



9 August 2018

Emerson Walker
ASX Limited
Level 40
152-158 St Georges Terrace
Perth WA 6000

Via email – Emerson.Walker@asx.com.au

Dear Mr Walker

CAENEUS MINERALS LTD (CAD or the Company)
APPENDIX 5B QUERY

We refer to your letter dated 2 August 2018 regarding ASX's queries in respect of the Company's Appendix 5B for the quarter ended 30 June 2018. We respond to ASX's queries as follows:

- 1. Does CAD expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

Yes. The Company will continue to have negative operating cash flows as it is an exploration company without any revenue-generating assets (as is normal for a resource company conducting exploration activities).

- 2. Has CAD taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

Yes, the Company is proposing to complete a capital raising in the current quarter.

The Company has recently announced promising modelling from its Pardoo Project and has funds to drill test the targets.

The terms of any future capital raising will be dependant on the results of the drilling as it is the intention of the board to raise funds on the best possible terms.

Accordingly, the Board will finalise the terms of any capital raising after the drill testing has been completed. On the basis of recent capital raisings the board is confident it can continue to raise funds and retains the support of its major shareholders.

- 3. Does CAD expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

Yes, in light of the Company's proposed capital raising referred to in 2 above, the Company expects to continue its operations and thereby meet its business objectives. The Company constantly assesses its funding requirements in relation to its level of exploration activities to ensure that it is able to fund its future activities.

- 4. Please also provide any other information that CAD considers may be relevant to ASX forming an opinion on whether CAD is in compliance with Listing Rule 12.2.**

Refer to responses 2 and 3 above. The Company is of the opinion that the reasons stated in 2 and 3 above support the contention that the Company is in compliance with Listing Rule 12.2.

- 5. Please confirm that CAD is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.**

We confirm that the Company is in compliance with ASX Listing Rule 3.1

- 6. Please confirm that CAD's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CAD with delegated authority from the board to respond to ASX on disclosure matters.**

We confirm that the Company's response to the questions have been made by Mr Johnathon Busing, an officer of the Company with delegated authority from the Board to respond to the ASX's letter. We further confirm that each of the Company's directors has individually reviewed and approved a draft of this response.

For and on behalf of the board

Johnathon Busing

Company Secretary

Caeneus Minerals Limited



2 August 2018

Mr Johnathon Busing

Company Secretary
Caeneus Minerals Ltd
U10/100 Hay Street
Subiaco WA 6008

By email:

Dear Mr Busing

Caeneus Minerals Ltd (the "Entity"): Appendix 5B Query

I refer to CAD's Appendix 5B quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform on 31 July 2018 (the "Appendix 5B").

ASX notes that CAD has reported:

- negative net operating cash flows for the quarter of \$967,000;
- cash at the end of the quarter of \$369,000; and
- estimated cash outflows for the next quarter of \$480,000.

It is possible to conclude, based on the information in the Appendix 5B that if CAD were to continue to expend cash at the rate indicated by the Appendix 5B, CAD may not have sufficient cash to continue funding its operations. In view of that, ASX asks CAD to respond separately to each of the following questions and requests for information:

1. Does CAD expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CAD taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does CAD expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that CAD considers may be relevant to ASX forming an opinion on whether CAD is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that CAD is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that CAD's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CAD with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 7:00am AWST on Thursday, 9 August 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CAD's securities under Listing Rule 17.3.

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Perth WA 6000

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Perth WA 6840

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You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CAD's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to CAD's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that CAD's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CAD's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Emerson Walker

Adviser, Listings Compliance (Perth)