⁹ All in Sustaining Costs includes mining, processing, site administration, royalty costs and sustaining capital. It does not include exploration, corporate costs and non-sustaining capital.

Table 7: Processing Yearly Profile (Warrawoona Project including Blue Spec)

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

Sensitivity Analysis

The sensitivity of Post-Tax Project NPV8% to changes in gold price, operating cost and capital cost is shown in Figure 9 using a base gold price of A\$2,355/oz.

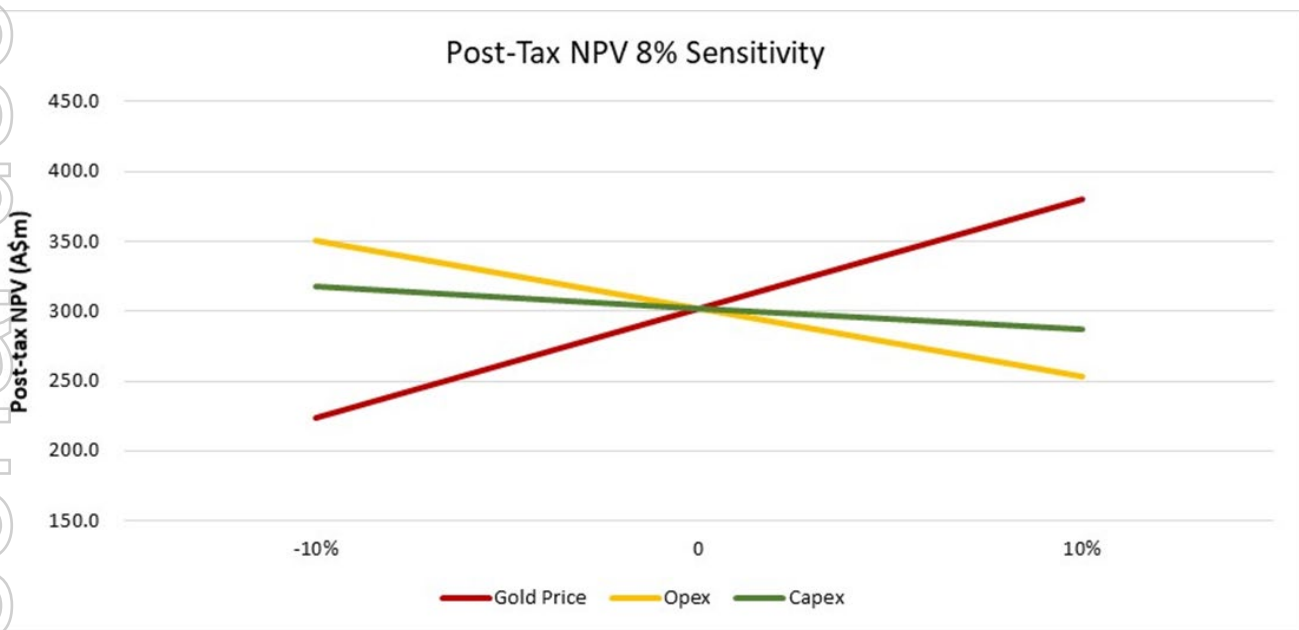


Figure 9: Sensitivity to Revenue, Operating Cost and Capital Cost

12. Funding and timeline to development (de-risking)

Financial modelling completed by Calidus shows that development of Blue Spec can be funded out of cash flow from Warrawoona operations. The development schedule has assumed approximately 12 months between first gold pour at Warrawoona to the commencement of the Blue Spec Project, with first processing of the Blue Spec ore an additional 12 months later (2 years from first gold).

The modelling assumes the 100ktpa sulphide circuit will be increased to 150ktpa with a corresponding minor increase in capital expenditure due to the modular nature of the plant. The sulphide circuit will be constructed adjacent to the main CIL Processing Plant at Warrawoona and used to treat the high-grade Copenhagen open pit deposit prior to treatment of Blue Spec ore.

