

28 November 2024



**Calidus Resources Ltd ACN 006 640 553
(Receivers and Managers Appointed)
(Subject to Deed of Company Arrangement)
("Calidus" or "Company")**

Explanatory Statement

in respect of application for leave to transfer shares in the Company pursuant to section 444GA of the Corporations Act 2001 (Cth)

— Table of Contents

1.	Key information for Shareholders	3
2.	Explanatory Statement and Independent Expert Report	5
3.	Background and overview of the West Coast DOCAs.....	7
4.	The Calidus DOCA and the impact of the “Toggle”.....	11
5.	Independent Expert Opinion	14
6.	Section 444GA Application – what you need to know	16
7.	Additional information	19
8.	Appendix 1 – Glossary	20
9.	Appendix 2 – Illustrative Company Structure Charts.....	23
10.	Appendix 3 – Independent Expert Report prepared by Jeremy Bogue and Andrea De Cian of Grant Thornton dated 14 November 2024.....	27
11.	Appendix 4 – Originating Process and Programming Orders	86

1. Key information for Shareholders

- This document is an Explanatory Statement in relation to a deed of company arrangement dated 9 October 2024 (“Calidus DOCA”) between Calidus Resources Limited (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement) (“Calidus” or “Company”), West Coast Gold Pty Ltd (“DOCA Proponent”) and Hayden Leigh White and Daniel Hillstone Woodhouse in their capacity as administrators of the Calidus DOCA (“Deed Administrators”).
- Unless otherwise stated, capitalised terms in this Explanatory Statement have the meanings set out in the Glossary at Appendix 1. Illustrative company structure charts referred to in this Explanatory Statement are attached at Appendix 2.
- This Explanatory Statement is issued to, and should be read carefully by, all existing shareholders of Calidus (“Shareholders”), in conjunction with the Independent Expert Report prepared by Jeremy Bogue and Andrea De Cian of Grant Thornton enclosed with this Explanatory Statement at Appendix 3.
- It is a condition to completion of the Calidus DOCA that the Deed Administrators obtain an order pursuant to section 444GA(1)(b) of the Corporations Act (“Section 444GA Order”) granting leave to transfer all the issued, paid-up ordinary shares of Calidus (“Calidus Shares”) to the DOCA Proponent (or its nominee), for nil consideration (“Share Transfer”). The Deed Administrators are also required to apply to ASIC for relief from the Takeover Provisions in respect of the Share Transfer (“ASIC Relief”).
- On 30 October 2024, the Deed Administrators filed an application in the Supreme Court of Western Australia (“Court”) seeking the Section 444GA Order, designated proceeding COR/166/2024 (“Section 444GA Application”).
- Any Shareholder (or any interested party) is entitled to oppose the Section 444GA Application. **Shareholders (and their advisors and any other interested parties) should read this Explanatory Statement and the Independent Expert Report in detail before deciding to take any action in relation to the Section 444GA Application. You are advised to obtain your own independent advice from your legal, financial and other professional advisors.**
- At the First Directions Hearing, the Court made Programming Orders and directions in respect of the Section 444GA Application, including the time and methods by which the Deed Administrators should provide notice of the Section 444GA Application to Shareholders (and creditors) and other important dates. **It is important that you note the following key times and dates:**
 - Any Shareholder (or other interested party) who wishes to appear before the Court and be heard on the Section 444GA Application must file a notice of appearance in the prescribed form with the Court and serve it on the Deed Administrators and ASIC by no later than **2:00pm AWST on 2 December 2024**.
 - The Second Directions Hearing has been listed for **9:45am AWST on 3 December 2024**.
 - The Final Hearing has been listed for **10:00am AWST on 16 December 2024**.
- Please refer to section 6 of this Explanatory Statement for further information relating to the Section 444GA Application and the steps required to be taken by any Shareholder wishing to participate in the proceedings. **If you do not file an appearance by the relevant deadline, the Court may decide that you are not entitled to appear and be heard at the Final Hearing.**
- Copies of the Originating Process and Programming Orders are attached to this Explanatory Statement at Appendix 4.

- This Explanatory Statement is not a disclosure document pursuant to Chapter 6D of the Corporations Act and does not constitute financial product advice. It has been prepared without reference to the collective or individual investment objectives, financial circumstances or taxation circumstances of Shareholders. If you have any questions on how the information in this document affects your individual circumstances, you should consult your legal or other professional advisor.
- A copy of this Explanatory Statement and its annexures have also been provided to ASIC for the purpose of obtaining ASIC Relief from the Takeover Provisions. Neither ASIC, nor any of its officers, take any responsibility for the contents of the Explanatory Statement.
- **This is an important document. This Explanatory Statement, the Independent Expert Report and all Court documents filed in the Section 444GA Application may be accessed and downloaded at the FTI Website at the following address: <https://www.fticonsulting.com/creditors/calidus-resources-group>.**
- The Deed Administrators will release further announcements and updates on the FTI Website and the ASX Company Announcements Platform, including any changes to any of the scheduled dates.
- Alternatively, for any further queries in relation to this Explanatory Statement or the Section 444GA Application please contact calidus.creditors@fticonsulting.com.

2. Explanatory Statement and Independent Expert Report

2.1. Purpose of this Explanatory Statement

- The purpose of this Explanatory Statement is to provide information to Shareholders (and other interested parties) in relation to the Calidus DOCA and their rights in connection with the Section 444GA Application.
- If the Section 444GA Application is successful and the Section 444GA Order is obtained, ASIC Relief is granted and the Calidus DOCA completes according to its terms, all the Calidus Shares will be transferred to the DOCA Proponent (or its nominee, to the extent permitted by the Section 444GA Order) for nil consideration.
- This Explanatory Statement has been provided to you to assist you to understand:
 - the broader restructuring of the Calidus Group as approved by creditors (refer section 3);
 - the effect of the Share Transfer on you as an existing Shareholder (refer section 4);
 - the Independent Expert Report prepared by Grant Thornton on the value of the Calidus Shares, filed in support of the Section 444GA Application (refer section 5);
 - the steps which you need to take if you wish to be heard by the Court on the Section 444GA Application, including filing a notice of appearance **by 2:00pm AWST on 2 December 2024** (refer section 6); and
 - the information which is available to assist you in deciding whether to appear at the Second Directions Hearing and/or the Final Hearing.

2.2. Independent Expert Report

- The Deed Administrators engaged Grant Thornton to provide an independent assessment of the value of the Calidus Shares in the form of the Independent Expert Report.
- The Independent Expert Report has been prepared in accordance with Regulatory Guides 111 (*Content of expert reports*) and 112 (*Independence of experts*).
- As set out in the Independent Expert Report (at page 3 (*Summary of Findings*) and section 5 (*Residual value of equity in Calidus Resources Limited*)) and summarised in the table below, and subject to the assumptions listed at page 3 and section 5.2 (page 36-37), Grant Thornton has concluded that there is a deficiency to shareholder equity of Calidus in an assumed liquidation scenario under each of its “Low” and “High” scenarios.

\$'000	Low	High
Total Assets	109	126
Total Liabilities	(42,848)	(42,848)
Liquidators' fees and costs	(130)	(130)
(Shortfall) of assets available to meet claims	(42,870)	(42,853)
Equity value	Nil	Nil

Source: Independent Expert Report dated 14 November 2024

- **Consequently, Grant Thornton has concluded in the Independent Expert Report that the Calidus Shares have nil residual value on the basis of a liquidation scenario, which in the specific circumstances of the Calidus DOCA assumes that the business operations and assets of the Company will be sold to the DOCA Proponent by way of the Share Sale Option at the election of the DOCA Proponent if the Section 444GA Application is unsuccessful. The Share Sale Option is discussed at section 4.4.**
- A full copy of the Independent Expert Report is provided at Appendix 3 and should be read in conjunction with this Explanatory Statement.

3. Background and overview of the West Coast DOCAs

3.1. Administration of the Calidus Group

- On 28 June 2024, Hayden Leigh White and Daniel Hillston Woodhouse of FTI Consulting, were appointed the joint and several voluntary administrators (“Administrators”) of Calidus and each of its Subsidiaries, by resolution of the respective directors pursuant to section 436A of the Corporations Act.
- The same day, Richard Tucker and John Bumbak of KordaMentha were appointed by Macquarie Bank (in its capacity as senior secured lender), as the joint and several receivers and managers (“Receivers”) of Calidus, Keras Pilbara, and Calidus Blue, due to default arising under a Syndicated Facility Agreement dated 1 April 2021 (as amended) and a hedging facility (“SFA”) under which those companies were indebted to Macquarie Bank in the amount of approximately \$149m.
- On 1 July 2024, the Calidus Shares were suspended from trading on the ASX.
- On 26 July 2024, the Administrators obtained orders from the Federal Court of Australia extending the statutory period within which the Administrators were required under section 439A of the Corporations Act to convene the second meetings of the creditors of each of Calidus and its Subsidiaries (“Creditors’ Meetings”), until 28 January 2025, to enable a fulsome and formal sale and recapitalisation process to be completed by the Receivers.
- On or around 1 August 2024, Macquarie Bank assigned its outstanding debt under the SFA and all its security rights and interests to West Coast Lending Pty Ltd (“Secured Lender”), pursuant to the terms of a debt transfer deed. The Receivers remained in place.
- In early August 2024, the Receivers commenced a dual track sale and recapitalisation process in consultation and cooperation with the Administrators, placing advertisements in the Australian Financial Review seeking expressions of interest for the sale or recapitalisation of any or all of the projects and/or assets of the Calidus Group. Ultimately, that sale process resulted in:
 - 105 parties engaging with the Receivers, with 79 parties being sent a ‘teaser’ document;
 - 25 parties executing non-disclosure agreements and being provided access to the virtual data room; and
 - receipt of 5 non-binding indicative offers by early September 2024.
- The non-binding indicative offers were assessed by the Administrators and Receivers by reference to objective criteria including:
 - the value of the offer and the potential return to each class of creditors;
 - the likelihood of satisfaction of conditions attached to the non-binding indicative offers, such as the need for shareholder, regulatory or court approval, and the likely timeframe required to satisfy these conditions; and
 - the certainty and source of funds and financial capacity of the bidding party to complete the transaction.
- Following consideration of the non-binding indicative offers received, the Administrators and Receivers formed the view that only 3 bidders had submitted proposals that were potentially capable of completion. The shortlist included 6 inter-related deeds of company arrangement with entities associated with the Secured Lender (“West Coast DOCAs”).

- In light of the risk of potential value erosion occasioned by ongoing delay (and funding requirements), the Administrators invited the shortlisted parties to submit improved, final and unconditional offers on an expedited basis.
- On 18 September 2024, the Administrators issued their report to creditors of Calidus and each of its Subsidiaries, in accordance with rule 75-225 of the *Insolvency Practice Rules (Corporations) 2016* (Cth) (“Creditors’ Report”), detailing the terms of the 3 shortlisted proposals and stating that in the opinion of the Administrators, the West Coast DOCAs constituted (collectively) the superior proposal because:
 - the West Coast DOCAs comprised the only proposal received by the Administrators that was sufficiently certain and capable of completion; and
 - the return provided to unsecured creditors under the West Coast DOCAs was higher than that likely to be received through an immediate liquidation of the Calidus Group.
- The Creditors’ Report is available on the FTI Website and includes further detail on the West Coast DOCAs, the sale process undertaken by the Receivers and Administrators and the reasons relied on by the Administrators in making their recommendation to creditors.
- The Creditors’ Meetings were held concurrently on 27 September 2024. A majority in number and value of the creditors present and voting at each of the Creditors’ Meetings voted in favour of Calidus and each of its Subsidiaries executing the West Coast DOCAs.
- On 9 October 2024, each of the West Coast DOCAs were duly executed concluding the voluntary administration of the Calidus Group. The Administrators were appointed as the deed administrators of each of the West Coast DOCAs.
- Attached at page 1 of Appendix 2 is a structure chart which sets out how the Calidus Group was structured prior to the implementation of the West Coast DOCAs (including the intercompany and secured debt).

3.2. Overview of the West Coast DOCAs

- The West Coast DOCAs comprise:
 - three deeds of company arrangement between the DOCA Proponent and each of Calidus, Keras (Pilbara) Gold Pty Ltd (Subject to Deed of Company Arrangement) (“Keras Pilbara”), and Calidus Blue Spec Pty Ltd (Subject to Deed of Company Arrangement) (“Calidus Blue”), (respectively, “Calidus DOCA”, “Keras Pilbara DOCA” and “Calidus Blue DOCA”);
 - two deeds of company arrangement between West Coast Metals Pty Ltd and each of Keras (Gold) Australia Pty Ltd (“Keras Gold”) and Millennium Minerals Pty Ltd (“Millennium”), (respectively, “Keras Gold DOCA” and “Millennium DOCA”); and
 - a deed of company arrangement between West Coast Lithium Pty Ltd and Calidus Otways Pty Ltd (“Calidus Otways”) (“Calidus Otways DOCA”).
- While each of the West Coast DOCAs stand alone, there are elements of interdependence between them. However, the interdependence condition is waivable at the election of the DOCA Proponent.
- In broad terms, the objectives of the West Coast DOCAs are to:
 - maximise the chances of the Calidus Group’s business continuing as a going concern;
 - restructure the debt of the Calidus Group to ensure the financial viability of the business moving forward; and
 - administer the business, property and affairs of the Calidus Group in a way that results in a better return for creditors than would result from the immediate winding up of Calidus or any of its Subsidiaries.

- On 9 October 2024, the Millennium DOCA, Keras Gold DOCA and Calidus Otways DOCA fully effectuated in accordance with their terms, with the result that the entire share capital of those companies was transferred to the relevant proponent, in exchange for the payment of cash consideration by the DOCA Proponent (for distribution to creditors from the creditors' trusts after payment of Deed Administrators' costs) and a reduction of debt owed to the Secured Lender under the SFA, specifically:
 - Under the Millennium DOCA:
 - a cash payment of \$595,000; and
 - debt reduction amount of \$3,000,000.
 - Under the Keras Gold DOCA:
 - a cash payment of \$195,000; and
 - debt reduction amount of \$1,000,000;
 - Under the Calidus Otways DOCA:
 - a cash payment of \$141,862; and
 - debt reduction amount of \$20,000.
- Attached at page 2 of Appendix 2, is a group structure chart that sets out (having regard to the effectuation of the Keras Gold DOCA, the Millennium DOCA and the Calidus Otways DOCA), the current structure of the Calidus Group (including the intercompany and secured debt).
- The Calidus DOCA, Keras Pilbara DOCA and Calidus Blue DOCA have not yet effectuated, pending the satisfaction (or waiver) of certain Final Conditions Precedent" (at Schedule 3 and clause 11 of the Calidus DOCA, and clause 12 the Keras Pilbara DOCA and Calidus Blue DOCA) which contain an option for the DOCA Proponent to 'toggle' ("Toggle") between **either**:

Option 1 ("Section 444GA Option")

- the Deed Administrators effecting the Share Transfer to the DOCA Proponent (or its nominee/s) to the extent permitted by the Section 444GA Order, including by lodging any necessary documentation with ASIC seeking relief from complying with the Takeover Provisions and the exchange of the Forbearance Agreement between Calidus and the Secured Lender (by which Secured Lender agrees to forbear from enforcing its debt under the SFA for a period of 6 months following effectuation of the Calidus DOCA);

or

Option 2 ("Share Sale Option") - all of the following:

- the DOCA Proponent dating and completing the share transfer forms in respect of Keras Pilbara and Calidus Blue and returning the forms to the Deed Administrators;
- the Proponent procuring the exchange of the Keras Pilbara Debt Reduction Deed and Calidus Blue Debt Reduction Deed under which the Secured Lender agrees to (A) release its security over the shares in Keras Pilbara and Calidus Blue and (B) reduce the amount of the debt that is owed by the obligors under the SFA by \$90,000,000;
- the Deed Administrators transferring all of the shares in Keras Pilbara and Calidus Blue to the DOCA Proponent (or its nominee/s); and
- the sale and transfer of shares in Pirra Lithium Limited (ACN 656 564 457) ("Pirra Lithium"), (a joint venture which conducts lithium exploration in the Pilbara in which Calidus holds 40% of the shares) on terms of the Pirra Lithium Asset Sale Agreement in consideration for a further reduction of debt owed to the Secured Lender by \$6,000,000 pursuant to the Pirra Lithium Debt Reduction Deed.

- The Toggle from the Section 444GA Option to the Share Sale Option, is subject to the election (or waiver) of the DOCA Proponent (at its absolute discretion) by notice in writing to the Deed Administrators.
- All the Final Conditions Precedent must be satisfied or waived by 20 December 2024 (“Sunset Date”), being the final date for effectuation as agreed between the Deed Administrators and the Proponent.
- On 24 October 2024, the DOCA Proponent gave notice to the Deed Administrators that if the Section 444GA Order was not obtained by the Sunset Date, it would regard the Final Conditions Precedent as unsatisfied and the Calidus DOCA would not effectuate (refer section 4.4 below).

4. The Calidus DOCA and the impact of the “Toggle”

4.1. Overview

- A deed of company arrangement is an arrangement between a company and its creditors governing how the company’s affairs will be dealt with. A deed of company arrangement is one of three potential outcomes of the voluntary administration process.
- A deed of company arrangement binds all creditors of the company so far as it concerns specified claims arising on or before the date of appointment of the administrators. It also binds shareholders of a company and, unless otherwise specified, the proprietary rights of owners of property, those who lease property to a company and secured creditors who vote in favour of a deed of company arrangement.

4.2. Conditions of the Calidus DOCA

- Completion of the Calidus DOCA is conditional on:
 - payment of a cash contribution of \$1.08m by the DOCA Proponent;
 - the satisfaction or waiver of certain Initial Conditions Precedent (at Schedule 2 of the Calidus DOCA) (those having been satisfied or waived on 9 October 2024);
 - the satisfaction or waiver of the Final Conditions Precedent at Schedule 3 and at clause 11 of the Calidus DOCA (including, unless waived or elected otherwise, the requirement under the Section 444GA Option, for the Deed Administrators to obtain the Section 444GA Order and exchange the Forbearance Agreement executed by Calidus and the Secured Lender);
 - the Deed Administrators obtaining ASIC Relief;
 - implementation of the Share Transfer to the DOCA Proponent in accordance with the Section 444GA Order;
 - the Deed Administrators, the Trustees and Calidus executing the Creditors’ Trust Deed; and
 - the Final Conditions Precedent being satisfied or waived by the Sunset Date.

4.3. Effect of the Calidus DOCA

- The key effects of the Calidus DOCA include:
 - the establishment of a creditors’ trust to facilitate payment of a distribution to eligible employees and unsecured creditors in accordance with the terms of the Calidus DOCA and Creditors’ Trust Deed;
 - the compromise and release of all claims of creditors of Calidus (except the claim of the Secured Lender in respect of the balance of its outstanding debt under the SFA).
- On implementation of the Section 444GA Option:
 - all of the Calidus DOCA, the Keras Pilbara DOCA and the Calidus Blue DOCA can effectuate;
 - the DOCA Proponent will obtain a 100% of the issued capital in Calidus and the Calidus group structure would be retained;
 - the Calidus business would continue;
 - all employees would continue in their employment or if any employee’s employment is terminated by the DOCA Proponent, that employee will have their priority employee entitlements paid in full;

- all unsecured creditors of each of Calidus, Keras Pilbara and Calidus Blue will have the right to receive a dividend in return for the release and extinguishment of their claims against the relevant company;
- all intercompany creditors will have the right to receive a dividend in return for the release and extinguishment of all intercompany claims; and
- there will be no return to Shareholders (where Shareholder claims are subordinated to the claims of unsecured creditors under the Corporations Act).

4.4. Impact of the ‘Toggle’ to the Share Sale Option

- The DOCA Proponent has advised the Deed Administrators by correspondence dated 24 October 2024, that if the Section 444GA Order is not granted, it will:
 - proceed to issue notices under the Keras Pilbara DOCA and Calidus Blue DOCA waiving relevant Final Conditions Precedent, so as to facilitate the immediate effectuation of the Keras Pilbara DOCA and Calidus Blue DOCA by way of the Share Sale Option; and
 - issue a notice under the Calidus DOCA confirming that the Final Conditions Precedent (requiring the Deed Administrators to obtain the Section 444GA Order) has not been satisfied and will not be waived such that the Calidus DOCA cannot be effectuated by the Sunset Date and will be terminated.
- In the event that the Share Sale Option is implemented:
 - Keras Pilbara and Calidus Blue would leave the Calidus Group as 100% of the shares in Keras Pilbara and Calidus Blue will be transferred to the DOCA Proponent by the Deed Administrators with the consent of Calidus under section 444GA(1)(a) of the Corporations Act (for which Court approval is not required);
 - the shares held by Calidus in Pirra Lithium will be transferred to the DOCA Proponent;
 - following the transfer of the shares in Keras Pilbara, Calidus Blue and Pirra Lithium to the DOCA Proponent, Calidus will be left without any subsidiary interests or substantial assets;
 - all employees would continue their employment, with any Calidus employees being transferred to Keras Pilbara (or another nominee of the DOCA Proponent);
 - all unsecured creditors of Keras Pilbara and Calidus Blue would have the right to receive a dividend in return for the release of their claims against the relevant company;
 - all intercompany creditors of Keras Pilbara and Calidus Blue will have the right to receive a dividend in return for the release and extinguishment of all intercompany claims;
 - the debt owed by Keras Pilbara, Calidus Blue and Calidus to the Secured Lender will be reduced by a further \$96m, leaving an outstanding balance of approximately \$25m under the SFA, and the Secured Lender will retain its security over Calidus in respect of such balance;
 - the Calidus DOCA will be terminated by the DOCA Proponent giving notice that the Final Conditions Precedent have not been and cannot be satisfied by the Sunset Date;
 - Calidus will be liquidated; and
 - there will be no return to Shareholders (refer section 2.2 and section 5).
- Attached at page 3 of Appendix 2, is a group structure chart that illustrates the final position of Calidus where the DOCA Proponent elects to exercise the Toggle such that only the Keras Pilbara DOCA and Calidus Blue DOCA will effectuate.

4.5. Benefit to Creditors under the Calidus DOCA (the Section 444GA Option)

- The Deed Administrators presently hold the cash sums paid by the DOCA Proponent in accordance with the terms of the Calidus DOCA (\$1,080,000), pending the outcome of the Section 444GA Application.
- If the Section 444GA Order is obtained, priority and unsecured creditors of Calidus are expected to receive 0.3 to 100 cents in the dollar as follows:

Creditor class	Low c/\$	High c/\$
Priority Class A Creditors	100c	100c
Priority Class B Creditors	100c	100c
Class C	99.8	99.8
Class D	50	50
Class E	6.1	6.1
Class F	0.3	0.3

- If the Section 444GA Order is not obtained and the Calidus DOCA is terminated, the balance of the cash contribution paid under the Calidus DOCA (after payment of remuneration and costs of the Administrators and Deed Administrators of Calidus) will be returned to the DOCA Proponent and the unsecured creditors of Calidus will receive nil return.

