



ABN 42 082 593 235

and its controlled entities

# **Annual Report for the financial year ended**

**30 June 2021**

# Corporate directory

## Board of Directors

Mr Davide Bosio	Non-Executive Chairman
Mr Peter Christie	Non-Executive Director
Mr Johnathon Busing	Non-Executive Director
Mr Teow Kim Chng	Non-Executive Director

## Company Secretary

Mr Johnathon Busing

## Registered and Principal Office

Ground Floor  
168 Stirling Highway  
Nedlands Western Australia 6009  
Tel: +61 8 6102 2656

## Postal Address

PO Box 369  
Nedlands, Western Australia 6909

## Website

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

## Auditors

Stantons  
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  
CADOA

# Annual report for the financial year ended 30 June 2021

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## 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 2021. 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 Davide Bosio	Non-Executive Chairman, joined the board on 24 May 2021. Mr Bosio has formidable public company experience including significant roles within the WA gold sector as a former director of De Grey Mining Limited (ASX:DEG) and more recently, Spectrum Metals Limited (acquired by Remelius Resources Limited (ASX:RMS) in early 2020). Currently he holds non-executive director roles with Shree Minerals Limited (ASX:SHH) and Connected IO Limited (ASX: CIO).
Mr Peter Christie	Non-Executive Director, joined the Board on 03 October 2017. Mr Christie is a qualified accountant and tax agent with over 25 years of public accounting experience.
Mr Johnathon Busing BBus, CA	Non-Executive Director & Company Secretary, joined the Board on 30 November 2017. Mr Busing is a chartered accountant with 11 years' experience including financial reporting of ASX listed companies, corporate compliance, corporate restructuring and taxation.
Mr Teow Kim Chng	Non-Executive Director, joined the Board on 05 March 2021. Mr Chng is a Certified Practicing Accountant with over 40 years experience.
Mr David Sanders	Non-Executive Director, joined the Board on 07 December 2018 and resigned on 04 March 2021. 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 Sanders 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 Sanders has a Bachelor of Commerce and Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia. Mr Sanders 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.

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	Share options
	Shares Number	Number
Davide Bosio	70,000,000	35,000,000
Peter Christie	25,000,000	25,000,000
Johnathon Busing	5,000,000	NIL
Teow Kim Chng	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. Bosio	NIL	Caeneus Minerals Ltd	NIL
T. Kim Chng	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	Class of shares	Exercise price of option	Expiry date of options
Caeneus Minerals Ltd	Various	20,000,000	Ordinary	\$0.0050	10 Aug 2022
Caeneus Minerals Ltd	Various	30,000,000	Ordinary	\$0.0100	10 Aug 2022
Caeneus Minerals Ltd	Various	30,000,000	Ordinary	\$0.0200	10 Aug 2022
Caeneus Minerals Ltd	Various	75,000,000	Ordinary	\$0.0150	30 Jun 2023
Caeneus Minerals Ltd	Various	1,303,853,751	Ordinary	\$0.0150	31 Dec 2023
Caeneus Minerals Ltd	Various	1,733,721,320	Ordinary	\$0.0025	31 Dec 2024

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 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	287,959,107	Ordinary	\$744,898	\$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, 6 board meetings were held.

Directors	Board of Directors	
	Eligible to Attend	Attended
Davide Bosio	0	0
Peter Christie	6	6
Johnathon Busing	6	6
Kim Chng	2	2

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, as shown at Note 22.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 14 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 \$2,586,367 (2020: \$547,531). Further discussion on the Group's operations is provided below:

### Review of operations

#### *Mallina Province Projects (E47/3846)*

On 10 August 2020, the Company announced that it received confirmation from the Department of Mines, Industry Regulation and Safety of the grant of Exploration Licence E47/3846, Roberts Hill, in the Mallina Basin locality of the Pilbara Region of Western Australia.

The Company was also advised that Exploration Licence Application E45/5041, Mt Berghaus, had also progressed to final government approval for grant.

The two Exploration Licences, Roberts Hill and Mt Berghaus, cover an area of 170 sq km and 179 sq km respectively and are situated approximately 50 kilometres south of Port Hedland.

As a prelude to the granting of Roberts Hill and Mt Berghaus, the Company completed desktop studies in June and July 2020 on historical exploration activities as well as reviewing technical announcements from adjacent explorer De Grey mining Limited. In addition, the Company commenced a structural and Landsat interpretation over both tenements using available Government published geological, geophysical and satellite imagery.

Whilst Roberts Hill and Mt Berghaus lie within the highly prospective Mallina Basin, the Company research indicated that no significant soil sampling or historical drilling appear to have been carried out over the tenements, possibly due to the thick alluvial sand cover. However, the Company's initial investigations on geophysical and Landsat imagery studies indicate that both Roberts Hill and Mt Berghaus contain locations with compelling similarities to the De Grey gold prospects of Hemi, Mt Berghaus, Mallina and Shaggy. In particular, the Company considers there are several areas which have high exploration significance, where multiple faulting and lineament intersection sites occur.

Potential alteration areas peripheral to intrusive granitic and intermediate structures are also evident and are considered high priority targets worthy of further investigation. The Mallina Basin has been intruded by the Archaean Portree Granitoid Complex and a suite of high magnesium-rich mantle-derived diorites which appear to exhibit a spatial relationship with gold mineralisation elsewhere in the basin. These latter intrusives will be the subject of further confirmation and evaluation.

#### Aeromagnetic Survey

On 28 August 2020, the Company announced the completion of a 10-day field reconnaissance over Roberts Hill and Mt Berghaus. The aim of the visit was to establish vehicular access available for future drilling programs and to review flight survey specifications for the Company's airborne magnetic survey.



As a result of the field visit, the Company finalised its requirements for an airborne magnetic survey which commenced on the first week of September.

In October 2020, the Company announced the completion of the airborne geophysical surveys over its Mallina Province tenements which resulted in the collection of excellent new data. The entire Roberts Hill and Mt Berghaus project area were flown on 50 metre line spacings with a survey sensor height of approximately 35 metres above ground level. Southern Geoscience Consultants of Perth supervised the airborne surveys completed by Thomson Aviation and have assisted in the enhanced processing and interpretation/analysis of the geophysical data acquired.

The geophysical survey was very helpful in profiling the subtle magnetic characteristics of potentially deep-seated mantle-derived intrusives. The Company's upcoming drilling programs will focus on these discrete intrusives as well as investigating 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 located immediately adjacent to the Roberts Hill tenement.

For the Roberts Hill tenement, the Company is nearing the final stages for requesting the necessary statutory approval for a 16,000 to 20,000 metre scout air-core drilling campaign which will 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 1<sup>st</sup> Vertical Derivative data indicated 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.

#### ***Yule River (E47/3857)***

The Company's Yule River Exploration Licence is comprised of two separate blocks totalling 125kilometres in area.

In December 2020, the Company confirmed the completion of a preliminary assessment of geophysical data acquired from its Yule River Project.

Similar to the Company's Mallina tenements, the entire Yule river blocks were flown with a low level detailed aeromagnetic survey at an average height of 35 metres above ground level and at 50 metre line spacings. However, the Yule airborne survey had its flight lines aligned in a north-west direction, somewhat perpendicular to the anomalous Sholl Shear Zone which is of particular interest to the Company. The survey was also carried out by Thomson Aviation under the supervision of Southern Geoscience Consultants of Perth. Southern Geoscience Consultants continue to assist in the interpretation/analysis of the acquired Yule river geophysical data.

The Total Magnetic Intensity (TMI) data collected from the aeromagnetic survey clearly identified the Sholl Shear Zone within the Company's tenement boundaries. Additionally, apparent intrusive features, structural displacements and alteration zones were clearly identifiable from the TMI. The Sholl Shear Zone which is a near-vertical feature traceable for over 250 kilometres, is a dominant major crustal scale shear zone within the Archean Pilbara Craton. Deformation structures such as the Sholl Shear Zone are often coincident with mineralising events, and the Company plans to investigate specific magnetic adjacent to the Sholl Shear Zone with a view to identifying targets for a future air-core drilling program planned for 2021.

