

Caeneus Minerals Ltd

ABN 42 082 593 235

and its controlled entity

Half year report for the half-year ended

31 December 2014

Corporate directory

Board of Directors

Mr Keith Bowker	Non-Executive Director
Mr Antony Sage	Non-Executive Director
Mr Michael Nottas	Non-Executive Director

Company Secretary

Mr Keith Bowker

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Website

www.caeneus.com.au

Auditors

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Level 2, 1 Walker Avenue
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Share Registry

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Stock Exchange

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Perth, Western Australia 6000

ASX Code

CAD

Half year report for the half-year ended 31 December 2014

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Directors' report

The directors of Caeneus Minerals Ltd ("Caeneus" or "the Company") submit herewith the financial report of Caeneus Minerals Ltd and its subsidiary ("the Group") for the half-year ended 31 December 2014. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

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

Mr Keith Bowker
Mr Antony Sage
Mr Michael Nottas

The above named directors held office during and since the end of the half-year except for:

Mr Jefferey Hamilton – resigned 17 July 2014

Review of operations

The consolidated loss of the Group for the half-year ended 31 December 2014 amounted to \$221,468 (31 December 2013: \$25,860 (single entity)).

During the half-year ended 31 December 2014, Caeneus reached an agreement with private entity Mining International Pty Ltd to transfer 100% of its interests in the Wee MacGregor Project in Queensland for a total purchase consideration of \$50,000. The Wee MacGregor Project consisted of 4 granted tenements namely EPMs 17449, 17904, 17907, 17910 and 1 tenement still under application namely EPM 19429. The disposal of these assets was part of the Company's ongoing strategy of rationalising less prospective non-core assets to help reduce administrative costs and accelerate further exploration and realisation of the Company's core assets such as the Mt Davis Project and the Supernova Project.

Caeneus continues its efforts in evaluating potential investment opportunities with the aim of acquiring significant assets to compliment the Company's existing Mt Davis and Supernova tenements. The Company is confident it will have a significant asset secured by the end of the March 2015 quarter which will attract sufficient capital to the Company.

Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year report.

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

On behalf of the directors



Mr Keith Bowker

Non-Executive Director

4 March 2015

Perth, Western Australia

4 March 2015

Board of Directors
Caeneus Minerals Limited
Suite 1 Ground Floor,
56 Kings Park Road,
WEST PERTH WA 6005

Dear Directors

RE: CAENEUS MINERALS LIMITED

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

As Audit Director for the review of the financial statements of Caeneus Minerals Limited for the six months ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



Samir R Tirodkar
Director

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Caeneus Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Caeneus Minerals Limited (the consolidated entity). The consolidated entity comprises both Caeneus Minerals Limited (the Company) and the entity it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Caeneus Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Caeneus Minerals Limited on 4 March 2015.

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Inherent Uncertainty Regarding Going Concern and Capitalised Exploration Costs

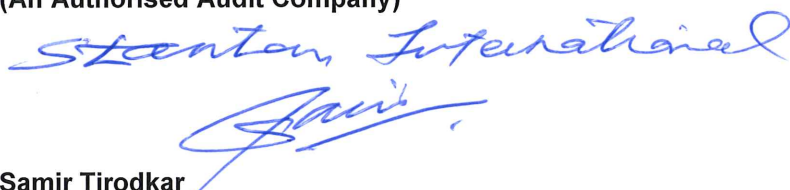
Without qualification to the review conclusion expressed, attention is drawn to the following matters.

As referred to in note 1 to the interim financial report, the half year report has been prepared on a going concern basis. At 31 December 2014 the group had net assets of \$813,660, cash and cash equivalents of \$155,554 and net working capital of \$120,472. The group had incurred a loss for the period ended 31 December 2014 of \$221,468.

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 commencing profitable operations. In the event that the group cannot raise further equity, the group may not be able to meet its liabilities as they fall due.

