

MINING FLASHNOTE

Calidus Resources Ltd (CAI ASX)

06 June 2018

Stock Data

Share Price:	A\$0.041
Market Cap (M):	A\$52.8
EV (M):	A\$48.3

Price Chart

52 Week Range

A\$0.065	0.041
A\$0.019	

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	35.62%
Bank of Nova Scotia	3.63%
Eight Investment Partners	2.81%
Celtic Capital	1.45%
Buzz Capital Pty Ltd	1.15%

Source: Bloomberg
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Calidus Announces 30,000m Resource Drilling Campaign underway at Warrawoona

Event

Calidus Resources ("Calidus") has announced that it has commenced the 2018 resource definition programme at its Warrawoona Gold Project, located 25kms south of Marble Bar in the East Pilbara of WA.

Comment

The initial 30,000m RC drilling programme has commenced onsite at Klondyke with the objective of growing the Mineral Inventory to in excess of 1M ounces at Warrawoona by the end of 2018. The drilling is being focused on areas ranked in accordance with proximity to the existing Klondyke Mineral Resource, including shallow strike extensions and potential for high grade shoot geometries. It will also provide sample material for further metallurgical test work and geotechnical data that will be required for the pre-feasibility study.

The programme also includes reconnaissance drilling along the St. Georges Shear which is 4km long and lies 150m to the north of the Klondyke Shear which is geologically similar.

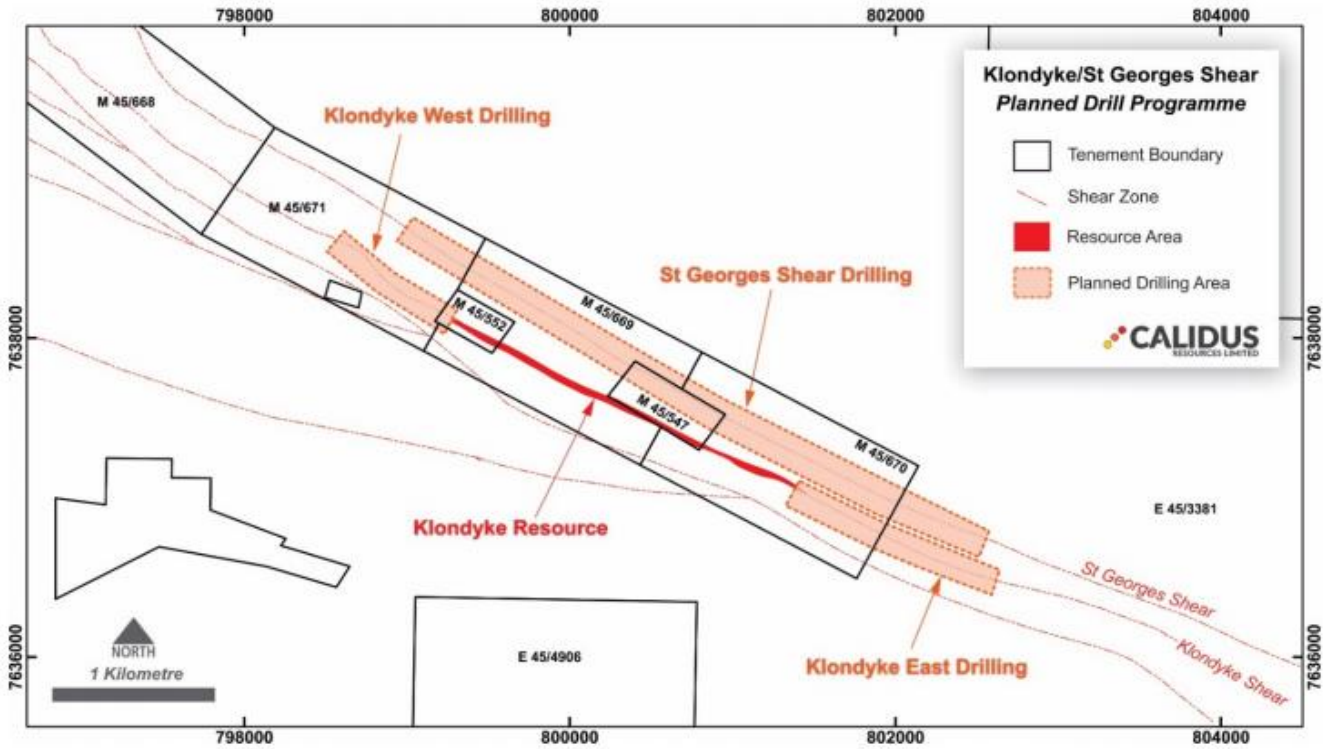
Calidus is currently awaiting assay results from recent drilling completed at Klondyke Queen and Coronation and the regional soil geochemistry sampling programme field work, now completed, with results anticipated in 4 weeks. Drilling at Klondyke Queen was completed last week with three holes totalling 1,729.1m and geological logging, sampling and assaying currently underway. Early visual indications have revealed visible gold, however, the drillholes have intersected the presence of a large felsic intrusive body which appears to have spatially offset mineralisation.

