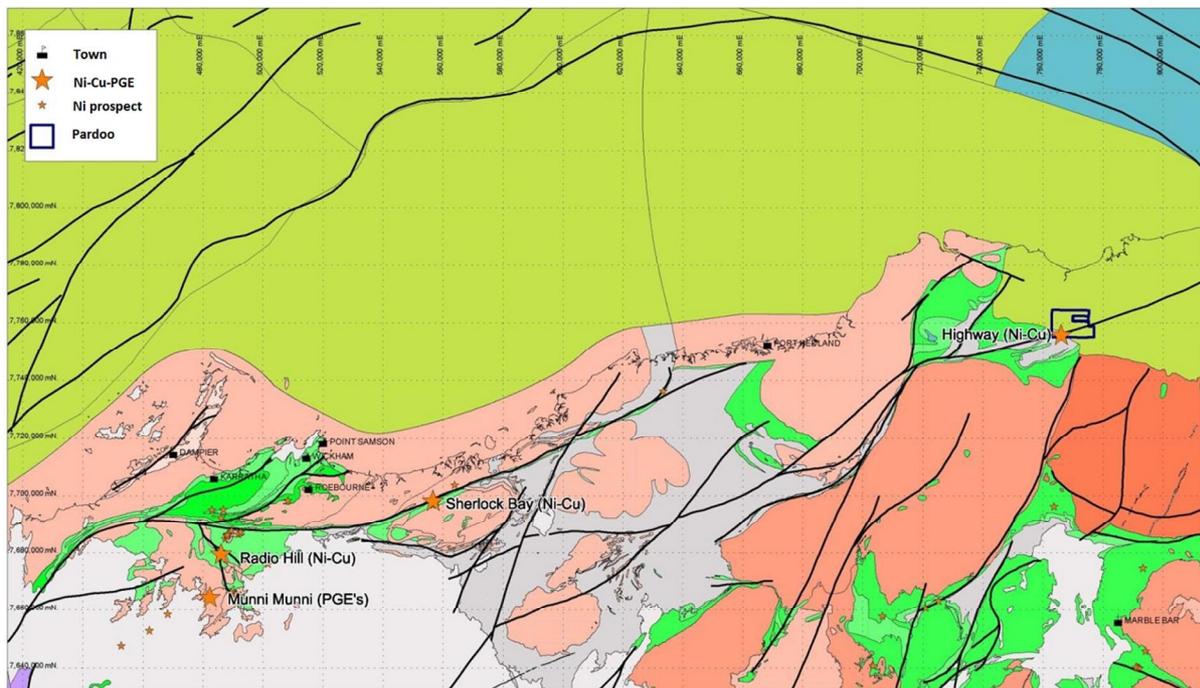


**ASX Announcement**  
**21 July 2017**

**Exploration Update – Pardoo Nickel Project**

Caeneus Minerals Ltd (“Caeneus” or “the Company”) is pleased to provide the following exploration update on the progress of the highly prospective Pardoo Nickel Project (“Pardoo Project”) in Western Australia.

Whilst the Company’s lithium exploration activities continue apace in Nevada, United States of America, the Company continues to pursue its Pardoo Nickel Project in the Pilbara region, Western Australia. The Company remains confident that the presence of the Highway deposit (44.7Mt @ 0.3% nickel, 0.13% copper) indicates the nearby presence of more substantial, higher grade mineralisation. Figure 1 below shows the position of the Project relative to other known nickel – copper deposits in the Pilbara region.



**Figure 1: Pardoo Project Regional Geological Setting**

The Pardoo Project has been difficult to explore owing to the extensive coverage of Canning Basin sediments and absence of outcrop of basement rocks. However, the initial low grade Highway nickel copper deposit was revealed by airborne geophysics and it was believed that other mineralisations might be similarly located. To this end, the Company contracted Resource Potentials to collate and reinterpret all of the pre-existing geophysical and drilling surveys with a view to pinpointing possible mineralisation targets for follow up drilling.

As a result of the completed work, Resource Potentials has defined sixteen targets worthy of follow up drilling as shown on Figure 2 and listed in Table 1. These anomalies are ranked priority 1 to priority 3 and the Company has opted to concentrate first on the eight priority 1 anomalies.

