

# ASX ANNOUNCEMENT

3 December 2020

## ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold company that is developing the 1.5Moz Warrawoona Gold Project in the East Pilbara district of the Western Australia.

## DIRECTORS AND MANAGEMENT

Mr Mark Connelly  
NON-EXECUTIVE CHAIRMAN

Mr David Reeves  
MANAGING DIRECTOR

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# Drilling extends known mineralisation at Coronation deposit

Gold outlined over 800m strike length at Coronation, just 8km from Calidus' Warrawoona gold project in the Pilbara

## HIGHLIGHTS

- Assays received for 29 RC holes at the Coronation deposit, returning ore-grade intercepts along-strike from the current Mineral Resource of 34koz at 2.19gpt
- Latest results include:
  - 14m @ 3.77 g/t Au from 52m (20CRRC041)
  - 6m @ 2.15 g/t from 30m (20CRRC058)
  - 3m @ 4.00 g/t Au from 54m (20CRRC050)
  - 3m @ 2.91 g/t Au from 36m (20CRRC030)
  - 5m @ 1.59 g/t Au from 22m (20CRRC027)
  - 4m @ 1.85 g/t Au from 2m (20CRRC060)
  - 2m @ 3.08 g/t Au from 76m (20CRRC039)

Calidus Resources (ASX:CAI) is pleased to announce strong drilling results which extend the strike length of the known mineralisation at its Coronation deposit in the Pilbara region.

Calidus Managing Director Dave Reeves said the drilling campaign was part of the Company's two-pronged strategy of creating value through exploration at the same time as developing its Warrawoona Gold Project.

*"Coronation is just 8km from Warrawoona and is emerging as a potential satellite ore source," Mr Reeves said.*

*"The infill drilling at Coronation has effectively doubled the strike length of the resource envelope, with mineralisation now traced over 800m length and to a depth of up to 150m. The deposit is open to the south-east and at depth, so that gives us further confidence of additional exploration success and the possibility of adding the first of many satellite deposits to feed into the Warrawoona development which could potentially extend mine life and increase production."*

