CALIDUS RESOURCES LIMITED

ASX ANNOUNCEMENT

18th December 2017

74% Increase in High Grade Warrawoona Resource to 712,000 Ounces at 2.11 g/t Gold

Positions Calidus for further resource expansion

Calidus Resources Limited (ASX:CAI) ('Calidus' or the 'Company') is pleased to announce a substantial increase in the Company's Mineral Resource with a high conversion to Indicated Mineral Resources at the Warrawoona Gold Project located in the Pilbara of Western Australia.

HIGHLIGHTS

- Total Mineral Resource, reported and classified in accordance with the JORC Code (2012) is **10.5 Mt at 2.11 g/t for 712,000 ozs, an increase of 74% over the previous estimate**
- Maiden Indicated Mineral Resource of **8.4 Mt @ 2.01 g/t for 541,000 ozs**
- Resource provides solid base for resource expansion in the coming year
- Well-funded post recent $10m raise
- Company has received Exploration Incentive Scheme Grant of $140,000 to conduct deeper drilling at Klondyke

Table 1: Mineral Resource Estimate – Warrawoona Gold Project

Deposit	Cut-off	Indicated			Inferred			Total		
	Au g/t	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs
Klondyke	0.5	8.2	2.02	532,000	1.7	2.25	122,000	9.9	2.06	654,000
Copenhagen	0.5				0.2	6.12	36,000	0.2	6.12	36,000
Fieldings Gully	0.5	0.2	1.65	9,000	0.2	1.65	13,000	0.4	1.65	22,000
Total		**8.4**	**2.01**	**541,000**	**2.1**	**2.51**	**171,000**	**10.5**	**2.11**	**712,000**

Calidus Managing Director Dave Reeves commented, *"To increase our high-grade resource base by 74% within 6 months of listing by targeted drilling underpins the unique attributes of the Warrawoona Project. The outcropping gold mineralisation allows rapid and cost-effective ounces to be added to this rapidly developing project. We intend to keep this momentum going in the new year with extensional drilling of the resource, both down dip and along strike planned. In addition, we plan on converting some of the large number of satellite targets to resource status in the coming year. Our planning for this is well supported by our current cash position that allows a continuation of the aggressive programme we have pursued to date."*

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

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BACKGROUND

Calidus listed on the ASX on 22 June 2017 and has delivered on its commitment to undertake an aggressive exploration programme 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 363km^2 covering the entirety of the Warrawoona Greenstone Belt.

Within six months, Calidus has completed 15,611m of drilling at Klondyke and the various surrounding satellite deposits which form the basis of this significant increase in Mineral Resources. This included an initial 12,600m programme that was expanded based on the highly favourable results. The total Mineral Resource for the Warrawoona Gold Project is 10.5 Mt at 2.11 g/t for 712,000 ozs, and includes an Indicated Mineral Resources of 8.4 Mt @ 2.01 g/t for 541,000 ozs. Appendix I lists all of Calidus' ASX announcements that relate to the Warrawoona Gold Project.

KLONDYKE MINERAL RESOURCE

The Mineral Resource for the Klondyke Deposit increased from 374,000 ounces at a grade of 2.08g/t Au to 654,000 ounces at 2.06g/t, an increase of 74% from the initial JORC (2012) Resource.

The breakdown of the Klondyke Resource is as follows:

Table 2. Klondyke Mineral Resource Estimate (0.5g/t Au cut-off)

Deposit	Cut-off	Indicated			Inferred			Total		
	Au g/t	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs
Klondyke	0.5	8.2	2.02	532,000	1.7	2.25	122,000	9.9	2.06	654,000

The important features from the upgraded Mineral Resource include:

- the Resource grade has been maintained at greater than 2g/t Au, demonstrating the ability for higher grade zones to be constrained within broader mineralisation envelopes;
- the Klondyke Indicated Resource represents 81% of the Total Mineral Resource at Klondyke, and spans a continuous strike length of 2.6km. It remains open in all directions and is estimated to an average depth of 150m;
- mineralisation outcrops at surface and has been interpreted to a maximum depth of 220 metres;
- the depth of weathering and oxidation at Klondyke is very limited and therefore all mineralisation is classified as primary;
- preliminary metallurgical test work has established that the gold mineralisation at Klondyke is free milling and amenable to cyanide extraction methods.

Figure 1 illustrates the Klondyke Deposit and area included in this Mineral Resource Estimate. Figure 2 illustrates a long section of the Klondyke Resource with the distribution of drilling that was used to inform the estimate and resource classification.

