

Blackwood Gold Project Update

Cauldron to Recommence Underground Diamond Drilling Before Christmas



Underground Diamond Drill in Tyrconnel Adit

Highlights

- Drilling scheduled to recommence on 23 December 2021.
- Immediate focus: a fan of five underground drillholes designed to target a potentially high-grade, under explored area adjacent to the Annie Laurie Reef, last mined during the 1860 – 90s.
- Underground drilling with a Kempe Diamond Drill allows multiple short holes and maximises target structure intersections.
- Kempe drilling equipment and operators now both available with COVID travel constraints having been lifted.

Cauldron Energy Limited (**Cauldron** or the **Company**) (ASX: CXU) is pleased to provide an update relating to its exploration activities at its prospective Blackwood Gold Project (or **Blackwood**, **Figure 1**). These activities are centred on the historically worked Eastern Gold Reefs, which are accessed from the Tyrconnel Adit¹.

Previous drilling, channel sampling and mapping have firmed up the potential of this specific target area adjacent to the Annie Laurie Reef. The reef at this level was last mined during the 1860 and early 1890s during the Victorian Gold Rush period which saw intense mining activity in the Barrys Reef area.

ABN

22 102 912 783

Address

Unit 47, Level 1
1008 Wellington Street
WEST PERTH WA 6005

PO BOX 1024
West Leederville WA 6007

ASX Code

CXU

Securities on Issue

491,293,630 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)
61,001,898 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

¹ Refer to ASX:CXU announcement dated 16 November 2021

The location of the various known gold reefs in the Blackwood Gold Project overlying regional geology are shown in **Figure 2** below and a conceptual long section view of these same reefs with the current interpretation of remaining mineralisation orientation and potential² is shown in **Figure 3** below. The northern end of the long section is the area being targeted through the Tyrconnel Adit. By accessing this Adit underground, the Company is positioning itself on the perfect drill platform approximately 100m below the surface.

This location is considered the best place from which to test multiple targets on both the Eastern (Annie Laurie/Grace Edgerton) and Western (Sultan/Mounters) Reef systems. The historically prolific Western Reefs comprise between 6 and 8 gold reefs of significantly high grades, producing incredible financial returns for London-based shareholders back in the late 1800s gold rush era. Historical reports indicate that the grades discovered during the historical gold rush rivalled the material currently being mined at the underground Fosterville Gold Mine, approximately 83km to the north-northeast of Blackwood.

To date, ground-based operations have involved re-establishing access within the Tyrconnel Adit using modern stabilisation systems³. As previously mentioned, access to the reefs from within the Tyrconnel presents Cauldron with the unique opportunity to test down dip extensions of this highly prolific reef system which remained poorly explored because of technology, access and finance limitations in past mining eras. In modern times, these factors also present operational challenges for testing these targets through surface drilling. The Company has been able to circumvent these challenges by drilling below the 100-metre threshold in order to:

- Achieve the most optimal position from which to test exploration targets,
- Maintain a closed-circuit system for drilling fluids,
- Ensuring that there is no disturbance to any surface features or community during operations,
- Reduce costs and low value drill metres and at the same time increase accuracy & intercept frequency by bringing the target closer to the drill platform.

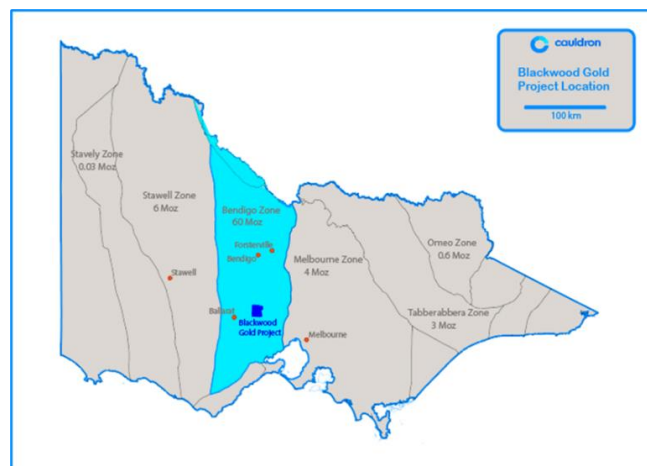


Figure 1 Blackwood Gold Project Location

Cauldron's Executive Chairperson, Simon Youds, commented on the planned restart saying: *"It has been a very frustrating period for the team at Blackwood – having such high potential targets but being unable to drill them due to COVID travel restrictions and access limitations. Now that both issues are in hand, we can finally resume the exciting task of testing what we perceive to be a previously unrecognised section of the Eastern Reef system. Unfortunately, this means that we will be working through the holiday season, however at least now we will be able to resume our initial goal of testing an extremely exciting, historically-rich gold mining area that has been under explored in modern times and which still has the potential to contain untold resources of gold mineralisation."*

