

MINING FLASHNOTE

# Calidus Resources Ltd (CAI ASX)

17 October 2017

## Stock Data

Share Price:	A\$0.047
Market Cap (M):	A\$38.8
EV (M):	A\$34.3

## Price Chart



## 52 Week Range

A\$0.065	A\$0.047
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	26.31%
Bank of Nova Scotia	5.10%
Eight Investment Partners	4.38%
Celtic Capital	2.26%

Source: Bloomberg

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

## Klondyke Drill Programme Extended Following Exceptional Maiden Results

### Event

Calidus Resources ("Calidus") has announced the results of a further 29 drill holes, representing 4,746m of drilling. A total of 3,500m of RC and 1,100m of core is yet to be reported from Klondyke and the high-grade satellite deposits. A total of 15,611m has now been drilled at Klondyke and the high-grade satellite targets of Copenhagen, Coronation and Fieldings Gully.

### Comment

After receiving the excellent results including 6m @ 63.31g/t Au from 49m in KLRC032 and 27m @ 5.85g/t Au from 90m in KLRC001, Calidus committed to extending the original 10,000m drilling program to over 15,000m. This programme has now been completed. The best of the results are tabled overleaf. This will be followed by another 5,000m programme committed to target the Klondyke East area which hosts strong gold-in-soil anomalies directly east of Klondyke. This area was acquired in the recent joint venture with Novo Resources. The limited historical drilling has indicated that the mineralised Klondyke shear structure extends for at least another 5km. This has the potential to nearly triple the existing 2.7km strike length to the south-east.

The current results are consistent with the first batch of drill results, indicating an overall grade of around 2g/t. As we commented before, it is good to see extensive intersections, as these make the mining far easier.

The results that are outstanding come from the drilling at the high-grade Copenhagen Coronation and Fieldings Gully deposits with initial results from these areas due in shortly. Inspection of the core was promising.

Following the completion of the recent JV deal with Novo Resources, Calidus geologists have commenced the systematic evaluation of the combined Calidus – Novo database to assist with more regional drill-hole targeting and to expedite further discoveries. This integrated geological interpretation over the entire tenement package will allow ranking and prioritising of all regional targets and allow subsequent exploration programs to be planned, budgeted and scheduled.

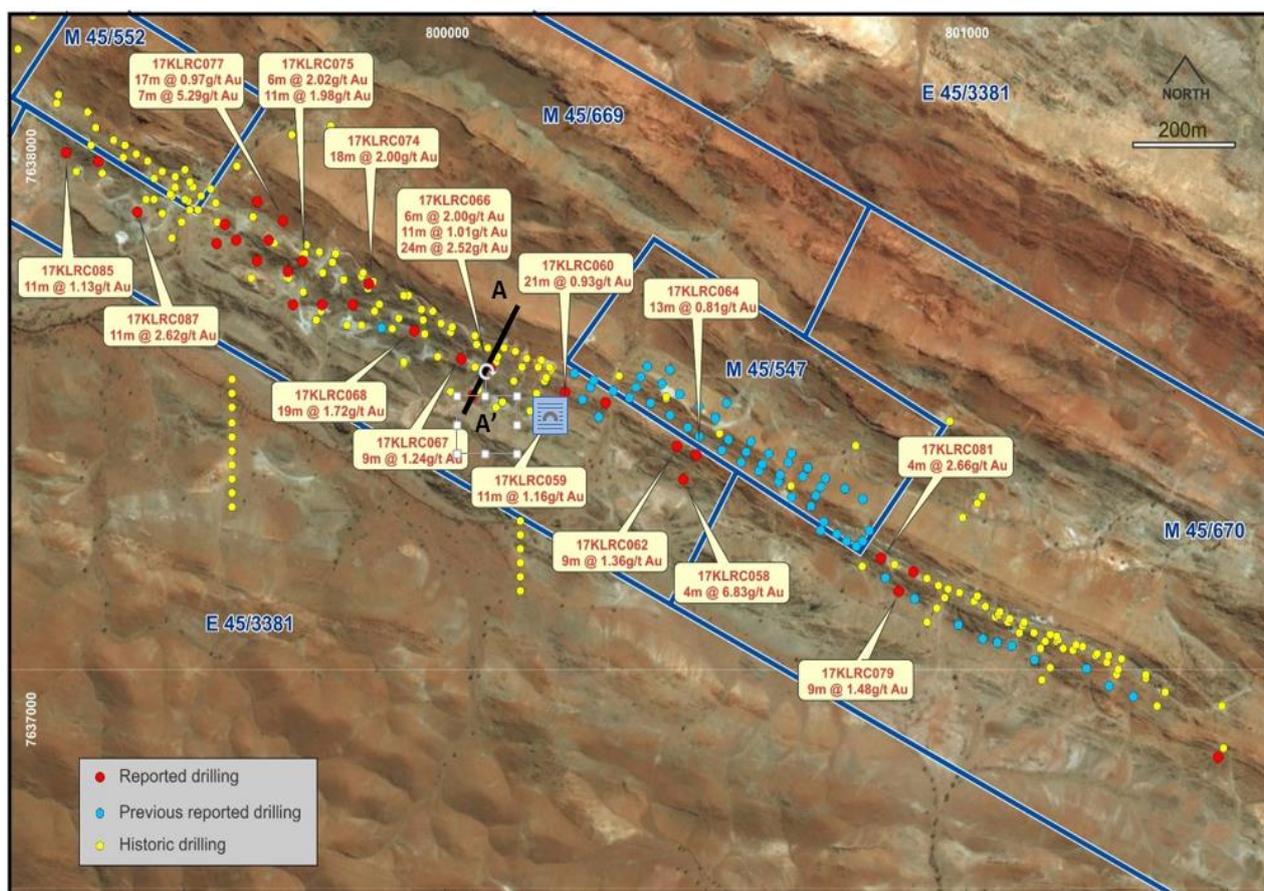
Work is now underway to compile and analyse all data once the complete set of assay results are returned, which should be within the next 8 weeks. All RC and drill core holes drilled to date over the Klondyke resource area have intersected gold mineralisation within extensive intervals of hydrothermal alteration.

