

# ASX ANNOUNCEMENT

## 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

Ms Jane Allen  
GEOLOGY MANAGER

Ms Julia Beckett  
COMPANY SECRETARY

[calidus.com.au](http://calidus.com.au)

24 January 2019

## Quarterly Activities Report For the period ending 31 December 2018

### HIGHLIGHTS

- **Strategic Placement to Alkane Resources Raises \$3.7 million**
- **Update on Disposal of Non-Core Conglomerate Gold Rights**
- **Appointment of Project Manger for pre-feasibility study that is underway**
- **Further High-Grade Extensions at Klondyke & St George Results**

### POST QUARTER HIGHLIGHT

- **Less Than Marketable Parcel Share Sale Facility Completed**

The Board of Calidus Resources Limited (ASX:CAI) ('Calidus' or the 'Company') is pleased to provide the following activities report that outlines the progress made during the December 2018 Quarter. It has been a highly productive quarter with a number of key developments which are extremely positive for the Company leading in to the resource upgrade due to be announced in the current quarter.

### Strategic Placement to Alkane Resources Raises \$3.7m

On 17 October 2018 Calidus announced a strategic placement to Alkane Resources Limited (ASX:ALK) of 125m shares at 2.95c per share raising \$3,687,500. The placement included an issue of 70m free-attaching options, exercisable at 3.5c each option on or before 1 November 2019. This strategic technical alliance as part of funding allows Calidus to leverage Alkane's operational experience and cost base to assist in its upcoming studies.

### Update on Disposal of Non-Core Conglomerate Gold Rights

The Company announced the execution of a definitive agreement with Pacton Gold Inc (TSXV: PAC) (**Pacton**) in relation to the disposal of non-core conglomerate gold rights over certain tenements at Warrawoona (**Gold Rights**) in consideration for 7,000,000 shares in Pacton.

Highlights included:

- Execution of definitive agreement with Pacton over non-core conglomerate gold rights; and
- The Pacton transaction was completed whereby Calidus was issued Pacton shares following the transfer of Gold Rights.

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## Appointment of Project Manager

On 5 November 2018 the Company was pleased to announce the appointment of Mr Fernando Moutinho to the position of Project Manager. Mr Moutinho's appointment recognises the Company's commencement of the pre-feasibility study that is planned for completion mid next year.

## Further High-Grade Drilling Results Across Warrawoona

Calidus announced that its high-grade drilling results from the St George Shear and Klondyke East prospects confirm extensions to the current Resource area at its Warrawoona Gold Project in WA. These results form part of a larger resource infill and extension programme, aiming to expand the current 712,000 oz resource and underpin the commencement of a pre-feasibility study in 2019.

Highlights included:

Infill drilling for open-pit resources at the new high-grade gold zone **St George**, 150m North of the Klondyke Main resource, has returned significant intercepts including:

- **6m @ 7.61g/t Au (incl 1m @ 40.64g/t Au)** from 16m in 18SGRC031
- **8m @ 5.64g/t Au (incl 1m @ 11.03g/t Au, 1m @ 13.05g/t Au & 1m @ 10.95 g/t Au)** from 44m in 18SGRC032
- **14m @ 1.77g/t Au** from 35m in 18SGRC047
- **2m @ 10.23g/t Au (incl 1m @ 18.91 g/t Au)** from 91m in 18SGRC050

