

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

Mr Paul Brennan
CHIEF OPERATING OFFICER

Mr Richard Hill
CHIEF FINANCIAL OFFICER

Ms Julia Beckett
COMPANY SECRETARY

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AUSTRALIA

29 January 2020

December Quarterly Activities Report

Strong drilling results show robustness of 1.25Moz Warrawoona Resource and potential for further growth

HIGHLIGHTS

- **Successful resource and exploration drilling campaigns completed during the quarter at Warrawoona Gold Project in WA's Pilbara**
- **The results demonstrate the strong continuity of mineralisation within the planned open pit**
- **Drilling also highlighted significant scope to grow the inventory outside the existing Resource**
- **Dedicated additional Metallurgy and Geotechnical drill holes also completed during the quarter which will underpin the Definitive Feasibility Study now underway**
- **Favourable EPA Level of Assessment received for Warrawoona; minimising time for assessment**

CORPORATE

- **Experienced resources executive Richard Hill appointed Chief Financial Officer**
- **At the end of the quarter, Calidus and its subsidiaries held \$7.0m cash and \$1.3m in listed investments.**

Calidus Resources (ASX:CAI) ('Calidus' or 'Company') is pleased to report on the strong progress made at its Warrawoona Gold Project in WA during the December 2019 Quarter.

It was a highly productive quarter with a number of key developments which ensure the Company is firmly on track to become a low-cost 100,000ozpa producer.

During C2020 the Company will focus on completing the Definitive Feasibility Study, advancing Project Finance discussions and obtaining all necessary permits for an investment decision by end of C2020 and commencement of construction in 2021. The Company is also finalising a Regional Exploration strategy which will be the focus of this year's field season.

EPA Level of Assessment received for Warrawoona Gold Project

On 23 December 2019, Calidus announced that, after Referring the Warrawoona Gold Project to the EPA on 29 October 2019, the EPA formally advised that the Assessment Level has been set as "Assessment on Proponent Information".

Highlights:

- Warrawoona Gold Project receives “Assessment on Proponent Information” from the Environmental Protection Agency (EPA);
- This allows the EPA to begin immediate assessment without further studies being required, minimising the time required for the EPA to assess the Project;
- The Warrawoona Gold Project will be assessed on base line studies and documentation already completed by Calidus and submitted with the Referral;
- The status of the Project Referral is published on the EPA website:
<http://www.epa.wa.gov.au/proposals/warrawoona-gold-project>.

Outstanding shallow drill intersections from Klondyke

On 2 October 2019, Calidus announced a host of outstanding results from the resource conversion drilling program at Warrawoona.

- Significant intersections included:
 - **14m @ 3.80 g/t Au** from 1m in hole 19KLRC233
 - **23m @ 2.30 g/t Au** from 37m in hole 19KLRC232
 - **26m @ 2.00 g/t Au** from 1m in hole 19KLRC227
 - **14m @ 3.51 g/t Au** from 2m in hole 19KLRC249
 - **16m @ 2.47 g/t Au** from 4m in hole 19KLRC253
 - **16m @ 2.11 g/t Au** from 6m in hole 19KLRC240
 - **12m @ 2.68 g/t Au** from 17m in hole 19KLRC224
 - **24m @ 1.31 g/t Au** from 2m in hole 19KLRC254
 - **19m @ 1.65 g/t Au** from 21m in hole 19KLRC255
 - **26m @ 1.07 g/t Au** from 39m in hole 19KLRC248
 - **26m @ 1.07 g/t Au** from 6m in hole 19KLRC258
 - **9m @ 2.95 g/t Au** from 21m in hole 19KLRC259
 - **24m @ 1.03 g/t Au** from 14m in hole 19KLRC252
 - **11m @ 1.96 g/t Au** from 0m in hole 19KLRC226
 - **17m @ 1.26 g/t Au** from 34m in hole 19KLRC224
 - **20m @ 1.04 g/t Au** from 3m in hole 19KLRC225
 - **18m @ 1.11 g/t Au** from 37m in hole 19KLRC257
 - **18m @ 1.08 g/t Au** from 19m in hole 19KLRC234

