ASX ANNOUNCEMENT

23rd August 2018

ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold exploration company which controls the Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfield in Western Australia.

DIRECTORS AND MANAGEMENT

Mr Mark Connelly
NON-EXECUTIVE CHAIRMAN

Mr David Reeves
MANAGING DIRECTOR

Mr Adam Miethke
NON-EXECUTIVE DIRECTOR

Mr Keith Coughlan
NON-EXECUTIVE DIRECTOR

Mr Peter Hepburn Brown
NON-EXECUTIVE DIRECTOR

Mr James Carter
CFO AND COMPANY SECRETARY

calidus.com.au

ASX : CAI

+61 8 6245 2050

info@calidus.com.au

Suite 12, 11 Ventnor Ave
West Perth WA 6005
AUSTRALIA

Calidus Announces New Discovery

Mineralisation from Surface over 1,000m strike at St George Shear adjacent to Klondyke

Calidus Resources Limited (ASX:CAI)('Calidus' or the 'Company') is pleased to announce a drilling update based on results from the Company's Warrawoona Gold Project, located in the Pilbara of Western Australia. Calidus is undertaking a large resource infill and extension programme across the Warrawoona Project with an aim to expand the current resource to underpin a pre-feasibility study in 2019. As part of this programme, the Company is testing high priority targets including the St George Shear that have the potential to increase the Warrawoona resource.

HIGHLIGHTS

Wide spaced RC drilling of the St George Shear prospect ~150m North of the current 654,000 oz Klondyke resource highlights the potential to rapidly add ounces to Calidus' resource base with results including:

- **8m @ 3.9g/t Au** from 0m (incl. **1m @ 11.3g/t Au** from 0m) in 18SGRC008;
- **11m @ 1.53g/t Au** from 28m in 18SGRC012;
- **6m @ 2.27g/t Au** from 88m in 18SGRC013;

- Previous results in this area include:
  - **6m @ 9.39g/t Au** from 90m in KBP010;
  - **4m @ 6.08g/t Au** from 88m in W97_10
  - **4m @ 3.01g/t Au** from 72m in W97_12
  - **1m @ 13.0g/t Au** from 106m in W97_9
  - **1m @ 7.4g/t Au** from 111m in W97_9

- Klondyke-style mineralisation currently extends over 1,000m of strike along St George and remains open at depth with infill RC drilling to be fast-tracked and take place before the end of 2018;

- Assays received for final 18 holes of recent Klondyke East infill programme, significant intercepts include:
  - **7m @ 1.83g/t Au** from 29m in 18KLRC144;
  - **5m @ 2.49g/t Au** from 50m in 18KLRC132;
  - **8m @ 1.12g/t Au** from 55m in 18KLRC139;
  - **8m @ 1.3g/t Au** from 105m in 18KLRC139

Calidus Managing Director Dave Reeves commented, *"Our exploration programme continues to deliver strong results and highlights the significant discovery potential proximal to the existing Klondyke resource. The shallow intersections highlight the near surface gold potential across the St George Shear structure and it's potential to enhance the economics of any potential future development at Klondyke.*

This initial set of results from our first line of broad-spaced holes across the St George Shear validates the geological targeting model and further boosts our confidence in the potential of the regional shear structures to deliver results. We will undertake further drilling within this identified 1,000m zone with an aim to bring St George into our global resource.

We have just commenced RC resource upgrade drilling at the Copenhagen deposit as well as a diamond drill programme testing an 800m long continuous high-grade structure lying at the base of the current Klondyke pit design. With three drill rigs now in operation we look forward to reporting results on a regular basis"

St George Shear

The St George Shear structure lies ~150m north of and parallel to the Klondyke Main Shear, refer Figure One, and outcrops across approximately 12.5km strike length. A first pass reconnaissance line of 25 RC holes for 3,202m at a nominal 160m spacing has recently been completed, refer Table One. The aim of the drilling was to test the potential of regional shear structures paralleling the Klondyke trend to host significant gold mineralisation.

During regional mapping by consultants during 2016 it was noted that the geology and structure observed throughout the shear structure and historic workings was very similar to that of the Klondyke Shear outcropping directly to the south. A rockchip sample collected at this time, MS004 returned a grade of **9.98g/t** Au. Historic workings across the St George Shear structure report life of mine grades of up to **167.6g/t** Au (Mindex).

The style of geology and gold mineralisation intersected along the St George Shear is similar to the highest-grade lodes across the Klondyke Main Shear, including quartz veining, abundant sulphides and intense deformation. The Klondyke resource is currently defined along a 2.6km strike length and hosts a Mineral Resource of 9.9Mt at 2.06g/t Au for 654,000ozs. Gold mineralisation drilled to date at Klondyke has a strike extent of 4km and presently remains open in all directions. Mineralisation at St George is similar to Klondyke in terms of geometry, striking towards 100^0 and dipping steeply south. The estimated mineralised strike extent defined by this initial reconnaissance programme is currently approximately 1,000m and remains open in down dip. In addition, hole KBP010 that intersected **6m @ 9.39g/t Au** from 90m, lies ~90m west of the most westerly hole drilled in this programme offering up further opportunities on this shear.

