

ASX ANNOUNCEMENT

27 September 2017

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

Heavily Oversubscribed Placement to Raise \$10m

Funds to be used for accelerating exploration program at Warrawoona

Calidus Resources Limited (ASX:CAI) (**Calidus** or the **Company**) is pleased to announce that it has successfully completed a bookbuild for a placement of up to approximately 243.9m shares at an issue price of 4.1 cents per share to both new and existing institutional and sophisticated investors in Australia, Asia and North America to raise up to \$10 million.

The capital raising ensures Calidus is well funded to accelerate exploration programmes and remains consistent with the Company's strategy of strengthening its institutional shareholder base and increasing its profile in global financial markets.

The new shares will be allotted in two tranches (see Timetable below).

HIGHLIGHTS

- Calidus to raise \$10m in heavily over-subscribed Placement to advance exploration.
- Cornerstone participation from Novo Resources Corp. (TSX.V:NVO) of \$1.5 million represents a strong endorsement of Calidus' strategy and regional synergies as Calidus transitions towards development.
- Strong support received from existing sophisticated and institutional shareholders and a number of new high quality institutional investors introduced to Calidus' share register.
- 243,902,440 new shares to be issued at \$0.041 per share, representing a 10.9% discount to last ASX close and a 12.5% discount to the 5-day ASX VWAP.
- Funding allows the acceleration of exploration at Warrawoona to build on Calidus' current resource base of 410,000 ounces at Klondyke and advance a number of existing prospects and new targets that host significant exploration potential.
- Post completion of the Placement, Calidus is well funded through to the commencement of the planned pre-feasibility study.

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Calidus Managing Director Dave Reeves commented:

“The equity raising, which was almost three times oversubscribed, follows continued exploration success at the Warrawoona Project and is a great vote of confidence from investors that we can continue to deliver additional, low risk gold ounces with additional funding. We are pleased to welcome a number of new institutional shareholders and Novo Resources Corp. to our share register and thank our existing shareholders for their continued support.”

“Our recent drilling campaign has linked the ‘Gap’ zone at Klondyke which now provides 2.6km of continuous mineralisation which is open at depth and along strike in both directions and underpins the large near surface potential that exists at Warrawoona. When combined with the recently acquired Novo JV extensions, we have a compelling opportunity to rapidly advance the project.”

“This transaction will see Calidus well funded to the commencement of a pre-feasibility study which is currently targeted to commence in late 2018.”

Background

Calidus re-listed on the ASX on 22 June 2017 and has delivered on its commitment to undertake an aggressive exploration program on the Warrawoona Gold Project (the **Project**). On 20 September 2017, the Company announced a joint venture with Novo Resources Corp. (TSX.V:NVO) (**Novo**), which has expanded Calidus' exploration footprint to 363km² covering the entirety of the Warrawoona Greenstone Belt.

Placement

Calidus today announces a capital raising comprised of a two-tranche placement of an aggregate 243,902,440 shares at \$0.041 each to raise \$10 million (the **Placement**).

The Company has successfully completed a bookbuild with new and existing sophisticated and institutional investors to raise the full amount of the Placement, with the first tranche of 95,061,395 Placement shares expected to be issued on or about Thursday, 5 October 2017 using Calidus' placement capacity under ASX Listing Rule 7.1. The second tranche of the Placement, being the remaining 148,841,045 shares, will be issued following receipt of shareholder approval at the Company's annual general meeting to be convened shortly.

Novo's cornerstone participation in the Placement of \$1.5 million represents a strong endorsement of Calidus' strategy and regional synergies as Calidus transitions towards development. The Company is delighted that it has received such strong support in the market since listing in June 2017 and the rapid transitioning of its register to include a significant number of leading institutional investors as it begins to unlock the potential of its Pilbara gold project.

The Placement underpins the Company's ongoing exploration and development of the Project and allows the acceleration of the planned exploration program with the goal being the commencement of a pre-feasibility study in late 2018. The revised exploration program will include the direct extensions of the Klondyke Shear on both Calidus and Novo tenements, a number of identified prospects and additional untested targets that have been generated since the Company's listing.

Hartleys Limited acted as Sole Lead Manager to the Placement, and Bell Potter Securities Limited acted as Co-manager to the Placement.

Use of funds

The proceeds from this Placement will be used to expand the Company's exploration efforts to include the direct extensions of the Klondyke Shear on the Calidus and Novo tenements and a number of existing prospects that host significant exploration potential. This will include:

- a targeted drilling program aimed at further upgrading the current Inferred Mineral Resources and include direct extensions, both along-strike and down-dip of the current Klondyke Resource;
- target the conversion of brownfields deposits including Corporation and Fieldings Gully to JORC Resources; and
- expand the planned exploration program at multiple drill-ready exploration targets already identified along the Klondyke Shear.

Timetable

The Company intends to lodge 'cleansing' prospectuses in accordance with section 708A(11) of the Corporations Act so that Placement participants may, if they choose to, sell the Placement shares within the 12 months following their issue without the lodgement of a prospectus. Consequently, the Company expects to conduct the Placement in accordance with the indicative timetable set out below:

Key Event	Date ¹
Capital Raising announced	Wednesday, 27 September 2017
Despatch of Notice of the Annual General Meeting to Shareholders including approval for the issue of the Tranche 2 Placement Shares	Friday, 29 September 2017
Lodge prospectus to cleanse Tranche 1 Placement Shares	Wednesday, 4 October 2017
Issue Tranche 1 Placement Shares	Thursday, 5 October 2017
Hold Annual General Meeting	Tuesday, 31 October 2017
Lodge prospectus to cleanse Tranche 2 Placement Shares	Early November
Issue Tranche 2 Placement Shares	Early November

Note: (1) The above timetable is indicative only and subject to change. Calidus, in conjunction with the Lead Manager, Hartleys, reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws.

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 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. The current resource base totals 5.78Mt @ 2.21g/t Au for 410,000 ozs, all of which resides in the Inferred Mineral Resource category.

Discovery Capital Partners acts as Corporate Advisor to Calidus Resources.



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Competent Person's Statement

The information in this announcement that relates to Exploration Results and Mineral Resources is based on and fairly represents information compiled by Jane Allen a competent person who is a member of the AusIMM. Jane Allen a full-time is employee of 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 Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 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.

For further information please contact:

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Managing Director



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