

Caeneus Minerals Ltd

ACN 082 593 235

and its controlled entities

Annual report for the financial year ended

30 June 2017

Corporate directory

Board of Directors

Mr Keith Bowker	Non-Executive Chairman
Mr Steven Elliott	Managing Director
Mr Michael Nottas	Non-Executive Director

Company Secretary

Mr Keith Bowker

Registered and Principal Office

Suite 1, 56 Kings Park Road
West Perth, Western Australia 6005

Tel: +61 8 9481 0544

Fax: +61 8 9481 0655

Postal Address

PO Box 964
West Perth, Western Australia 6872

Website

Website: www.caeneus.com.au

Auditors

Stantons International
Level 2, 1 Walker Avenue
West Perth, Western Australia 6005

Share Registry

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands, Western Australia 6009
Tel: +61 8 9389 8033
Fax: +61 8 9262 3723

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth, Western Australia 6000

ASX Code

CAD
CADO

Annual report for the financial year ended 30 June 2017

Contents

Directors' report.....	1
Operating and financial review.....	5
Remuneration report.....	9
Auditor's independence declaration.....	16
Independent auditor's report.....	17
Directors' declaration.....	22
Consolidated statement of profit or loss and other comprehensive income.....	23
Consolidated statement of financial position.....	24
Consolidated statement of changes in equity.....	25
Consolidated statement of cash flows.....	26
Notes to the consolidated financial statements.....	27
Additional securities exchange information.....	59
Schedule of tenements.....	62

Directors' report

The directors of Caeneus Minerals Ltd ("Caeneus" or "the Company") submit herewith the annual report of Caeneus Minerals Ltd and its controlled entities ("the Group") for the financial year ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the directors

The names and particulars of the directors of the Company during or since the end of the financial year are:

Name	Particulars
Mr Keith Bowker <i>BCom, CA</i>	Non-Executive Chairman, joined the Board on 17 April 2014. Mr Bowker is a Chartered Accountant and is a founding director of Somerville Advisory Group, a firm which specialises in providing financial reporting, compliance, corporate advisory services and company secretarial services to ASX listed companies predominately within the resources sector.
Mr Steven Elliott <i>BSc, MAusIMM</i>	Managing Director, joined the Board on 18 January 2016. Mr Elliott is a qualified geologist with over 30 years' experience in mineral exploration. He has broad experience as a consultant to the industry as well as directorships of publicly listed ASX companies with various commodities. Mr Elliott has experience within Australia, Asia, Africa and North America and has been accredited and been involved in many exploration discoveries. Mr Elliott was the co-founding director of Helix Resources Limited (ASX: HLX) and founding director of Talisman Mining Limited (ASX: TLM).
Mr Michael Nottas <i>BCom</i>	Non-Executive Director, joined the Board on 17 April 2014. Mr Nottas is a representative with CPS Capital Group Pty Ltd and has participated in several small to mid-tier corporate transactions for ASX listed companies. Mr Nottas previous experience includes several years as a Private Client Advisor with Patersons Securities and has also held positions at Worleyparsons and Fortescue Metals Group.

The above named directors held office during the whole of the financial year and since the end of the financial year.

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Keith Bowker	Mount Ridley Mines Limited	Nov 2015 – Jun 2017
	Zinc of Ireland NL	Oct 2015 -July 2016
	Zinc of Ireland NL*	Since July 2017

* Mr Bowker was re-appointed as director of Zinc of Ireland NL on 31 July 2017.

Directors' shareholdings

The following table sets out each director's relevant interest in shares and options in shares of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares	Share options
	Number	Number
Keith Bowker	11,655,083	75,000,000
Steven Elliott	40,000,000	100,000,000
Michael Nottas	-	25,000,000

Share options granted to directors and senior management

During and since the end of the financial year, an aggregate 200,000,000 share options were granted to the following directors under an Employee Option Plan:

Director	Number of options granted	Issuing entity	Number of ordinary shares held under option
K. Bowker	75,000,000	Caeneus Minerals Ltd	75,000,000
S. Elliott	100,000,000	Caeneus Minerals Ltd	100,000,000
M. Nottas	25,000,000	Caeneus Minerals Ltd	25,000,000

Company Secretary

Keith Bowker BCom, CA

Mr Keith Bowker held the position of company secretary of Caeneus Minerals Ltd at the end of the financial year. Mr Bowker is a founding director of Somerville Advisory Group, a company specialising in providing company secretarial, corporate governance and corporate advisory services.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors have not recommended the payment of a dividend in respect of the financial year.

Shares under option or issued on exercise of options

Details of unissued shares or interests under options as at the date of this report are:

Issuing entity	Grant date	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Caeneus Minerals Ltd ⁱ	Various	2,484,946,697	Ordinary	\$0.003	31 Dec 2020
Caeneus Minerals Ltd ⁱⁱ	Various	1,150,233,917	Ordinary	\$0.005	30 Jun 2021

ⁱ Refer to note 28

ⁱⁱ Refer to note 28

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

Issuing entity	Number of shares issued	Class of shares	Amount paid for shares	Amount unpaid on shares
Caeneus Minerals Ltd	40,264,309	Ordinary	\$0.003	\$nil
Caeneus Minerals Ltd	47,500,000	Ordinary	\$0.003	\$nil
Caeneus Minerals Ltd	37,500,000	Ordinary	\$0.003	\$nil
Caeneus Minerals Ltd	16,000,000	Ordinary	\$0.003	\$nil

Indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the company secretary, Mr Keith Bowker, and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Directors' meeting

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 2 board meetings were held.

Directors	Board of Directors	
	Held	Attended
Keith Bowker	2	2
Steven Elliott	2	2
Michael Nottas	2	2

The directors still maintained frequent communications and as such, other important issues and decisions were authorised and resolved via circular resolutions.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-audit services

The auditors did not perform any non-audit services during the financial year.

Auditor's independence declaration

The auditor's independence declaration is included on page 16 of this annual report.

Operating and financial review

Principal activities

Caeneus Minerals Ltd is an Australian-based mineral exploration and development company established for the purpose of acquiring a portfolio of highly prospective exploration projects or near term development projects in Australia and United States of America.

Operating results

The consolidated loss of the Group for the financial year, after providing for income tax, amounted to \$5,986,386 (2016: \$1,119,723). Further discussion on the Group's operations is provided below:

Review of operations

Acquisition of Nevada Lithium Projects

Acquisition of ATC Resources Pty Ltd

On 19 July 2016, the Company announced the significant expansion of its Nevada lithium portfolio through the execution of a binding terms sheet with ATC Resources Pty Ltd to acquire a 100% interest in the Scotty's South-Sarcobatus Flats and Columbus Marsh lithium brine projects ("Acquisition"). The Acquisition became effective as from 30 November 2016 when shareholder approval was obtained at the Annual General Meeting of the Company.

Scotty's South-Sarcobatus Flats Project

The Scotty's South Project is located 155kms southeast of the Clayton Valley lithium brine operation. The Scotty's South Project is a desert playa lake on Route 95 and comprises 200 claims encompassing about 4,000 acres. The area has highly anomalous lithium with recorded results from salt flats yielding values up to 340ppm lithium. There are several important similarities between Scotty's South and the producing Clayton Valley including both being closed basins and both having similar stratigraphy. Scotty's South is in essence an under-explored analogue of Clayton Valley. The property is also considered to be highly prospective as it is situated in the deepest part of the basin and includes several fault structures highly prospective for trapped brines.

During the year, the Company commenced the Phase One Drilling program (holes SS-1 & SS-4) at the Scotty's South Project following the completion and interpretation of the geophysical work programs.

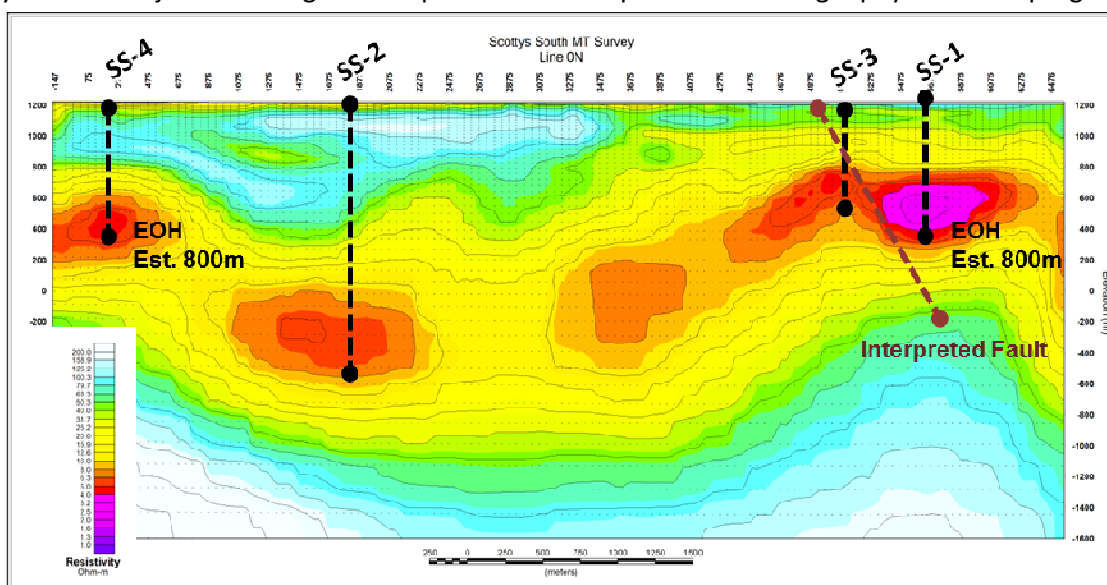


Figure 1: CSAMT Survey & Drill Hole Locations (Phase One & Future) – Scotty's South

The Scotty's South Project was relinquished on 20 June 2017 and as such, all capitalised exploration and evaluation expenditure associated with the Scotty's South Project was impaired.

Columbus Marsh Project

The Columbus Marsh Project is located 45kms to the northwest of the Clayton Valley lithium brine operation. The Columbus Marsh Project was first identified from springs which contained high concentrations of lithium in their waters with groundwater in the southwestern part of the playa assaying 64 mg/l lithium, very high lithium content for groundwater. This high lithium may have been produced from leaching of saline tertiary sediments or by subsurface outflow from the adjacent Fish Lake Valley. Based on USGS data the Columbus playa is fertile with lithium and has high prospective for commercial lithium brines.

The Phase One Drilling program at the Columbus Marsh Project commenced subsequent to the year end and on 19 September 2017, the Company announced the discovery of highly anomalous concentrations of lithium brines within a shallow aquifer at the Columbus Marsh Project. Lithium bearing brines were intersected at a depth of 79.25 meters (260 feet) and continued to a depth of 103.63 meters (340 feet) resulting in a width of the aquifer of 24.38 meters (80 feet).

Acquisition of Nevada Clays Pty Ltd

On 17 October 2016, the Company entered into a binding terms sheet with Nevada Clays Pty Ltd to acquire a 100% interest in the New King Lithium Clay Project ("Acquisition"). The Acquisition became effective as from 30 November 2016 when shareholder approval was obtained at the Annual General Meeting of the Company.

New King Lithium Clay Project

New King is a potential district scale lithium clay project that comprises an area of approximately 250 contiguous placer mineral claim blocks totalling approximately 5,000 acres within Humboldt County, Nevada, USA, approximately 100km north-northwest of Winnemucca and 35km west-northwest of Orovada, Nevada, USA in the western and southern sections of the McDermitt caldera.

Subsequent to the year end, all capitalised exploration expenses relating to the New King Project was fully impaired.

Lida Valley Project

During the year, the Company commenced the Phase One Drilling program at the Lida Valley Project. On 21 August 2017, the Company announced the assay results received from water samples submitted from the two exploration drill holes at the Lida Valley Project. A total of thirty-six (36) samples intersected waters were submitted for analysis and the samples did not display economic quantities of lithium with results below the detection limit of 20mg/l (ppm).

Subsequent to the year end, the Company relinquished the Lida Valley and Muddy Mountain Projects. All capitalised exploration and evaluation expenditure associated with Lida Valley and Muddy Mountain was fully impaired as at 30 June 2017.

Acquisition of Nevada Lithium Projects

Whilst the Company is primarily focussed on progressing its Nevada lithium portfolio, the Company was pleased to announce on 28 September 2017 that it had acquired the Stage 2 Interest, being 80% of the highly prospective Pardoo Nickel Project in Western Australia.

