

Calidus Resources Ltd (CAI ASX)

18 December 2019

Stock Data

Share Price:	A\$0.22
Market Cap (M):	A\$47.2
EV (M):	A\$43.1

Price Chart



52 Week Range

A\$0.40	A\$0.22
A\$0.20	

Company Summary

Calidus Resources is currently exploring the Warrawoona Gold district where it has consolidated a previously fragmented historic gold mining district and has proven up a 1.25M oz resource.

MAIN SHAREHOLDERS	HOLDING
Alkane Resources (ASX ALK)	13.0%
Board and Management	8.3%
Novo Resources (TSX NVO)	3.1%

Source: Calidus Resources & Bloomberg

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Calidus Announces High-Grade Gold Intercepts outside Klondyke Resource

Event

Calidus Resources ("Calidus") has announced further high-grade drill results both down dip and along strike at its Warrawoona gold project in WA's Pilbara Region.

Highlights

Significant intercepts were:

- 19KLDD061 1m @ 55.21g/t from 278m
- 19KLDD070 2.52m @ 18.02g/t from 232.78m
- 19KLDD083 1m @ 40.59g/t from 156m
- 19KLDD066 1.1m @ 31.22g/t from 283.39m
- 19KLDD062A 2.25m @ 13.33g/t from 170.75m
- 19KLDD068 1m @ 24.17g/ from 163m

Comment

We have only included the drill results where the intercepts were better than 10g/t in the highlights but there were plenty of other good intercepts at significantly higher grades than the resource grade and across good widths.

These results included metallurgical holes which targeted the oxide and transitional areas of the PFS pit and initial wide spaced drilling at Klondyke West which is up to 3.5km west of the currently proposed open pit. Some of the holes also targeted the Klondyke Underground which accounts for some of the deeper intercepts quoted.

The most important takeaways from these results are that the Klondyke resource remains open at depth and along strike which should enable Calidus to add significantly to the current 1.25M oz resource.

