

ASX ANNOUNCEMENT

12 April 2018

ABOUT CALIDUS RESOURCES

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

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Drilling Extends Klondyke Gold Mineralisation a further 2km to East

Calidus Resources Limited (ASX:CAI) ('Calidus' or the 'Company') is pleased to announce a drilling update based on results from a further 12 RC holes along a reconnaissance traverse directly East of the company's Klondyke Gold Deposit, located in the Pilbara of Western Australia. Calidus will be commencing a large resource infill and extension programme across the Klondyke Shear corridor in May 2018.

HIGHLIGHTS

- The latest 12 RC broad-spaced reconnaissance holes show that the dominant Klondyke Main mineralised shear structure extends 2km to the east of the existing resource.
- A selection of assays from the latest RC holes above a 10gm include:
 - **16m @ 2.34g/t Au** from 136m in 18KLRC095;
 - **10m @ 3.67g/t Au** from 58m in 18KLRC099;
 - **7m @ 4.58g/t Au** from 175m in 18KLRC095;
 - **6m @ 3.32g/t Au** from 167m in 18KLRC096;
 - **13m @ 1.24g/t Au** from 104m in 18KLRC104 and
 - **2m @ 5.44g/t Au** from 39m in 18KLRC104.
- Detailed field mapping and pXRF sampling has been completed to allow infill and further extensional drilling to commence in May and has highlighted similar geology continues for a further 2km east of this drilling.
- A project-wide regional soil geochemistry programme is underway.
- EIS co-funded deep drilling at Klondyke has commenced with the first hole nearing target depth at 500m.

Calidus Managing Director Dave Reeves commented, "The Klondyke East maiden drilling campaign has confirmed that the main Klondyke Shear is proving up as a substantial gold system. Drilling has intersected outcropping gold mineralisation for over 2km from the eastern limit of the existing 2.6km long, 654,000 ounce resource. With deep drilling underway beneath the existing resource, the true scale of Klondyke is beginning to be revealed.

Mapping of the shear to east of this shows a continuation of the host rock sequence for a further 2km along strike from this drilling. These results increase our confidence that with the extensional drilling planned this year, we will see a significant increase in defined resources at the Klondyke Prospect."

Klondyke East Drilling

An initial broad-spaced RC drilling programme has successfully outlined the continuation of the main Klondyke mineralised shear zone up to 2km further East from where the current 654koz resource ends (refer Figure One).

The drilling was designed to target eastern strike extension of the low-to intermediate-chrome Archaean basalt units known to host gold mineralisation within the Klondyke Main shear resource zone as defined by earlier detailed field mapping, pXRF sampling and RC drilling.

With exploration of the along strike resource corridor still at an early stage, the tenor of mineralisation observed within the Klondyke East system mirrors the early exploration drilling results in the major Klondyke Shear itself. RC results from this single line of drillholes, 18KLRC093 to 18KLRC104, are detailed in Table One.