In-fill drill planning is now underway for this area with a view to including in the next resource upgrade to maximise near surface resources for the upcoming pre-feasibility study which will kick-off in Q1 2019.

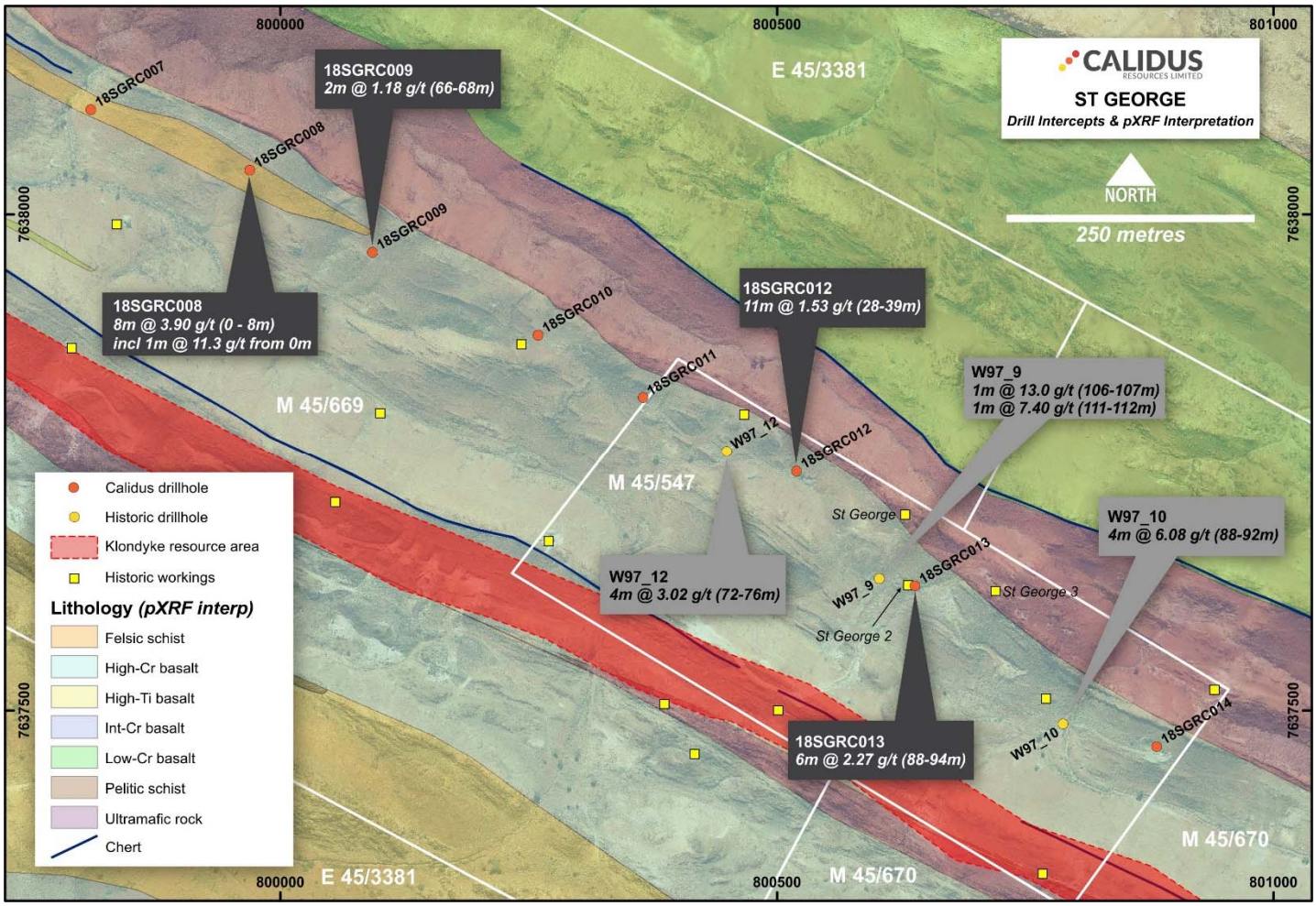


Figure One: St George Shear drill hole plan showing significant intersections received in recent drilling ~150m directly north of the current Klondyke 654koz Au resource overlain over lithologies interpreted via traverse mapping and pXRF sampling.

Klondyke East

A limited infill drilling programme has been completed over a prospective resource extension target that lies directly East of the current 654,000 oz Klondyke resource. An initial campaign of broad-spaced RC holes drilled earlier in 2018 successfully outlined the continuation of the main Klondyke mineralised shear zone up to 2km further East from the current Resource boundary and RC results from 18 additional drillholes representing 2,202m, are detailed in Figure Two and Table Two.

Results indicate the two parallel mineralised lodes seen in the main Klondyke resource area appear continuous, however strain partitioning along strike appears to vary. Throughout the current resource portion of the Klondyke Shear structure the stratigraphy is relatively planar, however as you move along strike it has major dip and thickness variations. Work is currently underway to select the most prospective portions of the Klondyke East extension for further infill drilling to resource status.