**Pardoo (E45/4585 AND E45/4671)**

The Company continued its exploration efforts across its entire portfolio of projects including the commencement of a calcrete/laterite/soil sampling program at its Pardoo project.

The Pardoo project is located within the boundaries of the Great Sandy Desert and offers an excellent opportunity to examine potential gold/base metal geochemistry of calcrete located in more northerly regions of Australia.

**USA Lithium Projects**

In January 2021, the Company commenced a review and assessment of its lithium brine projects in Nevada USA. The review came back with no material information to report.

The Company noted the final milestone payment on the Columbus Marsh asset was made to confirm the Company 100% ownership of the assets.

The Company's claims remain in good standing.

**Corporate****Capital Raising****\$0.5 Million Placement**

On 28 August 2020, the Company announced a successful capital raising via a Placement of 125,000,000 fully paid ordinary shares ("Shares") at an issue price of \$0.004 each for a total amount raised of \$500,000 to sophisticated and professional investors in the Company. The Company also issued a 1 for 2 free attaching option exercisable at \$0.015 expiring on 31 December 2023.

**\$2 Million Placement**

On 11 September 2020, the Company raised an additional \$2 Million via a Placement of 200,000,000 Shares at an issue price of \$0.01 to professional investor and clients of Shaw and Partners Limited. The Company also issued a 1 for 2 free attaching options exercisable at \$0.015 expiring 31 December 2023.

These funds were raised at a 25% premium to the 15-day VWAP (\$0.008) and the Placement was heavily oversubscribed.

Funds raised will be directed towards the Company's exploration activities primarily at its Roberts Hill tenement including interpretation of the aeromagnetic survey and future delineation drilling of any targets identified.

**CEO Appointment**

To manage effective and disciplined exploration activities over its entire project portfolio, the Company confirmed the appointment of Mr Rob Mosig as CEO on 10 August 2020.

Mr Mosig, a geologist with over 30 years of experience in gold, platinum, diamond and specialty metals was previously the founding Managing Director of Helix Resources Limited (ASX: HLX) and Platina Resources Limited (ASX: PGM).

## **Annual General Meeting**

The Company held its Annual General Meeting on 25 November 2020. All resolutions were passed by the requisite majority. Details of the proxy votes in respect of each resolution were set out in a summary attached to the announcement made on the same day.

## **Board Change**

On 5 March 2021, the Company announced that Mr Teow Kim Chng was appointed as a Non-Executive Director of the Company. Mr Chng is a Certified Practising Accountant with over 40 years' experience and replaces Mr David Sanders who resigned on the same day. The Board thanks Mr Sanders for his excellent assistance as a Non Executive Director since December 2018. Mr Sanders will continue to provide legal assistance to the Company as a Consultant.

On 24 May 2021, the Company announced that Mr Davide Bosio was appointed as Non-Executive Chairman of the Company. Mr Bosio is the WA State Manager at Shaw and Partners Limited and has over 20 years' experience in the stockbroking industry with a focus on corporate services to listed companies. He replaces Mr Peter Christie who stepped down as Chairman on the same day. Mr Christie will continue his contribution to the Company as Non- Executive Director.

## **Expiry of Unlisted Options**

The Company advised that the following options have expired unexercised:

<b>ASX</b>	<b>Class Name</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>No. of Options</b>
CAD	CAD67913 UO30062021 CADO	30 June 2021	\$0.0500	115,023,394
CADO	LO31122020	31 December 2020	\$0.0300	349,128,014

## **Subsequent Events**

On 28 July 2021, the Company advised that all precursor key survey approvals were completed and the Company will now commence the inaugural drilling program at its 100% owned Roberts Hill exploration licence E47/3846.

The maiden drilling campaign commenced on 2 August 2021. Apart from one historical water bore, no drilling has been carried out on the Roberts Hill tenement. For this first drilling program, the Company has elected to conduct a 20,000m air core exploratory drilling campaign.

Drilling has started and several drill holes have already been completed on the eastern portion of exploration licence where potential structural and intrusive features are being investigated.

Drill cuttings from some holes which have been initially examined indicate a thick 30m to 40m transported soil cover overlying altered granite and occasionally mafic intrusive lithologies. In several drill hole, pyrite and pyrrhotite appear as disseminations within the mafic lithologies.

Whilst the occurrence of sulphides is not unexpected in this part of the Mallina Basin, the Company was encouraged by their presence which justified the geophysical and geological modelling carried out by the Company over the past 8 months. The Company also employed a field assistant from the Karriyarra Aboriginal Corporation to assist with the program. The Company is delighted to work with the traditional landowners on this program and into the future.

## 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 2021. 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 Davide Bosio (appointed 24 May 2021)	Non-executive Chairman
Mr Peter Christie (appointed 28 November 2017)	Non-executive Director
Mr Johnathon Busing (appointed 30 November 2017)	Non-executive Director
Mr Teow Kim Chng (appointed 5 March 2021)	Non-executive Director
Mr David Sanders (resigned 4 March 2021)	Non-executive Director

On 24 May 2021, Mr Peter Christie stepped down as chairman on appointment of Mr Davide Bosio and continued as Non-executive director.

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 four (4) non-executive directors. As set out below, total remuneration costs for the 2021 financial year were \$236,383 up from \$210,784 for the previous financial year.

The Company appointed Mr Rob Mosig as CEO, on 10 August 2020. The directors have determined him not to be key management personnel.

#### *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.

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 2021:

	30 June 2021 \$	30 June 2020 \$	30 June 2019 \$	30 June 2018 \$	30 June 2017 \$
Revenue	5,000	217,758	2,460	49,456	19,232
Net (loss)/profit before tax	(2,586,367)	(547,531)	(2,561,253)	(5,200,659)	(5,986,386)
Net (loss)/profit after tax	(2,586,367)	(547,531)	(2,561,253)	(5,200,659)	(5,986,386)
Share price at start of year	0.0040	0.0015	0.001	0.04	0.03
Share price at end of year	0.0100	0.0040	0.0015	0.01	0.04
Basic loss per share (cents per share)	(0.07)	(0.02)	(0.16)	(0.8)	(1.3)
Diluted loss per share (cents per share)	(0.07)	(0.02)	(0.16)	(0.8)	(1.3)

### Voting and comments on the Remuneration Report at the 2020 Annual General Meeting

At the Company's 2020 Annual General Meeting ("AGM"), a resolution to adopt the 2020 remuneration report was put to a vote and passed unanimously on a show of hands with proxies received also indicating majority. 93.99% 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

2021	Short-term employee benefits			Post-employment benefits	Share-based payments	Total
	Salary & fees \$	Unpaid salary & fees \$	Other \$	Superannuation \$	Options \$	
<b>Directors</b>						
Davide Bosio <sup>1</sup>	6,290	-	-	-	12,730	19,020
Peter Christie	36,000	-	-	-	-	36,000
Johnathon Busing <sup>2</sup>	30,000	-	115,750	-	-	145,750
Teow Kim Chng <sup>3</sup>	11,613	-	-	-	-	11,613
David Sanders <sup>4</sup>	24,000	-	-	-	-	24,000
<b>Total</b>	<b>107,903</b>	<b>-</b>	<b>115,750</b>	<b>-</b>	<b>12,730</b>	<b>236,383</b>

<sup>1</sup> Appointed 24 May 2021. Options expense is based on a provisional valuation, final valuation will occur on shareholders approval.

<sup>2</sup> Amounts in 'Other' represent company secretarial and accounting fees paid to Everest Accounting Pty Ltd (Everest). Mr Busing is a director and established Everest Accounting Pty Ltd.

<sup>3</sup> Appointed 5 Mar 2021

<sup>4</sup> Resigned 4 Mar 2021

2020	Short-term employee benefits			Post-employment benefits	Share-based payments	Total
	Salary & fees \$	Unpaid salary & fees \$	Other \$	Superannuation \$	Options \$	
<b>Directors</b>						
Peter Christie	36,000	-	-	-	-	36,000
Johnathon Busing <sup>1</sup>	30,000	-	105,364	-	-	135,364
David Sanders	36,000	-	-	3,420	-	39,420
<b>Total</b>	<b>102,000</b>	<b>-</b>	<b>105,364</b>	<b>3,420</b>	<b>-</b>	<b>210,784</b>

<sup>1</sup> Amounts in 'Other' represent company secretarial and accounting fees paid to Everest Accounting Pty Ltd (Everest). Mr Busing is a director and established Everest Accounting Pty Ltd.