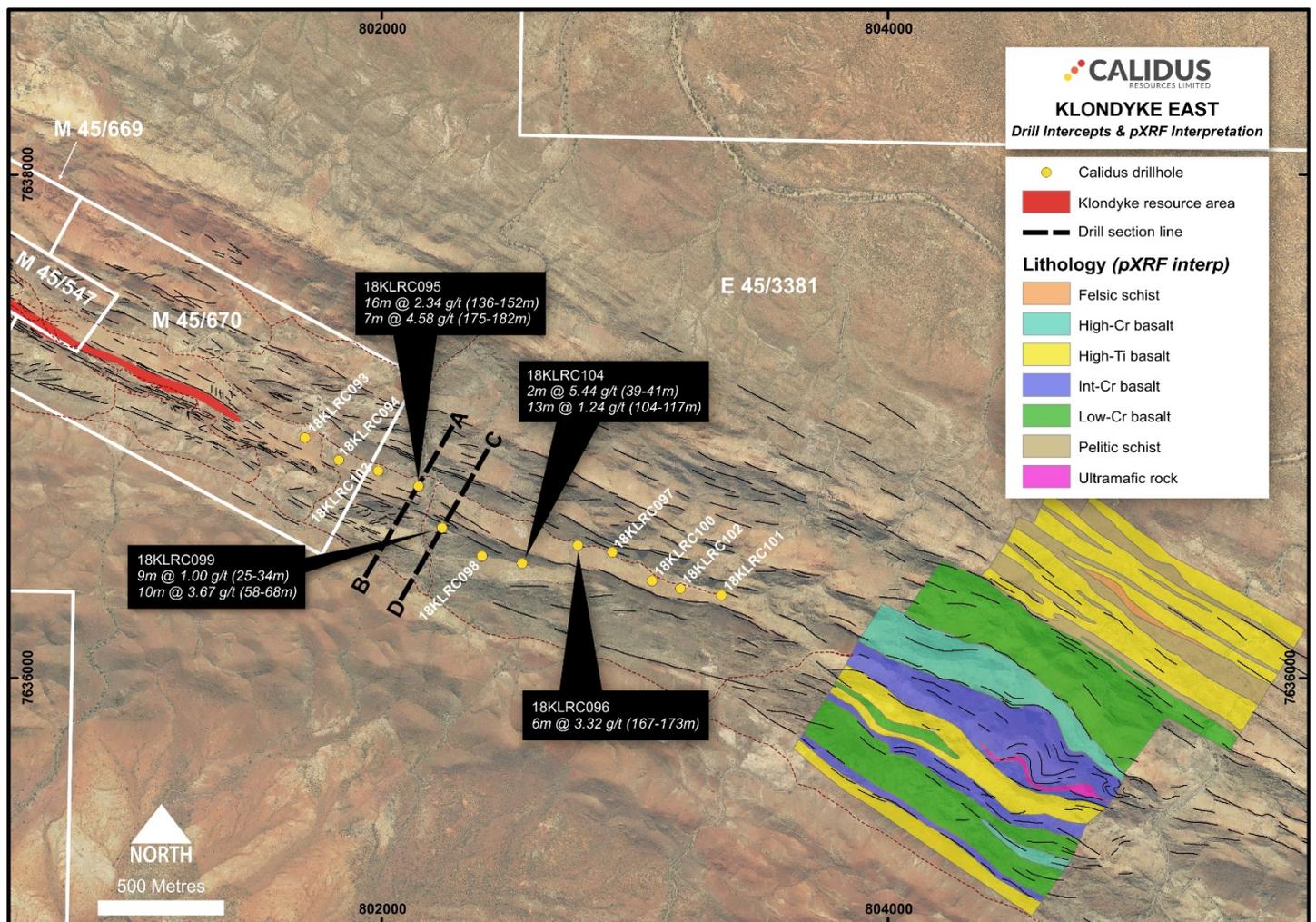


Figure One: Klondyke East drillhole plan showing the single broad-spaced reconnaissance traverse of 12 RC holes along strike and to the east of the current 712koz resource extent shown in red. A series of 160m spaced pXRF mapping traverses have been completed and the interpreted data is shown for the area another 2kms further E of where Calidus RC drilling has currently tested. The interpreted geology shows the strike continuation of the same lithologies observed throughout the Klondyke Resource area. Dashed black lines indicate trends of foliation directions.

Figures Two and Three show typical cross-sections through the geological package observed in the Klondyke East area. One hole was drilled on approximately 160m spaced sections as an initial reconnaissance traverse and results will be used to further refine infill holes moving forwards.

Detailed field mapping and collection of pXRF data has been undertaken along strike of this drilling. Figure One details this work and highlights that the belt of intermediate-Cr and high-Cr basalt continues to the East from this drilling a total of 4km from the current Klondyke Resource. The interface between the intermediate-Cr and high-Cr basalt hosts the known Klondyke deposit and is the main target for along strike extensions.

Further infill RC drilling will be completed over this prospective resource extension target during the upcoming quarter.

