

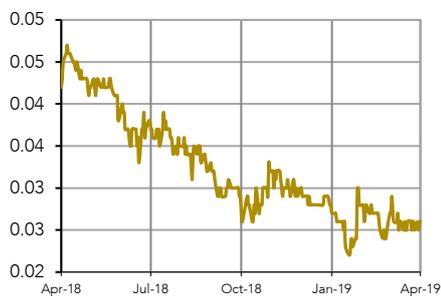
Calidus Resources Ltd (CAI ASX)

11 April 2019

Stock Data

Share Price:	A\$0.026
Market Cap (M):	A\$36.9
EV (M):	A\$33.0

Price Chart



52 Week Range

A\$0.021	A\$0.026	A\$0.049
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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	32.3%
Alkane Resources (ASX ALK)	10.2%
Novo Resources (TSX NVO)	4.0%

Source: Calidus Resources & Bloomberg

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Calidus Announces Wide Outcropping Gold Mineralisation in the Heart of its 1.25M Resource

Event

Calidus Resources ("Calidus") has announced that re-processing of historic CRA datasets across the Klondyke resource area at Warrawoona demonstrated the presence of wide and consistent gold mineralisation at surface.

Highlights

The results included:

- 25m @ 1.76g/t Au including 1m @ 9.77g/t
- 32m @ 1.15g/t Au
- 12m @ 1.15g/t Au
- 15m @ 1.37g/t Au
- 16m @ 1.19g/t Au
- 13m @ 1.29g/t Au
- 8m @ 1.48g/t Au

Comment

The reason that these results were missed in earlier assessments of the historic CRA datasets is that it was all hard copy. The other interesting point is that at least one of the channel samples has Newcrest written on it, indicating that at some stage they were actively exploring in this area.

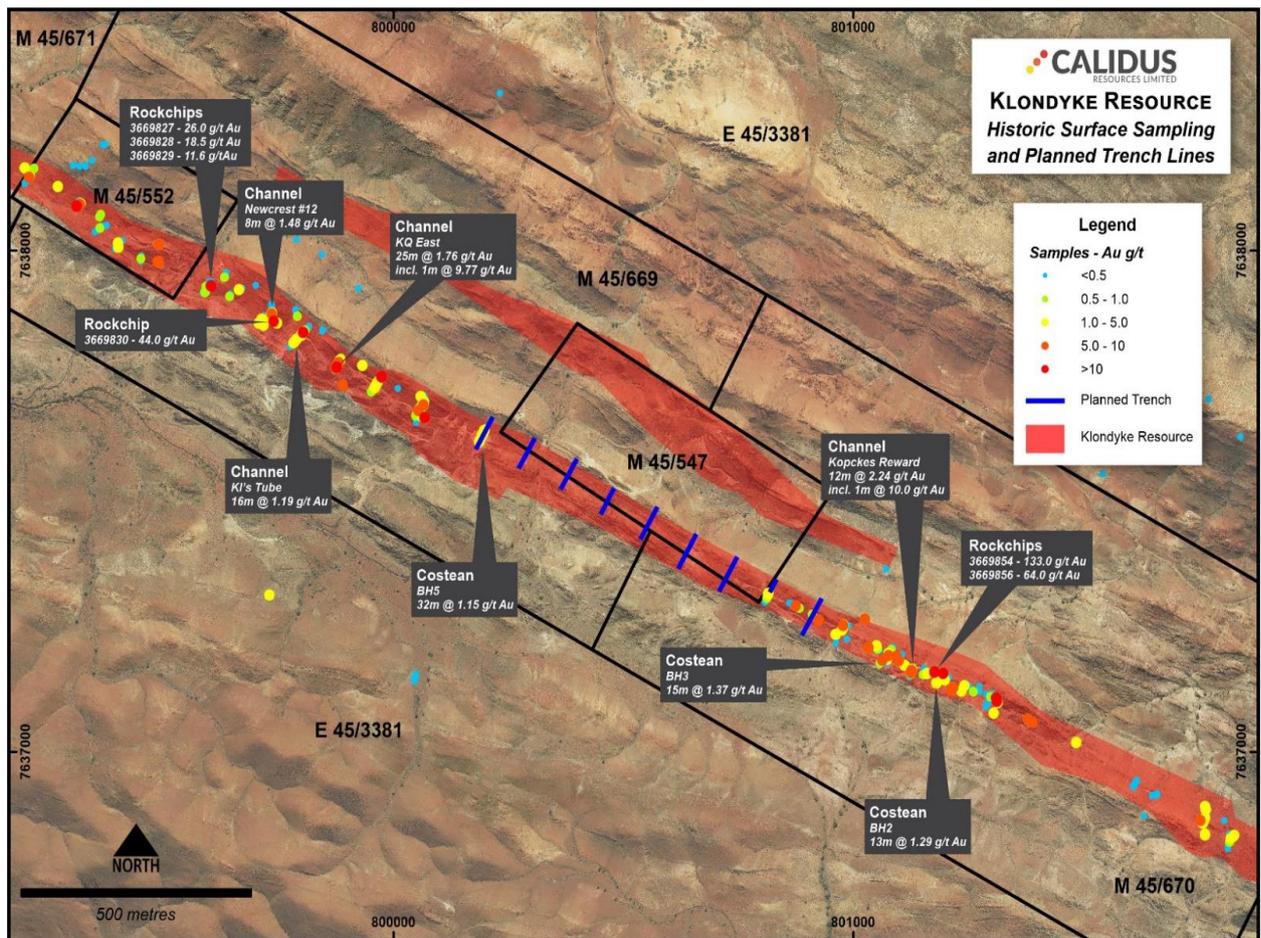
Whilst the gold grades are consistent with earlier grades at Klondyke, the impressive thing about these "new" results is that they are extremely shallow and over very good widths. This will mean low cost mining and mining may even be able to start in ore. All of this is extremely good news for Calidus.

The CRA exploration demonstrates that the surface outcropping portion of the Klondyke resource is amenable to sampling and mapping via costeaning, which will assist the geological understanding of the mineralisation. During CRAE's programme, the tenement lying in the heart of the current resource was owned independently so was not sampled during this campaign. Calidus will sample this area shortly to ensure continuous costean sampling across an initial 2.5km of continuous outcropping resource. The proposed costeans are shown in blue in exhibit 1.

Calidus has already conducted drilling under the CRA results, which serve to demonstrate the continuity of the gold horizons to the surface. The CRA results from their chip and selective channel sampling programme also show some high grade results. This is consistent with the grades that are regularly encountered at Klondyke and any proposed processing plant will have a gravity section.

This news is extremely positive and BHC expects a positive news flow leading up to the release of the PFS in the September quarter of 2019.

Exhibit 1: Klondyke Resource showing Historic Surface Sampling and Planned Trench Lines



Source: Calidus Resources

Research Disclosures

Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 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 11 April 2019

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

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