### 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 (2020: nil).

#### Incentive share-based payments arrangements

Subject to shareholders approval, Mr Davide Bosio will be offered an incentive option package comprising:

- 30,000,000 CADOA Options exercisable at \$0.015 expiring 31 December 2023; and
- 30,000,000 Unlisted Options exercisable at \$0.030 expiring 24 May 2024.

	30 million listed options to Mr Davide Bosio	30 million unlisted options to Mr Davide Bosio
Grant Date / Valuation Date	24/05/2021	24/05/2021
Share price on Grant Date	\$0.0030	\$0.0100
Exercise price	\$0.0150	\$0.0300
Risk free rate	N/A	0.010%
Expiry date	31/12/2023	24/05/2024
Volatility	N/A	223.04%
Provisional fair value of call option	\$3,505	\$9,225

### Key terms of employment contracts

The key terms of appointment of Mr Davide Bosio are formalised in a non-executive services agreement (dated 24 May 2021) and are as follows:

- Term of agreement - commencing 24 May 2021.
- A fee of \$60,000 p.a. (excluding GST).

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).

A formal agreement between the Company and Everest Accounting Pty Ltd for the provision of Company Secretarial or Accounting Services was signed on 15 September 2020. Major provisions of the agreement are as follows:

- Term of agreement - commencing 1 July 2020.
- A fee of \$96,000 p.a. (excluding GST).

The key terms of appointment of Mr Teow Kim Chng are formalised in a non-executive services agreement (dated 05 March 2021) and are as follows:

- Term of agreement - commencing 05 March 2021.
- A fee of \$36,000 p.a. (excluding GST).

### Key management personnel equity holdings

#### Fully paid ordinary shares of Caeneus Minerals Ltd

2021	Balance at 01 July 2020 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Number held on resignation No.	Balance at 30 June 2021 No.
P Christie	25,000,000	-	-	-	-	25,000,000
J Busing	-	-	-	5,000,000	-	5,000,000
D Sanders <sup>1</sup>	25,000,000	-	5,000,000	(5,000,000)	25,000,000	-
T Chng <sup>2</sup>	-	-	-	-	-	-
D Bosio <sup>3</sup>	-	-	-	70,000,000	-	70,000,000

<sup>1</sup> Resigned on 04 March 2021.

<sup>2</sup> Appointed on 05 March 2021.

<sup>3</sup> Appointed on 24 May 2021.

2020	Balance at 01 July 2019 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Number held on resignation No.	Balance at 30 June 2020 No.
P Christie	-	-	-	25,000,000	-	25,000,000
J Busing	-	-	-	-	-	-
D Sanders	-	-	-	25,000,000	-	25,000,000

## Share options of Caeneus Minerals Ltd

2021	Balance at 1 July 2020	Exercised	Net other change	Balance on resignation	Balance at 30 June 2021	Balance vested at 30 June 2021	Vested and exercisable	Options vested during year
	No.	No.	No.	No.	No.	No.	No.	No.
P Christie	25,000,000	-	-	-	25,000,000	25,000,000	25,000,000	-
J Busing	-	-	-	-	-	-	-	-
D Sanders <sup>1</sup>	25,000,000	(5,000,000)	-	20,000,000	-	-	-	-
T Chng <sup>2</sup>	-	-	-	-	-	-	-	-
D Bosio <sup>3</sup>	-	-	35,000,000	-	35,000,000	35,000,000	35,000,000	-

<sup>1</sup> Resigned on 04 March 2021.

<sup>2</sup> Appointed on 05 March 2021.

<sup>3</sup> Appointed on 24 May 2021.

2020	Balance at 1 July 2019	Exercised	Net other change	Balance on resignation	Balance at 30 June 2020	Balance vested at 30 June 2020	Vested and exercisable	Options vested during year
	No.	No.	No.	No.	No.	No.	No.	No.
P Christie	-	-	-	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
J Busing	-	-	-	-	-	-	-	-
D Sanders	-	-	-	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000

During the financial year 5,000,000 share options were exercised by key management personnel (2020: 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

**Non-Executive Director**

Perth, 23 September 2021





PO Box 1908  
West Perth WA 6872  
Australia  
Level 2, 1 Walker Avenue  
West Perth WA 6005  
Australia  
Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204  
ABN: 84 144 581 519  
www.stantons.com.au

23 September 2021

Board of Directors  
Caeneus Minerals Limited  
Ground Floor,  
168 Stirling Highway,  
NEDLANDS WA 6009

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 audit of the financial report of Caeneus Minerals Limited for the year ended 30 June 2021, 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**  
(An Authorised Audit Company)

**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 2021, 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 2021 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.

**Key Audit Matters**

We have defined the following matters to be the key audit matters to be communicated in our report. 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.

**Valuation of Share Options**

As disclosed in notes 15 and 27 to the financial statements, the Company granted a number of share options to consultants and directors as share based payments.

The Company prepared valuations of these share options in accordance with its accounting policy and *AASB 2: Share-based Payment*.

The valuation of these share options is a key audit matter as it involved judgements by management in determining the fair value of the equity instruments granted.

Inter alia, our audit procedures included the following:

- i. Reviewing agreements, minutes of the Board of Directors meetings and ASX announcements;
- ii. Reviewing the inputs used in the models, the underlying assumptions used and discussion with management the justification for these inputs;
- iii. Assessing the accounting treatment, and reperformance of the calculation and its application in accordance with *AASB 2: Share-based Payment*; and
- iv. Assessing whether the disclosures made in the financial report in regard to the share-based payments, and accounting estimates and judgements, met the requirements of the accounting standards.

**Going Concern**

The financial statements have been prepared on a going concern basis as discussed in note 3.3. Historically, the Group has incurred losses, and has depended on raising capital to fund exploration and administrative operations.

At 30 June 2021, the Group had cash and cash equivalents of \$1,635,924 and incurred a loss after income tax of \$2,586,367. The Group had net operating outflows totalling \$785,734.

The going concern assumption is considered to be a key audit matter as the Group is reliant on existing cash reserves and future capital raising to cover operations including exploration and operating expenditure.

Inter alia, our audit procedures included the following:

- i. Assessing the cash flow requirements of the Company and the Group based on budgets and forecasts;
- ii. Understanding what forecast expenditure is committed and what could be considered discretionary;
- iii. Considering the liquidity of existing assets on the balance sheet;
- iv. Tracing the funds received from capital raisings and conversion of options after 30 June 2021, but prior to the signing of this report; and
- v. Reviewing the financial report to ensure adequate disclosure in the notes regarding the going concern basis of preparation.

**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 2021 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 9 to 13 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Caeneus Minerals Limited for the year ended 30 June 2021 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**  
(An Authorised Audit Company)

*Stantons International Audit & Consulting Pty Ltd*

*Martin Michalik*

**Martin Michalik**  
Director

West Perth, Western Australia  
23 September 2021

## 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 2021 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



Mr Peter Christie  
**Non-Executive Director**  
Perth, 23 September 2021

# Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2021

	Note	Consolidated	
		Year ended	
		30 June 2021	30 June 2020
		\$	\$
<b>Continuing operations</b>			
Other income	6	5,000	217,758
Administration costs	7	(249,815)	(78,746)
Consultant costs	7	(370,135)	(313,273)
Compliance costs	7	(156,068)	(147,991)
Impairment expenses	7,11	(755,298)	(212,377)
Depreciation		(720)	-
Travel expenses		(171)	(2,634)
Share based payment	27	(1,082,894)	-
Foreign exchange gains (losses)		23,734	(10,268)
<b>Loss before income tax</b>		<b>(2,586,367)</b>	<b>(547,531)</b>
Income tax expense	8	-	-
<b>Loss for the year</b>		<b>(2,586,367)</b>	<b>(547,531)</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>(2,586,367)</b>	<b>(547,531)</b>
Loss and total comprehensive loss for the year attributable to Owners of Caeneus Minerals Ltd		<b>(2,586,367)</b>	<b>(547,531)</b>
<b>Loss per share:</b>			
Basic and diluted (cents per share)	9	(0.07)	(0.02)

Notes to the consolidated financial statements are included on pages 24 to 52.