The Pardoo Nickel Project is located in the Northern Pilbara, 100kms east of the regional centre of Port Hedland. The Project is prospective for magmatic nickel-copper sulphides. A current inferred resource of 44.7mt @ 0.3% Ni and 0.13% Cu exists at the sedimentary hosted Highway Deposit (Figure 1).



Figure 1: Pardoo Nickel Project location map showing tenement portfolio

Capital Raisings and Exercise of Options

During the year ended 30 June 2017, the Company successfully completed several capital raisings for a total amount raised of \$3,380,133 (before costs).

The Company also raised a total of \$423,793 from the exercise of its 31 Dec 2020 options.

Competent Persons Statement

The information that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Steven Elliott who is a Member of the Australian Institute of Mining and Metallurgy. Mr Elliott is a director to 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 annual report of the matters based on his information in the form and context in which it appears.

Subsequent events

On 28 September 2017, the Company announced it had acquired the Stage 2 Interest, being 80% of the highly prospective Pardoo Nickel Project. The Company and Segue Resources Ltd (ASX: SEG) agreed via the execution of a Second Deed of Variation that the Company can satisfy the original Agreement (refer to ASX announcement dated 28 October 2015) and earn the Stage 2 Interest by issuing Segue Resources Limited 58,333,333 fully paid ordinary shares in the Company at a deemed issue price of \$0.003 each.

On 21 August 2017, the Company announced the assay results from water samples submitted from the two (2) exploration drill holes at the Lida Valley Project. The samples did not display economic quantities of lithium with results below the detection limit of 20mg/l (ppm). The Company also stated that drilling at the Columbus Marsh Project has commenced following temporary suspension due to heavy unseasonal rainfall.

On 19 September 2017, the Company announced the discovery of highly anomalous concentrations of lithium brines within a shallow aquifer at the Columbus Marsh project. Lithium bearing brines were intersected at a depth of 79.25 meters (260 feet) and continued to a depth of 103.63 meters (340 feet) resulting in a width of the aquifer of 24.38 meters (80 feet). The Company also announced that it had relinquished its Lida Valley and Muddy Mountain Project tenures.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future developments, prospects and business strategies

Disclosure of detailed information on likely developments in the operations of the Group and the expected results of operations have not been included in this annual financial report because the directors believe it would likely to result in unreasonable prejudice to the Group. The Group will continue with the process of identifying and assessing new investments opportunities and assets for acquisition for its future growth prospects with a focus on lithium, nickel and base metals.

Environmental regulations

The Group's operations are not subject to significant environmental regulation under the Australian Commonwealth or State law and the United States of America's laws.

Corporate governance

The directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The Company's Corporate Governance Statement and its compliance with ASX guidelines can be found on the Company's website at www.caeneus.com.au. The policies and compliance as stated were in place for the whole year and are current as at the date of this report.

Remuneration report (audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Caeneus Minerals Ltd's key management personnel for the financial year ended 30 June 2017. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and Group performance
- remuneration of key management personnel
- key terms of employment contracts.

Key management personnel

The directors and other key management personnel of the Group during or since the end of the financial year were:

Non-executive directors	Position
Mr Keith Bowker	Non-executive Chairman
Mr Michael Nottas	Non-executive Director
Executive directors	Position
Mr Steven Elliott	Managing Director

The named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration policy

Caeneus's remuneration policy, which is set out below, is designed to promote superior performance and long term commitment to the Group.

As at the date of this report, the Group has two (2) non-executive directors, and one (1) executive director. As set out below, total remuneration costs for the 2017 financial year were \$717,408 up from \$239,364 for the previous financial year.

Non-executive director remuneration

Non-executive directors are remunerated by way of fees, in the form of cash, non-cash benefits, and do not normally participate in schemes designed for the remuneration of executives.

Shareholder approval must be obtained in relation to the overall limit set for the non-executive directors' fees. The maximum aggregate remuneration approved by shareholders for non-executive directors is \$300,000 per annum. The directors set the individual non-executive director fees within the limit approved by shareholders.

Executive director remuneration

Executive directors receive a base remuneration which is market related, and may be entitled to performance based remuneration, which is determined on an annual basis.

Overall remuneration policies are subject to the discretion of the board and can be changed to reflect competitive and business conditions where it is in the interests of the Group and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the board having regard to the performance, relevant comparative information and expert advice.

The board's remuneration policy reflects its obligation to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles are:

- (a) remuneration reflects the competitive market in which the Group operates;
- (b) individual remuneration should be linked to performance criteria if appropriate; and
- (c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives consists of the following:

- (a) salary – executives receive a fixed sum payable monthly in cash;
- (b) cash at risk component – executives may participate in share and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the board considers it appropriate to issue shares and options to executives outside of approved schemes in exceptional circumstances; and
- (c) other benefits – executives may, if deemed appropriate by the board, be provided with a fully expensed mobile phone and other forms of remuneration.

The board has not formally engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by directors or other key management personnel during the financial year.

Relationship between the remuneration policy and Group performance

The board considers that at this time, evaluation of the Group's financial performance using generally accepted measures such as profitability, total shareholder return or per company comparison are not relevant as the Group is at an early stage in the implementation of a corporate strategy that includes the identification and acquisition of new business opportunities as outlined in the directors' report.

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2017:

	30 June 2017 \$	30 June 2016 \$	30 June 2015 \$	30 June 2014 \$	30 June 2013 \$
Revenue	19,232	1,073	53,756	48,343	8,161
Net (loss)/profit before tax	(5,986,386)	(1,119,723)	(1,422,717)	(3,034,797)	(159,764)
Net (loss)/profit after tax	(5,986,386)	(1,119,723)	(1,422,717)	(3,034,797)	(159,764)
Share price at start of year	0.003	0.01	0.01	0.01	0.02
Share price at end of year	0.004	0.003	0.01	0.01	0.01
Basic loss per share (cents per share)	(0.13)	(0.08)	(0.23)	(0.74)	(0.05)
Diluted loss per share (cents per share)	(0.13)	(0.08)	(0.23)	(0.74)	(0.05)

Voting and comments on the Remuneration Report at the 2016 Annual General Meeting

At the Company's 2016 Annual General Meeting ("AGM"), a resolution to adopt the 2016 remuneration report was put to a vote and passed unanimously on a show of hands with proxies received also indicating majority. 99.77% of validly appointed proxies were in favour of adopting the remuneration report. No comments were made on the remuneration report at the AGM.

Remuneration of key management personnel

2017	Short-term employee benefits			Post-employment benefits	Share-based payment	Total
	Salary & fees \$	Unpaid salary & fees \$	Other \$	Superannuation \$	Options \$	
Directors						
Keith Bowker ¹	60,000	-	90,000	-	145,278	295,278
Steven Elliott	150,000	-	-	-	193,704	343,704
Michael Nottas	30,000	-	-	-	48,426	78,426
Total	240,000	-	90,000	-	387,408	717,408

¹ Amounts in 'Other' represent company secretarial and accounting fees as per an agreement with Somerville Advisory Group (Somerville). Mr Bowker is a director of Somerville.

2016	Short-term employee benefits			Post-employment benefits	Share-based payment	Total
	Salary & fees \$	Unpaid salary & fees \$	Other \$	Superannuation \$	Options \$	
Directors						
Keith Bowker ¹	30,000	-	86,864	-	-	116,864
Steven Elliott ²	50,000	25,000	-	-	-	75,000
Michael Nottas	30,000	-	-	-	-	30,000
Antony Sage ³	17,500	-	-	-	-	17,500
Total	127,500	25,000	86,864	-	-	239,364

¹ Amounts in 'Other' represent company secretarial and accounting fees as per an agreement with Somerville Advisory Group (Somerville). Mr Bowker is a director of Somerville.

² Appointed 18 January 2016.

³ Resigned 18 January 2016.

Bonuses and share-based payments granted as compensation for the current financial year*Bonuses*

No bonuses were paid to key management personnel during the financial year (2016: nil).

Incentive share-based payments arrangements

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years:

Option series	Number	Grant date	Expiry date	Exercise price	Grant date fair value	Vesting date
CADAM*	200,000,000	30 Nov 2016	30 June 2021	\$0.005	\$0.00194	Vested

* Unlisted options issued to Messrs Bowker (75m), Elliott (100m) and Nottas (25m) pursuant to an Employee Option Plan approved at the Annual General Meeting of shareholders on 30 November 2016.

There are no further services or performance criteria that need to be met in relation to options granted above, and as a consequence the beneficial interest has vested to the recipients. There has been no alteration to the terms and conditions of the above share-based payment arrangements since the grant date.

Details of share-based payments granted to key management personnel during the current financial year:

Name	Option series	During the financial year			
		No. granted	No. vested	% of grant vested	% of grant forfeited
K. Bowker	CADAM	75,000,000	75,000,000	100%	n/a
S. Elliott	CADAM	100,000,000	100,000,000	100%	n/a
M. Nottas	CADAM	25,000,000	25,000,000	100%	n/a

During the year, the following key management personnel exercised options that were granted to them as part of their compensation. Each option converts into one ordinary share of Caeneus Minerals Ltd.

Name	No. of options exercised	No. of ordinary shares of Caeneus Minerals Ltd issued	Amount paid	Amount unpaid
K. Bowker	21,807,000*	21,807,000	\$0.003	\$nil

*The options were exercised on 25 July 2016 and the share price of one Caeneus' share on that date was \$0.005. The value of the options exercised being the difference between its market value at date of exercise and amount paid was \$43,614.

The following table summarises the number of options that lapsed during the financial year, in relation to options granted to key management personnel:

Name	Financial year in which the options were granted	No. of options lapsed during the current year
K. Bowker	2014	14,692,191

Key terms of employment contracts

The key terms of appointment of Mr Steven Elliott are formalised in an executive services agreement (dated 18 January 2016). Major provisions of the agreement are set out below:

- Term of agreement – commencing 18 January 2016.
- Fixed fee of \$150,000 p.a.
- The agreement may be terminated by either party providing three (3) months' notice in writing.
- Payment of termination benefit on early termination by Company equal to 3 months' salary.

The key terms and conditions of the varied non-executive agreement of Mr Keith Bowker are as follows:

- Effective 18 January 2016, a fee of \$60,000 p.a. (exc GST).
- The agreement may be terminated by either party providing one (1) month's notice in writing.
- Payment of termination benefit on early termination by the Company equal to 3 months' remuneration.

The key terms and conditions of the appointment of Mr Michael Nottas are formalised in a non-executive agreement (dated 17 April 2014) and are as follows:

- A fee of \$30,000 p.a. (exc GST).
- The agreement may be terminated by either party providing one (1) month's notice in writing.
- Payment of termination benefit on early termination by the Company equal to 3 months' remuneration.

Key management personnel equity holdings*Fully paid ordinary shares of Caeneus Minerals Ltd*

2017	Balance at 1 July 2016 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Number held on resignation No.	Balance at 30 June 2017 No.
K Bowker ¹	58,306,191	-	21,807,000	(68,458,108)	n/a	11,655,083
S Elliott	40,000,000	-	-	-	n/a	40,000,000
M Nottas	-	-	-	-	-	-

¹ Amount in 'Net other change' represents shares disposed on-market.

2016	Balance at 1 July 2015 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Number held on resignation No.	Balance at 30 June 2016 No.
K Bowker	14,692,191	-	-	43,614,000 ³	-	58,306,191
S Elliott ¹	-	-	-	40,000,000 ⁴	-	40,000,000
A Sage ²	35,000,000	-	-	-	(35,000,000)	-
M Nottas	-	-	-	-	-	-

¹ Appointed 18 January 2016

² Resigned 18 January 2016

³ Acquired on 17 December 2015 pursuant to a Placement. 23,614,000 acquired under Somerville Equity Pty Ltd ("Somerville"), 7,500,000 acquired under The Bowker Investment Trust ("Trust") and 12,500,000 acquired under Candlestick Limited ("Candlestick"). Mr Bowker is a director of Somerville and Candlestick and is the trustee of the Trust. Refer to ASX announcement dated 17 December 2015.