² Refer to ASX:CXU announcement dated 15 March 2021

³ Refer to ASX:CXU announcement dated 16 August 2021

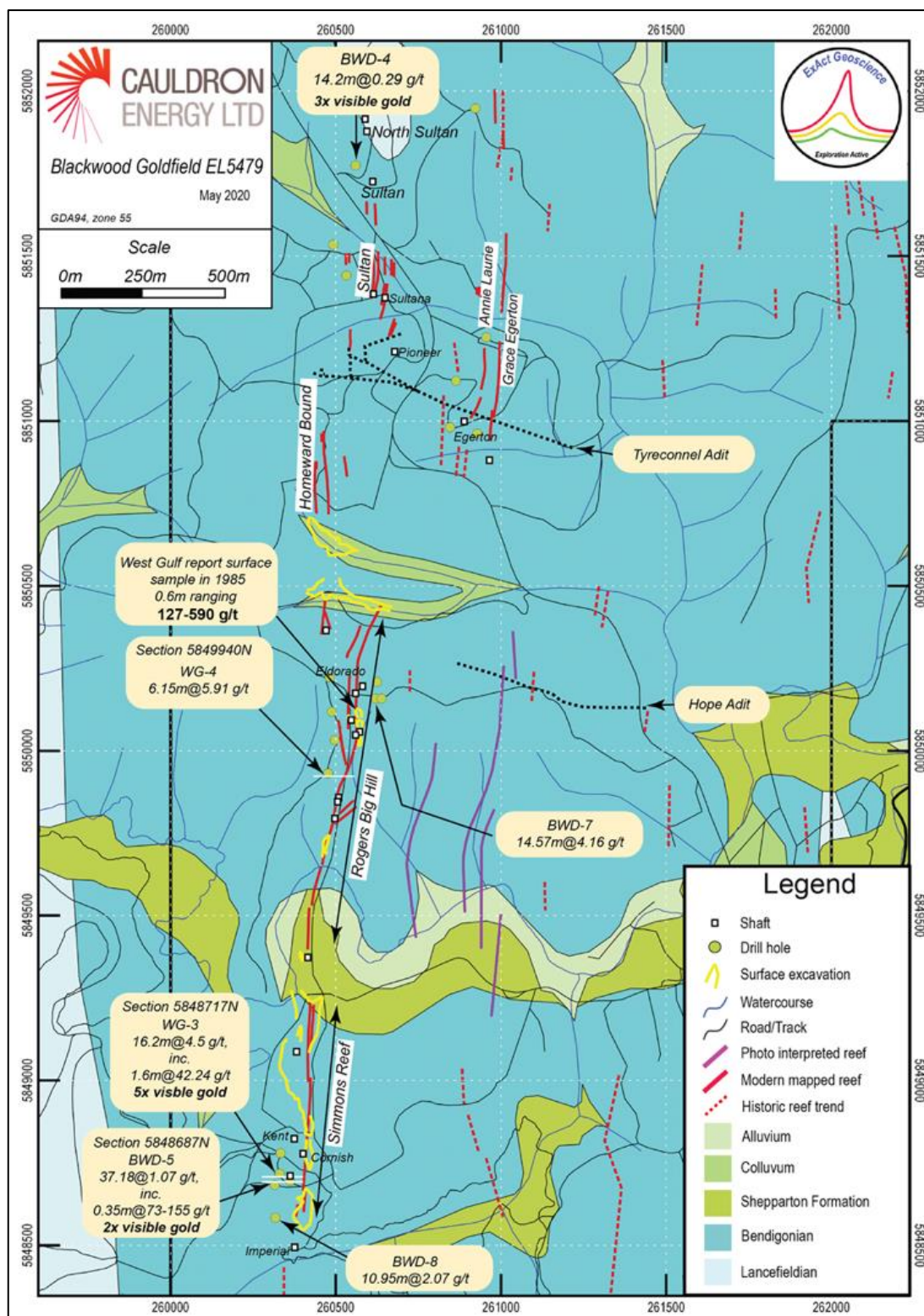


Figure 2: Current, known, mineralised trends within the Blackwood Gold Project, overlain on regional geology (courtesy of ExAct Geoscience, 2020)⁴