# Consolidated statement of financial position as at 30 June 2021

	Note	Consolidated	
		30 June 2021	30 June 2020
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	20	1,635,924	319,832
Trade, other receivables and prepayments	10	38,242	26,066
Other assets		1,862	1,862
<b>Total current assets</b>		<b>1,676,028</b>	<b>347,760</b>
<b>Non-current assets</b>			
Property, plant and equipment		2,166	-
Exploration and evaluation expenditure	11	-	-
<b>Total non-current assets</b>		<b>2,166</b>	<b>-</b>
<b>Total assets</b>		<b>1,678,194</b>	<b>347,760</b>
<b>Current liabilities</b>			
Trade and other payables	13	71,915	74,223
Unissued shares		82,500	-
Deferred considerations	16	252,257	298,435
<b>Total current liabilities</b>		<b>406,672</b>	<b>372,658</b>
<b>Total liabilities</b>		<b>406,672</b>	<b>372,658</b>
<b>Net assets/(liabilities)</b>		<b>1,271,522</b>	<b>(24,898)</b>
<b>Equity</b>			
Issued capital	14	89,630,302	86,830,409
Reserves	15	3,178,152	2,095,258
Accumulated losses		(91,536,932)	(88,950,565)
<b>Total equity/(deficit)</b>		<b>1,271,522</b>	<b>(24,898)</b>

Notes to the consolidated financial statements are included on pages 24 to 52.



## Consolidated statement of changes in equity for the year ended 30 June 2021

	Issued Capital	Convertible Notes	Options Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 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>
Loss for the year	-	-	-	(547,531)	(547,531)
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(547,531)</b>	<b>(547,531)</b>
Reclassification of convertible note	101,305	(101,305)	-	-	-
Issue of shares to sophisticated and professional investors	150,819	-	-	-	150,819
Issue of shares to sophisticated and professional investors	148,095	-	-	-	148,095
Issue of shares to sophisticated and professional investors	400,000	-	-	-	400,000
Issue of shares to directors	25,000	-	-	-	25,000
Issuance of options	-	-	40,000	-	40,000
Share issue costs	(8,162)	-	-	-	(8,162)
<b>Balance at 30 June 2020</b>	<b>86,830,409</b>	<b>-</b>	<b>2,095,258</b>	<b>(88,950,565)</b>	<b>(24,898)</b>
<b>Balance at 1 July 2020</b>	<b>86,830,409</b>	<b>-</b>	<b>2,095,258</b>	<b>(88,950,565)</b>	<b>(24,898)</b>
Loss for the year	-	-	-	(2,586,367)	(2,586,367)
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(2,586,367)</b>	<b>(2,586,367)</b>
Issue of options	-	-	1,082,894	-	1,082,894
Issue of shares pursuant to the exercise of unlisted options	75,000	-	-	-	75,000
Issue of shares pursuant to the exercise of unlisted options	87,500	-	-	-	87,500
Issue of shares to sophisticated and professional investors	500,000	-	-	-	500,000
Issue of shares pursuant to the exercise of unlisted options	28,000	-	-	-	28,000
Issue of shares to sophisticated and professional investors	2,000,000	-	-	-	2,000,000
Issue of shares pursuant to the exercise of unlisted options	117,500	-	-	-	117,500
Issue of shares pursuant to the exercise of unlisted options	37,037	-	-	-	37,037
Issue of shares pursuant to the exercise of unlisted options	6,250	-	-	-	6,250
Issue of shares pursuant to the exercise of unlisted options	119,574	-	-	-	119,574
Share issue costs	(170,968)	-	-	-	(170,968)
<b>Balance at 30 June 2021</b>	<b>89,630,302</b>	<b>-</b>	<b>3,178,152</b>	<b>(91,536,932)</b>	<b>1,271,522</b>

Notes to the consolidated financial statements are included on pages 24 to 52.

## Consolidated statement of cash flows for the year ended 30 June 2021

		<b>Consolidated</b>	
		<b>Year ended</b>	
		<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(790,734)	(563,174)
Interest received		-	110
Receipt from ATO		5,000	10,000
Research and development refund received		-	200,148
Net cash (used in) operating activities	20.1	(785,734)	(352,916)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation expenditure		(755,844)	(213,481)
Payment of deferred consideration		(21,837)	-
Purchase of property, plant and equipment		(2,886)	-
Net cash (used in) investing activities		(780,567)	(213,481)
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity instruments of the Company		2,970,861	723,914
Proceeds from issuance of options		-	40,000
Proceeds from shares yet to be issued		82,500	-
Payment for share issue costs		(170,968)	(8,162)
Net cash provided by financing activities		2,882,393	755,752
<b>Net increase in cash and cash equivalents</b>		<b>1,316,092</b>	<b>189,355</b>
Cash and cash equivalents at the beginning of the year		319,832	130,477
<b>Cash and cash equivalents at the end of the year</b>		<b>1,635,924</b>	<b>319,832</b>

Notes to the consolidated financial statements are included on pages 24 to 52.

# Notes to the consolidated financial statements for the year ended 30 June 2021

## 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 new Interpretation that are mandatorily effective for the current year*

#### **Initial adoption of AASB 2020-04: COVID-19-Related Rent Concessions**

AASB 2020-4: Amendments to Australian Accounting Standards - COVID-19-Related Rent Concessions amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

#### **Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards - Definition of a Business**

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

#### **Initial adoption of AASB 2018-7: Amendments to Australian Accounting Standards - Definition of Material**

This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

#### **Initial adoption of AASB 2019-3: Amendments to Australian Accounting Standards - Interest Rate Benchmark**

This amendment amends specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform.

#### **Initial adoption of AASB 2019-1: Amendments to Australian Accounting Standards - References to the Conceptual Framework**

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

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

### **2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year (cont'd)**

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## **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 23 September 2021.

### **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 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 16, 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;

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

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

- 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.

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.

#### 3.3 *Going Concern Basis*

The consolidated financial statements have been prepared on a 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 2021, the Group incurred a loss after tax of \$2,586,367 (2020: \$547,531), and a net cash outflow from operations of \$785,734 (2020: \$352,916). At 30 June 2021, the Group had a working capital of \$1,269,356 (2020: working capital deficit of \$24,898) and non-current liabilities of \$NIL (2020: \$NIL). As at 30 June 2021, the Group had a cash balance of \$1,635,924. 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.

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

#### 3.3 *Going Concern Basis (cont'd)*

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.

The company is aware that there is a high level of uncertainty in the market and in the exploration sector due to the ongoing impact of the COVID-19 pandemic. Caeneus will continue to monitor the changing situation, however the company does not believe this should adversely affect the ability to raise funds if and when required.

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.

#### 3.4 *Revenue recognition*

The Group applies AASB 15 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.

#### 3.5 *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;

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

#### 3.5 Business combinations (cont'd)

- 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.

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. Significant accounting policies (cont'd)

#### 3.6 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.

#### 3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### 3.7.1 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.

##### 3.7.2 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.



**3. Significant accounting policies (cont'd)****3.7 Taxation (cont'd)****3.7.2 Deferred tax (cont'd)**

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.

**3.7.3 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.

**3.8 *Exploration and evaluation expenditure***

Exploration and evaluation costs represent intangible assets. Exploration, evaluation and development costs are expensed as incurred. Acquisition costs related to an area of interest are capitalised and carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the areas of interest are continuing.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed.

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

#### 3.9 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.

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

#### 3.10 Financial instruments (cont'd)

##### 3.10.1.1 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.

##### 3.10.1.2 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.

##### 3.10.1.3 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.

##### 3.10.2 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

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

#### 3.10 Financial instruments (cont'd)

##### 3.10.2 Financial liabilities (cont'd)

##### 3.10.2.1 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.

##### 3.10.3 Impairment

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 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.

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

#### 3.13 Government Grant

An unconditional government grant is recognised in the statement of profit or loss as other income when the grant becomes receivable. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

Research and development tax incentives are recognised in the statement of profit or loss as other income when received or when the amount to be received can be reliably estimated.