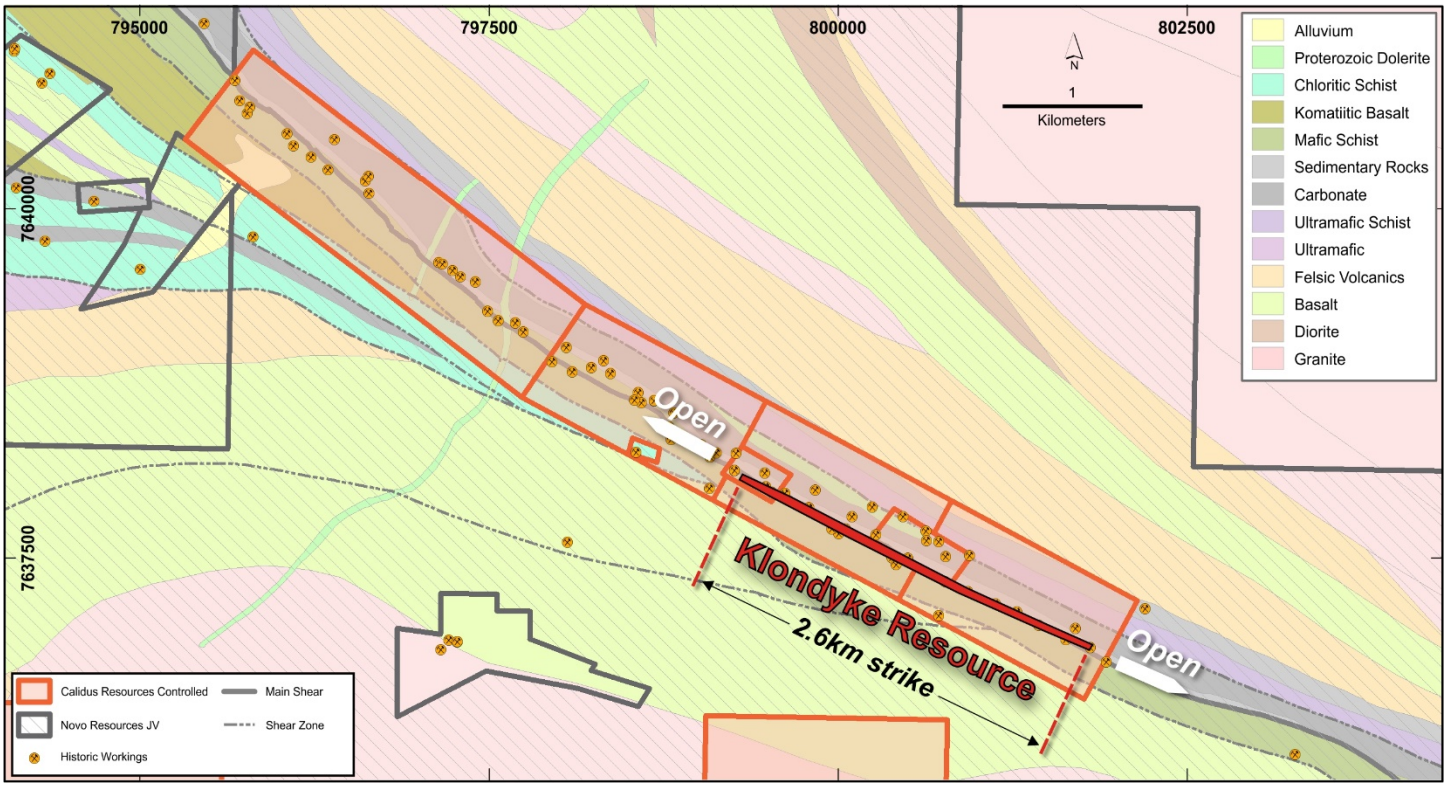

Figure 1. Klondyke Resource Plan View

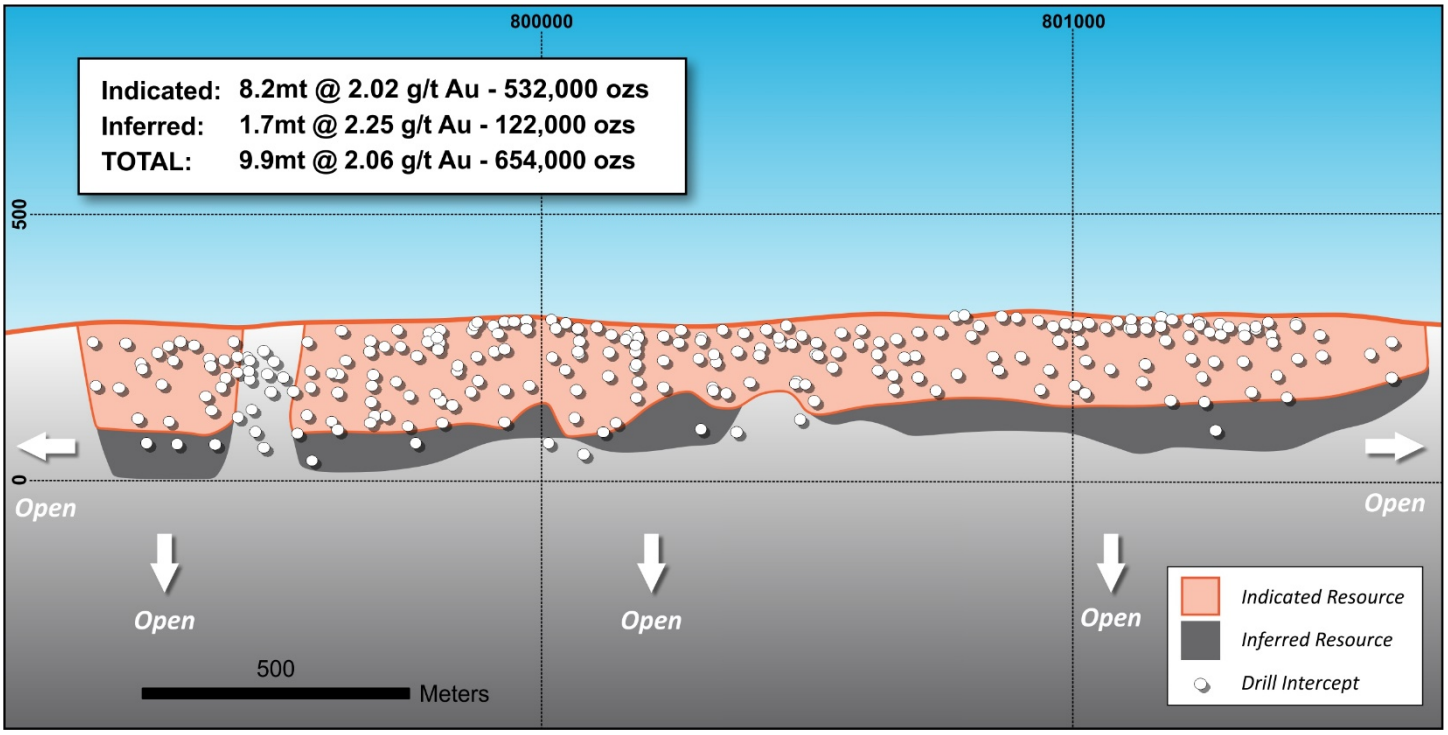

Figure 2. Long section of the Klondyke Deposit Mineral Resource colour-coded for resource classification

COPENHAGEN & FIELDINGS GULLY MINERAL RESOURCE

The Inferred Mineral Resource for Copenhagen was unchanged at 36,000 ounces at 6.12g/t and a maiden Mineral Resource was announced at Fieldings Gully of 22,000 ounces at 1.65g/t. The breakdown of the resource for both projects is as follows:

Table 3. Copenhagen & Fieldings Gully Mineral Resource Estimate (0.5g/t Au cut-off)

Deposit	Cut-off	Indicated			Inferred			Total		
	Au g/t	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs	Mt	g/t Au	Ozs
Copenhagen	0.5				0.2	6.12	36,000	0.2	6.12	36,000
Fieldings Gully	0.5	0.2	1.65	9,000	0.2	1.65	13,000	0.4	1.65	22,000
Total		**0.2**	**1.65**	**9,000**	**0.4**	**3.53**	**49,000**	**0.6**	**3.05**	**58,000**

The important features from this Mineral Resource include:

- The Fieldings Gully maiden resource of 22,000 ounces at 1.65g/t represents only 325m of a kilometric-scale regional shear package similar to that at Klondyke (refer Figures 3 and 4), which remains open in all directions;
- An additional ~1,000m RC programme is now underway at Fieldings Gully to drill test the eastern strike extension;
- High grade Copenhagen resource of 36,000 ounces at 6.12 g/t Au;
- At Copenhagen only two HQ diamond core holes were completed for 140m to validate shallow high-grade intercepts from historical drilling and returned 17CPDD001 6m @ 7.74g/t Au from 70m and 17CPDD002 4m @ 7.46g/t Au from 56m;
- the work completed at both projects supports the geological interpretation and provides clear targets to be followed up on during the 2018 exploration campaign.

Performance Shares

Under the terms of the Acquisition Agreement where Calidus purchased the Project from Keras Resources Plc (Keras), on certain Milestones, Performance Shares previously issued as part of the consideration, would be converted to Ordinary Shares in the Company.

The Class A Performance Shares required the announcement of a JORC 2012 compliant Indicated or Measured Resource of at least 6Mt with cut-off grade of 0.5g/t Au for at least 500,000 ozs of gold at the Klondyke Gold Project. With the release of this announcement, this Milestone has been met and therefore 250m Class A Performance Shares will be converted with immediate effect into Ordinary Shares in the Company. These shares, as per the current shares held by Keras, will be escrowed until 23 June 2019. Calidus now has 1,281,668,495 Shares on issue.