5. Independent Expert Opinion

5.1. Overview

- The Deed Administrators engaged Grant Thornton to provide an independent opinion on the value of Calidus' Shares in the form of the Independent Expert Report.
- The Independent Expert Report has been prepared in accordance with Regulatory Guides 111 (*Content of expert reports*) and 112 (*Independence of experts*).
- In accordance with their instructions, Grant Thornton has assessed the residual value of Calidus' equity on a liquidation basis, which in the specific circumstances will involve the business operations and main assets of Calidus (i.e. Pirra Lithium, Keras Pilbara and Calidus Blue) having been sold to the DOCA Proponent for the total consideration of:
 - a cash payment by the DOCA Proponent of \$1,200,000 under the Keras Pilbara DOCA (for distribution to creditors after payment of the Deed Administrators' costs);
 - a cash payment by the DOCA Proponent of \$200,000 under the Calidus Blue DOCA (for distribution to creditors after payment of the Deed Administrators' costs);
 - the assumption of leave entitlements of the employees of Calidus, employed by the DOCA Proponent on effectuation; and
 - a reduction of debt owed by Calidus to the Secured Lender in the total amount of \$96,000,000.
- Grant Thornton has opined that subject to the assumptions listed at page 3 (*Summary of Findings*) and section 5.2 (pages 36-37) of the Independent Expert Report, the value of the Calidus' assets in an assumed liquidation scenario is estimated to be \$109k to \$126k. Calidus deficiency of assets in an assumed liquidation scenario is estimated to be between \$42.85m ("high") to \$42.87m ("low").
- Consequently, at page 38 of the Independent Expert Report, Grant Thornton has concluded that the residual equity value to shareholders of Calidus is nil in either a "high" or "low" scenario as detailed in the table below.

\$'000	Low	High
Total Assets	109	126
Total Liabilities	(42,848)	(42,848)
Liquidators' fees and costs	(130)	(130)
(Shortfall) of assets available to meet claims	(42,870)	(42,853)
Equity value	Nil	Nil

Source: Independent Expert Report dated 14 November 2024

- A full copy of the Independent Expert Report is provided at Appendix 3 for shareholders' consideration and should be read in conjunction with this Explanatory Statement.

5.2. Calidus' Assets

- Grant Thornton's assessment of the value of Calidus' assets in a liquidation scenario is as follows:

\$'000	Low	High
Distributions from its Subsidiaries' DOCAs	109	109
Property, Plant and Equipment	-	17k
Other assets	--	-
Total Assets	109	126

Source: Independent Expert Report dated 14 November 2024

- Grant Thornton's assessment and assumptions with respect to market value of Calidus' assets is set out at pages 39-40 of the Independent Expert Report.

5.3. Claims against Calidus' Assets

- Grant Thornton's assessment of Calidus' liabilities and costs in a liquidation scenario is as follows:

\$'000	Low	High
Secured Lender's residual debt	(25,951)	(25,951)
Priority unsecured claims	(440)	(440)
Unsecured claims	(16,458)	(16,458)
Total Liabilities	(42,848)	(42,848)
Less: Liquidators' fees and costs	(130)	(130)
Total Claims against Calidus Assets	(42,978)	(42,978)

Source: Independent Expert Report dated 14 November 2024

- Grant Thornton's assessment and assumptions with respect to its assessment of Calidus' liabilities is set out at pages 40-41 of the Independent Expert Report.

6. Section 444GA Application – what you need to know

6.1. Overview

- In accordance with the terms of the Calidus DOCA, the Section 444GA Application was filed in the Supreme Court of Western Australia on 30 October 2024. Copies of the Originating Process filed by the Deed Administrators and the Programming Orders made at the First Directions Hearing are at Appendix 4 of this Explanatory Statement. Copies of the supporting affidavits and other Court documents filed in those proceedings can be accessed and downloaded from the FTI Website.
- The Second Directions Hearing has been listed for **9:45am (AWST) on 3 December 2024**. At the Second Directions Hearing, it is expected that the Court will:
 - set a timetable for the filing of any further material (including affidavits and submissions), including by any party who has filed an appearance; and/or
 - confirm the time and date of the Final Hearing.
- If you wish to appear at the Second Directions Hearing to make submissions on the timetable to be set down by the Court and/or oppose the Section 444GA Application at the Final Hearing, you will need to file with the Court and serve on the Deed Administrators and ASIC a notice of appearance in the prescribed Court form by **2:00pm (AWST) on 2 December 2024**.
- The notice of appearance is a document that contains the person’s address and service details. It puts the Court and the Deed Administrators on notice that a person wishes to participate at the Second Directions Hearing and/or Final Hearing. The person does not need to provide substantive submissions and affidavit evidence at the time of entering an appearance.
- The Deed Administrators will accept service of any appearance and affidavit at c/- Hamilton Locke, Level 27, 152-158 St Georges Terrace, Perth WA 6000 (Attention: Chris Hood / Clara Hagan) or by email to chris.hood@hamiltonlocke.com.au or clara.hagan@hamiltonlocke.com.au.
- Whether or not to take any action in respect of the Section 444GA Application is a decision for each individual Shareholder. **All Shareholders should read this Explanatory Statement (including the documents referred to in this Explanatory Statement) in its entirety and seek independent legal, financial and taxation advice before making a decision on whether to take any action in relation to the Section 444GA Application.**

6.2. What matters must the Court determine before granting the Section 444GA Order?

- The Court may exercise its discretion to grant leave to implement the Share Transfer contemplated by the Calidus DOCA and make the Section 444GA Order, if it is satisfied that the Share Transfer would not unfairly prejudice the interests of Shareholders.
- In considering the question of unfair prejudice, the Court will have regard to the residual value of equity in Calidus, particulars of the Section 444GA Application and any submissions made by Shareholders (or any other interested party) at the Final Hearing. Importantly in the context of such applications, the courts have held that where there is no residual value in the shares to be transferred, or there is unlikely to be any prospect of the shares obtaining such value, shareholders are generally unlikely to be unfairly prejudiced. Accordingly, in making its decision, the Court will consider Grant Thornton’s opinion in the Independent Expert Report.

- As noted in section 5 of this document, the Independent Expert Report states that, in the opinion of Grant Thornton, no return would be received by Shareholders through a liquidation of Calidus in both a “high” and “low” scenario. Accordingly, the view of the Deed Administrators is that the Share Transfer would not unfairly prejudice current shareholders. The Deed Administrators intend to rely on the Independent Expert Report when addressing the issue of unfair prejudice before the Court.

6.3. Important Dates

- We draw your attention to the following key dates in relation to the Section 444GA Application:

Step	Time and Date (AWST)
Deadline for any party seeking to be heard in relation to the Section 444GA Application to file a notice of appearance	2pm on 2 December 2024
Second Directions Hearing – during which further directions for the hearing of the Section 444GA Application will be made	9.45am on 3 December 2024
Proposed date for Final Hearing (subject to outcome of Second Directions Hearing)	10.00am 16 December 2024
Proposed date for Share Transfer (subject to any Section 444GA Order)	20 December 2024

- Please note the above dates are subject to any further directions made by the Court.
- The Deed Administrators will release further announcements on the FTI Website and the ASX Company Announcement Platform in respect of any changes or updates to the timetable, as well as the orders made by the Court, as required.

6.4. Effect of the Section 444GA Order on Shareholders

- If the Section 444GA Order is granted and the Calidus DOCA is implemented, all of your Calidus Shares will be transferred by the Deed Administrators to the DOCA Proponent (or its nominee) and you will not receive any money, or other form of consideration.

6.5. What will happen if the Section 444GA Order is not made?

- As noted in section 4.4, if the Section 444GA Order is not made, the DOCA Proponent has confirmed it will not waive the requirement for Deed Administrators to obtain the Section 444GA Order and will regard the Final Conditions Precedent under the Calidus DOCA as being unsatisfied. The DOCA Proponent will elect to exercise the Toggle under the Keras Pilbara DOCA and Calidus Blue DOCA, triggering the transfer of all Calidus’ interest in Keras Pilbara, Calidus Blue and Pirra Lithium to the DOCA Proponent (or its nominee). Calidus will no longer hold shares in any Subsidiaries as a result.
- The failure of the Calidus DOCA to effectuate will result in the liquidation of the Company.
- Though the Deed Administrators may be able to appeal any decision by the Court not grant the Section 444GA Order, they are unlikely to do so in circumstances where the DOCA Proponent has implemented the Share Sale Option under the Keras Pilbara DOCA and Calidus Blue DOCA.

6.6. Australian tax consequences

- **This section of the Explanatory Statement is provided as general information for Shareholders who are Australian resident taxpayers holding their Calidus Shares on capital account, not as trading stock, and does not take account of the circumstances of any individual Shareholder. You should seek your own tax advice on the consequences for you of the Calidus DOCA being effectuated and the transfer of your Calidus Shares being for nil consideration.**
- On effectuation of the Calidus DOCA, the Share Transfer will give rise to a capital gains event (“CGT Event”) for Shareholders because it will trigger a CGT Event and may crystallise a capital loss.
- Depending on each individual taxpayer’s financial position and tax profile, this capital loss may be available to offset against the taxpayer’s capital gains thereby potentially reducing the amount of tax otherwise payable by the taxpayer. A capital loss occurs for Australian shareholders who hold their Calidus Shares on capital account, when the reduced cost base of the Calidus Shares exceeds the market value of the Calidus Shares.
- The reduced cost base in the Calidus Shares may include:
 - the acquisition of the Calidus Shares;
 - incidental acquisition costs incurred to acquire and hold the Calidus Shares;
 - expenditure incurred to increase or preserve the value of the Calidus Shares; and/or
 - capital expenditure incurred to establish, preserve or defend title of the Calidus Shares.
- If the Section 444GA Order is made, the time of the CGT event will be when the Share Transfer takes effect in accordance with the Calidus DOCA.
- A non-Australian resident shareholder may also make a capital loss if its Calidus Shares are “taxable Australian property”. In broad terms, shares are taxable Australian property when they satisfy both:
 - a “non-portfolio interest test”, which is met if the shareholder has an interest in the Company of 10% or more at the time of the Share Transfer (or for any 12-month period in the 2 years before the transfer); and
 - a “principal asset test”, which is met if the Company’s underlying value is principally derived from Australian real property (which may include mining rights).
- **To re-emphasise the point above, Shareholders should obtain their own tax advice on whether they make a capital loss on the transfer of their Calidus Shares.**

7. Additional information

7.1. ASIC Relief

- Section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in a listed company if, as a result of that acquisition, a party's voting power in the entity will increase from less than 20% to more than 20%, or from a starting point that is above 20% and below 90%, unless the acquisition falls within one of the exceptions set out in section 611 of the Corporations Act.
- The DOCA Proponent currently does not hold any interest in Calidus. If the Section 444GA Order is obtained and the Calidus DOCA effectuates in accordance with its terms, the DOCA Proponent (or its nominee) will acquire 100% of the Calidus Shares.
- As Calidus is a publicly listed company on the ASX, ASIC Relief is required to enable completion of the Share Transfer. The Deed Administrators have engaged with ASIC by providing a copy of this Explanatory Statement (and annexures) along with additional information relevant to the relief being sought.

7.2. Further information

- In addition to this Explanatory Statement and enclosed Independent Expert Report, relevant information for Shareholders (such as previous circulars, reports and orders of the Court) can be found on the FTI Website at: <https://www.fticonsulting.com/creditors/calidus-resources-group>
- Should you have any queries in relation to the information provided in this Explanatory Statement, please contact the Deed Administrators at calidus.creditors@fticonsulting.com.
- **Please note that you should also seek independent advice from your stockbroker, bank manager, solicitor, accountant and/or other professional advisor in relation to the contents of this Explanatory Statement and the implications of the Share Transfer contemplated by the Calidus DOCA.**

Dated 28 November 2024



Hayden White

Joint and Several Deed Administrator

8. Appendix 1 – Glossary

Item	Definition
\$	Australian Dollar, unless otherwise stated
%	Percent
Administrators	Hayden Leigh White and Daniel Hillston Woodhouse in their capacities as joint and several administrators of Calidus and each of its Subsidiaries
ASIC	Australian Securities and Investments Commission
ASIC Relief	ASIC granting relief pursuant to section 655A(1)(A) of the Corporations Act from the Takeover Provisions to permit the Share Transfer to the DOCA Proponent or its nominee
Calidus or Company	Calidus Resources Limited ACN 006 640 553 (ASX: CAI) (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement)
Calidus DOCA	The deed of company arrangement executed by Calidus, the DOCA Proponent and the Deed Administrators on 9 October 2024
Calidus Shares	All the issued and fully paid-up ordinary shares of Calidus
Calidus Blue	Calidus Blue Spec Pty Ltd ACN 643 467 501 (Subject to Deed of Company Arrangement)
Calidus Blue DOCA	The deed of company arrangement executed by Calidus Blue Spec, the DOCA Proponent and the Deed Administrators on 9 October 2024
Calidus Otways	Calidus Otways Pty Ltd ACN 640 807 183
Calidus Otways DOCA	The deed of company arrangement executed by Calidus Otways, West Coast Lithium Pty Ltd and the Deed Administrators on 9 October 2024
Calidus Group	Together, Calidus and its Subsidiaries
Corporations Act	Corporations Act 2001 (Cth)
Court	Supreme Court of Western Australia
Creditors' Report	The Administrators report to creditors issued on 18 September 2024 accordance with rule 75-225 of the <i>Insolvency Practice Rules (Corporations) 2016</i> (Cth)
Creditors' Meetings	The second meetings of the creditors of each of Calidus and its Subsidiaries held pursuant to section 439A of the Corporations Act, concurrently on 27 September 2024
Deed Administrators	Hayden Leigh White and Daniel Hillston Woodhouse in their capacities as joint and several deed administrators of Calidus and each of its Subsidiaries
DOCA Proponent	West Coast Gold Pty Ltd ACN 006 640 553
First Directions Hearing	The first direction hearing in respect of the Section 444GA Application which was held on 7 November 2024 at which the Court made the Programming Orders
Final Conditions Precedent	The Final Conditions Precedent at Schedule 3 and clause 11 of the Calidus DOCA and clause 12 of the Keras Pilbara DOCA and Calidus Blue DOCA

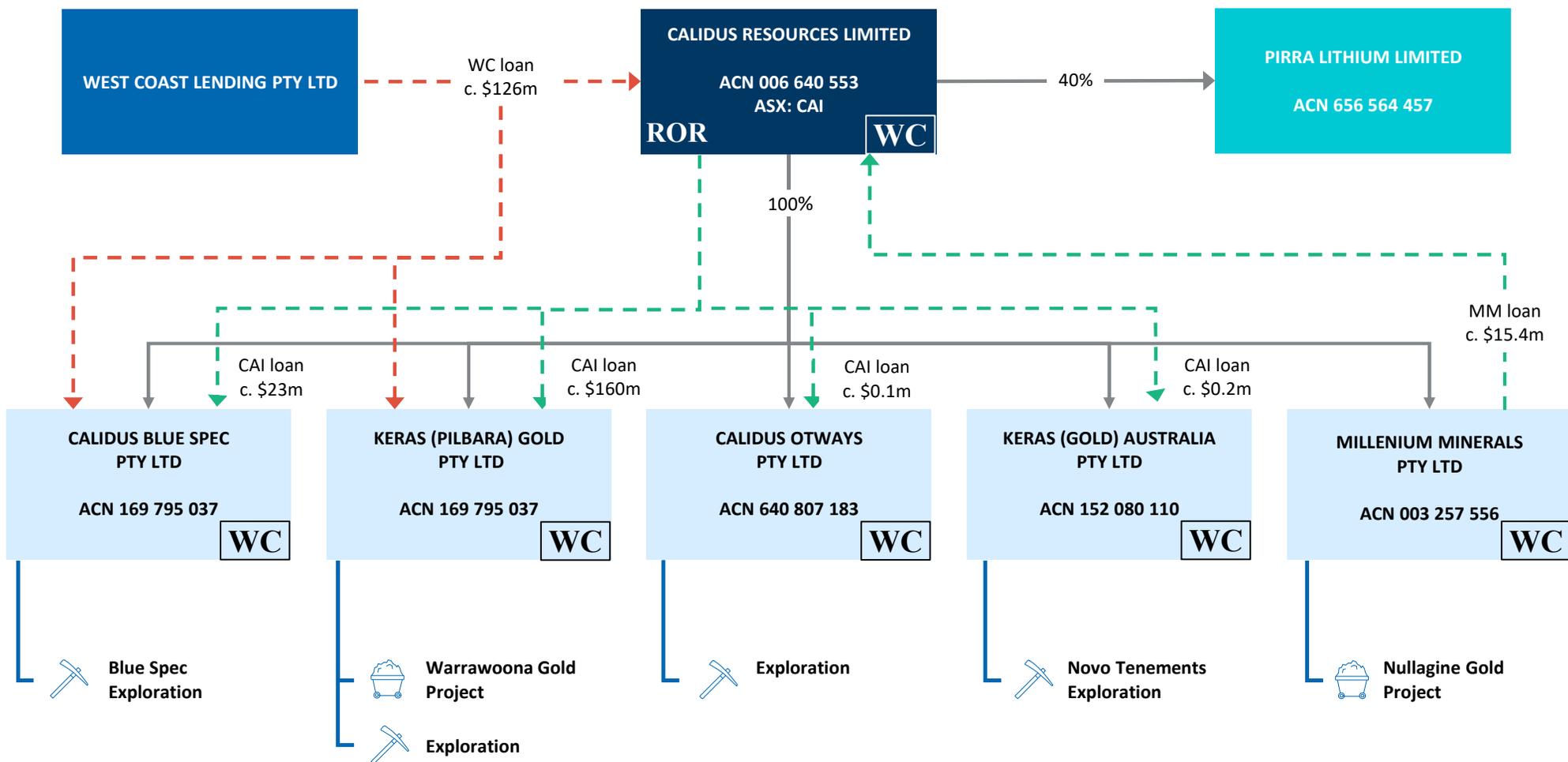
Final Hearing	The final hearing of the Section 444GA Application currently listed for 16 December 2024 (pending any further order of the Court)
FTI Website	https://www.fticonsulting.com/creditors/calidus-resources-group
Grant Thornton	Grant Thornton Corporate Finance Pty Ltd
Independent Expert Report	Independent expert report prepared by Jeremy Bogue and Andrea De Cian of Grant Thornton dated 14 November 2024
k	Thousand
Keras Gold	Keras (Gold) Australia Pty Ltd ACN 152 080 110
Keras Gold DOCA	The deed of company arrangement executed by Keras Gold, West Coast Metals Pty Ltd and the Deed Administrators on 9 October 2024
Keras Pilbara	Keras (Pilbara) Gold Pty Ltd ACN 169 795 037 (Subject to Deed of Company Arrangement)
Keras Pilbara DOCA	The deed of company arrangement executed by Keras Pilbara, the DOCA Proponent and the Deed Administrators on 9 October 2024
m	Million
Macquarie Bank	Macquarie Bank Limited
Millennium	Millennium Minerals Pty Ltd ACN 003 257 556
Millennium DOCA	The deed of company arrangement executed by Millennium, West Coast Metals Pty Ltd and the Deed Administrators on 9 October 2024
Pirra Lithium	Pirra Lithium Limited (ACN 656 564 457)
Pirra Lithium Asset Sale Agreement	Sale agreement pursuant to which Calidus agrees to transfer shareholding in Pirra Lithium to West Coast Lithium Pty Ltd
Programming Orders	The Order of Justice Hill dated 7 November 2024 making directions and programming orders for the Section 444GA Application
Receivers	Richard Tucker and John Bumbak of KordaMentha, in their capacity as receivers and managers of Calidus (and previously Keras Pilbara and Calidus Blue)
Second Directions Hearing	The second directions hearing of the Section 444GA Application listed for 3 December 2024
Section 444GA Application	The Court application filed by the Deed Administrators seeking the Section 444GA Order, designated proceeding COR/166/2024
Section 444GA Option	The Final Condition Precedent under clause 11 of the Calidus DOCA and clause 12 of the Keras Pilbara DOCA and Calidus Blue DOCA requiring the transfer of the Calidus Shares to the DOCA Proponent (or its nominee) for nil consideration in accordance with the Section 444GA Order
Section 444GA Order	The order sought in the Section 444GA Application granting leave to transfer of the Calidus Shares to the DOCA Proponent for nil consideration pursuant to section 444GA(1)(b) of the Corporations Act
Secured Lender	West Coast Lending Pty Ltd

SFA	The Syndicated Facility Agreement dated 1 April 2021 (as amended) between Macquarie Bank (as lender) and Keras Pilbara (as borrower), and under which Calidus and Calidus Blue are guarantors
Shareholders	The shareholders of Calidus as at the date of this Explanatory Statement
Share Sale Option	The Final Condition Precedent under clause 11 of the Calidus DOCA and clause 12 of the Keras Pilbara DOCA and Calidus Blue DOCA, requiring the transfer of all the shares in Keras Pilbara and Calidus Blue to the DOCA Proponent (or its nominee), as elected by the DOCA Proponent
Share Transfer	The transfer of all the Calidus Shares to the DOCA Proponent in accordance with the Section 444GA Order
Subsidiaries	Together, <ul style="list-style-type: none"> ■ Keras Pilbara ■ Calidus Blue ■ Millennium ■ Calidus Otways ■ Keras Gold
Sunset Date	20 December 2024
Takeover Provisions	Section 606 of the Corporations Act
Toggle	The mechanism at clause 11 of the Calidus DOCA and clause 12 of the Keras Pilbara DOCA and Calidus Blue DOCA which enables the DOCA Proponent to elect whether to complete the restructuring of the Calidus Group by way of the Share Sale Option instead of the Section 444GA Option
West Coast DOCAs	Together, the Calidus DOCA, the Keras Pilbara DOCA, the Calidus Blue DOCA, the Keras Gold DOCA, the Millennium DOCA and the Calidus Otways DOCA

