

## ASX ANNOUNCEMENT

13<sup>th</sup> November 2017

### 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 Keith Coughlan  
NON-EXECUTIVE CHAIRMAN

Mr David Reeves  
MANAGING DIRECTOR

Mr Adam Miethke  
NON-EXECUTIVE DIRECTOR

Mr Peter Hepburn Brown  
NON-EXECUTIVE DIRECTOR

Mr James Carter  
CFO AND COMPANY SECRETARY

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## High grades intersected at satellite deposits at Warrawoona Gold

Calidus Resources Limited (ASX:CAI) ('Calidus' or the 'Company') is pleased to announce that it has intersected significant widths and grades of gold mineralisation at the Fielding's Gully and Copenhagen deposits that are now wholly owned following the recently completed Haoma tenement purchase. The Company has now received all RC drill results from the recently completed program.

### HIGHLIGHTS

Significant gold intercepts grading greater than 10 gram-metres include:

#### Fielding's Gully

- **16m @ 3.52g/t Au (incl 1m @ 10.85g/t and 1m @ 22.0g/t)** from 71m in hole 17FGRC005.
- **21m @ 1.85g/t Au (incl 1m @ 10.3g/t)** from 55m in hole 17FGRC006
- **8m @ 3.97g/t Au** from 22m in hole 17FGRC007
- **11m @ 2.62 g/t Au (incl 1m @ 19.75g/t)** from 25m in hole 17FGRC004
- **11m @ 2.00g/t Au** from 25m in hole 17FGRC003
- **11m @ 1.74g/t Au** from 28m in hole 17FGRC008
- **7m @ 2.42g/t Au (incl 1m @ 11.97g/t)** from 35m in hole 17FGRC007

#### Copenhagen

- **18m @ 4.35g/t Au (incl 1m @ 13.8g/t and 2m @ 11.41g/t)** from 46m in hole 17CPRC009
- **2m @ 8.23g/t Au (incl 1m @ 10.12g/t)** from 27m in hole 17CPRC002
- **2m @ 5.22g/t Au** from 56m in hole 17CPRC004

The Warrawoona syncline is one of the largest mafic-ultramafic-hosted goldfields in the East Pilbara Granite Greenstone Terrane. These gold deposits are composed of quartz lodes within three main shear zones: the Klondyke shear zone, the Copenhagen shear zone and the Fielding's Find shear zone. The shear zones present impressive networks of quartz/calcite/sulphide/ankerite veins and are locally lined with heavily brecciated fuchsite-sericite-pyrite bearing rocks. Free gold is often observed in quartz veins throughout the mineralised package.

A total of 9 holes for 596m was completed at Fielding's Gully and 16 holes for 1,186m at Copenhagen.

Calidus Managing Director Dave Reeves commented, “The Fielding’s Gully drill program was designed to provide the initial testing of an extensive gold anomaly defined by shallow historic open hole drilling completed in the 1980’s and 1990’s. These assay results confirm the presence of a large mineralised system over 300m of current strike length with all holes intersecting zones of quartz veining in mafic and ultramafic schists similar to that observed at the Klondyke deposit approximately 10kms to the east. Mineralisation at Fielding’s Gully outcrops and remains open along strike and at depth and will be followed up in future drill programs.

The Copenhagen drill program was designed to test extensions along strike and to investigate a possible parallel lode that had been defined to a limited degree in previous drilling. The results show that the main Copenhagen orebody is plunging to the east and remains open. We plan to systematically follow the plunge of this high-grade orebody down-dip in the next drill campaigns.”

### **Further Geological Information**

#### **Fielding’s Gully**

The Fielding’s Find shear zone is oriented parallel to the northern border of the felsic volcanic Wyman Formation and can be traced over tens of kilometres. It is truncated to the East by the Klondyke shear zone and contains numerous gold targets along strike.

Recent drilling by Calidus Resources completed a total of 9 holes for 596m across the most prospective of these targets around an extensive gold anomaly defined by shallow historic open hole drilling completed in the 1980’s and 1990’s. At this same location a regional lineament oriented at 070 was mapped by Calidus geologists cutting across the Fielding’s Find shear zone and across to the north where it lines up with a 070-oriented fault mapped on Coronation Ridge, one of a number of targets identified on the Copenhagen shear zone.

Directly north of the Fielding’s Find shear zone the lithology consists of a meta basalt, with occasional pillows observed. Towards the shear zone the rock develops a strong schistosity and is rich in quartz and chlorite, with quartz chlorite and fuchsite typically observed immediately adjacent to the shear zone. A breccia ridge forms the core of the Fielding’s Find shear zone and on the northern contact with the breccia ridge, a thin sedimentary unit consists of volcanoclastic sediments and bedded cherts. The breccia ridge itself is irregular in shape with a variable width along strike from one to tens of metres. Ultramafic rocks are observed on the southern contact of the breccia ridge and are generally mapped as talc schist. The main shear package strikes approximately 110 and dips sub-vertically.

Assays received for the RC holes indicate gold mineralisation is hosted in highly deformed and altered quartz veins and stringers adjacent to the contact between the brecciated unit and the chrome-rich ultramafics. RC results have returned similar widths and tenor as historic holes drilled by previous owners. Assays are pending for the HQ oriented core hole 17FGRC001 drilled to test local stratigraphy and provide metallurgical sample material. Gold mineralisation is interpreted to be structurally controlled and related to vein densities and sulphide contents.

The Fielding’s Gully prospect remains open in all directions with significant results now defined over an initial strike length of over 300m. Recent drilling has delivered consistent, broad intersections with similar characteristics to the nearby Klondyke orebody. Of the current results, 17FGRC005 is on the most easterly section recently drilled and the significant intercept of 16m @ 3.52g/t Au augers well for the rapid expansion of this shallow high-grade orebody.

