

Calidus Resources Ltd (CAI ASX)

27 September 2018

Stock Data

Share Price:	A\$0.03
Market Cap (M):	A\$38.8
EV (M):	A\$32.6

Price Chart



52 Week Range

A\$0.029	A\$0.03	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 (TSX NVO)	4.4%
JP Morgan Nominees	3.5%
Citicorp Nominess	1.6%

Source: Bloomberg

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Calidus Announces Shallow, Thick High-Grade Mineralisation at Copenhagen

Event

Calidus Resources ("Calidus") has announced that it has discovered shallow, thick high-grade gold mineralisation that extends over 100m down dip. These results come from the a recent 8-hole step-out and infill programme at the high-grade Copenhagen deposit, 10km west of the Klondyke resource.

Highlights

Significant intercepts:

- 18CPR024 10m @ 12.85 g/t gold from 117m including 4m @ 29.2g/t
- 18CPR029 5m @ 4.55 g/t gold from 160m
- 18CPR026 2m @ 5.77 g/t gold from 87m
- 18CPR027 1m @ 6.94 g/t gold from 165m
- 18CPR031 6m @ 3.96 g/t gold from 206m

Comment

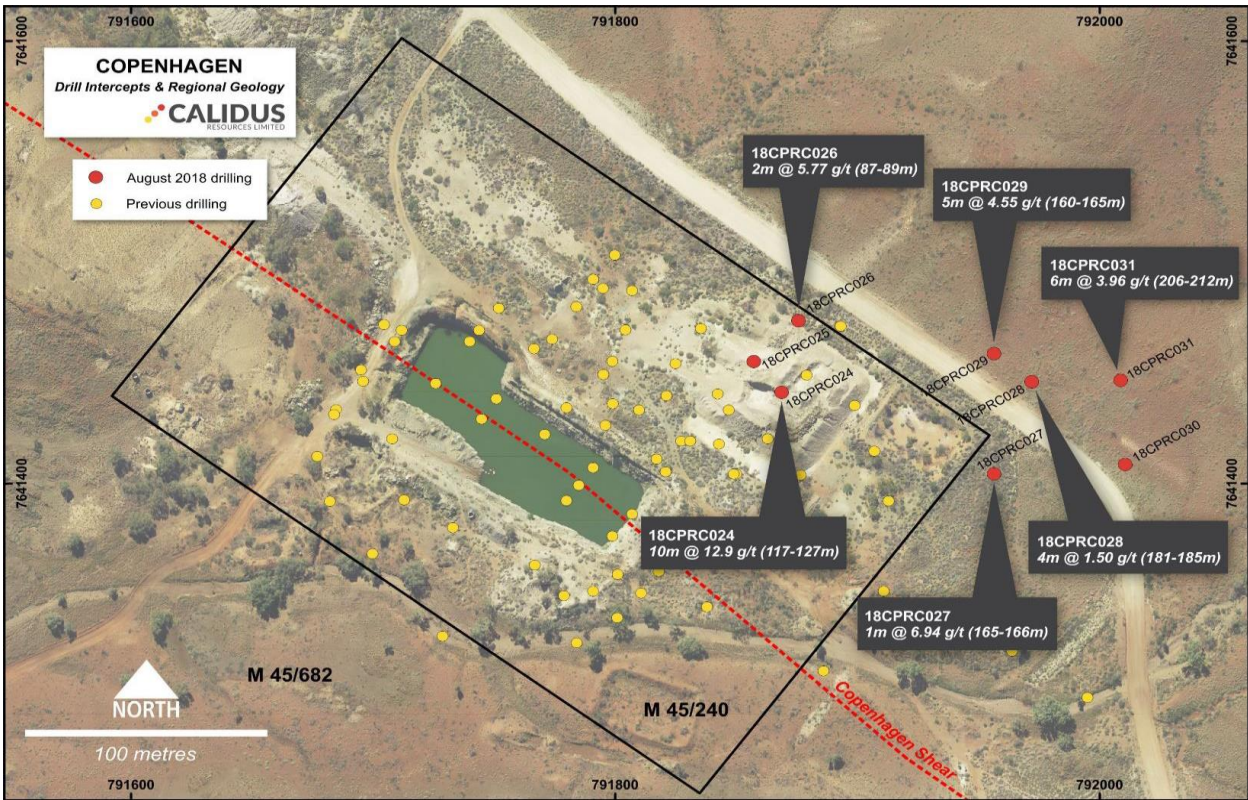
These are a very impressive set of intercepts and also include some very shallow intercepts that although lower grade than the highlights above would certainly be included in the ore resource. BHC believes that all the intercepts reported would be open pitminable and are bound to increase the size of the overall resource at Copenhagen which currently stands at an Inferred 0.17Mt @ 6.10g/t for 36koz. This drilling builds on a previous hole, 18CPDD004 which intercepted 10m grading 5.38g/t from 63m.