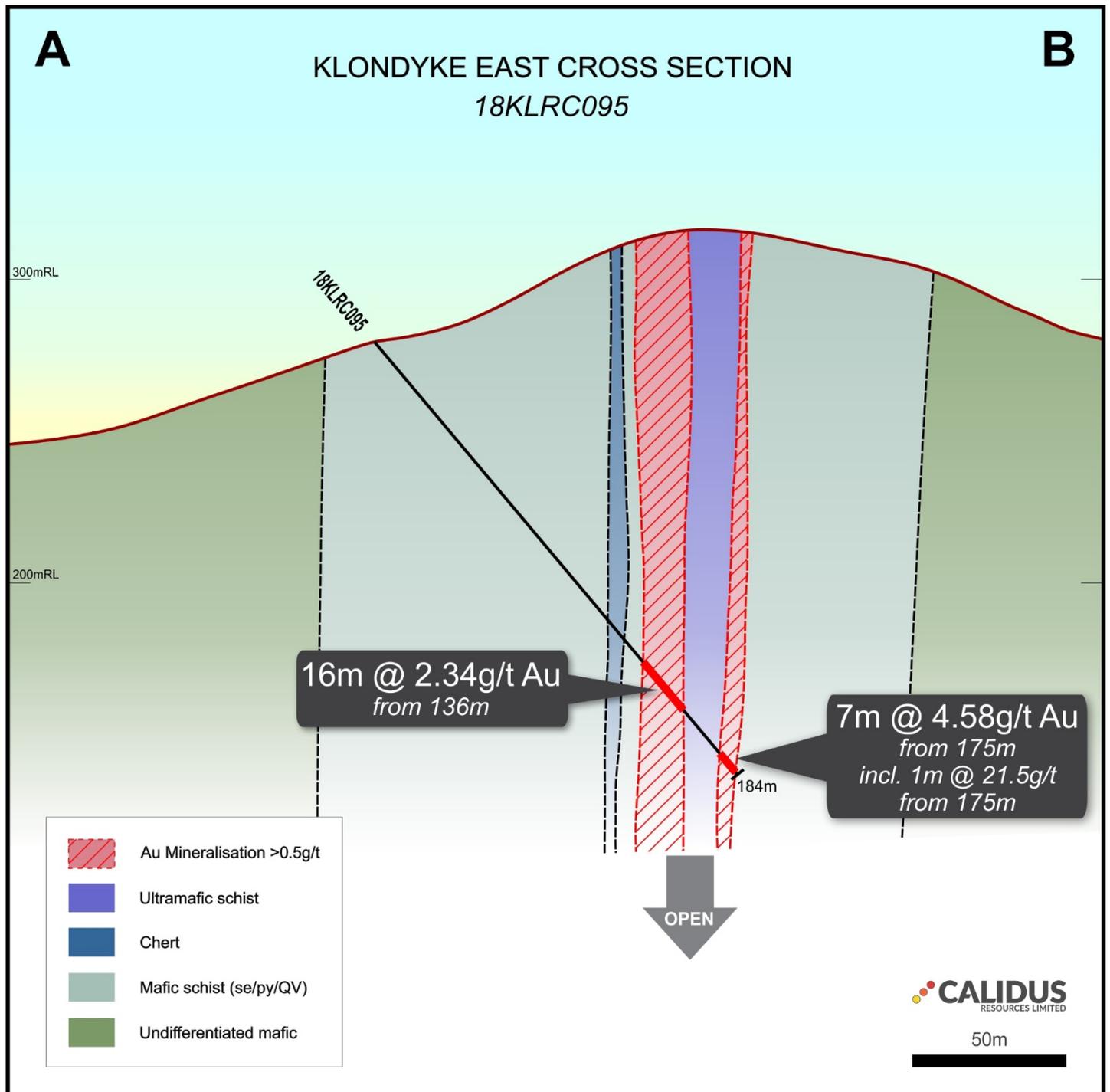


Figure Two: 18KLRC095 Interpreted geological cross-section showing significant intercepts (100m local grid looking 210°).

