



MALLINA PROVINCE PROJECTS UPDATE

Priority drilling targets identified at Roberts Hill

Caeneus Minerals Limited (ASX: **CAD**) (“**Caeneus**” or “**the Company**”) is pleased to provide a further update on its recent airborne magnetic and radiometric survey activities over the Roberts Hill (E47/3846), Mt Berghaus (Application E45/5041) and Yule River (E47/3857) tenements located in the Pilbara region of Western Australia.

- **Assessment of recently flown aeromagnetic data from Roberts Hill indicates localities where potential ‘Hemi’ style intrusive and other structurally related targets occur**
- **At Roberts Hill, newly identified north-westerly and north-easterly linear features appear to crosscut and provide a link to the Mallina and Berghaus Shear Zones some 4kms to the south**
- **Mt Berghaus aeromagnetic data evaluation still incomplete, however, provisional encouraging structural and potential intrusive-related targets have been noted**
- **Yule River aeromagnetic data still subject to processing and filtering, with final target assessment expected early November**
- **All the Roberts Hill aeromagnetic anomalies outlined (Figure 2) are considered priority 1 drill targets which will be initially tested by air-core drilling after Heritage Survey and POW have been completed**

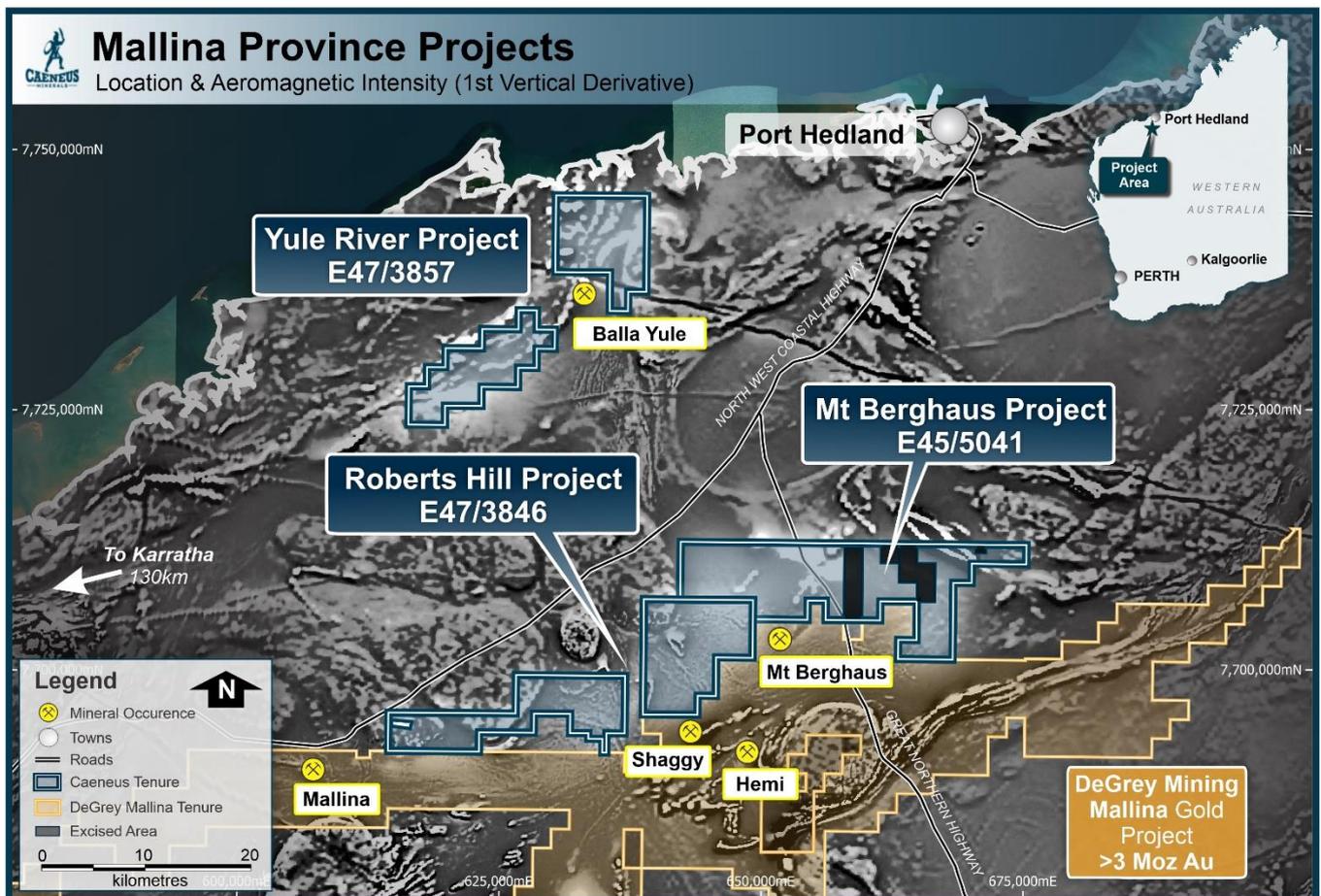


Figure 1. Location Map Caeneus Mallina Province Projects

The Company is pleased to advise that the airborne geophysical surveys at its Mallina Province tenements has now been successfully completed (refer Figure 1). The surveys followed a review of the scant available historical geophysical information for the region. The Company's new low level airborne magnetic surveys which covered the entire Roberts Hill, Mt Berghaus and Yule River project areas were conducted on 50 metre line spacings with a survey sensor height of approximately 35 metres. Southern Geoscience Consultants of Perth supervised the airborne surveys and continue to assist in the enhanced processing and interpretation/analysis of the geophysical data acquired.

ROBERTS HILL AND Mt BERGHAUS TENEMENTS (E47/3846 and Application E45/5041) (Figure 1)

Whilst the recent geophysical survey over Roberts Hill and Mt Berghaus was helpful in discerning the subtle magnetic characteristics of potential mantle-derived intrusive (to be confirmed by future drilling), the survey also assisted the Company's understanding of the complex north-westerly and north-easterly trending linear features which (in the case of Roberts Hill) appear to cross-cut and link with the Mallina and Berghaus Shear Zones on the De Grey Mining Ltd tenure immediately adjacent to the Roberts Hill tenement (refer Figure 2).

For the Roberts Hill tenement, the Company will now make preparations for an initial 20,000 to 25,000 metre scout air-core drilling campaign to test many of the geophysical features identified. Lines of drill holes will be conducted over the priority 1 drill targets initially to a vertical depth not exceeding 140 metres.