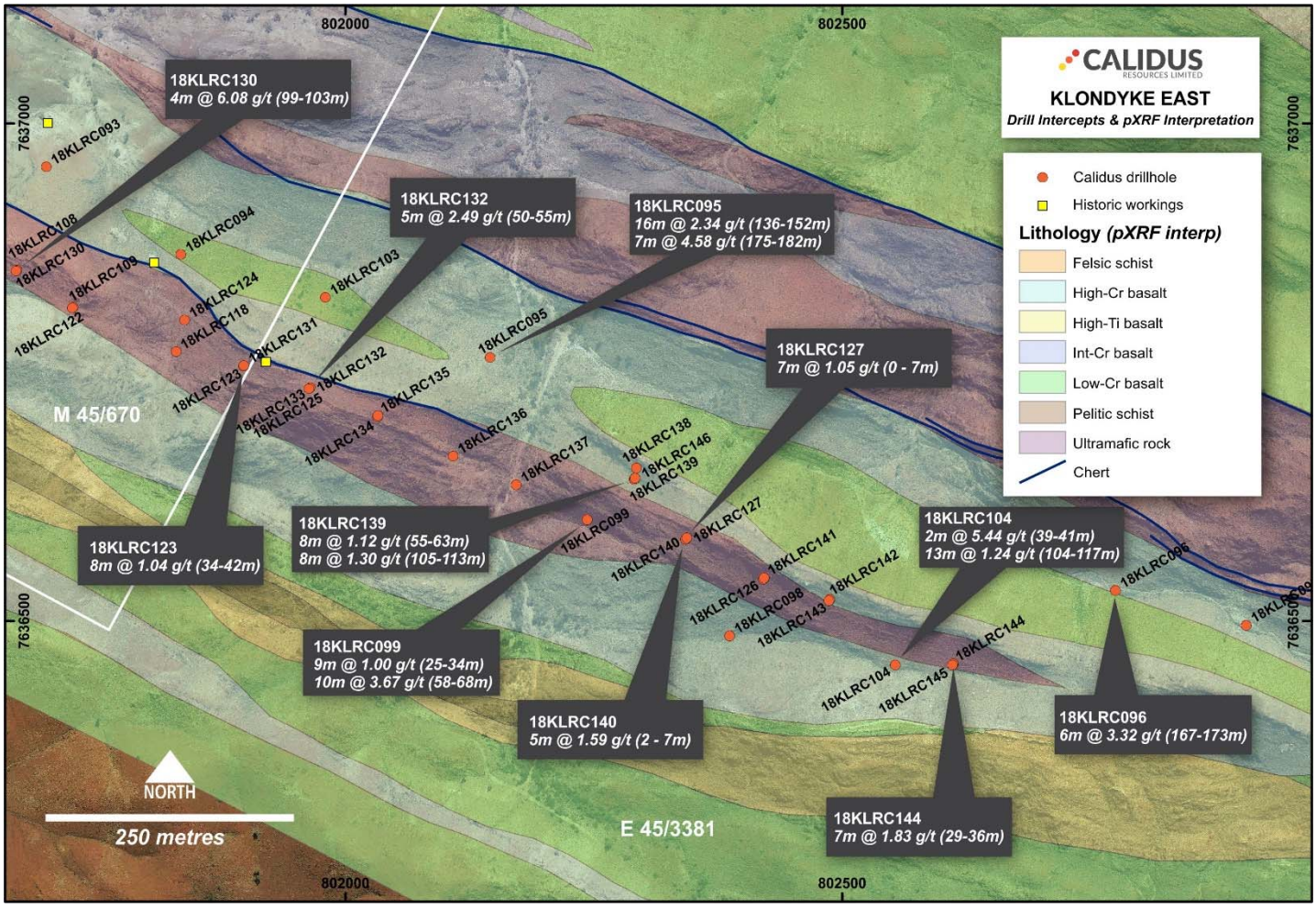


Figure Two: Klondyke East infill drill hole plan showing significant intersections received in recent drilling directly east of the current Klondyke 654koz Au resource overlain over lithologies interpreted via traverse mapping and pXRF sampling.

NEXT STEPS

Calidus Resources is presently undertaking the following exploration activities across Warrawoona:

- A large RC resource drilling programme across Klondyke Main, Klondyke East, Coronation and Copenhagen is ongoing with further drilling planned at the St George discovery;
- Project-wide soil geochemistry results being reviewed against hyperspectral and other geophysics for drillhole planning;
- Base-line flora and fauna environmental studies are continuing;
- Heritage clearance work is continuing;
- Work on the creation of a detailed 3D geological model for Klondyke and Copenhagen is ongoing.

The Company will release results of these programmes to the market as and when results become available.

