

# Calidus Resources Ltd

## (CAI \$0.03) Speculative Buy

**Analyst**  
Andrew Clayton

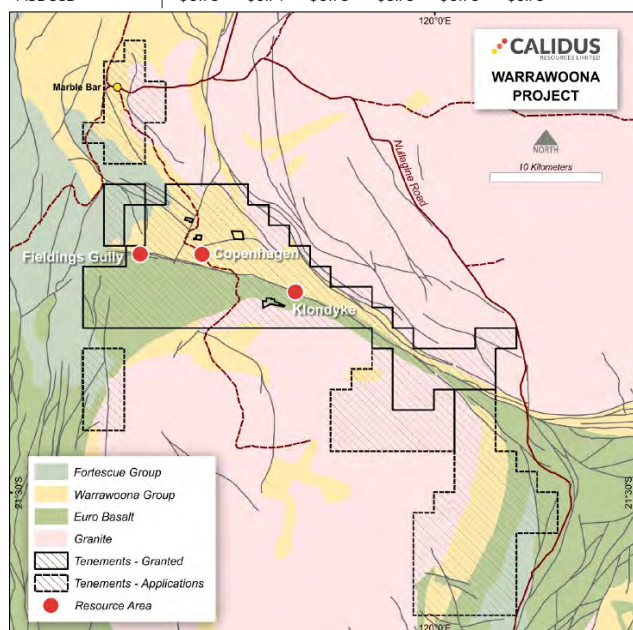
**Date**  
December 2018

**Price Target**  
\$0.055/sh

### Comments

- Resource upgrade planned in Q1 CY'19 and we believe a target of >1moz is achievable.
- Parallel St George's Shear located 150m to north of Klondyke is mineralized with further results pending.
- Deeper drilling at Klondyke has intersected some high grade mineralization at depth.
- Scoping study work reveals excellent metallurgical response and likely to be a conventional CIL plant option. PFS to commence in Q1 CY'19.
- Placement to ALK (9.2%). Cash of \$7.5m sufficient to complete PFS.
- High grade and shallow depth could see CAI develop into a +100koz pa producer in the medium term.

Euroz Forecast	FY'19	FY'20	FY'21	FY'22	FY'23	FY'24
Gold (USD)	\$1,263	\$1,288	\$1,350	\$1,350	\$1,350	\$1,350
AUDUSD	\$0.75	\$0.74	\$0.75	\$0.75	\$0.75	\$0.75



Source: Calidus Resources Ltd

### Investment Case

We continue to believe there is excellent potential for a >1moz resource to be defined with the Klondyke shear zone only tested over 4km of its 12km strike. First pass drilling at St George demonstrates mineralization is present and is very encouraging. The high grade, shallow depth and continuous nature of the mineralisation is encouraging and we believe CAI has the potential to become a mid cap >100koz pa gold producer if results continue to stack up. We set a Price Target of \$0.055/sh predicated on a >1moz resource

### Our Market Sensitivity

**Price Target - \$0.055/sh**  
**Valuation - \$0.055/sh**

#### Bull Scenario - \$0.12/sh

Project develops into a mid tier >100koz pa gold producer with a mine life of >5yrs.

#### Base Scenario - \$0.055/sh

Total resource of >1moz is defined

#### Bear Scenario - \$0.02/sh

No further resource growth and project stalls.

### Company Summary

Calidus Resources (CAI) is a gold exploration company focussed on Warrawoona Gold Project, located in the Pilbara Goldfield, WA. Current project Resource is 9.9Mt at 2.06g/t Au containing 654koz. CAI aim to define a Resource and Reserve with the capacity to support a minimum of 100kozpa for 5+ years.

A 50,000m drill program is anticipated for 2018, aiming to firm up the Warrawoona Gold Project.

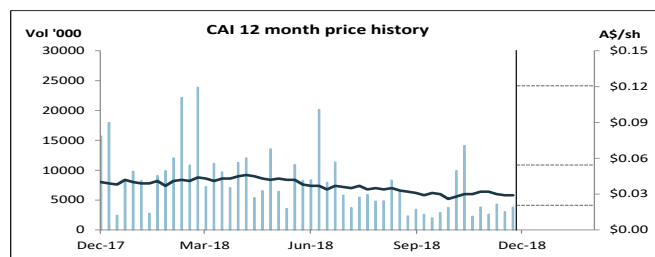
### Market Statistics

<b>Share Price</b>	<b>\$0.030 A\$/sh</b>
Issued Capital	
FP Ord	704.1 m
Opt @ var prices	105.0 m
Rights @ var prices	582.6 m
<b>Total Dil. FPOrd</b>	<b>1,391.7 m</b>
Market Capitalisation	\$25 m
Enterprise Value	\$17 m
Debt	\$- m
Cash	\$7.9 m

