

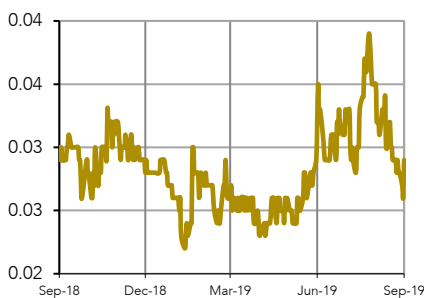
Calidus Resources Ltd (CAI ASX)

18 September 2019

Stock Data

| | |
|-----------------|----------|
| Share Price: | A\$0.029 |
| Market Cap (M): | A\$62.3 |
| EV (M): | A\$58.3 |

Price Chart



52 Week Range

| | | |
|---------|----------|----------|
| A\$0.04 | A\$0.029 | A\$0.021 |
|---------|----------|----------|

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 Announces Shallow Gold Intercepts Adjacent to Open Pit

Event

Calidus Resources ("Calidus") has announced that RC drilling, pre-collars for diamond holes, has intercepted significant shallow mineralisation outside the current Klondyke Resource.

Highlights

Significant intercepts were:

- 19KLDD079 12m @ 2.68g/t from 32m
- 19KLDD062 4m @ 4.30g/t from 44m
- 19KLDD077 6m @ 2.59g/t from 120m
- 19KLDD066 8m @ 1.28g/t from 104m

Comment

These results are outside the current resource in an area where mineralisation was not anticipated and as such, have the potential to further enhance the Klondyke resource.

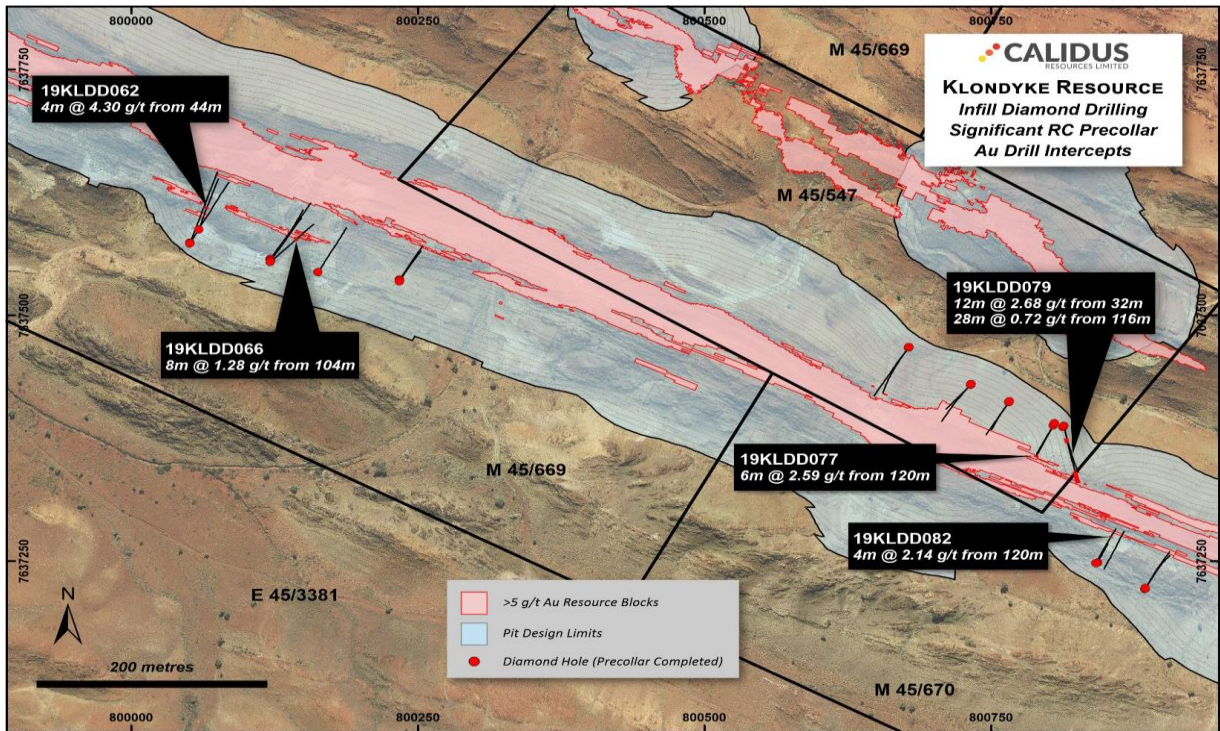
The 25 hole diamond drilling programme has commenced, extending the current RC holes and the infill drilling is also underway, inside the proposed open pit area as proposed in the preliminary feasibility study.

