

MINING FLASHNOTE

# Calidus Resources Ltd (CAI ASX)

25 October 2018

### Stock Data

Share Price:	A\$0.027
Market Cap (M):	A\$38.3
EV (M):	A\$32.2

### Price Chart



### 52 Week Range

A\$0.025	A\$0.027	A\$0.051
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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	32.3%
Alkane Resources	8.81%
Bank of Nova Scotia	3.29%
Eight Investment Partners	1.89%
Celtic Capital	1.31%

Source: Bloomberg

## Calidus Announces Update on Disposal of Non-Core Conglomerate Gold Rights

### Event

Calidus Resources ("Calidus") has the execution of a definitive agreement with Pacton Gold Inc (TSXV:PAC) (Pacton) with regards the disposal of non-core conglomerate gold rights over certain tenements at Warrawoona (Gold Rights) in consideration for 7M shares in Pacton (Pacton Shares).

### Comment

This deal was originally announced on the 28<sup>th</sup> of August when Calidus entered into a binding letter of intent for the consideration of 7M Pacton shares which had a value of A\$3.5M at that time. They are currently worth A\$2.66M. Calidus may be entitled to the issue of up to 3M additional shares in Pacton on the date 12 months after the date of execution of the definitive agreement dependent on the performance of Pacton's share price.

The only condition precedent to completion remains the approval of the TSXV for the transaction. This transaction allow Calidus to fully focus on the development of its conventional shear hosted deposit where they are currently have 2 drill rigs turning whilst maintaining exposure to the conglomerate gold space which is seeing a lot of time and money invested in it.

Under the terms of the LOI, a definitive agreement needs to be executed prior to the completion of the transaction. This definitive agreement has been executed and the transaction (including the issuance of the Pacton Shares to Calidus) will now be submitted to the TSXV for approval. This approval is expected to take up to 45 days at which time a further announcement will be made.

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## Research Disclosures

### Peter Rose

Peter has 32 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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<b>Hold</b>	Recommendation implies that expected total return of between 15% and zero is expected over 12 months between current and analysts' target price.
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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 25 October 2018

Company Name	Disclosure
Calidus Resources Limited (CAI ASX)	1, 2, 7, 8, 9

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