⁴ Held at date of appointment as director

Share options of Caeneus Minerals Ltd

2017	Balance at 1 July 2016 No.	Granted as compen- sation (1) No.	Exercised No.	Net other change (2) No.	Balance at 30 June 2017 No.	Balance vested at 30 June 2017 No.	Vested and exercisable No.	Options vested during year No.
K Bowker	36,499,191	75,000,000	(21,807,000)	(14,692,191)	75,000,000	75,000,000	75,000,000	75,000,000
S Elliott	-	100,000,000	-	-	100,000,000	100,000,000	100,000,000	100,000,000
M Nottas	-	25,000,000	-	-	25,000,000	25,000,000	25,000,000	25,000,000

¹ Represents unlisted options issued to directors pursuant to an Employee Option Plan approved at the Annual General Meeting of shareholders on 30 November 2016.

² Amount in 'Net other change' represents options which expired during the year

2016	Balance at 1 July 2015 No.	Granted as compen- sation No.	Exercised No.	Net other change No.	Balance at 30 June 2016 No.	Balance vested at 30 June 2016 No.	Vested and exercisable No.	Options vested during year No.
K Bowker	14,692,191	-	-	21,807,000	36,499,191	36,499,191	36,499,191	21,807,000
S Elliott ¹	-	-	-	-	-	-	-	-
A Sage ²	-	-	-	-	-	-	-	-
M Nottas	-	-	-	-	-	-	-	-

¹ Appointed 18 January 2016

² Resigned 18 January 2016

During the financial year, 21,807,000 share options were exercised by key management personnel at an exercise price of \$0.003 per option for 21,807,000 ordinary shares in Caeneus Minerals Ltd (2016: nil). No amounts remain unpaid on the options exercised during the financial year at year end.

This is the end of the remuneration report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'KB' followed by a stylized flourish.

Mr Keith Bowker

Non-Executive Chairman

Perth, 1 October 2017

1 October 2017

Board of Directors
Caeneus Minerals Ltd
Suite 1,
56 Kings Park Road
West Perth, WA 6005

Dear Sirs

RE: CAENEUS MINERALS LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Caeneus Minerals Ltd.

As Audit Director for the audit of the financial statements of Caeneus Minerals Ltd for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir R Tirodkar
Director

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CAENEUS MINERALS LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the consolidated financial report of Caeneus Minerals Limited, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 3.4 to the financial statements, the consolidated financial statements have been prepared on the going concern basis. At 30 June 2017, the Group had cash and cash equivalents of \$922,426, net working capital of \$481,752 and incurred a loss after income tax of \$5,986,386.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event that the Group is not successful in raising further equity or successfully exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Key Audit Matters

In addition to the matter described in the material uncertainty related to going concern, we have determined the matter described below to be a key audit matter to be communicated in the report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p><i>Carrying value of Capitalised Exploration and Evaluation Expenditure</i></p> <p>As at 30 June 2017, Capitalised Exploration and Evaluation Expenditure totals \$2,144,686 (refer to Note 11 of the financial report).</p> <p>The carrying value of Capitalised Exploration and Evaluation Expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> ▪ The significance of the total balance (68% of total assets); ▪ The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and ▪ The assessment of significant judgements made by management in relation to the capitalised exploration and evaluation expenditure. 	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; ii. Reviewing the directors' assessment of the carrying value of the exploration and evaluation costs, ensuring the veracity of the data presented and that management have considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects also against AASB 6; iii. Evaluation of Group documents for consistency with the intentions for continuing exploration and evaluation activities in certain areas of interest and corroborated with interviews with management. The documents we evaluated included: <ul style="list-style-type: none"> ▪ Minutes of the board and management; and ▪ Announcements made by the Group to the Australian Securities Exchange; iv. Consideration of the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures are made.
<p><i>Issued Share Capital</i></p> <p>The Group's Issued Capital amounted to \$81,191,657 as at 30 June 2017. During the reporting period, 2,704,929,311 ordinary shares were issued resulting in an increase in issued share capital of \$4,739,006 (net of capital raising costs). (refer to Note 14 of the financial report)</p> <p>Issued Share Capital is a key audit matter due to:</p> <ul style="list-style-type: none"> ▪ the quantum of share capital issued during the year; and ▪ the varied nature of the movements during the year <p>We have spent significant audit effort on ensuring the issued share capital was appropriately accounted for</p>	<p>Inter alia, our audit procedures included the following: Obtaining an understanding of the underlying transactions;</p> <ol style="list-style-type: none"> i. Verifying all issued capital movements to the relevant ASX announcements, Directors' Minutes and other relevant documents; ii. Vouching proceeds from capital raisings to bank statements and other relevant supporting documentation; iii. Verifying underlying capital raising costs and ensuring these costs were appropriately recorded; iv. Ensuring consideration for assets acquired /

and disclosed.

services provided are measured in accordance with AASB 2 Share-Based Payments and agreed the related costs to relevant supporting documentation; and

- v. Ensuring the requirements of the relevant accounting standards and disclosures achieve fair presentation and reviewing the financial statements to ensure appropriate disclosures are made.

Option Reserve

The Group's Option reserve as at 30 June 2017 was \$1,815,353. During the reporting period, 2,469,665,002 options were issued resulting in an increase in option reserve by \$1,475,410 (Refer Note 16 of the financial report)

Options Reserve is a key audit matter due to:

- the quantum of options issued during the year; and
- the varied nature of the movements during the year

We have spent significant audit effort on ensuring the options reserve was appropriately accounted for and disclosed.

Inter alia, our audit procedures included the following: Obtaining an understanding of the underlying transactions;

- vi. Verifying all option reserve movements to the relevant ASX announcements, Directors' Minutes and other relevant documents;
- vii. Ensuring options issues for assets acquisition / services provided are measured in accordance with AASB 2 Share-Based Payments and agreed the related costs to relevant supporting documentation;
- viii. We reviewed the option valuation models to fair value the options issued ensuring that appropriate parameters are used and the expensing pattern is as per the applicable accounting standards; and
- ix. Ensuring the requirements of the relevant accounting standards and disclosures achieve fair presentation and reviewing the financial statements to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in

our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Caeneus Minerals Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International
Samir

Samir Tirodkar
Director
West Perth, Western Australia
1 October 2017

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 3.1 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2017 and performance of the Group for the year ended on that date; and
- (d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'KB' followed by a stylized flourish.

Mr Keith Bowker
Non-Executive Chairman
Perth, 1 October 2017

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	Note	Consolidated	
		Year ended	
		30 June 2017	30 June 2016
		\$	\$
Continuing operations			
Other income	6	19,232	1,073
Administration costs	7	(214,256)	(383,506)
Consultants costs	7	(891,066)	(486,315)
Compliance costs	7	(148,706)	(109,548)
Impairment expenses	7,11	(3,743,602)	(18,550)
Travel expenses		(425,916)	(122,877)
Share based payments		(549,408)	-
Foreign exchange losses		(32,664)	-
Loss before income tax		(5,986,386)	(1,119,723)
Income tax expense	8	-	-
Loss for the year		(5,986,386)	(1,119,723)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive loss for the year		(5,986,386)	(1,119,723)
Loss and total comprehensive loss for the year attributable to Owners of Caeneus Minerals Ltd		(5,986,386)	(1,119,723)
Loss per share:			
Basic and diluted (cents per share)	9	(0.13)	(0.08)

Notes to the consolidated financial statements are included on pages 27 to 58.

Consolidated statement of financial position as at 30 June 2017

	Note	Consolidated	
		30 June 2017 \$	30 June 2016 \$
Current assets			
Cash and cash equivalents	22	922,426	210,389
Trade and other receivables	10	63,254	37,015
Other assets		1,862	-
Total current assets		987,542	247,404
Non-current assets			
Exploration and evaluation expenditure	11	2,144,686	2,892,242
Total non-current assets		2,144,686	2,892,242
Total assets		3,132,228	3,139,646
Current liabilities			
Trade and other payables	13	247,166	366,526
Deferred considerations	18	258,624	375,262
Total current liabilities		505,790	741,788
Non-current liabilities			
Deferred considerations	18	260,550	200,000
Total non-current liabilities		260,550	200,000
Total liabilities		766,340	941,788
Net assets		2,365,888	2,197,858
Equity			
Issued capital	14	81,191,657	76,452,651
Shares yet to be issued	15	-	60,000
Reserves	16	1,815,353	339,943
Accumulated losses		(80,641,122)	(74,654,736)
Total equity		2,365,888	2,197,858

Notes to the consolidated financial statements are included on pages 27 to 58.

Consolidated statement of changes in equity for the year ended 30 June 2017

	Issued Capital \$	Shares yet to be issued \$	Options Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2015	73,348,924	-	1,000	(73,535,013)	(185,089)
Loss for the year	-	-	-	(1,119,723)	(1,119,723)
Total comprehensive loss for the year	-	-	-	(1,119,723)	(1,119,723)
Issue of ordinary shares	1,380,776	-	-	-	1,380,776
Ordinary shares yet to be issued	-	60,000	-	-	60,000
Issue of ordinary shares related to subsidiary acquired	1,350,000	-	338,943	-	1,688,943
Issue of shares in settlement of claims by Poseidon Nickel Limited	300,000	-	-	-	300,000
Issue of shares pursuant to Mining Claims	225,000	-	-	-	225,000
Share issue costs	(152,049)	-	-	-	(154,049)
Balance at 30 June 2016	76,452,651	60,000	339,943	(74,654,736)	2,197,858
Balance at 1 July 2016	76,452,651	60,000	339,943	(74,654,736)	2,197,858
Loss for the year	-	-	-	(5,986,386)	(5,986,386)
Total comprehensive loss for the year	-	-	-	(5,986,386)	(5,986,386)
Issue of ordinary shares	3,803,926	(60,000)	-	-	3,743,926
Issue of shares to Segue Resources Ltd	140,000	-	-	-	140,000
Issue of shares and options to acquire ATC Resources	480,000	-	193,704	-	673,704
Issue of shares and options to acquire Nevada Clays	525,000	-	271,186	-	796,186
Issue of shares pursuant to Mining Claims	225,000	-	-	-	225,000
Options issued for cash consideration	-	-	5,000	-	5,000
Other share based payments	192,000	-	387,408	-	579,408
Share issue costs	(626,920)	-	618,112	-	(8,808)
Balance at 30 June 2017	81,191,657	-	1,815,353	(80,641,122)	2,365,888

Notes to the consolidated financial statements are included on pages 27 to 58.

Consolidated statement of cash flows for the year ended 30 June 2017

		Consolidated	
		Year ended	
	Note	30 June 2017	30 June 2016
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,798,716)	(404,288)
Interest and other income		19,232	1,073
Net cash used in operating activities	22.1	(1,779,484)	(403,215)
Cash flows from investing activities			
Cash acquired from acquisition of subsidiary		18	306
Payments for exploration and evaluation expenditure		(1,208,615)	(387,455)
Net cash used in investing activities		(1,208,597)	(387,149)
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		3,746,926	963,070
Proceeds from equity instruments yet to be issued		-	60,000
Proceeds from convertible notes		-	150,000
Repayment of borrowings		-	(24,844)
Payment for share issue costs		(46,808)	(152,049)
Net cash provided by financing activities		3,700,118	996,177
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		210,389	4,576
Cash and cash equivalents at the end of the year	22	922,426	210,389

Notes to the consolidated financial statements are included on pages 27 to 58.

Notes to the consolidated financial statements for the year ended 30 June 2017

1. General information

Caeneus Minerals Ltd (“the Company”) is a listed public company incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the corporate directory to the annual report.

The principal activities of the Company and its controlled entities (“the Group”) are described in the directors’ report.

2. Application of new and revised Accounting Standards

2.1 *Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year*

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact of the financial performance or position of the Group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2.2 *Standards and Interpretations in issue not yet adopted*

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ‘Financial Instruments’, and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 ‘Revenue from Contracts with Customers’, AASB 2014-5 ‘Amendments to Australian Accounting Standards arising from AASB 15’, AASB 2015-8 ‘Amendments to Australian Accounting Standards – Effective date of AASB 15’, AASB 2016-3 ‘Amendments to Australian Accounting Standards – Clarifications to AASB 15’	1 January 2018	30 June 2019
AASB 2016-1 ‘Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses (AASB 12)’	1 January 2017	30 June 2018
AASB 2016-5 ‘Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions’	1 January 2018	30 June 2019
AASB 16 ‘Leases’	1 January 2019	30 June 2020

2.2 Standards and Interpretations in issue not yet adopted (cont'd)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Interpretation 22 'Foreign Currency Transactions and Advance Consideration'	1 January 2018	30 June 2019

The directors believe that these new Standards and Interpretations will not have a material impact.

