

Calidus Resources Ltd (CAI AIM)

23 August 2018

Stock Data

Share Price:	A\$0.034
Market Cap (M):	A\$44.0
EV (M):	A\$39.5

Price Chart



52 Week Range

A\$0.03	A\$0.034	A\$0.065
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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	35.4%
HSBC Custody Nominees	10.1%
Novo Resources	4.4%
JP Morgan Nominees	3.5%

Source: Bloomberg, Calidus Resources

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Calidus Announces A New Discovery

Event

Calidus Resources ("Calidus") has announced that it has discovered mineralisation, commencing at surface over a 1,000m strike length at the St. George Shear which is adjacent to Klondyke. In addition, the assays for the final 18 holes of the Klondyke East infill programme have been released.

Highlights

Significant intercepts on the St George Shear:

- 18SGRC008 8m @ 3.9 g/t gold from 0m
- 18SGRC012 11m @ 1.53 g/t gold from 28m
- 18SGRC013 6m @ 2.27 g/t gold from 88m

The significant drill results at Klondyke East were:

- 18KLRC144 7m @ 1.83 g/t gold from 29m
- 18KLRC132 5m @ 2.49 g/t gold from 50m
- 18KLRC139 8m @ 1.12 g/t gold from 55m
- 18KLRC139 8m @ 1.3 g/t gold from 105m

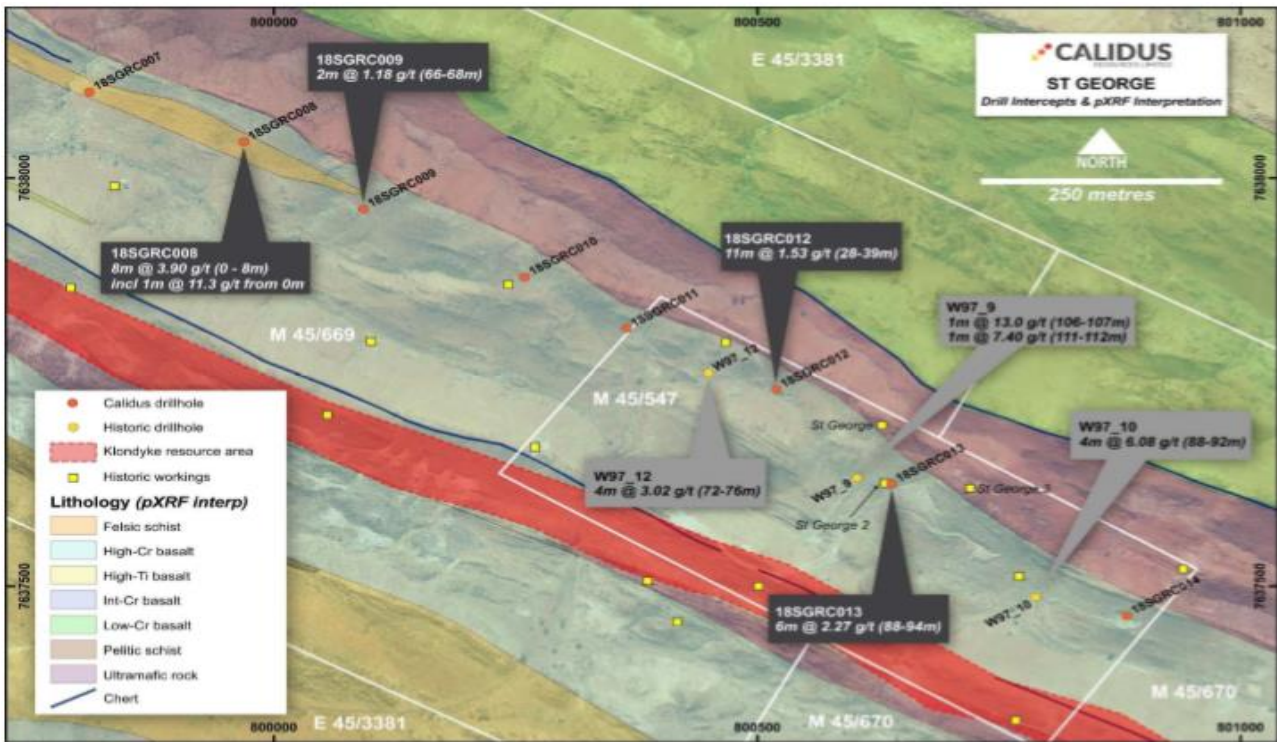
Comment

These are very encouraging results from the St George Shear, with the results being significantly shallower than historical figures. The St George Shear structure lies ~150m north of and parallel to the Klondyke Main Shear, refer Figure One, and outcrops across approximately 12.5km strike length. A first pass reconnaissance line of 25 RC holes for 3,202m at a nominal 160m spacing has recently been completed. The aim of the drilling was to test the potential of regional shear structures paralleling the Klondyke trend to host significant gold mineralisation. The style of geology and gold mineralisation intersected along the St George Shear is similar to the highest-grade lodes across the Klondyke Main Shear, including quartz veining, abundant sulphides and intense deformation.