The recoverability of the group's carrying value of capitalised exploration assets of \$693,188 as at 31 December 2014 is dependent on the successful commercial exploitation of the assets and/or sale of the assets at amounts equal to or in excess of the book values. In the event that the group is not successful in the commercial exploitation and/or sale of the exploration assets, the realisable value of the consolidated entity's exploration assets may be significantly less than its current carrying values.

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



Samir Tirodkar
Director

West Perth, Western Australia
4 March 2015

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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position and performance of the Group for the period ended 31 December 2014.

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

On behalf of the directors

A handwritten signature in black ink, appearing to be 'KB' followed by a stylized flourish.

Mr Keith Bowker
Non-Executive Director
4 March 2015
Perth, Western Australia

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2014

	Note	Consolidated	Single entity
		Half-year ended	
		31 Dec 2014	31 Dec 2013
		\$	\$
Continuing operations			
Other income	3	53,163	14,835
Administration costs		(37,662)	(19,063)
Consultants costs		(174,073)	(1,259)
Compliance costs		(62,896)	(20,373)
Loss before income tax		(221,468)	(25,860)
Income tax expense		-	-
Loss for the period		(221,468)	(25,860)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period		(221,468)	(25,860)
Loss attributable to:			
Owners of Caeneus Minerals Ltd		(221,468)	(25,860)
Total comprehensive loss attributable to:			
Owners of Caeneus Minerals Ltd		(221,468)	(25,860)
Loss per share:			
Basic and diluted (cents per share)		(0.04)	(0.01)

Condensed notes to the consolidated financial statements are included on pages 10 to 13.

Consolidated statement of financial position as at 31 December 2014

	Note	Consolidated	
		31 Dec 2014 \$	30 Jun 2014 \$
Current assets			
Cash and cash equivalents		155,554	372,059
Trade and other receivables		22,995	30,199
Total current assets		178,549	402,258
Non-current assets			
Exploration and evaluation expenditure	4	693,188	654,242
Total non-current assets		693,188	654,242
Total assets		871,737	1,056,500
Current liabilities			
Trade and other payables		58,077	71,372
Total current liabilities		58,077	71,372
Total liabilities		58,077	71,372
Net assets		813,660	985,128
Equity			
Issued capital	5	73,146,424	73,096,424
Reserves		1,000	1,000
Accumulated losses		(72,333,764)	(72,112,296)
Total equity		813,660	985,128

Condensed notes to the consolidated financial statements are included on pages 10 to 13.

Consolidated statement of changes in equity for the half-year ended 31 December 2014

	Issued Capital \$	Reserves \$	Accumulated losses \$	Total \$
<i>Single entity</i>				
Balance at 1 July 2013	70,009,924	1,000	(69,077,499)	933,425
Loss for the period	-	-	(25,860)	(25,860)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the period	-	-	(25,860)	(25,860)
Balance at 31 December 2013	70,009,924	1,000	(69,103,359)	907,565
<i>Consolidated</i>				
Balance at 1 July 2014	73,096,424	1,000	(72,112,296)	985,128
Loss for the period	-	-	(221,468)	(221,468)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the period	-	-	(221,468)	(221,468)
Issue of ordinary shares	50,000	-	-	50,000
Balance at 31 December 2014	73,146,424	1,000	(72,333,764)	813,660

Condensed notes to the consolidated financial statements are included on pages 10 to 13.

Consolidated statement of cash flows for the half-year ended 31 December 2014

	Note	Consolidated	Single entity
		Half-year ended	
		31 Dec 2014	31 Dec 2013
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(280,722)	(60,457)
Interest received		3,163	1,124
Receipts – other		-	64,949
Net cash (used in)/provided by operating activities		(277,559)	5,616
Cash flows from investing activities			
Payments for exploration and evaluation		(38,946)	(42,584)
Proceeds from sale of tenements	3	50,000	-
Net cash provided by/(used in) investing activities		11,054	(42,584)
Cash flows from financing activities			
Proceeds from equity instruments of the Company	5	50,000	-
Net cash provided by financing activities		50,000	-
Net decrease in cash and cash equivalents		(216,505)	(36,968)
Cash and cash equivalents at the beginning of the period		372,059	698,586
Cash and cash equivalents at the end of the period		155,554	661,618

Condensed notes to the consolidated financial statements are included on pages 10 to 13.

