

# ASX ANNOUNCEMENT

## ABOUT CALIDUS RESOURCES

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

## DIRECTORS AND MANAGEMENT

Mr Mark Connelly  
NON-EXECUTIVE CHAIRMAN

Mr David Reeves  
MANAGING DIRECTOR

Mr Adam Miethke  
NON-EXECUTIVE DIRECTOR

Mr Keith Coughlan  
NON-EXECUTIVE DIRECTOR

Ms Jane Allen  
GEOLOGY MANAGER

Ms Julia Beckett  
COMPANY SECRETARY

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

29 October 2018

## Quarterly Activities Report

### For the period ending 30 September 2018

#### HIGHLIGHTS

- Resource Development Drilling Expands Mineralisation at Warrawoona
- Multiple New Drill Targets Highlighted by Geochem Survey
- Announcement of New Discovery
- Disposal of Non-core Conglomerate Gold Rights for C\$3.5M
- Copenhagen Delivers Shallow, High-Grade Gold Mineralisation
- Cash of \$3.8 million at the end of the quarter

#### Post Quarter Highlights:

- Strategic Placement to Alkane Resources Raises \$3.7 million

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

#### Resource Development Drilling Expands Mineralisation at Warrawoona

On 30 July 2018 Calidus announced a drilling update based on results from the Company's Copenhagen Gold Deposit and from drilling directly East of the Klondyke Gold Deposit, located in the Pilbara of Western Australia.

#### Highlights included:

- Copenhagen diamond drilling returned significant intercepts of:
  - **10m @ 5.38g/t Au** from 63m in 18CPDD004
  - **1m @ 7.91g/t Au** from 121m in 18CPDD003
- RC drilling at the Klondyke East extension continued to intersect ore grade mineralisation east of the current 654,000oz Mineral Resource defined during 2017. A selection of recent significant intercepts from the current round of drilling include:
  - **12m @ 2.15g/t Au** from 0m in 18KLRC111;
  - **4m @ 6.08g/t Au** from 99m in 18KLRC130;
  - **12m @ 1.73g/t Au** from 24m in 18KLRC120;
  - **8m @ 1.92g/t Au** from 0m in 18KLRC124