3. Significant accounting policies**3.1 Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 1 October 2017.

3.2 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holdings of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Going concern basis

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2017, the Group incurred a loss after tax of \$5,986,386 (2016: \$1,119,723), and a net cash outflow from operations of \$1,779,484 (2016: \$403,215). At 30 June 2017, the Group had net current assets of \$481,752 (2016: net current liabilities of \$494,384) and non-current liabilities of \$260,550 (2016: \$200,000). As at 30 June 2017, the Group had a cash balance of \$922,426. The Group's ability to continue as a going concern and pay its debts as and when they fall due, given the Group's intended operational plans, assumes the following:

a) active management of the current level of discretionary expenditure in line with the funds available to the Group.

The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through the debt and/or equity issues as and when the need to raise working capital arises.

Should the Group be unable to continue as a going concern, it may be required to monetise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the consolidated financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

3.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

3.6 *Business combinations (cont'd)*

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3.7 Employee benefits

Short-term and long-term employee benefits

A liability is recognised for benefits accrued to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.8.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.9 ***Exploration and evaluation expenditure***

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest. Exploration and evaluation costs are carried forward at cost where the rights of tenure are current and:

(i) such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or

(ii) exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources.

Exploration and evaluation assets are assessed annually for impairment in accordance with AASB 6 and where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units. An impairment loss is recognised in the statement of profit or loss and other comprehensive income where the carrying values of exploration and evaluation assets exceed their recoverable amounts.

In the event that an area of interest is abandoned or if the directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

3.10 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.11 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.11.1 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.11.1.1 Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

3.11.1.2 Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

3.11.1.3 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial asset that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

3.11.1.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.11.2 Financial liabilities and equity instruments

3.11.2.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3.11.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group of entity are recognised at the proceeds received, net of direct issue costs.

3.11.2.3 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

3.11.2.4 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

3.11.2.5 Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.11.2.6 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.12 **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

3.13 **Comparative amounts**

When current period balances have been classified differently within current period disclosures when compared to prior periods, comparative disclosures have been restated to ensure consistency of presentation between periods.

4. **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period on which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 **Key sources of estimation uncertainty**

Impairment of exploration and evaluation expenditure

Exploration and evaluation expenditure is reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

The directors are required to exercise judgement on future events and the likelihood of defining an economic reserve. Assumptions made are altered as exploration and evaluation continues and more information becomes available. Where it is evident that the value of exploration and evaluation expenditure cannot be recovered, the capitalised amount will be impaired through the statement of profit or loss and other comprehensive income.

Share-based payments

Fair value is measured by the use of Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Deferred taxation

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses when management considers that it is probable that future taxable profits will be available to utilise those assets.

5. Segment information

5.1 Geographical segment

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group operates in two (2) principal geographical areas – Australia (country of domicile) and the United States of America.

The table below presents the asset and liability information and operating results regarding the geographical segments for the year ended 30 June 2017.

	Consolidated	
	30 June 2017	30 June 2016
	\$	\$
Assets		
Australia	2,541,605	1,517,289
United States of America	590,623	1,622,357
Total assets	3,132,228	3,139,646
Liabilities		
Australia	764,466	925,531
United States of America	1,874	16,257
Total liabilities	766,340	941,788
	30 June 2017	30 June 2016
	\$	\$
Operating result		
Australia	(2,669,783)	(1,119,723)
United States of America	(3,316,603)	-
Total loss from operations	(5,986,386)	(1,119,723)

6. Other income

	2017	2016
	\$	\$
Interest income	5,705	1,073
Other income (tenement rent refund)	13,527	-
	19,232	1,073

7. Loss for the year

Loss for the year has been arrived at after charging the following items of expenses:

	2017	2016
	\$	\$
Administration costs:		
Promotional and meeting expenses	136,259	69,630
Other	77,997	13,876
Settlement costs to Poseidon	-	300,000
Total administration costs	214,256	383,506
Consultants costs	891,066	486,315
Compliance costs:		
ASX expenses	51,589	42,134
Share registry expenses	54,131	29,420
Audit expenses	36,108	36,341
ASIC expenses	6,878	1,653
Total compliance costs	148,706	109,548
Impairment expenses	3,743,602	18,550

8. Income taxes relating to continuing operations**8.1 Income tax recognised in profit or loss**

	2017	2016
	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting loss as follows:

	2017	2016
	\$	\$
Loss before tax from continuing operations	(5,986,386)	(1,119,723)
Income tax expense calculated at 27.5% (2016: 28.5%)	(1,646,256)	(319,121)
Effect of expenses that are not deductible in determining taxable loss	1,151,120	9,807
Effect of deductible capitalised expenditure	(332,369)	(110,425)
Correction from previous year tax calculation	-	123,617
Effect of unused tax losses not recognised as deferred tax assets	827,505	296,122
	-	-

The tax rate used for the 2017 reconciliation above is the corporate tax rate of 27.5% (2016: 28.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

8. Income taxes relating to continuing operations (cont'd)**8.2 Unrecognised deferred tax assets**

Unused tax losses (revenue) for which no deferred tax assets have been recognised (at 27.5%) (2016: 28.5%)

	2017	2016
	\$	\$
	6,827,804	6,218,492

This benefit from tax losses totalling \$24,828,380 (2016: \$21,819,269) will only be obtained if the specific entity carrying forward the tax losses derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and the Company complies with the conditions for deductibility imposed by tax legislation.

9. Loss per share

Basic and diluted loss per share

	2017	2016
	cents per share	cents per share
	(0.13)	(0.08)

9.1 Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

Loss for the year attributable to owners of the Company

	2017	2016
	\$	\$
	(5,986,386)	(1,119,723)

Weighted average number of ordinary shares for the purposes of basic and diluted loss per share

	2017	2016
	No.	No.
	4,644,238,313	1,487,305,019

10. Trade and other receivables

Prepayments
Other receivables

	2017	2016
	\$	\$
Prepayments	31,728	14,220
Other receivables	31,526	22,795
	63,254	37,015

At the reporting date, none of the receivables were past due/impaired.

11. Exploration and evaluation expenditure

	2017	2016
	\$	\$
Carried forward exploration and evaluation expenditure	2,892,242	-
Arising on acquisition of ATC Resources Pty Ltd (i)	1,044,132	-
Arising on acquisition of Nevada Clays Pty Ltd (ii)	988,744	-
Arising on acquisition of Port Exploration Pty Ltd (iii)	-	1,089,752
Arising on acquisition of Nevada Metals Pty Ltd (iv)	-	1,488,896
Expenditure incurred during the year	963,170	332,144
Impairment of exploration and evaluation expenditure (v)	(3,743,602)	(18,550)
	2,144,686	2,892,242

(i) This represents the excess of purchase consideration over net assets acquired on acquisition of ATC Resources Pty Ltd which was capitalised to exploration and evaluation expenditure (refer to note 17.1).

(ii) This represents the excess of purchase consideration over net liabilities assumed on acquisition of Nevada Clays Pty Ltd which was capitalised to exploration and evaluation expenditure (refer to note 17.2).

(iii) This represents the excess of purchase consideration over net liabilities assumed on acquisition of Port Exploration Pty Ltd which was capitalised to exploration and evaluation expenditure (refer to note 17.3).

(iv) This represents the excess of purchase consideration over net liabilities assumed on acquisition of Nevada Metals Pty Ltd which was capitalised to exploration and evaluation expenditure (refer to note 17.4).

(v) An impairment expense of \$3,743,602 has been recognised in profit or loss for the year ended 30 June 2017 (2016: \$18,550). This is consistent with the Group's policy on exploration and evaluation expenditure.

12. Commitments for expenditure***Exploration expenditure on granted tenements***

	2017*	2016*
	\$	\$
Not longer than one (1) year	286,168	325,202
Two (2) to five (5) years	1,179,336	2,293,290
	1,465,504	2,618,492

* The figures also include exploration commitments for the USA tenements pertaining to ATC Resources Pty Ltd (Columbus Marsh Project).

In order to retain the rights of tenure to its granted tenements, the Group is required to meet the minimum statutory expenditure requirements but may reduce these at any time by reducing the size of the tenements. The figures quoted above assume that no new tenements are granted and that only compulsory statutory area reductions are made.

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the consolidated statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out exploration rights to third parties will reduce or extinguish these obligations. Where commitments are denominated in foreign currencies, the amounts have been converted to Australian dollars based on the exchange rates prevailing as at 30 June 2017.

13. Trade and other payables

	2017	2016
	\$	\$
Trade and other payables	139,713	319,526
Accrued expenses	107,453	47,000
	247,166	366,526

14. Issued capital

	30 Jun 2017	30 Jun 2016
	\$	\$
5,973,155,428 fully paid ordinary shares (30 June 2016: 3,268,226,117)	81,191,657	76,452,651

Fully paid ordinary shares

	30 Jun 2017		30 Jun 2016	
	No.	\$	No.	\$
Balance at beginning of period	3,268,226,117	76,452,651	646,515,616	73,348,924
Placement (i)	410,233,917	1,230,702	-	-
Exercise of options (ii)	125,264,309	375,793	-	-
Issue of shares (iii)	50,000,000	150,000	-	-
Issue of shares (iv)	30,000,000	90,000	-	-
Issue of shares (v)	35,000,000	140,000	-	-
Issue of shares (vi)	50,000,000	150,000	-	-
Issue of shares (vii)	30,000,000	90,000	-	-
Issue of shares (viii)	24,000,000	72,000	-	-
Issue of shares (ix)	140,000,000	420,000	-	-
Issue of shares (x)	35,000,000	105,000	-	-
Placement (xi)	1,049,431,085	1,049,431	-	-
Placement (xii)	440,000,000	1,100,000	-	-
Issue of shares (xiii)	15,000,000	30,000	-	-
Issue of shares (xiv)	125,000,000	125,000	-	-
Exercise of options (xv)	16,000,000	48,000	-	-
Issue of shares (xvi)	100,000,000	100,000	-	-
Issue of shares (xvii)	30,000,000	90,000	-	-
Issue of shares (xviii)	-	-	100,000,000	300,000
Issue of shares (xix)	-	-	50,914,618	101,829
Issue of shares (xx)	-	-	75,000,000	150,000
Issue of shares (xxi)	-	-	8,150,660	16,301
Placement (xxii)	-	-	300,000,000	600,000
Issue of shares (xxiii)	-	-	750,000,000	750,000
Placement (xxiv)	-	-	482,645,223	482,645
Issue of shares (xxv)	-	-	600,000,000	600,000
Issue of shares (xxvi)	-	-	225,000,000	225,000
Issue of shares (xxvii)	-	-	30,000,000	30,000
Share issue costs	-	(626,920)	-	(152,048)
	5,973,155,428	81,191,657	3,268,226,117	76,452,651

(i) Issue of fully paid ordinary shares at \$0.003 each on 15 July 2016 pursuant to a placement to sophisticated investors of the Company.

(ii) Issue of fully paid ordinary shares at \$0.003 each on 25 July 2016, 1 August 2016 and 3 August 2016 following the exercise of unlisted options.

(iii) Issue of fully paid ordinary shares at a deemed issue price of \$0.003 each on 3 August 2016 to Vendors of ATC Resources Pty Ltd for non-cash as part of the consideration for the acquisition of 100% of the issued capital of ATC Resources Pty Ltd (refer to ASX announcement on 19 July 2016).

