

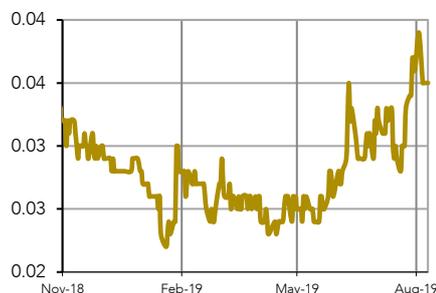
Calidus Resources Ltd (CAI ASX)

19 August 2019

Stock Data

Share Price:	A\$0.035
Market Cap (M):	A\$65.1
EV (M):	A\$61.1

Price Chart



52 Week Range

A\$0.04	A\$0.035	A\$0.021
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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	30.5%
Alkane Resources (ASX ALK)	15.2%
Novo Resources (TSX NVO)	3.8%

Source: Calidus Resources & Bloomberg

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Calidus Completes A\$9M Placement to Institutional Investors

Event

Calidus Resources ("Calidus") has announced the successful completion of a placement to raise \$9M (before costs) which comprised the issue of approximately 281.3M new shares ("New Shares") at an issue price of 3.2c per share (the "Placement").

Highlights

The highlights this announcement are:

- Calidus has successfully completed an A\$9M placement to institutional investors
- The Placement received strong support from new and existing institutional investors for the continued advancement of the flagship Warrawoona Gold Project
- Existing shareholder Alkane Resources (ASX: ALK) subscribed for shares worth ~A\$1.2M, representing a strong endorsement of Calidus' strategy
- Calidus is now fully funded to undertake an extensive resource and exploration drilling campaign, complete a definitive feasibility study and purchase long lead items for project development

Comment

The key aspect of this fund raising is that, together with the existing cash reserves, it ensures that Calidus is well funded to:

- Complete its definitive feasibility study
- Undertake an extensive resource drilling programme, both infill and extensional, to both expand and de-risk the current resource base
- Complete an aggressive regional exploration programme testing high priority exploration targets
- Purchases long lead items for project development and
- General working capital requirements

This placement was made at a discount of 17.9% to the last closing price of Calidus which was 3.9c.

When the PFS was released, the project had a 6 year mine life but had significant inferred resources which were not included in the calculations. When the DFS is released, BHC expects that a significant amount of infill drilling will have been completed and these inferred resources will have been de-risked significantly to enable them to be included in the mining plan, so extending the mine life.

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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Hold	Recommendation implies that expected total return of between 15% and zero is expected over 12 months between current and analysts' target price.
Trading Sell	Recommendation implies that the analysts' expected total return over the short term compared against the target price is negative.
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 19 August 2019

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

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