



**Caeneus Minerals Ltd**

**ABN 42 082 593 235**

**and its controlled entities**

**Annual report for the financial year ended  
30 June 2019**

# 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 6165 8858

## Postal Address

PO Box 369  
Nedlands, Western Australia 6909

## Website

[www.caeneus.com.au](http://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

# Annual report for the financial year ended 30 June 2019

## Contents

Directors' report.....	1
Operating and financial review.....	5
Remuneration report.....	10
Auditor's independence declaration.....	16
Independent auditor's report.....	17
Directors' declaration.....	21
Consolidated statement of profit or loss and other comprehensive income.....	22
Consolidated statement of financial position.....	23
Consolidated statement of changes in equity.....	24
Consolidated statement of cash flows.....	25
Notes to the consolidated financial statements.....	26
Additional securities exchange information.....	59
Schedule of tenements.....	62

## 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 2019. 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 3 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 <i>BBus, CA</i>	Non-Executive Director & Corporate 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 <i>BComm, LLB</i>	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 David 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 David has a Bachelor of Commerce and Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia. Mr David 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.
Mr Chris Zielinski <i>BComm, LLB</i>	Non-Executive Director, joined the Board on 26 March 2018 and resigned last 07 December 2018. Mr Zielinski is a corporate lawyer with over 10 years' experience and is a partner in the West Australian corporate law firm, Nova Legal. He is a member of the Australian Institute of Company Directors and an Associate of the Governance Institute of Australia. Mr Zielinski predominately advises on mergers and acquisitions, capital raisings, regulatory compliance and commercial transactions in the resources and technology sectors.

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	Share options
	Number	Number
Peter Christie	NIL	NIL
Johnathon Busing	NIL	NIL
David Sanders	NIL	NIL

## 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 <sup>i</sup>	Various	349,128,014	Ordinary	\$0.030	31 Dec 2020
Caeneus Minerals Ltd <sup>ii</sup>	Various	115,023,394	Ordinary	\$0.050	30 Jun 2021
Caeneus Minerals Ltd <sup>iii</sup>	Various	75,000,000	Ordinary	\$0.015	30 Jun 2023
Caeneus Minerals Ltd <sup>iv</sup>	Various	916,353,751	Ordinary	\$0.015	31 Dec 2023

<sup>i</sup> Refer to note 28

<sup>ii</sup> Refer to note 28

<sup>iii</sup> Refer to note 28

<sup>iv</sup> Refer to note 28

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	NIL	Ordinary	NIL	\$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, 5 board meetings were held.

Directors	Board of Directors	
	Held	Attended
Peter Christie	5	4
Johnathon Busing	5	5
Chris Zielinski	3	3
David Sanders	2	2

The directors still maintained frequent communications and as such, 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 24.

### Auditor's independence declaration

The auditor's independence declaration is included on page 16 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 \$2,561,253 (2018: \$5,200,659). Further discussion on the Group's operations is provided below:

### Review of operations

#### Columbus Marsh Lithium Brine Project, Nevada USA

During the first quarter, the Company provided drill results and announced the completion of the final assay processing from the initial exploratory drilling program at its Columbus Marsh project. The completed drilling data identified a second lithium-enriched brine zone and allowed the Company to develop a full profile of the lithium brines discovered within the shallow aquifers at the Company's property in Nevada.

The Company announced the discovery of highly anomalous concentrations of lithium brines within a shallow aquifer at the Columbus Marsh Project. Lithium bearing brines were intersected at a depth of 79.25 meters (260 feet) and continued to a depth of 103.63 meters (340 feet) resulting in a width of the aquifer of 24.38 meters (80 feet). Assay of the brine returned a high of 95.9 mg/l lithium (420.6ppm Li<sub>2</sub>CO<sub>3</sub> equivalent or LCE\*) with a minimum assay of the same brine returning 56.3mg/l lithium (258ppm LCE\*). The brine also assayed up to 3,670mg/l potassium and 1,100mg/l, indicating strong potential for economic concentrations of multiple commodities. The brine was confined in the aquifer hosted by a sequence of clay, silt, and tuff. It was expected that the tuff would be relatively permeable, similar to the lithium producing tuff aquifer at the Clayton Valley operations. The Columbus Marsh maximum assay is almost 50% higher in concentration than lithium brines previously processed at Searles Lake, California (65ppm lithium).

The initial exploratory drill hole was drilled near the center of the Company's leases which cover an area of 3,280 acres (1,327.37 hectares), indicating potential for considerable volumes of lithium-rich brine. Drilling of this initial hole was successfully completed to the target depth of 400 metres (1,320 feet). Progress on this hole was hampered by wet and unfavorable weather conditions at the beginning of the drill program, and by difficult ground conditions characterized by unconsolidated sediments in the stratigraphic sequence beneath the basin surface.

Drilling, sampling, and laboratory analysis identified three distinct lithium-bearing zones in the subsurface of the Columbus Marsh claims (refer to September 2018 announcement).





### **Pardoo Project**

During the first quarter, the Company announced that the modelling conducted by Southern Geoscience confirmed the presence of seven (7) previously untested conductors within historic (2006) Versatile Time – Domain Electromagnetic (VTEM) targets.

The VTEM targets were generated from a survey in September 2006 and looked at previous surface EM surveys and drilling campaigns. The latest High power FLTEM survey completed by Vortex Geophysics outdated the historic EM systems used in the Pardoo Project area as the latest ground EM technology had significantly higher power and signal to noise ratio. As a result, the latest survey better defined the bedrock conductors and enabled more robust plate models to be designed for forthcoming drill testing.

Based on the FLTEM targets modelled by Southern Geoscience, the Company focused on integrating historical geological information with the EM plate models to rank their prospectivity and accordingly the Company identified the targets in table 1 below.

Target	Siemens	Size	Depth	Angle
<b>PRC10b</b>	10,000 – 14,000+	200 x 100m	~175 – 200m	180 – Flat
<b>CV3</b>	6,000 – 10,000	500 x 100m	~150m	Moderate NW dip
<b>PRC08</b>	4,500 – 6,000	600+ x 150m	~150 – 175m	Moderate SE dip
<b>PRC10</b>	2,000 – 3,000	800+ x 200m	~200 – 225m	Shallow-Moderate NE dip
<b>CV1</b>	2,000 – 3,000	200 X 400m	~150m	Moderate NE dip
<b>PRC07</b>	1,500 – 2,000	500 x 250m	~200 – 225m	70 deg NW dip
<b>PRC06</b>	400 – 800	700 x 700m	~150 – 175m	~75 N/NNW dip

Table 1. Targets ranked in FLTEM Siemens order

## Drilling

It was also during the first quarter that the Company commenced drilling the three highest priority VTEM Targets, initially with RC Drilling.



Figure 1. Pardoo RC Drilling 13 August 2018

The first RC hole (PRC10B) was abandoned at 146m due to lost drilling equipment as a result of paleochannel running sands and water incorporated with large cobble stones. Due to these difficulties, the Company was forced to return with a diamond drill rig to reach target depth.

On 17 September 2018, diamond drilling commenced and it was announced that the first hole was completed to depth.

Subsequently, all three modelled ground HPFLTEM plates (PRC10b, CV3, and PRC07) were tested for a total of 690.6m drilled. The geology intersected at the three targets was very similar and predominantly comprised of deformed and tightly folded cherty to shale-rich metasedimentary units with interlayer bands of sulphides comprising substantially of pyrrhotite and pyrite. The bands typically measured in thickness from fine millimeter-scale to several 10's of centimetres thick sulphide layers and bands within and parallel to the sedimentary layering. The individual sulphide-bearing metasedimentary chert and shale units measured in thickness from 10 to 70 metres down hole thickness.

Sufficient sulphide was intersected at the target depths to explain the conductivity anomalies targeted.

