



CAENEUS
minerals limited

ABN 42 082 593 235

and its controlled entities

Half-year report for the half-year ended

31 December 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

Auditors

Stantons
Level 2, 40 Kings Park Road
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 6370 4203

Stock Exchange

Australian Securities Exchange
Level 40, Central Park
152- 158 St Georges Terrace
Perth, Western Australia 6000

ASX Code

CAD
CADOA

Half year report for the half-year ended 31 December 2021

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Directors' report

The directors of Caeneus Minerals Ltd ("Caeneus" or "the Company") submit herewith the financial report of Caeneus Minerals Ltd and its controlled entities ("the Group") for the half-year ended 31 December 2021. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

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

Mr Davide Bosio (appointed on 24 May 2021)
 Mr Peter Christie (appointed on 03 October 2017)
 Mr Teow Kim Chng (appointed on 05 March 2021)
 Mr Johnathon Busing (resigned on 07 March 2022)

Review of operations

The consolidated loss of the Group for the half-year ended 31 December 2021 amounted to \$2,722,320 (31 December 2020: \$1,721,795).

Exploration

Roberts Hill Project (E47/3846)

On 29 October 2021, the Company announced that it successfully completed its maiden air-core (AC) drilling program at the Roberts Hill Project. The drill program was designed to test six zones of geophysical anomalism which are prospective for structural and intrusive related gold mineralisation now typifies within the Mallina Basin.

A total of 197 drill holes were completed for a combined 15,999 metres drilled. The AC drill holes were conducted on essentially 300 metre spacings which penetrated through the sand cover and tested the underlying bedrock lithology and structure. The drilling results were highly encouraging with 84 of the 197 drill holes terminating in granitic and mafic lithologies containing sulphide accumulations of varying amounts. Sampling methodology involved the use of 4 metre composites on all drill holes except for 1 metre intervals being used where sulphide and silica alteration was observed.

All 5,181 drill samples from the AC program were sent to the Perth-based ALS Analytical Laboratory. Results from the first pass exploratory air core (AC) drill program at Roberts Hill were received during the December 2021 quarter: Geochemically anomalous Au, As and Ag were intersected within sheared Mallina sediments with a highlight of 4m @ 0.42g/t Au from 80-84 m (incl. 848 ppm As) In RHAC147.

Mt. Berghaus Project

During the first half of the financial year, the Company moved closer to the granting of its highly prospective Mt Berghaus tenement located adjacent to the Roberts Hill Project in the Mallina Basin. In addition, the Company applied for and won a ballot for E45/5802, which is located adjacent to and east of the pending E45/5041.

Pardoo Project (E45/5827)

The exploration team travelled to site to locate several historically rehabilitated diamond drill holes containing Ni mineralisation. The field trip was successful in locating the historical drill holes to an accuracy of +/-3m. This further validated the data compilation being undertaken as a part of a comprehensive technical review.

Following the site visit, an aerial survey was flown in December 2021 by Arvista using a manned PMG F80 light aircraft. The survey collected LiDAR, DTM and orthophoto data for use in future drill hole planning and JORC 2021 resource modelling. The company has submitted a PoW to open the possibility of conducting infill resource and extensional drilling.

Yule River Project (E 47/3857)

The Company undertook a desktop study of the historical exploration conducted on the tenement. This data is under review to assist with the planning of future exploration activities.

USA Lithium Projects – Columbus Marsh & Rhodes Marsh

The Company evaluated historical technical data and reviewed corporate divestment options for the two 100% owned lithium brine projects: Columbus Marsh and Rhodes Marsh. It was concluded that the best strategy for creating value and growth for shareholders on these two assets was to retain the projects and recommence targeted exploration activities.

In addition, the Company's Rhodes Marsh project will be considered for commissioning of a small magnetotelluric survey to generate brine exploration targets.