## The Coronation Project

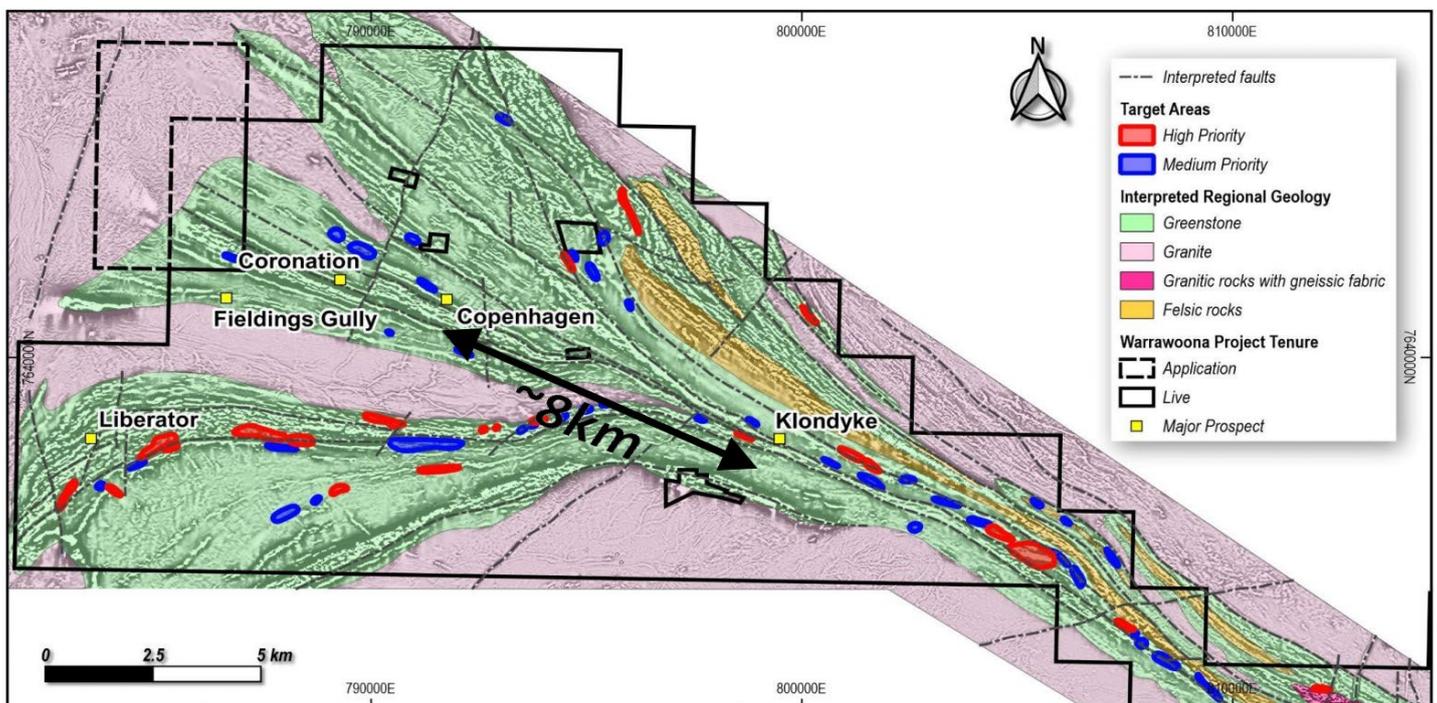
The Coronation deposit lies within mining lease M45/672, approximately 15km SE of Marble Bar. It forms part of the Warrawoona Gold Project and was initially discovered during the Pilbara gold rushes of the late 19<sup>th</sup> century when limited small-scale mining was undertaken. Mineralisation at Coronation is hosted in quartz pyrite stringers within hydrothermally altered quartz–sericite schist, and chert and BIF horizons.

Modern exploration commenced in the in the early 1980s, with a joint venture between Seltrust Mining Corporation, A1 Consolidated and Monarch Petroleum. The JV undertook surface mapping, rock-chip sampling and a number of shallow percussion holes confirming the presence of gold mineralisation with a strike length over 1,000m to a depth of 20m.