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

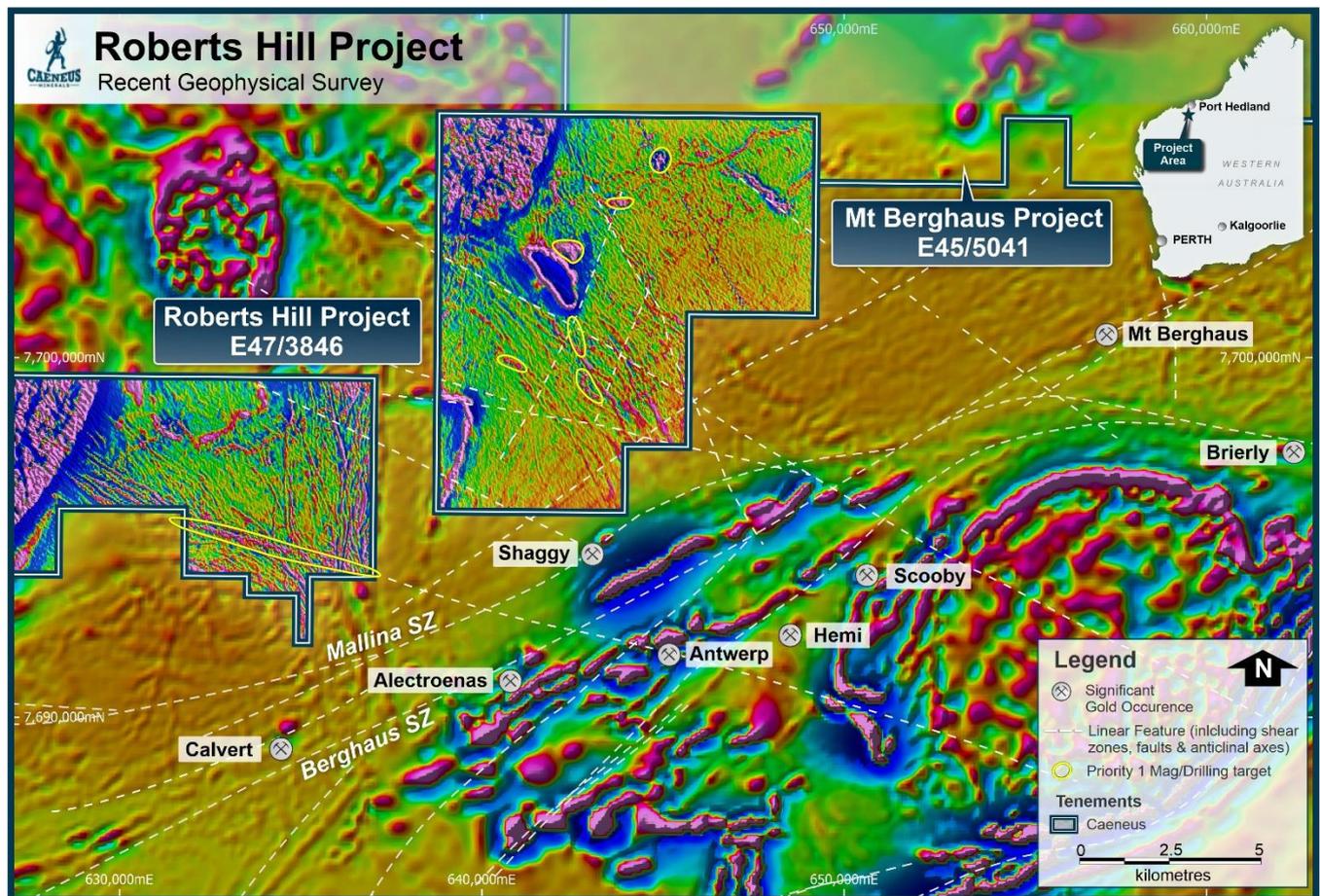


Figure 2. Aeromagnetic Plan (based on TMI data) and Structural Interpretation of part of Roberts Hill (E47/3846)

YULE RIVER TENEMENT (E47/3857) (Figure 1)

The airborne geophysical survey at the Company's Yule River tenement was flown approximately a fortnight after the completion of the Roberts Hill and Mt Berghaus surveys. At the time of compiling this update, the aeromagnetic data was still being processed and data evaluations are expected to commence late this month or early November.

PROPOSED FURTHER WORK

- Delineation of proposed drill lines
- Complete POW and Heritage Survey
- Construct graded tracks and drilling lines to selected drill targets
- Review tenders for a 20 thousand to 25 thousand metre aircore drilling program

This announcement has been authorised for release by the Caeneus Board of Directors.

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Competent Persons Statement

The information contained in this report to exploration results relates to information compiled or reviewed by Mr Robert Mosig MSc, FAICD. Mr Mosig is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and is the Company's Chief Executive Officer. Mr Mosig has sufficient experience of relevance to the styles of mineralization and the types of deposits under investigation, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the Joint Ore Reserve Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mosig consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Forward Looking Statements Disclaimer

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

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Fixed wing airborne magnetic survey using Cessna 210 aircraft. Magnetometer calibrated on a daily basis This type of survey identifies minerals of varying magnetic intensity which are often associated with a larger mineralized system. Further ground truthing is necessary to confirm the presence of a mineralized system. At this stage, no geophysical features defined by this survey have been sampled.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> N/A
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> N/A
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> N/A

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> N/A
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> N/A no assays reported Instrument used G-823 caesium vapour magnetometer RSI RS-500 Spectrometer with 2x RSX-4 detectors N/A no assay data to report
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> N/A
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> On-board DGPS positioning of all data locations Primary data was acquired under the GDA94/MGA51 coordinate system Radar Altimeter with +- 1 metre of accuracy Navigational/position accuracy +- 1 metre
