

ASX Announcement
3 October 2016

BLM Permits Received & Upcoming Drilling Program at Lida Valley

Caeneus Minerals Ltd (“Caeneus” or “the Company”) is pleased to provide the following exploration update ahead of its upcoming drilling program at its 100% owned Lida Valley Lithium Brine Project, Nevada, USA.

Approvals from the Bureau of Land Management (“BLM”) have been received and the Company is mobilising the team to commence its drilling program at Lida Valley. The Company is exempt from completing a cultural or migratory bird survey which can lead to potential delays.

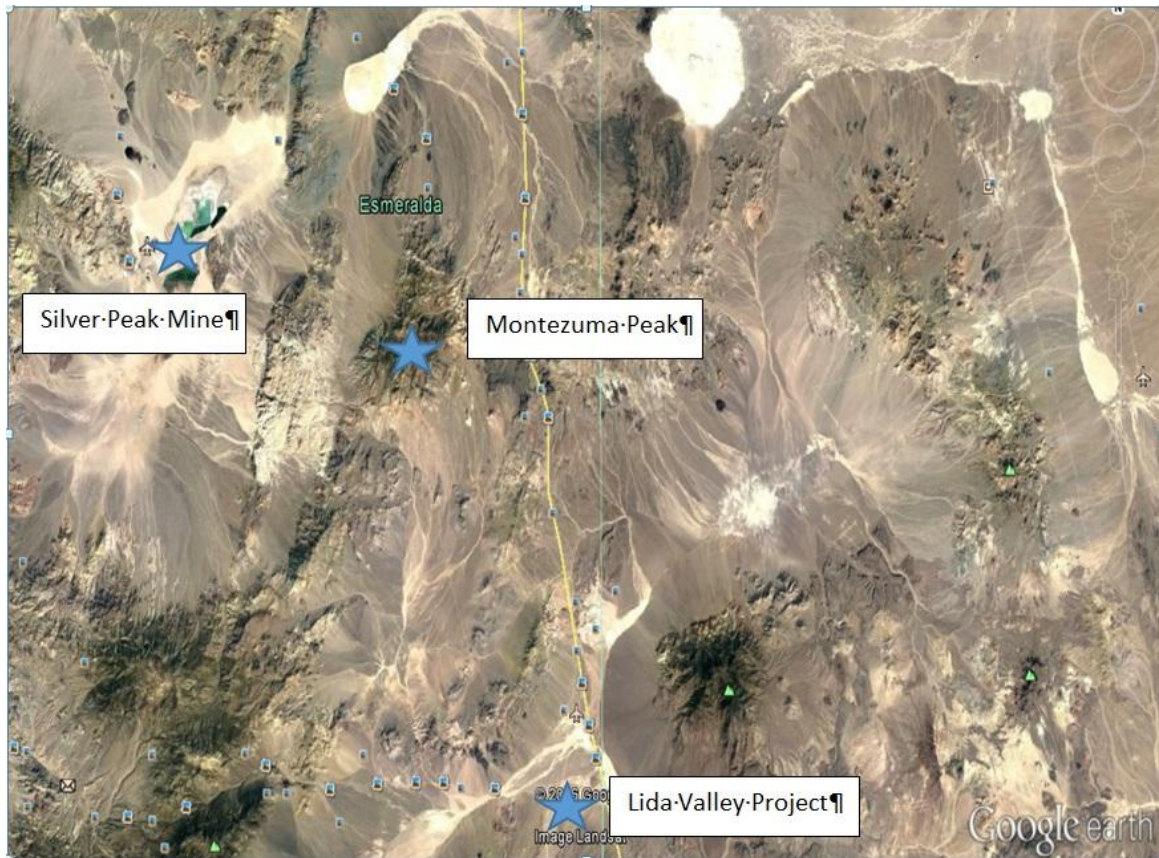
The Company is now in the process of posting the reclamation bond to the BLM and confirming the availability of drilling contractors and ancillary service providers.

The Company is in advanced discussions with a number of candidates to provide drilling services. These groups have significant experience drilling for brines in a number of basins in the Nevada area, including work for Rockwood on the Silver Peak Mine and recently for Iconic Minerals where they have gleaned significant experience in taking cores from sedimentary basins and well screening for water samples.

Lida Valley - Background

Lida Valley is underlain by valley fill sediments derived from lithium-rich volcanic rocks that compose parts of the surrounding hills. The volcanic rocks and the derived basin-fill sediments include lithium-rich volcanic tuff and ash beds. The basin-fill sediments consist of interbedded layers of quaternary muds, volcanic tuff and ash beds, and salt. This environment is ideal for the formation and accumulation of lithium evaporates and brines.