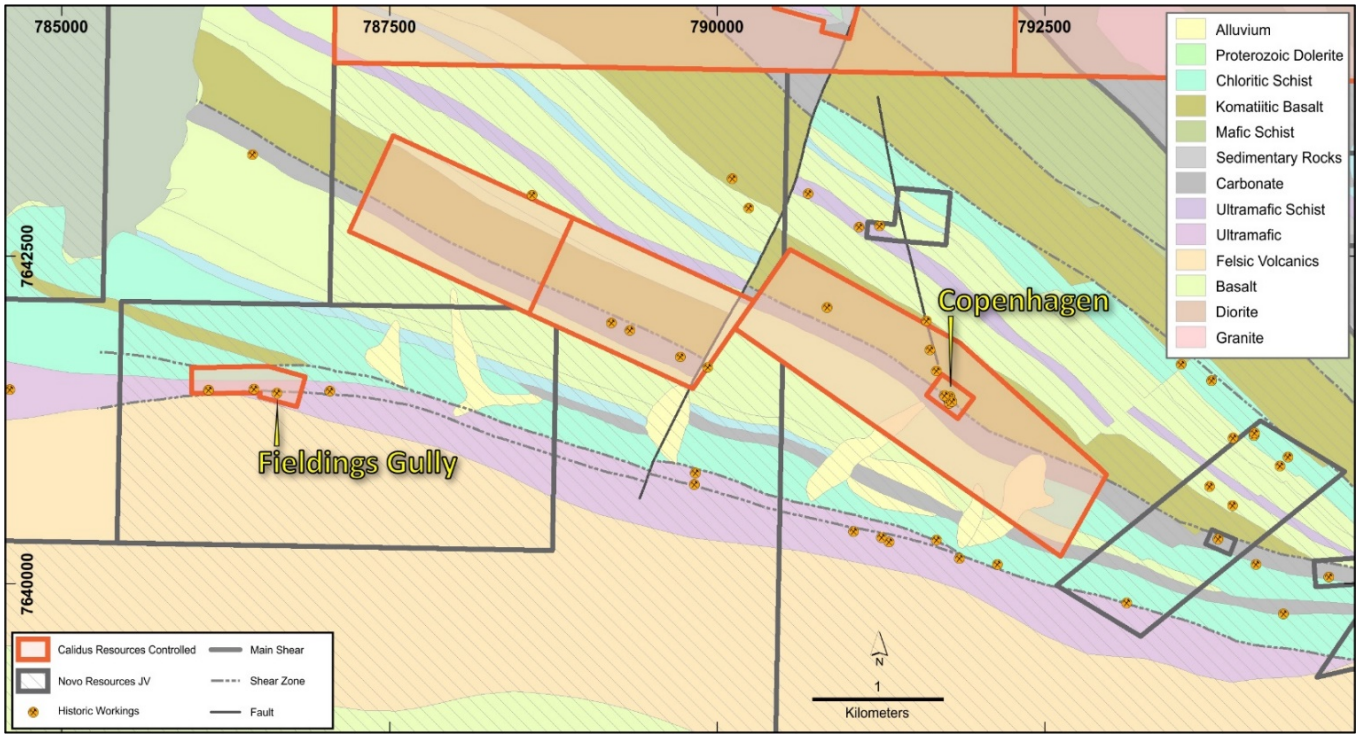

Figure 3. Location and geology of the Copenhagen and Fieldings Gully deposits

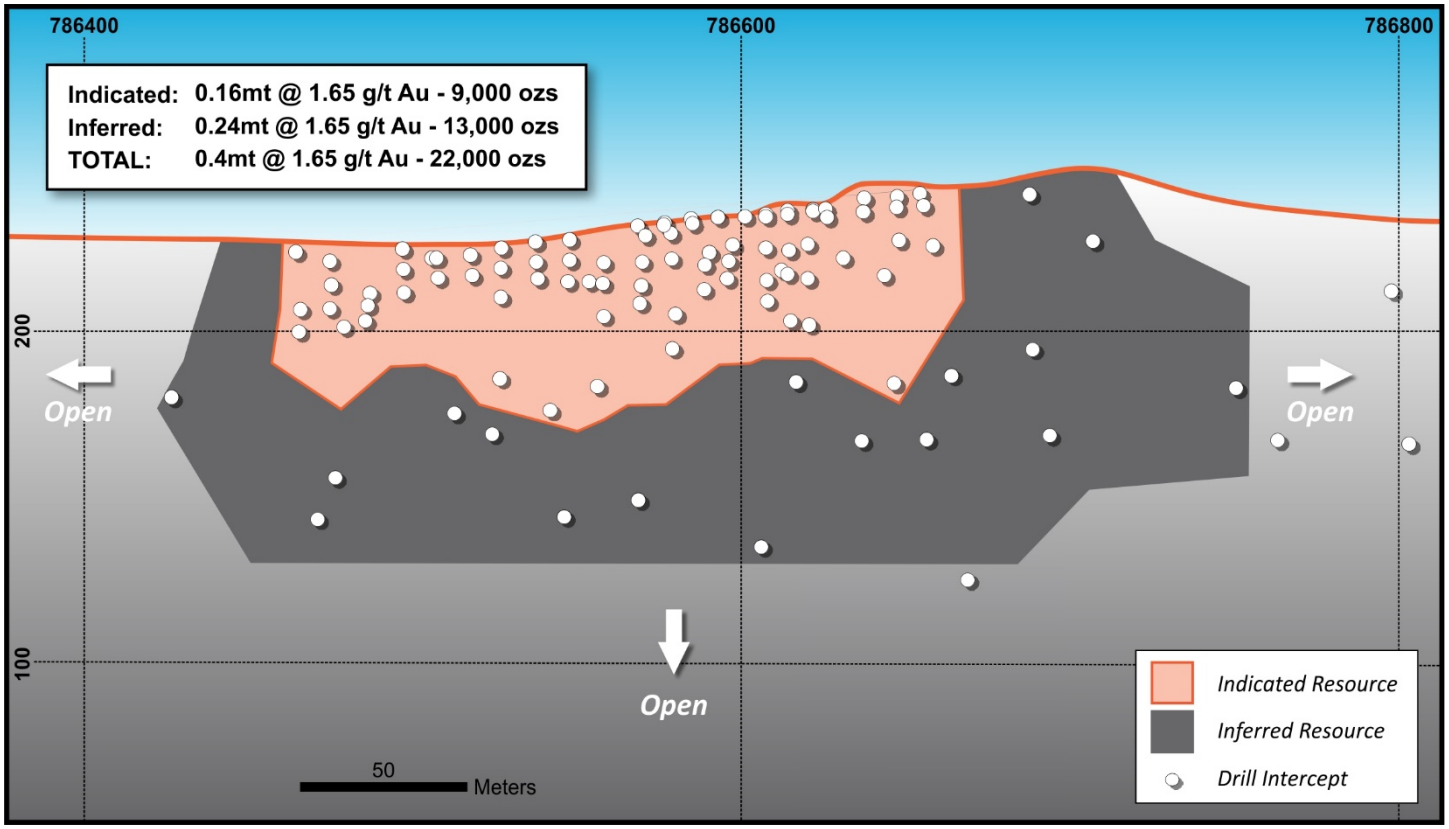

Figure 4. Long section of the Fieldings Gully Deposit Mineral Resource colour-coded for resource classification

NEXT STEPS

Calidus is currently conducting along-strike extensional drilling of approximately 3,760m at Klondyke, Fieldings Gully and Copenhagen prospects in the reminder of this year with results due in Q1 2018. This drilling is being undertaken to test the direct extensions of the known deposits which will assist in defining final drill programmes for 2018.

In Q1 2018, Calidus will target deeper drilling at Klondyke to test high grade extensions of the orebody down-dip to a depth of up to 400m below surface. This drilling is being planned with the assistance of the CSIRO and will be in part funded under the Western Australian Governments Exploration Incentive Scheme where the Company was recently awarded a grant of $140,000 to assist with prospectivity modelling of high grade down dip extensions of the orebody.

Further strike definition drilling along strike of the published resources is planned to kick off early 2018 Q2 with the aim of increasing the resource base to in excess of one million ounces. Parallel with this, initial scout drilling on some of the numerous high priority regional targets will be undertaken to examine the potential for higher grade satellite deposits that could form ore feed based on the assessment to of future development scenarios.

A Pre-Feasibility Study including optimisation, mine scheduling and metallurgical studies based on the new Resource plus planned extensions in 2018, is currently planned to commence late 2018 subject to the resource definition programme.

TECHNICAL OVERVIEW

Geology and Mineralisation

The Klondyke and Fieldings Gully Projects are situated within the Eastern Pilbara Domain of the Archean Pilbara Craton. The area is dominated by granite-greenstone terrain in which large granitic batholiths are disconnected by synclinally folded volcanic belts with interbedded volcaniclastic and clastic successions (refer Figure 5). The Archean greenstone terrain is subdivided into two major stratigraphic units, the Warrawoona Group and the Gorge Creek Group. The Klondyke Mining leases lie within the Warrawoona Group which is characterised by high-Mg basaltic lavas with lesser tholeiite, andesite, sodic dacite, potassic rhyolite, chert and banded iron formation (BIF).

Four deformation events are recognised in the area; D1 resulted in the schistosity developed parallel to the margin of the Corunna Downs Batholith. Tight isoclinal folding developed during D2 compression locally and the third deformation (D3) event is represented by intense shearing, mylonitisation of country rocks and the quartz vein development that is likely related to the infiltration of metamorphic and/or magmatic fluids and is synchronous with gold mineralisation in the area. The shears are steep dipping to near vertical with reverse movement. Gold mineralisation is localised within the zone of intense shearing and carbonate and sericite alteration. The 4th deformation (D4) resulted in cross cutting, north-east fault structures.

Quartz veins and stringers are concordant with the predominant shear direction with a geometry that is predictable along-strike and down-dip. Gold is associated with disseminated pyrite and to a lesser degree chalcopyrite and arsenopyrite. The Klondyke Shear mineralisation is within the fuchsite bearing unit and has associated quartz veinlets. In areas of strong mineralisation these quartz veinlets occur at a high frequency within the silicified shear zone as parallel bands often showing bounding structures both down dip and along strike.