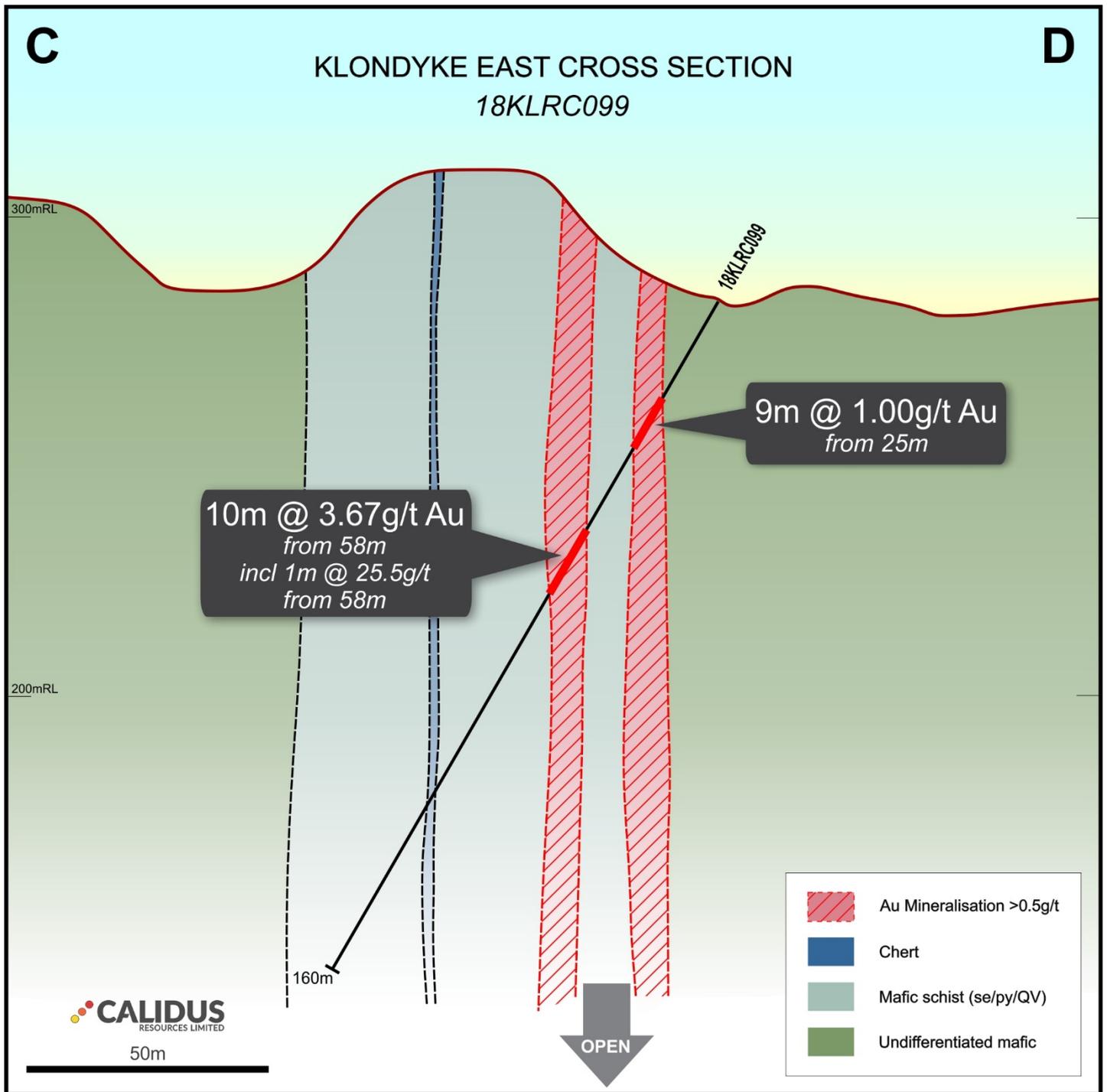


Figure Three: 18KLRC099 Interpreted geological cross-section showing significant intercepts, (100m local grid looking 030°).