Other Pilbara Projects

The Company continued to expedite the granting of its highly prospective Mount Berghaus tenement located adjacent to the Roberts Hill Project in the Mallina Basin. The Company also continued its exploration efforts across its entire portfolio of projects including the commencement of a calcrete/laterite/soil sampling program at its Pardoo project.

Corporate

Capital Raising

On 28 July 2021, the Company announced that the capital raising placement is 252,000,000 fully paid ordinary shares at \$0.007 per share issued as follows:

On 4 August 2021, the Company issued 198,000,000 fully paid ordinary shares at an issue price of \$0.007 per share to sophisticated and institutional investors of the Company. In addition, on 27 August 2021, the Company issued 2,000,000 fully paid ordinary shares (oversubscriptions to placement 2 August 2021).

On 30 November 2021, the Company issued 52,000,000 fully paid ordinary shares at an issue price of \$0.007 per share to management personnel of the Company.

During the period the Company also issued the following securities:

- 200,000,000 attaching listed options exercisable at \$0.015 on or before 31 December 2023 to sophisticated and institutional investors of the Company;
- 89,614,814 fully paid ordinary shares on exercise of 89,614,814 unlisted options exercisable at \$0.0025;
- 10,000,000 fully paid ordinary shares on exercise of 10,000,000 unlisted options exercisable at \$0.0050;
- 12,000,000 fully paid ordinary shares on exercise of 12,000,000 unlisted options exercisable at \$0.0025;
- 30,000,000 fully paid ordinary shares on exercise of 30,000,000 unlisted options exercisable at \$0.0100;
- 52,000,000 free attaching listed options exercisable at \$0.015 on or before 31 December 2023 to management personnel of the Company;
- 30,000,000 director incentive options exercisable at \$0.015 on or before 31 December 2023.
- 30,000,000 director incentive options exercisable at \$0.030 on or before 24 May 2024.
- 10,000,000 director incentive options exercisable at \$0.020 on or before 10 August 2023.

Senior Geologist Appointment

The Company was very pleased to announce the appointment of Charles Armstrong as Senior Geologist in the technical team. Charles has over 6 years experience with significant exposure to gold exploration. The Board is delighted to have attracted a person of Charles' calibre.

Annual General Meeting

The Company held its Annual General Meeting on 12 November 2021. 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.

Auditor's independence declaration

Section 307C of the Corporations Act 2011 requires our auditors, Stantons, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. This independence Declaration is set out on page 4 and forms part of this Directors' Report for the half year ended 31 December 2021.

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

On behalf of the directors



Mr Davide Bosio

Chairman

15 March 2022

Perth, Western Australia



PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

15 March 2022

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

Dear Sirs

RE: CAENEUS MINERALS LIMITED

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

As Audit Director for the review of the financial statements of Caeneus Mineral Limited for the half-year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Martin Michalik
Director



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

Report on the Half-Year Financial Report**Conclusion**

We have reviewed the half-year financial report of Caeneus Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of Caeneus Minerals Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Group on 15 March 2022.

Responsibility of the Directors for the Financial Report

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



Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD (An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
15 March 2022

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position and performance of the Group for the period ended 31 December 2021.

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

On behalf of the directors



Mr Davide Bosio

Chairman

15 March 2022

Perth, Western Australia

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2021

		Consolidated	
		Half-year ended	
	Note	31 Dec 2021 \$	31 Dec 2020 \$
Continuing operations			
Other income	3	-	5,000
Administration costs		(173,120)	(95,013)
Consultants costs		(303,961)	(185,827)
Compliance costs		(88,491)	(87,436)
Depreciation		(8,773)	(287)
Exploration & evaluation expenditure written off	6	(1,790,324)	(440,280)
Travel Expenses		(399)	-
Share based payments	8	(343,865)	(946,192)
Other costs		-	(29)
Foreign exchange losses		(13,387)	28,269
Loss before income tax		(2,722,320)	(1,721,795)
Income tax expense		-	-
Loss for the period		(2,722,320)	(1,721,795)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period		(2,722,320)	(1,721,795)
Loss attributable to:			
Owners of Caeneus Minerals Ltd		(2,722,320)	(1,721,795)
Total comprehensive loss attributable to:			
Owners of Caeneus Minerals Ltd		(2,722,320)	(1,721,795)
Loss per share:			
Basic and diluted (cents per share)		(0.064)	(0.046)
Weighted average number of shares		4,249,891,494	3,770,939,727

Condensed notes to the consolidated financial statements are included on pages 12 to 21.