The most significant structural feature in the Marble Bar area is the highly tectonised ultramafic Warrawoona Greenstone belt, which is sandwiched between the between the Mt Edgar Batholith to the north and the Corunna Downs Granitoid Complex to the south (refer Figure 5). The greenstone belt comprises part of the Warrawoona Syncline which

accommodates several quartz lode gold deposits. The deposits are hosted within three main shear zones: the Klondyke, Copenhagen and Fielding's Find shear zones.

Gold mineralisation drilled to date at Klondyke has a strike extent of 2.6km and presently remains open in all directions. The lode structure comprises two main mineralised horizons, with multiple, smaller, sub-parallel shoots. Several cross cutting and conjugate faults sets structurally dislocate the orebody (cm – m scale). The overall geometry of interpreted mineralised veins strikes approximately 115^0 and dips steeply (80°-90°) to the south. Mineralisation at Fieldings Gully is similar to Klondyke in terms of geometery, striking towards 100^0 and dipping steeply south. The estimated strike extent is currently approximately 325m and remains open in all directions.

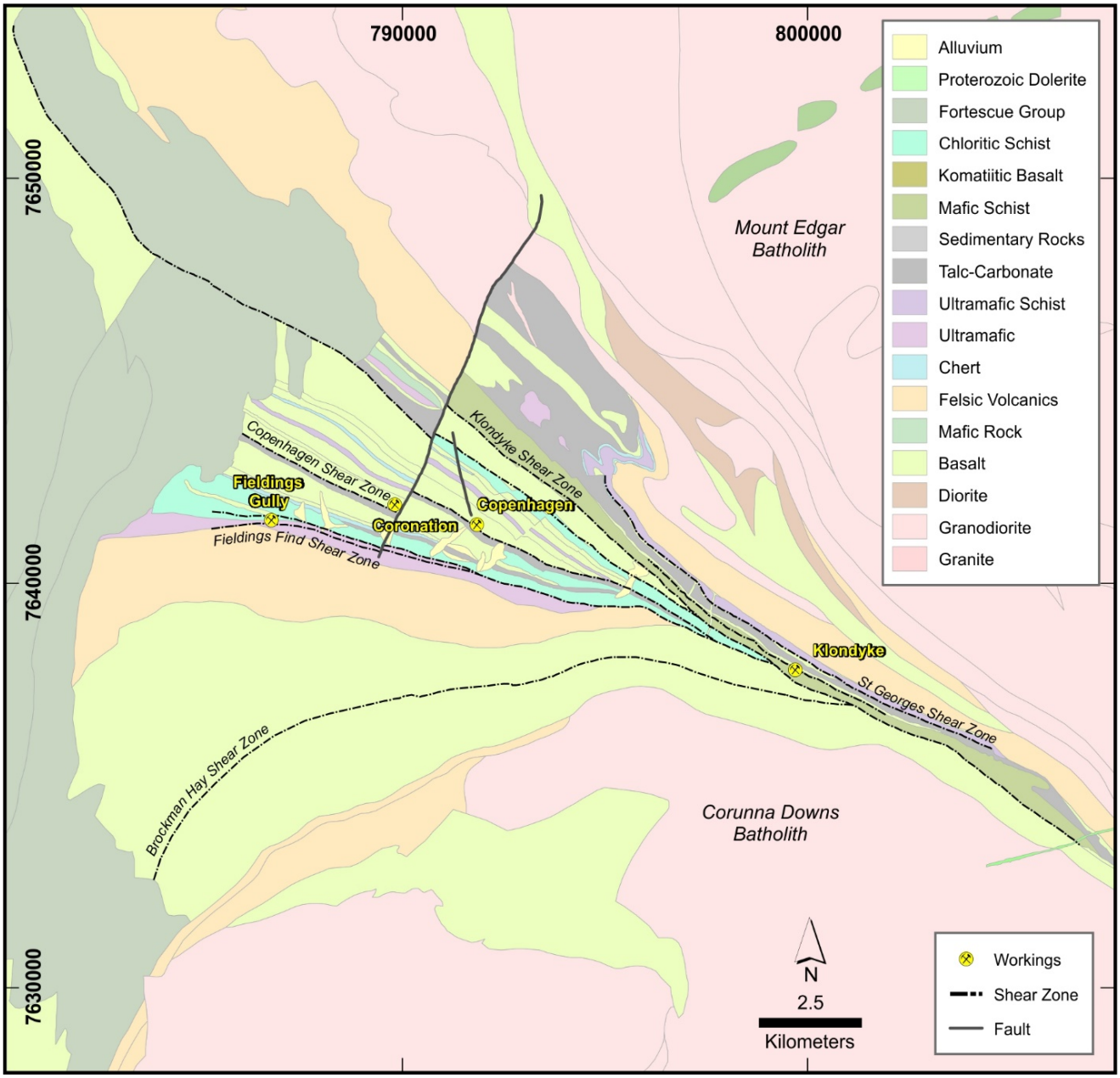

Figure 5. Warrawoona Regional Geology, Pilbara Craton

Datasets

The 2017 infill drilling programs at both Klondyke and Fieldings Gully assisted with the definition and further validation of gold mineralisation, which has been previously based exclusively on historical drilling. The contemporary drilling and analytical techniques support the continuity of gold mineralisation and significantly de-risk the estimation (and future mining) process. The improved understanding also substantiates the need for future extensional drilling both along strike and at depth at both prospects.

The recent drill data and associated quality controls now comprises approximately 39% of the total Klondyke resource and 12% of the Fieldings Gully resource data. This is reflected in the material classification of the Resource.[1]

Fieldings Gully represents a maiden resource based on recent and historical datasets outlined below. All details for both the 2017 and historical datasets are also discussed thoroughly in the accompanying JORC Complaint Resource Statement and Table 1 for both Klondyke and Fieldings Gully (attached).

Drilling Techniques

Reverse circulation (RC) drilling was chosen to complete the bulk of the 2017 infill resource definition drilling, with several HQ diamond holes (DDH) strategically positioned to validate significant or material parts of the resource. A number of twin holes were also planned to test the integrity of the historical drill holes.

RC Drilling was undertaken by Orlando Drilling Pty Ltd utilising an Atlas Copco (E235 Explorac) RC track-mounted drill rig utilising a 5 3/8 ”– 5 5/8” hammer. Diamond drilling was also conducted by Orlando, using a Coretech (YDX-3L) track-mounted rig. Diamond drill core size was triple tube HQ and core was oriented with a Reflex ACT111 orientation tool.

Water issues for RC holes were controlled by utilising an Atlas Copco (360psi/1300cfm) auxiliary air compressor unit with a Hurricane (1000psi/2400cfm) booster. In rare instances where wet drilling could not be avoided, recovery percents were logged and this was accounted for in the quality control measures implemented for the material classification of the resource. Overall more than 98% of samples achieved 100% recovery.

Knowledge of the historical dataset for Fieldings Gully is limited. All drilling for this dataset was conducted using reverse circulation methods. Sample intervals ranged from predominately 1m or 2m through the ore zones, to 4m composite samples in zones demarcated as waste. The type of drilling rig utilised, contamination and recovery percentages for this historical dataset are unknown.

Table 4. Percent of Historical and Recent drill data

Dataset	RC Drill (meters)	DDH drill (meters)	RAB Drill (meters)	Percent of Drilling
Klondyke 2017	12,908	607		39%
Historical Klondyke	13,255	7388	711	61%
Total	**26,163**	**7995**	**711**	**100%**
Fielding Gully 2017	596	126		12%
Historical Fieldings Gully	5238			88%
Total	**5824**	**126**		**100%**

[1] Refer to the announcement released by Pharmanet on the 22nd March 2017 to view previous disclosure on the consolidated historical dataset discussed in detail in earlier estimations conducted on the Klondyke resource.

Sampling Techniques

Reverse Circulation samples collected by the drill hammer were delivered to a Cone Splitter for sub-splitting, which involves splitting the sample using gravity over a static cone. The splitter is balanced vertically allowing sampling of material without bias. RC drill holes were sampled at one metre intervals exclusively and split at the rig to achieve a target 2-5 kilogram sample weight. The performance of splitting was monitored at a rate of 1 in 20 by collecting a field duplicate sample. Precision was also tested at the lab by duplicating the pulp that was prepared by oven drying the sample at 105°C for 8 hours, fine crushing to a nominal topsize of 2mm, riffle splitting any excess of 3kg and pulverising to achieve a grind size of 95% passing 75 micron. This process was used for both Fire Assay and LeachWELL analysis. Samples duplicated in the field were also duplicated in the laboratory, to further qualify sample error along the sampling chain. Analysis was also repeated. All laboratory repeat data was conducted at a rate of 1 in 20.