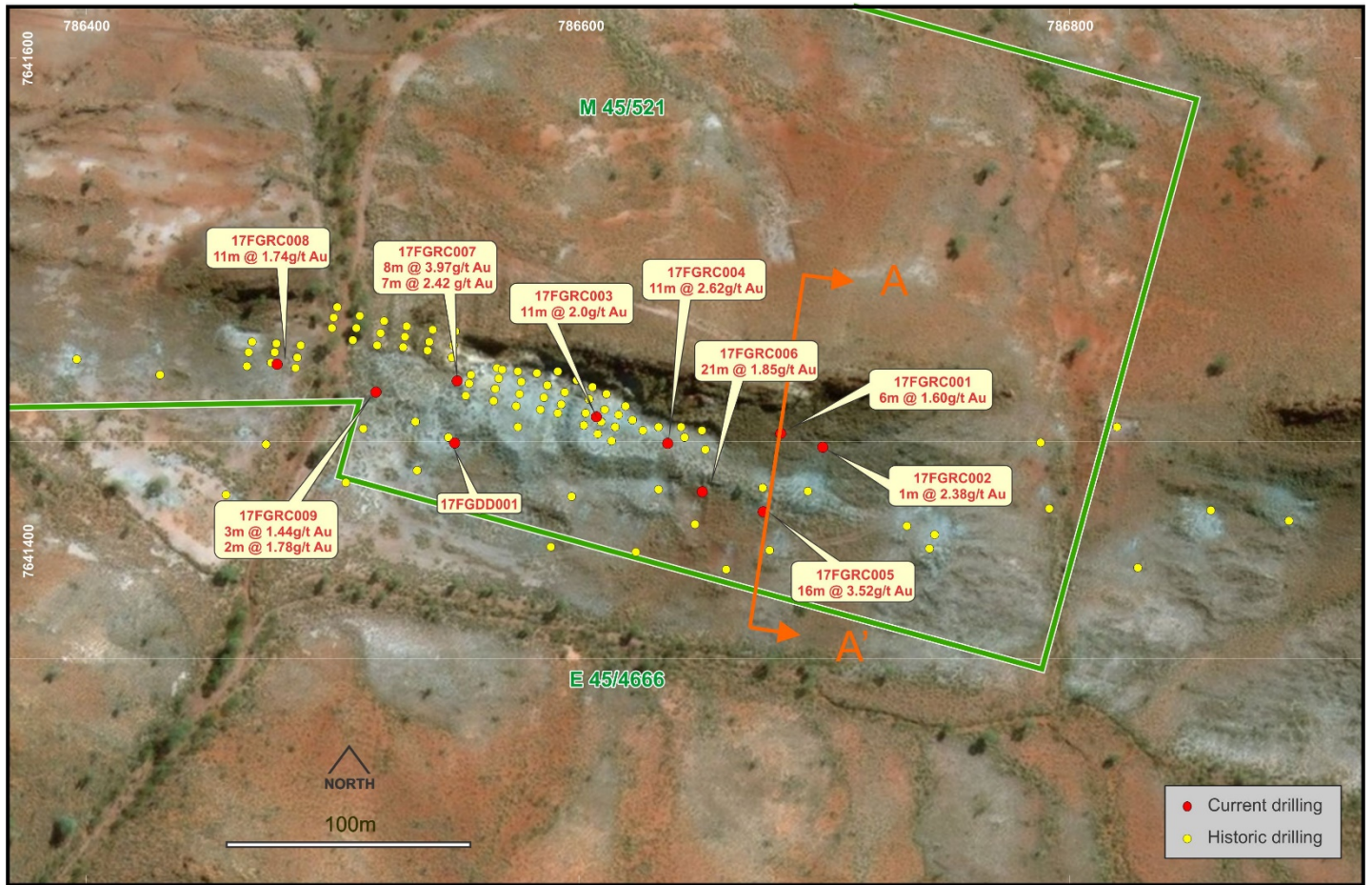


Figure 1: Plan of drilling at Fielding's Gully

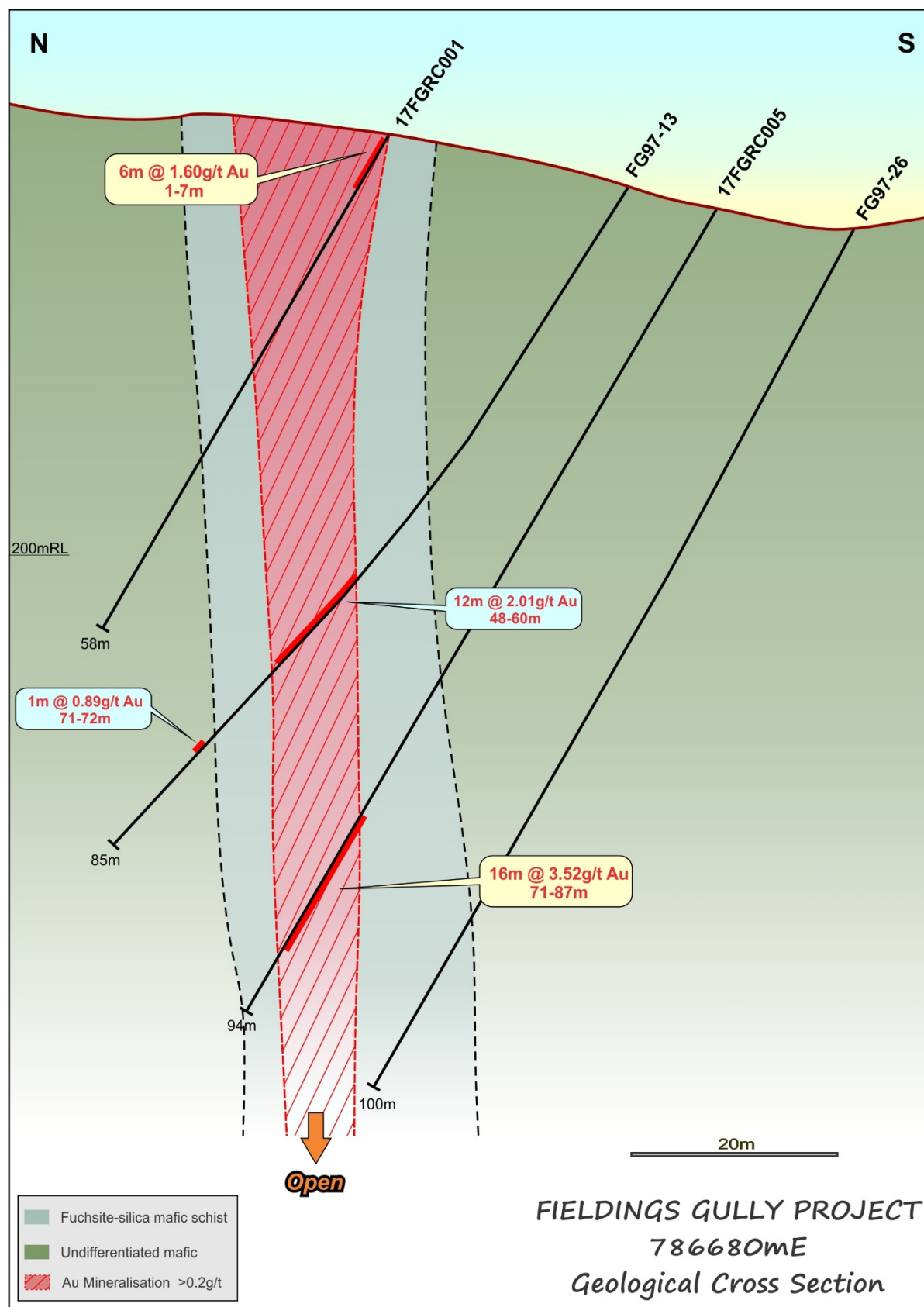


Figure 2: Cross section A - A' at Fielding's Gully



## Copenhagen

The Copenhagen pit is located in a WNW-striking seafloor package along a N-S (170°) striking lineament that hosts additional workings to the north. Structural mapping in and around the Copenhagen