

ASX ANNOUNCEMENT

13 July 2018

ABOUT CALIDUS RESOURCES

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

DIRECTORS AND MANAGEMENT

Mr Mark Connelly
NON-EXECUTIVE CHAIRMAN

Mr David Reeves
MANAGING DIRECTOR

Mr Adam Miethke
NON-EXECUTIVE DIRECTOR

Mr Keith Coughlan
NON-EXECUTIVE DIRECTOR

Mr Peter Hepburn Brown
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GEOLOGY MANAGER

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CFO AND COMPANY SECRETARY

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Quarterly Activities Report

For the period ending 30 June 2018

HIGHLIGHTS

- 30,000m Resource Drilling Campaign commenced at Warrawoona
- Excellent initial metallurgical leach results at Klondyke
 - Leach results of 96.7% and Gravity Gold Recovery of 63%
- Drilling extends Klondyke Gold Mineralisation a further 2km to East
- Initial reconnaissance drilling at Coronation defines high grade strike of 250m adjacent to the previously released 10m @3.31g/t Au (17CRDD01) with significant intercepts including:
 - 10m @ 3.84g/t Au (incl 1m @ 30.4g/t Au) from 27m in 18CRR007
 - 8m @ 2.22g/t Au from 71m in 18CRR008
- Cash of \$6.1 million at the end of the quarter

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

30,000m Resource Drilling Campaign Underway at Warrawoona

During the quarter Calidus announced the commencement of the 2018 resource definition programme at the Warrawoona Gold Project. The purpose of the drilling programme is to not only significantly expand the existing gold resource base of 712koz but also verify new targets that lie adjacent to the existing resource.

Main highlights of the programme:

- An initial 30,000m RC resource drilling programme has commenced onsite at Klondyke with the objective of growing the Mineral Inventory by the end of 2018 at Warrawoona;

- Targets ranked in accordance with proximity to existing Klondyke Mineral Resource including shallow strike extensions and potential for high grade shoot geometries;
- Reconnaissance drilling to be undertaken along 4km of the St George's Shear that lies 150m to the north of, and is geologically similar to, the Klondyke Shear;
- Regional soil geochemistry sampling programme fieldwork now completed.

2018 Drilling Programme

Phase One of the larger 30,000m Resource Definition 2018 drilling programme commenced onsite at the Warrawoona Gold Project. The current programme has multiple objectives, including:

- to grow the current Mineral Resource inventory at Klondyke and satellite deposits by end 2018;
- to investigate the geology underneath the high-grade historic Klondyke Queen workings located at the Western edge of the current Klondyke Resource;
- to collect geotechnical data for a pre-feasibility study;
- to provide sample material for metallurgical testwork; and
- to complete an initial wide-spaced exploratory line of drillholes along the highly prospective St Georges Shear.

The RC and diamond drilling programmes are being conducted by Orlando Drilling Services based out of Perth, WA. The planned drilling is predominantly resource development in focus, aiming to grow the current Klondyke resource with Phase One at Klondyke initially comprising approximately 8,300m of RC drilling prior to in-fill drilling, refer Figure 1.

This initial Phase One programme is planned to drill test along strike to the West and East of the current Klondyke resource area. The major St George's Shear structural corridor, which lies parallel to and approximately 150m to the North of the Klondyke Main Shear, will be drill tested by the Company for the first time this year over the adjacent 4km of strike. The St Georges Shear has the potential to complement the existing defined resource.