This drilling campaign is expected to lead to a significant upgrade in the resource estimate, with a large portion of this material in the Indicated category.

Significant gold intercepts grading greater than 10 gram-metres include:

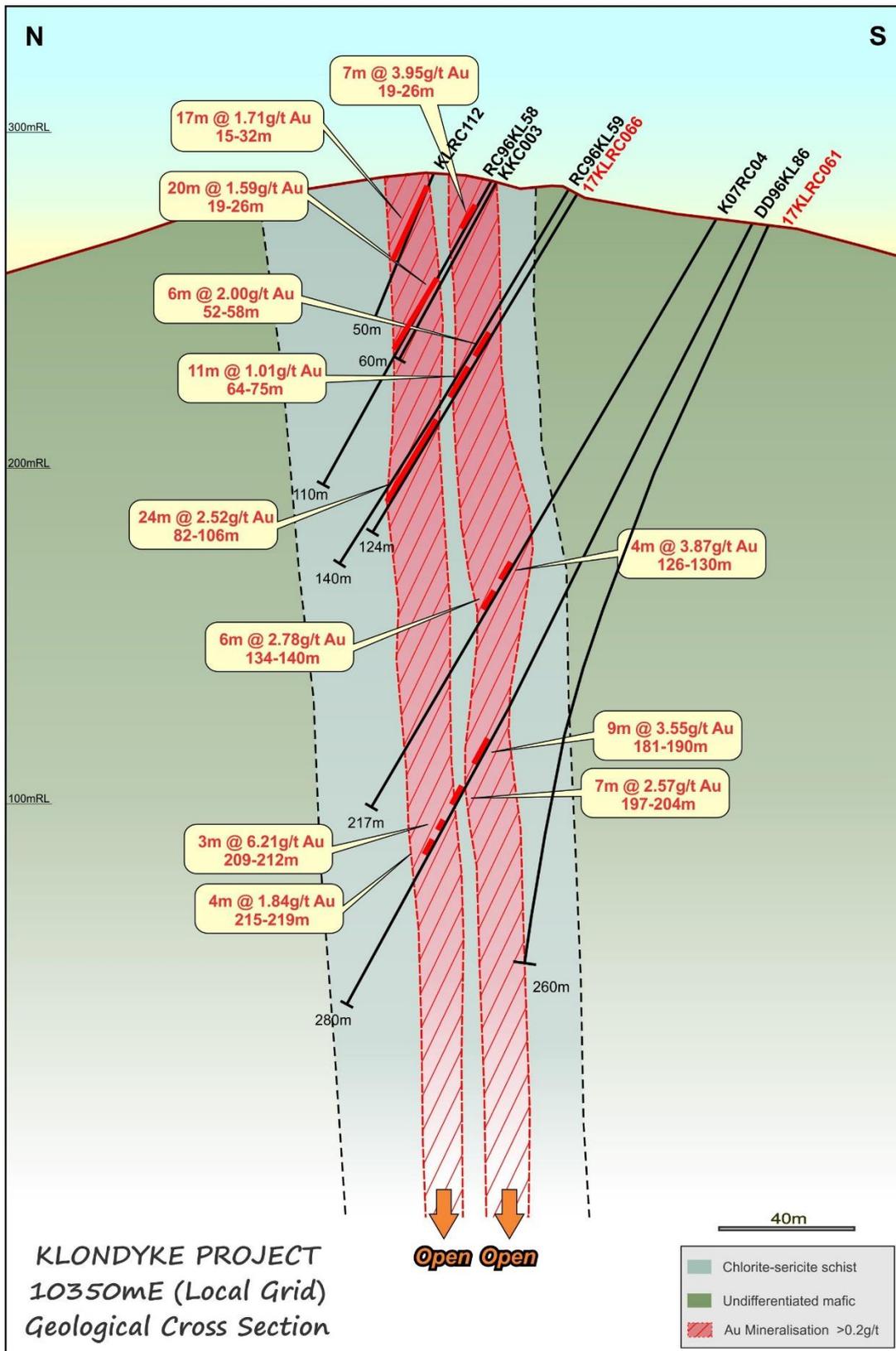
- 24m @ 2.52g/t Au from 82m in hole 17KLRC066
- 7m @ 5.29g/t Au from 30m in hole 17KLRC077
- 18m @ 2.00g/t Au from 29m in hole 17KLRC074
- 19m @ 1.72g/t Au from 80m in hole 17KLRC068
- 11m @ 2.62g/t Au from 136m in hole 17KLRC0087
- 4m @ 6.83g/t Au from 154m in hole 17KLRC058
- 11m @ 1.98g/t Au from 121m in hole 17KLRC075
- 9m @ 1.48g/t Au from 108m in hole 17KLRC079
- 11m @ 1.16g/t Au from 125m in hole 17KLRC059
- 11m @ 1.13g/t Au from 149m in hole 17KLRC085
- 9m @ 1.36g/t Au from 60m in hole 17KLRC062
- 6m @ 2.02g/t Au from 106m in hole 17KLRC075
- 6m @ 2.00g/t Au from 52m in hole 17KLRC066
- 9m @ 1.24g/t Au from 90m in hole 17KLRC067
- 11m @ 1.01g/t Au from 64m in hole 17KLRC066
- 4m @ 2.66g/t Au from 118m in hole 17KLRC081
- 21m @ 0.93 g/t Au from 66m in hole 17KLRC060
- 17m @ 0.97g/t Au from 7m in hole 17KLRC077

Exhibit 1: Plan of announced drill results



Source: Calidus Resources Limited

Exhibit 2: Cross Section A-A



Source: Calidus Resources Limited

## 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.

**Tel: +44 (0)20 3463 5034**

**Peter.Rose@brandonhillcapital.com**

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<b>Sell</b>	Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

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Research disclosure as of 17 October 2017

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

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## Brandon Hill Contact List

### International Sales

**Oliver Stansfield**

Tel: +44 20 3463 5061

Email: oliver.stansfield@brandonhillcapital.com

**Alex Walker**

Tel: +44 20 3463 5018

Email: alex.walker@brandonhillcapital.com

**Pierre Iseux**

Tel: +44 20 3463 5024

Email: pierre.iseux@brandonhillcapital.com

### Research

**Peter Rose**

Tel: +44 20 3463 5034

Email: peter.rose@brandonhillcapital.com

**William Arnstein**

Tel: +44 20 3463 5020

Email: william.arnstein@brandonhillcapital.com

### Corporate Finance & Broking

**Jonathan Evans**

Tel: +44 20 3463 5016

Email: jonathan.evans@brandonhillcapital.com

**Wei Jiao**

Tel: +44 20 3463 5019

Email: wei.jiao@brandonhillcapital.com

**Robert Beenstock**

Tel: +44 20 3463 5023

Email: robert.beenstock@brandonhillcapital.com