9. Appendix 2 – Illustrative Company Structure Charts

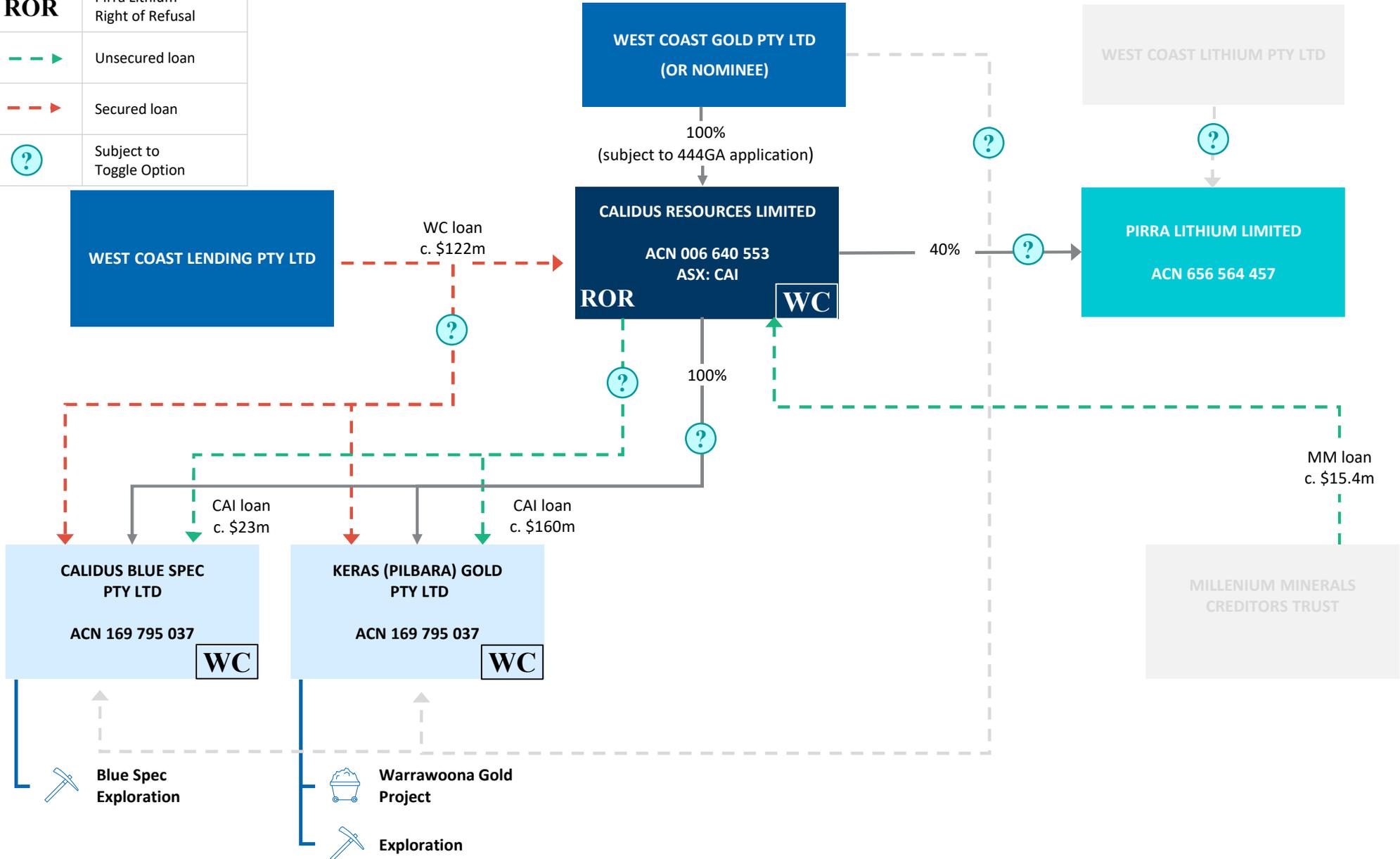
Pre-DOCA

LEGEND	
WC	Security to WC
ROR	Pirra Lithium Right of Refusal
	Unsecured loan
	Secured loan



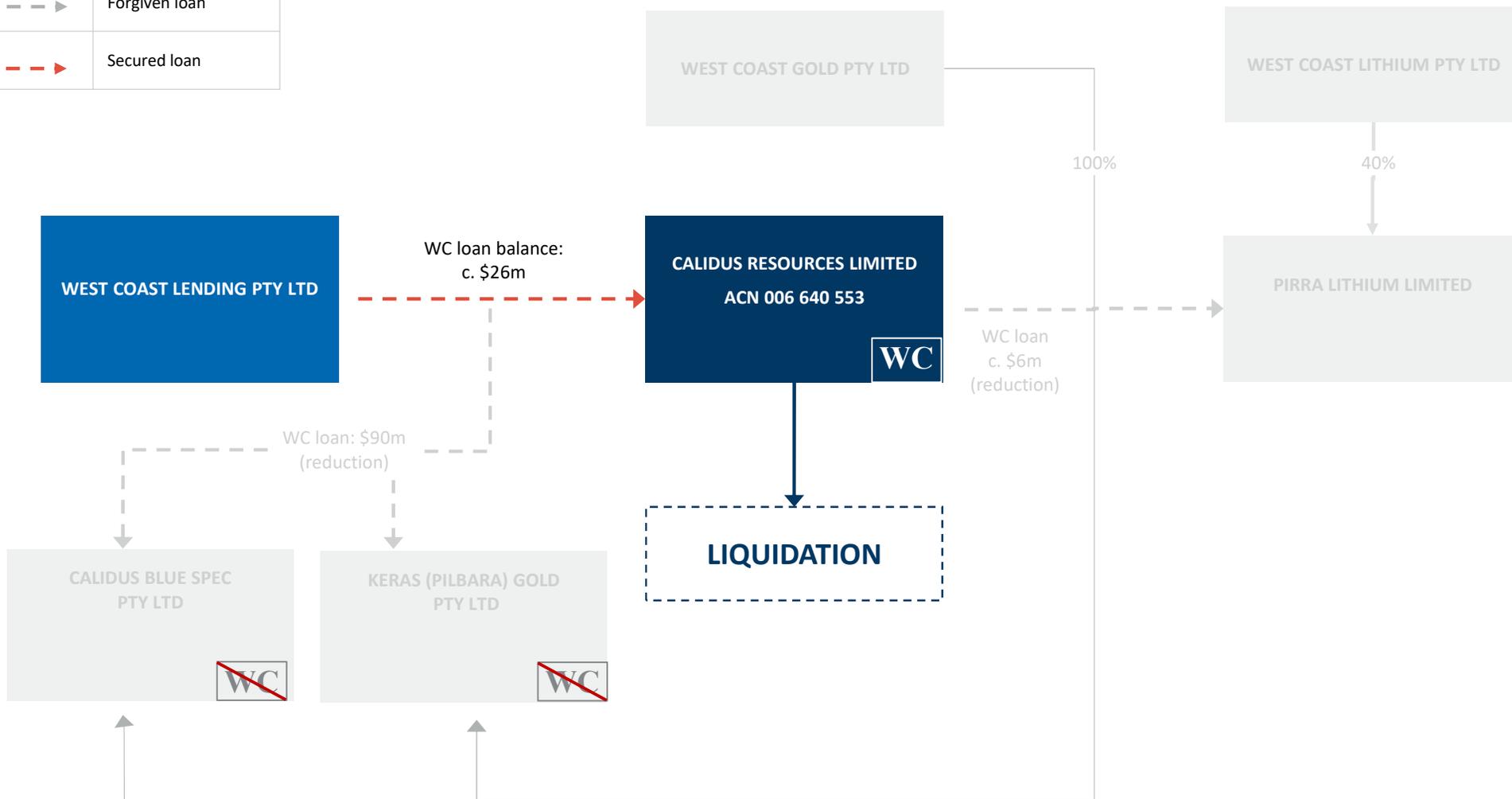
Current position

LEGEND	
WC	Security to WC
ROR	Pirra Lithium Right of Refusal
	Unsecured loan
	Secured loan
	Subject to Toggle Option



If Toggle exercised

LEGEND	
	Security to WC
	Discharged security
	Forgiven loan
	Secured loan



10. Appendix 3 – Independent Expert Report prepared by Jeremy Bogue and Andrea De Cian of Grant Thornton dated 14 November 2024

The Deed Administrators
Calidus Resources Limited (Subject to Deed of Company Arrangement)
c/o Hayden Leigh White and Daniel Hillston Woodhouse
FTI Consulting (Australia) Pty Ltd
Level 47, Central Park
152-158 St Georges Terrace
Perth WA 6000

**Grant Thornton Corporate
Finance Pty Ltd**
Level 43
152-158 St Georges Terrace
Perth WA 6000
T +61 8 9480 2000

14 November 2024

Calidus Resources Limited (Administrators Appointed) (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement)

Introduction

On 28 June 2024, Hayden Leigh White and Daniel Hillston Woodhouse of FTI Consulting (Australia) Pty Ltd (“FTI Consulting”) were appointed joint and several administrators (“Administrators” or “Deed Administrators”) of, inter alia, Calidus Resources Limited (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement) (the “Company” or “Calidus”) pursuant to the Corporations Act 2001 (Cth) (the “Act”).

Subsequent to the appointment of the Administrators but on the same date, Richard Tucker and John Bumbak of KordaMentha Pty Ltd (“KordaMentha”) were appointed as receivers and managers (“Receivers”) of, inter alia, the Company.

On 19 September 2024, the Administrators announced on the Australian Securities Exchange (“ASX”) that they had issued their report to creditors (“Report to Creditors”) on 18 September 2024 in advance of a second meeting of creditors on Friday 27 September 2024, in which creditors would vote on certain matters.

On 27 September 2024, the Administrators announced on the ASX that creditors had resolved to accept a deed of company arrangement proposal from the West Coast group of companies (“West Coast DOCA Proposal”). As concerned the Company, the West Coast DOCA Proposal involved the transfer of 100% of all the shares of the Company to one of the DOCA proponents, West Coast Gold Pty Ltd.

On 10 October 2024, the Administrators in their capacity as Deed Administrators announced, inter alia, the execution of a deed of company arrangement directly concerning the Company with West Coast Gold Pty Ltd (the “Purchaser” or the “Proponent”) (“Calidus DOCA”).

The transfer of shares in the Company under the Calidus DOCA is subject to the following:

- the Supreme Court of Western Australia (“the Court”) making an order granting the Deed Administrators leave to transfer the shares in the Company to the Proponent in accordance with Section 444GA of the Act; and

- the Australian Securities & Investments Commission (“ASIC”) granting relief from the takeover provisions in Chapter 6 of the Act for the share transfer; and
- the execution and release of the Forbearance Agreement between the Company and West Coast Lending Pty Ltd.

Purpose of the report

The Deed Administrators of the Company have commissioned Grant Thornton Corporate Finance Pty Ltd (“Grant Thornton”) to prepare an independent expert’s report (“Report” or “IER”) setting out the valuation of the shareholders’ residual equity in the Company for the purposes of, inter alia, assisting the Court in its determination as to whether to grant leave under Section 444GA of the Act.

In preparing this Report, Grant Thornton Corporate Finance has had regard to ASIC Regulatory Guide 111 *Contents of expert reports* (“RG 111”), Regulatory Guide 112 *Independence of experts* (“RG 112”), Regulatory Guide 6 *Takeovers: Exceptions to the general prohibition* (“RG 6”), as well as Schedule 7 of the Uniform Civil Procedure Rules 2005. The IER also includes other information and disclosures as required by ASIC.

Approach

Within RG 111, specific direction is provided vis-à-vis what expert should consider when preparing a report concerning a proposed transfer of shares under Section 444GA.

In alignment with the position of the courts when considering whether unfair prejudice exists, ASIC will generally grant relief from section 606 of the Act in circumstances where:

- company members are provided with an explanatory statement in the form described in paragraph 196(b) of Regulatory Guide 6 - Takeovers at least 14 days before the relevant court hearing including an independent expert report prepared consistent with guidance in RG 111;
- the expert report is prepared by an expert other than the administrator or a member from the same firm as the administrator;
- the expert’s report concludes that shareholders’ equity has no residual value; and
- the court grants leave under Section 444GA.

In accordance with the above, we have considered whether there is any residual value in the equity of the Company by assessing:

- the value of the Company’s assets and / or business operations; *less*
- the Company’s borrowings, other liabilities and claims.

In our assessment of the value of shareholders’ residual equity, we have considered the guidance provided in RG111 concerning companies under administration.

Following from the above, we consider that a valuation of the shareholders' residual equity in the Company on a 'winding up' or 'liquidation' basis is appropriate given that is the likely or necessary consequence of the transfer of shares not being approved.

Summary of findings

Grant Thornton has assessed the value of the Company's equity on a liquidation basis assuming that the business operations and main assets of Calidus (being Keras Pilbara, Calidus Blue and Pirra Lithium) will have been divested to West Coast Gold Pty Ltd pursuant to:

- completion of the sale of Calidus' 40% interest in Pirra Lithium Limited ("Pirra Lithium"), a joint venture which conducts lithium exploration in the Pilbara;
- effectuation of the deed of company arrangement in relation to Keras (Pilbara) Gold Pty Ltd (Administrators Appointed) (Subject to Deed of Company Arrangement) ("Keras Pilbara") ("Keras Pilbara DOCA") pursuant to which the transfer of its shares will occur; and
- effectuation of the deed of company arrangement in relation to Calidus Blue Spec Pty Ltd (Administrators Appointed) (Subject to Deed of Company Arrangement) ("Calidus Blue") ("Calidus Blue DOCA") pursuant to which the transfer of its shares will occur.

The DOCA proposals submitted by West Coast Gold Pty Ltd (and affiliated entities), which enable the default divestment of assets (should the transfer of Calidus' shares not occur), was considered the superior proposal received through an open and competitive sale process run jointly by the Administrators and Receivers appointed to the Calidus group.

On the assumption the divestment proceeds pursuant to the above, we have assessed that there would be a deficiency of assets available to meet the claims against the Company of between A\$42.87 million (low) and A\$42.85 million (high), resulting in shareholders' residual equity of nil as outlined in the table below.

Residual Equity Value in the Company A\$'000	Liquidation Value	
	Low	High
Residual assets		
Intercompany Loan Recoveries	109	109
Liquidator Recoveries	-	-
Property, Plant, and Equipment	-	17
Total Residual Assets	109	126
Liabilities		
Remaining Employee Entitlements	(440)	(440)
Trade and Other Payables	(16,458)	(16,458)
Borrowings	(25,951)	(25,951)
Total Excluded liabilities	(42,848)	(42,848)
Calidus Net Asset Position	(42,740)	(42,723)
Less: Liquidators' fees and legal fees	(130)	(130)
(Shortfall) of assets available to meet claims	(42,870)	(42,853)
Residual Equity Value in the Company	Nil	Nil

Source: GTCF Analysis

On the basis of our findings that there would be nil residual equity value in the Company, as well as no business operations remaining in the Company under the liquidation scenario, we do not consider that there is a reasonable prospect of the Calidus shares obtaining some value within a reasonable time.

Other matters

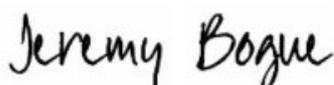
Grant Thornton Corporate Finance Pty Ltd has prepared a Financial Services Guide in accordance with the Act. The Financial Services Guide is set out in the following section.

The decision as to whether to grant leave under Section 444GA of the Act is a matter for the Court in the exercise of its discretion.

This Report represents general financial product advice only. The Report has been prepared without taking into consideration the individual circumstances of Shareholders. If Shareholders are in doubt as to the action they should take with regard to the matters dealt with in this Report, they should seek independent professional advice.

This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,
GRANT THORNTON CORPORATE FINANCE PTY LTD



JEREMY BOGUE
Director



ANDREA DE CIAN
Director

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 43, 152-158 St Georges Terrace, Perth WA 6000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Calidus Resources Limited appointed Grant Thornton Corporate Finance Pty Ltd to provide general financial product advice in the form of an independent expert's report in relation to the valuation of the shareholders' residual equity in the Company for the purposes of, inter alia, assisting the Court it's determination as to whether to grant leave under Section 444GA of the Act.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance Pty Ltd does not accept instructions from retail clients. Grant Thornton Corporate Finance Pty Ltd provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance Pty Ltd does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the report, the client of Grant Thornton Corporate Finance Pty Ltd is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the report, Grant Thornton Corporate Finance will receive from the Company a fee of up to A\$80,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance Pty Ltd, or any of the directors or employees of Grant Thornton Corporate Finance Pty Ltd or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance Pty Ltd is required to be independent of the Company in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance Pty Ltd is stated below.

“Grant Thornton Corporate Finance Pty Ltd and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Calidus Resources Limited (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the valuation of the shareholders’ residual equity in the Company for the purposes of, inter alia, assisting the Court in their determinations as to whether to grant leave under Section 444GA of the Act.

Grant Thornton Corporate Finance Pty Ltd has no involvement with, or interest in the outcome of the valuation of the shareholders’ residual equity in the Company for the purposes of, inter alia, assisting the Court in their determinations as to whether to grant leave under Section 444GA of the Act, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. The out of pocket expenses of Grant Thornton Corporate Finance Pty Ltd in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance Pty Ltd considers itself to be independent in terms of RG 112 “Independence of expert” issued by the ASIC.”

6 Complaints process

Grant Thornton Corporate Finance Pty Ltd has an internal complaint handling mechanism and is a member of the Australian Financial Compliance Authority (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance Pty Ltd. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Compliance Authority who can be contacted at:

Australian Financial Compliance Authority
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Grant Thornton Corporate Finance Pty Ltd is only responsible for this report and FSG. Complaints or questions about other matters should not be directed to Grant Thornton Corporate Finance Pty Ltd. Grant Thornton Corporate Finance Pty Ltd will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

Contents

	Page
1 Overview of transaction documents	9
2 Purpose and scope of the report	18
3 Profile of Calidus Resources Limited	21
4 Assessment of the Company's Financial Position	33
5 Residual value of equity in Calidus Resources Limited – Liquidation Outcome	36
6 DOCA Outcome	42
7 Sources of information, disclaimer and consents	45
Appendix A – Valuation methodologies	48
Appendix B – Glossary	50
Appendix C – Industry Overview	52
Appendix D – Creditor Classes	58

1 Overview of transaction documents

1.1 Background information and key dates

Following their appointment, the Receivers commenced a sale and recapitalisation process for the Company on 5 August 2024, undertaken in collaboration with the Administrators (“Joint Sale Process”).

The Joint Sale Process is summarised as follows:

Date	Event
Week commencing 5 August 2024	<ul style="list-style-type: none"> • Sale process commences, seeking urgent EOI for the acquisition and / or recapitalisation of the Calidus Group. • Process letter and access to data room provided to interested parties upon completion of NDA.
30 August 2024	<ul style="list-style-type: none"> • Deadline for submission of non-binding indicative offers.
Week commencing 2 September 2024	<ul style="list-style-type: none"> • Review of EOIs by Receivers and Administrators. • Receivers engaged with interested parties to better understand proposals received and to negotiate removal of any conditions precedent that would impact upon the viability of the proposals.
Week commencing 9 September 2024	<ul style="list-style-type: none"> • Receivers deliver update to Administrators and views as to three preferred bidders. • Administrators meet with each of the preferred bidders to discuss and better understand their proposals and the conditions precedent to same. • West Coast DOCA Proposal provided in a largely unconditional format.
Week commencing 16 September 2024	<ul style="list-style-type: none"> • Senior Lender (via its facility agent) writes to the Administrators on two occasions seeking they convene the second meeting of creditors as soon as practicable. • Senior Lender expresses concern as to the potential erosion of value in its secured assets in circumstances where the low-grade stockpiles are exhausted prior to the recommencement of mining operations at the Warrawoona Gold Project. The Senior Lender advises that given the lead time to place the project back into production (which it asserts is at least 12 weeks), time was of the essence to complete the Joint Sale Process and hand control of the Calidus Group to its new owners to enable pursuit of same. • The Administrators advise the other potential DOCA proponents that the meetings will be called and that they need to improve their offers, including conditions, from the terms presented in their respective NBIOs.

Source: Report to Creditors dated 18 September 2024

We understand and are advised that during the Joint Sale Process:

- The Receivers engaged with 105 parties, with 79 parties being sent a teaser document. Of these, 25 parties executed NDAs and were subsequently provided with access to the virtual data room, which contained select operational, technical, legal and financial information.
- On 30 August 2024, 5 NBIOs were submitted to acquire or recapitalise the entire, or majority of, the Calidus Group. Several other parties expressed a desire to submit a proposal in the following weeks for select assets of the Company, however, at the time of the deadline for NBIOs they advised they had not completed their initial due diligence to a point where they were ready to progress their interest. One party subsequently submitted a NBIO for Callidus’ Nullagine and Blue Spec projects.
- Following receipt, NBIOs were assessed having regard to:

- the value of the offer and the potential return to each class of creditors;
 - the likelihood of satisfaction of conditions attached to the NBIOs, such as the need for shareholder, regulatory (i.e. FIRB) or court approval, and the likely timeframe required to satisfy these conditions; and
 - the certainty of sources of funds and financial capacity of the party to complete the transaction.
- Following completion of this assessment, the Administrators were of the view that only three bidders had emerged with strong proposals, inclusive of the West Coast DOCA Proposal detailed and recommended by the Administrators, which may result in a return to unsecured creditors after satisfaction of West Coast Lending Pty Ltd and priority claims.
 - At the time of the Report to Creditors dated 18 September 2024, the Administrators understood that two parties were progressing their interest by undertaking further due diligence on the Calidus Group to explore the possibility of removing of onerous conditions in their proposals, or improve the consideration provided, to improve the strength of their NBIOs.
 - On 27 September 2024, the creditors resolved to accept the West Coast DOCA Proposal.
 - On 10 October 2024, the Administrators announced, inter alia, the execution of the Calidus DOCA.

The Deed Administrators have or will enter into a number of ancillary agreements around the time of the Calidus DOCA being:

- Calidus Blue DOCA;
- Calidus Otways DOCA
- Keras Gold DOCA
- Keras Pilbara DOCA;
- Millennium DOCA
- Loan Facility Agreement - Administrators (“LFA”);
- Pirra Lithium Asset Sale Deed (“PLSD”);
- Debt Reduction Deed - Pirra Lithium (“DRD”);
- Debt Reduction Deed - Calidus Otways;
- Debt Reduction Deed - Keras Pilbara;
- Debt Reduction Deed – Millennium;

- Calidus Otways Creditors' Trust Deed;
- Keras Pilbara Creditors' Trust Deed;
- Millennium Creditors' Trust Deed; and
- Deed of Forbearance.

(together with the Calidus DOCA, the "Transaction Documents").

1.2 Calidus DOCA

1.2.1 Key Terms

The key terms of the Calidus DOCA are as follows:

- The Proponent was to provide a cash contribution of approximately A\$1,080,000 ("Calidus Cash Contribution"), ultimately the amount is subject to the costs of the Administrations, and is currently estimated to be between A\$1,045,085 and A\$1,358,085.
- The beneficiaries of the Company's Creditor's Trust are the participating creditors ("Participating Creditors") who are as follows:
 - Class A creditors, being non-continuing employees who do not continue in their employment after the effectuation of the Calidus DOCA;
 - Class B creditors, being employees who resigned post proposal but before effectuation of the Calidus DOCA;
 - Class C creditors, being creditors owed less than A\$3,000;
 - Class D creditors, being key suppliers;
 - Class E creditors, being other creditors; and
 - Class F Creditors, being intercompany loan creditors.
- The non-participating creditors are as follows:
 - Continuing employees, being any employee who continues in their employment after the executed the Calidus DOCA; and
 - Secured creditors

(together the "Non Participating Creditors").

- The Calidus Creditors' Trust will be established for all participating creditor debts.

- Subject to the outcome of the Section 444GA application, 100% of the shares of the Company will be transferred to the Proponent or its nominee.
- In circumstances where the Section 444GA Order is obtained and the Calidus DOCA effectuates, a total of only \$4,020,000 will be forgiven (being the total of the debt reductions under the Keras Gold DOCA, Calidus Otways DOCA and Millennium DOCA). The balance of the outstanding debt to West Coast Lending Pty Ltd will not be released on effectuation of the Calidus, Keras Pilbara and Calidus Blue DOCAs and will remain with the companies (now transferred to the Proponent). Pursuant to the terms of the Forbearance Agreement, West Coast Lending Pty Ltd will agree to forbear from enforcing its outstanding debt for a period of 6 months following effectuation of the Calidus DOCA.

1.2.2 Initial Conditions Precedent

The Calidus DOCA contained conditions precedent that were to be satisfied by 7 October 2024 (the “Initial Conditions Precedent”).

