

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 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

calidus.com.au

ASX : CAI

+61 8 6245 2050

info@calidus.com.au

Suite 12, 11 Ventnor Ave
West Perth WA 6005
AUSTRALIA

16th October 2017

Klondyke Drill Program Extended Following Exceptional Maiden Results

Completes initial 15,000m drilling program and extends program a further 5,000m at Klondyke East on Calidus' recently Joint Ventured ground with NOVO Resources Corp.

Calidus Resources Limited (ASX:CAI) ('Calidus' or the 'Company') is pleased to announce that it has received further assays from the Klondyke deposit, and committed to initial reconnaissance drilling at Klondyke East at its flagship Warrawoona Gold Project located in the Pilbara of Western Australia.

HIGHLIGHTS

- Subsequent to receiving outstanding intercepts including 6m @ 63.31g/t Au from 49m in KLRC032 and 27m @ 5.85g/t Au from 90m in KLRC001, Calidus committed to extending the original 10,000m drilling program to over 15,000m
- A total of 15,611m has now been drilled at Klondyke and the high-grade satellite targets of Copenhagen, Coronation and Fieldings Gully
- A further 5,000m program committed to target recently joint ventured Klondyke East area hosting strong gold-in-soil anomalies directly east of Klondyke
- Significant gold intercepts grading greater than 10 gram-metres include:
 - **24m @ 2.52g/t Au** from 82m in hole 17KLRC066
 - **7m @ 5.29g/t Au** from 30m in hole 17KLRC077
 - **18m @ 2.00g/t Au** from 29m in hole 17KLRC074
 - **19m @ 1.72g/t Au** from 80m in hole 17KLRC068
 - **11m @ 2.62g/t Au** from 136m in hole 17KLRC0087
 - **4m @ 6.83g/t Au** from 154m in hole 17KLRC058
 - **11m @ 1.98g/t Au** from 121m in hole 17KLRC075
 - **9m @ 1.48g/t Au** from 108m in hole 17KLRC079
 - **11m @ 1.16g/t Au** from 125m in hole 17KLRC059
 - **11m @ 1.13g/t Au** from 149m in hole KLRC085
 - **9m @ 1.36g/t Au** from 60m in hole 17KLRC062
 - **6m @ 2.02g/t Au** from 106m in hole 17KLRC075
 - **6m @ 2.00g/t Au** from 52m in hole 17KLRC066
 - **9m @ 1.24g/t Au** from 90m in hole 17KLRC067

- **11m @ 1.01g/t Au** from 64m in hole 17KLRC066
 - **4m@ 2.66g/t Au** from 118m in hole 17KLRC081
 - **21m @ 0.93 g/t Au** from 66m in hole 17KLRC060
 - **17m @ 0.97g/t Au** from 7m in hole 17KLRC077
- This represents a further 29 holes for 4,746m of RC drilling. A total of 3,500m of RC and 1,100m of core is yet to be reported from Klondyke and the high-grade satellite deposits
 - Hyper spectral and magnetic imagery acquisition underway with results expected in late October to assist in providing additional vectoring to gold mineralisation

Calidus Managing Director Dave Reeves commented, “With the completion of the recent JV deal with Novo Resources and the heavily over-subscribed placement, I am pleased to report that we will begin reconnaissance drilling on the recently joint ventured Novo Resources Corp. ground immediately east of the existing resource. This area has seen limited drilling that confirms the mineralised Klondyke shear structure persists for at least another 5km and provides an exceptional target for potential rapid along-strike expansion of the current resource. In addition, we are due to receive detailed geophysical imagery that will be integrated into our existing datasets and allow us to understand the geophysical responses of our existing mineral deposits and use these indicators of prospectivity across our regional leases to rapidly target the presence of mineralising systems.”

“The initial drill program, that was eventually expanded to 15,611m, is now complete and continues to deliver strong results over the immediate Klondyke resource area. This program also included 2,222m of RC and core drilling at the high-grade Copenhagen Coronation and Fieldings Gully deposits with initial results from these areas due in shortly. In addition, the first 2 Klondyke diamond holes have been dispatched for assay with the completion of submission of the remaining 5 diamond holes due in the next 4 weeks.”

“Initial examination of drill core over the Klondyke, Copenhagen, Coronation and Fieldings Gully areas indicates a wide variety of structurally deformed rocks and zones of mineralisation with extensive alteration. RC drill results to date demonstrate geologically the potential of the broader regional system to host both high-grade and high-value mineralisation and larger-scale lower grade bulk tonnage mineralisation.”