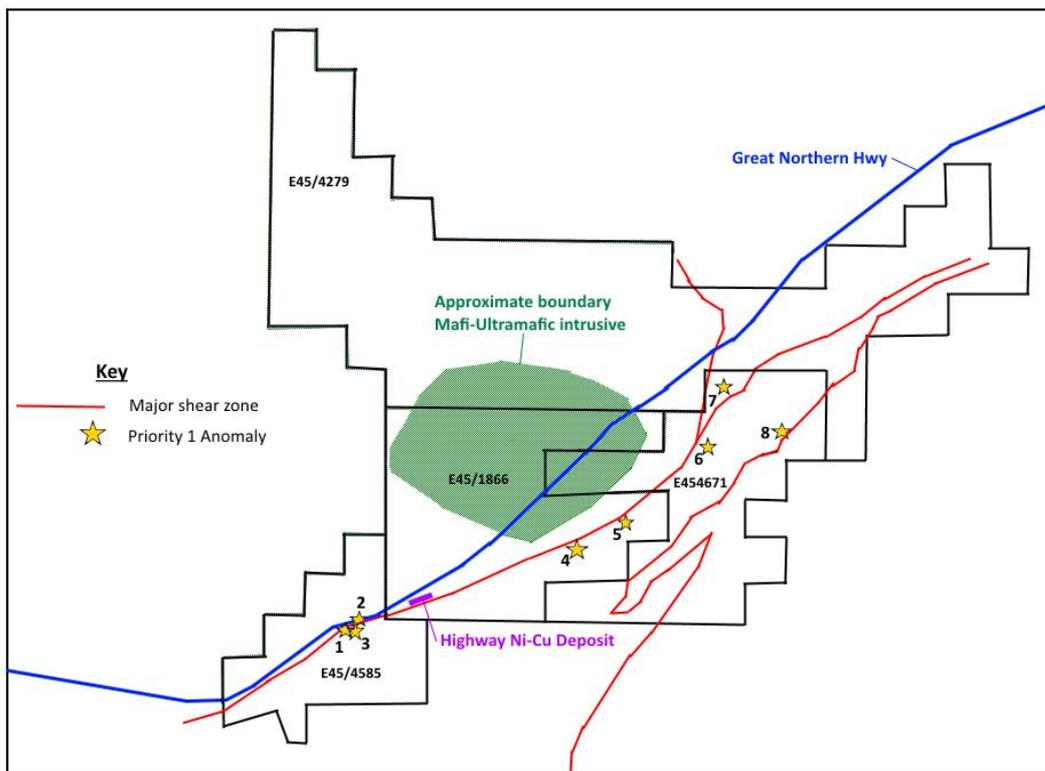
It is proposed that the eight defined priority 1 anomalies will be assessed by drilling in the latter half of 2017. This drilling will be by reverse circulation to depths ranging from 100 to 300 meters for a total of approximately 1,300 meters. Access tracks will be required to be bulldozed to each of the anomaly sites over a total distance of approximately 10 kilometers.

Although the Pardoo Project is considered to be most prospective for nickel-copper it is also considered prospective for volcanogenic base metals and gold. All intervals of bedrock intersected will therefore be assayed for a suite of base and precious metals.

**Table 1: Resource Potential Defined Priority One Drilling Targets**

Target	Priority	Geophysics anomaly	Notes
1	1	TMI, Gravity	North of shear, Next to anomalous nickel (Polaris)
2	1	TMI, Gravity	North of shear, Next to anomalous nickel (Polaris)
3	1	TMI, Gravity	North of shear, Next to anomalous nickel (Polaris)
4	1	HEM, MLEM	EM conductor on strong magnetic anomaly
5	1	MLEM, TMI	Strong EM response south of shear
6	1	HEM, MLEM	MLEM anomaly, south of shear
7	1	HEM, MLEM, TMI	Magnetic high with EM anomaly, shear junction
8	1	HEM, MLEM	Thrust contact with granite

At the completion of the proposed drilling program, the underlying geology of the project area will be much better known and of course it is hoped that economic mineralisation will be intersected in the drilling. Any such intersections will be followed up by further drilling immediately.



**Figure 2: Pardoo Project Exploration Targets**

The Company wholly owned subsidiary, Port Exploration Pty Ltd (“Port Exploration”) has a joint venture agreement (“Agreement”) with Segue Resources Limited (“Segue Resources”) (ASX: SEG) whereby Port has a 51% interest in the Pardoo Project.

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.*