pit in 1993 highlighted local controls on the mineralisation as:

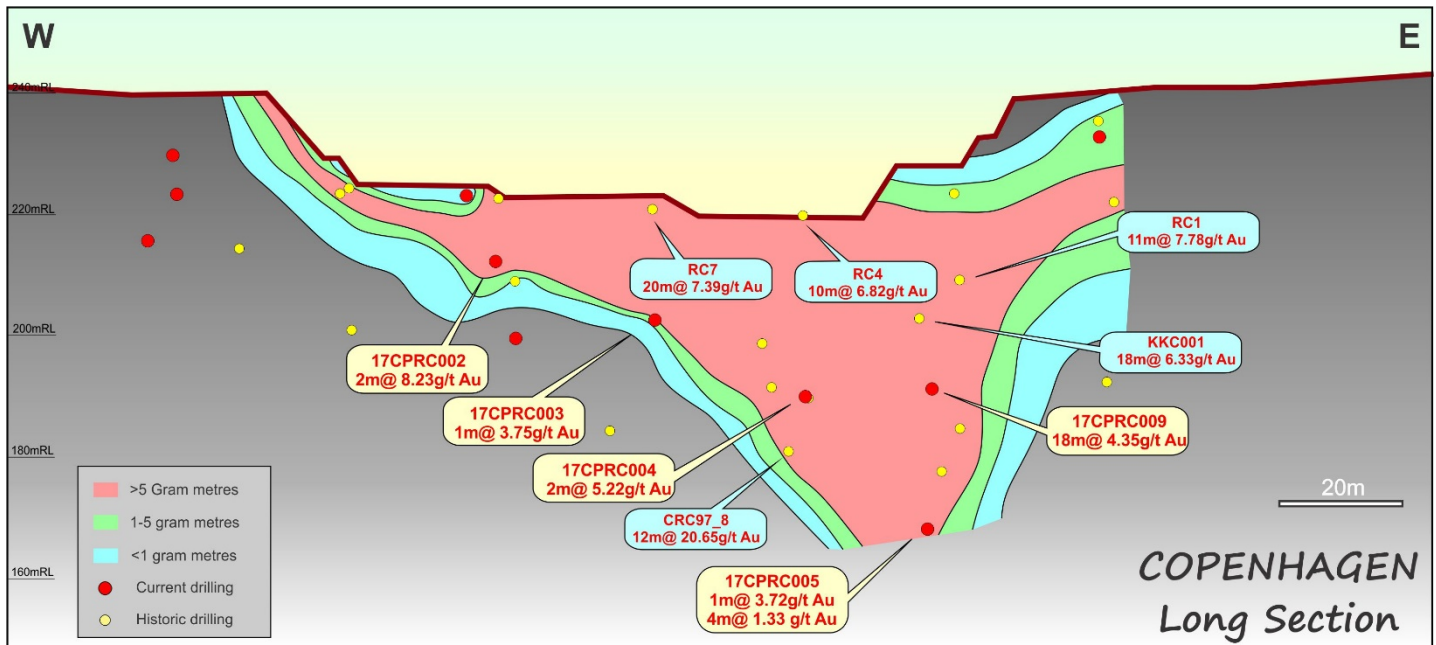
- east-plunging macroscopic folding
- moderate to steep WNW-striking, north-dipping dextral shear (115/65°N) with shallow to moderate east-pitching stretching/intersection lineation (33° to 104°); and
- late, cross-cutting reverse fault (220/52°S) that might have offset mineralisation.