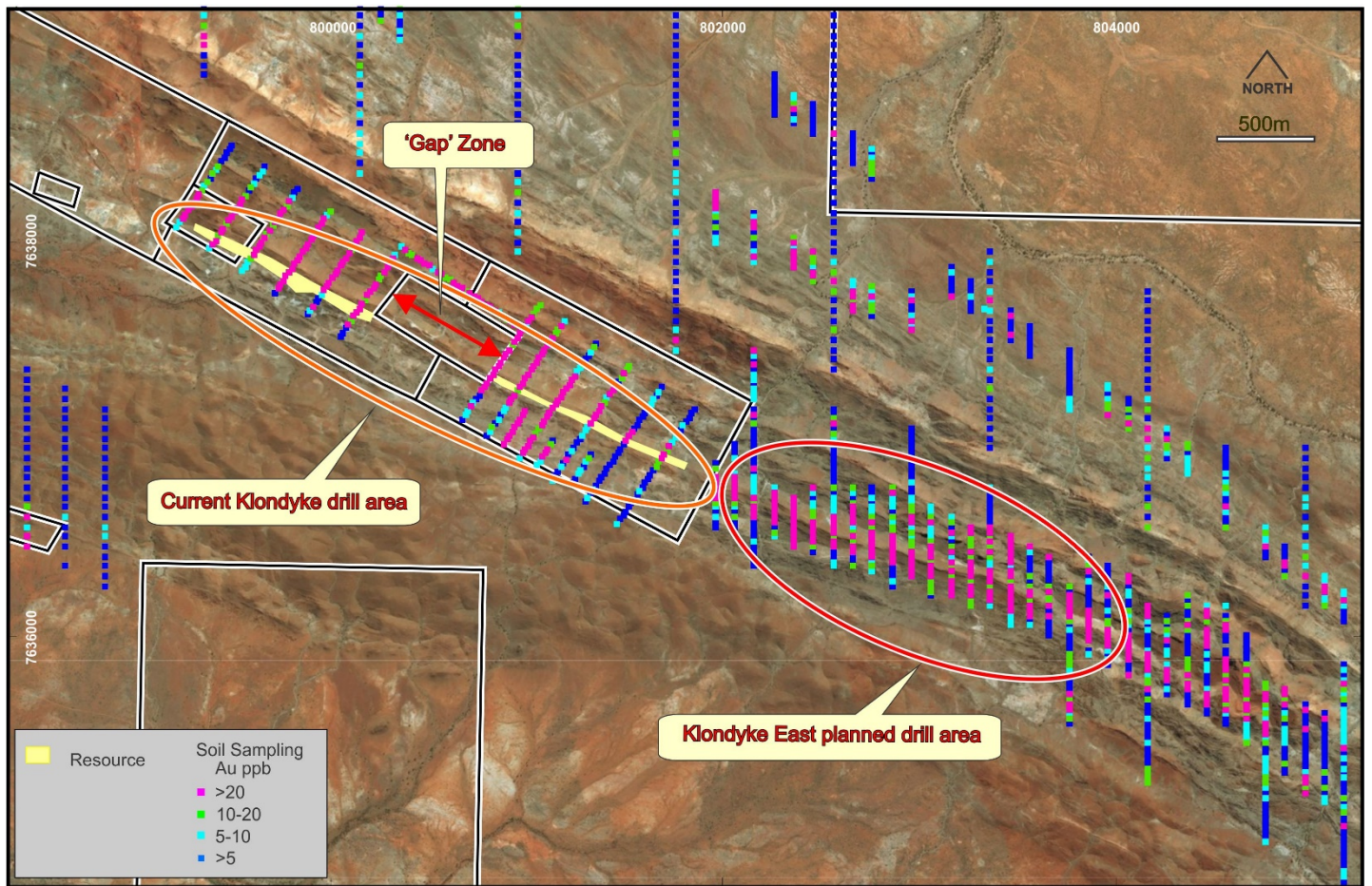
Further Information

Work is now underway to compile and analyse all data once the complete set of assay results are returned, which should be within the next 8 weeks. All RC and drill core holes drilled to date over the Klondyke resource area have intersected gold mineralisation within extensive intervals of hydrothermal alteration.

