16 April 2018

Company Announcements Office, ASX Ltd

Pilbara Exploration Update

Pardoo Project, Western Australia's Pilbara Region

Caeneus Minerals Ltd (ASX: **CAD**) (or "**the Company**") is pleased to announce an exploration update at its 80% owned Pardoo Project in the Pilbara Region, 90km east of Port Headland Western Australia.

- RC drill samples submitted for 50 multi element assays (inc gold)

Highway Project Update

The Company has now completed a 10 hole RC programme at the Company's 80% owned Pardoo Highway Ni/Cu/Co deposit held in a joint venture with Arrow Minerals (ASX: AMD) (refer ASX Announcement 26 October 2017).

The drilling of the RC holes ceased at the end of October, however the physical samples and data were incomplete as after the collection and logging of the samples in the field in November, the samples were immediately placed in storage as a cost saving measure due to the recently resolved suspension and court proceedings. Accordingly, the samples were not processed, tested or analysed and the Company did not have any indication as to the results of the drilling.

The Highway deposit has been a focus for past explorers primarily attempting to identify the source of sulphides for this large, nickel-copper-cobalt deposit. Any detection of Ni/Cu/Co mineralisation within the disseminated sulphides identified from the recent RC programme will be of great interest and form the basis for the next stage of exploration planning for the up and coming field season.

The samples have now recently been collected from storage and submitted for assays with ALS Global. A sample log was also recovered (Figure 1.) and inspected against the field geological logging datasheets recently received. Samples were only collected from those holes that made it to basement or planned target depth (PRC01–PRC07) with other holes abandoned due to unforeseen deep running sands/gravels. The assay results are due in April 2018.

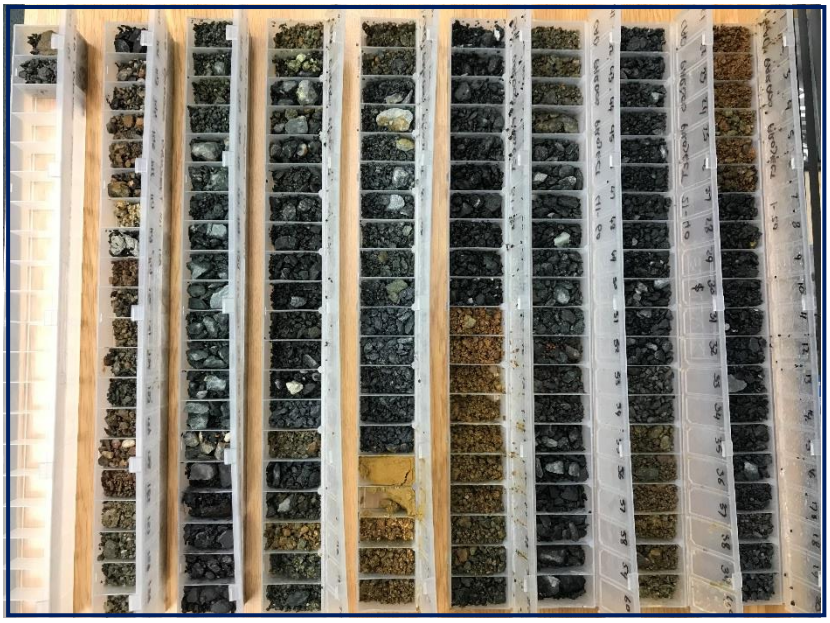

Figure 1. Sample logging library (PRC01–PRC05)

If there is any encouraging anomalous base metals or gold encountered in the assays the Company will plan new high powered ground geophysical surveys to assist in locating the source of the sulphides and commence follow up RC drilling based on favourable geology. Original holes of interest will be investigated for possible down-hole electromagnetics if practical.

The Pardoo Highway Ni/Cu/Co Project is situated in a similar structural setting, adjacent to the major regional Tabba shear zone, as other significant Pilbara based nickel-copper occurrences such as Radio Hill and Sherlock Bay (Figure 2). The Tabba shear fault zone extends for some ~150km and is well endowed with multiple hydrothermal shear related gold deposits also, most notably De Grey Mining's (ASX: DEG) Indee Gold deposits'.

