

**MINING FLASHNOTE**

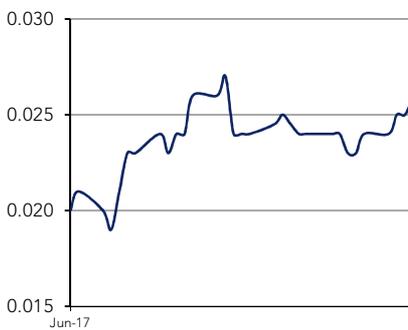
# Calidus Resources Ltd (CAI ASX)

03 August 2017

**Stock Data**

Share Price:	A\$0.026
Market Cap (M):	A\$18.7
EV (M):	A\$17.7

**Price Chart**



**52 Week Range**

A\$0.029	A\$0.026	A\$0.019
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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	30.25%
Eight Investment Partners	5.04%
David Reeves	0.79%
Keith Coughlan	0.62%

Source: Bloomberg

**Peter Rose**  
 Tel: +44 (0)20 3463 5034  
 Peter.Rose@brandonhillcapital.com  
 www.brandonhillcapital.com

## Calidus Announces Further Consolidation of Warrawoona Project

### Event

Calidus Resources ("Calidus") has announced the acquisition of a 50% interest in the exploration licences E45/4555 and E45/4843 which both lie along strike to the north-west of the existing Klondyke Resource.

### Terms of the Agreement

The terms of the agreement with Epminex, are that on the granting of each individual tenement application, Calidus will pay \$2,000 and issue 10,000 shares per graticular block. Calidus may purchase the remaining 50% anytime in the following 2 years by paying a further \$5,000 and issuing 20,000 shares per graticular block. The two recently granted licences total 9 graticular blocks resulting in a total cash payment of \$18,000 and issuance of 45,000 shares, 15,000 of which were issued previously.

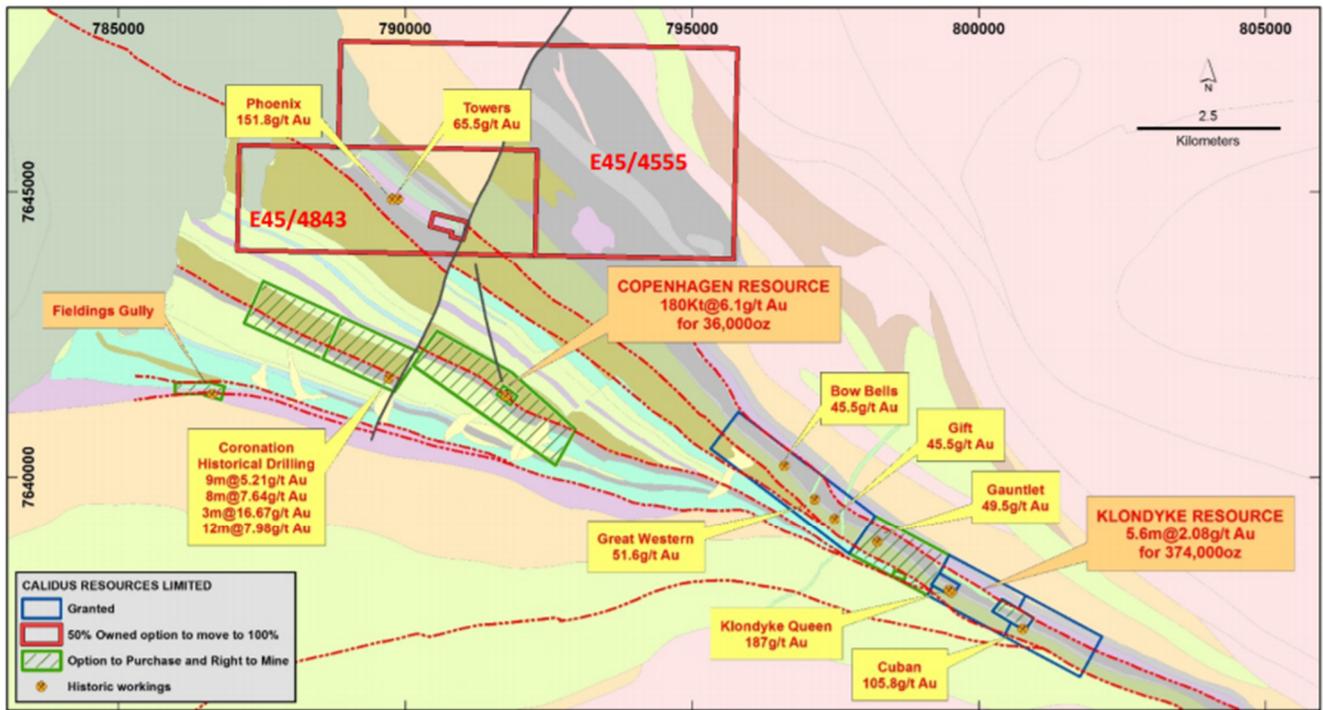
### Comment

This is the execution of the Epimex Agreement which was disclosed in the Calidus prospectus dated 8 May 2017. It continues Calidus's focus of consolidating the existing tenements on the known shear zones that host the current Klondyke Mineral Resource and clearly follows the Calidus strategy of controlling the entire greenstone belt in order to maximise gold resources for a potential mine development in the near term.

The tenements contain numerous high-grade historic gold mines. These include the Phoenix and Towers mines where the grades were 151.8 and 65.5g/t respectively. If these two mines are typical of most old Australian gold mines, then only the high grade core has been mined by the "Old Timers" and there will be significant amounts of lower grade material surrounding this core, some of it quite shallow, that will be extremely profitable with today's gold prices and processing techniques.

There is now only one Epminex tenement application (E45/4556) outstanding that covers the majority of the Marble Bar goldfield that produced 170,000 ozs of gold from 196,500 t. This is located to the north of the existing leases towards Marble Bar. The obvious outstanding acquisition are the leases to the south-east of the Epimex leases bordering the current Klondyke leases.

Figure: Location of New Tenements



\*Grades shown are average life of mine grades from the historical workings named

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.

**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 03 August 2017

<u>Company Name</u>	<u>Disclosure</u>
Vast Resources (VAST AIM)	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