14. Issued capital (cont'd)

- (iv) Issue of fully paid ordinary shares at a deemed issue price of \$0.003 each on 3 August 2016 to Gold Exploration Management Inc. for non-cash as part of the acquisition of ATC Resources Pty Ltd (refer to ASX announcement on 19 July 2016).
- (v) Issue of fully paid ordinary shares at a deemed issue price of \$0.004 each on 12 September 2016 to Segue Resources Limited (ASX: SEG) pursuant to a Deed of Variation to acquire 51% of the Pardoo Nickel Project (refer to ASX announcement on 5 September 2016).
- (vi) Issue of fully paid ordinary shares at a deemed issue price of \$0.003 each on 2 December 2016 to Vendors of ATC Resources Pty Ltd for non-cash as final consideration for the acquisition of 100% of the issued capital of ATC Resources Pty Ltd.
- (vii) Issue of fully paid ordinary shares at a deemed issue price of \$0.003 each on 2 December 2016 to Gold Exploration Management Inc. for non-cash as part of the acquisition of ATC Resources Pty Ltd.
- (viii) Issue of fully paid ordinary shares at a deemed issue price of \$0.003 each on 2 December 2016 to Venex Capital Corp Ltd pursuant to a corporate advisory mandate.
- (ix) Issue of fully paid ordinary shares at a deemed issue price of \$0.003 each on 2 December 2016 for non-cash consideration for the acquisition of 100% of the issued capital of Nevada Clays Pty Ltd (refer to ASX announcement on 17 October 2016).
- (x) Issue of fully paid ordinary shares at a deemed issue price of \$0.003 each on 2 December 2016 to Gold Exploration Management Inc. for non-cash as part of the acquisition of Nevada Clays Pty Ltd (refer to ASX announcement on 17 October 2016).
- (xi) Issue of fully paid ordinary shares at \$0.001 each on 10 January 2017 pursuant to a placement to sophisticated and professional investors of the Company.
- (xii) Issue of fully paid ordinary shares at \$0.0025 each on 13 April 2017 pursuant to a placement to sophisticated and professional investors of the Company.
- (xiii) Issue of fully paid ordinary shares at a deemed issue price of \$0.002 each on 13 April 2017 to a creditor of the Company for services rendered.
- (xiv) Issue of fully paid ordinary shares to DG Resource Management Ltd at a deemed issue price of \$0.001 each on 12 May 2017 as part of the consideration payable under the Mining Claims Acquisition.
- (xv) Issue of fully paid ordinary shares at \$0.003 each on 20 June 2017 following the exercise of unlisted options.
- (xvi) Issue of fully paid ordinary shares to DG Resource Management Ltd at a deemed issue price of \$0.001 each on 28 June 2017 as part of the consideration payable under the Mining Claims Acquisition.
- (xvii) Issue of fully paid ordinary shares at a deemed issue price of \$0.003 each on 28 June 2017 to Venex Capital Corp Ltd pursuant to a corporate advisory mandate.
- (xviii) Issue of fully paid ordinary shares at a deemed issue price of \$0.003 each on 28 October 2015 to Poseidon Nickel Limited (ASX: POS) pursuant to a Deed of Release for settlement consideration to the value of \$300,000 in relation to the proposed acquisition of contractual rights to mine at the Silver Swan Nickel mine.
- (xix) Issue of fully paid ordinary shares at \$0.002 each on 28 October 2015 to sophisticated investors of the Company.
- (xx) Issue of fully paid ordinary shares at \$0.002 each on 1 December 2015 following the conversion of convertible notes totaling \$150,000.
- (xxi) Issue of fully paid ordinary shares at a deemed issue price of \$0.002 each on 1 December 2015 to a creditor of the Company for services rendered.
- (xxii) Issue of fully paid ordinary shares at \$0.002 each on 17 December 2015 pursuant to a placement to sophisticated investors of the Company.
- (xxiii) Issue of fully paid ordinary shares at \$0.001 each on 17 December 2015 for non-cash consideration for the acquisition of 100% of the issued capital of Port Exploration Pty Ltd (refer to ASX announcement on 17 December 2015).
- (xxiv) Issue of fully paid ordinary shares at \$0.001 each on 30 March 2016 to sophisticated investors of the Company.
- (xxv) Issue of fully paid ordinary shares at a deemed issue price of \$0.001 each on 30 June 2016 for non-cash consideration for the acquisition of 100% of the issued capital of Nevada Metals Pty Ltd (refer to ASX announcement on 30 June 2016).
- (xxvi) Issue of fully paid ordinary shares to DG Resource Management Ltd at a deemed issue price of \$0.001 each on 30 June 2016 as part of the consideration payable under the Mining Claims Acquisition.
- (xxvii) Issue of fully paid ordinary shares at a deemed issue price of \$0.001 each on 30 June 2016 to a creditor of the Company for services rendered.

15. Shares yet to be issued

As at 30 June 2016, the Company received \$60,000 associated with a placement (refer to ASX announcement dated 4 July 2016). The placement was for a capital raising of \$1.2m with shares being issued at \$0.003 each. Fully paid ordinary shares pertaining to the placement were yet to be issued as at 30 June 2016 and the shares were issued on 15 July 2016.

16. Reserves

	2017	2016
	\$	\$
Balance at beginning of the year	339,943	1,000
Options issued on acquisition of ATC Resources Pty Ltd (i)	193,704	-
Options issued on acquisition of Nevada Clays Pty Ltd (ii)	271,186	-
Share based payments (iii)	387,408	-
Options issued to Venex Capital Corp Ltd (iv)	40,000	-
Options issued for cash consideration during the period	5,000	-
Options issued on acquisition of Port Exploration Pty Ltd (v)	-	338,943
Options issued to Barclay Wells Limited (vi)	578,112	-
Carrying value at end of the year	1,815,353	339,943

(i) This represents the value attributed to 100,000,000 unlisted options issued as part of the consideration for the acquisition of ATC Resources Pty Ltd. Refer to note 17.1.

(ii) This represents the value attributed to 140,000,000 unlisted options issued as part of the consideration for the acquisition of Nevada Clays Pty Ltd. Refer to note 17.2.

(iii) This represents the value attributed to 200,000,000 unlisted options exercisable at \$0.005 on or before 30 June 2021 to directors of the Company pursuant to an Employee Equity Incentive Plan.

(iv) This represents the value attributed to 50,000,000 unlisted options issued to Venex Capital Corp Ltd on 24 Feb 2017 as consideration for the provision of management and corporate advisory services.

(v) This represents the value attributed to 375,000,000 unlisted options issued as part of the consideration for the acquisition of Port Exploration Pty Ltd. Refer to note 17.3.

(vi) This represents the value attributed to 300,000,000 unlisted options issued to Barclay Wells Limited (or its nominees) pursuant to a capital raising mandate. The options were valued using the Black-Scholes valuation model.

17. Acquisition of exploration assets

17.1 Acquisition of ATC Resources Pty Ltd

On 19 July 2016, the Company entered into a binding terms sheet with ATC Resources Pty Ltd (“ATC Resources”) to acquire a 100% interest in the Scotty’s South-Sarcobatus Flats and Columbus Marsh lithium brine projects (“Acquisition”). The Acquisition became effective as from 30 November 2016 when shareholder approval was obtained at the Annual General Meeting of the Company. The consideration for the Acquisition was satisfied via the issue of 100,000,000 fully paid ordinary shares in Caeneus at a deemed issue price of \$0.003 each and 100,000,000 unlisted options exercisable at \$0.005 on or before 30 June 2021 to vendors of ATC Resources and 60,000,000 fully paid ordinary shares in Caeneus at a deemed issue price of \$0.003 each to Gold Exploration Management Inc. (“GEM”).

Consideration transferred

	Fair value
	\$
Non-cash (fully paid ordinary shares) (i)	480,000
Cash component (ii)	142,985
Deferred consideration (iii)	227,455
Non-cash (unlisted options) (iv)	193,704
	1,044,144

(i) This represents the issue of 100,000,000 Caeneus shares at a deemed issue price of \$0.003 to vendors of ATC Resources and 60,000,000 Caeneus shares at a deemed issue price of \$0.003 to GEM to acquire 100% of the issued capital of ATC Resources.

(ii) This represents US\$30,225 for Scotty’s South, US\$31,725 for Columbus Marsh and US\$40,000 to GEM. US\$30,225 for Scotty’s South (equivalent to A\$42,763) was paid on 3 June 2016, US\$31,725 for Columbus Marsh (equivalent to A\$43,915) and US\$40,000 to GEM (equivalent to A\$56,306) were paid on 20 July 2016.

(iii) This represents annual deferred payments for Scotty’s South (US\$85,000) and Columbus Marsh (US\$85,000) as per the binding terms sheet. The annual deferred payments have been converted to Australian dollars based on exchange rates prevailing as at 31 December 2016.

(iv) This represents the issue of 100,000,000 unlisted options exercisable at \$0.005 on or before 30 June 2021 valued at issue date.

Assets acquired and liabilities assumed at the date of acquisition (30 November 2016)

	ATC Resources Pty Ltd \$
Current assets	
Petty cash	12
Non-current assets	
Other assets	1,077
Exploration and evaluation expenditure	370,439
Current liabilities	
Trade and other payables	(1,077)
Loan – Caeneus Minerals Ltd	(370,439)
Net assets	12

The carrying values of assets acquired and liabilities assumed, other than exploration and evaluation expenditure approximate their fair values.

17. Acquisition of exploration assets (cont'd)**17.1 Acquisition of ATC Resources Pty Ltd (cont'd)****Excess arising on acquisition and impairment of Scotty's South project**

	\$
Consideration transferred	1,044,144
Less: fair value of identifiable net assets acquired	(12)
Excess previously allocated to exploration and evaluation expenditure (i)	<u>1,044,132</u>

(i) At 30 November 2016 (effective date of acquisition), the excess consideration over fair value of net assets acquired of \$1,044,132 was capitalised to exploration and evaluation expenditure.

(ii) On 23 June 2017, the Company relinquished the Scotty's South project and as such, all capitalised expenditure associated to Scotty's South aggregating to \$751,964 was impaired.

17.2 Acquisition of Nevada Clays Pty Ltd

On 17 October 2016, the Company entered into a binding terms sheet with Nevada Clays Pty Ltd ("Nevada Clays") to acquire a 100% interest in the New King Lithium Project ("New King") ("Acquisition"). The Acquisition became effective as from 30 November 2016 when shareholder approval was obtained at the Annual General Meeting of the Company. The consideration for the Acquisition was satisfied via the issue of 140,000,000 fully paid ordinary shares in Caeneus at a deemed issue price of \$0.003 each and 140,000,000 unlisted options exercisable at \$0.005 on or before 30 June 2021 to vendors of Nevada Clays and 35,000,000 fully paid ordinary shares in Caeneus at a deemed issue price of \$0.003 each to Gold Exploration Management Inc. ("GEM").

Consideration transferred

	Fair value
	\$
Non-cash (fully paid ordinary shares) (i)	525,000
Cash component (ii)	65,445
Deferred consideration (iii)	127,107
Non-cash (unlisted options) (iv)	271,186
	<u>988,738</u>

(i) This represents the issue of 140,000,000 Caeneus shares at a deemed issue price of \$0.003 to vendors of Nevada Clays and 35,000,000 Caeneus shares at a deemed issue price of \$0.003 to GEM to acquire 100% of the issued capital of Nevada Clays.

(ii) This represents US\$47,725 (equivalent to A\$65,445) paid on 13 September 2016.

(iii) This represents annual deferred payments (US\$95,000) as per the binding terms sheet. The annual deferred payments have been converted to Australian dollars based on exchange rates prevailing as at 31 December 2016.

(iv) This represents the issue of 140,000,000 unlisted options exercisable at \$0.005 on or before 30 June 2021 valued at issue date.

17. Acquisition of exploration assets (cont'd)**17.2 Acquisition of Nevada Clays Pty Ltd (cont'd)****Assets acquired and liabilities assumed at the date of acquisition (30 November 2016)**

	Nevada Clays Pty Ltd
	\$
Current assets	
Petty cash	6
Non-current assets	
Other assets	785
Exploration and evaluation expenditure	192,551
Current liabilities	
Trade and other payables	(797)
Loan – Caeneus Minerals Ltd	(192,551)
Net assets/(liabilities)	(6)

The carrying values of assets acquired and liabilities assumed, other than exploration and evaluation expenditure approximate their fair values.

Excess arising on acquisition and impairment of New King Project

	\$
Consideration transferred	988,738
Add: fair value of identifiable net liabilities assumed	6
Excess previously allocated to exploration and evaluation expenditure (i)	988,744
Impairment (ii)	(988,744)
Balance	-

(i) At 30 November 2016 (effective date of acquisition), the excess consideration over fair value of net liabilities assumed of \$988,744 was capitalised to exploration and evaluation expenditure.

(ii) The total excess arising on acquisition was impaired as at 30 June 2017.