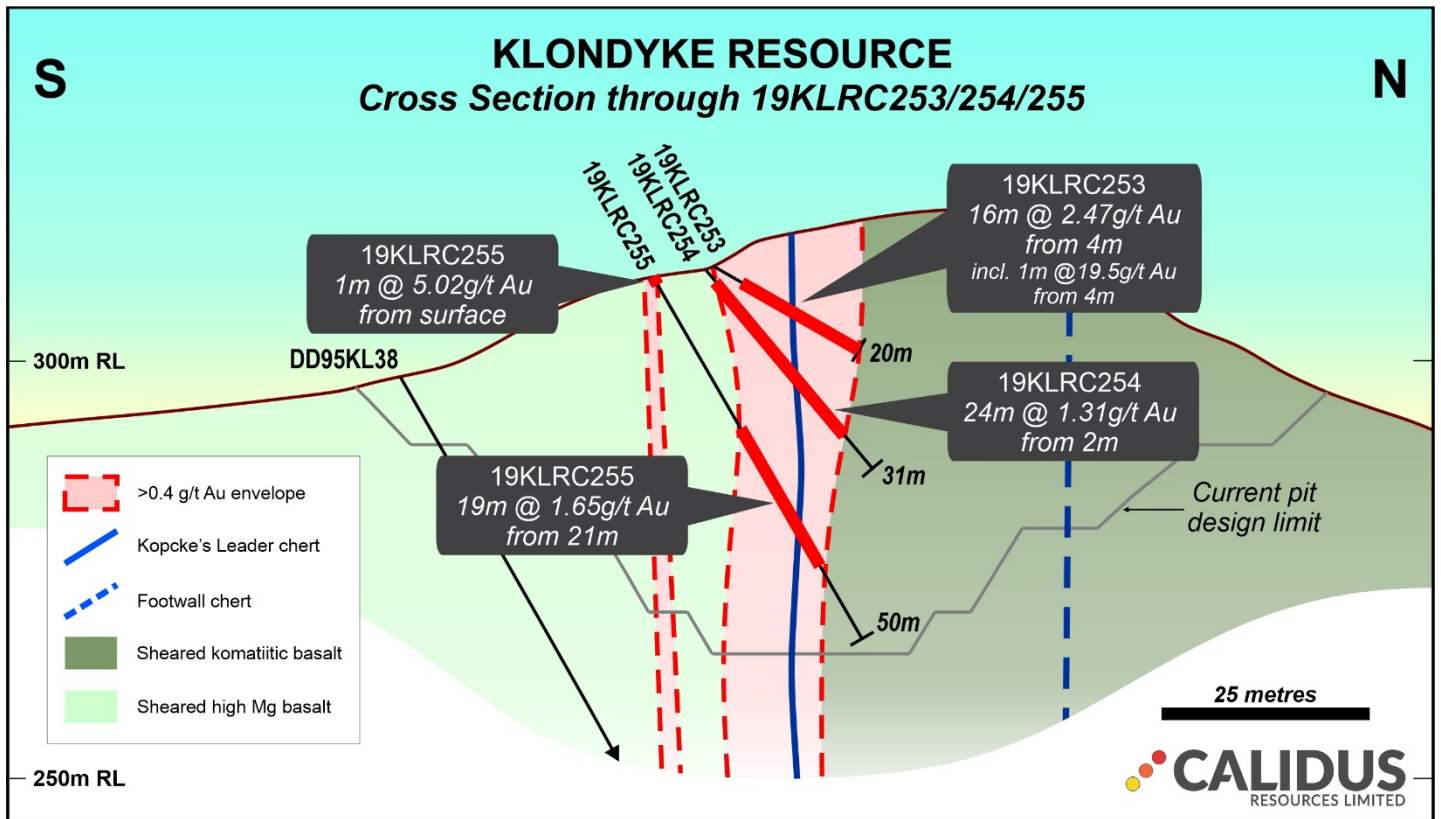


Figure One: Klondyke Cross-Section through 19KLRC253/19KLRC254/19KLRC255

More wide, shallow intercepts confirm robustness of planned open pit at Warrawoona

On 22 October 2019, Calidus announced more outstanding results from within the planned open pit at Warrawoona.

- Significant intersections included:
 - **35m @ 2.84 g/t Au** from surface in hole 19KLRC218
 - **23m @ 2.55 g/t Au** from 15m in hole 19KLRC241
 - **23m @ 2.06 g/t Au** from 1m in hole 19KLRC243
 - **20m @ 1.97 g/t Au** from 25m in hole 19KLRC245
 - **23m @ 1.32 g/t Au** from 13m in hole 19KLRC250
 - **25m @ 1.08 g/t Au** from surface in hole 19KLRC221
 - **23m @ 1.17 g/t Au** from 34m in hole 19KLRC235
 - **13m @ 2.05 g/t Au** from 15m in hole 19KLRC244
 - **15m @ 1.06 g/t Au** from 2m in hole 19KLRC251
 - **13m @ 1.13 g/t Au** from 12m in hole 19KLRC236
 - **12m @ 1.16 g/t Au** from surface in hole 19KLRC230
 - **9m @ 1.36 g/t Au** from 21m to EOH in hole 19KLRC230
 - **8m @ 1.52 g/t Au** from surface in hole 19KLRC236

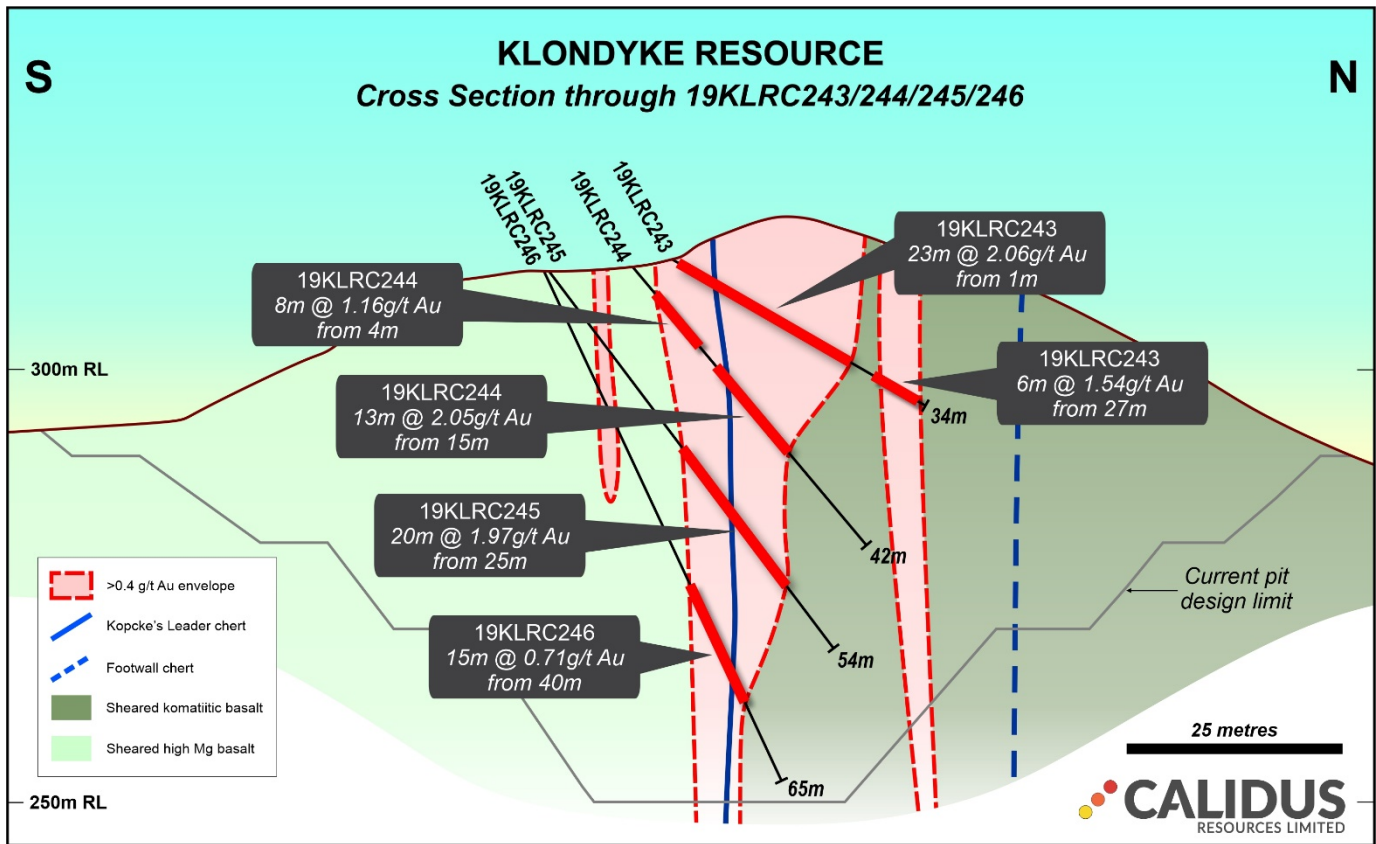


Figure Two: Klondyke Cross-Section through 19KLRC243/19KLRC244/19KLRC245/19KLRC246

Drilling hits more shallow, high-grade gold in planned open pit

Another batch of high-grade RC drilling results was reported by Calidus on 4 November 2019, which continued to demonstrate the strong strike and grade continuity of gold mineralisation within the planned Klondyke pit.

