

# ASX ANNOUNCEMENT

31 July 2017

## ABOUT CALIDUS RESOURCES

Calidus Resources is an ASX listed gold exploration company which controls the 410,000 ounce 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](http://calidus.com.au)

## Quarterly Activities Report

For the period ending 30 June 2017

### HIGHLIGHTS

- Successful capital raising of \$7.87 million before costs of issue under a public offer and re-instatement to quotation on ASX on 22 June 2017 as Calidus Resources Limited (“Calidus”, CAI or the “Company”)
- Commencement of 10,000 metre RC drill program at Warrawoona Gold Project targeting increasing existing 410,000 ounce Inferred Mineral Resource
- Initial drill results deliver numerous high-grade gold intercepts including 27m @ 5.85 g/t Au which validates our strategy and highlights the Project’s development potential
- At the end of the quarter the Company held \$4.5 million in cash reserves

The Board of Calidus Resources Limited (ASX:CAI) (“Calidus” or the ‘Company’) is pleased to provide its report on activities and progress made during the June 2017 Quarter. Following the commencement of the ASX listing process in April 2017, we completed a successful capital raising of \$7.875m in June. The capital raising was oversubscribed with strong support from both retail and institutional shareholders from Australia, Asia and the UK.

### Drilling commenced to expand Klondyke Resource

A 10,000m programme has commenced and is targeted at various areas.

- 5,000m into the “gap area” of the current Klondyke Resource
- 2,000m into the existing western portion of the resource to in-fill certain areas, twin historical drill holes to support an increase in resource confidence in the future
- 2,000m into the Copenhagen and Coronation deposits
- 1,000m into along strike extensions to the current Klondyke Resource

## ASX : CAI

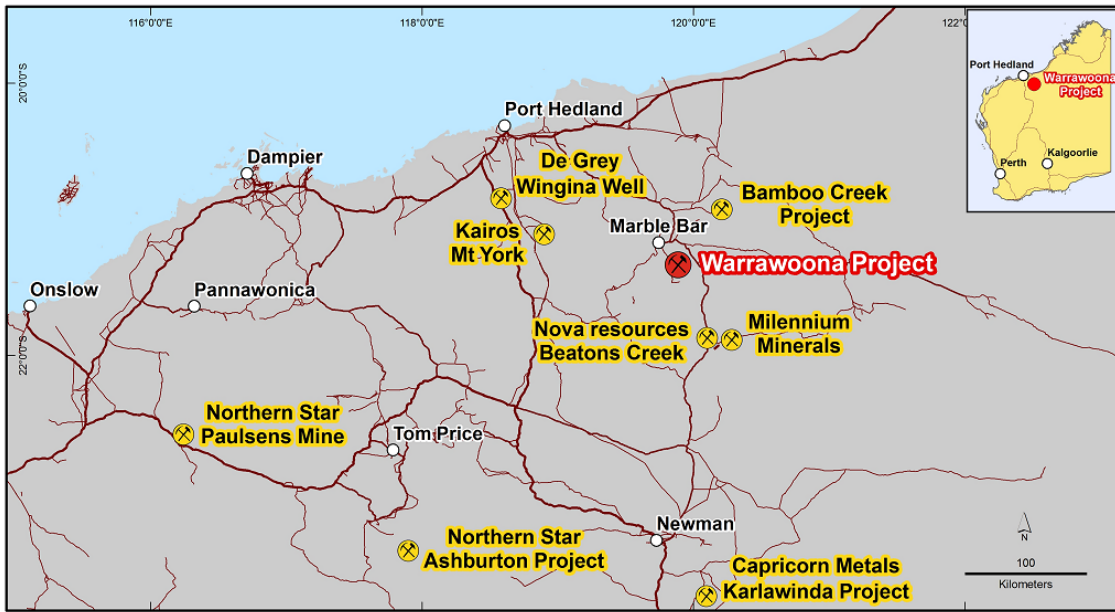
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West Perth WA 6005  
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## EXPLORATION OVERVIEW

