



Caeneus Minerals Ltd

ABN 42 082 593 235

and its controlled entities

Half year report for the half-year ended

31 December 2020

For personal use only

Corporate directory

Board of Directors

Mr Peter Christie	Chairman
Mr Johnathon Busing	Non-Executive Director
Mr Teow Kim Chng	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
Fax: +61 8 9262 3723

Stock Exchange

Australian Securities Exchange
Level 40, Central Park
152- 158 St Georges Terrace
Perth, Western Australia 6000

ASX Code

CAD
CADO

For personal use only

Half year report for the half-year ended 31 December 2020

Contents

Directors' report.....	1
Auditor's independence declaration.....	5
Independent auditor's review report.....	6
Directors' declaration.....	8
Consolidated statement of profit or loss and other comprehensive income.....	9
Consolidated statement of financial position.....	10
Consolidated statement of changes in equity.....	11
Consolidated statement of cash flows.....	12
Condensed notes to the consolidated financial statements.....	13

For personal use only

Directors' report

The directors of Caeneus Minerals Ltd ("Caeneus" or "the Company") submit the financial report of Caeneus Minerals Ltd and its subsidiaries ("the Group") for the half-year ended 31 December 2020. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

The names of the directors of the Company during or since the end of the half-year are:

Mr Peter Christie (appointed on 03 October 2017)
Mr Johnathon Busing (appointed on 30 November 2017)
Mr Teow Kim Chng (appointed on 05 March 2021)
Mr David Sanders (resigned on 05 March 2021)

Review of operations

The consolidated loss of the Group for the half-year ended 31 December 2020 amounted to \$1,721,795 (31 December 2019: \$340,505).

Exploration

Mallina Province Projects (E47/3846)

On 10 August 2020, the Company announced that it received confirmation from the Department of Mines, Industry Regulation and Safety of the grant of Exploration Licence E47/3846, Roberts Hill, in the Mallina Basin locality of the Pilbara Region of Western Australia.

The Company was also advised that Exploration Licence Application E45/5041, Mr Berghaus, had also progressed to final government approval for grant.

The two Exploration Licences, Roberts Hill and Mt Berghaus, cover an area of 170 sq km and 179 sq km respectively and are situated approximately 50 kilometres south of Port Hedland.

As a prelude to the granting of Roberts Hill and Mt Berghaus, the Company completed desktop studies in June and July 2020 on historical exploration activities as well as reviewing technical announcements from adjacent explorer De Grey mining Limited. In addition, the Company commenced a structural and Landsat interpretation over both tenements using available Government published geological, geophysical and satellite imagery.

Whilst Roberts Hill and Mt Berghaus lie within the highly prospective Mallina Basin, the Company research indicated that no significant soil sampling or historical drilling appear to have been carried out over the tenements, possibly due to the thick alluvial sand cover. However, the Company's initial investigations on geophysical and Landsat imagery studies indicate that both Roberts Hill and Mt Berghaus contain locations with compelling similarities to the De Grey gold prospects of Hemi, Mt Berghaus, Mallina and Shaggy. In particular, the Company considers there are several areas which have high exploration significance, where multiple faulting and lineament intersection sites occur.

Potential alteration areas peripheral to intrusive granitic and intermediate structures are also evident and are considered high priority targets worthy of further investigation. The Mallina Basin has been intruded by the Archaean Portree Granitoid Complex and a suite of high magnesium-rich mantle-derived diorites which appear to exhibit a spatial relationship with gold mineralisation elsewhere in the basin. These latter intrusives will be the subject of further confirmation and evaluation.

Aeromagnetic Survey

On 28 August 2020, the Company announced the completion of a 10-day field reconnaissance over Roberts Hill and Mt Berghaus. The aim of the visit was to establish vehicular access available for future drilling programs and to review flight survey specifications for the Company's airborne magnetic survey.

As a result of the field visit, the Company finalised its requirements for an airborne magnetic survey which commenced on the first week of September.