Consolidated statement of financial position as at 31 December 2021

	Note	Consolidated	
		31 Dec 2021 \$	30 Jun 2021 \$
Current assets			
Cash and cash equivalents		1,547,747	1,635,924
Trade and other receivables	5	133,064	38,242
Other assets		1,862	1,862
Total current assets		1,682,673	1,676,028
Non-current assets			
Term Deposit		49,981	-
Property, plant and equipment		31,053	2,166
ROU Asset	4	193,484	-
Exploration and evaluation expenditure	6	-	-
Total non-current assets		274,518	2,166
Total assets		1,957,191	1,678,194
Current liabilities			
Trade and other payables		397,425	71,915
Unissued shares		-	82,500
Short Term Lease Liability	4	34,879	-
Deferred consideration	11	234,240	252,257
Total current liabilities		666,544	406,672
Non-current liabilities			
Long Term Lease Liability	4	159,382	-
Total non-current liabilities		159,382	-
Total liabilities		825,926	406,672
Net assets		1,131,265	1,271,522
Equity			
Issued capital	7	91,868,500	89,630,302
Reserves	8, 9	3,522,017	3,178,152
Accumulated losses		(94,259,252)	(91,536,932)
Total equity		1,131,265	1,271,522

Condensed notes to the consolidated financial statements are included on pages 12 to 21.

Consolidated statement of changes in equity for the half-year ended 31 December 2021

Consolidated

Balance at 1 July 2020

Loss for the period

Total comprehensive loss for the period

Issue of shares pursuant to the exercise of options

Issue of shares pursuant to the exercise of options

Issue of shares to sophisticated and professional investors

Issue of shares pursuant to the exercise of options

Issue of shares to sophisticated and professional investors

Issue of shares pursuant to the exercise of options

Issue of shares pursuant to the exercise of options

Share issue costs

Issue of options as Share based payment

Balance at 31 December 2020

Balance at 1 July 2021

Loss for the period

Total comprehensive loss for the period

Issue of options as a share based payments

Issue of shares pursuant to the exercise of options

Issue of shares to sophisticated and professional investors

Issue of shares to sophisticated and professional investors

Issue of shares pursuant to the exercise of options

Issue of shares pursuant to the exercise of options

Issue of shares to directors

Share issue costs

Balance at 31 December 2021

Issued Capital	Reserves	Accumulated losses	Total
\$	\$	\$	\$
86,830,409	2,095,258	(88,950,565)	(24,898)
-	-	(1,721,795)	(1,721,795)
-	-	(1,721,795)	(1,721,795)
75,000	-	-	75,000
87,500	-	-	87,500
500,000	-	-	500,000
28,000	-	-	28,000
2,000,000	-	-	2,000,000
117,500	-	-	117,500
37,037	-	-	37,037
(139,195)	-	-	(139,195)
-	946,192	-	946,192
89,536,251	3,041,450	(90,672,360)	1,905,341
89,630,302	3,178,152	(91,536,932)	1,271,522
-	-	(2,722,320)	(2,722,320)
-	-	(2,722,320)	(2,722,320)
-	343,865	-	343,865
82,500	-	-	82,500
1,386,000	-	-	1,386,000
14,000	-	-	14,000
191,537	-	-	191,537
330,000	-	-	330,000
364,000	-	-	364,000
(129,839)	-	-	(129,839)
91,868,500	3,522,017	(94,259,252)	1,131,265

