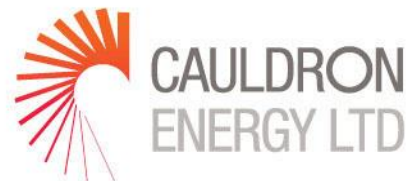


# ASX Announcement

Quarterly Report for Period Ended 31 March 2019



30 April 2019

## QUARTERLY REPORT – 31 MARCH 2019

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 31 March 2019.

Yours faithfully,

A handwritten signature in dark ink, appearing to read "Jess Oram", is positioned above the printed name and title.

**Jess Oram**  
**Executive Director & Chief Executive Officer**  
**Cauldron Energy Limited**

### Cauldron Energy Ltd

#### ABN

22 102 912 783

#### Address

Ground Floor,  
20 Kings Park Road  
WEST PERTH WA 6005

PO BOX 1024  
West Leederville WA 6007

#### ASX Code

CXU

#### Securities on Issue

329,289,708 shares

#### Board of Directors

Simon Youds  
Non-Executive Chairman

Jess Oram  
Executive Director & Chief  
Executive Officer

Qiu Derong  
Non-executive Director

Judy Li  
Non-executive Director

Chenchong Zhou  
Non-executive Director

Michael Fry  
Company Secretary

## **HIGHLIGHTS**

### **CORPORATE**

- Recruitment of a new company chairperson – Mr Simon Youds.
- General Meeting held on 25 February 2019 - shareholders approve resolution to remove Mr Nicholas Sage as a director.
- Mr Michael Fry appointed as Chief Financial Officer and Company Secretary replacing Ms Catherine Grant-Edwards effective on 1 April 2019.
- Review of corporate strategy commenced (ongoing), following Board and management restructure
- Development of project acquisition strategy centred on:
  - uranium and battery metals – defined here as copper, cobalt, nickel, lithium, vanadium and tantalum;
  - range in stable sub-Saharan Africa, Oceania, USA and Australia;
  - advanced exploration project where there is possibility for near-term cash-flow derived from mining operations;
  - mid-level exploration project where an existing dataset can define good quality drill targets.

### **EXPLORATION & PROJECTS**

- Yanrey Uranium Project
  - Continued dialogue with the Department of Mines, Industry Regulation and Safety seeking clarification on the status of exploration for uranium in Western Australia, following the government's decision to ban uranium mining
- Project Generation
  - Project generation continues to advance; with detailed investigation completed on several opportunities.
  - Many advanced exploration type project reviews completed.
  - Given the quantity and type of projects available, it is likely that a suitable project for Cauldron will be identified soon.

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Cauldron Energy Ltd (**Cauldron** or the **Company**) is pleased to present its Quarterly Activities Report for the period ended 31 March 2019.

### **CORPORATE ACTIVITIES**

#### ***General Meeting***

On 7 January 2019, the Company received a section 249D Notice from Starry World Investment Limited, holding more than 5% of the votes which may be cast at a general meeting of the Company, requesting that the Company hold a general meeting of shareholders to consider via ordinary resolution the removal of Mr Nicholas Sage as a Director of the Company.

In accordance with the request, the Company convened and held a general meeting on 25 February 2019.

Shareholders voted in favour of the resolution resulting in the removal of Mr Nicholas Sage as a Director effective 25 February 2019.

The results of the general meeting were published on ASX platform on 25 February 2019; and are available for viewing at [www.cauldronenergy.com.au](http://www.cauldronenergy.com.au) or at asx.com.au.

### **Cash at 31 March 2019**

Cash available to the Company at the end of the March 2019 quarter was \$0.791 million (31 December 2018: \$1.13 million).

### **New Project Opportunities**

Cauldron is seeking high value advanced exploration projects capable of rapid improvement in value because of the specific quality of the project. This improvement in value will be realised with judicious exploration activity aimed at moving the project towards commencing mining operations.

Project generation continues to advance, with many new project opportunities reviewed during the quarter. The Company remains confident of identifying a suitable project for Cauldron in the near term.

Shareholders will be updated of material developments as and when they occur.

### **Corporate Costs**

Management's efforts over the past several months in relation to reducing corporate costs is bearing fruit with the level of administrative and corporate costs much reduced in the quarter ended 31 March 2019. Further reduction can be expected in the June 2019 quarter as the flow through effect of various initiatives has full effect. The Company's management will continue to remain vigilant on costs.