A total of 18 representative samples across the three holes were selected, cut, and sent for assays at ALS Global. All samples had a multi element assay package including gold, silver, and platinum group elements.

The Company decided to hold off on the assay and analysis of assay due to cashflow restrictions and existing disclosure that the sulphide intersected was comprised substantially of pyrrhotite and pyrite.

## **Corporate**

### **Fundraising**

On 13 July 2018, the Company received a Conversion Notice in respect of the \$1.25m Convertible Note Facility (previously announced on 20 April 2018). The Company calculated the interest payable under the Facility to the date of receipt of the Conversion Notice totaling to \$12,735. Accordingly, the Company issued a total of 505,093,913 shares and 505,093,913 free attaching options exercisable at \$0.015 on or before 31 December 2023.

On 30 August 2018, the Company completed a private placement to issue 117,092,421 shares at a prices of \$0.005 with an attaching 1:1 option \$0.015 expiring 31 December 2023 to raise \$585,462.

On 11 December 2018, the Company announced that it raised \$450,000 by way of a convertible note raising. All necessary shareholder approvals were obtained at the AGM held on 27 November 2018.

On 26 February 2019, the Company received a Conversion Notice in respect of the \$450,000 convertible note. As set out in the Company's announcement on 11 December 2018, interest accrued on the Convertible Note at 6% per annum. \$5,657 interest was payable under the Convertible Note to the date of conversion. Accordingly, the total securities issued were 455,656,791 fully paid ordinary shares and 227,828,395 options exercisable at \$0.015 per option on or before 31 December 2023.

On 30 May 2019, the Company announces a capital raising via Placement of 279,294,831 fully paid ordinary shares at an issue price of \$0.0007 each for a total amount raised of \$195,506 to sophisticated and professional investors of the Company. The number of shares and options, issue prices and option exercise prices are disclosed on a post consolidation basis.

### **Consolidation of capital**

The Company advised that the resolution to consolidate capital at the General Meeting held on 12 April 2019 was passed by the requisite majority on a show of hands. The Consolidation was completed 2 May 2019 on a 1:10 basis. The number of shares, options, exercise price and fair values in this report are reported on a post consolidation basis.

### **Unmarketable Parcel Share Sale**

The Company established a Share Sale Facility for holders of Unmarketable Parcels of shares in the Company (refer to 24 June 2019 announcement).

The ASX listing Rules defines an "Unmarketable Parcel" as those with a market value of less than \$500. As at market close on the 19 June 2019 (**Record Date**), an unmarketable parcel of shares in the Company is any shareholding of 499,999 ordinary shares or less, based on the closing price of \$0.001 per share. This represents 383,517,625 (post consolidation basis) ordinary shares of the Company, held by 9,753 shareholders (**Sale Shares**).

Holders of Unmarketable Parcels who wish to retain their shares could:

- a. Elect to retain their shares by returning the Share Sale Facility Form; or
- b. If they have multiple holdings, consolidate these under a single HIN/SRN such that the combined shareholding is greater than \$500; or
- c. Purchase additional shares under the same HIN/SRN such that their shareholding value is greater than \$500.

Any holder of Unmarketable Parcels who did not take one of the actions above will have their shares sold and the proceeds sent to them; provided that the Company is able to arrange for the sale of the shares at or above the minimum price required by the Company's Constitution.

The Company is provided the Facility so that holders of Unmarketable Parcels can have their shares sold without incurring any brokerage or handling costs that could otherwise make the sale of their share uneconomic and/or difficult. The Company will organise remittance of sale proceeds for those shareholders who participate in the Facility.

The Company values all of its shareholders, however by making this Facility available, the Company expects to reduce the significant administrative costs associated with maintaining a large number of small holdings.

The Facility closed on 16 August 2019. The total shares available for sale is 269,571,923. At the date this report the shares had not been sold.

### **Change of Registered Office and Principal Place of Business**

The Company announced the new registered office and principal place of business addresses and contact details of the Company and all of its subsidiaries on 6 September 2018.

### **Board Changes**

On 7 December 2018, the Company advised that Mr Christopher Jan Zielinski has tendered his resignation as Non-Executive Director due to personal commitments and to pursue other business interests.

The Board announced that Mr David Sanders was appointed as a Non-Executive Director. Mr Sanders has more than 20 years of 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 transaction across a range of industries and jurisdictions. David also advises a range of public, private, and indigenous corporation Boards in relation to compliance and corporate governance. In addition to his legal qualifications, David has a Bachelor of Commerce and Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia. David is the Chairman of Murlpirrmara 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.

## 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 2019. 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 Johnathon Busing (appointed 30 November 2017)	Non-executive Director
Mr David Sanders (appointed 07 December 2018)	Non-executive Director
Mr Chris Zielinski (resigned 07 December 2018)	Non-executive Director
Executive directors	Position
Mr Peter Christie (appointed 28 November 2017)	Chairman

Except as noted, 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 2019 financial year were \$230,382 down from \$372,722 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.

#### *Executive director remuneration*

Executive directors receive a base remuneration which is market related, and may be entitled to performance based remuneration, which is determined on an annual basis.



Overall remuneration policies are subject to the discretion of the board and can be changed to reflect competitive and business conditions where it is in the interests of the Group and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the board having regard to the performance, relevant comparative information and expert advice.

The board's remuneration policy reflects its obligation to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles are:

- (a) remuneration reflects the competitive market in which the Group operates;
- (b) individual remuneration should be linked to performance criteria if appropriate; and
- (c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives consists of the following:

- (a) salary - executives receive a fixed sum payable monthly in cash;
- (b) cash at risk component - executives may participate in share and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the board considers it appropriate to issue shares and options to executives outside of approved schemes in exceptional circumstances; and
- (c) other benefits - executives may, if deemed appropriate by the board, be provided with a fully expensed mobile phone and other forms of remuneration.

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 2019:

	30 June 2019 \$	30 June 2018 \$	30 June 2017 \$	30 June 2016 \$	30 June 2015 \$
Revenue	2,460	49,456	19,232	1,073	53,756
Net (loss)/profit before tax	(2,561,253)	(5,200,659)	(5,986,386)	(1,119,723)	(1,422,717)
Net (loss)/profit after tax	(2,561,253)	(5,200,659)	(5,986,386)	(1,119,723)	(1,422,717)
Share price at start of year <sup>1</sup>	0.001	0.04	0.03	0.1	0.1
Share price at end of year <sup>1</sup>	0.0015	0.01	0.04	0.03	0.1
Basic loss per share (cents per share) <sup>1</sup>	(0.16)	(0.8)	(1.3)	(0.8)	(2.3)
Diluted loss per share (cents per share) <sup>1</sup>	(0.16)	(0.8)	(1.3)	(0.8)	(2.3)

<sup>1</sup> Post 1:10 consolidation

## Voting and comments on the Remuneration Report at the 2018 Annual General Meeting

At the Company's 2018 Annual General Meeting ("AGM"), a resolution to adopt the 2018 remuneration report was put to a vote and passed unanimously on a show of hands with proxies received also indicating majority. 97.63% 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

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

<sup>1</sup> Appointed 3 October 2017.

<sup>2</sup> 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 is a director of Odyssey until 30 August 2018. He left Odyssey and established Everest Accounting Pty Ltd. Appointed 30 November 2017.

<sup>3</sup> Appointed 7 December 2018.

<sup>4</sup> Resigned 7 December 2018.