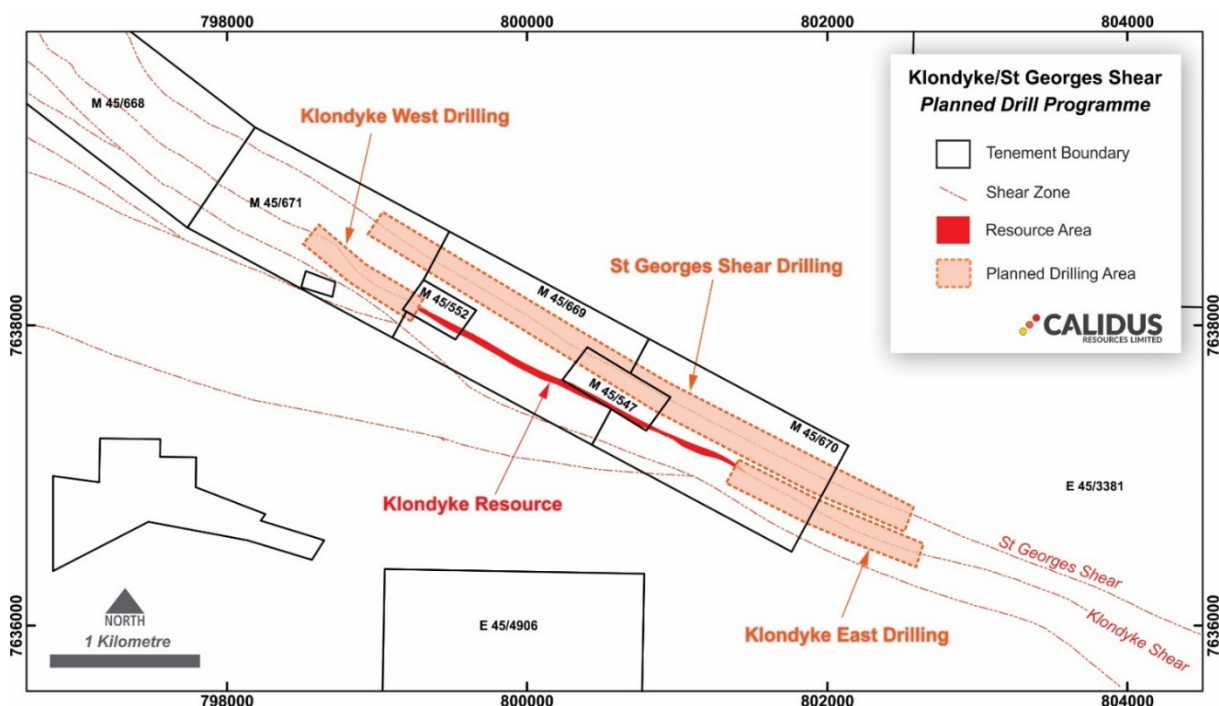


Figure 1: Resource Drilling areas at Klondyke Shear and reconnaissance drilling at St George Shear.

A second rig will be mobilised in Q3 to commence not only in-fill drilling behind this phase one programme but also allow for testing down dip and along strike of the high grade (6g/t) Copenhagen Resource and test the priority targets defined by the recently completed soil geochemistry programme.

Drillholes are being geologically logged and samples despatched to Nagrom Laboratories for gold analysis in Perth.

Further details on the programme can be found in the ASX Announcement *"30,000m Resources Drilling Campaign Underway at Warrawoona."* released 29 May 2018.

Drilling Extends Klondyke Mineralisation a further 2km East

In April 2018 the Company announced the results from 12 RC holes along a reconnaissance traverse directly East of the company's Klondyke Gold Deposit, located in the Pilbara of Western Australia.

A selection of assays from the RC holes above a 10gm include:

- 16m @ 2.34g/t Au from 136m in 18KLRC095;
- 10m @ 3.67g/t Au from 58m in 18KLRC099;
- 7m @ 4.58g/t Au from 175m in 18KLRC095;
- 6m @ 3.32g/t Au from 167m in 18KLRC096;
- 13m @ 1.24g/t Au from 104m in 18KLRC104 and
- 2m @ 5.44g/t Au from 39m in 18KLRC104.

An initial broad-spaced RC drilling programme has successfully outlined the continuation of the main Klondyke mineralised shear zone up to 2km further East from where the current 654koz resource ends (refer Figure Two).

The drilling was designed to target eastern strike extension of the low-to intermediate-chrome Archaean basalt units known to host gold mineralisation within the Klondyke Main shear resource zone as defined by earlier detailed field mapping, pXRF sampling and RC drilling.

With exploration of the along strike resource corridor still at an early stage, the tenor of mineralisation observed within the Klondyke East system mirrors the early exploration drilling results in the major Klondyke Shear itself. Further details on the RC results from this single line of drillholes, 18KLRC093 to 18KLRC104, are detailed in the announcement dated 12 April 2018 *"Drilling Extends Klondyke Mineralisation a further 2km East"*.