Notes Specific-ASX Announcements

The following announcements were lodged with the ASX and further details (including supporting JORC Reporting Tables) for each of the sections noted in this Announcement can be found in the following releases. Note that these

announcements are not the only announcements released to the ASX but specific to exploration reporting on the Warrawoona Gold Project. The Company confirms that it is not aware of any new information or data that materially affects the information on the Project.

- 74% Increase in High Grade Warrawoona Resource to 712,000ozs: 18 December 2017
- Resource Development Drilling Expands Mineralisation at Warrawoona: 30 July 2018

Bibliography

- Geological Mapping in the Warrawoona Greenstone Belt, Western Australia, Rodinia Geological Services Pty Ltd, January 2017
- Bamboo Creek Project Final Report, BHP Minerals Pty Ltd, Volume 1 Text, September 1996

Competent Person's Statement

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Jane Allen a competent person who is a member of the AusIMM. Jane Allen is employed by Calidus Resources Limited. Jane has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Jane Allen consents to the inclusion in this announcement of the matters based on her work in the form and context in which it appears.

Disclaimer:

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)", "potential(s)"and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

For further information please contact:

Dave Reeves
Managing Director

dave@calidus.com.au

About Calidus Resources

Calidus Resources (ASX:CAI) is an ASX listed gold exploration company which controls the entire Warrawoona Gold Project in the East Pilbara District of the Pilbara Goldfield in Western Australia.

The Warrawoona Gold Project hosts a total Mineral Resource of 712,000 ozs at 2.12g/t Au (Indicated Mineral Resource of 8.4 Mt @ 2.01 g/t Au for 541,000 ozs, Inferred Mineral Resource of 2.1Mt @ 2.54g/t Au for 171,000 ozs) defined over a continuous 2.6km of strike which remains open in all directions. The Company controls approximately 467 square kilometres of prospective tenements that host over 200 historic workings and two satellite Mineral Resources at Fielding's Gully and Copenhagen.

The Directors believe that the Company is well positioned to grow the current resource base around the existing resources and via regional exploration. This is positioning the Company to become a new Australian focussed gold development company.

Table One: St George Shear Significant Intercepts

Hole_ID	Depth	North	East	RL	Dip	Azimuth	From	To	Width (m)	Grade (ppm)
18SGRC008	118	7638044.46	799969.13	294.26	-60.63	32.63	0	8	8	3.9
18SGRC008							13	14	1	1.14
18SGRC009	100	7637961.81	800092.75	300.21	-60.75	33	66	68	2	1.18
18SGRC009							75	76	1	1.02
18SGRC011	100	7637815.67	800365.11	293.15	-61.26	28.53	13	17	4	0.59
18SGRC011							28	29	1	1.32
18SGRC011							32	38	6	0.94
18SGRC012	100	7637741.02	800519.6	292.58	-61.2	29.27	28	39	11	1.53
18SGRC013	136	7637625.29	800638.9	293.5	-60.89	34.19	0	4	4	0.93
18SGRC013							10	12	2	0.77
18SGRC013							46	49	3	0.53
18SGRC013							88	94	6	2.27
18SGRC013							129	132	3	0.88
18SGRC014	124	7637463.57	800882.3	298.97	-60.03	30.69	37	38	1	0.53
18SGRC014							64	66	2	0.67
18SGRC014							99	100	1	0.9
18SGRC025	232	7637196.64	801693.88	277.45	-60	210	12	13	1	1.53

Table Two: Klondyke East Significant Intercepts

Hole_ID	Depth	North	East	RL	Dip	Azimuth	From	To	Width (m)	Au Grade (ppm)
18KLRC125	130	7636733.87	801963.53	319.06	-59.93	35.14	0	2	2	0.73
18KLRC125							23	24	1	1.18
18KLRC125							27	28	1	0.6
18KLRC125							35	37	2	0.58
18KLRC125							44	45	1	0.54
18KLRC126	166	7636542.11	802420.554	314.29	-69.3	30.96	111	112	1	0.62
18KLRC127	154	7636582.16	802342.211	314.69	-68.59	38.74	0	7	7	1.05
18KLRC127							12	13	1	0.58
18KLRC127							41	42	1	0.58
18KLRC127							116	121	5	0.65
18KLRC127							132	133	1	0.92
18KLRC132	88	7636734.69	801964.17	318.99	-50.8	32.44	19	20	1	0.51
18KLRC132							28	33	5	0.82
18KLRC132							45	46	1	1.32
18KLRC132							50	55	5	2.49
18KLRC132							82	83	1	0.92
18KLRC133	130	7636733.11	801963.12	319.1	-70.9	33.7	3	4	1	1.21
18KLRC133							40	41	1	1.19
18KLRC133							51	54	3	0.71
18KLRC133							75	76	1	0.67
18KLRC133							127	128	1	0.6
18KLRC134	130	7636704.95	802031.94	316.83	-69.75	29.99	55	56	1	0.52