2018	Short-term employee benefits			Post-employment benefits	Share-based payment	Total
	Salary & fees \$	Unpaid salary & fees \$	Other \$	Superannuation \$	Options \$	
<b>Directors</b>						
Keith Bowker <sup>1</sup>	25,000	-	66,850	-	-	91,850
Steven Elliott <sup>2</sup>	110,000	-	-	-	-	110,000
Michael Nottas <sup>3</sup>	7,500	-	-	-	-	7,500
Peter Christie <sup>4</sup>	40,000	-	-	-	-	40,000
Johnathon Busing <sup>5</sup>	17,500	-	97,622	-	-	115,122
Chris Zielinski <sup>6</sup>	8,250	-	-	-	-	8,250
<b>Total</b>	<b>208,250</b>	<b>-</b>	<b>164,472</b>	<b>-</b>	<b>-</b>	<b>372,722</b>

<sup>1</sup> Amounts in 'Other' represent company secretarial and accounting fees as per an agreement with Somerville Advisory Group (Somerville). Mr Bowker is a director of Somerville. Resigned 28 November 2017.

<sup>2</sup> Resigned 26 March 2018.

<sup>3</sup> Resigned 3 October 2017.

<sup>4</sup> Appointed 3 October 2017.

<sup>5</sup> Amounts in 'Other' represent company secretarial and accounting fees as per an agreement with Odyssey Tax and Accounting (Odyssey). Mr Busing was a director of Odyssey. Appointed 30 November 2017.

<sup>6</sup> Appointed 26 March 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 (2018: 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).

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%.

The key terms of appointment of Mr Chris Zielinski are formalised in a non-executive services agreement (dated 26 March 2018) and are as follows:

- Term of agreement - commencing 26 March 2018.
- A fee of \$36,000 p.a. (excluding GST).
- Mr Chris Zielinski resigned on 07 December 2018.



## Key management personnel equity holdings

## Fully paid ordinary shares of Caeneus Minerals Ltd

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

<sup>1</sup> Appointed on 7 December 2018.<sup>2</sup> Resigned on 7 December 2018

<b>2018</b>	<b>Balance at 1 July 2017 No.</b>	<b>Granted as compensation No.</b>	<b>Received on exercise of options No.</b>	<b>Net other change No.</b>	<b>Number held on resignation No.</b>	<b>Balance at 30 June 2018 No.</b>
K Bowker <sup>1</sup>	11,655,083	-	-	-	(11,655,083)	-
S Elliott <sup>2</sup>	40,000,000	-	-	-	(40,000,000)	-
M Nottas <sup>3</sup>	-	-	-	-	-	-
P Christie	-	-	-	-	-	-
J Busing	-	-	-	-	-	-
C Zielinski	-	-	-	-	-	-

<sup>1</sup> Resigned on 28 November 2017<sup>2</sup> Resigned on 26 March 2018<sup>3</sup> Resigned on 03 October 2017

## Share options of Caeneus Minerals Ltd

<b>2019</b>	<b>Balance at 1 July 2018</b>	<b>Granted as compensation</b>	<b>Exercised</b>	<b>Net other change</b>	<b>Balance at 30 June 2019</b>	<b>Balance vested at 30 June 2019</b>	<b>Vested and exercisable</b>	<b>Options vested during year</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
P Christie	-	-	-	-	-	-	-	-
J Busing	-	-	-	-	-	-	-	-
D Sanders <sup>1</sup>	-	-	-	-	-	-	-	-
C Zielinski <sup>2</sup>	-	-	-	-	-	-	-	-

<sup>1</sup> Appointed on 7 December 2018<sup>2</sup> Resigned on 7 December 2018

2018	Balance at 1 July 2017	Granted as compen- sation	Exercised	Net other change	Balance at 30 June 2018	Balance vested at 30 June 2018	Vested and exercisable	Options vested during year
	No.	No.	No.	No.	No.	No.	No.	No.
K Bowker <sup>1</sup>	75,000,000	-	-	-	75,000,000 <sup>4</sup>	75,000,000	75,000,000	-
S Elliott <sup>2</sup>	100,000,000	-	-	-	100,000,000 <sup>4</sup>	100,000,000	100,000,000	-
M Nottas <sup>3</sup>	25,000,000	-	-	-	25,000,000 <sup>4</sup>	25,000,000	25,000,000	-
P Christie	-	-	-	-	-	-	-	-
J Busing	-	-	-	-	-	-	-	-
C Zielinski	-	-	-	-	-	-	-	-

<sup>1</sup> Resigned on 28 November 2017

<sup>2</sup> Resigned on 26 March 2018

<sup>3</sup> Resigned on 03 October 2017

<sup>4</sup> Balance on date of resignation

During the financial year, no share options were exercised by key management personnel (2018: 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, 26 September 2019

26 September 2019

Board of Directors  
Caeneus Minerals Ltd  
Ground Floor,  
168 Stirling Highway  
Nedlands, WA 6009

Dear Sirs

**RE: CAENEUS MINERALS LTD**

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 Ltd.

As Audit Director for the audit of the financial statements of Caeneus Minerals Ltd for the year ended 30 June 2019, 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**  
Director

**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 2019, 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 2019 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.

**Material Uncertainty Related to Going Concern**

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 3.4 to the financial statements, the consolidated financial statements have been prepared on the going concern basis. At 30 June 2019, the Group had cash and cash equivalents of \$130,477, a working capital deficiency of \$183,322 and incurred a loss after income tax of \$2,561,253.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event that the Group is not successful in raising further equity or successfully exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

### **Key Audit Matters**

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. These matters were 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 these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

### **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 2019, 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.

***Report on the Remuneration Report***

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 10 to 15 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Caeneus Minerals Limited for the year ended 30 June 2019 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**  
Director

West Perth, Western Australia  
26 September 2019

## 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 2019 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



**Chairman**

Perth, 26 September 2019



# Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2019

	Note	Consolidated	
		Year ended	
		30 June 2019	30 June 2018
		\$	\$
<b>Continuing operations</b>			
Other income	6	2,460	49,456
Administration costs	7	(126,189)	(90,357)
Consultants costs	7	(331,549)	(729,241)
Compliance costs	7	(241,570)	(149,226)
Impairment expenses	7,11	(1,682,291)	(3,871,741)
Travel expenses		(2,068)	(21,738)
Share based payments	7	-	(276,000)
Interest expenses		(160,388)	(44,308)
Foreign exchange losses		(19,658)	(67,504)
<b>Loss before income tax</b>		<b>(2,561,253)</b>	<b>(5,200,659)</b>
Income tax expense	8	-	-
<b>Loss for the year</b>		<b>(2,561,253)</b>	<b>(5,200,659)</b>
<b>Other comprehensive income, net of income tax</b>			
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		-	-
<b>Total comprehensive loss for the year</b>		<b>(2,561,253)</b>	<b>(5,200,659)</b>
Loss and total comprehensive loss for the year attributable to Owners of Caeneus Minerals Ltd		<b>(2,561,253)</b>	<b>(5,200,659)</b>
<b>Loss per share:</b>			
Basic and diluted (cents per share)	9	(0.16)	(0.82)

Notes to the consolidated financial statements are included on pages 26 to 58.

## Consolidated statement of financial position as at 30 June 2019

	Note	Consolidated	
		30 June 2019 \$	30 June 2018 \$
<b>Current assets</b>			
Cash and cash equivalents	22	130,477	372,980
Trade, other receivables and prepayments	10	60,382	87,867
Other assets		1,862	1,862
<b>Total current assets</b>		<b>192,721</b>	<b>462,709</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	11	-	-
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>192,721</b>	<b>462,709</b>
<b>Current liabilities</b>			
Trade and other payables	13	134,174	424,518
Deferred considerations	18	241,869	295,366
Convertible Notes	15	-	1,108,003
<b>Total current liabilities</b>		<b>376,043</b>	<b>1,827,887</b>
<b>Non-current liabilities</b>			
Deferred considerations	18	49,797	175,976
<b>Total non-current liabilities</b>		<b>49,797</b>	<b>175,976</b>
<b>Total liabilities</b>		<b>425,840</b>	<b>2,003,863</b>
<b>Net (liabilities)/assets</b>		<b>(233,119)</b>	<b>(1,541,154)</b>
<b>Equity</b>			
Issued capital	14	86,013,352	82,383,969
Convertible Notes (Equity portion)	15	101,305	101,305
Reserves	16	2,055,258	1,815,353
Accumulated losses		(88,403,034)	(85,841,781)
<b>Total equity/(deficit)</b>		<b>(233,119)</b>	<b>(1,541,154)</b>

Notes to the consolidated financial statements are included on pages 26 to 58.

