CAENEUS

Minerals Limited

ABN 42 082 593 235

and its controlled entities

Annual report for the financial year ended

30 June 2020

Corporate directory

Board of Directors

Mr Peter Christie	Chairman
Mr Johnathon Busing	Non-Executive Director
Mr David Sanders	Non-Executive Director

Company Secretary
Mr Johnathon Busing

Registered and Principal Office
Ground Floor
168 Stirling Highway
Nedlands Western Australia 6009
Tel: +61 8 6102 2656

Postal Address
PO Box 369
Nedlands, Western Australia 6909

Website
www.caeneus.com.au

Auditors
Stantons International
Level 2, 1 Walker Avenue
West Perth, Western Australia 6005

Share Registry
Advanced Share Registry Ltd
110 Stirling Highway
Nedlands, Western Australia 6009
Tel: +61 8 9389 8033
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Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
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ASX Code
CAD
CADO

Annual report for the financial year ended 30 June 2020

Contents

Directors' report

The directors of Caeneus Minerals Ltd ("Caeneus" or "the Company") submit herewith the annual report of Caeneus Minerals Ltd and its controlled entities ("the Group") for the financial year ended 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the directors

The names and particulars of the directors of the Company during or since the end of the financial year are:

Name	**Particulars**
Mr Peter Christie	Chairman, joined the Board on 03 October 2017 and appointed as Chairman on 28 November 2017. Mr Christie is a qualified accountant and tax agent with over 25 years of public accounting experience.
Mr Johnathon Busing BBus, CA	Non-Executive Director & Company Secretary, joined the Board on 30 November 2017. Mr Busing is a chartered accountant with 10 years' experience including financial reporting of ASX listed companies, corporate compliance, corporate restructuring and taxation.
Mr David Sanders *BComm, BJuris, LLB*	Non-Executive Director, joined the Board on 07 December 2018. Mr Sanders has more than 20 years' experience in corporate law. He has advised numerous entities, including ASX-listed and private companies on capital raising, mergers and acquisitions, Corporations Act and ASX Listing Rules compliance, as well as commercial transactions across a range of industries and jurisdictions. Mr Sanders also advises a range of public, private and indigenous corporation Boards in relation to compliance and corporate governance. In addition to his legal qualifications, Mr Sanders has a Bachelor of Commerce and Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia. Mr Sanders is the Chairman of Murlpirrmarra Connection Limited, which focuses on education and training for indigenous youth in the Yilgarn Region of Western Australia. He is also a non-executive director of a range of public and private companies.

The above named directors held office during the whole of the financial year and since the end of the financial year except as noted.

Directors' shareholdings

The following table sets out each director's relevant interest in shares and options in shares of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary Shares Number	Share options Number
Peter Christie	25,000,000	25,000,000
Johnathon Busing	NIL	NIL
David Sanders	25,000,000	20,000,000

Share options granted to directors and senior management

During and since the end of the financial year, no share options were granted to the following directors under an Employee Option Plan:

Director	Number of options granted	Issuing entity	Number of ordinary shares held under option
P. Christie	NIL	Caeneus Minerals Ltd	NIL
J. Busing	NIL	Caeneus Minerals Ltd	NIL
D. Sanders	NIL	Caeneus Minerals Ltd	NIL

Company Secretary

Johnathon Busing *BBus, CA*

Mr Johnathon Busing was appointed company secretary of Caeneus Minerals Ltd on 30 November 2017. Mr Busing is a director of Everest Accounting Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors have not recommended the payment of a dividend in respect of the financial year.

Shares under option or issued on exercise of options

Details of unissued shares or interests under options as at the date of this report are:

Issuing entity	Grant date	Number of shares under option (post consolidation basis)	Class of shares	Exercise price of option	Expiry date of options
Caeneus Minerals Ltd	Various	349,128,014	Ordinary	$0.0300	31 Dec 2020
Caeneus Minerals Ltd	Various	115,023,394	Ordinary	$0.0500	30 Jun 2021
Caeneus Minerals Ltd	Various	75,000,000	Ordinary	$0.0150	30 Jun 2023
Caeneus Minerals Ltd	Various	1,103,853,751	Ordinary	$0.0150	31 Dec 2023
Caeneus Minerals Ltd	Various	1,888,480,427	Ordinary	$0.0025	31 Dec 2024

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

Issuing entity	**Number of shares issued**	**Class of shares**	**Amount paid for shares**	**Amount unpaid on shares**
Caeneus Minerals Ltd	123,200,000	Ordinary	$308,000	$NIL

Indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the company secretary, Mr Johnathon Busing, and all executive officers of the Company and of any related body corporate against a liability incurred as such director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such officer or auditor.

Directors' meeting

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 7 board meetings were held.

	Board of Directors	
Directors	**Held**	**Attended**
Peter Christie	7	7
Johnathon Busing	7	7
David Sanders	7	7

Other important issues and decisions were authorised and resolved via circular resolutions.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-audit services

The directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditors' independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No non-audit services were provided by the entity's auditor, Stantons International, as shown at Note 23.

Auditor's independence declaration

The auditor's independence declaration is included on page 13 of this annual report.

Operating and financial review

Principal activities

Caeneus Minerals Ltd is an Australian-based mineral exploration and development company established for the purpose of acquiring a portfolio of highly prospective exploration projects or near term development projects in Australia and United States of America.

Operating results

The consolidated loss of the Group for the financial year, after providing for income tax, amounted to $547,531 (2019: $2,561,253). Further discussion on the Group's operations is provided below:

Review of operations

Pardoo Project

During the year, the Company conducted a review of the tenements comprising the Pardoo Project.

As a result of the review, the Company surrendered one Exploration Licence that was due to expire (E45/4279) and was considered superfluous to the core of the Project. A forfeiture application was then filed against Exploration Licence (E45/1866) which contains a JORC 2004 resource. Following consultation with its exploration advisors, the Company filed a surrender against that licence. As part of the review, the Company also prepared an exploration program for the Project to be carried out over the remaining tenements.

Field reconnaissance and soil sampling activities were planned to commence in March. However, because of the impact of COVID-19 within Australia, and in particular the Western Australian State Government regional access and isolation restrictions, the Pardoo fieldwork was postponed.

Caeneus will monitor the prevailing circumstances with a view to recommencing operational activities at Pardoo as soon as possible.

Yule River Project

The Company's Yule River Exploration Licence is comprised of two separated blocks totaling 125 square kilometres in area.

The Yule River Project, which is considered prospective for gold, platinum group metals (PGM's) and base metals is situated some 40 kilometres southwest of Port Hedland with several all-weather tracks cross cutting the Licence. The tenement comprises sediments and volcanics of the Louden Volcanic member, as well as the Constantine Sandstone. However, lithologies associated with the Boodarie Greenstone sequence and mylonitic rocks associated with the Sholl Shear Zone were the main focus of the Company's recent soil sampling program. All lithologies detailed above are buried under river wash and sand plain and were extrapolated from historical 1:250,000 government geological mapping.

285 soil samples were collected from 200 metre spaced grid lines positioned across the Sholl Shear Zone, perpendicular to its north easterly trend. Limited outcrop was observed in the field reconnaissance activities, however, three float samples of brecciated mylonitic rock-types have been collected for further petrological studies.

All soil samples were submitted for precious and base metal analysis. On 30 April 2020, the Company advised that it received all analyses from the soil sampling survey completed at its Yule River Project. All samples were analysed for gold, platinum, palladium, silver, copper, cobalt, nickel, lead and zinc at Nagrom Laboratories, Perth, with the precious metals analysed at parts per billion (ppb) and the base metals at parts per million (ppm) level.

Analyses for all metals generally returned background with no anomalous readings except for a 60 ppm copper value (against a background of 2 ppm Cu) reported from one sample.

Other West Australian Projects

The Company's other Western Australian projects comprise two Exploration Licenses (E47/3846 and E45/5041). E47/3846 have been granted after the end of the financial year while Exploration Licence E45/5041 is anticipated will be granted in the near future.

Nevada Lithium Projects

The Company continues to maintain its claims in Nevada USA.