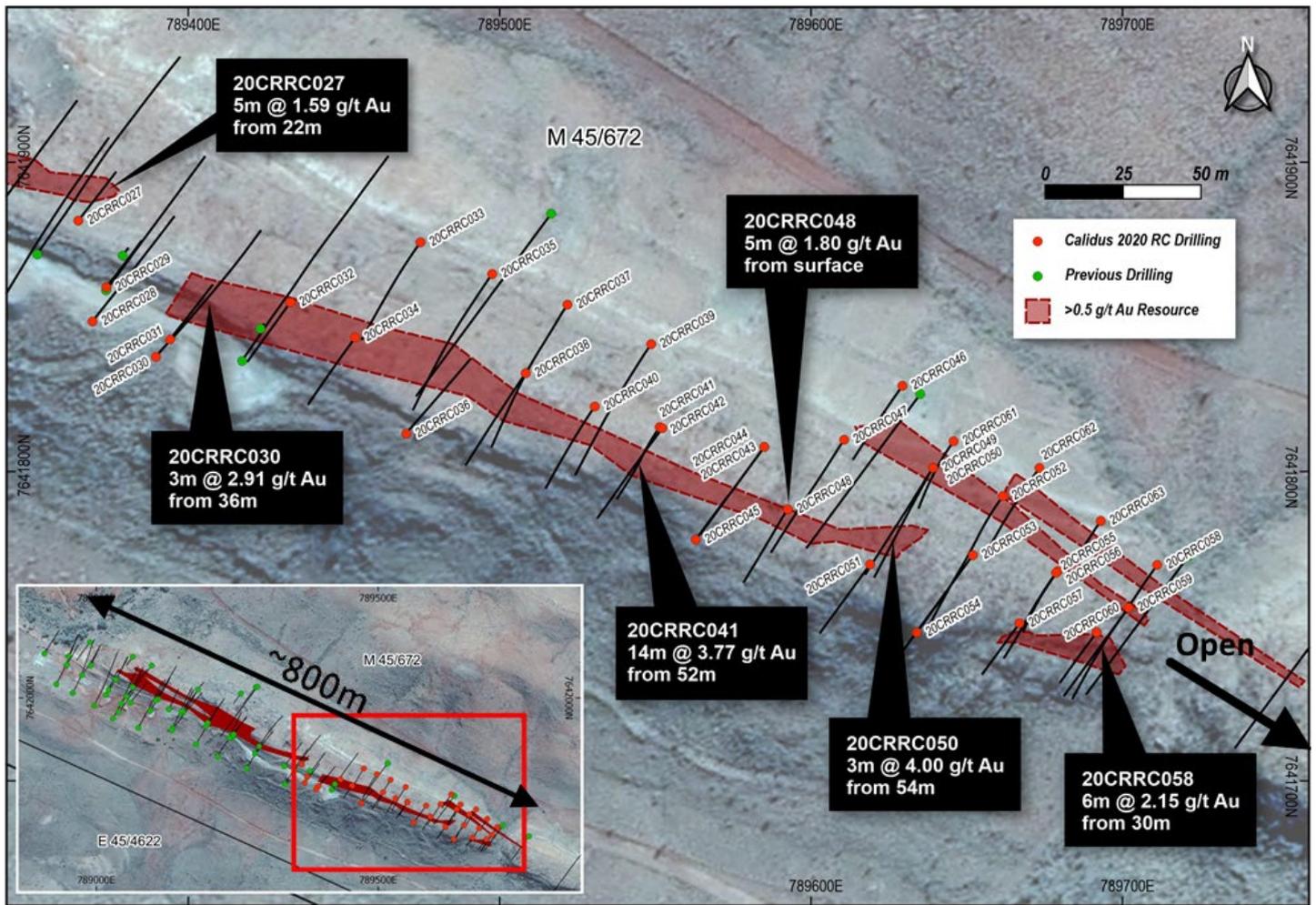
Calidus' maiden Mineral Resource estimate was completed in November 2018, with 478kt @ 2.19g/t for 33.6Koz of Inferred Mineral Resource.

In October 2020, 29 RC holes, designed at a nominal spacing of 20m x 20m (along strike and down dip, were drilled to test the potential to extend the current Mineral Resource along strike to the southeast). All intercepts from all the holes are contained in Table 2. Ore-grade gold mineralisation is present from surface over a strike length now of approximately 800m to a depth of 150m from surface. It remains open at depth and along strike to the southeast where sparse drilling and surface mapping suggest the mineralised structure continues.

These new results will form the basis of an updated Mineral Resource estimate which should upgrade confidence in the current Mineral Resource from Inferred to Indicated.



**Figure One:** Tenements at the Warrawoona Gold Project with the GSWA 500k geology and prospect locations



**Figure Two:** Map and cross section at the Coronation prospect showing significant intercepts from the recent drilling program

## COMPETENT PERSON STATEMENT

The information in this announcement that relates to exploration results is based on and fairly represents information compiled by Ben Playford a competent person who is a member of the AIG. Ben Playford is employed by Calidus Resources Limited. Ben 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 Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ben Playford consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.