- More significant intersections, included:
 - **12m @ 5.58 g/t Au** from 12m in hole 19KLRC270
 - **15m @ 4.33 g/t Au** from 6m in hole 19KLRC266
 - **36m @ 1.53 g/t Au** from 12m in hole 19KLRC247
 - **20m @ 1.96 g/t Au** from 20m in hole 19KLRC271
 - **21m @ 1.63 g/t Au** from 9m in hole 19KLRC231
 - **6m @ 5.12 g/t Au** from surface in hole 19KLRC264
 - **6m @ 5.11 g/t Au** from 18m in hole 19KLRC261
 - **12m @ 2.49 g/t Au** from 15m in hole 19KLRC275
 - **27m @ 1.01 g/t Au** from 32m in hole 19KLRC262
 - **18m @ 1.28 g/t Au** from 9m in hole 19KLRC219
 - **12m @ 1.81 g/t Au** from 36m in hole 19KLRC265
 - **5m @ 4.25 g/t Au** from surface in hole 19KLRC237
 - **16m @ 1.31 g/t Au** from 30m in hole 19KLRC274

- 10m @ 2.03 g/t Au from 30m in hole 19KLRC219
- 19m @ 1.05 g/t Au from 6m in hole 19KLRC273
- 6m @ 2.29 g/t Au from 45m in hole 19KLRC219
- 5m @ 2.72 g/t Au from 1m in hole 19KLRC276