Corporate

Capital Raisings

On 25 October 2019, the Company raised $150,819 via Listing Rule 7.1A placement of 186,196,554 shares at $0.00081 with a 1:1 option exercisable at $0.0025 expiring on 31 December 2024. All necessary approvals were obtained by the Company at the 2019 AGM. An Appendix 3B was released to the market following the issue of the Shares.

On 31 December 2019, the Company announced a capital raising via a Placement of 296,189,040 fully paid ordinary shares at an issue price of $0.0005 each for a total amount raised of approximately $198,095 to sophisticated and professional investors from the Company's Listing Rule 7.1 placement capacity. The Company also issued a 1 for 1 attaching option exercisable at $0.0025 expiring on or before 31 December 2024 subject to shareholder approval pursuant to Listing Rule 7.1.

Following shareholder approval, On 23 April 2020, the Company completed a capital raising via a placement of 800,000,000 fully paid ordinary shares at an issue price of $0.0005 each for a total amount raised of $400,000 to a variety of professional and sophisticated investors with a 1:1 option exercisable at $0.0025 expiring on or before 31 December 2024 under the Listing Rule 7.1 placement capacity. On the same date a further $25,000 was raised on the same terms from the directors. On the same date, The Company also placed a further 400,000,000 options exercisable at $0.0025 expiring on or before 31 December 2024 at an issue price of $0.0001 to sophisticated and professional investors raising $40,000.

The funds raised were directed towards costs incurred in relation to the Company's exploration tenements and general working capital.

Replacement of Constitution

The Company repealed its existing Constitution and adopted a new Constitution by Special Resolution on 29 November 2019.

Unmarketable Parcel Share Sale

In December 2019, the Company completed an Unmarketable Parcel Share Sale.

The number of shares sold under the facility was 268,828,455 ordinary shares.

The shares were sold off the market by the Company at a price of $0.001 per share (market price). All costs associated with the sale of the unmarketable parcels of shares were borne by the Company.

The completion of the Unmarketable Parcel Share Sale provided the opportunity for 8,365 small shareholders to dispose of their shares in circumstances where it is unlikely to have been economic for them to do so otherwise and also led to significant administrative costs saving for the Company going forward (including printing, postage and share registry costs) associated with such a large number of small shareholders.

Subsequent Events

The Company has issued 123,200,000 shares pursuant to the conversion of unlisted options, with $0.0025 exercise price and an expiry date of 31 December 2024.

On 10 August 2020, Department of Mines Industry Regulation and Safety granted Exploration Licence E47/3846 with approximately 350 square kilometers of structurally and chemically altered granitic, intermediate and ultramafic intrusive rocks which are considered highly prospective for gold occurrences.

The Company appointed Mr Rob Mosig as CEO, on 10 August 2020.

On 24 August 2020, the Company announced a capital raising via a Placement of 125,000,000 fully paid ordinary shares at an issue price of $0.004 each for a total amount raised of $500,000 to sophisticated and professional investors of the Company. The Company also issued a 1 for 2 attaching option exercisable at $0.015 expiring on or before 31 December 2023.

On 11 September 2020, the Company completed a capital raising via a Placement of 200,000,000 fully paid ordinary shares at an issue price of $0.010 each for a total amount raised of $2,000,000 to sophisticated and professional investors of the Company. The Company issued a 1 for 2 attaching option exercisable at $0.015 expiring on or before 31 December 2023.

The Company has issued 25,000,000 options for corporate advisory services pursuant to the capital raising on 11 September 2020, with $0.015 exercise price and an expiry date of 31 December 2023.

The Company also announced in September it was completing aeromagnetic surveys over its Mallina Province Projects in the Pilbara of Western Australia.

Remuneration report (audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Caeneus Minerals Ltd's key management personnel for the financial year ended 30 June 2020. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and Group performance
- remuneration of key management personnel
- key terms of employment contracts

Key management personnel
The directors and other key management personnel of the Group during the financial year were:

Non-executive directors	Position
Mr Peter Christie (appointed 28 November 2017)	Chairman
Mr Johnathon Busing (appointed 30 November 2017)	Non-executive Director
Mr David Sanders (appointed 7 December 2018)	Non-executive Director

The named persons held their current position for the whole of the financial year since the end of the financial year.

Remuneration policy
Caeneus's remuneration policy, which is set out below, is designed to promote superior performance and long term commitment to the Group.

As at the date of this report, the Group has three (3) non-executive directors. As set out below, total remuneration costs for the 2020 financial year were $210,784 down from $230,382 for the previous financial year.

The company did not employ any remuneration consultants during the year.

Non-executive director remuneration
Non-executive directors are remunerated by way of fees, in the form of cash, non-cash benefits, and do not normally participate in schemes designed for the remuneration of executives.

Shareholder approval must be obtained in relation to the overall limit set for the non-executive directors' fees. The maximum aggregate remuneration approved by shareholders for non-executive directors is $300,000 per annum. The directors set the individual non-executive director fees within the limit approved by shareholders.

The board has not formally engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by directors or other key management personnel during the financial year.

Relationship between the remuneration policy and Group performance

The board considers that at this time, evaluation of the Group's financial performance using generally accepted measures such as profitability, total shareholder return or per company comparison are not relevant as the Group is at an early stage in the implementation of a corporate strategy that includes the identification and acquisition of new business opportunities as outlined in the directors' report.

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2020:

	30 June 2020 $	30 June 2019 $	30 June 2018 $	30 June 2017 $	30 June 2016 $
Revenue	217,758	2,460	49,456	19,232	1,073
Net (loss)/profit before tax	(547,531)	(2,561,253)	(5,200,659)	(5,986,386)	(1,119,723)
Net (loss)/profit after tax	(547,531)	(2,561,253)	(5,200,659)	(5,986,386)	(1,119,723)
Share price at start of year[1]	0.0015	0.001	0.04	0.03	0.1
Share price at end of year[1]	0.0040	0.0015	0.01	0.04	0.03
Basic loss per share (cents per share)[1]	(0.02)	(0.16)	(0.8)	(1.3)	(0.8)
Diluted loss per share (cents per share)[1]	(0.02)	(0.16)	(0.8)	(1.3)	(0.8)

[1] Post 1:10 consolidation

Voting and comments on the Remuneration Report at the 2019 Annual General Meeting

At the Company's 2019 Annual General Meeting ("AGM"), a resolution to adopt the 2019 remuneration report was put to a vote and passed unanimously on a show of hands with proxies received also indicating majority. 93.71% of validly appointed proxies were in favour of adopting the remuneration report. No comments were made on the remuneration report at the AGM.

Remuneration of key management personnel

	Short-term employee benefits			Post-employment benefits	Share-based payments	
2020	**Salary & fees $**	**Unpaid salary & fees $**	**Other $**	**Superannuation $**	**Options $**	**Total $**
Directors						
Peter Christie	36,000	-	-	-	-	36,000
Johnathon Busing[1]	30,000	-	105,364	-	-	135,364
David Sanders	36,000	-	-	3,420	-	39,420
Total	**102,000**	**-**	**105,364**	**3,420**	**-**	**210,784**

[1] Amounts in 'Other' represent company secretarial and accounting fees paid to Everest Accounting Pty Ltd (Everest). Mr Busing is a director and established Everest Accounting Pty Ltd.

2019	Short-term employee benefits			Post-employment benefits	Share-based payments	
	Salary & fees $	Unpaid salary & fees $	Other $	Superannuation $	Options $	Total $
Directors						
Peter Christie[1]	50,000	-	-	-	-	50,000
Johnathon Busing[2]	30,000	-	111,637	-	-	141,637
David Sanders[3]	21,000	-	-	1,995	-	22,995
Chris Zielinski[4]	15,750	-	-	-	-	15,750
Total	**116,750**	**-**	**111,637**	**1,995**	**-**	**230,382**

[1] Appointed 03 October 2017.

[2] Amounts in 'Other' represent company secretarial and accounting fees as per an agreement with Odyssey Tax and Accounting (Odyssey) and Everest Accounting Pty Ltd (Everest). Mr Busing was a director of Odyssey until 30 August 2018. He left Odyssey and established Everest Accounting Pty Ltd. Appointed 30 November 2017.