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

For further information please contact:

**Dave Reeves**  
Managing Director

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**Table One:** Details of drill holes from the October 2020 drilling at the Coronation Deposit

Hole ID	Depth (m)	Northing	Easting	RL	Dip	Azimuth
20CRRC027	40	7641881.138	789364.707	284.306	-60	36
20CRRC028	79	7641848.539	789369.264	279.642	-60	36
20CRRC029	37	7641859.579	789373.736	280.108	-60	36
20CRRC030	100	7641837.084	789389.644	277.816	-60	36
20CRRC031	43	7641842.744	789394.182	278.725	-60	36
20CRRC032	47	7641854.719	789432.793	283.632	-60	216
20CRRC033	76	7641874.151	789474.592	266.636	-60	216
20CRRC034	51	7641843.357	789453.635	283.024	-60	216
20CRRC035	100	7641863.905	789497.62	265.593	-60	216
20CRRC036	59	7641812.259	789470.05	282.19	-60	36
20CRRC037	100	7641853.963	789521.805	264.743	-60	216
20CRRC038	64	7641831.807	789508.388	274.77	-60	216
20CRRC039	100	7641841.217	789548.698	265.805	-60	216
20CRRC040	60	7641821.032	789530.578	276.507	-60	216
20CRRC041	99	7641814.395	789551.419	275.757	-72	216
20CRRC042	72	7641814.034	789552.26	275.806	-60	216
20CRRC046	51	7641827.744	789629.398	253.632	-60	216
20CRRC047	87	7641810.309	789610.692	262.281	-60	216
20CRRC048	54	7641787.787	789592.571	275.849	-60	216
20CRRC049	99	7641801.215	789639.25	258.159	-72	216
20CRRC050	77	7641801.215	789639.25	258.159	-61	216
20CRRC052	100	7641792.095	789661.648	254.944	-59	216
20CRRC055	95	7641767.827	789679.262	254.895	-73	216
20CRRC056	66	7641767.302	789678.733	254.857	-60	216
20CRRC058	100	7641769.825	789711.229	245.85	-60	216
20CRRC060	37	7641748.041	789691.786	252.955	-60	216
20CRRC061	50	7641809.811	789645.825	254.542	-64	216
20CRRC062	59	7641801.179	789673.398	250.223	-63	216
20CRRC063	38	7641784.072	789693.088	247.758	-64	216

**Table Two:** All intercepts from the October 2020 drilling at the Coronation Deposit

Hole ID	From (m)	To (m)	Width (m)	Au Grade (ppm)
20CRRC027	22	27	5	1.59
20CRRC028			NSI	
20CRRC029			NSI	
20CRRC030	36	39	3	2.91
20CRRC031			NSI	
20CRRC032	45	47	2	2.42
20CRRC033	71	74	3	1.8
20CRRC034			NSI	
20CRRC035	72	73	1	0.51
20CRRC035	79	80	1	0.54
20CRRC036	8	9	1	0.6
20CRRC036	41	47	6	0.53
20CRRC037	70	71	1	0.62
20CRRC037	78	82	4	0.71
20CRRC038	17	18	1	0.73
20CRRC039	76	78	2	3.08
20CRRC040	13	15	2	1.83
20CRRC040	22	24	2	1.17
20CRRC041	17	18	1	0.6
20CRRC041	52	66	14	3.77
20CRRC042	23	26	3	0.62
20CRRC046	35	36	1	0.73
20CRRC047	67	69	2	1
20CRRC048	0	5	5	1.8
20CRRC049			NSI	
20CRRC050	54	57	3	4
20CRRC052			NSI	
20CRRC055	30	31	1	1.08
20CRRC056	53	54	1	0.55
20CRRC058	30	36	6	2.15
20CRRC058	94	95	1	1.3
20CRRC058	99	100	1	0.64
20CRRC060	2	6	4	1.85
20CRRC061			NSI	
20CRRC062	20	23	3	1.76
20CRRC062	37	39	2	0.93
20CRRC063			NSI	