### 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.

##### 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.

The table below presents the asset and liability information and operating results regarding the geographical segments for the year ended 30 June 2021.

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Australia	1,674,787	344,353
United States of America	3,407	3,407
<b>Total assets</b>	<b>1,678,194</b>	<b>347,760</b>
<b>Liabilities</b>		
Australia	404,798	370,784
United States of America	1,874	1,874
<b>Total liabilities</b>	<b>406,672</b>	<b>372,658</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Operating result</b>		
Australia	(2,513,019)	(478,366)
United States of America	(73,348)	(69,165)
<b>Total loss from operations</b>	<b>(2,586,367)</b>	<b>(547,531)</b>

## 6. Other Income

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Interest income	-	110
Other income	5,000	17,500
R & D Tax Incentive	-	200,148
	<b>5,000</b>	<b>217,758</b>

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

	2021	2020
	\$	\$
Administration costs:		
Promotional and meeting expenses	109,805	23,837
Other	140,010	54,909
Total administration costs	249,815	78,746
Consultants costs	370,135	313,273
Compliance costs:		
ASX expenses	50,374	28,861
Share registry expenses	56,182	74,515
Audit expenses	37,809	34,282
ASIC expenses	11,703	10,333
Total compliance costs	156,068	147,991
Impairment expenses	755,298	212,377

**8. Income taxes relating to continuing operations**

**8.1 Income tax recognized in profit or loss**

	2021	2020
	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-

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

	2021	2020
	\$	\$
Loss before tax from continuing operations	(2,586,367)	(547,531)
Income tax expense calculated at 26.0% (2020: 27.5%)	(672,455)	(150,571)
Effect of expenses that are not deductible in determining taxable loss	442,909	15,902
Effect of deductible capitalised expenditure	(196,377)	(58,404)
Correction from previous year tax calculation	-	-
Effect of unused tax losses not recognised as deferred tax assets	425,923	193,073
	-	-

The tax rate used for the 2021 reconciliation above is the corporate tax rate of 26.0% (2020: 27.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

**8. Income taxes relating to continuing operations (cont'd)****8.2 Unrecognised deferred tax assets**

Unused tax losses (revenue) for which no deferred tax assets have been recognised (at 26.0%) (2020: 27.5%)

<b>2021</b>	<b>2020</b>
\$	\$
18,253,747	18,856,352

This benefit from tax losses totalling \$70,206,721 (2020: \$68,568,554) 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.

**9. Loss per share**

Basic and diluted loss per share

<b>2021</b>	<b>2020</b>
cents per share	cents per share
(0.07)	(0.02)

**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:

Loss for the year attributable to owners of the Company

<b>2021</b>	<b>2020</b>
\$	\$
(2,586,367)	(547,531)

Weighted average number of ordinary shares for the purposes of basic and diluted loss per share

<b>2021</b>	<b>2020</b>
No.	No.
3,868,692,009	2,576,784,232

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

Prepayments  
Other receivables

<b>2021</b>	<b>2020</b>
\$	\$
10,350	4,167
27,892	21,899
38,242	26,066

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



**11. Exploration and evaluation expenditure**

	<b>2021</b>	<b>2020</b>
	\$	\$
Carried forward exploration and evaluation expenditure	-	-
Expenditure incurred during the year	755,298	212,377
Impairment of exploration and evaluation expenditure (i)	(755,298)	(212,377)
	-	-

(i) An impairment expense of \$755,298 has been recognised in profit or loss for the year ended 30 June 2021 (2020: \$212,377). This is consistent with the Group's policy on exploration and evaluation expenditure.

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

	<b>2021*</b>	<b>2020*</b>
	\$	\$
Not longer than one (1) year	216,421	147,006
Two (2) to five (5) years	459,040	239,589
	675,461	386,595

\* The figures also include costs for maintaining 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 2021.

**13. Trade and other payables**

	<b>2021</b>	<b>2020</b>
	\$	\$
Trade and other payables	51,915	54,223
Accrued expenses	20,000	20,000
	71,915	74,223

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

	<b>2021</b>	<b>2020</b>
	\$	\$
Everest Accounting Pty Ltd <sup>1</sup>	5,000	15,489

<sup>1</sup> Johnathon Busing is a director of Everest Accounting Pty Ltd

**14. Issued capital**

3,986,990,260 fully paid ordinary shares  
(30 June 2020: 3,473,645,967)

30 Jun 2021	30 Jun 2020
\$	\$
<b>89,630,302</b>	<b>86,830,409</b>

**Fully paid ordinary shares**

	30 Jun 2021		30 Jun 2020	
	No.	\$	No.	\$
Balance at beginning of period	3,473,645,967	86,830,409	2,141,260,371	86,013,352
Issue of shares (i)	30,000,000	75,000	-	-
Issue of shares (ii)	35,000,000	87,500	-	-
Issue of shares (iii)	125,000,000	500,000	-	-
Issue of shares (iv)	11,200,000	28,000	-	-
Issue of shares (v)	200,000,000	2,000,000	-	-
Issue of shares (vi)	47,000,000	117,500	-	-
Issue of shares (vii)	14,814,814	37,037	-	-
Issue of shares (viii)	2,500,000	6,250	-	-
Issue of shares (ix)	47,829,479	119,574	-	-
Reclassification (x)	-	-	-	101,305
Issue of shares (xi)	-	-	186,196,554	150,819
Issue of shares (xii)	-	-	296,189,042	148,095
Issue of shares (xiii)	-	-	25,000,000	12,500
Issue of shares (xiv)	-	-	800,000,000	400,000
Issue of shares (xv)	-	-	25,000,000	12,500
Share issue costs	-	(170,968)	-	(8,162)
	<b>3,986,990,260</b>	<b>89,630,302</b>	<b>3,473,645,967</b>	<b>86,830,409</b>

(i) Issue of fully paid ordinary shares at \$0.0025 each on 24 July 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(ii) Issue of fully paid ordinary shares at \$0.0025 each on 17 August 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(iii) Issue of fully paid ordinary shares at \$0.0040 each on 28 August 2020 pursuant to a placement to sophisticated investors of the Company.

(iv) Issue of fully paid ordinary shares at \$0.0025 each on 28 August 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(v) Issue of fully paid ordinary shares at \$0.0100 each on 11 September 2020 pursuant to a placement to sophisticated investors of the Company.

(vi) Issue of fully paid ordinary shares at \$0.0025 each on 11 September 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(vii) Issue of fully paid ordinary shares at \$0.0025 each on 15 December 2020 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(viii) Issue of fully paid ordinary shares at \$0.0025 each on 01 February 2021 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(ix) Issue of fully paid ordinary shares at \$0.0025 each on 12 March 2021 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

**14. Issued capital (cont'd)**

- (x) Reclassification of the convertible notes that were converted into equity by 30 June 2019.
- (xi) Issue of fully paid ordinary shares at \$0.00081 each on 25 October 2019 pursuant to a placement to sophisticated investors of the Company.
- (xii) Issue of fully paid ordinary shares at \$0.0005 each on 31 December 2019 pursuant to a placement to sophisticated investors of the Company.
- (xiii) Issue of fully paid ordinary shares at \$0.0005 each on 23 April 2020 pursuant to a placement to Director of the Company Mr Peter Christie.
- (xiv) Issue of fully paid ordinary shares at \$0.0005 each on 23 April 2020 pursuant to a placement to sophisticated investors of the Company.
- (xv) Issue of fully paid ordinary shares at \$0.0005 each on 23 April 2020 pursuant to a placement to Director of the Company Mr David Sanders.

**15. Reserves**

	2021 \$	2020 \$
Balance at beginning of the year	2,095,258	2,055,258
Options issued to Shaw & Partners Limited <sup>(i)</sup>	206,164	-
Options issued to Robert Mosig <sup>(ii)</sup>	864,000	-
Options issued to Davide Bosio <sup>(iii)</sup>	3,505	-
Options issued to Davide Bosio <sup>(iv)</sup>	9,225	-
Options issued to sophisticated and professional investors <sup>(v)</sup>	-	40,000
Carrying value at end of the year	3,178,152	2,095,258

(i) This represents the expense portion allocated for the financial year of 25,000,000 unlisted options issued to Shaw and Partners for Corporate Advisory Services from September 2020 for 12 months.