## Consolidated statement of changes in equity for the year ended 30 June 2019

	Issued Capital	Convertible Notes	Options Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>81,191,657</b>	-	<b>1,815,353</b>	<b>(80,641,122)</b>	<b>2,365,888</b>
Loss for the year	-	-	-	(5,200,659)	(5,200,659)
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(5,200,659)</b>	<b>(5,200,659)</b>
Issue of shares to Segue Resources Ltd	175,000	-	-	-	175,000
Issue of shares to sophisticated & professional investors	300,000	-	-	-	300,000
Issue of shares to RM Corporate Finance	276,000	-	-	-	276,000
Issue of shares to sophisticated & professional investors	465,356	-	-	-	465,356
Convertible Notes (Equity portion)	-	101,305	-	-	101,305
Share issue costs	(24,044)	-	-	-	(24,044)
<b>Balance at 30 June 2018</b>	<b>82,383,969</b>	<b>101,305</b>	<b>1,815,353</b>	<b>(85,841,781)</b>	<b>(1,541,154)</b>
<b>Balance at 1 July 2018</b>	<b>82,383,969</b>	<b>101,305</b>	<b>1,815,353</b>	<b>(85,841,781)</b>	<b>(1,541,154)</b>
Loss for the year	-	-	-	(2,561,253)	(2,561,253)
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(2,561,253)</b>	<b>(2,561,253)</b>
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)
<b>Balance at 30 June 2019</b>	<b>86,013,352</b>	<b>101,305</b>	<b>2,055,258</b>	<b>(88,403,034)</b>	<b>(233,119)</b>

Notes to the consolidated financial statements are included on pages 26 to 58.

## Consolidated statement of cash flows for the year ended 30 June 2019

		<b>Consolidated</b>	
		<b>Year ended</b>	
		<b>30 June 2019</b>	<b>30 June 2018</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(756,392)	(1,066,938)
Interest and other income		136	9,456
Net cash used in operating activities	22.1	(756,256)	(1,057,482)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation expenditure		(621,758)	(1,452,055)
Payment of deferred consideration		(35,480)	(21,222)
Net cash used in investing activities		(657,238)	(1,473,277)
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity instruments of the Company		780,968	750,356
Proceeds from convertible notes		450,000	1,250,000
Payment for share issue costs		(59,977)	(19,043)
Net cash provided by financing activities		1,170,991	1,981,313
<b>Net (decrease) in cash and cash equivalents</b>		<b>(242,503)</b>	<b>(549,446)</b>
Cash and cash equivalents at the beginning of the year		372,980	922,426
<b>Cash and cash equivalents at the end of the year</b>		<b>130,477</b>	<b>372,980</b>

Notes to the consolidated financial statements are included on pages 26 to 58.

## Notes to the consolidated financial statements for the year ended 30 June 2019

### 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 9 Financial Instruments**

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 Financial Instruments, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

##### **AASB 15 Revenue from contracts with customers**

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has applied the new Standard effective from 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

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

### 2.2 **Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 Leases	1 January 2019	30 June 2020
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 Group does not have any operating lease as at 30 June 2019.

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.

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 25 September 2019.

### 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

### **3. Significant accounting policies (cont'd)**

#### **3.2 Basis of preparation (cont'd)**

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 117, 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.

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. Significant accounting policies (cont'd)**

#### **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 2019, the Group incurred a loss after tax of \$2,561,253 (2018: \$5,200,659), and a net cash outflow from operations of \$756,256 (2018: \$1,057,482). At 30 June 2019, the Group had a working capital deficit of \$183,322 (2018: working capital deficit of \$1,365,178) and non-current liabilities of \$49,797 (2018: \$175,976). As at 30 June 2019, the Group had a cash balance of \$130,477. 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.

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.

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 has applied AASB 15 Revenue from Contracts with Customers using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 Revenue and AASB 111 Construction Contracts. The Group does not have any 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 through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



### 3. Significant accounting policies (cont'd)

#### 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.

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.

### 3. Significant accounting policies (cont'd)

#### 3.6 *Business combinations*

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.

#### 3.8 *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. Significant accounting policies (cont'd)**

#### **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.

#### **3.8.3 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. Significant accounting policies (cont'd)**

#### **3.9 Exploration and evaluation expenditure**

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest. Exploration and evaluation costs are carried forward at cost where the rights of tenure are current and:

(i) such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or

(ii) exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources.

Exploration and evaluation assets are assessed annually for impairment in accordance with AASB 6 and where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units. An impairment loss is recognised in the statement of profit or loss and other comprehensive income where the carrying values of exploration and evaluation assets exceed their recoverable amounts.

In the event that an area of interest is abandoned or if the directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

#### **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.

Financial 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 Financial assets at amortised cost**

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 132 Financial 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**

From 1 July 2018, 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.

**3.11.4 Comparative information**

The Group entity has applied AASB 9 Financial Instruments retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 30 June 2018, the group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

**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 Significant accounting policies (cont'd)****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 Consolidation of capital**

During the year, the issued capital of the Company was consolidated on the basis that every 10 shares or options be consolidated into 1 share or option and the fractions were rounded up to the nearest whole share. Accordingly, the no. of shares and options, issue prices of shares and options, exercise prices and fair values of options are disclosed in this report on a post consolidation basis for the current and prior periods.

**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.

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.



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

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 2019.

	<b>Consolidated</b>	
	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Australia	189,314	459,302
United States of America	3,407	3,407
<b>Total assets</b>	<b>192,721</b>	<b>462,709</b>
<b>Liabilities</b>		
Australia	423,966	2,001,989
United States of America	1,874	1,874
<b>Total liabilities</b>	<b>425,840</b>	<b>2,003,863</b>
	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Operating result</b>		
Australia	(2,524,720)	(3,586,093)
United States of America	(36,533)	(1,614,566)
<b>Total loss from operations</b>	<b>(2,561,253)</b>	<b>(5,200,659)</b>

**6. Other income**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Reduction in deferred consideration <sup>i</sup>	-	40,000
Interest income	136	746
Other income	2,324	8,710
	<b>2,460</b>	<b>49,456</b>

<sup>i</sup> Refer to note 18

**7. Loss for the year**

*Loss for the year has been arrived at after charging the following items of expenses:*

	2019	2018
	\$	\$
Administration costs:		
Promotional and meeting expenses	39,576	12,154
Other	86,613	78,203
Total administration costs	126,189	90,357
Consultants costs	331,549	729,241
Share based payments	-	276,000
Interest on convertible notes	160,388	44,308
Compliance costs:		
ASX expenses	45,026	43,275
Share registry expenses	140,335	52,312
Audit expenses	37,558	44,642
ASIC expenses	18,651	8,997
Total compliance costs	241,570	149,226
Impairment expenses	1,682,290	3,871,741

**8. Income taxes relating to continuing operations****8.1 Income tax recognized in profit or loss**

	2019	2018
	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-

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

	2019	2018
	\$	\$
Loss before tax from continuing operations	(2,561,253)	(5,200,659)
Income tax expense calculated at 27.5% (2018: 27.5%)	(704,345)	(1,430,181)
Effect of expenses that are not deductible in determining taxable loss	361,762	1,071,245
Effect of deductible capitalised expenditure	(149,008)	(371,815)
Correction from previous year tax calculation	-	-
Effect of unused tax losses not recognised as deferred tax assets	491,591	730,751
	-	-

The tax rate used for the 2019 reconciliation above is the corporate tax rate of 27.5% (2018: 27.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

**8.2 Unrecognised deferred tax assets**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>Restated</b>
	<b>\$</b>	<b>\$</b>
Unused tax losses (revenue) for which no deferred tax assets have been recognised (at 27.5%) (2018: 27.5%)	18,876,033	18,171,688

This benefit from tax losses totalling \$68,640,119 (2018: \$66,078,866) 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.