[3] Appointed 08 December 2018.

[4] Resigned 08 December 2018.

Bonuses and share-based payments granted as compensation for the current financial year

Bonuses
No bonuses were paid to key management personnel during the financial year (2019: nil).

Incentive share-based payments arrangements
There were no share-based payment arrangements during the current or prior year.

Key terms of employment contracts
The key terms of appointment of Mr Peter Christie are formalised in a services agreement (dated 03 October 2017). Major provisions of the agreement are set out below:

- Term of agreement - commencing 03 December 2017.
- A fee of $60,000 p.a. (excluding GST). ($30,000 p.a. from 03 October 2017 to 30 November 2017)
- A fee of $36,000 p.a. (excluding GST) from 01 February 2019

The key terms of appointment of Mr Johnathon Busing are formalised in a services agreement (dated 30 November 2017). Major provisions of the agreement are as follows:

- Term of agreement - commencing 30 November 2017.
- A fee of $30,000 p.a. (excluding GST).

A formal agreement between the Company and Everest Accounting Pty Ltd for the provision of Company Secretarial or Accounting Services was signed on 15 September 2020 Major provisions of the agreement are as follows:

- Term of agreement - commencing 1 July 2020.
- A fee of $96,000 p.a. (excluding GST).

The key terms of appointment of Mr David Sanders are formalised in a non-executive services agreement (dated 07 December 2018) and are as follows:

- Term of agreement - commencing 07 December 2018.
- A fee of $36,000 p.a. plus superannuation of 9.5%.

Key management personnel equity holdings

Fully paid ordinary shares of Caeneus Minerals Ltd

2020	Balance at 01 July 2019 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Number held on resignation No.	Balance at 30 June 2020 No.
P Christie	-	-	-	25,000,000	-	25,000,000
J Busing	-	-	-	-	-	-
D Sanders	-	-	-	25,000,000	-	25,000,000

2019	Balance at 01 July 2018 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Number held on resignation No.	Balance at 30 June 2019 No.
P Christie	-	-	-	-	-	-
J Busing	-	-	-	-	-	-
D Sanders[1]	-	-	-	-	-	-
C Zielinski[2]	-	-	-	-	-	-

[1] Appointed on 07 December 2018.

[2] Resigned on 07 December 2018.

Share options of Caeneus Minerals Ltd

2020	Balance at 1 July 2019 No.	Granted as compen-sation No.	Exercised No.	Net other change No.	Balance at 30 June 2020 No.	Balance vested at 30 June 2020 No.	Vested and exercisable No.	Options vested during year No.
P Christie	-	-	-	25,000,000	25,000,000	25,000,000	25,000000	25,000,000
J Busing	-	-	-	-	-	-	-	-
D Sanders	-	-	-	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000

2019	Balance at 1 July 2018 No.	Granted as compen-sation No.	Exercised No.	Net other change No.	Balance at 30 June 2019 No.	Balance vested at 30 June 2019 No.	Vested and exercisable No.	Options vested during year No.
P Christie	-	-	-	-	-	-	-	-
J Busing	-	-	-	-	-	-	-	-
D Sanders[1]	-	-	-	-	-	-	-	-
C Zielinski[2]	-	-	-	-	-	-	-	-

[1] Appointed on 07 December 2018

[2] Resigned on 07 December 2018

During the financial year, no share options were exercised by key management personnel (2019: NIL).

This is the end of the remuneration report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors

Mr Peter Christie
Chairman
Perth, 30 September 2020

Stantons International Audit and Consulting Pty Ltd
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30 September 2020

Board of Directors
Caeneus Minerals Limited
Ground Floor,
168 Stirling Highway,
NEDLANDS WA 6009

Dear Directors,

RE: CAENEUS MINERALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Caeneus Minerals Limited.

As Audit Director for the audit of the financial statements of Caeneus Minerals Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Martin Michalik

Martin Michalik
Director

Stantons International Audit and Consulting Pty Ltd
trading as
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CAENEUS MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the consolidated financial report of Caeneus Minerals Limited, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have defined the matter described below to be the key audit matter to be communicated in our report. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matters	How the matter was addressed in the audit
Going Concern	
The financial statements have been prepared on a going concern basis as discussed in note 3.4. Historically, the Group has incurred losses, and has depended on raising capital to fund exploration and administrative operations. At 30 June 2020, the Group had cash and cash equivalents of $319,832 and incurred a loss after income tax of $547,531. The Group had net operating outflows totalling $352,916. The going concern assumption is considered to be a key audit matter as the Group is reliant on existing cash reserves and future capital raising to cover operations including exploration and operating expenditure.	In assessing the appropriateness of the going concern assumption used in preparing the financial statements, our procedures included, amongst others: i. Assessing the cash flow requirements of the Company and the Group based on budgets and forecasts; ii. Understanding what forecast expenditure is committed and what could be considered discretionary; iii. Considering the liquidity of existing assets on the balance sheet; iv. Obtaining information from the Company on capital raised after 30 June 2020 but prior to the signing of this report; and v. Reviewing the financial report to ensure adequate disclosure in the notes regarding the going concern basis of preparation.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Stantons International

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Caeneus Minerals Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
30 September 2020

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 3.1 to the financial statements;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2020 and performance of the Group for the year ended on that date; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors

Mr Peter Christie
Chairman
Perth, 30 September 2020

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2020

	Note	Consolidated Year ended 30 June 2020 $	Consolidated Year ended 30 June 2019 $
Continuing operations			
Other income	6	217,758	2,460
Administration costs	7	(78,746)	(126,189)
Consultants costs	7	(313,273)	(331,549)
Compliance costs	7	(147,991)	(241,570)
Impairment expenses	7,11	(212,377)	(1,682,291)
Travel expenses		(2,634)	(2,068)
Interest expenses		-	(160,388)
Foreign exchange losses		(10,268)	(19,658)
Loss before income tax		**(547,531)**	**(2,561,253)**
Income tax expense	8	-	-
Loss for the year		**(547,531)**	**(2,561,253)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive loss for the year		**(547,531)**	**(2,561,253)**
Loss and total comprehensive loss for the year attributable to Owners of Caeneus Minerals Ltd		**(547,531)**	**(2,561,253)**
Loss per share:			
Basic and diluted (cents per share)	9	0.02	(0.16)

Notes to the consolidated financial statements are included on pages 23 to 51.

Consolidated statement of financial position as at 30 June 2020

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Current assets			
Cash and cash equivalents	21	319,832	130,477
Trade, other receivables and prepayments	10	26,066	60,382
Other assets		1,862	1,862
Total current assets		**347,760**	**192,721**
Non-current assets			
Exploration and evaluation expenditure	11	-	-
Total non-current assets		**-**	**-**
Total assets		**347,760**	**192,721**
Current liabilities			
Trade and other payables	13	74,223	134,174
Deferred considerations	17	298,435	241,869
Convertible Notes	15	-	-
Total current liabilities		**372,658**	**376,043**
Non-current liabilities			
Deferred considerations	17	-	49,797
Total non-current liabilities		**-**	**49,797**
Total liabilities		**372,658**	**425,840**
Net (liabilities)/assets		**(24,898)**	**(233,119)**
Equity			
Issued capital	14	86,830,409	86,013,352
Convertible Notes (Equity portion)	14	-	101,305
Reserves	16	2,095,258	2,055,258
Accumulated losses		(88,950,565)	(88,403,034)
Total equity/(deficit)		**(24,898)**	**(233,119)**

Notes to the consolidated financial statements are included on pages 23 to 51.

