



ASX Announcement
27 March 2017

Exploration Update – Lithium Brine Projects

Caeneus Minerals Ltd (“Caeneus” or “the Company”) is pleased to provide the following exploration update on the progress of its Lithium Brine Exploration Projects in Nevada, USA.

Highlights:

- Slight delay in completion of technical programs due to unusually wet (rain and snow) conditions in southern Nevada.
- Gravity program completed at Scotty’s South confirms presence of sedimentary basin with potential to host lithium brines.
- Gravity program completed at Columbus Marsh confirms simple and broad gravity suggesting a deep basement with a large amount of sedimentary basin cover with the potential to host lithium brines.
- CSAMT results at Columbus Marsh shows a very conductive, homogenous layer for several kilometres below the surface which may be the result of very saturated and conductive clays on surface or truly homogenous and conductive layers in the subsurface.
- Given the continued encouraging data being encountered and further validation from neighbouring work, the Company has decided to evaluate and drill all three brine projects in sequence for the Phase One Drilling Program.
- Targets selected, permitting applications to the Bureau of Land Management (BLM) finalised and drilling scheduled to commence 17 April 2017.

Anticipated Work Timetable – 1H 2017

TASK NAME	March			April			May			June		
	B	M	E	B	M	E	B	M	E	B	M	E
Planning & Permitting	[Grey bar spanning March, April, and May]											
Drilling Program - Scotty's South				[Light blue bar]								
Drilling Program - Lida Valley							[Light blue bar]					
Drilling Program - Columbus										[Light blue bar]		
Analysis							[Dark blue bar]			[Dark blue bar]		
Data Compilation, Reporting & Modelling							[Dark blue bar]			[Dark blue bar]		

Geophysical Work Programs Completed & Interpreted

A summary of the projects, geophysical work undertaken and proposed drill targets as part of the Phase One Drilling Program is as follows:

Scotty's South:

- Large basin comparable in size to Clayton Valley. Potential source rocks of tertiary volcanics are located on the edges of the basin. Streams flow in from all directions.
- Simple and broad gravity, suggesting deep basement. Project at the south end of the gravity low and basin.
- The CSAMT survey imaged a layer of low resistivity coupled by a series of large ovoid low resistivity features, with a particularly low resistivity anomaly to the east of the claims.
- This strongest conductive layer is between 400 and 800 metres depth and is interpreted to have significant potential to host conductive lithium-rich brine aquifers or saturated clays, or both. Proposed hole to target this ("SS-1") as part of Phase One Drilling Program.
- ("SS-4"), on western edge of the project also to be targeted to test the shallower part of the same anomalous layer.
- CSAMT suggests possible brine at a very deep (1.2 to 1.8 kilometres below surface) depth corresponding very well with the bowl of the gravity low. Proposed hole ("SS-2") as part of a possible future drilling campaign. ("SS-3") to test the other side of interpreted fault as part of a possible future drilling campaign.
- Preferred contractor nominated with first drilling scheduled to commence on 17 April 2017.