The Initial Conditions Precedent as extracted from the Calidus DOCA were as follows:

1. *The Calidus Creditors approving the Calidus DOCA (or a proposal in substantially similar terms to the same) at a meeting of the Calidus Creditors to be convened pursuant to section 439A of the Act.*
2. *The Keras Pilbara Creditors approving the Keras Pilbara DOCA (or a proposal in substantially similar terms to the same) at a meeting of the Keras Pilbara Creditors to be convened pursuant to section 439A of the Act.*
3. *The Calidus Blue Creditors approving the Calidus Blue DOCA (or a proposal in substantially similar terms to the same) at a meeting of the Calidus Blue Creditors to be convened pursuant to section 439A of the Act.*
4. *The Calidus Otways Creditors approving the Calidus Otways DOCA (or a proposal in substantially similar terms to the same) at a meeting of the Calidus Otway Creditors to be convened pursuant to section 439A of the Act.*
5. *The Millennium Creditors approving the Millennium DOCA (or a proposal in substantially similar terms to the same) at a meeting of the Millennium Creditors to be convened pursuant to section 439A of the Act.*
6. *The Keras Gold Creditors approving the Keras Gold DOCA (or a proposal in substantially similar terms to the same) at a meeting of the Keras Gold Creditors to be convened pursuant to section 439A of the Act.*
7. *The execution of the Calidus DOCA.*
8. *The execution of Calidus Blue DOCA.*
9. *The execution of the Calidus Otways DOCA.*

10. *The execution of the Millennium DOCA.*
11. *The execution of the Keras Gold DOCA.*
12. *The execution of the Keras Pilbara DOCA.*
13. *Payment of the Calidus Cash Contribution by the Proponent.*
14. *Payment of the Calidus Blue Cash Contribution by the Proponent.*
15. *Payment of the Calidus Otways Cash Contribution by the Proponent plus any Adjustments.*
16. *Payment of the Keras Gold Cash Contribution by the Proponent plus any Adjustments.*
17. *Payment of the Keras Pilbara Cash Contribution by the Proponent.*
18. *Payment of the Millennium Cash Contribution by the Proponent plus any Adjustments.*
19. *The execution by Calidus of the Pirra Lithium Asset Sale Agreement.*
20. *The directors and secretary of Calidus being replaced by directors and secretary nominated by the Proponent in writing with the effect from the date of Effectuation.*
21. *The directors and secretary of Calidus Blue being replaced by directors and secretary nominated by the Proponent in writing.*
22. *The directors and secretary of Calidus Otways being replaced by directors and secretary nominated by the Proponent in writing.*
23. *The directors and secretary of Keras Gold being replaced by directors and secretary nominated by the Proponent in writing.*
24. *The directors and secretary of Keras Pilbara being replaced by directors and secretary nominated by the Proponent in writing.*
25. *The directors and secretary of Millennium being replaced by directors and secretary nominated by the Proponent in writing.*
26. *There being no regulatory intervention that restrains, prohibits or otherwise impedes the proposed transfer of the shares in Calidus to the Proponent.*
27. *There being no regulatory intervention that restrains, prohibits or otherwise impedes the proposed transfer of the shares in Calidus Blue to the Proponent.*
28. *There being no regulatory intervention that restrains, prohibits or otherwise impedes the proposed transfer of the shares in Calidus Otways to the Proponent.*

29. *There being no regulatory intervention that restrains, prohibits or otherwise impedes the proposed transfer of the shares in Keras Pilbara to the Proponent.*
30. *There being no regulatory intervention that restrains, prohibits or otherwise impedes the proposed transfer of the shares in Keras Gold to the Proponent.*
31. *There being no regulatory intervention that restrains, prohibits or otherwise impedes the proposed transfer of the shares in Millennium to the Proponent.*
32. *The Deed Administrators of Keras Pilbara and Calidus Blue providing the Proponent of the DOCA with properly executed (undated):*
 1. *Share Transfer Forms; and*
 2. *Keras Pilbara Debt Reduction Deed and Calidus Blue Debt Reduction Deed.*
33. *The retirement of the Receivers appointed over Calidus Blue.*
34. *The retirement of the Receivers appointed over Keras Pilbara.*
35. *The Voluntary Administrators of Calidus issuing the Notices.*

On 31 October 2024, the Administrators announced on the ASX that the Initial Conditions Precedent had been either completed or waived.

1.2.3 Final Conditions Precedent

The Calidus DOCA contained conditions precedent that were to be satisfied or waived by 30 November 2024 (unless otherwise¹ extended by the Deed Administrators upon written request by the Proponent) (the “Final Conditions Precedent”).

The Final Conditions Precedent as extracted from the Calidus DOCA were as follows:

1. *The satisfaction or waiver of all the Initial Conditions Precedent.*
2. *The Calidus Creditors' Trust Deed being duly executed and the Calidus Creditors' Trust being created.*
3. *The Calidus Blue Creditors' Trust Deed being duly executed and the Calidus Blue Creditors' Trust being created.*
4. *The Calidus Otways Creditors' Trust Deed being duly executed and the Calidus Otways Creditors' Trust being created.*

¹ We note that the parties agreed to an extension to 20 December 2024

5. *The Keras Pilbara Creditors' Trust Deed being duly executed and the Keras Pilbara Creditors' Trust being created.*
6. *The Keras Gold Creditors' Trust Deed being duly executed and the Keras Gold Creditors' Trust being created.*
7. *The Millennium Creditors' Trust Deed being duly executed and the Millennium Creditors' Trust being created.*
8. *Application of the Available Property in full satisfaction and discharge the Administrators' Liabilities and the Deed Administrators' Liabilities, in accordance with the terms of the Calidus DOCA, Calidus Blue DOCA and Keras Pilbara DOCA.*
9. *The Deed Administrators of Calidus capitalising the Calidus Creditors' Trust in accordance with the terms of the Calidus DOCA.*
10. *The Deed Administrators of Calidus Blue capitalising the Calidus Blue Creditors' Trust in accordance with the terms of the Calidus Blue DOCA.*
11. *The Deed Administrators of Calidus Otways capitalising the Calidus Otways Creditors' Trust in accordance with the terms of the Calidus Otways DOCA.*
12. *The Deed Administrators of Keras Pilbara capitalising the Keras Pilbara Creditors' Trust in accordance with the terms of the Keras Pilbara DOCA.*
13. *The Deed Administrators of Keras Gold capitalising the Keras Gold Creditors' Trust in accordance with the terms of the Keras Gold DOCA.*
14. *The Deed Administrators of Millennium capitalising the Millennium Creditors' Trust in accordance with the terms of the Millennium DOCA.*
15. *Settlement of any Adjustments payable by the Proponent.*
16. *Completion pursuant to the Pirra Lithium Asset Sale Agreement.*
17. *The Calidus Administrators transferring all of the Calidus Employees to the Proponent of the Calidus TS and Calidus DOCA or its nominee/s.*

The Proponent has advised that they will not exercise their right to waive the conditions under clause 11.2.2 of the Calidus DOCA in the event the 444GA application is unsuccessful.

1.3 Pirra Lithium Asset Sale Deed

Calidus owns 40% of Pirra Lithium Limited, the other shareholders being 40% held by SQM Pty Ltd and 20% held by Haoma Mining NL. Pirra Lithium conducts lithium exploration in the Pilbara, in particular, the West Pilbara, East Pilbara and Northampton sites.

West Coast Lithium Pty Ltd (“the Buyer”) has agreed to purchase the shares held by the Company (“the Seller”) in Pirra Lithium Limited for a reduction of the debt owing to West Coast Lending Pty Ltd in the amount of A\$6,000,000 pursuant to the DRD.

1.4 Debt Reduction Deed

In consideration for transfer of the Pirra Lithium shares, West Coast Lending Pty Ltd shall permanently reduce the debt owing to it by the amount of A\$6,000,000.

1.5 Loan Facility Agreement - Administrators

The LFA was initiated by, inter alia, the Administrators and West Coast Lending Pty Ltd having regard to acknowledgement that:

- the sale of Calidus and related entities as a going concern was likely to achieve a superior outcome than liquidation; and
- Calidus and related entities required funding to continue trading as a going concern and meet the expenses and costs of the administration process.

In accordance with the above, West Coast Lending Pty Ltd agreed to provide up to A\$3,800,000 to ensure continuation of trading during the administration process and to enable the Administrators to seek proposals for the restructure of Calidus and related entities.

The LFA facility funds were available for the following purposes:

- reimbursement for payments made by the Administrators to comply with Expenditure Conditions relating to the mining tenements held by Keras Gold and Millennium;
- payment of the Administrators’ remuneration, costs expenses including legal fees, other than any excluded amounts.
- reimbursement, or payment (in whole or in part), of the expenses lawfully and properly incurred or to be incurred or to be incurred by the Borrower in connection with the Administration, other than any excluded amounts;
- any payment made or to be made for the purpose of meeting any liability or obligation of the Companies in respect of the payment on account of wages or superannuation contribution of eligible employees, subject to applicable laws; and
- any other purpose expressly agreed between the Lender and Borrowers in writing to be an “approved purpose” of this Facility.

1.6 Creditors’ Trust Deed

The Calidus Creditors’ Trust is to be established for the purpose of paying claims to creditors of Calidus in accordance with the order of priority prescribed within.

The Non Participating Creditors shall not be entitled to any distribution from the Calidus Creditors' Trust.

2 Purpose and scope of the report

2.1 Purpose of the report

The Deed Administrators are authorised to transfer shares in the Company pursuant to subsection 444GA(1) of the Act, provided they have obtained either the written consent of the share owner or the leave of the Court. The Court may, in accordance with subsection 444GA(3) of the Act, grant leave only if it is satisfied that the transfer would not unfairly prejudice the interests of the Company's members.

Section 606 of the Act prohibits any person from acquiring a relevant interest in the issued voting shares of a public company if such acquisition results in that person's voting interest increasing from below 20% to 20% or more. ASIC Regulatory Guide 6 – Takeovers: Exceptions to the general prohibition ("RG 6") stipulates that, where a transfer under Section 444GA of the Act results in a person acquiring a relevant interest in voting shares exceeding 20%, relief from section 606 must be granted by ASIC.

ASIC may, in accordance with RG 6 at paragraph 196, grant relief from s606 for s444GA of the Act transfers where:

- company members are provided with an explanatory statement in the form described in paragraph 196(b) of Regulatory Guide 6 - Takeovers at least 14 days before the relevant court hearing including an independent expert report prepared consistent with guidance in RG 111;
- the expert report is prepared by an expert other than the administrator or a member from the same firm as the administrator;
- the expert's report concludes that shareholders' equity has no residual value; and
- the Court grants leave under Section 444GA.

In alignment with the position of the Courts when considering whether unfair prejudice exists, ASIC generally grant relief from section 606 of the Act in circumstances where, inter alia, the expert's report concludes that shareholders' equity has no residual value.

In accordance with the above, the Deed Administrators have commissioned Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton") to prepare an IER setting out the valuation of the shareholders' residual equity in the Company for the purposes of, inter alia, assisting the Court in their determinations.

In addition to our comments above, we confirm that we have reviewed the Federal Court of Australia's Expert Evidence Practice Note ("GPN-EXPT"), which includes the Harmonised Expert Witness Code of Conduct, and we agree to comply with its requirements. The opinions in this report are based primarily on specialised knowledge gained through training, study, and experience in business valuation. We have conducted all necessary inquiries and, to the best of our knowledge, have not withheld any significant information from the Court.

2.2 Basis of assessment

In line with ASIC Regulatory Guide 111, an expert must offer an independent opinion on “the value, if any, of shareholders’ residual equity”.

The residual value should be derived “by assessing the value of the company’s assets and/or business operations, less borrowings, other liabilities and creditors’ claims”.

According to ASIC Regulatory Guide 111 and consistent with the approach of the courts, an expert should “generally value shareholders’ residual equity in a company under administration on a ‘winding up’ or ‘liquidation’ basis where that is the likely or necessary consequence of the transfer of shares not being approved”.

Liquidation value is defined by the International Valuation Standard 104: Bases of Value (effective 31 January 2020) at paragraph 80.1 as: the amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation Value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under two different premises of value: (a) an orderly transaction with a typical marketing period, or (b) a forced transaction with a shortened marketing period.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance Pty Ltd considered its independence with by reference to the RG112.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the valuation of the shareholders’ residual equity in the Company for the purposes of, inter alia, assisting the Court in their determinations as to whether to grant leave under Section 444GA of the Act, other than the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent.

2.4 Consent and other matters

Our report setting out the valuation of the shareholders’ residual equity in the Company is prepared for the purposes of, inter alia, assisting the Court in their determinations as to whether to grant leave under Section 444GA of the Act.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its issue to the shareholders of the Company.

Other than this report, none of Grant Thornton Corporate Finance Pty Ltd or Grant Thornton Australia Limited has been involved in the preparation of the any other documentation in relation to Calidus DOCA . Accordingly, we take no responsibility for the content of any other documentation in relation to Calidus DOCA.

2.5 Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services (“APES 225”) as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

“An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.”

3 Profile of Calidus Resources Limited

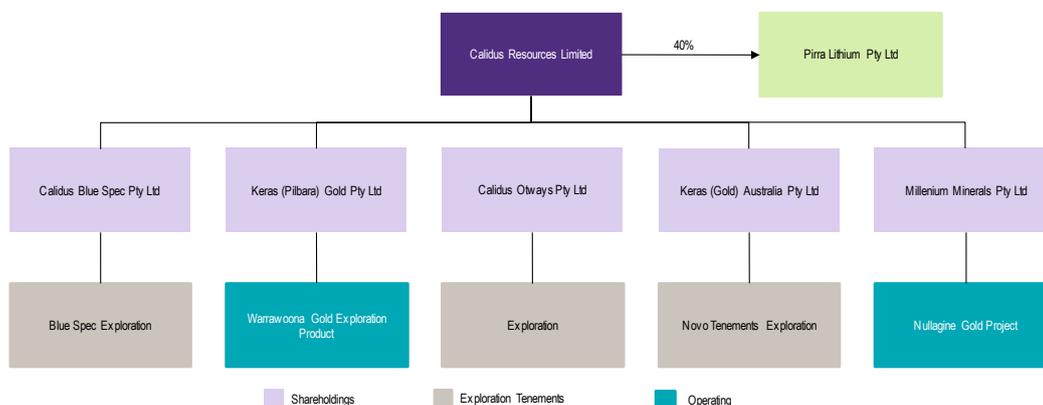
3.1 Overview

Calidus was originally incorporated in 1986, however the origins of the present day company and greater Calidus Group date to the recapitalisation of its ASX-listed predecessor, Pharmanet Group Ltd (now Calidus) through a DOCA executed on 22 June 2016 and wholly effectuated on 7 March 2017.

Following completion of the Pharmanet DOCA and reversion of control to a newly formed board of directors, on 22 March 2017 Pharmanet entered into a conditional binding agreement to acquire 100% of Keras Gold, holding assets being the initial tenements that would later comprise part of the Warrawoona Gold Project. The acquisition of Keras Gold was funded by an equity raising of A\$7.875m. Pharmanet was subsequently changed to Calidus on 15 June 2017, and Calidus was reinstated to the ASX on 22 June 2017.

Since relisting on the ASX, Calidus focused on the acquisition, development and commercialisation of its various projects, using its ASX-listing to seek and obtain equity funding as required to fund these objectives.

Prior to entry into several deeds of company arrangement in relation to the Calidus Group, the corporate structure of Calidus was as follows:



A summary of the material projects is extracted from Report to Creditors dated 18 September 2024 as follows:

Warrawoona Gold Project

- Callidus' 100% owned Warrawoona Gold Project is located approximately 150km southeast of Port Hedland and 25km southeast of Marble Bar.

- Company reports disclose that Calidus invested over A\$120m in the development of processing infrastructure at the Warrawoona Gold Project, with operations largely centred around the production hub at the Klondyke open pit.
- The Warrawoona Gold Project hosts combined Mineral Reserves of 297koz of gold at 1.8g/t Au and Mineral Resources of 1.34Moz of gold at 1.1g/t Au.
- The Warrawoona Gold Project has installed mill capacity of 2.4Mtpa and was forecast to produce up to 120koz of gold per annum. Commercial production was declared at the Warrawoona Gold Project in December 2022 and since that time, Calidus had produced 123,360oz of gold to the time of the appointment of the Administrators and Receivers.
- The Warrawoona Gold Project has a mine camp which was constructed in 2020 and accommodates up to 240 people.
- At the time of the Administrators' appointment, mining operations at the Warrawoona Gold Project were ongoing. Following an urgent assessment of its ongoing operations and development of a realisation strategy which would likely maximise the value achieved for these assets, on 5 July 2024, mining activity ceased and the majority of the mining contractors were demobilised. Since this time, operations have solely been based on processing ROM and low-grade stockpiles.
- The transition to care and maintenance resulted in the redundancy of 36 employees of Keras Pilbara and one employee of Calidus on or about 10 July 2024.

Haoma Joint Venture Projects

- Calidus has a binding framework agreement with Haoma Mining NL to create a 60:40 profit sharing joint venture covering the Haoma tenements in the East Pilbara (1,135km²). Profit share agreements have been executed over the Blue Bar and Bulletin deposits.
- Blue Bar, located 22km from the Warrawoona mill, has a mineral resource of 18,000oz with mining activities commencing in January 2024. Bulletin, located approximately 55km northeast of Marble Bar, has a mineral resource of 100,000oz.
- On 4 July 2024, Haoma advised the Receivers that they had terminated the Bulletin agreement with immediate effect. The Receivers have advised that they do not agree with the termination notice. Haoma has advised that it will be willing to negotiate a new agreement with respect to the Bulletin assets following completion of the external administration.
- On 10 September 2024, Haoma asserted that as a result of the Receivers' actions, the Receivers had repudiated the Blue Bar agreement and subsequently issued termination notice that same date. The Receivers do not accept this position.

Nullagine Gold Project

- The Nullagine Gold Project consists of an established mine site, with significant existing infrastructure which includes: the 1.8Mtpa Golden Eagle mill, a 230-person accommodation

village, administration buildings, workshop, warehouse, laboratory, 10MW power station, communications network, water supply, storage and tailings facilities. The Golden Eagle processing facility is located approximately 9 km south of the town of Nullagine and approximately 150 km from the Warrawoona Gold Project.

- The Nullagine Gold Project comprises 178 individual tenements covering 533km² and includes almost 65 kms of the highly prospective, strike length ore body at the Mosquito Creek Basin. The tenements adjoin Calidus' Blue Spec and Felix projects.
- Under the ownership of previously ASX-listed Millennium Minerals Limited prior to its insolvency and the subsequent care and maintenance of the project in 2019, from 2012 to 2019, the Nullagine Gold Project produced 543,000oz of gold @ 1.6g/t and 87% recovery when the gold price averaged A\$1,500/oz.
- Under Novo's subsequent ownership, Nullagine produced a further 128,000oz between 2021 and 2022, before the project was once more placed on care and maintenance by Novo in August 2022.
- In December 2023, Calidus acquired the Nullagine Gold Project from Novo pursuant to asset and share purchase agreements, ultimately acquiring 100% of the issued capital in Millennium.
- Total consideration payable was A\$250,000 in cash and A\$5.0m in deferred consideration (cash or Calidus shares) which becomes payable upon the attainment of production milestones. As owner of Millennium, Calidus also assumed environmental rehabilitation liabilities attached to Millennium's tenement package which are estimated to total approximately A\$45m (as reported in Novo Resources Corp's June 2023 balance sheet). Management advises that the updated estimated environmental liabilities for the Nullagine Gold Project (inclusive of the Beatons Creek Gold Project) are approximately A\$50m.
- Following acquisition by Calidus, Millennium entered into a 10-year licence agreement with Atlas Iron for use of the Golden Eagle mine camp. Under the agreement, Millennium received an upfront cash payment of A\$14m and retains the right for use of up to 50 rooms at the campsite. Atlas Iron assumes certain liabilities that arise from the care and preservation of the campsite.

Pirra Lithium Joint Venture

- Calidus owns 40% of Pirra Lithium joint venture with 40% held by SQM Australia Pty Ltd and 20% held by Haoma Mining NL.
- Pirra Lithium covers 1,681km² of highly prospective lithium tenure across Western Australia. The three projects include the West Pilbara, East Pilbara and Northampton projects.

On 9 October 2024, the Millennium DOCA, Keras Gold DOCA and Calidus Otways DOCA, fully effectuated. The entire share capital of those companies was transferred to the relevant proponent in exchange for the payment of cash contributions (paid into creditors' trusts for distribution to unsecured creditors) and a reduction to the outstanding debt owed by Calidus to West Coast Lending Pty Ltd as follows:

- reduction amount of A\$20,000 under the Calidus Otways DOCA;
- reduction amount of A\$1,000,000 under the Keras Gold DOCA; and
- reduction amount of A\$3,000,000 under the Millennium DOCA.

3.2 Timeline

Below is a timeline of key events impacting Calidus leading up to the appointment of Administrators on 28 June 2024.

Date	Event
March 2017	DOCA with Pharmanet Group Ltd is completed and control of the Company is handed to its newly formed board of directors.
June 2017	Placement to raise A\$7.875m is completed with funds used to acquire Keras Gold, an entity which holds many key tenements that would later form the Warrawoona Gold Project. Company name changed to Calidus Resources Limited on 15 June 2017 and Calidus is reinstated to ASX.
September 2017 to November 2017	Binding term sheet entered into with Novo in September 2017 under which Calidus granted the right to acquire a 70% interest in Novo tenements surrounding the Warrawoona Gold Project. Calidus completes its due diligence in November 2017 and proceeds with transaction. Further capital raises totalling c.A\$13.7m are completed to fund the development of the Warrawoona Gold Project.
February 2019	GR Engineering appointed to undertake the PFS.
July 2019	Calidus announces its maiden JORC Reserves and the results of the PFS for its Warrawoona Gold Project. The PFS demonstrates that it has Probable Reserves of 418,000oz underpinning an estimated initial six-year mine life producing ~100,000ozpa AISC of ~A\$1,159/oz.
June 2020	Updated PFS completed on Warrawoona Gold Project which includes a 24% increase in Reserves to 519,000oz. This underpins forecast production averaging 85,000oz p.a. in the first 6 years, including 90,000oz in year 1, at an average AISC of ~A\$1,251/oz.
September 2020	Commencement of construction of access road, accommodation village, communications and water supply at Warrawoona Gold Project. Macmahon and GR Engineering awarded preferred tender status for open pit mining and process plant EPC respectively. Calidus acquires high-grade Blue Spec Gold/Antimony Project for A\$19.5m cash consideration from Novo. BFS completed includes a 30% increase in the underground Reserves to 120,000oz (from June 2020) with total Project Reserves increase to 547,000oz. This underpins forecast production averaging 90,000 ounces a year in the first 7 years, peaking at 105,000oz in year 5, at an average AISC of A\$1,290/oz
November 2020	Project loan facilities totalling A\$110m are secured with Macquarie Bank to fund the development of the Warrawoona Gold Project. As a condition to the loan facilities, Keras Pilbara was required to enter into the Hedging Facility with Macquarie Bank. Final agreements executed with Macquarie Bank on 6 April 2021.
February 2021	Calidus takes full ownership of all tenements co-owned by Novo subsidiaries, Beatons Creek Pty Ltd and Grant's Hill Gold Pty Ltd.
March 2021	Site works commence at Warrawoona Gold Project.
June 2021	First tranche of funds (A\$25.0m) under the Syndicated Facility Agreement with Macquarie Bank are received.
August 2021	Mining starts at Warrawoona Gold Project with ore being delivered to the ROM pad. A\$210m mining contract for works at the Warrawoona Gold Project agreed and finalised with Macmahon. The mining contract included the development of the new open cut mine and all open cut mining activities until December 2026.
January 2022	Calidus acquires a 50% interest in Pirra Lithium Pty Ltd.
May 2022	First gold pour, marking the successful completion of commission of the full processing circuit at the Warrawoona Gold Project.