Data spacing	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 	<ul style="list-style-type: none"> Survey lines were spaced 50 metres apart with an average sensor

Criteria	JORC Code explanation	Commentary
<i>and distribution</i>	<ul style="list-style-type: none"> Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	height of 35 metres above ground level.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Traverses for Roberts Hill and Mt Berghaus were oriented east-west whilst at Yule River, the traverses were North-west to south-east. In general traverses were oriented perpendicular to the general structural trends.
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> N/A
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> N/A

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Surveys were conducted within Exploration Licence Application 45/5041, granted E 47/3846 and granted E 47/3857 all 100% owned by Caeneus Minerals Ltd. With reference to Exploration Licence Application E 45/5041 no impediments exist and the Licence is expected to be granted in due course.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Extremely limited and poorly recorded historical exploration
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Mineralization anticipated to be related to mantle-derived intrusives intersected by trending linear features.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: 	<ul style="list-style-type: none"> N/A

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. ● If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> ● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. ● Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ● The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> ● N/A
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● These relationships are particularly important in the reporting of Exploration Results. ● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ● If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> ● N/A
Diagrams	<ul style="list-style-type: none"> ● Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> ● See Text for typical plans.
Balanced reporting	<ul style="list-style-type: none"> ● Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> ● All geophysical data results reported
Other substantive exploration data	<ul style="list-style-type: none"> ● Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential 	<ul style="list-style-type: none"> ● All known and relevant data reported.

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<p><i>deleterious or contaminating substances.</i></p> <ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Drilling imperative to confirm geophysical investigations and observations