In October 2020, the Company announced the completion of the airborne geophysical surveys over its Mallina Province tenements which resulted in the collection of excellent new data. The entire Roberts Hill and Mt Berghaus project area were flown on 50 metre line spacings with a survey sensor height of approximately 35 metres above ground level. Southern Geoscience Consultants of Perth supervised the airborne surveys completed by Thomson Aviation and have assisted in the enhanced processing and interpretation/analysis of the geophysical data acquired.

The geophysical survey was very helpful in profiling the subtle magnetic characteristics of potentially deep-seated mantle-derived intrusives. The Company's upcoming drilling programs will focus on these discrete intrusives as well as investigating the complex north-westerly and north-easterly trending linear features which (in the case of Roberts Hill) appear to cross-cut and link with the Mallina and Berghaus Shear Zones on the De Grey Mining Ltd tenure located immediately adjacent to the Roberts Hill tenement.

For the Roberts Hill tenement, the Company is nearing the final stages for requesting the necessary statutory approval for a 16,000 to 20,000 metre scout air-core drilling campaign which will test many of the geophysical features identified. Lines of drill holes will be conducted over the priority 1 drill targets initially to a vertical depth not exceeding 140 metres.

At the adjoining Mt Berghaus Exploration Licence Application, E45/5041, analysis of the geophysical data is still under assessment. However, cursory examination of the TMI 1st Vertical Derivative data indicated similar north-easterly structures and potential intrusive-type features. Whilst the Mt Berghaus tenement remains in application status, no surface disturbance activities can be conducted, and the Company will focus its initial exploration activities entirely on the Roberts Hill tenement.

Yule River (E47/3857)

The Company's Yule River Exploration Licence is comprised of two separate blocks totalling 125kilometres in area.

In March 2020, the Company conducted a small soil sampling orientation program which yielded inconclusive results and demonstrated that further soil sampling would not be the best exploration tool for this area.

In December 2020, the Company confirmed the completion of a preliminary assessment of geophysical data acquired from its Yule River Project.

Similar to the Company's Mallina tenements, the entire Yule river blocks were flown with a low level detailed aeromagnetic survey at an average height of 35 metres above ground level and at 50 metre line spacings. However, the Yule airborne survey had its flight lines aligned in a north-west direction, somewhat perpendicular to the anomalous Sholl Shear Zone which is of particular interest to the Company. The survey was also carried out by Thomson Aviation under the supervision of Southern Geoscience Consultants of Perth. Southern Geoscience Consultants continue to assist in the interpretation/analysis of the acquired Yule river geophysical data.

The Total Magnetic Intensity (TMI) data collected from the aeromagnetic survey clearly identified the Sholl Shear Zone within the Company's tenement boundaries. Additionally, apparent intrusive features, structural displacements and alteration zones were clearly identifiable from the TMI. The Sholl Shear Zone which is a near-vertical feature traceable for over 250 kilometres, is a dominant major crustal scale shear zone within the Archean Pilbara Craton. Deformation structures such as the Sholl Shear Zone are often coincident with mineralising events, and the Company plans to investigate specific magnetic adjacent to the Sholl Shear Zone with a view to identifying targets for a future air-core drilling program planned for 2021.

Pardoo (E45/4585 AND E45/4671)

No material activities to report.

USA Lithium Projects

No material activities to report.

Corporate

Capital Raising

\$0.5 Million Placement

On 28 August 2020, the Company announced a successful capital raising via a Placement of 125,000,000 fully paid ordinary shares ("Shares") at an issue price of \$0.004 each for a total amount raised of \$500,000 to sophisticated and professional investors in the Company. The Company also issued a 1 for 2 attaching option exercisable at \$0.015 expiring on 31 December 2023.

\$2 Million Placement

On 11 September 2020, the Company raised an additional \$2 Million via a Placement of 200,000,000 Shares at an issue price of \$0.01 to professional investor and clients of Shaw and Partners Limited. The Company also issued a 1 for 2 attaching options exercisable at \$0.015 expiring 31 December 2023.

These funds were raised at a 25% premium to the 15-day VWAP (\$0.008) and the Placement was heavily oversubscribed.

Funds raised will be directed towards the Company's exploration activities primarily at its Roberts Hill tenement including interpretation of the aeromagnetic survey and future delineation drilling of any targets identified.