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## ASX : CAI

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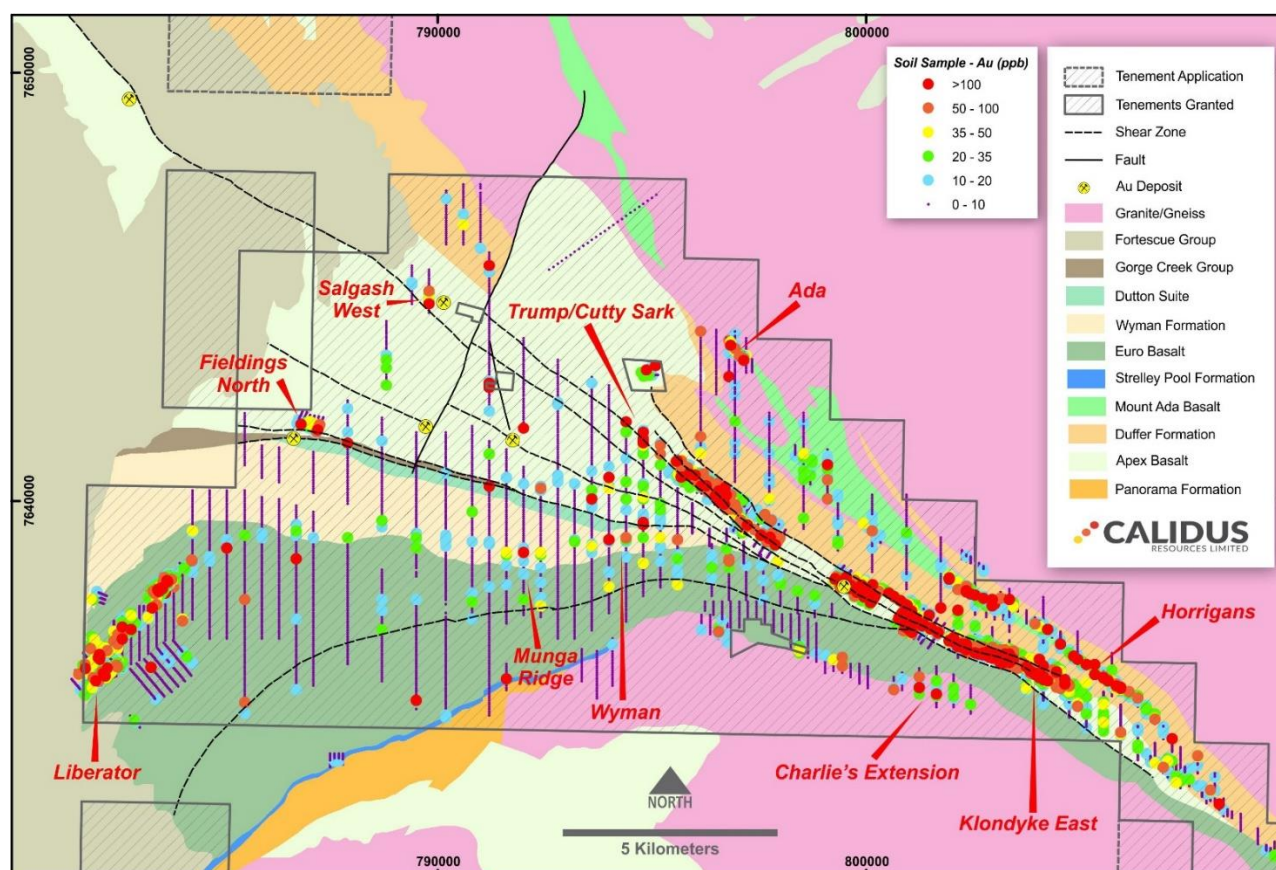
- **1m @ 13.36g/t Au** from 91m in 18KLRC111
  - **6m @ 1.58g/t Au** from 166m in 18KLRC122
  - **1m @ 9.25g/t Au** from 121m in 18KLRC119
- Maiden drilling programme to test the St Georges Shear ~150m to the North of and parallel to the Klondyke Main Shear completed.

## Multiple New Drill Targets Highlighted by Geochem Survey

Calidus announced on 14 August 2018 the identification of a number of significant gold-in-soil anomalies across the Warrawoona Gold Project, located in the Pilbara of Western Australia. Calidus are continuing a large resource infill and extension programme across the Warrawoona project in the coming months.

Highlights included:

- Significant gold-in-soil anomalies identified on Calidus's Warrawoona Gold Project add new walk-up drill targets with potential to add further scale to the Project.
- Limited regional exploration activity over the past 30 years has provided the opportunity to utilise modern exploration techniques to define new prospects.
- Multiple new mineral occurrences identified that remain untested, with most targets remaining open along strike.
- Historic shallow exploration in the 1990's on the northern end of the Liberator prospect discovered thick anomalous gold grades (40m @ 0.4 g/t Au in CERC7).
- RC drilling programme planned to initially evaluate the most significant anomaly at Liberator.