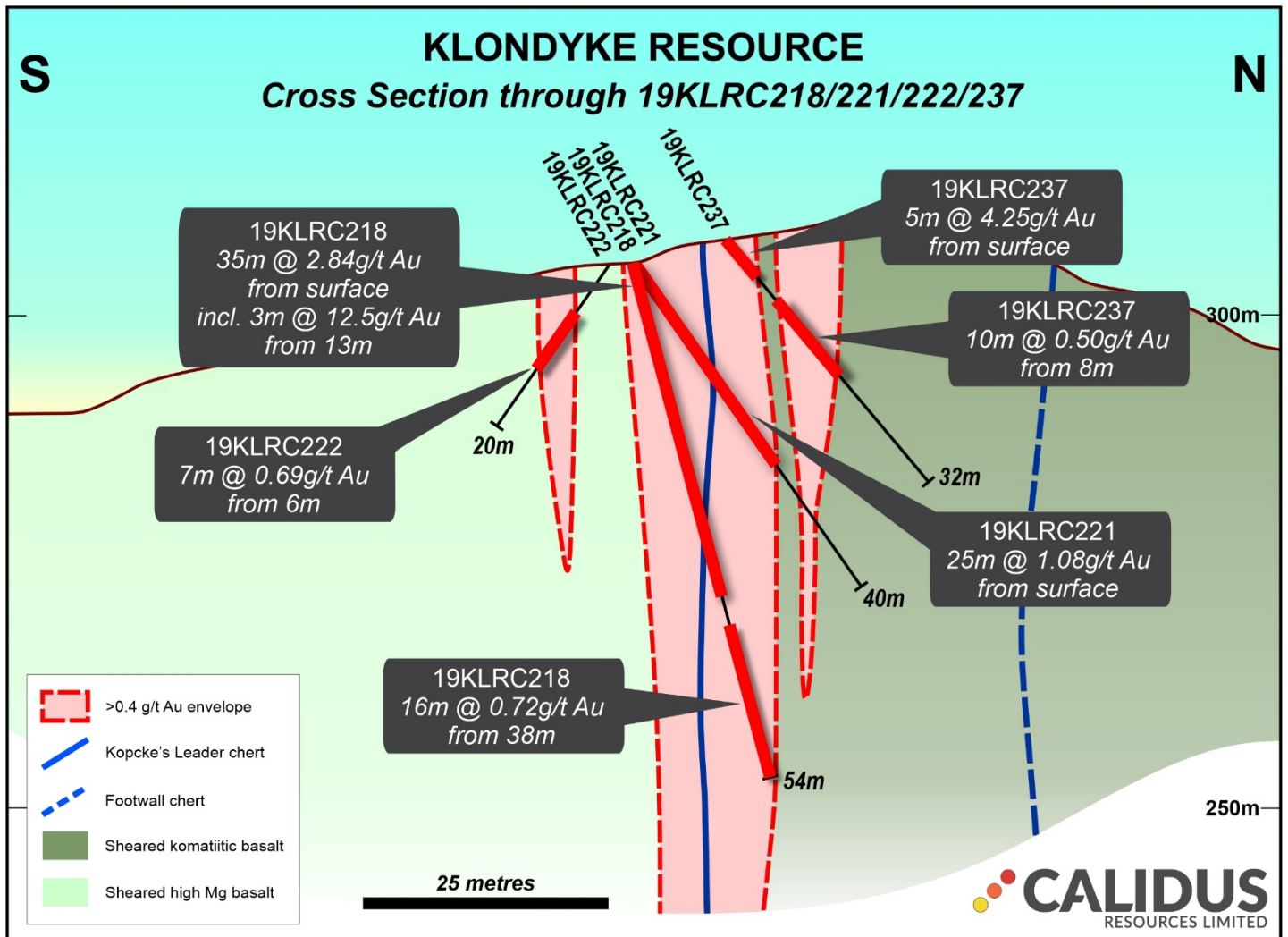


Figure Three: Klondyke Resource Cross section through 19KLRC218/221/222/237

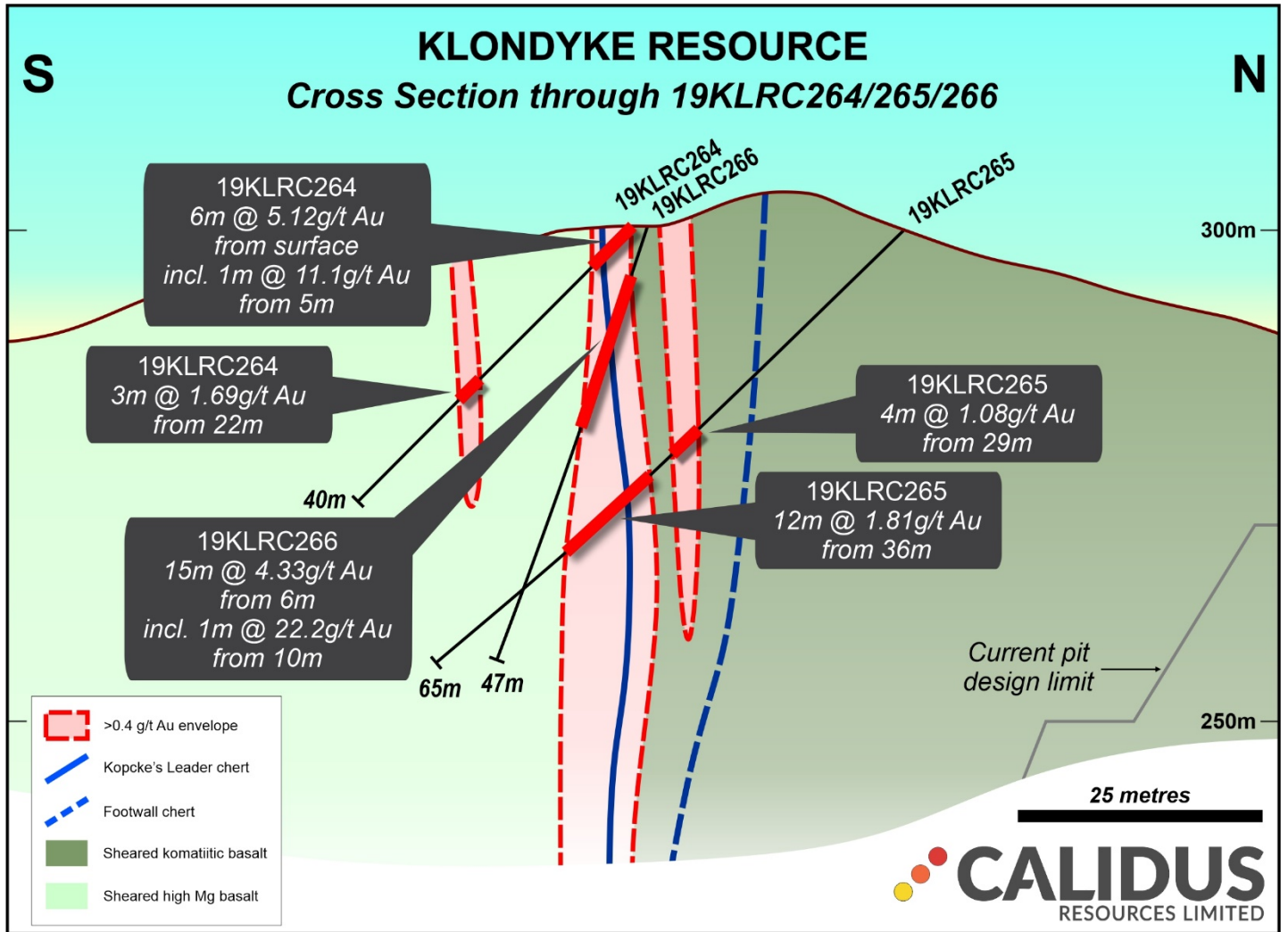


Figure Four: Klondyke Resource Cross section through 19KLRC264/265/266

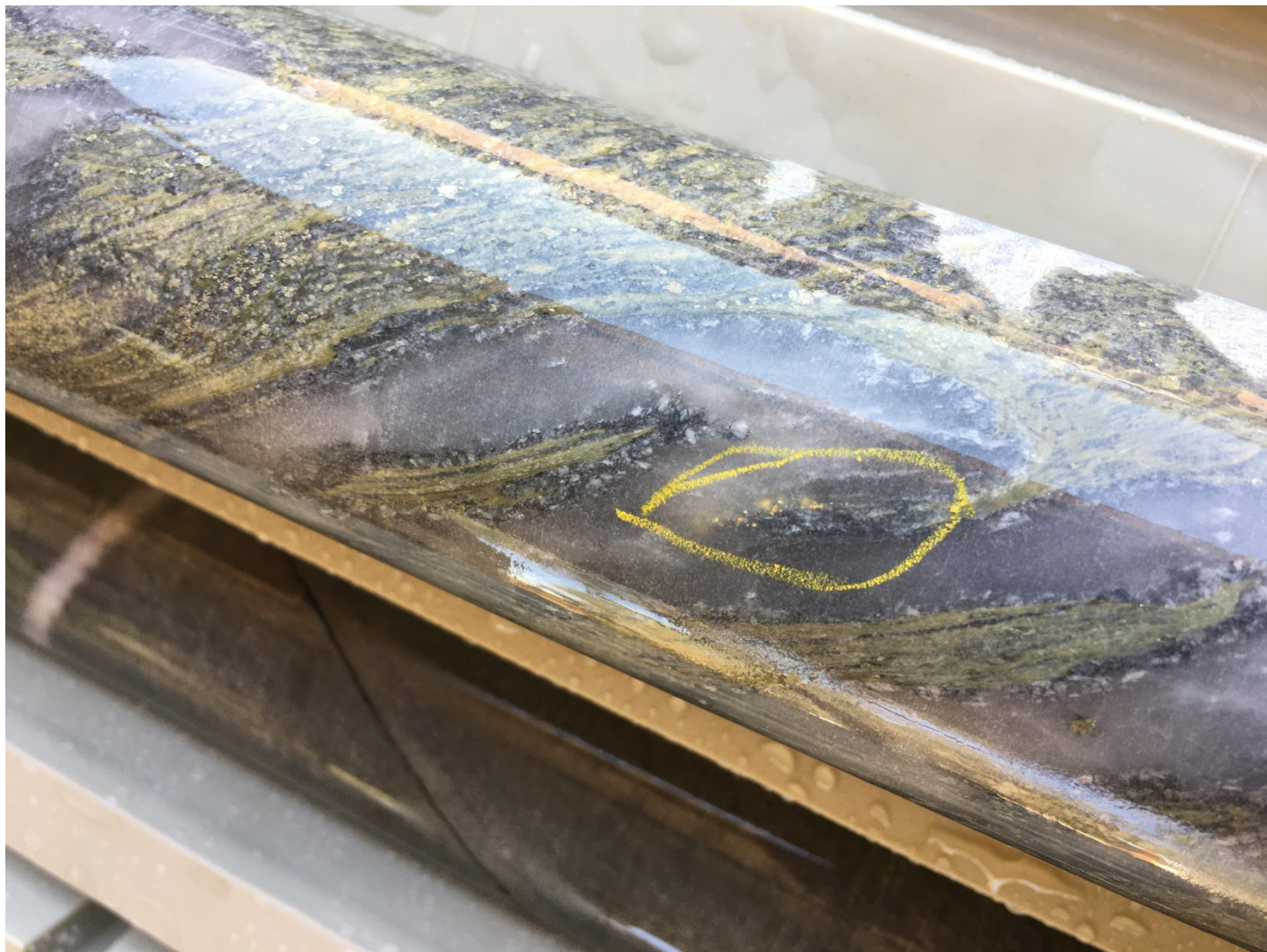


Figure Five: One of three visible gold occurrences observed in deformed sub-vertical quartz-carbonate-sulphide sheeted veinlets in 19KLDD062A at 170.45m in a highly strained white-mica-altered high-Mg basalt immediately south of the Kopcke's Leader chert marker unit. Core shown is HQ3 size with a diameter of 61.1mm.