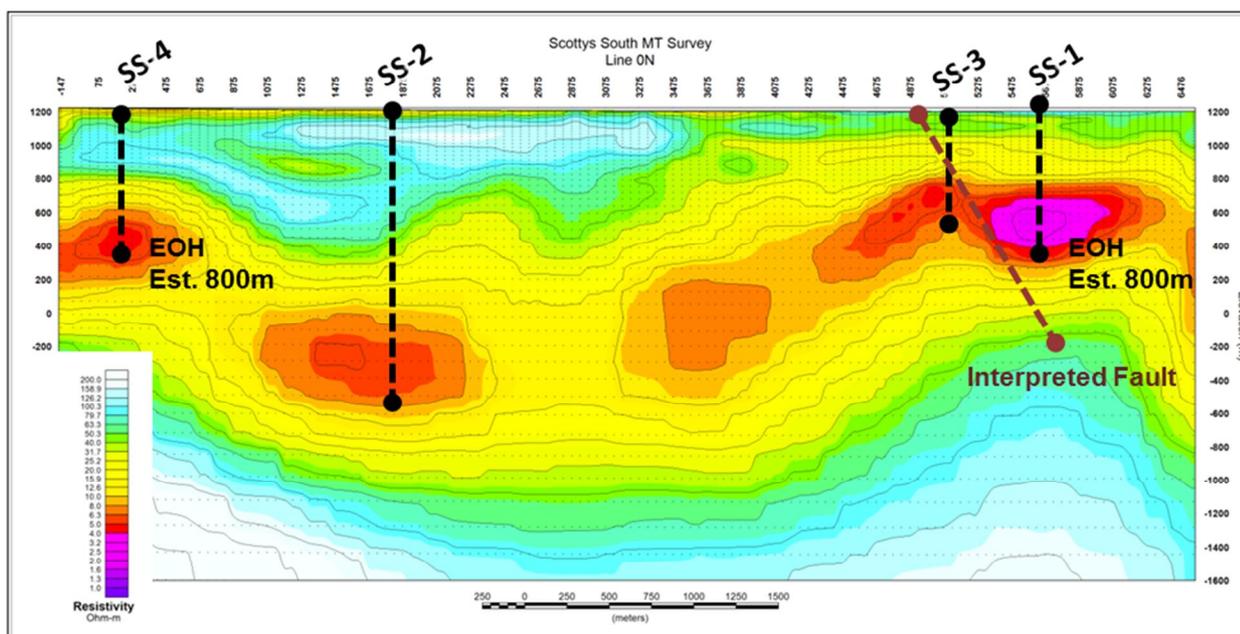


Figure One: CSAMT Survey & Planned Drill Hole Locations (Phase One & Future) – Scotty's South

Lida Valley:

- Montezuma Peak interpreted source for the lithium contained in brine discoveries in the Clayton Valley and it is interpreted that Lida Valley represents the possible southern migration of this flow.
- Complex gravity, reflecting possible shallow basement. The project is situated within a broad gravity-low.
- CSAMT suggests a possible shallow brine at roughly 100 to 300 metres below the surface.
- Several holes (“LV-1 to LV-5”) permitted to test the varying gravity and CSAMT anomalies. Two holes (“LV-1” and “LV-4”) to be drilled as part of Phase One Drilling Program.
- Work commenced clearing drill pads