**Figure 1:** Soil Geochemistry Results on Regional Geology, Warrawoona Gold Project

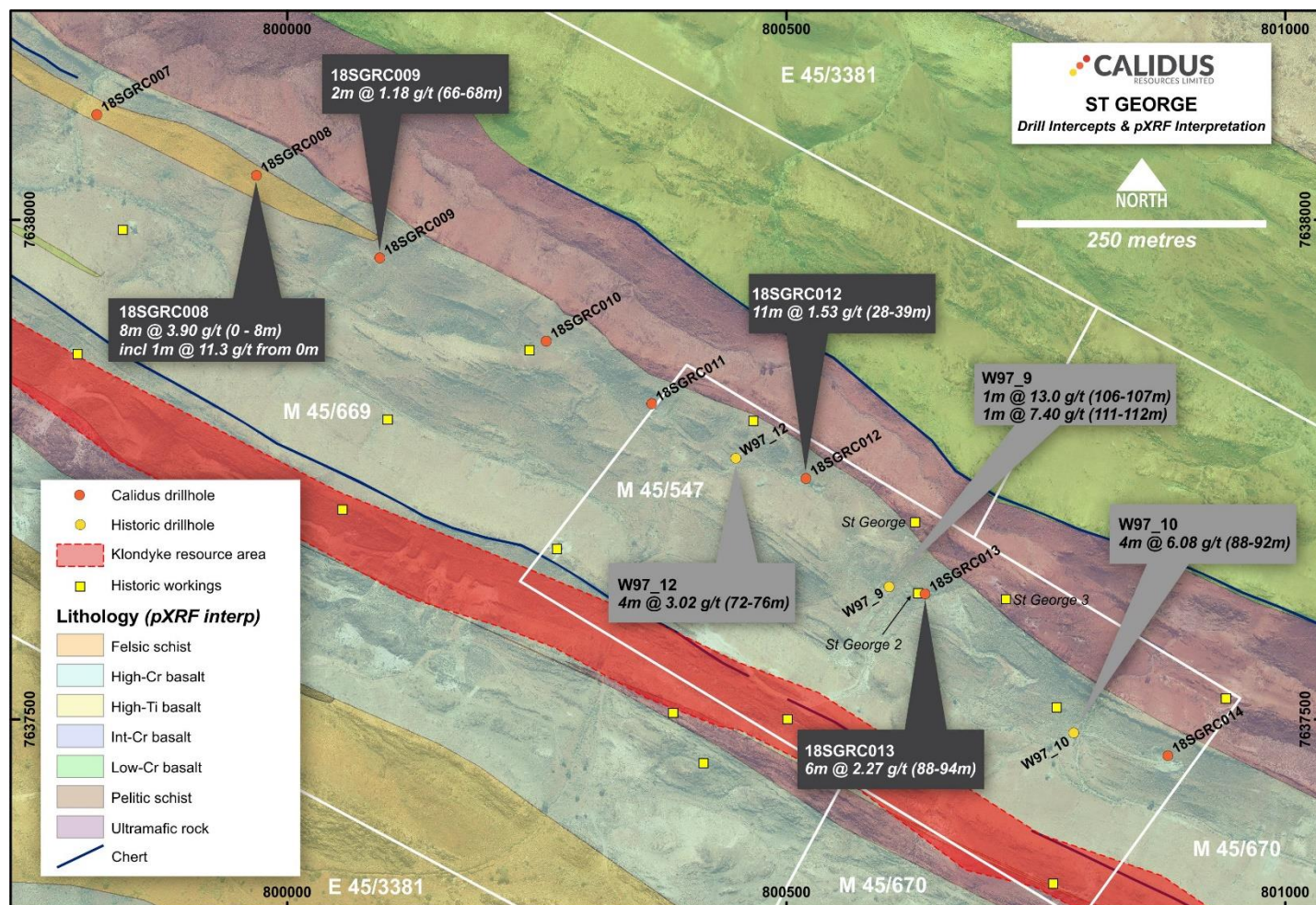
## Announcement of New Discovery at St George Shear

On 23 August 2018 Calidus was pleased to the discovery of a new gold system at the St George Shear.

Highlights included:

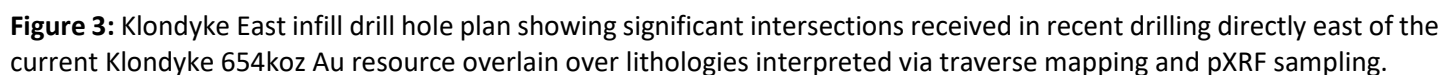
- Wide spaced RC drilling of the St George Shear prospect ~150m North of the current 654,000 oz Klondyke resource highlights the potential to rapidly add ounces to Calidus' resource base with results including:
  - **8m @ 3.9g/t Au** from 0m (incl. **1m @ 11.3g/t Au** from 0m) in 18SGRC008;
  - **11m @ 1.53g/t Au** from 28m in 18SGRC012;
  - **6m @ 2.27g/t Au** from 88m in 18SGRC013;
- Previous results in this area include:
  - **6m @ 9.39g/t Au** from 90m in KBP010;
  - **4m @ 6.08g/t Au** from 88m in W97\_10
  - **4m @ 3.01g/t Au** from 72m in W97\_12
  - **1m @ 13.0g/t Au** from 106m in W97\_9
  - **1m @ 7.4g/t Au** from 111m in W97\_9
- Klondyke-style mineralisation currently extends over 1,000m of strike along St George and remains open at depth with infill RC drilling to be fast-tracked and take place before the end of 2018;
- Assays received for final 18 holes of recent Klondyke East infill programme, significant intercepts include:
  - **7m @ 1.83g/t Au** from 29m in 18KLRC144;
  - **5m @ 2.49g/t Au** from 50m in 18KLRC132;
  - **8m @ 1.12g/t Au** from 55m in 18KLRC139;
  - **8m @ 1.3g/t Au** from 105m in 18KLRC139