Diamond drill holes were logged and marked longitudinally for cutting, with consideration given to alteration and veining orientations to ensure representative sampling. DDH holes were cut to ¼ core (Klondyke) or ½ core (Fieldings Gully) and this was submitted at 1m intervals.

The type of sampling and subsampling procedures for the historic Fieldings Gully dataset have not been documented.

In the Competent Person's opinion, the sampling and sub-sampling was accurate, precise and fit for the purpose of resource estimation and was a consideration when applying relevant resource classification.

Sample Analysis Method

The samples for the 2017 drilling program were assayed using Fire Assay analysis. Fire assay is a total digest and at NAGROM Laboratory is completed using the lead collection method with 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.

Due to the presence of coarse visible gold observed within quartz veins and vein selvedges, selected samples from this program were re-assayed using 500g LeachWELL with fire assay on the tails. This was conducted to: investigate the effect of utilising a larger sample size in order to mitigate sampling error and; to assess the efficiency of potential cyanide leach extraction methods. High grade leaches utilise the LeachWELL™ accelerant to extract the cyanide extractable gold. 500g of prepared sample is leached for two hours at 50% solids using two LeachWELL™ tablets. The entire tail obtained from the Leachwell™ Accelerated Cyanide Leach was filtered, washed, dried, re-pulverised and a 50g fire assay performed.

Quality assurance and control for sample analysis included the application of a systematic quality control programme. In addition to the laboratory's own internal use of certified reference material (CRM), Calidus utilised three different grade ranges of Geostats Pty Ltd standards specifically selected to cover the grade range (including the cut-off value) of the mineralisation, as well as being consistent in terms of matrix. These were applied at a rate of 1 in 20 samples. Monitoring by Calidus database management identified several minor instances of variation at the laboratory, but after analysis of all results via an inbuilt database QAQC monitoring system, it was established that although some CRM's performed better than others, no statistically significant bias was detected. Overall the Geostats CRM pass rate was at 98% (this was higher for the internal laboratory CRM's). LeachWELL analysis showed that the fire assay may under represent the grade up to approximately 5%, at grades between 0.7g/t -3g/t.

No QAQC data was available for the historical Fieldings Gully dataset and this is reflected in the material classification for this resource. In the competent persons opinion, the laboratory has performed satisfactorily throughout the recent drilling campaign and these variances are acceptable for resource classification applied.

Estimation Methodology

Grade estimation using an Ordinary Kriging methodology has been applied to all Resources using Micromine software. High and low-grade wireframes were generated using Indicator Modelling to subset and constrain the data points used in the interpolation and only individual grades from individual wireframes were used. Variography was carried out on the main mineralised zone to define the variogram models for Ordinary Kriging interpolation. The block models were constructed using a 10m (E) by 2.5m (N) by 2.5m (Z) block size, constrained by the high and low-grade wireframes, with sub-cells to 1m x 0.5m x 0.5m to accurately represent wireframe shapes. The model cells are rotated 25 degrees around the Z axis to align with the strike of the mineralisation. Block size is generally half the sample spacing or greater in areas of infill drilling, and typically one quarter in wider spaced drilling areas.

An unfolding (or vertical flattening) methodology has been used in the interpolation; this obviates the need for varying search ellipses with dip, with all searches being vertical, and oriented along the strike direction of the mineralisation. Search ellipsoids use multiple passes to ensure blocks are filled in areas where drilling was sparce. The search dimensions are based on Kriging Neighbourhood Analysis and sample data was composited to 1m down-hole composites, while honouring breaks in mineralised zone interpretation.

A top cut analysis was carried out on the high and low-grade mineralised zones, using a combination of inflection points on log probability plots, outliers on log histograms and the effect of top cuts on cut mean and coefficient of variation. A top cut value of 40 g/t Au has been applied to the Klondyke dataset and 15g/t Au to Fieldings Gully

Validation of the modelling parameter and process included: visual inspections in section, plan and 3D; swathe plot validation; statistical analysis of model vs composite statistics and; a comparison of an ID^2 model vs the ordinary kriged model. In the competent persons opinion, all methods of validation produced acceptable results.

The Klondyke block models were constructed using a 10m (E) by 2.5m (N) by 2.5m (Z) block size, constrained by high and low grade wireframes, with sub-cells to 1m x 0.5m x 0.5m to accurately represent wireframe shapes. The Fieldings Gully block models were constructed using a 2.5m (E) by 1m (N) by 2m (Z) block size, constrained by the mineralised wireframe, with sub-cells to 0.5m x 0.5m x 0.5m to accurately represent wireframe shapes.

Resource Classification

The Mineral Resources were classified as Indicated and Inferred based on the drill spacing and geological continuity. There was no material classified as Measured. The Resource classification was carried out in accordance with the JORC Code (2012). The Resource model classification scheme is based upon drill hole spacing plus block estimation parameters (the 25m centres are adequate to determine the grade continuity in all directions), including kriging variance, number of composites in search ellipsoid informing the block cell and average distance of data to block centroid. The grade and densities are estimated with sufficient confidence and detail to support evaluation of the economic viability of the deposit. Geological evidence has been derived from adequately detailed and reliable exploration and sampling gathered through appropriate techniques, and is sufficient to assume geological and grade continuity between data points.

The resource has been reported at both a 0.5 and 1.0 g/t Au cut-off. Final reporting will require an economic analysis of cut-off grades for a specific mining scenario. The results of the Mineral Resource Estimation reflect the views of the Competent Person**.**

Modifying Factors Considered Metallurgy and Mining

Preliminary metallurgical test work has established that the gold mineralisation at Klondyke is predominantly free milling and amenable to cyanide extraction methods. Early testwork on the Klondyke Resource in 1994 conducted by Ammtec, (commissioned by CRA) indicated high gravity recovery (up to 74%) with bulk cyanidation testing reporting a 96.4% recovery. Follow up work by Amdel (1995) and more recently SGS (2007) have all confirmed the previous Ammtec test

work and demonstrated that gold recoveries in cyanidation would be high. Testwork is ongoing and a full understanding of the metallurgy will be available once all data has been collated. No metallurgical testwork has been conducted on Fieldings Gully. Initial open pit optimisations have been completed that show such operations could be contemplated to a depth of 200m and as such, a cut-off grade of 0.5g/t has been used as the majority of the resource sits above this depth.

Copenhagen Mineral Resource

The Copenhagen Mineral Resource has not been updated for this release and remains as detailed in the Prospectus.

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

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.

The information in this report that relates to Copenhagen 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.

The information in this report that relates to Klondyke and Fieldings Gully Mineral Resources is based on information compiled or reviewed by Mr. Lynn Widenbar, Principal Consultant of Widenbar and Associates Pty Ltd., who is a Member of the AusIMM and the AIG. Mr. Lynn Widenbar is a full-time employee of Widenbar and Associates 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. Lynn Widenbar 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:

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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 2.11g/t Au (Indicated Mineral Resource of 8.4 Mt @ 2.01 g/t Au for 541,000 ozs, Inferred Mineral Resource of 2.1Mt @ 2.51g/t Au for 171,000 ozs) defined over 2.6km of strike which remains open in all directions. The Company controls approximately 363 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 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.