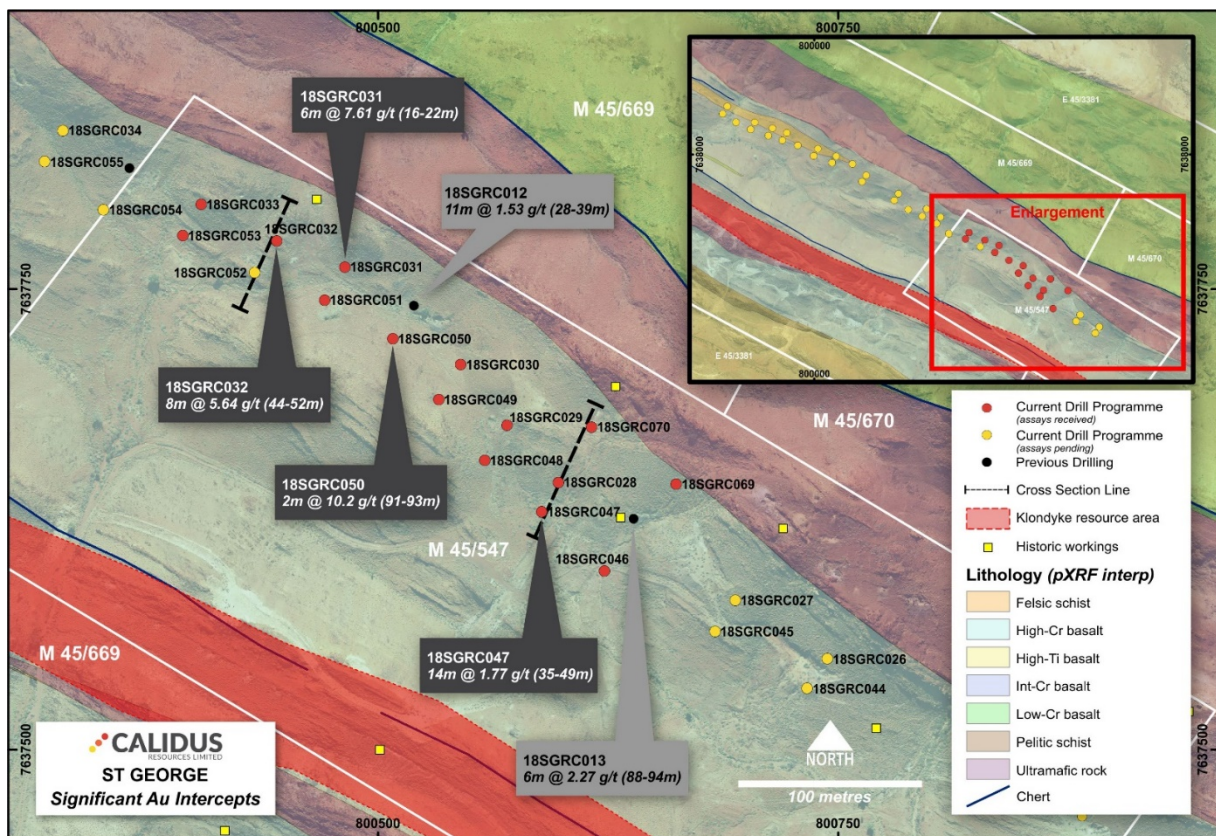


Figure One: St George Shear RC drillhole location plan showing Klondyke resource outline



Klondyke East in-fill drilling has returned the following significant intercepts:

- **2m @ 20.84g/t Au (incl 1m @ 40.51 g/t Au)** from 88m in 18KLRC152
- **6m @ 3.82g/t Au** from 93m in 18KLRC148
- **15m @ 0.97g/t Au** from 97m in 18KLRC172
- **2m @ 7.29g/t Au (incl 1m @ 12.75 g/t Au)** from 66m in 18KLRC157
- **1m @ 10.79g/t Au** from 2m in 18KLRC158