Date	Event
19 December 2022	Calidus board seek Safe Harbour protection under section 588GA of the Act.
January 2023	Commercial production declared at Warrawoona Gold Project.
March 2023	Calidus reports a net loss after tax of A\$5m in its FY23 interim report.
April 2023	Firm commitments received from sophisticated investors for a placement to raise A\$23m (before costs). Macmahon elects to convert A\$10.5m of its outstanding trade debts to equity. In addition, it is announced that Calidus will undertake a SPP to raise a further A\$5m (before costs).
19 June 2023	Calidus board resolves to exit Safe Harbour protection under section 588GA of the Act.
26 June 2023	Agreements with Haoma Mining NL reached which gives Calidus exclusive right to negotiate binding agreements for access to all Haoma's gold tenements, deposits and stockpiles on the basis of a 60:40 profit share.
29 September 2023	Calidus reports a net loss after tax of A\$6.1m in its FY23 annual report.
14 November 2023	Calidus Directors seek Safe Harbour protection under section 588GA of the Act. Bulletin Joint Venture executed with Haoma Mining NL.
21 December 2023	Calidus acquires the Nullagine Gold Project from Novo for upfront consideration of A\$250,000, deferred consideration of A\$5.0m, and licences the use of the Golden Eagle mine camp to Atlas Iron for A\$14m (excluding GST) in upfront consideration.
11 March 2024	Calidus reports a net loss after tax of A\$18.7m in its HY24 interim report.
22 March 2024	Calidus receives firm commitments to raise A\$16.5m from sophisticated investors via a share placement and reaches agreement with Macquarie Bank to restructure its hedging volume profile under the Hedging Facility and its debt repayments under the Syndicated Facility Agreement.
24 April 2024	Calidus reports a 26% increase in March 2024 quarter production at the Warrawoona Gold Project, cash (and cash equivalents) held at 31 March 2024 of A\$12.4m following debt repayments of A\$8m during the quarter. Gold sales increased 40% and totalled A\$40.5m. The hedge position was reduced by 5,250 ounces during the quarter incurring a hedge loss of A\$4.2m
8 May 2024	Completion of oversubscribed SPP that raises A\$6m from eligible shareholders. Total funds raised under the institutional investor placement (announced on 22 March 2024) and the SPP were c.A\$22.5m (before costs) which was to be used to repay debt and to provide additional working capital.
14 May 2024	Calidus board resolves to exit Safe Harbour protection under section 588GA of the Act.
11 June 2024	Macmahon issues a Notice to Show Cause on Keras Pilbara and Calidus: asserting that Keras Pilbara had failed to pay the sum of A\$19.6m plus GST; and requiring Keras Pilbara to show cause within 14 days (25 June 2024) as to why Macmahon should not terminate the Mining Services Agreement.
19 June 2024	Calidus board seeks Safe Harbour protection under section 588GA of the Act.
25 June 2024	Keras Pilbara and Calidus respond to the Notice to Show Cause.
27 June 2024	Macquarie Bank asserts there has been a default under the Syndicated Facility Agreement on the basis that there was a material breach of the Mining Services Agreement between Keras Pilbara and Macmahon due to non-payment of Macmahon's February invoice. As a consequence, the Calidus Group do not have access to funds held in Macquarie Bank accounts required to meet daily business activities and operations.
28 June 2024	Macmahon advises it will withdraw its previous Notice to Show Cause in circumstances where: <ul style="list-style-type: none"> - an agreed payment plan is put in place with Calidus by no later than 10 July 2024 to ensure certainty around payment of invoices; and - payment of the February 2024 invoice totalling A\$5m is paid by 30 June 2024
28 June 2024	Macquarie Bank affirms position it is unwilling to provide any further financial accommodation to the Calidus Group in its current circumstances of default under the facilities.
28 June 2024	Directors resolve that the Companies were insolvent or likely to become insolvent at some future time, with Hayden White and Daniel Woodhouse from FTI Consulting appointed as Joint and Several Voluntary Administrators of the Companies.
28 June 2024	Receivers are appointed over Calidus, Keras Pilbara and Calidus Blue Spec by Macquarie Bank.

Source: Report to Creditors dated 18 September 2024

3.3 Financial performance

The following table summarises the statement of consolidated financial performance of the Calidus Group for the financial years ended 30 June 2022, 30 June 2023 and 30 June 2024:

Consolidated statements of financial performance A\$'000s	FY22 Audited	FY23 Audited	FY24 Unaudited
Revenue			
Sales Revenue	-	139,927	152,561
Interest Revenue	16	315	510
Other Income	-	105	46
Total Revenue	16	140,347	153,117
Cost of Sales	-	(119,159)	(129,756)
Gross Profit	16	21,188	23,361
Expenses:			
Depreciation expenses	(731)	(14,432)	(34,911)
Finance costs	(1,239)	(5,743)	(9,705)
Administration Expenses	(3,340)	(4,207)	(6,045)
Share based payments	(2,380)	(2,813)	(1,388)
Unrealised Gain/Loss - Shares	(194)	(34)	(25)
Exploration expenditure write off	(772)	(64)	-
Environmental Rehabilitation Expense	(80)	96	170
Total expenses	(8,737)	(27,197)	(51,903)
Loss before income tax expense	(8,721)	(6,009)	(28,542)
Income tax expense	-	-	-
Total comprehensive loss	(8,721)	(6,009)	(28,542)

Sources: Audited and unaudited Financial Statements of Calidus

In relation to the table above, we note the following:

- Sales are primarily comprised of gold and silver sales by Keras Pilbara, which began with the start of mineral production in FY23.
- Administration expenses include costs incurred in the Calidus Group's daily operations, including employee entitlements and care and maintenance costs and other expenses.
- Finance costs are related to borrowing costs and interest expenses incurred by Keras Pilbara in relation to the Syndicated Facility Agreement and associated Hedging Facility.

The consolidated statements of financial performance do not reflect the current position of the Company, which is set out in Section 4 of our report.

3.4 Financial Position

The following table sets out a summary of the consolidated financial position of Calidus Group as at 30 June 2022, 30 June 2023 and 30 June 2024:

Consolidated statements of financial position A\$'000s	30-Jun-22 Audited	30-Jun-23 Audited	30-Jun-24 Unaudited
Assets			
Cash and Cash Equivalents	18,136	21,622	19,245
Trade and Other Receivables	1,272	1,097	1,669
Inventories	-	21,571	45,246
Other Current Assets	1,363	1,317	708
Financial Assets	163	(0)	(0)
Total current assets	20,934	45,606	66,868
Property, Plant, and Equipment	1,946	105,149	104,905
Exploration and Evaluation assets	25,904	28,311	73,540
Mine Development Assets	187,539	90,238	87,727
Right of use assets	938	284	136
Other Non-current Assets	559	2,224	4,367
Total non-current assets	216,887	226,206	270,674
Total assets	237,820	271,812	337,542
Liabilities			
Trade and Other Payables	20,703	23,848	49,653
Short-term provisions	1,219	1,374	1,453
Unearned Revenue	-	-	1,400
Current Lease Liabilities	680	311	94
Current Interest Bearing Liabilities	36,000	28,000	18,000
Total current liabilities	58,603	53,532	70,600
Non-current Interest Bearing Liabilities	71,000	53,000	43,000
Non-current Lease Liabilities	311	(0)	47
Long-term provisions	7,091	13,535	64,509
Non-current Unearned Revenue	-	-	12,600
Total non-current liabilities	78,402	66,535	120,156
Total liabilities	137,005	120,068	190,755
Net assets	100,815	151,744	146,787
Equity			
Issued Capital	119,573	173,698	195,894
Reserves	5,190	8,003	9,544
Accumulated Losses	(24,101)	(30,110)	(58,652)
Employee Shares	153	153	-
Total equity	100,815	151,744	146,787

Sources: Audited and unaudited Financial Statements of Calidus

The assets of the Calidus Group primarily comprise of:

- Cash and cash equivalents, including bank accounts and debt facilities with Macquarie Bank and ANZ, as well as restricted cash held by Keras Pilbara to comply with a syndicated facility agreement covenants with Macquarie Bank;
- Trade and other receivables, largely comprising trade debtors and GST receivables, with a significant portion relating to Keras Pilbara's GST credits;
- Inventories on hand, covering warehouse inventory, ore stockpiles and gold in circuit on hand, with substantial balances held by Keras Pilbara;
- Property, plant and equipment primarily held by Keras Pilbara, with approximately A\$1.0 million and A\$10.0 million held by Calidus Blue Spec and Millennium, respectively;

- Exploration, evaluation and mine development assets, which refer to costs that have been capitalised in relation to the Waroona Gold Project; and
- Other non-current assets, including non-current deposits and the 40% ownership in owned associate, Pirra Lithium.

The liabilities of the Calidus Group primarily comprise of:

- Trade and other payables, which primarily consist of Keras Pilbara's liabilities, including employee provisions, accrued interest payable and accrued insurance premiums;
- Current and non-current interest-bearing liabilities, which relate to the secured facilities held with Macquarie Bank and utilised for the development of the Warrawoona Gold Project;
- Unearned revenue relating to the acquisition of Millennium in 2023; and
- Short and long-term provisions, which refers to site rehabilitation liabilities. This provision is assessed on an annual basis and is an estimate of the cost of closure and reclamation of the areas discounted to present value.

We understand that a majority of entities within the Calidus group were not revenue generating and dependent upon Calidus' ability to raise equity from the public, with funds raised during the last two years being immediately distributed to entities within the Group to meet trading costs.

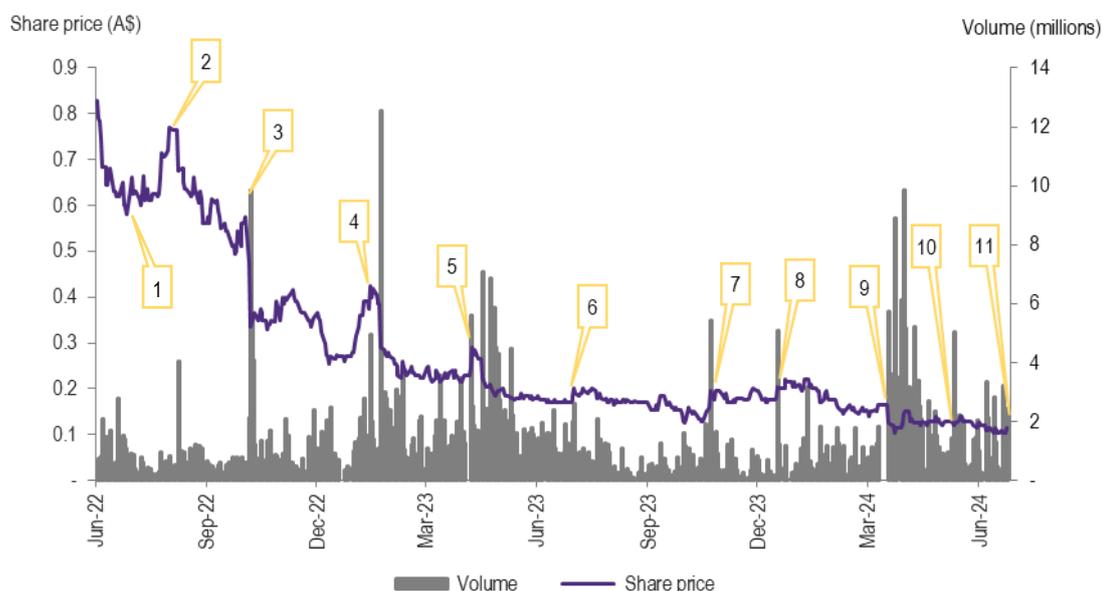
Notwithstanding the above, Calidus reported a positive net asset position throughout the three years leading up to the appointment of the Administrators.

The consolidated statements of financial position do not reflect the current position of the Company, which is set out in Section 4 of our report.

3.5 Capital Structure and share price movements

As at the date of this report, the Calidus Group's capital structure comprises 814,593,092 ordinary equity shares. Our analysis of the daily movements in Calidus's share price and volumes since June 2022 is set out below:

Calidus – Historical share trading price and volumes



Sources: S&P Global and GTCF Analysis.

The following table illustrates the key events between 1 June 2022 and 30 June 2024, which may have impacted the share price and volume movements shown above:

Ref	Date	Commentary
1	Jul-22	<p>Calidus release their Quarterly Activities Report and Quarterly Cashflow Report, detailing the following:</p> <ul style="list-style-type: none"> The Warroona Gold Plant had been successfully commissioned, with the first gold pour completed in May 2022 and production ramping up to nameplate capacity. Strong drill results at Blue Spec highlight open-pit potential, and the Blue Spec Feasibility Study was ongoing. Additionally, Pirra Lithium's maiden drill program commenced at the Spear Hill lithium project. Calidus had a strong financial position with A\$20 million in cash and cash equivalents, and the A\$110 million Project Loan Facility fully drawn, with the first debt repayment already made.
2	Aug-22	<p>Calidus announce that they had secured A\$20 million through an institutional placement at A\$0.67 per share, with strong demand from both existing and new shareholders. The funds were to be used for lithium and gold exploration, early works for the Blue Spec Mine, and expanding the Warroona Mill. The Warroona Gold Project was on track to reach nameplate production capacity for the quarter.</p>
3	Oct-22	<p>Calidus release their September Quarter Operations Update, detailing the following:</p> <ul style="list-style-type: none"> The Warroona Gold Project achieved nameplate capacity and integrated its LNG power station despite COVID-19 related workforce disruptions. Gold recovery rates were exceptionally high at 98%, with the processing plant operating above nameplate capacity. The project was on track for a strong December quarter as mining operations normalise and COVID-19 isolation requirements were lifted.
4	Jan-23	<p>Calidus release their Quarterly Activities Report and Quarterly Cashflow Report, detailing the following:</p> <ul style="list-style-type: none"> Warroona Gold Project produced 12,544 ounces in the December 2022 quarter, achieving nameplate capacity and generating positive cash flow. Guidance for H2 FY2023 is 31,000 – 36,000 ounces at an AISC of A\$2,000 – A\$2,250 per ounce, with a clear pathway to 130,000 ounces per annum. New gold discovery at Blue Spec and ongoing lithium exploration show promising results, with significant cash and debt management progress.

Ref	Date	Commentary
5	Apr-23	Trading halt on 19 April 2023, followed by an announcement on the 21 April 2023 that Calidus is raising up to A\$38.5 million to support its 130,000oz per annum expansion strategy while maintaining a strong balance sheet and cash flow. They have secured A\$23 million from professional investors at A\$0.21 per share, with each investor receiving one free option for every two shares. Additionally, Macmahon Holdings will convert A\$10.5 million of its creditor position to equity, and a Share Purchase Plan (SPP) will raise up to A\$5 million more.
6	July-23	Calidus release their June 2023 Quarterly Activities Report and Quarterly Cashflow Report, detailing the following: <ul style="list-style-type: none"> The Warrawoona Gold Project met half-year guidance with 31,364 ounces produced at an AISC of A\$2,172/oz, achieved record quarterly production of 16,177 ounces at an AISC of A\$2,245/oz, generated A\$40.1 million in revenue from gold sales, and had an operating cash flow of A\$10.2 million, offset by a A\$5.7 million loss on hedge contracts. At the end of the June Quarter, Calidus held A\$26.0M in cash and equivalents, reduced its Project Loan Facility to A\$81.0M, and decreased its hedge by 9,250 ounces to 106,250 ounces. Additionally, Calidus raised A\$24.8M through a placement and share purchase plan, and converted A\$10.5M of Macmahon's creditor position to equity
7	Oct-23	Calidus release their September 2023 Quarterly Activities Report and Quarterly Cashflow Report, detailing the following: <ul style="list-style-type: none"> Warrawoona Operations FY2024 achieved zero injuries and produced 13,696 ounces of gold in the September quarter at an AISC of A\$2,797/oz. Production and costs are expected to improve in H2 FY24 with access to higher grade ore, aiming for 65,000 - 75,000 ounces at an AISC of A\$2,000 - A\$2,250/oz. Haoma JV high-grade deposits near Warrawoona offer significant near-term production and cost benefits. The Bulletin deposit has a maiden inferred resource of 111,000 ounces at 4.1g/t, with potential for further expansion. SQM's A\$3M investment in Pirra Lithium to fund ongoing exploration, with significant lithium potential in the West and East Pilbara regions, including discoveries near Wildcat Resources and De Grey's King Col.
8	Dec-23	Calidus announce they have acquired the Nullagine gold project, which includes significant mineral resources, a processing plant, and infrastructure. They plan to assess the feasibility of processing high-grade ore from Nullagine at their Warrawoona mill to boost production. Additionally, Calidus has signed a 10-year agreement with Atlas Iron for the use of Nullagine's camp infrastructure, enhancing their liquidity.
9	Apr-24	Calidus release their March 2024 Quarterly Activities Report and Quarterly Cashflow Report, detailing the following: <ul style="list-style-type: none"> Warrawoona's March quarter production rose 26% to 15,118 ounces at an AISC of A\$2,429/oz, with record monthly output in March. The cutback completion reduced costs, and Blue Bar ore treatment began, boosting future production. At 30 March 2024, Calidus held A\$12.4M in cash and equivalents after an A\$8.0M debt repayment and A\$6.8M spent on development. Gold sales increased 40% to A\$40.5M from 14,153 ounces at an average price of A\$2,859/oz, with the hedge position reduced by 5,250 ounces. A A\$16.5M placement was completed, and an agreement with Macquarie Bank restructured hedge and debt arrangements, adding ~A\$40M in free cashflow for CY24.
10	May-24	Calidus announces it raised A\$6 million through an oversubscribed Share Purchase Plan, bringing total funds raised to A\$22.5 million (before costs), with new shares and options set to commence trading on 17 May 2024. Funds were intended to be used to repay debt and provide additional working capital to strengthen the Company's balance sheet.
11	Jun-24	Directors resolve that the Companies were insolvent or likely to become insolvent at some future time, with Hayden White and Daniel Woodhouse from FTI Consulting appointed as Joint and Several Voluntary Administrators of the Companies. Receivers are appointed over Calidus, Keras Pilbara and Calidus Blue Spec by Macquarie Bank pursuant to its security package, and immediately following the appointment of Administrators.

Source: ASX announcements; GTCF research.

The monthly share price performance of Calidus up to 28 June 2024 and the weekly share price performance of Calidus over the last 12 weeks is summarised below:

Calidus Resources Limited	Share Price			Average weekly volume '000'
	High \$	Low \$	Close \$	
Month ended				
Jul 2023	0.210	0.170	0.175	4,506
Aug 2023	0.180	0.165	0.170	1,988
Sep 2023	0.185	0.150	0.155	2,116
Oct 2023	0.230	0.125	0.195	4,649
Nov 2023	0.200	0.160	0.195	2,269
Dec 2023	0.220	0.165	0.215	3,007
Jan 2024	0.240	0.170	0.195	3,518
Feb 2024	0.190	0.145	0.160	3,310
Mar 2024	0.165	0.105	0.115	7,452
Apr 2024	0.155	0.115	0.140	13,837
May 2024	0.140	0.115	0.120	5,906
Jun 2024	0.125	0.100	0.115	6,644
Week ended				
15 Mar 2024	0.165	0.142	0.165	3,859
22 Mar 2024	0.140	0.117	0.125	5,754
29 Mar 2024	0.125	0.105	0.115	17,009
5 Apr 2024	0.150	0.115	0.150	25,808
12 Apr 2024	0.155	0.125	0.125	14,566
19 Apr 2024	0.130	0.120	0.130	11,748
26 Apr 2024	0.130	0.120	0.130	4,894
3 May 2024	0.140	0.125	0.125	6,540
10 May 2024	0.130	0.120	0.130	3,335
17 May 2024	0.135	0.115	0.125	10,736
24 May 2024	0.140	0.125	0.130	7,206
31 May 2024	0.130	0.120	0.120	3,216
7 Jun 2024	0.125	0.115	0.120	5,055
14 Jun 2024	0.120	0.105	0.115	6,583
21 Jun 2024	0.115	0.105	0.105	6,237
28 Jun 2024	0.115	0.100	0.115	8,701

Source: CapitalIQ and GTCF calculations

3.5.1 Top shareholders

The top 20 shareholders of the Company are set out in the table below:

Top 20 shareholders as at date of appointment			
Rank	Name	No. of shares	Interest (%)
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	59,746,628	7.33%
2	ALKANE RESOURCES LTD	54,685,118	6.71%
3	BNP PARIBAS NOMS	51,663,383	6.34%
4	MACMAHON CONTRACTORS PTY LTD	49,880,350	6.12%
5	MACQUARIE BANK LIMITED	34,643,052	4.25%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	30,148,170	3.70%
7	CITICORP NOMINEES PTY LTD	27,492,819	3.38%
8	MRS ELEANOR JEAN REEVES	20,842,230	2.56%
9	BNP PARIBAS NOMINEES PTY LTD	18,771,884	2.30%
10	BNP PARIBAS NOMS PTY LTD	17,935,574	2.20%
11	HAWKS BURN CAPITAL PTE LTD	9,555,602	1.17%
12	HAOMA MINING NL	9,517,887	1.17%
13	MR STACEY RADFORD	8,000,000	0.98%
14	UBS NOMINEES PTY LTD	5,813,739	0.71%
15	NG INVESTMENT GROUP PTY LTD	5,023,690	0.62%
16	ZERO NOMINEES PTY LTD	5,000,000	0.61%
17	J P MORGAN NOMINEES AUSTRALIA	4,954,217	0.61%
18	BNP PARIBAS NOMINEES PTY LTD	4,944,968	0.61%
19	MR PAUL SCOTT WALLBRIDGE	4,406,506	0.54%
20	ITA VERO PTY LTD	3,920,515	0.48%
Top 20 shareholders total		426,946,332	52.4%
Remaining shareholders		387,646,760	47.6%
Total ordinary shares outstanding		814,593,092	100.0%

Source: Report to Creditors dated 18 September 2024

4 Assessment of the Company's Financial Position

This section of the Report sets out the information provided by Directors regarding their assessment of the financial position of Calidus as at the date of appointing Administrators.

The table below provides a summary of the Directors' Report on Company Activities & Property ("ROCAP"), detailing their assessment of Calidus' assets and liabilities as of the Administrators' appointment date. This is compared to the unaudited financial statements of Calidus as of June 30, 2024.

Summary of financial position		30/06/2024	Directors'
A\$'000	Reference	Unaudited	ROCAP
Assets			
Cash and Cash Equivalents	4.1.1	1,019	1,084
Trade and Other Receivables	4.1.2	90	593
Property, Plant and Equipment	4.1.3	17	18
Related Party Loans Receivable	4.1.4	182,824	183,216
Financial assets	4.1.5	6,759	6,759
Other Current Assets	4.1.6	216	-
Total Assets		190,926	191,670
Liabilities			
Unsecured Creditors	4.2.1	615	376
Employee Entitlements	4.2.2	201	164
Related Party Loan Payables	4.2.3	15,467	15,518
Other Payables	4.2.4	-	348
Total Liabilities		16,284	16,406
Estimated surplus / (deficiency) before costs		174,642	175,264

Sources: Administrators' Report to Creditors and unaudited 2024 financial statements.

4.1 Assets

4.1.1 Cash and Cash Equivalents

The unaudited 2024 financial statements of the Company reported cash and cash equivalents of A\$1.02 million, which varies slightly from the Directors' ROCAP of A\$1.08 million. We understand that the Receivers were in control of securing funds from various pre-appointment Macquarie Bank and ANZ bank accounts held by the Company. We acknowledge that these bank accounts are currently managed under the control of the Receivers and the balances of these accounts are subject to change.