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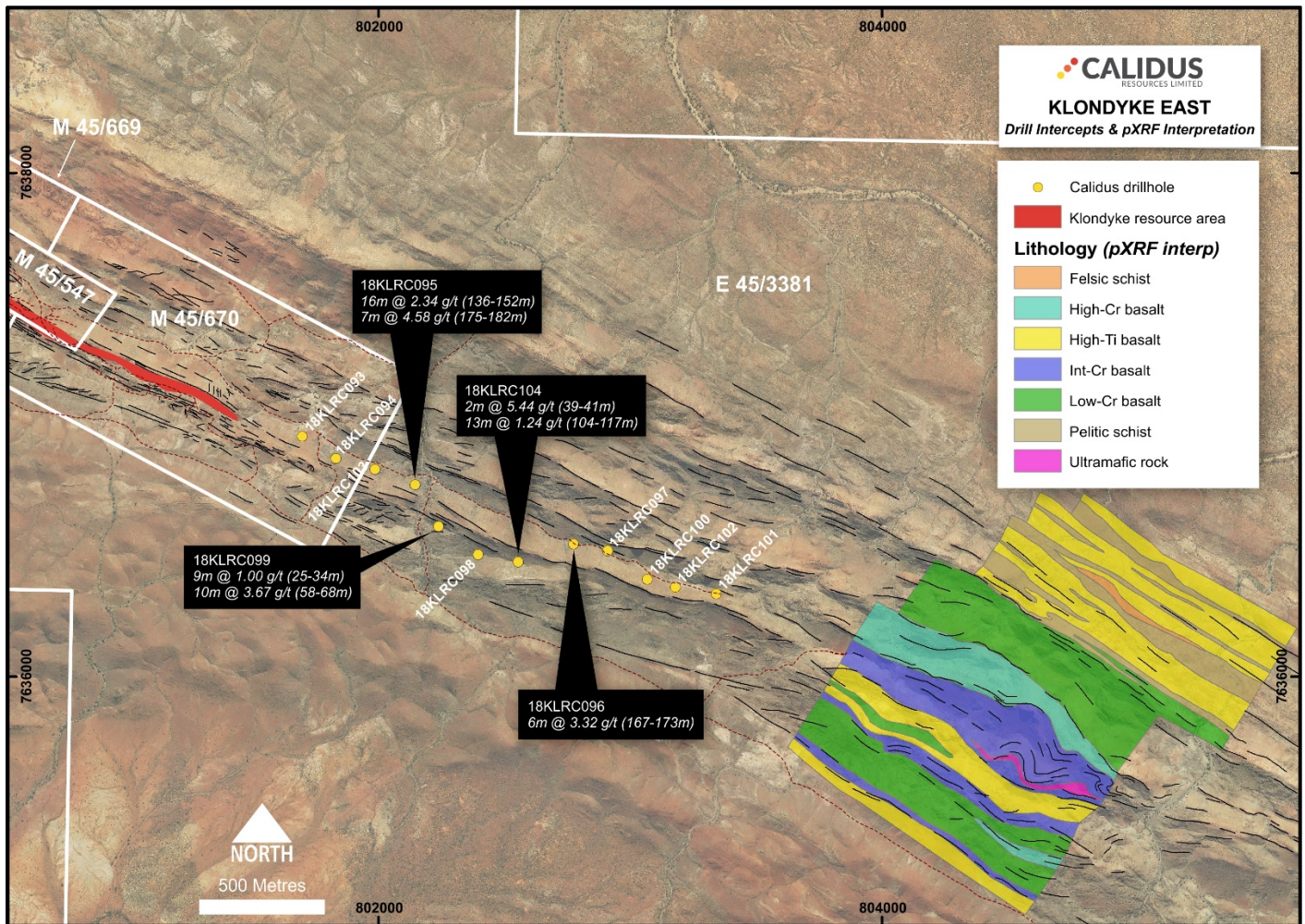


Figure Two: Klondyke East drillhole plan showing the single broad-spaced reconnaissance traverse of 12 RC holes along strike and to the east of the current 712koz resource extent shown in red. A series of 160m spaced pXRF mapping traverses have been completed and the interpreted data is shown for the area another 2kms further E of where Calidus RC drilling has currently tested. The interpreted geology shows the strike continuation of the same lithologies observed throughout the Klondyke Resource area. Dashed black lines indicate trends of foliation directions.

Full details were announced 12 April 2018 “Drilling Extends Klondyke Gold Mineralisation a further 2km to East.”.

Initial Metallurgical Results at Klondyke

During the quarter initial results were received from its metallurgical testwork programmes being conducted on mineralised samples obtained from the Klondyke gold deposit. The Klondyke deposit forms part of the Warrawoona Gold Belt which was the initial focus for Calidus and hosts a current JORC resource of 654Koz @ 2.06g/t Au and forms part of the global resource 712Koz @ 2.12g/t Au.