An RC drilling programme comprising 15 drillholes for 1,134m m was undertaken at Copenhagen to test two conceptual targets a) the southerly extent of a possible parallel lode directly south of the existing shallow pit, and b) to test the position to the immediate west of the existing pit of the interpreted faulted off portion of the orebody

The drilling and recent structural mapping has highlighted that the lode remains open to the NE. It is planned to undertake some limited drilling on this area in the next drill campaign to further investigate this plunge.



**Figure 4: Plan of drilling at Copenhagen**



**Figure 5: Long Section of Copenhagen**

### Klondyke

The Klondyke Shear mineralisation is within the fuchsite bearing unit that has associated quartz veinlets. In areas of strong mineralisation these quartz veinlets occur at a high frequency within the silicified shear zone as parallel bands often showing bounding structures both down dip and along strike. Recent detailed structural and pXRF mapping across the Klondyke shear has identified the importance of host rock controls on gold mineralisation. Ultramafic and mafic interlayering is an inferred key control on the main mineralisation style observed within the immediate resource area.

The very high-grade ore shoots identified to date in 17KLRC001's 27m @ 5.85g/t Au and 17KLRC032's 6m @ 63.31g/t Au have been interpreted as highly localised shears containing sheath folds. These sheath folds create steep ore-shoots that appear to be pipe-like in three dimensions and remain open at depth. The cyclicity of repetitions along strike of these high-grade ore shoot positions is being investigated utilising 3D modelling of drillhole assay and pXRF data successfully.

A core drilling programme is currently being designed to test the vertical and lateral extent of the first of these high-grade ore shoot positions early in Q1 2018. Handheld pXRF traverses are currently underway over the first of these ore shoot positions to assist in drill hole planning.

At least four local sub-parallel shear zones are recognised immediately north and south of the Klondyke resource and two of these are associated with abandoned gold workings that were probably sited on these high-grade ore shoot positions.



