

MINING FLASHNOTE

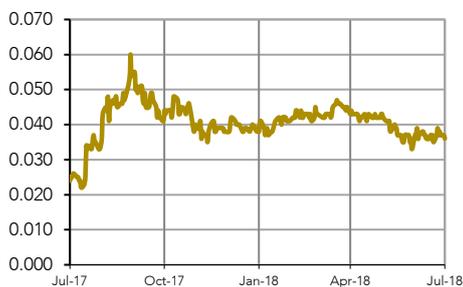
Calidus Resources Ltd (CAI ASX)

31 July 2018

Stock Data

Share Price:	A\$0.036
Market Cap (M):	A\$46.6
EV (M):	A\$42.1

Price Chart



52 Week Range

A\$0.065	0.036	A\$0.022
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Company Summary

Calidus Resources is the spin out of the Australian gold assets in Keras Resources. It is currently exploring the Warrawoona Gold district where it has consolidated a previously fragmented historic gold mining district.

MAIN SHAREHOLDERS HOLDING

Keras Resources	36%
Novo Resources	4%
Bank of Nova Scotia	3.61%
Eight Investment Partners	2.79%
Celtic Capital	1.44%
Buzz Capital Pty Ltd	1.14%

Source: Bloomberg

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Calidus Resource Development Drilling Expands Mineralisation at Warrawoona

Event

Calidus Resources ("Calidus") has released a drilling update based on results from the Company's Copenhagen Gold Deposit and from drilling directly East of the Klondyke Gold Deposit, located in the Pilbara of Western Australia.

Highlights

Copenhagen DD significant intercepts

- 18CPDD004 10m @ 5.38 g/t gold from 63m
- 18CPDD003 1m @ 7.91 g/t gold from 121m

The best drill results at Klondyke East were:

- 18KLRC111 12m @ 2.15 g/t gold from 0m
- 18KLRC130 4m @ 6.08 g/t gold from 99m
- 18KLRC120 12m @ 1.73 g/t gold from 24m
- 18KLRC124 8m @ 1.92 g/t gold from 0m
- 18KLRC111 1m @ 13.36 g/t gold from 91m
- 18KLRC122 6m @ 1.58 g/t gold from 166m
- 18KLRC119 1m @ 9.25 g/t gold from 121m

Comment

The Copenhagen results are very encouraging and follow the 7 holes drilled in December 2017. The Copenhagen orebody remains open down-dip and will be tested in this direction as part of an accelerated drilling programme planned to commence early next month which comprises eight RC holes for 1,580m. The orebody has a small resource of 36k oz at a grade of 5.38g/t and BHC is sure this will be expanded as a result of the drilling.

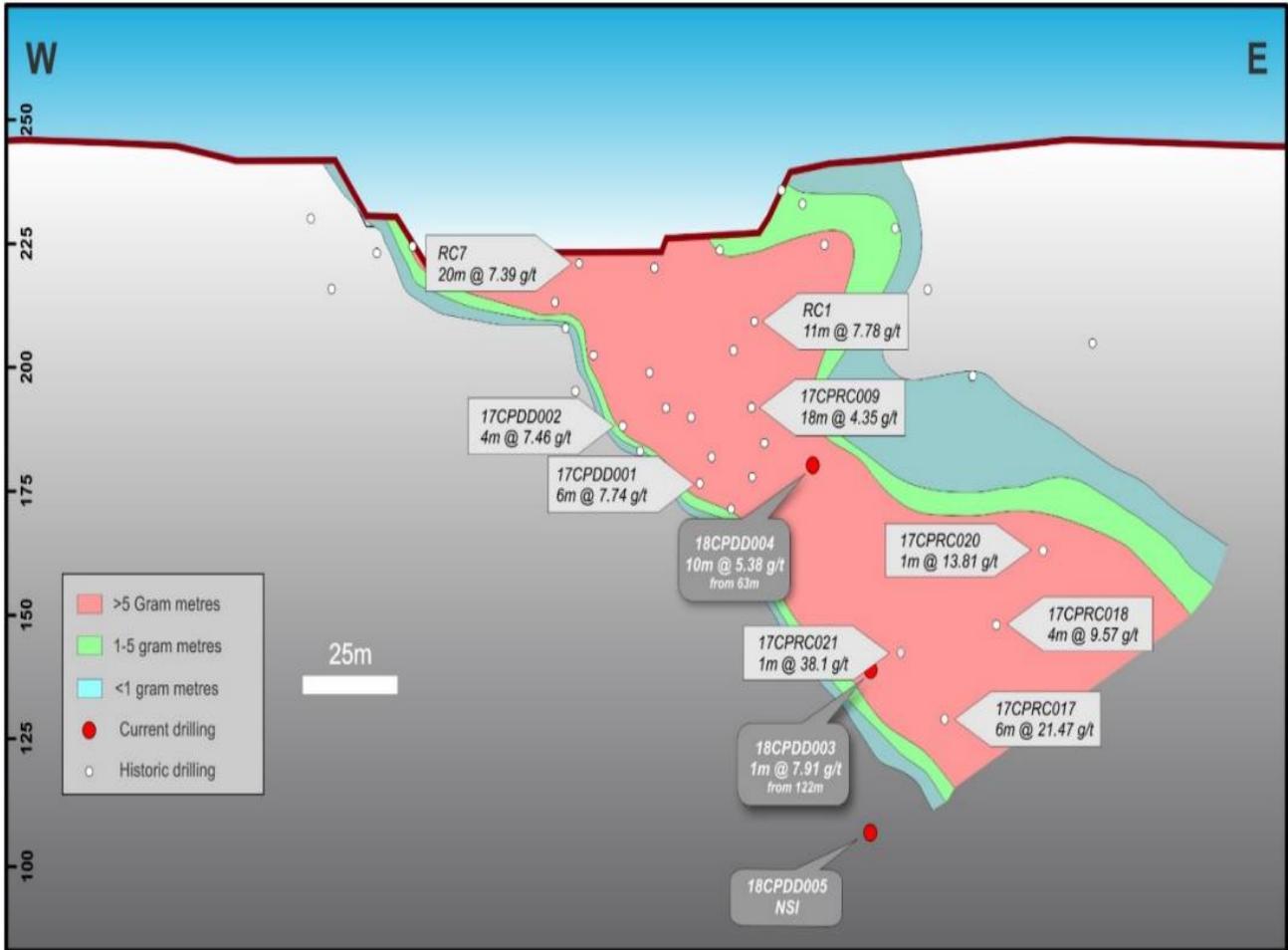
The Klondyke East drilling is more interesting to BHC as it gives the potential to build on the existing 654K oz Klondyke resource. The current results, confirm the presence of two parallel mineralised zones lying within the Klondyke Main Shear structure. Infill drilling is ongoing throughout this immediate area.