### **Company Chair**

On 15<sup>th</sup> March, Cauldron announced the appointment of Mr Simon Youds as Non-Executive Director and Chairman of the Company. Mr Youds has a proven track record in developing and managing African, Australian and Pacific Rim mining projects and his appointment is an important step in establishing the new direction of the company.

## **EXPLORATION ACTIVITIES: AUSTRALIA**

In Australia, Cauldron owns the **Yanrey Project (Yanrey)** consisting of 15 granted exploration licences (1,548 km<sup>2</sup>) and 4 applications for exploration licences (626 km<sup>2</sup>) for a total project area of 2,174 km<sup>2</sup> in Western Australia.

Yanrey is prospective for large sedimentary-hosted uranium deposits and is host to the Bennet Well Uranium Deposit

## BENNET WELL (YANREY REGION)

The mineralisation at Bennet Well is a shallow accumulation of uranium hosted in unconsolidated sands (less than 100 m downhole depth) in Cretaceous sedimentary units of the North Carnarvon Basin.

The Bennet Well deposit is comprised of four spatially separate deposits; namely Bennet Well East, Bennet Well Central, Bennet Well South and Bennet Well Channel.

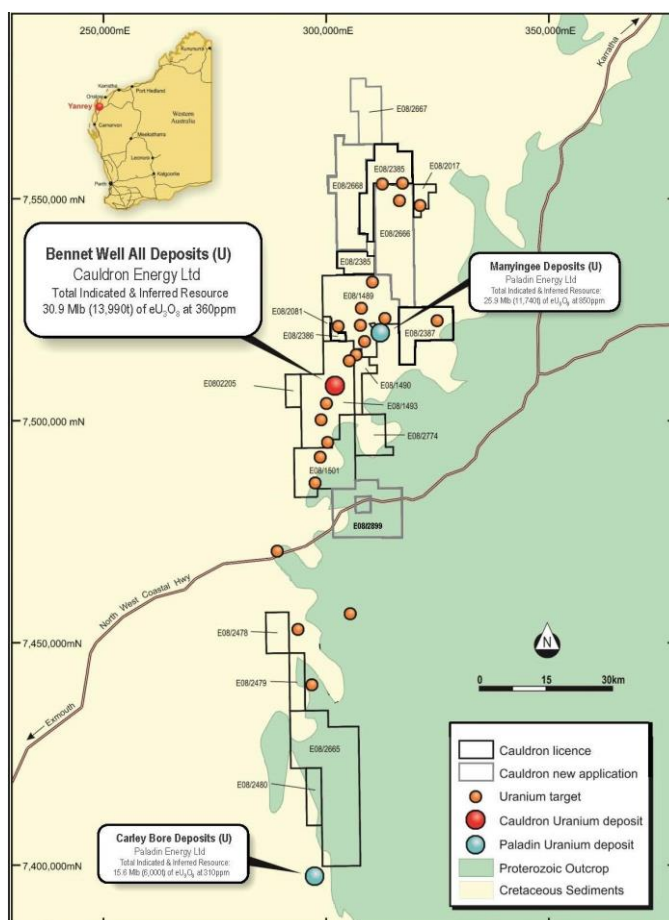
Further field work at Bennet Well is on hold until clarity on Western Australian uranium exploration policy is received from the Minister of Mines and Petroleum.



**Figure 1:** Major Project Locations in Australia

## YANREY PROJECT

The Yanrey Project comprises a collection of 15 exploration tenements in northwest Western Australia, one of which secures the Bennet Well Uranium Deposit. The project is prospective of sandstone-style uranium mineralisation capable of extraction by in-situ recovery mining techniques.



**Figure 2:** Yanrey Project – Deposit, Prospect and Target Locations

## **PROJECT GENERATION**

As a direct result of the current state government of Western Australia being opposed to uranium mining in Western Australia, field operations at the Yanrey Project have been suspended. There has been considerable effort seeking advanced exploration projects in commodities other than uranium, to diversify the company's project portfolio. Projects reviewed are in Australia; Africa (copper and uranium in Namibia, copper and tantalum in Democratic Republic of Congo, copper-cobalt in Namibia, copper in South Africa, nickel and copper in Botswana); PNG (nickel, copper and gold); Western Australia (vanadium and lithium) and New South Wales (copper and base metals).

Cauldron is seeking high value advanced exploration projects capable of rapid improvement in value because of the specific quality of the project. This improvement in value will be realised with judicious exploration activity aimed at moving the project towards commencing mining operations.

Project generation is advancing well, with many reviews derived from many leads established through a network built from a near permanent presence in the continent. Given the quantity and type of projects available, it is predicted that a suitable project for Cauldron will be sourced soon.