## JORC Code, 2012 Edition – Table 1 – Coronation Deposit

### 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>	All reverse circulation and diamond drilling samples were collected using a Atlas Copco ROC L8-64 Reverse Circulation drill rig operated by Castle Drilling Australia. All RC drilling was undertaken with a 5 ½ inch hammer.  RC holes were sampled for their entire length every 1m, with 1/8 of each interval riffle split for sampling, and the remaining 7/8 of each material stored on site. Representative chips from the drilling were also collected in chip trays for reference. The chip trays were photographed.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	The RC holes were drilled at -60° to 214° to be as close to perpendicular to the mineralized zones as possible. RC samples were collected at one-metre intervals by a cone splitter mounted to the drill rig cyclone. The cone is balanced vertically to ensure no bias.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	RC samples were split at the rig to achieve a target sample weight of 2-5kg. RC samples were dried, crushed, split and pulverised by Nagrom Laboratories in Perth prior to analysis for gold using fire assay on a 50g charge with AAS finish.
<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 samples were collected using a track-mounted Atlas Copco ROC L8-64 Reverse Circulation drill rig. Sufficient air was available to ensure that samples were kept dry
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	RC sample recovery was generally very good as logged by the supervising geologist. The holes were dry.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	RC holes were drilled to a maximum depth of 100m. Sufficient air was available to ensure holes were kept as dry as possible and to maximise recoveries. Recoveries were monitored by a geologist. Sample equipment was regularly cleaned.
	<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>	No correlation has been demonstrated between sample weights as measured by the laboratories and grade.
<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>	The RC holes were drilled to establish the veracity of earlier wide-spaced percussion and reverse circulation drilling and to provide assays for gold only. For each metre the rock types, alteration mineralogy and intensity, and sulfide abundances were logged.  In drill core, rock types, alteration mineralogy and intensity, vein types, and

Criteria	JORC Code explanation	Commentary
		<p>percentages of sulfides or their weathering products, were recorded for each geological interval throughout the hole.</p> <p>The detail of logging is sufficient to support any future Mineral Resource estimations.</p>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of RC samples was predominately qualitative in nature, although vein and sulfide percentages were estimated visually. All chip trays were photographed after logging.
	<i>The total length and percentage of the relevant intersections logged.</i>	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>	No core drilled.
	<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, each metre at the drill rig by a cone splitter. A split was collected each metre into a pre-labelled calico bag. No records of wet samples were noted.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples submitted for fire assay to Nagrom Laboratory were oven dried at 105°C for 8 hours, fine crushed to a nominal top size of 2mm, (samples >3kg were riffle split), and pulverised 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 insertion of blanks, standards and collection of field duplicates. These were inserted at a rate of 1 in 20 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 in a second calico bag were collected at a rate of 1 in very 20 samples.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Each primary RC sample was between 2 and 5kg, which is considered suitable for the this low-nugget style of gold mineralisation.
<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 a total digest and is completed using the lead collection method using a 50g 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 tools were used in the preparation of this release.

Criteria	JORC Code explanation	Commentary
	<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>	Three different certified reference materials (CRMs) of suitable grade from OREAS were inserted into the batch of RC samples from Coronation submitted to monitor the accuracy of the results from Nagrom. Precision was monitored by several duplicate assays. The results of internal laboratory CRMs and blanks were also reported. Both accuracy and precision were satisfactory.
<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 senior geological staff at Calidus.
	<i>The use of twinned holes.</i>	No twinned holes were drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Geological data is logged 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. All original planned data is retained in DataShed for validation purposes.
	<i>Discuss any adjustment to assay data.</i>	Adjustments made to the assay data were limited to the replacement of below detection results with a negative value.
<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 hole collar locations were captured by DGPS by Dean Smith Surveying. Readings have an estimated uncertainty of less than 0.02m for the Easting and Northing relative to the base station at Coronation.  Downhole surveys for dip and azimuth of the hole were taken every 20-30m by the drillers using a PROSHOT DUAL Electronic Multishot Surveying Instrument at the completion of each hole.
	<i>Specification of the grid system used.</i>	The grid system used is MGA94 Zone 51. All coordinates in this release refer to this grid system.
	<i>Quality and adequacy of topographic control.</i>	The height datum is AHD71. The expected accuracy of the RLs is less than 0.05m relative to the base stations.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	See Table 1 for hole positions.
	<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>	The data spacing and distribution of holes is sufficient for Mineral Resource estimations.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
<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 mineralisation at Coronation comprises lithology-parallel chert and BIF horizons, and quartz-pyrite stringers with an overall sub-vertical orientation. It is unlikely that a sampling bias may occur.