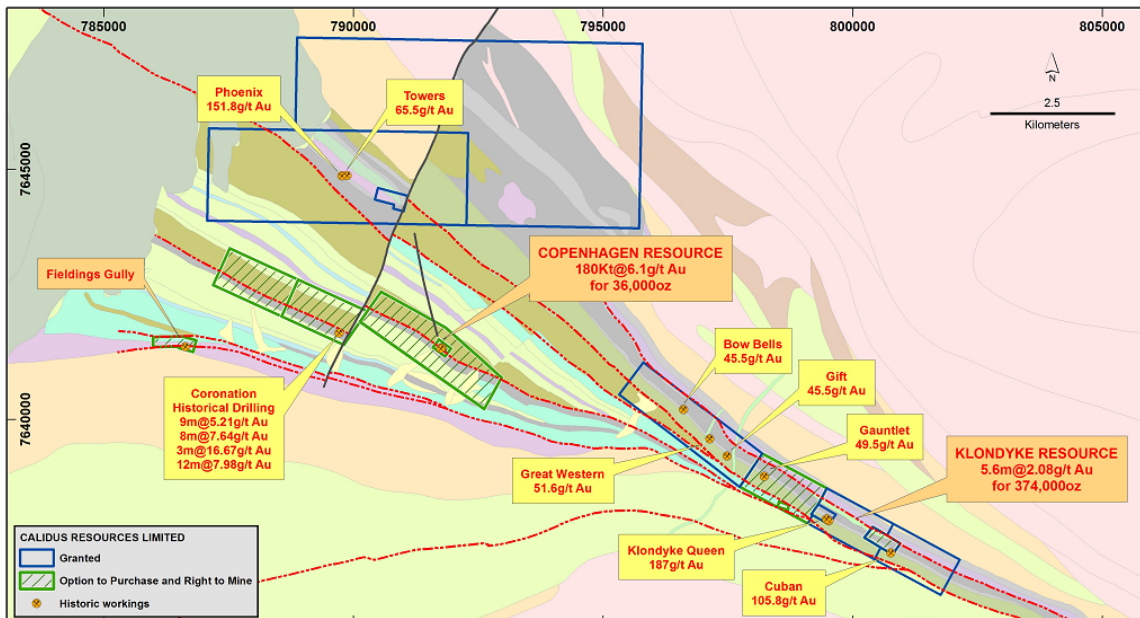
Figure 1: Location of the Warrawoona Gold Project



## About Warrawoona

The Warrawoona Gold Project is located 25km SE of Marble Bar in the East Pilbara region of Western Australia. Gold was first mined in the area in 1897 and there are over 200 historic workings on the Company’s tenements. The region has seen sporadic exploration in limited areas due to the fragmented nature of historical tenement ownership. This exploration has led to an Inferred Mineral Resource of **5.8mt@ 2.2g/t for 410,000 ounces** reported in accordance with the JORC 2012 guidelines.

Figure 2: Warrawoona Gold Project



## Klondyke Deposit

The granted mining leases comprising the Klondyke Deposit lie within the Warrawoona Gold Project.

Independent consultant GeoServ Consulting Pty Ltd completed a resource update in June 2016 to derive a 2012 JORC compliant Inferred Resource at the Klondyke Deposit of 5.6Mt at 2.08g/t Au for 374,000 ounces based on a 0.5g/t lower cut-off (announced by the Company on 22 March 2017).

The resource is currently confined to two separate 1km portions of the total 7.5km of mineralised strike length highlighting the significant potential for a large increase in resource along the untested strike length. Mineralisation extends from surface outcrop and has been tested by drilling to depths between 50m and 200m. It is open in all directions.

Drilling is now underway at Klondyke, with a total of 5,000m planned to be drilled between the two resource blocks, 2,000m to be drilled within the existing resource to both in-fill gaps and increase the category of the resource and 1,000m for testing strike extensions to the west.