The Company's income tax returns were in arrears for the year 2014 to 2018 which were lodged in the prior year and current year. As per the tax returns lodged the total carry forward tax losses as at 30 June 2018 amounted to 66,078,866. In the 2018 the carry forward tax losses were disclosed at \$27,485,657 on an estimated basis. Therefore the Unrecognised deferred tax assets as at 30 June 2018 have been restated.

**9. Loss per share**

	<b>2019</b>	<b>Restated</b>
	<b>cents per share</b>	<b>2018 cents per share</b>
Basic and diluted loss per share	(0.16)	(0.82)

Prior year loss per share has been restated due to the 1:10 consolidation of the Company; securities during the year to make them comparable.

**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:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Loss for the year attributable to owners of the Company	(2,561,253)	(5,200,659)

  

	<b>2019</b>	<b>Restated</b>
	<b>No.</b>	<b>2018 No.</b>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,572,526,740	635,816,518

Prior year weighted average no. shares have been re-stated due to the 1:10 consolidation

**10. Trade, other receivables and prepayments**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Prepayments	42,237	36,660
Other receivables	18,145	51,207
	60,382	87,867

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

**11. Exploration and evaluation expenditure**

	<b>2019</b>	<b>2018</b>
	\$	\$
Carried forward exploration and evaluation expenditure	-	2,144,686
Issue of shares to Segue Resources (i)	-	175,000
Arising on acquisition of Pardoo Project (ii)	-	200,000
Expenditure incurred during the year	541,849	1,352,055
Impairment of exploration and evaluation expenditure (iii)	(541,849)	(3,871,741)
	-	-

(i) On 28 September 2017, the company issued 58,333,333 fully paid ordinary shares to Segue Resources to earn in stage 2 interest being 80% of the Pardoo Nickel project.

(ii) On 13 June 2018, the company agreed terms with Arrow Minerals to finalise the acquisition of the remaining 20% interest for a cash consideration of \$200,000 where the Company will own 100% of Pardoo Project.

(iii) An impairment expense of \$541,849 has been recognised in profit or loss for the year ended 30 June 2019 (2018: \$3,871,741). This is consistent with the Group's policy on exploration and evaluation expenditure.

**12. Commitments for expenditure*****Exploration expenditure on granted tenements***

	<b>2019*</b>	<b>2018*</b>
	\$	\$
Not longer than one (1) year	277,000	217,917
Two (2) to five (5) years	-	154,949
	277,000	372,886

\* The figures also include exploration commitments 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 2019.

**13. Trade and other payables**

	<b>2019</b>	<b>2018</b>
	\$	\$
Trade and other payables	101,129	199,039
Accrued expenses	33,045	225,479
	134,174	424,518

**13. Trade and other payables (cont'd)**

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

	2019 \$	2018 \$
Bennett Co Pty Ltd <sup>1</sup>	3,341	-
Everest Accounting Pty Ltd <sup>2</sup>	300	-
Nova Legal <sup>3</sup>	-	330
Odyssey Tax & Accounting <sup>4</sup>	-	35,592
Hawkins Christie Management Services <sup>5</sup>	-	5,555
	3,641	41,477

<sup>1</sup> David Sanders is an employee of Bennett Co Pty Ltd

<sup>2</sup> Johnathon Busing is a director of Everest Accounting Pty Ltd

<sup>3</sup> Chris Zielinski is a director of Nova Legal

<sup>4</sup> Johnathon Busing is a former director of Odyssey Tax & Accounting

<sup>5</sup> Peter Christie is a director of Hawkins Christie Management Services

**14. Issued capital**

	30 Jun 2019 \$	30 Jun 2018 \$
2,141,260,371 fully paid ordinary shares (30 June 2018: 716,621,208)	86,013,352	82,383,969

Fully paid ordinary shares	To disclose all shares on a post consolidation basis			
	30 Jun 2019		30 Jun 2018	
	No.	\$	No.	\$
Balance at beginning of period	716,621,208	82,383,969	597,315,544	81,191,657
Issue of shares (i)	51,500,000	1,030,000		
Issue of shares (ii)	500,000,000	1,250,000		
Issue of shares (iii)	5,093,919	12,735		
Issue of shares (iv)	16,000,000	160,000		
Placement (v)	117,092,421	585,462		
Issue of shares (vi)	450,000,000	450,000		
Issue of shares (vii)	5,656,791	5,657		
Issue of shares (viii)	279,294,831	195,506		
Issue of shares (ix)			5,833,333	175,000
Issue of shares (x)			20,000,000	300,000
Issue of shares (xi)			13,333,333	200,000
Issue of shares (xii)			13,800,000	276,000
Issue of shares (xiii)			66,338,998	265,356
Rounding on consolidation	1,201	-		
Share issue costs	-	(59,977)	-	(24,044)
	2,141,260,371	86,013,352	716,621,208	82,383,969

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

## 14. Issued Capital (Cont'd)

- (v) Issue of fully paid ordinary shares at \$0.005 each on 30 August 2018 pursuant to a placement to sophisticated investors of the Company.
- (vi) 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.
- (vii) 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.
- (viii) Issue of fully paid ordinary shares at \$0.007 each on 29 May 2019 pursuant to a placement to sophisticated investors of the Company.
- (ix) Issue of fully paid ordinary shares at \$0.03 each on 28 September 2017 to Segue Resources to earn in stage 2 interest in Pardoo Nickle project
- (x) Issue of fully paid ordinary shares at \$0.015 each on 3 October 2017 pursuant to a placement to sophisticated investors of the Company.
- (xi) Issue of fully paid ordinary shares at \$0.015 each on 23 October 2017 pursuant to a placement to sophisticated investors of the Company.
- (xii) Issue of fully paid ordinary shares at \$0.020 each on 23 October 2017 for corporate advisory services rendered.
- (xiii) Issue of fully paid ordinary shares at \$0.004 each on 26 June 2018 pursuant to placement to sophisticated investors of the Company.

The number of shares and issue price have been disclosed on a post consolidation basis.

## 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.

	<b>2019</b>	<b>2018</b>
	\$	\$
Balance at the beginning of the period	1,108,003	-
Placement of Notes	450,000	1,250,000
Adjustment to Equity	-	(101,305)
Unwinding of Finance Costs/Interest	160,388	44,308
Conversion during the year along with the interest	(1,718,391)	-
Issue Costs	-	(85,000)
Balance at the end of the Year	-	1,108,003

**16. Reserves**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	1,815,353	1,815,353
Options issued to Chinsiro Pty Ltd <sup>(i)</sup>	75,000	-
Options issued on acquisition of Mt Roe Mining Pty Ltd <sup>(ii)</sup>	110,442	-
Options issued to RM Corporate Finance Pty Ltd <sup>(iii)</sup>	54,463	-
Carrying value at end of the year	2,055,258	1,815,353

(i) 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.

(ii) 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.

(iii) 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. Acquisition of exploration assets****17.1 Acquisition of Mount Roe Mining Pty Ltd.**

On 19 October 2017, the Company announced it had reached a conditional agreement to acquire 100% of the issued capital of Mt Roe Mining Pty Ltd which has acquired the rights to key Pilbara Craton projects.