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 RC holes were drilled nearly perpendicular to the orientation of the mineralised zone and as such is not expected to introduce a sampling bias.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	All samples were placed into green plastic bags which were then sealed in bulker bags at the rig. Samples were then picked up from Coronation and transported to the laboratory in Perth using a reputable freight company.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	The program was reviewed by senior company personnel.

## 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>	<p>The Coronation Deposit is situated in the East Pilbara District of the Pilbara Goldfield of Western Australia, approximately 15km SE of the town of Marble Bar. It forms part of the Warrawoona Gold Project</p> <p>The Project comprises mining licence M45/ which are held 100% Keras (Pilbara) Gold Pty Ltd a wholly owned subsidiary of Calidus Resources Limited.</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>The tenements are in good standing and no known impediments exist.</p> <table border="1"> <thead> <tr> <th>Tenement ID</th> <th>Holder</th> <th>Size (ha)</th> <th>Renewal</th> <th>Ownership/Interest</th> </tr> </thead> <tbody> <tr> <td>M45/672</td> <td>Keras (Pilbara) Gold Pty Ltd</td> <td>116.20</td> <td>01/08/2037</td> <td>100%</td> </tr> </tbody> </table>	Tenement ID	Holder	Size (ha)	Renewal	Ownership/Interest	M45/672	Keras (Pilbara) Gold Pty Ltd	116.20	01/08/2037
Tenement ID	Holder	Size (ha)	Renewal	Ownership/Interest							
M45/672	Keras (Pilbara) Gold Pty Ltd	116.20	01/08/2037	100%							
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Gold at Coronation was initially discovered during the Pilbara gold rushes of the late 19th century with modern exploration commencing in the in the early 1980s, initially by the Geological Survey of Western Australia (GSWA) then under a joint venture between Seltrust Mining Corporation, A1 Consolidated and Monarch Petroleum.</p> <p>Surface mapping, rock chip sampling and a number of shallow percussion drilling confirming the presence of mineralisation with a strike length over 1,000m up to a depth of 20m.</p>									
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The greenstone sequence of the Archaean Pilbara Block, covering the project area, has been subdivided into the Warrawoona Group and the George Creek Group. The Warrawoona Group is dominated by mafic to ultramafic volcanics, and the George Creek Group, composed predominantly of sediments. The Warrawoona Group is roughly 15km thick and has been subdivided into 2 sub-groups, of which, the Salgash sub-group contain the Coronation Deposit.</p> <p>The Coronation Deposit is located on the northern limb of the Warrawoona Syncline, which comprises steeply dipping rocks of the Warrawoona Group intruded by the Corunna Downs and Mt Edgar granite batholiths.</p> <p>Gold mineralisation at Coronation has been interpreted as disseminated stratabound in nature.</p>									
<b>Drill hole Information</b>	<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>Refer to Table One.</p>									

Criteria	JORC Code explanation	Commentary
	<i>down hole length and interception depth hole length.</i>	
<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>	No data aggregation methods have been applied to these exploration results.
	<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 mineralisation at Coronation appears to be stratabound and sub-vertical overall. Therefore, the drill holes dips of 60° should intersect the mineralisation at a high angle. Reported downhole widths will, therefore, be slightly longer than the true widths.
<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>	Suitable summary plans have been included in the body of the report.
<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 Results.</i>	All intercepts using parameters described above are reported, together with locations of all drill holes reported in Table 2.  The report is considered balanced and provided in context.
<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</i>	All meaningful and material data are included in the body of the announcement.

Criteria	JORC Code explanation	Commentary
	<i>contaminating substances.</i>	
<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>	Further work planned for the Coronation deposit will include drilling of metallurgical test holes, updating the Mineral Resource estimates and works required to develop Ore Reserves leading to eventual extraction via standard open pit mining methods.
	<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>	Diagrams are contained in this announcement.