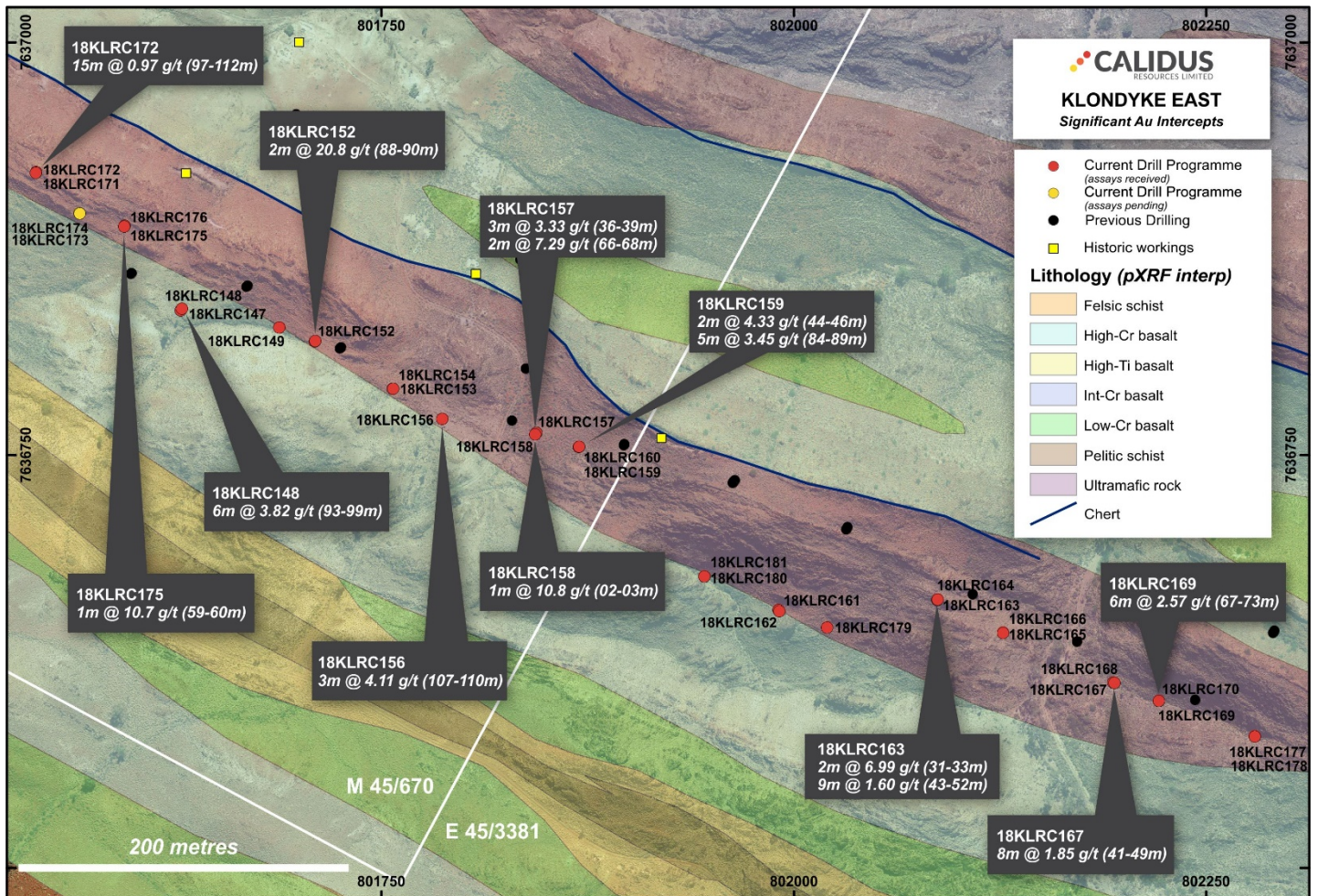


Figure Two: Klondyke East RC drillhole location plan showing interpreted geology and significant intercepts

## High-Grade Extensions at Klondyke & St George Results

On 6 December 2018 Calidus announced that initial high-grade drilling results from underneath the current **Klondyke** Mineral Resource show high grade depth extensions to the currently defined resource. In addition, all results had been received for the St George Shear drilling.

Assay results from 14 holes of a 22-hole core-drilling programme testing a continuous high-grade mineralised structure below the Klondyke resource have been received. These new results open up a significant untested area both along strike and at depth to be targeted by further drilling.