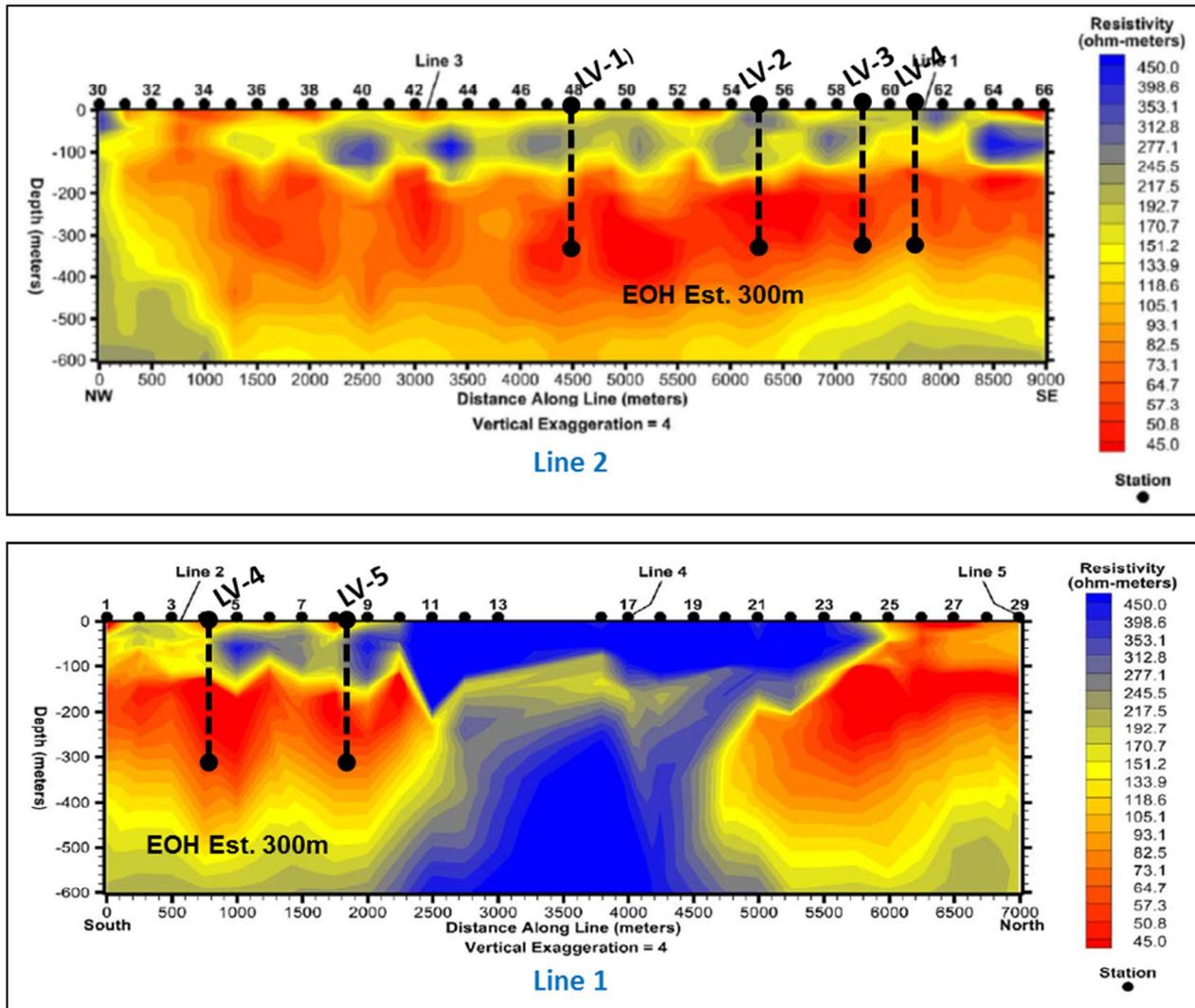


Figure Two: Historical CSAMT Survey (Two Lines) & Permitted Drill Hole Locations – Lida Valley

Columbus Marsh:

- Large mature saline basin, surrounded by tertiary epithermal systems indicating that hot springs activity has been an influence. Clayton Valley is located on trend to the South-East.
- Source rocks include the Fish Lake Valley, Rhodes Marsh, extensive areas of Esmeralda Formation including the entire south-west slope of the basin, and an active geothermal system.
- Simple and broad gravity, suggesting deep basement. Project is at the northern end of the gravity low and in the central part of the basin.
- CSAMT shows a very conductive, homogenous layer for several kilometres below the surface. This may be the result of very saturated and conductive clays on surface or truly homogenous layers in the subsurface.
- One priority hole (“CSM-1”) to test stratigraphy and nature of groundwater with follow up refinement of drill targets as part of future drilling campaign.