Robust infill drilling results to underpin open-pit resource upgrade

On 25 November 2019 the Company was pleased to report that the final batch of RC drilling results provided additional support of the strong grade continuity of gold mineralisation along-strike and down-dip of the planned Klondyke pit at Warrawoona.

Highlights:

- Significant intersections, included:
 - **15m @ 3.70 g/t Au** from 30m in hole 19KLRC288
 - **12m @ 3.93 g/t Au** from 19m in hole 19KLRC284
 - **11m @ 3.41 g/t Au** from surface in hole 19KLRC306
 - **12m @ 3.05 g/t Au** from 43m in hole 19KLRC283
 - **26m @ 1.37 g/t Au** from 9m in hole 19KLRC281
 - **24m @ 1.41 g/t Au** from 18m in hole 19KLRC278

- **16m @ 1.79 g/t Au** from 17m in hole 19KLRC287
- **11m @ 2.55 g/t Au** from 8m in hole 19KLRC289
- **15m @ 1.64 g/t Au** from 15m in hole 19KLRC305
- **4m @ 5.15 g/t Au** from 9m in hole 19KLRC283
- **17m @ 0.90 g/t Au** from surface in hole 19KLRC300
- **7m @ 1.93 g/t Au** from 19m in hole 19KLRC294
- **9m @ 1.42 g/t Au** from 4m in hole 19KLRC298
- **11m @ 1.15 g/t Au** from 12m in hole 19KLRC296
- **10m @ 1.26 g/t Au** from 11m in hole 19KLRC280
- **10m @ 1.25 g/t Au** from 46m in hole 19KLRC290
- **10m @ 1.20 g/t Au** from 24m in hole 19KLRC290
- An infill RC drill programme to the east of the planned Klondyke pit returned significant intersections, such as:
 - **14m @ 3.38 g/t Au** from 67m in hole 19KLRC523
 - **5m @ 6.69 g/t Au** from 62m in hole 19KLRC500
 - **13m @ 2.18 g/t Au** from 31m in hole 19KLRC522
 - **4m @ 3.48 g/t Au** from 5m in hole 19KLRC512
 - **11m @ 1.04 g/t Au** from 15m in hole 19KLRC512