**Figure 2:** St George Shear drill hole plan showing significant intersections received in recent drilling ~150m directly north of the current Klondyke 654koz Au resource overlain over lithologies interpreted via traverse mapping and pXRF sampling.





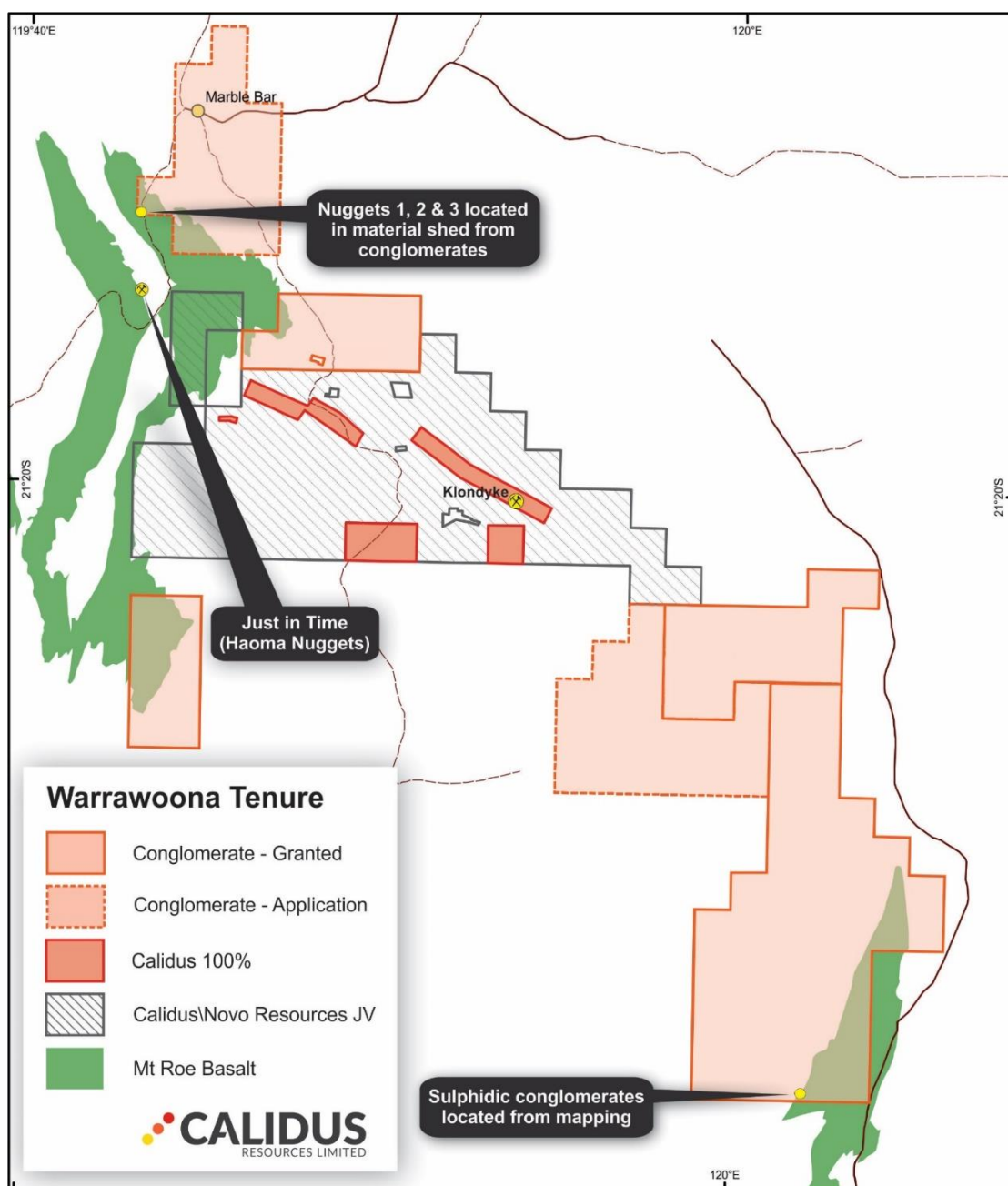
On 28 August 2018 the Company announced that it had entered into a binding letter of intent ('LOI') to dispose the Conglomerate Gold Rights ('Gold Rights') over a portfolio of eight exploration licenses for 7,000,000 shares in Pacton Gold Inc (TSXV:PAC) (Pacton) currently valued at C\$3.5m.