The Copenhagen deposit lies approximately 8km to the West of Klondyke and contains a Mineral Resource of 36koz at a grade of 6.12g/t Au. During 2017 Calidus drilled two HQ core holes to validate shallow high-grade intercepts and returned 17CPDD001 6m @ 7.74g/t Au from 70m and 17CPDD002 4m @ 7.46g/t Au from 56m. An additional three core holes were planned to fill in a gap in the resource model and provide metallurgical test material. These are currently underway and due for completion this quarter.

Tenements E45/4856 and E45/4857 have now been granted. These tenements contain 18 km of Mt Roe Basalt outcrop and are known to contain large conglomerate sequences.

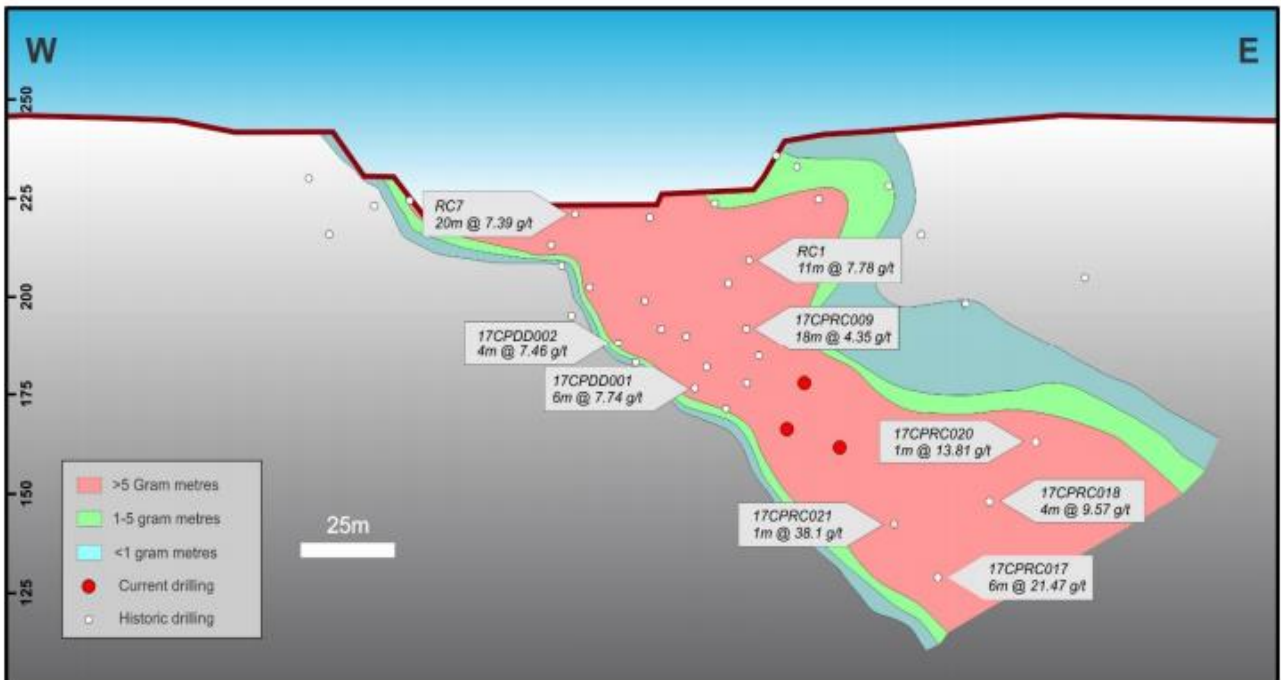
In Q3 a second rig will be mobilised to commence not only in-fill drilling behind this Phase One programme but also allow for testing down dip and along strike of the high grade (6g/t) Copenhagen Resource and to test priority targets defined by the recently completed soil geochemistry programme.

Exhibit 1: Resource Drilling areas at Klondyke Shear and reconnaissance drilling at St. Georges shear.



Source: Calidus Resources

Exhibit 2: Long-section illustrating historical and planned drilling at Copenhagen.



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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Research disclosure as of 06 June 2018

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

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