Consolidated statement of cash flows for the half-year ended 31 December 2021

	Consolidated	
	Half-year ended	
	31 Dec 2021	31 Dec 2020
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(572,587)	(427,400)
Payments for exploration and evaluation	(1,526,018)	(440,280)
Interest received	-	-
Net cash (used in) operating activities	(2,098,605)	(867,680)
Cash flows from investing activities		
Cash Transferred to Term Deposit	(49,981)	-
Payment of deferred consideration	(28,241)	(21,837)
Payment of property, plant and equipment	(33,543)	(2,353)
Net cash (used in) investing activities	(111,765)	(24,190)
Cash flows from financing activities		
Proceeds from shares and options issued	2,153,537	2,845,037
Repayment of lease liability	(3,340)	-
Share issue costs	(24,840)	(139,195)
Net cash provided by financing activities	2,125,357	2,705,842
Net (decrease)/increase in cash and cash equivalents	(85,013)	1,813,972
Cash and cash equivalents at the beginning of the period	1,635,924	319,832
Effect of exchange rate fluctuations	(3,164)	(403)
Cash and cash equivalents at the end of the period	1,547,747	2,133,401

Condensed notes to the consolidated financial statements are included on pages 12 to 21.

Condensed notes to the consolidated financial statements for the half-year ended 31 December 2021

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with annual financial statements of the Company for the year ended 30 June 2021 together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the directors on 15 March 2021.

Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2021 annual financial report for the financial year ended 30 June 2021, except for the impact of the Standards and Interpretations described below and the accounting policy for property, plant and equipment described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern basis

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

For the half-year ended 31 December 2021, the Group incurred a loss after tax of \$2,722,320 (31 December 2020: \$1,721,795) and a net cash outflow from operations of \$2,098,605 (31 December 2020: \$867,680). At 31 December 2021, the Group had net current assets of \$1,016,129 (30 June 2021: \$1,269,356).

The Directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate on the basis that the Group has been successful to date in securing required funding and the Directors are of the opinion that it will continue to do so through a combination of debt and equity.

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.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Motor Vehicle

Motor Vehicle are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on above mentioned assets. Depreciation is calculated using diminishing balance method so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate (%)
Plant and equipment	20.00 - 33.33
Motor Vehicle	40.00

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact of new standard and interpretations described below.

Principles of consolidation

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

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

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- assets (or disposal groups) that are 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.

Significant accounting judgements and key estimates

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

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2021.

Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2021

In the half-year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2021. As a result of this the Directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2021. As a result of this, the Directors have determined that there is no impact, material or otherwise, of the standards and interpretations in issue not yet adopted on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

2. Segment information

2.1 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 United States of America.

The table below presents the asset and liability information and operating results regarding the geographical segments for the period ended 31 December 2021:

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Assets		
Australia	1,953,784	1,674,787
United States of America	3,407	3,407
Total assets	1,957,191	1,678,194
Liabilities		
Australia	824,052	404,798
United States of America	1,874	1,874
Total liabilities	825,926	406,672
	31 Dec 2021	31 Dec 2020
	\$	\$
Operating result		
Australia	(2,656,008)	(1,660,445)
United States of America	(66,312)	(61,350)
Total loss from operations	(2,722,320)	(1,721,795)

3. Other income

	31 Dec 2021	31 Dec 2020
	\$	\$
Interest income	-	-
Other income	-	5,000
	-	5,000

4. Lease

The Group entered into a lease agreement for its offices in December 2021. The lease has a two-year term and is renewable once, for an additional two years. The lease is reflected on the balance sheet as a right-of-use asset and a lease liability assuming a duration of 4 years.

4. Lease (cont'd)

Right-of-use assets

Additional information on the right-of-use assets by class of assets is as follows:

	Asset	Carrying Amount	Additions	Depreciation	Impairment
Offices	197,601	193,484	-	4,117	-

Lease Liabilities

Lease liabilities are presented in the statement of financial position as follows:

	31 Dec 2021 \$	30 Jun 2021 \$
Current	34,879	-
Non-current	159,382	-
	194,261	-

At 31 December 2021 the Group has not committed to any other lease.