The above de-risking approach ensures that Inferred Material from Blue Spec is treated later in the mine life. Focus during the remainder of C2021 will be to complete the requisite geotechnical and metallurgical studies at Blue Spec for a planned Resource and Reserve upgrade in H1 2022.

Total Resource category by milled tonnes for the Warrawoona Gold Project is shown in (Figure 9).

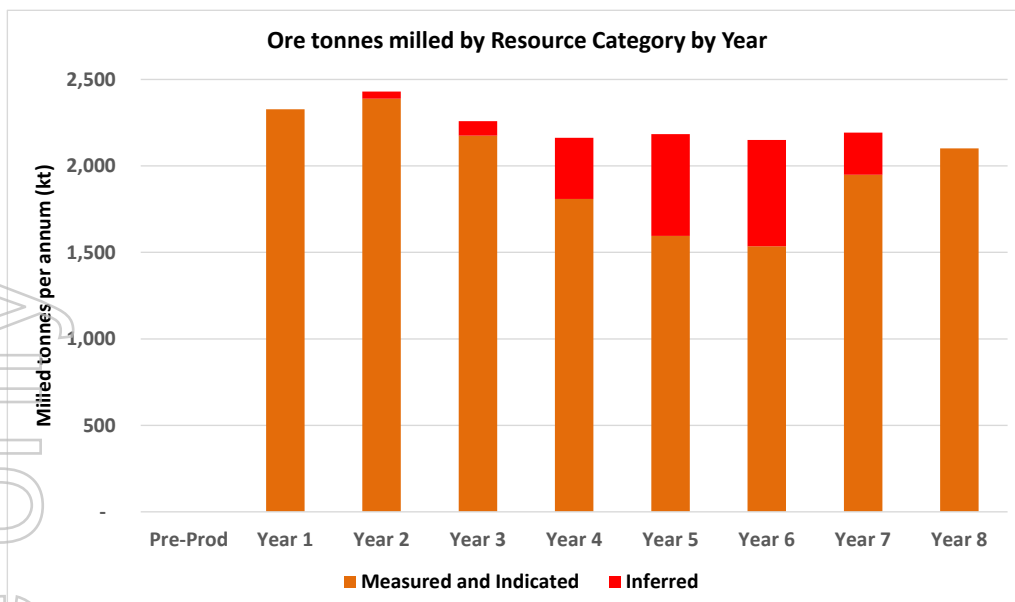


Figure 10: Ore tonnes processed by Resource Category by Year (Warrawoona Project including Blue Spec)

The split of indicated and inferred material for the mine plan is shown in Figure 10. This demonstrates that there is not a great reliance of the use of inferred material and inclusions of inferred material later in the mine life of the project is not a determining factor of the project’s viability.

13. Next Steps

Calidus will undertake additional metallurgical and geotechnical drilling during the year to support the additional technical studies undertaken by previous owners of the deposit. A Feasibility Study level of detail for Blue Spec is expected in H1 2022.

An overall Warrawoona Project timeline, incorporating Blue Spec Development is shown in Figure 10.

