10 August 2018

Pardoo RC Drilling of HP FLTEM plates

- **6 FLTEM conductors selected to be tested by drilling**
- **Top Drill RC Rig arrives this weekend**
- **Drilling to commence Monday**

Caeneus Minerals Ltd (ASX: **CAD**) (or "**the Company**") is pleased to announce that since the initial announcement of results from the high powered fixed loop time-domain electromagnetic survey (HP-FLTEM, 26 July 2018) the resultant modelled plates will be drill tested.

The Company is pleased to advise that a rig has been sourced ahead of schedule and is expected to arrive this weekend and drilling is due to commence this coming Monday morning.

The first targeted plate will be at previous drill location PRC10 (refer to ASX announcement 6 August 2018) where the newly refined EM plate of 10,000 to 14,000+ Siemens lies, this plate is modelled as flat lying and of an approximate 175m to 200m.

The Company looks forward to keeping the market updated with its progress at the Pardoo Project.

For and on behalf of the board

Johnathon Busing

Company Secretary

Caeneus Minerals Limited

Visit www.caneus.com.au for additional information including past announcements.

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resources has been compiled under the supervision of Mr Bill Oliver, a consultant to the Company. Mr Oliver is a Member of the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Oliver consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

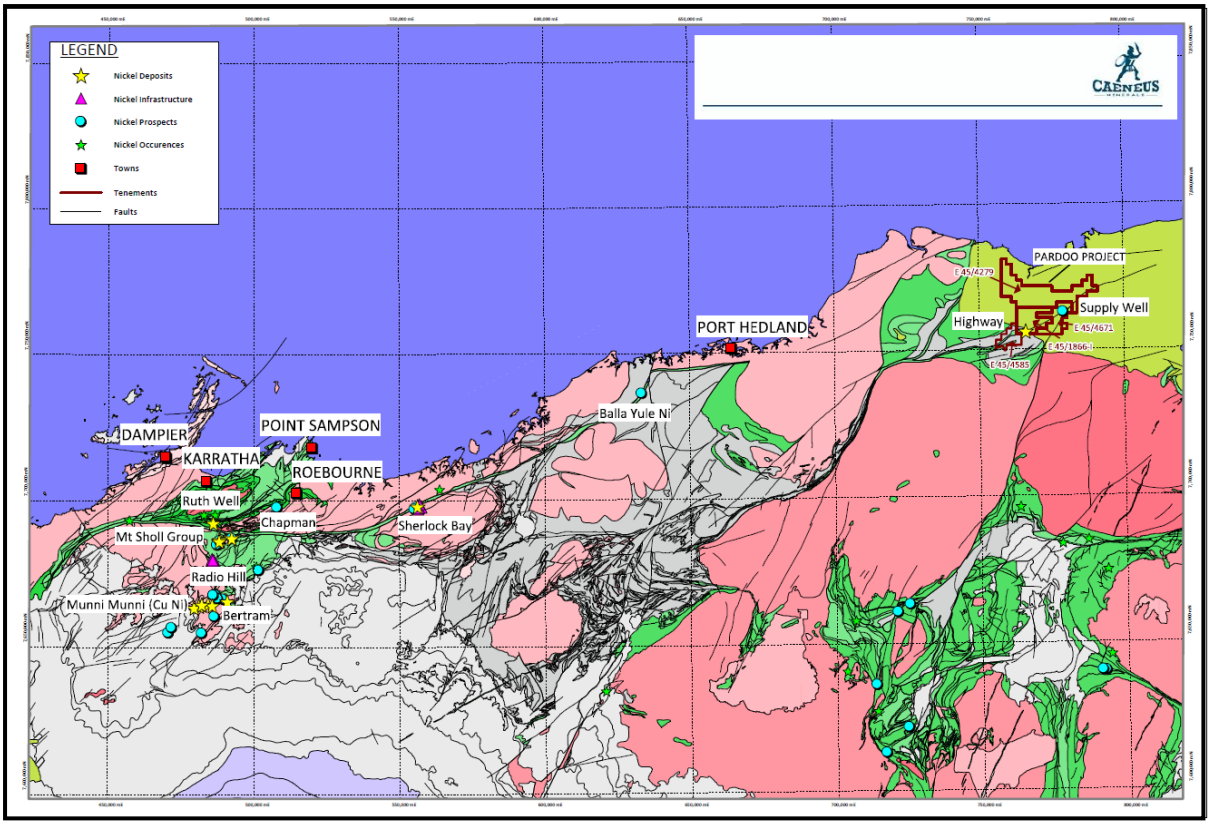

Figure 1. Caeneus tenure location, structure/geology and other known nickel/copper/cobalt deposits.

About Pardoo

The Company's Pardoo Highway Ni/Cu/Co deposit is situated in a similar structural setting, adjacent to the major regional Tabba Shear Zone which extends for some ~150km and is well endowed with multiple hydrothermal shear related gold deposits also, most notably De Grey Mining's (ASX: DEG) Indee Gold deposits' as well as other significant Pilbara based nickel-copper occurrences such as Radio Hill and Sherlock Bay (Figure 3) and is considered highly prospective for magmatic and shear-hosted nickel, copper and cobalt sulphide mineralisation.

The Highway deposit within the Company's tenement package has been a focus for past explorers primarily attempting to identify the source of sulphides for this large nickel-copper-cobalt deposit which has an Inferred Mineral Resource of 50Mt grading 0.3% nickel, 0.13% copper and 0.03% cobalt (based on the guidelines of the 2004 JORC code) (refer ASX Announcement 3rd July 2018).

The geology of the Pardoo Project is complex with package of deformed, sheared metasediments, metabasalts and other mafic lithologies. Historical reports accessed via the open file WAMEX system has recorded potential conductive sources including both sulphide-bearing intervals and shale units with anomalous nickel and zinc results being reported (Weir, 1990; Weir, 1991; Haederle et. al., 1992).

The Pardoo Projects are ideally located 90km east north-east of Port Headland Western Australia with the Great Northern Highway dissecting the Company's tenement package. The Highway deposit lies only 900m from the highway. The project area covers 434 square kilometres of prospective tenure.