Condensed notes to the consolidated financial statements for the half-year ended 31 December 2014

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Company for the year ended 30 June 2014 together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the directors on 4 March 2015.

Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern basis

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

For the half-year ending 31 December 2014, the Group incurred a loss after tax of \$221,468 (31 December 2013: \$25,860) and a net cash outflow from operations of \$277,559 (31 December 2013: inflow \$5,616). At 31 December 2014, the Group had net current assets of \$120,472 (30 June 2014: \$330,886). Based upon the Group's existing cash resources of \$155,554 (30 June 2014: \$372,059), the ability to modify expenditure outlays if required, and to source additional funds, the Directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the Group's 31 December 2014 half-year consolidated financial statements. The board of directors is aware, having prepared a cash flow forecast, of the Group's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months. In the event that the Group is not able to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial statements.

Principles of consolidation

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

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

Significant accounting judgements and key estimates

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

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2014.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's consolidated financial statements.

Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

2. Segment information

The Group operates in one business segment and one geographical segment, namely the mineral exploration industry in Australia only. AASB 8 '*Operating Segments*' states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not have to be reported separately. The Group has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Group and set out in the consolidated statement of financial position.

3. Other income

	31 Dec 2014	31 Dec 2013
	\$	\$
Interest income	3,163	1,124
Other income	-	13,711
Sale of tenements (i)	50,000	-
	53,163	14,835

(i) An amount of \$50,000 was received from the sale of the Wee MacGregor Copper Project comprising of four (4) granted exploration permits namely EPM 17449, 17904, 17907, 17910 and one (1) application for an exploration permit namely EPM 19429.

4. Exploration and evaluation expenditure

	31 Dec 2014	30 Jun 2014
	\$	\$
Carrying value at beginning of the period	654,242	214,259
Expenditure incurred during the period	38,946	693,972
Impairment of exploration and evaluation expenditure (i)	-	(253,989)
Carrying value at end of the period	693,188	654,242

(i) No impairment has been recognised for the half-year ended 31 December 2014 (30 June 2014: \$253,989).

5. Issued capital

	31 Dec 2014 \$	30 Jun 2014 \$
625,301,330 fully paid ordinary shares (30 June 2014: 615,301,330)	73,146,424	73,096,424

Fully paid ordinary shares	31 Dec 2014		30 Jun 2014	
	No.	\$	No.	\$
Balance at beginning of period	615,301,330	73,096,424	306,151,329	70,009,924
Exercise of share options (i)	10,000,000	50,000	-	-
Issue in business combination (ii)	-	-	306,150,001	3,061,500
Shares issued (iii)	-	-	3,000,000	30,000
Share issue costs	-	-	-	(5,000)
	625,301,330	73,146,424	615,301,330	73,096,424

(i) Exercise of unlisted options at \$0.005 each on 22 July 2014.

(ii) Shares issued on 1 March 2014 at \$0.01 each for non-cash consideration for the acquisition of 100% of the issued capital of Caeneus Resources Pty Ltd (refer to ASX announcement on 28 February 2014).

(iii) Shares issued on 17 March 2014 to an external party in consideration for services rendered.

6. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2014 annual financial report.

Key management personnel continue to receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments.

7. Dividends

No dividends were paid or declared for the half-year ended 31 December 2014 and the directors have not recommended the payment of a dividend.

8. Commitments and contingencies

There has been no significant change in commitments and contingencies since the last annual report. Please refer to the 30 June 2014 annual financial report.

9. Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.