

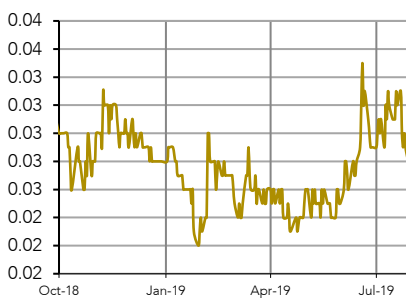
# Calidus Resources Ltd (CAI ASX)

30 July 2019

## Stock Data

Share Price:	A\$0.03
Market Cap (M):	A\$55.8
EV (M):	A\$51.8

## Price Chart



## 52 Week Range

A\$0.038	A\$0.03	A\$0.021
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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	30.5%
Alkane Resources (ASX ALK)	15.2%
Novo Resources (TSX NVO)	3.8%

Source: Calidus Resources & Bloomberg

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## Calidus Announces High Grade Intercepts to Underpin Resource Upgrade

### Event

Calidus Resources ("Calidus") has announced some high grade drill intercepts from infill drilling inside and adjacent to the PFS Klondyke open pit shells.

### Highlights

Best infill drilling intercepts:

- 19SGRC078 13m @ 11.1g/t from 30m, incl 1m @ 107.16g/t from 36m
- 19SGRC081 13m @ 5.58g/t from 46m
- 19SGRC075 12m @ 1.73g/t from 23m
- 19KLRC195 10m @ 6.81g/t from 47m, incl 1m @ 50.8g/t from 49m
- 19KLRC201 22m @ 2.13g/t from 19m
- 19KLRC193 7m @ 1.64g/t from 79m, 9m @ 1.19g/t from 95m and 5m @ 3.16g/t from 126m

### Comment

The infill drilling was planned with a view of de-risking the inferred resources in order that the reserves can be upgraded. Additional open pit reserves may be added by increasing pit depth in areas of low drill density. The results will also provide detailed knowledge of the orebody for accurate grade modelling. Importantly, any increase in reserves will extend the current 6 year mine life. The high-grade tenor of the results confirms that areas of the pit will contain bonanza grades.

The results highlighted are the best from a 32 RC and AC drill programme for 3,745m from a larger 42 hole programme for 4,967m. 11 RC holes were drilled into the St George PFS pit designs to assist in converting these resources to an Indicated category. The best of these are listed above, with the SGR prefixes. The exact locations of these drill holes are shown in Exhibits 1 & 2, overleaf.

The drilling on the eastern side of the Klondyke PFS pit design was planned to increase resources in an area that had limited drill density and as a result allow the PFS pit design to be driven deeper. The significant intercepts are highly encouraging and appear to have achieved their aim.

The key takeaways from these results are that bonanza grades and that the mining widths are excellent. Further, most of the results are very shallow. A second drill rig is about to be mobilised for the remainder of 2019 which should give an excellent news flow.

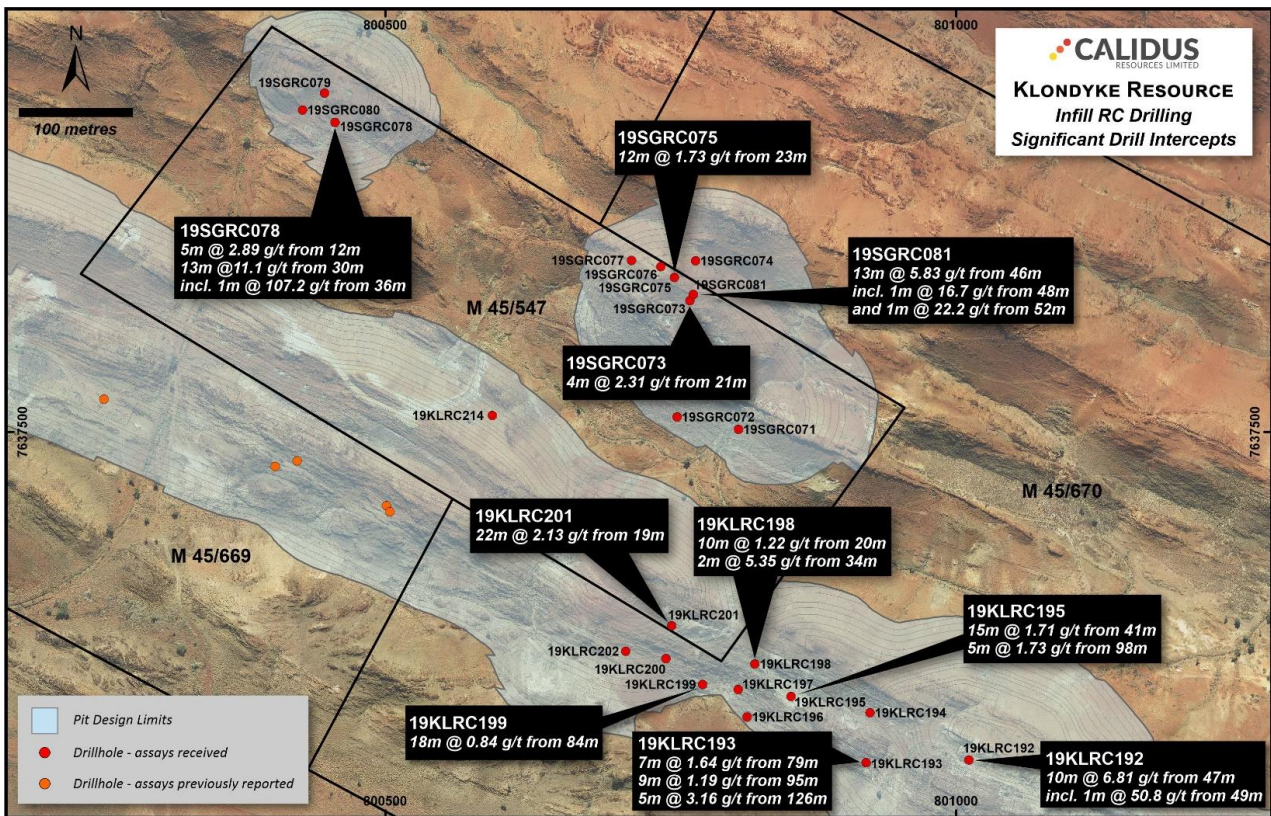
4 first-pass wide spaced RC holes were drilled into a strong chargeability anomaly modelled across the Highway Shear immediately adjacent to the Klondyke Mineral Resource. Initial assays have now been received with a best intercept of 1m @ 0.57g/t Au from 48m in 19HWRC006. Whilst not yet of ore