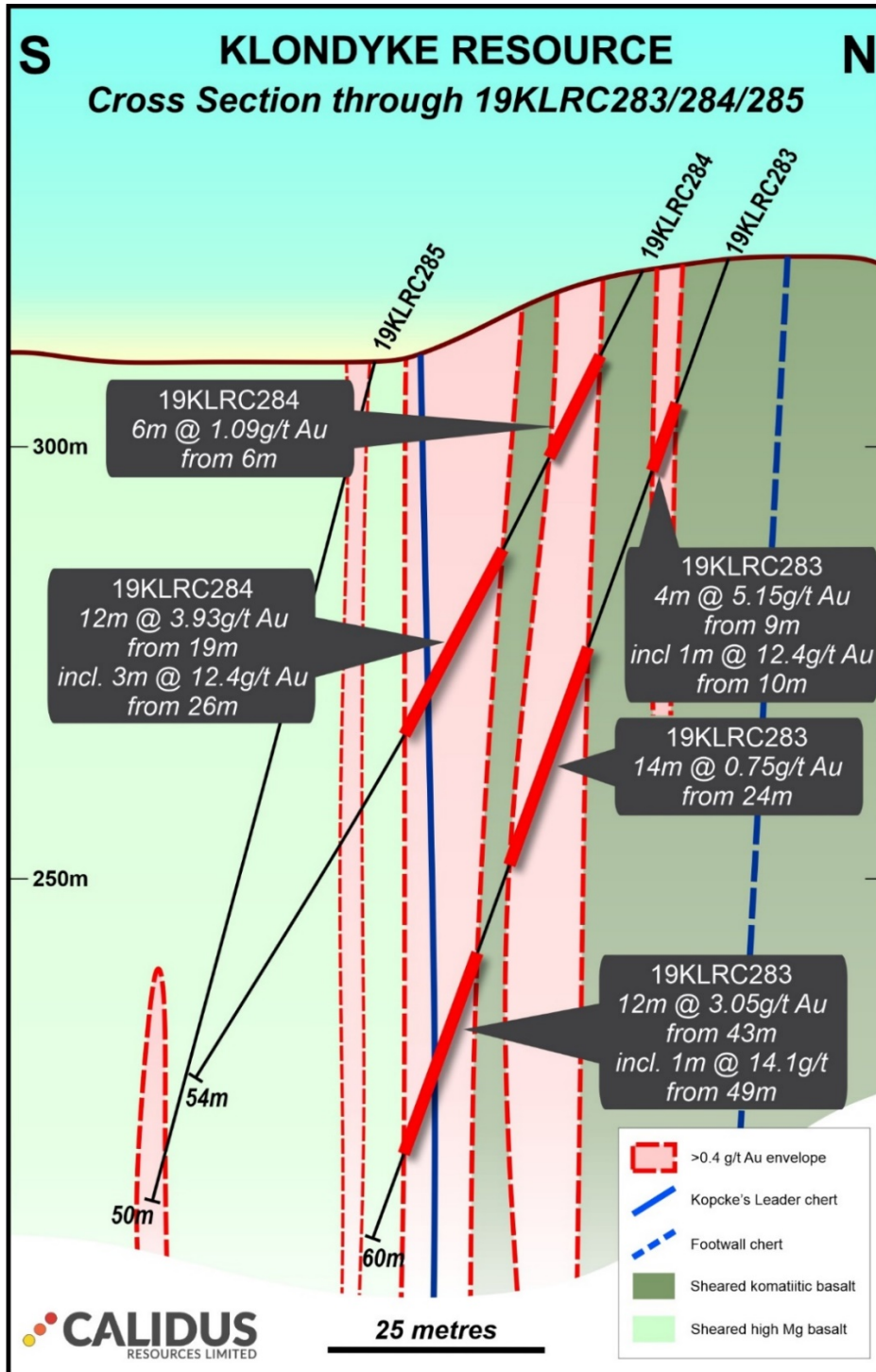


Figure Six: Klondyke Resource Cross section through 19KLRC283/284/285

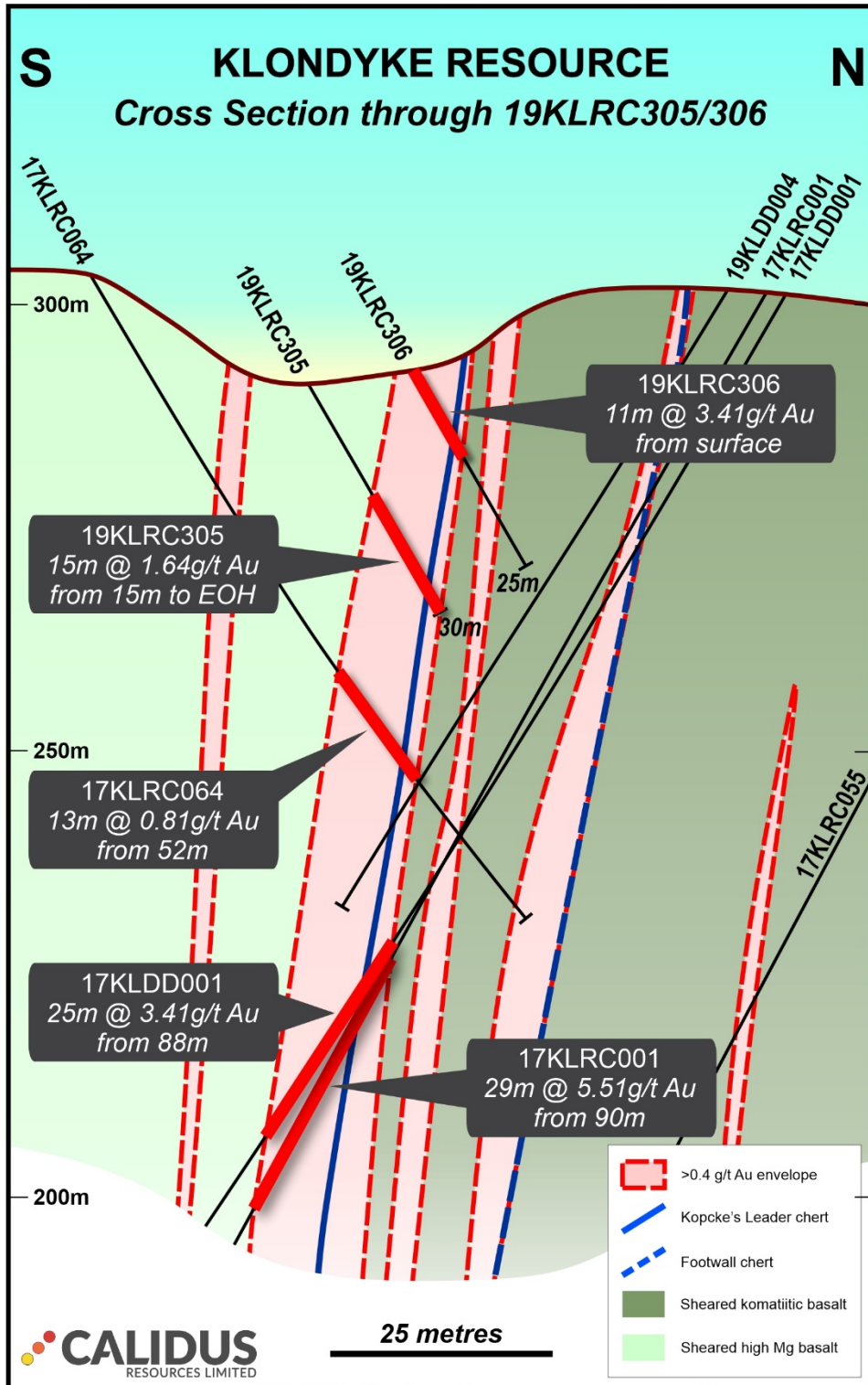


Figure Seven: Klondyke Resource Cross section through 19KLRC305/306

High-grade gold intersected outside Klondyke Resource

On 18 December 2019, Calidus announced a host of high-grade drilling results which highlighted the excellent potential for further increases in the 1.25 million-ounce Resource at Warrawoona.

The results covered diamond drilling in the PFS Klondyke Pit, the PFS Klondyke Underground and initial wide-spaced drilling up to 3.5km west of the current Resource.

Highlights:

- Diamond drilling intersected high-grade zones of mineralisation below the Pre-Feasibility Study (PFS) open pit including:
 - **1m @ 55.21 g/t Au** from 278m in hole 19KLDD061
 - **2.52m @ 18.02 g/t Au** from 232.78m in hole 19KLDD070
 - **1m @ 40.59 g/t Au** from 156m in hole 19KLDD083
 - **1.11m @ 31.22 g/t Au** from 283.39m in hole 19KLDD066
 - **2.25m @ 13.33 g/t Au** from 170.75m in hole 19KLDD062A
 - **1m @ 24.17 g/t Au** from 163m in hole 19KLDD068
 - **6.45m @ 3.03 g/t Au** from 144.55m in hole 19KLDD083
 - **6.5m @ 2.97 g/t Au** from 223.5m in hole 19KLDD067
 - **7.85m @ 2.26 g/t Au** from 270m in hole 19KLDD065
 - **2.35m @ 7.51 g/t Au** from 151.9m in hole 19KLDD062
 - **8.35m @ 2.10 g/t Au** from 281.65m in hole 19KLDD061
 - **3.3m @ 4.92 g/t Au** from 190.7m in hole 19KLDD060
 - **4.45m @ 3.59 g/t Au** from 209.55m in hole 19KLDD069
 - **2m @ 5.80 g/t Au** from 221m in hole 19KLDD069
 - **3.6m @ 2.72 g/t Au** from 272.4m in hole 19KLDD070
 - **1.35m @ 6.75 g/t Au** from 235.15m in hole 19KLDD079
 - **1.18m @ 6.47 g/t Au** from 163.82m in hole 19KLDD071
- Metallurgical holes targeting the oxide and transitional areas of the PFS pit were drilled with results including:
 - **11.78m @ 4.11 g/t Au** from 28.95m in hole 19KLDD112
 - **9.08m @ 5.11 g/t Au** from 24.1m in hole 19KLDD107
 - **8m @ 2.05 g/t Au** from 32m in hole 19KLDD110
 - **7.14m @ 1.46 g/t Au** from 39.14m in hole 19KLDD112
- Initial wide-spaced drilling at Klondyke West intersected high-grade areas and will require follow up work. Best results included:
 - **4m @ 3.97 g/t Au** from 40m in hole 19KLRC333
 - **1m @ 9.90 g/t Au** from 41m in hole 19KLRC325
 - **5m @ 1.59 g/t Au** from 94m in hole 19KLRC321
 - **5m @ 1.23 g/t Au** from 90m in hole 19KLRC311
 - **1m @ 6.04 g/t Au** from 30m in hole 19KLRC312