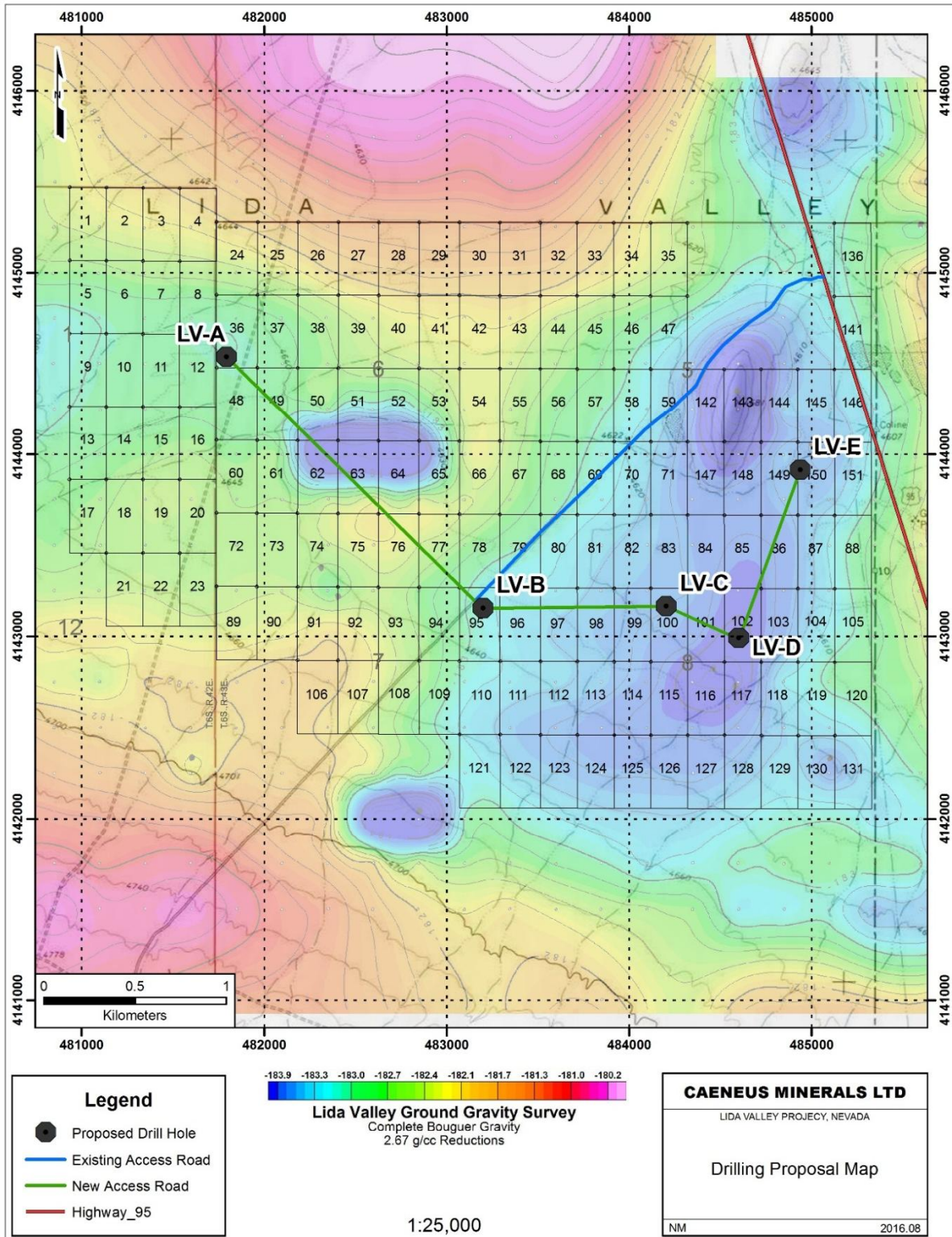
It is interpreted that Montezuma Peak, between the Clayton Valley’s Silver Peak Mine and Lida Valley, represents a potential source of lithium within the region. Here, tertiary rhyolites show strong lithium enrichment. At Lida Valley, the Playa Floor contains significant erosional remnants of a lithium-rich rhyolitic tuff. Montezuma Peak has been the interpreted source for the lithium located in brine discoveries in the Clayton Valley and it interpreted that Lida Valley represents the southern migration of this flow.