The terms of the acquisition are summarised below

- Cash Consideration: \$45,000 payable in cash on execution of the Share Purchase Agreement between Caeneus and Mt Roe.
- Equity Consideration:
  - o 51,500,000 fully paid ordinary shares ("Shares") to be issued to the Mt Roe shareholders in the capital of Caeneus (25,750,000 Shares to be issued at settlement following satisfaction of all conditions precedent to the acquisition, including inter alia, shareholder approval at a General Meeting later to be convened and 25,750,000 on granting of the three exploration Licenses); These shares were issued on 12 July 2018 following the shareholder approval at the General Meeting held on 12 July 2018.
  - o 51,500,000 unlisted options (exercisable at \$0.005 expiring on 30 November 2019) (25,750,000 unlisted options to be issued at settlement following satisfaction of all conditions precedent to the acquisition, including inter alia, shareholder approval at a General Meeting later to be convened and 25,750,000 on granting of the three exploration Licenses); The Company issued 51,500,000 options on 12 July 2018 following the shareholder approval at the General Meeting held on 12 July 2018.
- Deferred Consideration: On either E47/3846 and/or E45/5041 and/or E47/3857: 200,000 ounces JORC resource of gold (or gold equivalent on any metals) issue of A\$1.0m in Caeneus Shares at a five-day VWAP prior to notification of this milestone/payment of A\$1.0m in cash (at the election of Caeneus).



**17. Acquisition of exploration assets (cont'd)****17.1 Acquisition of Mount Roe Mining Pty Ltd. (cont'd)**

- RM Corporate Finance Pty Ltd ("RM Corporate Finance") (AFSL 315235): has acted as corporate adviser to the Acquisition and will receive a success fee of 13,800,000 Caeneus Shares issued under the Company's 7.1 capacity (at a deemed issue price of \$0.002 each) together with 13,800,000 listed options issued under the Company's 7.1 capacity and a sign on fee of 2,000,000 listed options issued under the Company's 7.1A capacity (to acquire Shares at \$0.003 each on or before 31 December 2020). The Company issued 13,800,000 shares on 23 October 2017. These were recognised in the prior year in profit and loss. The 13,800,000 listed option and 2,000,000 sign on fee options were issued on 12 July 2018 after receiving shareholder approval.

**Consideration transferred**

	<b>Fair value</b>
	<b>\$</b>
Non-cash (fully paid ordinary shares) (i)	1,030,000
Non-cash (unlisted options) (ii)	110,441
	<b>1,140,441</b>

(i) This represents the issue of 51,500,000 Caeneus shares at a deemed issue price of \$0.02 to Mt Roe vendors as part of settlement of the acquisition of Mt Roe Mining Pty Ltd.

(ii) This represents the issue of 51,500,000 unlisted options exercisable at \$0.05 on or before 30 November 2019 valued at grant date.

**Assets acquired and liabilities assumed at the date of acquisition (12 July 2018)****Excess arising on acquisition and impairment of Scotty's South project**

	<b>\$</b>
Consideration transferred	1,140,441
Less: fair value of identifiable net assets acquired	-
Excess previously allocated to exploration and evaluation expenditure (i)	<b>1,140,441</b>
Less: Impairment during the year	<b>1,140,441</b>
	-

(i) At 12 July 2018 (effective date of acquisition), the excess consideration over fair value of net assets acquired of \$1,140,441 was capitalised to exploration and evaluation expenditure.

**18. Deferred considerations**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Deemed value of shares and cash consideration to be issued to DGRM (i)(ii)	-	160,000
Cash consideration payable to GEM for acquisitions of ATC Resources and Nevada Clays (iii)(iv)(v)(vi)(vii)(viii)	241,869	135,366
	<b>241,869</b>	<b>295,366</b>
<b>Non-current</b>		
Deemed value of shares to be issued to DGRM	-	-
Deemed value of cash consideration to GEM for acquisitions of ATC Resources and Nevada Clays (ix)	49,797	175,976
	<b>49,797</b>	<b>175,976</b>

***Deferred consideration to DG Resource Management ("DGRM") arising from acquisition of Nevada Metals Pty Ltd***

On 15 June 2016, ASX Limited ("ASX") granted the Company a waiver from ASX Listing Rule 7.3.2 ("Waiver"). The Waiver was in connection with the acquisition of 100% of the issued capital of Nevada Metals Pty Ltd ("Acquisition"), in particular with the deferred issue of the following shares to DG Resource Management Ltd ("DGRM") pursuant to a binding Heads of Agreement:

- (i) 7,500,000 shares at a deemed issue price of \$0.01 each on the date that is 24 months after the date of receipt of shareholder approval (being 24 months from 28 June 2016) for Lida Valley project; and
- (ii) 12,500,000 shares at a deemed issue price of \$0.01 each on that date that is 24 months after the date of settlement of the Acquisition (being 24 months from 28 June 2016) of Muddy Mountain project.

The total consideration payable \$200,000 to DGRM was reduced by \$40,000 as per variation agreement with DGRM in the prior year.

For the purpose of reporting, the total deemed value of the above remaining deferred shares (i) and (ii) being \$160,000 have been settled thru the issuance of 16,000,000 shares on 12 July 2018 after shareholder approval in general meeting.

***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 GEM deferred cash payments as follows:

***Arising from acquisition of ATC Resources Pty Ltd***

- (iii) US\$15,000 on that date that is 24 months after the settlement of the acquisition (being 24 months from 23 June 2016);
- (iv) 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.
- (v) US\$70,000 on that date that is 48 months after the settlement of the acquisition (being 48 months from 23 June 2016).

**18. Deferred considerations (cont'd)****Arising from acquisition of Nevada Clays Pty Ltd**

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

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

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

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

**19. Financial instruments****19.1 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.

**19.2 Categories of financial instruments**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	130,477	372,980
Trade and other receivables (non-interest bearing)	18,145	51,207
	<b>148,622</b>	<b>424,187</b>
<b>Financial liabilities</b>		
Trade and other payables (non-interest bearing)	134,174	424,518
Deferred considerations - current ( <i>refer note 18</i> )	241,869	295,366
Convertible notes	-	1,108,003
Deferred considerations - non-current ( <i>refer to note 18</i> )	49,797	175,976
	<b>425,840</b>	<b>2,003,863</b>
<b>Net financial assets/(liabilities)</b>	<b>(277,218)</b>	<b>(1,579,676)</b>

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

## **19. Financial instruments (cont'd)**

### **19.3 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.

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.

### **19.4 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 19.5 below).

### **19.5 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 2019 would decrease/increase by \$1,305 (2018: \$3,729).

**19. Financial instruments (cont'd)****19.6 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	2019 \$	2018 \$
Deferred Consideration payable in USD	205,000	230,000
Deferred Consideration payable in AUD	291,666	311,342

Percentage shift of the AUD /USD exchange rate	10% A\$	10% A\$
Total effect on comprehensive loss of positive movements	32,407	34,594
Total effect on comprehensive loss of negative movements	(26,515)	(28,304)

**19.7 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.

**19. Financial instruments (cont'd)****19.8 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**

	<b>Carrying Amount</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1 year to 5 years</b>	<b>Total contractual cash flows</b>
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Trade and other payables	134,174	-	134,174	-	-	134,174
Deferred consideration (current)	241,869	-	-	241,869	-	241,869
Convertible notes	-	-	-	-	-	-
Deferred consideration (non-current)	49,797	-	-	-	49,797	49,797
<b>2018</b>						
Trade and other payables	424,518	-	424,518	-	-	424,518
Deferred consideration (current)	295,366	-	-	295,366	-	295,366
Convertible notes	1,108,003	-	-	1,312,500	-	1,312,500
Deferred consideration (non-current)	175,976	-	-	-	175,976	175,976

**20. Key management personnel**

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

	<b>2019</b>	<b>2018</b>
	\$	\$
Short-term employee benefits	230,382	372,722
Share-based payment	-	-
	<b>230,382</b>	<b>372,722</b>

**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 12.

**21. Related party transactions****21.1 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 and Mt Roe Mining Pty Ltd.