18KLRC134							66	67	1	0.56
18KLRC134							73	74	1	1.84
18KLRC134							78	79	1	0.61
18KLRC135	82	7636706.25	802032.64	317.17	-49.38	28.04	29	33	4	0.36
18KLRC135							39	40	1	1.01
18KLRC135							77	79	2	2.06
18KLRC136	112	7636665.62	802108.41	289.68	-49.3	34.95	8	11	3	0.97
18KLRC136							18	20	2	1.07
18KLRC136							44	46	2	0.82
18KLRC136							55	58	3	0.82
18KLRC137	118	7636636.85	802171.59	272.87	-49.97	33.47	15	16	1	0.68
18KLRC137							22	23	1	1.75
18KLRC137							27	28	1	0.87
18KLRC137							33	34	1	0.55
18KLRC137							38	41	3	0.5
18KLRC137							54	56	2	2.89
18KLRC137							115	116	1	0.55
18KLRC138	100	7636642.14	802290.424	303.9	-50	210	18	19	1	1.17
18KLRC138							22	23	1	1.41
18KLRC138							32	37	5	1.17
18KLRC138							48	58	10	0.9
18KLRC138							63	65	2	0.84
18KLRC138							75	77	2	1.09
18KLRC139	160	7636643.61	802291.315	303.89	-69.5	207.96	2	4	2	0.82
18KLRC139							55	63	8	1.12
18KLRC139							76	77	1	2.49
18KLRC139							83	84	1	2.43
18KLRC139							105	113	8	1.3
18KLRC139							122	123	1	0.77
18KLRC140	100	7636583.47	802343.265	314.7	-48.93	38.33	2	7	5	1.59
18KLRC140							24	26	2	0.95
18KLRC140							75	77	2	0.66
18KLRC141	112	7636543.41	802421.320	314.47	-49.56	31.64	5	7	2	0.99
18KLRC141							63	64	1	0.86
18KLRC142	112	7636521.58	802487.234	306.69	-49.94	29.99	28	29	1	0.67
18KLRC142							44	49	5	0.84
18KLRC143	154	7636520.41	802486.483	306.58	-68.79	30.13	30	31	1	0.89
18KLRC143							97	98	1	0.9
18KLRC143							116	117	1	0.89
18KLRC144	100	7636457.02	802611.761	307.51	-50.28	33.81	3	4	1	0.71
18KLRC144							21	22	1	0.67
18KLRC144							29	36	7	1.83
18KLRC145	160	7636455.89	802611.046	307.27	-69.68	33.27	13	14	1	0.63
18KLRC145							19	22	3	1.45
18KLRC145							48	56	8	0.89
18KLRC145							60	61	1	0.69
18KLRC145							67	70	3	0.47
18KLRC146	94	7636653.66	802292.907	303.47	-60	30	46	48	2	0.57

JORC Code, 2012 Edition – Table 1

St George Shear and Klondyke East Prospects

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The information in this release relates to results from Reverse Circulation (RC) drillholes from both the St George and Klondyke East prospects, lying within the Warrawoona Gold Project in the East Pilbara of Western Australia. The St George Shear is a regional shear structure lying ~150m north of and parallel to the Klondyke Main Shear which hosts the current Klondyke resource of 654kOz. The Klondyke East prospect is the continuation of the Klondyke Main Shear to the east of where the current Klondyke resource extents lie. A total of 25 RC holes representing 3,202 metres has been drilled across the St George Shear, refer Table One for significant intercepts. Assay results representing the final 18 RC holes representing 2,202m of an RC infill drilling programme have been received at Klondyke East (refer Table Two). All holes were drilled from the sides of a steep ridge either to the south-west (210°), or north-east (030°), orthogonal to the overall strike of the mineralisation, with collar positions selected depending upon the topography. Holes were drilled dipping moderately (-60 degrees) on a variable spacing averaging 80m at Klondyke E and 160m at St George. Holes were planned in 3D using geological modelling software however drilled to variable depth upon observation from the supervising geologist. Drilling was being undertaken by Orlando Drilling Pty Ltd utilizing an Atlas Copco E235 Explorac RC track-mounted drill rig. An historic drillhole referenced in the body of this announcement, KBP010, was drilled by BHP Minerals Pty Ltd on 17/6/96 using a track-

		mounted Rotamec 130 drillrig supplied by Colby Drilling ex-Perth delivering 600psi at 900cfm when connected to an auxiliary booster. Nominal hole diameter is 125mm. Drillhole positions were estimated from an aerial photomosaic and locations plotted on maps and sections in a local BHP grid that was later transformed to MGA94_50.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Calidus RC samples were collected at one metre intervals by a cone splitter mounted to the drill rig cyclone, splitting the sample in 87.5/12.5 ratio. QAQC procedures being employed during drilling include the addition of blanks, standards and field duplicates at a rate of 1 in every 20 samples. BHP Minerals Pty Ltd split samples on site to produce a nominal 3kg sample using a multi-riflle splitter for dry samples and a simple cutter for wet samples. All splitting apparatus was attached to the drill rig and received samples direct from the sample delivery cyclone.
	Aspects of the determination of mineralisation that are Material to the Public Report.	RC drill holes were sampled at one metre intervals exclusively and split at the rig to achieve a target 2-5 kilogram sample weight. Samples were dried, crushed, split and pulverised by Nagrom Laboratories in Perth, WA prior to analysis of gold using either fire assay 50g charge. BHP Minerals Pty Ltd despatched samples to ALS laboratories in Perth, WA for Sample Preparation Technique P010, P016 jaw crush then pulverise entire sample to -75micron, with analysis method PM219 50g Fire Assay, PbO collection, finish Au IC586 mixed acid (total) digest, ICPOES finish
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Calidus RC drilling employed a diameter of 140mm (5.5”). Drilling was completed using a face sampling hammer with hole depths ranging from 135m to 250m. Down hole surveys have been picked up using a downhole gyroscope provided by Direct Systems Australia. BHP Minerals Pty Ltd drilled KBP010 on 17/6/96 using a track-mounted Rotamec 130 drillrig supplied by Colby Drilling ex-Perth delivering 600psi at 900cfm when connected to an auxiliary booster. Nominal hole

