

31 October 2017

The Manager
Companies Announcements
Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Dear Sir/Madam,

REVISED APPENDIX 3B

Further to Appendix 3B lodged on 23 October 2017, please find attached a revised Appendix 3B together with an Independent Valuation Report.

This Valuation Report was required as a result of issuing securities for non-cash consideration under listing rule 71.A.

Yours faithfully,



Keith Bowker
Chairman/Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Caeneus Minerals Ltd

ABN

42 082 593 235

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | (i) & (ii) Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (i) 133,333,333
(ii) 138,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (i) & (ii) – Fully paid ordinary shares |

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(i) & (ii): Yes – the shares issued rank equally in all respects from the date of issue with the existing quoted fully paid ordinary shares of the Company.</p>
5	Issue price or consideration	<p>(i) \$0.0015 per share</p> <p>(ii) Deemed issue price of \$0.002 per share</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(i) Pursuant to placement</p> <p>(ii) Pursuant to a corporate advisory mandate</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	133,333,333 fully paid ordinary shares
6d	Number of +securities issued with security holder approval under rule 7.1A	138,000,000 fully paid ordinary shares

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	-						
6f	Number of securities issued under an exception in rule 7.2	-						
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes 15 day VWAP = \$0.00264 75% = \$0.00198 Date of issue 23 October 2017 (Source: au.finance.yahoo.com)						
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	31 October 2017						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 4,889,981 7.1A 132,482,210 (Refer to Annexure 1)						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	23 October 2017						
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>6,502,822,094</td><td>Fully paid ordinary Shares</td></tr><tr><td>2,484,946,697</td><td>Options exercisable at \$0.003 each and expiring 31 December 2020</td></tr></table>	Number	+Class	6,502,822,094	Fully paid ordinary Shares	2,484,946,697	Options exercisable at \$0.003 each and expiring 31 December 2020
Number	+Class							
6,502,822,094	Fully paid ordinary Shares							
2,484,946,697	Options exercisable at \$0.003 each and expiring 31 December 2020							
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>1,150,233,917</td><td>Unlisted options exercisable at \$0.005 each and expiring on 30 June 2021</td></tr></table>	Number	+Class	1,150,233,917	Unlisted options exercisable at \$0.005 each and expiring on 30 June 2021		
Number	+Class							
1,150,233,917	Unlisted options exercisable at \$0.005 each and expiring on 30 June 2021							
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A						

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |

+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Despatch date	

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

+ See chapter 19 for defined terms.

40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

Number	⁺ Class

⁺ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


(Company Secretary)

Date: 31 October 2017

Print name: **Keith Bowker**

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	3,918,724,343
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	50,000,000 Shares to Vendors of ATC Resources Pty Ltd 30,000,000 Shares to Gold Exploration Management Inc. 24,000,000 Shares to Venex Capital Corp 140,000,000 Shares to Vendors of Nevada Clays Pty Ltd 35,000,000 Shares to Gold Exploration Management Inc. 16,000,000 Shares issued on exercise on Options 1,049,431,085 Placement to Sophisticated Investors 125,000,000 Issued to DGRM 100,000,000 Issued to DGRM
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	5,488,155,428

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	823,223,314
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>440,000,000 Placement to Sophisticated Investors</p> <p>15,000,000 Issued to a creditor</p> <p>30,000,000 Corporate Advisory Mandate</p> <p>200,000,000 Placement to Sophisticated Investors</p> <p>133,333,333 Placement to Sophisticated Investors</p>
“C”	818,333,333
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	823,223,314
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	818,333,333
Total [“A” x 0.15] – “C”	<p>4,889,981</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	5,488,155,428
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	548,815,543
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> <i>This applies to equity securities – not just ordinary securities</i> <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	220,000,000 Listed options 58,333,333 Shares to SEG 138,000,000 Shares to RM Corporate Finance Pty Ltd
“E”	416,333,333

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	548,815,543
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	416,333,333
Total [“A” x 0.10] – “E”	132,482,210 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

30 October 2017

The Directors
Caeneus Mineral Limited
Suite 4, 56 Kings Park Road
WEST PERTH WA 6005

Dear Sirs,

At the request of Keith Bowker, Company Secretary and Non-Executive Director of Caeneus Minerals Limited ("CML"), we hereby set out a statement as an independent expert report to compliance with Australian Securities Exchange ("ASX") Listing Rule 7.1A.3 as it pertains to the issue of 138,000,000 shares issued to a corporate adviser/broker ("Broker") on 23 October 2017 at a deemed issue price of 0.2 cents per share.