**21.2 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 20.

**21.3 Other related party transactions**

Mr Johnathon Busing's company secretarial services are provided by Everest Accounting Pty Ltd (Everest). Mr Busing is a director of Everest. Company secretarial fees paid to Everest are disclosed in the remuneration report.

Legal services from Bennett Co Pty Ltd where Mr David Sanders is an employee provided the company with the service value of \$7,800 during the year.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**22. 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:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash and bank balances	130,477	372,980

**22. Cash and cash equivalents (cont'd)****22.1 Reconciliation of loss for the year to net cash flows from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flow from operating activities</b>		
Loss for the year	(2,561,253)	(5,200,659)
<b>Adjustments for:</b>		
Impairment	1,682,291	3,871,741
Share based payments for consulting services	-	276,000
Reduction in deferred consideration	-	(40,000)
Interest accrued on convertible notes	160,388	44,307
Foreign exchange gain	15,807	13,389
<b>Movements in working capital</b>		
Increase in trade, other receivables and prepayments	27,484	(24,615)
(Decrease)/increase in trade and other payables	(80,973)	2,355
<b>Net cash flow from operating activities</b>	<b>(756,256)</b>	<b>(1,057,482)</b>

**Non-cash financing activities**

The Company issued 51,500,000 shares at \$0.02 each as part of settlement on the acquisition of Mt Roe Mining Pty Ltd.

The Company issued 5,093,919 shares at \$0.0025 each in lieu of interest pursuant to the conversion of convertible notes of \$1.25 million.

The company issued 16,000,000 shares at \$0.01 each 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.

The Company issued 5,656,791 shares at \$0.001 each in lieu of interest pursuant to the conversion of convertible notes of \$450,000.

Conversion of convertible note of 1.25M shares at \$450,000

Apart from these, there were no other non-cash financing or investing activities during the year.

**23. 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.

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



**24. Remuneration of auditors*****Auditor of the Group***

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Audit and review of financial reports	37,558	44,642
Non Audit Services		
Agreed upon Procedures under the Mining Act 1978	-	600
Calculation of VWAP price for issue of shares	-	1,000

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

**25. Events after the reporting period**

On 01 July 2019, the Company announced that the new postal address of the Company and all its subsidiaries is as follows: PO Box, 369, Nedlands WA 6909.

**26. 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***

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Current assets	185,448	455,437
Non-current assets	-	-
Total assets	185,448	455,437
<b>Liabilities</b>		
Current liabilities	372,674	1,824,517
Non-current liabilities	49,797	175,976
Total liabilities	422,471	2,000,493
Net (liabilities)/assets	(237,023)	(1,545,056)
<b>Equity</b>		
Issued capital	86,013,352	82,383,969
Convertible notes (Equity portion)	101,305	101,305
Reserves	2,055,258	1,815,353
Accumulated losses	(88,406,938)	(85,845,683)
Total equity/(deficit)	(237,023)	(1,545,056)
<b><i>Financial performance</i></b>		
Loss for the year	(2,561,255)	(4,373,053)

**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 23.

## 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	
			2019	2018
Caeneus Resources Pty Ltd	Holds tenements and is a non-operating subsidiary	Australia	100%	100%
Port Exploration Pty Ltd	Holds tenements and is a non-operating subsidiary	Australia	100%	100%
Nevada Metals Pty Ltd	Holds tenements and is a non-operating subsidiary	Australia	100%	100%
ATC Resources Pty Ltd (i)	Holds tenements and is a non-operating subsidiary	Australia	100%	100%
Nevada Clays Pty Ltd (ii)	Holds tenements and is a non-operating subsidiary	Australia	100%	100%
Mt Roe Mining Pty Ltd (iii)	Holds tenements and is a non-operating subsidiary	Australia	100%	-

(i) Acquired on 19 July 2016. Refer to note 17.1 for more information.

(ii) Acquired on 17 October 2016. Refer to note 17.2 for more information.

(iii) Acquired on 12 July 2018. Refer to note 17.3 for more information.

## 28. Options

**28.1** 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
CAD0 <sup>i</sup>	349,128,014	Various	-	0.030	31 Dec 2020	N/A
CAD67913 <sup>ii</sup>	115,023,394	Various	0.019	0.050	30 Jun 2021	Vested
CAD67904 <sup>iii</sup>	75,000,000	Various	0.001	0.015	30 Jun 2023	Vested
CAD67921 <sup>iv</sup>	916,353,751	Various	-	0.015	31 Dec 2023	Vested

(i) CAD0 are listed Options.

(ii) CAD67913 are Unlisted Options.

(iii) CAD67904 are Unlisted Options.

(iv) CAD67921 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 2019:

- a) On 12 July 2018, the Company issued 5,093,919 free attached unlisted options along with equal number of fully paid ordinary shares in lieu of interest pursuant to the conversion of Convertible Notes of \$1.25 million.
- b) On 12 July 2018, the Company issued 51,500,000 free attached unlisted options on a 1 for 1 basis along with fully paid ordinary shares as part of settlement on the acquisition Mt Roe Mining Pty Ltd.
- c) On 12 July 2018, the Company issued 500,000,000 free attached listed options along with fully paid ordinary shares pursuant to the conversion of Convertible Notes of \$1.25 million issued in April 2018.
- d) On 12 July 2018, the Company issued 16,000,000 free attached unlisted options along with fully paid ordinary shares to DG Resources Management Ltd as deferred consideration pursuant to a contractual obligation on the Company pursuant to the Mining Claims Acquisition Agreement for as part consideration for the Lida Valley and Muddy Mountain Project.
- e) On 12 July 2018, the Company issued 75,000,000 unlisted options issued as consideration for services provided by Chinsiro Pty Ltd to the Company pursuant to the fundraising agreement.
- f) On 12 July 2018, the Company issued 15,800,000 unlisted options issued to RM Corporate Finance Pty Ltd as a signing fee contained in the Sale and Purchase Agreement. (Refer to note 28.3)
- g) On 26 February 2019, the Company issued 225,000,000 free attached unlisted options along with fully paid ordinary shares pursuant to the conversion of Convertible Notes of \$450,000 issued in December 2018.
- h) On 26 February 2019, the Company issued 2,828,396 free attached unlisted options along with fully paid ordinary shares in lieu of interest pursuant to the conversion of Convertible Notes of \$450,000.

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

2,179,675,485 options was issued in financial year ended 30 June 2019 (30 June 2018: NIL).

The fair value of options issued during the year ended 30 June 2019 has been independently determined using the Black-Scholes option pricing model.

	51.5 million options for Mt Roe Mining	2 million options to RM Corporate Pty Ltd
Grant Date / Valuation date	12/7/18	19/10/2017
Share price on Grant Date	\$0.01	\$0.02
Exercise price	\$0.03	\$0.03
Risk free rate	2.070%	1.97%
Expiry date	31/12/2020	31/12/2020
σ=volatility	80.00%	186%
Fair Value of call option	\$0.00214	\$0.00272

**28. Options (cont'd)****28.3 Fair value of options granted during the year as share-based payments (cont'd)**

The 20 million options to RM Corporate were accrued for at 30 June 2018 for \$54,463.

The 750 million options to Chinsiro Pty Ltd has been valued at \$75,000 which is the value of services received from Chinsiro Pty Ltd. The group had accrued the value of options to Chinsiro at 30 June 2018.

