

MINING FLASHNOTE

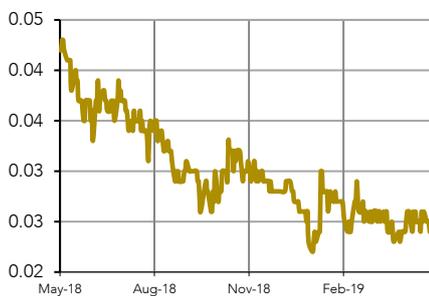
Calidus Resources Ltd (CAI ASX)

28 May 2019

Stock Data

Share Price:	A\$0.026
Market Cap (M):	A\$39.0
EV (M):	A\$35.1

Price Chart



52 Week Range

A\$0.021	A\$0.026	A\$0.043
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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 (ASX ALK)	10.2%
Novo Resources (TSX NVO)	4.0%

Source: Calidus Resources & Bloomberg

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Calidus Announces Geophysical Survey Significantly Enhances Warrawoona Exploration Potential

Event

Calidus Resources ("Calidus") has announced the results from the recent Induced Polarisation (IP) survey at its Warrawoona gold project in WA's Pilbara which has highlighted the potential for further growth in the 1.25Moz Resource at Warrawoona.

Highlights

- Strong chargeability anomaly modelled across the Highway Shear immediately adjacent to the 1.15M oz Klondyke Mineral Resource
- IP modelling indicates mineralised structures are sub-vertical and remain open at depth
- Drill testing of geophysical targets planned for 2H of CY19
- Regional drilling programme complete with results pending
- Resource infill drilling commenced
- PFS on track for delivery in July 2109

Comment

The IP reconnaissance programme highlighted a parallel shear 400m south of Klondyke buried at a depth of approximately 60-80m with similar chargeability signatures to the 1.15Moz Klondyke deposit. This reinforces Calidus' view that the deposit represents a much larger system than current drilling suggests.

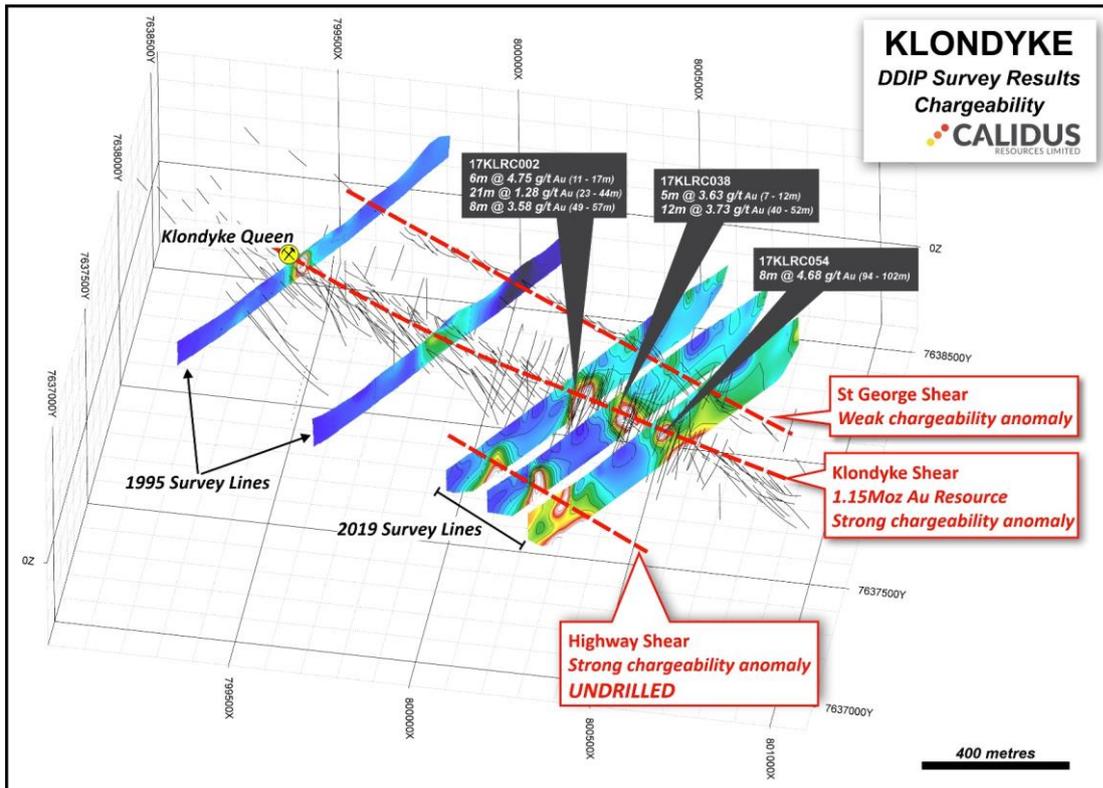
"The IP traverses show a clear correlation between gold mineralisation and IP anomalism and we are excited to further examine the strong Klondyke-style chargeability anomaly identified over the Highway Shear which has never been drilled," Mr Reeves, the CEO said "As the Highway Shear is located immediately adjacent to the planned 2km-long open pit and underground being contemplated in the PFS, we will undertake drilling here in Q3 as a priority".