17.3 Acquisition of Port Exploration Pty Ltd

On 17 December 2015, the Company completed the transaction to acquire 100% of the issued capital of private company Port Exploration Pty Ltd (“Port Exploration”) (“Acquisition”). The Acquisition became effective as from 30 November 2015 when shareholder approval was sought and obtained at the 2015 Annual General Meeting of the Company. The consideration for the Acquisition was satisfied by the issue of 750,000,000 fully paid ordinary shares in Caeneus at a deemed issue price of \$0.001 each with a 1 for 2 free attaching unlisted options exercisable at \$0.003 on or before 31 December 2020.

Consideration transferred

	Fair value
	\$
Non-cash (fully paid ordinary shares) (i)	750,000
Non-cash (unlisted options) (ii)	338,943
	1,088,943

(i) This represents the issue of 750,000,000 Caeneus shares at a deemed issue price of \$0.001 to acquire 100% of the issued capital of Port Exploration.

(ii) This represents the issue of 375,000,000 free attaching unlisted options exercisable at \$0.003 on or before 31 December 2020 valued at issue date.

17. Acquisition of exploration assets (cont'd)**17.3 Acquisition of Port Exploration Pty Ltd (cont'd)****Assets acquired and liabilities assumed at the date of acquisition (30 November 2015)**

	Port Exploration Pty Ltd \$
Current assets	
Cash	300
Other current assets	38
Non-current assets	
Exploration and evaluation expenditure	63,697
Current liabilities	
Unsecured loans	(64,844)
Net assets/(liabilities)	(809)

The carrying values of assets acquired and liabilities assumed, other than exploration and evaluation expenditure approximate their fair values.

Excess arising on acquisition

	\$
Consideration transferred	1,088,943
Add: fair value of identifiable net liabilities acquired	809
Excess allocated to exploration and evaluation expenditure (i)	1,089,752

- (i) At 30 November 2015 (effective date of acquisition), the excess consideration over fair value of net liabilities acquired of \$1,089,752 was capitalised to exploration and evaluation expenditure.

17.4 Acquisition of Nevada Metals Pty Ltd

On 28 June 2016, the Company completed the transaction to acquire 100% of the issued capital of private company Nevada Metals Pty Ltd ("Nevada Metals") ("Transaction"). The Transaction became effective as from 30 June 2016. The consideration for the Transaction was satisfied by the issue of 600,000,000 fully paid ordinary shares in Caeneus at a deemed issue price of \$0.001 each with a 1 for 2 free attaching unlisted options exercisable at \$0.003 on or before 31 December 2020.

Consideration transferred

	Fair value \$
Non-cash (fully paid ordinary shares) (i)	600,000
Cash component (ii)	224,124
Shares already issued (iii)	225,000
Deferred consideration (iv)	425,000
Non-cash (unlisted options) (v)	-
	1,474,124

- (i) This represents the issue of 600,000,000 Caeneus shares at a deemed issue price of \$0.001 to acquire 100% of the issued capital of Nevada Metals.

(ii) This represents CAD\$65,000 for Lida Valley, CAD\$75,000 for Muddy Mountain and an additional CAD\$75,000. CAD\$32,500 for Lida Valley (equivalent to A\$34,291.38) and CAD\$37,500 for Muddy Mountain (equivalent to A\$39,571.15) was paid on 4 April 2016. The remaining amounts (CAD\$32,500 for Lida Valley, CAD\$37,500 for Muddy Mountain and the additional CAD\$75,000) have been converted to Australian dollars based on exchange rates prevailing as at 30 June 2016.

17. Acquisition of exploration assets (cont'd)**17.4 Acquisition of Nevada Metals Pty Ltd (cont'd)**

(iii) This represents value of shares already issued being 100,000,000 shares at a deemed issue price of \$0.001 for Lida Valley consideration and 125,000,000 shares at a deemed issue price of \$0.001 for Muddy Mountain consideration. Shares were issued on 30 June 2016 following approval of shareholders at a General Meeting of the Company held on 28 June 2016.

(iv) This represents value of deferred shares yet to be issued pursuant to a waiver of ASX Listing Rule 7.3.2. A total of 425,000,000 shares at a deemed issue price of \$0.001 each are yet to be issued for the Lida Valley and Muddy Mountain considerations.

(v) This represents the issue of 300,000,000 free attaching unlisted options exercisable at \$0.003 on or before 31 December 2020. A nil value is ascribed to the options.

Assets acquired and liabilities assumed at the date of acquisition (30 June 2016)

	Nevada Metals Pty Ltd
	\$
Current assets	
Cash	6
Other current assets	1,479
Non-current assets	
Exploration and evaluation expenditure	874,124
Total assets	875,609
Current liabilities	
Trade and other payables	16,256
Non-current liabilities	
Loan – Caeneus Minerals Ltd	298,863
Loan – DGRM (<i>refer to note 18</i>)	575,262
Total liabilities	890,381
Net assets/(liabilities)	(14,772)

The carrying values of assets acquired and liabilities assumed, other than exploration and evaluation expenditure approximate their fair values.

Excess arising on acquisition and impairment of excess

	\$
Consideration transferred	1,474,124
Add: fair value of identifiable net liabilities acquired	14,772
Excess previously allocated to exploration and evaluation expenditure (i)	1,488,896
Impairment (ii)	(1,488,896)
	-

(i) At 30 June 2016 (effective date of acquisition), the excess consideration over fair value of net liabilities acquired of \$1,488,896 was capitalised to exploration and evaluation expenditure.

(ii) The total excess arising on acquisition was impaired as at 30 June 2017 as the Company relinquished the Lida Valley and Muddy Mountain projects subsequent to 30 June 2017 (refer to ASX announcement dated 19 September 2017).

18. Deferred considerations

	2017	2016
	\$	\$
Current		
Deemed value of shares and cash consideration to be issued to DGRM (iii)(iv)	200,000	375,262
Cash consideration payable to GEM for acquisitions of ATC Resources and Nevada Clays (b)(e)	58,624	-
	258,624	375,262
Non-current		
Deemed value of shares to be issued to DGRM	-	200,000
Deemed value of cash consideration to GEM for acquisitions of ATC Resources and Nevada Clays (c)(d)(f)(g)(h)	260,550	-
	260,550	200,000

Deferred consideration to DG Resource Management (“DGRM”) arising from acquisition of Nevada Metals Pty Ltd

On 15 June 2016, ASX Limited (“ASX”) granted the Company a waiver from ASX Listing Rule 7.3.2 (“Waiver”). The Waiver was in connection with the acquisition of 100% of the issued capital of Nevada Metals Pty Ltd (“Acquisition”), in particular with the deferred issue of the following shares to DG Resource Management Ltd (“DGRM”) pursuant to a binding Heads of Agreement:

- (i) 100,000,000 shares at a deemed issue price of \$0.001 each on the date that is 12 months after the date of receipt of shareholder approval (being 12 months from 28 June 2016);
- (ii) 125,000,000 shares at a deemed issue price of \$0.001 each on the date that is 12 months after the date of settlement of the Acquisition (being 12 months from 28 June 2016);
- (iii) 75,000,000 shares at a deemed issue price of \$0.001 each on the date that is 24 months after the date of receipt of shareholder approval (being 24 months from 28 June 2016); and
- (iv) 125,000,000 shares at a deemed issue price of \$0.001 each on that date that is 24 months after the date of settlement of the Acquisition (being 24 months from 28 June 2016).

As at 30 June 2017, deferred shares at (i) and (ii) have been issued.

For the purpose of reporting, the total deemed value of the above remaining deferred issue of shares (iii) and (iv) being \$200,000, have been recorded in the accounts. The deferred shares at (iii) and (iv) remain to be issued as at 30 June 2017.

Deferred consideration to Gold Exploration Management Inc. (“GEM”) arising from acquisition of ATC Resources Pty Ltd and Nevada Clays Pty Ltd

Following the acquisitions of 100% of ATC Resources Pty Ltd (*refer to note 17.1*) and Nevada Clays Pty Ltd (*refer to note 17.2*), Caeneus is liable to pay GEM deferred cash payments as follows:

Arising from acquisition of ATC Resources Pty Ltd

- (a) US\$20,000 on the date that is 12 months after the settlement of the acquisition (being 12 months from 23 June 2016);
- (b) US\$30,000 on that date that is 24 months after the settlement of the acquisition (being 24 months from 23 June 2016);
- (c) US\$50,000 on that date that is 36 months after the settlement of the acquisition (being 36 months from 23 June 2016); and
- (d) US\$70,000 on that date that is 48 months after the settlement of the acquisition (being 48 months from 23 June 2016).

18. Deferred considerations (cont'd)***Deferred consideration to Gold Exploration Management Inc. ("GEM") arising from acquisition of ATC Resources Pty Ltd and Nevada Clays Pty Ltd (cont'd)******Arising from acquisition of Nevada Clays Pty Ltd***

(e) US\$15,000 on that date that is 12 months after the settlement of the acquisition (being 12 months from 13 September 2016);

(f) US\$20,000 on that date that is 24 months after the settlement of the acquisition (being 24 months from 13 September 2016);

(g) US\$25,000 on that date that is 36 months after the settlement of the acquisition (being 36 months from 13 September 2016); and

(h) US\$35,000 on that date that is 48 months after the settlement of the acquisition (being 48 months from 13 September 2016).

As at 30 June 2017, cash payment at (a) has been paid.

For the purpose of reporting, the total value of the above deferred cash payments at (b) to (h) inclusive, have been converted to Australian dollars based on the exchange rate prevailing at 30 June 2017.

19. Financial instruments**19.1 Capital management**

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital management requires the maintenance of a strong cash balance to support ongoing exploration.

Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements. There were no changes in the Group's approach to capital management during the year.

19.2 Categories of financial instruments

	2017	2016
	\$	\$
Financial assets		
Cash and cash equivalents	922,426	210,389
Trade and other receivables (non-interest bearing)	31,526	37,015
	953,952	247,404
Financial liabilities		
Trade and other payables (non-interest bearing)	247,166	366,526
Deferred considerations – current (<i>refer note 18</i>)	258,624	375,262
Deferred considerations – non-current (<i>refer to note 18</i>)	260,550	200,000
	766,340	941,788
Net financial assets/(liabilities)	187,612	(694,384)

The carrying value of the above financial instruments approximates their fair values.

19.3 Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

19. Financial instruments (cont'd)

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

19.4 Market risk

Market risk for the Group arises from the use of interest bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate (see 19.5 below).

19.5 Interest rate risk management

Interest rate risk arises on cash and cash equivalents and receivables from related parties. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end on the reporting period.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 30 June 2017 would decrease/increase by \$9,224 (2016: \$2,104).

19.6 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group is mainly exposed to the currency of United States and Canada. As this is not considered a significant risk at this stage for the Group, no policies are in place to formally mitigate this risk.

19.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

19. Financial instruments (cont'd)**19.8 Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Contractual cash flows

	Carrying Amount	Less than 1 month	1-3 months	3-12 months	1 year to 5 years	Total contractual cash flows
	\$	\$	\$	\$	\$	\$
2017						
Trade and other payables	247,166	-	247,166	-	-	247,166
Deferred consideration (current)	58,624	-	-	58,624	-	58,624
Deferred consideration (non-current)	260,550	-	-	-	260,550	260,550
2016						
Trade and other payables	366,526	-	366,526	-	-	366,526

20. Key management personnel

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2017	2016
	\$	\$
Short-term employee benefits	330,000	239,364
Post-employment benefits	-	-
Share-based payment	387,408	-
	717,408	239,364

Short-term employee benefits

These amounts include fees paid to non-executive and executive directors and also include fees paid to entities controlled by the directors. The compensation of each member of the key management personnel of the Group is set out in the remuneration report on page 11.

21. Related party transactions**21.1 Entities under the control of the Group**

The Group consists of the parent entity, Caeneus Minerals Ltd and its wholly-owned subsidiaries Caeneus Resources Pty Ltd, Port Exploration Pty Ltd, Nevada Metals Pty Ltd, ATC Resources Pty Ltd and Nevada Clays Pty Ltd.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

21.2 Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to the remuneration report contained in the directors' report and note 20.