In addition, Calidus geologists are currently logging the drill core in detail to develop their understanding of the controls on gold mineralisation, given the level of structural deformation. Mineralisation continuity across the Warrawoona shear remains open along strike to the east and west, and at depth. Further high-grade vertical ore shoot positions have been defined which require an on-going structural review prior to targeting with deeper drilling. Planning is underway to immediately commence an additional RC program to drill test a strong gold-in-soil anomaly over the Warrawoona stratigraphic package directly to the east of the current extent of resource drilling. The dimensions of this soil anomaly are several orders of magnitude greater than the average background gold mineralisation. This is extremely encouraging in terms of the potential to significantly increase the strike length to the south east of the current mineralised structure greater than the current 2.7km in confirmed length.

With the recent Novo JV, Calidus geologists have commenced the systematic evaluation of the combined Calidus – Novo database to assist with more regional drill-hole targeting and to expedite further discoveries. This integrated geological interpretation over the entire tenement package will allow ranking and prioritising of all regional targets and allow subsequent exploration programs to be planned, budgeted and scheduled.

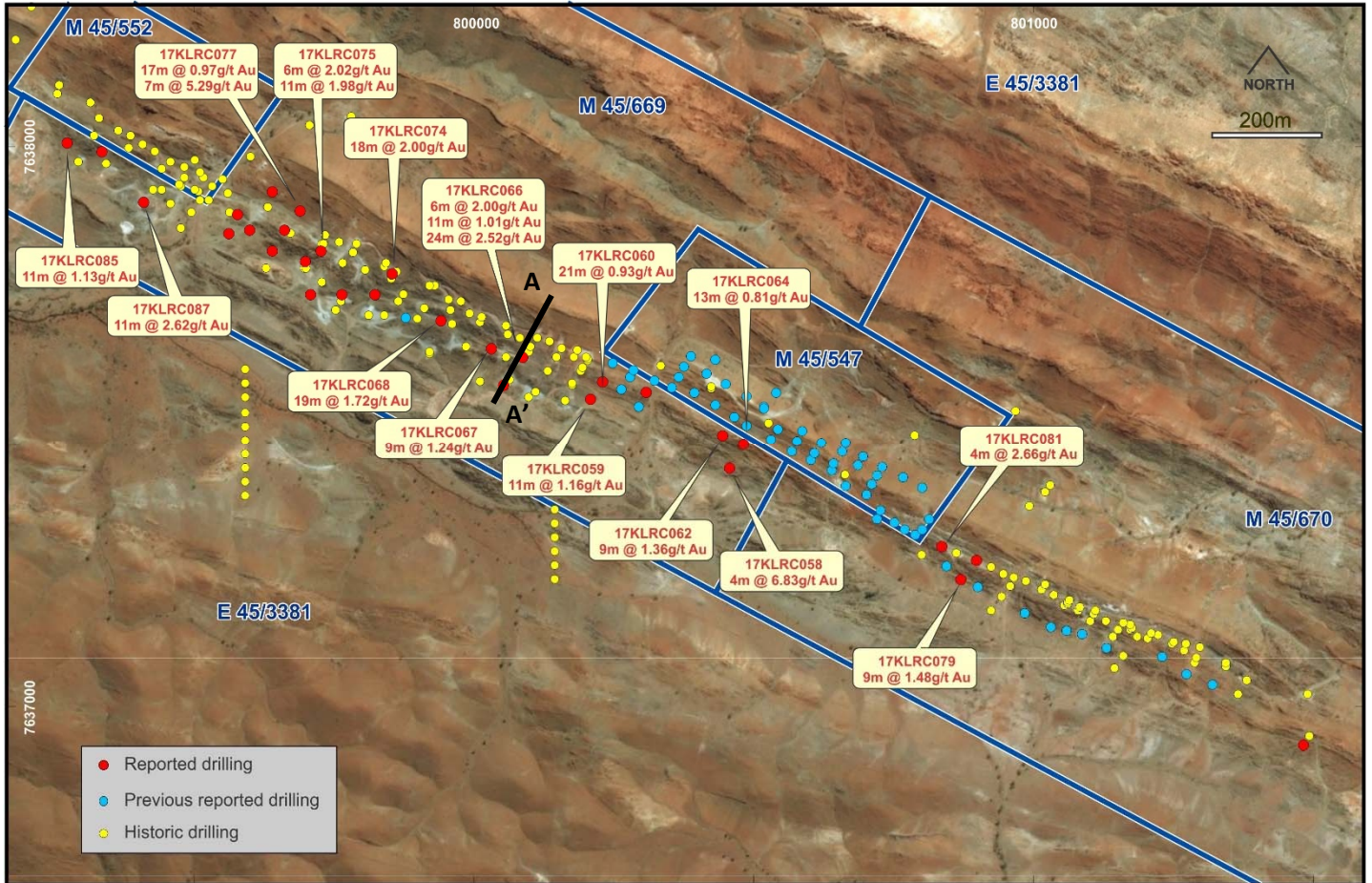
Figure 1: Klondyke Deposit and Klondyke East Extension



