



ASX Announcement
10 February 2017

Exploration Update – Lithium Brine Projects

Caeneus Minerals Ltd (“Caeneus” or “the Company”) is pleased to provide the following exploration update on the progress of its Lithium Brine Exploration Projects in Nevada, USA.

Highlights:

- **Local gravity program underway at Scotty’s South Lithium Brine Project to integrate with highly encouraging geophysical data from recent MT geophysical program**
- **MT and gravity program to commence at Columbus Marsh Lithium Brine Project next week to best determine prospectively ahead of maiden drill program**
- **Ongoing analysis of project data sets in conjunction with nearby work programs to best determine optimum drilling strategy**

Geophysical Work Programs in Progress

Following the highly encouraging Magnetotelluric (“MT”) survey results received at Scotty’s South, the Company has commenced a more detailed gravity survey to map the basin area. This will allow the generation of a detailed model of the basin fill thus providing the coverage to more accurately determine basin / sub-basin depth and delineate the structural setting. From this, optimal drill targets will be determined in conjunction with the MT survey data.

A complete MT geophysical survey as well as a local gravity survey will also be undertaken at Columbus Marsh. This will give the Company the most accurate understanding of the relative merits of all projects on a like-for-like basis and will allow the ability to prioritise them ahead of the maiden drilling campaign to follow.

The relatively fast turnaround time of these geophysical programs allows the Company to perform these activities immediately and will allow for the drilling campaigns to be held following this period.

The Company anticipates that given its current cash position it may strategically choose to evaluate one, two, or all projects to explore within the first round of drilling, thus resulting in economies of scale for mobilisation costs, technical consultants, and so forth.

A summary of the proposed work to be undertaken over the coming weeks is as follows:

TASK NAME	January			February			March			April			May		
	B	M	E	B	M	E	B	M	E	B	M	E	B	M	E
Planning & Permitting															
MT Program - Scotty's South															
Gravity Program - Scotty's South															
MT Program - Columbus Marsh															
Gravity Program - Columbus Marsh															
Drilling Program															
Analysis															
Data Compilation, Reporting & Modelling															

Neighbouring Properties & Work Programs in Progress

Furthermore, the Company continues to compile and analyse the large amounts of technical data from drilling currently underway on surrounding projects in conjunction with technical consultants, drillers and other specialists to best determine prospectively of interpreted brine horizons from successful cores.

The Company is attempting to make the best determination before ultimately drilling for a lithium enriched aquifer following the proven existence of lithium rich clay horizons having being discovered in relative proximity to all three of the Company's lithium brine exploration projects.

Specifically, the Company notes recent work by Iconic Minerals (TSXV: ICM) at their Bonnie Claire Project, located immediately north of Caeneus's Scotty's South Project. Iconic has reported hole BC1601 contains an intercept of 1,180 feet (360 metres) averaging 1,307 parts per million lithium and over-500-part-per-million lithium values beginning within 20 feet (6 metres) of surface. BC1602 contains an intercept of 1,170 feet (357 metres) averaging 850 parts per million lithium, with the highest lithium value in BC1602 of 1,790 parts per million occurring at the bottom of the hole. (*Refer TSXV: ICM announcement Geochemical Results of Drill Cuttings From Second Drill Hole at Bonnie Claire Extend Area of Highly Anomalous Lithium*)

The identical geology and geophysical signatures of these two mineralized intercepts indicates that lithium-bearing sediments may occur continuously between the two drill holes. Furthermore, Iconic has demonstrated strong recoveries associated with the ability to leach lithium from the sediments at Bonnie Claire which may represent a new method of commercial lithium extraction.

