

ASX Announcement
5 September 2016

CAENEUS ACQUIRES 51% INTEREST IN THE PARDOO NICKEL PROJECT

Caeneus Minerals Ltd (“Caeneus” or “the Company”) is pleased to announce that it has acquired the Stage 1 interest, being 51% of the highly prospective Pardoo Nickel Project (“Project”) in Western Australia.

The Company’s wholly owned subsidiary, Port Exploration Pty Ltd (“Port Exploration”) has a joint venture agreement (“Agreement”) with Segue Resources Limited (“Segue Resources”) (ASX: SEG) whereby Port Exploration can acquire a 51% interest in the Project by spending \$250,000 on exploration within 12 months of signing the Agreement (“Stage 1 Interest”). Port Exploration can acquire an additional 29% interest in the Project by spending a further \$250,000 on exploration by no later than 12 months after earning the Stage 1 Interest (“Stage 2 Interest”). Upon Port Exploration earning the Stage 2 Interest Segue Resources has the right for a period of 18 months to sell its 20% joint venture interest to Port Exploration.

The Company has spent approximately \$110k on exploration to date leaving approximately \$140k to earn the Stage 1 Interest. The Company and Segue Resources have agreed via the execution of a Deed of Variation that the Company can satisfy the Agreement and earn the Stage 1 Interest by issuing Segue Resources 35,000,000 fully paid ordinary shares (“Shares”) in the Company at a deemed issue price of \$0.004 each. The Company will issue the Shares under its ASX Listing Rule 7.1A placement capacity.

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



Figure 1 Pardoo Project location map showing tenement portfolio.

As announced by the Company on 28 October 2015, the Highway Deposit was discovered by CRA in the early 1990's and subsequently expanded upon (and marginally upgraded) through activities undertaken by Mithril and Segue Resources during a period from 2007 through to 2010. Mineralisation at the Highway Deposit is present as disseminations and semi massive sulphides within the Goldsworthy Greenstone Belt. The mineralisation has been interpreted as being hydrothermally re-mobilised from a primary magmatic source. Previous operators have described the Highway mineralisation (and that at Supply Well) as an unusual style of disseminated and semi-massive nickel-copper sulphide mineralisation that appears stratabound and discordant within meta-sediments, cherts and possible ultramafic rocks.

Whilst the Company is primarily focused on progressing its Nevada lithium portfolio, the Company values this Project extremely highly and it is the intention to proceed with exploration activities in order to earn the Stage 2 Interest. Refer to the Company's ASX announcement on 23 November 2015 for the aeromagnetic survey results and potential initial targets for further exploration activities.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'S. Elliott', written in a cursive style.

Steve Elliott
Managing Director