Total holes and metres completed in initial drill program

	RC		Core		Total Holes	Total Metres
	No. holes	Metres	No. holes	Metres		
Klondyke	92	12,786	3	603	95	13,389
Copenhagen	15	1,134	2	240	17	1,374
Fieldings Gully	9	596	1	126	10	722
Coronation	0	0	1	126	1	126
Total	116	14,516	7	1,095	123	15,611

Figure 2: Plan of announced drill results

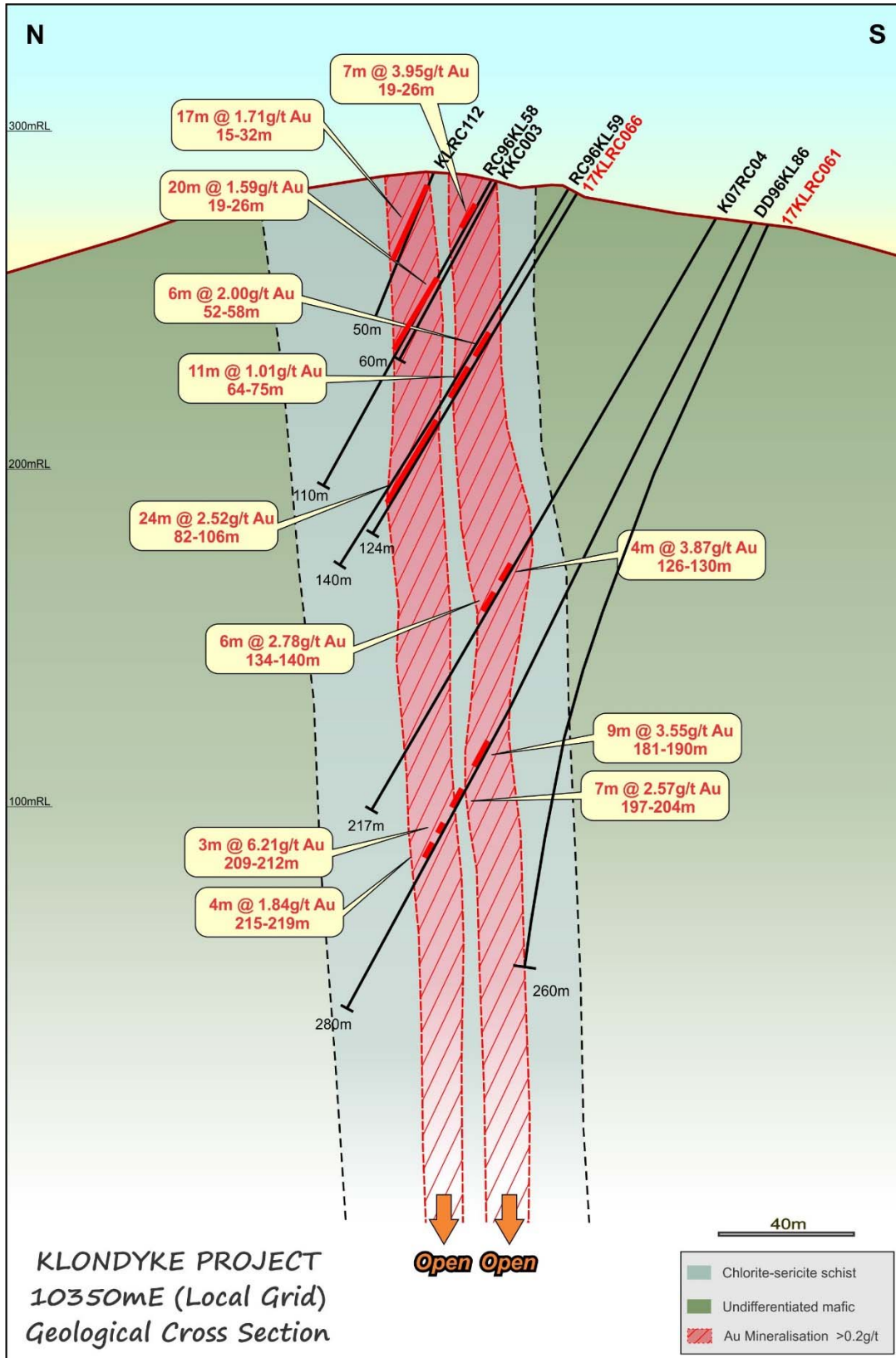


Next Steps

The Company's plan for the remainder of the year includes:

- Reporting all drilling completed to-date including high grade satellite deposits
- Additional 5,000m reconnaissance RC program over Klondyke East
- Resource Upgrade
- Initial review and release to market of regional targets

Figure 3: Cross Section A - A' (10,350mE)



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 better geological model to be built to assist in better targeting the large number of prospects that lie on the Company's tenements.

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.

- 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:

Dave Reeves

Managing Director

✉ dave@calidus.com.au

RC DRILLING RESULTS

Hole ID	Depth	North	East	RL	Dip	Azimuth	From	To	Width (m)	Grade (g/t)
17KLRC058	190	7,637,424	800,457	285	-60	30	36	37	1	2.39
17KLRC058							107	112	5	0.64
17KLRC058							136	137	1	1.01
17KLRC058							142	145	3	2.05
17KLRC058							150	151	1	0.66
17KLRC058							154	158	4	6.83
17KLRC058							162	163	1	1.9
17KLRC058							183	184	1	1.03
17KLRC059	160	7,637,550	800,209	284	-60	30	24	25	1	0.52
17KLRC059							115	116	1	0.52
17KLRC059							125	136	11	1.16
17KLRC060	106	7,637,581	800,231	290	-60	30	66	87	21	0.93
17KLRC061	260	7,637,575	800,054	280	-65	32	80	83	3	0.99
17KLRC061							108	113	5	1.78
17KLRC061							136	137	1	1.15
17KLRC061							249	251	2	1.14
17KLRC062	142	7,637,484	800,443	300	-58	30	32	34	2	1.2
17KLRC062							39	45	6	0.55
17KLRC062							54	55	1	0.7
17KLRC062							60	69	9	1.36
17KLRC062							72	74	2	0.66
17KLRC062							102	104	2	1.21
17KLRC062							124	125	1	0.96
17KLRC063	150	7,636,932	801,480	305	-63	30	15	16	1	0.79
17KLRC063							62	63	1	0.69
17KLRC063							128	130	2	1.47
17KLRC063							142	144	2	2.2
17KLRC064	100	7,637,467	800,481	303	-60	30	28	32	4	0.61
17KLRC064							38	41	3	0.98
17KLRC064							52	65	13	0.81

17KLRC064							83	88	5	1.46
17KLRC065	60	7,637,563	800,308	284	-60	30	14	15	1	0.97
17KLRC065							20	22	2	0.99
17KLRC065							26	28	2	3.7
17KLRC065							39	42	3	0.78
17KLRC065							51	52	1	0.64
17KLRC065							58	59	1	1.58
17KLRC066	124	7,637,625	800,085	289	-60	34	52	58	6	2
17KLRC066							64	75	11	1.01
17KLRC066							82	106	24	2.52
17KLRC067	154	7,637,640	800,029	288	-50	30	67	68	1	0.53
17KLRC067							74	83	9	0.87
17KLRC067							86	87	1	0.99
17KLRC067							90	99	9	1.24
17KLRC067							105	106	1	0.77
17KLRC068	154	7,637,689	799,941	290	-55	30	59	62	3	1.76
17KLRC068							68	69	1	1.06
17KLRC068							75	76	1	1.29
17KLRC068							80	99	19	1.72
17KLRC068							102	104	2	0.66
17KLRC068							107	108	1	1.17
17KLRC068							118	119	1	1
17KLRC068							131	132	1	0.99
17KLRC068							139	145	6	0.91
17KLRC069	190	7,637,736	799,824	277	-60	34	15	16	1	0.69
17KLRC069							70	71	1	4.78
17KLRC069							102	106	4	0.43
17KLRC069							123	127	4	0.81
17KLRC069							130	131	1	0.86
17KLRC069							135	139	4	0.4
17KLRC069							148	149	1	0.68
17KLRC069							154	155	1	0.56
17KLRC069							164	165	1	0.77
17KLRC069							168	170	2	0.6
17KLRC069							187	188	1	0.54