⁴ Refer to ASX:CXU announcement dated 16 November 2021 for drilling intercepts

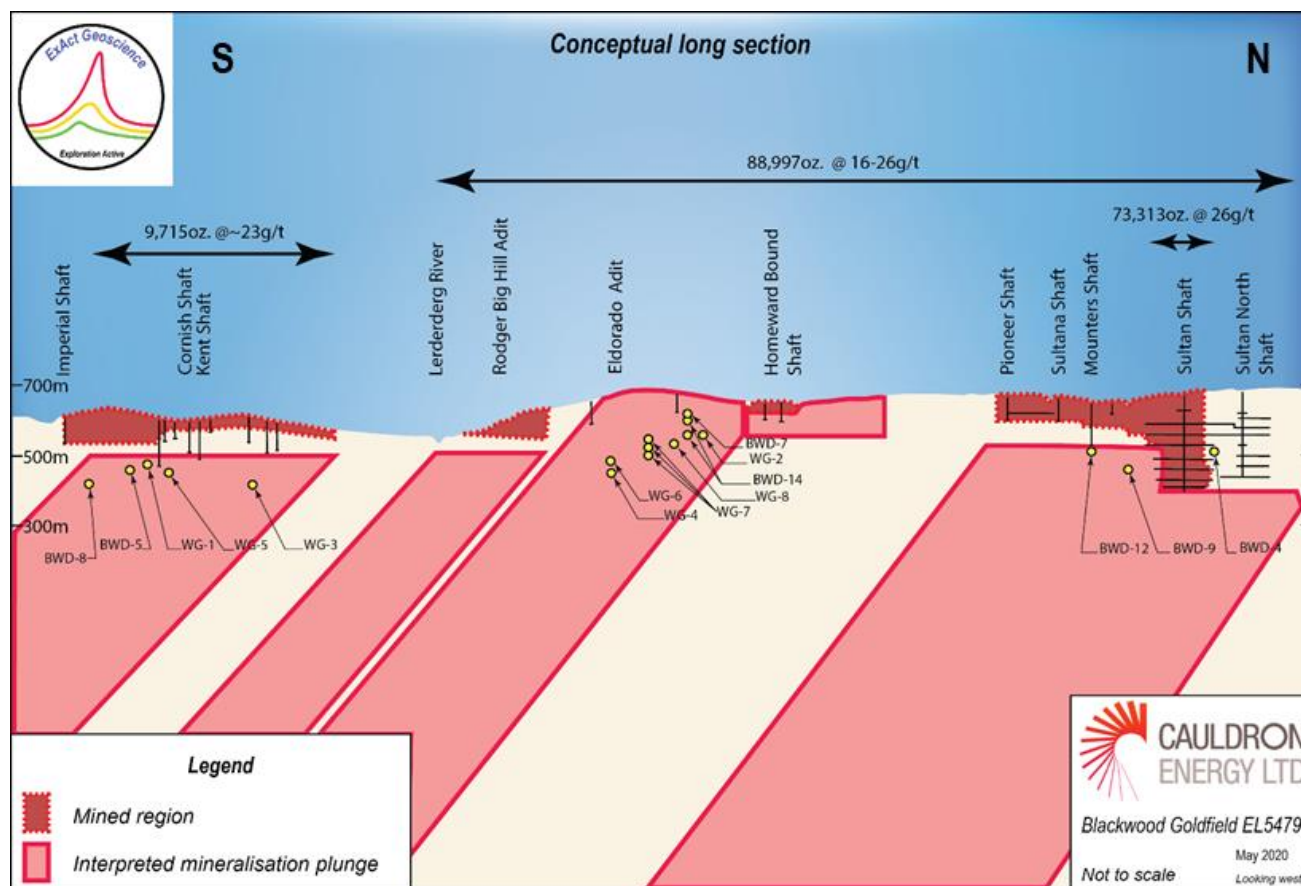


Figure 3: Conceptual Long Section showing interpreted mineralisation trends along the north-south trend of mineralised reefs at Blackwood

END

Authorised for release by Mr Simon Youds, Executive Chairperson Cauldron Energy Limited

For further information please contact:

Simon Youds
Executive Chairperson
Cauldron Energy Limited
T: (08) 6270 4693
M: +61 408 937 928
simon.youds@cauldronenergy.com.au

Michael Fry
Company Secretary
Cauldron Energy Limited
T: (08) 6260 4693
M: +61 417 996 454
michael.fry@cauldronenergy.com.au

Competent Person Statement

The information contained in this report that relates to exploration results for the **Blackwood Gold project** is provided by Ms Asha Rao, who is a Member of both the AusIMM and the Australasian Institute of Geoscientists (AIG). Ms Rao has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person, as defined in the JORC 2012 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Ms Rao has more than 16 years of experience and is employed full-time as Exploration Manager for Cauldron Energy Ltd. Ms Rao consents to the inclusion in this report of the matters based on this information in the form and context in which they appear.

Reference to previous ASX announcements

The historical exploration results referred to in this announcement were reported by the Company in accordance with listing rule 5.7 and 5.7.2 on 16 November 2021. The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements referred to herein and that all material assumptions and technical parameters underpinning the historical exploration results in the previous announcements continue to apply and have not materially changed.

Disclaimer

- This market update has been prepared by Cauldron Energy Limited (“Company”). The material contained in this market update is for information purposes only. This market update is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in the Company. Neither this market update, nor anything contained therein, shall form the basis of any contract or commitment.
- The market update may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Cauldron Energy Limited’s business plans, intentions, opportunities, expectations, capabilities and other statements that are not historical facts. Forward-looking statements include those containing such words as *could-plan-target-estimate-forecast-anticipate-indicate-expect-intend-may-potential-should* or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which could cause actual results to differ from those expressed in this market update. Since actual results might differ materially to the information in this market update, the Company does not make (nor should this report be relied upon as) any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties. Investors are cautioned to view all forward-looking statements with caution and to not place undue reliance on such statements.
- The market update has been prepared by the Company based on information available to it, including information from third parties, and has not independently verified. No representation or warranty, express or implied, is made to the fairness, accuracy or completeness of the information or opinions contained in this market update.