CEO Appointment

To manage effective and disciplined exploration activities over its entire project portfolio, the Company confirmed the appointment of Mr Rob Mosig as CEO on 10 August 2020.

Mr Mosig, a geologist with over 30 years of experience in gold, platinum, diamond and specialty metals was previously the founding Managing Director of Helix Resources Limited (ASX: HLX) and Platina Resources Limited (ASX: PGM).

Annual General Meeting

The Company held its Annual General Meeting on 25 November 2020. All resolutions were passed by the requisite majority. Details of the proxy votes in respect of each resolution were set out in a summary attached to the announcement made on the same day.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors



Mr Peter Christie

Chairman

12 March 2021

Perth, Western Australia

For personal use only

12 March 2021

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 review of the financial statements of Caeneus Minerals Limited for the half year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CAENEUS MINERALS LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Caeneus Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Caeneus Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Caeneus Minerals Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 12 March 2021.

Responsibility of the Directors for the Financial Report

The directors of the Caeneus Minerals Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

For personal use only

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
12 March 2021

For personal use only

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position and performance of the Group for the period ended 31 December 2020.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors



Mr Peter Christie

Chairman

12 March 2021

Perth, Western Australia

For personal use only

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2020

		Consolidated	
		Half-year ended	
	Note	31 Dec 2020	31 Dec 2019
		\$	\$
Continuing operations			
Other income	3	5,000	-
Administration costs		(95,013)	(37,400)
Consultants costs		(185,827)	(123,308)
Compliance costs		(87,436)	(78,220)
Depreciation		(287)	-
Exploration & evaluation expenditure written off	5	(440,280)	(97,022)
Share based payments	6	(946,192)	-
Other costs		(29)	(951)
Foreign exchange losses		28,269	(3,604)
Loss before income tax		(1,721,795)	(340,505)
Income tax expense		-	-
Loss for the period		(1,721,795)	(340,505)
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 period, net of income tax		-	-
Total comprehensive loss for the period		(1,721,795)	(340,505)
Loss attributable to:			
Owners of Caeneus Minerals Ltd		(1,721,795)	(340,505)
Total comprehensive loss attributable to:			
Owners of Caeneus Minerals Ltd		(1,721,795)	(340,505)
Loss per share:			
Basic and diluted (cents per share)		(0.046)	(0.015)
Weighted average number of shares		3,770,939,727	2,215,729,615

Condensed notes to the consolidated financial statements are included on pages 13 to 22.

Consolidated statement of financial position as at 31 December 2020

	Note	Consolidated	
		31 Dec 2020 \$	30 Jun 2020 \$
Current assets			
Cash and cash equivalents		2,133,401	319,832
Trade and other receivables	4	67,379	26,066
Other assets		1,862	1,862
Total current assets		2,202,642	347,760
Non-current assets			
Property, plant and equipment		2,066	-
Exploration and evaluation expenditure	5	-	-
Total non-current assets		2,066	-
Total assets		2,204,708	347,760
Current liabilities			
Trade and other payables		51,442	74,223
Deferred considerations	10	247,925	298,435
Total current liabilities		299,367	372,658
Non-current liabilities			
Deferred considerations	10	-	-
Total non-current liabilities		-	-
Total liabilities		299,367	372,658
Net assets/(liabilities)		1,905,341	(24,898)
Equity			
Issued capital	7	89,536,251	86,830,409
Reserves	8	3,041,450	2,095,258
Accumulated losses		(90,672,360)	(88,950,565)
Total equity/(deficiency)		1,905,341	(24,898)

Condensed notes to the consolidated financial statements are included on pages 13 to 22.