At Klondyke East, the infill drilling programme has been completed over a prospective resource extension that lies directly east of the current Klondyke resource. However, along strike it has major dip and thickness variations. Work is currently underway to select the most prospective portions of the Klondyke east extensions

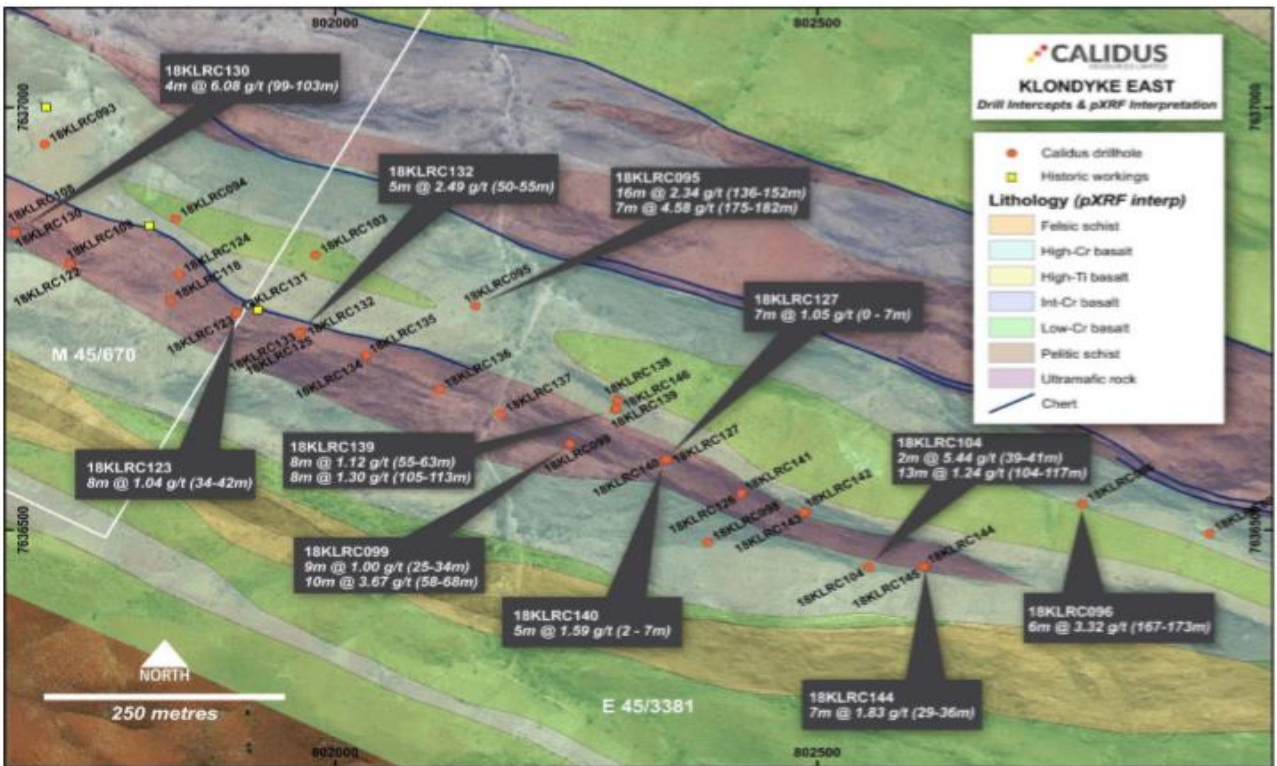
Work has also commenced on the RC resource upgrade drilling at the Copenhagen deposit. With the string of positive results released to date, and BHC is confident that there are more to come, when the ore resources are next calculated we expect to see a significant increase over and above the current 9.9Mt @2.16g/t for 654k oz.

Figure 1: St George Shear drill hole plan



Source: Calidus Resources

Figure 2: Klondyke East infill drill hole plan showing significant intersections received.



Source: Calidus Resources

Research Disclosures

Peter Rose

Peter has 31 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 10 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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Sell	Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

Research Disclaimers

Research disclosure as of 23 August 2018

<u>Company Name</u>	<u>Disclosure</u>
Vast Resources (VAST AIM)	1, 2, 7, 8, 9

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