Consolidated statement of changes in equity
for the year ended 30 June 2020

	Issued Capital	Convertible Notes	Options Reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 1 July 2018	**82,383,969**	**101,305**	**1,815,353**	**(85,841,781)**	**1,541,154**
Loss for the year	-	-	-	(2,561,253)	(2,561,253)
Total comprehensive loss for the year	-	-	-	**(2,561,253)**	**(2,561,253)**
Issue of shares to DG Resources Management Ltd	160,000	-	-	-	160,000
Issue of shares in lieu of interest under Convertible Notes	12,735	-	-	-	12,735
Issue of shares as part of settlement of the acquisition of Mt Roe	1,030,000	-	-	-	1,030,000
Issue of shares to convert the Convertible Notes of $1.25M	1,250,000	-	-	-	1,250,000
Issue of shares to sophisticated and professional investors	585,462	-	-	-	585,462
Issue of shares to convert Convertible Notes	450,000	-	-	-	450,000
Issue of shares in lieu of interest under Convertible Notes	5,657	-	-	-	5,657
Issue of shares to sophisticated and professional investors	195,506	-	-	-	195,506
Valuation of options	-	-	239,905	-	239,905
Share issue costs	(59,977)	-	-	-	(59,977)
Balance at 30 June 2019	**86,013,352**	**101,305**	**2,055,258**	**(88,403,034)**	**(233,119)**
Balance at 1 July 2019	**86,013,352**	**101,305**	**2,055,258**	**(88,403,034)**	**(233,119)**
Loss for the year	-	-	-	(547,531)	(547,531)
Total comprehensive loss for the year	**-**	**-**	**-**	**(547,531)**	**(547,531)**
Reclassification of convertible note	101,305	(101,305)	-	-	-
Issue of shares to sophisticated and professional investors	150,819	-	-	-	150,819
Issue of shares to sophisticated and professional investors	148,095	-	-	-	148,095
Issue of shares to sophisticated and professional investors	400,000	-	-	-	400,000
Issue of shares to directors	25,000	-	-	-	25,000
Issuance of options	-	-	40,000	-	40,000
Share issue costs	(8,162)	-	-	-	(8,162)
Balance at 30 June 2020	**86,830,409**	**-**	**2,095,258**	**(88,950,565)**	**(24,898)**

Notes to the consolidated financial statements are included on pages 23 to 51.

Consolidated statement of cash flows for the year ended 30 June 2020

	Note	Consolidated Year ended 30 June 2020 $	Consolidated Year ended 30 June 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(563,174)	(756,392)
Interest received		110	136
Receipt from ATO		10,000	-
Research and development refund received		200,148	-
Net cash (used in) operating activities	21.1	(352,916)	(756,256)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(213,481)	(621,758)
Payment of deferred consideration		-	(35,480)
Net cash (used in) investing activities		(213,481)	(657,238)
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		723,914	780,968
Proceeds from issuance of options		40,000	-
Proceeds from convertible notes		-	450,000
Payment for share issue costs		(8,162)	(59,977)
Net cash provided by financing activities		755,752	1,170,991
Net increase / (decrease) in cash and cash equivalents		**189,355**	**(242,503)**
Cash and cash equivalents at the beginning of the year		130,477	372,980
Cash and cash equivalents at the end of the year		**319,832**	**130,477**

Notes to the consolidated financial statements are included on pages 23 to 51.

Notes to the consolidated financial statements for the year ended 30 June 2020

1. General information

Caeneus Minerals Ltd ("the Company") is a listed public company incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the corporate directory to the annual report.

The principal activities of the Company and its controlled entities ("the Group") are described in the directors' report.

2. Application of new and revised Accounting Standards

2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

AASB 16 Leases

The impact of the adoption of this Standard and the respective accounting policies is disclosed below.

Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

As a result of the changes in Group's accounting policies, prior year financial statements were required to be restated. However, the Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised as 1 July 2019.

i. Leases

The Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;

2. Application of new and revised Accounting Standards (cont'd)

2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year (cont'd)

- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use asses comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group does not have any operating leases as at 30 June 2020.

2.2 Standards and Interpretations in issue not yet adopted

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 17 Insurance Contracts	1 January 2021	30 June 2022
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material	1 January 2020	30 June 2021
AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework	1 January 2020	30 June 2021

The directors believe that these new Standards and Interpretations will not have a material impact on the Group.

3. Significant accounting policies

3.1 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

3. Significant accounting policies (cont'd)

3.1 Statement of compliance (cont'd)

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 30 September 2020.

3.2 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. Significant accounting policies (cont'd)

3.3 Basis of consolidation (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Going Concern Basis

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2020, the Group incurred a loss after tax of $547,531 (2019: $2,561,253), and a net cash outflow from operations of $352,916 (2019: $756,256). At 30 June 2020, the Group had a working capital deficit of $24,898 (2019: working capital deficit of $183,322) and non-current liabilities of $NIL (2019: $49,797). As at 30 June 2020, the Group had a cash balance of $319,832. The Group's ability to continue as a going concern and pay its debts as and when they fall due, given the Group's intended operational plans, assumes active management of the current level of discretionary expenditure in line with the funds available to the Group.

The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through the debt and/or equity issues as and when the need to raise working capital arises.

The company is aware that there is a high level of uncertainty in the market and in the exploration sector due to the ongoing impact of the COVID-19 pandemic. Caeneus will continue to monitor the changing situation, however the company does not believe this should adversely affect the ability to raise funds if and when required.

Should the Group be unable to continue as a going concern, it may be required to monetise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the consolidated financial statements.

3 Significant accounting policies (cont'd)

3.4 Going Concern Basis (cont'd)

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

3.5 Revenue recognition

The Group applies AASB 15 Revenue from Contracts with Customers.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts though the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. Significant accounting policies (cont'd)

3.6 Business combinations

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB9 Financial Instruments, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3.7 Employee benefits

Short-term and long-term employee benefits

A liability is recognised for benefits accrued to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

3. Significant accounting policies (cont'd)

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.8.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. Significant accounting policies (cont'd)

3.8 Taxation (cont'd)

3.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.9 Exploration and evaluation expenditure

Exploration and evaluation costs represent intangible assets. Exploration, evaluation and development costs are expensed as incurred. Acquisition costs related to an area of interest are capitalised and carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the areas of interest are continuing.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. Significant accounting policies (cont'd)

3.11 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the financial instrument.

Financials instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

3.11.1.1 <u>Financial assets at amortised cost</u>

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group entity cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

3. Significant accounting policies (cont'd)

3.11 Financial instruments

3.11.1.2 Financial assets at fair value through other comprehensive income (Equity instruments)

The Group entity measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132Financial Instruments: Presentation and are not held for trading.

3.11.1.3 Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

3.11.2 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

3.11.2.1 Financial liabilities at FVTPL

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

3. Significant accounting policies (cont'd)

3.11 Financial instruments

3.11.3 Impairment

The Group entity assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group entity applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3.12 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

3.13 Comparative amounts

When current period balances have been classified differently within current period disclosures when compared to prior periods, comparative disclosures have been restated to ensure consistency of presentation between periods.

3.14 Government Grant

An unconditional government grant is recognised in the statement of profit or loss as other income when the grant becomes receivable. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

Research and development tax incentives are recognised in the statement of profit or loss as other income when received or when the amount to be received can be reliably estimated.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period on which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

Impairment of exploration and evaluation expenditure

Exploration and evaluation expenditure is reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

The directors are required to exercise judgement on future events and the likelihood of defining an economic reserve. Assumptions made are altered as exploration and evaluation continues and more information becomes available. Where it is evident that the value of exploration and evaluation expenditure cannot be recovered, the capitalised amount will be impaired through the statement of profit or loss and other comprehensive income.

Share-based payments

Fair value is measured by the use of Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Deferred taxation

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses when management considers that it is probable that future taxable profits will be available to utilise those assets.

5. Segment information

5.1 Geographical segment

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group operates in two (2) principal geographical areas – Australia (country of domicile) and the United States of America.

5. Segment information (cont'd)

5.1 Geographical segment (cont'd)

The table below presents the asset and liability information and operating results regarding the geographical segments for the year ended 30 June 2020.