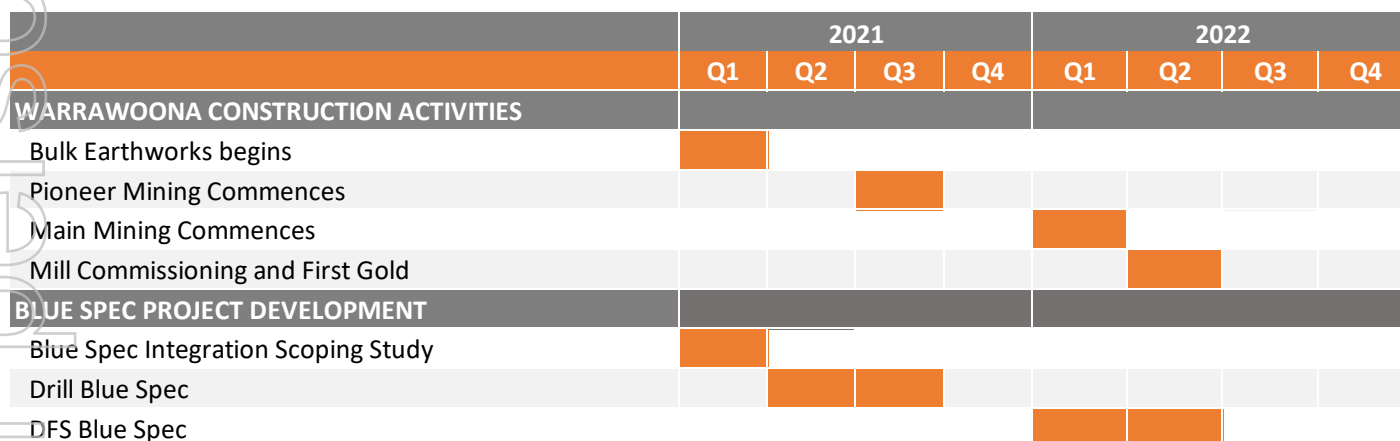


Figure 11: Warrawoona timeline including Blue Spec development

Material Assumptions used in the Study

Cut off Grade

A gold price of AU\$2,200/oz was applied for all deposits at Warrawoona and Blue Spec.

Cut-off grades have been calculated based on positive cash flow generation. The economic cut off for the various orebodies taking into account all costs and recoveries is as follows:

Open Pits

- Klondyke Open Pit – Oxide and Transitional – 0.33g/t
- Klondyke Open Pit – Fresh – 0.36g/t
- Klondyke Underground – 2.0g/t
- St George Open Pit Oxide and Transitional – 0.36g/t
- St George Open Pit – Fresh - 0.39g/t
- Copenhagen Open Pit – 1.88g/t

Undergrounds

Klondyke Underground

- Stopping – 1.2 g/t Au; and
- Ore Development – 1.0 g/t Au.

Blue Spec Underground

- Economic Stopping – 3.07 g/t Au.

Mining Assumptions

Detailed optimisations and mine designs were carried out on all deposits.

Klondyke Open Pits

Conventional open cut mining methods of drill and blast and load and haul utilising 120t excavators and 90t trucks would be employed.

The original resource model was regularised to a minimum block size of 10m along strike, 2.5m across strike and 2.5m. An additional 2.5% dilution was applied to this regularised model.

Ore loss of 5% for all areas to reflect potential operating conditions.

The minimum mining width at the base of the pit is 15m and 30m between stages.

Klondyke Underground

The mining method applied is top down mechanised longhole bench open stoping on a 25 m level spacing with in-situ rock rib and sill pillars retained for stability. This mining method was selected based on a detailed analysis having regard for orebody geometry and geotechnical advice.

Access will be via a newly developed boxcut and portal located to the south of the proposed open pit.

Mining dilution of 0.5 m in each stope hangingwall and footwall contact was applied in the stope optimisation process. The grade of this material was derived from the contained Mineral Resource. No dilution was applied to ore development.

Mining recoveries of 95% were applied to stoping. Rib and sill pillars were designed in open stoping areas based on geotechnical advice (total 3% ore loss due to pillars).

A 100% recovery factor has been applied to development.

Stope minimum mining widths of 2.0 m were applied, resulting in a final minimum stoping void width of 3.0 m including dilution.

Blue Spec Underground

The mining method selected is a top down by panel but bottom up (within the panel) longitudinal longhole stoping with modified Avoca assuming continuous fill where cemented rockfill (CRF) is placed in mined voids for support. All underground lateral development is designed to be in virgin ground (i.e. no use of existing development) from a new box cut (portal) location. Lateral development is planned to be mined by conventional twin-boom and single-boom jumbos and vertical development excavated by raisebore machines and air-leg rising. Design parameters included industry practices for drive profiles, decline gradients, decline standoffs to the orebody (40m) and end level access design.