As part of the exploration potential, considerable time has been spent looking at the possibility of delineating high-grade zones that are part of the down-dip extension of the existing Klondyke Resource. An orthophoto of the deposit clearly shows a continuous working running for over 1km along the deposit. Review of the data both below this working and along strike of it shows a zone of high grade mineralisation with numerous intercepts above 5g/t reported. Review of the core associated with this zone shows a chert marker with adjacent quartz veins. A programme using Orexlore technology to highlight where visible gold sits in this horizon combined with

a selective sampling of this zone will be the first step to investigate this target more fully. It is then planned to drill diamond holes along an initial 1km of strike immediately below the old workings to allow selective sampling of this zone to be undertaken as a prelude to final in-fill resource drilling.

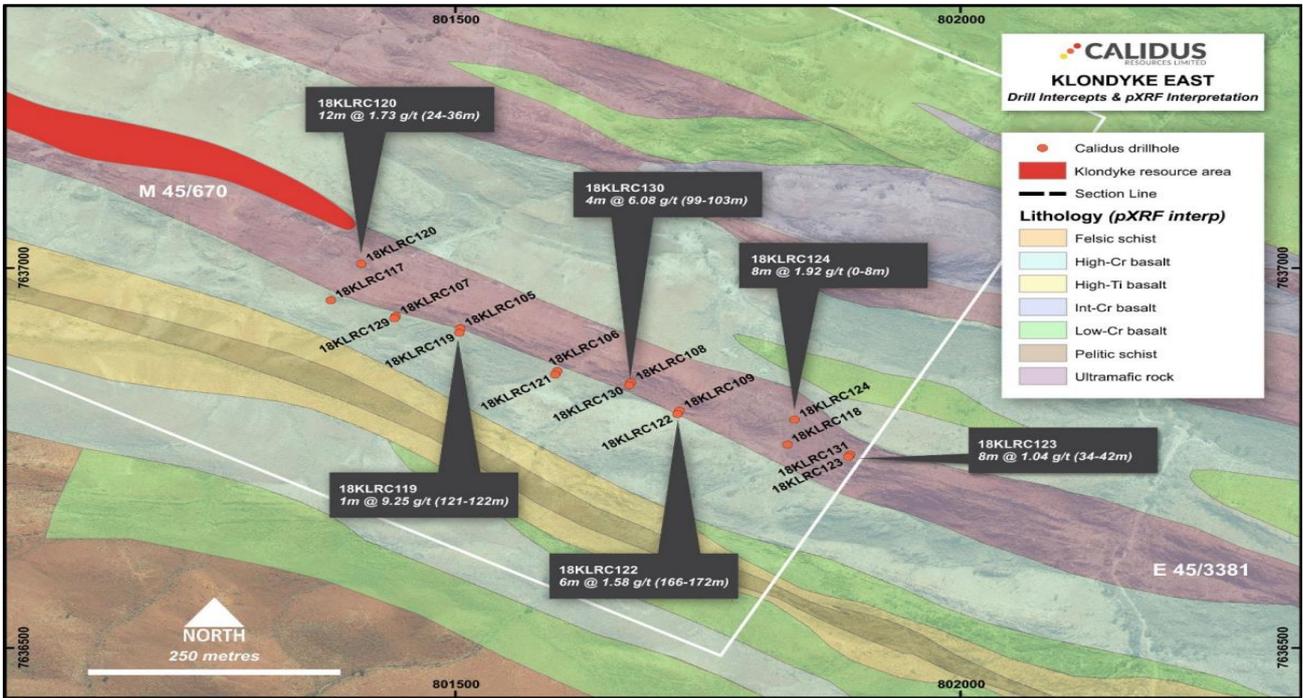
The current round of exploration has made an excellent start and the plan is to continue RC drilling across Klondyke Main, Klondyke East, Coronation and Copenhagen. Concurrent with this, there is a project wide geochemistry review underway, with the results expected in early August. The work, essential to obtaining a mining licence, such as the base-line flora and fauna environmental studies are continuing as is the heritage clearance work. Finally, work on the creation of a detailed 3D geological model for Klondyke and Copenhagen is ongoing.