4.1.2 Trade and Other Receivables

The Directors' ROCAP reported debtors to the amount of A\$593k as at date of appointment, which varies from FY2024 unaudited financial statements that report debtors of A\$90k. We understand that receivables comprise amounts due to the Company at the commencement of the Administration, including reimbursement costs from Golden Eagle mine camp.

4.1.3 Property, Plant and equipment

The Directors' ROCAPs disclose plant and equipment located at the head office, and predominantly the Calidus Group's mine sites. We understand that the A\$18k refers to Computer & Equipment, as well as Furniture & Fittings.

4.1.4 Related Party Loan Receivables

The unaudited 2024 financial statements of the Company show related party loan receivables of A\$169.75m, which varies from the Directors' ROCAP, which disclosed related party claims of A\$183.22m. We note that the unaudited 2024 financial statements included c.A\$15.47m of related party liabilities as a contra asset against the Related Party Receivables. We have updated the financials to be comparable to the Directors' ROCAP.

The below table details the Administrators' summary of related party claims as the unaudited 2024 financial statements of the Company:

Summary of Calidus Related Party Loan Receivables	
A\$'000	
Keras Pilbara	159,531
Keras Gold	156
Calidus Otways	146
Calidus Blue Spec	22,992
Total Related Party Loan Receivables	182,824

Source: Administrators' Report to Creditors.

4.1.5 Financial Assets

The Directors' ROCAP indicates that the Company held investments valued at A\$4.4 million in Pirra Lithium and A\$2.4 million in Subsidiaries.

4.1.6 Other Current Assets

As noted at 4.1.4, we reclassified various assets recognised within Other Current Assets on the Company's 2024 unaudited financial statements, so to allow it to be comparable with the Director's ROCAP. These reclassifications are as follows:

Other Current Assets \$'000		Re classified to
Prepayments	216	(no change)
Loan Rec Keras Pilbara (20)	159,531	Related Party Loan Receivables
Loan Rec Calidus Otways (30)	146	Related Party Loan Receivables
Loan Rec Keras Australia (40)	156	Related Party Loan Receivables
Loan Rec Calidus BlueSpec (50)	22,992	Related Party Loan Receivables
Investment in Keras Pilbara (20)	1,746	Financial Assets
Loan Rec Millenium Minerals (70)	(15,467)	Related Party Loan Payables
Investment in Millennium Minerals (70)	646	Financial Assets
Total Other Current Assets	169,965	
Updated Other Current Asset Balance	216	

Source: 2024 unaudited financial statements

4.2 Liabilities

The liabilities of Company comprise of unsecured creditor liabilities owing to related parties, trade and statutory creditors, employee entitlements, related party loan payables, and other payables.

4.2.1 Unsecured creditors

The Director's ROCAP indicate A\$376k (A\$615k in the Company's unaudited 2024 financial statements) of unsecured creditor liabilities owing to related parties and trade and statutory creditors.

4.2.2 Employee entitlements

As at the date of the Administrators' appointment, the Company employed 12 staff. As a result of the transition of the Warrawoona Gold Project by the Receivers on 10 July 2024, two employees were terminated and one employee resigned. We understand that the A\$164k outlined in the Directors' ROCAP is limited to the outstanding employee entitlements as at the date of administration. We note that this amount will likely materially differ to the ultimate value due to potential termination liabilities.

4.2.3 Related Party Loan Payables

The Directors' ROCAP indicates related party loan payables of A\$15.47 million. We understand that this amount is in relation to the loan provided to the Company by Millennium. As noted above, the unaudited 2024 financial statements included this balance as a contra asset against the related party receivables. We have updated the grouping in the summary table to be comparable to the Directors' ROCAP.

4.2.4 Other payables

Other payables amounting to A\$348k have been identified by the Directors as at the appointment of the Administrators. This amount is not reflected in the 2024 unaudited financial statements. However, we note that this discrepancy may be due to inconsistent mapping between the unaudited financial statements and the Directors' ROCAP, with this amount potentially being included in other accounts.

5 Residual value of equity in Calidus Resources Limited – Liquidation Outcome

5.1 Valuation methodologies

ASIC RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities, including the following:

- Discounted cash flow and the estimated realisable value of any surplus assets (“DCF Method”).
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets (“FME Method”).
- Amount available for distribution to security holders in an orderly realisation of assets (“NAV Method”).
- Quoted price for listed securities, when there is a liquid and active market (“Quoted Security Price Method”).
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this IER. Each of these methodologies is appropriate in certain circumstances.

ASIC RG 111 does not prescribe any of the above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert’s skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

5.2 Selected valuation methods

As outlined in Section 2, we have had regard to ASIC RG 111 in assessing the residual equity value of the Company on a liquidation basis. Shareholders’ residual equity must be assessed on the basis that the company is in administration on a ‘winding up’ or ‘liquidation’ basis where this is the likely or necessary consequence if the transfer of shares is not approved.

ASIC RG111 states that the residual value to shareholders should be derived by assessing the value of the company’s assets and/or business operations, less borrowings, other liabilities, and creditors’ claims.

The Calidus DOCA contains a mechanism whereby effectuation can occur via:

- the Deed Administrators effecting the transfer of all of Calidus shares to the extent permitted by the Section 444GA approval (‘Section 444GA Option’); or

- the Deed Administrators transferring all of the shares in Keras Pilbara and Calidus Blue and completion of the sale of Pirra Lithium Limited on terms of the Pirra Lithium Asset Sale Agreement (“Share Sale Option”).

The option between the Section 444GA Option and the Share Transfer Option is subject to the election or waiver of West Coast Gold Pty Ltd.

West Coast Gold Pty Ltd has advised that if the Section 444GA Approval is not granted, it will:

- proceed to issue notices that for the purposes of the Keras Pilbara and Calidus Blue Spec DOCAs waiving relevant Final Conditions Precedent, so as to facilitate the immediate effectuation of the Keras Pilbara and Calidus Blue DOCAs; and
- issue a notice under the Calidus DOCA confirming that the Final Conditions Precedent have not been satisfied and requesting that the Calidus DOCA be terminated, with the effect that Calidus will proceed into liquidation.

Accordingly, in a liquidation scenario, the business operations and main assets of Calidus (being Keras Pilbara, Calidus Blue and Pirra Lithium) would be divested to West Coast Gold Pty Ltd in exchange for:

- payment by the Proponent of cash contributions to A\$1,200,000 under the Keras Pilbara DOCA and A\$200,000 under the Calidus Blue DOCA (to be distributed, after a portion is applied to pay the costs of the Administrations, to unsecured creditors through the establishment of the creditors’ trust);
- assumption of leave entitlements of the employees of Calidus, employed by the Proponent on effectuation; and
- a reduction of debt owed by Calidus, Keras Pilbara and Calidus Blue to West Coast Lending Pty Ltd in the total amount of A\$96,000,000.

The Joint Sale Process appears to have been an open and competitive sale process. ASIC RG 111.74 requires that an expert “consider valuation evidence provided by the sales process conducted by the administrator (if any)” in assessing the value of a business or underlying assets.

We note that the Joint Sale Process did not result in a proposal that would have extinguished the amount owed to West Coast Lending Pty Ltd.

The ultimately successful proposal for this process was from West Coast Gold Pty Ltd comprising six DOCAs for Calidus and each of its subsidiary companies. In circumstances where Keras Gold, Calidus Otways and Millennium have now left the group, and assuming the Calidus DOCA does not proceed, the Keras Pilbara DOCA and Calidus Blue DOCAs (including the Pirra Lithium ASA) effectively provide for the transfer of the Calidus assets in exchange for the aggregate value set out above. No business operations will remain in the Company under the liquidation scenario.

Having regard to the above and given the Company is currently insolvent and under external administration, we consider it most appropriate to value the residual equity available to shareholders

based on an orderly realisation of assets methodology. We have not relied on the other valuation methodologies for the reasons outlined below:

- The discounted cash flow and capitalisation of future maintainable earnings methods would not be appropriate due to the current financial circumstances of the Company; and
- The quoted price would not be appropriate given the Company is currently suspended from trading on the ASX.

5.3 Valuation Summary – Liquidation Outcome

We have assessed the value of the shareholders' residual equity in the Company on a liquidation basis on the basis that the Share Transfer Option will come into effect if the Section 444GA application is unsuccessful.

On the basis of the above, we consider that there would be a material deficiency of assets available to meet the claims against the Company of approximately between A\$42.87 million (low) and A\$42.85 million (high), resulting in a residual equity value of nil as outlined in the table shown below.

Residual Equity Value in the Company		Liquidation Value	
A\$'000	Reference	Low	High
Residual assets			
Intercompany Loan Recoveries	5.4.1	109	109
Liquidator Recoveries	5.4.2	-	-
Property, Plant, and Equipment	5.4.3	-	17
Total Residual Assets		109	126
Liabilities			
Remaining Employee Entitlements	5.5.1	(440)	(440)
Trade and Other Payables	5.5.2	(16,458)	(16,458)
Borrowings	5.5.3	(25,951)	(25,951)
Total Excluded liabilities		(42,848)	(42,848)
Calidus Net Asset Position		(42,740)	(42,723)
Less: Liquidators' fees and legal fees	5.6	(130)	(130)
(Shortfall) of assets available to meet claims		(42,870)	(42,853)
Residual Equity Value in the Company		Nil	Nil

Sources: Report to Creditors dated 18 September 2024 and GTCF Analysis

On the basis of our findings that there would be nil residual equity value in the Company, as well as no business operations remaining in the Company under the liquidation scenario, we do not consider that there is a reasonable prospect of the Calidus shares obtaining some value within a reasonable time.

5.4 Residual Assets

5.4.1 Intercompany Loan recoveries

We note that the Company holds the following intercompany loans:

Summary of Calidus Related Party Loan Receivables	
A\$'000	
Keras Pilbara	159,531
Keras Gold	156
Calidus Otways	146
Calidus Blue Spec	22,992
Total Related Party Loan Receivables	182,824

Sources: Report to Creditors dated 18 September 2024

Should the Company enter liquidation, we anticipate the following recoveries from the distributions from the respective Deed Administrations / Creditor Trusts:

Summary of intercompany loan dividend recoveries		
\$'000	Unsecured Return of up to c/\$	Dividend Recoveries (\$)
Keras Pilbara	0.03 c/\$	48
Keras Gold	2.5 c/\$	4
Calidus Otways	6.9 c/\$	10
Calidus Blue Spec	0.2 c/\$	47
Total intercompany loan dividends recoveries		109

Sources: Report to Creditors dated 18 September 2024 and GTCF Analysis

5.4.2 Liquidator recoveries – Antecedent Transactions

The Administrators' report details their preliminary findings in relation to potential recoveries from voidable transactions in a liquidation scenario including their opinion as to the likelihood of there being substantiated and supportable claims.

Their findings are summarised below:

Area	Administrators' comments	Administrators' estimated recoveries
Insolvent Trading	The Administrators' preliminary investigations findings consider that the insolvency of the Company likely coincided with the appointment of Administrators to its trading subsidiaries. The Administrators have not indicated the existence of a claim for insolvent trading.	Nil
Unfair preferences	The Administrators consider that the potential for preferential payments being recovered for the benefit of creditors, are limited, for the following reasons: - Other than the key contractor Macmahon, all creditors were paid within terms; and - payments processed in the week prior to the appointment of Administrators to major suppliers are likely considered to have been paid as part of a continuing business relationship.	Nil
Uncommercial transactions	The Administrators did not identify any potential uncommercial transactions that would likely result in property being recovered for the benefit of creditors.	Nil

Unfair loans	The Administrators did not identify potential unfair loans that would likely result in property being recovered for the benefit of creditors.	Nil
Unreasonable payments to Directors	The Administrators did not identify any evidence of unreasonable payments to Directors.	Nil
Related entity benefit	The Administrators did not identify any evidence of unreasonable payments to related entities other than to those made in the ordinary course of business.	Nil
Arrangements to avoid paying employee entitlements	The Administrators did not identify the existence of any such arrangements.	Nil

Based on the investigations completed by the Administrators and their summary of same, it does not appear that there will be any return to the Company as a result of Liquidator recoveries.

5.4.3 Property, plant and equipment:

As noted above, the 2024 unaudited financial statements as well as the Directors' ROCAP identify an asset totalling A\$17k in relation to the remaining Property, Plant and Equipment. We consider that the ultimate recovered amount will be between A\$0 and A\$17k. This is due to our understanding that the remaining Property, Plant and Equipment is comprised of fixtures and fittings which are unlikely to be recovered by a Liquidator in a Liquidation.

5.5 Liabilities

5.5.1 Employee entitlements

We understand that any employee entitlements related to excluded employees under the Calidus DOCA are to remain with the Company. We have received a spreadsheet from the Administrators detailing the entitlements for both continuing and non-continuing employees, including those who have resigned or been made redundant

We have been advised that one of the non-continuing employees is a director of the Company. The remaining entitlements for this director, after applying the entitlements cap as per s556 Corporations Act 2001 (Cth), will stay with Calidus, leaving a balance of A\$440,000 with the Company.

We understand that the remaining entitlements consist of the following:

Summary of employee entitlements	
A\$'000	
Annual Leave	108
PILN	240
Super on PILN	28
Redundancy	64
Total	440

Source: Administrators proforma balance sheet as at 23 October 2024

5.5.2 Trade and Other Payables

We have been provided with a summary of the Deed Administrators' estimate of unsecured creditor claims as at 23 October 2024, which indicate A\$16.5 million of unsecured creditor liabilities. We understand that not all unsecured creditor claims have been received and / or adjudicated on and are subject to change.

5.5.3 Borrowings

We understand that the A\$26.0 million in borrowings pertains to the Secured Facility. The Global Loan Agency Services Limited ("GLAS") estimates the balance of this security to be A\$126.0 million as of 21 October 2024. The DRD as detailed above, in conjunction with similar deeds entered into with Related Entities have had the following impact on the loan balance outstanding.

Summary of Secured Facility		
\$A'000	GLAS balance	Administrators' balance
Loan facility		
Facility A as at 21 October 2024	27,337	27,337
Facility B as at 21 October 2024	6,767	6,767
Total loan facility	34,104	34,104
Hedging Agreement	82,230	83,058
Receiver Loan	7,332	7,423
Administrators' Loan	1,555	1,704
Fees and costs	750	750
Total loan balance	125,971	127,039
Debt reduction		
Millenium Minerals	(3,000)	(3,000)
Keras Gold	(1,000)	(1,000)
Calidus Otways	(20)	(20)
Keras Pilbara / Calidus Blue	(90,000)	(90,000)
Pirra Lithium	(6,000)	(6,000)
Total loan balance less debt forgiveness	25,951	27,019

Source: Administrators' proforma balance sheet is as at 23 October 2024

5.6 Liquidator Costs

All existing costs and expenses of the Administrators will be settled from available property in the Creditors Trust, therefore only specific costs of liquidation are considered in this assessment. The Administrators have estimated that their costs of liquidation from the conclusion of the second meeting of creditors to the conclusion of the liquidation would be approximately A\$130,000.

6 DOCA Outcome

In Section 5 of this report, we considered and opined on the likely return to shareholders assuming the Share Transfer Option comes into effect and the Company proceeds to liquidation. We utilised this approach, as this outcome would be enacted in the event that the transfer of shares under Section 444GA is not approved.

The Creditor Report sets out the likely outcomes for creditors and employees under the scenario of the Calidus DOCA.

The contribution under the Calidus DOCA will allow for the following payments / distributions:

- first, an aggregated amount not exceeding A\$35,000 (exclusive of GST and disbursements) in payment of:
 - any amount which the Trustees are entitled to be paid or indemnified for under section 443D of the Act estimated to be A\$35,000 (exclusive of GST and disbursements);
 - the Trustees' Remuneration and Costs for and in connection with the performance of their duties and obligations as the Trustees of the Creditors' Trust, with their Remuneration to be calculated in accordance with this Deed;
 - the Deed Administrators' unpaid Remuneration and Costs (if any) for and in connection with the performance of their duties and obligations as the Deed Administrators of the DOCA, with their remuneration calculated in accordance with the terms of the DOCA; and
 - the Voluntary Administrators' unpaid Remuneration and Costs (if any) for and in connection with the performance of their duties and obligations as the Voluntary Administrators of Calidus, with their Remuneration to be calculated in accordance with the terms of the DOCA;
- second, the amount necessary to ensure that Class A Creditors in accordance with section 556(1) of the Act are paid A\$1 for every A\$1 owed on a pro rata basis in full;
- third, the amount necessary to ensure that Class B Creditors in accordance with section 556(1) of the Act are paid A\$1 for every A\$1 owed on a pro rata basis in full;
- fourth, the amount up to A\$30,000 to Class C Creditors to pay up to 100 cents for every A\$1 owed on a pro rata basis;
- fifth, the amount up to A\$20,000 to Class D Creditors to pay up to 50 cents for every A\$1 owed on a pro rata basis;
- sixth, the amount up to A\$75,000 to Class E Creditors to pay up to 20 cents for every A\$1 owed on a pro rata basis; and
- last, the amount of A\$50,000 to Class F Creditors to pay up to 1 cent for every A\$1 owed on a pro rata basis.

Under the Calidus DOCA, there would be a deficiency of available property to meet the claims in the Creditors Trust of approximately A\$16.03 million, with nil residual equity value in the Company, as outlined in below:

Estimated outcome statement			
A\$ (Unless otherwise specified)	Reference	Low	High
DOCA fund			
DOCA contribution	6.1	1,045,085	1,358,085
Recoveries from related party administrations	6.2	108,760	108,760
Total DOCA Fund		1,153,845	1,466,845
Trading and administration costs			
Legal fees	6.3	(375,000)	(475,000)
Advisor fees	6.3	(153,000)	(255,000)
Voluntary Administrators' remuneration	6.3	(300,500)	(351,000)
Deed Administrators' / Trustees' remuneration	6.3	(170,500)	(231,000)
Total trading and administration costs		(999,000)	(1,312,000)
Total assets available to creditors		154,845	154,845
Class A Creditors	6.4	11,236	11,236
Class B Creditors	6.4	Unknown	Unknown
Distribution to Class A and B Creditors at 100.0 c/\$		(11,236)	(11,236)
Shortfall to Class A and B Creditors		-	-
Class C Creditors	6.4	15,029	15,029
Distribution to Class C at 100.0 c/\$		(15,029)	(15,029)
Shortfall to Class C Creditors		-	-
Class D Creditors	6.4	28,501	28,501
Distribution to Class D at 50.0 c/\$		(14,250)	(14,250)
Shortfall to Class D Creditors		14,251	14,251
Class E Creditors	6.4	825,762	825,762
Distribution to Class E at 20.0 c/\$		(75,000)	(75,000)
Shortfall to Class E Creditors		750,762	750,762
Class F Creditors	6.4	15,467,359	15,467,359
Distribution to Class F at 1.0 c/\$		(50,000)	(50,000)
Shortfall to Class F Creditors		15,417,359	15,417,359
Total surplus / (shortfall) to creditors		(16,027,527)	(16,027,527)
Residual Equity Value in the Company		Nil	Nil

Sources: Administrators' Report to Creditors.

6.1 DOCA Contribution

The Calidus DOCA involved a cash contribution of approximately A\$1,080,000. Ultimately the amount is subject to the costs of the Administrations, and is currently estimated to be between A\$1,045,085 and A\$1,358,085.

6.2 Recoveries from related party administrators

The Company is entitled to submit claims in the administrations of other related entities and participate in any relevant distributions as an unsecured creditor. As per the 2024 unaudited financial statements

of Calidus, the balance of intercompany loan receivables is A\$182.8 million, with an estimated return of A\$108,760 in the Calidus DOCA scenario.

6.3 Professional fees & disbursements under DOCA

The Administrators' fees and disbursements are in accordance with actual fees incurred to 15 September 2024, and fees forecast to be incurred up to and including the Second Meeting. Deed Administrators' fees are forecast to be incurred for the period following the execution of the Calidus DOCA including to the completion.

Trustees' fees are forecast for the period following creation of the Creditors' Trust, including:

- Completion of the Creditors' Trust;
- Distribution of the Available Property to creditors; and
- Termination of the Creditors' Trust.

6.4 Creditors and classes

See Appendix D for a summary of the Creditor Classes.

7 Sources of information, disclaimer and consents

7.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Calidus Sale Information Memorandum and sale process letter (August 2024)
- CAI Organisation Chart
- CAI FY21 Financial Report
- CAI FY22 Financial Report
- CAI FY23 Financial Report
- CAI HY21 Interim Financial Report
- CAI HY22 Interim Financial Report
- CAI HY23 Interim Financial Report
- CAI HY24 Interim Financial Report
- FY24 unaudited management accounts and consolidation workbook
- Constitution - Calidus Resources Ltd - Adopted 25 November 2019 (AGM 2022) Amended
- Lease Agreement for CAI head office
- Summary of creditor claims
- Calculation of non-continuing employee entitlements
- Calidus DOCA
- Keras Pilbara DOCA
- Calidus Blue DOCA
- Calidus Creditors' Trust Deed
- CAI share register at 28 June 2024
- Loan Facility Agreement - Administrators

- Macquarie Loan facility agreements
- Macquarie Hedging facility agreement
- Macquarie General Security Deed
- Pirra Lithium Asset Sale Agreement
- Keras Pilbara and Calidus Blue Debt Reduction Deeds
- Debt Reduction Deed - Pirra Lithium
- Deed of Forbearance
- CAI fixed asset register
- CAI lease amortisation schedule
- Administrators' loan facility agreement
- Debt transfer certificate
- Internal models
- Press releases and announcements of Calidus on the ASX
- S&P Global / Capital IQ
- Various industry and broker reports
- Other publicly available information

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from the Management of Calidus Resources Limited and its Administrators.

7.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance Pty Ltd has prepared this report on the basis of financial and other information provided by the Company and its Administrators, and publicly available information. Grant Thornton Corporate Finance Pty Ltd has considered and relied upon this information. Grant Thornton Corporate Finance Pty Ltd has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance Pty Ltd has evaluated the information provided by the Company and its Administrators through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or

would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance Pty Ltd has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This Report has been prepared to assist the Court in their determinations as to whether to grant leave under Section 444GA of the Act. In particular, it is not intended that this Report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's valuation of the shareholders' residual equity in the Company for the purposes of, inter alia, assisting the Court in their determinations as to whether to grant leave under Section 444GA of the Act.