(ii) This represents the value attributed to 90,000,000 unlisted options issued to Robert Mosig as part of remuneration contained in the Consultancy Agreement.

(iii) This represents the expense portion allocated for the financial year based on the provisional value attributed to 30,000,000 listed options to be issued to Davide Bosio as part of the incentive option package. Finalised amounts will be recognized upon shareholders' approval.

(iv) This represents the expense portion allocated for the financial year based on the provisional value attributed to 30,000,000 unlisted options to be issued to Davide Bosio as part of the incentive option package. Finalised amounts will be recognized upon shareholders' approval.

(v) Issue of 400,000,000 unlisted options to sophisticated and professional investors at \$0.0001 each as part of the capital raising on 18 February 2020.

**16. Deferred considerations**

	2021 \$	2020 \$
<b>Current</b>		
Cash consideration payable to GEM for acquisitions of ATC Resources and Nevada Clays (i)(ii)(iii)(iv)(v)(vi)	252,257	298,435
	252,257	298,435

On 10 September 2020, the Company paid US\$15,000 to GEM as progress payment pursuant to the acquisition of ATC Resources Pty Ltd.

## 16. Deferred considerations (cont'd)

### ***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, various subsidiaries of Caeneus were liable to pay GEM deferred cash payments as follows that have not yet been paid:

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

- (i) US\$15,000 on that date that is 24 months after the settlement of the acquisition (being 24 months from 23 June 2016);
- (ii) 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.
- (iii) US\$55,000 on that date that is 48 months after the settlement of the acquisition (being 48 months from 23 June 2016).

#### **Arising from acquisition of Nevada Clays Pty Ltd**

- (iv) US\$15,000 on that date that is 12 months after the settlement of the acquisition (being 12 months from 13 September 2016).
- (v) US\$20,000 on that date that is 24 months after the settlement of the acquisition (being 24 months from 13 September 2016).
- (vi) US\$25,000 on that date that is 36 months after the settlement of the acquisition (being 36 months from 13 September 2016).
- (vii) US\$35,000 on that date that is 48 months after the settlement of the acquisition (being 48 months from 13 September 2016).

## 17. Financial instruments

### 17.1 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.

**17. Financial instruments (cont'd)****17.2 Categories of financial instruments**

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.

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	1,635,924	319,832
Trade and other receivables (non-interest bearing)	27,892	21,899
	<b>1,663,816</b>	<b>341,731</b>
<b>Financial liabilities</b>		
Trade and other payables (non-interest bearing)	71,915	74,223
Deferred considerations - current ( <i>refer note 16</i> )	252,257	298,435
	<b>324,172</b>	<b>372,658</b>
<b>Net financial assets/(liabilities)</b>	<b>1,339,644</b>	<b>(30,927)</b>

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

**17.3 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.

**17.4 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 17.5).

**17. Financial instruments (cont'd)****17.5 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 2021 would decrease/increase by \$16,359 (2020: \$3,198).

**17.6 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:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Financial Assets denominated in foreign currency in books of Caeneus Minerals Ltd		
Deferred Consideration payable in USD	190,000	205,000
Deferred Consideration payable in AUD	252,257	298,435
Percentage shift of the AUD /USD exchange rate	<b>10%</b>	<b>10%</b>
	<b>A\$</b>	<b>A\$</b>
Total effect on comprehensive loss of positive movements	28,029	29,843
Total effect on comprehensive loss of negative movements	(22,932)	(27,130)

**17. Financial instruments (cont'd)****17.7 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.

**17.8 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					
	Carrying Amount	Less than 1 month	1-3 months	3-12 months	1 year to 5 years	Total contractual cash flows
	\$	\$	\$	\$	\$	\$
<b>2021</b>						
Trade and other payables	71,915	-	71,915	-	-	71,915
Deferred consideration (current)	252,257	252,257	-	-	-	252,257
<b>2020</b>						
Trade and other payables	74,223	-	74,223	-	-	74,223
Deferred consideration (current)	298,435	298,435	-	-	-	298,435

**18. Key management personnel**

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

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	223,653	210,784
Share-based payment	12,730	-
	<b>236,383</b>	<b>210,784</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 10.

**19. Related party transactions****19.1 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, Nevada Metals (USA) Inc., Blue Ribbon Mines Pilbara Pty Ltd and Mt Roe Mining Pty Ltd.

**19.2 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 18.

Mr Davide Bosio is a director of Pareto Capital Pty Ltd. An amount of \$6,290.32 was included in trade and other payables relating to directors' fees owed.

Mr Peter Christie is a director of Hawkins Christie Management Services and was being paid for the Company's registered office.

Mr Johnathon Busing is a director of Everest Accounting Pty Ltd. An amount of \$4,545 was included in trade and other payables relating to directors' fees owed, consulting services and other reimbursements.

Mr Teow Kim Chng is a director of Interview Holdings Pty Ltd. An amount of \$3,000 was included in trade and other payables relating to directors' fees owed.



**19. Related party transactions (cont'd)****19.2 Key management personnel (cont'd)**

Amounts paid relating to services excluding directors' fees and consulting services:

	<b>2021</b>
	\$
Hawkins Christie Management Services	2,210

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

**20. 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>2021</b>	<b>2020</b>
	\$	\$
Cash and bank balances	1,635,924	319,832

**20.1 Reconciliation of loss for the year to net cash flows from operating activities**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Cash flow from operating activities</b>		
Loss for the year	(2,586,367)	(547,531)
<b>Adjustments for:</b>		
Impairment	755,298	212,377
Share based payments	1,082,894	-
Reduction in deferred consideration	-	-
Interest accrued on convertible notes	-	-
Foreign exchange gain	(23,075)	6,769
<b>Movements in working capital</b>		
(Increase) in trade, other receivables and prepayments	(12,176)	34,316
(Decrease)/increase in trade and other payables	(2,308)	(58,847)
<b>Net cash flow from operating activities</b>	<b>(785,734)</b>	<b>(352,916)</b>

**Non-cash financing activities**

There were no non-cash financing or investing activities during the year.

**21. 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.

Upon acquiring 100% interest in Mount Roe Mining Pty Ltd, the Company is liable on a discovery at either E47/3846 and/or E45/5041 and/or E47/3857: totalling 200,000 ounces JORC resource of gold (or gold equivalent on any metals) on or before 23 October 2022 - (5 years after settlement) to issue of \$A1.0m in Caeneus Shares at five-day VWAP prior to notification of this milestone/payment or \$1.0m in cash (at the election of Caeneus).

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

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

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Audit and review of financial reports	35,000	35,000

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

**23. Events after the reporting period**

On 4 August 2021, the Company issued 198,000,000 fully paid ordinary shares with free attaching unlisted options exercisable at \$0.015 on or before 31 December 2023 on a 1:1 basis pursuant to July 2021 placement to sophisticated and institutional investors.

On 5 August 2021, the Company issued 33,000,000 fully paid ordinary shares on exercise of 33,000,000 unlisted options exercisable at \$0.0025.

On 16 July 2021, the Company paid US\$20,000 to GEM as progress payment pursuant to the acquisition of ATC Resources Pty Ltd.

On 27 August 2021, the Company issued 2,000,000 fully paid ordinary shares with free attaching unlisted options exercisable at \$0.015 on or before 31 December 2023 on a 1:1 basis pursuant to oversubscriptions to July 2021 placement to sophisticated and institutional investors.

On 27 August 2021, the Company issued 66,614,814 fully paid ordinary shares on exercise of 56,614,814 unlisted options exercisable at \$0.0025 and 10,000,000 unlisted options exercisable at \$0.0050

## 24. 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

	2021 \$	2020 \$
<b>Assets</b>		
Current assets	1,672,377	340,487
Non-current assets	2,166	-
Total assets	1,674,543	340,487
<b>Liabilities</b>		
Current liabilities	403,303	369,289
Non-current liabilities	-	-
Total liabilities	403,303	369,289
Net assets/(liabilities)	1,271,240	(28,802)
<b>Equity</b>		
Issued capital	89,630,302	86,830,409
Reserves	3,178,152	2,095,258
Accumulated losses	(91,537,214)	(88,954,469)
Total equity/(deficit)	1,271,240	(28,802)
<b>Financial performance</b>		
Loss for the year	(2,582,745)	(547,531)

## 25. Commitments and contingencies

There were no other material commitments or contingencies at the reporting date for the parent company except for those mentioned in notes 12 and 21.

