



Caeneus Minerals Ltd
ACN 082 593 235

Australian Securities Exchange
Code: CAD

Ordinary shares
2,413,226,117

Unlisted Options
19,500,000 (exercise price of \$0.005;
expiry date of 31 Dec 2016)
306,150,001 (exercise price of \$0.03;
expiry date of 27 Feb 2017)
550,457,309 (exercise price of \$0.003;
expiry date of 31 Dec 2020)

Board of Directors
Mr Steven Elliott
Mr Keith Bowker
Mr Michael Nottas

ASX Announcement
23 May 2016

CAENEUS COMPLETES DUE DILIGENCE TO ACQUIRE NEVADA LITHIUM PROJECTS

Caeneus Minerals Ltd (ASX: CAD) ("Caeneus" or "the Company") is pleased to provide an update on the transaction (ASX Release: 30 March 2016), to acquire Nevada Metals Pty Ltd ("Nevada Metals") and a 100% interest in the Muddy Mountain and Lida Valley Lithium Projects in West Nevada, United States ("Acquisition").

Following a successful site visit to Nevada, Caeneus has now satisfactorily completed its due diligence in relation to the Acquisition. The Acquisition of Nevada Metals will result in a change in the nature and scale of Caeneus's activities and will require shareholder approval under Chapter 11 of the ASX Listing Rules. For this purpose, Caeneus expects to despatch a notice of meeting to its shareholders before the end of the month seeking the relevant approvals to undertake the Acquisition.

Lida Valley Project

The Lida Valley Lithium Brine Project was visited and assessed and was found to be prospective for lithium brines. Lida Valley is situated in a large evaporate valley of a similar size to the Clayton Valley lithium brine operation situated only 50kms to the northwest. Clayton Valley is the only lithium brine operation in North America and is one of a few such operations in the World. Lida Valley is surrounded by mountains as is the Clayton Valley and those mountains are composed of the same lithium-bearing volcanic rocks that surround Clayton Valley. Infrastructure at Lida Valley is good with the project being situated adjacent to a major highway.

During the field visit the Lida Valley Project was being assessed by a detailed ground gravity survey. The object of this survey is to determine if a significant sedimentary-evaporate basin underlies the area with preliminary results suggesting that such is the case. Results of the gravity survey will be released within the next month prior to the commencement of drilling operations following shareholder and all other regulatory approvals.

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Figure 1: Lida Valley Project

Muddy Mountain Project

The Muddy Mountain Lithium Project was also visited and the target formation, the Horse Spring Formation, was located within the leases. This formation has previously reported lithium assays of up to 5,000ppm (0.5%) lithium derived from the contained mineral hectorite.

Inspection of the claims has shown beyond doubt that the Muddy Mountain claims have the potential to define a multi-million tonne lithium resource grading in the range 0.3% to 0.5% lithium. Several samples of the formation were taken, results of which will be reported as soon as available. Project infrastructure is fair with the project being situated less than 40 kms northeast of the city of Las Vegas.



Figure 2: Muddy Mountain Project

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Numerous companies, both domestic and foreign, have sought to acquire ground in Nevada prospective for lithium. The Company considers Lida Valley and Muddy Mountain amongst the most prospective lithium properties in the region. In addition, the Company continues to seek new properties in the region. Several such properties were inspected during the visit and it is anticipated that new properties will be acquired in the near future.

For and on behalf of the board



Steven 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.