At Blue Spec, additional dilution was applied at 10% for stopes width's greater than 3m, and for stope width's less than 3m, a factor was applied adding additional waste to an equivalent 3m width. At Gold Spec, a global 10% additional unplanned dilution was added to all stopes regardless of width.

The following factors were applied for mining recovery:

1. CRF filled stopes – 90%
2. Unfilled sill stope recovery (under a mined-out panel) – 50%
3. Blind stope sill recovery (crown at top of a stoping block) – 90%

Ore development had no unplanned dilution and 100% mining recovery applied.

Metallurgical Assumptions

Warrawoona CIL

The plant process is milling ore via a conventional crush-grind- gravity-separation-carbon in leach (CIL) circuit.

Recent metallurgical test-work was completed by Nagrom, ALS, and BV to determine metallurgical recoveries and throughput rates to a feasibility study degree of accuracy. A maximum metallurgical recovery factor of 95% has been applied for economic calculations.

No problematic levels of deleterious elements have been detected during test work.

Blue Spec

An overall gold recovery of 95% has been applied. The main gold recovery (85% of the gold in the ore) is expected to be to the antimony flotation concentrate. The remaining gold (another 10% of the gold in the ore) will be recovered by cyanidation of the flotation tailings in the Warrawoona CIL Plant.

Environmental

All environmental approvals have now been received for Warrawoona bar the Works Approval. Baseline studies have been undertaken at Blue Spec by previous owners and Calidus believes there is no need to refer the project to the EPA. As a result, only standard licensing will be required for Blue Spec.

As Blue Spec has previously operated, there are several environmental legacies Calidus will remediate. These include asbestos contamination around an old workshop, several historic tailings dams which Calidus will investigate re-treating as assays show grades in excess of 2g/t for these tails.

Tenure

All deposits are situated on granted Mining Leases. A Mining Lease permits mining operations in accordance with its conditions.

Transport

Blue Spec Ore

Blue Spec ore will be hauled uncrushed to the Warrawoona sulphide plant for crushing and treatment.

Dore

Transportation of gold dore' to market will be via charter aircraft utilised for transporting company personnel to Perth.

Concentrate

Transport, shipping and smelting costs for concentrate used were based on non-binding indicative terms provided by potential vendors for the concentrate.

Infrastructure

The infrastructure required for the operation of Warrawoona will include the following works:

- Access road;
- 2.4mtpa CIL circuit
- 150ktpa sulphide circuit;
- Tailings storage facility;
- Installation of an accommodation village;
- Upgrade of the Marble Bar Aerodrome in a co-funding arrangement with the Shire of East Pilbara;
- Bulk earthworks for the process plant site and infrastructure that includes the internal roads, ponds, village, explosive magazine storage and mine service areas;
- Communications network and IT facilities;
- Transportable buildings including site offices, change rooms, crib rooms and ablutions;
- Steel-framed buildings including workshops, warehouse and reagent store;
- Fuel storage and distribution facility;
- Electrical power generation;
- Power reticulation across the project site;
- Water supply including bores providing water for processing and potable supplies;
- Light vehicles and mobile equipment;
- Potable water treatment;
- Wastewater treatment.

The supporting infrastructure required for the operation of Blue Spec will include the following works:

- Upgrade of existing 2km access road;
- Installation of a small village to accommodate the underground mining workforce and Calidus owners team;
- Upgrade of communications network and IT facilities;
- Refurbishment of existing transportable buildings including site offices, change rooms, crib rooms and ablutions;
- Fuel storage and distribution facility;
- Electrical power generation;
- Water supply including refurbishment of existing borefield providing water for processing and potable supplies;
- Light vehicles and mobile equipment;
- Potable water treatment; and
- Wastewater treatment.

Costs

Capital costs for establishment and construction of the processing plant and surface facilities at Warrawoona have been provided by GR Engineering Services Pty Ltd (GRES).

The mining costs are mainly based on a recent request for quotation process involving reputable and experienced underground contractor firms and from Entechs internal database for Blue Spec and reviewed against recent relevant quotes. Calidus will supply diesel, power, high voltage reticulation, primary ventilation and pumping, technical and managerial support, site business services, accommodation and flights, surface dewatering and establishment earthworks. The contractor rates include supply of all other consumables, equipment and labour required for the works.