Additional profit or loss and cash flow information

	31 Dec 2021 \$	30 Jun 2021 \$
Total cash outflow in respect of leases in the year	3,340	-

No interest expense in relation to leasing liabilities has been incurred for the period ended 31 December 2021.

5. Trade and other receivables

	31 Dec 2021 \$	30 Jun 2021 \$
Prepayments	33,255	10,350
Other receivables (i)	99,809	27,892
	133,064	38,242

(i) None of the trade and other receivables are past due at the reporting date.

6. Exploration and evaluation expenditure

	6 months ended 31 Dec 2021 \$	12 months ended 30 Jun 2021 \$
Carried forward exploration and evaluation expenditure	-	-
Expenditure incurred during the period	1,790,324	755,298
Impairment of exploration and evaluation expenditure (i)	(1,790,324)	(755,298)
Carrying value at end of the period	-	-

6. Exploration and evaluation expenditure (cont'd)

(i) An impairment expense of \$1,790,324 has been recognised in profit or loss for the half-year ended 31 December 2021 (30 June 2021: \$755,298). This is consistent with the Group's policy on exploration and evaluation expenditure. Refer to the 2021 annual financial report.

7. Issued capital

4,380,605,074 fully paid ordinary shares
(30 June 2021: 3,986,990,260)

31 Dec 2021	30 Jun 2021
\$	\$
91,868,500	89,630,302

Fully paid ordinary shares

	31 Dec 2021		30 Jun 2021	
	No.	\$	No.	\$
Balance at beginning of period	3,986,990,260	89,630,302	3,473,645,967	86,830,409
Issue of shares ⁽ⁱ⁾	33,000,000	82,500	-	-
Issue of shares ⁽ⁱⁱ⁾	198,000,000	1,386,000	-	-
Issue of shares ⁽ⁱⁱⁱ⁾	2,000,000	14,000	-	-
Issue of shares ^(iv)	56,614,814	141,537	-	-
Issue of shares ^(v)	10,000,000	50,000	-	-
Issue of shares ^(vi)	12,000,000	30,000	-	-
Issue of shares ^(vii)	30,000,000	300,000	-	-
Issue of shares ^(viii)	52,000,000	364,000	-	-
Issue of shares ^(ix)	-	-	30,000,000	75,000
Issue of shares ^(x)	-	-	35,000,000	87,500
Issue of shares ^(xi)	-	-	125,000,000	500,000
Issue of shares ^(xii)	-	-	11,200,000	28,000
Issue of shares ^(xiii)	-	-	200,000,000	2,000,000
Issue of shares ^(xiv)	-	-	47,000,000	117,500
Issue of shares ^(xv)	-	-	14,814,814	37,037
Issue of shares ^(xvi)	-	-	2,500,000	6,250
Issue of shares ^(xvii)	-	-	47,829,479	119,574
Share issue costs	-	(129,839)	-	(170,968)
	4,380,605,074	91,868,500	3,986,990,260	89,630,302

(i) Issue of fully paid ordinary shares at \$0.00250 each on 4 August 2021 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(ii) Issue of fully paid ordinary shares at \$0.0070 each on 4 August 2021 pursuant to a placement to sophisticated investors of the Company.

(iii) Issue of fully paid ordinary shares at \$0.0070 each on 27 August 2021 pursuant to a placement to sophisticated investors of the Company.

(iv) Issue of fully paid ordinary shares at \$0.0025 each on 27 August 2021 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(v) Issue of fully paid ordinary shares at \$0.0050 each on 27 August 2021 pursuant to the exercise of unlisted options with 10 August 2022 expiry date.

(vi) Issue of fully paid ordinary shares at \$0.00250 each on 22 October 2021 pursuant to the exercise of unlisted options with 31 December 2024 expiry date.