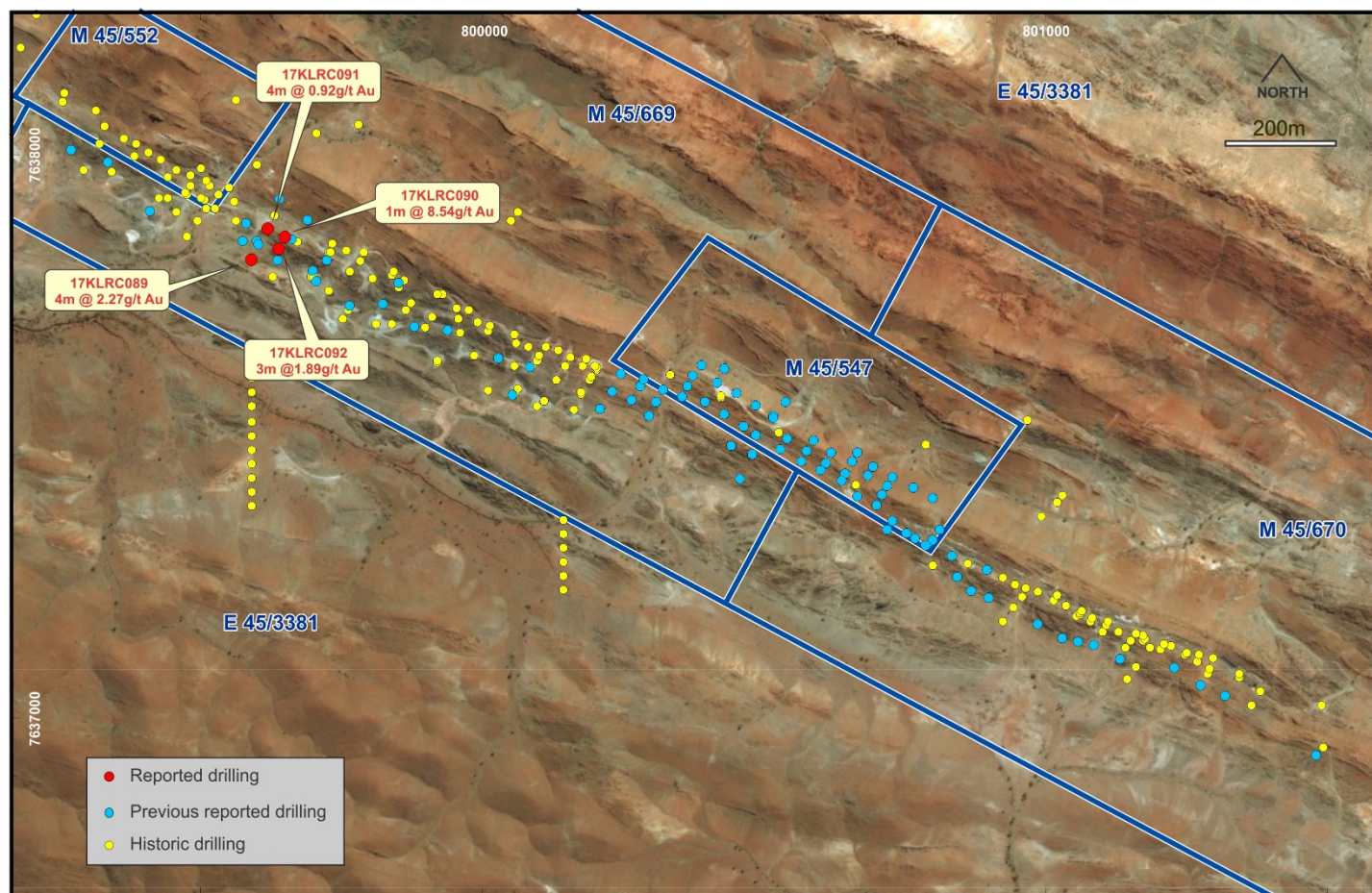


Figure 6: Plan of drilling at Klondyke

### Project History/ Historical Workings

The Warrawoona Project was first discovered and mined in 1897. There are over 200 known historic workings on the Company's tenements. All of these workings are small scale workings targeting the high grade (plus 1oz/t) mineralisation that is prevalent through the area. Average mined grades for some of these workings include:

|                                    |        |
|------------------------------------|--------|
| • Klondyke Queen                   | 187g/t |
| • Klondyke Boulder                 | 40g/t  |
| • Golden Gauntlet                  | 50g/t  |
| • Bow Bells                        | 46g/t  |
| • Great Western                    | 52g/t  |
| • St George                        | 167g/t |
| • Cuban                            | 106g/t |
| • Kopke's Reward                   | 90g/t  |
| • British Exploration of Australia | 184g/t |

Various companies have held portions of the main Klondyke zone in a "chequerboard" fashion over the years which has resulted in the current discontinuous resource at Klondyke. By consolidating the entire strike of the main zone of Klondyke, the Company is in the enviable position of being able to rapidly increase resources by in-fill drilling known mineralised areas that were previously not accessible to historic owners. In addition, it allows the Company to have a

global view of the entire Warrawoona Greenstone which allows a superior geological model to be built to assist in better targeting the large number of prospects that lie on the Company's tenements.

- END -

#### **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.

- Pharmanet to acquire the Warrawoona Gold Project in Western Australia: 22 March 2017
- Calidus Resources Limited-Prospectus: 8 May 2017

*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 Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Daniel Saunders, Principal of GeoServ Consulting Pty Ltd., who is a Member of the Australian Minerals Institute. Mr. Daniel Saunders is a full-time employee of GeoServ Consulting 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. Daniel Saunders consents to the inclusion of the report of the matters based on the information in the form and context in which it appears.*

#### **For further information please contact:**

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#### **About Calidus Resources**

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 Directors believe that the recent and on-going 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. An aggressive drilling program is being pursued to rapidly and cost effectively add resource ounces in the near term as the first step towards development of a stand-alone gold operation.



**RC DRILLING RESULTS**
**FIELDING'S GULLY**

| Hole ID   | Depth | North     | East    | RL  | Dip | Azimuth | From | To | Width (m) | Grade (g/t) |
|-----------|-------|-----------|---------|-----|-----|---------|------|----|-----------|-------------|
| 17FGRC001 | 58    | 7,641,448 | 786,682 | 243 | -60 | 15      | 1    | 7  | 6         | 1.6         |
|           |       |           |         |     |     |         | 15   | 16 | 1         | 0.98        |
|           |       |           |         |     |     |         | 20   | 21 | 1         | 0.95        |
|           |       |           |         |     |     |         | 25   | 26 | 1         | 0.67        |
|           |       |           |         |     |     |         | 30   | 31 | 1         | 1.15        |
| 17FGRC002 | 58    | 7,641,442 | 786,699 | 243 | -60 | 15      | 18   | 19 | 1         | 2.38        |
|           |       |           |         |     |     |         | 22   | 23 | 1         | 1.26        |
|           |       |           |         |     |     |         | 32   | 33 | 1         | 0.92        |
|           |       |           |         |     |     |         | 51   | 52 | 1         | 0.54        |
| 17FGRC003 | 58    | 7,641,454 | 786,607 | 237 | -60 | 15      | 25   | 36 | 11        | 2.00        |
| 17FGRC004 | 52    | 7,641,444 | 786,636 | 239 | -60 | 15      | 25   | 36 | 11        | 2.62        |
|           |       |           |         |     |     |         | 40   | 41 | 1         | 0.8         |
|           |       |           |         |     |     |         | 45   | 47 | 2         | 1.97        |
| 17FGRC005 | 94    | 7,641,416 | 786,675 | 235 | -60 | 15      | 71   | 87 | 16        | 3.52        |
| 17FGRC006 | 94    | 7,641,424 | 786,650 | 235 | -60 | 15      | 55   | 76 | 21        | 1.85        |
| 17FGRC007 | 64    | 7,641,469 | 786,551 | 230 | -60 | 15      | 22   | 30 | 8         | 3.97        |
|           |       |           |         |     |     |         | 35   | 42 | 7         | 2.42        |
|           |       |           |         |     |     |         | 50   | 51 | 1         | 0.54        |
| 17FGRC008 | 60    | 7,641,476 | 786,478 | 225 | -60 | 15      | 28   | 39 | 11        | 1.74        |
|           |       |           |         |     |     |         | 43   | 45 | 2         | 0.73        |
| 17FGRC009 | 58    | 7,641,464 | 786,518 | 225 | -60 | 15      | 0    | 1  | 1         | 1.24        |
|           |       |           |         |     |     |         | 45   | 48 | 3         | 1.44        |
|           |       |           |         |     |     |         | 53   | 55 | 2         | 1.78        |

