



**Caeneus Minerals Ltd**  
ACN 082 593 235

**Australian Securities Exchange**  
Code: CAD

**Ordinary shares**  
635,801,330

**Unlisted Options**  
19,500,000 (exercise price of \$0.005; expiry date of 31 Dec 2016)  
306,150,001 (exercise price of \$0.03; expiry date of 28 Feb 2017)

**Board of Directors**  
Mr Keith Bowker  
Mr Antony (Tony) Sage  
Mr Michael Nottas

**ASX Announcement**  
**21 May 2015**

## **CAENEUS MINERALS LTD ACQUIRES CONTRACTUAL RIGHTS TO MINE AT SILVER SWAN**

Caeneus Minerals Ltd (“Caeneus” or “the Company”) is pleased to announce that it has entered into a binding agreement (“Agreement”) with Poseidon Nickel Limited (ASX: POS) (“Poseidon”) to acquire the contractual rights (“Acquisition”) to mine the Silver Swan underground nickel mine which has been on care and maintenance since February 2009, located 55km north-east of Kalgoorlie in Western Australia.

Under the Agreement, Caeneus will acquire a beneficial interest in tenement ML 27/200, which contains the Silver Swan underground nickel mine and has been granted a right to mine, remove and sell nickel ore above a grade of 2% Ni as well as to undertake exploration for nickel from the existing underground decline below a depth of 100m.

Poseidon will also grant Caeneus a licence to enter the tenements and the right to utilise existing surface infrastructure and access tenements to facilitate underground mining operations. In addition it is the intent of the parties to enter into an offtake agreement, at commercial rates, for the ore which Poseidon will process either through the Lake Johnston or Black Swan plants post their re-commissioning.

The Agreement, which remains subject to satisfaction of conditions precedent including completion of due diligence and shareholder and all necessary regulatory approval, allows Poseidon to continue to focus on the broader redevelopment of the Windarra and Black Swan Nickel Operations (which includes the Black Swan open pit mine and 2.2Mtpa concentrator).

### ***Terms of the Agreement***

The consideration payable by the Company to Poseidon Nickel Limited for the Acquisition is:

- A deposit of \$150,000 plus GST being settled via the issue of 10,714,286 fully paid ordinary shares in the Company valued at \$0.014 at 10 April 2015 plus cash of \$15,000 being the GST component;
- A completion payment of \$1,350,000 plus GST on or before 1 August 2015; and
- Reimbursement of care and maintenance costs from 1 April 2015 to 1 August 2015 estimated at \$1.2m and continuing thereafter.

In addition to the consideration payable, the Company has agreed to issue to Throne Investments Pty Ltd or its nominees (“Throne”), the following securities in consideration for Throne’s orchestration and introduction of the opportunity to the Company to undertake the Acquisition (subject to shareholder approval):

- (a) 150,000,000 fully paid ordinary shares in the Company; and
- (b) 600,000,000 unlisted options issued in three equal tranches. The exercise prices of the tranches will be based on the prevailing market price and will be determined closer to the date of obtaining shareholder approval. The expiry date of all tranches will be 3 years from the grant date.

**Board Changes**

Upon completion of the Acquisition, Caeneus will appoint Mr Nick Poll as Managing Director and offer Poseidon Nickel Limited the right to appoint two Non-Executive Directors to the Board of the Company. Mr Antony Sage will resign as a Director and Mr Keith Bowker (who is already a Non-Executive Director) will be appointed as Chairman.

**Capital Raising**

The Company requires additional funding to make the completion payment. The Company is in the process of determining the structure and pricing of such a capital raising, and will announce the terms of the proposed capital raise in due course.

**Capital Structure At Completion Acquisition**

On the basis that the Company completes the Acquisition on the terms set out above, the Company’s capital structure will be as follows:

	<b>Shares</b>	<b>Options</b>
Currently on issue	635,801,330	325,650,001 <sup>1</sup>
Issued to POS for deposit	10,714,286	-
Issued to Throne or nominees	150,000,000	600,000,000 <sup>2</sup>
Proposed issue of options to Director	-	40,000,000 <sup>3</sup>
Anticipated capital raising	300,000,000 <sup>4</sup>	Nil
<b>Total</b>	<b>1,096,515,616</b>	<b>965,650,001</b>

- 1. 19,500,000 unlisted options exercisable at \$0.005 on or before 31 December 2016 and 306,150,001 unlisted options exercisable at \$0.03 on or before 27 February 2017.
- 2. 600,000,000 unlisted options issued in three equal tranches. The exercise prices of the tranches will be based on the prevailing market price and will be determined closed to the date of obtaining shareholder approval. The expiry of all tranches will be 3 years from the grant date.
- 3. 40,000,000 unlisted options. The exercise price will be based on the prevailing market price and will be determined closer to the date of obtaining shareholder approval. The expiry of all tranches will be 3 years from the grant date.
- 4. The number of shares issued by the capital raising will depend upon the amount of money raised and the price of the shares. CAD will seek shareholder approval at not less than 80% of the prevailing market price. For this table, CAD has assumed the raising of \$6,000,000 at \$0.02 per share.

