



## Calais Resources Announces Corporate Debt Restructuring

Press Release: Source: Calais Resources December 22, 2010

Nederland, Colorado USA – CALAIS RESOURCES, INC (“Calais” the “Company”) (Pink Sheets: CAAUF) is pleased to announce a structured settlement of previously issued convertible debentures (the “debentures”). The debentures were originally issued to Judy Harvey in the amount of CDN\$2,994,741 with a conversion price of CDN\$1.23 per share. Argus Resources, Inc. also had a debenture in the amount of CDN\$215,422 with the same terms and conditions. An additional debenture with Lynn Martin in the amount of CDN\$1,103,214 was also settled. The settlements represent a total debt reduction of CDN\$4,313,377 (US\$4,749,092) for the Company. These debentures were all due and payable on May 31, 2011.

The debentures were settled with the following terms.

- Harvey Debentures: Payment of CDN\$ 149,737 and the issuance of 8,890,638 restricted common shares of Calais Resources. These shares will be held in escrow until the Cease Trade Order issued by the BCSC is lifted since the Harvey party is a resident of British Columbia, Canada.
- Argus Resources: Issuance of 659,730 restricted common shares of Calais Resources as full payment for the debenture.
- Martin Debenture: Payment of a total of CDN\$ 110,322 with four equal payments of CDN\$27,580.50 per quarter. The first payment was made on December 15, 2010.

Mr. David Young, President and CEO, commented on the settlement “This is an important step to restructuring Calais Resources and addressing the company’s current debt. The settlements equivalent share price of Calais is calculated to be US\$0.32 per share which represents a 100 % premium to the current share price of US\$0.16. The Harvey group are qualified investors that have been associated with Calais for many years. The confidence that they have shown in the completion of this agreement indicates the significant upside potential of Calais Resources as we bring the company back to full compliance, exploration and drilling as well as initial gold and silver production from the Cross Mine operations which are expected to begin in the summer of 2011.”

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### Calais Resources, Inc

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Website: Calaisresources.com

Calais Resources is in the process of completing, auditing and filing all of the delinquent SEC financial reports and filings for the past several years. These reports are expected to be completed and filed with the SEC in the first quarter of 2011. The Company plans to relist on the Bulletin Board exchange in the US as well as list on the TSX.V exchange in Canada.

## **About Calais**

Calais Resources owns and operates the Cross / Caribou gold and silver mine operations in Colorado and the White Caps mine operation in Manhattan, Nevada. The company is currently in the process of reopening the fully permitted Cross Mine and resuming exploration activities in Colorado as well as continued exploration activities in Nevada. The company is currently traded on the Pink Sheets exchange under the symbol CAAUF

## **FORWARD LOOKING STATEMENTS**

Certain statements contained herein and subsequent oral statements made by and on the behalf of the Company may contain “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward looking statements may be identified by words such as “intends,” “anticipates,” “believes,” “expects,” and “hopes” and include, without limitation, statements regarding the Company’s results of exploration, plan of business operations, potential contractual arrangements, receipt of working and construction capital, anticipated revenues and related expenses. Factors that could cause actual results to differ materially include, among others, than those set forth in the Company’s annual report on form 10-k for the fiscal year ending May 31, 2004 and other filings with the Securities Exchange Commission (SEC), under the caption of “Risk Factors”. Most of these factors are outside the control of the Company. Investors are cautioned not to put undue reliance on forward looking statements, except as otherwise required by applicable securities statutes or regulations, the Company disclaims any intent or obligation to update publically these forward looking statements, whether as a result of new information, future events or otherwise.

## **CAUTIONARY STATEMENTS FOR U.S. INVESTORS**

The resources estimates contained in the press release have been prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in Canadian National Instrument 43-101 (NI 43-101). These standards are different from the standards generally permitted in reports filed with the SEC. Under NI 43-101, Calais Resources reports measured, indicated and inferred resources, measurements which are generally not permitted in filings made with the SEC. The estimation of measured resources and indicated resources involve greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. US investors are cautioned not to assume that any part of the measured or indicated resources will ever be converted into economically mineable reserves. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources.

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Canadian regulations permit the disclosure of resources in terms of “contained ounces”; however the SEC only permits issuers to report “mineralized material” in tonnage and grade without reference to contained ounces. Under US regulations the tonnage and grade described herein under the “measured” and “indicated” categories would be characterized as mineralized material. The disclosure herein is being made by Calais Resources to provide a means of comparing its project to those of other companies in the mining industry, many of which are Canadian and report pursuant to NI 43 – 101, and to comply with applicable disclosure requirements.

US investors should be aware that Calais Resources has no “reserves” as defined by Guide 7 and are cautioned not to assume that any part or all of the potential target mineralization will ever be confirmed or converted into Guide 7 compliant “reserves”.

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