## **TENEMENT ADMINISTRATION: AUSTRALIA**

### ***Objection to Cauldron's Applications for exploration licences 08/2666-2668***

Cauldron lodged applications for Exploration Licences 08/2666-2668 (E08/2666-2668) on 5 December 2014. Forrest & Forrest Pty Ltd lodged objections against E08/2666-2668 on 6 January 2015. The matters are proceeding through the Warden's Court process.

### ***Red Sky Stations Pty Ltd Objection to Tenement Application for E08/2899***

Cauldron lodged Exploration Licence application E08/2899, on 1 February 2017. Red Sky Stations Pty Ltd lodged an objection against E08/2899 on 15 February 2017. The matter is proceeding through the Warden's Court process.

## **EXPLORATION ACTIVITIES: ARGENTINA**

In Argentina, Cauldron controls, through its wholly-owned subsidiary Cauldron Minerals Limited (**Cauldron Minerals**), 445 km<sup>2</sup> of exploration licence at its most advanced and 100% owned project, Rio Colorado, in Catamarca. The project is prospective for copper and silver of the globally significant stratabound sedimentary-hosted copper style of deposit. No work was completed at the Rio Colorado project during the quarter.

**End.**

For further information, visit [www.cauldronenergy.com.au](http://www.cauldronenergy.com.au) or contact:

Cauldron Energy Limited  
Ph: (08) 6462 1421

## Disclosure Statements

### Bennet Well Mineral Resource

A Mineral Resource (JORC 2012) for the mineralisation at Bennet Well was completed by Ravensgate Mining Industry Consultants following new drilling completed during the reporting period ending 2016. The information on this Mineral Resource was fully reported in ASX announcement dated 17 December 2015, including geological maps and cross sections, supporting and explanatory statements and metadata as required under the reporting standards of JORC 2012. No work on the Mineral Resource has been completed since, and therefore remains unchanged for the current reporting period.

The mineralisation at Bennet Well is a shallow accumulation of uranium hosted in unconsolidated sands close to surface (less than 100 m downhole depth) in Cretaceous sedimentary units of the Ashburton Embayment. The Bennet Well deposit is comprised of four spatially separate deposits; namely Bennet Well East, Bennet Well Central, Bennet Well South and Bennet Well Channel.

The Mineral Resource (JORC 2012) estimate is:

- Inferred Resource: 16.9 Mt at 335 ppm eU<sub>3</sub>O<sub>8</sub> for total contained uranium-oxide of 12.5 Mlb (5,670 t) at 150 ppm cut-off;
- Indicated Resource: 21.9 Mt at 375 ppm eU<sub>3</sub>O<sub>8</sub> for total contained uranium-oxide of 18.1 Mlb (8,230 t) at 150 ppm cut-off;
- total combined Mineral Resource: 38.9 Mt at 360 ppm eU<sub>3</sub>O<sub>8</sub>, for total contained uranium-oxide of 30.9 Mlb (13,990 t) at 150 ppm cut-off.

Table 1: Mineral Resource (JORC 2012) at various cut-off

Deposit	Cutoff	Deposit Mass (t)	Deposit Grade (ppm)	Mass U <sub>3</sub> O <sub>8</sub> (kg)	Mass U <sub>3</sub> O <sub>8</sub> (lbs)
Bennet Well_Total	125	39,207,000	355	13,920,000	30,700,000
<b>Bennet Well_Total</b>	<b>150</b>	<b>38,871,000</b>	<b>360</b>	<b>13,990,000</b>	<b>30,900,000</b>
Bennet Well_Total	175	36,205,000	375	13,580,000	29,900,000
Bennet Well_Total	200	34,205,000	385	13,170,000	29,000,000
Bennet Well_Total	250	26,484,000	430	11,390,000	25,100,000
Bennet Well_Total	300	19,310,000	490	9,460,000	20,900,000
Bennet Well_Total	400	10,157,000	620	6,300,000	13,900,000
Bennet Well_Total	500	6,494,000	715	4,640,000	10,200,000
Bennet Well_Total	800	1,206,000	1175	1,420,000	3,100,000