(vii) Issue of fully paid ordinary shares at \$0.0100 each on 22 October 2021 pursuant to the exercise of unlisted options with 10 August 2022 expiry date.

(viii) Issue of fully paid ordinary shares at \$0.0070 each on 30 November 2021 pursuant to a placement to directors of the Company.

(ix) 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.

(x) 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.

7. Issued capital (cont'd)

- (xi) Issue of fully paid ordinary shares at \$0.0040 each on 28 August 2020 pursuant to a placement to sophisticated investors of the Company.
- (xii) 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.
- (xiii) Issue of fully paid ordinary shares at \$0.0100 each on 11 September 2020 pursuant to a placement to sophisticated investors of the Company
- (xiv) 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.
- (xv) 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.
- (xvi) 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.
- (xvii) 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.

8. Share-based payments

	31 Dec 2021 No.	31 Dec 2021 \$
Issue of options to director (i)	30,000,000	145,207
Issue of options to director (ii)	30,000,000	150,000
Issue of options to director (iii)	10,000,000	48,658
Share based payments expense in the profit and loss		343,865

(i) The company has issued 30,000,000 unlisted options on 1 December 2021 to Mr Davide Bosio as per resolution 5 of the Company's AGM. The options have an exercise price of \$0.030 and expire on 24 May 2024. The fair value of each option is \$0.0048 and the total cost for the period was \$145,207. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 12 November 2021
- (b) Expiry date - 24 May 2024
- (c) Market price of securities - \$0.014
- (d) Exercise price of securities - \$0.030
- (e) Risk free rate - 0.61%
- (f) Volatility - 90.0%

(ii) The company has issued 30,000,000 listed options on 1 December 2021 to Mr Davide Bosio as per resolution 5 of the Company's AGM. The options have an exercise price of \$0.015 and expire on 31 December 2023. The fair value of each option is \$0.0050 and the total cost for the period was \$150,000. The Company valued the options using the quoted price on grant date.

(iii) The company has issued 10,000,000 unlisted options on 1 December 2021 to Mr Kim Chng as per resolution 6 of the Company's AGM. The options have an exercise price of \$0.020 and expire on 10 August 2023. The fair value of each option is \$0.0049 and the total cost for the period was \$48,658. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:

- (a) Grant Date - 12 November 2021
- (b) Expiry date - 10 August 2023
- (c) Market price of securities - \$0.014
- (d) Exercise price of securities - \$0.020
- (e) Risk free rate - 0.61%
- (f) Volatility - 90.0%

9. Reserves

	6 months ended 31 Dec 2021 \$	12 months ended 30 Jun 2021 \$
Balance at beginning of the period	3,178,152	2,095,258
Options issued to Directors ⁽ⁱ⁾	48,658	-
Options issued to Shaw & Partners Limited ⁽ⁱⁱ⁾	-	206,164
Options issued to Robert Mosig ⁽ⁱⁱⁱ⁾	-	864,000
Options issued to Davide Bosio ^(iv)	150,000	3,505
Options issued to Davide Bosio ^(v)	145,207	9,225
Carrying value at end of the period	3,522,017	3,178,152

(i) This represents the value attributed to 10,000,000 unlisted options issued to Mr Kim Chng as per resolution 6 of the company's AGM.

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

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

(iv) This represents the value attributed to 30,000,000 listed options issued to Mr Davide Bosio as per resolution 5 of the company's AGM. They were provisionally valued in prior financial year due to shareholder's approval.

(v) This represents the value attributed to 30,000,000 unlisted options issued to Mr Davide Bosio as per resolution 5 of the company's AGM. They were provisionally valued in prior financial year due to shareholder's approval.