grade, the initial programme has provided critical information to target and further refine the Company’s exploration model in this area.

A further 12,000m drilling programme is now underway and part of the focus will be on extending the underground resource at Klondyke. This programme has been designed with 3,900m of RC drilling targeting the conversion of Indicated Resource to Measured Resource for the first year of mining in the Klondyke Pit and allow subsequent conversion to Proven Reserves. A further 6,550m of diamond drilling with RC pre-collars targeting the underground area of the Klondyke mineralised system are planned with a view to improving and converting these resources to Indicated and allow subsequent conversion to Ore Reserves and 1,600m of Resource infill/upgrade drilling at Klondyke East testing a shallow W-dipping plunge to high-grade mineralised shoots identified during structural mapping of the Klondyke deposit. This drilling is targeted to add shallow reserve ounces in an extended open pit.

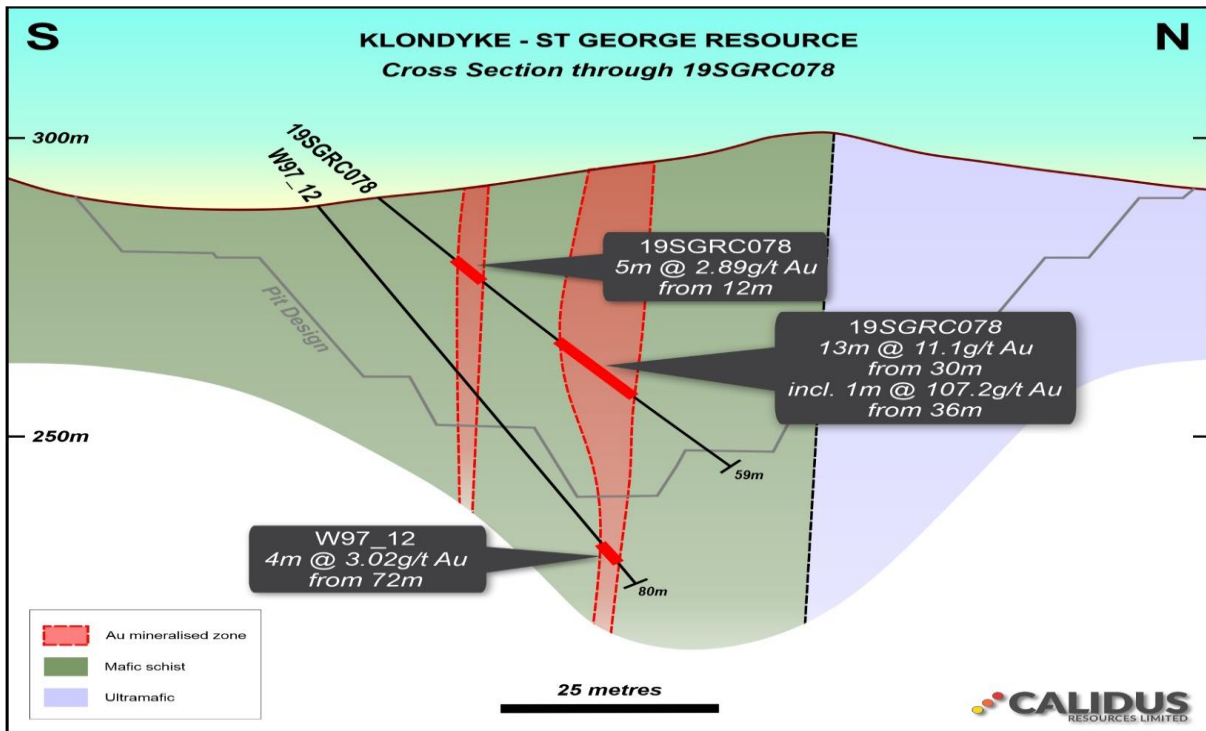
A revised resource estimate is targeted for completion Q1 2020, once these programmes have been completed and the 3D geological model refined.

**Exhibit 1: Significant drill intercepts from 42 hole programme**



Source: Calidus Resources

Exhibit 2: Klondyke Resource, cross-section through 19SGRC078 which lies within a PFS pit shell on the St George geological shear structure parallel to and immediately north of the Klondyke shear structure.



Source: Calidus Resources

## Research Disclosures

### Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 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 30 July 2019

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

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