**28.4 Movements in options during the year**

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

Free attaching options	Post consolidation			
	2019		2018	
	Number of options No.	Weighted average exercise price \$	Number of options No.	Weighted average exercise price \$
Balance at beginning of year	197,018,061	0.02	197,018,061	0.03
Granted during the year <sup>i</sup>	949,687,067	0.02	-	-
Forfeited during the year	-	-	-	-
Exercised during the year <sup>ii</sup>	-	-	-	-
Expired during the year	-	-	-	-
Rounding on consolidation	31	-	-	-
Balance at end of year	<b>1,146,705,159</b>	<b>0.02</b>	<b>197,018,061</b>	<b>0.03</b>
Exercisable at end of year	<b>1,146,705,159</b>	<b>0.02</b>	<b>197,018,061</b>	<b>0.03</b>

  

Share based payment options	2019		2018	
	Number of options No.	Weighted average exercise price \$	Number of options No.	Weighted average exercise price \$
	Number of options No.	Weighted average exercise price \$	Number of options No.	Weighted average exercise price \$
Balance at beginning of year	166,500,000	0.03	166,500,000	0.04
Granted during the year <sup>i</sup>	142,300,000	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year <sup>ii</sup>	-	-	-	-
Expired during the year	-	-	-	-
Consolidation rounding	-	-	-	-
Balance at end of year	<b>308,800,000</b>	<b>0.03</b>	<b>166,500,000</b>	<b>0.04</b>
Exercisable at end of year	<b>308,800,000</b>	<b>0.03</b>	<b>166,500,000</b>	<b>0.04</b>

<sup>i</sup> Refer to note 28.2 for further information.

<sup>ii</sup> Refer to note 28.5 below for further information.

**28.5 Share options exercised during the year**

No share options were exercised during the year (2018: 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 \$0.02 (2018: \$0.0036) and a weighted average remaining contractual life of 1300 days (2018: 972 days).

**29. Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 26 September 2019.

# ASX Additional Information as at 26 September 2019

## **Ordinary share capital**

2,141,260,371 fully paid ordinary shares are held by 1,535 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 \$0.030 options expiring 31 December 2020 are held by 492 option holders.

115,023,394 unlisted \$0.050 options expiring 30 June 2021 are held by 59 option holders.

916,353,751 unlisted \$0.015 options expiring 31 December 2023 are held by 44 option holders.

75,000,000 unlisted \$0.015 options expiring 30 June 2023 are held by 6 option holders.

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	23,525	147	0.001
1,001 – 5,000	45,506	14	0.002
5,001 – 10,000	159,118	19	0.007
10,001 – 100,000	32,152,431	692	1.502
100,001 and over	2,108,879,791	663	98.488
	<b>2,141,260,371</b>	<b>1,535</b>	<b>100.00</b>

## **Unmarketable parcels**

There are 1,048 shareholdings held in less than the marketable parcels.

## **Substantial shareholders**

There are no substantial shareholder(s) who have filed notices with the Company as at the date this ASX information was retrieved.

## **Restricted securities**

The Company has no restricted securities on issue.

## **On-Market buy-back**

There is no current on-market buy-back.

**Twenty (20) largest shareholders – fully paid ordinary shares**

<b>Name</b>	<b>Number of Shares Held</b>	<b>% of Issued Capital</b>
Caeneus Minerals Ltd (Unmarketable Parcel Account)	268,828,455	12.555
Gab Superannuation Fund Pty Ltd	202,514,130	9.458
Jocaph Pty Ltd	82,915,905	3.872
Regan Ballantyne	80,000,000	3.736
DC and PC Holdings Pty Ltd	79,334,791	3.705
Joric Pty Ltd	75,942,799	3.547
Tirumi Pty Ltd	59,756,171	2.791
Distinct Racing and Breeding Pty Ltd	58,100,176	2.713
Wilding Resources Pty Ltd	50,407,514	2.354
Mandevilla Pty Ltd	47,541,145	2.220
Jotome Super Pty Ltd	44,601,879	2.083
Mount Street Investments Pty Ltd	40,407,514	1.887
Ms Simone Lee Webster	40,407,514	1.887
Zero Nominees Pty Ltd	35,000,000	1.635
Ms Emma Lesley Blake	34,601,879	1.616
Ms Tiffany Hilda Evans	32,326,011	1.510
Sabre Power Systems Pty Ltd	30,877,120	1.442
Ms Tiffany Hilda Evans	30,000,000	1.401
Mr Ashley Keith Hood and Ms Charlotte Mary Hood	29,581,503	1.381
BT Global Holdings Pty Ltd	25,314,267	1.182
	<b>1,348,458,773</b>	<b>62.975</b>

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

<b>Name</b>	<b>Number of Options Held</b>	<b>%</b>
Redcode Pty Ltd	18,054,717	5.171
Mr Ashley Keith Hood and Ms Charlotte Mary Hood	15,000,000	4.296
Merche Investments Pty Ltd	11,295,000	3.235
Fox Hunt Hill Pty Ltd	10,333,334	2.960
Tirumi Pty Ltd	9,569,954	2.741
Exfortune Pty Ltd	8,500,000	2.435
Yeldep Pty Ltd	8,250,000	2.363
Mr Terry Ronald Sharp	8,000,000	2.291
Distinct Racing and Breeding Pty Ltd	7,532,024	2.157
Jocaph Pty Ltd	7,500,000	2.148
Mr Roger Blake and Mrs Erica Lynette Blake	6,666,667	1.910
Mr Xiaolin Wang	6,055,000	1.734
RM Corporate Finance Pty Ltd	5,300,000	1.518
Midas Corporate Solutions Pty Ltd	5,000,000	1.432
Cronin Capital Corp	5,000,000	1.432
Mr Keum Woo Lee	4,950,000	1.418
Charles Michael Clifton Ryan	4,504,212	1.290
Octeville Pty Ltd	4,250,000	1.217
Colleville Management Pty Ltd	4,250,000	1.217
Mr Ford Fook Yan Lee and Ms Verlin Agustin Sari	4,000,000	1.146
	<b>154,010,908</b>	<b>44.113</b>



## 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	CSM35	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	CSM3	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	CSM6	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	CSM28	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 Scotty's South and Columbus Marsh from Gold Exploration Management Inc. ATC Resources is a wholly owned subsidiary of Caeneus Minerals Ltd.

**New King Project**

Location	Project Name	Claim #	Ownership	Titleholder
Nevada, USA	New King	KVA1	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA2	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA3	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA4	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA5	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA6	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA7	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA8	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA9	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA10	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	KVA11	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP1	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP2	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP3	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP4	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP5	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 9	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 10	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 11	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 12	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 13	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 17	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 18	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 19	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 20	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.

Nevada, USA	New King	MTP 21	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 25	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP26	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 27	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 28	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 29	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MPT 36	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 37	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 38	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MPT 39	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP51	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP52	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP53	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP54	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP55	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP56	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 60	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 61	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 62	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 63	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 64	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 65	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 66	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 85	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 86	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 87	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 88	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.

Nevada, USA	New King	MTP 89	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 90	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 91	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 92	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 96	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 97	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 98	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 99	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 100	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 101	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 102	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 107	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 108	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 109	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 110	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 111	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 112	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 113	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 114	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 115	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 116	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 117	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.
Nevada, USA	New King	MTP 118	<i>Refer to Note 2 below</i>	Gold Exploration Management Inc.

**Note 2:** Nevada Clays Pty Ltd (“Nevada Clays”) has entered into the assignments of binding Options Agreements to acquire 100% of New King from Gold Exploration Management Inc. Nevada Clays is a wholly owned subsidiary of Caeneus Minerals Ltd.

**AUSTRALIAN TENEMENTS**

Location	Project Name	Tenement #	Ownership	Titleholder
Western Australia	Pardoo	E45/1866	<i>Refer to Note 3 below</i>	Plumridge East Pty Ltd
Western Australia	Pardoo	E45/4279	<i>Refer to Note 3 below</i>	Plumridge East Pty Ltd
Western Australia	Pardoo	E45/4585	100%	Port Exploration Pty Ltd
Western Australia	Pardoo	E45/4671	<i>Refer to Note 3 below</i>	Plumridge East Pty Ltd

**Note 3:** *Port Exploration Pty Ltd entitlement to earn up to 80% via Farm-In Joint Venture Agreement*