Calidus Resources Limited has indemnified Grant Thornton Corporate Finance Pty Ltd, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance Pty Ltd. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

7.3 Consents

Grant Thornton Corporate Finance Pty Ltd consents to the issuing of this report in the form and context in which it is to be sent to Calidus shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance Pty Ltd as to the form and context in which it appears.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses. This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model. Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction. Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Glossary

A\$ or \$	Australian Dollar
Act	Corporations Act 2001
Administrators or Deed Administrators	Hayden Leigh White and Daniel Hillston Woodhouse in their capacities as joint and several administrators of Calidus and each of its Subsidiaries.
APES 225	Accounting Professional and Ethical Standard 225 "Valuation Services"
ASIC	Australian Securities Investments Commission
ASX	Australian Securities Exchange
the Buyer	West Coast Lithium Pty Ltd
Calidus	Calidus Resources Limited or the Company or CAI
Calidus Blue Spec	Calidus Blue Spec Pty Ltd ACN 643 467 501 (Subject to Deed of Company Arrangement)
Calidus Blue DOCA	The deed of company arrangement executed by Calidus Blue Spec, the DOCA Proponent and the Deed Administrators on 9 October 2024
Calidus Cash Contribution	Cash contribution of approximately A\$1,080,000 that the Proponent was to provide
Calidus Group	Together, Calidus and its Subsidiaries
Calidus Otways	Calidus Otways Pty Ltd ACN 640 807 183
Calidus Otways DOCA	The deed of company arrangement executed by Calidus Otways, West Coast Lithium Pty Ltd and the Deed Administrators on 9 October 2024.
Calidus Shareholders or shareholders	Calidus Resources Limited Shareholders
DCF Method	Discounted Cash Flows Methodology
DOCA	Deed of Company Arrangement
DRD	Debt Reduction Deed – Pirra Lithium
EOI	Expression of interest
EPS	Earnings per share
ETF	Exchange Traded Fund
Final Conditions Precedent	Conditions precedent contained within the Calidus DOCA that were to be satisfied or waived by 30 November 2024 (unless otherwise extended by the Deed Administrators upon written request by the Proponent)
FME Method	Future Maintainable Earnings Methodology
FSG	Financial Services Guide
FTI Consulting	FTI Consulting (Australia) Pty Ltd
GBP	British Pound
GPN-EXPT	Federal Court of Australia's Expert Evidence Practise Note
GRI	Global Reporting Initiative Standard
GLAS	Global Loan Agency Services Limited
GT Model	Grant Thornton Corporate Finance Valuation Model
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987)
IER or Report	Independent Expert's Report
Initial Conditions Precedent	Conditions precedent contained within the Calidus DOCA that were to be satisfied by 7 October 2024
Joint Sale Process	Sale and recapitalisation process undertaken by the Receivers in collaboration with the Administrators on 5 August 2024
k	Thousand
Keras Gold	Keras (Gold) Australia Pty Ltd ACN 152 080 110
Keras Gold DOCA	The deed of company arrangement executed by Keras Gold, West Coast Metals Pty Ltd and the Deed Administrators on 9 October 2024
Keras Pilbara	Keras (Pilbara) Gold Pty Ltd ACN 169 795 037 (Subject to Deed of Company Arrangement)
Keras Pilbara DOCA	The deed of company arrangement executed by Keras Pilbara, the DOCA Proponent and the Deed Administrators on 9 October 2024
KordaMentha	KordaMentha Pty Ltd
LFA	Loan Facility Agreement - Administrators
LTM	latest twelve months
m	million

Macquarie Bank or Macquarie	Macquarie Bank Limited
Millennium	Millennium Minerals Pty Ltd ACN 003 257 556
Millennium DOCA	The deed of company arrangement executed by Millennium, West Coast Metals Pty Ltd and the Deed Administrators on 9 October 2024
NAV Method	Net Asset Value Methodology
Non Participating creditors	Continuing employees, being any employee who continues in their employment after the executed the Calidus DOCA; and Secured creditors
NZD	New Zealand dollar
Participating Creditors	Class A creditors, being non-continuing employees who do not continue in their employment after the effectuation of the Calidus DOCA; Class B creditors, being employees who resigned post proposal but before effectuation of the Calidus DOCA; Class C creditors, being creditors owed less than A\$3,000; Class D creditors, being key suppliers; Class E creditors, being other creditors; and Class F Creditors, being intercompany loan creditors
pcp	Prior comparative period
Pirra Lithium or Seller	Pirra Lithium Limited ACN 656 564 457
PLSD	Pirra Lithium Asset Sale Deed
Proponent or Purchaser	West Coast Gold Pty Ltd ACN 006 640 553
QSP Method	Quoted Security Price Method
Receivers	Richard Tucker and John Bumbak of KordaMentha, in their capacity as Receivers and Managers of Calidus (and previously Keras Pilbara and Calidus Blue)
Report to Creditors	Administrators report issued to creditors on 18 September 2024
RG 6	ASIC Regulatory Guide 6 "Takeovers: Exceptions to the general prohibition"
RG 111	ASIC Regulatory Guide 111 "Contents of expert reports"
RG 112	ASIC Regulatory Guide 112 "Independence of experts"
ROCAP	Directors' Report on Company Activities & Property
Section 444GA Option	the Deed Administrators effecting the transfer of all of Calidus shares to the extent permitted by the Section 444GA approval
Senior Creditor	West Coast Lending Pty Ltd
SFA	The Syndicated Facility Agreement dated 1 April 2021 (as amended) between Macquarie Bank (as lender) and Keras Pilbara (as borrower), and under which Calidus and Calidus Blue are guarantors
Shareholders	The shareholders of Calidus as at the date of this report
Share Sale Option	the Deed Administrators transferring all of the shares in Keras Pilbara and Calidus Blue and completion of the sale of Pirra Lithium Limited on terms of the Pirra Lithium Asset Sale Agreement Together, "Subsidiaries" or each a "Subsidiary"
Subsidiaries	<ul style="list-style-type: none"> - Keras Pilbara - Calidus Blue - Millennium - Calidus Otways - Keras Gold
s444GA	Section 444GA of the Act
Trading Multiples	Current trading multiples of comparable companies
US\$	United States Dollar
West Coast DOCA Proposal	Deed of Company Arrangement from the West Coast Group of Companies
YoY	Year on Year
YTD	Year to Date

Appendix C – Industry Overview

Calidus Resources Limited is focused on the exploration and development of gold, with its primary project being the Warrawoona Gold Project in the East Pilbara district of Western Australia. This positions Calidus within the broader gold mining industry, which is currently navigating a landscape of fluctuating gold prices, technological advancements, and heightened environmental and regulatory scrutiny. Accordingly, we have provided a brief overview of the gold industry.

Introduction

Gold is a precious metal known for its lustrous yellow appearance, durability, and malleability. Throughout history, it has been highly valued for its use in jewellery, currency, and as a store of value. Additionally, gold is utilised in various industrial applications due to its excellent conductivity and resistance to corrosion. Actively traded on international commodity markets, gold experiences daily price fluctuations driven by global demand and supply factors.

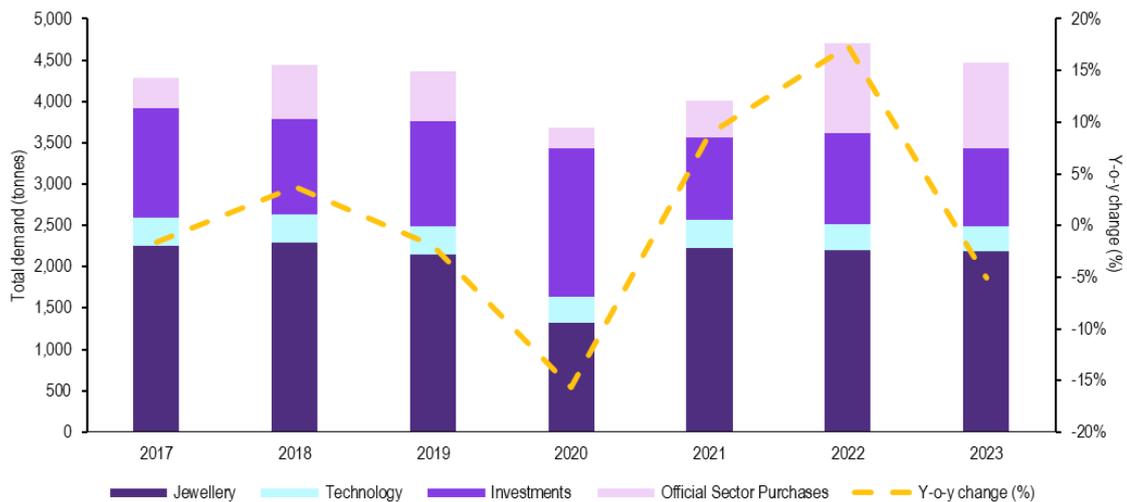
The key drivers influencing gold exploration and production are:

- *Gold prices* – Gold is viewed as a safe haven asset, with its prices typically rising during periods of significant market volatility. When gold prices are high, the potential for profitability increases and mining companies are more inclined to invest in exploration and development of new projects. Conversely, when prices are low, companies may scale back operations, delay new projects, or focus on cost-cutting measures to maintain profitability. The volatility of gold prices can thus lead to significant fluctuations in the level of exploration and production activity.
- *Technological Advancements* – Innovations in mining technology play a crucial role in enhancing the efficiency and safety of gold mining operations. Advances such as automation, remote sensing, and digitalization allow for more precise and cost-effective extraction processes. These technologies enable mining companies to access lower-grade ores that were previously uneconomical to mine, thereby expanding the potential resource base. Additionally, technological improvements can reduce environmental impact and improve worker safety, making mining operations more sustainable and socially acceptable.
- *Exchange Rates* – Gold is predominately traded in US dollars, making the relative exchange rates a critical factor influencing the volume of global gold trading and demand.
- *Environmental and Regulatory Scrutiny* – The gold mining industry is subject to increasing environmental regulations and scrutiny from both governments and the public. Companies must comply with stringent environmental standards, which can involve significant investment in eco-friendly technologies and practices. Compliance with these regulations can increase operational costs and extend project timelines.
- *Funding requirements* – Due to the inherent risks associated with gold mining, the availability and cost of capital to finance these projects can significantly influence the extent of gold exploration and production activities.

Demand

Gold demand is primarily driven by jewellery, global investment trends, central bank activities, and market/economic conditions. The graph below illustrates historical gold demand by category:

Historical global demand for gold by category (2017 to 2023)



Source: World Gold Council, historical demand and supply as at 31 December 2023.

Notes: (1) Official Sector Purchases refers to gold demand from Central bank and other institutions. (2) Investments comprises demand for bar and coin, ETF and other similar products.

The demand for jewellery fabrication is highly seasonal as it is linked to Indian and Chinese traditional festivities, noting that China and India are the largest consumers by volume, together accounting for approximately c. 57.0% of global demand for jewellery in 2023². However, in 2020, this demand declined materially due to weak consumer confidence caused by the COVID-19 pandemic, which significantly impacted gold prices.

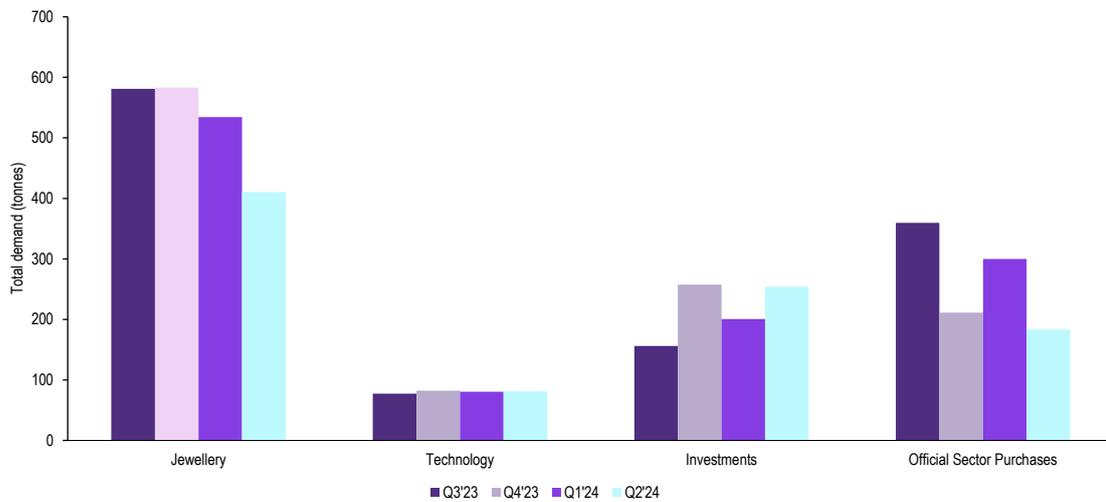
In addition, gold demand is affected by central banks' reserve requirements and more recently from gold backed exchange traded funds ("ETFs") which are relatively new financial instruments that allow investors to receive the benefits of owning physical gold without requiring storage.

Investors generally consider gold as a relatively safe investment asset and the demand for gold has increased over the last year due to volatile market conditions. The latest quarterly data included in the graph below demonstrates the demand for gold official sector purchases driven by heightened central bank demand resulting from economic uncertainty, with elevated debt and liquidity levels. On the flip side, investment demand for bar and coin, as well as ETFs has simultaneously decreased, with global gold ETFs³ sustaining a seventh consecutive quarter of outflows in Q4'2023. This trend is likely to be driven by the increasing yield offered by alternative investments, including Government bonds, which heighten the opportunity cost of holding gold.

² World Gold Council, Gold Demand Trends Full Year 2023.

³ Which are publicly listed investment funds that may hold gold.

Historical global demand for gold (Q3'2023 to Q2'2024)



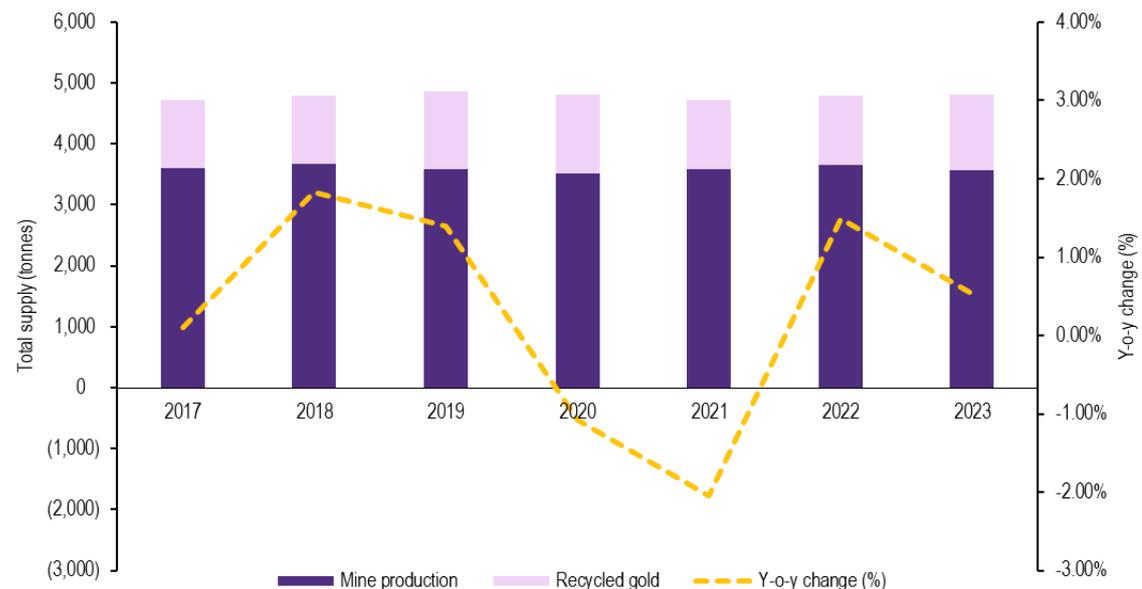
Source: World Gold Council, historical demand and supply as at 30 June 2024.

Notes: (1) Official Sector Purchases refers to gold demand from Central bank and other institutions. (2) Investments comprises demand for bar and coin, ETF and other similar products.

Supply

Gold supply primarily comes from two sources: mine production and the recycling of scrap gold. The graph below depicts the historical gold supply categorised by these sources:

Historical gold supply by category (2017 to 2023)



Source: World Gold Council, historical demand and supply as at 31 December 2023.

Notes: (1) Mine production is net of any hedging effect undertaken by the gold producers.

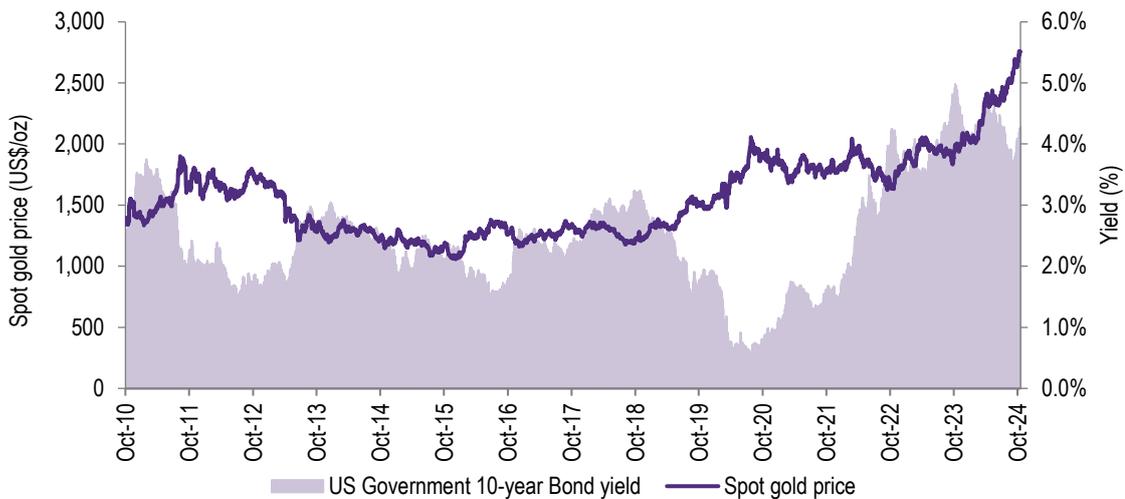
Since 2017, the global gold supply has experienced fluctuations, with a notable y-o-y growth decrease in 2020 due to COVID-19 disruptions. In 2020, the total supply dropped by 3% year-on-year to 4,633 tonnes, primarily due to a 3% reduction in mine production. Despite high gold prices, recycled gold supply only saw a modest increase. However, the supply began to recover in subsequent years,

reaching 4,953 tonnes in 2023, reflecting a rebound in mine production and a steady rise in recycled gold. This period highlights the significant impact of global events on gold production and recycling activities.

Gold price and outlook

Set out below is the daily historical spot price of gold (nominal) between October 2010 and October 2024 compared with the 10-year US Government Bond yield:

Historical gold price & 10-year US Government Bond

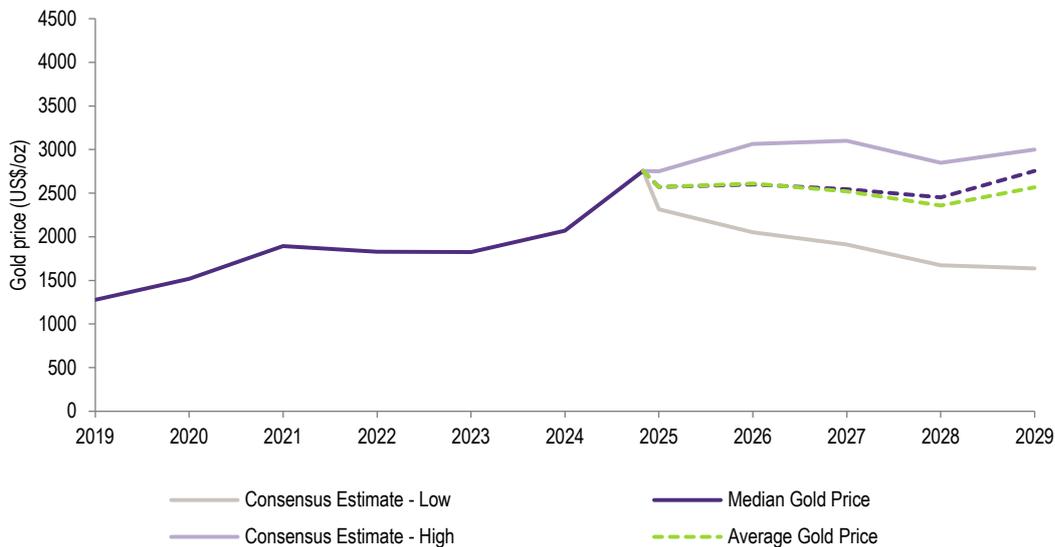


Sources: S&P Capital IQ; GTCF analysis.

Over the past decade, the gold spot price has experienced significant fluctuations. From 2014 to 2018, prices remained relatively stable, averaging around US\$1,200 to US\$1,300 per ounce. However, starting in 2019, gold prices began to rise sharply, driven by global economic uncertainties and geopolitical tensions. The price surged to over US\$2,000 per ounce in 2020, largely due to the economic impact of the COVID-19 pandemic and increased investor demand for safe-haven assets. After a slight dip in 2021, prices stabilised and continued to rise, reaching new highs in 2023 and 2024, with the current price around US\$2,772 per ounce.

The chart below provides a summary of historical and projected gold prices:

Historical and forecast gold prices



Source: Consensus Economics forecasts and Capital IQ

Over the past five years, gold prices have experienced significant fluctuations. In 2020, prices soared to record highs, surpassing US\$2,000 per ounce, driven by economic uncertainty and a surge in demand for safe-haven assets amid the COVID-19 pandemic. Following the pandemic, prices declined as global economies recovered and interest rates rose, making other investments more appealing. However, in recent years, prices have continued to surge due to several factors. These include sustained demand from central banks, particularly in emerging markets, and anticipated interest rate cuts by the Federal Reserve, which make gold more attractive as an investment. The strength of the U.S. dollar also played a significant role; a stronger dollar typically leads to lower gold prices as it becomes more expensive for foreign investors. Geopolitical tensions and inflation concerns have further influenced gold prices, with spikes during periods of heightened uncertainty. Major market shocks, such as the Brexit vote in 2016, the Black Monday sell-off of Chinese equities in 2017, US-China trade tensions, ongoing geopolitical tensions in the Middle East and Indo-Pacific regions, and more recently, the COVID-19 pandemic, the Ukraine-Russia conflict, and the Israel-Hamas conflict, have all impacted gold prices.

Gold mining in Australia

Gold mining is a well-established industry in Australia. Production volumes have grown over the past decade to c. A\$27.9 billion in 2023 from A\$16.5 billion in 2013⁴. Australia is the world's second-largest gold producing country, with c. 9% of global production in 2021 and is estimated to have the world's largest gold economic resources, with 11,980 tonnes (c. 22%) of total global economic demonstrated resources⁵. All resources occur in primary deposits, many of which have undergone some degree of weathering⁶ and only c. 0.3% of the resources are considered unavailable. However, most of the gold currently mined in Australia is very fine grained and mostly with concentration of less than 5g/t of rock

⁴ IBISWorld, Gold Ore Mining in Australia, November 2023.

⁵ Australian Government, as at 31 Dec 2021.

⁶ Weathered primary deposits are important to the gold industry because they are usually easier and cheaper to mine and the gold is easier to recover.

mined. Accordingly, the feasibility of mining these low concentration of gold resources largely depends on the underlying gold prices.

Historically, Australia has exported c. 90% of the annual production, with recent gold exports rising by 52% year-on-year to c. A\$7.5 billion in the December 2023 quarter. This was largely driven by a 36% increase in export volumes and a higher gold price. Australia's gold exports rose by 21% year-on-year to c. A\$28 billion in 2023. Global financial hubs including the United States, United Kingdom, Switzerland, Hong Kong, and Singapore collectively purchased A\$16 billion worth of gold in 2023 leading to a 39% year-on-year increase in exports in these regions, whilst gold exports to China fell 11% year-on-year. The Australian gold resources are significantly concentrated in WA, which accounts for c. 46% of Australia's gold economic demonstrated resources⁷. As a result, WA has historically accounted for c. 70% of the annual production in a given year.

⁷ Australian Government, as at 31 Dec 2020.