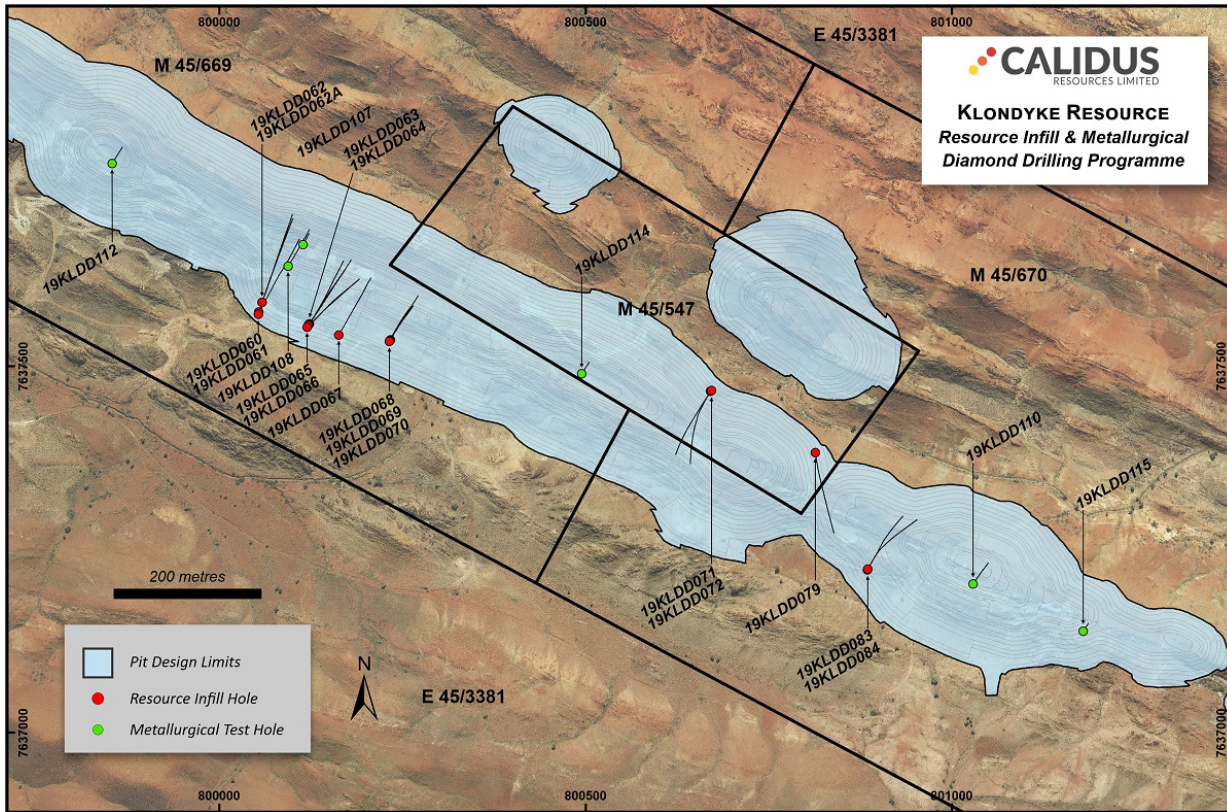


Figure Eight: Klondyke Deep diamond drill hole locations

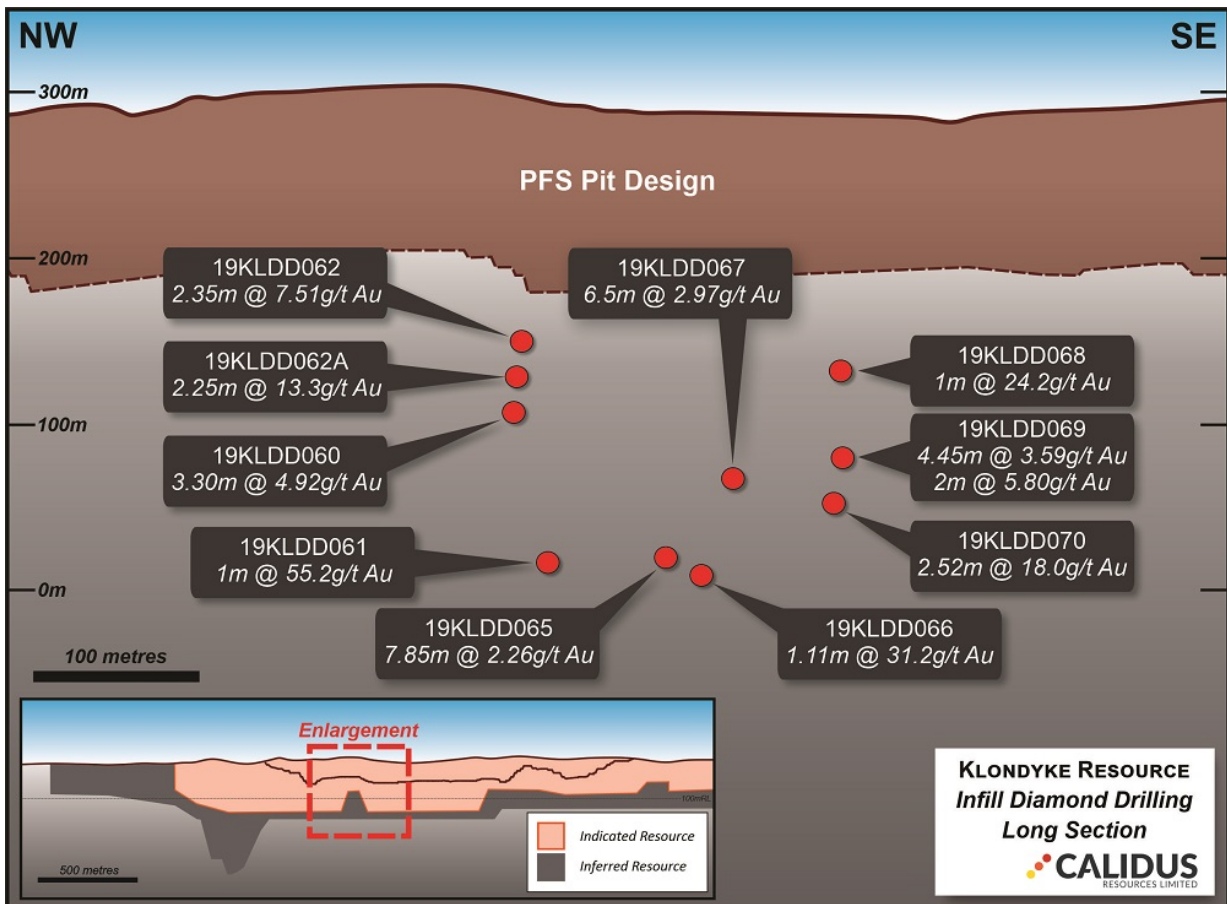


Figure Thirteen: Long section showing Feb 2019 Klondyke resource extents and significant intercepts from the recent Klondyke Deeps diamond drill hole programme