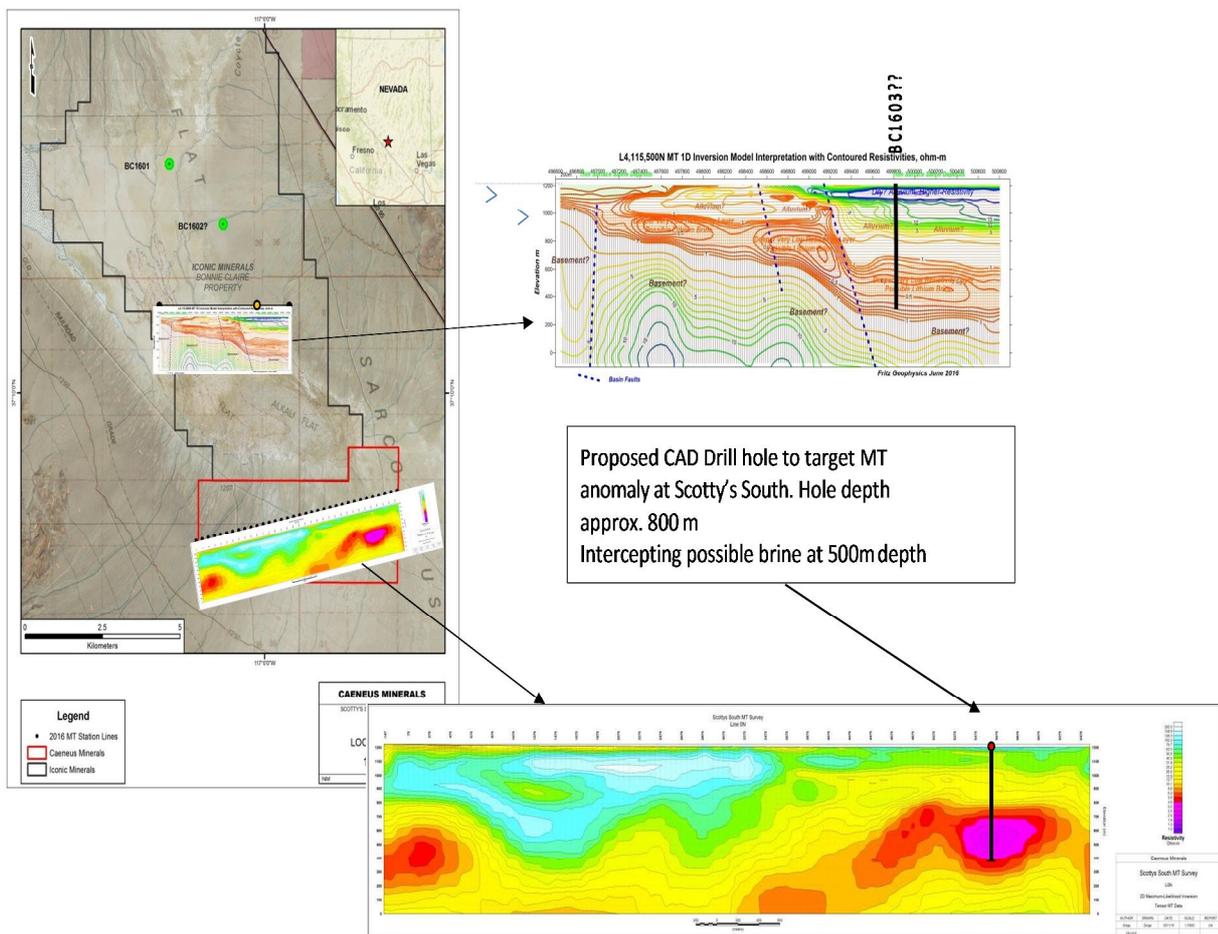


Figure 1: Summary interpretation of current work by Iconic and proximity map to CAD's Scotty's South Project

Drawing upon the neighbouring work will allow the Company to best determine which of these projects have the best 'proven concept' from their work and from there outline a scenario that maximises the chances of drilling success. The map below summarises the large number of active participants in the region of the Company's properties.