Resource drilling has also been completed at Coronation with the results awaited. This is potentially another high grade deposit, with several previous shallow holes grading in excess of 5g/t.

BHC regards this as very positive as it will result in the overall grade of the ore reserves increasing when they are next recalculated for the overall Warrawoona gold project.

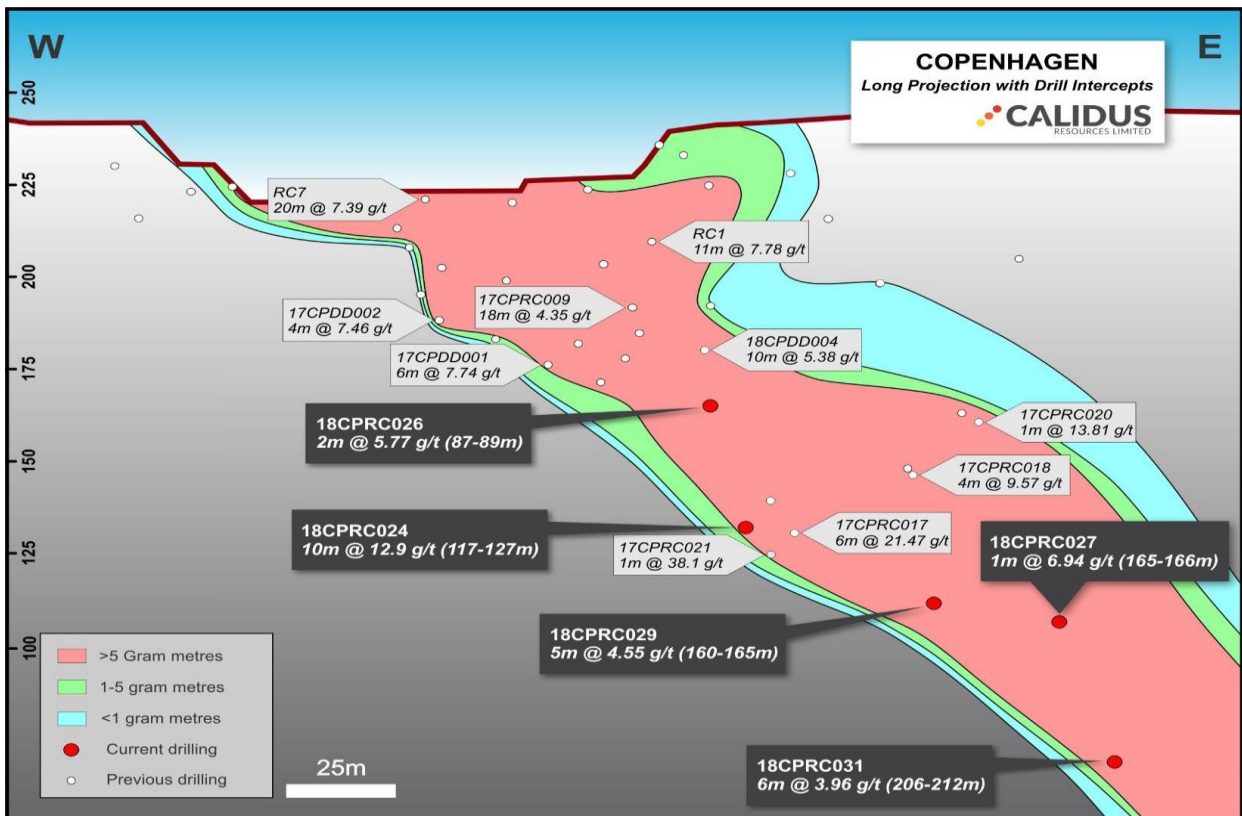
Elsewhere on the project, further refining of the 3D geological model during Q2 defined a continuous working of over 1km on surface at Klondyke that targeted a chert/quartz vein that on closer inspection showed excellent continuity at depth and represents a high priority target for additional high-grade resources. A programme targeting this area has recently commenced and will include a large portion of diamond drilling to enable a selective grade to be reported. Work is also continuing on the St George Shear, which lies ~150m north and parallel of the Klondyke Main Shear 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 was successfully completed in August 2018, with a best intercept of 8m @ 3.9g/t Au from 0m in 18SGRC008. The aim of the drilling was to test the potential of regional shear structures paralleling the Klondyke trend to host significant gold mineralisation.

Figure 1: Copenhagen drill plan highlighting recent RC drilling



Source: Calidus Resources

Figure 2: Copenhagen long-section



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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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 27 September 2018

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

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