Deposit	Cutoff (ppm U <sub>3</sub> O <sub>8</sub> )	Deposit Mass (t)	Deposit Grade (ppm U <sub>3</sub> O <sub>8</sub> )	Mass U <sub>3</sub> O <sub>8</sub> (kg)	Mass U <sub>3</sub> O <sub>8</sub> (lbs)
BenWell_Indicated	125	22,028,000	375	8,260,000	18,200,000
<b>BenWell_Indicated</b>	<b>150</b>	<b>21,939,000</b>	<b>375</b>	<b>8,230,000</b>	<b>18,100,000</b>
BenWell_Indicated	175	21,732,000	380	8,260,000	18,200,000
BenWell_Indicated	200	20,916,000	385	8,050,000	17,800,000
BenWell_Indicated	250	17,404,000	415	7,220,000	15,900,000
BenWell_Indicated	300	13,044,000	465	6,070,000	13,400,000
BenWell_Indicated	400	7,421,000	560	4,160,000	9,200,000
BenWell_Indicated	500	4,496,000	635	2,850,000	6,300,000
BenWell_Indicated	800	353,000	910	320,000	700,000

Deposit	Cutoff (ppm U <sub>3</sub> O <sub>8</sub> )	Deposit Mass (t)	Deposit Grade (ppm U <sub>3</sub> O <sub>8</sub> )	Mass U <sub>3</sub> O <sub>8</sub> (kg)	Mass U <sub>3</sub> O <sub>8</sub> (lbs)
BenWell_Inferred	125	17,179,000	335	5,750,000	12,700,000
<b>BenWell_Inferred</b>	<b>150</b>	<b>16,932,000</b>	<b>335</b>	<b>5,670,000</b>	<b>12,500,000</b>
BenWell_Inferred	175	14,474,000	365	5,280,000	11,600,000
BenWell_Inferred	200	13,288,000	380	5,050,000	11,100,000
BenWell_Inferred	250	9,080,000	455	4,130,000	9,100,000
BenWell_Inferred	300	6,266,000	535	3,350,000	7,400,000
BenWell_Inferred	400	2,736,000	780	2,130,000	4,700,000
BenWell_Inferred	500	1,998,000	900	1,800,000	4,000,000
BenWell_Inferred	800	853,000	1285	1,100,000	2,400,000

**Note:** table shows rounded numbers therefore units may not convert nor sum exactly

### Competent Person Statement

The information in the report that relates to the Mineral Resource for the Bennet Well Uranium Deposit is based on information compiled by Mr Jess Oram, Executive Director of Cauldron Energy and Mr Stephen Hyland, who is a Principal Consultant of Ravensgate. Mr Oram is a Member of the Australasian Institute of Geoscientists and Mr Hyland is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Oram has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Mr Oram and Mr Hyland consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

## Schedule of Tenements

Mining tenements held at 31 March 2019, including tenements acquired, through grant, and disposed of during the quarter:

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter
E08/1489	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/1490	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/1493	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/1501	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2017	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2081	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2205	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2385	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2386	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2387	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2478	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2479	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2480	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2665	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2774	YANREY – WESTERN AUSTRALIA	-	-	100%
140/2007	Rio Colorado Project - Catamarca, Argentina	-	-	100%
141/2007	Rio Colorado Project - Catamarca, Argentina	-	-	100%
142/2007	Rio Colorado Project - Catamarca, Argentina	-	-	100%
143/2007	Rio Colorado Project - Catamarca, Argentina	-	-	100%
144/2007-581/2009	Rio Colorado Project - Catamarca, Argentina	-	-	100%
176/1997	Rio Colorado Project - Catamarca, Argentina	-	-	100%
232/2007	Rio Colorado Project - Catamarca, Argentina	-	-	100%
270/1995	Rio Colorado Project - Catamarca, Argentina	-	-	100%
271/1995	Rio Colorado Project - Catamarca, Argentina	-	-	100%
43/2007	Rio Colorado Project - Catamarca, Argentina	-	-	100%

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Cauldron Energy Limited

### ABN

22 102 912 783

### Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(124)	(546)
(b) development	-	-
(c) production	-	-
(d) staff costs	(15)	(45)
(e) administration and corporate costs	(173)	(685)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	316
1.8 Other:		
Legal fees	(31)	(205)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(341)</b>	<b>(1,156)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(3)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(3)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,132	1,950
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(341)	(1,156)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>791</b>	<b>791</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	791	1,132
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>791</b>	<b>1,132</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

53

-

Payments included in item 6.1 of \$53,000 relates to payment of director fees.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

## Mining exploration entity and oil and gas exploration entity quarterly report

8.	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
	-		

9.	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	94
9.2	Development	-
9.3	Production	-
9.4	Staff costs	23
9.5	Administration and corporate costs	109
9.6	Other: New project generation	55
9.7	<b>Total estimated cash outflows</b>	<b>281</b>

10.	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**Compliance statement**

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
Company Secretary

Date: 30 April 2019

Print name: Michael Fry

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.