- Tenements retained by Calidus, agreement is over right to explore for and mine conglomerate gold, with all shear hosted/basement gold to be retained by Calidus.
- Portfolio of 6 granted exploration licenses and 2 exploration licenses under application (357.5 km<sup>2</sup>) with mapped conglomerates.
- Pacton liable for rehabilitation and environmental obligations and to spend a minimum of CDN\$50,000 in aggregate on all tenements during each 12-month period from commencement of the Gold Rights Agreement.
- Calidus to be issued 7,000,000 shares in Pacton as consideration of the grant of the Gold Rights.

Under the LOI terms, which will be formalised by a definitive agreement between the parties, the Company will receive a non-refundable payment of CDN\$10,000 and will be issued 7,000,000 common shares of Pacton as consideration for the grant of the Gold Rights upon completion. All of the shares will be subject to a 4-month escrow period, with 25% of the shares subject to further voluntary escrow pending grant of the exploration licence applications. Calidus may be entitled to the issue of up to 3,000,000 additional common shares in the capital of Pacton during the period 12 months after the date of execution of the definitive agreement dependent on the performance of Pacton's share price.

Post quarter, the definitive agreement was executed on 22 October 2018.

This transaction is subject to the acceptance of the TSX Venture Exchange.



**Figure 4.** Map showing tenements covered by tenements. (Some areas include more than one tenement but are consolidated for ease of reading).

*As previously announced on 23 November 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.*

## **Copenhagen Delivers Shallow, High-Grade Gold Mineralisation**

On 27 September 2018 Calidus provided an update based on recent drilling results from the Copenhagen Deposit, which forms part of the Company's broader Warrooona Gold Project. These results form part of a resource infill extension programme, aiming to expand the current resource to underpin a pre-feasibility study in 2019.

Highlights included:

- intersected high-grade gold at the Copenhagen deposit 10kms west of the Klondyke resource. Significant results include:
  - **10m @ 12.85g/t Au** from 117m (incl **4m @ 29.20g/t Au**) in 18CPRC024;
  - **5m @ 4.55g/t Au** from 160m in 18CPRC029;
  - **2m @ 5.77g/t Au** from 87m in 18CPRC026;
  - **1m @ 6.94g/t Au** from 165m in 18CPRC027;
  - **6m @ 3.96g/t Au** from 206m in 18CPRC031

In addition, Calidus confirmed that:

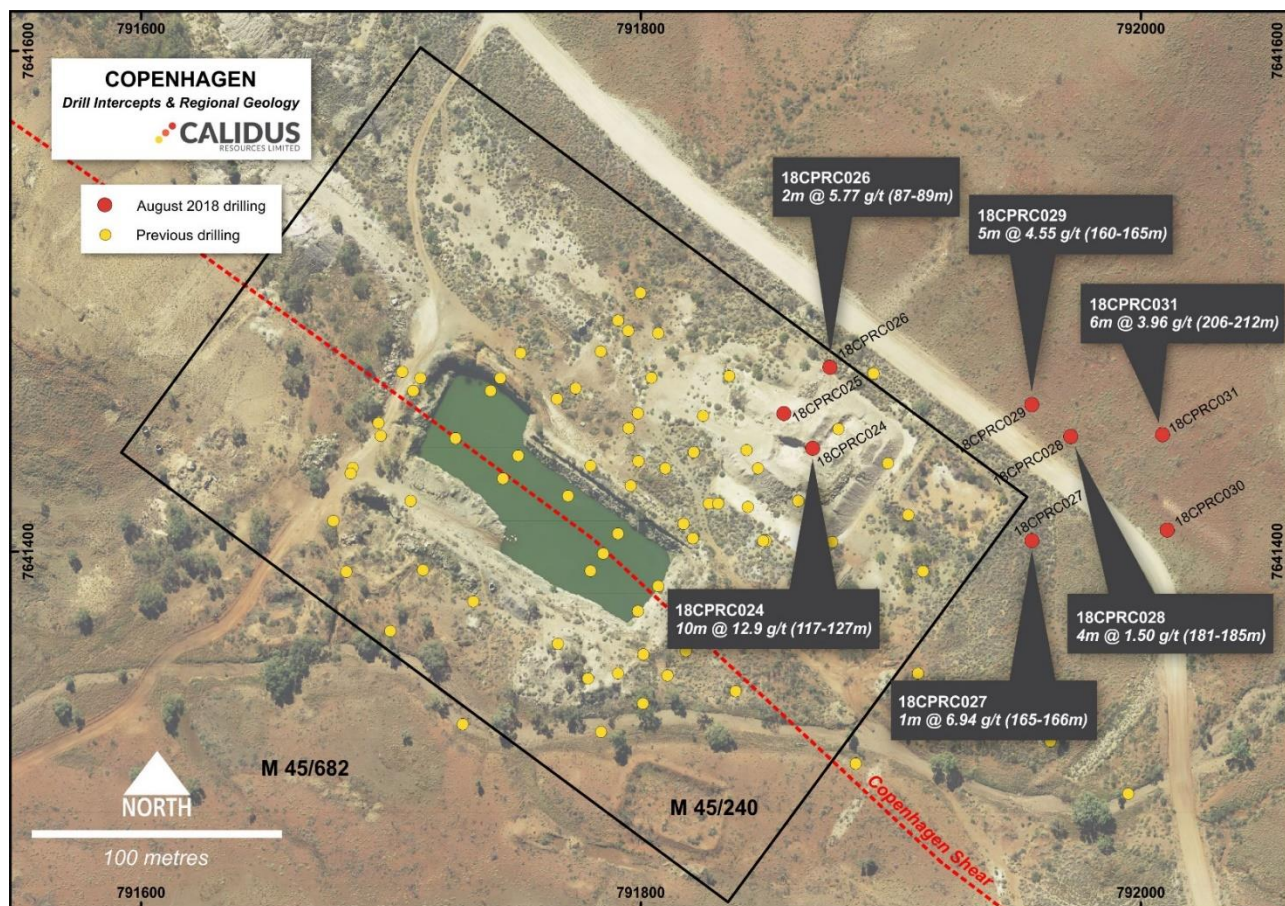
- RC resource drilling recently completed at Coronation with assays awaited ;
- RC drilling with two rigs continuing at both Klondyke East and St Georges;
- Diamond core drilling underway beneath current Klondyke pit targeting an interpreted +1km long high-grade zone.

Post quarter, Calidus provided a further update based on recent drilling results from the Coronation Prospect.

Highlights included:

- Results from recent 18-hole 2,278m step-out and infill RC drilling programme have intersected high-grade gold at the Coronation prospect approximately 12 kilometres west of the Klondyke Resource area.
- Significant results include:
  - **10m @ 4.69g/t Au** from 57m in 18CRRC020;
  - **5m @ 4.48g/t Au** from 35m in 18CRRC022;
  - **4m @ 5.30 g/t Au** from 26m in 18CRRC014
  - **2m @ 9.30g/t Au** from 80m in 18CRRC013;
  - **3m @ 6.01g/t Au** from 10m in 18CRRC018;
  - **7m @ 2.54g/t Au** from 21m in 18CRRC012;
  - **3m @ 4.69g/t Au** from 29m in 18CRRC022;
  - **2m @ 6.61g/t Au** from 25m in 18CRRC016.





**Figure 5:** Copenhagen drill plan highlighting recent RC drilling

## Corporate

On 24 September 2018 the Company announced the appointment of Ms Julia Beckett as Company Secretary following the resignation of James Carter as Company Secretary and Chief Financial Officer.

The Company advised of the sudden passing of Non-Executive Director, Mr Peter Hepburn-Brown on 4 September 2018.