Figure 3: Klondyke Main Shear Long-Section

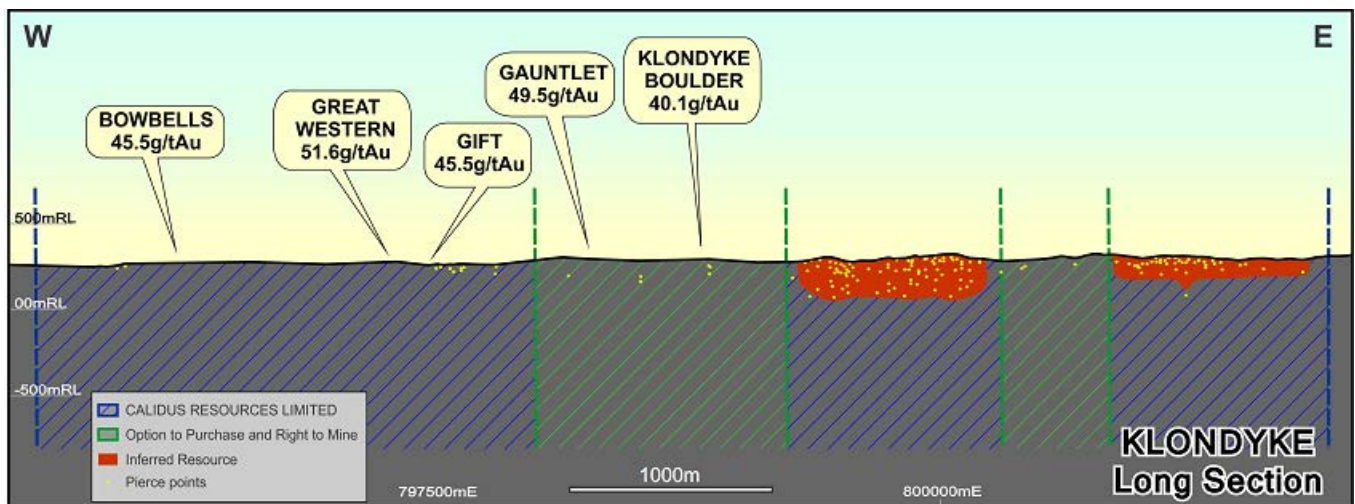
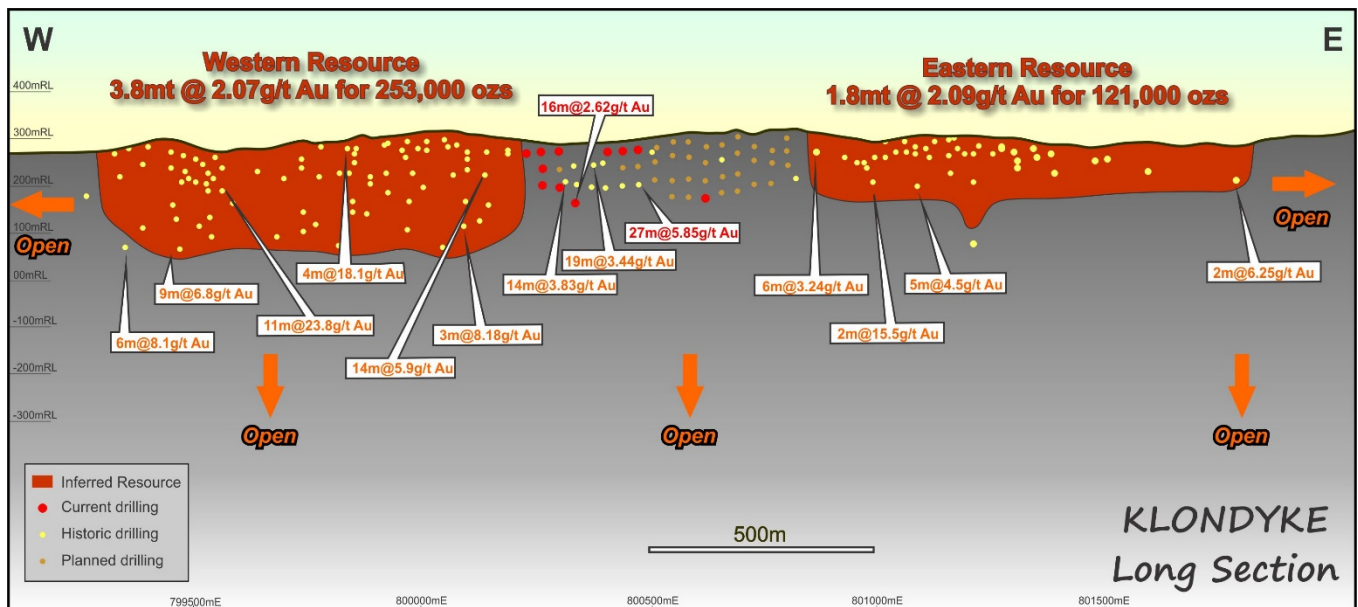