Consolidated statement of changes in equity for the half-year ended 31 December 2020

Consolidated

	Issued Capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	86,114,657	2,055,258	(88,403,034)	(233,119)
Loss for the period	-	-	(340,505)	(340,505)
Total comprehensive loss for the period	-	-	(340,505)	(340,505)
Issue of shares to sophisticated and professional investors	150,819	-	-	150,819
Issue of shares to sophisticated and professional investors	148,095	-	-	148,095
Shares to be issued	12,500	-	-	12,500
Share issue costs	(4,456)	-	-	(4,456)
Balance at 31 December 2019	86,421,615	2,055,258	(88,743,539)	266,666
Balance at 1 July 2020	86,830,409	2,095,258	(88,950,565)	(24,898)
Loss for the period	-	-	(1,721,795)	(1,721,795)
Total comprehensive loss for the period	-	-	(1,721,795)	(1,721,795)
Issue of shares pursuant to the exercise of options	75,000	-	-	75,000
Issue of shares pursuant to the exercise of options	87,500	-	-	87,500
Issue of shares to sophisticated and professional investors	500,000	-	-	500,000
Issue of shares pursuant to the exercise of options	28,000	-	-	28,000
Issue of shares to sophisticated and professional investors	2,000,000	-	-	2,000,000
Issue of shares pursuant to the exercise of options	117,500	-	-	117,500
Issue of shares pursuant to the exercise of options	37,037	-	-	37,037
Share issue costs	(139,195)	-	-	(139,195)
Issue of options as Share based payment	-	946,192	-	946,192
Balance at 31 December 2020	89,536,251	3,041,450	(90,672,360)	1,905,341

Condensed notes to the consolidated financial statements are included on pages 13 to 22.

Consolidated statement of cash flows for the half-year ended 31 December 2020

	Consolidated	
	Half-year ended	
	31 Dec 2020	31 Dec 2019
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(427,400)	(176,270)
Interest received	-	-
Net cash (used in) operating activities	(427,400)	(176,270)
Cash flows from investing activities		
Payments for exploration and evaluation	(440,280)	(96,973)
Payment of deferred consideration	(21,837)	-
Payment of property, plant and equipment	(2,353)	-
Net cash (used in) investing activities	(464,470)	(96,973)
Cash flows from financing activities		
Proceeds from shares and options issued	2,845,037	311,414
Proceeds from convertible notes	-	-
Share issue costs	(139,195)	(2,201)
Net cash provided by financing activities	2,705,842	309,213
Net increase in cash and cash equivalents	1,813,972	35,970
Cash and cash equivalents at the beginning of the period	319,832	130,477
Effect of exchange rate fluctuations	(403)	(2,212)
Cash and cash equivalents at the end of the period	2,133,401	164,235

Condensed notes to the consolidated financial statements are included on pages 13 to 22.

Condensed notes to the consolidated financial statements for the half-year ended 31 December 2020

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Company for the year ended 30 June 2020 together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the directors on 12 March 2021.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2020 annual financial report for the financial year ended 30 June 2020, except for the impact of the Standards and Interpretations described below and the accounting policy for property, plant and equipment described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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 half-year ended 31 December 2020, the Group incurred a loss after tax of \$1,721,795 (31 December 2019: \$340,505) and a net cash outflow from operations of \$427,400 (31 December 2019: \$176,270). At 31 December 2020, the Group had net current assets of \$1,903,275 (30 June 2020: net current liabilities of \$24,898).

The Directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate on the basis that the Group has been successful to date in securing required funding and the Directors are of the opinion that it will continue to do so through a combination of debt and equity.

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.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate (%)
Plant and equipment	20.00 - 33.33

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact of new standard and interpretations described below.

Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities, and results of the parent and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

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 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.

Significant accounting judgements and key estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2020.

Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2020

In the half-year ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2020. As a result of this review, the Directors have applied all new and amended Standards and Interpretations that were effective as at 1 July 2020 including:

Conceptual Framework for Financial Reporting and relevant amending standards (Conceptual Framework)

The Group has adopted the Conceptual Framework with the date of initial application being 1 July 2020.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows:

- Chapter 1 - The objective of financial reporting
- Chapter 2 - Qualitative characteristics of useful financial information
- Chapter 3 - Financial statements and the reporting entity
- Chapter 4 - The elements of financial statements
- Chapter 5 - Recognition and derecognition
- Chapter 6 - Measurement
- Chapter 7 - Presentation and disclosure
- Chapter 8 - Concepts of capital and capital maintenance

Amendments to References to the Conceptual Framework in IFRS Standards has also been issued, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying IFRS 3 and developing accounting policies for regulatory account balances using IAS 8, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the 2010 Conceptual Framework, and not the definitions in the revised Conceptual Framework

At 1 July 2020 it was determined that the adoption of the Conceptual Framework had no impact on the Group.