Exhibit 1 : Copenhagen long section



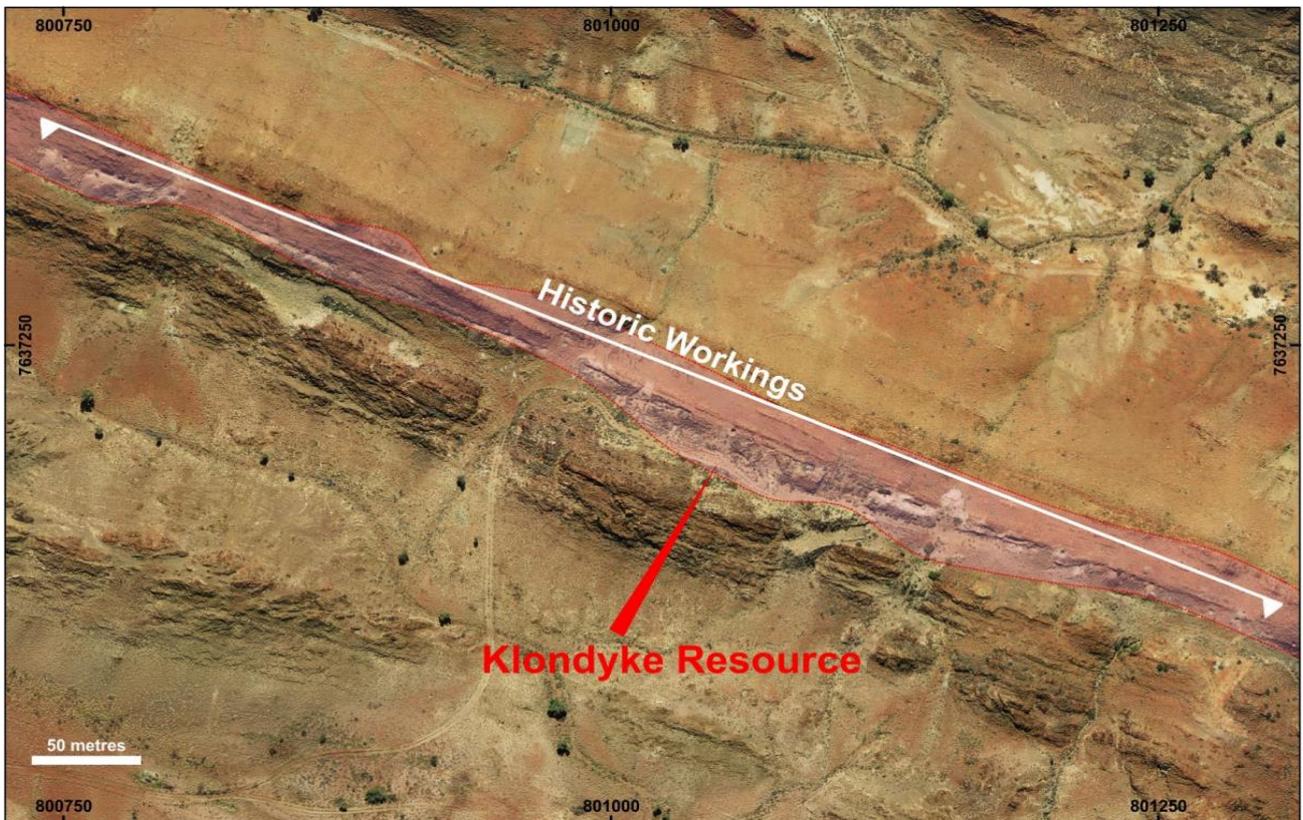
Source: Calidus Resources

Exhibit 2 : Klondyke Resource drillhole plan showing significant intersections in recent infill drilling to the east of the current resource.



Source: Calidus Resources

Exhibit 3 : Ortho photo showing continuous working being targeted



Source: Calidus Resources

Research Disclosures

Peter Rose

Peter has 32 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 11 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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Research disclosure as of 31 July 2018

<u>Company Name</u>	<u>Disclosure</u>
Calidus Resources (ASX)	1, 2, 7, 8, 9

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