Single sample highlights of the drilling programme include:

- 12.65m @ 3.25g/t Au (incl 1m @ 14.27 g/t) from 253.3m in 18KLDD022;
- 6.97m @ 4.33g/t Au (incl 1m @ 12.24g/t) from 223.85m in 18KLDD015;
- 6.50m @ 3.43g/t Au (incl 0.73m @ 14.48g/t) from 207.8m in 18KLDD014;
- 6.55m @ 3.42g/t Au (incl 1m @ 7.0g/t) from 221.65m in 18KLDD019;
- 1.78m @ 11.82g/t Au (incl 0.5m @ 33.64g/t) from 248.22m in 18KLDD024;
- 1m @ 17.59g/t Au from 217m in 18KLDD028;
- 1m @ 12.04g/t Au from 246m in 18KLDD029;
- 0.5m @ 29.29g/t Au from 220.8m in 18KLDD015;
- 2.4m @ 5.19g/t Au from 241m to EOH in 18KLDD021;
- 1.3m @ 8.19g/t Au from 300m in 18KLDD032;
- 0.5m @ 15.14g/t Au from 196m in 18KLDD014;
- 1m @ 7.79g/t Au from 196m in 18KLDD012;
- 0.7m @ 8.43g/t Au from 188.5m in 18KLDD028.