17KLRC070	200	7,637,734	799,764	281	-50	30	122	123	1	0.75
17KLRC070							127	128	1	1.68
17KLRC070							143	144	1	2.26
17KLRC070							148	149	1	0.92
17KLRC070							152	154	2	0.98
17KLRC070							165	172	7	1.1
17KLRC071	244	7,637,775	799,706	279	-60	30	119	125	6	0.62
17KLRC071							162	163	1	0.51
17KLRC071							177	183	6	1.26
17KLRC071							186	188	2	3.26
17KLRC071							191	194	3	1.17
17KLRC071							204	205	1	1.43
17KLRC071							209	213	4	0.45
17KLRC071							217	218	1	0.75
17KLRC072	202	7,637,794	799,700	282	-50	30	99	100	1	7.29
17KLRC072							123	124	1	1.05
17KLRC072							132	134	2	3.45
17KLRC072							141	142	1	1
17KLRC072							149	156	7	0.91
17KLRC073	200	7,637,815	799,639	281	-50	30	15	16	1	0.61
17KLRC073							127	130	3	0.72
17KLRC073							154	155	1	0.58
17KLRC073							189	190	1	0.57
17KLRC073							198	199	1	0.5
17KLRC074	88	7,637,773	799,854	293	-70	46	9	12	3	1.19
17KLRC074							15	19	4	2
17KLRC074							23	25	2	0.6
17KLRC074							29	47	18	2
17KLRC074							50	52	2	1.56
17KLRC074							56	70	14	0.68
17KLRC074							78	79	1	0.74
17KLRC075	160	7,637,813	799,724	290	-60	30	51	52	1	0.86
17KLRC075							62	65	3	1.5
17KLRC075							97	98	1	4.81
17KLRC075							106	112	6	2.02
17KLRC075							121	132	11	1.98

17KLRC076	160	7,637,852	799,662	296	-60	30	108	109	1	0.61
17KLRC076							112	122	10	0.74
17KLRC076							153	155	2	0.64
17KLRC077	82	7,637,885	799,690	287	-50	30	7	24	17	0.97
17KLRC077							30	37	7	5.29
17KLRC077							42	43	1	0.57
17KLRC077							54	61	7	0.61
17KLRC078	82	7,637,921	799,641	282	-50	30	12	18	6	0.82
17KLRC078							41	45	4	0.73
17KLRC078							63	64	1	1.22
17KLRC079	178	7,637,227	800,869	295	-60	30	29	30	1	0.9
17KLRC079							102	105	3	0.83
17KLRC079							108	117	9	1.48
17KLRC079							123	124	1	0.8
17KLRC079							143	146	3	1.1
17KLRC079							157	160	3	0.53
17KLRC080	106	7,637,262	800,898	298	-60	30	0	4	4	0.72
17KLRC080							15	16	1	0.51
17KLRC080							21	23	2	0.95
17KLRC080							27	34	7	1.19
17KLRC080							44	49	5	0.43
17KLRC080							68	69	1	0.72
17KLRC080							88	89	1	1.8
17KLRC080							94	95	1	0.82
17KLRC081	154	7,637,289	800,835	308	-60	30	2	4	2	1.02
17KLRC081							21	22	1	0.79
17KLRC081							30	31	1	0.64
17KLRC081							34	39	5	1.08
17KLRC081							43	49	6	1.42
17KLRC081							54	61	7	0.95
17KLRC081							82	83	1	0.56
17KLRC081							89	94	5	0.56
17KLRC081							102	103	1	1.33
17KLRC081							109	113	4	0.41
17KLRC081							118	122	4	2.66

17KLRC081							125	129	4	0.39
17KLRC082	160	7,637,847	799,600	278	-50	30	102	103	1	0.52
17KLRC082							114	115	1	0.59
17KLRC082							127	128	1	1.53
17KLRC083	238	7,637,848	799,575	275	-60	30	205	206	1	3.36
17KLRC083							210	212	2	1.46
17KLRC083							223	227	4	0.92
17KLRC083							235	238	3	1.74
17KLRC084	160	7,637,879	799,581	279	-60	30	95	102	7	1.39
17KLRC084							125	128	3	0.93
17KLRC084							158	159	1	0.8
17KLRC085	160	7,638,008	799,273	278	-50	30	108	110	2	1.74
17KLRC085							117	120	3	1.4
17KLRC085							126	128	2	3.01
17KLRC085							149	160	11	1.13
17KLRC086	160	7,637,988	799,335	281	-50	30	67	68	1	3.19
17KLRC086							89	90	1	0.79
17KLRC086							110	115	5	0.6
17KLRC086							124	125	1	1.29
17KLRC086							131	136	5	0.66
17KLRC086							150	154	4	1.11
17KLRC087	220	7,637,902	799,410	277	-50	32	136	147	11	2.62
17KLRC087							165	171	6	0.55
17KLRC087							178	179	1	0.67
17KLRC087							186	187	1	0.77