## 26. 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	
			2021	2020
Caeneus Resources Pty Ltd	Non-operating subsidiary	Australia	100%	100%
Port Exploration Pty Ltd	Holds tenements	Australia	100%	100%
Nevada Metals USA Inc	Non-operating subsidiary	USA	100%	100%
Nevada Metals Pty Ltd	Non-operating subsidiary	Australia	100%	100%
ATC Resources Pty Ltd	Holds tenements beneficially	Australia	100%	100%
Nevada Clays Pty Ltd	Non-operating subsidiary	Australia	100%	100%
Mt Roe Mining Pty Ltd	Owner of Blue Ribbon Mines Pilbara Pty Ltd	Australia	100%	100%
Blue Ribbon Mines Pilbara Pty Ltd	Holds tenements	Australia	100%	100%

**27. Options****27.1** The following options were on issue at the reporting date:

Option series	Number	Grant date	Grant date fair value \$	Exercise price \$	Expiry date	Vesting date
CAD0A <sup>i</sup>	1,103,853,751	Various	-	0.0150	31 Dec 2023	N/A
CAD67929 <sup>ii</sup>	30,000,000	Various	-	0.0050	10 Aug 2022	Vested
CAD67930 <sup>iii</sup>	30,000,000	Various	-	0.0100	10 Aug 2022	Vested
CAD67931 <sup>iv</sup>	30,000,000	Various	-	0.0200	10 Aug 2023	Vested
CAD67904 <sup>v</sup>	75,000,000	Various	0.001	0.0150	30 Jun 2023	Vested
CAD67927 <sup>vi</sup>	1,823,336,134	Various	-	0.0025	31 Dec 2024	Vested

(i) CAD0 are listed Options.

(ii) CAD67929 are Unlisted Options.

(iii) CAD67930 are Unlisted Options.

(iv) CAD67931 are Unlisted Options.

(v) CAD67904 are Unlisted Options.

(vi) CAD67927 are Unlisted Options.

There has been no alteration of the terms and conditions of the above options arrangements since the grant date.

The following options were issued during the year ended 30 June 2021:

- On 28 August 2020, the Company issued 62,500,000 free attaching options to August 2020 placements.
- On 11 September 2020, the Company issued 100,000,000 free attaching options to September 2020 placements.
- On 11 September 2020, the Company issued 25,000,000 unlisted options to Shaw and Partners.
- On 25 November 2020, the Company issued 90,000,000 unlisted options to Robert Mosig.

**27.2 Options granted during the year as share-based payments**

	30 Jun 2021 No.	30 Jun 2021 \$
Issue of options to consultant (i)	25,000,000	206,164
Issue of options to CEO (ii)	30,000,000	288,000
Issue of options to CEO (iii)	30,000,000	282,000
Issue of options to CEO (iv)	30,000,000	294,000
Sub-total		864,000
Grant of options to non-executive chairman (v)	30,000,000	9,225
Grant of options to non-executive chairman (vi)	30,000,000	3,505
Sub-total	175,000,000	12,730
Share based payments expense in the profit and loss		<b>1,082,894</b>

## 27. Options (cont'd)

### 27.2 Options granted during the year as share-based payments (cont'd)

(i) The company has issued 25,000,000 unlisted options on 11 September 2020 to Shaw and Partners for Corporate Advisory Services. The options have an exercise price of \$0.0150 and expire on 31 December 2023. The fair value of each option is \$0.0100 and the total cost for the period was \$206,164. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 02 September 2020
- (b) Expiry date - 31 December 2023
- (c) Market price of securities - \$0.0100
- (d) Exercise price of securities - \$0.0150
- (e) Risk free rate - 0.27%
- (f) Volatility - 334.38%

(ii) The company has issued 30,000,000 unlisted options on 07 December 2020 to Robert Mosig as part of remuneration contained in the Consultancy Agreement. The options have an exercise price of \$0.0050 and expire on 10 August 2022. The fair value of each option is \$0.0096 and the total cost for the period was \$288,000. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 25 November 2020
- (b) Expiry date - 10 August 2022
- (c) Market price of securities - \$0.0100
- (d) Exercise price of securities - \$0.0050
- (e) Risk free rate - 0.09%
- (f) Volatility - 293.02%

(iii) The company has issued 30,000,000 unlisted options on 07 December 2020 to Robert Mosig as part of remuneration contained in the Consultancy Agreement. The options have an exercise price of \$0.0100 and expire on 10 August 2022. The fair value of each option is \$0.0094 and the total cost for the period was \$282,000. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 25 November 2020
- (b) Expiry date - 10 August 2022
- (c) Market price of securities - \$0.0100
- (d) Exercise price of securities - \$0.0100
- (e) Risk free rate - 0.09%
- (f) Volatility - 293.02%

(iv) The company has issued 30,000,000 unlisted options on 07 December 2020 to Robert Mosig as part of remuneration contained in the Consultancy Agreement. The options have an exercise price of \$0.0200 and expire on 10 August 2023. The fair value of each option is \$0.0098 and the total cost for the period was \$294,000. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 25 November 2020
- (b) Expiry date - 10 August 2023
- (c) Market price of securities - \$0.0100
- (d) Exercise price of securities - \$0.0200
- (e) Risk free rate - 0.11%
- (f) Volatility - 293.02%

**27. Options (cont'd)****27.2 Options granted during the year as share-based payments (cont'd)**

(v) Subject to shareholders' approval, the company will issue 30,000,000 unlisted options to Davide Bosio as part of the incentive option package contained in ASX Announcement last 24 May 2021. Due to Davide Bosio commencing duties as a director prior to shareholder approval, these options have been provisionally valued at commencement date and will be revalued upon shareholders' approval. The options have an exercise price of \$0.0300 and expire on 24 May 2024. The fair value of each option is \$0.0091 and the total expense recognised for the year was \$9,225. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Provisional Grant Date - 24 May 2021
- (b) Expiry date - 24 May 2024
- (c) Market price of securities - \$0.0100
- (d) Exercise price of securities - \$0.0300
- (e) Risk free rate - 0.10%
- (f) Volatility - 293.02%

(vi) Subject to shareholders' approval, the company will issue 30,000,000 listed options to Davide Bosio as part of the incentive option package contained in ASX Announcement last 24 May 2021. Due to Davide Bosio commencing duties as a director prior to shareholder approval, these options have been provisionally valued at commencement date and will be revalued upon shareholders' approval. The options have an exercise price of \$0.0150 and expire on 31 December 2023. The fair value of each option is \$0.003 and the total expense recognised for the year was \$3,505.

**27.3 Movements in options during the year**

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

Free attaching options and issued for a consideration	2021		2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	No.	\$	No.	\$
Balance at beginning of year	3,158,385,586	0.0100	1,146,705,159	0.02
Granted during the year	162,500,000	0.0150	2,011,680,427	0.01
Exercised during the year	(188,344,293)	0.0025	-	-
Expired during the year	(230,351,408)	0.0034	-	-
Balance at end of year	<b>2,902,189,885</b>	<b>0.01</b>	<b>3,158,385,586</b>	<b>0.01</b>
Exercisable at end of year	<b>2,902,189,885</b>	<b>0.01</b>	<b>3,158,385,586</b>	<b>0.01</b>

  

Share based payment options	2021		2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	No.	\$	No.	\$
Balance at beginning of year	308,800,000	0.030	308,800,000	0.03
Issued during the year	115,000,000	0.012	-	-
Expired during the year	(233,800,000)	0.036	-	-
Balance at end of year	<b>190,000,000</b>	<b>0.01</b>	<b>308,800,000</b>	<b>0.03</b>
Exercisable at end of year	<b>190,000,000</b>	<b>0.01</b>	<b>308,800,000</b>	<b>0.03</b>

**27.4 Share options exercised during the year**

188,344,293 options were exercised during the year (2020: NIL).