### Year End 30 June

<b>Directors</b>	
M Connolly	NE Chair
D Reeves	MD
A Miethke	NE Dir
KCoughlan	NE Dir
<b>Shareholders</b>	
Keras Resources PLC	31.00%
8IP	5%

### Share Price Performance

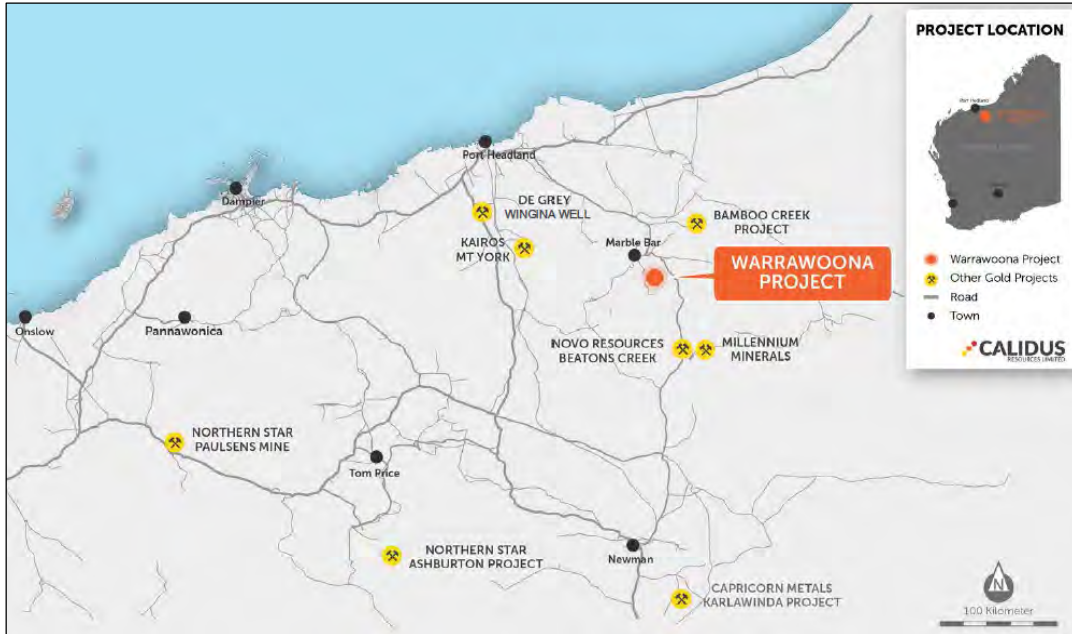


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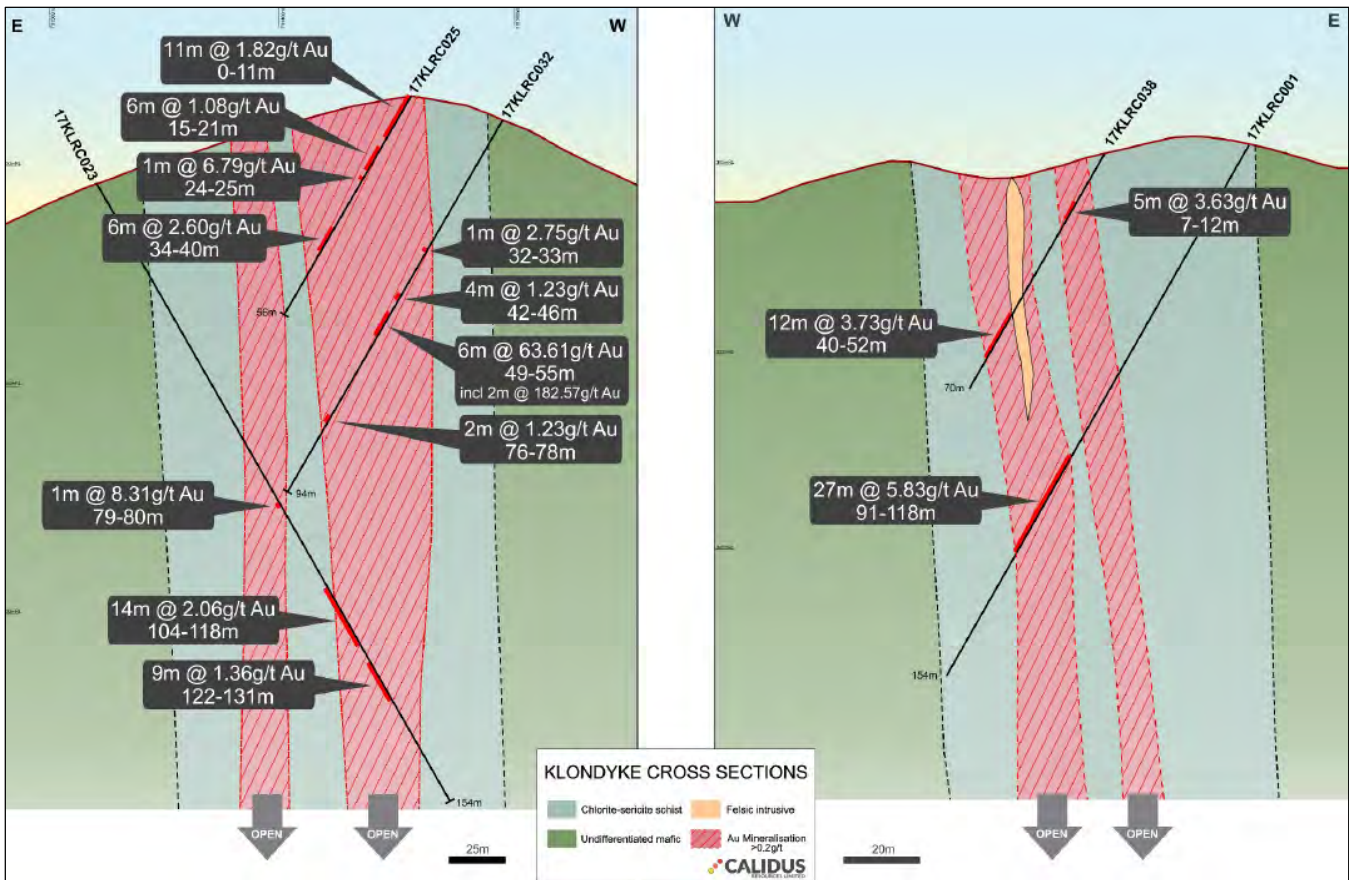
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RESOURCES QUARTERLY DECEMBER 2018

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Source: Calidus Resources Ltd



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## Contact Details

**Euroz Securities Limited** +61 8 9488 1400

### International Toll Free

(If calling to Euroz from the following Countries)

Germany	0800 1800 554
Switzerland	0800 835 385
Hong Kong	800 900 936
Malaysia	1800 805 002
Singapore	800 6161 759
New Zealand	0800 441 271
USA	18 772 804 390
United Kingdom	08 000 929 851

### Research Analysts

Jon Bishop - Head of Research	+61 8 9488 1481
Andrew Clayton - Resources Analyst	+61 8 9488 1427
Michael Emery - Resources Analyst	+61 8 9488 1430
Ben Laird - Industrials Director	+61 8 9488 1429
Gavin Allen - Industrials Analyst	+61 8 9488 1413
Seth Lizee - Associate Research Analyst	+61 8 9488 1414

### Institutional Sales

Andrew McKenzie - Executive Chairman	+61 8 9488 1407