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
Assets		
Australia	344,353	189,314
United States of America	3,407	3,407
Total assets	**347,760**	**192,721**
Liabilities		
Australia	370,784	423,966
United States of America	1,874	1,874
Total liabilities	**372,658**	**425,840**

	30 June 2020 $	**30 June 2019 $**
Operating result		
Australia	(478,366)	(2,524,720)
United States of America	(69,165)	(36,533)
Total loss from operations	**(547,531)**	**(2,561,253)**

6. Other income

	2020 $	**2019** $
Interest income	110	136
Other income	17,500	2,324
R & D Tax Incentive	200,148	-
	217,758	2,460

7. Loss for the year

Loss for the year has been arrived at after charging the following items of expenses:	2020	2019
	$	$
Administration costs:		
Promotional and meeting expenses	23,837	39,576
Other	54,909	86,613
Total administration costs	78,746	126,189
Consultants costs	313,273	331,549
Interest on convertible notes	-	160,388
Compliance costs:		
ASX expenses	28,861	45,026
Share registry expenses	74,515	140,335
Audit expenses	34,282	37,558
ASIC expenses	10,333	18,651
Total compliance costs	147,991	241,570
Impairment expenses	212,377	1,682,291

8. Income taxes relating to continuing operations

8.1 Income tax recognized in profit or loss

	2020	2019
	$	$
Current tax	-	-
Deferred tax	-	-
	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting loss as follows:

	2020	2019
	$	$
Loss before tax from continuing operations	(547,531)	(2,561,253)
Income tax expense calculated at 27.5% (2019: 27.5%)	(150,571)	(704,345)
Effect of expenses that are not deductible in determining taxable loss	15,902	361,762
Effect of deductible capitalised expenditure	(58,404)	(149,008)
Correction from previous year tax calculation	-	-
Effect of unused tax losses not recognised as deferred tax assets	193,073	491,591
	-	-

The tax rate used for the 2020 reconciliation above is the corporate tax rate of 27.5% (2019: 27.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

8.2 Unrecognised deferred tax assets

	2020 $	2019 $
Unused tax losses (revenue) for which no deferred tax assets have been recognised (at 27.5%) (2019: 27.5%)	18,856,352	18,876,033

This benefit from tax losses totalling $68,568,554 (2019: $67,866,471) will only be obtained if the specific entity carrying forward the tax losses derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and the Company complies with the conditions for deductibility imposed by tax legislation.

9. Loss per share

	2020 cents per share	2019 cents per share
Basic and diluted loss per share	(0.02)	(0.16)

9.1 Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2020 $	2019 $
Loss for the year attributable to owners of the Company	(547,531)	(2,561,253)

	2020 No.	2019 No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	2,576,784,232	1,572,526,740

10. Trade, other receivables and prepayments

	2020 $	2019 $
Prepayments	4,167	42,237
Other receivables	21,899	18,145
	26,066	60,382

At the reporting date, none of the receivables were past due/impaired.

11. Exploration and evaluation expenditure

	2020 $	2019 $
Carried forward exploration and evaluation expenditure	-	-
Expenditure incurred during the year	212,377	1,682,291
Impairment of exploration and evaluation expenditure (i)	(212,377)	(1,682,291)
	-	-

(i) An impairment expense of $212,377 has been recognised in profit or loss for the year ended 30 June 2020 (2019: $1,682,291). This is consistent with the Group's policy on exploration and evaluation expenditure.

12. Commitments for expenditure

Exploration expenditure on granted tenements

	2020* $	2019* $
Not longer than one (1) year	147,006	277,000
Two (2) to five (5) years	239,589	-
	386,595	277,000

* The figures also include costs for maintaining for the USA tenements pertaining to ATC Resources Pty Ltd (Columbus Marsh Project).

In order to retain the rights of tenure to its granted tenements, the Group is required to meet the minimum statutory expenditure requirements but may reduce these at any time by reducing the size of the tenements. The figures quoted above assume that no new tenements are granted and that only compulsory statutory area reductions are made.

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the consolidated statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out exploration rights to third parties will reduce or extinguish these obligations. Where commitments are denominated in foreign currencies, the amounts have been converted to Australian dollars based on the exchange rates prevailing as at 30 June 2020.

13. Trade and other payables

	2020 $	2019 $
Trade and other payables	54,223	101,129
Accrued expenses	20,000	33,045
	74,223	134,174

13. Trade and other payables (cont'd)

The related party transactions and its outstanding balances includes the following:

	2020 $	2019 $
Everest Accounting Pty Ltd[1]	15,489	300

[1] Johnathon Busing is a director of Everest Accounting Pty Ltd

14. Issued capital

	30 Jun 2020 $	30 Jun 2019 $
3,473,645,967 fully paid ordinary shares (30 June 2019: 2,141,260,371)	**86,830,409**	**86,013,352**

	To disclose all shares on a post consolidation basis			
Fully paid ordinary shares	**30 Jun 2020**		**30 Jun 2019**	
	No.	**$**	**No.**	**$**
Balance at beginning of period	2,141,260,371	86,013,352	716,621,208	82,383,969
Reclassification (i)	-	101,305	-	-
Issue of shares (ii)	186,196,554	150,819	-	-
Issue of shares (iii)	296,189,042	148,095	-	-
Issue of shares (iv)	25,000,000	12,500	-	-
Issue of shares (v)	800,000,000	400,000	-	-
Issue of shares (vi)	25,000,000	12,500	-	-
Issue of shares (vii)	-	-	51,500,000	1,030,000
Issue of shares (viii)	-	-	500,000,000	1,250,000
Issue of shares (ix)	-	-	5,093,919	12,735
Issue of shares (x)	-	-	16,000,000	160,000
Placement (xi)	-	-	117,092,421	585,462
Issue of shares (xii)	-	-	450,000,000	450,000
Issue of shares (xiii)	-	-	5,656,791	5,657
Issue of shares (xiv)	-	-	279,294,831	195,506
Rounding on consolidation	-	-	1,201	-
Share issue costs	-	(8,162)	-	(59,977)
	3,473,645,967	86,830,409	2,141,260,371	86,013,352

(i) Reclassification of the convertible notes that were converted into equity by 30 June 2019.

(ii) Issue of fully paid ordinary shares at $0.00081 each on 25 October 2019 pursuant to a placement to sophisticated investors of the Company.

(iii) Issue of fully paid ordinary shares at $0.0005 each on 31 December 2019 pursuant to a placement to sophisticated investors of the Company.

(iv) Issue of fully paid ordinary shares at $0.0005 each on 23 April 2020 pursuant to a placement to Director of the Company Mr Peter Christie.

(v) Issue of fully paid ordinary shares at $0.0005 each on 23 April 2020 pursuant to a placement to sophisticated investors of the Company.

(vi) Issue of fully paid ordinary shares at $0.0005 each on 23 April 2020 pursuant to a placement to Director of the Company Mr David Sanders.

(vii) Issue of fully paid ordinary shares at $0.02 each on 12 July 2018 as part of settlement on the acquisition of Mt Roe Mining Pty Ltd.

(viii) Issue of fully paid ordinary shares at $0.0025 each on 12 July 2018 pursuant to the conversion of convertible notes of $1.25 million issued in April 2018.

(ix) Issue of fully paid ordinary shares at $0.0025 each on 12 July 2018 in lieu of interest pursuant to the conversion of convertible notes of $1.25 million.

14. Issued Capital (cont'd)

(x) Issue of fully paid ordinary shares at $0.01 each on 12 July 2018 to DG Resources Management Ltd as deferred consideration pursuant to a contractual obligation of the Company pursuant to the Mining Claims Acquisition Agreement for as part consideration for the Lida Valley and Muddy Mountain Project.
(xi) Issue of fully paid ordinary shares at $0.005 each on 30 August 2018 pursuant to a placement to sophisticated investors of the Company.
(xii) Issue of fully paid ordinary shares at $0.001 each on 26 February 2019 pursuant to the conversion of convertible notes of $450,000 issued in December 2018.
(xiii) Issue of fully paid ordinary shares at $0.001 each on 26 February 2019 in lieu of interest pursuant to the conversion of convertible notes of $450,000.
(xiv) Issue of fully paid ordinary shares at $0.007 each on 29 May 2019 pursuant to a placement to sophisticated investors of the Company.

15. Convertible Notes

The Company signed a mandate on 10 December 2018 to raise up $450,000 by way of a convertible note facility with one or more investors who are not related parties of the Company.

The notes to be converted at the election of the note holders into ordinary shares at $0.001 per share with one (1) free attaching unlisted option (exercise price $0.015 per option, expiry 31 December 2023) for every 2 shares issued. Interest will accrue on the value of the note at 6% per annum and will be converted into shares and free attaching Options.