It actually has to be a priority as the Highway Shear lies under the proposed waste rock dump. We believe that the waste rock dump will need to re-sited as a result and our immediate thoughts were that this could lead to a delay in the completion of the PFS. Further, the Highway Shear has never been drill tested and has the potential to add significant resources to the current 1.25M oz. resource.

In many ways, the Warrawoona project is reminiscent of the El Penon mine in northern Chile. Here, multiple veins were discovered, each approximately 1km apart but each one roughly 100-150m deeper than the preceding vein. This has a substantial impact on ore resources.

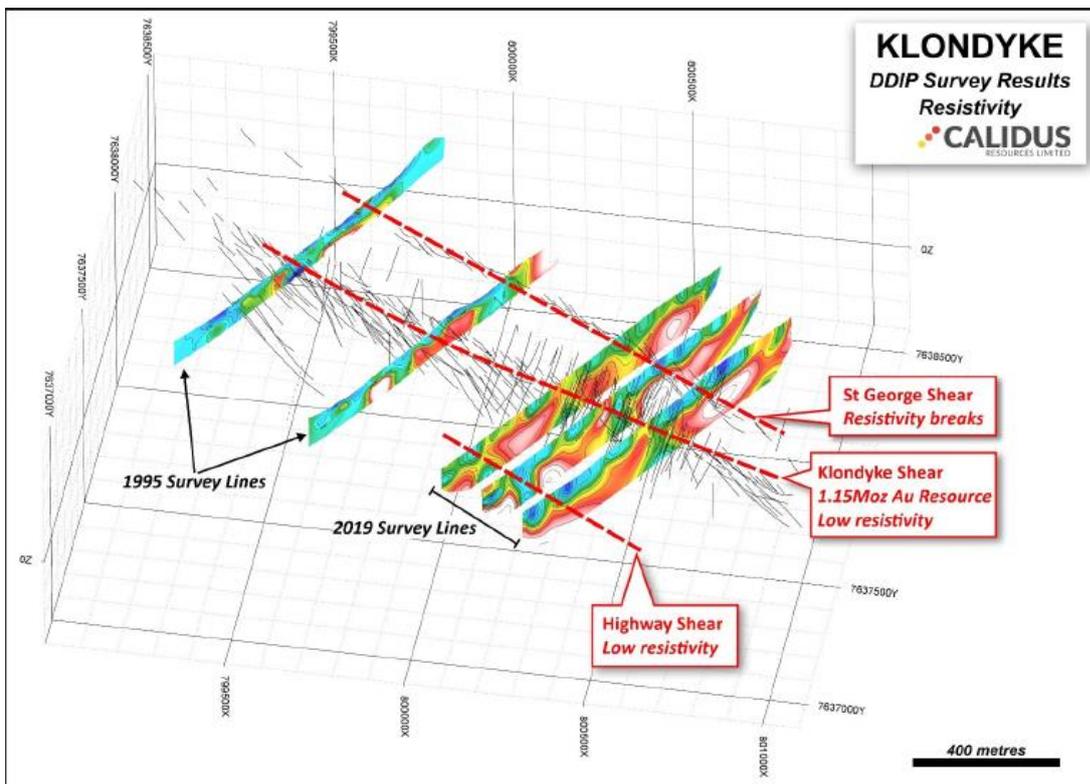
BHC always believed that the Warrawoona project would be a multi-million ounce resource eventually, and the discovery of the Highway Shear only serves to reinforce our view.

Exhibit 1: Chargeability results, 3D perspective



Source: Calidus Resources

Exhibit 2: Resistivity results, 3D perspective



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 Disclaimers

Research disclosure as of 28 May 2019

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

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