AASB 2018-7 Definition of Material (Amendments to AASB 101 and AASB 108)

The Group has adopted AASB 2018-7 with the date of initial application being 1 July 2020.

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

At 1 January 2020 it was determined that the adoption of AASB 2018-7 had no impact on the Group.

2. Segment information

2.1 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 United States of America.

The table below presents the asset and liability information and operating results regarding the geographical segments for the period ended 31 December 2020:

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Assets		
Australia	2,201,301	344,353
United States of America	3,407	3,407
Total assets	2,204,708	347,760
Liabilities		
Australia	297,493	370,784
United States of America	1,874	1,874
Total liabilities	299,367	372,658
	31 Dec 2020	31 Dec 2019
	\$	\$
Operating result		
Australia	(1,660,445)	(273,125)
United States of America	(61,350)	(67,380)
Total loss from operations	(1,721,795)	(340,505)
	31 Dec 2020	31 Dec 2019
	\$	\$
Interest income	-	-
Other income	5,000	-
	5,000	-

3. Other income

4. Trade and other receivables

	31 Dec 2020	30 Jun 2020
	\$	\$
Prepayments	44,735	4,167
Other receivables (i)	22,644	21,899
	67,379	26,066

(i) None of the trade and other receivables are past due at the reporting date.

5. Exploration and evaluation expenditure

	6 months ended	12 months ended
	31 Dec 2020	30 Jun 2020
	\$	\$
Carried forward exploration and evaluation expenditure	-	-
Expenditure incurred during the period	440,280	212,377
Impairment of exploration and evaluation expenditure (i)	(440,280)	(212,377)
Carrying value at end of the period	-	-

(i) An impairment expense of \$440,280 has been recognised in profit or loss for the half-year ended 31 December 2020 (30 June 2020: \$212,377). This is consistent with the Group's policy on exploration and evaluation expenditure. Refer to the 2020 annual financial report.

6. Share-based payments

	31 Dec 2020	31 Dec 2020
	No.	\$
Issue of options to consultant (i)	25,000,000	82,192
Issue of options to CEO (ii)	30,000,000	288,000
Issue of options to CEO (iii)	30,000,000	282,000
Issue of options to CEO (iv)	30,000,000	294,000
Sub-total		864,000
Share based payments expense in the profit and loss		946,192

(i) The company has issued 25,000,000 unlisted options on 11 September 2020 to Shaw and Partners for Corporate Advisory Services. The options have an exercise price of \$0.0150 and expire on 31 December 2023. The fair value of each option is \$0.0100 and the total cost for the period was \$82,192. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 02 September 2020
- (b) Expiry date - 31 December 2023
- (c) Market price of securities - \$0.0100
- (d) Exercise price of securities - \$0.0150
- (e) Risk free rate - 0.27%
- (f) Volatility - 334.38%

6. Share-based payments (cont'd)

(ii) The company has issued 30,000,000 unlisted options on 07 December 2020 to Robert Mosig as part of remuneration contained in the Consultancy Agreement. The options have an exercise price of \$0.0050 and expire on 10 August 2022. The fair value of each option is \$0.0096 and the total cost for the period was \$288,000. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 25 November 2020
- (b) Expiry date - 10 August 2022
- (c) Market price of securities - \$0.0100
- (d) Exercise price of securities - \$0.0050
- (e) Risk free rate - 0.09%
- (f) Volatility - 293.02%

(iii) The company has issued 30,000,000 unlisted options on 07 December 2020 to Robert Mosig as part of remuneration contained in the Consultancy Agreement. The options have an exercise price of \$0.0100 and expire on 10 August 2022. The fair value of each option is \$0.0094 and the total cost for the period was \$282,000. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 25 November 2020
- (b) Expiry date - 10 August 2022
- (c) Market price of securities - \$0.0100
- (d) Exercise price of securities - \$0.0100
- (e) Risk free rate - 0.09%
- (f) Volatility - 293.02%