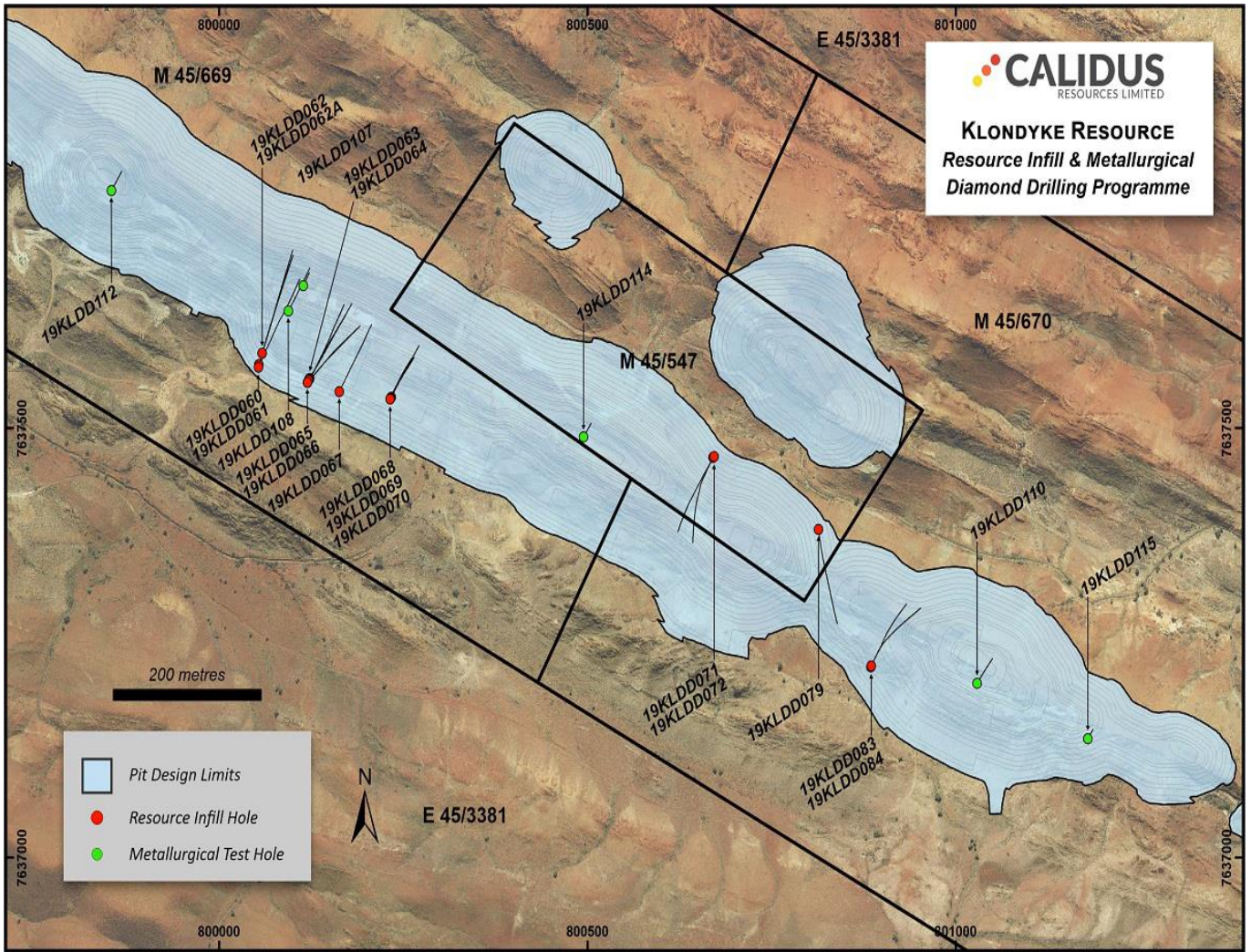
BHC has always been of the opinion that Calidus was sitting on a multi-million ounce resource and we will be very interested to see the updated resource model when it is released in Q1 of 2020.

Although all work on site has stopped for Christmas, a busy programme is planned for the new year. The open pit geological model will be updated and the updating of the geological model for Klondyke West will commence. In Q2 2020 a detailed airborne magnetic, radiometric and digital terrain data programme across the tenement package is planned. This will assist with follow-up targeting of the area.

The metallurgical drilling targeted oxide and transitional zones for variability testing because it is believed there may be upside in processing throughput of this material. This test work will commence in Q1 of CY2020 and provide a base for final feasibility designs as Calidus advances its goal of becoming a 100kozpa Australian gold producer.