JORC TABLE 1 DISCLOSURES

KLONDYKE PROSPECT

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<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 on the Klondyke resource in mid-June 2017. A total of 87 RC holes have been drilled for 11,800m. This table reports holes 17KLRC058 through to 17KLRC087, a total of 29 holes for 4,746m. Holes were drilled to the south-west, orthogonal to the overall strike of the mineralisation. Holes were orientated between -50 to -70 degrees on a variable spacing averaging 25m x 25m. Holes were planned in 3D using geological modelling software however drilled to variable depth upon observation from the supervising geologist. Drilling is being undertaken by Orlando Drilling Pty Ltd utilising an Atlas Copco E235 Explorac RC track-mounted drill rig.
	<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 being employed during drilling include the addition of blanks, standards and field duplicates at a rate of 1 per 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 fire assay with a 50g charge.
Drilling techniques	<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 42m to 260m. Down hole surveys have been conducted on all holes by GYRO Australia Ptd Ltd and Pilbara Wireline Services utilizing a GYRO.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	RC sample recovery was generally excellent, except on the rare occasion where water was intercepted down hole.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	RC recoveries 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>	Available reports suggests that recovery was generally very good (95% of samples had 100% recovery) and as such it is not expected that any such bias exists.
Logging	<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.
Sub-sampling techniques and sample preparation	<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. 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 utilise 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 topsize 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 at Klondyke.
	<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.
Quality of assay data and laboratory tests	<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 Klondyke 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.
Verification of sampling and assaying	<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.

Criteria	JORC Code explanation	Commentary
	<i>The use of twinned holes.</i>	Several historical holes have been twinned in this program.
	<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.
Location of data points	<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 in AMG84 Zone 50 coordinates. Collar details were subsequently transformed to MGA94 using published transformation criteria relevant to Zone 50.
	<i>Specification of the grid system used.</i>	The grid system used is MGA94 Zone 50. All reported coordinates are referenced to this grid. Original 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.
Data spacing and distribution	<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.
	<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.
Orientation of data in relation to geological structure	<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 Gold 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 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.