These metallurgical testwork results are consistent with Calidus’ expectations as it continues to advance the Warrawoona Project towards a pre-feasibility study.

Samples were taken from three diamond drill holes at the Klondyke deposit. Samples collected represent both geological domains (oxide and fresh) as well as testing 1.2km of the 2km defined strike. The results that have been completed at Klondyke confirm excellent recovery in both the oxide and the fresh ore.

The tests have demonstrated excellent gravity and leach results for each of the samples, and overall leach recovery of between 96.1% and 97.2% (average of 96.7% at a 150 micron grind) after 24 hours, and an extremely high gravity gold recovery of 63%.

The extremely low reagent consumption to achieve the recoveries outlined above is favourable outcome of the initial metallurgical testwork. Cyanide consumption is one of the highest reagent costs in a processing plant, so confirmation of a low cyanide consumption, therefore cyanide consumption of only 0.17 kg/t are an exciting prospect as Calidus continue to progress towards the project development.

Full details on this announcement were released on 5 April "Exceptional Metallurgical Results at Klondyke."

Coronation High Grade Results and Klondyke Depth Extensions

The Coronation prospect lies along the Copenhagen Shear Zone, a subsidiary shear off the regionally extensive Klondyke Shear Zone, and is approximately 8km west of Klondyke. During 2017, Calidus drilled a single HQ core hole to improve geological understanding of the prospect, 17CRDD001, through the inferred position of the mineralised structure which returned a best intercept of 10m @ 3.31g/t Au from 108m downhole.

In March this year, a line of eight broad-spaced reconnaissance RC holes were drilled representing 1,088m to test the same mineralised structure to the east and west of this initial core intercept. Drillhole 18CRRC007 returned the best intercept of 10m @ 3.84g/t Au from 27m, including 1m @ 30.4g/t Au from 27m, sitting approximately 250m East of 17CRDD001, refer Figures 3 and 4. In addition, RC hole 18CRRC008 reported 8m @ 2.22g/t Au from 71m.

The drilling has helped to define a high-grade strike of approximately 250m that will be followed up later this year with further in-fill drilling. Rock chipping on surface in this area reported up to 114.7g/t Au.