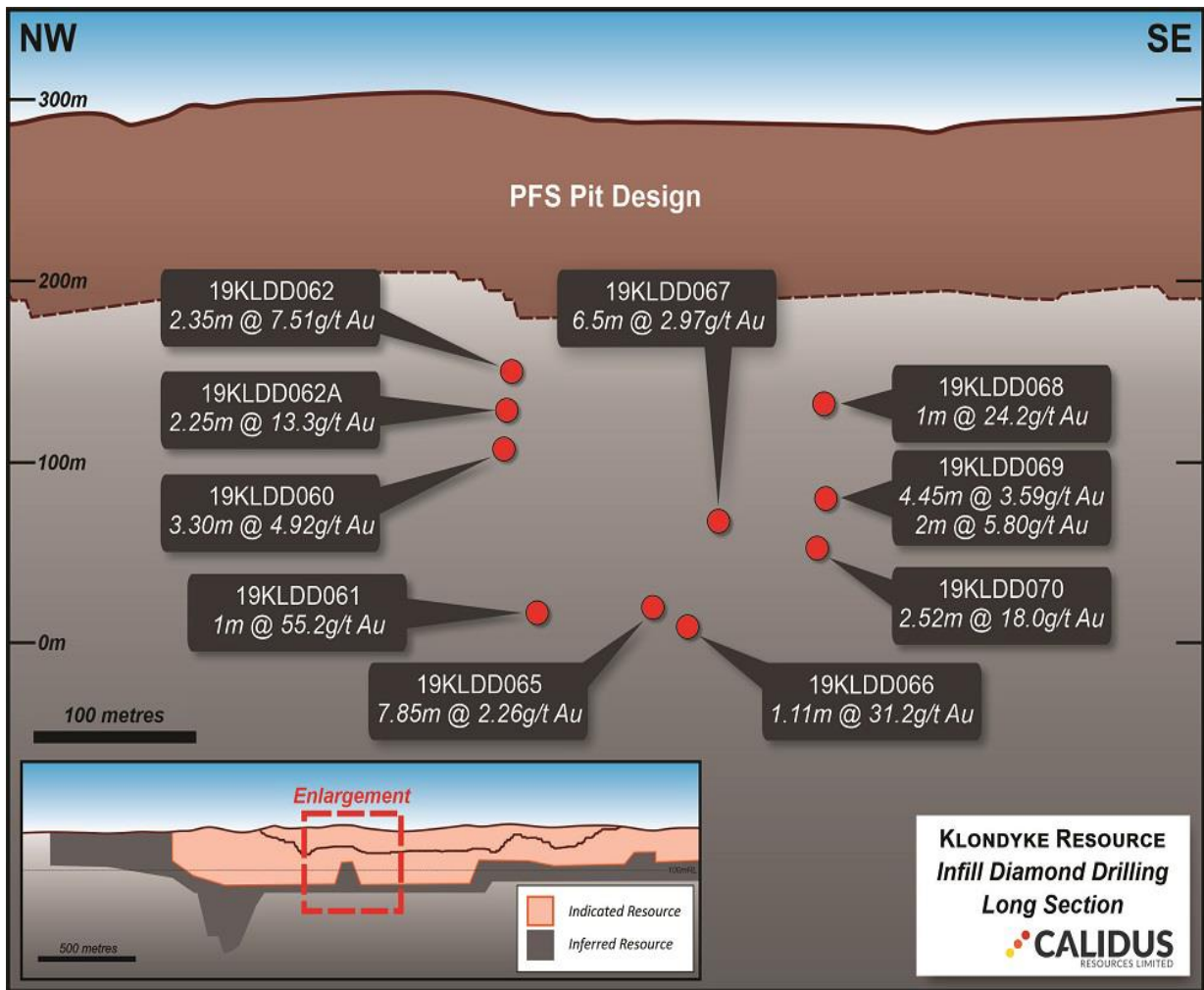
The Klondyke West area was an initial wide spaced drilling campaign between 1.5 and 3.5km west of the current resource and was conducted on approximately 200m centres. It showed that the Klondyke Shear remains well mineralised at considerable strike distances from the current resource. Geology observed during the drilling was typical of the Klondyke mineralised sequence albeit with less well-developed sericite alteration in the high-Mg basalt unit on the south side of Kopcke’s leader. The drilling suggests that there may be more than one mineralised horizon at Klondyke west. Most of the best intercepts come from altered high-Mg basalt between Kopcke’s leader and another chert to the north. A second mineralised horizon coincides with some historic workings about 50m further north. All the geological data from Klondyke west will be compiled and interpreted by the geological team, before a programme is designed to follow up on the results obtained so far. This will require follow up drilling once the airborne study has been completed and studied.