		diameter is 125mm.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Recovery and sample quality were visually observed and primary sample weights recorded onsite at the drill rig. RC sample recovery was generally excellent, except on the rare occasion where water was struck down hole.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC recoveries were visually checked for recovery, moisture and contamination.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Sample recovery was generally very good and as such it is not expected that any such bias exists.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All RC chips were geologically logged by a qualified geologist using predefined lithological, mineralogical and physical characteristic (colour, weathering etc) logging codes. RC logging was completed on one metre intervals at the rig by the geologist. RC chip trays are collected for each of the RC intervals and stored on site.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging was predominately qualitative in nature, although vein and sulphide percents were estimated visually.
	The total length and percentage of the relevant intersections logged.	100% of all recovered intervals were geologically logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	RC Drilling only
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples were collected from the full recovered one metre interval at the drill rig by cone splitter. All samples were collected dry with a minor number being moist due to ground conditions or associated with rod changes when drilling below water table. Orlando Drilling utilize an Atlas Copco 360psi/1300cfm auxiliary compressor unit with a Hurricane 1000psi/2400cfm booster unit to ensure samples are kept dry. BHP Minerals Pty Ltd split samples on site to produce a nominal 3kg

		sample using a multi-riflle splitter for dry samples and a simple cutter for wet samples. All splitting apparatus was attached to the drill rig and received samples direct from the sample delivery cyclone. Utilising the booster compressor, it was generally possible to maintain dry samples even up to 80 drill metres below the water table. Water injection was used to minimise damp samples and ensuing contamination such that holes were drilled either wet or dry. The few damp samples occurring at the change from dry to wet sampling were sampled using a spear.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation technique by NAGROM laboratory includes oven drying at 105°C for 8 hours, fine crushing to a nominal top size of 2mm, riffle split samples in excess of 3kg and pulverise to achieve a grind size of 95% passing 75 micron. BHP Minerals Pty Ltd despatched samples to ALS laboratories in Perth, WA for Sample Preparation Technique P010, P016 jaw crush then pulverise entire sample to -75micron, with analysis method PM219 50g Fire Assay, PbO collection, finish Au IC586 mixed acid (total) digest, ICPOES finish. This is considered appropriate.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Calidus Field QAQC procedures include the field insertion of blanks, standards and collection of field duplicates. These are being inserted at a rate of 5% for each to ensure an appropriate rate of QAQC.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Field duplicates from RC samples drilled to date generally showed an average correlation between original and duplicates reflecting the observed nuggetty and variable nature of mineralisation at Klondyke.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes collected are in line with standard practice.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Assays are completed in a certified laboratory in Perth, WA, NAGROM. Fire assay is considered a total digest and is completed using the lead collection method using a 50 gram charge. The prepared sample is fused in a flux to digest. The melt is cooled to collect the precious metals in a lead button. The lead is removed by cupellation and the precious metal

		bead is digested in aqua regia. The digest solution is analysed by ICP.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Work by the CSIRO in the Yilgarn Craton indicated that a diagram of Ti, Cr and Zr effectively distinguished major mafic and ultramafic rock types. A modification of this approach, using Cr/Ti ratios, was deemed more suitable for the Warrawoona Project area based on Minalyzer data collected by CSIRO at the Klondyke and Copenhagen gold deposits. A handheld Olympus rental pXRF unit was utilized however Calidus Resources have recently purchased a Vanta model VMR unit which will be introduced for use onsite once permitting is completed A standard methodology for pXRF analysis was recently implemented using seven new standards from CSIRO (pXRFstd001 – pXRFstd007) derived from diamond drillcore across the Warrawoona project.. The standards were analysed at the start of each session, after every 20 unknown samples, and at the end of each session. If assays for any standards failed to fall within an acceptable range (defined as two standard deviations of the baseline value), the standard was repeated until acceptable values were obtained before moving onto the next batch of unknown samples. Point data were plotted up for the Cr/Ti ratios using the subdivisions established by the CSIRO. The CSIRO subsequently determined that the intermediate-Cr unit was really a transitional rock type. Samples of metasedimentary rock and felsic schist plot in the same field as the high-Ti basalt. However metasedimentary rocks and felsic schist could be discriminated from the high-Ti basalts by the high Zr valies (typically > 150ppm) of the former. Rock descriptions made during sampling allowed the metasedimentary rocks and felsic schists to be reliably distinguished from each other.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the inhouse procedures. Results of these checks show that sample and assay procedures are to an acceptable level for exploration reporting. No bias has been detected.

Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intercepts have been reviewed in the available data by all senior geological staff.
	The use of twinned holes.	No historical holes have been twinned in this program.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Earlier primary data was collected into Excel spreadsheets on a Toughbook computer at the drill rig for transfer into the drill hole database. DataShed is used as the database storage and management software and incorporates numerous data validation and integrity checks using a series of predefined relationships. BHP Mineralis Pty Ltd initially collected data on handwritten geological template log sheets that were later entered into electronic format.
	Discuss any adjustment to assay data.	No adjustments have been made to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Surface RC and diamond drilling is marked out using GPS and final pickups using DGPS collar pickups. Down Hole surveys have been completed by Direct Systems Australia using a gyroscope.
	Specification of the grid system used.	The grid system used is MGA94 Zone 50. All reported coordinates are referenced to this grid.
	Quality and adequacy of topographic control.	Topographic control is based on aerial survey data collected using 2m contours. Quality is considered acceptable. Pre Calidus survey accuracy and quality assumed to industry standard.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drilling of the Klondyke East prospect has been completed on a variable spacing approaching 80m, and 160m across St George, drilled orthogonal to the strike of mineralisation.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Reporting exploration results only.
	Whether sample compositing has been applied.	Reporting exploration results only. No compositing is applied.

Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The gold mineralisation identified to date consists of a number of interpreted mineralised lodes striking approximately 115^0 and dipping steeply (80°-90°) to the south. Resource drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation close to perpendicular. As such the orientation of drilling is not likely to introduce a sampling bias.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The orientation of drilling with respect to mineralisation is not expected to introduce any sampling bias.
Sample security	*The measures taken to ensure sample security.*	The chain of custody is managed by Calidus employees and contractors. Measures are employed to ensure sample security and include the temporary storage of samples awaiting collection for transportation to Perth in a locked freight container, then shipment to Perth by a freight company direct to NAGROM laboratory. Samples are tracked during shipping.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	A review of the data against historical reports and information will be undertaken at the completion of the current drilling program.

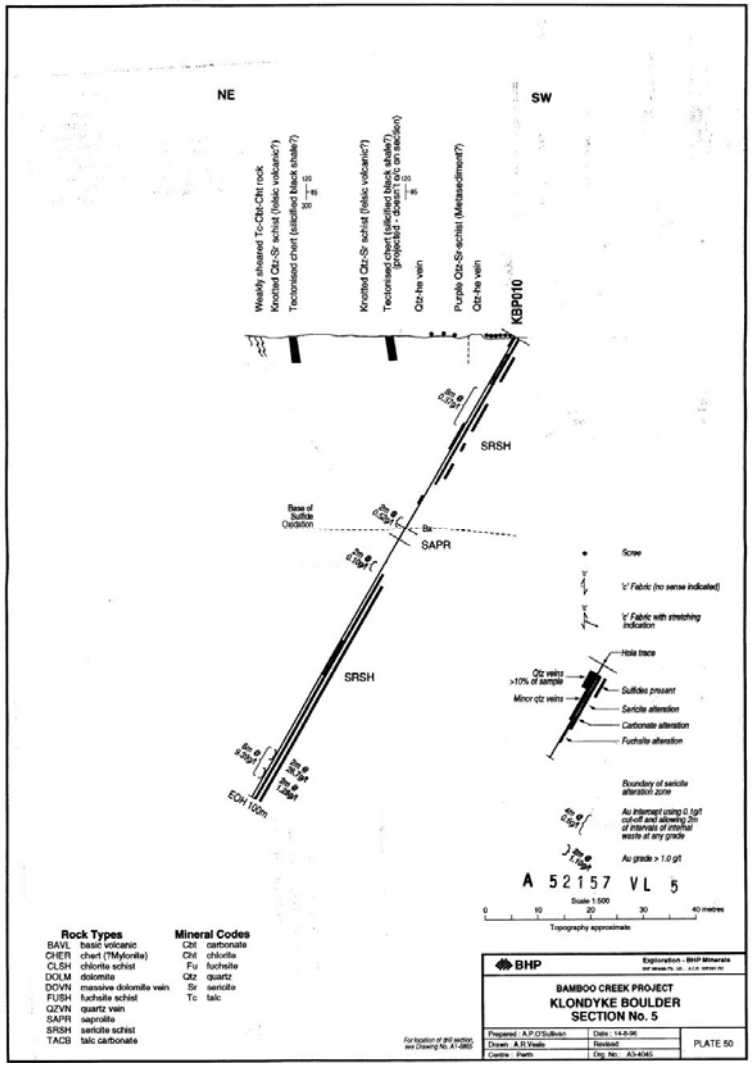
<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</td><td>The Klondyke Gold Project is situated in the East Pilbara District of the Pilbara Goldfield of Western Australia, approximately 150km SE of Port Hedland and approximately 25km SE of the town of Marble Bar.