Figure 4: Klondyke Resource Long-Section



## Initial Drill Results

A total of 17 holes were received after the end of the quarter which intersected numerous wide, high grade structures. Intersections above 10 gram metres are as follows (full details can be found in the ASX releases dated 12 July 2017 and 25 July 2017)

- **27m@5.85g/t Au** from 91m in hole 17KLRC001 (incl 1m@39.14g/t Au)
- **6m@4.75g/t Au** from 11m in hole 17KLRC002
- **21m@1.28g/t Au** from 23m in hole 17KLRC002
- **8m@3.58g/t Au** from 49m in hole 17KLRC002
- **17m@1.03g/t Au** from 117m in hole 17KLRC003
- **5m@3.12 g/t Au** from 155m in hole 17KLRC003
- **7m@1.58g/t Au** from 53m in hole 17KLRC004
- **9m@1.21g/t Au** from 113m in hole in hole 17KLRC006
- **2m@5.58/t Au** from 29m in hole 17KLRC007
- **6m@2.26g/t Au** from 91m in hole 17KLRC007
- **16m@2.62g/t Au** from 124m in hole 17KLRC007
- **15m@2.04g/t Au** from 6m in hole 17KLRC008
- **8m@1.43g/t Au** from 55m in hole 17KLRC008
- **20m@1.47g/t Au** from 2m in hole 17KLRC009
- **12m@1.45 g/t Au** from 8m in hole 17KLRC013
- **14m@1.83g/t Au** from 8m in hole 17KLRC014
- **6m@2.56g/t Au** from 61m in hole 17KLRC015
- **6m@4.61g/t Au** from 82m in hole 17KLRC015
- **10m@1.15g/t Au** from 72m in hole 17KLRC016
- **5m@2.89g/t Au** from 150m in hole 17KLRC017

## Exploration Outlook

This is the first time the tenements have been consolidated under one ownership with the previously fragmented ownership limiting the chances of development of this outcropping, high grade gold project. In addition, no modern exploration has been carried out over the bulk of the tenements with the last major campaign being conducted in the early 1990's. There are presently over 38km of mapped, but largely untested shears located on the Company's tenements.