JORC TABLE 1 DISCLOSURES
WARRAWOONA PROJECT
JORC Code, 2012 Edition – Table 1
Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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.*	Two datasets were used to estimate the Klondyke (KL) and Fieldings Gully (FG) Resources which are located within the broader Warrawoona region. The first **(1)** is the recent dataset containing the 2017 drilling conducted by Calidus Resources Pty Ltd (Calidus). The second is an inherited historical dataset **(2)** comprised of various collated data and work conducted by previous project owners. **(1)**. Calidus commenced RC drilling along the historical Warrawoona Mining region mid-June 2017. At the Klondyke Resource a total of 92 RC holes for 12 908m, and 3 DDH for a total of 607m have been drilled. At Fieldings Gully a total of 9 shallow RC holes for 596m were drilled as well as 1 DDH for 126m. Holes were drilled either to the south-west or north-east, orthogonal to the overall strike of the mineralisation. Holes were drilled dipping moderately (-50 to -70 degrees) on a variable spacing averaging 25m x 25m at Klondyke. Drilling was oriented at -60° towards 015 at Fieldings Gully on a variable pattern. **(2)**. Historical holes included in this resource can be divided into several drilling types. The Klondyke dataset consists of 33 DDH for 3788m, 11 RAB holes for 711m and 126 RC holes for 13255m. The Fieldings Gully dataset contains 109 RC holes for 5238m
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	**(1)**. Recent 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. To ensure representative sampling, diamond cores were marked considering alteration intensity and veining orientations. **(2)**. The historical RC samples were spilt at the rig and sampled on predominately 1m intervals, however some of the earlier samples from 1986, 1997, 2005 and 2007 were sampled at either 2m or 4m through the waste zone. The core was sampled nominally on 1m intervals or to geological

Criteria	JORC Code explanation	Commentary
		contacts.
	Aspects of the determination of mineralisation that are Material to the Public Report.	**(1)**. RC drill holes were sampled at one metre intervals exclusively and split at the rig to achieve a target 2-5 kilogram sample weight. DDH holes were cut to ¼ or ½ core (17FGDD001) core and this was submitted at 1m intervals. Samples were dried, crushed, split and pulverised by Nagrom Laboratories in Perth prior to analysis of gold using fire assay 50g charge. **(2)**. Most samples were assayed using Fire Assay or Aqua Regia digest, both using an AAS finish. Gross sample weight for RC holes was 25kg, this was split to achieve a nominal 5kg final sample for analysis. The sample size, weight, analytical technique and laboratory are unknown for the historical Fieldings Gully historical holes.
Drilling techniques	*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.).*	**(1)**. The 2017 RC Drilling was undertaken by Orlando Drilling Pty Ltd utilizing an Atlas Copco E235 Explorac RC track-mounted drill rig. Hole diameters ranged from 136.5mm to 142.9mm and depth of holes ranged from 42m to 274m. Diamond drilling was also conducted by Orlando, using a Coretech - YDX-3L track-mounted rig. Diamond drill core size was triple tube HQ. Core was oriented using a Reflex ACT111 orientation tool. **(2)**. The historical dataset drilling includes RC, RAB and DDH. RC drilling employed a diameter of 140mm (5.5”). Drilling was completed using face sampling hammer with hole depths ranging from 39m to 283m. Diamond core sizes drilled are not known, with holes ranging in depth from 128m to 331m. Core is assumed not to have been orientated as no structural information is available.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	**(1)**. RC and DDH sample recovery was generally excellent, except on the rare occasion where water was struck down hole. DDH recoveries are measured during logging and RC are estimated at the drill rig and logged as a percent. Moisture is also recorded. **(2)**. Wet samples were captured in polyweave bags allowing the water to drain. This led to the loss of sample from these bags with the average gross sample reducing to approximately 15 kilograms. Gold losses due to the loss of fines were not quantified.

Criteria	JORC Code explanation	Commentary
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	**(1)**. RC holes were drilled using a Hurricane 6.7-276-41B Booster to ensure holes were kept dry and to maximise recoveries. **(2)**. CRA Exploration (CRAE) generated bulk samples from composites of drill chips representing both oxide and fresh rock to check for sample representivity. The deposit is high nugget and therefore representative sampling is difficult. Based on old reports, a booster running at 1000psi was also utilised to keep historical holes dry.
	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.	**(1)**. No core loss was noted on the DDH drilling. Available reports suggest that RC recovery was generally very good (98% of samples had 100% recovery) and as such it is not expected that any such bias exists. **(2)**. Insufficient information is available to determine whether a relationship exists between sample recovery and grade.
Logging	*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*	**(1)**. 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 were collected for each of the RC intervals and stored on site. DDH was logged by geological intervals for geological (alteration, lithology, mineralogy), structural information (including detailed geotechnical logging) and oxidation state. **(2)**. Most historical holes were geologically logged. This included structural and weathering information. A very small percent of holes (< 7%) had no logging.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Logging was predominately qualitative in nature, although vein and sulphide percents were estimated visually.
	The total length and percentage of the relevant intersections logged.	**(1)**. 100% of all recovered intervals were geologically logged. **(2)**.>93% of all recovered intervals were geologically logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	**(1)**. Core was cut and predominately quarter sampled. Only one hole 17FGDD001 was half core sampled. **(2)**. Based on available reports diamond core was cut in half longitudinally with

Criteria	JORC Code explanation	Commentary
		half submitted for analysis and the other half retained in core trays.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	**(1)**. RC samples were collected from the full recovered interval at the drill rig by a 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. **(2)**. RC samples were split at the drill rig. The type of splitter employed is unknown however it is stated that the split was generated in a single pass.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	**(1)**. The sample preparation technique by NAGROM laboratory includes oven drying at 105°C for 8 hours, fine crushing to a nominal topsize of 2mm, riffle split samples in excess of 3kg and pulverise to achieve a grind size of 95% passing 75 micron. This process was used for both Fire Assay and LeachWELL analysis. **(2)**. Several laboratories were utilized for gold analysis historically. Most were all reputable, now ISO/IEC 17025 accredited laboratories such as ALS, Analabs and Genalysis with a batch of samples in 1986 (equating to 3% of historical drilling) being sent to the unknown Minilab Laboratory for processing. The sample preparation for Genalysis was reported as follows: the whole sample was crushed and pulverized to 100% passing 75 micron and subsampled to yield 50 gram for a fire assay. The procedure utilised for the other laboratories was not located.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	**(1)**. Field QAQC procedures include the field 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. **(2)**. Historical QAQC included the insertion of field duplicates and standards in addition to laboratory checks. Reports indicate the inclusion of blanks however no results are available for these samples. A database of 417 standards, 179 screen fire assay duplicates, 439 field duplicates and 1570 laboratory repeats make up the historical QAQC database. Most data was for the period 1995 – 2003. QAQC for other datasets could not be located.

Criteria	JORC Code explanation	Commentary
	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.	**(1)**. Field duplicates from samples drilled to date generally showed an average correlation between original and duplicates reflecting the observed nuggety and variable nature of mineralisation at Klondyke. **(2)**. Historical field duplicate data shows poor precision, not unexpected for this type of gold deposit (old reports suggest the occurrence of free gold may be up to as much as 74% occurring as both coarse and fine particles).
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes collected are in line with standard practice however the high nugget nature of mineralisation suggests increased sample sizes would be more appropriate. This sample uncertainty is reflected in the Mineral Resource classification assigned.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	**(1)**. Fire assay is 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. **(2)**. **Genalysis** - Two different digestion methods were utilized. The first was Aqua Regia. Elements were determined by AAS with the gold detection limit reported as 0.01pm. If gold assayed above 0.4ppm then the sample was re-assayed using fire assay with a 50g charge. Every fourth sample in the sequence was treated with a multi-acid digestion and analysed by OES. **ALS** - The prepared sample (either 25g or 50g charge) is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, inquarted with 6mg of gold-free silver and then cupelled to yield a precious metal bead. The bead is digested in 0.5mL dilute nitric acid in the microwave oven. Concentrated hydrochloric acid (0.5mL) is then added and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a total volume of 10 mL with de-mineralized water, and analysed by atomic absorption spectroscopy against matrix matched standards. **Analabs** - Analabs has been acquired by SGS and as such detailed description of the analysis method recorded in the database (F650) is not readily definable.