**27.5 Options outstanding at the end of the year**

Share options outstanding at the end of the year had a weighted average exercise price of \$0.01 (2020: \$0.01) and a weighted average remaining contractual life of 1114 days (2020: 1347 days).

**28. Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 23 September 2021.

# ASX Additional Information as at 23 September 2021

## Ordinary share capital

4,286,605,074 fully paid ordinary shares are held by 4,220 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.

20,000,000 unlisted \$0.005 options expiring 10 August 2022 are held by 1 option holder.

### [Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	20,000,000	1	100.000
	<b>20,000,000</b>	<b>1</b>	<b>100.000</b>

Under listing rule under ASX listing rule 4.10.16, 1 holder hold in excess of 20% of the options on issue.

The holder is:

Robert Walter Mosig

30,000,000 unlisted \$0.010 options expiring 10 August 2022 are held by 1 option holder.

### [Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	30,000,000	1	100.000
	<b>30,000,000</b>	<b>1</b>	<b>100.000</b>

Under listing rule under ASX listing rule 4.10.16, 1 holder hold in excess of 20% of the options on issue.

The holder is:

Robert Walter Mosig



30,000,000 unlisted \$0.020 options expiring 10 August 2023 are held by 1 option holder.

**[Distribution of holdings]**

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	30,000,000	1	100.000
	<b>30,000,000</b>	<b>1</b>	<b>100.000</b>

Under listing rule under ASX listing rule 4.10.16, 1 holder hold in excess of 20% of the options on issue.

The holder is:

Robert Walter Mosig

1,303,853,751 listed \$0.015 options expiring 31 December 2023 are held by 231 option holders.

**[Distribution of holdings]**

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	2	2	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	873,334	9	0.067
100,001 and over	1,302,980,415	220	99.933
	<b>1,303,853,751</b>	<b>231</b>	<b>100.00</b>

As required under listing rule under ASX listing rule 4.10.16, no shareholder holds over 20% of this class of options.

75,000,000 unlisted \$0.0150 options expiring 30 June 2023 are held by 6 option holders.

**[Distribution of holdings]**

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	75,000,000	6	100.00
	<b>75,000,000</b>	<b>6</b>	<b>100.00</b>

Under listing rule under ASX listing rule 4.10.16, 3 holders hold in excess of 20% of the options on issue.

The holders are:

Exfortune Pty Ltd

Distinct Racing and Breeding Pty Ltd

Redcode Pty Ltd

1,733,721,320 unlisted \$0.0025 options expiring 31 December 2024 are held by 20 option holders.

**[Distribution of holdings]**

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	1,733,721,320	20	100.00
	<b>1,733,721,320</b>	<b>20</b>	<b>100.00</b>

As required under listing rule under ASX listing rule 4.10.16, no shareholder holds over 20% of this class of options.

**Unmarketable parcels**

There are 528 shareholdings held in less than the marketable parcels.

**Substantial shareholders**

Matthew Blake lodged a substantial shareholder notice on 21 September 2020 containing a holding of 200,000,000 fully paid ordinary shares with a voting power (at the time) of 5.10%.

Mr Roger & Erica Blake lodged a substantial shareholder notice on 04 August 2021 containing holdings of 360,000,000 fully paid ordinary shares with voting power of 8.40% which remains current.

**Restricted securities**

The Company has no restricted securities on issue.

**On-Market buy-back**

There is no current on-market buy-back.

**Information required under listing rule 4.10.16**

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

<b>Name</b>	<b>Number of Shares Held</b>	<b>% of Issued Capital</b>
Mr Roger Blake and Mrs Erica Lynette Blake	360,000,000	8.398
Mount Street Investments Pty Ltd	200,000,000	4.666
Tirumi Pty Ltd	138,642,295	3.234
Mount Ridley Mines Limited	100,000,000	2.333
Tirumi Pty Ltd	90,900,194	2.121
Mrs Lisa Jane Wall	90,000,000	2.100
Ms Tiffany Hilda Evans	80,000,000	1.866
Joric Pty Ltd	75,942,799	1.772
Tirumi Pty Ltd	70,000,000	1.633
Pareto Nominees Pty Ltd	60,000,000	1.400
Distinct Racing and Breeding Pty Ltd	60,000,000	1.400
Wilding Resources Pty Ltd	50,407,514	1.176
Citicorp Nominees Pty Limited	48,620,956	1.134
Ms Isobel Grumblin	47,000,000	1.096
Ms Rupert James Graham Lowe	45,000,000	1.050
Mr Simon Andrew Miller	40,535,496	0.946
Ms Simone Lee Webster	40,407,514	0.943
Skymist Enterprises Pty Ltd	35,000,000	0.816
Ms Emma Lesley Blake	34,601,879	0.807
Ms Tiffany Hilda Evans	32,326,011	0.754
	<b>1,699,384,658</b>	<b>39.645</b>

**Twenty (20) largest holders - Listed Options (exercisable at \$0.015, expiring 31 Dec 2023)**

<b>Name</b>	<b>Number of Options Held</b>	<b>%</b>
Distinct Racing and Breeding Pty Ltd	115,826,356	8.883
Tirumi Pty Ltd	84,100,693	6.450
Distinct Racing and Breeding Pty Ltd	60,000,000	4.602
Simone Lee Webster	46,407,514	3.559
Arredo Pty Ltd	42,500,000	3.260
Mr Roger Blake & Mrs Erica Lynette Blake	41,250,000	3.164
Wilding Resources Pty Ltd	40,407,514	3.099
Mount Street Investments Pty Ltd	40,407,514	3.099
Mr Rupert James Graham Lowe	40,000,000	3.068
Joric Pty Ltd	37,971,400	2.912
GAB Superannuation Fund Pty Ltd	37,971,400	2.912
Mr Samuel Thomas Reynolds	35,000,000	2.684
Pareto Nominees Pty Ltd	35,000,000	2.684
Trade Prestige Pty Ltd	35,000,000	2.684
Sambor Trading Pty Ltd	33,300,000	2.554
Tiffany Hilda Evans	32,326,011	2.479
Mandevilla Pty Ltd	30,759,012	2.359
Mr John Clement Cowie Love	20,591,474	1.579
Paul Thomson Furniture Pty Ltd	15,250,000	1.170
Redcode Pty Ltd	15,000,000	1.150
	<b>839,068,888</b>	<b>64.353</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	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	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	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	CSM23	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 Columbus Marsh from Gold Exploration Management Inc. ATC Resources is a wholly owned subsidiary of Caeneus Minerals Ltd.]

Nevada, USA	Rhodes Marsh	RM 57	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 58	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 59	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 60	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 61	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 62	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 63	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 64	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 65	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 66	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 67	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 68	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 69	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 70	<i>Refer to Note 3 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 71	<i>Refer to Note 2 Below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 72	<i>Refer to Note 2 Below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 73	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 74	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 75	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 76	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 77	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 78	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 79	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 80	<i>Refer to Note 2 Below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 81	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 82	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 83	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd

Nevada, USA	Rhodes Marsh	RM 84	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 85	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 86	<i>Refer to Note 2 Below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 87	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 88	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 89	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 90	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 91	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 92	<i>Refer to Note 2 Below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 93	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 94	<i>Refer to Note below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 95	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 96	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 97	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 98	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 99	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 101	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd
Nevada, USA	Rhodes Marsh	RM 102	<i>Refer to Note 2 below</i>	Arizona Lithium Co Ltd

**Note 2:** Arizona Lithium Co owns the Rhodes Marsh placer claims on behalf of Caeneus Minerals Limited.

#### **AUSTRALIAN TENEMENTS**

Location	Project Name	Tenement #	Ownership	Titleholder
Western Australia	Pardoo	E45/4585	100%	Port Exploration Pty Ltd
Western Australia	Pardoo	E45/4671	100%	Arrow (Pardoo) Limited
Western Australia	Roberts Hill Project	E47/3846	100%	Blue Ribbon Mines Pty Ltd
Western Australia	Mt Berghaus Project	E45/5041	100%	Blue Ribbon Mines Pty Ltd (in application)
Western Australia	Yule River Project	E47/3857	100%	Blue Ribbon Mines Pilbara Pty Ltd