NEXT STEPS

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

- An initial 6 core hole programme is underway testing a 150m portion of the Klondyke Main Shear Zone on 150m x 50m centres testing the possible to a vertical depth of 450m. This programme is supported by the WA Government 2018 co-funded EIS diamond drilling program.
- A project-wide soil geochemistry programme is underway and due for completion mid-May.
- Final preparation of a large RC resource drilling programme across Klondyke Main and Klondyke East, with drilling due to commence during May.
- Base-line flora and fauna environmental studies
- Heritage clearing activities

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

Competent Person's Statement

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

Disclaimer:

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

For further information please contact:

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About Calidus Resources

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

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

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

Table 1: Intercepts

Hole ID	Depth	North	East	RL	Dip	Azimuth	From	To	Width	Grade
17KLRC093	136	7636955.157	801696.037	281.098	-60	210	77	84	7	0.87
							120	121	1	1.59
							127	130	3	1.06
							135	136	1	0.82
17KLRC094	136	7636867.162	801831.137	284.086	-60	210	34	36	2	0.54
							52	54	2	1.54
							74	76	2	0.78
							80	91	11	0.82
							95	97	2	0.59
17KLRC095	184	7636763.38	802144.743	277.995	-50	210	50	54	4	0.41
							94	96	2	1.14
							105	106	1	0.56
							124	127	3	0.96
							136	152	16	2.34
							170	171	1	0.85
							175	182	7	4.58
17KLRC096	178	7636529.574	802774.385	285.357	-50	210	66.0	67.0	1	0.62
							103	104	1	0.85
							126	131	5	1.19
							136	137	1	0.93
							142	143	1	0.96
							146	147	1	1.7
							167	173	6	3.32
17KLRC097	190	7636501.8	802909.9	285	-50	210	26	27	1	1.22
							38	39	1	0.97
							59	60	1	1.46
							120	121	1	1.27
							125	127	2	1.04
							131	135	4	0.76
							143	144	1	3.25
							147	151	4	0.5

17KLRC098	160	7636487.144	802394.839	282.622	-60	30	102 109 118 127 139	103 110 121 130 140	1 1 3 3 1	0.76 0.53 0.77 0.77 1.52
17KLRC099	160	7636598.315	802238.469	282.346	-60	30	25.0 38 46 58 127 140 148	34.0 43 48 68 131 144 151	9 5 2 10 4 4 3	1 0.66 1.08 3.67 0.8 0.94 1.18
17KLRC100	160	7636388.858	803067.449	320.082	-60	210	34 82 98 148 158	35 83 100 150 159	1 1 2 2 1	3.65 0.55 1.13 0.7 1.07
17KLRC101	160	7636331.644	803341.697	345.279	-50	210	91 121 128 135	94 122 131 137	3 1 3 2	1.48 0.69 2.51 1.11
17KLRC102	130	7636357.53	803179.684	334.871	-60	210	28 67 119 127	29 68 122 128	1 1 3 1	0.74 0.59 0.67 1.28
17KLRC103	250	7636824.505	801985.883	281.213	-60	210	39 129 134 150	40 130 138 151	1 1 4 1	0.78 0.52 1.11 0.79
17KLRC104	135	7636457.917	802554.596	297.088	-70	30	39 46 87 104	41 49 91 117	2 3 4 13	5.44 0.68 1.33 1.24

JORC Code, 2012 Edition – Table 1

Klondyke Project

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 East resource end January 2018. A total of 12 RC holes have been drilled for 1979m (18KLRC093 – 104). Holes were drilled from the sides of a ridge either to the south-west (210°), or north-east (030°), orthogonal to the overall strike of the mineralisation. Holes were drilled dipping moderately (-60 degrees) on a variable spacing averaging 160m. Holes were planned in 3D using geological modelling software however drilled to variable depth upon observation from the supervising geologist. Drilling was being undertaken by Orlando Drilling Pty Ltd utilizing an Atlas Copco E235 Explorac RC track-mounted drill rig.
	<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 in 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 either fire assay 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 135m to 250m. Down hole surveys are planned to be conducted using a GYRO.
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 struck 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.