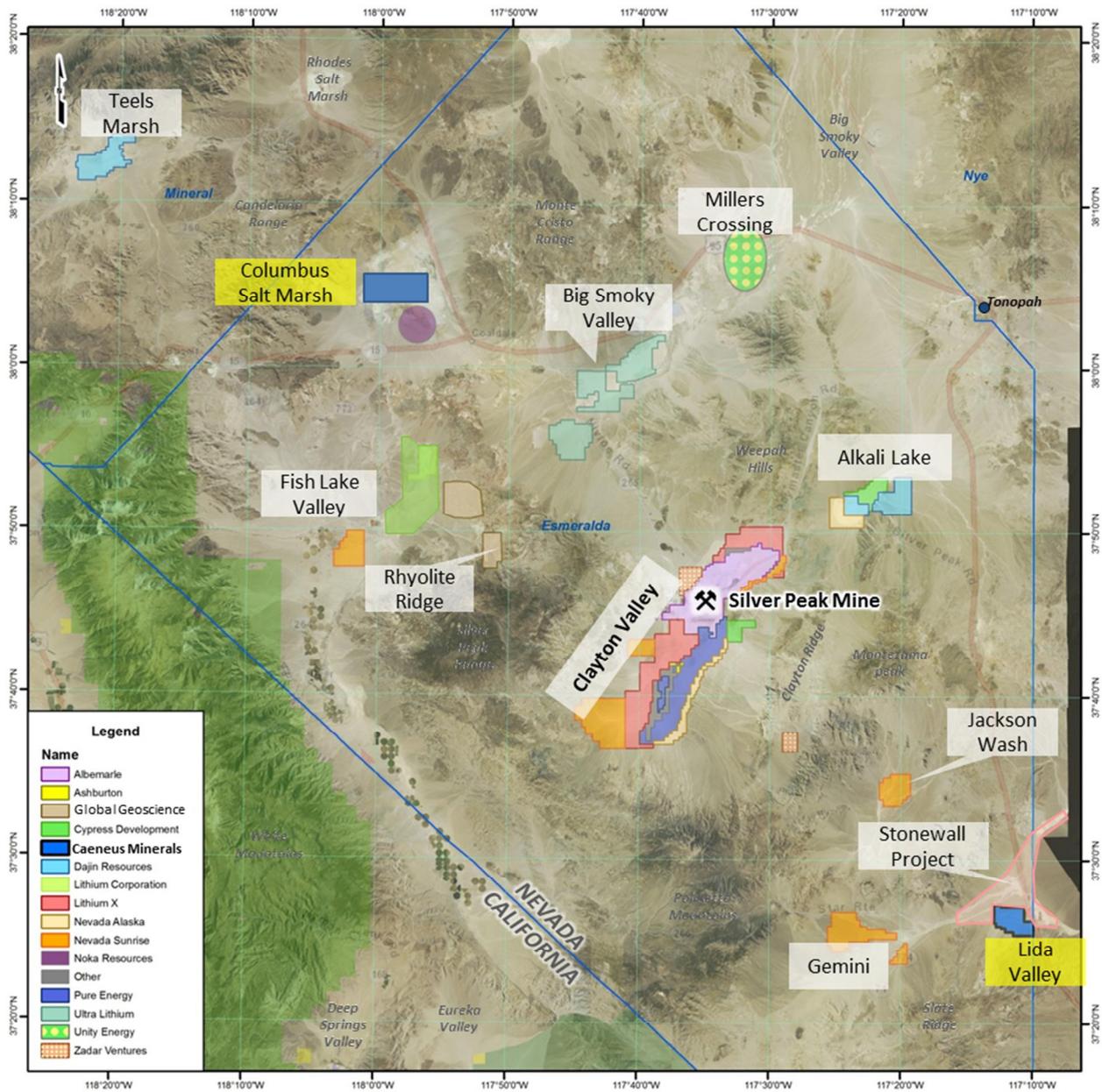


Figure 2: Summary of Large Number of Active Participants in Clayton Valley and Surrounding Areas (CAD Projects Highlighted in Yellow)

Summary - Work Proposals

Lida Valley:

- Ongoing refining of drill targets based on work being undertaken by Eureka Resources - Advantage Lithium JV at Gemini, approximately 20km West, and MacArthur Minerals immediately to the North.
- Discussions with drillers and technical consultants on best drill targeting based on analyses of results from work campaigns nearby in conjunction with gravity and MT data.

Scotty's South:

- Preliminary section of the MT survey at Scotty's South received with highly encouraging results
- Contract signed for reconnaissance-style gravity survey. Crews mobilised to site and work commenced - scheduled to be completed next week.
- Interpretation and analysis of work being performed by Iconic Minerals immediately to the North of Scotty's South and by Rainmaker Resources to the North-West.
- Outlining of priority drill targets based on the above information.

Columbus:

- Proposal received for one 4.5 km MT line across the entire width of the project.
- Contract signed - timing for the survey is late next week due to accumulation of mud and standing water at site due to recent rainfall.
- Gravity survey scheduled to commence immediately following work at Scotty's, expected to mobilise next week.
- Interpretation and analysis of work being performed by Noka Resources and American Lithium in Fish Lake Valley, which is interpreted to feed into the Columbus Marsh Project.
- Outlining of priority drill targets based on the above information.

The Company thanks shareholders for their continued patience and support. Caeneus Minerals Ltd looks forward to updating the market on further progress on what promises to be an exciting time for the Company as they pursue their growth aspirations in 2017.

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.