Criteria	JORC Code explanation	Commentary
		It is understood however that the analysis was a fire assay utilising a 50g charge, with an AAS finish. 65% of historical holes were assayed by fire assay, the remaining 35% were assayed by aqua regia. As Aqua Regia is considered a partial leach (it leaves an undigested silicate and alumina residue as well as refractory minerals such as garnet and spinel), it can underestimate the gold content in the sample, particularly if fine gold is trapped in the silicates. A desktop study quantified the underestimation error caused by this analytical method as up to 26%. No laboratory analysis data was located for the Fieldings Gully historical dataset.
	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.	No such instruments are being currently employed.
	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.	**(1)**. Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the inhouse procedures. These were inserted randomly at a rate of 1 in 20 with extra QC checks conducted after the initial analysis on specific samples deemed appropriate by the laboratory. Results of these checks show that sample and assay procedures are acceptable for resource reporting. No bias has been detected, precision was reasonable considering the deposit type and only a 2% failure of CRM's was reported (less for laboratory standards). 500g LeachWELL analysis were conducted on selected previously assayed samples at Klondyke to investigate the effect of utilizing a larger sample size and to assess the efficiency of potential cyanide leach extraction methods. Results of these checks show that sample and assay procedures are acceptable for resource reporting. LeachWELL analysis showed that the fire assay may under represent the grade up to approximately 5%, at grades between 0.7g/t -3g/t. **(2)**. The QAQC data for some of the historical Klondyke holes showed that there was an underestimation bias caused by the aqua regia digest. Results are tabulated below. Precision was difficult to test for laboratory repeats as generally a different method of analysis was used for the repeat sample.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th rowspan="2">Standard</th><th>Standard</th><th>Aqua Regia (AR)</th><th>Fire Assay repeat (FA)</th><th>Variance</th><th>Variance</th></tr>
<tr><th>Value (SV)</th><th>Av. grade</th><th>Av. grade</th><th>1- (AR/SV)</th><th>1- (FA/SV)</th></tr>
<tr><td>7C</td><td>2.48</td><td>2.06</td><td>2.36</td><td>17%</td><td>5%</td></tr>
<tr><td>OREAS7Ca</td><td>2.54</td><td>1.89</td><td>2.45</td><td>26%</td><td>4%</td></tr>
<tr><td>OREAS2Ca</td><td>0.599</td><td>0.54</td><td>0.56</td><td>10%</td><td>7%</td></tr>
<tr><td>OREAS6Ca</td><td>1.48</td><td>1.1</td><td>1.46</td><td>26%</td><td>1%</td></tr>
<tr><td>6C</td><td>1.37</td><td>1.19</td><td>1.39</td><td>13%</td><td>-1%</td></tr>
</table>
No QAQC data was located for the historical Fieldings Gully holes
</td></tr>
<tr><td rowspan="4">Verification of sampling and assaying</td><td>The verification of significant intersections by either independent or alternative company personnel.</td><td>(1). Significant intercepts have been reviewed in the available data by senior geological staff and independent consultants.
(2 Significant intercepts have been cross-referenced to earlier reporting. Many of the original assay results are not available for reference.</td></tr>
<tr><td>The use of twinned holes.</td><td>Attempts were made to twin several historical holes during in this program, but due to lift and sway in the drilling, most holes were not true twins. At Klondyke, hole RC96KL59 was successfully twinned with hole 17KLRC066. Total (noncontiguous) intercepts are: RC96KL59 - 37m @2.10g/t and 17KLRC066 – 42m @ 2.04g/t. At Fieldings Gully, hole 17FGRC008 was drilled within 3m of historic hole FG024. The significant intercept for the historic hole was 8m @ 3.36g/t from 19m in hole FG024. Hole 17FGRC008 reported 11m @ 1.74g/t from 28m. Hole FG024 also was quite a shallow hole compared to 17FGRC008 and finished in mineralization.</td></tr>
<tr><td>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</td><td>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.</td></tr>
<tr><td>Discuss any adjustment to assay data.</td><td>Adjustments made to the assay data were limited to the replacement of below detection results with a negative value.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Location of data points	*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.*	**(1)**. Drill collar locations were surveyed using a DGPS in GDA94 Zone 50 coordinates. Down holes surveys were conducted by GYRO Australia or Pilbara Wireline Services using a north seeking gyroscope. **(2)**. Where records are available drill collar locations were surveyed using a total station in AMG84 Zone 50 coordinates. Collar details were subsequently transformed to MGA94 using published transformation criteria relevant to Zone 50. Down hole surveys were completed using single shot cameras following completion of drilling. Where records are not available the method of collar and down hole surveys are not known. For those holes with survey details recorded, survey accuracy of both collars and down hole is considered acceptable.
	Specification of the grid system used.	**(1)**. The grid system used is MGA94 Zone 50. All reported coordinates are referenced to this grid. **(2)**. Historical data has been transformed from AMG84 Zone 50 into MGA94 Zone 50.
	Quality and adequacy of topographic control.	Topographic control is based on aerial survey data collected using 2.5m or 5m contours. Quality is considered acceptable.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drilling at both projects has been completed on a variable grid drilled orthogonal to the mineralisation. At Klondyke this approaches 25mX x 25mY and at Fieldings Gully project the pattern is close to 10mX x 5mY in some near surface areas, moving out to 30m centres and wider in deeper parts of the orebody.
	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.	Data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation procedures.
	Whether sample compositing has been applied.	Raw samples have not been composited
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The gold mineralisation identified to date at Warrawoona consists of a number of interpreted mineralised veins / structures striking approximately 100 to 115° 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

Criteria	JORC Code explanation	Commentary
		the mineralisation close to perpendicular. As such the orientation of drilling is not likely to introduce a sampling bias.
	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.	The orientation of drilling with respect to mineralisation is not expected to introduce any sampling bias.
Sample security	*The measures taken to ensure sample security.*	**(1)**. 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. **(2)**. The security measures for the historical data are unknown.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	A review of the data against historical reports and information has been undertaken concurrent with the drilling program. Data from this review has been uses to validate such things as positions of collars and assay data. Historical data for the Fieldings Gully deposit has not been reviewed.

Section 2 Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td rowspan="2">Mineral tenement and land tenure status</td><td>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.</td><td>The historical Warrawoona mining centre 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. Calidus Resources Pty Ltd owns 100% of Keras (Pilbara) Gold Pty Ltd, the registered holder of the tenements.
<table>
<tr><th>Klondyke Tenements</th><th>Type</th><th>Granted Date</th><th>Expiry Date</th><th>Holders</th><th>Area HA</th><th>Ownership</th></tr>
<tr><td>M45/0547</td><td>mining</td><td>03/05/1993</td><td>02/05/2035</td><td>KERAS</td><td>17.715</td><td>100%</td></tr>
<tr><td>M45/0552</td><td>mining</td><td>19/01/1993</td><td>18/01/2035</td><td>KERAS</td><td>9.713</td><td>100%</td></tr>
<tr><td>M45/0668</td><td>mining</td><td>29/12/1995</td><td>28/12/2037</td><td>KERAS</td><td>240</td><td>100%</td></tr>
<tr><td>M45/0669</td><td>mining</td><td>29/12/1995</td><td>28/12/2037</td><td>KERAS</td><td>120</td><td>100%</td></tr>
<tr><td>M45/0670</td><td>mining</td><td>29/12/1995</td><td>28/12/2037</td><td>KERAS</td><td>120</td><td>100%</td></tr>
<tr><td>M45/0671</td><td>mining</td><td>30/11/1995</td><td>29/11/2037</td><td>KERAS</td><td>118.65</td><td>100%</td></tr>
<tr><td>E45/3381</td><td>exploration</td><td>17/03/2011</td><td>16/03/2021</td><td>Beatons Creek</td><td>27 blocks</td><td>Right to acquire 70% interest</td></tr>
<tr><th>Fieldings Tenements</th><th>Type</th><th>Granted Date</th><th>Expiry Date</th><th>Holders</th><th>Area HA</th><th>Ownership</th></tr>
<tr><td>M45/0521</td><td>mining</td><td>03/11/1992</td><td>03/10/2034</td><td>KERAS</td><td>18.11</td><td>100%</td></tr>
<tr><td>E45/4666</td><td>exploration</td><td>24/11/2015</td><td>23/11/2021</td><td>Beatons Creek</td><td>11 blocks</td><td>Right to acquire 70% interest</td></tr>
</table>
All mining leases were granted before Native Title determination. A search of the Department of Aboriginal Affairs registered Aboriginal sites and heritage places (Western Australia Department of Aboriginal Affairs, 2013) did not identify any sites within or immediately adjacent to the Klondyke tenements.</td></tr>
<tr><td>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.</td><td>The tenements are in good standing. Two bat species are known to exist in some of the old workings located in or adjacent to the current Klondyke resource area (M45/669). These bats are listed as “Vulnerable” under the Environment Protection and Biodiversity Conservation Act 1999 (Cth) (EPBC). As such, it is anticipated this will result in the submission of an EPBC referral that will likely require a management plan, which in-turn will require extensive studies and consultation to enable approval.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The Warrawoona 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	*Deposit type, geological setting and style of mineralisation.*	The Warrawoona 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 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. The 4th deformation event is related to north east cross faulting. 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.
Drill hole Information	*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:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the*	N/A Not reporting exploration results