The term of the notes was three months from the date of the 2018 Annual General Meeting, unless otherwise agreed by the noteholder and the Company.

All remaining notes were converted into equity by 30 June 2019.

	2020 $	2019 $
Balance at the beginning of the period	-	1,108,003
Placement of Notes	-	450,000
Unwinding of Finance Costs/Interest	-	160,388
Conversion during the year along with the interest	-	(1,718,391)
Balance at the end of the Year	-	-

16. Reserves

	2020 $	2019 $
Balance at beginning of the year	2,055,258	1,815,353
Options issued to sophisticated and professional investors (i)	40,000	-
Options issued to Chinsiro Pty Ltd(ii)	-	75,000
Options issued on acquisition of Mt Roe Mining Pty Ltd(iii)	-	110,442
Options issued to RM Corporate Finance Pty Ltd(iv)	-	54,463
Carrying value at end of the year	2,095,258	2,055,258

(i) Issue of 400,000,000 unlisted options to sophisticated and professional investors at $0.0001 each as part of the capital raising on 18 February 2020.

(ii) This represent the value attributed to 75,000,000 unlisted options issued as consideration for services provided by Chinsiro Pty Ltd to the Company pursuant to the fundraising agreement.

(iii) This represent the value attributed to 51,500,000 listed options issued as part of the consideration for the acquisition of Mt. Roe Mining Pty Ltd.

(iv) This represent the value attributed to 20,000,000 unlisted options issued to RM Corporate Finance Pty Ltd as a signing fee contained in the Sale and Purchase Agreement.

17. Deferred considerations

	2020 $	2019 $
Current		
Cash consideration payable to GEM for acquisitions of ATC Resources and Nevada Clays (i)(ii)(iii)(iv)(v)(vi)	298,435	241,869
	298,435	241,869
Non-current		
Deemed value of cash consideration to GEM for acquisitions of ATC Resources and Nevada Clays (vii)	-	49,797
	-	49,797

Deferred consideration to Gold Exploration Management Inc. ("GEM") arising from acquisition of ATC Resources Pty Ltd and Nevada Clays Pty Ltd

Following the acquisitions of 100% of ATC Resources Pty Ltd and Nevada Clays Pty Ltd, various subsidiaries of Caeneus were liable to pay GEM deferred cash payments as follows that have not yet been paid:

<u>Arising from acquisition of ATC Resources Pty Ltd</u>
(i) US$15,000 on that date that is 24 months after the settlement of the acquisition (being 24 months from 23 June 2016);
(ii) US$25,000 on that date that is 36 months after the settlement of the acquisition (being 36 months from 23 June 2016) for Scotty's south project.
(iii) US$70,000 on that date that is 48 months after the settlement of the acquisition (being 48 months from 23 June 2016).

17. Deferred considerations (cont'd)

Arising from acquisition of Nevada Clays Pty Ltd
(iv) US$15,000 on that date that is 12 months after the settlement of the acquisition (being 12 months from 13 September 2016).
(v) US$20,000 on that date that is 24 months after the settlement of the acquisition (being 24 months from 13 September 2016).
(vi) US$25,000 on that date that is 36 months after the settlement of the acquisition (being 36 months from 13 September 2016).
(vii) US$35,000 on that date that is 48 months after the settlement of the acquisition (being 48 months from 13 September 2016).

18. Financial instruments

18.1 Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital management requires the maintenance of a strong cash balance to support ongoing exploration.

Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements. There were no changes in the Group's approach to capital management during the year.

18.2 Categories of financial instruments

	2020	2019
Financial assets	$	$
Cash and cash equivalents	319,832	130,477
Trade and other receivables (non-interest bearing)	21,899	18,145
	341,731	148,622
Financial liabilities		
Trade and other payables (non-interest bearing)	74,224	134,174
Deferred considerations - current (*refer note 17*)	298,435	241,869
Convertible notes	-	-
Deferred considerations - non-current (*refer to note 17*)	-	49,797
	372,659	425,840
Net financial assets/(liabilities)	**(30,928)**	**(277,218)**

The carrying value of the above financial instruments approximates their fair values

18.3 Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

18 Financial instruments (cont'd)

18.3 Financial risk management objectives (cont'd)

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

18.4 Market risk

Market risk for the Group arises from the use of interest bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate (see 18.5 below).

18.5 Interest rate risk management

Interest rate risk arises on cash and cash equivalents and receivables from related parties. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end on the reporting period.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 30 June 2020 would decrease/increase by $3,198 (2019: $1,305).

18. Financial instruments (cont'd)

18.6 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group is mainly exposed to the currency of United States. As this is not considered a significant risk at this stage for the Group, no policies are in place to formally mitigate this risk.

Sensitivity analysis:

The table below summarises the FX exposure on the net monetary position of the Group against its respective functional currency, expressed in group's presentation currency. If the USD/ AUD rates moved by +10%, the effect on comprehensive loss would be as follows:

Financial Assets denominated in foreign currency in books of Caeneus Minerals Ltd	**2020** **$**	**2019** **$**
Deferred Consideration payable in USD	205,000	205,000
Deferred Consideration payable in AUD	298,435	291,666

Percentage shift of the AUD /USD exchange rate	**10%** **A$**	**10%** **A$**
Total effect on comprehensive loss of positive movements	29,843	32,407
Total effect on comprehensive loss of negative movements	(27,130)	(26,515)

18.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

18. Financial instruments (cont'd)

18.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Contractual cash flows

	Carrying Amount $	Less than 1 month $	1-3 months $	3-12 months $	1 year to 5 years $	Total contractual cash flows $
2020						
Trade and other payables	74,223	-	74,223	-	-	74,223
Deferred consideration (current)	298,435	298,435	-	-	-	298,435
2019						
Trade and other payables	134,174	-	134,174	-	-	134,174
Deferred consideration (current)	241,869	-	-	241,869	-	241,869
Deferred consideration (non-current)	49,797	-	-	-	49,797	49,797

19. Key management personnel

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2020 $	2019 $
Short-term employee benefits	210,784	230,382
Share-based payment	-	-
	210,784	230,382

Short-term employee benefits

These amounts include fees paid to non-executive and executive directors and also include fees paid to entities controlled by the directors. The compensation of each member of the key management personnel of the Group is set out in the remuneration report on page 10.

20. Related party transactions

20.1 Entities under the control of the Group

The Group consists of the parent entity, Caeneus Minerals Ltd and its wholly-owned subsidiaries Caeneus Resources Pty Ltd, Port Exploration Pty Ltd, Nevada Metals Pty Ltd, ATC Resources Pty Ltd, Nevada Clays Pty Ltd , Nevada Metals (USA) Inc., Blue Ribbon Mines Pilbara Pty Ltd and Mt Roe Mining Pty Ltd.

20.2 Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to the remuneration report contained in the directors' report and note 19.

21. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2020 $	2019 $
Cash and bank balances	319,832	130,477

21.1 Reconciliation of loss for the year to net cash flows from operating activities

	2020 $	2019 $
Cash flow from operating activities		
Loss for the year	(547,531)	(2,561,253)
Adjustments for:		
Impairment	212,377	1,682,291
Share based payments for consulting services	-	-
Reduction in deferred consideration	-	-
Interest accrued on convertible notes	-	160,388
Foreign exchange gain	6,769	15,807
Movements in working capital		
Decrease in trade, other receivables and prepayments	34,316	27,484
(Decrease)/increase in trade and other payables	(58,847)	(80,973)
Net cash flow from operating activities	(352,916)	(756,256)

Non-cash financing activities

There were no non-cash financing or investing activities during the year.

22. Contingent liabilities and contingent assets

Upon acquiring 100% interest in the Scotty's South-Sarcobatus Flats and Columbus Marsh lithium projects ("ATC Projects"), Caeneus is liable to pay a 2% Net Smelter Royalty to Gold Exploration Management Inc. ("GEM") on production from the ATC Projects (to be documented with a standard industry royalty agreement). Caeneus has the right to buy back 1% of the royalty for the sum of US$1,000,000.