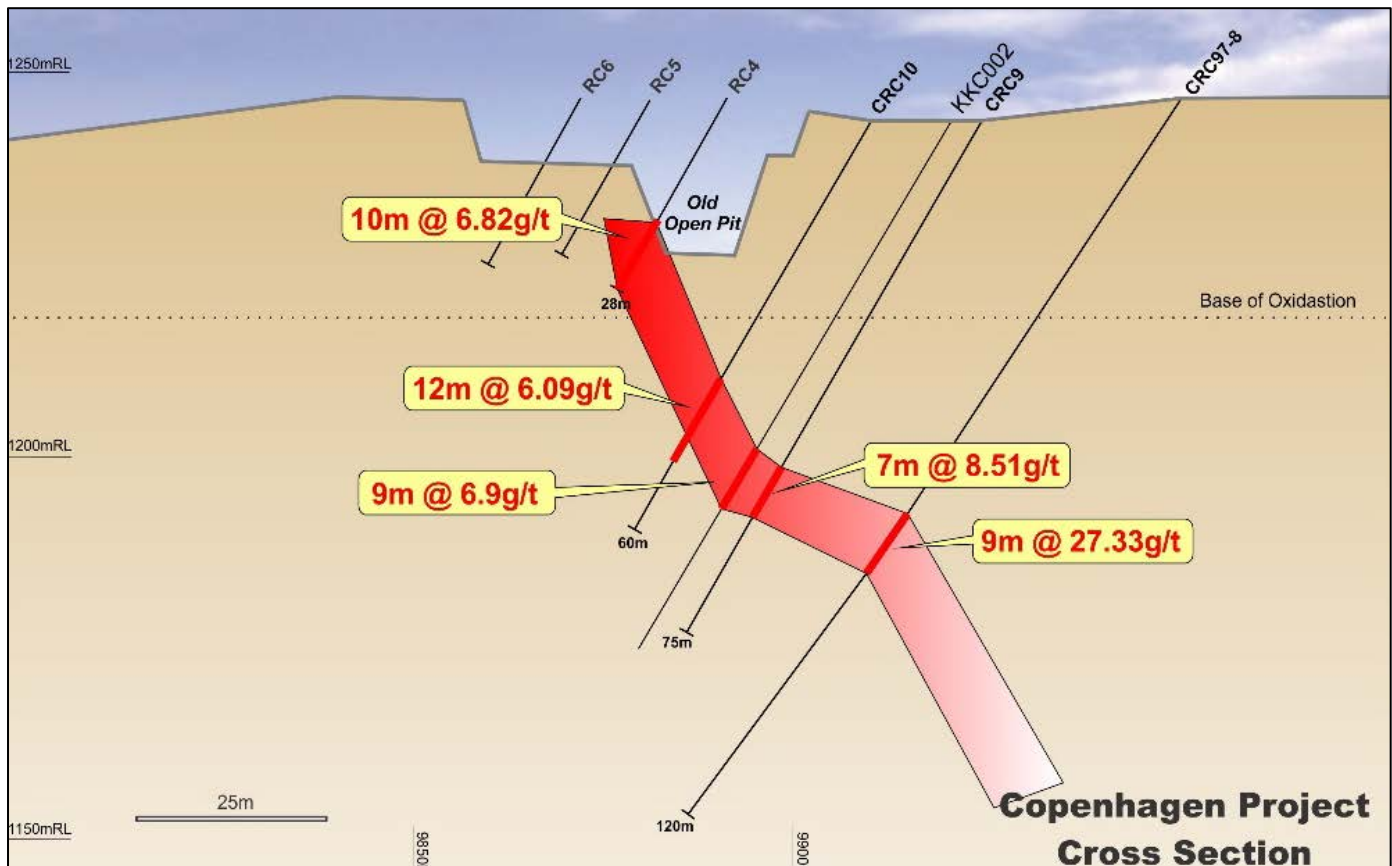
The Company controls tenements to the west of the Klondyke Deposit that contain numerous historic workings and known prospects. The tenements are largely untested and contain highly prospective geology. Key targets are centred on the historical Copenhagen, Coronation and Fieldings Gully mines.

## Copenhagen – High grade near surface resource

Historical mine located 10km from the Klondyke Deposit hosting an Inferred Resource of 180,000t @ 6.1 g/t Au for 36,000 ounces reported in accordance with the JORC 2012 guidelines. The prospect remains open along strike and down dip.

Calidus plans to undertake 2,000m of drilling in the current 10,000m campaign at Copenhagen and Coronation.

Figure 5: Copenhagen Cross-Section



## Coronation

Historical mine located 12.5km from the Klondyke Deposit 3km along strike from Copenhagen. No resource has been estimated to-date however a number of significant intercepts require follow-up as part of the current exploration program. These intercepts include:

- 9m @ 5.21 g/t from 9m
- 8m @ 7.64 g/t from 64m
- 3m @ 16.67 g/t from 16m
- 12m @ 7.98 g/t from surface
- 4m @ 5.71 g/t from 12m
- 2m @ 31.5 g/t from 30m

## Fieldings Gully

The Fieldings Gully historical mine is located 15km from the centre of the Klondyke area hosting a pre-2012 JORC Code Resource which remains open at depth and along-strike and requires follow-up evaluation. Significant intersections include:

- *FG97-7 14m @ 3.09g/t from 53m*
- *FG97-12 4m @ 5.29 g/t from 12m*
- *FG97-12 3m @ 17.58g/t from 20m*

Fieldings Gully will be evaluated as part of the ongoing exploration program planned in 2017 to refine prospective targets.

## CORPORATE

The June Quarter 2017 was transformational for Calidus following the successful listing on the ASX and capital raise.

On 22 June 2017, the Company's securities were reinstated to official quotation on the ASX, after completion of all the transactions as presented in the Prospectus released to the ASX on 8 May 2017 and approval granted by the ASX to allot the Shares under the public offer. The allotment of 350,000,000 shares at \$0.02 per share and 87,500,000 listed options at \$0.01 per option to raise \$7,875,000 was completed on 13 June 2017. Prior to this, the Company completed an interim capital raising of \$620,000 following the announcement to acquire the Warrawoona gold project.