The Klondyke East and St George prospects comprise both 100% owned and earn in agreements. All of these agreements pertaining to Klondyke are detailed in the Company’s prospectus.

<table>
<tr><th>Tenement</th><th>Owner</th><th>Size (Ha)</th><th>Renewal</th><th>Ownership</th></tr>
<tr><td>M45/547</td><td>Keras (Pilbara) Gold Pty Ltd</td><td>17.72</td><td>2/05/2035</td><td>100%</td></tr>
<tr><td>M45/669</td><td>Keras (Pilbara) Gold Pty Ltd</td><td>101.95</td><td>28/12/2037</td><td>100%</td></tr>
<tr><td>M45/670</td><td>Keras (Pilbara) Gold Pty Ltd</td><td>120</td><td>29/12/2037</td><td>100%</td></tr>
<tr><td>E45/3381</td><td>Beatons Creek Gold Pty Ltd</td><td>7,965.06</td><td>16/03/2021</td><td>Right to Earn in to 70%</td></tr>
</table>
</td></tr>
<tr><td></td><td>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>The tenements are in good standing and no known impediments exist.</td></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>The Klondyke area is thought to have been discovered as a result of the gold rushes to the Pilbara in the late 1880s. Modern exploration has been undertaken by the Geological Survey of Western Australia (GSWA) followed by a number of explorers in the mid-1980s and then from 1993 to the present day. During this period Aztec Mining, CRA, BHP, Lynas and Jupiter all conducted exploration in the Klondyke area. Drilling information from these explorers has been reviewed and included as part of the Dec 2017 Calidus Mineral Resource estimate, with the respective confidence in the quality considered in assignment of the</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		Mineral Resource classification applied.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Klondyke mining leases lie within the Warrawoona Group, one of the oldest greenstone belts within the Pilbara Craton. Composed largely of high-Mg basaltic lavas with lesser tholeiite, andesite, sodic dacite, potassic rhyolite, chert and banded iron formation (BIF), all metamorphosed to greenschist facies, the Warrawoona Group is sandwiched between the Mount Edgar Granitoid Complex to the north and the Corunna Downs Granitoid Complex to the south. Four deformation events are recognised in the area; the earliest is schistosity developed parallel to the margin of the Corunna Downs Batholith. The second deformation is local and involved tight isoclinal folding. The third deformation event is represented by intense shear zones which are associated with gold mineralisation. The shears are steep dipping to near vertical and are considered to have a reverse movement. The gold mineralisation is localised within the zone of intense shearing and carbonate and sericite alteration. The gold, along with disseminated pyrite and to a lesser degree chalcopyrite and arsenopyrite, occur in quartz veins and stringers in the Klondyke and St George regional shear structures. The quartz veins and stringers are generally approximately parallel to the predominant shear direction. Over some abandoned workings gold mineralisation is associated with copper as evidenced by the occurrence of malachite and other copper carbonates.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	The details of drill holes material to the exploration results reported in the announcement are included in this announcement, refer Tables One and Two

Criteria	JORC Code explanation	Commentary
	dip and azimuth of the hole *down hole length and interception depth* *hole length.*	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	All reported assays have been length weighted. No top-cuts have been applied in the compilation of length weighted grades for reporting of exploration results. A nominal lower cut-off grade of 0.5g/t Au is applied, with up to two metres internal dilution. Individual results below this cut off are reported where they are considered to be required in the context of the presentation of results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	High grade gold intercepts within broader lower grade intercepts are reported as included intervals. Estimated true widths are calculated and reported for drill intersections which intersect the lodes obliquely.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for reporting of exploration results.
Relationship between mineralisation widths and intercept lengths	*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	The gold mineralisation identified to date at the Klondyke project consists of a number of interpreted mineralised lodes striking approximately 115^0 and dipping steeply (80°-90°) to the south. Resource drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation close to perpendicular.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Included in announcement BHP Cross section of KBP 010:

Criteria	JORC Code explanation	Commentary
		
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration*	Reported Calidus RC drill results have been calculated using a 0.5g/t Au lower cut-off grade with a minimum intercept width of 1m. A total of up to 2.0 metres of internal waste can be included in the reported

Criteria	JORC Code explanation	Commentary
	Results.	intersection. BHP Minerals Pty Ltd reported grades across Klondyke using a total of 2m internal waste allowable, a top cut of 26.7 g/t Au and a minimum grade of 0.1g/t Au.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No other meaningful data to report
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Calidus Resources Limited will be focusing on the staged resource definition drilling at Klondyke East in addition to pit optimisation studies, metallurgical studies, development studies and exploration drilling at priority targets over the next 12 months.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Possible extension further east along strike and down dip. Diagrams are contained in this announcement.