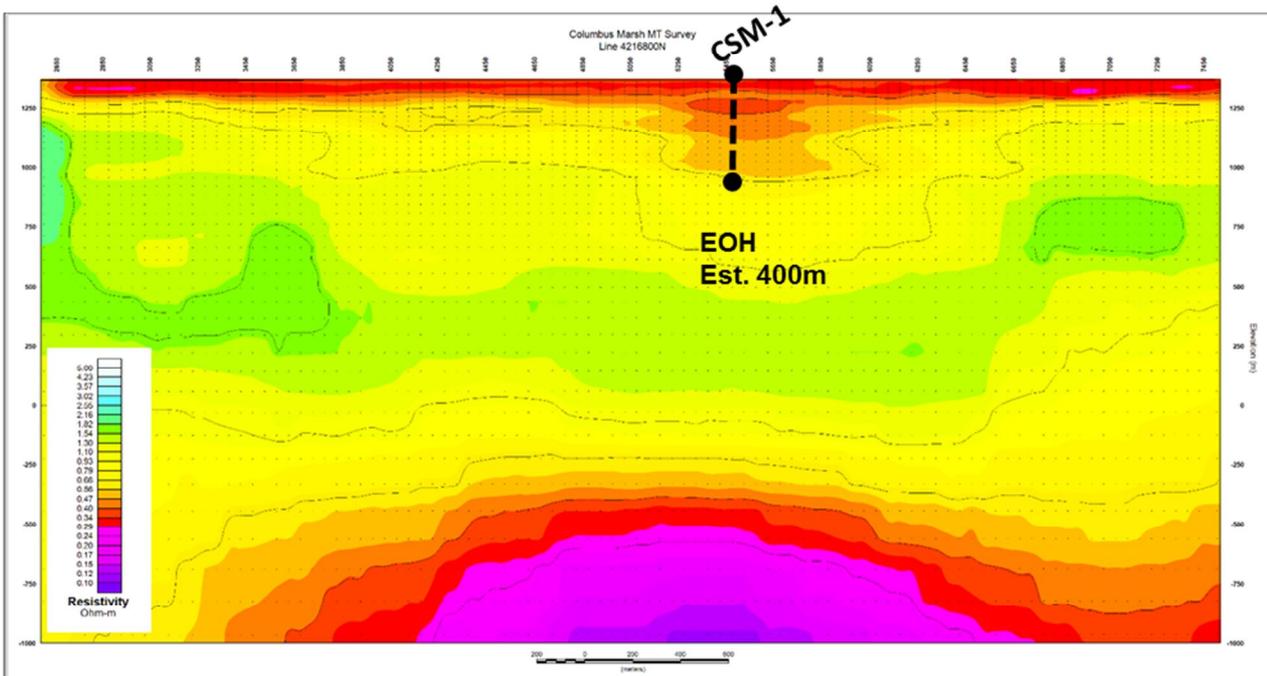


Figure Three: CSAMT Survey & Planned Drill Hole Location – Columbus

Permitting Underway for Scotty's South and Columbus Marsh

Applications to the Nevada Bureau of Land Management (“BLM”) have been finalized and are expected to be submitted to the BLM in the coming days. Given the likely approval time window of the BLM, the Company expects to be able to commence drilling at Scotty’s South on 17 April 2017 and move across to each project in series, thus resulting in economies of scale for mobilisation costs, technical consultants, and so forth.

Preferred Drill Contractor Nominated

O'Keefe Drilling ("O'Keefe") of Butte, Montana have been nominated as the drill contractor for the Phase One Drilling Program. O'Keefe has been established for over fifty years and is considered the driller of choice for working on lithium brines in Nevada, with experience on many projects in the region.

Chip Allender to be Engaged

As previously reported by the Company, Chip Allender has been engaged to oversee the Phase One Drilling Program in assistance to Managing Director, Steve Elliott, and the Mineral Exploration and Project Management team at Dahrouge Geological. Mr. Allender will be critical in working with O'Keefe to provide successful cores from the sedimentary basin as well as water samples from interpreted brine horizons free from containments and water intrusion.

Surrounding Projects

The Company continues to compile and analyse the large amounts of technical data from drilling currently underway on surrounding projects in conjunction with technical consultants, drillers and other specialists. The Company is encouraged by the proven existence of lithium rich horizons having being discovered in relative proximity to all three of the Company's lithium brine exploration projects. Furthermore, active participants in the region are demonstrating strong recoveries associated with the ability to leach lithium from sediments and clays which may represent a new method of commercial lithium extraction.

Conclusion

The Company is pleased to commence the next stage of its growth strategy and to build on its highly encouraging geophysical results. Caeneus Minerals Ltd looks forward to updating the market on further progress on what promises to be an exciting time for the Company's growth aspirations in 2017.

For and on behalf of the Board



Steve Elliott
Managing Director

Competent Person Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Steven Elliott who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Elliott is a director of the Company. Mr Elliott has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Elliott consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.