In addition, we are reporting under Listing Rule 7.1A.3 as it relates to the issue of 58,333,333 shares issued to a Vendor (Segue Resources Limited) as part settlement of a vendor commitment on 28 September 2017. The shares were issued at a deemed issue price of 0.3 cents each.

We have reviewed a schedule prepared by CML on the 15-day volume weighted average share price ("VWAP") of a CML share to the day immediately before the issue of the shares to the Broker on 23 October 2017. The VWAP is calculated at approximately 0.264 (rounded) cents. The last sale price of a listed CML share trading on ASX as at 20 October 2017 (last day traded before the issue of the shares to the Broker on 23 October 2017) was 0.3 cents.

We have reviewed a schedule prepared by CML on the 15-day volume weighted average share price ("VWAP") of a CML share to the day immediately before the issue of the shares to the Vendor on 28 September 2017. The VWAP is calculated at approximately 0.263 (rounded) cents. The last sale price of a listed CML share trading on ASX as at 27 September 2017 (last day traded before the issue of the shares to the Vendor on 28 September 2017) was 0.3 cents.

The future ultimate value of CML shares will depend upon, inter alia:

- the future prospects of its mineral assets;
- the state of the metal markets (and prices) in Australia and overseas;
- the state of Australian and overseas stock markets;
- foreign exchange prices
- the strength of the Board and management and/or who makes up the Board and management;
- general economic conditions;
- the liquidity of shares in CML and
- possible ventures and acquisitions entered into by CML.

In the absence of any other factors, for accounting purposes, shares are issued at fair market value and for shares listed on a recognised stock exchange, the closing share price of a listed share as traded on the recognised exchange (at date of issue of the shares when issued not for cash) is taken as the fair value. Volumes of shares traded in CML are sufficient to state that a fair market exists for trading in CML shares (notwithstanding some days where no trades occurred) and thus we consider the fair value of a CML share as at 23 October is around 0.3 cents and as at 28 September 2017 was also around 0.3 cents.

Shares to Broker

The VWAP is 0.264 cents and 75% of the VWAP equates to approximately 0.198 cents and thus the 138,000,000 shares issued to the Broker at 0.002 cents meets the ASX Listing requirements under Listing Rule 7.1A.3 regarding “no less than 75% of the volume weighted average price of securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed or
- (b) if the securities are not issued within 5 trading days on the date in paragraph (a), the date on which the securities are issued”.

The accounting cost of the issue of 138,000,000 shares to the Broker will thus be \$353,280 (138,000,000 times 0.256 cents).

Shares to Vendor

The VWAP is 0.264 cents and 75% of the VWAP equates to approximately 0.198 cents and thus the 58,333,333 shares issued to the Vendor at 0.3 cents meets the ASX Listing requirements under Listing Rule 7.1A.3 regarding “no less than 75% of the volume weighted average price of securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (c) the date on which the price at which the securities are to be issued is agreed or
- (d) if the securities are not issued within 5 trading days on the date in paragraph (a), the date on which the securities are issued”.

Conclusions

It is our view that CML has complied with the conditions noted in ASX Listing Rule 7.1A.3 in relation to the shares issued to the Broker and Vendor.

Our report is in accordance with all applicable Regulatory Guidelines in relation to expert reports.

Yours faithfully

Stantons International Securities Pty Ltd
(Trading as Stantons International Securities)



John P Van Dieren – FCA
Director