(iv) The company has issued 30,000,000 unlisted options on 07 December 2020 to Robert Mosig as part of remuneration contained in the Consultancy Agreement. The options have an exercise price of \$0.0200 and expire on 10 August 2023. The fair value of each option is \$0.0098 and the total cost for the period was \$294,000. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 25 November 2020
- (b) Expiry date - 10 August 2023
- (c) Market price of securities - \$0.0100
- (d) Exercise price of securities - \$0.0200
- (e) Risk free rate - 0.11%
- (f) Volatility - 293.02%

7. Issued capital

3,936,660,781 fully paid ordinary shares
(30 June 2020: 3,473,645,967)

	31 Dec 2020	30 Jun 2020
	\$	\$
	89,536,251	86,830,409

Fully paid ordinary shares

	31 Dec 2020		30 Jun 2020	
	No.	\$	No.	\$
Balance at beginning of period	3,473,645,967	86,830,409	2,141,260,371	86,013,352
Issue of shares (i)	30,000,000	75,000	-	-
Issue of shares (ii)	35,000,000	87,500	-	-
Issue of shares (iii)	125,000,000	500,000	-	-
Issue of shares (iv)	11,200,000	28,000	-	-
Issue of shares (v)	200,000,000	2,000,000	-	-
Issue of shares (vi)	47,000,000	117,500	-	-
Issue of shares (vii)	14,814,814	37,037	-	-
Reclassification (viii)	-	-	-	101,305
Issue of shares (ix)	-	-	186,196,554	150,819
Issue of shares (x)	-	-	296,189,042	148,095
Issue of shares (xi)	-	-	25,000,000	12,500
Issue of shares (xii)	-	-	800,000,000	400,000
Issue of shares (xiii)	-	-	25,000,000	12,500
Share issue costs	-	(139,195)	-	(8,162)
	3,936,660,781	89,536,251	3,473,645,967	86,830,409

(i) Issue of fully paid ordinary shares at \$0.00250 each on 24 July 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(ii) Issue of fully paid ordinary shares at \$0.00250 each on 17 August 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(iii) Issue of fully paid ordinary shares at \$0.00400 each on 28 August 2020 pursuant to a placement to sophisticated investors of the Company.

(iv) Issue of fully paid ordinary shares at \$0.00250 each on 28 August 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(v) Issue of fully paid ordinary shares at \$0.01000 each on 11 September 2020 pursuant to a placement to sophisticated investors of the Company.

(vi) Issue of fully paid ordinary shares at \$0.00250 each on 11 September 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(vii) Issue of fully paid ordinary shares at \$0.00250 each on 15 December 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

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

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

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

(xi) 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.

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

(xiii) 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.

8. Reserves

	6 months ended	12 months ended
	31 Dec 2020	30 Jun 2020
	\$	\$
Balance at beginning of the period	2,095,258	2,055,258
Options issued to Shaw & Partners Limited ⁽ⁱ⁾	82,192	-
Options issued to Robert Mosig ⁽ⁱⁱ⁾	864,000	-
Options issued to sophisticated and professional investors ⁽ⁱⁱⁱ⁾	-	40,000
Carrying value at end of the period	3,041,450	2,095,258

(i) This represents the expense portion allocated for the period of 25,000,000 unlisted options issued to Shaw and Partners for Corporate Advisory Services from September 2020 for 12 months.

(ii) This represent the value attributed to 90,000,000 unlisted options issued to Robert Mosig as part of remuneration contained in the Consultancy Agreement.

(iii) 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.