Criteria	JORC Code explanation	Commentary
	drill hole collar *dip and azimuth of the hole* *down hole length and interception depth* *hole length.*	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	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.
	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.	High grade gold intercepts within broader lower grade intercepts are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents values are used for reporting of exploration results.
Relationship between mineralisation widths and intercept lengths	*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Drilling is perpendicular to mineralisation
Diagrams	*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.*	N/A Not reporting exploration results
Balanced reporting	*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.*	N/A Not reporting exploration results
Other substantive exploration data	*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,*	N/A Not reporting Exploration Results

Criteria	JORC Code explanation	Commentary
	geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Calidus will be focusing on eastern extensional resource definition drilling at both Klondyke and Fieldings Gully. In Q1 2018, Calidus will target deeper drilling at Klondyke to test high grade extensions of the ore body down dip to a depth of approximately 350m below surface. This drilling is being targeted with the assistance of the CSIRO and will be in part funded under the Western Australian Governments Exploration Incentive Scheme.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Contained in report

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database Integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes* *Data validation procedures used.*	Data was provided as a validated Microsoft Access Database and was digitally imported into Micromine software. Validation routines were run to confirm validity of all data. Analytical results have all been electronically merged to avoid any transcription errors.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	No site visit has been undertaken by the Competent Person, due to time constraints. The CP is familiar with many similar gold deposits in the region.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	The confidence in the geological interpretation is good, with the latest infill drilling allowing a detailed understanding. Alternative interpretations would result in similar tonnage and grade estimation techniques. Geological boundaries are related to by the spatial distribution of grade within the mineralised structures.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	For Klondyke (KL) the lateral dimensions of the resources are shown in the diagrams in the body of this release. The mineralisation has a sub-vertical dip as shown in diagrams in the body of this release, and ranges from 2m to 20m thick. The resource extends over approximately 2.5 km of strike and extends to a vertical depth of 300 metres. The lateral dimensions of the Fieldings Gully (FG) resources are shown in the diagrams in the body of this release. The mineralisation has a sub-vertical dip as shown in diagrams in the body of this release, and ranges from 2m to 10m thick. The resource extends over approximately 325m of strike and extends to a vertical depth of 100 metres.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* *The assumptions made regarding recovery of by-products.* *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* *Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.* *Description of how the geological interpretation was used to control the resource estimates.* *Discussion of basis for using or not using grade cutting or capping.* *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	**KL -** Grade estimation using an Ordinary Kriging methodology has been applied to all Resources. High and low grade wireframes have been generated using Indicator Modelling to subset and constrain the data points used in the interpolation and only individual grades from individual wireframes were used. **FG -** Grade estimation using an Ordinary Kriging methodology has been applied to all Resources. A nominal 0.3 g/t wireframe was interpreted on section and used to subset and constrain the data points used in the interpolation and only individual grades from individual wireframes were used.**(1)**. and **(2)**. Variography was carried out on the main mineralisation zone to define the variogram models for Ordinary Kriging interpolation. All estimation was carried out in Micromine 2016.1 software. **KL -** The block models were constructed using a 10m (E) by 2.5m (N) by 2.5m (Z) block size, constrained by high and low grade wireframes, with sub-cells to 1m x 0.5m x 0.5m to accurately represent wireframe shapes. **FG -** The block models were constructed using a 2.5m (E) by 1m (N) by 2m (Z) block size, constrained by the mineralised wireframe, with sub-cells to 0.5m x 0.5m x 0.5m to accurately represent wireframe shapes. **KL -** The model cells are rotated 25 degrees around the Z axis to align with the strike of the mineralisation. **FG -** The model cells are rotated 10 degrees around the Z axis to align with the strike of the mineralisation **KL -** Block size is generally half the sample spacing or greater in areas of infill drilling, and typically one quarter in wider spaced drilling areas. **FG -** Block size is generally half to one-quarter the sample spacing or greater in areas of close spaced infill drilling, and typically greater at the extremities and at depth No deleterious elements have been identified No assumptions regarding recovery of by-products have been made An unfolding (or vertical flattening) methodology has been used in the

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		interpolation; this obviates the need for varying search ellipses with dip, with all searches being vertical, and oriented along the strike direction of the mineralisation. Search ellipsoids use multiple passes to ensure blocks are filled in areas with sparser drilling. Sizes of searches are based on Kriging Neighbourhood Analysis and are covered in detail in the body of the accompanying report. Sample data was composited to 1m down-hole composites, while honouring breaks in mineralised zone interpretation. Top cut analysis was carried out on the high and low grade mineralised zones, using a combination of inflection points on log probability plots, outliers on log histograms and the effect of top cuts on cut mean and coefficient of variation. **KL -** A top cut value of 40 g/t Au is applied. **FG -** A top cut value of 15 g/t Au is applied. Validation was carried out in a number of ways, including o Visual inspection section, plan and 3D o Swathe plot validation o Model vs composite statistics o ID2 vs OK model checks All methods of validation produced acceptable results.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages are estimated on a dry basis.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	The resource has been reported at both a 0.5 and 1.0 g/t Au cut-off. Final reporting will require an economic analysis of cut-off grades for a specific mining scenario.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating*	The resources defined to date would potentially be amenable to simple open pit mining.

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	Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	A number of preliminary metallurgical test work programs have been completed on a range of material types at Klondyke with results indicating that mineralisation is amenable to treatment using standard cyanide extraction. No metallurgical assumptions have been made. No metallurgical studies have been conducted on Fieldings Gully.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	No acid rock drainage (ARD) analysis or understanding of the potential of acid generating material and acid consuming material has been undertaken. It appears that due to the low percentage of pyrite mineralisation and the high carbonate content of the rocks, within any potential pit, any acid drainage should be manageable. No studies have been conducted to understand the potential footprint of infrastructure; waste dumps, final dump heights and shape, tailing dams, and their impact on regional drainage or environment. Proximal to Klondyke, the presence of the two vulnerable bat species on tenement M45/669 will likely result in the submission of an EPBC referral that will require a management plan, which in-turn will require extensive studies and consultation to enable approval.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Bulk density is based on assigned values of average densities of similar lithological units. However, at Klondyke, 66 samples were collected predominately within the fresh rock (the largest volume in the model) to provide confidence in assumptions made. The average density of these samples were: Oxide 2.87 Transition 2.81 Fresh 2.88

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		Of note there was very little variation between the oxide, transitional and fresh samples, indicating the density value could be higher in this oxide and transition material than the assumptions made. As the sample population was small, further testwork is required to confirm this. The samples were pulp from previous assaying of RC drill holes. The method of determination was Gas Pycnometry. Samples were specifically selected to be representative of the various mineralogical types (including alteration) within the project area. No significant differences were identified between lithologies and alteration zones. In addition, historical SG work was carried out by CRAE and SGS, using Archimedes principle, determined a specific gravity average of 2.82 for transition materials. The average SG value for primary material was 2.88. The application of bulk density values was based on a series of surfaces (created using drilling data) representing oxide, transitional and fresh boundaries. The following densities were applied to the resource model. Oxide 2.0 Transition 2.2 Fresh 2.85
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The Mineral Resources have been classified as Indicated and Inferred based on the drill spacing and geological continuity. The Resource model uses a classification scheme based upon drill hole spacing plus block estimation parameters, including kriging variance, number of composites in search ellipsoid informing the block cell and average distance of data to block centroid. The results of the Mineral Resource Estimation reflect the views of the Competent Person.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	There have been no reviews or audits of the resource model as yet.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of*	The relative accuracy of the Mineral Resource is reflected in the reporting of the Mineral Resource as being in line with the guidelines of the 2012 JORC Code.

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	statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The statement relates to global estimates of tonnes and grade, with reference made to resources above a certain cut-off that are intended to assist mining studies. No production data is available for comparisons.