

8 October 2014

10,000m DRILLING CAMPAIGN SET TO BEGIN AT BENNET WELL

HIGHLIGHTS

- **Imminent start of 10,000 metre drill program at Bennet Well**
- **Aim to define extensions to high-grade uranium mineralisation**
- **Successful completion of drilling to lead into leach trials next year**

Australian resources company, Cauldron Energy Limited (**ASX: CXU**) ("Cauldron" or "the Company") is pleased to advise the Company is to begin a 10,000m drilling program at its wholly-owned Bennet Well uranium deposit in Western Australia.

The A\$1.5 million mud-rotary drill program has been cleared to proceed and is expected to start on 14 October 2014. This work will test the potential for uranium mineralisation and extension to the resource that may be minable by in-situ leach methods.

The current program involves drilling approximately 100 drill holes (10,000 drill metres).

Last month, Cauldron announced an 18% resource upgrade at Bennet Well based on 8 diamond drill holes (refer to ASX announcement dated 22 September 2014).

The Company expects results from this drilling program to provide a better understanding of the extractive mineralogy and better define and extend the high-grade zone of the mineralisation.

The next step in the Bennet Well project development, following the successful completion of this drill program, will be the testing of the extraction of uranium via an in-situ leach test currently planned for June 2015 Quarter.

The start of the drilling program follows on from the Company's shareholder meeting held 30 September 2014 (**Meeting**), at which resolutions were passed approving the issue of fully paid ordinary shares (**Shares**) to raise significant funds via share placements. As previously announced, the Company secured a total of A\$15 million in funding (**Placement Funds**) via a series of share placement agreements with a range of Chinese investors (**Placements**). In respect of the Placements:

- (a) \$1.9 million of the Placement Funds were received and 16,476,621 Shares were issued on 19 June 2014 (ratified by shareholders at the Meeting);

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ASX code: CXU

225,680,527 shares
13,900,000 unlisted options

Board of Directors

Tony Sage
Executive Chairman

Brett Smith
Executive Director

Qiu Derong
Non-executive Director

Anson Huang
Non-executive Director

Catherine Grant
Company Secretary

- (b) \$3.1 million of the Placement Funds were received and 25,896,276 Shares were issued on 1 October 2014 (approved by shareholders at the Meeting);
- (c) \$6 million in Placement Funds are expected to be received in the next two months, with shareholder approval obtained at the Meeting for the issue of 56,666,503 Shares; and
- (d) \$4 million in Placement Funds are expected to be received as agreed between December 2014 and December 2015 (subject to shareholder approval).

The A\$15 million funding secured from supportive Chinese shareholders and new Chinese investors will provide funding for Cauldron to advance its 3 exciting projects; Bennet Well uranium project in Western Australia, Marree base metals project in South Australia and Rio Colorado base metals project in Argentina.

Cauldron believes that each of these has the potential to be a company-making project, hosting high grade uranium and base metal mineralisation.

Yours faithfully
Cauldron Energy Limited

Tony Sage
Executive Chairman

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For further information, visit www.cauldronenergy.com.au or contact:

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