Upon acquiring 100% interest in the New King lithium project ("New King Project"), Caeneus is liable to pay a 2% Net Smelter Royalty to GEM on production from the New King Project (to be documented with a standard industry royalty agreement). Caeneus has the right to buy back 1% of the royalty for the sum of US$1,000,000.

Upon acquiring 100% interest in Mount Roe Mining Pty Ltd, the Company is liable on a discovery at either E47/3846 and/or E45/5041 and/or E47/3857: totalling 200,000 ounces JORC resource of gold (or gold equivalent on any metals) on or before 23 October 2022 - (5 years after settlement) to issue of $A1.0m in Caeneus Shares at five-day VWAP prior to notification of this milestone/payment or $1.0m in cash (at the election of Caeneus).

The directors are not aware of any other contingencies at balance date.

23. Remuneration of auditors

Auditor of the Group

	2020 $	2019 $
Audit and review of financial reports	35,000	37,558

The auditor of the Group is Stantons International Audit and Consulting Pty Ltd.

24. Events after the reporting period

The Company has issued 123,200,000 shares pursuant to the conversion of unlisted options, with $0.0025 exercise price and an expiry date of 31 December 2024.

On 10 August 2020, Department of Mines Industry Regulation and Safety have granted Exploration Licence E47/3846 with approximately 350 square kilometers of structurally and chemically altered granitic, intermediate and ultramafic intrusive rocks which are considered highly prospective for gold occurrences.

The Company appointed Mr Rob Mosig as CEO, commencing immediately.

On 24 August 2020, the Company announced a capital raising via a Placement of 125,000,000 fully paid ordinary shares at an issue price of $0.004 each for a total amount raised of $500,000 to sophisticated and professional investors of the Company. The Company will also issued a 1 for 2 attaching option exercisable at $0.015 expiring on or before 31 December 2023.

On 11 September 2020, the Company completed a capital raising via a Placement of 200,000,000 fully paid ordinary shares at an issue price of $0.010 each for a total amount raised of $2,000,000 to sophisticated and professional investors of the Company. The Company issued a 1 for 2 attaching option exercisable at $0.015 expiring on or before 31 December 2023.

24. Events after the reporting period (cont'd)

The Company has issued 25,000,000 options for corporate advisory services pursuant to the capital raising on 11 September 2020, with $0.015 exercise price and an expiry date of 31 December 2023.

25. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 3 for a summary of significant accounting policies relating to the Group.

Financial position

	2020 $	2019 $
Assets		
Current assets	340,487	185,448
Non-current assets	-	-
Total assets	340,487	185,448
Liabilities		
Current liabilities	369,289	372,674
Non-current liabilities	-	49,797
Total liabilities	369,289	422,471
Net (liabilities)/assets	(28,802)	(237,023)
Equity		
Issued capital	86,830,409	86,013,352
Convertible notes (Equity portion)	-	101,305
Reserves	2,095,258	2,055,258
Accumulated losses	(88,954,469)	(88,406,938)
Total equity/(deficit)	(28,802)	(237,023)
Financial performance		
Loss for the year	(547,531)	(2,561,255)

26. Commitments and contingencies

There were no other material commitments or contingencies at the reporting date for the parent company except for those mentioned in note 12 and note 22.

27. Subsidiaries

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
			2020	**2019**
Caeneus Resources Pty Ltd	is a non-operating subsidiary	Australia	100%	100%
Port Exploration Pty Ltd	Holds tenements	Australia	100%	100%
Nevada Metals USA Inc	is a non-operating subsidiary	USA	100%	100%
Nevada Metals Pty ltd	is a non-operating subsidiary	Australia	100%	100%
ATC Resources Pty Ltd	Holds tenements beneficially	Australia	100%	100%
Nevada Clays Pty Ltd	is a non-operating subsidiary	Australia	100%	100%
Mt Roe Mining Pty Ltd	Owner of Blue Ribbon Mines Pilbara Pty Ltd	Australia	100%	100%
Blue Ribbon Mines Pilbara Pty Ltd	Holds tenements	Australia	100%	100%

28. Options

28.1 The following options were on issue at the reporting date:

Option series	Number	Grant date	Grant date fair value $	Exercise price $	Expiry date	Vesting date
CAD0[i]	349,128,014	Various	-	0.0300	31 Dec 2020	N/A
CAD67913[ii]	115,023,394	Various	0.019	0.0500	30 Jun 2021	Vested
CAD67904[iii]	75,000,000	Various	0.001	0.0150	30 Jun 2023	Vested
CAD67921[iv]	916,353,751	Various	-	0.0150	31 Dec 2023	Vested
CAD67927[v]	2,011,680,427	Various	-	0.0025	31 Dec 2024	Vested

(i) CAD0 are listed Options.
(ii) CAD67913 are Unlisted Options.
(iii) CAD67904 are Unlisted Options.
(iv) CAD67921 are Unlisted Options.
(v) CAD67927 are Unlisted Options.

There has been no alteration of the terms and conditions of the above options arrangements since the grant date.

28. Options (cont'd)

28.2 Options granted during the year

The following options were granted during the year ended 30 June 2020:

a) On 29 November 2019, the Company issued 465,491,385 free attached unlisted options on a 1 for 1 basis along with fully paid ordinary shares pursuant to a placement to sophisticated investors of the Company.
b) On 23 April 2020, the Company issued 296,189,042 free attached unlisted options on a 1 for 1 basis along with fully paid ordinary shares pursuant to a placement to sophisticated investors of the Company.
c) On 23 April 2020, the Company issued 25,000,000 free attached unlisted options on a 1 for 1 basis along with fully paid ordinary shares pursuant to a placement to Director of the Company Mr Peter Christie.
d) On 23 April 2020, the Company issued 800,000,000 free attached unlisted options on a 1 for 1 basis along with fully paid ordinary shares pursuant to a placement to sophisticated investors of the Company.
e) On 23 April 2020, the Company issued 25,000,000 free attached unlisted options on a 1 for 1 basis along with fully paid ordinary shares pursuant to a placement to Director of the Company Mr David Sanders.
f) On 23 April 2020, the Company issued 400,000,000 unlisted options pursuant to a Capital Raising to sophisticated investors of the Company. Raising $40,000.

28.3 Fair value of options granted during the year as share-based payments

No options were issued as share-based payments in financial year ended 30 June 2020 (30 June 2019: 142,300,000).

28. Options (cont'd)

28.4 Movements in options during the year

The following reconciles options outstanding at the beginning and end of the year:

Free attaching options and issued for a consideration	**2020**		**2019**	
	Number of options No.	**Weighted average exercise price $**	**Number of options No.**	**Weighted average exercise price $**
Balance at beginning of year	1,146,705,159	0.02	197,018,061	0.02
Granted during the year[i]	2,011,680,427	0.01	949,687,067	0.02
Forfeited during the year	-	-	-	-
Exercised during the year[ii]	-	-	-	-
Expired during the year	-	-	-	-
Rounding on consolidation	-	-	31	-
Balance at end of year	**3,158,385,586**	**0.01**	**1,146,705,159**	**0.02**
Exercisable at end of year	**3,158,385,586**	**0.01**	**1,146,705,159**	**0.02**

Share based payment options	**2020**		**2019**	
	Number of options No.	**Weighted average exercise price $**	**Number of options No.**	**Weighted average exercise price $**
Balance at beginning of year	308,800,000	0.03	166,500,000	0.03
Granted during the year	-	-	142,300,000	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Consolidation rounding	-	-	-	-
Balance at end of year	**308,800,000**	**0.03**	**308,800,000**	**0.03**
Exercisable at end of year	**308,800,000**	**0.03**	**308,800,000**	**0.03**

28.5 Share options exercised during the year

No share options were exercised during the year (2019: NIL).

28.6 Options outstanding at the end of the year

Share options outstanding at the end of the year had a weighted average exercise price of $0.01 (2019: $0.02) and a weighted average remaining contractual life of 1347 days (2019: 1300 days).

29. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 30 September 2020.

ASX Additional Information as at 23 September 2020

Ordinary share capital
3,921,845,967 fully paid ordinary shares are held by 2,896 shareholders.

Each ordinary share is entitled to vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options
349,128,014 listed $0.0300 options expiring 31 December 2020 are held by 429 option holders.

[Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	12,042,447	161	3.449
100,001 and over	337,085,567	268	96.551
	349,128,014	**429**	**100.00**

As required under listing rule under ASX listing rule 4.10.16, no shareholder holds over 20% of this class of options.

115,023,394 unlisted $0.0500 options expiring 30 June 2021 are held by 59 option holders.

[Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	233,334	3	0.203
100,001 and over	114,790,060	56	99.797
	115,023,394	**59**	**100.00**

As required under listing rule under ASX listing rule 4.10.16, no shareholder holds over 20% of this class of options.

1,103,853,751 unlisted $0.0150 options expiring 31 December 2023 are held by 101 option holders.

[Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	1,103,853,751	101	100.00
	1,103,853,751	**101**	**100.00**

As required under listing rule under ASX listing rule 4.10.16, no shareholder holds over 20% of this class of options.

75,000,000 unlisted $0.0150 options expiring 30 June 2023 are held by 6 option holders.

[Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	75,000,000	6	100.00
	75,000,000	**6**	**100.00**

Under listing rule under ASX listing rule 4.10.16, 3 holders hold in excess of 20% of the options on issue.

The holders are:
Exfortune Pty Ltd
Distinct Racing and Breeding Pty Ltd
Redcode Pty Ltd

1,888,480,427 unlisted $0.0027 options expiring 31 December 2024 are held by 27 option holders.

[Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	1,888,480,427	27	100.00
	1,888,480,427	**27**	**100.00**

As required under listing rule under ASX listing rule 4.10.16, no shareholder holds over 20% of this class of options.

Options do not carry a right to vote.

[Distribution of holdings]

Category (size of holding)	Number of ordinary shares	Number of holders	% holding
1 - 1,000	23,856	150	0.001
1,001 - 5,000	50,506	15	0.001
5,001 - 10,000	148,942	18	0.004
10,001 - 100,000	65,367,526	1,182	1.667
100,001 and over	3,856,255,137	1,531	98.328
	3,921,845,967	**2,896**	**100.00**

As required under listing rule under ASX listing rule 4.10.16, no shareholder holds over 20% of this class of securities.

Unmarketable parcels
There are 581 shareholdings held in less than the marketable parcels.

Substantial shareholders
Mr Roger & Erica Blake lodged a substantial shareholder notice on 23 April 2020 containing holdings of 346,841,760 fully paid ordinary shares with voting power (at the time) of 9.99%.

Matthew Blake lodged a substantial shareholder notice on 21 September 2020 containing a holding of 200,000,000 fully paid ordinary shares with a voting power of 5.10% which remains current.

Restricted securities
The Company has no restricted securities on issue.

On-Market buy-back
There is no current on-market buy-back.

Information required under listing rule 4.10.16

Twenty (20) largest shareholders – fully paid ordinary shares

Name	Number of Shares Held	% of Issued Capital
Mr Roger Blake and Mrs Erica Lynette Blake	325,000,000	8.287
Mount Street Investments Pty Ltd	200,000,000	5.100
Tirumi Pty Ltd	140,765,480	3.589
Tirumi Pty Ltd	138,642,295	3.535
Mount Ridley Mines Limited	100,000,000	2.550
Tirumi Pty Ltd	95,594,521	2.437
Mrs Lisa Jane Wall	90,000,000	2.295
Ms Tiffany Hilda Evans	80,000,000	2.040
Regan Ballantyne	80,000,000	2.040
Jotome Super Pty Ltd	78,776,827	2.009
Joric Pty Ltd	75,942,799	1.936
Pareto Nominees Pty Ltd	60,000,000	1.530
Comsec Nominees Pty Ltd	55,228,301	1.408
Wilding Resources Pty Ltd	50,407,514	1.285
6466 Investments Pty Ltd	41,964,301	1.070
Getmeoutofhere Pty Ltd	41,800,000	1.066
JP Morgan Nominees Australia Pty Ltd	41,755,201	1.065
Mr Simon Andrew Miller	40,535,496	1.034
Mr Simon Lee Webster	40,407,514	1.030
GAB Superannuation Fund Pty Ltd	40,000,000	1.020
	1,816,820,249	**46.326**

Twenty (20) largest holders - Listed Options (exercisable at $0.03, expiring 31 Dec 2020)

Name	Number of Options Held	%
Miss Sihong Zeng	57,756,811	16.543
Mr Terry Ronald Sharp	16,614,112	4.759
Mr Ashley Keith Hood and Ms Charlotte Mary Hood	15,000,000	4.296
Mr Xiaolin Wang	10,555,000	3.023
Stolen Hours Enterprises Pty Ltd	10,000,000	2.864
HSBC Custody Nominees (Australia) Limited	9,000,000	2.578
Mr Vince Messina	8,270,100	2.369
Mr Peter Inglis and Mrs Lenore Mary Inglis	7,100,000	2.034
Trade Prestige Pty Ltd	6,933,854	1.986
Lorraine Superannuation Manager Pty Ltd	5,000,000	1.432
Mr Keum Woo Lee	4,950,000	1.418
Mr Charles Michael Clifton Ryan	4,504,212	1.290
Mr Anthony Kenneth Cross	4,000,000	1.146
Mrs Stella Emily Downey	3,750,000	1.074
Mr Christopher Matthew Monico	3,747,000	1.073
Mr Simon John Ayling	3,500,000	1.002
Mr Colin Mackay	3,500,000	1.002
Mr Lifu Lian	3,328,524	0.953
Dr Tony Crea	3,000,000	0.859
Mr Bobi Petkovski	3,000,000	0.859
	183,509,613	**52.562**

Schedule of tenements held at balance sheet date

STATE OF NEVADA, UNITES STATES OF AMERICA TENEMENTS
Columbus Marsh Project

Location	Project Name	Claim #	Ownership	Titleholder
Nevada, USA	Columbus Marsh	CSM32	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM33	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM34	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM36	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSME1	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSME2	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSME3	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM1	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM2	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM4	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM5	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM1W	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM5W	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM23	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM27	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM29	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM30	*Refer to Note 1 below*	Gold Exploration Management Inc.
Nevada, USA	Columbus Marsh	CSM31	*Refer to Note 1 below*	Gold Exploration Management Inc.

*[**Note 1:** ATC Resources Pty Ltd ("ATC Resources") has entered into the assignments of binding Options Agreements to acquire 100% of Columbus Marsh from Gold Exploration Management Inc. ATC Resources is a wholly owned subsidiary of Caeneus Minerals Ltd.]*

Nevada, USA	Rhodes Marsh	RM 57	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 58	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 59	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 60	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 61	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 62	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 63	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 64	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 65	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 66	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 67	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 68	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 69	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 70	*Refer to Note 3 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 71	*Refer to Note 2 Below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 72	*Refer to Note 2 Below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 73	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 74	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 75	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 76	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 77	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 78	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 79	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 80	*Refer to Note 2 Below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 81	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 82	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 83	*Refer to Note 2 below*	Arizona Lithium Co Ltd

Nevada, USA	Rhodes Marsh	RM 84	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 85	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 86	*Refer to Note 2 Below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 87	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 88	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 89	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 90	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 91	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 92	*Refer to Note 2 Below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 93	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 94	*Refer to Note below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 95	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 96	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 97	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 98	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 99	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 101	*Refer to Note 2 below*	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 102	*Refer to Note 2 below*	Arizona Lithium Co Ltd

***Note 2**: Arizona Lithium Co owns the Rhodes Marsh placer claims on behalf of Caeneus Minerals Limited.*

AUSTRALIAN TENEMENTS

Location	Project Name	Tenement #	Ownership	Titleholder
Western Australia	Pardoo	E45/4585	100%	Port Exploration Pty Ltd
Western Australia	Pardoo	E45/4671	100%	Arrow (Pardoo) Limited
Western Australia	Roberts Hill Project	E47/3846	100%	Blue Ribbon Mines Pty Ltd
Western Australia	Mt Berghaus Project	E45/5041	100%	Blue Ribbon Mines Pty Ltd (in application)
Western Australia	Yule River Project	E47/3857	100%	Blue Ribbon Mines Pilbara Pty Ltd