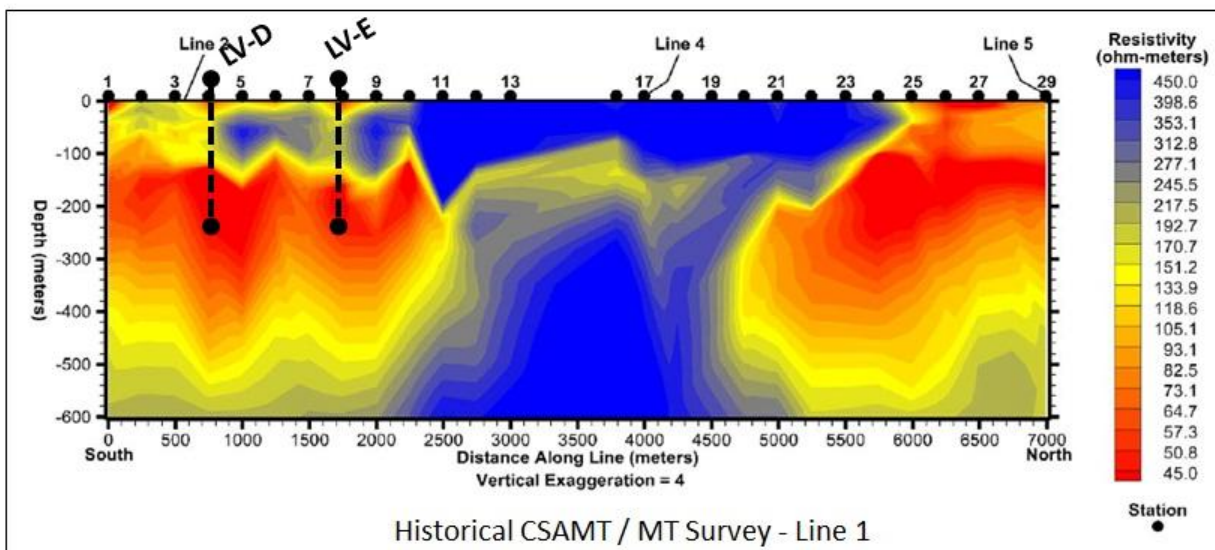
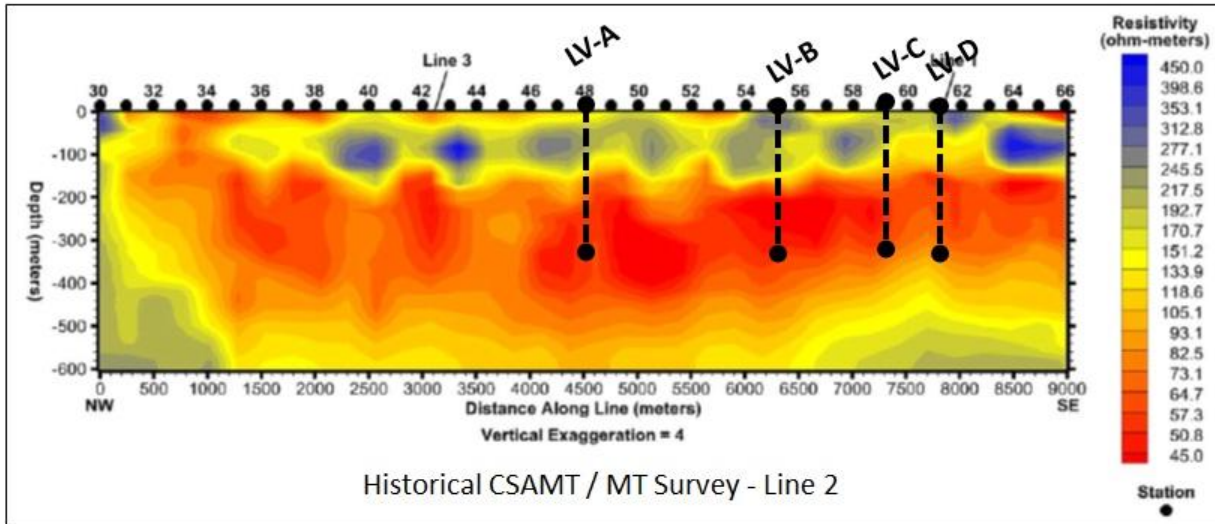


Drilling Program

The Company has interpreted the Regional & High Amplitude Gravity surveys as well as historical CSAMT / MT Survey information targeting resistivity lows and considers the data consistent with potential conductive subsurface brines and hydrothermal systems.

The Company is targeting up to five drill holes in this exploration program but the number and exact location may change as new information comes to hand during the program.





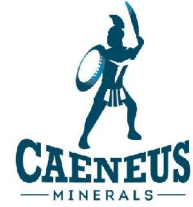
Summary of Proposed Lida Valley Drilling Targets

Hole LV-A: Regionally trending gravity low testing western part of the property.

Hole LV-B: Testing CSAMT / AMT survey possible brine target with a thickness of approximately 150 to 200 metres, interpreted top depths ranging from about 150 to 200 metres, and interpreted bottom depths of about 300 to 400 metres. On western margin of gravity bowl, testing possible structure / fluid migration path.

Hole LV-C: Testing centre of broad gravity low, testing possible continuity / extension of structure from CSAMT / MT survey in LV-B.

Hole LV-D: Testing centre of high-amplitude gravity low, within the broad gravity low at the eastern end of the property.



Hold LV-E: Testing northern part of the broad gravity low, and the CSAMT / MT target. The lower resistivities possibly related to a brine-bearing formation are indicated from depths of about 150 to 200 metres.

The Company looks forward to commencing this high impact stage of its development strategy and will update the market accordingly when final drilling contractors are chosen and drilling commences.

For and on behalf of the Board

Steve Elliott
Managing Director

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