9. Options

The following options arrangements were in existence at the reporting date:

Option series	Number	Grant date	Grant date fair value \$	Exercise price \$	Expiry date	Vesting date
CAD67913	115,023,394	Various	-	0.0500	30 Jun 2021	Vested
CAD67929	30,000,000	Various	0.0096	0.0050	10 Aug 2022	Vested
CAD67930	30,000,000	Various	0.0094	0.0100	10 Aug 2022	Vested
CAD67931	30,000,000	Various	0.0098	0.0200	10 Aug 2023	Vested
CAD67904	75,000,000	Various	-	0.0150	30 Jun 2023	Vested
CAD67921	1,103,853,751	Various	0.0100	0.0150	31 Dec 2023	Vested
CAD67927	1,873,665,613	Various	-	0.0025	31 Dec 2024	Vested

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

9.1 Options granted during the half year

The following options were granted during the period:

- On 28 August 2020, the Company issued 62,500,000 free attaching options to August 2020 placements.
- On 11 September 2020, the Company issued 100,000,000 free attaching options to September 2020 placements.
- On 02 September 2020, the Company issued 25,000,000 unlisted options to Shaw and Partners.
- On 25 November 2020, the Company issued 90,000,000 unlisted options to Robert Mosig.

9. Options (cont'd)**9.2 Options exercised during the half year**

The following options were exercised during the period:

- a) On 24 July 2020: 30,000,000 unlisted options were exercised at \$0.0025 each, with 31 December 2024 expiry date.
- b) On 17 August 2020: 35,000,000 unlisted options were exercised at \$0.0025 each, with 31 December 2024 expiry date.
- c) On 28 August 2020: 11,200,000 unlisted options were exercised at \$0.0025 each, with 31 December 2024 expiry date.
- d) On 11 September 2020: 47,000,000 unlisted options were exercised at \$0.0025 each, with 31 December 2024 expiry date.
- e) On 15 December 2020: 14,814,814 unlisted options were exercised at \$0.0025 each, with 31 December 2024 expiry date.

9.3 Options expired during the half year

The option that expired during the period:

- a) On 31 December 2020: 349,128,014 listed options exercisable at \$0.0300 expired.

10. Deferred considerations

	31 Dec 2020 \$	30 Jun 2020 \$
Current		
Cash consideration payable to GEM for acquisitions of ATC Resources and Nevada Clays(i)(ii)(iii)(iv)(v)(vi)	247,925	298,435
	247,925	298,435
Non-current		
Deemed value of cash consideration to GEM for acquisition of ATC Resources and Nevada Clays	-	-
	-	-

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, Caeneus is liable to pay Gold Exploration Management Inc. deferred cash payments spread out as follows:

Arising from Acquisition of ATC Resources Pty Ltd

- (i) US\$15,000 on the date that is 24 months after the settlement of the acquisition (being 24 months from 23 June 2016);
- (ii) US\$25,000 on the 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\$55,000 on the date that is 48 months after the settlement of the acquisition (being 48 months from 23 June 2016).

10. Deferred considerations (cont'd)

Arising from Acquisition of Nevada Clays Pty Ltd

(iv) US\$15,000 on the date that is 12 months after the settlement of the acquisition (being 12 months from 13 September 2016).

(v) US\$20,000 on the date that is 24 months after the settlement of the acquisition (being 24 months from 13 September 2016);

(vi) US\$25,000 on the date that is 36 months after the settlement of the acquisition (being 36 months from 13 September 2016);

(vii) US\$35,000 on the date that is 48 months after the settlement of the acquisition (being 48 months from 13 September 2016).

For the purpose of reporting, the total value of the above deferred cash payments (iii) to (ix) have been converted to Australian dollars based on the exchange rate prevailing at 31 December 2020.

11. 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 buyback 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 buyback 1% of the royalty for the sum of US\$1,000,000.

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

12. Subsequent events

On 21 January 2020, the Company announced it was commencing a review and assessment of its lithium brine projects in Nevada USA after an increase in the lithium price.

On 1 February 2021, the Company issued 2,500,000 fully paid ordinary shares on exercise of 2,500,000 unlisted options exercisable at \$0.0025.

The Company announced the appointment of Mr Teow Kim Chng as Non-Executive Director on 5 March 2021. Mr Chng is a Certified Practising Accountant with over 40 years' experience.

On the same day, Mr David Sanders tendered his resignation as Non-Executive Director. Mr Sanders was appointed on 7 December 2018.