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.
Sample security	<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.
Audits or reviews	<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																																																																																																				
Mineral tenement and land tenure status	<p><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></p>	<p>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.</p> <p>The project comprises both 100% owned, earn in and option agreements. All of these agreements are detailed in the Company's prospectus.</p> <table border="1"> <thead> <tr> <th>Tenement</th> <th>Owner</th> <th>Size (Ha)</th> <th>Renewal</th> <th>Ownership</th> </tr> </thead> <tbody> <tr> <td colspan="5">Granted</td> </tr> <tr> <td>M 45/552</td> <td>Keras (Pilbara) Gold Pty Ltd</td> <td>9.70</td> <td>18/01/2035</td> <td>100%</td> </tr> <tr> <td>M 45/668</td> <td>Keras (Pilbara) Gold Pty Ltd</td> <td>240.00</td> <td>28/12/2037</td> <td>100%</td> </tr> <tr> <td>M45/669</td> <td>Keras (Pilbara) Gold Pty Ltd</td> <td>120.00</td> <td>28/12/2037</td> <td>100%</td> </tr> <tr> <td>M45/670</td> <td>Keras (Pilbara) Gold Pty Ltd</td> <td>120.00</td> <td>29/12/2037</td> <td>100%</td> </tr> <tr> <td>M45/679</td> <td>Elazac</td> <td>121.40</td> <td>8/04/2017</td> <td>Option to Purchase and Right to Mine</td> </tr> <tr> <td>M 45/521</td> <td>BHP/Elazac/Haoma</td> <td>19.10</td> <td>10/03/2034</td> <td>Option to Purchase and Right to Mine</td> </tr> <tr> <td>M 45/672</td> <td>BHP/Elazac/Haoma</td> <td>130.00</td> <td>1/08/2037</td> <td>Option to Purchase and Right to Mine</td> </tr> <tr> <td>M 45/240</td> <td>BHP/Elazac/Haoma</td> <td>7.00</td> <td>17/11/2028</td> <td>Option to Purchase and Right to Mine</td> </tr> <tr> <td>M45/547</td> <td>Elazac</td> <td>17.72</td> <td>2/05/2035</td> <td>Option to Purchase and Right to Mine</td> </tr> <tr> <td>M 45/671</td> <td>BHP/Elazac/Haoma</td> <td>120.00</td> <td>29/11/2037</td> <td>Option to Purchase and Right to Mine</td> </tr> <tr> <td>M45/682</td> <td>Haoma Mining</td> <td>236.12</td> <td>17/04/2017</td> <td>Option to Purchase and Right to Mine</td> </tr> <tr> <td colspan="5">Applications</td> </tr> <tr> <td>E45/4856</td> <td>Keras (Pilbara) Gold Pty Ltd</td> <td>2,554.00</td> <td></td> <td>100%</td> </tr> <tr> <td>E45/4857</td> <td>Keras (Pilbara) Gold Pty Ltd</td> <td>14,680.00</td> <td></td> <td>100%</td> </tr> <tr> <td colspan="5">Option to Aquire</td> </tr> <tr> <td>E45/4555</td> <td>EpmineX WA Pty Ltd</td> <td>1,800.00</td> <td></td> <td>50%</td> </tr> <tr> <td>E45/4556</td> <td>EpmineX WA Pty Ltd</td> <td>4,200.00</td> <td></td> <td>Option</td> </tr> <tr> <td>E45/4843</td> <td>EpmineX WA Pty Ltd</td> <td>900.00</td> <td></td> <td>50%</td> </tr> </tbody> </table>	Tenement	Owner	Size (Ha)	Renewal	Ownership	Granted					M 45/552	Keras (Pilbara) Gold Pty Ltd	9.70	18/01/2035	100%	M 45/668	Keras (Pilbara) Gold Pty Ltd	240.00	28/12/2037	100%	M45/669	Keras (Pilbara) Gold Pty Ltd	120.00	28/12/2037	100%	M45/670	Keras (Pilbara) Gold Pty Ltd	120.00	29/12/2037	100%	M45/679	Elazac	121.40	8/04/2017	Option to Purchase and Right to Mine	M 45/521	BHP/Elazac/Haoma	19.10	10/03/2034	Option to Purchase and Right to Mine	M 45/672	BHP/Elazac/Haoma	130.00	1/08/2037	Option to Purchase and Right to Mine	M 45/240	BHP/Elazac/Haoma	7.00	17/11/2028	Option to Purchase and Right to Mine	M45/547	Elazac	17.72	2/05/2035	Option to Purchase and Right to Mine	M 45/671	BHP/Elazac/Haoma	120.00	29/11/2037	Option to Purchase and Right to Mine	M45/682	Haoma Mining	236.12	17/04/2017	Option to Purchase and Right to Mine	Applications					E45/4856	Keras (Pilbara) Gold Pty Ltd	2,554.00		100%	E45/4857	Keras (Pilbara) Gold Pty Ltd	14,680.00		100%	Option to Aquire					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%
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	<p><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></p>	<p>The tenements are in good standing and no known impediments exist.</p>																																																																																																				
Exploration done by other parties	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>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</p>																																																																																																				

Criteria	JORC Code explanation	Commentary
		<p>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 included as part of this Mineral Resource estimate, with the respective confidence in the quality considered in assignment of the Mineral Resource classification applied.</p>
<p>Geology</p>	<p><i>Deposit type, geological setting and style of mineralisation.</i></p>	<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>
<p>Drill hole Information</p>	<p><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></p> <p><i>easting and northing of the drill hole collar</i></p>	<p>Drilling is by RC and includes 29 holes for 4,746m.</p> <p>The details of drill holes material to the exploration results reported in the announcement are included in Appendix 1.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></p> <p><i>dip and azimuth of the hole</i></p> <p><i>down hole length and interception depth</i></p> <p><i>hole length.</i></p>	
Data aggregation methods	<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.
Relationship between mineralisation widths and intercept lengths	<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 Gold 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 degrees orthogonal to strike and as such drill holes intersect the mineralisation close to perpendicular.
Diagrams	<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
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be</i>	N/A

Criteria	JORC Code explanation	Commentary
	<i>practiced to avoid misleading reporting of Exploration Results.</i>	
Other substantive exploration data	<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>	N/A Not included in this exploration report.
Further work	<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 and Copenhagen, 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