**COPENHAGEN DRILLING**

| Hole ID   | Depth | North     | East    | RL  | Dip | Azimuth | From           | To             | Width (m)    | Grade (g/t)          |
|-----------|-------|-----------|---------|-----|-----|---------|----------------|----------------|--------------|----------------------|
| 17CPRC002 | 118   | 7,641,461 | 791,766 | 238 | -60 | 220     | 27             | 29             | 2            | 8.23                 |
| 17CPRC003 | 130   | 7,641,469 | 791,804 | 238 | -60 | 220     | 40             | 41             | 1            | 3.75                 |
| 17CPRC004 | 148   | 7,641,470 | 791,835 | 239 | -60 | 220     | 56             | 58             | 2            | 5.22                 |
| 17CPRC005 | 130   | 7,641,440 | 791,842 | 242 | -60 | 220     | 1<br>84        | 2<br>88        | 1<br>4       | 3.72<br>1.33         |
| 17CPRC006 | 40    | 7,641,371 | 791,825 | 239 | -60 | 220     | 7              | 11             | 4            | 0.31                 |
| 17CPRC009 | 100   | 7,641,419 | 791,827 | 239 | -60 | 220     | 46<br>93<br>97 | 64<br>94<br>98 | 18<br>1<br>1 | 4.35<br>4.35<br>5.75 |
| 17CPRC016 | 40    | 7,641,433 | 791,685 | 237 | -60 | 220     | 10             | 11             | 1            | 0.9                  |

**KLONDYKE DRILLING**

| Hole ID   | Depth | North     | East    | RL  | Dip | Azimuth | From  | To  | Width (m)                                 | Grade (g/t)   |
|-----------|-------|-----------|---------|-----|-----|---------|---|---|---|---|
| 17KLRC089 | 274   | 7,637,815 | 799,591 | 275 | -60 | 30      | 254<br>261  | 255<br>265  | 1<br>4                                    | 0.64<br>2.27  |
| 17KLRC090 | 202   | 7,637,855 | 799,651 | 293 | -60 | 30      | 83<br>98<br>106<br>111<br>119<br>128<br>139<br>176<br>187 | 84<br>99<br>107<br>112<br>124<br>129<br>144<br>182<br>188 | 1<br>1<br>1<br>1<br>5<br>1<br>5<br>6<br>1 | 0.61<br>1.07<br>8.54<br>1.54<br>0.5<br>0.97<br>0.96<br>0.92<br>0.89 |

|           |     |           |         |     |     |    |     |     |   |      |
|-----------|-----|-----------|---------|-----|-----|----|-----|-----|---|------|
| 17KLRC091 | 210 | 7,637,870 | 799,620 | 283 | -60 | 30 | 82  | 83  | 1 | 0.81 |
|           |     |           |         |     |     |    | 90  | 91  | 1 | 0.8  |
|           |     |           |         |     |     |    | 150 | 152 | 2 | 0.6  |
|           |     |           |         |     |     |    | 156 | 157 | 1 | 0.58 |
|           |     |           |         |     |     |    | 196 | 200 | 4 | 0.92 |
| 17KLRC092 | 202 | 7,637,835 | 799,640 | 285 | -60 | 30 | 115 | 116 | 1 | 0.78 |
|           |     |           |         |     |     |    | 119 | 121 | 2 | 0.77 |
|           |     |           |         |     |     |    | 134 | 135 | 1 | 0.74 |
|           |     |           |         |     |     |    | 186 | 187 | 1 | 0.61 |
|           |     |           |         |     |     |    | 193 | 196 | 3 | 1.89 |



**JORC TABLE 1 DISCLOSURES**  
**WARRAWOONA PROJECT**  
**JORC Code, 2012 Edition – Table 1**

**Section 1 Sampling Techniques and Data**

| Criteria                   | JORC Code explanation   | Commentary   |
|----------------------------|---|--|
| <b>Sampling techniques</b> | <i>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.</i> | Calidus Resources Ltd commenced RC drilling along the Warrawoona Shear Zone mid-June 2017. A total of 92 RC holes have been drilled for 12908m at the Klondyke Prospect. This table reports holes 17KLRC088 through to 17KLRC092, a total of 5 RC holes for 1108m. Calidus are also reporting exploration results from nine (9) RC holes for 596m drilled at Fielding's Gully and 16 RC holes for 1186m from the Copenhagen Prospect. All holes were drilled from surface by Orlando Drilling Pty Ltd utilizing an Atlas Copco E235 Explorac RC track-mounted drill rig, as part of a larger exploration program over the Warrawoona Shear Zone.<br><br>Fielding's Gully and Klondyke RC holes were drilled to the north (015 and 030/210 respectively), orthogonal to the overall strike of the mineralisation. The holes at Copenhagen were oriented to the southeast towards 220. All holes were almost exclusively drilled at -60 degrees dip on a variable spacing. Holes were planned in 3D using geological modelling software however drilled to variable depth upon observation from the supervising geologist. |
|                            | <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>  | RC samples were collected at one metre intervals by a cone splitter mounted to the drill rig cyclone. QAQC procedures employed during drilling include the addition of blanks, standards and field duplicates at a rate of 1 each every 20 samples.  |
|                            | <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>   | 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 prior to analysis of gold using a fire assay 50g charge.   |