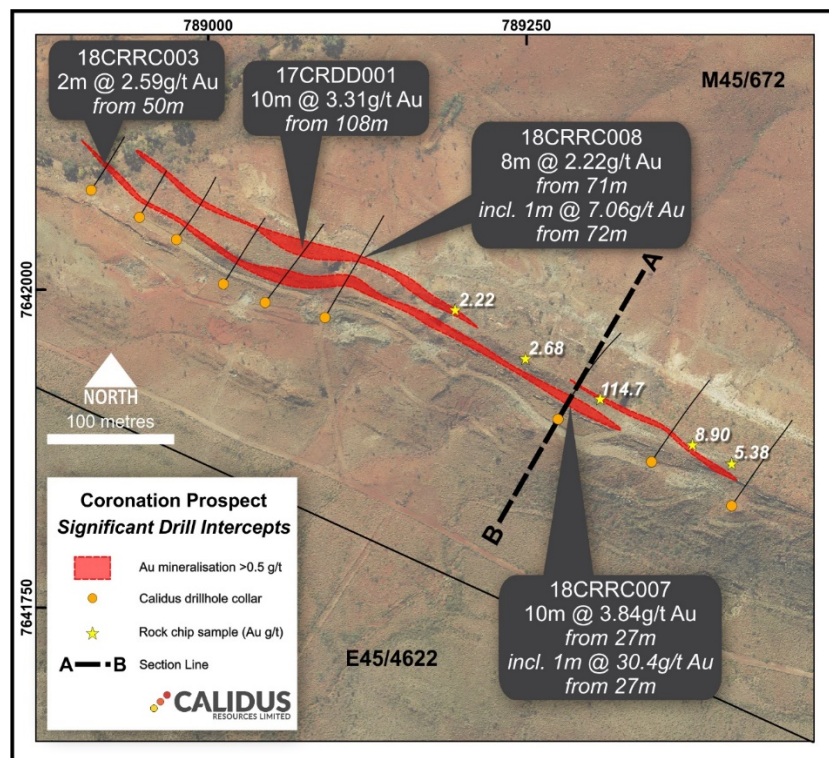


Figure 3: Coronation Drillhole Plan

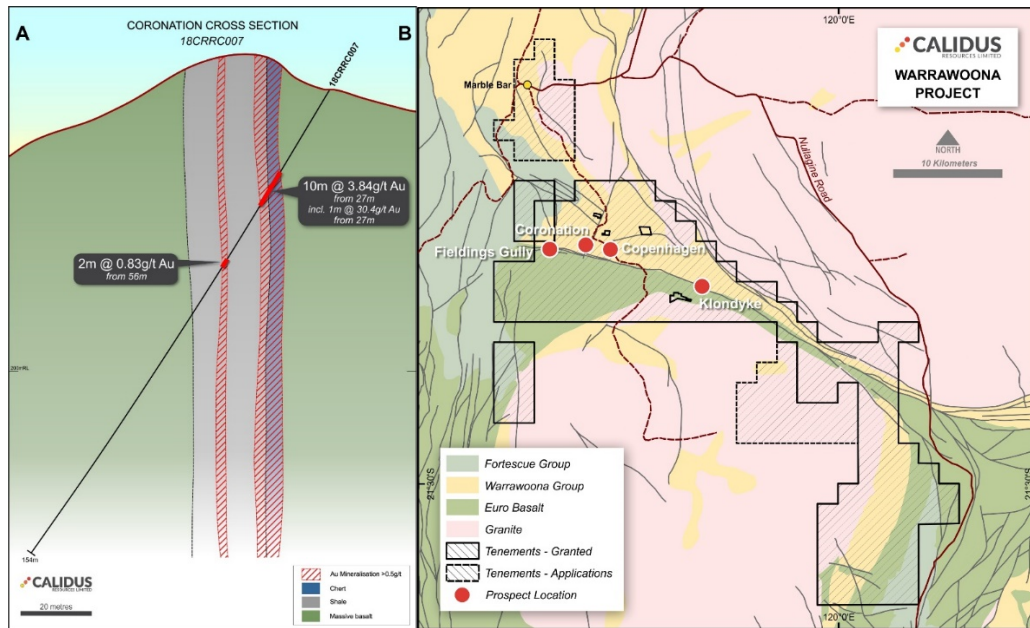


Figure 4: Coronation Interpreted Cross Section A – B, 18CRRC007 and location of prospects at the Warrawoona Gold Project

Klondyke EIS co-funded Deep Drilling

Calidus has recently drilled three deep EIS co-funded core holes beneath the far Western edge of the current Klondyke Resource Model. This drilling was drilled to understand the stratigraphy of lithologic units observed at Klondyke in addition to targeting the conceptual down-dip position of ore-shoots defined by a near vertical stretching lineation observed at the Klondyke Queen adit. The drilling has confirmed the presence of the Klondyke Main Shear at depths of 500m below surface and intersected high-grade mineralisation (2m @ 6.01g/t Au, incl 1m @ 9.39g/t Au) from 421m in hole 18KLDD010, 350m below surface which shows the potential for Klondyke to host high grade mineralisation at depth.

A total of 1,729.1m in three deep core holes were drilled. Further detailed structural work is planned to review the geology intersected with a view to targeting higher grade shoot positions in the heart of the Klondyke Resource in 2019 as the remainder of 2018 is focussed on shallow, outcropping extensions of the orebody.

Full details can be found in the announcement released 20 June 2018 titled *“Drilling Confirms High-Grade Coronation Results and Klondyke Depth Extension.”*

Corporate

During the quarter 5,500,000 options were exercised into fully paid ordinary shares raising \$162,500 for the Company. On 22 June 2018, the Company issued 1,785,000 shares to Gardner Mining as consideration for the acquisition of 2 tenements by the Company. Post the allotment of these securities, Calidus has 1,293,953,495 shares (587.5m in escrow over various timeframes), 87,500,000 listed options and 99,500,000 unlisted options (69m in escrow until 22 June 2019) on issue.

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

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

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

On 13 June 2018, the Company issued 12,000,000 performance rights expiring 13 June 2021 to eligible employees under the Company's Employee Securities Incentive Plan.

At the end of the quarter Calidus and its subsidiaries held \$6.1m cash. Further details can be found in the Appendix 5B released with this announcement.