Costs for items not supplied by the contractor have been based on recent relevant supplier quotes.

All costs and revenue are in AUD.

Processing operating costs were determined to feasibility study level by independent engineers GRES.

WA State Government royalties of 2.5% and an additional third- party royalty have been applied to gold revenue.

Market Assessment

Gold doré from the mine will be further refined at an independent LBMA certified refiner, and then then sold to the company's various gold sale counterparties.

The gold enriched antimony concentrate proposed to be produced from Blue Spec will be unique given the extremely high gold grades. This makes the Project concentrate relatively more attractive than other antimony concentrates in the market.

Economic

A financial model has been prepared for the current Life of the Project.

Social

Calidus have and continue to consult with government and key stakeholders. There are no known impediments for the project to proceed.

Other

No material naturally occurring risks have been identified for the project. The majority of approvals are in place for Warrawoona already. It is expected that future agreements and Government approvals will be granted in the necessary timeframes for the successful implementation of the project.

There are no known matters pertaining to any third parties to affect the development of the project.

Discussion of relative accuracy/ confidence

The mine design, schedule, and financial model for Warrawoona is based has been completed to a feasibility study standard, with a corresponding level of confidence.

Before Ore Reserves can be declared at Blue Spec, additional geotechnical work is required to finalise mine design parameters. Current designs are based off existing geotechnical information which does not meet the required standard for declaration of Ore Reserves. The Company intends to undertake this work in the coming 12 months to allow a full feasibility with associated Ore Reserves to be declared on the works completion.

The overall study is estimated to have an accuracy of +/- 15%.

Notes Specific-ASX Announcements

The following announcements were lodged with the ASX and further details (including supporting JORC Reporting Tables) for each of the sections noted in this Announcement can be found in the following releases. Note that these announcements are not the only announcements released to the ASX but specific to resource reporting on the Blue Spec Gold Project. The Company confirms that it is not aware of any new information or data that materially affects the information on the Project and in the case of the MRE, that all material assumptions and technical underpinning the estimates in the previous announcements continue to apply and have not materially changed.

- ASX Announcement 1st February 2021 *“Calidus takes full ownership of key Warrawoona tenements”*
- ASX Announcement 12th January 2021 *“Purchase of 1.25% Profit Royalty”*
- ASX Announcement 1st December 2020 *“Purchase of 2.5% NSR and initial Blue Spec payment made”*
- ASX Announcement 2nd October 2000 *“Replacement Blue Spec Acquisition Announcement”*
- ASX Announcement 29 September 2020 *“Feasibility Study paves the way for construction of Warrawoona”*

Table 8: Warrawoona Ore Reserve (September 2020)

Deposit	Proven			Probable			Total		
	kt	Au (g/t)	koz	kt	Au (g/t)	koz	kt	Au (g/t)	koz
Klondyke Open Pit	2,057	1.0	66	10,014	1.0	335	12,071	1.0	401
Klondyke Underground				1,900	2.1	120	1,900	2.1	120
St George Open Pit				244	1.2	9	244	1.2	9
Copenhagen Open Pit				95	5.5	17	95	5.5	17
Total	2,057	1.0	66	12,253	1.2	481	14,310	1.2	547

The Company confirms that it is not aware of any new information or data that materially affects the information included in previous market announcements and, the case of that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.

Forward Looking Information

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Statements regarding plans with respect to the Company's mineral properties may contain forward looking statements in relation to future matters that can only be made where the Company has a reasonable basis for making those statements.

This announcement has been prepared in compliance with the JORC Code 2012 Edition and the ASX Listing Rules.

The Company believes that it has a reasonable basis for making the forward looking statements in this announcement, including with respect to any mining of mineralised material, modifying factors and production targets and financial forecasts based on all information disclosed in this announcement.

This announcement has been authorised for release by the Board.

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