CORPORATE

Appointment of Chief Financial Officer

The appointment of Mr Richard Hill as Chief Financial Officer was announced on 25 November 2019. Mr Hill is an accomplished finance professional with more than 20 years of experience in the resources sector, primarily in the gold industry. Most recently he was Chief Financial Officer at Echo Resources Limited. Mr Hill brings direct experience with respect to feasibility studies, construction and development, mine operations as well as corporate combination and integration activities.

Mr Hill's experience incorporates arrangement of project and corporate financing agreements, treasury and derivative management, financial management and reporting, corporate governance and compliance, strategy development and risk management.

Mr Hill holds a Bachelor of Commerce Degree, is a member of CPA Australia and has a Graduate Diploma of Advanced Corporate Governance.

Consolidation of Capital

At the Annual General Meeting held on 25 November 2019, shareholders approved to consolidate the Company's issued capital through the conversion of every ten (10) existing shares into one (1) share. The number of the Company's shares on issue was reduced from 2,146,887,024 existing shares to 214,689,064 shares. The normal trading of the post-consolidated shares commenced on 6 December 2019.

Financial

At the end of the quarter, Calidus and its subsidiaries held \$7.0m cash and \$1.3m in listed investments. Further details can be found in the Appendix 5B released with this announcement.

Investor Presentations

Managing Director, David Reeves, presented at the Resources Rising Stars Summer Series held in December 2019 in Sydney and Brisbane.

FURTHER INFORMATION

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 1,248,000 ozs at 1.83g/t Au (Indicated Mineral Resource of 13.5 Mt @ 1.83 g/t Au for 795,000 ozs, Inferred Mineral Resource of 7.7Mt @ 1.81g/t Au for 453,000 ozs) defined over a continuous 5km of strike which remains open in all directions. The Company controls approximately 781 square kilometres of prospective tenements that host over 200 historic workings and three satellite Mineral Resources at Fieldings Gully, Copenhagen and Coronation.

A robust PFS was delivered in July 2019 that showed a base case of Warrawoona producing 100,000ozs pa over a 6 year mine life at an AISC of A\$1,159/oz. A feasibility study and permitting is now underway as is additional drilling aimed at extending mine life and highlighting the large regional potential of the area.

- END -

Notes Specific - ASX Announcements

The information in this announcement that relates to Exploration Targets, Exploration Results and Mineral Resources reported by the Company to the ASX on 14 November 2017, 18 December 2017, 5 April 2018, 12 April 2018, 29 May 2018, 20 June 2018, 6 December 2018, 6 February 2019, 21 March 2019, 11 April 2019, 7 June 2019, 17 July 2019, 30 July 2019, 11 September 2019, 2 October 2019, 22 October 2019, 4 November 2019, 25 November 2019 and 18 December 2019. The information in this announcement that relates to the PFS was reported on 15 May 2019 and 17 July 2019. 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.

COMPETENT PERSON 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.

The information in this report that relates to Klondyke, Copenhagen and Coronation Mineral Resources is based on information compiled or reviewed by Mr. Lynn Widenbar, Principal Consultant of Widenbar and Associates Pty Ltd., who is a Member of the AusIMM and the AIG. Mr. Lynn Widenbar is a full-time employee of Widenbar and Associates Pty Ltd. and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Lynn Widenbar consents to the inclusion of the report of the matters based on the information in the form and context in which it appears.

For the purpose of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

For further information please contact:

Dave Reeves
Managing Director

✉ dave@calidus.com.au

**CALIDUS RESOURCES & SUBSIDIARIES
 TENEMENT SCHEDULE**

Tenement ID	Holder	Size (ha)	Renewal	Ownership/ Interest
GRANTED				
E45/3615	Keras (Pilbara) Gold Pty Ltd	3,513.73	22/11/2020	100%
E45/4236	Keras (Pilbara) Gold Pty Ltd	958.25	19/10/2024	100%
E45/4555	Keras (Pilbara) Gold Pty Ltd	1,917.75	1/03/2022	100%
E45/4843	Keras (Pilbara) Gold Pty Ltd	942.15	2/07/2022	100%
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%
E45/4905	Keras (Pilbara) Gold Pty Ltd	638.86	29/11/2022	100%
E45/4906	Keras (Pilbara) Gold Pty Ltd	319.46	29/11/2022	100%
E45/5172	Keras (Pilbara) Gold Pty Ltd	4,307.32	30/05/2024	100%
E45/5178	Keras (Pilbara) Gold Pty Ltd	6,067.13	22/11/2023	100%
M45/0240	Keras (Pilbara) Gold Pty Ltd	6.07	17/11/2028	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	100%
M45/0672	Keras (Pilbara) Gold Pty Ltd	116.20	1/08/2037	100%
M45/0679	Keras (Pilbara) Gold Pty Ltd	121.30	8/04/2038	100%
M45/0682	Keras (Pilbara) Gold Pty Ltd	235.95	17/04/2038	100%
Applications				
E45/5374	Keras (Pilbara) Gold Pty Ltd	22,018.45	APPLICATION	100%
P45/3065	Keras (Pilbara) Gold Pty Ltd	29.45	APPLICATION	100%
P46/1972	Keras (Pilbara) Gold Pty Ltd	194.57	APPLICATION	100%
Joint Venture				
E45/3381	Beatons Creek Gold Pty Ltd	7,965.63	16/03/2021	70%
E45/4666	Beatons Creek Gold Pty Ltd	3,163.98	23/11/2021	70%
E45/4622	Beatons Creek Gold Pty Ltd	4,222.07	4/05/2022	70%
E45/4934	Beatons Creek Gold Pty Ltd	1,596.99	22/01/2023	70%
P45/2781	Beatons Creek Gold Pty Ltd	2.42	10/06/2020	70%