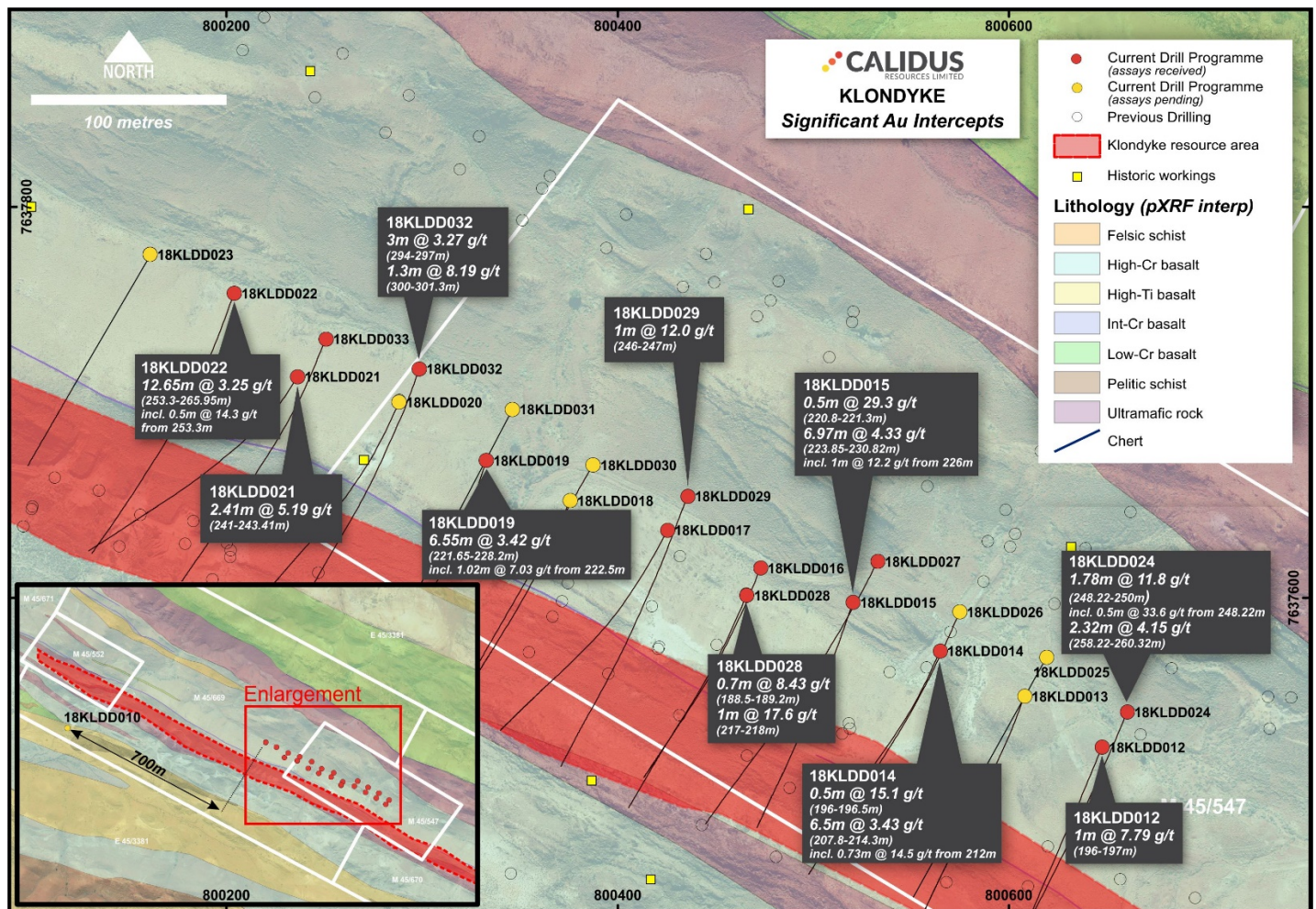
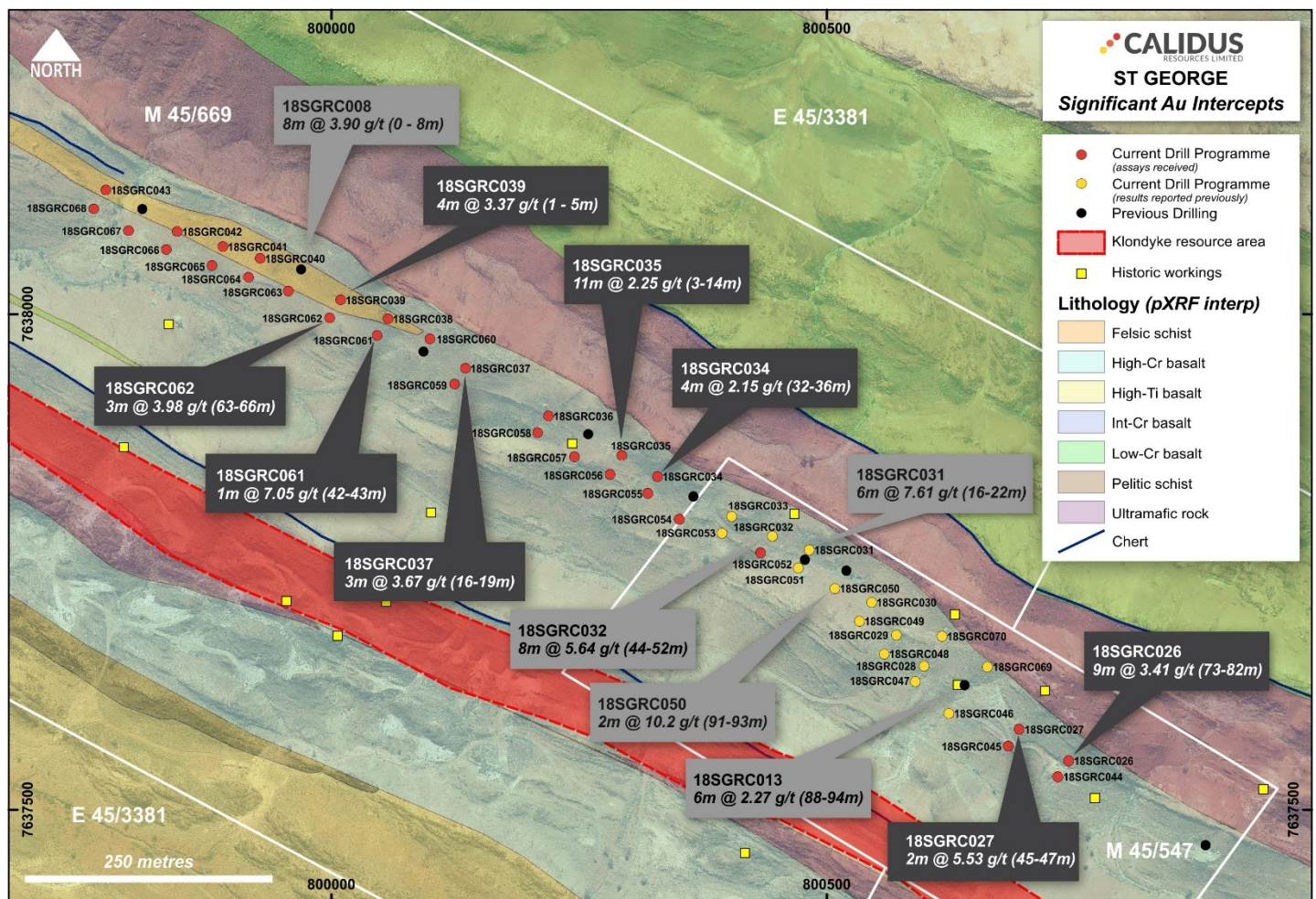