The 2018 Annual Report was lodged on 12 September 2018.

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

Details of performance securities on issue at 30 September 2018 were:

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



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

At the end of the quarter Calidus and its subsidiaries held \$3.8m cash, a further \$3.7m was subsequently raised post quarters end. Further details can be found in the Appendix 5B released with this announcement.

## **Further Information**

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

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

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

**- END -**

## **Notes Specific - ASX Announcements**

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

### *Disclaimer:*

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

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

**Dave Reeves**  
Managing Director

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## Tenements Acquired or Disposed During the Quarter

### CALIDUS RESOURCES & SUBSIDIARIES TENEMENT SCHEDULE

Tenement ID	Holder	Size (ha)	Renewal	Ownership/ Interest	Acquired/Disposed during quarter
<b>GRANTED</b>					
E45/4856	Keras (Pilbara) Gold Pty Ltd	2,554.05	20/05/2023	100%	
E45/4857	Keras (Pilbara) Gold Pty Ltd	14,681.95	20/05/2023	100%	
E45/3615	Keras (Pilbara) Gold Pty Ltd	3,513.73	22/11/2020	100%	
E45/4236	Keras (Pilbara) Gold Pty Ltd	958.25	19/10/2019	100%	
E45/4905	Keras (Pilbara) Gold Pty Ltd	638.86	29/11/2022	100%	
E45/4906	Keras (Pilbara) Gold Pty Ltd	319.46	29/11/2022	100%	
M45/0521	Keras (Pilbara) Gold Pty Ltd	18.11	10/03/2034	100%	
M45/0547	Keras (Pilbara) Gold Pty Ltd	17.72	2/05/2035	100%	
M45/0552	Keras (Pilbara) Gold Pty Ltd	9.71	18/01/2035	100%	
M45/0668	Keras (Pilbara) Gold Pty Ltd	242.05	28/12/2037	100%	
M45/0669	Keras (Pilbara) Gold Pty Ltd	101.95	28/12/2037	100%	
M45/0670	Keras (Pilbara) Gold Pty Ltd	113.10	29/12/2037	100%	
M45/0671	Keras (Pilbara) Gold Pty Ltd	118.65	29/11/2037	Note 1	
M45/0672	Keras (Pilbara) Gold Pty Ltd	116.20	1/08/2037	100%	
M45/0679	Keras (Pilbara) Gold Pty Ltd	121.30	8/04/2017	100%	
M45/0682	Keras (Pilbara) Gold Pty Ltd	235.95	17/04/2038	100%	
M45/0240	Keras (Pilbara) Gold Pty Ltd	6.07	17/11/2028	100%	
<b>Applications</b>					
E45/5178	Keras (Pilbara) Gold Pty Ltd	6,067.13	APPLICATION	100%	Applied 26/02/2018
P45/3065	Keras (Pilbara) Gold Pty Ltd	29.45	APPLICATION	100%	Applied 16/03/2018
<b>Option to Acquire</b>					
E45/4555	Epminex WA Pty Ltd	1,917.75	1/03/2022	50%	
E45/5172	Epminex WA Pty Ltd	5,115.94	APPLICATION	0%	
E45/4843	Epminex WA Pty Ltd	942.15	2/07/2022	50%	
<b>Joint Venture</b>					
E45/3381	Beatons Creek Gold Pty Ltd	7,965.06	16/03/2021	Earning to 70%	
E45/4666	Beatons Creek Gold Pty Ltd	2,972.38	23/11/2021	Earning to 70%	
E45/4622	Beatons Creek Gold Pty Ltd	4,222.07	4/05/2022	Earning to 70%	
E45/4194	Grant's Hill Gold Pty Ltd	1,278.29	14/07/2019	Earning to 70%	
P45/2781	Beatons Creek Gold Pty Ltd	2.42	10/06/2020	Earning to 70%	
P45/2661	Beatons Creek Gold Pty Ltd	150.00	4/12/2016	Earning to 70%	
P45/2662	Beatons Creek Gold Pty Ltd	55.00	4/12/2016	Earning to 70%	
E45/4934	Beatons Creek Gold Pty Ltd	1,596.99	22/01/2023	Earning to 70%	

Note 1: Transfer pending from Haoma Mining.