Criteria	JORC Code explanation	Commentary
	<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 (99% 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>	RC Drilling only
	<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 utilize an Atlas Copco 360psi/1300cfm auxiliary compressor unit with a Hurricane 1000psi/2400cfm booster unit to ensure samples are kept dry.
	<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 at Klondyke.

Criteria	JORC Code explanation	Commentary
	<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.
	<i>The use of twinned holes.</i>	No 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. Down Hole surveys will use a 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.
	<i>Quality and adequacy of topographic control.</i>	Topographic control is based on aerial survey data collected using 2m contours. Quality is considered acceptable.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drilling of the Klondyke project has been completed on a variable spacing approaching 160m, 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>	Reporting exploration results only.
	<i>Whether sample compositing has been applied.</i>	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 project consists of a number of interpreted mineralised lodes striking approximately 115 ⁰ and dipping steeply (80°-90°) to the south. Resource drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation close to perpendicular. As such the orientation of drilling is not likely to introduce a sampling bias.
	<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	<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>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 Klondyke East project comprises both 100% owned and earn in agreements. All of these agreements pertaining to Klondyke are detailed in the Company's prospectus.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Tenement</th> <th style="text-align: center;">Owner</th> <th style="text-align: center;">Size</th> <th style="text-align: center;">Renewal</th> <th style="text-align: center;">Ownership</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">M45/670</td> <td style="text-align: center;">Keras (Pilbara) Gold Pty Ltd</td> <td style="text-align: center;">120 Ha</td> <td style="text-align: center;">29/12/2037</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">E45/3381</td> <td style="text-align: center;">Beatons Creek Gold Pty Ltd</td> <td style="text-align: center;">27Bl</td> <td style="text-align: center;">16/03/2021</td> <td style="text-align: center;">Right to Earn in to 70%</td> </tr> </tbody> </table>	Tenement	Owner	Size	Renewal	Ownership	M45/670	Keras (Pilbara) Gold Pty Ltd	120 Ha	29/12/2037	100%	E45/3381	Beatons Creek Gold Pty Ltd	27Bl	16/03/2021	Right to Earn in to 70%
	Tenement	Owner	Size	Renewal	Ownership												
M45/670	Keras (Pilbara) Gold Pty Ltd	120 Ha	29/12/2037	100%													
E45/3381	Beatons Creek Gold Pty Ltd	27Bl	16/03/2021	Right to Earn in to 70%													
	<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.															
Exploration done by other parties	<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 included as part of this Mineral Resource estimate, with the respective confidence in the quality considered in assignment of the Mineral Resource classification applied.															
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	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															

Criteria	JORC Code explanation	Commentary
		<p>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><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>	<p>Drilling is by RC and includes 12 holes for 1979m.</p> <p>The details of drill holes material to the exploration results reported in the announcement are included in this announcement.</p>
<p>Data aggregation methods</p>	<p><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></p> <p><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></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>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.</p> <p>High grade gold intercepts within broader lower grade intercepts are reported as included intervals.</p> <p>No metal equivalent values are used for reporting of exploration results.</p>
<p>Relationship between mineralisation</p>	<p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p>	<p>The gold mineralisation identified to date at the Klondyke project consists of a number of interpreted mineralised lodes striking approximately 115^o 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</p>

Criteria	JORC Code explanation	Commentary
<i>widths and intercept lengths</i>		the mineralisation close to perpendicular.
<i>Diagrams</i>	<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
<i>Balanced reporting</i>	<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 Results.</i>	Included in announcement
<i>Other substantive exploration data</i>	<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>	Not included in this exploration report.
<i>Further work</i>	<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 East 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>	Possible extension further east along strike and down dip. Diagrams are contained in this announcement.