Figure Three: Klondyke Deeps significant intercepts received to date over interpreted mapped Calidus pXRF geology.



Drilling results at **St George Shear** were received in full and were reported for 30 holes representing 2,822m, refer Figure Four below. Assays include significant intercepts such as:

- **9m @ 3.41g/t Au (incl 1m@ 14.51g/t)** from 73m in 18SGRC026
- **11m @ 2.25g/t Au** from 3m in 18SGRC035
- **4m @ 3.37g/t Au (incl 1m@11.12g/t)** from 1m in 18SGRC039
- **2m @ 5.53g/t Au** from 45m in 18SGRC027
- **4m @ 2.15g/t Au** from 32m in 18SGRC034
- **1m @ 7.05g/t Au** from 42m in 18SGRC061
- **3m @ 3.98g/t Au** from 63m in 18SGRC062



**Figure Four:** St George Shear RC drillhole location plan showing Klondyke resource outline

Managing Director Dave Reeves noted that these results, combined with earlier intercepts recorded at 400m depth and 600m along strike, confirm a high-grade core forming the backbone of a large mineralised gold system which remains open at depth and along strike. These results will be included in the resource upgrade due in this current quarter.

## Corporate

The Annual General Meeting of Calidus Resources Limited was held on 27 November 2018 with all resolutions passed by a show of hands.

Post quarter, Calidus completed the less than marketable parcel share sale facility (**Facility**). The final number to sold under the Facility was 3,039,136 fully paid ordinary shares. Alkane Resources Ltd agreed to purchase the shares under the Facility at a price of \$0.03 per share in accordance with the offer that was announced on 28 November 2018.

Details of performance securities on issue at 31 December 2018 were:

Number	Description	Summary Terms & Conversion Hurdles
275,000,000	Class B Performance Shares	Escrowed 24 months from quotation. Convert to fully paid ordinary shares on a 1:1 basis on announcement of the completion of a positive Pre-feasibility study. Full details set out in section 11.5 of the Company's prospectus dated 8 May 2017.

The Class B Performance shares convert into an equal number of fully paid ordinary shares should the performance hurdles be satisfied. On 18 December 2017 the Company announced that 250 million Class A Performance shares were converted to fully paid ordinary shares.

At the end of the quarter Calidus and its subsidiaries held \$1.3m cash. Further details can be found in the Appendix 5B released with this announcement.

## Further Information

Calidus Resources (ASX:CAI) 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.

The Warrawoona Gold Project hosts a total Mineral Resource of 712,000 ounces at 2.11g/t Au (Indicated Mineral Resource of 8.4 Mt @ 2.01 g/t Au for 541,000 ounces, Inferred Mineral Resource of 2.1Mt @ 2.51g/t Au for 171,000 ounces) defined over 2.6km of strike which remains open in all directions. The Company controls approximately 550 square kilometres of prospective tenements that host over 200 historic workings and two satellite Mineral Resources at Fieldings Gully and Copenhagen.

The Directors believe that the recent consolidation of this goldfield will transform the Company into a new Australian gold development company with significant potential to unlock further resources and new discoveries within the emerging gold belt of the Pilbara Goldfields district, which is a historically proven gold mining region.