Further Information

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

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

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

- END -

Notes Specific - ASX Announcements

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

Disclaimer:

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

For further information please contact:

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Managing Director

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**CALIDUS RESOURCES & SUBSIDIARIES
TENEMENT SCHEDULE**

| Tenement ID | Holder | Size (ha) | Renewal | Ownership/ Interest | Acquired/Disposed during quarter |
|--------------------------|------------------------------|-----------|-------------|------------------------|-------------------------------------|
| GRANTED | | | | | |
| E45/4856 | Keras (Pilbara) Gold Pty Ltd | 2,554.05 | 20/05/2023 | 100% | Granted 21 May 2018 |
| E45/4857 | Keras (Pilbara) Gold Pty Ltd | 14,681.95 | 20/05/2023 | 100% | Granted 21 May 2018 |
| E45/3615 | Keras (Pilbara) Gold Pty Ltd | 3,513.73 | 22/11/2020 | 100% | 22 June 2018 Note 1 |
| E45/4236 | Keras (Pilbara) Gold Pty Ltd | 958.25 | 19/10/2019 | 100% | 22 June 2018 Note 1 |
| E45/4905 | Keras (Pilbara) Gold Pty Ltd | 638.86 | 29/11/2022 | 100% | |
| E45/4906 | Keras (Pilbara) Gold Pty Ltd | 319.46 | 29/11/2022 | 100% | |
| M45/0521 | Keras (Pilbara) Gold Pty Ltd | 18.11 | 10/03/2034 | 100% | |
| M45/0547 | Keras (Pilbara) Gold Pty Ltd | 17.72 | 2/05/2035 | 100% | |
| M45/0552 | Keras (Pilbara) Gold Pty Ltd | 9.71 | 18/01/2035 | 100% | |
| M45/0668 | Keras (Pilbara) Gold Pty Ltd | 242.05 | 28/12/2037 | 100% | |
| M45/0669 | Keras (Pilbara) Gold Pty Ltd | 101.95 | 28/12/2037 | 100% | |
| M45/0670 | Keras (Pilbara) Gold Pty Ltd | 113.10 | 29/12/2037 | 100% | |
| M45/0671 | Keras (Pilbara) Gold Pty Ltd | 118.65 | 29/11/2037 | Note 2 | |
| M45/0672 | Keras (Pilbara) Gold Pty Ltd | 116.20 | 1/08/2037 | 100% | |
| M45/0679 | Keras (Pilbara) Gold Pty Ltd | 121.30 | 8/04/2017 | 100% | |
| M45/0682 | Keras (Pilbara) Gold Pty Ltd | 235.95 | 17/04/2038 | 100% | |
| M45/0240 | Keras (Pilbara) Gold Pty Ltd | 6.07 | 17/11/2028 | 100% | |
| Applications | | | | | |
| E45/5178 | Keras (Pilbara) Gold Pty Ltd | 6,067.13 | APPLICATION | 100% | Applied 26/02/2018 |
| P45/3065 | Keras (Pilbara) Gold Pty Ltd | 29.45 | APPLICATION | 100% | Applied 16/03/2018 |
| Option to Acquire | | | | | |
| E45/4555 | Epminex WA Pty Ltd | 1,917.75 | 1/03/2022 | 50% | |
| E45/5172 | Epminex WA Pty Ltd | 5,115.94 | APPLICATION | 0% | |
| E45/4843 | Epminex WA Pty Ltd | 942.15 | 2/07/2022 | 50% | |
| Joint Venture | | | | | |
| E45/3381 | Beatons Creek Gold Pty Ltd | 7,965.06 | 16/03/2021 | Earning to 70% | |
| E45/4666 | Beatons Creek Gold Pty Ltd | 2,972.38 | 23/11/2021 | Earning to 70% | |
| E45/4622 | Beatons Creek Gold Pty Ltd | 4,222.07 | 4/05/2022 | Earning to 70% | |
| E45/4194 | Grant's Hill Gold Pty Ltd | 1,278.29 | 14/07/2019 | Earning to 70% | |
| P45/2781 | Beatons Creek Gold Pty Ltd | 2.42 | 10/06/2020 | Earning to 70% | |
| P45/2661 | Beatons Creek Gold Pty Ltd | 150.00 | 4/12/2016 | Earning to 70% | |
| P45/2662 | Beatons Creek Gold Pty Ltd | 55.00 | 4/12/2016 | Earning to 70% | |
| E45/4934 | Beatons Creek Gold Pty Ltd | 1,596.99 | 22/01/2023 | Earning to 70% | |

Tenements Acquired or Disposed During the Quarter

Note 1: These two tenements were acquired as part of the agreement between Keras (Pilbara) Gold Pty Ltd (a wholly owned subsidiary of the Company) and Gardner Mining Pty Ltd that was announced on 27 March 2018. The transfers were registered with WA Mines Department on 22 June 2018.

Note 2: Transfer pending from Haoma Mining.