10. Options

The following options arrangements were in existence at the reporting date:

Option series	Number	Grant date	Grant date fair value \$	Exercise price \$	Expiry date	Vesting date
CADOA	1,385,853,751	Various	-	0.0150	31 Dec 2023	Vested
CAD67929	20,000,000	Various	0.0096	0.0050	10 Aug 2022	Vested
CAD67931	30,000,000	Various	0.0098	0.0200	10 Aug 2022	Vested
CAD67922	10,000,000	Various	-	0.0200	10 Aug 2023	Vested
CAD67904	75,000,000	Various	-	0.0150	30 Jun 2023	Vested
CAD67921	30,000,000	Various	0.0049	0.0300	24 May 2024	Vested
CAD67927	1,721,721,320	Various	-	0.0025	31 Dec 2024	Vested

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

10. Options (cont'd)**10.1 Options granted during the half year**

The following options were granted during the period:

- a) On 4 August 2021, the Company issued 198,000,000 free attaching listed options to August 2021 placements.
- b) On 27 August 2021, the Company issued 2,000,000 free attaching listed options to August 2021 placements.
- c) On 30 November 2021, the Company issued 52,000,000 free attaching listed options to directors of the Company.
- d) On 1 December 2021, the Company issued 30,000,000 unlisted options as share based payments to Mr Davide Bosio as per resolution 5 of the company's AGM.
- e) On 1 December 2021, the Company issued 30,000,000 listed options as share based payments to Mr Davide Bosio as per resolution 5 of the company's AGM.
- f) On 1 December 2021, the Company issued 10,000,000 unlisted options as share based payments to Mr Kim Chng as per resolution 6 of the company's AGM.

10.2 Options exercised during the half year

The following options were exercised during the period:

- a) On 4 August 2021: 33,000,000 unlisted options were exercised at \$0.0025 each, with 31 December 2024 expiry date.
- b) On 27 August 2021: 56,614,814 unlisted options were exercised at \$0.0025 each, with 31 December 2024 expiry date.
- c) On 27 August 2021: 10,000,000 unlisted options were exercised at \$0.0050 each, with 10 August 2022 expiry date.
- d) On 22 October 2021: 12,000,000 unlisted options were exercised at \$0.0025 each, with 31 December 2024 expiry date.
- e) On 22 October 2021: 30,000,000 unlisted options were exercised at \$0.0100 each, with 10 August 2022 expiry date.

11. Deferred considerations**Current**

Cash consideration payable to GEM for acquisitions of ATC Resources and Nevada Clays(i)(ii)(iii)(iv)(v)(vi)

Non-current

Deemed value of cash consideration to GEM for acquisition of ATC Resources and Nevada Clays

	31 Dec 2021 \$	30 Jun 2021 \$
	234,240	252,257
	234,240	252,257
	-	-
	-	-

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

11. 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, Caeneus is liable to pay Gold Exploration Management Inc. deferred cash payments spread out as follows:

Arising from Acquisition of ATC Resources Pty Ltd

- (i) US\$15,000 on the date that is 24 months after the settlement of the acquisition (being 24 months from 23 June 2016);
- (ii) US\$25,000 on the 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\$35,000 on the 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 the date that is 12 months after the settlement of the acquisition (being 12 months from 13 September 2016).
- (v) US\$20,000 on the date that is 24 months after the settlement of the acquisition (being 24 months from 13 September 2016);
- (vi) US\$25,000 on the date that is 36 months after the settlement of the acquisition (being 36 months from 13 September 2016);
- (vii) US\$35,000 on the date that is 48 months after the settlement of the acquisition (being 48 months from 13 September 2016).

For the purpose of reporting, the total value of the above deferred cash payments have been converted to Australian dollars based on the exchange rate prevailing at 31 December 2021.

12. 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 buyback 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 buyback 1% of the royalty for the sum of US\$1,000,000.

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

13. Subsequent events

On 7 March 2022, Mr Johnathon Busing tendered his resignation as Non-Executive Director. Mr Busing was appointed on 30 November 2017.

On 8 March 2022, the Company has received firm commitments for a placement from sophisticated and professional investors to raise a total of \$1,700,000. Funds have been committed at a price of \$0.005 per share.