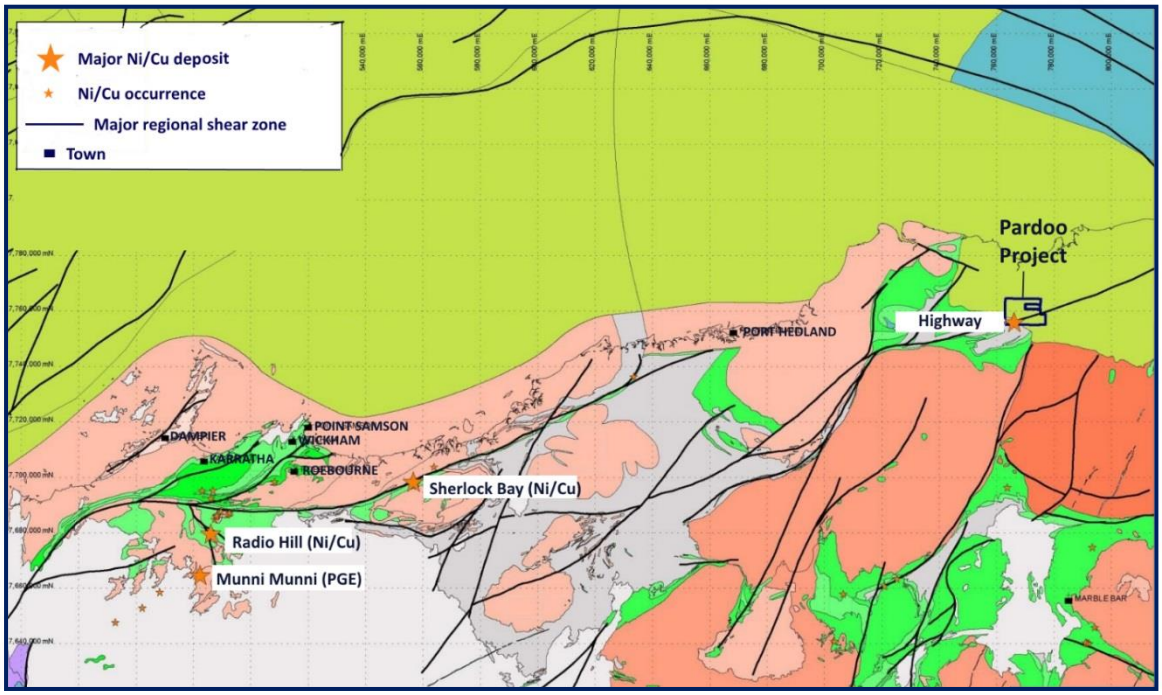

Figure 2. North Pilbara Nickel

The Company looks forward to further keeping the market updated with the results pending over the coming days and planning of future activities at the Pardoo Project.

Hole ID	EOH	DIP	AZI	East	North
PRC01	102	60	160	761239	7754846
PRC02	30	60	160	761502	7754996
PRC03	150	60	160	761526	7754927
PRC04	102	90	0	761664	7755429
PRC05	108	60	160	761682	7755379
PRC06	102	60	155	771331	7758172
PRC07	132	60	155	773355	7759495
PRC08	60	60	325	777068	7762958
PRC09	66	60	140	777702	7765521
PRC10	48	60	145	780292	7763653

Table1. Co-ordinates in MGA Zone 50 surveyed by handheld GPS (+/- 5m accuracy).

For and on behalf of the board

Johnathon Busing

Company Secretary

Visit www.caneus.com.au for additional information including past announcements.

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resources has been compiled under the supervision of Mr Bill Oliver, a consultant to the Company. Mr Oliver is a Member of the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Oliver consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Appendix 1 Caeneus Minerals Limited – Pardoo Project – RC Drilling JORC CODE 2012.

Section1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling technique	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used* • *Aspects of the determination of mineralisation that are material to the Public report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• **Reverse Circulation drilling samples were collected in four meter composites using industry standard techniques and equipment.** • **Entire sample was placed on the ground for use in composite sampling which used the spear technique to be as representative as possible.**
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method etc.).*	• **Reverse Circulation drilling**
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed* • *Measurements taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and wether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• **Recoveries were recorded qualitatively and intervals of small or no sample were recorded. Good recovery was present in the fresh rock where samples were taken for analysis.** • **No assays received so no known relationship.**

	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.* • *The total length and percentage of the relevant intersections logged*	• **All Reverse Circulation holes were logged qualitatively (lithology, weathering, alteration) and quantitatively (% sulphides, % Veining).**
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and wether quarter, half or all core taken.* • *If non-core, whether riffles, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• **Composite samples taken using spear technique** • **Weight taken from each interval aimed to be equal to maximise representivity.**
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• **No assay results are being reported** • **All samples have been sent to ALS Global for testing.**

	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes* • *Documentation of primary data, data entry procedures, data verification, data storage (physically and electronic) protocols.* • *Discuss any adjustment to assay data.*	• **No assay results are being reported**
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resources estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• **Drill collar locations were located using a hand held GPS.** • **Accuracy is +/- 5m.**
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Reserve and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• **Drilling was completed as an initial test of geological features, with only 1 or 2 holes at each target area.**
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• **Orientation of mineralisation not known at this time** • **Drilling planned to test perpendicular to regional scale structures.**

	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• **Samples were freighted directly to the Company's Perth office. The Company's representative then delivered them to the laboratory**
Audits or reviews	• *The results of and audits or reviews of sampling techniques and data.*	• **No audits have been undertaken at this time.**

Section2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenements and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interest, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• **Tenement E 45/4585, E 45/1866-I and E45/4671. Pilbara mineral field. The tenement is 80% held by Caeneus Minerals Ltd and 20% Arrow Minerals Ltd.** • **The tenure is secure and in good standing at the time of writing**
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• **Previous exploration has primarily focused in the known Highway deposit.**
Geology	• *Deposit type, geological settings and style of mineralisation.*	• **Caeneus Minerals is exploring primarily for magmatic hosted Ni-Cu sulphide.**

Drill hole information	• *A summary of all information material for the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *Easting and northing of the drill hole collar*
	  ○ *Elevation or RL (Reduced level-elevation above sea level in metres)and the drill hole collar*
	  ○ *Dip and azimuth of the hole*
	  ○ *Down hole length and interception depth*
	  ○ *Hole length*
		• **Refer Table 1**

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration results, weighing averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• **No assay results are reported** • **No assay results are reported** • **No metal equivalent values have been reported.**
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known')*	• **The geometry of any potential mineralized horizon is unknown** • **No drilling results are included in this release**
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts would be included for any significant discovery being reported. These should include, but not be limited too plan view of drill hole collar locations and appropriate sectional views.*	• **Appropriate plans have been included in the body of the report**
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• **No assay results are reported**

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations, geophysical survey results, geochemical survey results, bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or containing substances.*	• **Detailed in the Company's previous ASX announcements**
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, providing this information is not commercially sensitive.*	• **Further work is dependant apon assay results and most likely to be electromagnetics and or further RC drilling.**