

Cauldron secures Drill contractor with Underground start-up planned in the short term

Highlights

- **Cauldron and Core Prospecting have agreed a Services Agreement for the provision of underground diamond drilling at the Company's Blackwood Gold Project.**
- **Cauldron has received all necessary approvals and consents to allow underground operations to now commence utilising the Tyrconnel Portal to access its planned drill positions (refer ASX announcement of 25 June 2021).**
- **The 1.5km Tyrconnel access bisects both the Eastern and Western Reef packages comprising some historically prolific gold reefs and encompassing the Sultan shaft which produced a little over 73,000 ounces of gold at an average grade of 28 g/t in the 1860's (refer ASX announcement of 8 January 2020).**
- **The Tyrconnel access tunnel provides the Company's geologists with an ideal underground drill platform to target all the reef systems and provides multiple opportunities for sampling.**
- **The Company has plans approved to combine this valuable access infrastructure with the modern geological understanding of the gold distribution in the Victorian goldfields to bring the drill collars closer to the target high-grade plunges believed to be extensions of the historically mined gold reefs (refer ASX announcement of 15 March 2021).**

Cauldron Energy Limited (**Cauldron** or the **Company**) (ASX: CXU) is pleased to announce an agreement for underground drilling services between Core Prospecting Pty Limited of Heathcote Victoria and Cauldron.

Core Prospecting has a successful history of performing underground drilling services at a number of historical mines in the Victorian Goldfields in line with the Company's goals of using mining access created by historic miners and traditional mining methods. The proposed work program which has been approved by regulators includes initial 'walk-up' drill targets accessible from platforms inside the mining infrastructure. Cauldron plans to target reefs forming parallel sets providing multiple intersection opportunities at the Eastern Reef system which was mined across two time periods; an early period up to the 1860's and a subsequent period in the 1990s.

The initial drilling program will be completed with a Kempe compressed air diamond drill rig which requires minimal works reducing costs and compressing the start-up period. This small unit requires a limited set-up and utilises compressed air. The design of the drilling and the use of the existing underground infrastructure provide improves the probability of intersecting mineralisation while reducing costs and provides a very high quality and high frequency news flow.

ABN

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ASX Code

CXU

Securities on Issue

455,999,512 shares
6,833,395 Options (exercise price: \$0.03; expiry 31 Dec 2021)
16,666,666 Options (exercise price: \$0.03; expiry 31 Mar 2022)
10,000,000 Unlisted Options (exercise: \$0.03; expiry 16-Sep-22)
6,000,000 Unlisted Options (exercise: \$0.05; expiry 16-Sep-23)
45,354,839 Options (exercise price: \$0.05; expiry 30 Nov 2023)
9,000,000 Performance Rights (expiring 10 August 2025)

Board of Directors

Simon Youds
Executive Chairman

Jess Oram
Non-executive Director

Qiu Derong
Non-executive Director

Judy Li
Non-executive Director

Chenchong Zhou
Non-executive Director

Michael Fry
Company Secretary

Mineralisation is interpreted to exist in a parallel set of veins that have a north-south trending strike of 3.5 km (refer to Figure 1). The Tyrconnel adit cuts across this line-of-lode providing access to seven or eight vein systems, most notably underneath and to the south (left as shown in Fig 1) of the shaft collar of the Pioneer Shaft. The drilling program will target the down-plunge extensions of the known mineralised reef systems.

The Company expects to be able to establish operations on site and start drilling in the coming weeks. A site visit to plan the mobilisation to site with Core Prospecting and the Company's geologists and operational personnel is planned within two weeks. After which, Core Prospecting and the Company will establish a site presence with immediate effect with drilling to commence thereafter.