- END -

## **Notes Specific - ASX Announcements**

The information in this announcement that relates to Exploration Targets, Exploration Results and Mineral Resources was first reported by the Company to the ASX on 14 November 2017, 18 December 2017, 29 May 2018, 5 April 2018, 12 April 2018 and 20 June 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

### *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

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## Tenements Acquired or Disposed During the Quarter

### CALIDUS RESOURCES & SUBSIDIARIES TENEMENT SCHEDULE

Tenement ID	Holder	Size (ha)	Renewal	Ownership/ Interest	Acquired/Disposed during quarter
<b>GRANTED</b>					
E45/4856	Keras (Pilbara) Gold Pty Ltd	2,554.05	20/05/2023	100%	
E45/4857	Keras (Pilbara) Gold Pty Ltd	14,681.95	20/05/2023	100%	
E45/3615	Keras (Pilbara) Gold Pty Ltd	3,513.73	22/11/2020	100%	
E45/4236	Keras (Pilbara) Gold Pty Ltd	958.25	19/10/2019	100%	
E45/4905	Keras (Pilbara) Gold Pty Ltd	638.86	29/11/2022	100%	
E45/4906	Keras (Pilbara) Gold Pty Ltd	319.46	29/11/2022	100%	
E45/5178	Keras (Pilbara) Gold Pty Ltd	6,067.13	23/11/2023	100%	
M45/0521	Keras (Pilbara) Gold Pty Ltd	18.11	10/03/2034	100%	
M45/0547	Keras (Pilbara) Gold Pty Ltd	17.72	2/05/2035	100%	
M45/0552	Keras (Pilbara) Gold Pty Ltd	9.71	18/01/2035	100%	
M45/0668	Keras (Pilbara) Gold Pty Ltd	242.05	28/12/2037	100%	
M45/0669	Keras (Pilbara) Gold Pty Ltd	101.95	28/12/2037	100%	
M45/0670	Keras (Pilbara) Gold Pty Ltd	113.10	29/12/2037	100%	
M45/0671	Keras (Pilbara) Gold Pty Ltd	118.65	29/11/2037	Note 1	
M45/0672	Keras (Pilbara) Gold Pty Ltd	116.20	1/08/2037	100%	
M45/0679	Keras (Pilbara) Gold Pty Ltd	121.30	8/04/2017	100%	
M45/0682	Keras (Pilbara) Gold Pty Ltd	235.95	17/04/2038	100%	
M45/0240	Keras (Pilbara) Gold Pty Ltd	6.07	17/11/2028	100%	
<b>Applications</b>					
P45/3065	Keras (Pilbara) Gold Pty Ltd	29.45	APPLICATION	100%	Applied 16/03/2018
E45/5374	Keras (Pilbara) Gold Pty Ltd	22,018.45	APPLICATION	100%	Applied 09/11/2018
<b>Option to Acquire</b>					
E45/4555	Epminex WA Pty Ltd	1,917.75	1/03/2022	50%	
E45/5172	Epminex WA Pty Ltd	5,115.94	APPLICATION	0%	
E45/4843	Epminex WA Pty Ltd	942.15	2/07/2022	50%	
<b>Joint Venture</b>					
E45/3381	Beatons Creek Gold Pty Ltd	7,965.06	16/03/2021	Earning to 70%	
E45/4666	Beatons Creek Gold Pty Ltd	3,163.98	23/11/2021	Earning to 70%	
E45/4622	Beatons Creek Gold Pty Ltd	4,222.07	4/05/2022	Earning to 70%	
E45/4194	Grant's Hill Gold Pty Ltd	1,278.29	14/07/2019	Earning to 70%	
P45/2781	Beatons Creek Gold Pty Ltd	2.42	10/06/2020	Earning to 70%	
E45/4934	Beatons Creek Gold Pty Ltd	1,596.99	22/01/2023	Earning to 70%	

Note 1: Transfer pending from Haoma Mining.