Appendix D – Creditor Classes

Class	Cap	Estimated Return	Definition
Class A and B	-	100.0 c/A\$	Priority (employee) creditor claims comprising any non-continuing employees who have been made redundant or resigned during the administration.
Class C	A\$30,000	99.8 c/A\$	<p>Creditors owed less than A\$3k of the advised amount, including:</p> <ul style="list-style-type: none"> • Automic Pty Ltd, • Fire Rescue Safety Australia, • HERSILLA PTY LTD T/a - Broadway Commercial Cleaning Service, • Kalgas Energy Services, • OccuMED Consulting Pty Ltd, • Precompetitive Review, • Abacus Calculators (WA) Pty Ltd, • ASX Operations Pty Ltd, • Caffissimo Holdings Pty Ltd, and • Red Coud Global Pty Ltd
Class D	A\$20,000	50.0 c/A\$	<p>Key suppliers, including:</p> <ul style="list-style-type: none"> • Moore Australia Audit (WA), • Hamilton Locke Pty Ltd, and • Scope Systems Pty Ltd
Class E	A\$75,000	20 c/A\$	<p>Other unsecured creditors, including:</p> <ul style="list-style-type: none"> • BASTION GEOTECHNICAL PTY LTD, • Integral Company Secretarial Services, • Mining Employment Services, • Noahs Rile Pty Ltd, • Resources Unity Enterprise Pty Ltd, • Silverstone Recruitment Pty Ltd, • SUYOG Consulting Services, • The Trustee for The Acacia Trading Trust, • West Drill Pty Ltd, • MineStrat Pty Ltd, and • Seequent Limited
Class F	A\$50,000	1 c/A\$	Intercompany loans, including amounts payable to Millennium Minerals Pty Ltd (Administrators Appointed)
Non-participating creditors	-	N/A	<p>Claims of the following creditors will survive the DOCA Proposal. Such claims will not be compromised, released or discharged by the DOCA:</p> <ul style="list-style-type: none"> • Claims of continuing employees whose entitlements (excluding superannuation and SGC entitlements) will be assumed by the Proponent. • Secured Creditors

Sources: Administrator's report to creditors.

11. Appendix 4 – Originating Process and Programming Orders

IN THE SUPREME COURT OF WESTERN AUSTRALIA

HELD AT PERTH

COR 166 of 2024

IN THE MATTER OF CALIDUS RESOURCES LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 006 640 553)

EX PARTE

**HAYDEN LEIGH WHITE AND DANIEL HILLSTON
WOODHOUSE IN THEIR CAPACITY AS JOINT AND
SEVERAL DEED ADMINISTRATORS OF CALIDUS
RESOURCES LIMITED (SUBJECT TO DEED OF
COMPANY ARRANGEMENT) (ACN 006 640 553)**

Plaintiffs

ORIGINATING PROCESS

Date of Document: 25 October 2024
Filed on behalf of: The Plaintiffs
Date of Filing: 25 October 2024



Prepared by:
Hamilton Locke
Level 39, 152-158 St Georges Terrace
PERTH WA 6000

Telephone: (08) 6311 9160
Email: info@hamiltonlocke.com.au
Reference: 42159

A. DETAILS OF APPLICATION

This application is made under sections 444GA(1)(b) and 447A of the *Corporations Act 2001* (Cth) (**Corporations Act**) and section 90-15 of Schedule 2 of the Corporations Act.

The Plaintiffs, Hayden Leigh White and Daniel Hillston Woodhouse (**Deed Administrators**), in their capacity as joint and several deed administrators of Calidus Resources Limited (subject to Deed of Company Arrangement) (ACN 006 640 553) (**Calidus**) apply for orders granting leave to transfer the shares in Calidus to West Coast Gold Pty Ltd (ACN 680 364 354) (**West Coast Gold**) or its nominee and related orders set out below.

FILED

29 OCT 2024

Via eLodgment
CENTRAL OFFICE
SUPREME COURT

The Plaintiffs are also the joint and several deed administrators of Keras (Pilbara) Gold Pty Ltd (subject to Deed of Company Arrangement) (ACN 169 795 037) (**Keras Pilbara**) and Calidus Blue Spec Pty Ltd (subject to Deed of Company Arrangement) (ACN 643 467 501) (**Calidus Blue**).

The application is made in accordance with the terms of a deed of company arrangement executed by the Deed Administrators, West Coast Gold and each of Calidus, Keras Pilbara and Calidus Blue on 9 October 2024 (**DOCAs**).

On the facts stated in the supporting affidavit(s), the Plaintiffs claim:

1. Pursuant to sections 444GA(1)(b) of the Corporations Act the Plaintiffs jointly and severally have leave to transfer all of the issued shares in the Company (**Shares**) from the Members (as defined in the Corporations Act), to West Coast Gold (or its nominee(s)).
2. Pursuant to section 447A(1) of the Corporations Act alternatively section 90-15(1) of Schedule 2 of the Corporations Act, an order that the Deed Administrators have leave to jointly or severally:
 - (a) execute on behalf of the Members of the Company, any share transfer forms and any other documents ancillary or incidental to effecting the transfer referred to in Order 1; and
 - (b) enter or procure the entry of the name of West Coast Gold (or its nominee(s)) in the share register of the Company in respect of all Shares transferred in accordance with Order 1.
3. The application be listed for a directions hearing on 29 October 2024 or such other date as the Court considers appropriate.
4. Programming orders in terms of the Plaintiffs' minute of proposed orders to be filed on 28 October 2024 for the first directions hearing.
5. The Plaintiffs' costs of and incidental to this application be costs and expenses of the DOCAs.
6. The Plaintiffs have liberty to apply.
7. Such further or other orders as the Court considers just, necessary or appropriate.

Date: 25 October 2024


.....

Plaintiffs' legal practitioner

This application will be heard by at the
Supreme Court of Western Australia at Perth at*a.m./*p.m. on

B. NOTICE TO DEFENDANT(S) (IF ANY)

Not applicable.

C. APPLICATION FOR WINDING UP ON GROUND OF INSOLVENCY

Not applicable.

D. FILING

Date of filing: 25 October 2024



.....
Principal Registrar

This originating process is filed by HAMILTON LOCKE for the plaintiffs.

E. SERVICE

The plaintiffs' address for service is –

Hamilton Locke
Level 39
152-158 St Georges Terrace
PERTH WA 6000
Australia

It is intended to serve a copy of this originating process on each defendant and on any person listed below —

Australian Securities and Investments Commission of Level 1, 11 Mounts Bay Road,
Perth WA 6000



**SUPREME COURT
OF WESTERN AUSTRALIA**

ABN: 70 598 519 443
DAVID MALCOLM JUSTICE CENTRE
28 BARRACK STREET
PERTH WA 6000
TELEPHONE: 9421 5333
FACSIMILE: 9421 5353

**WHITE & Anor
SUPREME COURT MATTER No. PER COR 166 of 2024**

This application has been listed for Tuesday, 3 December 2024 at 09:45 AM
at the Supreme Court, David Malcolm Justice Centre, 28 Barrack Street,
PERTH.

All parties are required to attend the hearing date unless otherwise advised.

Issued by the Supreme Court of Western Australia
31 October 2024





IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR/166/2024

EX PARTE:

**Hayden Leigh WHITE in capacity as JOINT
AND SEVERAL DEED ADMINISTRATORS
OF CALIDUS RESOURCES LIMITED
(SUBJECT TO DEED OF COMPANY
ARRANGEMENT) (ACN 006 640 553) -and-**

First Plaintiff

**Daniel Hillston WOODHOUSE in capacity as
JOINT AND SEVERAL DEED
ADMINISTRATORS OF CALIDUS
RESOURCES LIMITED (SUBJECT TO DEED
OF COMPANY ARRANGEMENT) (ACN 006
640 553)**

Second Plaintiff

**ORDERS OF JUSTICE HILL
MADE ON 30 OCTOBER 2024**

IT IS ORDERED that:

1. By 4.00pm on 1 November 2024, the Plaintiffs, Hayden Leigh White and Daniel Hillston Woodhouse, in their capacity as joint and several deed administrators of Calidus Resources Limited (Subject to Deed of Company Arrangement) (ACN 006 640 553) (Company) (Deed Administrators) are to:
 - (a) advertise this proceeding by causing a notice substantially in the form of “Annexure A” to these orders to be posted on the website maintained by the Deed Administrators at <https://www.fticonsulting.com/creditors/calidus-resources-group> (Deed Administrators’ Website), and by way of a company announcement to the Australian Securities Exchange (ASX);
 - (b) publish an advertisement of this proceeding substantially in the form of “Annexure B” to these orders in the following newspapers:
 - (i) The Australian;
 - (ii) The Australian Financial Review;
 - (iii) The West Australian; and
 - (iv) any other newspaper the Deed Administrators consider appropriate; and

- (c) send a copy of a letter substantially in the form of “Annexure C” to these orders to the shareholders and creditors of the Company by the following methods:
- (i) in the case of each shareholder who has elected to receive shareholder communications from the Company electronically (Email Shareholder), email to the Email Shareholder’s nominated address;
 - (ii) In the case each other shareholder who is not an Email Shareholder (Postal Shareholder):
 - (A) pre-paid or ordinary post, in respect of each Postal Shareholder who has a registered address in Australia;
 - (B) pre-paid airmail or air courier, in respect of each Postal Shareholder who has a registered address outside of Australia;
 - (iii) to each creditor known to the Plaintiffs by:
 - (A) email, to the extent that the Plaintiffs have been provided with an email address for the creditor (if any); or
 - (B) post, to the extent that the Plaintiffs have been provided with a postal address for the creditor (if any) (and no email address has been provided by the creditor);
2. Any person with a sufficient interest or shareholder entitled to oppose this application pursuant to section 444GA(2) of the Corporations Act who wishes to be heard in these proceedings file an appearance by 2.00pm on 2 December 2024.
3. A directions hearing be listed on 3 December 2024 at 9:45am before Justice Hill.
4. The plaintiffs’ application be listed for final hearing at 10.00am on 16 December 2024 (the Final Hearing).
5. The Deed Administrators are to further advertise the Final Hearing date for this proceeding by taking the following steps on a date(s) not less than 14 days prior to the Final Hearing Date, or any date to which the Final Hearing of this application is adjourned:
- (a) advertise this proceeding by causing a notice substantially in the form of “Annexure D” to these orders to be posted on the Deed Administrators’ website and by way of company announcement to the ASX;
 - (b) advertise this proceeding by causing an advertisement substantially in the form of “Annexure E” to these orders to be published in the following newspapers:
 - (i) The Australian;
 - (ii) The Australian Financial Review;
 - (iii) The West Australian; and
 - (iv) any other newspaper the Deed Administrators consider appropriate; and
 - (c) send a copy of the letter substantially in the form of “Annexure F” to these orders to the shareholders of the Company or any other relevant person pursuant to section 444GA(2) of the Corporations Act by email to the email address noted in the share register or otherwise known to the Deed Administrators alternatively by post if no such email address is known by the Deed Administrators.
6. The Plaintiffs and any person entitled to oppose this application pursuant to section 444GA(2) of

the Corporations Act have liberty to apply on 48 hours' written notice.

7. Costs be in the cause.

BY THE COURT

THE HONOURABLE JUSTICE J HILL



ANNEXURE A

[To be issued on the Deed Administrators' Website and ASX]

1. On 28 June 2024, Hayden Leigh White and Daniel Hillston Woodhouse (**Deed Administrators**) were appointed as joint and several voluntary administrators of Calidus Resources Limited (Subject to Deed of Company Arrangement) (ACN 006 640 553) (**Company**), pursuant to section 436A of the *Corporations Act 2001* (Cth) (**the Act**).
2. Subsequently, at a meeting convened pursuant to section 439A of the Act on 27 September 2024, the creditors of the Company voted in favour of a resolution for the Company to enter into a deed of company arrangement (**DOCA**). On 9 October 2024, that DOCA was executed by the Deed Administrators (in their former capacity as voluntary administrators of the Company), the Company and the proponent of the DOCA, West Coast Gold Pty Ltd (ACN 680 364 354) (**DOCA Proponent**).
3. The Deed Administrators confirm that the initial conditions precedent of the DOCA have been satisfied or waived.

Section 444GA application to court

4. The DOCA Proponent has elected to acquire all of the shares in the Company rather than acquire the shares in its wholly owned subsidiaries, Keras (Pilbara) Gold Pty Ltd ACN 169 795 037 and Calidus Blue Spec Pty Ltd ACN 643 467 501.
5. It is a condition of the DOCA that if the Proponent makes that election, the Deed Administrators obtain a court order pursuant to section 444GA of the Corporations Act.
6. The section 444GA court order will allow the Deed Administrators to transfer 100% of the shares in the Company (**Shares**) to the DOCA Proponent or its nominee(s).
7. On 29 October 2024, the Deed Administrators commenced COR 166 of 2024 in the Supreme Court of Western Australia (**Court**) seeking, amongst other things, orders under section 444GA of the Act, for the transfer of the Shares (**Section 444GA Orders**).

8. By way of that application, the Deed Administrators also seek an order pursuant to section 447A(1) of the Act alternatively section 90-15 of Schedule 2 of the Corporations Act dealing with the mechanics of the transfer.
9. A directions hearing is scheduled for 3 December 2024 at 9.45am (AWST). The Section 444GA Orders will not be made at this directions hearing.
10. Shareholders are entitled to be heard in relation to the application, including at the directions hearing on 3 December 2024. If you wish to be heard by the Court, you must enter an appearance by 2pm (AWST) on 2 December 2024.
11. The substantive hearing, at which the Court will determine whether to make the section 444GA Orders, is listed for 10.00am (AWST) on 16 December 2024.
12. If the Court makes the Section 444GA Orders, then 100% of the Shares will be transferred to the DOCA Proponent or its nominee for no consideration.
13. The application for the Section 444GA Orders is made on the basis that the Shares are of no value.
14. In order to determine the value of the Shares, the Deed Administrators have engaged an expert to prepare a report setting out the likely return to shareholders if the Court refuses to make the Section 444GA Orders and the Company is placed into liquidation (**Expert Report**).

Next steps

15. The Deed Administrators will make available to shareholders the Expert Report and an explanatory statement describing the section 444GA process.
16. It is expected that the Export Report and explanatory statement will be available for download from the following website, from before or on 28 November 2024:

<https://www.fticonsulting.com/creditors/calidus-resources-group>
17. It is highly recommended that from 28 November 2024 onwards you regularly review this website, as the Deed Administrators intend to upload additional relevant

documents to it, including orders made by the Court. A copy of the Expert Report and explanatory statement can also be emailed to you upon request, free of charge.

Your rights as shareholders

18. If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon as possible by calling the Calidus Admin Team on 08 9321 8533 or by emailing calidus.creditors@fticonsulting.com.
19. Shareholders have the right to provide the Deed Administrators with their views on the hearing in relation to the Section 444GA Orders. Please do so in writing so the Deed Administrators can provide your views to the Court, for the Judge's attention.
20. You can also instruct a barrister or lawyer to appear on your behalf at the hearing. If you propose to take either of these steps, please provide a copy of your correspondence, or notice of your intention to appear at the hearing, to the Deed Administrators, by no later than 2pm (AWST) on 2 December 2024, by way of email to calidus.creditors@fticonsulting.com.
21. If you do not enter an appearance by the deadline of 2.00pm (AWST) on 2 December 2024, the Court may determine that you are not entitled to be heard at any subsequent hearings including at the final hearing listed at 10.00am (AWST) on 16 December 2024.

ANNEXURE B

[Newspaper announcement 1]

Calidus Resources Limited (Subject to Deed of Company Arrangement) (ACN 006 640 553) (Company)

Court approval is being sought by the Deed Administrators to transfer all of the shares in the Company under section 444GA of the *Corporations Act 2001* (Cth) for no consideration payable to shareholders, on the basis that the shares are of no value.

If you wish to be heard in relation to the application for Court approval under section 444GA, you must enter an appearance by 2.00pm (AWST) on 2 December 2024 in Supreme Court of Western Australia proceedings COR 166 of 2024.

The next directions hearing is scheduled on 3 December 2024 at 9.45am (AWST) and the final hearing of the application is scheduled for 10.00am (AWST) on 16 December 2024.

For further information, please visit the Deed Administrators' website:

<https://www.fticonsulting.com/creditors/calidus-resources-group>

ANNEXURE C

[Letter to shareholders and any other relevant person]

[*insert shareholder's address*]

[*insert date*]

Calidus Resources Limited (Subject to Deed of Company Arrangement) (ACN 006 640 553) (Company)

1. We are writing to you as a shareholder of the Company.
2. Please read this letter as it contains important information about the proposed transfer of all of your shares in the Company for no consideration.
3. On 28 June 2024, Hayden Leigh White and Daniel Hillston Woodhouse (**Deed Administrators**) were appointed as joint and several voluntary administrators of the Company, pursuant to section 436A of the *Corporations Act 2001* (Cth) (**the Corporations Act**).
4. Subsequently, at meetings convened on 27 September 2024, the creditors of the Company voted in favour of a resolution for the Company to enter into a deed of company arrangement (**DOCA**). On 9 October 2024, that DOCA was executed by the Deed Administrators (in their former capacities as voluntary administrators), the Company and the proponent of the DOCA, West Coast Gold Pty Ltd (ACN 680 364 354) (**DOCA Proponent**).
5. The Deed Administrators confirmed that the initial conditions precedent of the DOCA have been satisfied or waived.

Section 444GA Application to Court

6. The DOCA Proponent has elected to acquire all of the shares in the Company rather than acquire the shares in its wholly owned subsidiaries, Keras (Pilbara) Gold Pty Ltd ACN 169 795 037 and Calidus Blue Spec Pty Ltd ACN 643 467 501.
7. It is a condition of the DOCA that if the Proponent makes that election, the Deed Administrators obtain a court order pursuant to 444GA of the Corporations Act. The

Section 444GA court order will allow the Deed Administrators to transfer 100% of the shares in the Company (**Shares**) to the DOCA Proponent or its nominees(s).

8. On 25 October 2024 the Deed Administrators commenced COR 166 of 2024 by applying to the Supreme Court of Western Australia (**Court**) seeking, amongst other things, orders under section 444GA of the Corporations Act, providing for the transfer of the Shares (**Section 444GA Orders**).
9. By way of that application, the Deed Administrators also seek an order pursuant to section 447A(1) of the Corporations Act, alternatively section 90-15 of the IPSC, dealing with the mechanics of the transfer.
10. A directions hearing is scheduled for 3 December 2024 at 9.45am (AWST). The Section 444GA Orders will not be made at that directions hearing.
11. Shareholders are entitled to be heard in relation to the application, including at the directions hearing on 3 December 2024. If you wish to be heard by the Court, you must enter an appearance by 2.00pm (AWST) on 2 December 2024.
12. The substantive hearing, at which the Court will determine whether to make the section 444GA Orders, is listed for 10.00am (AWST) on 16 December 2024.
13. If the Court makes the Section 444GA Orders, then 100% of the Shares will be transferred to the DOCA Proponent or its nominee for no consideration.
14. The application for the Section 444GA Orders is made on the basis that the Shares are of no value.
15. In order to determine the value of the Shares, the Deed Administrators have engaged an expert to prepare a report setting out the likely return to shareholders if the Court refuses to make the Section 444GA Orders and the Company is placed into liquidation (**Expert Report**).

Next steps

16. The Deed Administrators will make available to shareholders the Expert Report and an explanatory statement describing the section 444GA process.

17. It is expected that the Export Report and explanatory statement will be available for download from the following website, from before or on 28 November 2024:

<https://www.fticonsulting.com/creditors/calidus-resources-group>

18. It is highly recommended that from 28 November 2024 onwards you regularly review this website, as the Deed Administrators intend to upload additional relevant documents to it, including orders made by the Court. A copy of the Expert Report and explanatory statement can also be emailed to you upon request, free of charge.

Your rights as shareholders

19. If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon as possible by calling the Calidus Admin Team on 08 9321 8533 or by emailing calidus.creditors@fticonsulting.com.
20. Shareholders have the right to provide the Deed Administrators with their views on the hearing in relation to the Section 444GA Orders. Please do so in writing so the Deed Administrators can provide your views to the Court, for the Judge's attention.
21. You can also instruct a barrister or lawyer to appear on your behalf at the hearing. If you propose to take either of these steps, please provide a copy of your correspondence, or notice of your intention to appear at the hearing to the Deed Administrators, by no later than 2pm (AWST) on 2 December 2024, by way of email to calidus.creditors@fticonsulting.com.
22. If you do not enter an appearance by the deadline of 2.00pm (AWST) on 2 December 2024, the Court may determine that you are not entitled to be heard at any subsequent hearings including at the final hearing listed at 10.00am AWST on 16 December 2024.

ANNEXURE D

[To be issued on the Deed Administrators' Website and ASX]

Shareholder information

1. We, Hayden Leigh White and Daniel Hillston Woodhouse (**Deed Administrators**), refer to the previous announcement dated [DATE].
2. The Deed Administrators confirm that as set out in the announcement dated [DATE] a further directions hearing is listed at 9.45am on 3 December 2024 and the final hearing is scheduled for 10.00am on 16 December 2024.
3. We remind you that the Expert Report and explanatory statement describing the section 444GA process are available for download from the Deed Administrators' website:
<https://www.fticonsulting.com/creditors/calidus-resources-group>
4. It is highly recommended that you regularly review this website, as the Deed Administrators intend to upload additional relevant documents to it, including orders made by the Court. A copy of the Expert report and explanatory statement can also be emailed to you upon request, free of charge.

Your rights as shareholders

5. If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon as possible by calling the Calidus Admin Team on 08 9321 8533 or by emailing calidus.creditors@fticonsulting.com, alternatively you should urgently seek legal advice.

ANNEXURE E

[Newspaper announcement 2]

Calidus Resources Limited (Subject to Deed of Company Arrangement) (ACN 006 640 553) (Company)

Court approval is being sought by the Deed Administrators to transfer all of the shares in the Company under section 444GA of the *Corporations Act 2001* (Cth) for no consideration payable to shareholders, on the basis that the shares are of no value.

The final hearing has been scheduled for 10.00am (AWST) on 16 December 2024.

For further information, please visit the Deed Administrators' website:

<https://www.fticonsulting.com/creditors/calidus-resources-group>

ANNEXURE F

[Letter to shareholders and any other relevant person]

[*insert shareholder's address*]

[*insert date*]

Calidus Resources Limited (Subject to Deed of Company Arrangement) (ACN 006 640 553) (Company)

Final Hearing

1. We are writing to you as a shareholder of the Company.
2. We, Hayden Leigh White and Daniel Hillston Woodhouse (**Deed Administrators**), refer to our letter dated [DATE] (**First Letter**), regarding the application to the Supreme Court of Western Australia to transfer 100% of the shares in the Company, pursuant to section 444GA of the *Corporations Act 2001* (Cth) for no consideration (**Application**).
3. As set out in our First Letter, the Deed Administrators confirm that the Application is listed for a further directions hearing on 3 December 2024 and a final hearing at 10.00am (AWST) on 16 December 2024.
4. We remind you that the Expert Report and explanatory statement describing the section 444GA process are available for download from the Deed Administrators' website:
<https://www.fticonsulting.com/creditors/calidus-resources-group>
5. It is highly recommended that you regularly review this website, as the Deed Administrators intend to upload additional relevant documents to it, including orders made by the Court. A copy of the Expert Report and explanatory statement can be emailed to you upon request, free of charge.

Your rights as shareholders

6. If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon possible by calling the Calidus

Admin Team on 08 9321 8533 or by emailing calidus.creditors@fticonsulting.com, alternatively you should urgently seek legal advice.