Rob Black - Managing Director	+61 8 9488 1423
Jay Hughes - Executive Director	+61 8 9488 1406
Russell Kane - Executive Director	+61 8 9488 1426
Simon Yeo - Executive Director	+61 8 9488 1404
Timothy Bunney - Executive Director	+61 8 9488 1461
Peter Schwarzbach - Executive Director	+61 8 9488 1492
Stacy Kitsantas - Institutional Adviser	+61 8 9488 1486

### Private Client Advisers

Chris Webster - Head of Private Clients	+61 8 9488 1412
Ben Statham - Executive Director	+61 8 9488 1417
Brian Bates - Executive Director	+61 8 9346 0314
Cameron Murray - Executive Director	+61 8 9488 1440
James Mackie - Executive Director	+61 8 9488 1416
Lucas Robinson - Executive Director	+61 8 9488 1424
Ryan Stewart - Executive Director	+61 8 9488 1441
Tim Lyons - Executive Director	+61 8 9346 0324
Brett Stapleton - Associate Director	+61 8 9488 1435
Giles McCaw - Associate Director	+61 8 9488 1462
Michael Bowden - Associate Director	+61 8 9346 0307
Richard Gardner - Associate Director	+61 8 9488 1444
Paul Berson - Associate Director	+61 8 9346 0314
Paul Cooper - Associate Director	+61 8 9346 0316
Phil Grant - Associate Director	+61 8 9346 0306
Lauren Walker - Investment Adviser	+61 8 9488 1495
Michael Bartley - Investment Adviser	+61 8 9346 0352
Steve Wood - Investment Adviser	+61 8 9346 0305
Tom Kenny - Associate Adviser	+61 8 9488 1431