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| Criteria  | JORC Code explanation  | Commentary  |
|---|--|---|
| <b>Drilling techniques</b>                            | <i>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).</i> | RC drilling employed a diameter of 140mm (5.5"). Drilling was completed using a face sampling hammer with hole depths ranging from 52m to 274m. Down hole surveys were picked up once drilling was completed by Pilbara Wireline Services utilizing a North Seeking Gyro.   |
| <b>Drill sample recovery</b>                          | <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>   | RC sample recovery is noted as being excellent. Only a very small percent (<1%) of samples were logged as having poor recovery and this was usually due to water ingress.   |
|   | <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>   | RC holes were visually checked for recovery, moisture and contamination.  |
|   | <i>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.</i>  | The geological logs suggest that sample recovery was generally excellent and therefore sample bias is unlikely to have occurred.  |
| <b>Logging</b>  | <i>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.</i>   | RC chips were geologically logged 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.  |
|   | <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>  | Logging was predominately qualitative in nature, although vein and sulphide percents were estimated visually.   |
|   | <i>The total length and percentage of the relevant intersections logged.</i>   | 100% of all recovered intervals were geologically logged.   |
| <b>Sub-sampling techniques and sample preparation</b> | <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>   | N/A.  |
|   | <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>   | RC samples were collected from the full recovered interval at the drill rig by cone splitter. The vast majority of samples were collected were dry with a very 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. |

| Criteria  | JORC Code explanation   | Commentary  |
|---|---|---|
|   | <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>   | 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.  |
|   | <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>  | 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.   |
|   | <i>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.</i>   | 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 along the Warrawoona Shear Zone.  |
|   | <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>  | The sample sizes collected are in line with standard practice.  |
| <b>Quality of assay data and laboratory tests</b> | <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>   | 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. |
|   | <i>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.</i> | No such instruments are being currently employed at the project.  |
|   | <i>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.</i>                 | 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.  |
| <b>Verification of sampling and assaying</b>      | <i>The verification of significant intersections by either independent or alternative company personnel.</i>  | Significant intercepts have been reviewed in the available data by all senior geological staff.   |
|   | <i>The use of twinned holes.</i>  | Several historical holes have been twinned as part of the greater Klondyke exploration drilling program.  |



| Criteria   | JORC Code explanation   | Commentary  |
|--|---|---|
|  | <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>   | 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.  |
|  | <i>Discuss any adjustment to assay data.</i>  | No adjustments have been made to the assay data.  |
| <b>Location of data points</b>                                 | <i>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.</i>  | Drill collar locations were surveyed using a DGPS. Down hole surveys were conducted using a north seeking gyro.   |
|  | <i>Specification of the grid system used.</i>   | The grid system used is MGA94 Zone 50. All reported coordinates are referenced to this grid. Historic data has been transformed from AMG84 Zone 50.   |
|  | <i>Quality and adequacy of topographic control.</i>   | Topographic control is based on aerial survey data collected using 2m contours. Quality is considered acceptable.   |
| <b>Data spacing and distribution</b>                           | <i>Data spacing for reporting of Exploration Results.</i>   | Drilling of the Klondyke project has been completed on a variable grid approaching 25mX x 25mY, drilled orthogonal to the strike of mineralisation. The other prospects (Fielding's Gully and Copenhagen) are still in the early stages of exploration and therefore the drill spacing is not as well developed.  |
|  | <i>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.</i> | N/A - Reporting exploration results only.   |
|  | <i>Whether sample compositing has been applied.</i>   | N/A - Reporting exploration results only.   |
| <b>Orientation of data in relation to geological structure</b> | <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>   | The gold mineralisation identified to date at the Klondyke project consists of a number of interpreted mineralised veins striking approximately 115 and dipping steeply (80°-90°) to the south. Resource drilling is predominantly conducted at - 60° - 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. The other prospects are both located northeast along strike of Klondyke and both Fielding's Gully and Copenhagen are interpreted to be of a similar geometry to Klondyke. Drilling at these prospects is also orthogonal to the strike of mineralisation. |

## ASX ANNOUNCEMENT



| Criteria                 | JORC Code explanation   | Commentary   |
|--------------------------|---|--|
|                          | <i>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.</i> | The orientation of drilling with respect to mineralisation is not expected to introduce any sampling bias.   |
| <b>Sample security</b>   | <i>The measures taken to ensure sample security.</i>  | 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. |
| <b>Audits or reviews</b> | <i>The results of any audits or reviews of sampling techniques and data.</i>  | A review of the data against historical reports and information will be undertaken at the completion of the current drilling program.  |

## Section 2 Reporting of Exploration Results

| Criteria                                       | JORC Code explanation   | Commentary   |
|--|---|--|
| <b>Mineral tenement and land tenure status</b> | <i>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.</i> | The Warrawoona Shar Zone 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.<br>The project comprises both 100% owned, earn in and option agreements. All of these agreements are detailed in the Company's prospectus and ASX releases (Refer Table below). |

