

ASX Announcement
5 October 2016

Exploration Program Commences at Muddy Mountain

Caeneus Minerals Ltd (“Caeneus” or “the Company”) is pleased to provide the following exploration update in relation to its 100% owned Muddy Mountain Lithium Clay Project (“Muddy Mountain” or “the Project”) in Nevada, United States of America.

A ground exploration sampling and sectional mapping program is now underway for Muddy Mountain. The exploration program will be run from Overton, Nevada. The exploration program includes a two-person geological crew tasked to complete extensive ground sampling along pre-defined traverses and any optimized field identified targets across the lithium prospective Horse Spring Formation (Figure 1).

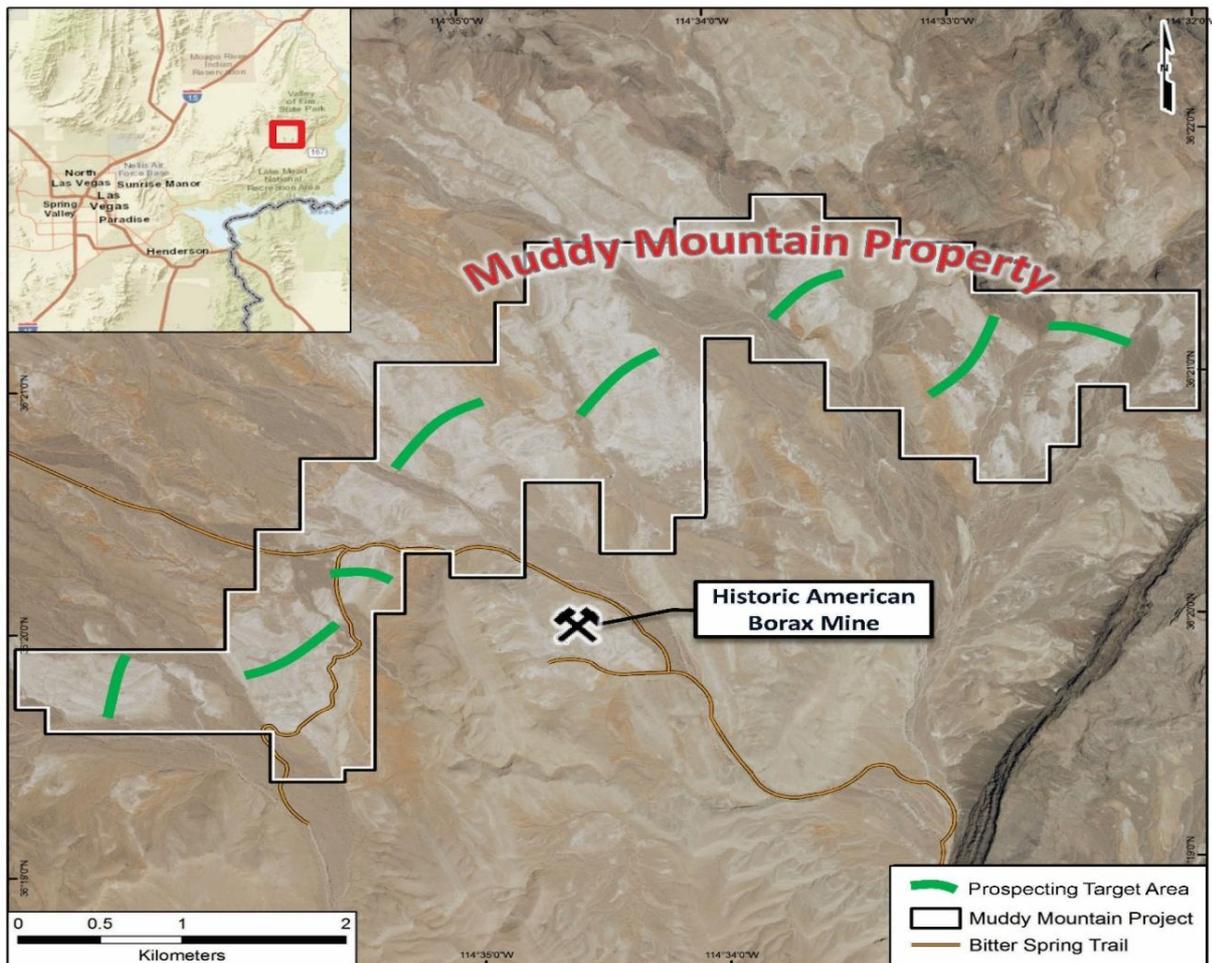


Figure 1: Muddy Mountain Prospecting Target Area Traverses

The geologic sectional mapping and sampling will be field validated using the SciAps LIBS Z500. The introduction of this tool will help accurately identify the Li-bearing clays from the other white clay intervals (Figure 2).



Figure 2: Outcropping Strata from Muddy Mountain

Previous samples from the area have assayed as high as 5,000 ppm lithium with the goal to target a “district scale” multi-million tonne resource grading in the range 0.3% to 0.5% lithium.

Extensive data will be collected and interpreted for the Project area, and the results will be used for subsequent Project planning. It is anticipated that the soil geochemistry will provide targets for follow up drilling evaluation for both lithium and boron (The Muddy Mountain area has previously been a producer of boron).

For and on behalf of the Board

Steve Elliott
Managing Director

Competent Person Statement

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

Disclaimer

Certain statements contained in this announcement, including information as to the future financial or operating performance of Caeneus and its projects are forward-looking statements that:

- *may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;*
- *are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Caeneus, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,*
- *involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.*