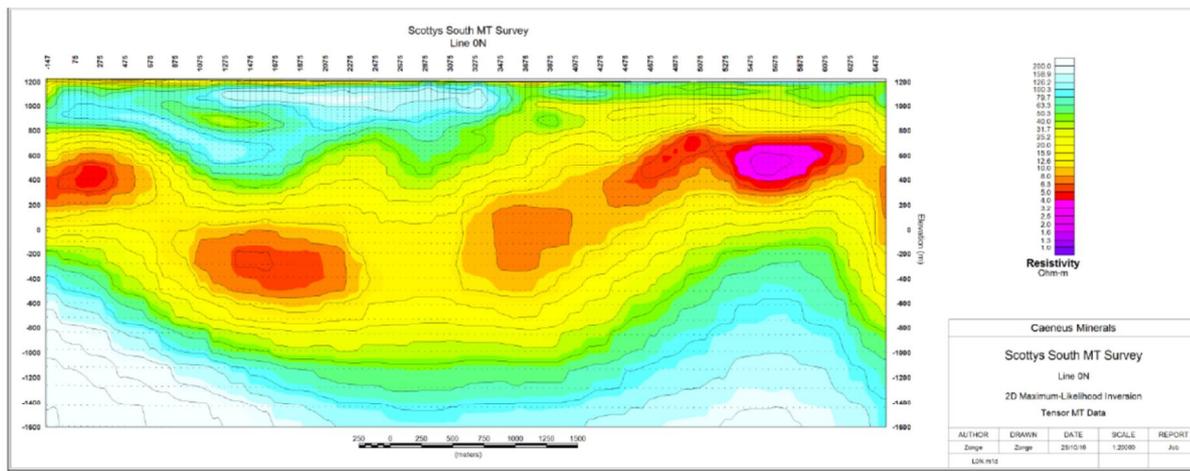


**ASX Announcement**  
**27 January 2017**

**Analysis of MT Survey at Scotty’s South Results in Strong Resistivity Targets**

Caeneus Minerals Ltd (“Caeneus” or “the Company”) is pleased to provide the following exploration update in relation to its 100% owned Scotty’s South – Sarcobatus Flats Lithium Brine Project (“Scotty’s South” or “the Project”) in Nevada, USA.

Analysis of the recent Magnetotelluric (MT) survey on the Scotty’s South Project conducted by Zonge International Inc. has now been completed. The survey has defined a long tabular layer of low resistivity coupled by a series of large ovoid “blobs” and a very low resistivity anomaly to the east of the claims. This area is interpreted to have significant potential to host conductive lithium-rich brine aquifers or saturated clays, or both.



**Figure 1: MT Survey at Scotty’s South**

Gravity work is now being expedited to integrate with this highly encouraging geophysical data. This survey will help define basin geometry and map the structurally bounded deep basins which can host lithium brine or saturated clay / sediment deposits.

The Company notes the recent success of Iconic Minerals (TSXV: ICM) on their Bonnie Claire Lithium Project which immediately abuts the Company’s claims to the north. Iconic Minerals has demonstrated strong recoveries associated with the ability to leach lithium from sediments at Bonnie Claire which may represent a new method of commercial lithium extraction.

For and on behalf of the Board



**Steve Elliott**  
**Managing Director**

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**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.*