### ***Pro Forma Balance Sheet***

The effect of the Acquisition on the financial position of the Company is set out in Annexure A.

### ***List of Tenements***

A list of all tenements forming part of the Acquisition is set out in Annexure B.

### ***Indicative Timetable***

The indicative timetable for completion of the Acquisition, and the balance of the matters set out above is set out below:

<b>Event</b>	<b>Date</b>
Despatch of Notice of Meeting to Shareholders	June 2015
General Meeting of Shareholders	July 2015
Completion of the Acquisition	1 August 2015

\* The above dates are indicative only and represent the current intentions of the Company. The above dates are subject to change.

The Company has consulted with ASX and the Notice of Meeting will include shareholder approval for the Acquisition under Listing Rule 11.1.2 (a change in scale of activities). The Acquisition will not require the Company to re-comply with the admission requirements.

For and on behalf of the Board



Keith Bowker  
**Director/Company Secretary**

## ANNEXURE A – PRO FORMA BALANCE SHEET

The audit reviewed balance sheet and the unaudited pro forma balance sheet for the Company as at 31 December 2014 have been prepared on the accounting policies normally adopted by the Company to reflect the changes to its financial position. The historical and pro forma financial information is presented in abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to financial reports. They have been prepared on the assumption that all of the shares and options proposed to be issued as part of the Acquisition are issued.

The principal effect of the Acquisition will be to:

- (a) increase cash reserves by \$5,640,000 after costs following a successful capital raising via the issue of 300,000,000 fully paid ordinary shares at 2 cents per share;
- (b) Decrease cash reserves by \$2,774,250 following the GST component on the deposit, completion payment, estimated reimbursement of care and maintenance costs and after stamp duty fees;
- (c) Issue the securities to Poseidon Nickel Limited and to Throne Investments Pty Ltd or its nominees.

	Note	Audit Reviewed Actual	Un-Audited Pro Forma
		31 Dec 2014	31 Dec 2014
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1	155,554	3,021,304
Trade and other receivables		22,995	172,995
<b>TOTAL CURRENT ASSETS</b>		<u>178,549</u>	<u>3,194,299</u>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	2	693,188	3,467,438
<b>TOTAL NON-CURRENT ASSETS</b>		<u>693,188</u>	<u>2,274,863</u>
<b>TOTAL ASSETS</b>		<u>871,737</u>	<u>6,661,737</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		58,077	58,077
<b>TOTAL CURRENT LIABILITIES</b>		<u>58,077</u>	<u>58,077</u>
<b>TOTAL LIABILITIES</b>		<u>58,077</u>	<u>58,077</u>
<b>NET ASSETS</b>		<u>813,660</u>	<u>6,603,660</u>
<b>EQUITY</b>			
Issued capital	3	73,146,424	78,936,424
Reserves	4	1,000	1,000
Accumulated losses		(72,333,764)	(72,333,764)
<b>TOTAL EQUITY</b>		<u>813,660</u>	<u>6,603,660</u>

	Note	Audit Reviewed Actual	Un-Audited Pro Forma
		31 Dec 2014 \$	31 Dec 2014 \$
<b>1. Cash and cash equivalents</b>			
Cash at bank – 31 Dec 2014		155,554	155,554
Anticipated capital raising after costs	(a)	-	5,640,000
Payment of deposit (GST component)	(b)	-	(15,000)
Payment of completion payment plus GST	(b)	-	(1,485,000)
Payment of estimated care and maintenance costs	(b)	-	(1,200,000)
Payment of stamp duty fees	(b)	-	(74,250)
		<u>155,554</u>	<u>3,021,304</u>
<b>2. Exploration and evaluation expenditure</b>			
Balance – 31 Dec 2014		693,188	693,188
Acquisition	(b)	-	1,500,000
Payment of estimated care and maintenance costs	(b)	-	1,200,000
Payment of stamp duty fees	(b)	-	74,250
		<u>693,188</u>	<u>3,467,438</u>
<b>3. Issued capital</b>			
Balance – 31 Dec 2014 (635,801,330 shares)		73,146,424	73,146,424
300,000,000 shares at \$0.02 cents each	(a)	-	6,000,000
Capital raising costs	(a)	-	(360,000)
10,714,286 shares to Poseidon for deposit	(c)	-	150,000
150,000,000 shares to Throne Investments Pty Ltd or nominees	(c)	-	-
		<u>73,146,424</u>	<u>78,936,424</u>
<b>4. Reserves</b>			
Balance – 31 Dec 2014		1,000	1,000
600,000,000 unlisted options issued to Throne Investments Pty Ltd or its nominees*	(c)	-	-
40,000,000 unlisted options issued to Directors*	(d)	-	-
		<u>1,000</u>	<u>1,000</u>

\* The options will be valued at the issue date and expensed over the life of the options.

**ANNEXURE B – LIST OF TENEMENTS**

<b>No.</b>	<b>Tenure Reference</b>	<b>Registered Holder</b>	<b>Interest Held (%)</b>
1	M 27/200	Poseidon Nickel Atlantis Operations Pty Ltd	Contractual Rights
2	L27/59	Poseidon Nickel Atlantis Operations Pty Ltd	Access Tenements