The RC pre-collar drilling has intersected a number of potential new mineralised structures in the footwall to the Klondyke Shear, Exhibit 2. A more substantial zone of mineralisation has been defined immediately north of the current Resource, with wide encouraging intersections indicating an extensive shallow development of gold mineralisation in the footwall outside the current resource block model envelopes. These results were obtained within 25m of the currently proposed pit shell, indicating the excellent potential to increase the existing mineral resource.

Independently, the infill drilling programme is being conducted on 12.5m by 12.5m grid and is designed to increase the confidence level from Indicated to Measured resources and allow for the conversion to proven ore reserves.

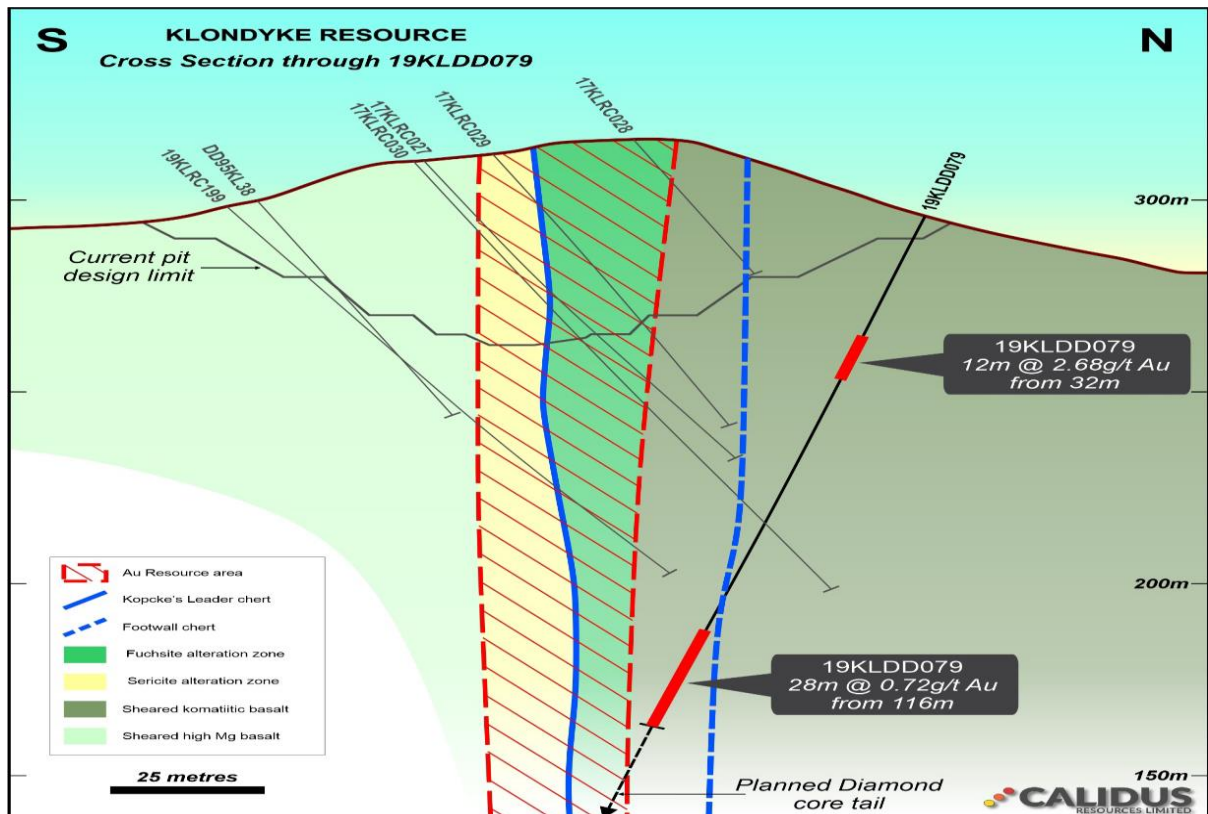
When the Bankable Feasibility Study is completed, BHC expects a very different pit configuration, allowing for the recent discoveries and a significant increase in mine life beyond the current 6.5 years. It is BHC's contention, that Klondyke and the associated smaller pits around it will eventually become a multimillion ounce deposit.

Exhibit 1: Plan view of Klondyke orthophotograph showing PFS proposed pit designs and significant intercepts from recent RC pre-collars.



Source: Calidus Resources

Exhibit 2: Cross-section showing Klondyke RC pre-collar to diamond core hole 19KLDD079.



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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| | |
|---------------------|--|
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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 18 September 2019

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

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