| Criteria | JORC Code explanation | Commentary        |                              |           |                    |
|----------|-----------------------|-------------------|------------------------------|-----------|--------------------|
|          |                       | Tenement ID       | Holder                       | Size (ha) | Ownership/Interest |
|          |                       | GRANTED           |                              |           |                    |
|          |                       | M45/0552          | Keras (Pilbara) Gold Pty Ltd | 9.70      | 100%               |
|          |                       | M45/0668          | Keras (Pilbara) Gold Pty Ltd | 240.00    | 100%               |
|          |                       | M45/0669          | Keras (Pilbara) Gold Pty Ltd | 120.00    | 100%               |
|          |                       | M45/0670          | Keras (Pilbara) Gold Pty Ltd | 120.00    | 100%               |
|          |                       | M45/679           | Keras (Pilbara) Gold Pty Ltd | 121.40    | 100%               |
|          |                       | M45/0521          | Keras (Pilbara) Gold Pty Ltd | 19.10     | 100%               |
|          |                       | M45/0672          | Keras (Pilbara) Gold Pty Ltd | 130.00    | 100%               |
|          |                       | M45/0240          | Keras (Pilbara) Gold Pty Ltd | 7.00      | 100%               |
|          |                       | M45/547           | Keras (Pilbara) Gold Pty Ltd | 17.72     | 100%               |
|          |                       | M45/0671          | Keras (Pilbara) Gold Pty Ltd | 120.00    | 100%               |
|          |                       | M45/682           | Keras (Pilbara) Gold Pty Ltd | 236.12    | 100%               |
|          |                       |                   |                              |           |                    |
|          |                       | Applications      |                              |           |                    |
|          |                       | E45/4856          | Keras (Pilbara) Gold Pty Ltd | 2,554.00  | 100%               |
|          |                       | E45/4857          | Keras (Pilbara) Gold Pty Ltd | 14,680.00 | 100%               |
|          |                       | E45/4905          | Keras (Pilbara) Gold Pty Ltd | N/A       | 100%               |
|          |                       | E45/4906          | Keras (Pilbara) Gold Pty Ltd | N/A       | 100%               |
|          |                       |                   |                              |           |                    |
|          |                       | Option to Acquire |                              |           |                    |
|          |                       | E45/4555          | EpmineX WA Pty Ltd           | 1,800.00  | 50%                |
|          |                       | E45/4556          | EpmineX WA Pty Ltd           | 4,200.00  | Option             |
|          |                       | E45/4843          | EpmineX WA Pty Ltd           | 900.00    | 50%                |
|          |                       |                   |                              |           |                    |
|          |                       | Joint Venture     |                              |           |                    |
|          |                       | E45/3381          | Beatons Creek Gold Pty Ltd   | 9,965.00  | Earning to 70%     |
|          |                       | E45/4666          | Beatons Creek Gold Pty Ltd   | 2,775.00  | Earning to 70%     |
|          |                       | E45/4622          | Beatons Creek Gold Pty Ltd   | 4,222.00  | Earning to 70%     |
|          |                       | E45/4194          | Grant's Hill Gold Pty Ltd    | 1,278.00  | Earning to 70%     |
|          |                       | P45/2781          | Beatons Creek Gold Pty Ltd   | 2.40      | Earning to 70%     |
|          |                       | P45/2661          | Beatons Creek Gold Pty Ltd   | 139.00    | Earning to 70%     |
|          |                       | P45/2662          | Beatons Creek Gold Pty Ltd   | 53.00     | Earning to 70%     |
|          |                       |                   |                              |           |                    |



## ASX ANNOUNCEMENT



| Criteria                                 | JORC Code explanation   | Commentary  |
|--|---|---|
|  | <i>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.</i>   | The tenements are in good standing and no known impediments exist.  |
| <b>Exploration done by other parties</b> | <i>Acknowledgment and appraisal of exploration by other parties.</i>  | 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, Lynas and Jupiter all conducted exploration in the Klondyke area. Drilling information from these explorers has been reviewed and as part of this exploration drilling program.   |
| <b>Geology</b>                           | <i>Deposit type, geological setting and style of mineralisation.</i>  | <p>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.</p> <p>The gold, along with disseminated pyrite and to a lesser degree chalcopyrite and arsenopyrite, occur in quartz veins and stringers in the Klondyke Shear. 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.</p> |
| <b>Drill hole Information</b>            | <i>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:</i><br><br><i>easting and northing of the drill hole collar</i><br><br><i>elevation or RL (Reduced Level – elevation above sea</i> | Drilling is by RC with 5 RC holes for 1108m at Klondyke, 9 RC holes for 596m drilled at Fielding's Gully and 16 RC holes for 1186m from the Copenhagen Prospect. The details of drill holes material to the exploration results reported in the announcement are included in Appendix 1.  |

| Criteria  | JORC Code explanation  | Commentary  |
|---|--|---|
|   | <p>level in metres) of the drill hole collar</p> <p>dip and azimuth of the hole</p> <p>down hole length and interception depth</p> <p>hole length.</p>   |   |
| <b>Data aggregation methods</b>   | <i>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.</i>  | 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.   |
|   | <i>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.</i>            | High grade gold intercepts within broader lower grade intercepts are reported as included intervals.  |
|   | <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>   | No metal equivalents values are used for reporting of exploration results.  |
| <b>Relationship between mineralisation widths and intercept lengths</b> | <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>   | The gold mineralisation identified to date at the Klondyke project consists of a number of interpreted mineralised veins striking approximately 115 and dipping steeply (80°-90°) to the south. Mineralisation at Fielding's Gully strikes approximately 110 and dips moderately to steeply South, while Copenhagen strikes approximately 130 and dips around 60°-70° to the North. Resource drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation close to perpendicular. |
| <b>Diagrams</b>   | <i>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.</i> | Included in announcement  |
| <b>Balanced reporting</b>   | <i>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</i>  | N/A   |

## ASX ANNOUNCEMENT



| Criteria                                  | JORC Code explanation  | Commentary   |
|---|--|--|
|   | <i>Results.</i>  |  |
| <b>Other substantive exploration data</b> | <i>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.</i> | Soil, rock and stream sediment sampling has been completed across the broader Warrawoona area historically. Bulk samples have been collected for metallurgical testing. The results of which have indicated that mineralisation is expected to be amenable to standard cyanide processing. These results are not being reported as part of this exploration release. |
| <b>Further work</b>                       | <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>  | Calidus Resources Limited will be focusing on the staged resource definition drilling at Klondyke, Fielding's Gully and Copenhagen in addition to pit optimisation studies, metallurgical studies, development studies and exploration drilling at priority targets over the next 12 months.   |
|   | <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>   | Contained in this announcement   |