21 Related party transactions (cont'd)**21.3 Other related party transactions**

Mr Bowker's company secretarial services are provided by Somerville Advisory Group (Somerville). Mr Bowker is a founding director of Somerville. Company secretarial fees paid to Somerville are disclosed in the remuneration report.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

22. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2017	2016
	\$	\$
Cash and bank balances	922,426	210,389

22.1 Reconciliation of loss for the year to net cash flows from operating activities

	2017	2016
	\$	\$
Cash flow from operating activities		
Loss for the year	(5,986,386)	(1,119,723)
Adjustments for:		
Impairment	3,743,602	18,550
Share based payments and creditors paid in shares/options	619,408	556,460
Net liability assumed from acquisition of subsidiary	-	16,751
Foreign exchange gain	(8,629)	-
Movements in working capital		
Increase in trade, other receivables and prepayments	(26,237)	(7,550)
(Decrease)/increase in trade and other payables	(121,242)	132,297
Net cash flow from operating activities	(1,779,484)	(403,215)

Non-cash financing activities

The Company issued 100,000,000 shares at a deemed issue price of \$0.003 and 100,000,000 unlisted options to vendors of ATC Resources Pty Ltd and 60,000,000 shares at a deemed issue price of \$0.003 to Gold Exploration Management Inc for a non-cash consideration to acquire 100% of ATC Resources Pty Ltd (refer to note 17.1 for more information).

The Company issued 140,000,000 shares at a deemed issue price of \$0.003 and 140,000,000 unlisted options to vendors of Nevada Clays Pty Ltd and 35,000,000 shares at a deemed issue price of \$0.003 to Gold Exploration Management Inc for a non-cash consideration to acquire 100% of Nevada Clays Pty Ltd (refer to note 17.2 for more information).

The Company issued 225,000,000 shares at a deemed issue price of \$0.001 each for a non-cash consideration to DG Resource Management Ltd as part of the consideration payable under the Nevada Mining Claims Acquisition comprising of the Lida Valley and Muddy Mountains Claims (refer to note 18 for more information).

The Company issued 35,000,000 shares at a deemed issue price of \$0.004 each to Segue Resources Ltd to acquire a 51% interest in the Pardoo Nickel Project (refer to ASX announcement dated 5 September 2016).

Apart from these, there were no other non-cash financing or investing activities during the year.

23. Contingent liabilities and contingent assets

Upon acquiring 100% interest in the Scotty's South-Sarcobatus Flats and Columbus Marsh lithium projects ("ATC Projects"), Caeneus is liable to pay a 2% Net Smelter Royalty to Gold Exploration Management Inc. ("GEM") on production from the ATC Projects (to be documented with a standard industry royalty agreement). Caeneus has the right to buy back 1% of the royalty for the sum of US\$1,000,000.

Upon acquiring 100% interest in the New King lithium project ("New King Project"), Caeneus is liable to pay a 2% Net Smelter Royalty to GEM on production from the New King Project (to be documented with a standard industry royalty agreement). Caeneus has the right to buy back 1% of the royalty for the sum of US\$1,000,000.

The directors are not aware of any other contingencies at balance date.

24. Remuneration of auditors

Auditor of the Group

	2017	2016
	\$	\$
Audit and review of financial reports	36,108	36,341

The auditor of the Group is Stantons International Audit and Consulting Pty Ltd.

25. Events after the reporting period

On 28 September 2017, the Company announced it had acquired the Stage 2 Interest, being 80% of the highly prospective Pardoo Nickel Project. The Company and Segue Resources Ltd (ASX: SEG) agreed via the execution of a Second Deed of Variation that the Company can satisfy the original Agreement (refer to ASX announcement dated 28 October 2015) and earn the Stage 2 Interest by issuing Segue Resources Limited 58,333,333 fully paid ordinary shares in the Company at a deemed issue price of \$0.003 each.

On 21 August 2017, the Company announced the assay results from water samples submitted from the two (2) exploration drill holes at the Lida Valley Project. The samples did not display economic quantities of lithium with results below the detection limit of 20mg/l (ppm). The Company also stated that drilling at the Columbus Marsh Project has commenced following temporary suspension due to heavy unseasonal rainfall.

On 19 September 2017, the Company announced the discovery of highly anomalous concentrations of lithium brines within a shallow aquifer at the Columbus Marsh project. Lithium bearing brines were intersected at a depth of 79.25 meters (260 feet) and continued to a depth of 103.63 meters (340 feet) resulting in a width of the aquifer of 24.38 meters (80 feet). The Company also announced it had relinquished its Lida Valley and Muddy Mountain Project tenures.

26. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 3 for a summary of significant accounting policies relating to the Group.

Financial position

	2017 \$	2016 \$
Assets		
Current assets	980,516	242,220
Non-current assets	1,316,802	2,701,088
Total assets	2,297,318	2,943,308
Liabilities		
Current liabilities	502,388	923,159
Non-current liabilities	260,550	
Total liabilities	762,938	923,159
Net assets	1,534,380	2,020,149
Equity		
Issued capital	81,191,657	76,452,651
Shares yet to be issued	-	60,000
Reserves	1,815,353	339,943
Accumulated losses	(81,472,630)	(74,832,445)
Total equity	1,534,380	2,020,149
Financial performance		
Loss for the year	(6,640,185)	(1,296,050)

Commitments and contingencies

There were no other material commitments or contingencies at the reporting date for the parent company except for those mentioned in note 12 and note 23.

27. Subsidiaries

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
			2017	2016
Caeneus Resources Pty Ltd	Holds tenements and is a non-operating subsidiary	Australia	100%	100%
Port Exploration Pty Ltd	Holds tenements and is a non-operating subsidiary	Australia	100%	100%
Nevada Metals Pty Ltd	Holds tenements and is a non-operating subsidiary	Australia	100%	100%
ATC Resources Pty Ltd (i)	Holds tenements and is a non-operating subsidiary	Australia	100%	-
Nevada Clays Pty Ltd (ii)	Holds tenements and is a non-operating subsidiary	Australia	100%	-

(i) Acquired on 19 July 2016. Refer to note 17.1 for more information.

(ii) Acquired on 17 October 2016. Refer to note 17.2 for more information.

28. Options

28.1 The following options arrangements were in existence at the reporting date:

Option series	Number	Grant date	Grant date fair value \$	Exercise price \$	Expiry date	Vesting date
CADO	2,484,946,697	Various	-	0.003	31 Dec 2020	Vested
CADAM	1,150,233,917	Various	0.0019	0.005	30 Jun 2021	Vested

There has been no alteration of the terms and conditions of the above options arrangements since the grant date.

28.2 Options granted during the year

The following options were granted during the year ended 30 June 2017:

Option series	Number	Exercise price \$	Expiry date	Purpose of Grant
(i) CADAM*	410,233,917	0.005	30 Jun 2021	Pursuant to placement dated 15 July 2016
(ii) CADAM^	300,000,000	0.005	30 Jun 2021	Issued to Lead Manager pursuant to a Mandate
(iii) CADAM^	100,000,000	0.005	30 Jun 2021	Issued to vendors of ATC Resources Pty Ltd
(iv) CADAM^	200,000,000	0.005	30 Jun 2021	Issued to Directors pursuant to Equity Incentive Plan
(v) CADAM^	140,000,000	0.005	30 Jun 2021	Issued to vendors of Nevada Clays Pty Ltd
(vi) CADO*	1,049,431,085	0.003	31 Dec 2020	Pursuant to a capital raising
(vii) CADO^	50,000,000	0.003	31 Dec 2020	Issued to Venex Capital Corp pursuant to a Mandate
(viii) CADO*	220,000,000	0.003	31 Dec 2020	Pursuant to a capital raising

* free attaching options

^ share-based payments

28.2 Fair value of options granted during the year as share-based payments

The fair value of options issued during the year ended 30 June 2017 has been independently determined using the Black-Scholes option pricing model.

The weighted average fair value of the share options granted during the financial year was \$0.004 (2016: 0.003).

Inputs into the model for the above options series (ii), (iii), (iv) and (v)

Input	(ii) CADAM	(iii) CADAM	(iv) CADAM	(v) CADAM
Grant date share price	\$0.002	\$0.002	\$0.002	\$0.002
Exercise price	\$0.005	\$0.005	\$0.005	\$0.005
Expected volatility	215%	215%	215%	215%
Option life	4.6 years	4.6 years	4.6 years	4.6 years
Risk-free interest rate	2.21%	2.21%	2.21%	2.21%
Dividend yield	n/a	n/a	n/a	n/a
Grant date fair value	\$0.0019	\$0.0019	\$0.0019	\$0.0019

Option series (vii) issued to Venex Capital Corp Ltd was valued with reference to the value of services provided during the year.

28.3 Movements in options during the year

The following reconciles options outstanding at the beginning and end of the year:

	2017		2016	
	Number of options No.	Weighted average exercise price \$	Number of options No.	Weighted average exercise price \$
Balance at beginning of year	1,632,429,922	0.008	325,650,001	0.029
Granted during the year ⁱ	2,469,665,002	0.004	1,306,779,921	0.003
Forfeited during the year	-	-	-	-
Exercised during the year ⁱⁱ	(141,264,309)	0.003	-	-
Expired during the year	(325,650,001)	0.030	-	-
Balance at end of year	3,635,180,614	0.004	1,632,429,922	0.008
Exercisable at end of year	3,635,180,614	0.004	1,632,429,922	0.008

ⁱ Refer to note 28.2 for further information.

ⁱⁱ Refer to note 28.4 below for further information.

28.4 Share options exercised during the year

A total of 141,264,309 share options were exercised during the year (2016: nil). The breakdown is as follows:

2017 Options series	Number exercised	Exercise date	Share price at exercise date
CADO	40,264,309	25 Jul 2016	\$0.005
CADO	47,500,000	1 Aug 2016	\$0.005
CADO	37,500,000	3 Aug 2016	\$0.004
CADO	16,000,000	20 Jun 2017	\$0.003

28.5 Options outstanding at the end of the year

Share options outstanding at the end of the year had a weighted average exercise price of \$0.004 (2016: \$0.008) and a weighted average remaining contractual life of 1,337 days (2016: 1,364 days).

29. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 1 October 2017.

ASX Additional Information as at 21 September 2017

Ordinary share capital

5,973,155,428 fully paid ordinary shares are held by 10,055 shareholders.

Each ordinary share is entitled to vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

2,484,946,697 **listed** \$0.003 options expiring 31 December 2020 are held by 383 option holders.

1,150,233,917 **unlisted** \$0.005 options expiring 30 June 2021 are held by 59 option holders.

Options do not carry a right to vote.

Distribution of holdings

Category (size of holding)	Number of ordinary shares	Number of holders	% holding
1 – 1,000	1,159,257	2,787	27.72
1,001 – 5,000	3,234,616	1,384	13.76
5,001 – 10,000	1,594,005	217	2.16
10,001 – 100,000	20,121,542	346	3.44
100,001 and over	5,947,046,008	5,321	52.92
	5,973,155,428	10,055	100.00

Unmarketable parcels

There are 5,471 shareholdings held in less than the marketable parcels.

Substantial shareholders

There are no substantial shareholder(s) as at the date this ASX information was retrieved.

Restricted securities

The Company has no restricted securities on issue.

On-Market buy-back

There is no current on-market buy-back.