Following reinstatement, Calidus has 717,736,035 shares, 87,500,000 listed options and 105,000,000 unlisted options on issue on issue. A detailed breakdown of the Company's capital structure can be found in the announcement "Pre-Reinstatement Disclosure" dated 16 June 2017 and available from the Company's website.

Details of performance securities on issue at 30 June 2017 were;

Number	Description	Summary Terms & Conversion Hurdles
250,000,000	Class A Performance Shares	Escrowed 24 months from quotation. Convert to fully paid ordinary shares on a 1:1 basis on announcement of 500,000 Indicated Resources. Full details set out in section 11.5 of the Company's prospectus dated 8 May 2017.
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.

Both the Class A and Class B Performance shares convert into an equal number of fully paid ordinary shares should the performance hurdles be satisfied. The Company confirms that no performance shares were converted or redeemed during the quarter.

After repayment of the D-Beta loan<sup>1</sup>, raising expenses and creditors the Company held approximately \$4.45 million in cash reserves at 30 June 2017.

<sup>1</sup> Approximately \$2.93 million (US\$2.20 million) repaid to D-Beta from the proceeds of the capital raising as detailed in the prospectus dated 8 May 2017.

## 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 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 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
- Maiden Drill Program Delivers High-Grade Gold at Warrawoona: 12 July 2017
- Further high grade gold intercepts at Warrawoona: 25 July 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 his 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

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## CALIDUS RESOURCES TENEMENT SCHEDULE

Project Location	Tenement ID	Ten Status	Holder/Applicant	Interest
WARRAWOONA	M45/0552	GRANTED	KERAS (Pilbara) Gold Pty Ltd	100%
WARRAWOONA	M45/0668	GRANTED	KERAS (Pilbara) Gold Pty Ltd	100%
WARRAWOONA	M45/0669	GRANTED	KERAS (Pilbara) Gold Pty Ltd	100%
WARRAWOONA	M45/0670	GRANTED	KERAS (Pilbara) Gold Pty Ltd	100%
WARRAWOONA	M45/0240	GRANTED	Elazac Mining Pty Ltd and Haoma Mining NL	Right to mine and option to purchase
WARRAWOONA	M45/0521	GRANTED	Elazac Mining Pty Ltd and Haoma Mining NL	Right to mine and option to purchase
WARRAWOONA	M45/0671	GRANTED	Elazac Mining Pty Ltd, BHP Billiton Nickel West Pty Ltd and Haoma Mining NL	Right to mine and option to purchase
WARRAWOONA	M45/0672	GRANTED	Elazac Mining Pty Ltd and Haoma Mining NL	Right to mine and option to purchase
WARRAWOONA	M45/547	GRANTED	Elazac Mining Pty Ltd	Right to mine and option to purchase
WARRAWOONA	M45/679	GRANTED	Elazac Mining Pty Ltd	Right to mine and option to purchase
WARRAWOONA	M45/682	GRANTED	Haoma Mining NL	Right to mine and option to purchase
WARRAWOONA	E45/4555	GRANTED	Epminex WA Pty Ltd 50% KERAS (Pilbara) Gold Pty Ltd 50%	50% with option to purchase remaining 50%
WARRAWOONA	E45/4843	GRANTED	Epminex WA Pty Ltd 50% KERAS (Pilbara) Gold Pty Ltd 50%	50% with option to purchase remaining 50%
WARRAWOONA	E45/4905	APPLICATION	KERAS (Pilbara) Gold Pty Ltd	Application for 100% interest
WARRAWOONA	E45/4906	APPLICATION	KERAS (Pilbara) Gold Pty Ltd	Application for 100% interest
WARRAWOONA	E45/4856	APPLICATION	KERAS (Pilbara) Gold Pty Ltd	Application for 100% interest
WARRAWOONA	E45/4857	APPLICATION	KERAS (Pilbara) Gold Pty Ltd	Application for 100% interest

All the above Tenements interests were acquired during the quarter as part of the transactions presented in the Company's prospectus dated 11 May 2017. No tenements were disposed during the quarter.