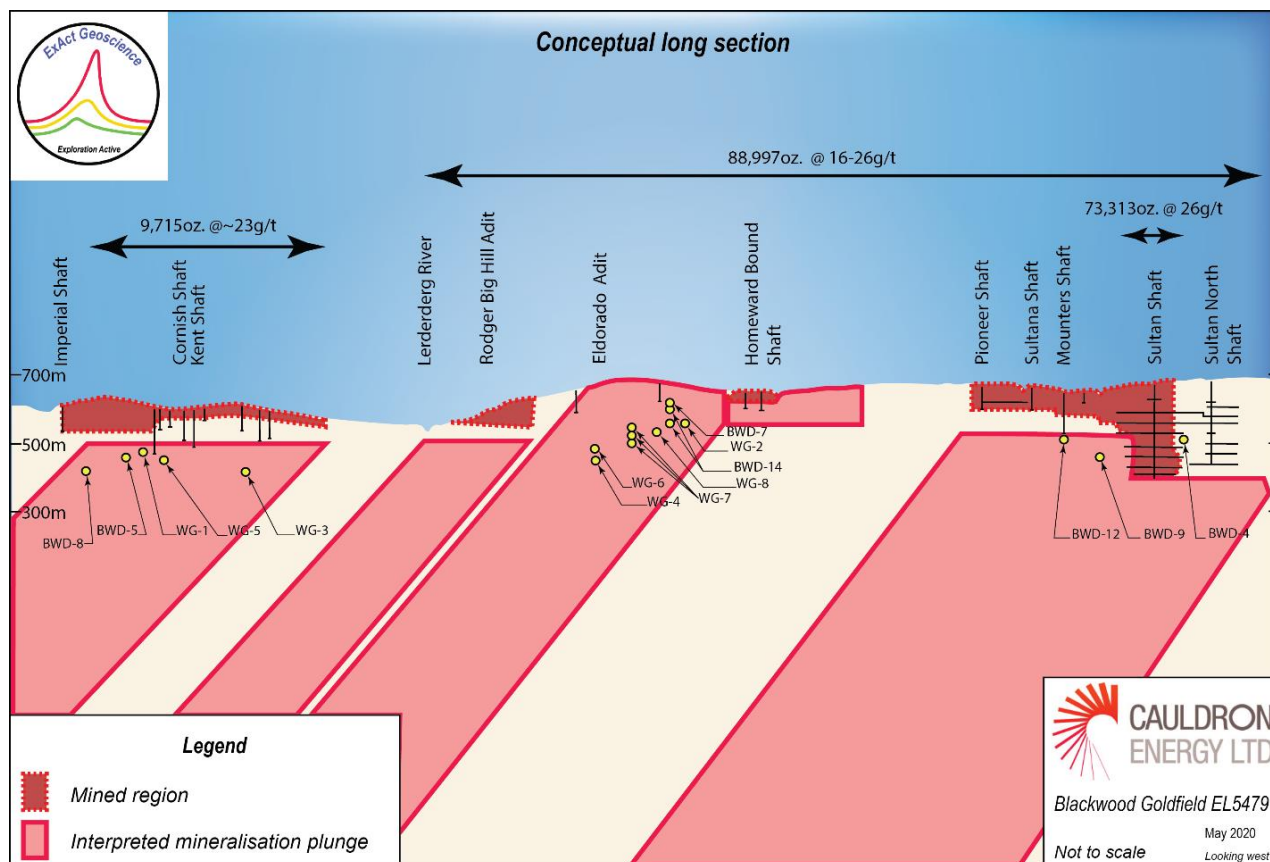


Figure 1: Conceptual South (left) - North (right) 3.5 km long-section for Simmons – Rogers Big Hill – Sultan line of lode; the Tyrconnel accesses between the projected North (Pioneer to Sultan shafts) and Central (Rodgers Big Hill to Homeward Bound Shafts) high-grade mineralisation plunges (in red) making it the ideal drill platform especially for the North area.



Figure 2: Picture of the Tyrconnel Adit and inside the drive

Commenting on securing an underground drilling contractor for Cauldron, director Jess Oram said: *"It's exciting for Cauldron that a company with the critical underground equipment and skills in the Victorian Gold fields like Core Prospecting are immediately available and keen to be at the start of this exciting exploration work. Cauldron has defined and followed through on its strategy and commitment to use traditional access and methods to explore this historically prolific and largely overlooked goldfield. We are excited to partner with Core Prospecting and finally be able to test our models and start the field work in this extremely target rich part of the Victorian Goldfield"*.

The Blackwood Gold Project is located in Victoria's highly productive 'Golden Triangle' having exceptional opportunity to extend the ore shoots abandoned by past miners. In addition, there is potential to discover new ore shoots lying proximal to the underground tunnel system left by historical mining activity.

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Authorised for release by Mr Simon Youds, Executive Chairman.

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Competent Person Statement

The information in this announcement that relates to exploration results is taken from reports compiled by Mr Jess Oram, Executive Director of Cauldron Energy Limited. Mr Oram is a Member of the Australasian Institute of Geoscientists.

Mr Oram has sufficient experience of relevance to the style of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Oram consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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