Twenty (20) largest shareholders – fully paid ordinary shares

Name	Number of Shares Held	% of Issued Capital
DG Resource Management Ltd	223,513,020	3.74
Mr John Charles Cherry	92,990,000	1.56
Mr Kim Song Yay	87,500,000	1.46
Mrs Stella Emily Downey	75,000,000	1.26
Comsec Nominees Pty Ltd	64,498,079	1.08
J P Morgan Nominees Australia Limited	54,909,123	0.92
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	43,597,755	0.73
Prodigy Management Pty Ltd <C & K A/C>	41,824,162	0.70
Victoria's Basement Pty Ltd	40,000,000	0.67
Mr Steven James Elliott	40,000,000	0.67
Pershing Australia Nominees Pty Ltd <Accum A/C>	35,420,785	0.59
HSBC Custody Nominees (Australia) Limited	35,069,464	0.58
Mr Brian Stewart Kerr	33,929,805	0.57
Ms Xia Zhao	30,000,000	0.50
Citicorp Nominees Pty Ltd	27,893,500	0.47
Mr Ming Fan	23,307,666	0.39
Mrs Ying Li Zhao	22,500,000	0.38
Mr Bhavik Khatri	22,000,000	0.36
Mrs Nicole Turner	20,823,151	0.35
Mr Errol Desmond Taylor	20,726,678	0.34
Rural Sales & Marketing Pty Ltd <Super Fund A/C>	20,000,000	0.33
	1,055,503,188	17.67

Twenty (20) largest holders – Listed Options (exercisable at \$0.003, expiring 31 Dec 2020)

Name	Number of Options Held	%
Merche Investments Pty Ltd	112,950,000	4.55
Mr Xiaolin Wang	100,000,000	4.02
Redcode Pty Ltd	88,047,166	3.54
Pershing Australia Nominees Pty Ltd <Accum A/C>	76,327,159	3.07
Netshare Nominees Pty Ltd	76,235,077	3.06
Jocaph Pty Ltd <Jocaph Super Fund A/C>	75,000,000	3.02
Mr Charles Michael Clifton Ryan	62,500,000	2.52
Mr Roger Blake & Mrs Erica Lynette Blake	60,000,000	2.41
Fox Hunt Hill Pty Ltd	50,000,000	2.01
Midas Corporate Solutions Pty Ltd	50,000,000	2.01
Venex Capital Corp Ltd	50,000,000	2.01
Ridge Resources Ltd	50,000,000	2.01
Rosemount Capital Partners Pte Ltd	50,000,000	2.01
Distinct Racing and Breeding Pty Ltd	44,245,193	1.78
Avante Holdings Pty Ltd	44,000,000	1.77
Mr John Michael Galluccio <John Galluccio Family A/C>	40,000,000	1.61
Stella Emily Downey	37,500,000	1.51
Mr Christopher Matthew Monico	37,470,000	1.51
Mr Bobi Petkovski <B & K Petkovski A/C>	30,000,000	1.21
Mr James Anthony Laird	29,290,298	1.18
Mr Keum Woo Lee	26,500,000	1.06
Comsec Nominees Pty Ltd	25,000,000	1.01
Mr George Hogg Turnbull & Mrs Sylvia Deanna Turnbull	25,000,000	1.01
Mr Fareed Hazrati	22,460,098	0.90
Kuckovo Pty Ltd <Kuckovo Super Fund A/C>	20,000,000	0.80
Porcelain Ink Pty Ltd <Ahsase A/C>	20,000,000	0.80
Sisu International Pty Ltd	20,000,000	0.80
Mr Ford Fook Yan Lee & Mrs Verlin Agustin Sari	20,000,000	0.80
Anthony Wyer Investments Pty Ltd	20,000,000	0.80
Excel Shares Pty Ltd	20,000,000	0.80
Totus Projects Pty Ltd	20,000,000	0.80
Amber Plus Pty Ltd	20,000,000	0.80
Rec (WA) Pty Ltd	20,000,000	0.80
	1,442,524,991	58.05

Schedule of tenements held at balance sheet date

STATE OF NEVADA, UNITES STATES OF AMERICA TENEMENTS

Lida Valley Project

Claim Name/Number	Serial No	Claimant	MER	TWN	RANGE	SEC	SUBDIV	CTY	LOC DATE
LV 1	NMC1117903	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 NE	NV009	12/21/2015
LV 2	NMC1117904	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 NE	NV009	12/21/2015
LV 3	NMC1117905	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 NE	NV009	12/21/2015
LV 4	NMC1117906	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 NE	NV009	12/21/2015
LV 5	NMC1117907	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 NE	NV009	12/21/2015
LV 6	NMC1117908	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 NE	NV009	12/21/2015
LV 7	NMC1117909	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 NE	NV009	12/21/2015
LV 8	NMC1117910	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 NE	NV009	12/21/2015
LV 9	NMC1117911	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 SE	NV009	12/21/2015
LV 10	NMC1117912	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 SE	NV009	12/21/2015
LV 11	NMC1117913	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 SE	NV009	12/21/2015
LV 12	NMC1117914	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 SE	NV009	12/21/2015
LV 13	NMC1117915	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 SE	NV009	12/21/2015
LV 14	NMC1117916	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 SE	NV009	12/21/2015
LV 15	NMC1117917	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 SE	NV009	12/21/2015
LV 16	NMC1117918	CARLIN TREND MINING SERVICES		21 0060S	0420E		1 SE	NV009	12/21/2015
LV 17	NMC1117919	CARLIN TREND MINING SERVICES		21 0060S	0420E		12 NE	NV009	12/21/2015
LV 18	NMC1117920	CARLIN TREND MINING SERVICES		21 0060S	0420E		12 NE	NV009	12/21/2015
LV 19	NMC1117921	CARLIN TREND MINING SERVICES		21 0060S	0420E		12 NE	NV009	12/21/2015
LV 20	NMC1117922	CARLIN TREND MINING SERVICES		21 0060S	0420E		12 NE	NV009	12/21/2015
LV 21	NMC1117923	CARLIN TREND MINING SERVICES		21 0060S	0420E		12 NE	NV009	12/21/2015
LV 22	NMC1117924	CARLIN TREND MINING SERVICES		21 0060S	0420E		12 NE	NV009	12/21/2015
LV 23	NMC1117925	CARLIN TREND MINING SERVICES		21 0060S	0420E		12 NE	NV009	12/21/2015
LV 24	NMC1117926	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NW	NV009	12/21/2015
LV 25	NMC1117927	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NW	NV009	12/21/2015
LV 26	NMC1117928	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NW	NV009	12/21/2015
LV 27	NMC1117929	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NW	NV009	12/21/2015
LV 28	NMC1117930	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NE	NV009	12/21/2015
LV 29	NMC1117931	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NE	NV009	12/21/2015
LV 30	NMC1117932	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NE	NV009	12/21/2015
LV 31	NMC1117933	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NE	NV009	12/21/2015
LV 32	NMC1117934	CARLIN TREND MINING SERVICES		21 0060S	0430E		5 NW	NV009	12/21/2015
LV 33	NMC1117935	CARLIN TREND MINING SERVICES		21 0060S	0430E		5 NW	NV009	12/21/2015
LV 34	NMC1117936	CARLIN TREND MINING SERVICES		21 0060S	0430E		5 NW	NV009	12/21/2015
LV 35	NMC1117937	CARLIN TREND MINING SERVICES		21 0060S	0430E		5 NW	NV009	12/21/2015
LV 36	NMC1117938	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NW	NV009	12/21/2015
LV 37	NMC1117939	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NW	NV009	12/21/2015
LV 38	NMC1117940	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NW	NV009	12/21/2015
LV 39	NMC1117941	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NW	NV009	12/21/2015
LV 40	NMC1117942	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NE	NV009	12/21/2015
LV 41	NMC1117943	CARLIN TREND MINING SERVICES		21 0060S	0430E		6 NE	NV009	12/21/2015

Muddy Mountain Project

Ser No	Case Type	Claim Name/Number	Claimant	Lead File	Loc Dt	Latest Assmt-Yr
NMC1118539	LODE	MM 1	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118540	LODE	MM 2	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118541	LODE	MM 3	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118542	LODE	MM 4	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118543	LODE	MM 5	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118544	LODE	MM 6	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118545	LODE	MM 7	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118546	LODE	MM 8	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118547	LODE	MM 9	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118548	LODE	MM 10	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118549	LODE	MM 11	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118550	LODE	MM 12	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118551	LODE	MM 13	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118552	LODE	MM 14	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118553	LODE	MM 15	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118554	LODE	MM 16	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118555	LODE	MM 17	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118556	LODE	MM 18	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118557	LODE	MM 19	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118558	LODE	MM 20	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118559	LODE	MM 21	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118560	LODE	MM 22	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118561	LODE	MM 23	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118562	LODE	MM 24	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118563	LODE	MM 25	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118564	LODE	MM 26	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118565	LODE	MM 27	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118566	LODE	MM 28	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118567	LODE	MM 29	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118568	LODE	MM 30	CARLIN TREND MINING SERVICES	NMC1118539	12/24/2015	2 0 1 6
NMC1118569	LODE	MM 31	CARLIN TREND MINING SERVICES	NMC1118539	12/27/2015	2 0 1 6
NMC1118570	LODE	MM 32	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118571	LODE	MM 33	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118572	LODE	MM 34	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118573	LODE	MM 35	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118574	LODE	MM 36	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118575	LODE	MM 37	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118576	LODE	MM 38	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118577	LODE	MM 39	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118578	LODE	MM 40	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118579	LODE	MM 41	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118580	LODE	MM 42	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6
NMC1118581	LODE	MM 43	CARLIN TREND MINING SERVICES	NMC1118539	12/25/2015	2 0 1 6

NMC1118625	LODE	MM 87	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118626	LODE	MM 88	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118627	LODE	MM 89	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118628	LODE	MM 90	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118629	LODE	MM 91	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118630	LODE	MM 92	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118631	LODE	MM 93	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118632	LODE	MM 94	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118633	LODE	MM 95	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118634	LODE	MM 96	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118635	LODE	MM 97	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118636	LODE	MM 98	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118637	LODE	MM 99	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118638	LODE	MM 100	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118639	LODE	MM 101	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118640	LODE	MM 102	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118641	LODE	MM 103	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118642	LODE	MM 104	CARLIN TREND MINING SERVICES NMC1118539	12/30/2015	2 0 1 6
NMC1118643	LODE	MM 105	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118644	LODE	MM 106	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118645	LODE	MM 107	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118646	LODE	MM 108	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118647	LODE	MM 109	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118648	LODE	MM 110	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118649	LODE	MM 111	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118650	LODE	MM 112	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118651	LODE	MM 113	CARLIN TREND MINING SERVICES NMC1118539	12/27/2015	2 0 1 6
NMC1118652	LODE	MM 114	CARLIN TREND MINING SERVICES NMC1118539	12/27/2015	2 0 1 6
NMC1118653	LODE	MM 115	CARLIN TREND MINING SERVICES NMC1118539	12/27/2015	2 0 1 6
NMC1118654	LODE	MM 116	CARLIN TREND MINING SERVICES NMC1118539	12/27/2015	2 0 1 6
NMC1118655	LODE	MM 117	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118656	LODE	MM 118	CARLIN TREND MINING SERVICES NMC1118539	12/29/2015	2 0 1 6
NMC1118657	LODE	MM 119	CARLIN TREND MINING SERVICES NMC1118539	12/27/2015	2 0 1 6
NMC1118658	LODE	MM 120	CARLIN TREND MINING SERVICES NMC1118539	12/27/2015	2 0 1 6
NMC1118659	LODE	MM 121	CARLIN TREND MINING SERVICES NMC1118539	12/27/2015	2 0 1 6
NMC1118660	LODE	MM 122	CARLIN TREND MINING SERVICES NMC1118539	12/27/2015	2 0 1 6
NMC1118661	LODE	MM 123	CARLIN TREND MINING SERVICES NMC1118539	12/27/2015	2 0 1 6
NMC1118662	LODE	MM 140	CARLIN TREND MINING SERVICES NMC1118539	12/26/2015	2 0 1 6

Note: The Lida Valley and Muddy Mountain Projects were relinquished subsequent to the year end. Refer to ASX announcement dated 19 September 2017.

Columbus Marsh Project

Location	Project Name	Claim #	Ownership	Titleholder
Nevada, USA	Columbus Marsh	CSM32	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM33	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM34	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM35	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM36	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSME1	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSME2	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSME3	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM1	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM2	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM3	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM4	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM5	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM6	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM1W	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM5W	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.

Nevada, USA	Columbus Marsh	CSM28	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM27	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM29	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM30	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM31	<i>Refer to Note 1 below</i>	Gold Exploration Management Inc.

Note 1: ATC Resources Pty Ltd (“ATC Resources”) has entered into the assignments of binding Options Agreements to acquire 100% of Scotty’s South and Columbus Marsh from Gold Exploration Management Inc. ATC Resources is a wholly owned subsidiary of Caeneus Minerals Ltd.

AUSTRALIAN TENEMENTS

Location	Project Name	Tenement #	Ownership	Titleholder
Western Australia	Supernova	E69/3066	100%	Caeneus Resources Pty Ltd
Western Australia	Pardoo	E45/1866	<i>Refer to Note 2 below</i>	Segue (Pardoo) Limited
Western Australia	Pardoo	E45/4279	<i>Refer to Note 2 below</i>	Segue (Pardoo) Limited
Western Australia	Pardoo	E45/4585	100%	Port Exploration Pty Ltd
Western Australia	Pardoo	E45/4671	<i>Refer to Note 2 below</i>	Plumridge East Pty Ltd

Note 2: Port Exploration Pty Ltd entitlement to earned 80% via Farm-In Joint Venture Agreement. Refer to ASX announcement dated 28 September 2017.