Exhibit 1: Klondyke Deeps diamond drill hole locations



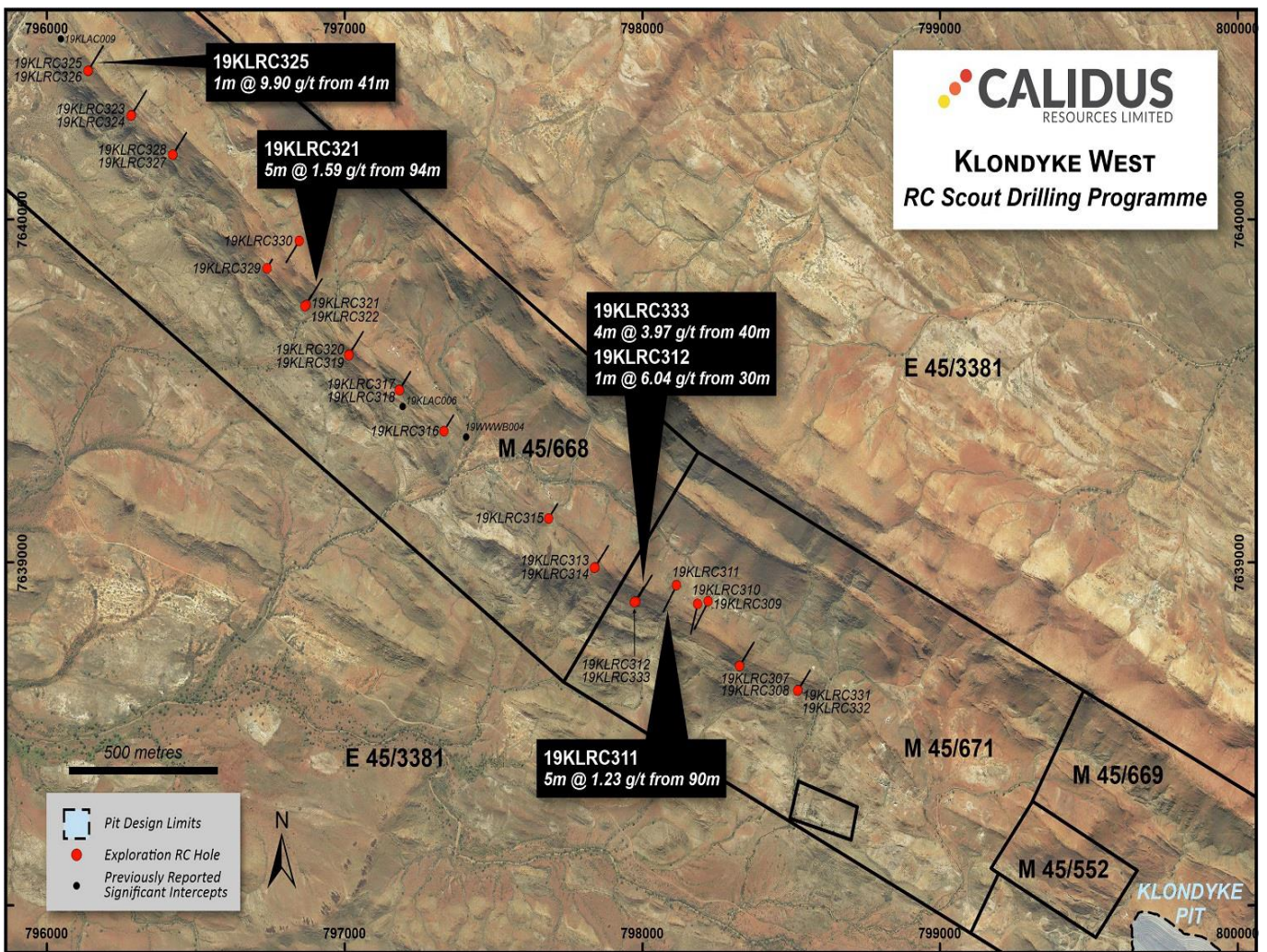
Source: Calidus Resources

Exhibit 2: Long section showing Feb 2019 Klondyke resource extents and significant intercepts from the recent Klondyke Deeps diamond drill hole programme



Source: Calidus Resources

Exhibit 3: Klondyke West RC Drill Hole Locations



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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Research Disclaimers

Research disclosure as of 18 December 2019

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

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